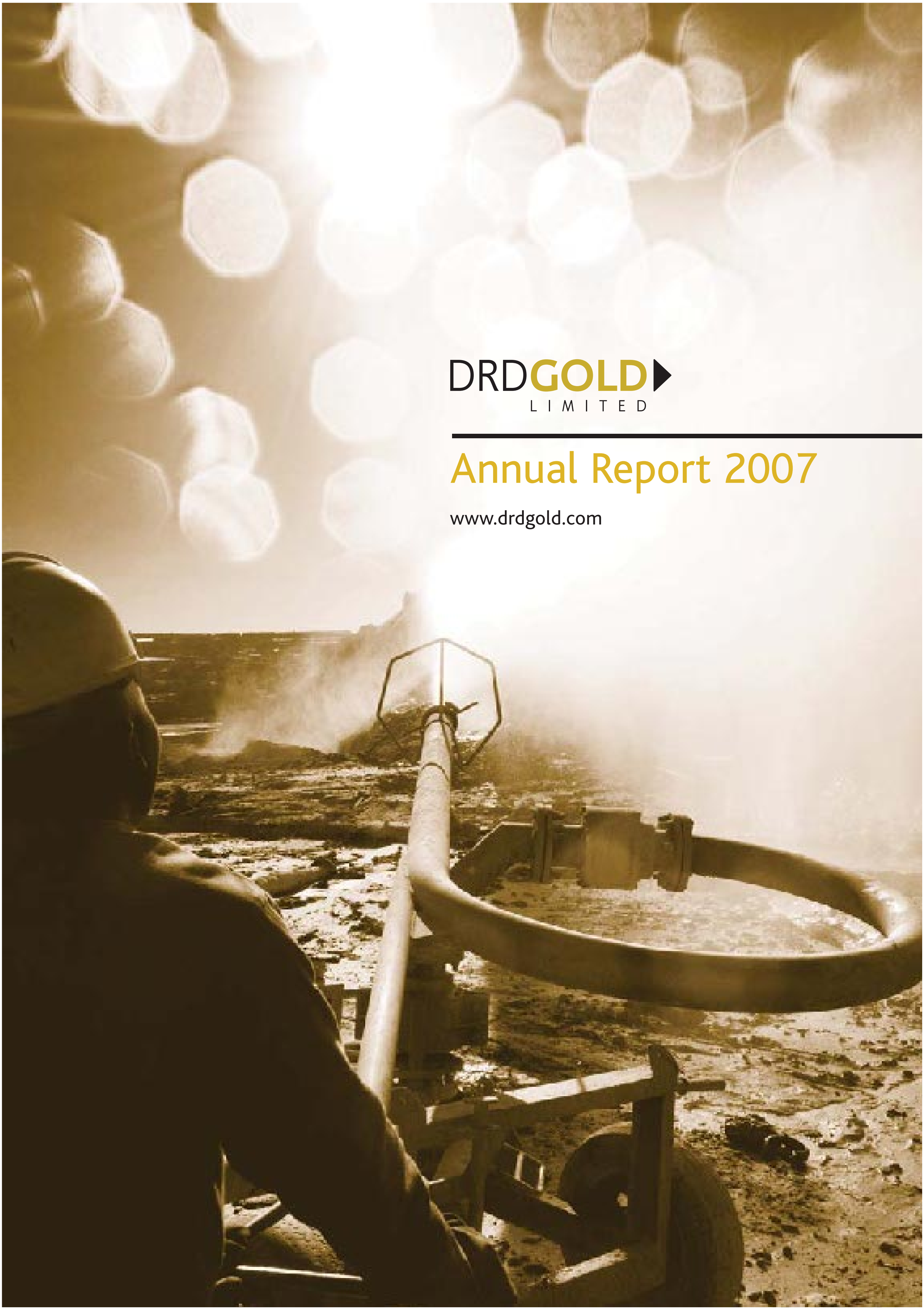
DRDGOLD LIMITED

Annual Report 2007

www.drdgold.com

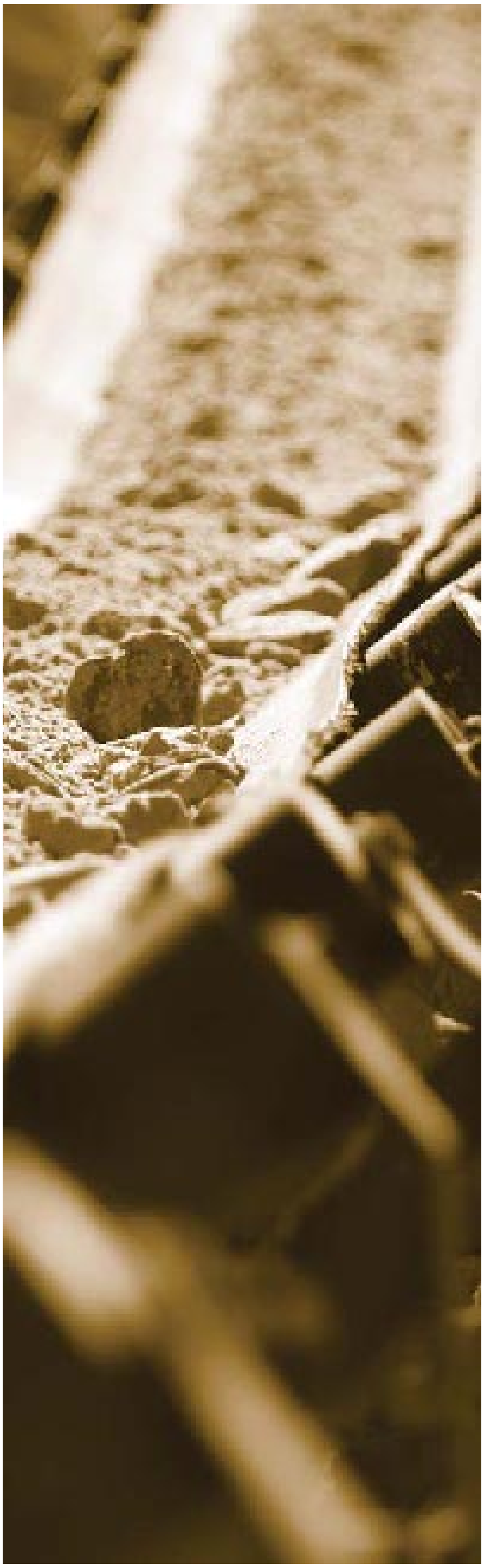


Disclaimer

Some of the information in this annual report may contain projections or other forward-looking statements regarding future events or other financial performance, including forward-looking statements and information relating to our company that are based on the beliefs of our management, as well as assumptions made by and information currently available to our management. When used in this annual report, the words 'estimate, 'project', 'believe', 'anticipate', 'intend', 'expect' and similar expressions are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, adverse changes or uncertainties in general economic conditions in the markets we serve, a drop in the gold price, a continuing strengthening of the rand against the dollar, regulatory developments adverse to DRDGOLD or difficulties in maintaining necessary licences or other governmental approvals, changes in DRDGOLD's competitive position, changes in business strategy, any major disruption in production at key facilities or adverse changes in foreign exchange rates and various other factors. These risks include, without limitation, those described in the section entitled 'Risk Factors' included in our annual report for the fiscal year ended 30 June 2006, which we filed with the United States Securities and Exchange Commission on 22 December 2006 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 the occurrence of unanticipated events.

***Please note that dollar or $ refers to US dollars throughout this document.**

Contents



DRDGOLD LIMITED

Vision, values and profile

OUR VISION

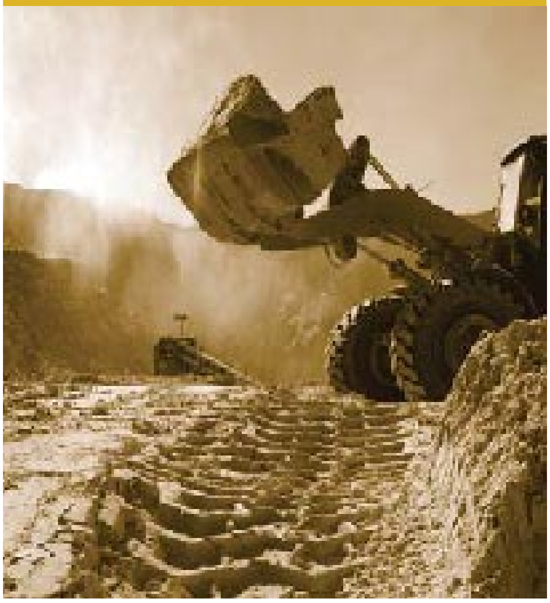
To become an investment vehicle of choice by:

- stabilising all aspects of our business: management, staff and assets;
- improving operational performance;
- forming joint ventures where these promise value for shareholders; and
- considering major orebodies where gold is not the sole metal, for example copper-gold deposits and uranium.

OUR VALUES

To deliver sound results to our shareholders:

- by working safely together;
- with passion and commitment;
- learning from the past while embracing the future;
- acting always with focus and decisiveness while being responsible and flexible in the face of change;
- being committed to transparency and the fostering of trust;
- engaging with and respecting each other and people in the communities affected by our activities; and
- by always taking pleasure and satisfaction from what we achieve.



PROFILE

DRDGOLD Limited is a South African-based gold producer with operations and exploration activities in South Africa, held through a 74% interest in DRDGOLD South African Operations (Pty) Limited (DRDGOLD SA), and in Papua New Guinea, held through a 78.9% stake in Emperor Mines Limited (Emperor). The group is involved in all facets of gold mining: from exploration and the operation of deep-level and opencast mines, to the re-treatment of surface material and the extraction, processing and smelting of ore.

A major repositioning of DRDGOLD in 2006-07 has seen the company taking a different approach to its portfolios on the two continents. In South Africa, the concentration has been on stabilising and developing existing assets as well as actively seeking new opportunities. In Australasia, where operational difficulties have had a negative effect on DRDGOLD's bottom line, Emperor has divested itself of two investments.

In South Africa, DRDGOLD's empowerment partner, Khumo Gold SPV (Pty) Limited, has recently increased its holding in DRDGOLD SA from 15% to 20% and facilitated the incorporation of a further 6% into an employee trust. This means that DRDGOLD has met the South African Mining Charter's black economic empowerment equity target of 26% by 2014, seven years ahead of schedule.

DRDGOLD SA owns and operates the Blyvooruitzicht Gold Mining Company Limited (Blyvoor), the gold mining operations of East Rand Proprietary Mines Limited (ERPM) and Crown Gold Recoveries (Pty) Limited (Crown), the world's largest operation recovering gold from disused mine dumps. This aspect of DRDGOLD's business is set to grow.

During the year under review a 50:50 joint venture was formed between DRDGOLD SA and Mintails SA (Pty) Limited (Mintails SA) which acquired from AngloGold Ashanti 15 million ounces (Moz) of gold-bearing tailings material and some infrastructure from Ergo, its discontinued surface reclamation operation on the East Rand goldfield of the Witwatersrand Basin. The joint venture will be managed by Crown.

There have also been recent important developments in terms of looking for new ounces in South Africa. The first concerns ERPM where the Department of Minerals and Energy has granted the application for a prospecting right over the second portion of the neighbouring Sallies lease area. To be known as ERPM Extension 2, the area is 5 500 hectares in extent and has an exploration target of 7 to 11 Moz.

The second development was the announcement that DRDGOLD and Mintails SA have reached agreement on the formation of a second joint venture – to explore, evaluate and potentially mine gold and uranium by opencast and underground mining methods in the West Rand goldfield. The goal of the joint venture in which the companies will each hold 45% with Mineral and Mining Reclamation Services (Pty) Limited holding the balance, is to re-start mining in this part of the Witwatersrand Basin.

During 2006-07 Emperor sold the Vatukoula gold mine in Fiji and its 20% holding in the Porgera Joint Venture in Papua New Guinea (PNG). The assets that remain in Australasia are the wholly owned Tolukuma gold mine in PNG and extensive copper-gold exploration tenements in that country.

In the 2007 financial year, DRDGOLD's attributable production fell to 477 157 ounces (FY06: 527 401 ounces), 334 496 from DRDGOLD SA. At 30 June 2007, DRDGOLD's total attributable resource base was 54.2Moz and its total attributable reserves were 6.3Moz. Some 53.9Moz of attributable resources were in South Africa where an increase of 33% was recorded compared with FY06 when the resource base was 40.6Moz. With regard to attributable reserves, 6.2Moz, or 98%, were in South Africa and the balance in Australasia.

DRDGOLD's primary listing (DRD) is on the Johannesburg stock exchange, the JSE Limited, and it has a secondary listing (DROOY) on the Nasdaq Capital Market.

Financial highlights

			2007	2006	% change
Gold					
Attributable production	- total operations	(thousand ounces)	477	527	(10)
	- continuing operations	(thousand ounces)	450	527	(15)
Attributable production	- total operations	(thousand kilograms)	15	16	(10)
	- continuing operations	(thousand kilograms)	14	16	(15)
Average spot price		(US$ per ounce)	638	526	21
Average spot price		(R per kilogram)	148 041	108 623	36
Average price received		(US$ per ounce)	642	539	19
Average price received		(R per kilogram)	148 912	111 319	34
Average cash cost	- total operations	(US$ per ounce)	591	466	27
	- continuing operations	(US$ per ounce)	572	446	28
Average cash cost	- total operations	(R per kilogram)	137 147	96 228	43
	- continuing operations	(R per kilogram)	132 722	92 118	44
Financial					
Revenue	- total operations	(US$ million)	306.1	248.9	23
	- continuing operations	(US$ million)	289.2	246.4	17
Revenue	- total operations	(R million)	2 209.7	1 600.0	38
	- continuing operations	(R million)	2 087.7	1 584.2	32
Gross profit/(loss)	- total operations	(US$ million)	(4.8)	3.9	(222)
	- continuing operations	(US$ million)	15.2	11.4	33
Gross profit/(loss)	- total operations	(R million)	(34.5)	25.1	(238)
	- continuing operations	(R million)	109.4	73.1	50
Loss before taxation	- total operations	(US$ million)	(173.2)	(16.9)	(927)
	- continuing operations	(US$ million)	(31.6)	(0.3)	(12 105)
Loss before taxation	- total operations	(R million)	(1 250.2)	(108.4)	(1 053)
	- continuing operations	(R million)	(227.8)	(1.7)	(13 605)
Loss for the year	- total operations	(US$ million)	(161.4)	(17.8)	(806)
	- continuing operations	(US$ million)	(32.3)	(4.3)	(651)
Loss for the year	- total operations	(R million)	(1 165.0)	(114.5)	(918)
	- continuing operations	(R million)	(233.5)	(27.7)	(743)
Basic loss per share	- total operations	(US$ cents)	(38)	(6)	(581)
	- continuing operations	(US$ cents)	(8)	(1)	(432)
Basic loss per share	- total operations	(R cents)	(271)	(35)	(665)
	- continuing operations	(R cents)	(56)	(9)	(497)
Total assets		(US$ million)	275.2	414.0	(34)
Total assets		(R million)	1 947.2	3 010.1	(35)
Net asset value per share		(US$ cents)	5	44	(87)
Net asset value per share		(R cents)	39	317	(88)
Reserves and resources					
Attributable ore reserves		(million ounces)	6.3	8.8	(28)
Attributable mineral resources		(million ounces)	54.2	47.6	14
Share statistics					
Market price per share[1]		(US$)	0.73	1.37	(47)
Market price per share[1]		(R)	5.25	10.00	(48)
Ordinary shares in issue[1]			370 341 981	320 035 078	16
Market capitalisation[1]		(US$ million)	270	438	(38)
Market capitalisation[1]		(R million)	1 944.3	3 200.4	(39)
Exchange rates					
United States dollar	- Average rate	(R:US$)	7.2188	6.4284	12
	- Closing rate	(R:US$)	7.0760	7.2701	(3)
Australian dollar	- Average rate	(R:A$)	5.6710	4.8071	18
	- Closing rate	(R:A$)	6.0062	5.3080	13
Papua New Guinean kina	- Average rate	(R:K)	2.5430	2.1924	16
	- Closing rate	(R:K)	2.4324	2.5480	(5)

[1] *At 30 June*

Chairman's letter to shareholders

Dear shareholder

It has been a tough year for DRDGOLD in spite of the favourable gold price. Our Australian subsidiary, Emperor, underwent a major restructuring and in South Africa we have had to contend with onerous cost inflation and the difficulties of mining from deep mines with ageing infrastructure.

The outlook in South Africa, however, is encouraging. Once again we have increased our gold resources; the challenge will be to bring these resources to account. Also, the considerable increase in the uranium price greatly improves the likelihood that we will be able to realise profits both from extracting uranium from our mine dumps and from producing it as a by-product of gold mining.

At Emperor a re-evaluation of the Vatukoula orebody concluded that it could not be mined economically and the operations in Fiji were sold for a nominal sum along with substantial liabilities. Emperor had to pay off the debt incurred in developing the Fijian operations and sold its 20% stake in the Porgera mine for \$250 million. The sale of Porgera cleared all the company's debt, including money owed to DRDGOLD. It has left Emperor with cash, a small gold mine and exploration tenements, and the task of rebuilding the company.

Many things have changed at Emperor since our initial investment and in light of the many exciting opportunities in South Africa, the board has determined that it is in DRDGOLD's best interest to focus our efforts on South Africa.

Our surface and underground operations in South Africa have very different characteristics. The surface operations are profitable but have limited lives. The underground mines have very large resources, but are marginal. The goal for everyone at DRDGOLD SA is to extend the lives of the profitable surface operations and reduce the marginality of the underground mines.

The strategy is two-fold. We have extended the scope of our surface operations by purchasing mine dumps and deposition sites where possible and by entering into two joint ventures with Mintails SA. It is vitally important that we maintain sufficient operational cash flow to implement the second part of the strategy, which is to create stability in the underground mines. Operating old, deep mines is extremely challenging and complex, and safety in these difficult working conditions must always be the number one priority. That established, we must continually strive for efficiency and productivity in all aspects of the operations in order to bring the 54.2 million ounces of gold resources to account. It must be said that the efforts and motivation of our workforce are paramount to achieving these improvements. With the company concentrating on South Africa we are confident that we can achieve the necessary operational stability to ensure that our underground mines are consistently cash flow positive.

It has been a difficult 12 months but DRDGOLD has emerged in good shape. We are focused on South Africa, we have a strong balance sheet and we have a clear strategy to take the company forward and increase the value of the South African assets. Dealing with the changing environment and difficulties that we have faced, required dedication and resilience on the part of our employees. I would like to thank them all for their commitment to the company and their hard work.

Geoffrey Campbell
Chairman
21 September 2007

It has been a difficult 12 months but DRDGOLD has emerged in good shape.

We are focused on South Africa, we have a strong balance sheet and we have a clear strategy to take the company forward and increase the value of the South African assets.

CEO's review of operations

The 2007 financial year for DRDGOLD was a sobering one, with our plans for our Australasian investment no sooner announced at the outset than they began to go awry. The reasons were well recorded during the year and I will reflect on these and the consequent Emperor balance sheet restructuring – which included the disposal of the Vatukoula mine in Fiji and the 20% stake in the Porgera Joint Venture in Papua New Guinea – later in this review.

Our investment in South African-based DRDGOLD SA was more rewarding, with some exciting new growth opportunities. Our long track record of success in surface retreatment continued to hold us in good stead, and stabilisation plans for the mature underground operations, while not without setbacks, were beginning to show positive results by year-end.

Overall group operational performance was well below what was anticipated mainly because events in Australasia carried through to the bottom line. A disenchanted investing community read the signs, and the DRDGOLD share price closed at R5.25 for the year, down 48% on the previous year. The company's market capitalisation weakened by 39% to R1 944.3 million. By year-end, however, with the afore-mentioned Emperor balance sheet restructuring substantially completed, the way ahead for DRDGOLD was clear, with a pronounced focus on growth in South Africa.

SAFETY, HEALTH AND ENVIRONMENT

With deep regret I must record the death of eight group employees in work-related incidents during the 2007 financial year – six, who were employees of DRDGOLD SA operations, and two employees of Emperor's Tolukuma mine who died in a helicopter crash with two other passengers.

Those employees who died were Augustino Lebaka, Nkosana Sikhafungana, Jacinto Chivambo and Mojalefa Semano of Blyvoor, Ernesto Vuma and Siyakudumisa Qwetsha of ERPM, and Lawrence Aua and Linus Kopa of Tolukuma. I would like to extend my deepest condolences to their families, friends and colleagues.

While DRDGOLD SA's disabling injury frequency rate (DIFR) declined marginally from 10.81 to 10.46, its reportable injury frequency rate (RIFR) rose from 3.81 to 4.75 and its fatal injury frequency rate (FIFR) remained virtually unchanged at 0.21. Falls of ground – gravity- and seismicity-related – were overwhelmingly the biggest single cause of injury. Several initiatives to effect safety performance improvements at the operations of DRDGOLD SA are reported upon in greater detail elsewhere in this report.

Turning to the operations of Emperor, Tolukuma's lost time injury frequency rate (LTIFR) deteriorated from 2.58 to 2.81 as a consequence of the helicopter crash. If this is excluded, injuries were fewer and less severe overall. For the period in 2007 of Emperor's ownership of Vatukoula and investment in Porgera, safety at both operations showed improvement.

Activities in respect of health care and environmental management in both South Africa and Australasia are reported upon on pages 24 to 29 of this report. While one can never be sanguine, I am satisfied that all issues continue to be addressed in a responsible manner, with input from the relevant stakeholders.

GOLD MARKET

The gold market performed strongly in the year under review. Whilst the gold price did not again breach $700/oz after June 2006, the average spot price was 21% higher than in the previous year, at $638/oz. Amid continuing global economic uncertainty, investors turned once more to gold – notably to safe-haven products such as Exchange Traded Funds (ETFs) and this, together with more de-hedging activity and a slowdown in new mine supply, particularly from South Africa – saw demand exceed supply. The average gold price received by DRDGOLD for the year was 19% higher at $642/oz.Looking ahead, the fundamentals for our product are encouraging. There are unlikely to be any immediately effective solutions to current global economic pressures and investors, we believe, will continue to favour gold in its various investment forms. The supply side shortfall is likely to continue because of an amalgam of circumstances; these include new mines having missed their start-up dates and the challenge – particularly to South African producers such as ourselves – of maintaining profitable production in the face of increasing depth and rising costs.

GROUP PERFORMANCE

Group gold production for the year decreased by 10% to 477 157 ounces due to lower Australasian gold production but we saw an encouraging increase in gold production from the South African operations. While group revenue from continuing operations was 32% higher at R2 087.7 million, reflecting the higher average gold price received, group cash operating costs were 41% higher at R1 813.5 million. Consequently group cash operating profit was 8% lower at R274.2 million.

SOUTH AFRICAN PERFORMANCE

A 6% increase in South African gold production to 334 496 ounces was achieved in spite of various operational setbacks referred to in my operation-by-operation commentary below, and point to continuing satisfactory performance overall from the surface retreatment operations and encouraging progress by year-end in the drive to restore stability at the underground operations.

Although cash operating costs were 12% higher at $540/oz, increased production and the much healthier average gold price received resulted in a net profit of R55 million compared with the previous year's R30 million net loss.

BLYVOORUITZICHT

Total gold production declined year-on-year by 5% to 151 269 ounces. While

underground gold production was 8% lower at 110 471 ounces, gold production from surface sources increased by 3% to 40 798 ounces.

Reduced underground production reflects implementation during the year under review of a new, 'lower grade, higher volume' mine plan to address safety concerns arising from increasing levels of seismicity in the high-grade area of the mine's No 5 shaft. The new plan, initially targeting a production level of 70 000 tonnes a month, involved reducing production from the seismically active high-grade area of No 5 shaft and simultaneously increasing volumes mined from the No 4 and No 6 shaft areas. Implementation of the new plan continued during the year under review but not without setbacks. These included a power failure-induced shaft incident which caused damage to No 6 shaft infrastructure, an underground fire, and illegal strike action. Towards year-end, monthly production reached 60 000 tonnes and a review indicated this to be a more realistic production level for the mine's underground operations going forward. For the year, underground throughput was 2% higher at 690 000 tonnes and the average yield 10% lower at 4.98g/t.

Higher surface gold production resulted from a 2% throughput increase to 3 694 000 tonnes, which offset the impact of a 10% decline in the average yield to 0.34 g/t. Total cash operating costs were 15% higher at $547/oz, reflecting 16% increases in both underground and surface cash operating costs, the former to $642/oz and the latter to $287/oz. Cash operating profit was nevertheless 93% higher, a consequence of the higher gold price received.

Good progress was made during the year on Blyvoor's Way Ahead Project (WAP) which replaced the No 2 Sub-shaft Project. WAP involves accessing the No 2 sub-shaft reserves from levels 27 to 35 of No 5 shaft at a substantially reduced cost of R37 million over the next three years.

At year-end, encouraging results had been obtained from a drilling programme to define the uranium resource in Blyvoor's slimes dam material and RSG Global (Pty) Limited was appointed both to audit these results in order to declare a uranium, gold and sulphur surface resource conforming to the SAMREC Code, and to define an underground uranium resource.

Our long track record of success in surface retreatment continued to hold us in good stead, and stabilisation plans for the mature underground operations, while not without setbacks, were beginning to show positive results by year-end.

ERPM

Total gold production was 80 216 ounces, surface gold production was 22 153 ounces and underground gold production 58 063 ounces.

Underground, a planned shift from low-volume, high-grade scattered mining in the west of the lease area to high-volume, lower-grade longwall mining in the east below 70 level proved problematic on various fronts. Delays in the supply of services to the newly developed longwalls reduced volumes mined and navigation of faulting encountered had a negative impact on both volumes and yield.

By year-end a catch-up in the delivery of services saw a recovery in volumes and throughput for the year was 19% higher at

CEO's review of operations
continued

269 000 tonnes. The average yield was 19% lower, however. Fault navigation is expected to continue for between six and nine months into the new financial year; to limit the negative impacts of this, more focus will be directed towards grade management.

A three-year, R35-million plugging programme to isolate ERPM's Far East Vertical (FEV) shaft from water rising in the Central Witwatersrand Basin is scheduled for completion in October 2007. This ambitious project, involving the construction of eight underground plugs, was 65% funded by the Department of Minerals and Energy (DME). Effectively ensuring the mine's future, it is a tribute to government's vision and commitment to the gold mining sector.

Increased throughput from ERPM's Cason dump, made possible through upgrades to pumps and piping and an increased milling capacity at the Knights plant, offset the impact of a slight drop in grade, resulting in higher surface gold production.

Total cash operating costs increased by 36% to \$641/oz, a consequence both of a 42% increase in underground cash operating costs to \$654/oz and a 21% increase in surface cash operating costs to \$606/oz.

CROWN

Gold production for the year was 103 011 ounces, reflecting an improvement in throughput tonnes made possible through improvements to pipelines and other infrastructure.

Cash operating costs were only 4% higher at \$450/oz, a consequence of the substantially higher gold production.

Towards year-end, as declining sources of high-grade material began to have a negative impact on production, reclamation of the 7.64-million-tonne 3L2 slimes dam began. Material from the dump will be processed through the Crown plant at a rate of 270 000 tonnes a month over 24 months, recovering some 115 000 ounces of gold.

This provides critical breathing space for Crown, pending approval of the company's application to the DME for licence to mine, over a period of two years, the 5.1-million-tonne Top Star dump, estimated to contain 128 000 ounces of gold.

AUSTRALASIAN PERFORMANCE

Total gold production from the Australasian operations for the year – excluding Vatukoula, which was closed in December 2006 and subsequently sold, with its environmental obligations – was 37% lower at 115 751 ounces.

The Australasian operations' net loss for the year was R1 344 million after accounting for Vatukoula's net loss of R1 022 million.

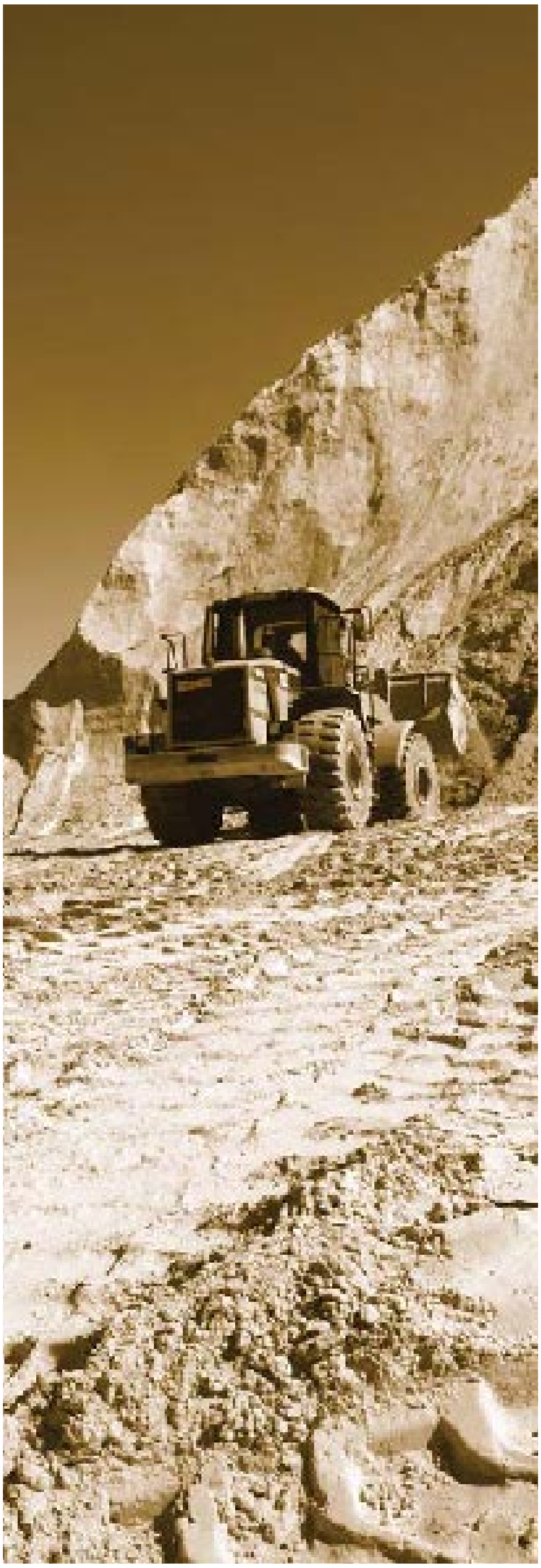
TOLUKUMA

A number of factors contributed to a 19% drop in gold production for the year to 44 181 ounces. Safety concerns led to a suspension of mining from the Gulbadi area, significantly reducing underground tonnage. This, together with problems related to inventory and cash flow, led to mill feed being sourced primarily from low-grade surface stockpiles. A major breakdown of the SAG mill also had a negative impact on production.

Lower production and a consequent 54% hike in average cash operating costs to \$868/oz led to a deepening of the mine's cash operating loss to R52.5 million from the previous year's R4.6 million loss.

PORGERA

In April 2007, Emperor announced the sale of its 20% interest in the Porgera JV to Barrick Gold Corporation for \$250 million plus an additional adjustment amount of \$5 million, paid in cash – a necessary step to relieve the company's serious debt burden, a primary cause of which was Vatukoula's difficulties, summarised briefly below. For the first three quarters of the financial year to the end of the March quarter – the effective date of the transaction – Porgera's gold production was 71 570 ounces. Cash



operating costs averaged $450/oz, and cash operating profit for the nine-month period was R13.2 million.

VATUKOULA

At the start of the financial year, the troubled Vatukoula operation embarked upon its remedial Accelerated Development Programme and in the first quarter produced 17 338 ounces. A host of problematic issues then arose – not least industrial and political unrest and a hoisting incident that caused major damage to the mine's key producing Philip shaft. After a three-month review the decision was taken in December 2006 to discontinue operations and in March 2007 the mine, together with the rest of Emperor's Fijian assets, was sold to Westech Gold (Pty) Limited. For the year, prior to disposal, Vatukoula produced a total of 26 910 ounces at an average cash operating cost of $795/oz.

RESERVE AND RESOURCE MANAGEMENT

While DRDGOLD's attributable Ore Reserve decreased by 28% year on year to 6.3 million ounces, its attributable Mineral Resource rose by 14% to 54.2 million ounces.

A 95% drop in the attributable Mineral Resource of the Australasian operations to 0.322 million ounces – a consequence primarily of the Porgera and Vatukoula disposals – was more than offset by a 33% increase in the attributable Mineral Resource of the South African operations to 53.9 million ounces. Some 6.2 million ounces of these resulted from the granting of the ERPM Ext 2 prospecting right and a further 12.4 million ounces were identified in ERPM's Southern Lease area.

In spite of an 11% lower stake in DRDGOLD SA – arising from black economic empowerment partner Khumo Gold SPV increasing its interest from 15% to 20% and a further 6% being reserved for the formation of a DRDGOLD SA employee trust – DRDGOLD's attributable Ore Reserve from the South African operations decreased by only 0.480 million ounces to 6.2 million ounces. The attributable Ore Reserve from the Australasian operations was 95% lower at 0.108 million ounces due to the disposal of Porgera and Vatukoula.

BOARD AND MANAGEMENT CHANGES

In January 2007 I took over from Mark Wellesley-Wood as Chief Executive Officer (CEO) of DRDGOLD. Mark served the company variously as CEO and Executive Chairman for more than six years. Group Financial Manager Kobus Dissel succeeded me as Chief Financial Officer, in an acting capacity.

ACKNOWLEDGEMENTS

The demands of Emperor's balance sheet restructuring, of stabilising the South African operations, and of exploring and buttoning down new growth opportunities during the year have been extraordinary. I am enormously grateful to the Board of Directors of DRDGOLD, DRDGOLD SA and Emperor, to the DRDGOLD corporate office staff and the management teams in both South Africa and Australasia for their unwavering support, often in very challenging circumstances.

LOOKING AHEAD

As a consequence of Emperor's balance sheet restructuring – and in particular, the conclusion of the sale of the Porgera JV stake in August 2007 – DRDGOLD's own balance sheet position is enormously improved. With Emperor's debt repayment of $25.8 million and its capital distribution from the Porgera proceeds of $33.5 million, DRDGOLD now has cash in hand of almost R1.0 billion.

This positions us well for taking forward our planned growth in South Africa. We now have the financial resources we need to continue to stabilise the mature, underground mining operations here, to consolidate our position as the world's leader in the retreatment of surface tailings to recover gold, and to aggressively pursue our programme of brownfields exploration.

In the latter half of the year under review we announced two important joint ventures (JVs) with Mintails SA – one in respect of both underground mining and surface retreatment for the recovery of gold and uranium on the West Rand and the other in respect of surface retreatment for the recovery of gold on the East Rand, centred around the Ergo infrastructure previously owned by AngloGold Ashanti. We look forward to reporting on progress towards production by both JVs in the 2008 financial year.

Indeed, we are now enormously motivated to identify and pursue further growth opportunities within South Africa. Our stronger financial position and the likelihood of continuing strength in the gold market aside, we have a strong core of both expertise and experience that knows South African gold mining – with all of its opportunities and challenges – best.

To coin a phrase, 'the jury is still out' regarding both our continued investment in Emperor, and on our possible investing in gold mining elsewhere in Africa. We expect to be in a position to report shortly on our intentions with regard to the former; in respect of the latter, we have investigated numerous possibilities and have yet to be convinced that there is not better value and a more conducive operating environment to be had here at home.

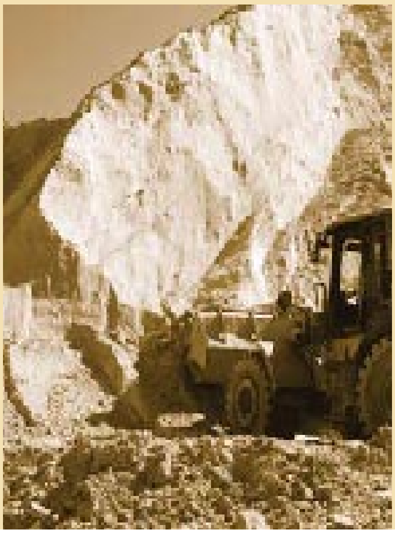
John Sayers
Chief Executive Officer

Directors

Geoffrey Campbell (46)
BSc (Geology)

Independent Non-executive Chairman
Member: Remuneration and Nominations Committee and Audit Committee

Geoffrey Campbell was appointed a non-executive director in 2002, a senior independent non-executive director in December 2003 and as Non-executive Chairman in October 2005. A qualified geologist, he has worked on gold mines in Wales and Canada. He then spent 15 years first as a stockbroker and afterwards as a fund manager, during which time he managed the Merrill Lynch Investment Managers' Gold and General Fund, one of the largest gold mining investment funds. He was also Research Director for Merrill Lynch Investment Managers. Geoffrey is Managing Director of Boatlaunch Limited and a director of Oxford Abstracts. On 26 June 2006, he was appointed Non-executive Chairman of Emperor Limited.



John Sayers (61)
BSc (Hons) CA (SA and UK)

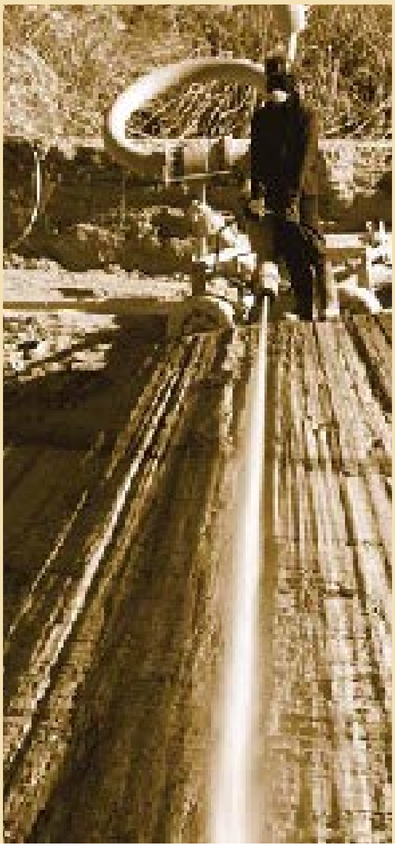
Chief Executive Officer

John Sayers was appointed as Chief Financial Officer on 5 September 2005. He has almost 40 years of financial experience, most recently as Financial Director of Nampak Limited, from 1996 to 2004, and as Financial Director of Altron Limited, from 1989 to 1996. With a Bachelor of Science (Hons) degree in Econometrics and Statistics, John qualified as a chartered accountant in both England and South Africa. He was appointed Chief Executive Officer on 1 January 2007. He was appointed director of GM Network Limited (GoldMoney.com) and NetGold Services Limited on 9 May 2007.

Jacob (Kobus) Dissel (49)
BCom (Hons)

Acting Chief Financial Officer

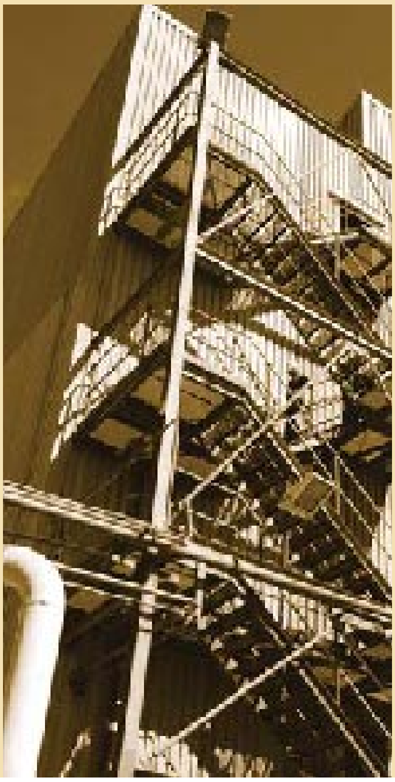
Kobus Dissel was appointed Acting Chief Financial Officer in January 2007. He has almost 24 years' experience in the mining industry. He joined DRDGOLD as Group Financial Manager in October 1999 from AngloGold, where he was Financial Manager responsible for financial systems. He was appointed alternate director of GM Network Limited (GoldMoney.com) and NetGold Services Limited on 9 May 2007.



Robert Hume (67)
CA (SA)

Independent Non-executive director
Chairman: Audit Committee
Member: Remuneration and Nominations Committee

Robert Hume was appointed a non-executive director in 2001. He has 41 years' experience in the auditing field of which the last 18 were spent as a partner in the East London (South Africa) office of KPMG. Since retirement in 1999, he has spent seven years as Investment Manager at Sasfin Frankel Pollak in East London. Robert is also a director of King Consolidated Holdings Limited.



Douglas Blackmur (63)
PhD (Industrial Relations)

Senior Independent Non-executive director
Chairman: Risk Committee
Chairman: Remuneration and Nominations Committee
Member: Audit Committee

Douglas Blackmur was appointed as a non-executive director in October 2003. He holds a PhD in Industrial Relations from the University of Queensland and has a career which spans more than 35 years, primarily in the fields of management, corporate governance and research. He currently holds the position of Professor Extraordinary at the University of the Western Cape.

James Turk (60)
BA (International Economics)

Non-executive director
Member: Risk Committee

James Turk was appointed a non-executive director in October 2004. He is the founder and a director of GM Network Limited (GoldMoney.com), the operator of a digital gold currency payment system. Since graduating from George Washington University with a BA degree in International Economics in 1969, he has specialised in international banking, finance and investments. After starting his career with The Chase Manhattan Bank (now JP Morgan Chase), James joined RTB Inc, the private investment and trading company of a prominent precious metals trader in 1980. He moved to the United Arab Emirates in 1983 as Manager of the Commodity Department of the Abu Dhabi Investment Authority. In this position he was responsible for developing and implementing the investment strategies for the Authority's portfolio of precious metals. Since resigning from this position in 1987, he has written The Freemarket Gold and Money Report, an investment newsletter, as well as several books on money and banking.

Management

CORPORATE

Themba Gwebu (43) BJuris, LLB, LLM
Group Legal Counsel, Company Secretary and Compliance Officer
Themba Gwebu is a qualified attorney who worked as a magistrate prior to joining DRDGOLD in April 2004 as Assistant Legal Adviser. He was appointed Company Secretary in April 2005 and Group Legal Counsel and Compliance Officer on 1 January 2007.

Mark Munroe (38)
Chief Executive Officer: DRDGOLD Capital
Mark Munroe joined DRDGOLD in 2002 and was appointed General Manager at Blyvoor in September 2004. Prior to this, he was Manager: New Business and Growth Projects. A BCom graduate, Mark holds a National Diploma and a National Higher Diploma in Metalliferous Mining. He obtained his Mine Manager's Certificate of Competency in 1999. He has 21 years of experience in the mining industry. Mark was appointed as Chief Executive Officer of DRD Capital Limited in July 2006.

Andrew Weir (43)
Group Strategic Manager: Human Resources
Andrew Weir holds a BSoc Sci degree and a diploma in Advanced Labour Law, and he has also completed a Management Development Programme (MDP). He was appointed a director of DRDGOLD SA in January 2006. Andrew has 19 years' experience in the mining industry.

Amanda Hoosen (29)
Manager: Internal Audit & Compliance
Amanda Hoosen joined DRDGOLD in her current position in October 2004. A graduate in Accounting and International Business from Drexel University in the United States, and a certified public accountant, she was previously employed in the United States by Cox Enterprises Incorporated and by Ernst and Young, LLP.

SOUTH AFRICA

Daniel (Niel) Pretorius (40) BProc LLB
Chief Executive Officer: DRDGOLD SA
Niel Pretorius was appointed Group Legal Counsel (for DRDGOLD) in February 2003. A director of Rand Refinery Limited, he has 14 years of experience in the mining industry. Niel was appointed as Chief Executive Officer of DRDGOLD SA in July 2006.

Louis Lamsley (59)
Chief Operating Officer: DRDGOLD SA
Louis Lamsley, who has a National Diploma in Metalliferous Mining and a Mine Manager's Certificate of Competency, was appointed to his current position in January 2006. He has 34 years' experience in the gold mining industry, 26 years of which have been spent in management.

Craig Barnes (37) CA (SA)
Chief Financial Officer: DRDGOLD SA Operations
Craig Barnes joined DRDGOLD in August 2004 as Group Financial Accountant. A chartered accountant, he has a BCom degree from the University of the Witwatersrand (Wits University), and a BCom (Hons) degree from the University of South Africa (Unisa). Prior to joining DRDGOLD, he was head of financial reporting for Liberty Group Limited and he has over 10 years' financial experience. Craig was appointed as Chief Financial Officer of DRDGOLD SA in July 2006.

Cornelius (Collie) Russouw (49)
General Manager: Blyvoor
Collie Russouw became General Manager at Blyvoor in September 2006. He was previously Mine Manager at Harmony Gold Mining Company Limited's Virginia Operations and has held various mining-related positions within Harmony and GenGold/Gold Fields, during a career spanning 26 years. He has a BTech degree in mining engineering, a National Diploma in Metalliferous Mining and a National Higher Diploma in Metalliferous Mining.

Henry Gouws (38)
General Manager: Crown
Henry Gouws graduated from Technikon Witwatersrand and obtained a National Higher Diploma in Extraction Metallurgy in 1991. He also completed a MDP in 2003 through Unisa's School of Business Leadership. Henry was appointed Operations Manager of Crown in January 2006 and General Manager in July 2006. He has 19 years' experience in the mining industry.

Manuel (Manny) da Silva (37)
General Manager: ERPM
Manny da Silva is a BSc (Mining Engineering) graduate of Wits University and obtained his Mine Manager's Certificate in 1995. He joined DRDGOLD as Production Manager at Blyvoor in 2002 and was appointed to his current position in August 2005. He has 15 years' experience in the mining industry.

Charles Symons (53)
Regional General Manager: Crown and ERPM
Charles Symons was appointed General Manager: Crown in 1997 and to his current position in January 2006. He holds a Master's degree in Business Leadership and a BCom degree from Unisa, and he also has a National Diploma in Extractive Metallurgy.

Hurwa (Ben) Nyirenda (44)
Head of New Business: DRDGOLD SA
Ben Nyirenda joined DRDGOLD as Technical Services Manager at Blyvoor in May 2004, transferring to the company's North West Operations as Production Manager in October 2004. He has been the Head of New Business for DRDGOLD SA since January 2006. A graduate of the Camborne School of Mines, England, Ben holds a BSc (Hons) in Pure Mathematics, a BEng (Hons) in Mining Engineering, an MSc in Mining Engineering from the University of the Witswatersrand, and a MBA degree from the Wits Business School. A registered professional engineer with ECSA since 1998, he obtained his Mine Manager's Certificate in 1995. He has 26 years' experience in the mining industry, in both the gold and diamond sectors. He has also worked in the field of financial management.

Phillip Tshiloane (40)
General Manager: Exploration and Prospecting
Phillip joined DRDGOLD SA as General Manager Exploration and Prospecting on 2 April 2007. His previous experience covers virtually the complete spectrum of the South African resources industry from mining and marketing to new business development and project management. After completing a BSc (Mining Engineering) at Wits University, Phillip rose steadily through the mining ranks at various gold, coal and platinum mines.

Kevin Kruger (39)
Regional Engineering Manager; Environmental Manager: DRDGOLD SA
Kevin Kruger, who holds a BSc degree in Mechanical Engineering from Wits University, joined DRDGOLD in 1994. Previously Engineering Manager at the company's North West Operations, he was appointed to his current position in April 2005.

Wayne Swanepoel (44)
Regional Human Resources Manager: DRDGOLD SA
Wayne Swanepoel was appointed to his current position on 1 April 2005. Previously, he was Human Resources Manager at Crown and Senior Human Resources Manager at Rand Mines' Duvha Opencast Colliery. He holds a BA degree from Rhodes University and has completed the MDP and the Development Programme in Labour Relations at Unisa's School of Business Leadership, and the Advanced Diploma in Labour Law at the University of Johannesburg. He has 17 years' experience in the mining industry.

Phillip Watters (51)
General Manager, Projects: DRDGOLD SA
Phillip joined DRDGOLD in 2002 and took up his present position on 1 August 2005. He was previously General Manager at ERPM. Phillip, who obtained a Mine Manager's Certificate in May 2004, has a total of 31 years' experience in mining, 23 years of which were spent with Gold Fields and four with Anglo American. His career includes both production and project management experience.

David Whittaker (51)
Regional Geologist: DRDGOLD SA
David Whittaker joined DRDGOLD in 1996 and took up his current position in April 2005. He has a BSc (Hons) degree from Luton College of Higher Education, a Diploma in Mining Engineering from the Camborne School of Mines and a Graduate Diploma in Engineering from Wits University. He has 25 years' experience in the mining industry.

AUSTRALASIA

Bradley (Brad) Gordon (45) B Eng, MBA
Chief Executive Officer: Emperor
Brad Gordon was appointed to the Board of Emperor in April 2006. He has more than 11 years' experience in senior management positions in the gold industry in Australia, Papua New Guinea (PNG) and Fiji. Most recently employed as Managing Director of Placer Dome Niugini Ltd and prior to that as General Manager of Porgera, Brad was responsible for the Porgera operation, the Misima operation and other corporate activities in the country. He also has many years of experience in Fiji where he was previously employed by Emperor as Operations Manager of the Vatukoula gold mine and General Manager of Tuvatu Gold Mining Company Limited, a former wholly owned subsidiary of Emperor.

Brendan Gill (46)
Chief Financial Officer: Emperor
Brendan Gill is a highly experienced senior financial manager. Prior to joining Emperor in June 2007, he held the senior financial positions in the BHP Billiton group of Vice President Finance in the Carbon Steel Materials Division (2006) and Chief Financial Officer in the Stainless Steel Materials Division (2003-06). Brendan occupied a number of other senior posts in the group before 2003, including those of Chief Financial Officer of the Nickel Division (2001-02) and of Global Lead Risk Management and Audit (2000-01).

Bradley (Brad) Sampson (41), B Eng MBA
General Manager: Papua New Guinea
Brad Sampson was appointed to his current position in August 2006, with principal responsibility for Tolukuma in PNG and for overseeing Emperor's 20% stake in the Porgera Joint Venture. He was previously General Manager at Gold Fields Limited's St Ives mine in Western Australia and Kloof operation in South Africa, and has also held positions with Anglo American, Ross Mining NL and Comalco.

Frazer Bourchier (41)
General Manager Business Development: Emperor
Frazer Bourchier is a qualified mining engineer with Bachelor's and Master's degrees in Applied Science. He has more than 16 years' experience in the gold mining industry, most of which were spent with the Placer Dome Group in Canada, South Africa and PNG. Prior to his appointment as General Manager of Emperor's Vatukoula gold mine in Fiji in June 2006, he was Mining Manager and Alternate General Manager at the Porgera Joint Venture in PNG.

Malcolm Norris (48), BSc (Hons) MSc
Executive General Manager Exploration: Emperor
Malcolm is an exploration specialist, and came to Emperor after holding the position of General Manager – Exploration and Business Development at Indophil Resources from 2005. Prior to this, he held senior posts with WMC Resources, including those of Group Manager – Exploration (2003-05) and Global Exploration Manager – Gold (2001-02), and serving for several years as Country Manager for the company in the Philippines.

Vanessa Chidrawi (36), BCom LLB
General Counsel and Company Secretary: Emperor
Vanessa had 12 years of private practice experience in commercial law and litigation in Johannesburg before joining Emperor in May 2006 as Corporate Counsel. Since then she has also been appointed Company Secretary.

Patrick Bindon (37)
Director Corporate Communications: Emperor
Patrick Bindon joined Emperor in 2006 from Placer Dome's Port Moresby office where his role as External Affairs Co-coordinator involved managing all media relations and providing high-level political and external affairs advice to management. He obtained a Bachelor's degree in Applied Science in 1991.

John Wallace (59)
General Manager, Human Resources: Emperor
John Wallace has over 20 years' experience in the mining industry, primarily in the South Pacific region with extended periods working in human resources at Misima, Ok Tedi and Lihir in PNG; Kaltim Prima Coal in Indonesia; and Gold Ridge in the Solomon Islands. He has extensive knowledge of the working conditions and requirements in these regions.

Reserves and resources

SOUTH AFRICA

During the year under review, Khumo Gold increased its stake in DRDGOLD SA from 15% to 20% and facilitated the incorporation of a further 6% into an employee trust. This means that DRDGOLD's holding in DRDGOLD SA has decreased from 85% to 74%.

Nevertheless, DRDGOLD's attributable Mineral Resources from its South African operations increased by 33% to 53.9 million ounces (Moz) in FY07. Of this total, 6.2Moz resulted from the granting of the ERPM Extension 2 prospecting right while 12.4Moz related to ERPM's Southern Lease area.

Despite the 11% reduction in the holding in DRDGOLD SA, DRDGOLD's attributable Ore Reserves from its South African operations decreased by only 0.5Moz to 6.2Moz in FY07.

Refer to pages 17 to 20 for the company's statement on its Mineral Resources and Ore Reserves.

BLYVOOR

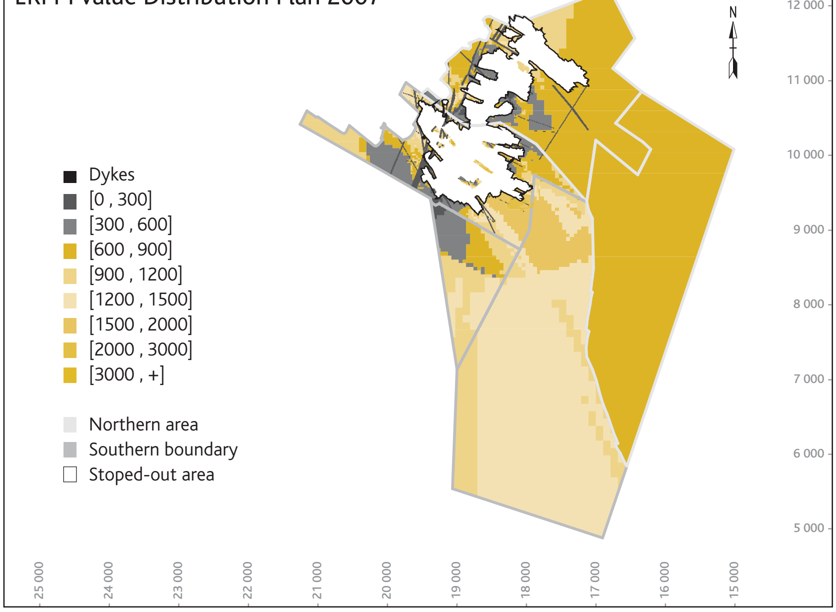
DRDGOLD's attributable Mineral Resources from Blyvoor declined by 13% to 20.1Moz, mainly because of the lower stake in DRDGOLD SA. The decrease in attributable Ore Reserves from Blyvoor was slight from 5.3Moz in the previous year to 5.1Moz in the current year – in spite of DRDGOLD's reduced holding in DRDGOLD SA.

ERPM

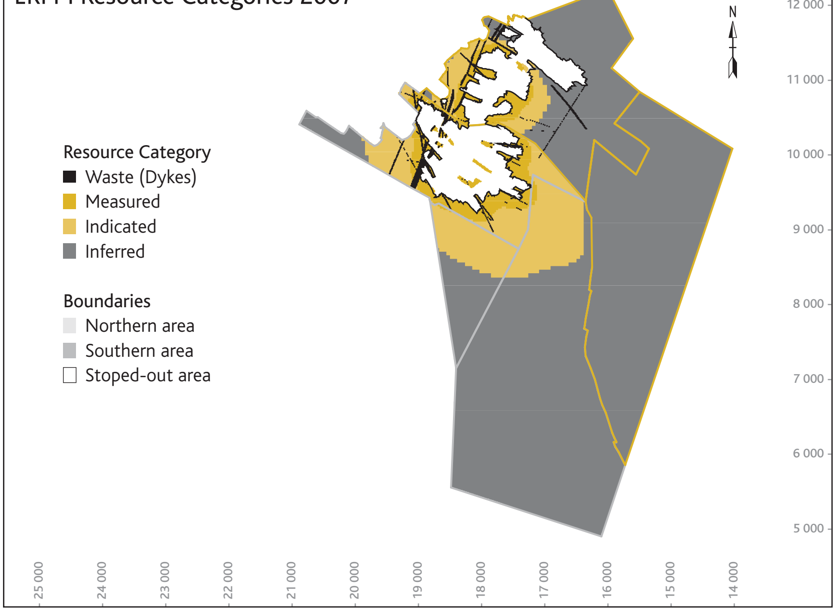
DRDGOLD's attributable Mineral Resources from ERPM increased by 117%, from 14.1Moz in FY06 to 30.6Moz in FY07. This resulted from the extension of ERPM's prospecting right eastwards into the Rooikraal/Withok area, referred to as ERPM Extension 2, which has an attributable Inferred Mineral Resource of 6.2Moz. In addition, an attributable Inferred Mineral Resource of 12.4Moz was declared south of the historical ERPM workings to a depth of 4300m below surface. The escalation in the gold price was the reason for the opening up and starting of mining operations from the Cason shaft, raising ERPM's

In FY07, DRDGOLD's attributable Mineral Resources increased by 14% to 54.2Moz and its Ore Reserves decreased by 28% to 6.3Moz.

ERPM Value Distribution Plan 2007



ERPM Resource Categories 2007



Measured and Indicated Mineral Resources by a further 0.2Moz.

DRDGOLD's attributable Ore Reserves from ERPM decreased by 0.3Moz, from 1.0Moz in FY06 to 0.7Moz in FY07, because of increased working costs, the company's reduced shareholding in DRDGOLD SA and depletion. Upon successful conversion of the ERPM Extension 1 prospecting right to a mining right, additional Ore Reserves will be declared.

CROWN

DRDGOLD's reduced equity in DRDGOLD SA had the effect of decreasing its attributable Mineral Resources from Crown by 10%, from 3.5Moz in FY06 to 3.1 Moz in FY07.

DRDGOLD's attributable Ore Reserves from Crown remained constant at 0.4Moz because of the inclusion of the Top Star dump. The Top Star dump (remains of Erf 1 Park Central Township) in the Johannesburg central business district was purchased from AngloGold Ashanti Limited on 28 August 2006. An application for a mining right, submitted to the Department of Minerals and Energy (DME) on 1 February 2007, is pending. The mining of the Top Star dump is included in the current life-of-mine plans.

AUSTRALASIA

On 5 December 2006, after an extensive three-month review of Vatukoula, Emperor determined that mining operations were no longer economically viable and that the mine would therefore cease production. After completion of a strategic review to optimise the value of Vatukoula and other Fijian landholdings, the mine was placed on a care and maintenance programme. On 28 March 2007 Emperor completed an agreement to sell all its Fijian assets, including the Vatukoula mine, to Westech Gold (Pty) Limited, a private company incorporated in Australia.

At a general meeting held on 27 July 2007, DRDGOLD shareholders approved the disposal by Emperor of its indirect 20% interest in the Porgera Joint Venture to a subsidiary of Barrick Gold Corporation for a purchase consideration of R1.8 billion ($250.0 million). The transaction was completed on 17 August 2007.

DRDGOLD's attributable Mineral Resources from its Australasian operations decreased by 95%, from 7.0Moz in 2006 to 0.3Moz in 2007, primarily as a result of the disposal of the Porgera and Vatukoula mines.

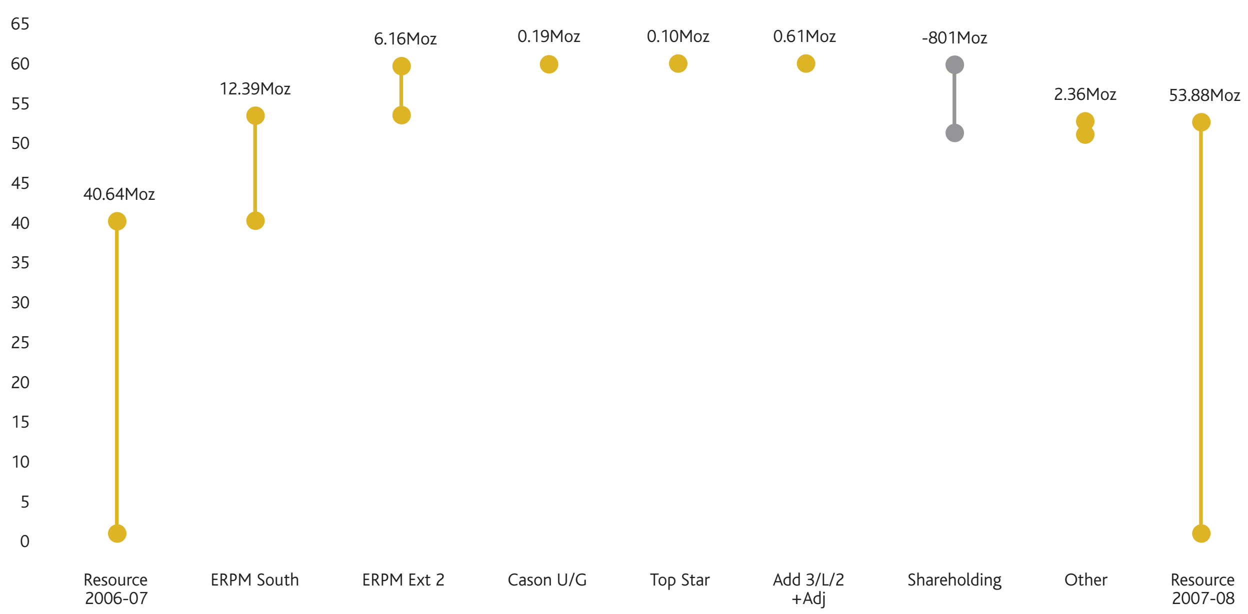
For the same reason DRDGOLD's attributable Ore Reserves from its Australasian operations declined by 95%, from 2.2Moz in 2006 to 0.1Moz in 2007.

TOLUKUMA

DRDGOLD's attributable Mineral Resources from Tolukuma decreased from 0.4Moz in 2006 to 0.3Moz in 2007, mainly because of a reduction in grade.

DRDGOLD's attributable Ore Reserves from Tolukuma declined from 0.2Moz in 2006 to 0.1Moz in 2006, primarily as a result of depletion.

DRDGOLD's Attributable Resource Variance: DRDGOLD SA 2006 vs 2007



SENSITIVITY OF ORE RESERVES AT VARIOUS GOLD PRICES

The Ore Reserves quoted are sensitive to operating costs and the gold price. The official Ore Reserves are quoted at $660/oz, at an exchange rate of R7.28/$, or R154 437 per kilogram.

REPORTING CODE AND PROCEDURE

DRDGOLD's statements of its Mineral Resources and Ore Reserves, with the exception of Tolukuma, were independently reviewed by RSG Global for the South African Code for the Reporting of Mineral Resources and Mineral Reserves (SAMREC Code), the Australasian Code for Reporting of Exploration Results (JORC Code), the National Instrument 43-101 and the United States Securities and Exchange Commission (SEC) Industry Guide 7 compliance. RSG is an exploration, mining and resource consulting firm, which has been providing services and advice to the international mineral industry and financial institutions since 1987.

The review report for the South African operations was compiled by Mrs Kathleen Body (SACNASP), Mr Ken Lomberg (SACNASP) and Dr Steven Rupprecht (Pr.Eng). The review report for Tolukuma was compiled by Mr Brad Sampson and Mr Roger Cooper (MAusIMM and MAIG). They have the appropriate relevant qualifications, experience, competence and independence to be considered independent 'competent persons' or 'qualified persons' under the definitions provided in the codes and instruments.

RSG has carried out its review of the data, techniques, procedures and parameters used in the preparation of Mineral Resources and Ore Reserves statements during site visits to the operations. They have verified that all reserves that have been included in the reserve tabulation are included in the current life-of-mine plans.

Up to 2005 DRDGOLD calculated its Ore Reserves using a three-year average gold price. Given the increase in the gold price since 2006, DRDGOLD believes that the three-year average gold price is unrealistic for planning purposes and hence Ore Reserve calculations. In consultation with RSG it was decided to use the exchange rate and the gold price as at the final day of the quarter prior to the declaration of the Ore Reserves. At 31 March 2007, the dollar gold price was $660/oz, the exchange rate was R7.28/$ and the rand gold price was R154 437/kg. For compliance with the United States Securities and Exchange Commission (SEC), in DRDGOLD's Form 20-F to be filed with the SEC, the Ore Reserves will also be quoted using the three-year average gold price of $533/oz at an the exchange rate of R6.67/$ which equates to R115 437/kg.

COMPETENT PERSONS

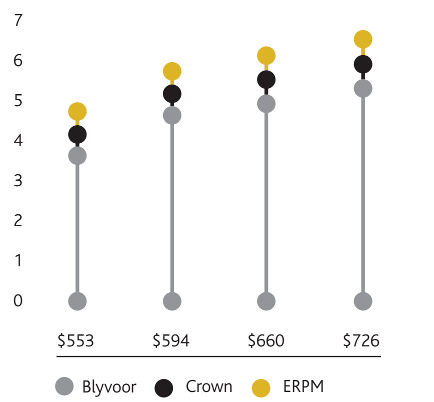
The information in this annual report that relates to Mineral Resource, Ore Reserve or exploration results is based on information compiled by the competent persons at each operation as listed below:

- Blyvoor: David Edwin James Whittaker (SACNASP);
- ERPM: Johan Smit (PLATO);
- Crown: William John Laing (PLATO); and
- Tolukuma: Brad Sampson and Roger Cooper (MAusIMM and MAIG).

These individuals have extensive (more than five years) relevant experience in the mining industry and the type of deposits mined. They are the designated competent persons, in terms of the SAMREC and JORC codes and are registered members of the recognised statutory organisations.

The competent persons responsible for the compilation and reporting of the DRDGOLD Mineral Resources and Ore Reserves were David Edwin, James Whittaker (South African operations) and Brad Sampson and Roger Cooper (Australasian operations).

DRDGOLD Attributed Reserves for DRDGOLD SA: Sensitivity to Gold Price



IDENTIFIED ATTRIBUTABLE ORE RESERVES (DELIVERED) AT 30 JUNE 2007

	Proved				Probable				Total			
	Tonnes Mt	Grade g/t	Contents Gold t	Contents Gold Moz	Tonnes Mt	Grade g/t	Contents Gold t	Contents Gold Moz	Tonnes Mt	Grade g/t	Contents Gold t	Contents Gold Moz
Blyvoor (74%)												
Underground	16.856	5.87	98.870	3.179	10.051	5.26	52.835	1.699	26.907	5.64	151.705	4.878
Surface	12.872	0.59	7.555	0.243	–	–	–	–	12.872	0.59	7.555	0.243
Total	**29.728**	**3.58**	**106.425**	**3.422**	**10.051**	**5.26**	**52.835**	**1.699**	**39.779**	**4.00**	**159.260**	**5.121**
ERPM (74%)												
Underground	0.870	8.20	7.134	0.229	0.968	7.11	6.885	0.221	1.838	7.63	14.019	0.450
Surface	10.681	0.64	6.818	0.219	–	–	–	–	10.681	0.64	6.818	0.219
Total	**11.551**	**1.21**	**13.952**	**0.448**	**0.968**	**7.11**	**6.885**	**0.221**	**12.519**	**1.66**	**20.837**	**0.669**
Crown (74%)*												
Underground	–	–	–	–	–	–	–	–	–	–	–	–
Surface	11.135	0.50	5.599	0.180	12.426	0.58	7.220	0.232	23.561	0.54	12.819	0.412
Total	**11.135**	**0.50**	**5.599**	**0.180**	**12.426**	**0.58**	**7.220**	**0.232**	**23.561**	**0.54**	**12.819**	**0.412**
TOTAL SOUTH AFRICAN OPERATIONS												
Underground	17.726	5.98	106.004	3.408	11.019	5.42	59.720	1.920	28.745	5.77	165.724	5.328
Surface	34.688	0.58	19.972	0.642	12.426	0.58	7.220	0.232	47.114	0.58	27.192	0.874
Total	**52.414**	**2.40**	**125.976**	**4.050**	**23.445**	**2.86**	**66.940**	**2.152**	**75.859**	**2.54**	**192.916**	**6.202**
Tolukuma (79%)												
Underground	–	–	–	–	0.163	20.58	3.354	0.108	0.163	20.58	3.354	0.108
Surface	–	–	–	–	–	–	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**0.163**	**20.58**	**3.354**	**0.108**	**0.163**	**20.58**	**3.354**	**0.108**
TOTAL AUSTRALASIAN OPERATIONS												
Underground	–	–	–	–	0.163	20.58	3.354	0.108	0.163	20.58	3.354	0.108
Surface	–	–	–	–	–	–	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**0.163**	**20.58**	**3.354**	**0.108**	**0.163**	**20.58**	**3.354**	**0.108**
Total group												
Underground	17.726	5.98	106.004	3.408	11.182	5.64	63.074	2.028	28.908	5.85	169.078	5.436
Surface	34.688	0.58	19.972	0.642	12.426	0.58	7.220	0.232	47.114	0.58	27.192	0.874
Total	**52.414**	**2.40**	**125.976**	**4.050**	**23.608**	**2.98**	**70.294**	**2.260**	**76.022**	**2.58**	**196.270**	**6.310**

* The Top Star dump is included within Crown's Ore Reserve and life-of-mine plans. Application for a mining right is pending.

IDENTIFIED ATTRIBUTABLE MINERAL RESOURCE AT 30 JUNE 2006

	Measured				Indicated			
	Tonnes Mt	Grade g/t	Contents Gold t	Contents Gold Moz	Tonnes Mt	Grade g/t	Contents Gold t	Contents Gold Moz
Blyvoor (74%)								
Underground	16.852	8.26	139.164	4.474	20.451	5.40	110.436	3.551
Surface	12.872	0.59	7.555	0.243	-	-	-	-
Total	**29.724**	**4.94**	**146.719**	**4.717**	**20.451**	**5.40**	**110.436**	**3.551**
ERPM (74%)								
Underground	2.398	7.38	17.684	0.568	6.901	7.74	53.388	1.717
Surface	10.681	0.64	6.818	0.219	138.972	0.31	43.388	1.395
Total	**13.079**	**1.87**	**24.502**	**0.787**	**145.873**	**0.66**	**96.776**	**3.112**
Crown (74%)								
Underground	–	–	–	–	–	–	–	–
Surface	79.660	0.40	32.190	1.035	261.998	0.25	65.374	2.102
Total	**79.660**	**0.40**	**32.190**	**1.035**	**261.998**	**0.25**	**65.374**	**2.102**
TOTAL SOUTH AFRICAN OPERATIONS								
Underground	19.250	8.15	156.848	5.042	27.352	5.99	163.824	5.268
Surface	103.213	0.45	46.563	1.497	400.970	0.27	108.762	3.497
Total	**122.463**	**1.66**	**203.411**	**6.539**	**428.322**	**0.64**	**272.586**	**8.765**
Tolukuma (79%)								
Underground	–	–	–	–	0.179	21.75	3.893	0.125
Surface	–	–	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**0.179**	**21.75**	**3.893**	**0.125**
TOTAL AUSTRALASIAN OPERATIONS								
Underground	–	–	–	–	0.179	21.75	3.893	0.125
Surface	–	–	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**0.179**	**21.75**	**3.893**	**0.125**
Total group								
Underground	19.250	8.15	156.848	5.042	27.531	6.09	167.717	5.393
Surface	103.213	0.45	46.563	1.497	400.970	0.27	108.762	3.497
Total	**122.463**	**1.66**	**203.411**	**6.539**	**428.501**	**0.65**	**276.479**	**8.890**

Inferred				Total			
Tonnes Mt	Grade g/t	Contents Gold t	Contents Gold Moz	Tonnes Mt	Grade g/t	Contents Gold t	Contents Gold Moz
109.056	3.30	359.997	11.574	146.359	4.17	609.597	19.599
26.576	0.33	8.863	0.285	39.448	0.42	16.418	0.528
135.632	**2.72**	**368.860**	**11.859**	**185.807**	**3.37**	**626.015**	**20.127**
122.633	6.78	830.958	26.716	131.932	6.84	902.030	29.001
–	–	–	–	149.653	0.34	50.206	1.614
122.633	**6.78**	**830.958**	**26.716**	**281.585**	**3.38**	**952.236**	**30.615**
–	–	–	–	–	–	–	–
–	–	–	–	341.658	0.29	97.564	3.137
–	**–**	**–**	**–**	**341.658**	**0.29**	**97.564**	**3.137**
231.689	5.14	1 190.955	38.290	278.291	5.43	1 511.627	48.600
26.576	0.33	8.863	0.285	530.759	0.31	164.188	5.279
258.265	**4.65**	**1 199.818**	**38.575**	**809.050**	**2.07**	**1 675.815**	**53.879**
0.357	17.15	6.121	0.197	0.536	18.68	10.014	0.322
–	–	–	–	–	–	–	–
0.357	**17.15**	**6.121**	**0.197**	**0.536**	**18.68**	**10.014**	**0.322**
0.357	17.15	6.121	0.197	0.536	18.68	10.014	0.322
–	–	–	–	–	–	–	–
0.357	**17.15**	**6.121**	**0.197**	**0.536**	**18.68**	**10.014**	**0.322**
232.046	5.16	1 197.076	38.487	278.827	5.46	1 521.641	48.922
26.576	0.33	8.863	0.285	530.759	0.31	164.188	5.279
258.622	**4.66**	**1 205.939**	**38.772**	**809.586**	**2.08**	**1 685.829**	**54.201

Reserves and resources continued

ORE RESERVE PARAMETERS UTILISED – SOUTH AFRICA

		Blyvoor	ERPM	Crown
Underground				
Working cost	R/t	800.81	988.64	
Gold price	R/kg	154 437	154 437	
Plant recovery	%	95.8	94	
Mine call factor	%	83.8	87	
Mining factors:				
Sundries	%	14	9	
Discrepancies	%	8	12	
Required yield	g/t	5.19	6.40	
Head grade	g/t	5.42	6.81	
Broken grade	g/t	8.21	9.65	
Stope width	cm	109	125	
Surface				
Working cost	R/t	15.08	53.99	43.44
Gold price	R/kg	154 437	154 437	154 437
Plant recovery	%	48	66.00	64.04
Mine call factor	%	100	100	100
Mining factors:				
Reclamation	%	100	100	100
Required yield	g/t	0.098	0.351	0.282
Head grade	g/t	0.203	0.531	0.440
Broken grade	g/t	0.203	0.531	0.440

Note:
Ore Reserves for the South African operations are calculated using a total working cost pay limit, the previous three years' mining efficiencies and the current life-of-mine plan. The working cost pay limit is calculated per individual shaft or costing areas using area costing figures, and then combined to formulate the total pay limit.

ORE RESERVE PARAMETERS UTILISED – AUSTRALASIA

		Tolukuma
Underground		
Working cost	US$/t	224
Gold price	US$/oz	533
Plant recovery	%	92
Mine call factor	%	N/A
Mining factors:		
Sundries	%	–
Discrepancies	%	–
Required yield	g/t	11.0
Head grade	g/t	20.6
Broken grade	g/t	N/A
Stope width	cm	200

Note:
Ore Reserves for the Australasian operation are calculated using a total working cost pay limit, the previous three years' mining efficiencies and the current life-of-mine plan. The working cost pay limit is calculated per individual shaft or costing area using area costing figures, and then combined to formulate the total pay limit.

GROWTH POTENTIAL

DRDGOLD's strategy remains that of growth and diversification through the discovery and/or acquisition of new Mineral Resources and Ore Reserves. DRDGOLD has established specific objectives that will ensure sustainable, profitable growth within acceptable risk parameters. Acquisitions will be considered at any stage on the development curve, ranging from greenfields projects to mature operating mines. Of paramount importance in the growth strategy is the search for quality assets.

Growth opportunities within South Africa have been largely confined to organic expansion from existing operations. The Mineral and Petroleum Resources Development Act with the unused old order rights reverting back to the state as at 30 April 2005, continues to provide DRDGOLD with the opportunity to acquire and exploit additional areas which were sterilised under the old order rights.

DRDGOLD will continue to build on its position as a leading gold producer and will strive to establish and entrench itself as one of the world's premier international gold mining companies.

EXPLORATION AND PROJECT DEVELOPMENT

Exploration and project development during the year continued to enhance DRDGOLD's growth strategy by extending and replacing existing production ounces.

MINE EXPLORATION

BLYVOOR

For FY08 an exploration drilling programme linked to opening up and development has been scheduled to evaluate the south-west down-dip extension of the orebody south of the Boulder Dyke. An initial 1 000m of exploration drilling to locate and define pay shoots is planned to start in September 2007. If encouraging results are obtained, various mining options will be investigated to exploit the orebody, including the possibility of a trackless decline.

ERPM

ERPM Extension 1

DRDGOLD SA has a prospecting right covering an area of 1 252ha of the adjacent Sallies mine, referred to as ERPM Extension 1. When this is converted into a mining right, it will enable the high-grade Composite Reef pay shoot, currently being exploited at ERPM, to be pursued through the existing mine boundary.

The regional geology of the area indicates that there will be a strike change due to faulting associated with an east-west trending sinistral tear fault. In order to confirm the anticipated change in the geological structure and hence pay shoot orientation, it is envisaged that prospecting will take place through development situated 50m in the footwall. Owing to high induced stress experienced at depth, there will be concurrent over-stoping on the reef plane. Although this is the safest option, permission has been sought from the Department of Minerals and Energy (DME) and the mine is awaiting a response.

The development will be supplemented by exploration diamond drilling, conducted from exploration cross-cut drilling platforms.

In FY07 four exploration boreholes were drilled from current mining areas into ERPM Extension 1. The results are summarised below.

The area covered by the prospecting right was evaluated in the current reserve and resource estimation. As a consequence of Measured and Indicated Mineral Resources being defined by grade extrapolation, an application to convert the prospecting right to a mining right will be submitted by the end of 2007. On approval, the Measured and Indicated Resources will be upgraded to a reserve.

ERPM Extension 2

An application to extend ERPM's existing prospecting right eastwards into the Rooikraal/Withok area, incorporating the southern section of the old Van Dyk mining lease area and a small portion of Sallies, was granted by the DME in the current year. Known as ERPM Extension 2, the additional area is 5 500ha.

The resource for ERPM Extension 2 was estimated by independent consultants

EXPLORATION BORE HOLES – ERPM EXTENSION 1

Hole No	g/t	Channel Width (cm)	Cmgt	Comment
Bh No 1	26.7	162	4 324	
Bh No 2	11.1	64	715	
Bh No 3	2.5	227	556	
Bh No 4	7.5	246	1 829	
Bh No 4	13.1	126	1 659	mining cut

Camden Geoserve and Minxcon and audited by RSG. An Inferred Resource of 28.6Mt at 9.06g/t (8.3Moz) at a stope width of 125cm was declared. The pay shoot area equates to 17% of the prospecting right after applying 4% geological losses. The evaluation methodology applied was a global Sichel 't' estimate based on five historical surface boreholes with grades ranging from 107cmgt to 3 346cmgt. A sixth hole drilled from underground and reportedly assaying at 2 479cmgt was excluded from the estimate as it could not be verified.

Subsequent due diligence exercises will be conducted which could eventually culminate in a deep-level mine with a life in excess of 15 years.

CROWN

TOP STAR

The Top Star dump has been evaluated geostatically and has a probable reserve of 5.1Mt, at a grade of 0.755g/t. The dump has been incorporated into Crown's mining plan.

ELSBURG SLIMES DAMS

On 7 July 2007 DRDGOLD SA and Mintails SA announced the formation a joint venture consolidating certain of their assets on the East Rand. In addition, the joint venture has acquired significant gold-bearing tailings material from AngloGold Ashanti. Each party will own 50% of the joint venture which will be managed by Crown.

In terms of the agreement Mintails SA will contribute one fully refurbished carbon-in-leach (CIL) circuit and DRDGOLD SA will contribute the Elsburg slimes dams which have an indicated resource of 187.8Mt at 0.31 g/t (1.89Moz) for treatment. Upon the compilation of a mining plan the Elsburg resource will be upgraded to a reserve.

TOLUKUMA

Exploration was focused on the continued delineation of the Zine Structure and drilling in the Fundoot and Kagam areas to the south of current mine activities.

Exploration at Zine continued in an effort to define the lateral and vertical extent of mineralisation on the Zine Mid Zone and Zine South Zone. Drilling was completed from both surface and underground and returned a range of positive results.

The most encouraging result was in hole ZN093 (as reported on 27 March 2007) where a bonanza grade intersection of 1.66m @ 204.08g/t Au and 63.2g/t Ag was returned. This was followed up with hole ZN094, which intersected the Zine Structure approximately 70m above hole ZN093, and 30m below current development drives, and returned 1.66m @ 63.58g/t Au and 257.3g/t Ag. Compilation of data from adjacent drill holes has defined an irregular zone of high-grade intercepts of approximately 150m by 100m. These are very encouraging results and are consistent with high-grade assays from development drives above the drill-hole intercepts. Further drilling is continuing in this area.

Drilling is also being undertaken on the deeper sections of the Tinabar and Zine structures.

REGIONAL EXPLORATION

SOUTH AFRICA

ARGONAUT

The Argonaut project represents the southern down-dip extension of the Central Rand Goldfields. It relates to the possible exploitation of part of the potential resource at 3 000m to 4 500m below surface, situated south of the Robinson Deep mine and extending eastwards to the Simmer and Jack mine.

On 6 February 2006, a prospecting right covering an area of 969ha over part of the project was obtained. As the area covered by the current prospecting right is not large enough to sustain an ultra-deep mining operation, an application for an extension to the current prospecting right by an additional 4 002ha was submitted to the DME. The

application was rejected on the grounds that prospecting would take place within a residential township. As no addition drilling to that approved in the granted prospecting right is planned an appeal will be lodged.

URANIUM EXPLORATION

The escalation in the U308 price prompted DRDGOLD to embark on an exploration programme to determine the uranium potential of its extensive surface dumps.

Owing to its historical production, Blyvoor, which up until 1979 produced 5 260t of U308 at a yield grade 0.12 kg/t, was deemed to be the best exploration target. In the March quarter, 36 boreholes with a total meterage of 908m were drilled on Blyvoor's seven slimes dams and sampled for gold, uranium and sulphur. The sampling interval was 1.5m with quality control samples (duplicate, blank and two references) inserted per batch of 16 samples. The dumps were surveyed and the resultant tonnage equates to 107.7Mt.

A geological valuation model per slimes dam was generated and an externally audited SAMREC-compliant resource declared.

The same process will be applied to the surface dumps of the other South African operations in the coming year.

AUSTRALASIA

PAPUA NEW GUINEA

Emperor maintains 11 exploration licences. A major technical review of all exploration tenements was completed in the current year. The review has highlighted and ranked over 30 separate prospects with several key prospects at an advanced stage requiring further exploration and drilling.

Fieldwork was completed in several areas during the period although weather problems and the unavailability of helicopters restricted the scope of work in the latter part of the year.

On ELs 580, 683 and 894, all of which surround the Tolukuma mine, geological mapping, stream-sediment sampling, and soil-sampling programmes were completed on several prospects. Most results are still pending, however, on EL 894 work was undertaken to further define the area of confluence of the Tolukuma-Saki-Ijav faults. This area is situated approximately 13km south-east of the mine, and 10km south of the Hoyu prospect. Structures consistent with the Tolukuma-Saki-Ijav faults were confirmed on the ground and maximum rock-chip assays were 0.6g/t Au and 20g/t Ag (assays completed at the mine's on-site laboratory). These results are considered anomalous, and together with the identification of the key structures, justifies further work in this area.

Considerable work has been completed at the Saki prospect. Saki is located approximately 3km east of the Tolukuma mine and displays many features comparable with the Tolukuma vein array. Previous drilling in the area has returned positive results, including 1.59m @ 26g/t Au and 2.25m @ 7.1g/t Au in diamond drill holes. All historical data has been compiled, additional stream-sediment sampling completed (results not yet available), and geological mapping and rock-chip sampling completed. This work has resulted in a proposal to drill eight holes to test the deeper portions of the Saki system with the goal of delivering intersections comparable to those at Tolukuma.

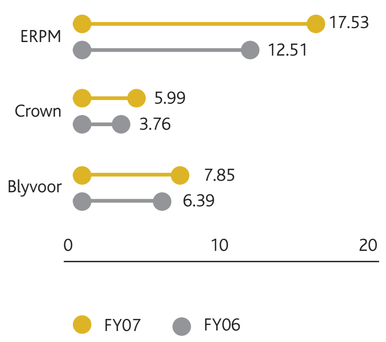
Exploration on the cluster of tenements located approximately 60km north-east of the Tolukuma mine, and on the north side of the Owen Stanley Range, was completed. On EL 1327 a three-week programme of mapping and rock-chip sampling was completed at the Aikora prospect and 73 samples were collected. Results have not yet been returned. Results have been received from sampling undertaken last quarter on EL 1366. Of 21 samples, the highest gold grade was 1.16g/t (float sample) and, separately, the highest silver grade was 69.1g/t (rock-chip sample). These assays were completed at the mine's on-site laboratory.

Assay results have also been received, compiled and interpreted from the Ipi River area on EL 1352. The Ipi River prospect is situated 60km north-west of the Tolukuma mine and was explored for copper-gold porphyry systems in the 1970s by CRA and again in the 1970s and 1990s by BHP. During the year Emperor undertook a follow-up programme comprising 458 soil samples and 312 rock-chip samples and the results support historical findings. A propylitic and phyllic altered diorite containing multiple-vein arrays and breccia veins has been mapped over an area of 1.5km by 1.5km. Soil samples contain up to 1.51g/t Au, and 938ppm Cu, with anomalous molybdenum, silver, and arsenic. Rock-chip samples returned maximum values of 3.75g/t Au and 10.16% Cu from veins containing chalcopyrite, chalcocite and pyrite.

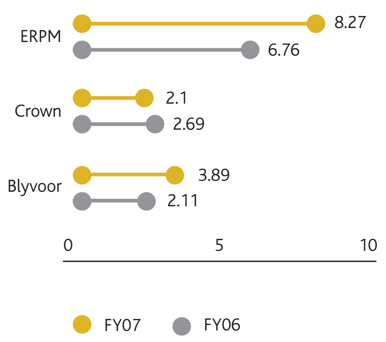
These rock-chip samples were also anomalous for silver, zinc and arsenic. A follow-up programme at Ipi River is currently being planned for in late 2007.

Safety, health and environment

LTIFR FY07
(Rates are per million man-hours)



RIFR FY07
(Rates are per million man-hours)



DRDGOLD's policy is to comply with all relevant statutes and to strive to achieve best practice in terms of occupational health, safety and environmental management. DRDGOLD recognises the right of every worker to a safe and healthy working environment. Acknowledging its broader responsibilities as a corporate citizen, the company endeavours to enter into constructive partnerships with the communities within which it operates.

SOUTH AFRICA

SAFETY

It is with regret that the company reports the death of six employees (four at Blyvoor and two at ERPM) during the year under review. Falls of ground (FOG) remain the principal cause: seismic and gravity-related falls of ground accounted for one and two fatalities respectively. The other three fatalities resulted from one noxious fumes incident, one trucks and tramming accident and one rigging accident.

Seismic monitoring remains in place, and efforts to enforce support standards continue.

The development of a safety mindset remains a critical aspect of safety, and a number of behaviour-based safety interventions remain in place. The 'Before You Work' campaign, which focuses on making workplaces safe before work begins, has been successfully implemented at all operations. Industrial theatre continues to be used at Blyvoor in the communication of safety issues. Employees have been trained as actors, and perform regularly at safety meetings. During the year under review, a campaign was launched at all operations to emphasise the importance of sections 22 and 23 of the Mine Health and Safety Act. These sections focus on the rights and duties of employees with regard to workplace safety, for example, the right to withdraw from an unsafe working place.

The safety barometer, originally developed at Blyvoor and now extended to all operations, has become an effective safety management tool. The barometer determines the risk rating for each workplace, based on the number and type of risks within the workplace. A simple graphic classification indicates the management level at which corrective action needs to be taken.

During the March quarter, a seven-week programme to reinforce safety procedures related to trucks and tramming was implemented at Blyvoor, contributing to a decrease in trucks and tramming accidents, from 19% of the total in FY06 to 10% in FY07.

Full safety audits of specific workplaces, through 'hot spot' visits by management and union representatives, remain in place.

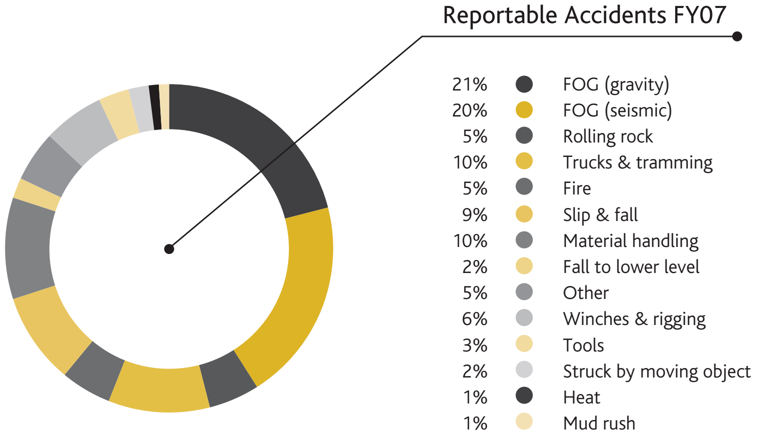
A new safety campaign, focusing on the prevention of fall of ground accidents, is currently being workshopped at the underground operations and is scheduled for implementation during the second quarter.

At Crown plant a campaign has been launched requiring team members to carry out a mini risk assessment before work starts. This will be extended to the other two plants making up Crown Gold Recoveries.

SAFETY ACHIEVEMENTS

Blyvoor won the Association of West Rand Mine Managers Inter-mine Safety Competition for the ninth year in succession. The rules of

Reportable Accidents FY07



the competition changed during 2006: previously based on lost time injury frequency rates (LTIFR) only, it is now based on reportable injury frequency rates (RIFR), with an additional penalty for any fatalities. (Reportable injuries result in 14 or more shifts being lost.)

SAFETY INDICATORS

The RIFR at Crown improved from 2.69 in FY06 to 2.1. Rates at the other operations deteriorated from 2.11 to 3.89 at Blyvoor and from 6.76 to 8.27 at ERPM. The regression at Blyvoor is largely attributable to two seismic events, which resulted in one fatality, nine reportable accidents and 14 lost time injuries. The principal cause of the regression at ERPM is the seismicity that affected 66 West pillar.

The LTIFR rate at all operations shows a regression that is mainly attributable to seismicity at both Blyvoor and ERPM, and the two fires that occurred at Blyvoor.

AGENCIES OF REPORTABLE ACCIDENTS

Falls of ground remain the principal causes of accidents, with gravity-related and seismic falls of ground together accounting for over 40% of reportable accidents.

HEALTH

The provision of quality primary health care to all employees remains the cornerstone of the company's policy. Secondary health care is offered where a suitable infrastructure exists. Health care services at all operations have been outsourced to reputable service providers in the field. This also applies to occupational health and medical surveillance. Lifestyle forums are in place at all operations. Membership of these includes representatives of management and organised labour.

In terms of occupational hygiene, a baseline occupational hygiene audit was conducted at all operations during FY07, and project planning for the implementation of a hearing protection programme is under way. Major focus areas during the year under review have included a programme to reduce the sound level of rockdrills and fans, and reinforcing procedures regarding the use of hearing protection devices.

Blyvoor

Health care provision has been outsourced to Healthshare Health Solutions since 2005. Primary health care is available 24 hours per day at two on-mine clinics.

Secondary and tertiary health care is available to Blyvoor employees at the Sir Albert Medical Centre in Randfontein. The mine subsidises the total cost of this service.

Blyvoor's occupational health programme is also managed by Healthshare. The programme comprises: initial, periodic and exit medical examinations; heat tolerance screening; diagnosis and therapy provision for tuberculosis (TB); the keeping of statutory records and the submission of compensation claims to the Medical Bureau for Occupational Disease s (MBOD).

Measures in place at Blyvoor for the management of HIV/Aids include: voluntary counselling and testing (VCT), available to employees at the on-mine clinics; a wellness programme, comprising lifestyle counselling and medication for opportunistic infections; and referral for antiretroviral therapy (ART) when medically indicated. A joint management-

HIV/AIDS AT BLYVOOR

	FY06	FY07
Nos who have come forward for VCT	82	74
Wellness clinic attendees (ave no per month)	173	149
Employees referred for ART	169	146

HIV/AIDS – ERPM

	FY06	FY07
Numbers who have come forward for VCT	29	64
Wellness clinic attendees (average no per month)	10	8
Employees referred for ART	9	36

BLYVOOR: OCCUPATIONAL HEALTH INDICATORS (AVERAGE PER MONTH)

		FY06	FY07
Noise induced hearing loss (NIHL)	Diagnostic audiograms performed	24	17
	Submission for possible compensation	9	7
	Cases compensated	8	6
Tuberculosis (TB)	Monthly prevalence rate per 100 000 employees	1 694.33	1 593
Occupational lung disease (OLD)	Number of cases submitted to MBOD*	12	17

*Medical Bureau for Occupational Diseases

ERPM: OCCUPATIONAL HEALTH INDICATORS (AVERAGE PER MONTH)

		FY06	FY07
Noise induced hearing loss (NIHL)	Diagnostic audiograms performed	44	27
	Submission for possible compensation	44	27
	Cases compensated	21	0
Tuberculosis (TB)	Monthly prevalence per 100 000 employees	590.1	650
Occupational lung disease (OLD)	Number of cases submitted to MBOD	3	8

union initiative, known as Project Tsietsi, was established at Blyvoor during the year and has held a number of awareness campaigns relating to HIV/Aids.

HIV and TB awareness campaigns are regularly communicated to employees through the use of posters and feedback sessions.

ERPM

Health care at ERPM is outsourced to Life Healthcare.

Primary health care is available to employees through an on-mine clinic.

The occupational health clinic, staffed by a doctor and four nursing sisters, was moved to the shaft area during FY06 for the greater convenience of employees.

The Caritas Care Home, which operates from premises donated by ERPM, offers a wide range of treatment to employees and people from the wider Ekurhuleni area. This includes VCT, a wellness programme and free ART.

Crown

All employees are covered by a medical aid scheme. An occupational health clinic staffed by a full-time occupational health practitioner and a part-time doctor deals with medical surveillance, noise induced hearing loss (NIHL) and TB. Six cases of TB were identified, compared with three in the previous year. Nine cases of compensable NIHL were diagnosed, compared with five in FY06.

ENVIRONMENT

During the year under review, significant progress was made with the implementation of a number of initiatives launched during the previous year.

The Regional Environmental Co-ordination Committee continues to meet regularly and has carried out a number of internal audits of the current position with regard to environmental management at each operation. External environmental compliance audits were also carried out by Pro Optima Audit Services at the discontinued DRD mine and Crown, with ERPM and Blyvoor having been audited the previous year.

Environmental management programmes (EMPs) for all three operations were updated and submitted to the Department of Minerals and Energy (DME) for approval at the end of 2006. After some feedback from the DME, the EMPs for ERPM and Crown have been resubmitted, while feedback in respect of Blyvoor is awaited. The compliance of all three operations with the EMPs has been audited by the technical division of Fraser Alexander as part of the annual performance assessment audits.

The major environmental issues in the South African mining industry remain dust and water. Dust monitoring, to monitor dust levels against standards, remains in place at all operations. During FY07, seven additional dust monitoring points were established at DRD and West Wits (also a discontinued operation). Regular meetings to discuss dust-related issues are held with interested and affected parties in the areas surrounding all DRDGOLD SA operations.

During the year under review, progress continued to be made with the vegetation programmes in place for the rehabilitation of dormant tailings dams.

Water

Monitoring of water quality and discharge volumes has remained in place, and quarterly reports are submitted to the Department of Water Affairs and Forestry (DWAF). Water management audits in terms of Regulation 704 of the National Water Act have been completed at all operations, and integrated water use licences have been applied for. A number of overflows at return dams occurred at the Crown tailings complex. The desilting of the Diepkloof silt trap is 70% complete. This will increase storage capacity and reduce return dam overflows.

A mine interest group, on which Blyvoor is represented, has been established to deal with the report of the National Nuclear Regulator (NNR), alleging that potential radiation pollution is present in the Wonderfontein Spruit. The report is scheduled for publication in August 2007. A combined study by the mines concerned is being conducted in order to define the issue and propose a solution.

VEGETATION PROGRAMMES

	Side slope planted – hectares		Top surface vegetation	
	FY06	FY07	FY06	FY07
Blyvoor	2.7	3.7	5 hectares ploughed	23 hectares ploughed
Crown	11.5	19.1	13 hectares top surface vegetation. Top of No 4 dam ridge ploughed for dust control	26 hectares top surface vegetation. Top of No 1 dam ridge ploughed for dust control
DRD mine (discontinued operation)			41 hectares	9 hectares

At Blyvoor, a water separation project is planned to improve the quality of water being discharged and to reduce reliance on No 6 shaft pumping. A continuous water quality monitor has been installed at all discharge points to enable the quality of discharge water to be monitored and remedial action taken if necessary.

A slime spill next to the metallurgical plant occurred during the June quarter. Clean-up operations will be complete in the September quarter, after which a formal report will be submitted to DWAF and the NNR.

Rehabilitation

During FY06, approval was received from the NNR for the demolition of Blyvoor's uranium plant. Work began during the current year, and is approximately 70% complete. The demolition of the No 1 Hostel at Blyvoor is under way, and the rubble is being used to fill the old No 1 shaft. At Doornfontein, rubble from the demolition of the old Annan Hostel has been used to fill a number of sink holes.

As required by the Mineral and Petroleum Resources Development Act (MPRDA), DRDGOLD makes provision for future closure and rehabilitation costs through annual contributions to environmental trust funds. Total funding increased by 25% during the year under review.

Concurrent rehabilitation remains in place at all operations.

At Blyvoor, a proposal has been submitted to the DME that revenue from the sale of the Blyvoor No 2 waste rock dump be used to supplement the rehabilitation fund. This has been sent to the DME's legal department and director-general for approval. If agreed to by the DME, this will result in Blyvoor's closure and rehabilitation liabilities being fully funded.

Crown has reduced its rehabilitation liabilities by some R20 million, through the concurrent rehabilitation programme and the sale of oversize material from reclamation sites.

AUSTRALASIA

During the year under review DRDGOLD'S Australasian subsidiary Emperor Mines Limited effected the sale of the Vatukoula mine in Fiji (ceased operations in December 2006, and sold in March 2007) and the sale of its 20% interest in the Porgera mine in Papua New Guinea (effective from 1 April 2007). Safety, health and environmental information and statistics for these two operations are therefore limited to the periods during which the company retained an operational benefit from these assets.

SAFETY

Tragically, a helicopter crash in Papua New Guinea (PNG) caused the death of two Tolukuma employees and two other passengers, including the pilot, on 20 October 2006. No fatalities were recorded at Porgera, or at Vatukoula in Fiji.

Tolukuma recorded a LTIFR of 2.81 for the year (FY06: 2.58). The increase is largely attributable to the helicopter crash in October. If that is discounted, the trend for both frequency and severity of injuries has improved year on year between 2005 and 2007, as shown in the graph below.

The Vatukoula mine recorded a good safety performance over the period of the financial year during which the mine was owned and operated by Emperor, recording an LTIFR for the year ending December 2006 of 2.78.

Safety statistics for the Porgera mine, operated by majority joint venture partner Barrick Gold, continued to show improvement over the relevant period of the financial year, recording an LTIFR of 0.4 for the year to April 2007.

At Tolukuma, a focus on safety was maintained during the year, with priority given both to enhancing the safety of operating conditions and to encouraging safe behaviour by individual employees.

In respect of operating conditions, particular attention was given to improving ventilation (ventilation capacity was increased by 300% during the year) and electrical infrastructure. Management has also introduced improvements to hazard and incident identification and reporting protocols,

REHABILITATION

Operations	Rehabilitation trust funds: R	
	FY06	FY07
Blyvoor	19 999 908	24 319 738
Crown	6 971 959	11 917 935
ERPM	5 303 273	9 017 935
West Wits*	13 003 804	14 123 219
DRD*	15 105 045	16 398 858
Total	60 383 989	75 770 967

Concurrent rehabilitation remains in place at all operations.

*Discontinued operations

TOLUKUMA GOLD MINE – SAFETY INDICATORS FY07

Month	Fatal injury	Lost time	Total	LTIFR
Q1	0	0	0	0.00
Q2	3	4	7	7.72
Q3	0	1	1	1.93
Q4	0	1	1	1.72
Annual June 07	3	6	9	2.81

Safety, health and environment
continued

through the introduction of a formal hazard alert programme, and the implementation of an incident investigation system (ICAM). Both of these initiatives include mechanisms to track actions and outcomes arising from the identification of hazards or other safety risks.

Insofar as behaviour-based initiatives are concerned, a safe behaviour programme has been introduced. This involves safety contact meetings held as part of the daily team meetings conducted by the various departments at the mine. All safety issues or incidents are reported and discussed in order to develop safer work practices for individuals. Supervisors are held accountable for ensuring that their teams behave in a safe manner.

HEALTH

Emperor has continued to focus upon improving the health and well-being of its workforce as an integral part of its approach to business.

At Tolukuma, health-related interventions fall into two categories: direct health services provided by the mine, and various ongoing awareness and education programmes.

The principal medical services offered comprise the on-mine medical centre and the Community Aid Post. The medical centre is staffed by two fully qualified doctors and two health extension officers. The aid post, in Tolukuma Village, is staffed by two community health workers. More than 10 000 patients were treated at the two facilities between January and December 2006. Quarterly outreach programmes, enabling health care staff to visit the more remote communities by helicopter, are undertaken on a quarterly basis.

Malaria, pneumonia and diarrhoea are the illnesses most frequently treated. More serious cases are referred to the hospital at Port Moresby. A helicopter evacuation service is in place for emergencies.

Comprehensive medical examinations are in place for employees, on appointment and annually thereafter. These examinations include screening for TB, typhoid and HIV/Aids. Work continues on the implementation of a comprehensive health education programme, focusing on such topics such as HIV/Aids, TB and sexually transmitted infections (STIs). At Vatukoula, primary health care facilities are available. A counselling service, manned by trained volunteers, is also in place and deals with such issues as substance abuse and STIs. Pre-employment medical examinations are in place.

ENVIRONMENT

Emperor is committed to working in an environmentally responsible way and managing the impact of its operations on the environment throughout all its exploration, mining and processing activities. The company is committed to consulting with relevant interested and affected parties regarding environmental issues.

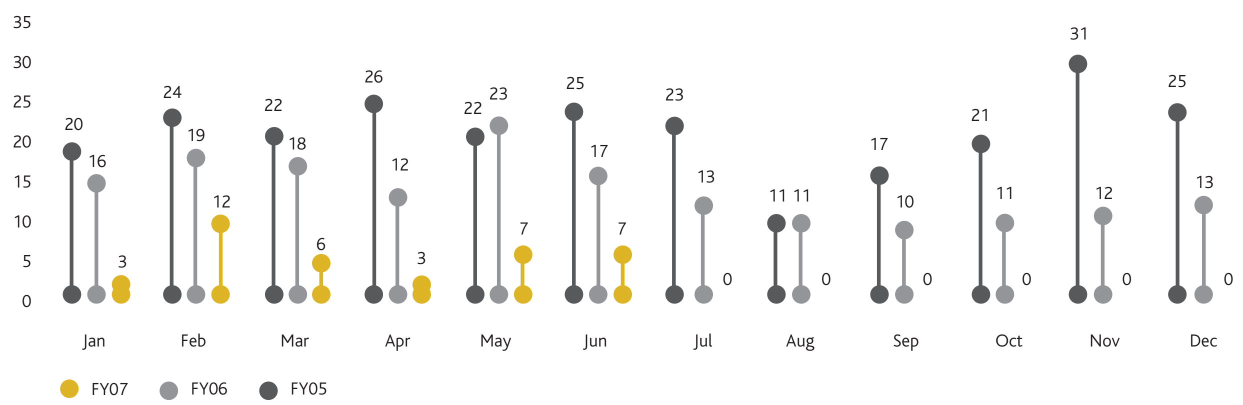
The company's environmental policy is reviewed every three years and updated if required. Environment management systems are based on ISO14001 standards.

Tolukuma complies with all monitoring guidelines as stated in the environmental management and monitoring programme. It has valid water use permits and complies with existing monitoring strategies. Compliance results are reported annually to the PNG Department of the Environment and Conservation.

Among other positive developments during the current year, the mine has participated in two initiatives involving the examination of the potential downstream riverine impacts of the mine.

The first of these involves a water supply assessment team working in two Mekeo villages downstream of Tolukuma in the Bereina District of PNG, and, with the participation of those communities, assessing the means of providing better access to clean water supplies.

Tolukuma GM – number of injuries, 2005-07



The team comprises representatives from the mine, health and water technical experts from Oxfam Australia, community members and a representative of the Centre for Environmental Research and Development.

Mine management will use the recommendations from the assessment to implement better water solutions for the communities. The company has discussed this initiative with relevant government departments, which acknowledge the importance of the study.

The visit by the team also paves the way for closer and more productive relations between the mine and Mekeo communities, and, importantly, addresses the potential public health concern of limited clean water supplies in parts of the district.

As part of the second initiative, the mine is represented on a select committee ordered by the Minister for Health in PNG to examine, measure and report on any potential impacts of the mine on the Auga/Angabanga river system.

This group has now developed terms of reference for a study to examine the bio-physical and socio-cultural impacts of the mine within downstream communities. This research is scheduled to start during the latter half of 2007.

Transformation

TRANSFORMATION

SOUTH AFRICA

Transformation in the South African mining industry is governed by the provisions of the Mineral and Petroleum Resources Development Act (MPRDA) and the Broad-based Socio-economic Empowerment Charter (the Charter). It is a requirement of the MPRDA that mining companies must convert their old order mining and prospecting rights to new order rights, and they are required to meet certain conditions before the applications for conversion are granted by the Department of Minerals and Energy (DME). The Charter sets out these conditions, and a Mining Scorecard, drawn up by the DME, lists the key elements of these.

Applications for mining rights conversions must be accompanied by social and labour plans (SLPs) setting out the company's detailed proposals for meeting targets set out in the Charter within five and 10 years from date of submission.

DRDGOLD SA has made good progress in the conversion process: Blyvoor's completed SLP was lodged with the DME in July; ERPM's SLP is scheduled for completion in August; an application for a mining right in respect of the Top Star dump in Johannesburg has been submitted; and Crown's SLP is scheduled for completion in October.

Progress made at each operation in meeting Charter targets is outlined in the sections that follow.

HUMAN RESOURCES DEVELOPMENT

Has the company offered every employee the opportunity to become functionally literate and numerate, and are employees being trained?

An Adult Basic Education and Training (ABET) programme is available at all DRDGOLD SA operations. The programme is regularly marketed to employees, largely through formal education and employment equity structures established with the National Union of Mineworkers (NUM) at all operations as well as through the company newsletters. At ERPM, the programme is marketed to community members through the local district council and through local media advertisements. At all three operations the possession of an ABET Level 4 qualification or equivalent is a prerequisite for entry to the company's career development programmes.

At Blyvoor, ABET classes from Level 1 to Level 4 are available on a part-time basis to employees and the surrounding community (ABET levels are defined by the National Qualifications Forum). The Department of Labour appointed Masithuthuke, a company subcontracted by the University of South Africa (Unisa), to provide ABET to communities. As part of this initiative, Masithuthuke approached Blyvoor with a request for a venue where community members could be trained. The company made a venue available and mine employees will also be trained as part of this programme. Masithuthuke is supplying the education materials for those taking ABET Level 1 to Level 4 classes and for the teachers.

Nine Blyvoor employees completed ABET facilitation training during the year under review.
Other noteworthy developments during FY07 include the provisional Mining Qualifications

NUMBER OF EMPLOYEES INCLUDING CONTRACTORS

Operation	FY06	FY07
Blyvoor	4 520	4 623
Crown	925	1 165
ERPM	2 020	2 139
Corporate and regional	43	44
Total	6 390	7 971

ABET

(includes full- and part-time participants)

Numbers who have enrolled on the programme since inception – excluding FY07			
	Blyvoor	Crown	ERPM
Level 1	257	14	N/A
Level 2	187	18	N/A
Level 3	127	12	N/A
Level 4	115	6	N/A
TOTAL	686	50	N/A

ABET

(includes full- and part-time participants)

Numbers enrolled on the programme in FY07			
	Blyvoor	Crown	ERPM
Level 1	36	10	47
Level 2	32	7	5
Level 3	18	5	7
Level 4	11	2	0
TOTAL	97	24	59

ABET (Future plans and target levels)

Blyvoor	Crown	ERPM
Establish individual development plans (IDPs) for all existing ABET students in order to expand existing talent pools.	Crown will conduct a literacy and numeracy assessment in 2007 to determine future ABET needs.	In terms of ERPM's workplace skills plan, the target is to enrol 120 full-time ABET learners per year from 2007 to 2011.

Authority (MQA) accreditation received by Blyvoor's training centre. This covers the ABET programme and the Competent Persons A and B workplace training required by legislation. Personnel in the relevant occupations at Blyvoor have all completed Competent Person A and B training.

At Crown, full-time ABET classes (Level 1 to Level 4) are available to all employees on company premises, with some 20 learners enrolled per year. Participation is on a voluntary basis. The facilitator has applied for MQA accreditation.

At ERPM, the ABET centre was established in October 2006. Four trained facilitators, all ERPM employees, offer full-time and part-time ABET classes to employees and the surrounding community.

In future the centre will include computer training and will offer tuition in Grade 12 subjects to help the community. The mine will assist the centre until it can function on its own – the cut-off is 2010.

Has the company implemented career paths for historically disadvantaged South African (HDSA) employees, including skills development plans?

Detailed career paths and skill development plans are in place for all employees. The DRDGOLD SA Career Development and Transformation Committee was established during FY07. Membership comprises senior regional management and the general manager and human resources manager of each operation. The committee meets monthly and reviews the progress of the identified talent pool at each site.

DRDGOLD SA

Career Development Programme 2007

	Blyvoor	Crown	ERPM
Learnerships	10	6	12
Graduates	10	3	5
Lesedi programme	N/A	N/A	7

During the year under review, the three operations embarked on a major drive to foster talent in the organisation. Applications for learnerships – to be completed through a combination of theoretical and practical learning – were invited from existing employees and surrounding community members. On completion of their studies, the learners (10 from Blyvoor, 12 from ERPM and six from Crown) will be fast-tracked into the HDSA talent pool in the mining, engineering, metallurgical and mineral resources management disciplines. The first group of six learner miners at ERPM graduated from the learnership programme in June 2007. Some of the 10 learners at Blyvoor are due to complete their studies in May 2008 and the rest in September 2009. The company has launched a recruitment drive for 10 graduates to be placed at each operation.

At Crown and ERPM, employees are assisted on request, through an interest-free loan or study support, to pursue part-time study in their respective fields. Plans are in place to introduce this scheme, on a merit basis, at the other two operations as part of the career development and succession planning process.

At ERPM, seven students in mining and related fields gained practical experience during the year. The students were sponsored by the Lesedi Trust, established in 2002 by Khumo Gold.

During the year under review, a total of R4 million (FY06: R3.15 million) was spent on skills development and training.

Has the company developed systems through which empowerment groups can be mentored?

Mentorship programmes are in place at all DRDGOLD operations. Mentors have been identified, trained and assigned to protégés. At Blyvoor, 13 mentors have been trained.

EMPLOYMENT EQUITY

Has the company published its employment equity plan, and is it reporting on progress?

Blyvoor, Crown and ERPM have all submitted employment equity plans to the Department of Labour. Progress is reported quarterly at employment equity and training and development forums.

Has the company identified a talent pool and is it fast tracking it?

IDPs have been established in respect of all trainees and protégés. Plans are reviewed regularly with mentors, line managers and the Career Development and Transformation Committee.

At Blyvoor, 27 employees have been identified as having the potential to move into management positions in time.

Has the company established a plan to achieve a target for HDSA participation in management of 40% within five years, and is it implementing the plan?

Plans to achieve this target within five years of submission of the relevant operation's SLP are in place at all operations. As noted earlier, SLPs have been submitted to the DME in respect of Blyvoor and as part of the application to mine the Top Star dump, and are scheduled to be submitted for ERPM and Crown during the first half of FY08.

HDSAs IN MANAGEMENT* POSITIONS

Progress against 40% target

	FY06	FY07
Blyvoor	15.6%	16.7%
Crown	27.8%	38%
ERPM	30%	30%
Regional and corporate	37.5%	21.2%**

*It should be noted that a standard definition of management (equating to foreman level or Paterson C-Upper) has now been agreed, replacing the previous definition which equated to Paterson D-Lower.)

**Previously only the corporate figure was reported, current year includes regional figure.

The current position is regularly monitored against targets.

Blyvoor has plans in place to achieve 40% HDSA compliance by 2011.

Has the company established a plan to achieve a target for the participation of women in mining of 10% within five years, and is it implementing the plan?

At Blyvoor plans are in place for upgrading change houses and facilities for female employees, at a budgeted cost of R1.7 million. Work is scheduled to begin in October 2007, with a targeted completion date of February 2008.

WOMEN IN MINING

Progress against 10% target

	FY06	FY07
Blyvoor	4.7%	6.6%
Crown	3.6%	6%
ERPM	3.5%	5.5%
Regional and corporate	25.6%	25.0%

ERPM is planning to build a change house for women at the reduction plant by June 2008.

All the operations have made good progress in the past year, and are more than half way towards achieving the 10% target.

MIGRANT LABOUR

Has the company subscribed to government and industry agreements to ensure non-discrimination against foreign migrant labour?

Migrant employees – defined as non-South African citizens originating from a Southern African Development Community (SADC) country – constitute 35% and 30% of the total workforce at Blyvoor and ERPM respectively. The equivalent percentages in FY06 were 43% and 33%. There are no migrant employees at Crown.

DRDGOLD adheres to the various international agreements that are in place, and does not discriminate against foreign migrant labour in any way.

COMMUNITY AND RURAL DEVELOPMENT

Has the company co-operated in the formulation of integrated development plans for communities where mining takes place, and for major labour-sending areas?

DRDGOLD is committed to contributing to the long-term economic well-being of the areas in which it operates and from which it draws its employees.

Blyvoor's SLP has been submitted to the DME. Representatives of the mine have regular and structured contact with the Merafong City Council, with the objective of identifying local economic development projects for support. During the year under review, Blyvoor made available two buildings in the mine village, a former post office, which is being used as a library, and a redundant hospital, which will function as a hospice for the community. In addition to subsidising the running costs of the latter building, the mine extended the use of its facilities to hostel dwellers and for the holding of ABET classes.

Blyvoor has conducted an extensive drugs and alcohol awareness campaign into the community which culminated in the holding of a HIV/Aids awareness day.

The mine has helped to improve the local day care centre by upgrading a number of its facilities and by donating reading and educational material.

Crown representatives regularly participate in discussions with the Johannesburg Municipality. The mining rights application in respect of the Top Star dump includes a proposal to sponsor a nursery project operating from the site of a former hostel. Sponsorship to the value of R160 000 a year is envisaged if the mining right is granted. The broader Crown SLP, which is due to be submitted to the DME before the end of 2007, also includes proposals in respect of a number of community training projects.

ERPM's SLP is also ready for submission to the DME. The operation continues to participate in the Ekurhuleni Mining Forum. ERPM's contribution to local community upliftment and development was acknowledged in 2007, when it was selected as a recipient of one of the awards presented by the Professional Management Review to business leaders in the Ekurhuleni Municipal District.

DRDGOLD SA has also held discussions with Teba regarding possible participation in a number of projects managed by the organisation on behalf of the mining industry in the rural labour-sending areas. Project focus areas include agriculture, education and health.

HOUSING AND LIVING CONDITIONS

Has the company established measures for upgrading hostels, converting hostels to family units, promoting home ownership options for mine employees, and improving company-provided nutrition?

Both Blyvoor and ERPM report declining numbers of hostel residents, with a greater number of employees opting to receive the living out allowance.

At Blyvoor, 1995 employees reside in two hostels (FY06: 2 484), while 225 mineworkers reside with their families in three mine villages. In FY06, the mine embarked on a programme of upgrading hostel rooms to family accommodation. To date, 171 rooms have been completed at a cost of R695 000, with the conversion of 106 rooms still in progress. The total budgeted project cost is R1.2 million.

At ERPM, hostel occupancy declined to 161 from 258 in FY06. The majority of eligible employees (1 978 in the current year) continue to opt for the living-out allowance.

There is no hostel accommodation at Crown. The company assists eligible employees in obtaining government housing subsidies. Catering at all company hostels is outsourced and overseen by qualified dieticians. An additional meal pack has been introduced for underground employees at Blyvoor.

PROCUREMENT

Are HDSA suppliers given preferred status? Has the company indicated a commitment to a progression of procurement from HDSA companies over a three- to five-year time frame in terms of capital goods, consumables and services, and to what extent has that commitment been implemented?

DRDGOLD has continued to make good progress in meeting targets in this area. At the end of the year under review, 54% of total procurement spend had been placed with suppliers with some degree of HDSA ownership, compared with 48% in FY06.

OWNERSHIP AND JOINT VENTURES

Has the mining company achieved HDSA participation in terms of ownership for equity or attributable units of production of 15% in HDSA hands within five years and 26% within 10 years?

DRDGOLD SA is jointly owned by DRDGOLD Limited and its black economic empowerment (BEE) partner, Khumo Gold SPV (Pty) Limited, with respective holdings of 74% and 20%. The balance of 6% has been reserved as the foundation for an employee trust. This has ensured compliance with the Mining Charter's 10-year target for BEE equity participation.

BENEFICIATION

Has the company identified its current level of beneficiation?

DRDGOLD has a 50.25% stake in NetGold Services, an affiliate of GoldMoney.com, an Internet-based entity through which gold can be bought and sold through units of account called goldgrams. (One goldgram represents a gram of gold, or 0.032 ounces.) Goldgrams are underwritten by physical gold stored in a secure vault in London in the form of London Bullion Market Association (LBMA) good delivery bars. Goldgrams can be used as a means of investing in gold or as an alternative to currency in making on-line payments.

During the year under review, gold held in storage for GoldMoney.com customers increased from 5.50 million to 6.38 million goldgrams, an increase of 16%. The additional gold bars that this increase brought into the system were all sourced from Rand Refinery Limited, in which DRDGOLD has a 4.1% shareholding. GoldMoney.com's total assets held in storage on behalf of customers is $192 million.

REPORTING

Has the company reported on an annual basis its progress towards achieving its commitments in its annual report?

Scorecard issues have been comprehensively reported in the last four issues of the company's annual report.

Corporate governance

INTRODUCTION

In the year under review DRDGOLD's Board of Directors has demonstrated its commitment to the upholding and implementation of the principles of corporate governance which are recognised and practised throughout the international business world. All the directors are fully aware that they are the custodians of corporate governance in the organisation and this is reflected in the way they execute their fiduciary duties which is with diligence, integrity and honour. The intention is that this filters down to all the employees. The upholding of such ideals puts the company in a position to improve organisational performance and deliver value to shareholders and stakeholders alike. DRDGOLD has set up systems and controls to promote discipline, transparency, accountability, responsibility and fairness for the protection of the interests of the shareholders, employees and the communities in which we operate.

The King Report on Corporate Governance for South Africa (the King II Report) is a codified body of principles which is intended to serve as guidelines for the enhancement of high standards of corporate governance. DRDGOLD's practices and policies have been tailored to comply with the King II Report throughout the year under review.

DRDGOLD is registered with the Securities and Exchange Commission (SEC) in the United States of America and its ordinary shares are quoted on the Nasdaq Capital Market (Nasdaq) in the form of an American Depositary Receipts (ADR) Programme, administered by the Bank of New York. Accordingly, DRDGOLD is bound by the Sarbanes-Oxley Act of 2002 (SOX) and is developing the policies and procedures for implementing the requirements of that act.

DRDGOLD's shares are quoted on the JSE Limited, which is its primary listing.

THE BOARD OF DIRECTORS

The Board of Directors currently comprises one executive director, the Chief Executive Officer, Mr John Sayers, with Mr Kobus Dissel serving as the Acting Chief Financial Officer and an alternate director; and four non-executive directors, Messrs Geoffrey Campbell, Robert Hume, Douglas Blackmur and James Turk.

On 31 December 2006, Mr Mark Wellesley-Wood resigned as Chief Executive Officer of DRDGOLD and was replaced by Mr Sayers on 1 January 2007. Mr Dissel replaced Mr Sayers as Chief Financial Officer in an acting capacity.

The King II Report requires that the board be a unitary one with a balance between the executive and the non-executive directors and with a substantial number of independent non-executive directors

COMPLIANCE WITH STOCK EXCHANGE REQUIREMENTS

Some of the recommendations contained in the King II Report have been adopted in the JSE Listings Requirements and, as a foreign listed company on Nasdaq in July 2005, the board has satisfied certain Nasdaq Rules as indicated below. This means that the board has had to reconcile the stock exchange rules of the JSE and Nasdaq.

- **Policy detailing the procedure for appointment to the board** – In compliance with both the Nasdaq and JSE requirements the Board of Directors has adopted a formal and transparent policy in terms of which the Remuneration and Nominations Committee identifies candidates, interviews them and recommends the short-listed candidates to the board. The board deliberates on the suitability of the candidates and appoints the most suitable persons.

- **Policy evidencing a clear division of responsibility at board level** – The board has established committees with distinct terms of reference. The terms of reference give details of the duties and responsibilities which directors have to carry out in their

respective areas of specialisation. The balance of power and authority at board level is illustrated by the separation of the position of chief executive officer and chairman as outlined below. On 29 August 2007, the board formally approved a Board Charter which sets out the directors' responsibilities and serves as a standing guideline for the benefit of directors.

- **The Chief Executive Officer must not hold the position of Chairman of the board** – On 17 February 2005 Dr Paseka Ncholo was appointed Non-executive Chairman and Mr Wellesley-Wood resumed his position as Chief Executive Officer. On 25 October 2005 Mr Campbell was appointed as the independent Non-executive Chairman of the board. The company continues to comply with this requirement as Mr Campbell is the independent Non-Executive Chairman and Mr Sayers is the Chief Executive Officer. The appointment of an independent chairman is in full compliance with the King II Report's recommendations. As the independent chairman is not part of the executive, he inherently approaches the business of the company in an impartial and objective manner.

- **Appointment of committees** – The board has Audit, Risk, and Remuneration and Nominations committees as recommended by the King II Report, required by the JSE Listings Requirements, and in line with the nature of our business. Each committee is governed by a set of terms of reference with respect to its composition, duties and responsibilities.

- **A brief CV of each director** – This has been provided for in this report on pages 10 and 11.

- **Categorisation of each director's capacity** – This has been provided for in this report on pages 10 and 11.

- **Majority of independent directors according to the JSE Listings Requirements** – The majority of the DRDGOLD directors are independent as specified by the JSE Listings Requirements.
- **Listing Agreement** – DRDGOLD executed a Listing Agreement in the form designated by Nasdaq as prescribed by the rules of that stock exchange.

- **Independence and responsibilities of the Audit Committee** – All the members of the Audit Committee are independent according to the definition set out in the Nasdaq Rules. This committee takes up the responsibilities relating to the independent auditor, KPMG Inc. The Audit Charter dealing with all aspects relating to the committee was approved and adopted by the board in July 2005.

- **Regular board evaluation** – In April 2007 the board invited an independent external facilitator to assess the performance of the directors collectively and individually. The facilitator started off the evaluation process with all of the directors together in a workshop-type setting with each director making an input in response to a set of questions. The session, in which the deliberations were frank and honest, included such issues as the performance of directors, independence and balance of

DETAILS OF ATTENDANCE BY DIRECTORS AT THE BOARD MEETINGS HELD DURING THE 2007 FINANCIAL YEAR

Director	Designation	22 Aug 2006	12 Oct 2006	31 Oct 2006	8 Nov 2006	10 Jan 2007	8 Feb 2007	25 Apr 2007
M M Wellesley-Wood[1]	CEO	✔	✔	✔	✔	N/A	N/A	N/A
J H Dissel	CFO	N/A	N/A	N/A	✔	✔	✔	✔
J W C Sayers[2]	CFO/CEO	✔	✔	✔	✔	✔	✔	✔
G C Campbell	Non-executive Chairman	✔	✔	✔	✔	✔	✔	✔
D J M Blackmur	Senior Independent Non-executive	✔	✔	✔	✔	✔	✔	✔
R P Hume	Independent Non-executive	✔	✔	✔	✔	✔	✔	✔
J Turk	Non-executive	✔	✔	✔	✔	✔	✔	✔

All meetings were held in Johannesburg except for the board meeting on 12 October 2006, which was held in New York.

A Apologies
N/A Not applicable
✔ Includes attendance through teleconference or videoconference facilities

[1] Resigned on 31 December 2006
[2] Appointed as CEO on 1 January 2007

expertise. Progress on the issues raised at the previous board evaluation was discussed and the directors and the independent facilitator were satisfied with the progress made since the previous year's report in this regard.

COMPLIANCE WITH OTHER GOOD CORPORATE GOVERNANCE PRINCIPLES

All of the directors bring to the board a wide range of expertise as well as significant financial, commercial and technical experience and, in the case of the non-executive directors, independent perspectives and judgement.

The board is responsible for setting the direction of DRDGOLD through the establishment of strategic objectives and key policies. It monitors the implementation of strategies and policies through a structured approach to reporting on the basis of agreed performance criteria and defined, written delegations to management for the detailed planning and implementation of such objectives and policies.

The board retains full and effective control over DRDGOLD, meeting on a quarterly basis with additional ad hoc meetings being arranged when necessary, to review strategy and planning, and operational and financial performance. The board further authorises acquisitions and disposals, major capital expenditure, stakeholder communication, and other material matters reserved for its consideration and decision. The board also approves the annual budgets for the various operational units.

The board is responsible for monitoring the activities of executive management within DRDGOLD and ensuring that decisions on material matters are considered by the board. The board approves all the terms of reference for the various subcommittees of the board, including special committees tasked to deal with specific issues.

While the executive directors are involved with the day-to-day management of DRDGOLD, the non-executive directors are not, nor are they full-time salaried employees.

The directors have a responsibility to become acquainted with all of their duties, as well as with the issues pertaining to the operations and business of DRDGOLD. The board operates in a field which is technically complex and the directors are continually exposed to information which enables them to fulfil their duties. To assist new directors, an induction programme has been established by DRDGOLD, which includes background materials, meetings with senior management, presentations by DRDGOLD's advisers and visits to operations.

In addition, the Remuneration and Nominations Committee formally evaluates executive directors and the alternate directors on an annual basis. This evaluation is based on objective criteria. All directors, in accordance with DRDGOLD's Articles of Association, are subject to retirement by rotation and re-election by shareholders. In addition, all directors are subject to re-election by shareholders at the first annual general meeting following their appointment. The appointment of new directors is approved by the board as a whole. The names of the directors submitted for re-election are accompanied by sufficient biographical details in the notice of the forthcoming annual general meeting to enable shareholders to make an informed decision in respect of their re-election. All directors have access to the advice and services of the company secretary, who is

DETAILS OF ATTENDANCE BY MEMBERS AT THE AUDIT COMMITTEE MEETINGS HELD DURING THE 2007 FINANCIAL YEAR

	21 Aug 2006	18 Sept 2006	17 Oct 2006	30 Oct 2006	19 Dec 2006	07 Feb 2007	26 Feb 2007	23 Apr 2007
R P Hume	✔	✔	✔	✔	✔	✔	✔	✔
D J M Blackmur	✔	✔	✔	✔	✔	✔	✔	✔
G C Campbell	✔	✔	✔	✔	✔	✔	✔	✔

responsible to the board for ensuring compliance with procedures and regulations of a statutory nature. Directors are entitled to seek independent professional advice concerning the affairs of DRDGOLD at the group's expense, should they believe that course of action would be in the best interests of the company. A structured and efficient procedure has been incorporated into the Board Charter which has now been formally adopted by the directors.

BOARD MEETINGS AND RESOLUTIONS

Board meetings are held quarterly, primarily in South Africa but were previously also held in the United States and Australia. The structure and timing of DRDGOLD's board meetings, which are scheduled over two or three days, allows adequate time for the non-executive directors to interact without the presence of the executive directors.

An agenda and supporting papers are distributed to all directors prior to each board meeting. Appropriate explanations and motivations are provided for items of business requiring resolution at the meeting. This ensures that relevant facts and circumstances are brought to the attention of directors. In terms of good governance, the directors can conduct unrestricted inspections of all company property, information and records.

In addition to the quarterly board meetings, there is provision in the company's Articles of Association for decisions to be taken between meetings by way of directors' written resolutions. These resolutions are circulated to the directors, supported by full motivations and explanations, and the directors are afforded five days to apply their minds to the matter at hand before they approve the resolution.

BOARD COMMITTEES

The board has established a number of standing committees to enable it to discharge its duties and responsibilities properly and to fulfil its decision-making process effectively. Each committee acts within written terms of reference which have been approved by the board and under which specific functions of the board are delegated. Each committee has defined purposes, membership requirements, duties and reporting procedures. Minutes of the meetings of these committees are circulated to the members of the committees and made available to the board. Remuneration for non-executive directors for their services on the committees concerned is determined by the board. The committees are subject to regular evaluation by the board with respect to performance and effectiveness.

The following information reflects the composition and activities of these committees:

AUDIT AND RISK COMMITTEES

With effect from 11 February 2005 the Audit and Risk committees started to conduct joint quarterly meetings. The Audit Committee is chaired by Mr Hume and the Risk Committee is chaired by Professor Blackmur. The reason for the joint sitting is that there is a great deal of overlap between the financial risks discussed at Audit Committee level and at Risk Committee level. The joint sitting brings about better disclosure and ensures that DRDGOLD conforms more closely with the process prescribed by SOX.

DETAILS OF ATTENDANCE BY MEMBERS AT THE RISK COMMITTEE MEETINGS HELD DURING THE 2007 FINANCIAL YEAR

	21 Aug 2006	30 Oct 2006	07 Feb 2007	23 Apr 2007
D J M Blackmur	✔	✔	✔	✔
J Turk	✔	✔	✔	✔
M M Wellesley-Wood	✔	✔	N/A	N/A

AUDIT COMMITTEE

The members are: R P Hume (Chairman), G C Campbell and D J M Blackmur.
The Audit Committee is composed solely of non-executive directors, all of whom are independent.

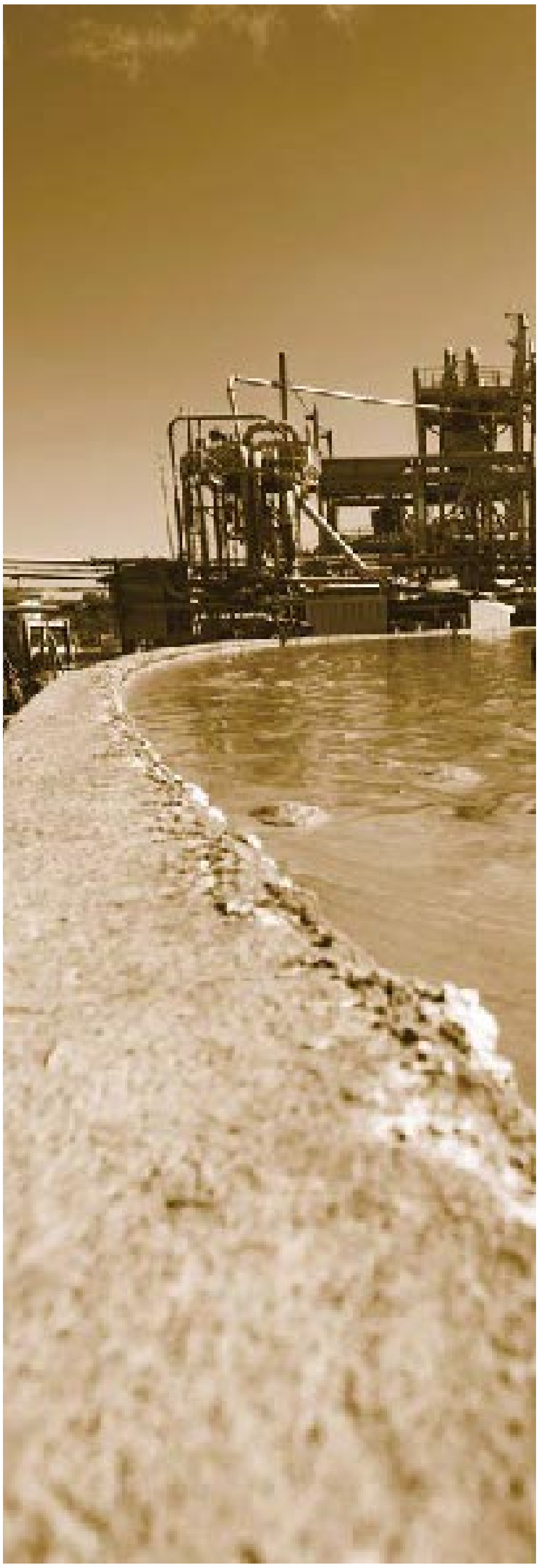
The primary responsibilities of the Audit Committee, as set out in the Audit Committee Charter, are to assist the board in carrying out its duties relating to the selection and application of accounting policies, internal financial controls, financial reporting practices, identification of exposure to significant financial risks and the preparation of accurate financial reporting and financial statements in compliance with all applicable legal requirements and accounting standards.

The Audit Committee meets every quarter with the external auditors, the company's internal audit and compliance manager and the chief financial officer. The committee reviews the audit plans of the internal auditors to ascertain the extent to which the scope of the audits can be relied upon to detect weaknesses in internal controls, and reviews the annual and interim financial statements prior to approval by the board

The committee is directly responsible for the appointment, re-appointment and removal of the external auditors as well as the remuneration and terms of engagement of the external auditors. The committee pre-approves all services provided by the external auditors and has implemented a policy regarding the provision of non-audit services by external auditors, and pre-approval thereof. DRDGOLD's external audit function is currently being undertaken by KPMG Inc. DRDGOLD's internal audit function is performed by in-house staff and Pro Optima Audit Services (Pty) Ltd. Internal audits are performed at all of DRDGOLD's operating units and are aimed at reviewing, evaluating and improving the effectiveness of risk management, internal control and corporate governance processes. Significant deficiencies, material weaknesses, instances of non-compliance, and exposure to high risk and development needs are brought to the attention of operational management for resolution. The committee members have access to all the records of the internal audit team.

DRDGOLD's internal and external auditors have unrestricted access to the chairman of the Audit Committee and, where deemed necessary, to the chairman of the board and the chief executive officer. All significant findings arising from audit procedures are brought to the attention of the committee and, if deemed necessary, to the board.

Reporting requirements necessary to ensure DRDGOLD's compliance with SOX are in the process of being implemented. A dedicated Disclosure Committee, which reports to the Audit Committee and then to the board, has been appointed to monitor the progress of this project. Section 404 of SOX stipulates that management should assess the effectiveness of the internal controls surrounding the financial reporting process. The results of such an assessment are to be reported in the form of a Management Attestation Report that is to be filed with the SEC as part of the Form 20-F. Additionally, the company's external auditors are required to express an opinion on management's assessment of the operating effectiveness of internal controls over financial reporting. During the third quarter of the 2005 financial year, the SEC granted a one-year extension on the reporting deadline for Section 404 of SOX, thus deferring DRDGOLD's deadline to 30 June 2007. In the first quarter of the 2007 financial year, the SEC announced that another one-year extension had been granted for auditor sign-off on management's assessment of foreign private issuers meeting the definition of an 'accelerated filer'. Therefore, DRDGOLD's externally audited Section 404 initiative will only be reported as of 30 June 2008.



RISK COMMITTEE

The members are: D J M Blackmur (Chairman), and J Turk

The Risk Committee was established during January 2004 and comprises two non-executive directors, with a non-executive chairman who is independent. Its overall objective is to assist the board in the discharge of its duties relating to risk management and control responsibilities, assurance issues, health, safety and environmental compliance, and the monitoring and reporting of all these matters. The quality, integrity and reliability of the group's risk management are delegated to the Risk Committee by the Board of Directors. The Risk Committee facilitates communication between the board, the Audit Committee, internal auditors and other parties engaged in risk management activities.

The Risk Committee ensures that:

- an effective risk management programme is implemented and maintained;
- risk management awareness is promoted among all employees;
- risk programmes (financing/insurance) adequately protect the company against catastrophic risks;
- regular risk assessments are conducted;
- the total cost of risk in the long term is reduced;
- the protection of DRDGOLD's assets is promoted throughout the group;
- the health, safety and well-being of all stakeholders is improved; and
- DRDGOLD's activities are carried out in such a way so as to ensure the safety and health of employees.

The Risk Committee meets every quarter and reports back to the board. Additional ad hoc meetings may be arranged as and when required. Certain members of executive management are invited to attend Risk Committee meetings on a regular basis, including the chief financial officer, the group risk manager, the group financial manager, the operational managers, the group legal counsel and the manager responsible for Safety, Health and Environment.

DRDGOLD has embarked on a risk management initiative directed by the Risk Committee and co-ordinated by a dedicated group risk manager in line with the minimum practices as proposed by the King II Report.

The system to manage risk involves all significant business and operational risks which could undermine the achievement of business objectives and undermine the preservation of shareholder value. The significant risks facing DRDGOLD, including those at an operational level, have been identified. People assigned have been appointed to each risk and the results of their work to improve controls are reviewed by senior management through regular risk meetings. The aim of the internal control systems is for management to provide reasonable assurance that the objectives will be met.

In addition to the above initiatives, DRDGOLD also employs third-party consultants to benchmark its operations against other mining operations throughout South Africa and more than 300 different mining companies worldwide.

An important aspect of risk management is the transfer of risk to third parties to protect the company from any major disaster. Therefore, DRDGOLD's major assets and potential business interruption and liability claims are covered by the group insurance policy, which encompasses all operations worldwide. The majority of these policies are through insurance companies operating in Britain, Europe and the United States.

The various risk management initiatives undertaken in the group as well as the strategy to reduce cost without compromising cover has been successful, resulting in substantial insurance cost savings for the group.

REMUNERATION AND NOMINATIONS COMMITTEE

The members are: D J M Blackmur (Chairman), R P Hume and G C Campbell.

The Remuneration and Nominations Committee, which comprises only directors who are both independent and non-executive, is primarily responsible for approving the remuneration policies of DRDGOLD and the terms and conditions of employment of executive and non-executive directors and senior officers. Items considered by the committee include salaries, performance-based incentives and the eligibility and performance measures of the DRDGOLD (1996) Share Option Scheme applicable to senior management.

DETAILS OF ATTENDANCE BY MEMBERS AT THE REMUNERATION AND NOMINATIONS COMMITTEE MEETINGS HELD DURING THE 2007 FINANCIAL YEAR

	21 Aug 2006	26 Oct 2006	30 Oct 2006	9 Nov 2006	20 Nov 2006	30 Nov 2006	7 Feb 2007	23 Apr 2007
D J M Blackmur	✔	✔	✔	✔	✔	✔	✔	✔
G C Campbell	✔	A	✔	✔	✔	✔	✔	✔
R P Hume	N/A	N/A	✔	A	✔	✔	✔	✔

The committee's obligation is to evaluate and recommend to the board competitive packages that will attract and retain executives of the highest calibre, and encourage and reward superior performance. The committee also aims to ensure that criteria are in place to measure individual performance. The committee approves the performance-based bonuses of the executive directors based on such criteria. DRDGOLD's group strategic manager: human resources provides the committee with access to comparative industry surveys, which assist in formulating remuneration policies. As and when required the committee may also engage the services of independent consultants to evaluate and review remuneration policies and related issues.

The committee meets quarterly, but may meet more often on an ad hoc basis if required. The committee may from time to time call for independent consultants to brief members on pertinent issues.

During 2002, DRDGOLD engaged the services of Deloitte and Touche Human Capital to assist in the drafting of a remuneration policy. This policy was approved by the board on 21 October 2004. The policy can be described as being based on a reward system comprising four principal elements:

- basic remuneration, as benchmarked against industry norms;
- bonuses or incentives, which are measured against agreed outcomes or key performance indicators, and are usually linked to the annual budget of the group;
- short-term rewards, which can be described as 'soft' rewards for exceptional performance (like the granting of travel vouchers); and
- long-term retention, which is the rationale underlying the share option scheme and share scheme for senior managers. It is linked to the criticality of skills and strategic value.

These four elements interact in a matrix, designed to reward all employees for their effort and provides a transparent framework, which is reviewed and approved by the Remuneration and Nominations Committee.

ANNUAL FINANCIAL STATEMENTS

The directors are required by the South African Companies Act of 1973, to maintain adequate accounting records and are responsible for the preparation of the annual financial statements which fairly present the state of affairs of the group at the end of the financial year, and the results of its operations and cash flows for the year, in conformity with International Financial Reporting Standards (IFRS) and the South African Companies Act referred to above. The directors are of the opinion that these financial statements, contained on pages 46 to 109 of this report, fairly present the financial position of the group as at 30 June 2007, and the results of its operations and the cash flow information for the year then ended.

The directors have reviewed the group's business plan and cash flow forecast for the year to 30 June 2008. On the basis of this review, and in light of the current financial position and existing borrowing facilities, the directors are satisfied that the group is a going concern and has adequate resources available to ensure its continued operational existence.

To comply with requirements for reporting by non-US companies registered with the SEC, DRDGOLD prepares annual financial statements on a Form 20-F in accordance with United States Generally Accepted Accounting Principles (US GAAP). This report will be available from the Bank of New York and on the worldwide web at www.sec.gov to holders of DRDGOLD's securities listed in the form of American Depositary Receipts on Nasdaq.

REMUNERATION REPORT

EXECUTIVE DIRECTORS' REMUNERATION

The remuneration of the executive directors comprises a basic salary and a semi-annual performance bonus. The full details of the total executive directors' remuneration for the year ended 30 June 2007 are provided in a table on page 47 of this report.

BASIC SALARY

Each executive director receives a basic salary as recommended by the Remuneration and Nominations Committee in accordance with the remuneration policy. All salaries are reviewed annually, with the salaries of executive directors being benchmarked to external market surveys.

SEMI-ANNUAL PERFORMANCE BONUS

Executive directors' service contracts provide that the executive is eligible for a discretionary bonus based on agreed key performance indicators. This bonus is approved by the Remuneration and Nominations Committee.

SHARE OPTION OR SCHEME

At its annual general meeting on 26 November 2004, DRDGOLD changed the option scheme name to DRDGOLD (1996) Share Option Scheme. An option is awarded on the basis of the critical nature and scarcity of an employee's particular skills and knowledge, as well as the strategic value of his or her position to the company during the review period. According to the JSE Listings Requirements options awarded to an individual employee are subject to a cumulative upper limit of 2% of the company's issued share capital. Details of options held by directors are contained in a table on page 49 of this report.

OTHER BENEFITS

All directors are members of the Group Life Scheme. All directors are reimbursed for reasonable business expenses they incur.

NON-EXECUTIVE DIRECTORS' REMUNERATION

The fees paid to non-executive directors are determined by the board as a whole and are reviewed as and when necessary. The current

fees payable, effective 1 November 2005, are as follows:

- a basic fee of $30 000 a year; subcommittee fees of $2 000 a year for each subcommittee of which the non-executive director is a member;
- an additional $2 000 a year for each sub-committee which the non-executive director chairs;
- a basic fee of $33 000 a year for a senior independent non-executive director;
- a daily rate of $1 000 for additional duties performed; and
- both the executive and non-executive directors are eligible to receive a cash amount as determined by the Remuneration and Nominations Committee from time to time to enable them to buy shares in DRDGOLD.

Details of non-executive directors' remuneration can be found on page 47. Previously non-executive directors were granted share options over DRDGOLD's ordinary shares, details of the directors with unexercised options are shown on page 49.

DIRECTORS' SERVICE CONTRACTS

Service contracts have been concluded with the executive as well as the non-executive directors. Details of the service contracts are set out in the table on page 48.

CODE OF ETHICS

The following highlights aspects of the group's Code of Ethics, a complete copy of which will be made available on request or can be accessed on the company's website at www.drdgold.com. Any contravention of this code is regarded as a serious matter.

COMPLIANCE WITH LAWS AND REGULATIONS

Directors, officers and employees must comply with all laws and regulations that are applicable to their activities on behalf of the group.

THE COMPANY AND ITS EMPLOYEES

DRDGOLD acknowledges that all employees have a right to work in a safe and healthy environment. All employees are entitled to fair employment practices and have a right to a working environment free from discrimination and harassment.

THE GROUP AND THE COMMUNITY

The group recognises that we all share a very real responsibility to contribute to the local communities and the group encourages employees to participate in, among others, religious, charitable, educational and civic activities, provided that such participation does not make undue demands on their work time or create a conflict of interest.

CONFLICT OF INTEREST

The group expects employees to perform their duties in accordance with the best interests of the group and not to use their position or knowledge gained through their employment with the group for their private or personal advantage.

OUTSIDE EMPLOYMENT AND DIRECTORSHIP

Employees may not take up outside employment or hold outside directorships without prior approval of management. Directors who hold outside directorships must disclose same at the quarterly board meetings.

RELATIONSHIPS WITH CLIENTS, CUSTOMERS AND SUPPLIERS

Employees should ensure that they are independent of any business organisation having a contractual relationship with the group or providing goods or services to the group.

GIFTS, HOSPITALITY AND FAVOURS

An employee should neither accept nor solicit any non-minor gifts, hospitalities or other favours from suppliers of goods or services.

PERSONAL INVESTMENTS IN SHARES AND SHARE DEALINGS

While directors and employees are encouraged to invest in and own shares in the group, such investment decisions must not contravene the conflict of interest provisions of this code, any applicable legislation, or any policies and procedures established by the various operating areas of the group, and must not be based on material non-public information acquired by reason of an employee's connection with the group.

CONFIDENTIAL INFORMATION AND EXTERNAL COMMUNICATION

Directors and employees are expected to treat all information pertaining to the group, which is not in the public domain, in the strictest confidence and may not divulge such information to any third party without permission, even after the termination of their services with the group.

The group strives to achieve timely and effective communications with all parties with whom it conducts business, as well as with governmental authorities and the public. No sensitive communication may be made to the media or investment community other than by DRDGOLD's general manager: investor relations or the appointed investor/public relations consultants. All other communications to the media or investment community must be made within the ambit of the group's announcements framework

STAKEHOLDER COMMUNICATION

DRDGOLD gives substance to its commitment to transparency through the implementation of an integrated and sustained programme of communication directed at its various stakeholders. This programme takes full cognisance of all of the obligations placed on the group by its current listings and the regulatory environments in which it operates. The group's communication activities with its shareholders are premised on a clear understanding of shareholders' desire to maximise returns on their investment in the group and that, in order to be able to do this, they and/or their investment advisers require equitable, timely access to operating, financial and other information.

Information defined or deemed to be influential on DRDGOLD's share price is released to international markets in the first instance via the news dissemination mechanisms of the stock exchanges on which it is listed, and as soon as possible thereafter to all addressees on the group's extensive electronic database. These addressees include shareholders, fund managers, analysts and media representatives internationally. All information is also available on the website.

Information relating to DRDGOLD's operating and financial performance is released proactively to the market at least once a quarter in the same way, and sometimes more frequently, as determined by circumstance. Quarterly reporting of the group results is augmented at half-year and year-end by face-to face briefings by group executives in at least two of the markets in which it is listed, and by teleconferences and webcasts. At the end of every other quarter, results commentary is accessible via teleconferences and webcasts.

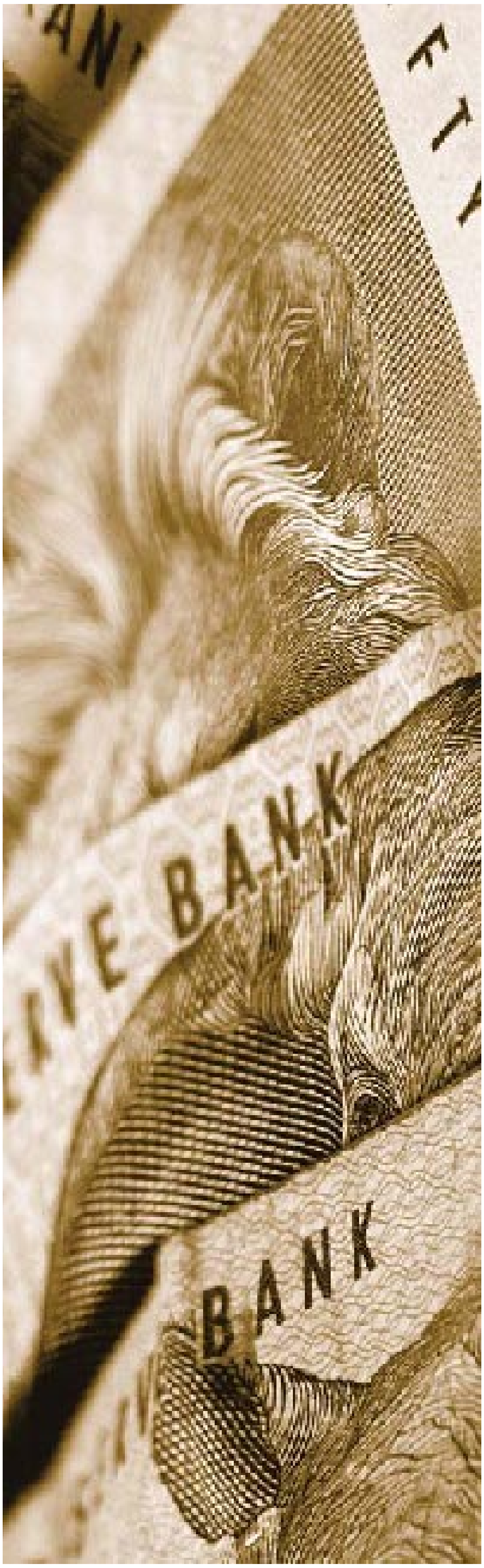
A primary channel for communication to shareholders and the investing community at large is through DRDGOLD’s website. This contains current information on DRDGOLD and its operations, as well as all announcements and publications, such as the annual report and the investor bulletins, which are produced every second month. Interactivity is a primary feature that adds currency to the website and complements the substantial archive. All investor teleconferences are recorded and are available, together with webcasts, on the website for a period of time. Employees and their elected representative constitute another important stakeholder or constituency for DRDGOLD. While a climate of mature industrial relations ensures that considerable, effective communication is achieved through the collective bargaining process, DRDGOLD is careful to maintain its prerogative, indeed its obligation, to communicate directly, regularly and effectively with its employees.

A company-wide workplace briefing system with feedback mechanisms, quarterly results briefings, the website and employee publications are among the primary media used.

Effective, two-way communication with the communities within which it operates is an area of growing importance to the group. While, increasingly, much of this communication is required by regulation and statute and takes the form of formal consultation with interested and affected parties, operational management has come to recognise the value of community understanding and support for management’s actions, and of the role that effective communication plays in securing these.

The directors are responsible for the preparation, integrity and fair presentation of the financial statements of DRDGOLD and its subsidiaries. The financial statements presented on pages 46 to 109, have been prepared in accordance with IFRS and include amounts based on judgements and estimates made by management.

Contents



ANNUAL FINANCIAL STATEMENTS

Directors’ responsibility for the annual financial statements

The Board of Directors (“Board”) are responsible for the preparation, integrity and objectivity of the annual financial statements that fairly present the the state of the affairs of the group and the company at the end of the financial year, the income and cash flow for that period and other related information included in this annual report.

In order for the Board to discharge its responsibilities, management has developed and continues to maintain a system of internal controls. The board has ultimate responsibility for the system of internal controls and reviews its operation, primarily through the Audit and Risk committees.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the group's policies and procedures. These controls are implemented by trained, skilled personnel with an appropriate segregation of duties; are monitored by management; and include a comprehensive budgeting and reporting system operating within strict deadlines and an appropriate control framework.

As part of the system of internal control, the group internal audit function conducts operational, financial and specific audits. The external auditors are responsible for reporting on the financial statements.

The annual financial statements have been prepared in accordance with the provisions of the South African Companies Act and comply with International Financial Reporting Standards. They are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors believe that the group will be a going concern in the year ahead. For this reason they continue to adopt the going-concern basis in preparing the group annual financial statements.

It is the responsibility of the independent auditors to express an opinion on the annual financial statements. This report to the members of the company is set out on page 45.

The annual financial statements for the year ended 30 June 2007 set out on pages 46 to 109 were approved by the Board of Directors on 21 September 2007 and are signed on its behalf by:

R P Hume
Chairman: Audit Committee

J H Dissel
Acting Chief Financial Officer

Company secretary’s report

I certify, in accordance with Section 285G(d) of the Companies Act 61, 1973 as amended, that to the best of my knowledge and belief, that the company has lodged with the Registrar of Companies for the financial year ended 30 June 2007 all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

T J Gwebu
Company Secretary

Report of the independent auditor

To the members of DRDGOLD Limited

We have audited the group annual financial statements and the annual financial statements of DRDGOLD Limited, which comprise the balance sheets at 30 June 2007, and the income statements, the statements of changes in equity and cash flow statements for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of DRDGOLD Limited at 30 June 2007, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

KPMG Inc.
Registered Auditor

Per J Holtzhausen
Chartered Accountant (SA)
Registered Auditor
Director

21 September 2007

KPMG Crescent
85 Empire Road
Parktown
Johannesburg

Directors' report

NATURE OF BUSINESS

DRDGOLD Limited was incorporated on 16 February 1895, and has operating gold mines in South Africa and Papua New Guinea. The company does not have a major or controlling shareholder and its directors provide strategic direction on behalf of its shareholders.

DRDGOLD is a public company with its primary listing on the Johannesburg stock exchange, the JSE Limited, and secondary listing on the Nasdaq Capital Market. The company's shares are also traded on the Marche Libre in Paris, the Regulated Unofficial Market of the Frankfurt Stock Exchange and the Berlin and Stuttgart OTC markets as well as on Euronext Brussels in the form of International Depositary Receipts.

MINING RIGHTS AND PROPERTY

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

SHARE CAPITAL

Full details of authorised, issued and unissued share capital of the company as at 30 June 2007 are set out in the notes to the financial statements on pages 84 – 86 of this report.

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

The authorities granted to directors in respect of control over unissued shares expire on the date of the annual general meeting of members to be held on 30 November 2007. Members, therefore, will be requested to consider resolutions at the forthcoming annual general meeting, placing under the control of the directors the then remaining unissued ordinary shares not required for purposes of the share option scheme.

During the financial year, a total of 174 328 new ordinary no par value shares were issued as a result of employees exercising their options under the DRDGOLD (1996) Share Option Scheme.

SHARES ISSUED

	2007			2006		
	NUMBER OF SHARES	R'000	AVERAGE ISSUE PRICE	NUMBER OF SHARES	R'000	AVERAGE ISSUE PRICE
At 1 July	320 035 078			296 206 048		
Repayment of loans from:						
Investec Bank Limited	50 132 575	314 594	6.28	17 815 945	163 020	9.15
Industrial Development Corporation	–	–	–	4 451 219	28 933	6.50
Specific share issue to:						
DRDGOLD (1996) Share Option Scheme	174 328	973	5.58	629 009	3 468	5.51
Other*	–	–	–	932 857	7 917	8.49
At 30 June	370 341 981			320 035 078		

* Shares issued for services rendered

DIRECTORATE

The following changes have been made to the Board of Directors since 1 July 2006:

Appointments	**Date**
J H Dissel	1 January 2007
D J Pretorius	3 November 2006

Resignations	**Date**
M M Wellesley-Wood	31 December 2006
D J Pretorius	31 December 2006

In accordance with the provisions of the company's Articles of Association, Mr J H Dissel will be elected as a director and Mr R P Hume and Mr J Turk will retire at the forthcoming annual general meeting. They are eligible and have offered themselves for re-election.

DIRECTORS' INTERESTS IN SHARES

The interest of the directors in the ordinary share capital of the company as at 30 June 2007 were as follows:

	30 JUNE 2007			30 JUNE 2006		
	BENEFICIAL DIRECT	BENEFICIAL INDIRECT	NON-BENEFICIAL	BENEFICIAL DIRECT	BENEFICIAL INDIRECT	NON-BENEFICIAL
Executive directors						
M M Wellesley-Wood [1]	–	–	–	260 797	–	–
J W C Sayers	–	–	–	–	–	–
	–	–	–	260 797	–	–
Non-executive directors						
G C Campbell	60 000	–	–	20 000	–	–
R P Hume	15 000	30 000	–	5 000	20 000	–
D J M Blackmur	20 000	–	–	20 000	–	–
J Turk	–	28 000	–	–	13 000	–
	95 000	58 000	–	45 000	33 000	–
Alternate directors						
J H Dissel [2]	1 500	–	–	–	–	–
D J Pretorius [3]	–	–	–	–	–	–
Total	96 500	58 000	–	305 797	33 000	–

(1) Retired on 31 December 2006
(2) Appointed as an alternate director on 1 January 2007
(3) Resigned as an alternate director on 31 December 2006

There have been no changes in the directors' interest in share capital between 30 June 2007 and 21 September 2007.

DIRECTORS' EMOLUMENTS – FOR THE YEAR ENDED 30 JUNE 2007

	BOARD FEES R	SALARY R	BONUSES & PERFOR MANCE-RELATED PAYMENTS R	PENSION/ PROVIDENT SCHEME CONTRI-BUTIONS R	END OF CONTRACT PAYMENT R	TOTAL R
Executive directors						
M M Wellesley-Wood [1]	–	2 554 944	3 756 368	–	1 905 134	8 216 446
J W C Sayers	–	2 852 369	562 500	–	–	3 414 869
	–	5 407 313	4 318 868	–	1 905 134	11 631 315
Non-executive directors						
G C Campbell [2]	2 067 536	–	251 997	–	–	2 319 533
R P Hume	257 595	–	134 923	–	–	392 518
D J M Blackmur	349 298	–	185 601	–	–	534 899
J Turk	234 226	–	139 008	–	–	373 234
	2 908 655	–	711 529	–	–	3 620 184
Alternate directors						
J H Dissel [3]	–	942 885	–	69 967	–	1 012 852
D J Pretorius [4]	–	397 064	431 250	–	–	828 314
	–	1 339 949	431 250	69 967	–	1 841 166
Total	2 908 655	6 747 262	5 461 647	69 967	1 905 134	17 092 665

(1) Retired on 31 December 2006
(2) Board fees include R1 005 233 paid by Emperor Mines Limited as chairman of the Board
(3) Appointed as an alternate director on 1 January 2007
(4) Resigned as an alternate director on 31 December 2006

Directors' report continued

DIRECTORS' EMOLUMENTS – FOR THE YEAR ENDED 30 JUNE 2006

	BOARD FEES R	SALARY R	BONUSES & PERFORMANCE-RELATED PAYMENTS R	PENSION/ PROVIDENT SCHEME CONTRIBUTIONS R	END OF CONTRACT PAYMENT R	TOTAL R
Executive directors						
M M Wellesley-Wood	–	3 640 378	4 660 915	–	1 759 803	10 061 096
J W C Sayers[1]	–	1 691 550	–	–	–	1 691 550
I L Murray[1]	–	1 740 573	800 920	50 000	1 440 972	4 032 465
	–	**7 072 501**	**5 461 835**	**50 000**	**3 200 775**	**15 785 111**
Non-executive directors						
G C Campbell	535 577	–	227 210	–	–	762 787
R P Hume	209 170	–	93 968	–	–	303 138
M P Ncholo	123 747	–	216 000	–	–	339 747
D J M Blackmur	231 192	–	101 799	–	–	332 991
J Turk	172 407	–	171 320	–	–	343 727
	1 272 093	**–**	**810 297**	**–**	**–**	**2 082 390**
Total	**1 272 093**	**7 072 501**	**6 272 132**	**50 000**	**3 200 775**	**17 867 501**

[1] I L Murray relinquished his position as Chief Financial Officer on 5 September 2005 to J W C Sayers

DIRECTORS' SERVICE CONTRACTS

Service contracts have been concluded with the executive as well as non-executive directors. Details of the contracts are set out in the table below.

There were no conflicting interests of the directors during the year under review and up to the date of notice of the annual general meeting.

DIRECTOR	TITLE	DATE OF APPOINTMENT	TERM	UNEXPIRED TERM OF DIRECTOR'S SERVICE CONTRACT
J W C Sayers	Chief Executive Officer	1/1/2007	2 years	18 months
J H Dissel	Acting Chief Financial Officer	1/1/2007	–	–
R P Hume	Non-executive director	1/10/2006	2 years	15 months
G C Campbell	Non-executive Chairman	1/11/2005	2 years	4 months
D J M Blackmur	Senior independent non-executive director	1/11/2005	2 years	4 months
J Turk	Non-executive director	1/11/2006	2 years	16 months

SHARE OPTION SCHEME

The DRDGOLD (1996) Share Option Scheme (the scheme) is used as an incentive tool for executive and senior employees whose skills and experience are recognised as being essential to the company's performance. The number of issued and exercisable share options is approximately 4.4% of the issued ordinary share capital which is within the international accepted guideline of 3% to 5% for such schemes.

In addition, the participants in the scheme are fully taxed at their maximum marginal tax rate on any gains realised on the exercise of their options.

In the past financial year, the directors have exercised nil (2006: nil) share options. Over the same period the directors' gains on share options exercised were Rnil, compared with Rnil in the previous financial year. Details of share options held by directors are listed below.

The directors have granted 2 086 500 options in terms of the scheme in the current financial year compared with 3 090 944 options in the previous financial year.

SHARE OPTIONS

	EXECUTIVE	NON-EXECUTIVE					
	J W C SAYERS	G C CAMPBELL	R P HUME	J TURK	D J M BLACKMUR	OTHER PARTICIPANTS	TOTAL
Balance at 1 July 2006							
Number	–	57 994	77 907	–	–	14 439 355	14 575 256
Ave strike price	–	19.35	16.92	–	–	12.81	12.86
Granted during year	–	–	–	–	–	–	–
Number	–	–	–	–	–	2 086 500	2 086 500
Ave strike price	–	–	–	–	–	9.08	9.08
Exercised during year	–	–	–	–	–	–	–
Number	–	–	–	–	–	(123 426)	(123 426)
Ave strike price	–	–	–	–	–	5.47	5.47
Lapsed during year	–	–	–	–	–	–	–
Number	–	–	–	–	–	(283 556)	(283 556)
Ave strike price	–	–	–	–	–	10.01	10.01
Balance at 30 June 2007							
Number	–	57 994	77 907	–	–	16 118 873	16 254 774
Ave strike price	–	19.35	16.92	–	–	12.43	12.48
Share gain for the year – R000	–	–	–	–	–	464	464
Ave price exercised – R per share	–	–	–	–	–	9.23	9.23

SHARE OPTIONS AVAILABLE FOR ALLOCATION

	2007	2006
Balance of options available for allocation as at the beginning of the financial year	**48 005 262**	44 430 907
Number of options granted during the current financial year	**(2 086 500)**	(3 090 944)
Number of options lapsed during the financial year	**283 556**	887 563
Number of options exercised during the current financial year and available for re-allotment	**123 426**	679 911
Additional options available as a result of an increase in issued share capital during the current financial year	**9 225 553**	5 097 825
Balance of options available for allocation as at the end of the financial year	**55 551 297**	48 005 262

FINANCIAL STATEMENTS, RESULTS AND GOING CONCERN

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

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

REVIEW OF OPERATIONS

The performance of the various operations is comprehensively reviewed on pages 6 to 9.

CHANGE IN BUSINESS

Purchase of Top Star dump

On 28 August 2006, DRDGOLD concluded an agreement with AngloGold Ashanti Limited (AngloGold Ashanti) to purchase the remaining extent of Erf 1 Park Central Township, better known as 'The Top Star dump' in central Johannesburg for an amount of R8.0 million. In addition, a further R24.0 million is expected to be spent on the infrastructure that will enable DRDGOLD to process the dump. In November 2006, the Provincial Heritage Resources Authority of Gauteng initiated a protection order against the removal of the dump. DRDGOLD is currently contesting the protection order.

Directors' report continued

6% Senior Convertible Notes repaid in full

On 15 November 2006, DRDGOLD repaid, in full, its outstanding 6% Senior Convertible Notes which matured on 12 November 2006. DRDGOLD paid a total of R492.8 million ($69.6 million) to the holders of the Senior Convertible Notes, which included the aggregate principal amount of the Senior Convertible Notes of R469.8 million ($66.0 million), plus all accrued original issue discount and interest. The repayment was funded from available cash resources and borrowing facilities. DRDGOLD's obligations under the Senior Convertible Notes have now been satisfied and discharged.

Disposal of the Vatukoula mine

On 5 December 2006, after an extensive three-month review of the Vatukoula mine, DRDGOLD determined that continued mining operations at the mine were no longer economically viable and that the mine would therefore cease production. After completion of a strategic review to optimise the value of the Vatukoula mine and other Fijian land holdings, the mine was placed on a care and maintenance programme. This resulted in an impairment of Vatukoula's mining assets, amounting to R807.1 million, in the second quarter of fiscal 2007. On 28 March 2007 the Vatukoula mine was sold to Westech Gold (Pty) Ltd for A$1.00.

Shares issued by DRDGOLD South African Operations (Pty) Limited, or DRDGOLD SA

On 11 December 2006, Khumo Gold SPV (Pty) Limited, or Khumo Gold, exercised the option granted by DRDGOLD in terms of the option agreement concluded between the parties in October 2005. Khumo Gold acquired from the company a further 50 000 ordinary shares in DRDGOLD SA for R4.3 million. After exercising the option Khumo Gold's shareholding in DRDGOLD SA increased by 5% to 20%.

In addition, Khumo Gold, as promoter for an employee trust, exercised the option for an employee trust to acquire from DRDGOLD 60 000 ordinary shares in DRDGOLD SA for a consideration of R5.1 million. After exercising the option, the trust's shareholding in DRDGOLD SA is 6%.

West Rand gold and uranium joint venture

On 26 April 2007, DRDGOLD and Mintails Limited (Mintails) announced the formation of a joint venture company (the JV) to explore, evaluate and potentially mine gold and uranium by opencast and underground mining methods in the Western Rand Goldfield of South Africa's Witwatersrand Basin.

Following discussions initiated during the fourth quarter of 2006, the JV stakeholders DRDGOLD, Mintails SA (Pty) Limited (Mintails SA), a wholly owned subsidiary of Mintails Limited, and Mineral and Mining Reclamation Services (Pty) Ltd (MMRS) have agreed to consolidate their West Rand Goldfield projects comprising Rand Leases, Durban Roodepoort Deep, East Champ D'Or, Luipaardsvlei and West Rand Consolidated (including West Wits).

The JV's goal is to re-evaluate and re-start mining on the West Rand goldfield, which forms part of the Witwatersrand Basin in South Africa's Gauteng province. Initially, DRDGOLD and Mintails SA will hold 45% each in the JV and MMRS the remaining 10%. It is intended that the JV will be listed on the Australian Stock Exchange to raise a minimum of R42.5 million ($6.0 million) as an initial public offering, and subsequently on the JSE Limited.

The Witwatersrand is arguably one of the greatest gold- and uranium-producing regions in the world. The JV's lease consolidation provides a package of tenements with a continuous strike of over 20 kilometres, covering significant gold- and uranium-producing, historical mines over the western margin of the Witwatersrand. Gold production in the West Rand goldfield began in the late 1880s with the focus on the Main and South reefs. Discovery of further reefs was quick to follow. The known reef groups on the JV's consolidated lease area include the Main, Johnstone, Bird and Kimberley, with less extensive reefs such as the Black Reef located in pockets.

Historical production on the constituent leases exceeds 30 million ounces of gold and 17 000 tonnes of U3O8. Fluctuating gold and uranium commodity prices during the 20th century saw the closure and re-opening of mines and changes in mining focus between gold and uranium. The JV's objective for the first two years is to aggressively delineate gold and uranium resources and reserves, and progress into advanced stages of commissioning or start mining on the consolidated lease area. Modern mining techniques will be used and all activities conducted will be to a world-class standard.

Exploration targets are in the process of being generated across the consolidated lease area. The intention is to begin exploration for surface resources and reserves, while concurrently delineating remaining pillar reserves and areas that have never been mined. Deeper exploration programmes will be designed later in 2008. To achieve the JV's goals, various exploration techniques will be utilised, including but not limited to surface reverse circulation and diamond drilling, underground diamond drilling and channel sampling of underground pillars. In the creation of the exploration programme, the Witwatersrand reefs are being evaluated and prioritised. The uranium- and gold-producing Bird Reef Group found across the JV's consolidated lease area is the initial primary target for open-cut and underground mining. Other gold-producing reef groups such as the Main and Kimberley will be targeted subsequently.

A programme of data compilation and cataloguing has begun and early results are encouraging. Given the disbursement of information and possible losses over the past 100 years of mining, the data collection programme will be ongoing.

East Rand gold tailings treatment joint venture

On 7 June 2007, DRDGOLD and Mintails announced the formation of a new joint venture (the JV) between Mintails SA and DRDGOLD SA. The JV has acquired from AngloGold Ashanti significant gold-bearing tailings materials created from historical gold production and remaining infrastructure surrounding Ergo, a surface reclamation operation on South Africa's East Rand goldfields which was discontinued by AngloGold Ashanti in 2004.

It is envisaged that the JV, together with the additional tailings resources and infrastructure acquired from AngloGold Ashanti, will create significant potential for the processing of surface gold tailings on the East Rand goldfields. Over its 25-year history, Ergo processed more than 890 million tonnes of tailings material on the East Rand and produced approximately 8.2 million ounces of gold through two plants, Brakpan and East Daggafontein. These two plants were purchased by Mintails SA in 2006.

Following discussions initiated in the first quarter of 2007, the JV parties agreed to pursue a strategy to consolidate certain of their assets on the East Rand. Mintails SA will contribute one fully refurbished carbon-in-leach (CIL) circuit at the Brakpan plant and DRDGOLD SA will contribute the Elsburg tailings complex, comprising approximately 180 million tonnes of tailings.

Mintails SA and DRDGOLD SA will each own 50% of the JV. The JV will be managed by Crown Gold Recoveries (Pty) Limited (Crown), a subsidiary of DRDGOLD SA, which has treated more than 200 million tonnes of sand and slime and produced approximately 2.8 million ounces of gold through its plants.

The initial phase of the project envisages the refurbishment of one CIL circuit at the Brakpan plant which will have the capacity to treat an estimated 1.25 million tonnes of tailings per month. The outcome of the current drilling and testing evaluation will determine the way forward. Depending on the results of the feasibility study, it is possible that the first gold production could start within 24 months. The process will involve the treatment of tailings from the Elsburg tailings complex through the Brakpan plant with residue being deposited on the East Daggafontein deposition site.

The JV has entered into a sale of assets agreement with AngloGold Ashanti in terms of which the JV will acquire the remaining moveable and immovable assets of Ergo. These assets will be operated by the JV for its own account, under the AngloGold Ashanti authorisations, until new order mining rights have been obtained and transferred to the JV. These assets, comprising servitudes (access agreements), infrastructure, piping, equipment and the right to an additional 15 million tonnes of tailings material, provide a platform to consolidate these tailings assets with the Elsburg tailings.

Commissioning of the 3/L/2 mine dump

On 13 June 2007, Crown began reclaiming the 7.64-million-tonne 3/L/2 mine dump south of Johannesburg's central business district to recover an estimated 115 000 ounces of gold. The 3/L/2 mine dump project provides breathing space for Crown, pending the outcome of its application to the Department of Minerals and Energy to recover the Top Star mine dump. About 270 000 tonnes of material a month from the 3/L/2 mine dump will be treated through the Crown plant over an estimated 24-month period. The average anticipated yield is 0.290g/t. The 3/L/2 mine dump project, costing R11 million, was commissioned on schedule and while new pipes and pumps were being installed, the bulk of the equipment was relocated from other depleted reclamation sites and refurbished.

Disposal of a 20% interest in the Porgera Joint Venture

On 27 July 2007, DRDGOLD shareholders at a general meeting approved the disposal by Emperor Mines Limited (Emperor) of its 20% interest in the Porgera Joint Venture to a subsidiary of Barrick Gold Corporation (Barrick) for a purchase consideration of R1.8 billion ($250.0 million) and the grant of an option to Barrick or its nominee to subscribe for 153 325 943 shares in Emperor.

Emperor shareholders also approved the disposal and a capital distribution of A$0.05 per Emperor share to Emperor shareholders by way of a capital return out of the surplus cash to be realised from the disposal, at a general meeting held on 30 July 2007.

The sale transaction was completed on 17 August 2007 for a final cash consideration of R1.8 billion ($255.0 million), which includes interest, and subsequently Emperor retired all its debt facilities, leaving the DRDGOLD group debt and hedge free. The capital distribution was completed on 3 September 2007. After the capital distribution the group has cash and cash equivalents of approximately R1.0 billion.

Directors' report continued

SUBSIDIARIES

The following information relates to the company's financial interest in its subsidiaries at 30 June 2007:

	ISSUED ORDINARY SHARE CAPITAL				
	NUMBER OF SHARES	% HELD	SHARES AT COST R'000	EFFECTIVE	INDEBTEDNESS R'000
South Africa					
Argonaut Financial Services (Pty) Limited	100	100	–	1 Oct 1997	(1 055)
Crown Consolidated Gold Recoveries Limited	51 300 000	100	–	14 Sep 1998	(143 268)
DRDGOLD South African Operations (Pty) Limited[1]	1 000 000	74	113 177	14 Nov 2005	67 736
East Champ d'Or Gold Mine Limited	7	100	–	1 Apr 1996	–
Rand Leases (Vogelstruisfontein) Gold Mining Company Limited	118 505 000	100	–	1 Jan 1996	(42 092)
Roodepoort Gold Mine (Pty) Limited	1	100	–	1 Jan 1996	–
West Witwatersrand Gold Holdings Limited	99 900 000	100	–	1 Apr 1996	(22 996)
Australasia/International					
Dome Resources NL	142 619 074	100	–	1 Apr 2000	–
DRD Australia APS	130	100	–	26 Jan 1999	–
DRD Australasia (Pty) Limited	100	100	–	15 Nov 1999	–
DRD International APS	125	100	–	28 Apr 1999	–
DRD (Offshore) Limited[1][2]	5	100	852 294	4 Nov 2005	(119 274)
Total			965 471		(260 949)

(1) DRDGOLD South African Operations (Pty) Limited holds the following investments: 100% of Blyvooruitzicht Gold Mining Company Limited, 100% of East Rand Proprietary Mines Limited and 100% of Crown Gold Recoveries (Pty) Limited.

(2) DRD (Offshore) Limited holds the following investments: 79% of Emperor Mines Limited, which in turn holds 100% of DRD (IOM) Limited, which in turns owns 100% of DRD (Porgera) Ltd (holds 20% of the unincorporated Porgera Joint Venture), 100% of Tolukuma Gold Mines Limited, 100% of DRD Australia Services Company (Pty) Limited and 100% of Fortis (Pty) Limited and 50% of NetGold Services Limited.

GOLD PRODUCTION – METRIC

		YEAR ENDED JUNE 2007			YEAR ENDED JUNE 2006		
		CONTINUING OPERATIONS	DISCONTINUED OPERATION[3]	TOTAL GROUP	CONTINUING OPERATIONS	DISCONTINUED OPERATION	TOTAL GROUP
South Africa [1]							
Underground							
Ore milled	– t'000	959	–	959	900	–	900
Gold produced	– Kg	5 242	–	5 242	5 604	–	5 604
Yield	– g/tonne	5.47	–	5.47	6.23	–	6.23
Surface treatment							
Ore milled	– t'000	13 852	–	13 852	11 397	–	11 397
Gold produced	– Kg	5 162	–	5 162	4 224	–	4 224
Yield	– g/tonne	0.37	–	0.37	0.37	–	0.37
Australasia [2]							
Ore milled	– t'000	899	117	1 016	1 451	–	1 451
Gold produced	– Kg	3 599	836	4 435	6 578	–	6 578
Yield	– g/tonne	4.00	7.15	4.37	4.53	–	4.53
Total attributable							
Ore milled	– t'000	15 710	117	15 827	13 748	–	13 748
Gold produced	– Kg	14 003	836	14 839	16 406	–	16 406
Yield	– g/tonne	0.89	7.15	0.94	1.19	–	1.19

(1) For FY06, Crown and ERPM were consolidated from 1 December 2005 (40% attributable portion previously).

(2) For FY06 these figures include (for the nine months July 2005 to March 2006) 100% of Tolukuma, the group's 20% attributable portion of Porgera Joint Venture and 39.52% attributable production of Emperor. From April 2006, Emperor, which included Tolukuma and Porgera, is consolidated 100%.

(3) The discontinued operation relates to Vatukoula, which was sold on 28 March 2007.

GOLD PRODUCTION – IMPERIAL

		YEAR ENDED JUNE 2007			YEAR ENDED JUNE 2006		
		CON-TINUING OPERATIONS	DISCON-TINUED OPERATION[3]	TOTAL GROUP	CON-TINUING OPERATIONS	DISCON-TINUED OPERATION	TOTAL GROUP
South Africa [1]							
Underground							
Ore milled	– t'000	**1 059**	**–**	**1 059**	990	–	990
Gold produced	– troy ounces	**168 534**	**–**	**168 534**	180 177	–	180 177
Yield	– ounces/tonne	**0.159**	**–**	**0.159**	0.182	–	0.182
Surface treatment							
Ore milled	– t'000	**15 268**	**–**	**15 268**	12 561	–	12 561
Gold produced	– troy ounces	**165 962**	**–**	**165 962**	135 799	–	135 799
Yield	– ounces/tonne	**0.011**	**–**	**0.011**	0.011	–	0.011
Australasia [2]							
Ore milled	– t'000	**993**	**130**	**1 123**	1 599	–	1 599
Gold produced	– troy ounces	**115 751**	**26 910**	**142 661**	211 425	–	211 425
Yield	– ounces/tonne	**0.117**	**0.207**	**0.127**	0.132	–	0.132
Total attributable							
Ore milled	– t'000	**17 320**	**130**	**17 450**	15 150	–	15 150
Gold produced	– troy ounces	**450 247**	**26 910**	**477 157**	527 401	–	527 401
Yield	– ounces/tonne	**0.026**	**0.207**	**0.027**	0.035	–	0.035

[1] For FY06, Crown and ERPM were consolidated from 1 December 2005 (40% attributable portion previously).

[2] For FY06 these figures include (for the nine months July 2005 to March 2006) 100% of Tolukuma, the group's 20% attributable portion of Porgera Joint Venture and 39.52% attributable production of Emperor. From April 2006, Emperor, which included Tolukuma and Porgera, is consolidated 100%.

[3] The discontinued operation relates to Vatukoula, which was sold on 28 March 2007.

Group income statement

for the year ended 30 June 2007

		CONTINUING OPERATIONS		DISCONTINUED OPERATIONS [1]		TOTAL OPERATIONS	
		2007	2006	2007	2006	2007	2006
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Revenue	2	2 087 743	1 584 193	121 962	15 801	2 209 705	1 599 994
Cost of sales		(1 978 296)	(1 511 139)	(265 900)	(63 771)	(2 244 196)	(1 574 910)
Cash costs		(1 858 504)	(1 324 005)	(176 618)	(59 084)	(2 035 122)	(1 383 089)
Depreciation	9	(133 522)	(143 445)	(45 410)	(7 187)	(178 932)	(150 632)
Retrenchment costs	3	(4 955)	(982)	(22 490)	(4 644)	(27 445)	(5 626)
Movement in provision for environmental rehabilitation	18	(19 952)	(38 925)	–	(144)	(19 952)	(39 069)
Movement in gold in progress		38 637	(3 782)	(21 382)	7 288	17 255	3 506
Gross (loss)/profit		109 447	73 054	(143 938)	(47 970)	(34 491)	25 084
(Loss)/profit on derivative financial instruments		(13 954)	7 656	(36 898)	26 958	(50 852)	34 614
Impairments	3	(70 886)	44 050	(807 160)	74 488	(878 046)	118 538
Administration expenses and general costs		(203 099)	(122 860)	(6 887)	(8 523)	(209 986)	(131 383)
Share of loss of associates	12	–	–	–	(151 963)	–	(151 963)
Operating loss before investment income and finance expenses	3	(178 492)	1 900	(994 883)	(107 010)	(1 173 375)	(105 110)
Investment income	5	25 649	39 076	37	3 985	25 686	43 061
Finance expenses		(74 940)	(42 638)	(27 606)	(3 701)	(102 546)	(46 339)
Loss before taxation		(227 783)	(1 662)	(1 022 452)	(106 726)	(1 250 235)	(108 388)
Income tax expense	6	(5 733)	(26 041)	–	1 649	(5 733)	(24 392)
Loss after taxation		(233 516)	(27 703)	(1 022 452)	(105 077)	(1 255 968)	(132 780)
Profit from discontinued operations	7	–	–	90 938	18 322	90 938	18 322
Loss for the year		(233 516)	(27 703)	(931 514)	(86 755)	(1 165 030)	(114 458)
Attributable to:							
Ordinary shareholders of the company		(191 187)	(29 161)	(733 279)	(80 928)	(924 466)	(110 089)
Minority interest		(42 329)	1 458	(198 235)	(5 827)	(240 564)	(4 369)
Loss for the year		(233 516)	(27 703)	(931 514)	(86 755)	(1 165 030)	(114 458)
Loss per share for loss attributable to ordinary shareholders of the company							
Basic and diluted loss per share (cents)	8	(56)	(9)	(215)	(26)	(271)	(35)

[1] The discontinued operations relate to Vatukoula, which was sold on 28 March 2007 and Buffelsfontein Gold Mines Limited, which was liquidated on 22 March 2005.

Company income statement

for the year ended 30 June 2007

	Note	CONTINUING OPERATIONS		DISCONTINUED OPERATION [1]		TOTAL OPERATIONS	
		2007	2006	**2007**	2006	**2007**	2006
	Note	**R'000**	R'000	**R'000**	R'000	**R'000**	R'000
Revenue	2	**–**	–			**–**	–
Cost of sales		**(17 480)**	(19 286)			**(17 480)**	(19 286)
Cash costs		**(10 063)**	(8 756)			**(10 063)**	(8 756)
Depreciation	9	**(454)**	(303)			**(454)**	(303)
Retrenchment costs	3	**(865)**	(983)			**(865)**	(983)
Movement in provision for environmental rehabilitation	18	**(6 098)**	(9 244)			**(6 098)**	(9 244)
Gross loss		**(17 480)**	(19 286)			**(17 480)**	(19 286)
Profit/(loss) on derivative financial instruments		**144 550**	(144 513)			**144 550**	(144 513)
Impairments	3	**(622 564)**	(184 126)			**(622 564)**	(184 126)
Administration expenses and general costs		**(22 747)**	(17 584)			**(22 747)**	(17 584)
Operating loss before investment income and finance expenses	3	**(518 241)**	(365 509)			**(518 241)**	(365 509)
Investment income	5	**20 421**	640 685			**20 421**	640 685
Finance expenses		**(12 694)**	(29 688)			**(12 694)**	(29 688)
(Loss)/profit before taxation		**(510 514)**	245 488			**(510 514)**	245 488
Income tax expense	6	**–**	–			**–**	–
(Loss)/profit after taxation		(510 514)	245 488			(510 514)	245 488
Profit from discontinued operation	7	–	–	**43**	18 322	**43**	18 322
(Loss)/profit for the year attributable to ordinary shareholders		**(510 514)**	245 488	**43**	18 322	**(510 471)**	263 810

[1] The discontinued operation related to Buffelsfontein Gold Mines Limited, which was liquidated on 22 March 2005.

Balance sheets

at 30 June 2007

GROUP 2006 R'000	GROUP 2007 R'000		Note	COMPANY 2007 R'000	COMPANY 2006 R'000
		ASSETS			
2 174 486	785 302	**Non-current assets**		771 809	1 534 233
1 850 596	649 770	Property, plant and equipment	9	775	1 107
99 308	135 532	Non-current investments and other assets	10	66 512	47 940
		Investments in subsidiaries	11	704 522	1 485 186
219 258	–	Non-current inventories	14	–	–
5 324	–	Deferred mining and income taxes	19	–	–
835 588	1 161 861	**Current assets**		29 168	71 541
208 759	108 741	Inventories	14	44	40
102 098	63 416	Trade and other receivables	15	8 261	30 497
20 770	5 982	Financial assets	22	–	–
–	1 565	Taxation receivable		–	–
488 961	135 268	Cash and cash equivalents		5 863	26 004
15 000	846 889	Assets classified as held for sale	16	15 000	15 000
3 010 074	1 947 163	TOTAL ASSETS		800 977	1 605 774
		EQUITY AND LIABILITIES			
1 015 272	143 456	**Equity**		703 142	898 326
782 147	141 171	Shareholders' equity	17	703 142	898 326
233 125	2 285	Minority shareholders' interest			
847 001	462 118	**Non-current liabilities**		55 906	194 358
322 308	282 580	Provision for environmental rehabilitation	18	55 906	49 808
24 389	26 019	Post-retirement and other employee benefits	19	–	–
97 338	104 334	Deferred mining and income taxes	20	–	–
402 966	49 185	Long-term liabilities	21	–	–
–	–	Financial liabilities	22	–	144 550
1 147 801	1 341 589	**Current liabilities**		41 929	513 090
370 633	299 167	Trade and other payables		16 732	21 022
556 943	790 343	Short-term liabilities	21	–	490 115
2 515	4 679	Provisions	23	–	–
183 370	–	Financial liabilities	22	–	–
31 930	310	Taxation payable		–	–
2 410	117 849	Bank overdraft		25 197	1 953
–	129 241	Liabilities classified as held for sale	16	–	–
3 010 074	1 947 163	TOTAL EQUITY AND LIABILITIES		800 977	1 605 774

Statements of changes in equity

for the year ended 30 June 2007

	NUMBER OF ORDINARY SHARES	NUMBER OF CUMULATIVE PREFERENCE SHARES	SHARE CAPITAL AND SHARE PREMIUM R'000	CUMULATIVE PREFERENCE SHARE CAPITAL R'000	REVALUATION AND OTHER RESERVES[1] R'000	ACCUMU-LATED LOSS R'000	TOTAL SHARE-HOLDERS' EQUITY R'000	MINORITY INTEREST R'000	TOTAL EQUITY R'000
GROUP									
Balance at 1 July 2005	**296 206 048**	**5 000 000**	**3 564 974**	**500**	**62 134**	**(3 150 358)**	**477 250**	**5 844**	**483 094**
Issued shares for cash	23 200 021		199 870				199 870		199 870
Staff options issued	629 009		3 468				3 468		3 468
Share issue expenses			(6 944)				(6 944)		(6 944)
Share-based payments					13 341		13 341		13 341
Acquisition of subsidiaries					126 489		126 489	200 526	327 015
Foreign exchange gain on translation					78 762		78 762	31 124	109 886
Loss for the year						(110 089)	(110 089)	(4 369)	(114 458)
Balance at 30 June 2006	**320 035 078**	**5 000 000**	**3 761 368**	**500**	**280 726**	**(3 260 447)**	**782 147**	**233 125**	**1 015 272**
Issued shares for cash	50 132 575		314 594				314 594		314 594
Staff options issued	174 328		973				973		973
Share issue expenses			(7 839)				(7 839)		(7 839)
Share-based payments					12 686		12 686		12 686
Partial disposal of subsidiary								18 515	18 515
Foreign exchange loss on translation					(36 924)		(36 924)	(8 791)	(45 715)
Loss for the year						(924 466)	(924 466)	(240 564)	(1 165 030)
Balance at 30 June 2007	**370 341 981**	**5 000 000**	**4 069 096**	**500**	**256 488**	**(4 184 913)**	**141 171**	**2 285**	**143 456**
COMPANY									
Balance at 1 July 2005	**296 206 048**	**5 000 000**	**3 564 974**	**500**	**16 555**	**(3 157 248)**	**424 781**		**424 781**
Issued shares for cash	23 200 021		199 870				199 870		199 870
Staff options issued	629 009		3 468				3 468		3 468
Share issue expenses			(6 944)				(6 944)		(6 944)
Share-based payments					13 341		13 341		13 341
Profit for the year						263 810	263 810		263 810
Balance at 30 June 2006	**320 035 078**	**5 000 000**	**3 761 368**	**500**	**29 896**	**(2 893 438)**	**898 326**		**898 326**
Issued shares for cash	50 132 575		314 594				314 594		314 594
Staff options issued	174 328		973				973		973
Share issue expenses			(7 839)				(7 839)		(7 839)
Share-based payments					7 559		7 559		7 559
Loss for the year						(510 471)	(510 471)		(510 471)
Balance at 30 June 2007	**370 341 981**	**5 000 000**	**4 069 096**	**500**	**37 455**	**(3 403 909)**	**703 142**		**703 142**

[1] Revaluation and other reserves comprise foreign exchange differences arising on translation of foreign subsidiaries, share-based payment reserves and asset revaluation reserves (refer note 17).

Cash flow statements

for the year ended 30 June 2007

GROUP				COMPANY	
2006 R'000	2007 R'000		Note	2007 R'000	2006 R'000
		CASH FLOWS FROM OPERATING ACTIVITIES			
1 599 994	2 209 705	Cash received from sales of precious metals		–	–
(1 547 850)	(2 153 063)	Cash paid to suppliers and employees		(4 870)	(38 919)
52 144	56 642	Cash generated by/(applied to) operations	A	(4 870)	(38 919)
32 841	15 925	Investment income		4 346	3 456
–	3 829	Dividends received		2 991	–
(42 109)	(58 842)	Finance expenses		(15 268)	(31 380)
(27 002)	(17 268)	Income tax paid		–	–
(37 375)	–	Payment arising from derivative financial instruments		–	–
(21 501)	286	Net cash inflow/(outflow) from operating activities		(12 801)	(66 843)
		CASH FLOWS FROM INVESTING ACTIVITIES			
(50 862)	(7 498)	Purchase of investments		–	(31 803)
385	3 774	Proceeds on sale of investments		3 774	–
(263 286)	(313 034)	Additions to property, plant and equipment		(122)	(1 056)
7 162	981	Proceeds on disposal of property, plant and equipment		–	18
		Decrease/(increase) in amounts owing to/from subsidiaries		150 821	(187 726)
45 343	–	Purchase of subsidiaries net of cash acquired	B	–	–
22 325	(558)	Disposal of subsidiaries net of cash disposed of	B	43	22 325
(238 933)	(316 335)	Net cash (outflow)/inflow from investing activities		154 516	(198 242)
		CASH FLOWS FROM FINANCING ACTIVITIES			
203 338	315 567	Proceeds from the issue of shares		315 567	203 338
332 694	111 576	Advances from long-term liabilities		–	–
(76 778)	(518 046)	Repayments of long-term liabilities		(492 828)	–
(6 944)	(7 839)	Share issue expenses		(7 839)	(6 944)
452 310	(98 742)	Net cash (outflow)/inflow from financing activities		(185 100)	196 394
191 876	(414 791)	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(43 385)	(68 691)
232 038	486 551	Cash and cash equivalents at the beginning of the year		24 051	92 742
62 637	(54 341)	Foreign exchange movements			
486 551	17 419	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	C	(19 334)	24 051

Notes to the cash flow statements

for the year ended 30 June 2007

GROUP 2006 R'000	GROUP 2007 R'000		COMPANY 2007 R'000	COMPANY 2006 R'000
		A RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED BY/(APPLIED TO) OPERATIONS		
(108 388)	(1 250 235)	(Loss)/profit before taxation	(510 514)	245 488
		Adjusted for		
150 632	178 932	Depreciation	454	303
39 069	19 952	Movement in provision for environmental rehabilitation	6 098	9 244
(3 506)	(17 255)	Movement in gold in progress	–	–
(34 614)	50 852	Loss/(profit) on derivative financial instruments	(144 550)	144 513
(118 538)	878 046	Impairments	622 564	184 126
(6 537)	301	Loss/(profit) on sale of property, plant and equipment	–	(18)
13 341	12 686	Share-based payments	7 559	13 341
9 937	5 088	Amortisation of convertible loan issuance costs	5 088	9 937
241	1 730	Non-cash movement in provisions	–	–
(472)	2 331	Impairment loss on trade receivables	964	2 916
6 523	180	Actuarial losses on post-retirement end employee benefits	–	–
151 963	–	Share of loss of associates	–	–
(43 061)	(25 686)	Investment income	(20 421)	(640 685)
46 339	102 546	Finance expenses	12 694	29 688
102 929	(40 532)	Operating (loss)/profit before working capital changes	(20 064)	(1 147)
(50 785)	97 174	**Working capital changes**	15 194	(37 772)
(39 568)	21 717	Accounts receivable	21 273	(20 709)
(5 818)	57 733	Inventories	(4)	(40)
(4 673)	(1 577)	Accounts payable and accrued liabilities	(6 075)	(17 023)
(726)	19 301	Post-retirement and other employee benefits	–	–
52 144	56 642	Cash generated by/(applied to) operations	(4 870)	(38 919)
		B CASH FLOW ON DISPOSAL/ACQUISITION OF SUBSIDIARY, NET OF CASH		
		Disposal of Buffelsfontein Gold Mines Limited		
		With effect from 22 March 2005 Buffelsfontein Gold Mines Limited was liquidated.		
18 322	43	Costs on liquidation	43	18 322
18 322	43	Cash flow on disposal of subsidiary	43	18 322
		Acquisition of Crown Gold Recoveries (Pty) Limited		
		With effect from 30 November 2005 the group acquired an additional 60% of the shares of Crown Gold Recoveries (Pty) Limited from Khumo Bathong Holdings (Pty) Limited. In 2006, the acquired business contributed revenues of R206.5 million and profit of R24.1 million.		

Notes to the cash flow statements continued

for the year ended 30 June 2007

GROUP			COMPANY	
2006 R'000	2007 R'000		2007 R'000	2006 R'000
		B CASH FLOW ON DISPOSAL/ACQUISITION OF SUBSIDIARY, NET OF CASH (continued)		
		The fair value of the assets acquired were as follows:		
132 918		Property, plant and equipment		
8 656		Non-current investments and other assets		
16 972		Inventories		
9 683		Accounts receivable		
11 175		Cash and cash equivalents		
(90 375)		Provision for environmental rehabilitation		
(14 765)		Post retirement and employee benefits		
(26 020)		Amounts owing to group companies		
(48 104)		Accounts payable and provisions		
(140)		Taxation payable		
–		Total fair value at time of acquisition		
–		Total consideration		
11 175		Add: cash and cash equivalents of acquired entity		
11 175		Cash flow on acquisition of subsidiary net of cash acquired		
		Acquisition of East Rand Proprietary Mines Limited		
		With effect from 30 November 2005 the group acquired 100% of the shares of East Rand Proprietary Mines Limited from Khumo Bathong Holdings (Pty) Limited. In 2006, the acquired business contributed revenues of R225.2 million and profit of R1.2 million.		
		The fair value of the assets acquired were as follows:		
119 088		Property, plant and equipment		
2 784		Non-current investments and other assets		
6 527		Inventories		
14 950		Accounts receivable		
9 313		Cash and cash equivalents		
(41 215)		Provision for environmental rehabilitation		
(46 364)		Amounts owing to group companies		
(65 083)		Accounts payable and provisions		
–		Total fair value at time of acquisition		
–		Total consideration		
9 313		Add: cash and cash equivalents of acquired entity		
9 313		Cash flow on acquisition of subsidiary net of cash acquired		

GROUP			COMPANY	
2006 R'000	**2007 R'000**		**2007 R'000**	2006 R'000
		B CASH FLOW ON DISPOSAL/ACQUISITION OF SUBSIDIARY, NET OF CASH (continued)		
		Acquisition of Emperor Mines Limited/disposal of the Vatukoula mine		
		With effect from 6 April 2006 the group acquired an additional 48.75% holding in the shares of Emperor Mines Limited. In 2006, the acquired business contributed revenues of R15.8 million and profit of R12.8 million since 6 April 2006.		
		On 28 March 2007, Emperor Mines Limited disposed of the Vatukoula mine to Westech Gold (Pty) Ltd.		
		The fair value of the assets acquired/disposed of were as follows:		
630 236	–	Property, plant and equipment		
2 695	–	Deferred mining and income taxes asset		
39 071	–	Inventories		
5 075	–	Accounts receivable		
24 855	601	Cash and cash equivalents		
(5 885)	(11 325)	Provision for environmental rehabilitation		
(3 247)	–	Post retirement and employee benefits		
(31)	–	Deferred mining and income taxes liability		
(83 694)	–	Long-term liabilities		
(215 301)	–	Financial liabilities		
(47 794)	–	Amounts owing to group companies		
(60 622)	(80 171)	Accounts payable and provisions		
(2 571)	–	Taxation payable		
–	90 895	Profit on disposal		
282 787	–	Total fair value at time of acquisition/disposal		
(282 787)	–	Total consideration		
24 855	(601)	Add: cash and cash equivalents of (disposed)/acquired of entity		
24 855	(601)	Cash flow on (disposal)/acquisition of subsidiary net of cash acquired		
		Disposal of Stand 752 (Pty) Limited		
		With effect from 30 September 2005 Stand 752, Parktown Extension (Pty) Limited was sold.		
		The fair value of the assets disposed of were as follows:		
3 340		Property, plant and equipment		3 340
(11)		Accounts payable and provisions		(11)
3 329		Net book value at time of disposal		3 329
674		Fair value adjustment		674
4 003		Fair value at time of disposal		4 003
–		Less cash and cash equivalents of subsidiary		–
4 003		Cash flow on disposal of subsidiary		4 003

Notes to the cash flow statements continued

for the year ended 30 June 2007

GROUP			COMPANY	
2006 R'000	2007 R'000		2007 R'000	2006 R'000
		B CASH FLOW ON DISPOSAL/ACQUISITION OF SUBSIDIARY, NET OF CASH (continued)		
		Total net cash flow on disposal/acquisition of subsidiaries		
18 322	43	Buffelsfontein Gold Mines Limited	43	18 322
11 175		Crown Gold Recoveries (Pty) Limited		
9 313		East Rand Proprietary Mines Limited		
24 855	(601)	Emperor Mines Limited		
4 003		Stand 752, Parktown Extension (Pty) Limited		4 003
67 668	(558)		43	22 325
		C CASH AND CASH EQUIVALENTS		
		Cash and cash equivalents comprise cash on hand, demand deposits, metals on consignment and highly liquid investments with an original maturity of three months or less.		
488 961	135 268	Cash and cash equivalents	5 863	26 004
457 062	105 420	Cash on hand	5 863	26 004
31 899	29 848	Metals on consignment		
(2 410)	(117 849)	Bank overdrafts	(25 197)	(1 953)
486 551	17 419		(19 334)	24 051
		CASH FLOWS FROM DISCONTINUED OPERATION		
(91 714)	(37 911)	Net cash from operating activities		
(14 743)	(66 164)	Net cash from investing activities		
101 193	93 112	Net cash from financing activities		

Notes to the annual financial statements

for the year ended 30 June 2007

1 ACCOUNTING POLICIES

DRDGOLD Limited is a company domiciled South Africa. The consolidated financial statements of the company for the year ended 30 June 2007 comprise the company and its subsidiaries, together referred to as the group, and its interests in associates and jointly controlled entities.

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB).

The financial statements were approved by the Board of Directors on 21 September 2007.

BASIS OF PREPARATION

The financial statements are presented in South African rands, rounded to the nearest thousand. The financial statements are prepared on the historical cost basis, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 28.

The accounting policies set out below have been applied consistently by all entities in the group to all periods presented in these consolidated financial statements.

New accounting standards and IFRIC interpretations

Certain new accounting standards and International Financial Reporting Interpretations Committee (IFRIC) interpretations have been published that are mandatory for accounting periods beginning on or after 1 November 2007. These new standards and interpretations have not been early adopted by the group and a reliable estimate of the impact of the adoption thereof for the group cannot yet be determined for all of them, as management is still in the process of determining the impact of these standards and interpretations on future financial statements.

At the date of authorisation of these financial statements, the following standards and interpretations were in issue but not yet effective:

STANDARD/ INTERPRETATION		EFFECTIVE DATE
IAS 23	Borrowing Costs	Annual periods commencing on or after 1 January 2009 (1)
IFRS 7	Financial Instruments: Disclosures (including amendments to IAS 1, Presentation of Financial Statements: Capital Disclosures)	Annual periods commencing on or after 1 January 2007 (1)
IFRS 8	Operating Segments	Annual periods commencing on or after 1 January 2009 (1)
IFRIC 10	Interim Financial Reporting and Impairment	Annual periods commencing on or after 1 November 2006 (1)
IFRIC 11	IFRS 2 – Group and Treasury Share Transactions	Annual periods commencing on or after 1 March 2007 (1)
IFRIC 12	Service Concession Arrangements	Annual periods commencing on or after 1 January 2008 (2)
IFRIC 13	Customer Loyalty Programmes	Annual periods commencing on or after 1 July 2008 (2)
IFRIC 14	IAS – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	Annual periods commencing on or after 1 January 2008 (1)

(1) Not yet assessed
(2) Assessed: not applicable

BASIS OF CONSOLIDATION

Subsidiaries

Subsidiaries are entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible, are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Subsidiaries are recognised at cost less impairment losses in the company's separate accounts.

Subsidiaries with a year-end on a date other than 30 June are included in the consolidated financial statements using the most recent financial results with no more than a three month difference. Adjustments are made for material transactions and events between the group and subsidiary in the intervening period.

Notes to the annual financial statements continued

for the year ended 30 June 2007

Associates

Associates are those entities in which the group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the group's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases.

When the group's share of losses exceeds its interest in an associate, the group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the group has incurred legal or constructive obligations or made payments on behalf of an associate.

Joint ventures

Joint ventures are those entities over the activities of which the group has joint control, established by contractual agreement. The consolidated financial statements include the group's proportionate share of the entities' assets, liabilities, revenue and expenses, with items of a similar nature on a line by line basis, from the date that joint control commences until the date that joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

FOREIGN CURRENCY

Functional currency

It is a requirement under IFRS for each business entity to determine its functional currency. This is determined by all companies in the group by analysing all sources and influences of various currencies on their respective financial position and performance, in order to establish the currency with the most dominant influence, as its functional currency.

Each entity in the group has determined its own functional currency in accordance with the above process. The functional currency of the company is the rand.

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to rands at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value, are translated to rands at foreign exchange rates ruling at the dates the fair value was determined.

Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to rands at foreign exchange rates ruling at the balance sheet date.

The revenues and expenses of foreign operations are translated to rands at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised directly in a separate component of equity, namely the foreign currency translation reserve.

Net investment in foreign operations

Exchange differences arising from the translation of the net investment in foreign operations are taken to a translation reserve. They are released into the income statement upon disposal.

FINANCIAL INSTRUMENTS

Financial instruments recognised on the balance sheet include investments, derivative financial instruments, accounts receivable, cash and cash equivalents, long- and short-term liabilities, accounts payable, bank overdrafts and accrued liabilities.

Financial instruments are initially recognised at fair value and include transaction costs except those financial instruments measured at fair value through profit or loss.

Investments

Investments are managed and their performance evaluated on a fair value basis in accordance with the group's investment strategy.

Investments comprise investments in listed and unlisted companies, which are classified as 'financial assets at fair value through profit or loss' and are stated at fair value or at cost less impairment losses, where fair value cannot be reliably measured. Realised and unrealised investment gains and losses are recognised in the income statement.

The investments in Class A, B and C cumulative participating compulsorily redeemable preference shares are classified as an investment in an unlisted entity, and measured at fair value through profit or loss.

Derivative financial instruments

The group uses derivative financial instruments as economic hedges to hedge its exposure to foreign exchange, interest rate and commodity price risks arising from operational, financing and investing activities. In accordance with its treasury policy, the group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss is recognised immediately in profit or loss.

Trade and other receivables
Trade and other receivables are initially stated at amortised cost less impairment losses (see below on impairment), whereafter it is measured at fair value.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, demand deposits, metals on consignment and highly liquid investments with an original maturity of three months or less. The carrying value of cash and cash equivalents is stated at fair value. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Convertible loan notes
Convertible loan notes that can be converted to share capital at the option of the holder, where the number of shares issued does not vary with changes in their fair value, are accounted for as compound financial instruments. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds. The equity component of the convertible loan notes is calculated as the excess of the issue proceeds over the present value of the future interest and principal payments, discounted at the market rate of interest applicable to similar liabilities that do not have a conversion option. The interest expense recognised in the income statement is calculated using the effective interest rate method.

Where the conversion feature in convertible loan notes is denominated in a foreign currency with a conversion option to convert a fixed amount of notes into a fixed number of shares denominated in the functional currency, the convertible loan notes are classified entirely as a liability.

Trade and other payables
Trade and other payables are initially stated at amortised cost, using the effective interest rate method, whereafter it is measured at fair value.

PROPERTY, PLANT AND EQUIPMENT

Owned assets
The group's property, plant and equipment consists mainly of mining assets which comprise mining properties, mineral rights, development costs and mine plant facilities. Development costs which are capitalised, consist primarily of expenditure that gives access to proven and probable ore reserves. Mine development costs to maintain production and exploration costs, are expensed as incurred.

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Certain items of property, plant and equipment that have been revalued to fair value on or prior to 1 July 2004, the date of transition to IFRS, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

Leased assets
Leases in terms of which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Lease payments in terms of finance leases, are apportioned between finance charge and the reduction of the outstanding liability. Assets held under finance leases are accounted for in the same manner as owned property, plant and equipment. These assets are recognised at the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Leases where the lessor retains the risk and rewards of ownership of the underlying asset are classified as operating leases. Payments made under operating leases are charged against income on a straight-line basis over the period of the lease.

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

Depreciation
Depreciation of mining properties, mineral rights and development costs are computed using the units-of-production method based on estimated proven and probable ore reserves. Proven and probable ore reserves reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known mineral deposits.

Other assets are depreciated using the straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

Notes to the annual financial statements continued

for the year ended 30 June 2007

The current estimated useful lives are:

- **mining properties**
  units-of-production method
- **mine plant facilities**
  2 – 10 years
- **mine development**
  units-of-production method
- **equipment and vehicles**
  5 years

The residual value, estimated useful lives and depreciation method are re-assessed annually.

IMPAIRMENT

The carrying amounts of the group's assets, other than inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset, or its cash generating unit, exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units (group of units), and then, to reduce the carrying amount of the other assets in the unit, (group of units) on a pro-rata basis.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity, and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amounts

The recoverable amount of the group's investments in held-to-maturity securities and receivables, carried at amortised cost, is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets).

The recoverable amount of other assets is the greater of their fair value less costs to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, with the amount of the reversal recognised in profit or loss.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and indicators suggest that the impairment loss may have reversed.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

INVENTORIES

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

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

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

TAXATION

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current taxation

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

Deferred taxation

Deferred taxation is provided for by using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, at balance sheet date.

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

Additional income taxes that arise from the distribution of dividends, such as secondary tax on companies, are recognised at the same time as the liability to pay the related dividend.

SHARE CAPITAL

Preference share capital

Preference share capital is classified as equity if it is non-redeemable and any dividends are discretionary. Dividends on preference share capital classified as equity are recognised as distributions within equity. Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholder or if dividend payments are not discretionary.

Dividends

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

EMPLOYEE BENEFITS

Defined contribution plans

Pension plans, which are multi-employer plans in the nature of defined contribution plans, are funded through monthly contributions to these defined contribution plans. Obligations for contributions are recognised as an expense in the income statement as incurred.

Long-service benefits

The group makes long-service bonus payments (long-service awards) for certain eligible employees, under the Chamber of Mines of South Africa Long Service Award Scheme. The amount of the award is based on both the employee's skill level and years of service with qualified gold mining companies. The obligation is accrued over the service life of the employees and is calculated using a projected unit credit method.

Share-based payment transactions

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

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

Post-retirement medical benefits

Post-retirement medical benefits in respect of qualifying employees are recognised as an expense over the expected remaining service lives of relevant employees. The group has an obligation to provide medical benefits to certain of its pensioners and dependants of ex-employees. These liabilities are provided in full, calculated on an actuarial basis and discounted using the projected unit credit method. Periodic valuation of these obligations is carried out by independent actuaries using appropriate mortality tables, long-term estimates of increases in medical costs and appropriate discount rates. Actuarial gains and losses are recognised in the income statement.

PROVISIONS

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

Environmental rehabilitation

Based on the group's interpretation of current environmental and regulatory requirements, as well as present obligations as environmental damage is incurred, the costs of rehabilitation and restoration are estimated and accrued, with the corresponding recognition being part of the cost of an item of property, plant and equipment.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. As a result of potential changes in regulations or cost estimates, there is a probability that estimates of the ultimate rehabilitation liabilities could change.

Annual contributions are made to dedicated rehabilitation trust funds to fund the estimated cost of rehabilitation during and at the end of the life of the relevant mine.

REVENUE RECOGNITION

Gold bullion and by-products

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. In the case of gold bullion, this occurs when it is delivered to the relevant refinery. For revenue from related by-products, risk and reward transference takes place on delivery to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or associated costs.

Dividends and interest

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

Government grants

Grants that compensate the group for expenses incurred are deferred and recognised in the income statement as a deduction against the related expense in the period in which the grant becomes receivable.

Investment income

Investment income includes dividends received, interest received, foreign exchange gains and losses, growth in the environmental rehabilitation trust funds and other profits and losses arising on disposal of investments.

EXPENSES

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the period of the lease.

Finance lease payments

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

Finance expenses

Finance expenses comprise interest payable on borrowings calculated using the effective interest rate method, unwinding of discounting of provision for environmental rehabilitation and interest on finance leases.

Finance costs capitalised

Interest on borrowings utilised to finance qualifying capital projects under construction is capitalised during the construction phase as part of the cost of the project.

SEGMENT REPORTING

A segment is a distinguishable component of the group that is engaged either in providing products or services (business segment), or in providing products or services within a particular environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

A held for sale asset is classified as such if it is a non-current asset, or group of assets, to be disposed of, by sale or otherwise. On initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair value, less costs to sell. Impairment losses on initial classification as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent measurement.

A discontinued operation in the group is a component of the group's business that represents a separate major line of business, or geographical area of operations which has been disposed of or is held for sale, or is a subsidiary acquired exclusively for resale.

An operation is recognised as being discontinued on disposal or the date it meets the criteria to be classified as held for sale, if earlier. A disposal group that is to be abandoned may also qualify. When an operation is classified as a discontinued operation, the comparative income statement is restated.

EARNINGS OR LOSS PER SHARE

Earnings or loss per share are calculated based on the net profit or loss after taxation for the year attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue during the year. Headline earnings or loss per share are calculated based on the profit or loss after taxation but before certain items of a capital nature. Diluted earnings or loss per share and headline earnings or loss per share are presented when the inclusion of ordinary shares that may be issued in the future, has a dilutive effect on earnings or loss per share and headline earnings or loss per share.

BUSINESS COMBINATIONS INVOLVING ENTITIES UNDER COMMON CONTROL

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and that control is not transitory.

In absence of the more specific guidance, the group consistently applied the book value measurement method to all common control transactions.

GROUP 2006 R'000	GROUP 2007 R'000		COMPANY 2007 R'000	COMPANY 2006 R'000
		2 REVENUE		
		Revenue consists of the following principal categories:		
1 576 883	2 160 800	Gold revenue	–	–
23 111	48 905	By-product revenue	–	–
1 599 994	2 209 705	Total revenue	–	–
		3 OPERATING LOSS BEFORE INVESTMENT INCOME AND FINANCE EXPENSES INCLUDES THE FOLLOWING:		
(13 606)	(15 418)	**Auditors' remuneration**	(5 425)	(6 799)
(9 595)	(11 555)	Audit fees – current year	(4 654)	(4 504)
(951)	(2 291)	Underprovision – prior year	(771)	(417)
(3 060)	(1 572)	Fees for other services	–	(1 878)
(15 476)	(11 811)	**Management, technical, administrative and secretarial service fees**	(6 532)	(9 296)
		Staff costs		
(487 058)	(795 926)	Included in staff costs are:	(22 401)	(34 218)
(440 525)	(706 663)	Salaries and wages	(13 612)	(19 480)
(13 341)	(12 686)	Share-based payments	(7 559)	(13 341)
(5 626)	(27 445)	Retrenchment and restructuring costs	(865)	(983)
(27 566)	(49 132)	Pension fund contributions	(365)	(414)
		Income from subsidiaries		
		Administration and management fees	40 656	61 704
6 537	(301)	**(Loss)/profit on sale of property, plant and equipment**	–	18
118 538	(878 046)	**Impairments**	(622 564)	(184 126)
–	(872 133)	Property, plant and equipment	–	–
67 728	–	Investments in and loans to subsidiaries	(616 675)	(160 469)
74 488	–	Investments in and loans to associates	–	–
(23 678)	(5 913)	Other loans	(5 889)	(23 657)

During the year ended 30 June 2007 an impairment, amounting to R872.1 million, was recorded against property, plant and equipment at the Emperor Mines Limited group. R65.0 million relates to an impairment of Tolukuma Gold Mines Limited property, plant and equipment and R807.1 million relates to an impairment of the Vatukoula mine's property, plant and equipment. The impairment was due to recoverable amount being less than the carrying amount.

An impairment of R3.5 million was recorded during the current year against the preference shares held by the company in its black economic empowerment partner, Khumo Gold SPV (Pty) Limited. A further impairment of R2.4 million was raised against the loan to the DRDGOLD SA Staff Share Trust, which currently holds 6% of DRDGOLD SA. The impairment was due to recoverable amount being less than the carrying amount.

Notes to the annual financial statements continued

for the year ended 30 June 2007

GROUP 2006 R'000	GROUP 2007 R'000		COMPANY 2007 R'000	COMPANY 2006 R'000
		3 OPERATING LOSS BEFORE INVESTMENT INCOME AND FINANCE EXPENSES INCLUDES THE FOLLOWING: (continued)		
		During the year ended 30 June 2006, the group reversed R67.7 million of the R160.4 million impairment recorded in 2004 and 2005 against loans advanced to East Rand Proprietary Mines Limited (ERPM). The ability of ERPM to repay the loans was reassessed based on the discounted cash flows of that operation. The discounted cash flows were calculated using the updated mine plan, a gold price of R131 094 per kilogram and a discount rate of 13%. Accordingly, a decision was made to reverse a portion of the previously recorded impairments.		
		The R74.5 million impairment recorded in 2005 on the group's investment in Emperor Mines Limited (Emperor) was reversed during the year ended 30 June 2006, based on the market price of Emperor's shares on the Australian Stock Exchange. The investment was impaired the previous year down to A$0.28 per share. As at 30 June 2006, Emperor's share price closed at A$0.40 per share.		
		On 1 July 2005, an agreement was signed between the company and the Industrial Development Corporation of South Africa (IDC) in terms of which the company acquired all the IDC loans, including the rights securing payment of such loans, to Crown Gold Recoveries (Pty) Limited and East Rand Proprietary Mines Limited for a purchase consideration of R28.9 million. As uncertainty on the repayment of the loans existed at 30 June 2006, an impairment of R28.9 million was charged against income.		
		On 12 June 2002, the company entered into a loan agreement with Khumo Bathong Holdings (Pty) Limited (KBH) for an amount of R5.3 million. This amount was impaired in 2004 and the impairment reversed during the year ended 30 June 2006 as the loan was repaid.		
(1 631)	**(3 428)**	**Operating lease**	**(1 790)**	(1 631)
6 096	**19 599**	**Pumping subsidy received**	**–**	–

GROUP			COMPANY	
2006 R'000	2007 R'000		2007 R'000	2006 R'000
		4 DIRECTORS' EMOLUMENTS		
		Executive directors		
		Services rendered as directors of the company		
(3 422)	(2 852)	Salaries	(2 852)	(3 422)
(2 065)	(1 184)	Bonuses	(1 184)	(2 065)
(50)	–	Pension/provident fund contributions	–	(50)
(950)	–	End-of-contract payments	–	(950)
		Services rendered by directors as directors of subsidiaries		
(3 651)	(2 556)	Salaries		
(3 397)	(3 134)	Bonuses		
(2 251)	(1 905)	End-of-contract payments		
		Non-executive directors		
		Services rendered as directors of the company		
(2 082)	(2 473)	Directors' fees and bonuses	(2 473)	(2 082)
		Services rendered by directors as directors of subsidiaries		
–	(1 147)	Directors' fees and bonuses		
		Alternate directors		
		Services rendered as directors of the company		
–	(943)	Salaries	(943)	–
–	(70)	Pension/provident fund contributions	(70)	–
		Services rendered by directors as directors of subsidiaries		
–	(398)	Salaries		
–	(431)	Bonuses		
(17 868)	(17 093)	Included in administration expenses and general costs	(7 522)	(8 569)
		5 INVESTMENT INCOME		
–	3 829	Dividends received	2 991	–
–	1 960	Royalties received	1 960	–
87	1 123	Sundry investment income	–	58
8 206	12 998	Interest received	6 894	6 937
455	1 152	Profit/(loss) on realisation of listed and unlisted investments	1 323	(51)
674	(8 896)	(Loss)/profit on disposal of subsidiaries	(7 205)	701 811
88 361	–	Profit arising on rights issue by subsidiary	–	–
5 515	8 061	Growth in environmental rehabilitation trust funds	1 294	993
(43 608)	14 012	Unrealised foreign exchange gain/(loss)	12 854	(69 063)
(16 629)	(8 553)	Fair value adjustments to financial instruments	310	–
43 061	25 686		20 421	640 685

GROUP			COMPANY	
2006 R'000	2007 R'000		2007 R'000	2006 R'000
		6 INCOME TAX EXPENSE		
(23 069)	(204)	Mining tax	–	–
(1 323)	(5 068)	Non-mining tax	–	–
–	(461)	Secondary tax on companies	–	–
(24 392)	(5 733)		–	–
		Comprising:		
		South African		
289	(276)	Current tax – current year	–	–
(1 612)	–	– prior year	–	–
–	(461)	Secondary tax on companies		
		Foreign		
(14 436)	(4 792)	Current tax – current year	–	–
(8 633)	(204)	Deferred tax – current year	–	–
(24 392)	(5 733)		–	–

In South Africa, mining tax on mining income is determined based on a formula which takes into account the profit and revenue from a gold mining company during the year. Non-mining income, which consists primarily of interest, is taxed at a standard rate of 29% (2006: 29%).

The tax rates applicable to mining and non-mining income of a gold mining company depend on whether the company has elected to be exempt from Secondary Tax on Companies (STC). STC is a tax on dividends declared, which is payable by the company declaring the dividend, and at present, the STC tax rate is equal to 12.5% of the amount of income declared as a dividend. In 1993, all existing gold mining companies had the option to elect to be exempt from STC. If the election was made, a higher tax rate would apply to both mining and non-mining income.

In 2007 and 2006, the tax rates for taxable mining and non-mining income for companies that elected the STC exemption were 45% (2006: 45%) and 37% (2006: 37%), respectively. During those same years the tax rates for companies that did not elect the STC exemption were 35% (2006: 35%) and 29% (2006: 29%), for taxable mining and non-mining income respectively.

GROUP			COMPANY	
2006 R'000	**2007 R'000**		**2007 R'000**	2006 R'000
		6 INCOME TAX EXPENSE (continued)		
		In 1993, the company elected not to be exempt from STC, as this would have meant that the company would be subject to normal taxation at the higher rates of 45% for mining income and 37% for non-mining income. The company, having chosen not to be subject to the STC exemption, is subject to 35% (2006: 35%) tax on mining income and 29% (2006: 29%) for non-mining income. With the exception of Crown, all of the South African subsidiaries elected not to be exempt from STC. The tax rate for all the Australasian operations is 30%.		
		South African deferred tax is provided at the estimated effective mining tax rate applicable in terms of the mining tax formula to the relevant operations at either 35% or 45% (2006: 35% or 45%), while the Australian deferred tax is provided at the Australian statutory tax rate of 30% (2006: 30%).		
		Each company is taxed as a separate entity and no tax set-off is allowed between the companies.		
		No provision has been made for mining income taxation in the company as it did not earn any taxable income in the current year.		
1 536 421	**1 724 708**	Unredeemed capital expenditure at year-end (available for deduction against future mining income)	**131 504**	131 504
653 683	**892 363**	Estimated tax losses at year-end (available to reduce future taxable income)	**162 037**	104 535
2 190 104	**2 617 071**	Tax losses and unredeemed capital expenditure carried forward	**293 541**	236 039
765 221	**879 635**	Estimated future tax relief at applicable statutory rates	**85 127**	68 451
		Tax reconciliation		
		Major items causing the group's income tax provision to differ from the statutory rate were:		
42 656	**451 071**	Taxation benefit on net loss at applicable statutory rates		
(5 933)	**(516 926)**	Temporary difference for which deferred tax assets not recognised		
(68 678)	**(78 930)**	Disallowable expenditure		
6 554	**139 705**	Exempt income		
(1 612)	**–**	Additional tax expense relating to the prior year		
–	**3 107**	Tax incentives		
–	**(461)**	Secondary tax on companies		
2 621	**(3 299)**	Other		
(24 392)	**(5 733)**	**Taxation charge**	**–**	–

Notes to the annual financial statements continued

for the year ended 30 June 2007

GROUP			COMPANY	
2006 R'000	2007 R'000		2007 R'000	2006 R'000
		7 PROFIT FROM DISCONTINUED OPERATIONS		
		An extensive three-month review of the Vatukoula mine was completed in early December 2006. The results of the review concluded that continuation of the current mine plan was no longer economically viable. On 5 December 2006 mining ceased, and the mine was closed and placed on care and maintenance.		
		As a result of the permanent cessation of the Fijian operations by Emperor, the Vatukoula mine was classified as discontinued in December 2006. In June 2006 the Vatukoula operation was not a discontinued operation and the comparative income statement has been re-presented to show the discontinued operation separately from the continuing operations.		
		On 9 March 2005, the North West Operations suffered the effects of an earthquake measuring 5.3 on the Richter scale. As a consequence of the extensive damage caused by the earthquake, the No. 5 shaft of the North West Operations was closed. There was continuing seismic activity in the area and on 16 March 2005, the company closed the No. 2 shaft because of concerns for the safety of the employees. On 22 March 2005, application was made to the High Court of South Africa for the provisional liquidation of Buffelsfontein Gold Mines Limited, or Buffelsfontein (which owns the North West Operations), which order was granted on the same day.		
–	90 895	Profit on disposal of the Vatukoula mine		
18 322	43	Costs recovered on liquidation of the North West Operations	43	18 322
18 322	90 938	Profit from discontinued operations	43	18 322

GROUP			COMPANY	
2006 R'000	2007 R'000		2007 R'000	2006 R'000
		8 LOSS PER SHARE		
		Basic		
		The calculation of loss per ordinary share is based on the following:		
(110 089)	(924 466)	Basic loss attributable to ordinary shareholders		
(29 161)	(191 187)	Basic loss from continuing operations attributable to ordinary shareholders		
310 565 826	340 928 374	Weighted average number of ordinary shares in issue		
		Headline		
		The basic loss has been adjusted by the following to arrive at a headline loss:		
(110 089)	(924 466)	Basic loss attributable to ordinary shareholders		
(118 538)	878 046	Impairments		
(6 537)	301	Loss/(profit) on sale of mining assets		
(89 491)	7 744	Loss/(profit) on sale of investments		
(18 322)	(90 938)	Profit on disposal of discontinued operations		
–	(166 330)	Minority interest in headline earnings adjustments		
(342 977)	(295 643)	Headline loss attributable to ordinary shareholders		
		Diluted		
(110 089)	(924 466)	Basic loss attributable to ordinary shareholders		
28 548	–	Interest paid on convertible loan notes		
(81 541)	(924 466)	Diluted basic loss		
(232 888)	628 823	Headline earnings adjustments		
(314 429)	(295 643)	Diluted headline loss		
		Reconciliation of weighted average ordinary shares to diluted weighted average ordinary shares		
310 565 826	340 928 374	Weighted average number of ordinary shares in issue		
17 600 000	–	Convertible loan notes		
328 165 826	340 928 374	Diluted weighted average number of ordinary shares		
(35)	(271)	Basic and diluted loss per ordinary share (cents)		
(9)	(56)	Basic and diluted loss from continuing operations per ordinary share (cents)		
(110)	(87)	Headline and diluted headline loss per ordinary share (cents)		
(55)	(37)	Headline and diluted headline loss from continuing operations per ordinary share (cents)		
		There is no dilution in loss per share for 2006 as the effect of dilutive securities in issue would be anti-dilutive, because the group recorded a loss. There is no dilution for 2007 as the group recorded a loss and there were no dilutive securities in issue.		

GROUP			COMPANY	
2006 R'000	2007 R'000		2007 R'000	2006 R'000
		9 PROPERTY, PLANT AND EQUIPMENT		
		Total		
3 768 207	2 783 736	Cost	2 667	2 545
2 801 559	3 768 207	Opening balance	2 545	427 134
930 824	–	Acquired through purchase of subsidiaries	–	–
263 286	313 034	Additions	122	1 056
(643)	(2 082)	Disposals	–	(18)
(7 237)	–	Disposed through disposal of subsidiary	–	–
(425 627)	(1 377 786)	Transferred to non-current assets held for sale	–	(425 627)
206 045	82 363	Foreign exchange movement	–	–
(1 917 611)	(2 133 966)	Accumulated depreciation and impairment losses	(1 892)	(1 438)
(2 069 969)	(1 917 611)	Opening balance	(1 438)	(411 780)
(150 632)	(178 932)	Current depreciation	(454)	(303)
–	(872 133)	Impairment of assets	–	–
18	800	Disposals	–	18
3 897	–	Disposed through disposal of subsidiary	–	–
410 627	892 086	Transferred to non-current assets held for sale	–	410 627
(111 552)	(58 176)	Foreign exchange movement	–	–
1 850 596	649 770	Net book value	775	1 107
		Mining properties		
1 018 311	926 485	Cost	–	–
824 799	1 018 311	Opening balance	–	425 627
539 188	–	Acquired through purchase of subsidiaries	–	–
24 867	19 402	Additions	–	–
(380)	–	Disposals	–	–
(5 470)	–	Disposed through disposal of subsidiary	–	–
(425 627)	(195 941)	Transferred to non-current assets held for sale	–	(425 627)
60 934	84 713	Foreign exchange movement	–	–
(250 601)	(869 977)	Accumulated depreciation and impairment losses	–	–
(619 235)	(250 601)	Opening balance	–	(410 627)
(30 022)	(41 366)	Current depreciation	–	–
–	(596 323)	Impairment of assets	–	–
2 915	–	Disposed through disposal of subsidiary	–	–
410 627	91 294	Transferred to non-current assets held for sale	–	410 627
(14 886)	(72 981)	Foreign exchange movement	–	–
767 710	56 508	Net book value	–	–

GROUP 2006 R'000	GROUP 2007 R'000		COMPANY 2007 R'000	COMPANY 2006 R'000
		9 PROPERTY, PLANT AND EQUIPMENT (continued)		
		Mine development		
1 525 030	895 907	Cost	–	–
1 153 613	1 525 030	Opening balance	–	–
137 589	–	Acquired through purchase of subsidiaries	–	–
165 338	180 089	Additions	–	–
–	(51)	Disposals	–	–
–	(798 176)	Transferred to non-current assets held for sale	–	–
68 490	(10 985)	Foreign exchange movement	–	–
(892 199)	(521 911)	Accumulated depreciation and impairment losses	–	–
(777 822)	(892 199)	Opening balance	–	–
(66 397)	(74 680)	Current depreciation	–	–
–	(37 128)	Impairment of assets	–	–
–	473 553	Transferred to non-current assets held for sale	–	–
(47 980)	8 543	Foreign exchange movement	–	–
632 831	373 996	Net book value	–	–
		Mine plant facilities		
977 440	719 930	Cost	–	–
632 243	977 440	Opening balance	–	–
252 366	–	Acquired through purchase of subsidiaries	–	–
47 446	81 528	Additions	–	–
(245)	(267)	Disposals	–	–
–	(355 254)	Transferred to non-current assets held for sale	–	–
45 630	16 483	Foreign exchange movement	–	–
(599 186)	(530 577)	Accumulated depreciation and impairment losses	–	–
(538 704)	(599 186)	Opening balance	–	–
(33 178)	(39 507)	Current depreciation	–	–
–	(210 939)	Impairment of assets	–	–
–	321 222	Transferred to non-current assets held for sale	–	–
(27 304)	(2 167)	Foreign exchange movement	–	–
378 254	189 353	Net book value	–	–

Notes to the annual financial statements continued

for the year ended 30 June 2007

GROUP 2006 R'000	GROUP 2007 R'000		COMPANY 2007 R'000	COMPANY 2006 R'000
		9 PROPERTY, PLANT AND EQUIPMENT (continued)		
		Equipment and vehicles		
204 851	220 027	Cost	2 667	2 545
150 545	204 851	Opening balance	2 545	1 507
1 180	–	Acquired through purchase of subsidiaries	–	–
25 635	24 053	Additions	122	1 056
(18)	(1 764)	Disposals	–	(18)
(1 767)	–	Disposed through disposal of subsidiary	–	–
29 276	(7 113)	Foreign exchange movement	–	–
(151 067)	(192 165)	Accumulated depreciation and impairment losses	(1 892)	(1 438)
(111 421)	(151 067)	Opening balance	(1 438)	(1 153)
(18 412)	(22 428)	Current depreciation	(454)	(303)
–	(27 743)	Impairment of assets	–	–
18	800	Disposals	–	18
982	–	Disposed through disposal of subsidiary	–	–
(22 234)	8 273	Foreign exchange movement	–	–
53 784	27 862	Net book value	775	1 107
		Decommissioning asset		
42 575	21 387	Cost	–	–
40 359	42 575	Opening balance	–	–
501	–	Acquired through purchase of subsidiaries	–	–
–	7 962	Additions	–	–
–	(28 415)	Transferred to non-current assets held for sale	–	–
1 715	(735)	Foreign exchange movement	–	–
(24 558)	(19 336)	Accumulated depreciation and impairment losses	–	–
(22 787)	(24 558)	Opening balance	–	–
(2 623)	(951)	Current depreciation	–	–
–	6 017	Transferred to non-current assets held for sale	–	–
852	156	Foreign exchange movement	–	–
18 017	2 051	Net book value	–	–
		Certain assets have been encumbered as security for specified liabilities (refer note 21).		

GROUP			COMPANY	
2006 R'000	**2007 R'000**		**2007 R'000**	2006 R'000
		9 PROPERTY, PLANT AND EQUIPMENT (continued)		
		In assessing the recoverability of the above assets, where there are indicators of possible impairment, the estimated cash flows have been calculated using the following estimates:		
		– recoverable proven and probable ore reserves;		
		– gold price estimates are based on a gold price of R150 000 per kilogram of gold (US$660 per ounce) in year one, escalating at an average of 7.89% per annum, and a base exchange rate of R7.12 = US$1.00, with the rand weakening in future years based on the expected differential between the local South African interest rates in those years over the United States interest rates in those years;		
		– working cost estimates are based on current working costs per kilogram at 30 June 2007, escalated for expected South African inflationary increases of approximately 7.5% per annum; and		
		– capital cost estimates are based on current estimates of future development costs to mine the current proven and probable ore reserves, escalated for expected South African inflationary increases of approximately 7.5% per annum.		
		10 NON-CURRENT INVESTMENTS AND OTHER ASSETS		
1 514	**2 042**	**Listed investments (see below)**	**–**	–
678	**1 514**	Opening balance	**–**	–
105	**218**	Foreign exchange movement	**–**	–
731	**310**	Fair value adjustment	**–**	–
37 411	**46 463**	**Unlisted investments**	**38 856**	32 835
–	**11 257**	**Loan to DRDGOLD SA Staff Share Trust**	**11 257**	–
60 383	**75 770**	**Investments in environmental rehabilitation trust funds**	**16 399**	15 105
42 885	**60 383**	Opening balance	**15 105**	14 088
8 276	**–**	Acquired through the purchase of subsidiaries	**–**	–
3 707	**7 326**	Contributions	**–**	24
5 515	**8 061**	Growth in environmental rehabilitation trust funds	**1 294**	993
99 308	**135 532**	**Total non-current investments and other assets**	**66 512**	47 940
37 411	**46 463**	Directors' valuation of unlisted investments	**38 856**	32 835

Notes to the annual financial statements continued

for the year ended 30 June 2007

10 NON-CURRENT INVESTMENTS AND OTHER ASSETS (continued)

Listed investments consist of:

	% HELD	NUMBER OF SHARES	MARKET VALUE 2007 R'000	CARRYING VALUE 2007 R'000	CARRYING VALUE 2006 R'000
Drillsearch Energy Limited	#	1 820 000	2 022	2 022	1 473
Konekt Limited	#	22 500	20	20	41
			2 042	2 042	1 514

Represents a less than 1% shareholding.

The monies in the environmental rehabilitation trust funds are invested primarily in interest-bearing debt securities and equity-linked unit trusts and may be used only for environmental rehabilitation purposes. Unlisted investments comprise investments in various unlisted companies in South Africa. The valuations are based on the net asset value of these investments.

GROUP			COMPANY	
2006 R'000	2007 R'000		2007 R'000	2006 R'000
		11 INVESTMENTS IN SUBSIDIARIES		
		Shares at cost, less impairment loss	965 471	1 603 949
		Net indebtedness, less impairment loss	(260 949)	(118 763)
		Amounts owing by subsidiaries, less impairment loss	79 080	106 942
		Amounts owing to subsidiaries	(340 029)	(225 705)
		Net investment in subsidiaries	704 522	1 485 186
		The interest of the company in the (loss)/profit after taxation of its subsidiaries is:		
		Aggregate losses	(2 444 878)	(164 005)
		Aggregate profits	141 859	228 014
		A schedule showing the company's financial interest in each subsidiary is given in the Directors' Report on pages 46 to 53.		
		12 INVESTMENTS IN ASSOCIATES		
103 212	–	Opening carrying amount	–	–
(151 963)	–	Net share of results of associates	–	–
48 751	–	Other movements	–	–
–	–	Closing carrying amount	–	–

12 INVESTMENTS IN ASSOCIATES (continued)

	COUNTRY OF INCORPORATION	% INTEREST HELD
The associates were:		
Crown Gold Recoveries (Pty) Limited	South Africa	40.0%
Emperor Mines Limited	Australia	45.3%

In terms of a black economic empowerment (BEE) transaction between the company and Khumo Gold SPV (Pty) Ltd effective from 30 November 2005, the company held 85% (currently 74%) of Crown Gold Recoveries (Pty) Limited (Crown). Accordingly, the results of Crown were consolidated with effect from the above date.

Due to its cumulative ownership of 45.3% of Emperor Mines Limited (Emperor) and the fact that the company exercised significant influence over Emperor, the company accounted for its investment in Emperor under the equity method of accounting as from the date of acquiring its stake in Emperor on 1 August 2004.

On 6 April 2006, a transaction was concluded between Emperor and the company, whereby DRDGOLD's offshore assets were sold to Emperor, resulting in the company's shareholding in Emperor increasing to 88.3% with effect from the above date. As a result, Emperor became a subsidiary with effect from that date and its results are accordingly now consolidated.

GROUP 2006 R'000	GROUP 2007 R'000		COMPANY 2007 R'000	COMPANY 2006 R'000
		13 INVESTMENT IN JOINT VENTURE		
		The joint venture for which the income statement and balance sheet have been proportionately consolidated is as follows:		
		Porgera Joint Venture – percentage held	**20.0%**	20.0%
		The group acquired a 20% interest in the Porgera Joint Venture in Papua New Guinea on 14 October 2003. On 17 August 2007, the company completed the disposal of its 20% interest in the Porgera Joint Venture to a subsidiary of Barrick Gold Corporation (Barrick) for a purchase consideration of R1.8 billion ($250.0 million). (Refer note 29)		
		The group's effective share of income, expenses, assets, liabilities and cash flows of the joint venture for the 9 months ended 31 March 2007, which is included in the consolidated financial statements, is as follows:		
		Income statement		
418 718	**327 611**	Revenue		
(246 620)	**(200 394)**	Cost of sales		
172 098	**127 217**	Operating profit		
(17 892)	**(44 723)**	Other income, administration and general costs		
154 206	**82 494**	Profit before taxation		

GROUP			COMPANY	
2006 R'000	2007 R'000		2007 R'000	2006 R'000
		13 INVESTMENT IN JOINT VENTURE (continued)		
		Balance sheet		
1 012 739	888 594	Non-current assets		
90 706	118 476	Current assets		
1 103 445	1 007 070	Total assets		
1 040 663	949 739	Shareholders' equity		
5 454	5 967	Non-current liabilities		
57 328	51 364	Current liabilities		
1 103 445	1 007 070	Total equity and liabilities		
		14 INVENTORIES		
		Current		
124 634	31 875	Gold in process	–	–
84 125	76 866	Consumable stores	44	40
208 759	108 741		44	40
		Non-current		
219 258	–	Ore stock pile	–	–
428 017	108 741	**Total inventories**	44	40
		The following assumptions were used to assess the net realisable value of the ore stock piles: – sales price of US$650 per ounce at 30 June 2007 (2006: US$613) per ounce; – an exchange rate of kina 3.03 = US$1,00 (2006: kina 3.11 = US$1,00); – overheads of US$1.47 per tonne (2006: US$1.47 per tonne); and – processing costs of US$15.22 per tonne (2006: US$15.22 per tonne).		
		15 TRADE AND OTHER RECEIVABLES		
428	556	Receivables from related parties	96	79
6 492	21 550	Prepayments	–	–
95 178	41 310	Other receivables	8 165	30 418
102 098	63 416		8 261	30 497

GROUP			COMPANY	
2006 R'000	2007 R'000		2007 R'000	2006 R'000

16 ASSETS CLASSIFIED AS HELD FOR SALE

In April 2007, the group announced the sale of its 20% interest in the Porgera Joint Venture to Barrick. Total consideration for the transaction is R1.8 billion ($250.0 million) plus an additional adjustment amount of R35.4 million ($5.0 million), to be paid in cash. The effective date of the transaction was 1 April 2007.

Emperor's consolidated loss includes nine months (1 July 2006 to 31 March 2007) of operating results from its 20% interest in the Porgera Joint Venture and excludes all Porgera Joint Venture operational transactions post 31 March 2007.

The sale was approved by the company's shareholders and Emperor shareholders at the extraordinary general meetings held on 27 July and 30 July 2007 respectively. The transaction was subsequently completed on 17 August 2007.

At 30 June 2007, as the sale was announced and not completed, the group's 20% interest in the Porgera Joint Venture has been disclosed as held for sale, comprising assets held for sale of R831.9 million and liabilities held for sale of R129.2 million.

Mining property of R15.0 million, being the DRDGOLD mine village, is presented as held for sale following the decision of the group's management on 13 January 2006 to sell this disposal group as part of the closure of the old Durban Deep mine. A sale was expected by 30 June 2007, however, due to circumstances beyond the company's control the sale has been postponed and is expected to be completed by 30 June 2008. The company remains committed to its plan to sell this disposal group.

The disposal groups are carried at the lower of carrying amount or fair value less costs to sell.

GROUP 2006 R'000	GROUP 2007 R'000		COMPANY 2007 R'000	COMPANY 2006 R'000
		Assets classified as held for sale		
15 000	500 698	Property, plant and equipment	15 000	15 000
–	326 167	Inventories	–	–
–	17 616	Accounts receivable	–	–
–	2 408	Cash and cash equivalents	–	–
15 000	846 889		15 000	15 000
		Liabilities classified as held for sale		
–	48 133	Accounts payable and accrued liabilities	–	–
–	81 108	Provisions	–	–
–	129 241		–	–

GROUP			COMPANY	
2006 R'000	2007 R'000		2007 R'000	2006 R'000
		17 SHAREHOLDERS' EQUITY		
		Details of shareholders' equity are provided in the Statements of changes in equity on page 57.		
		Authorised share capital		
		600 000 000 (2006: 600 000 000) ordinary shares of no par value		
500	500	5 000 000 (2006: 5 000 000) cumulative preference shares of 10 cents each	500	500
		Issued share capital		
3 761 368	4 069 096	370 341 981 (2006: 320 035 078) ordinary shares of no par value	4 069 096	3 761 368
500	500	5 000 000 (2006: 5 000 000) cumulative preference shares of 10 cents each	500	500
3 761 868	4 069 596		4 069 596	3 761 868

Share capital

Unissued shares

The company operates a share option scheme as an incentive tool for its executive directors, non-executive directors and senior employees whose skills and experience are recognised as being essential to the company's performance. In terms of the scheme rules, a maximum of 15% of the issued ordinary shares is reserved for issuance thereunder and no participant may hold options at any time, which if exercised in full, would exceed 2% of the company's issued share capital at that time. The number of issued and exercisable share options is 4.4% of the issued ordinary share capital which is within the internationally accepted guideline of 3 to 5% for such schemes.

In addition, the participants in the scheme are fully taxed at their marginal tax rate on any gains realised on the exercise of their options.

On 12 November 2002, the company issued $66 million 6% Senior Convertible Notes (refer to note 21). The notes were convertible into ordinary shares, or American Depositary Receipts, at a conversion price of US$3.75 per share at the company's election, subject to adjustment in certain events. On 15 November 2006, the company repaid, in full, its outstanding 6% Senior Convertible Notes which matured on 12 November 2006. The company's obligations under the Senior Convertible Notes have now been satisfied and discharged.

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

GROUP			COMPANY	
2006 R'000	2007 R'000		2007 R'000	2006 R'000

17 SHAREHOLDERS' EQUITY (continued)

Cumulative preference shares

The terms of issue of the cumulative preference shares are that they carried the right, in priority to the company's ordinary shares, to receive a dividend equal to 3% of the gross future revenue generated by the exploitation or the disposal of Argonaut's mineral rights acquired from Randgold and Exploration Company Limited in September 1997. In 2005, the Argonaut mineral rights reverted to the South African Government after no application for conversion was lodged within the stipulated period of one year, under the provisions of the Mineral and Petroleum Resource Development Act (MPRDA).

Option instruments

The company currently has one class of options authorised but not issued, namely Durban Deep 'C' options. There are 10 000 000 authorised option instruments at year-end which entitle the holder to subscribe for one ordinary share per option instrument at a subscription price of R15 per ordinary share, which are exercisable at any time during the period from the date on which the option is issued by the company to a date no later than five years from the date of issue.

Group 2006 R'000	Group 2007 R'000		Company 2007 R'000	Company 2006 R'000
		Revaluation and other reserves		
119 341	82 417	Foreign exchange translation reserve (a)	–	–
131 489	131 489	Asset revaluation reserve (b)	–	–
29 896	42 582	Share-based payments reserve (c)	37 455	29 896
280 726	256 488		37 455	29 896

(a) The foreign exchange translation reserve represents the cumulative translation effect arising on the translation of the financial statements of the company's foreign operations.

(b) Certain items of property, plant and equipment that have been revalued to fair value on or prior to 1 July 2004, the date of transition to IFRS, are measured on the basis of deemed cost, being the revalued amount at the date of the revaluation. The revaluation adjustment of R5.0 million has been recognised in the asset revaluation reserve.

On the acquisition of Emperor an amount of R126.5 million was taken to the asset revaluation reserve. This amount represents that part of the increase in the fair value of Emperor's net assets after the acquisition of the group's initial interest which is attributable to that initial interest.

Notes to the annual financial statements continued

for the year ended 30 June 2007

GROUP 2006 R'000	GROUP 2007 R'000		COMPANY 2007 R'000	COMPANY 2006 R'000
		17 SHAREHOLDERS' EQUITY (continued)		
		(c) The company issues equity-settled instruments to certain qualifying employees under an employee share option scheme to purchase shares in the company's authorised but unissued ordinary shares. Equity share-based payments are measured at the fair value of the equity instruments at the date of the grant. Deferred share-based compensation is expensed over the vesting period, based on the company's estimate of the shares that are expected to vest eventually. During 2007, a deferred share-based compensation expense of R12.7 million (2006: R13.3 million) was charged to the income statement (refer to note 3).		
		18 PROVISION FOR ENVIRONMENTAL REHABILITATION		
138 582	322 308	Opening balance	49 808	39 469
(311)	(580)	Foreign exchange movement	–	–
137 951	(756)	(Disposed)/acquired through (disposal)/purchase of subsidiaries	–	–
7 017	3 250	Interest charge	–	1 095
39 069	19 952	Charge to the income statement	6 098	9 244
–	(61 594)	Transferred to non-current liabilities held for sale	–	–
322 308	282 580	Closing balance	55 906	49 808
		Amounts have been contributed to irrevocable trusts (refer to Note 10). The company intends to fund the ultimate rehabilitation costs from the money invested with the trust funds as well as, at the time of mine closure, the proceeds on sale of remaining assets and gold from plant clean-up.		
		19 POST-RETIREMENT AND OTHER EMPLOYEE BENEFITS		
16 762	19 009	Liability for post-retirement medical benefits	–	–
3 800	1 322	Liability for long service awards	–	–
3 827	5 688	Liability for leave pay	–	–
24 389	26 019		–	–
		Retirement funds In South Africa, the group participates in a number of multi-employer defined contribution industry-based retirement plans. All plans are governed by the Pension Funds Act, 1956. All the pension funds are actuarially valued at intervals of not more than three years using the projected benefit valuation basis.		

GROUP			COMPANY	
2006 R'000	2007 R'000		2007 R'000	2006 R'000
		19 POST-RETIREMENT AND OTHER EMPLOYEE BENEFITS (continued)		
		Retirement funds (continued)		
		All pension funds have been valued during the last three years and were certified to be in a sound financial position. The provident funds are funded on the 'money accumulative basis' with member's and company's contributions having been fixed in the constitutions of the funds.		
		In Papua New Guinea, retirement fund contributions are regulated by the Superannuation Act (the Act). According to the Act, the group has to contribute 7% of employee's earnings to a local superfund (NASFUND), while the employees contribute 5% of their gross salaries and wages. Payments are made to the fund on a monthly basis.		
		Amounts recognised in the income statement are as follows:		
(27 566)	(49 132)	Current service cost	(365)	(414)
		Post-retirement medical benefits		
		The group has an obligation to fund a portion of the medical aid contributions of certain of its employees after they have retired. A provision for post-retirement medical benefits has been raised, based on the latest calculations using a projected unit credit method, of independent actuaries performed as at 30 June 2006. Post-retirement medical benefits are actuarially valued every three years. The obligation is unfunded.		
		Amounts recognised in the balance sheet are as follows:		
–	16 762	Opening balance	–	–
13 839	–	Acquired through purchase of subsidiaries	–	–
2 923	2 247	Actuarial loss	–	–
16 762	19 009	Closing balance	–	–
		Amounts recognised in the income statement are as follows:		
(2 923)	(2 247)	Actuarial loss	–	–

Notes to the annual financial statements continued

for the year ended 30 June 2007

GROUP			COMPANY	
2006 R'000	2007 R'000		2007 R'000	2006 R'000
		19 POST-RETIREMENT AND OTHER EMPLOYEE BENEFITS (continued)		
		Principal actuarial assumptions at the balance sheet date:		
5.8%	5.8%	Health care cost inflation		
7.8%	7.8%	Discount rate		
1.9%	1.9%	Real discount rate		
50.0%	50.0%	Income at retirement (as % of final salary)		
62.5/63/65	62.5/63/65	Normal retirement age		
61.6/62.0/63.5	61.6/62.0/63.5	Expected average retirement age		
3 years	3 years	Spouse age gap		
85	85	Continuation at retirement		
85	85	Proportion married at retirement		
		Long service awards		
		The group participates in the Chamber of Mines of South Africa Long Service Awards Scheme (the scheme). The scheme does not confer on any employee or other persons any right of payment of any award.		
		In terms of the scheme, bonus payments may be made to certain employees, usually semi-skilled, upon reaching the age of 55, who have completed 15 years of continuous service in South African gold mining companies which are members of the Chamber of Mines of South Africa and The Employment Bureau of Africa (Teba), provided such service is not pensionable service. The scheme lays down the rules under which an employee may be eligible for the award. The award is paid by the company for which the employee works upon the employee becoming eligible for the award and electing to receive payment. All awards must be confirmed by the Chamber of Mines of South Africa before payment.		
		The amount of the award is based on both the employee's skill level and years of service with qualifying gold mining companies.		
		Amounts recognised in the balance sheet are as follows:		
–	3 800	Opening balance	–	–
4 526	(2 067)	Actuarial (gain)/loss	–	–
(726)	(411)	Benefits paid	–	–
3 800	1 322	Closing balance	–	–
		Amounts recognised in the income statement are as follows:		
(4 526)	2 067	Actuarial gain/(loss)	–	–

19 POST-RETIREMENT AND OTHER EMPLOYEE BENEFITS (continued)

Share option scheme

a) Details of the scheme

The company operates a share option scheme, DRDGOLD (1996) Share Scheme, (the scheme), as an incentive tool for its executive directors, non-executive directors and senior employees whose skills and experience are recognised as being essential to the company's performance. In terms of the scheme rules, a maximum of 15% of the issued ordinary shares of the company is reserved for issuance thereunder and no participant may hold options at any time, which if exercised in full, would exceed 2% of the company's issued share capital at that time. The number of issued and exercisable share options is approximately 4.4% of the issued ordinary share capital which is within the internationally accepted guideline of 3% to 5% for such schemes. In addition, the participants in the scheme are fully taxed at their maximum marginal tax rate on any gains realised on the exercise of their options.

The price at which an option may be exercised is the lowest seven-day trailing average of the closing market prices of an ordinary share on the JSE limited, as confirmed by the company's directors, during the three months preceding the day on which the employee is granted the option. Each option remains in force for 10 years after the date of grant, subject to the terms of the option plan. Options granted under a plan vest at the discretion of the company's directors, but primarily according to the following schedule over a maximum of a three-year period:

Percentage vested in each period grant:	**Period after the original date of the option:**
25%	6 months
25%	1 year
25%	2 years
25%	3 years

Any options not exercised within 10 years from the original date of the option will expire and may not thereafter be exercised.

b) Share options activity in respect of the DRDGOLD (1996) Share Scheme was as follows:

	OUTSTANDING		VESTED	
	Number of shares	Average price per share R	Number of shares	Average price per share R
Balance at 1 July 2005	13 051 786	14.04	6 507 374	17.52
Granted	3 090 944	5.94		
Exercised	(679 911)	5.54		
Forfeited/lapsed	(887 563)	11.64		
Balance at 30 June 2006	14 575 256	12.86	9 257 847	15.64
Granted	2 086 500	9.08		
Exercised	(123 426)	5.47		
Forfeited/lapsed	(283 556)	10.01		
Balance at 30 June 2007	16 254 774	12.48	12 163 058	14.18

Options to acquire the company's ordinary shares that were granted post 7 November 2002 and which remain unvested at 1 January 2005, are measured at fair value at grant date. This fair value is recognised as an employee expense over the vesting period, adjusted to reflect actual levels of vesting, with the corresponding credit to a share-based payments reserve, which is part of equity.

The fair value of the options granted is measured using the Black-Scholes option valuation model, taking into account the terms and conditions upon which the options were granted.

GROUP			COMPANY	
2006 R'000	2007 R'000		2007 R'000	2006 R'000
		19 POST-RETIREMENT AND OTHER EMPLOYEE BENEFITS (continued)		
		c) The fair value of the options determined using the Black-Scholes option valuation model.		
		Significant inputs into the model were:		
		Market price at date of grant (rand per share)		
		1 November 2004 option grant	10.93	10.93
		15 April 2005 option grant	5.13	5.13
		17 June 2005 option grant	5.50	5.50
		25 October 2005 option grant	5.94	5.94
		30 October 2006 option grant	9.93	
		Vesting periods (years)		
		1 November 2004 option grant	3	3
		15 April 2005 option grant	3	3
		17 June 2005 option grant	3	3
		25 October 2005 option grant	3	3
		30 October 2006 option grant	3	
		Option strike price (rand per share)		
		1 November 2004 option grant	11.70	11.70
		15 April 2005 option grant	4.84	4.84
		17 June 2005 option grant	7.10	7.10
		25 October 2005 option grant	8.78	8.78
		30 October 2006 option grant	9.08	
		Risk-free rate		
		1 November 2004 option grant	8.56%	8.56%
		15 April 2005 option grant	7.81%	7.81%
		17 June 2005 option grant	7.58%	7.58%
		25 October 2005 option grant	7.94%	7.94%
		30 October 2006 option grant	8.39%	
		Volatility		
		1 November 2004 option grant	29%	29%
		15 April 2005 option grant	37%	37%
		17 June 2005 option grant	38%	38%
		25 October 2005 option grant	36%	36%
		30 October 2006 option grant *	44%	
		Dividend yield		
		1 November 2004 option grant	–	–
		15 April 2005 option grant	–	–
		17 June 2005 option grant	–	–
		25 October 2005 option grant	–	–
		30 October 2006 option grant	–	–

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

GROUP			COMPANY	
2006 R'000	2007 R'000		2007 R'000	2006 R'000
		20 DEFERRED MINING AND INCOME TAXES		
		Balances arose from the following temporary differences:		
		Deferred mining and income tax asset		
323 592	309 733	Property, plant and equipment	38 136	33 863
103 389	79 451	Provisions, including rehabilitation provision	–	14 990
222 539	205 167	Estimated assessed losses	46 138	30 315
68 969	853	Other temporary differences	853	69 287
(713 165)	(595 204)	Deferred mining and income tax asset not recognised	(85 127)	(148 455)
5 324	–		–	–
		Deferred mining and income tax liability		
(109 180)	(111 650)	Property, plant and equipment	–	–
(17 431)	(17 862)	Inventories	–	–
27 878	25 178	Provisions, including rehabilitation provision	–	–
1 395	–	Other temporary differences	–	–
(97 338)	(104 334)		–	–
(92 014)	(104 334)	Net deferred mining and income tax liability	–	–
		Reconciliation between deferred taxation opening and closing balances		
(82 732)	(92 014)	Opening balance	–	–
(3 528)	(12 116)	Foreign exchange movement	–	–
2 879	–	Deferred tax of subsidiary acquired	–	–
(8 633)	(204)	Income statement charge	–	–
(92 014)	(104 334)	Closing balance	–	–
		21 LONG-TERM LIABILITIES		
		Secured		
19 376	1 424	Industrial Development Corporation (a)	–	–
–	27 771	Investec Bank (Mauritius) Limited (b)	–	–
407 235	759 034	ANZ Banking Group Limited (c)	–	–
5 552	2 114	Finance lease agreements (d)		
		Unsecured		
490 115	–	Convertible loan notes (e)	–	490 115
27 864	49 185	Preference shares held by Khumo Gold SPV (Pty) Limited (f)	–	–
9 767	–	Withholding tax (g)	–	–
959 909	839 528		–	490 115
(556 943)	(790 343)	Less: Payable within one year included under current liabilities	–	(490 115)
402 966	49 185		–	–

Notes to the annual financial statements continued

for the year ended 30 June 2007

GROUP 2006 R'000	GROUP 2007 R'000		COMPANY 2007 R'000	COMPANY 2006 R'000
		21 LONG-TERM LIABILITIES (continued)		
		Long-term liability repayment schedule for capital amounts payable in the twelve months to:		
556 943	–	30 June 2007	–	490 115
77 350	790 343	30 June 2008	–	–
74 652	–	30 June 2009	–	–
50 426	–	30 June 2010	–	–
33 207	–	30 June 2011	–	–
33 207	–	30 June 2012	–	–
134 124	–	30 June 2013	–	–
–	49 185	Thereafter	–	–
959 909	839 528		–	490 115
		Analysis of gross long-term liabilities by currency:		
490 115	27 771	United States dollar	–	490 115
47 240	50 609	South African rand	–	–
422 554	761 148	Australian dollar	–	–
959 909	839 528		–	490 115
		Effective interest rates:		
		Secured liabilities		
10.0%	12.0%	Industrial Development Corporation	–	–
–	8.3%	Investec Bank (Mauritius) Limited	–	–
7.7%	7.9%	ANZ Banking Group Limited	–	–
		Unsecured liabilities		
8.74%	–	Convertible loan notes	–	8.74%
		Undrawn committed borrowing facilities:		
–	219 887	Investec Bank (Mauritius) Limited	–	–

(a) On 18 July 2002, Blyvoor entered into a loan agreement with the Industrial Development Corporation of South Africa for R65 million specifically for financing capital expenditures incurred by Blyvoor in completing the Blyvoor Expansion Project. The loan bears interest at 1% below the prime rate of First National Bank of Southern Africa Ltd on overdraft. As of 30 June 2007 the interest rate on this loan stood at 12% per annum and R1.4 million was outstanding. The loan is repayable in 48 monthly instalments starting from September 2003. The loan is secured by a special notarial bond over the Blyvoor metallurgical plant to the value of R73.0 million. The loan agreement prohibits the company from disposing of or further encumbering the assets covered by the notarial bond and places restrictions over its ability to change the business of Blyvoor.

GROUP			COMPANY	
2006 R'000	2007 R'000		2007 R'000	2006 R'000

21 LONG-TERM LIABILITIES (continued)

(b) On 13 September 2006, a facility of R257.1 million ($35.0 million) was entered into with Investec (Mauritius). The company had drawn down R242.4 million ($33.0 million) under this facility for the purpose of repaying the Senior Convertible Notes. At 30 June 2007, the company had repaid a portion of this amount by issuing 39,518,327 ordinary shares to the value of R214.6 million ($29.9 million). The facility bears interest at the three-month London Interbank Offered Rate (LIBOR) plus 3% and is secured by DRD (Offshore)'s shares in Emperor Mines Limited. The loan agreement prohibits the company from disposing of or further encumbering the secured assets and the facility is renewable. The loan is repayable within 12 months after year end and disclosed as a current liability.

(c) There are five loan facilities from the ANZ Banking Group Limited (ANZ Bank), which comprise the Vatukoula loan facility (R71.8 million), project loan facilities (R422.9 million), a property loan (R8.9 million), a gold call option facility (R13.4 million) and a hedge book facility (R242.0 million).

The Vatukoula loan facility from ANZ Bank, secured over the assets and mining rights of Emperor Gold Mining Company Limited (Fiji), was novated to Emperor Mines Limited (Emperor) on 28 March 2007 following the completion of the sale of the Vatukoula mine to Westech Gold (Pty) Ltd. The sale included the transfer of all the assets and liabilities (other than the ANZ Bank loan, lease liability and the gold hedge book) to Westech on 28 March 2007 and security over the Fijian assets was subsequently released by ANZ Bank. An agreement was reached with the ANZ Bank prior to 30 June 2007 to defer principal repayments in relation to all facilities provided by the bank to Emperor and its subsidiaries until the successful completion of the sale of Emperor's 20% interest in the Porgera Joint Venture. The loan bears interest at LIBOR plus 2.5%. This facility was repaid on 17 August 2007 and disclosed as a current liability.

The project loan facilities agreement was signed on 21 March 2006 between ANZ Bank and Emperor for R305.3 million ($42.0 million). These facilities comprise a R254.4 million ($35.0 million) senior facility with a 59-month tenor and a R50.9 million ($7.0 million) revolving working capital facility, which are secured by the Papua New Guinea gold assets and an Emperor guarantee. On 22 January 2007 Emperor signed documentation with ANZ Bank to increase the revolving working capital facility from $7.0 million to $22.0 million to fund the restructure of the Emperor assets which provided working capital for the Papua New Guinea operations and exit costs associated with the Vatukoula mine sale. The additional facility bears interest at LIBOR plus 4.0%. This facility was repaid on 17 August 2007 and disclosed as a current liability.

GROUP			COMPANY	
2006 R'000	2007 R'000		2007 R'000	2006 R'000

21 LONG-TERM LIABILITIES (continued)

The property loan represents a mortgage over a property purchased in Brisbane during May 2006. The loan attracts interest payments only for the first five years of the mortgage at a rate of 6.79% per annum. A First Registered Mortgage by Emperor over the property situated at 45 Milman St, Clayfield, Queensland, Australia will be held by ANZ Bank as security for this loan. The loan was repaid on 17 August 2007 and disclosed as a current liability.

The gold call option facility was implemented to purchase gold call options from ANZ Bank. The term of the facility is 12 months from 6 April 2006 and the loan bears interest at LIBOR plus 2.1%. The settlement of this facility would have coincided with the closing out of the call options for which the facility was implemented, however this facility was repaid on 17 August 2007 and disclosed as a current liability.

A hedge book facility with ANZ Bank was entered into by Emperor to close out its gold forward hedge book of 165,695 ounces on 16 May 2007 at a spot price of $670/oz. The hedge book was closed out at an amount of $34.2 million and ANZ Bank agreed to defer the settlement of this amount until 31 December 2007 or earlier following receipt of funds from the sale of Emperor's 20% interest in the Porgera Joint Venture. The deferral facility bears interest at LIBOR plus 3.7%. This facility was repaid on 17 August 2007 and disclosed as a current liability.

(d) Finance leases were effectively secured over vehicles owned by the Vatukoula mine, however security over these assets was released by ANZ Bank after the disposal of the Vatukoula mine. This facility was repaid on 17 August 2007.

(e) On 12 November 2002, the company issued $66 000 000 of 6% senior convertible loan notes which were due November 2006, in a private placement. The company issued the notes at a purchase price of 100% of the principal amount. If not converted or previously redeemed, the notes were to be repaid at 102.5% of their principal amount plus accrued interest on the fifth business day following their maturity date in November 2006. The notes were convertible into the company's ordinary shares, or, under certain conditions, American Depositary Receipts (ADRs) at a conversion price of $3.75 per share or ADR, subject to adjustments in certain events.

GROUP			COMPANY	
2006 R'000	2007 R'000		2007 R'000	2006 R'000

21 LONG-TERM LIABILITIES (continued)

The company was entitled to redeem the notes at their accredited value plus accrued interest, if any, subject to certain prescribed conditions being fulfilled, after 12 November 2005. The company offered the notes only to qualified institutional buyers in reliance on Rule 144A of the Securities Act of 1933, (as amended) (the Securities Act) and to non-U.S. persons in reliance on Regulation S under the Securities Act.

On 15 November 2006, the company repaid, in full, its outstanding 6% Senior Convertible Notes which matured on 12 November 2006. The company paid a total of R492.8 million ($69.6 million) to the holders of the Senior Convertible Notes, which included the aggregate principal amount of the Senior Convertible Notes of R469.8 million ($66.0 million), plus all accrued original issue discount and interest. The company's obligations under the Senior Convertible Notes have now been satisfied and discharged.

Group 2006 R'000	Group 2007 R'000	Convertible loan notes	Company 2007 R'000	Company 2006 R'000
437 359	490 115	Opening balance	490 115	437 359
9 937	5 088	Issuance costs amortised during the year	5 088	9 937
28 548	11 795	Interest expense	11 795	28 548
(25 474)	(14 402)	Interest paid	(14 402)	(25 474)
39 745	231	Foreign exchange movement	231	39 745
–	(492 827)	Loan repayment	(492 827)	–
490 115	–	Closing balance	–	490 115

(f) On 18 November 2005, the group issued class A cumulative participating preference shares to Khumo Gold SPV (Pty) Limited (Khumo Gold), for a subscription price of R10.6 million. Class B and Class C cumulative participating preference shares, for a subscription price of R7.1 million and R8.6 million, were issued to Khumo Gold and the DRDGOLD SA Empowerment Trust respectively on 30 November 2006. The preference shares entitle Khumo Gold and the employee trust to receive a dividend of R0.26 for every R0.74 paid by Crown, ERPM and Blyvoor to the company towards capital and interest on their outstanding intra-group loans as at 30 November 2005. The preference shares have been revalued to fair value at 30 June 2007.

GROUP 2006 R'000	GROUP 2007 R'000		COMPANY 2007 R'000	COMPANY 2006 R'000
		21 LONG-TERM LIABILITIES (continued)		
		(g) Due to a change in Fijian tax legislation, a withholding tax was payable on interest on intra-group loans.		
		Borrowing powers		
		In terms of the Articles of Association of the company, the borrowing powers of the company and its subsidiaries shall not exceed the greater of R30 million or the aggregate of the issued and paid up capital together with the aggregate of the credit balances of all distributable and non-distributable reserves, which is as follows:		
3 761 368	4 069 096	Issued and paid up share capital		
29 896	37 455	Non-distributable reserves in credit balance		
3 791 264	4 106 551			
959 909	839 528	Currently utilised		
		22 FINANCIAL ASSETS AND LIABILITIES		
		Derivative financial instruments		
759	264	Interest rate swap agreement (a)	–	–
(184 129)	–	Forward sale commodity contracts (b)	–	–
20 770	5 718	Option contracts (c)	–	–
–	–	KBH option (d)	–	(144 550)
(162 600)	5 982		–	(144 550)
20 770	5 982	Disclosed under current assets	–	–
(183 370)	–	Disclosed under current liabilities	–	–
–	–	Disclosed under non-current liabilities	–	(144 550)
(162 600)	5 982		–	(144 550)
		(a) The Vatukoula loan facility currently bears interest at an average variable rate of LIBOR plus 2.5%. In order to minimise fluctuation in interest rates, 64% of the loan has been covered by entering into interest rate swap contracts under which Emperor is obliged to receive interest at variable rates and pay interest at fixed rates until October 2008 (the Vatukoula loan facility was settled on 17 August 2007). The contracts are settled on a net basis and the net amount receivable or payable at the reporting date is included in derivative financial instruments. The fixed interest rate payable was 4.34%.		

GROUP			COMPANY	
2006 R'000	2007 R'000		2007 R'000	2006 R'000

22 FINANCIAL ASSETS AND LIABILITIES (continued)

(b) This liability represented gold forward contracts in Emperor, which did not qualify for hedge accounting. As these financial instruments did not meet the definition of a hedge within IFRS, they were classified as held for trading. Under the accounting standards those instruments classified as held for trading are classified as current liabilities.

The total ounces that were to be delivered under the gold forward contracts was 145 695 ounces and the delivery into these derivative financial instruments was to be in accordance with the maturity schedule agreed with the corresponding bank as follows:

30 JUNE 2007 OUNCES	30 JUNE 2008 OUNCES	30 JUNE 2009 OUNCES
41 526	82 992	21 177

The gold forward contracts were closed out on 16 May 2007 at a spot price of $670/oz.

(c) This amount represents the positive mark-to-market on gold call options in DRD (IOM). European-style call options were purchased in January 2006 with strike prices ranging from US$634.00 to US$652.50 per ounce. Expiry dates of the options range from September 2006 to December 2008. The call options provide the group with the right but not the obligation to buy in total up to 46 426 ounces (reducing throughout the period) of gold at the various strike prices. The gold call options were taken up by the company to mitigate the deterioration in the gold forward contracts discussed above.

STRIKE PRICE $	30 JUNE 2007 OUNCES	30 JUNE 2008 OUNCES	30 JUNE 2009 OUNCES
634.00	6 920	4 150	536
645.80	13 842	8 298	1 074
652.50	6 920	4 150	536
	27 682	16 598	2 146

22 FINANCIAL ASSETS AND LIABILITIES (continued)

(d) The company issued an option to Khumo Gold and the DRDGOLD SA Employee Trust to acquire 11% of the shares that the company held in DRDGOLD SA as part of the BEE transaction. The granting of this option fell within the scope of IFRS 2, Share-based Payment. IFRS 2 required the company to apply cash-settled share-based payment accounting in its separate financial statements because the option was granted over shares of its subsidiary and not its own shares. This meant that the option had to be recognised as a liability at fair value. The fair value of the option at grant date was Rnil. The changes in the fair value were recognised in the income statement. On 30 November 2006, Khumo Gold and the Employee Trust exercised the option. The effect on the company in the current year was a R144.5 million credit (2006: R144.5 million debit) to the income statement. In the current year, a loss of R7.5 million was recognised in the group income statement at the date the option was exercised and the shares were sold.

23 PROVISIONS

2007	OPENING BALANCE	ADDITIONAL PROVISION MADE	AMOUNTS USED (INCURRED AND CHARGED TO PROVISION)	AMOUNTS UNUSED REVERSED	FOREIGN EXCHANGE MOVEMENT	CLOSING BALANCE
Group (R'000)						
Directors' benefits [(1)]	2 515	1 730	–	–	434	4 679

2006	OPENING BALANCE	ADDITIONAL PROVISION MADE	AMOUNTS USED (INCURRED AND CHARGED TO PROVISION)	AMOUNTS UNUSED REVERSED	FOREIGN EXCHANGE MOVEMENT	CLOSING BALANCE
Group (R'000)						
Directors' benefits [(1)]	2 159	241	–	–	115	2 515

[(1)] This amount is payable to a former director of the company in respect of severance. The provision is based on the group's best estimate with reference to the former director's remuneration package. The group expects to incur the liability within the next year.

GROUP			COMPANY	
2006 R'000	**2007 R'000**		**2007 R'000**	2006 R'000
		24 COMMITMENTS AND CONTINGENT LIABILITIES		
		Capital commitments		
117 385	**19 493**	Contracted for but not provided for in the annual financial statements	–	–
19 551	**17 120**	Authorised by the directors but not contracted for	–	–
136 936	**36 613**		–	–
		This expenditure will be financed from existing cash resources.		
		Operating lease commitments		
		The company leases its office building in terms of an operating lease. The company does not have an option to acquire the building at the termination of the lease. There is an escalation of 10% per annum imposed by the lease agreement.		

GROUP			COMPANY	
2006 R'000	2007 R'000		2007 R'000	2006 R'000
		24 COMMITMENTS AND CONTINGENT LIABILITIES (continued)		
		Crown leases its vehicles under various operating leases. There is an average escalation of 3.9% per annum imposed by these lease agreements.		
		The future minimum lease payments under non-cancellable operating leases are as follows:		
922	2 652	Not later than 1 year	1 014	922
3 356	3 915	Between 1 and 5 years	2 342	3 356
–	2 359	Later than 5 years	–	–
		Finance lease commitments		
		The Vatukoula mine had finance leases over vehicles. This facility was repaid on 17 August 2007.		
		Commitments in relation to finance leases are as follows:		
4 278	2 114	Not later than 1 year	–	–
1 274	–	Between 1 and 5 years	–	–
–	–	Later than 5 years	–	–

Contingent liabilities and related matters

Environmental

At **Durban Deep** mine rehabilitation of the surface has continued throughout the year. The 5 shaft pit has been filled and contoured. Owing to the new order prospecting right granted to Durban Roodepoort Deep (Pty) Limited over the surface dumps, grassing has been halted on these dumps. A great deal of rehabilitation work, including grassing of the sand portion, took place at the Princess dump complex. This was in response to dust complaints from the local community.

At **West Wits** mine rehabilitation continued on the surface areas of the mine. Redundant mine shafts were filled and four shafts capped.

Grassing of the West Rand Consolidated Mines tailings complex was started following complaints about dust but did not progress very far because this occurred towards the end of the rainy season. There is no irrigation water on site. The tailings dam is earmarked for reprocessing. Studies on depositing tailings into the opencast pit have progressed and the Department of Water Affairs and Forestry is supporting the application. Approval is anticipated by the end of 2007.

The West Basin Environmental Corporation (WBEC), a section 21 company, has been formed by Mintails SA, West Wits and Harmony to manage the underground water decant. Pilot plants are being built on site to run for three months and confirm the mass balance as well as the process to be used for the main plant. A plant of 75Ml per day capacity is planned that will be fully funded by offshore investors. The bankable feasibility studies will be completed in three years.

Blyvoor has updated its environmental management programme (EMP) to meet the requirements of the MPRDA. It has been submitted to the DME for approval.

Blyvoor continues to pump water from underground and discharges approximately 8 Ml per day into the Wonderfontein Spruit

Two continuous quality monitors have been installed to send quality data to a website. Regular monthly quality meetings continue to take place with the Potchefstroom Municipality, with Blyvoor being fully compliant to the requirements of the agreement with Potchefstroom City Council. Blyvoor also participates in the mining interest group, a sub group of the Wonderfontein Spruit Forum led by DWAF to determine strategies regarding potential pollution and remedial action of the Wonderfontein Spruit and eventual regional closure.

24 COMMITMENTS AND CONTINGENT LIABILITIES (continued)

Blyvoor is aiming to be a zero discharge mine. A pilot plant is currently being constructed to test the treatment of underground water, currently discharged, for potable use. Alternative industrial uses for the water are also being investigated.

Crown has updated its EMP and submitted it to the DME for approval.

Crown has been very proactive in concurrent rehabilitation and the management of oversize material which has resulted in a R20.0 million reduction in closure liability.

These initiatives are continuing with rehabilitation an integral part of the operation management.

An EMP for the 3L2 dump reprocessing was approved by the DME.

ERPM has updated its EMP to meet MPRDA requirements and submitted it to the DME for approval.

The concurrent rehabilitation of redundant structures and holdings continued throughout the year.

Pumping is continuing at SWV shaft with water from the Hercules basin expected at the end of October 2007. The pumping infrastructure has been upgraded in anticipation of this additional water.

ERPM, together with IST Otokon, are currently looking at upgrading the total pumping capacity at SWV with a more efficient system as part of an Eskom-funded demand side management (DSM) project. The water is also earmarked in the medium term for use by the Ergo dump reprocessing joint venture. As a long term sustainable solution, it is envisaged that the water will be treated by the plant currently being tested for the Western Basin water.

Tolukuma in Papua New Guinea (PNG) also has site-specific environmental risks associated with its operations. Tailings are routinely discharged into the Auga/Angabanga river system. The discharging of tailings into riverine and marine systems in PNG is an acceptable practice due to the seismic instability of the area and the dangers this poses for the stability of conventional tailings dams. Due to the fact that ore mined at Tolukuma and the surrounding land in general, is high in mercury, the potential does exist that levels of mercury discharged into the river system might expose the company to criminal liability under PNG legislation. As a result of an internal study of the Tolukuma mine in 2000, and in order to ensure that mercury discharges remain within allowable limits, the following programme is being followed:

- daily monitoring of mercury levels at the tailings discharge point and approximately 1 500 feet downstream (grab sampling);
- monthly monitoring of mercury and other heavy metals at government mandated water quality inspection points; and
- biennial monitoring of stream sediments.

Lead, mercury, cyanide and arsenic occur in the ore processed at Tolukuma. Cyanide is associated with the mining process and is discharged into the riverine system as a result of the inability of the company to use conventional tailings dams. Prior to discharge, the cyanide is degraded in a detoxification process and levels are monitored daily.

Through visits with local communities by mine staff members, the company has been informed that communities located downstream from Tolukuma do not generally use water from the Auga/Angabanga river system for consumption as these communities rely on water from creeks, tributaries and strategically placed wells, many of which the company has provided, and the company is not aware of any adverse health effects on communities associated with Tolukuma.

Furthermore, the company is not aware of any scientific or engineering report that states that the level of mercury discharges from Tolukuma into the Auga/Angabanga river system is harmful to human life. In November 2002, Oxfam Community Aid Abroad released their *Mining Ombudsman Annual Report 2001–2002* which the company believes made inaccurate and unsubstantiated references to mercury output and other findings contained in an internally prepared study on Tolukuma done in 2000. This study was not conclusive on the mercury output at Tolukuma and the results of this study were not scientifically tested. As discussed above, the company increased its environmental management systems in response to this study.

Two water quality and geochemical investigations were conducted by an independent consultant in July 2000 and June 2002.

24 COMMITMENTS AND CONTINGENT LIABILITIES (continued)

These investigations concluded that there was little difference between mercury concentrations in mining sediment from Tolukuma being dumped into the Auga/Angabanga river system and the naturally occurring sediments in the area. Although mercury is detectable in the mining-derived sediments immediately adjacent to the discharge point, these levels are immediately diluted to levels below detectable limits upon mixing with the Alabule River. This area consists of steep gorges and fast, turbid currents. The result is a high dilution of mining sediments and, therefore, a negligible impact on the lower Angabanga floodplain and oxbow lakes which are located downstream from Tolukuma. An additional study took place during June of 2003, reinforcing earlier findings.

In addition, a comprehensive monitoring programme has been undertaken in accordance with the company's approved environmental management and monitoring programme (EMMP), which addresses water quality, population dietary surveys and aquatic fauna and metals-in-tissue surveys. These surveys were conducted during July and September of 2003. During March 2003, an environmental audit was concluded at Tolukuma which found the operations to be in substantial compliance with applicable PNG legislation, the company's environmental plan and the EMMP. The studies conducted in 2003 confirmed existing trends that had been established over recent years. The water quality meets legal requirements, as per the criteria set by the water licence.

On 13 March 2007, the PNG press published claims by a Dr Kotapu that he had undertaken a study amongst the downstream communities that proved Tolukuma's tailings discharge is polluting the river and poisoning local communities. Dr Kotapu claimed that the work had been undertaken under the auspices of two Australian Health Authorities. Subsequently, it has been confirmed that no government departments or health authorities, either in PNG or Australia, were involved in this alleged work and to date no report has been published.

Tolukuma continues to work with local and international stakeholders on environmental practices and communication with key regulatory and law enforcement bodies in relation to a Dr Kotapu and his claims. No provisions have been recorded in respect of these items in the financial statements as presented for the year ended 30 June 2007.

Mining rights

The company's rights to own and exploit its Mineral Reserves and deposits are governed by the laws and regulations of the jurisdictions in which the mineral properties are located. Currently, a significant portion of the company's Mineral Reserves and deposits are located in South Africa.

On 1 May 2004, the Mineral and Petroleum Resources Development Act of 2002 (MPRDA), which was passed by the Parliament of South Africa in June 2002, came into effect. Prior to the introduction of the MPRDA, private ownership in mineral rights and statutory mining rights in South Africa could be acquired through the common law or by statute. With effect from 1 May 2004, as all mineral rights have been placed under the custodianship of the South African government under the provisions of the MPRDA, old order proprietary rights need to be converted to new order rights of use within certain prescribed time frames.

The MPRDA vests custodianship of South Africa's mineral resources in the state which will issue prospecting rights or mining rights to applicants in the future. The existing common law prospecting, mining and mineral rights will cease to exist but transitional arrangements are provided in order to give holders of existing rights the opportunity to convert to new rights.

The implementation of the MPRDA may result in significant adjustment to the company's property ownership structure, which could have a material adverse effect on its financial condition and results of operations.

Where the company holds mineral rights and mining authorisations and conducts mining operations on the date on which the MPRDA came into effect, it will be able, within five years from the date of effectiveness of the MPRDA, to submit the old rights and authorisations for conversion to a new mining right. It will need to submit a mining work programme to substantiate the area and period of the new right, and also to comply with the requirements of the Mining Charter. A similar procedure applies where it holds prospecting rights and a prospecting permit and conducts prospecting operations, but it must apply for a conversion to a new prospecting right within the two years from the date of effectiveness of the MPRDA for which purpose a prospecting work programme must be submitted. Where the company holds unused rights, however, it will have one year to apply for new prospecting rights or mining rights.

24 COMMITMENTS AND CONTINGENT LIABILITIES (continued)

If the company does not acquire new rights under the MPRDA, it would be entitled to claim compensation from the state if it can prove that thereby its property has been expropriated as provided for under the Constitution of South Africa. Whether mineral rights constitute property and whether the MPRDA does bring about an expropriation are both aspects which are the subject of legal debate which is likely to be settled ultimately by litigation. The factors in determining compensation include not only fair market value but also history of acquisition and use and aspects of redress and reform which could have the effect of reducing the compensation.

The company has been granted a prospecting right in respect of the Argonaut area and ERPM has been granted a prospecting right over the Sallies area. The company is in the process of preparing applications in respect of the group's mining rights.

Royalty Bill

The South African government has announced the details of the proposed new legislation, whereby the new order rights will be subject to a state royalty. The Mineral and Petroleum Resources Royalty Bill was published on 11 October 2006 and provides for the payment of a royalty of 1.5% of gross revenue per year, payable quarterly. The royalty is tax deductible and the cost after tax amounts to a rate of between 0.825% and 0.975% at the prevailing marginal tax rates applicable to the group. The payment of royalties will commence on 1 May 2009 if the Bill is passed by Parliament in its current form.

Tax on earnings of company officers

The South African Revenue Services (SARS), conducted a payroll audit on the company's payroll during 2002. At the time the company, acting on professional advice, did not deduct tax from some of the earnings of certain of its officers, who were provisional tax payers. SARS took the view that the company was in fact obliged to have made these deductions and called for a full disclosure of all payments for the tax years 1999, 2000, 2001, 2002 and 2003 in respect of the earnings of these officers.

If it is established that these officers had failed to declare and pay taxes on their earnings during these tax years, SARS may have recourse for arrear taxes against the company in terms of Section 5(2) of the South African Income Tax Act, 1962 as amended. While the company is aware that our possible exposure could be up to R25.0 million, it is, in view of the fact that the tax records of these officers are protected by statutory confidence, not yet possible to determine the full extent of the exposure, if any, that the company faces. While the company is aware that SARS has engaged these officers personally, to date no tax assessments have been made against the company.

Tolukuma's tax assessments

The Internal Revenue Commission of PNG (IRC) has issued tax assessments to Tolukuma for the years 1996 to 2004 in which they have reduced the amount of allowable capital expenditure claimed in respect of these years with a resulting increase in potential tax payable of R16.5 million (Kina 6.8 million). Tolukuma has lodged an objection with the IRC in relation to this matter on the grounds that the Tolukuma mine life, based on reserves and annual production, was in accordance with claims in the tax return. The IRC have allowed the company to defer payment of this assessment until such time as the matter is resolved. No provisions have been recorded in respect of this item as presented in the June 2007 financial statements.

25 FINANCIAL INSTRUMENTS

Cash and cash equivalents

The carrying value of cash and cash equivalents approximates their fair value due to the short-term maturity of these deposits. Cash and cash equivalents are placed with major banks and financial institutions located in South Africa, PNG and Australia, after evaluating the credit ratings of the respective financial institutions.

Derivative financial instruments

In the normal course of its operations, the group is exposed to commodity price, currency, interest, liquidity and credit risks. Among other reasons, the group enters into transactions which make use of derivative financial instruments to economically hedge certain exposures. The decision to use these types of transactions is based on the group's hedging policy. Although most of these instruments are used as economic hedges, none of them qualifies for hedge accounting and, consequently, all are measured at fair value with resultant gains and losses being included in the income statement for the year.

25 FINANCIAL INSTRUMENTS (continued)

As discussed in note 22 to the financial statements, the fair value of the forward sale commodity contracts was a liability of Rnil (2006: R184.1 million) and the option contracts was an asset of R5.7 million (2006: R20.8 million).

Commodity price risk

The market price of gold has a significant effect on the group's results of operations and its ability to pay dividends and undertake capital expenditures, and the market price of the company's ordinary shares. Historically, gold prices have fluctuated widely and are affected by numerous industry factors over which the group has no control. The aggregate effect of these factors on the gold price is impossible for the group to predict. The price of gold may not always remain at a level allowing the group to economically exploit its reserves. It is not the group's policy to hedge this commodity price risk.

Interest rate swap agreement

An interest rate swap agreement was entered into in respect of the Vatukoula loan facility. The variable interest rate was swapped for a fixed rate on 64% of the loan. As discussed in note 22 to the financial statements, the fair value of the interest rate swap agreement was an asset of R0.3 million (2006: R0.8 million)

Concentration of credit risk

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

In addition, the group's South African operations all deliver their gold to Rand Refinery Limited (Rand Refinery), which refines the gold to saleable purity levels and then sells the gold, on behalf of the South African operations, on the bullion market. The gold is sold by Rand Refinery on the same day as it is delivered and settlement is made within two days. Once the gold has been assayed by Rand Refinery, the risks and rewards of ownership have passed.

The Tolukuma mining operation delivers its gold to one customer, AGR Matthey and receives proceeds within two days. The concentration of credit risk in Australia is mitigated by the reputable nature of the customer and the settlement of the proceeds within two days. The Porgera Joint Venture delivers its gold to AGR Matthey (PNG) who refines the gold and then delivers it to the ANZ Investment Bank at a price negotiated by the company. The concentration of credit risk in PNG is mitigated by the reputable nature of the customer and the settlement of the proceeds within two days.

The Vatukoula mining operation delivers gold to AGR Matthey (Perth) and receives proceeds within six days. the concentration of credit risk is mitigated by the reputable nature of the customer and the settlement of the proceeds within six days.

Foreign currency risk

The group's presentation currency is the South African rand. Although gold is sold in US dollars, the company is obliged to convert this into South African rands. The company is thus exposed to fluctuations in the US dollar/South African Rand exchange rate. With the South African operations converting the proceeds from gold sales into rands, this provides a synthetic hedge against the costs which are borne by those operations in that currency. The company conducted its operations during the year in South Africa, Fiji and PNG. Currently, foreign exchange fluctuations affect the cash flow that it will realise from its operations as gold is sold in US dollars, while production costs are incurred primarily in South African rands, Fijian dollars and PNG kina. The company's results are positively affected when the US dollar strengthens against these foreign currencies and adversely affected when the US dollar weakens against these foreign currencies. The company's cash and cash equivalent balances are held in US dollars, Australian dollars, South African rands and PNG kina; holdings denominated in other currencies are relatively insignificant.

Interest rate and liquidity risk

Fluctuations in interest rates impact on the value of short-term cash investments and financing activities, giving rise to interest rate risks. In the ordinary course of business, the group receives cash from its operations and is obliged to fund working capital and capital expenditure requirements. This cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimising risks. Funding deficits for the group's mining operations have been financed through the issue of additional shares and external borrowings. Lower interest rates result in lower returns on investments and deposits and also may have the effect of making it less expensive to borrow funds at then current rates. Conversely, higher interest rates result in higher interest payments on loans and overdrafts.

From time to time the company enters into interest rate swap agreements to mitigate interest rate risk.

25 FINANCIAL INSTRUMENTS (continued)

Fair value of financial instruments

The following table represents the carrying amounts and fair values of the group's financial instruments at 30 June:

	2007 R'000 CARRYING VALUE	2007 R'000 FAIR VALUE	2006 R'000 CARRYING VALUE	2006 R'000 FAIR VALUE
Financial assets				
Listed investments	2 042	2 042	1 514	1 514
Unlisted investments and other assets	57 720	57 720	37 411	37 411
Investments in environmental rehabilitation trust funds	75 770	75 770	60 383	60 383
Trade and other receivables	63 416	63 416	102 098	102 098
Financial assets	5 982	5 982	20 770	20 770
Cash and cash equivalents	135 268	135 268	488 961	488 961
Financial liabilities				
Long-term liabilities				
– long-term	49 185	49 185	402 966	402 966
– short-term	790 343	790 343	556 943	556 943
Financial liabilities	–	–	183 370	183 370
Trade and other payables	299 167	299 167	370 633	370 633
Bank overdrafts	117 849	117 849	2 410	2 410

The fair value of a financial instrument is defined as the amount at which the instrument could be exchanged between knowledgeable, willing parties in an arm's length transaction.

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and short-term borrowings approximate their fair values due to the short-term maturities of these assets and liabilities.

The fair value of listed investments has been determined by reference to the market value of the underlying investments.

The investment in the environmental trusts is invested primarily in interest-bearing securities, which approximate their fair value.

26 SEGMENT INFORMATION

The group operates in one business segment, being the extraction and production of gold and related by-products, therefore the disclosures for the primary segment have already been given in these financial statements. The secondary reporting format is by geographical analysis by origin. Geographical analysis by origin is as follows:

2007	SOUTH AFRICAN OPERATIONS[1] R'000	AUSTRALASIAN OPERATIONS [2] R'000	TOTAL R'000
Revenue	1 534 777	674 928	2 209 705
Result			
Gross profit/(loss)	137 730	(172 221)	(34 491)
Investment income	1 723	23 963	25 686
Finance costs	(17 997)	(84 549)	(102 546)
Taxation charge[3]	(737)	(4 996)	(5 733)
Other	(82 053)	(965 893)	(1 047 946)
Profit/(loss) for the year	38 666	(1 203 696)	(1 165 030)
Assets			
Property, plant and equipment	625 325	24 445	649 770
Other assets	237 089	1 060 304	1 297 393
Total assets	862 414	1 084 749	1 947 163
Liabilities			
Liabilities excluding taxation and deferred taxation	599 739	1 099 324	1 699 063
Taxation and deferred taxation	310	104 334	104 644
Total liabilities	600 049	1 203 658	1 803 707
Other information			
Capital expenditure	139 428	173 606	313 034
Depreciation and amortisation	63 905	115 027	178 932
Impairments	(5 889)	(872 157)	(878 046)
Total number of employees including contractors	7 971	738	8 709

(1) Includes Crown, ERPM and Blyvoor.

(2) Includes Tolukuma, 20% of the Porgera Joint Venture until 31 March 2007 and Vatukoula until 31 March 2007.

(3) Tax has been allocated to the segmental result as the group is able to do so.

26 SEGMENT INFORMATION (continued)

2006	SOUTH AFRICAN OPERATIONS (1) R'000	AUSTRALASIAN OPERATIONS (2) R'000	TOTAL R'000
Revenue	970 605	629 389	1 599 994
Result			
Gross profit	11 700	13 384	25 084
Investment income	(80 825)	123 886	43 061
Finance expenses	(36 528)	(9 811)	(46 339)
Share of loss of associates	–	(151 963)	(151 963)
Income tax expense (3)	(1 323)	(23 069)	(24 392)
Other	(365 607)	405 698	40 091
(Loss)/profit for the year	(472 583)	358 125	(114 458)
Assets			
Property, plant and equipment	549 803	1 300 793	1 850 596
Other assets	969 118	190 360	1 159 478
Total assets	1 518 921	1 491 153	3 010 074
Liabilities			
Liabilities excluding taxation and deferred taxation	1 158 611	706 923	1 865 534
Taxation and deferred taxation	1 702	127 566	129 268
Total liabilities	1 160 313	834 489	1 994 802
Other information			
Capital expenditure	90 351	172 935	263 286
Depreciation and amortisation	54 746	95 886	150 632
Impairments	(184 126)	302 664	118 538
Total number of employees including contractors	7 693	4 861	12 554

(1) Includes Crown and ERPM, from 1 December 2005, and Blyvoor
(2) Includes Tolukuma, 20% of the Porgera Joint Venture and 45.33% of Emperor until 6 April 2006 (100% subsequently)
(3) Tax has been allocated to the segmental result as the group is able to do so

27 RELATED PARTY TRANSACTIONS

The group has related party relationships with its associates, subsidiaries, and with its directors and key management personnel. Details of transactions with directors are set out on pages 46 to 49. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of the company. For the year ended 30 June 2007, total directors' remuneration amounted to R17.9 million (company: R7.5 million) and senior management remuneration to R52.8 million (company: R9.4 million). Prior to the awarding of a contract to a related party for the supply of goods and services the group procurements manager reviews both the pricing, quality and the reliability of that party. The contract terms are compared to similar suppliers of goods and services to ensure that the contract is on market related terms.

The company's executive directors review the terms and conditions of all loans to ensure that the terms of the loans are similar to those offered by financial institutions.

27 RELATED PARTY TRANSACTIONS (continued)

Transactions with associates, joint ventures and subsidiary companies

During the year ended 30 June 2007, the company earned Rnil (year ended 30 June 2006: R10.3 million) in management fees from Crown Gold Recoveries (Pty) Limited (Crown), Rnil (year ended 30 June 2006: R10.3 million) in management fees from East Rand Proprietary Mines Limited (ERPM), Rnil (year ended 30 June 2006: R10.3 million) in management fees from Blyvooruitzicht Gold Mining Company Limited (Blyvoor), R20.3 million in management fees from DRDGOLD South African Operations (Pty) Ltd (DRDGOLD SA) and R20.3 million (year ended 30 June 2006: R30.9 million) in management fees from DRD (Offshore) Limited. No dividends were received from associates or subsidiaries in 2007 (2006: Rnil). Transactions with associates are priced on an arm's length basis.

Shareholder loan repayments to the company totalling R40.0 million were made by Blyvoor (R16.7 million), Crown (R16.5 million) and ERPM (R6.8 million) to partially fund the repayment of the Senior Convertible Notes. The shareholder loan repayments resulted in preference dividends being paid to Khumo Gold SPV (Pty) Limited (Khumo Gold) totalling R7.1 million (inclusive of STC) from Blyvoor (R3.0 million), Crown (R2.9 million) and ERPM (R1.2 million).

Balances outstanding at 30 June 2007:

– Subsidiaries – refer to note 11 and page 52
– Associates – refer to note 12
– Joint Venture – refer to note 13

Rand Refinery Agreement

The group has entered into an agreement with Rand Refinery Limited (Rand Refinery), for the refining and sale of all of its gold produced in South Africa. Under the agreement, Rand Refinery performs the final refining of the group's gold and casts it into troy ounce bars. Rand Refinery then sells the gold on the same day as delivery, for the London afternoon fixed price on the day the gold is sold. In exchange for this service, the group pays Rand Refinery a variable refining fee plus fixed marketing, loan and administration fees. Mr Pretorius, CEO of DRDGOLD SA, is also a director of Rand Refinery and is a member of their Audit Committee. The group currently owns 4.1% of Rand Refinery (which is jointly owned by South African mining companies). During the year all gold produced in South Africa was refined by Rand Refinery and as at year-end no balances were owing by or to this entity.

Corporate advisory services

On 13 November 2006, DRDGOLD SA approved a corporate advisory service agreement with Bonami Fraser (Pty) Limited, of which Mr P W Judge is a director. Mr P W Judge (corporate adviser to Khumo Gold) through the Richmond Trust has an indirect shareholding of 18.75% in Khumo Gold, which owns 20% of DRDGOLD SA. The agreement provides for a monthly retainer of R85 000, a success fee payable on the successful completion of the Top Star dump transaction of R275 000 and a success fee payable upon signing of the 11% Khumo Gold option agreement of R475 000. This corporate advisory service agreement has since expired.

Success fee payable to Khumo Bathong Holdings (Pty) Ltd

On 27 November 2006, the company provided the following undertaking to Khumo Bathong Holdings (Pty) Ltd (KBH):

1 That against KBH interacting with the DME at the appropriate level, on behalf of the company to acquire the licences and entitlements, below; and
   - (a) upon the issuance of an appropriate and valid authority to Blyvoor to treat and dispose of the No 2 rock dump, that the company shall pay to KBH a success fee of R0.5 million (plus VAT); and
   - (b) upon the issuance of an appropriate and valid authority to Crown to treat 3L2, that the company shall pay to KBH a success fee of R0.5 million plus VAT; and

27 RELATED PARTY TRANSACTIONS (continued)

2 That in respect of Topstar and in consideration of:

(a) Dr M P Ncholo is paving the way for the conclusion of the Top Star transaction by obtaining a commitment from Mr R M Godsell, CEO of AngloGold Ashanti personally to sell it to DRDGOLD SA; and

(b) KBH interacting with the DME and government generally (including the Department of Arts and Culture) to procure the issuance of a mining authorisation for Top Star, and the removal of such administrative hindrances as may otherwise inhibit the mining of Top Star (e.g. the declaration to bestow heritage status to the site), payable on the granting of the licence and the removal of the restriction to mine, the company shall pay to KBH a success fee of R2.0 million (plus VAT) payable upon the issuance of an appropriate and valid authority to Crown to mine Top Star, that is not inhibited by any other administrative conduct.

28 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with IFRS requires the group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates may differ from actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Valuation and depreciation of mining assets

The value in use of mining assets are generally determined utilising discounted future cash flows. Management also considers such factors as the market capitalisation of the group, the quality of the individual orebody and country risk in determining the value in use. During the year under review, the group calculated value in use based on updated life-of-mine plans, a gold price of R150 000 per kilogram in year one escalating at 7.9% per annum, and a discount rate of 13% (refer note 9).

(b) Valuation of financial instruments

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

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

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

A discount rate of 9.11%, inflation rate of 6.4% and expected life of mines according to the life-of-mine plans were utilised in the calculation of the estimated net present value of the rehabilitation liability (2006: discount rate of 8.58% and inflation rate of 4.9%).

(d) Estimate of post-retirement medical liability

An updated actuarial valuation is carried out every three years, however, management assessed that there were no material changes at year end. Assumptions used to determine the liability include, a discount rate, health cost inflation rate, real discount rate, income at retirement, retirement age, spouse age gap, continuation at retirement and proportion married at retirement (refer note 19).

(e) Estimate of taxation

The group is subject to income tax in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will have an impact on the income tax and deferred tax provisions in the period in which such determination is made.

28 ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(f) Fair value of share-based compensation

The fair value of options granted is determined using the Black-Scholes option valuation model. The significant inputs into the model are: vested period and conditions, risk-free interest rate, volatility, price of grant and dividend yield. (Refer to note 18 for detail on the share option scheme).

(g) Gold in process

Gold in process in certain plants is estimated based on the plant call factor calculated.

(h) Assessment of contingencies

Contingencies will only realise when one or more future events occur or fail to occur. The exercise of significant judgement and estimates of the outcome of future events are required during the assessment of the impact of such contingencies.

(i) Ore reserves

At the end of each financial year, the estimate of proved and probable ore reserves is updated. Depreciation of mining assets is prospectively adjusted, based on these changes.

29 SUBSEQUENT EVENTS

Completion of the sale of the Porgera Joint Venture

The sale of Emperor's 20% interest in the Porgera Joint Venture to Barrick Gold Corporation and the capital return to shareholders were approved by the company's shareholders and Emperor's shareholders at the extraordinary general meetings held on 27 July and 30 July 2007 respectively.

The sale transaction was completed on 17 August 2007 for a cash consideration of R1.8 billion ($250.0 million) and subsequently Emperor retired all its debt facilities, leaving the group debt and hedge free. Emperor's capital return to its shareholders amounting to R308.5 million was completed on 3 September 2007 and the company received its portion of the capital return, amounting to R242.8 million. After the capital return the group has cash and cash equivalents of approximately R945.0 million.

Emperor's Indonesian alliance agreement

On 20 August 2007, Emperor announced that it had signed an alliance agreement with a group of Indonesian and Australian investors to explore a large gold-silver-copper project in eastern Java. The alliance agreement between Emperor, PT Indo Multi Niaga and IndoAust Mining Limited sets out the framework for entering into a joint venture agreement and undertaking further exploration on a property of approximately 116km^2, located in the south eastern portion of Java.

The agreement paves the way to a full joint venture agreement, which would see Emperor spend up to R35.4 million ($5.0 million) over five years, to earn a 51% interest in the project. An option exists for Emperor to earn a further 19% interest in the project by funding additional exploration. Emperor may then fund feasibility studies to a capped amount, subject to certain conditions including being able to obtain relevant permits and licences.

Disposal of Tolukuma

On 10 September 2007, Emperor announced that Tolukuma does not fit with its newly developed future plans and has initiated a divestment process for the mine and a portfolio of associated exploration tenements.

Disposal of Emperor

DRDGOLD announced on 18 September 2007 the disposal by DRDGOLD of its stake in Emperor following the announcement released by Emperor, the 78.8% held subsidiary of DRDGOLD, relating to the proposed merger between Emperor and Intrepid Mines Limited. In terms of the Emperor merger, Emperor shareholders will be offered 1 Intrepid share for every 4.25 Emperor shares held. The Emperor merger will be implemented by way of a scheme of arrangement.

DRDGOLD has informed Emperor that it plans to refocus its attention on opportunities in South Africa and so intends to seek to realise its investment in Emperor in an orderly manner prior to the Emperor scheme meeting. Emperor has agreed to work with DRDGOLD to seek to facilitate such an exit. The Emperor merger is therefore subject to DRDGOLD being able to successfully realise its investment in Emperor prior to this time.

Shareholders' information

	NO. OF SHARE-HOLDERS	% OF HOLDERS	NO. OF SHARES HELD	% OF ISSUED SHARES
1. Breakdown by shareholding				
Range				
1 – 5 000	5 712	65.76	1 518 888	0.41
5 001 – 10 000	1 872	21.55	4 761 658	1.29
10 001 – 50 000	468	5.39	3 596 776	0.97
50 001 – 100 000	466	5.36	10 385 597	2.80
100 001 – 1 000 000	90	1.04	4 793 179	1.29
1 000 001 and more	78	0.90	345 285 883	93.23
Totals	8 686	100.00	370 341 981	100.00
2. Breakdown by classification				
Category				
Individuals	5 786	66.61	21 289 528	5.75
Institutions and bodies corporate	2 900	33.39	349 052 453	94.25
Totals	8 686	100.00	370 341 981	100.00
3. Shareholders owning 1% or more of the shares in issue				
Bank of New York (on behalf of ADR clients)			265 083 690	71.58
Soges Fiducem SA (Brussels)			21 744 431	5.87
Clearstream Banking SA Luxembourg			8 490 421	2.29
Oryx Investment Management			7 669 373	2.07
Investec Value Fund			4 679 424	1.26
Industrial Development Corporation			4 451 219	1.20
4. Shareholder spread				
Public	8 681	99.94	370 187 481	99.96
Non-public				
Directors	5	0.06	154 500	0.04
Totals	8 686	100.00	370 341 981	100.00
5. JSE Limited Performance				
Number of shares traded (000)	208 182			
% of total issued shares	56			
Price quoted (cents per share)				
– highest	1150			
– lowest	370			
– closing	525			
Market capitalisation at year-end (R'000)	1 944 295			

Shareholders' diary

ANNUAL GENERAL MEETING	
Date	30 November 2007
Time	11:00
Place	EBSCO House 4 299 Pendoring Avenue, Blackheath Randburg South Africa
QUARTERLY REPORTS	
1st Quarter	November 2007
2nd Quarter	February 2008
3rd Quarter	April 2008
4th Quarter	August 2008
Interim Financial Report	February 2008
Preliminary Annual Financial Report	August 2008

Copies of the company's quarterly activity reports may be obtained by making application to the Company Secretary or the share transfer secretary in South Africa.

Members are requested to notify the share transfer secretaries in South Africa, Australia or the United Kingdom of any change of address.

Conversion table

The following conversion factors have been used in this document.

Currency: Average exchange rate during year US$1 = R7.219
Closing exchange rate at 30 June 2007 US$1 = R7.076

METRIC	IMPERIAL	IMPERIAL	METRIC
1 metric tonne	1.10229 short tonne	1 short tonne	0.9072 metric tonne
1 kilogram	2.20458 pounds	1 pound	0.4536 kilograms
1 gram	0.03215 troy ounces	1 troy ounce	32.1507 grams
1 kilometre	0.62150 miles	1 mile	1.609 kilo metres
1 metre	3.28084 feet	1 foot	0.3048 metres
1 litre	0.2642 gallons	1 gallon	3.785 litres
1 hectare	2.47097 acres	1 acre	0.4047 hectares
1 centimetre	0.3937 inches	1 inch	2.54 centimetres
1 gram/tonne	0.0292 ounces/tonne	1 ounce/tonne	34.28 grams/tonne

Glossary of terms

Assay	to determine the mineral content
AUSIMM	Australian Institute of Mining and Metallurgy
By-products	any products that arise from the core process of producing gold, including silver
Cash costs	measurement that represents the full costs incurred inclusive of royalties and production taxes. Depreciation, rehabilitation, corporate administration and retrenchment are excluded
Capital expenditure	total capital expenditure on mining assets to both expand and maintain operations
Competent person	the SAMREC Code defines a competent person as a person who is registered with any one of SACNASP, ECSA, PLATO or any other statutory South African or international body that is recognised by SAMREC. A competent person should have a minimum of five years' experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which that person is undertaking
Cut-off grade	the grade at which the orebody is mined with no profit or loss, that is, the break-even grade
Debt	borrowings, including short-term borrowings
Depletion	the decrease in quantity of ore in a deposit or property resulting from extraction or production
Development	activities (including shaft sinking and on-reef tunnelling) required to prepare for mining activities and to maintain a planned production level, and those costs to enable the conversion of mineralised material to reserves
Dilution	waste which is mined with ore in the mining process
ECSA	the Engineering Council of South Africa
EMPR	Environmental Management Programme Report
Exploration	activities associated with ascertaining the existence, location, extent or quality of mineralised material, including economic and technical evaluation of mineralised material
Faulting	the process of fracturing that produces a displacement of rock
Footwall	the underlying side of a fault, orebody or stope
g	gram
g/t	gram per tonne
Grade	the quantity of metal per unit mass or ore expressed as a percentage in terms of ounces or grams per tonne of ore
Hanging wall	the overlying side of a fault, orebody or stope
Head grade	the grade of the ore as delivered to the metallurgical plant
In situ	in place, that is, within unbroken rock
Indicated mineral resource	an 'indicated mineral resource' is the 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 mineral resource	an 'inferred mineral resource' is 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 has 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 that may be limited or of uncertain quality and reliability

JSE	JSE Limited, South Africa
KBH	Khumo Bathong Holdings (Pty) Limited
kg	kilogram
Level	the workings or tunnels of an underground mine which are on the same horizontal plane
Life of mine (LOM)	number of years that the operation is planning to mine and treat ore, taken from the current mine plan
m	metre
Market capitalisation	the number of ordinary shares in issue multiplied by the closing price of the share as quoted on stock exchanges
Measured mineral resource	a 'measured mineral resource' is that part 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 appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological continuity
Metallurgical plant	processing plant used to treat ore and extract the contained metals
Mill/milling	the comminution of the ore, although the terms have come to cover the broad range of machinery inside the treatment plant where the mineral is separated from the ore
Mineable	that portion of a mineralised deposit for which extraction is technically and economically feasible
Mineral reserve	a 'mineral reserve' is the economically mineable material derived from a measured and/or indicated mineral resource. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including 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 is reasonably justified. Mineral reserves are sub-divided in order of increasing confidence into probable mineral reserves and proved mineral reserves
Mineral resource	a 'mineral resource' is a concentration (or occurrence) of material of economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a mineral resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well-constrained and portrayed geological model. Mineral resources are subdivided, in order of increasing confidence in respect of geoscientific evidence, into inferred, indicated and measured categories
Mine call factor (MCF)	the ratio of the produced gold at the mill to the gold content of the ore calculated by sampling in stopes
Mineralisation	the presence of a target mineral in a mass of host rock
Mining Charter	the Broad-based Socio-economic Empowerment Charter for the South African Mining Industry developed in terms of Section 100 of the Mineral and Petroleum Resources Development Act of 2002, to set the framework, targets and timetable for effecting the entry of historically disadvantaged South Africans (HDSAs) into the mining industry
Mt	million tonnes
Ore	a mixture of mineralised material from which at least one of the contained minerals can be mined and processed at an economic profit
Ounce	one troy ounce which equals 32.1507 grams
Pay-limit	the break-even grade at which the orebody can be mined without profit or loss, calculated using forecast commodity prices, working costs and recovery factors
PLATO	the South African Council for Professional land Surveyors and Technical Surveyors

Glossary of terms continued

Probable mineral reserve	a 'probable mineral reserve' is the mineable material derived from a measured and/or indicated mineral resource. It is estimated with a lower level of confidence than a proved mineral reserve. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. The assessments demonstrate at the time of reporting that extraction is reasonably justified
Production	the day-to-day activities directed to obtaining saleable product from the mineral resource on a commercial scale. It includes extraction and other processing prior to sale
Proved mineral reserve	a 'proved mineral reserve' is the economically mineable material derived from a measured mineral reserve. It is estimated with a high level of confidence. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration or 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 is reasonably justified
Recovery grade	the actual grade of ore realised after the mining and treatment process
Reef	a mineralised horizon containing economic levels of metal
Rehabilitation	the process of restoring mined land to allow appropriate post-mining use. Rehabilitation standards are determined and audited by the South African Department of Minerals and Energy and address ground and surface water, topsoil, final slope gradients, waste handling and re-vegetation issues
SACNASP	the South African Council for Natural Scientific Professions
SAIMM	South African Institute of Mining and Metallurgy
SAMREC Code	the South African Code for Reporting of Mineral Resources and Mineral Reserves, including the guidelines contained therein
Shaft	a shaft provides principal access to the underground workings for transporting personnel, equipment, supplies, ore and waste. A shaft is also used for ventilation and as an auxiliary exit. It is equipped with a hoist system that lowers and raises conveyances for men, material and ore in the shaft
Stope	the underground excavation within the orebody where the main production takes place
Strike	the direction in which a horizontal line can be drawn on a plane
Tonnage	quantities where the ton or tonne is an appropriate unit of measure
Tonne	one tonne is equal to 1 000 kilograms (also known as a metric ton)
Tailings	finely ground rock from which valuable minerals have been extracted
Tailings dam	dams or dumps created from waste material from processed ore after the economically recoverable metal has been extracted
tpa	tonnes per annum
tpm	tonnes per month
tpm	tonnes per cubic metre
Weighted average number	the number of ordinary shares in issue at the beginning of the year
of ordinary shares	increased by the shares issued of ordinary shares during the year, weighted on a time basis for the period during which they have participated in the income of the group
Yield/recovered grade	the actual grade of ore realised after the mining treatment process

Notice to shareholders

Notice is hereby given that the annual general meeting of DRDGOLD Limited (DRDGOLD or the company) will be held at EBSCO House 4, 299 Pendoring Avenue, Blackheath, Randburg, 2195 on Friday, 30 November 2007 at 11:00 for the following business:

ORDINARY BUSINESS

1. To receive and consider the audited annual financial statements of the group and the company for the financial year ended 30 June 2007, including the reports of the directors and auditors respectively.

2. To re-appoint KPMG Inc. as the independent external auditors of the company for the ensuing period terminating on the conclusion of the next annual general meeting of the company and to authorise the directors to fix the auditors' remuneration for the past year.

3. To elect Mr J H Dissel as an alternate director of the company.

4. To re-elect as directors Messrs R P Hume and J Turk who in terms of the company's Articles of Association retire by rotation at this meeting but, being eligible, offer themselves for re-election. Curricula vitae of the directors standing for re-election are provided on page 11 of this annual report.

PROFILE OF DIRECTOR TO BE ELECTED

MR J H DISSEL

Age: 49

Mr J H Dissel, who holds a BCom (Hons) degree, joined DRDGOLD as Group Financial Manager in October 1999 from AngloGold Limited (now known as AngloGold Ashanti Limited), where he was Financial Manager responsible for financial systems. He has 24 years' experience in the mining industry.

SPECIAL BUSINESS

ORDINARY RESOLUTION NO 1

"Resolved as an ordinary resolution that all the authorised but unissued no par value ordinary shares in the capital of the company be and are hereby placed under the control of the directors of the company as a general authority in terms of section 221(2) of the Companies Act, 1973 (Act 61 of 1973), as amended (the Act), who are hereby authorised to allot and issue all or any of such shares to such persons and upon such terms and conditions as the directors of the company in their sole discretion deem fit, subject to the provisions of the Act."

ORDINARY RESOLUTION NO 2

"Resolved as an ordinary resolution that the directors of the company and of its subsidiaries (DRDGOLD subsidiaries) be and are hereby authorised as a general authority to allot and issue or sell (as the case may be) all or some of the authorised but unissued (or, as the case may be, DRDGOLD subsidiary-held issued) no par value ordinary shares in the capital of DRDGOLD (DRDGOLD ordinary shares) (including , without limitation, those created under special resolution no. 1 contained in the Notice to Shareholders which incorporates this ordinary resolution no. 2), or grant options to subscribe for new, or to purchase from DRDGOLD-subsidiaries (as the case may be), DRDGOLD ordinary shares (options), or to allot and issue instruments that are convertible to DRDGOLD ordinary shares (convertible instruments), for cash to such person or persons [defined as 'public', and who are not 'related parties', in terms of the Listings Requirements of the JSE Limited (the JSE)] and on such terms and conditions as the directors of the company may, without restriction, from time to time, deem fit as and when suitable opportunities arise therefore, but subject to:

- the requirements from time to time of the Articles of Association of DRDGOLD;
- the Companies Act, 1973 (Act 61 of 1973), as amended (the Act); and
- any stock exchange(s) on which the DRDGOLD ordinary shares may be quoted or listed, it being recorded that the JSE Listings Requirements currently contain, inter alia, the following requirements:

1. the general authority in terms of this resolution shall extend up to and including the date of the next annual general meeting of the company or 15 months from the date on which this resolution is passed, whichever is the earlier date;

2. a paid press announcement giving full details, including the number of DRDGOLD ordinary shares issued, the average discount to the weighted average traded price of DRDGOLD ordinary shares over 30 days prior to the date that the price of the issue was determined or agreed by the directors of the company, the impact on net asset value and the net tangible asset value per share and the impact on earnings and headline earnings per share of the company, shall be published at the time of any issue of DRDGOLD ordinary shares pursuant to this general authority representing, on a cumulative basis within one financial year, 5% or more of the number of DRDGOLD ordinary shares in issue prior to the issue;

3. that the issues of DRDGOLD ordinary shares may not in any one financial year in the aggregate exceed 15% of the number of issued DRDGOLD ordinary shares. The number of DRDGOLD ordinary shares that may be issued or sold, as the case may be, shall be determined in accordance with sub-paragraph 5.52 (c) of the Listings Requirements of the JSE; and

4. in determining the price at which an issue of DRDGOLD ordinary shares will be made in terms of this general authority, the maximum discount at which the DRDGOLD ordinary shares will be issued is 10% of the weighted average trading price of DRDGOLD ordinary shares over the 30 trading days prior to the date that the price of an issue is determined or agreed by the directors of the company."

Whenever the company wishes to use DRDGOLD ordinary shares held as treasury stock by a subsidiary of the company, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of ordinary shares.

Notice to shareholders continued

According to the Listings Requirements of the JSE, the approval of ordinary resolution no 2 requires a 75% majority vote cast in favour of the resolution. Therefore, DRDGOLD will not, without the prior approval of the JSE, allot and issue any shares in terms of the resolution unless at least 75% of the votes cast at the meeting are in favour of the resolution.

ORDINARY RESOLUTION NO 3

"Resolved as an ordinary resolution that the company hereby approves as a specific authority in terms of section 222(1)(a) of the Companies Act, 1973 (Act 61 of 1973), as amended, the allotment and issue to each of the directors of the company referred to below, no par value ordinary shares in respect of the options set out opposite his name insofar as he exercises those options in terms of the DRDGOLD (1996) Share Option Scheme (Share Option Scheme):

NAME OF DIRECTOR	NUMBER OF OPTIONS VESTING UNTIL NOVEMBER 2008
J H Dissel	79 610
R P Hume	1 040
G C Campbell	775

ORDINARY RESOLUTION NO 4

"Resolved that each director of the company (acting individually or together with any others) be and is hereby authorised to sign all such documents and do all such things as may be necessary for or incidental to the implementation of the resolutions to be approved at the annual general meeting of the company convened to consider such resolutions."

SPECIAL RESOLUTION NO 1

"Resolved as a special resolution that DRDGOLD hereby approves in terms of section 223 of the Companies Act, 1973 (Act 61 of 1973), as amended, the granting to each of the non-executive directors of the company referred to in the table below of the respective options stated in the table next to their respective names, and the allotment and issue of ordinary shares in the capital of the company upon exercise of their options, in terms of the DRDGOLD (1996) Share Option Scheme:

NAME OF DIRECTOR	NUMBER OF OPTIONS VESTING UNTIL NOVEMBER 2008
R P Hume	1 040
G C Campbell	775

The reason for special resolution no. 1 is to seek shareholder approval for the issue of share options in terms of the Share Option Scheme to non-executive directors of the company. The effect of special resolution no. 1 is the granting of such approval for the issue of share options to non-executive directors of the company

SPECIAL RESOLUTION NO 2

"Resolved as a special resolution that in terms of section 82(1) of the Companies Act, 1973, (Act 61 of 1973), as amended (the Act), the directors of DRDGOLD Limited (the company) be and they are hereby authorised to allot and issue all or any of the no par value ordinary shares in the unissued authorised share capital of the company (including, without limitation, the no par value ordinary shares in the unissued authorised share capital of the company created under special resolution no.1 contained in the notice incorporating this special resolution no. 2) at an issue price lower than the amount arrived at by dividing that part of the stated capital of the company contributed by the no par value ordinary shares then already in issue by the number of no par value ordinary shares then already in issue, if required."

The reason for and effect of special resolution no. 2 is to authorise the directors of the company to issue no par value ordinary shares (including in terms of the general issue of shares for cash authority, in consideration for acquisitions and pursuant to the exercise of options in terms of the Share Option Scheme) at an issue price per share in compliance with section 82(1) of the Companies Act, 1973, (Act 61 of 1973), as amended (the Act), which states that the price at which the relevant shares are to be issued in terms of the issue of shares for cash should not, unless authorised by a special resolution, be less than the amount arrived at by dividing that portion of the stated capital of the company contributed by the issued no par value ordinary shares in issue at the date of such issue by the number of no par value ordinary shares then in issue. The report of the directors of the company as required under section 82(2) of the Act is set out in Annexure 1.

SPECIAL RESOLUTION NO 3

"Resolved as a special resolution that, subject to the provisions from time to time of the Companies Act, 1973, (Act 61 of 1973) as amended (the Act), the Listings Requirements of the JSE Limited (the JSE) and the Articles of Association of the company, the directors of DRDGOLD Limited (the company) be and are hereby authorised to approve the acquisition by the company or by its subsidiaries of shares in the company (DRDGOLD shares). The JSE Listings Requirements currently provide that:

– the general authority in terms of this resolution shall extend up to and including the date of the next annual general meeting of the company or 15 months from the date on which this resolution is passed, whichever is the earlier date;

– the acquisitions by the company or its subsidiaries shall not exceed, in the aggregate, 20% of the company's issued ordinary share capital in any one financial year;

– the acquisitions by the company or its subsidiaries shall not be made at a price greater than 10% above the weighted average of the market value of DRDGOLD shares on the JSE for the five trading days immediately preceding the date on which the acquisition was effected;

– the acquisitions by the subsidiaries of the company may not result in a subsidiary, together with all other subsidiaries of the company, holding more than 10% of the entire issued (ordinary) share capital of the company;

– acquisitions of DRDGOLD shares will not take place within a prohibited period as described in the Listings Requirements of the JSE from time to time;

– acquisitions are effected through the order book operated by the trading system of the JSE, without prior understanding or arrangement between the company and the counter party;

– after any acquisition, the company will still comply with the shareholder spread requirements set out in the Listings Requirements of the JSE; and

– the company shall only be entitled, at any point in time, to appoint one agent to effect acquisitions on its behalf pursuant to this resolution."

The reason for and effect of special resolution no. 3 is to enable the directors of the company to approve the acquisition by the company and its subsidiaries of shares in the company, subject to the limitations included in the resolution.

The directors of the company are of the opinion that opportunities to acquire the company's shares, which could enhance the earnings per share and/or net asset value per share, may present themselves in the future. Accordingly, in order that DRDGOLD and its subsidiaries be placed in a position to be able to utilise the provisions of the Companies Act, 1973, (Act 61 of 1973), as amended (the Act), it is proposed that the directors of the company be authorised by way of general authority, to acquire the maximum number of its shares permitted by the JSE Limited (the JSE), which is currently 20% in aggregate of the issued ordinary shares of the company in a financial year.

The directors of the company will not make any acquisitions under this general authority unless they are of the view at such time that, taking into account the maximum number of shares to be acquired:

– the company and its subsidiaries would be in a position to repay their debts in the ordinary course of business for a period of 12 months after the date of the notice of this annual general meeting (the next year);

– the assets of the company and its subsidiaries, fairly valued in accordance with generally accepted accounting practice, would be in excess of the liabilities of the company and its subsidiaries for the next year;

– the share capital and reserves of the company and its subsidiaries for the next year will be adequate for ordinary business purposes; and

– the working capital of the company and its subsidiaries will be adequate for the next year's operations for ordinary business purposes.

The company will not enter the market to proceed with any acquisition of shares in terms of special resolution no. 3 until DRDGOLD's sponsor has confirmed in writing to the JSE the adequacy of the company's working capital pursuant to the Listings Requirements of the JSE.

The disclosures relating to special resolution no. 3 required in terms of the Listings Requirements of the JSE are set out in Annexure 2.

Voting and proxies

On a show of hands, every DRDGOLD shareholder present in person or by proxy or represented shall have only one vote irrespective of the number of shares he holds or represents and in a poll, every shareholder of DRDGOLD present in person or by proxy or represented shall have one vote for every share held in DRDGOLD by such shareholder.

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

A form of proxy [pink] to be used for this purpose is attached to this notice of annual general meeting. Duly completed forms of proxy must be lodged 48 hours prior to the start of the annual general meeting (excluding Saturdays, Sundays and public holidays), as follows:

– DRDGOLD shareholders registered on the South African register, to Link Market Services South Africa (Pty) Ltd, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) to reach them by no later than 09:00 (South African time) on Wednesday, 28 November 2007; or

– DRDGOLD shareholders holding DRDGOLD ordinary shares in the form of American Depositary Receipts, to The Bank of New York, Proxy Services Department, 101 Barclay Street, New York, NY 10286 to reach them by no later than 02:00 (Eastern Standard Time) on Wednesday, 28 November 2007; or

– DRDGOLD shareholders registered on the United Kingdom register, to Capita IRG Plc, The Registry 34 Beckenham Road, Beckenham, Kent BR3 4TU to reach them by no later than 09:00 (GMT) on Wednesday, 28 November 2007.

DRDGOLD shareholders who have already dematerialised their DRDGOLD ordinary shares through a CSDP and who have not selected 'own-name' registration in the sub-register through a CSDP or broker and DRDGOLD shareholders who hold certificated ordinary shares through a nominee who wish to attend the annual general meeting of DRDGOLD shareholders must instruct their CSDP, broker or nominee to issue them with the necessary authority to attend or, if they do not wish to attend the annual general meeting of DRDGOLD shareholders, they may provide their CSDP, broker or

Notice to shareholders continued

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 annual general meeting of DRDGOLD shareholders.

Depositary receipt holders may receive forms of proxy printed by the Depositary 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 annual general meeting of DRDGOLD shareholders must deposit his share warrant at the bearer reception office of Capita IRG Plc, The Registry 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom, or must deposit his share warrant at the office of the French agents, Euro Emetteurs Finance, 48 Boulevard des Batignolles, 75850, Paris, Cedex 17, France, in both cases not later than 48 hours before the date appointed for the holding of the annual 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 annual general meeting of DRDGOLD shareholders shall be issued.

By order of the board

T J Gwebu
Company Secretary
21 September 2007

REGISTERED OFFICE AND POSTAL ADDRESS:

In South Africa
EBSCO House 4
299 Pendoring Avenue
Blackheath
Randburg
(PO Box 390, Maraisburg, 1700)

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

TRANSFER SECRETARIES:

In South Africa
Link Market Services South Africa (Pty) 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

Annexure 1

DIRECTORS' REPORT IN TERMS OF SECTION 82(2) OF THE COMPANIES ACT, 1973 (ACT 61 OF 1973), AS AMENDED (THE ACT)

The notice of annual general meeting forming part of the Annual Report contains a special resolution in terms of section 82(1) of the Act authorising DRDGOLD to issue shares from time to time, as and when so required, at a price lower than the amount arrived at by dividing that part of the stated capital of the company contributed, at the date of issue, by already issued ordinary no par value shares, by the number of ordinary no par value shares then in issue. In terms of section 82(2) of the Act, the notice of annual general meeting containing special resolution no. 3 is to be accompanied by a report of the directors of the company setting out the reasons for the proposed lower issue price.

From time to time, the company is likely to have commitments to issue shares under the DRDGOLD (1996) Share Option Scheme (the Share Option Scheme) and may wish to utilise its general authority to issue shares for cash in order to, inter alia, discharge loan obligations, fund capital expenditure and provide working capital. Furthermore, the company has stated its intention to grow its asset base through both expansion of its current assets and the acquisition of additional assets. These expansion and acquisition opportunities may arise at any time and may be funded through the issue of new shares, either to vendors or in terms of a vendor consideration placement. The pricing of shares in respect of issues of shares in any of the abovementioned circumstances is usually linked to the prevailing price of DRDGOLD shares on the stock exchanges on which they are listed.

The directors of DRDGOLD are of the view that the performance of the company's share price is closely aligned with movements in the gold price and the South African rand/US dollar exchange rate. The volatile nature of these factors can result in considerable upward or downward adjustments to the company's share price and the possibility exists that the price at which DRDGOLD shares trade could, at times, be lower than the stated capital per share as calculated by dividing that part of the stated capital of the company contributed at the date of issue by already issued ordinary no par value shares, by the number of ordinary no par value shares then in issue.

The directors of DRDGOLD therefore request the authority of DRDGOLD shareholders, in the form of a special resolution, to issue shares below the threshold as described above so as to facilitate the discharge of the company's obligations under the Share Option Scheme and to give the company the ability to issue shares at a market-related price subject to the limitations imposed by the Listings Requirements of the JSE Limited and any other regulatory authorities.

Annexure 2

DISCLOSURE REQUIREMENTS FOR THE JSE

The following disclosures relating to special resolution no. 3 (general authority to acquire shares) are set out, in terms of the Listings Requirements of the JSE Limited (the JSE).

DIRECTORS AND MANAGEMENT

Details of the directors and management of the company are set out on pages 10 to 13 of the Annual Report that accompanies this notice of annual general meeting.

MAJOR SHAREHOLDERS

Details of the major shareholders of the company are set out on page 110 of the Annual Report that accompanies this notice of annual general meeting.

MATERIAL CHANGE

There has been no material change in the financial or trading position of the company and its subsidiaries since the date of publication of the company's annual results on 31 August 2007.

DIRECTORS' INTEREST IN SECURITIES

The interests of the directors in the share capital are set out on page 47 of the Annual Report that accompanies this notice of annual general meeting.

SHARE CAPITAL OF THE COMPANY

Details of the share capital of the company and the major shareholders of the company are set out on page 110 of the Annual Report that accompanies this notice of annual general meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are given on page [__] of the Annual Report that accompanies this notice of annual general meeting, 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 all reasonable enquiries to ascertain such facts have been made and that the notice of annual general meeting contains all information required by the Listings Requirements of the JSE.

LITIGATION

In the 12 months preceding the date of this notice of annual general meeting the following legal proceedings are pending which may still have a material effect on the financial position of the company and its subsidiaries:

1. **Competition Tribunal case**

   On 23 September 2002, DRDGOLD and Harmony Gold Mining Company Limited, another South African gold mining company, filed a complaint with the South African Competition Commission against Mittal Steel South Africa Limited (Mittal), a South African steel producer. The complaint alleged that Mittal was abusing its dominant position by charging excessive prices for its local flat steel products and providing inducements for steel purchasers to refrain from importing competing steel products. The Competition Commission dismissed the claim, and the matter was referred to the Competition Tribunal (the Tribunal), which has the authority to overrule the determination of the Competition Commission. Evidence by a number of witnesses was adduced during March and April 2006 and, on 27 March 2007, the Tribunal delivered its judgment in terms of which the following findings were made:
   - that Mittal has abused its dominant position by engaging in excessive pricing; and
   - that Mittal did not induce customers not to deal with its competitors.

   On 27 July 2007 the parties presented submissions to the Tribunal on the penalty or penalties which the Tribunal may impose against Mittal. On 6 August 2007 the Competition Tribunal imposed an administrative penalty of R691 800 against Mittal.

2. **Litigation regarding environmental issues**

   On 2 August 2006 and 4 September 2006, two virtually identical applications were brought against DRDGOLD and its directors for relief under the Mineral and Petroleum Resources Development Act (MPRDA) by the Legal Resources Centre on behalf of the residents of two communities, Davidsonville and Kagiso, who reside adjacent to tailings deposition sites of the now dormant Durban Roodepoort Deep mine and of West Witswatersrand mine, respectively. While no financial compensation is sought, the communities are seeking orders for the revision of the environmental management programmes of both sites, and for the sites to be rehabilitated and closed in accordance with standards of the MPRDA. DRDGOLD has filed its Appearance to Defend in respect of both matters in the High Court.

3. **Other Matters pending**

   3.1 Lawsuits in respect of invalid issuance of ordinary shares in connection with the acquisition of a mine in Indonesia referred to as the Rawas transaction:

   3.1.1 An action instituted in the High Court of South Africa during 2003 against Messrs R A R Kebble, M Prinsloo, J Stratton, JCI Limited and H C Buitendag to recover approximately R77 million and AU$ 6.1 million relating to the Rawas transaction;

   3.1.2 A separate action instituted in the Supreme Court of Western Australia during 1999 against Messrs C Mostert, J Stratton, Continental Goldfields Limited, CAM Australia (Pty) Ltd, Weston Investments (Pty) Ltd, CAM Jersey Ltd and JCI (Isle of Man) Limited to recover approximately R82 million in respect of the Rawas transaction.

   3.2 An action instituted by Messrs R A R Kebble and B Kebble (the Kebbles) in the High Court of South Africa during 2003 against DRDGOLD and others relating to an alleged infringement of privacy rights. The Kebbles are claiming punitive damages of R7 million against DRDGOLD.

   3.3 An action instituted in the Supreme Court of Western Australia during 2002 against C Mostert, J Stratton and companies belonging to T Lebbon to recover approximately AU$5 million in respect of the unauthorised purchase of Continental Goldfields Ltd shares.

   3.4 An action in the Supreme Court of Western Australia during 2002 against J Stratton to recover approximately AU$2.8 million in respect of assisting C Mostert to make dishonest payments and self receiving part of the proceeds.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Memorandum and Articles of Association of the company, this notice of annual general meeting and latest annual financial statements of the company are available for inspection at the registered office of the company and at the offices of the transfer secretaries during usual business hours on any weekday (excluding public holidays) from the date of this notice of annual general meeting to the date of the annual general meeting, at which the aforementioned documents will be tabled.

Form of proxy

DRDGOLD LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1895/000926/06)
Nasdaq trading symbol: DROOY
ARBN number: 086 277 616
Share code: DUR
ISIN: ZAE 000015079
(DRDGOLD or the company)

FORM OF PROXY FOR DRDGOLD SHAREHOLDERS [11.1 (F) V]

For use only by DRDGOLD shareholders on the United Kingdom registers and with regard to the South African register, for use only by DRDGOLD shareholders holding share certificates and Central Securities Depository Participants' (CSDPs) nominee companies, brokers' nominee companies and DRDGOLD shareholders who have dematerialised their share certificates and who have selected 'own-name' registration through a CSDP at the annual general meeting of DRDGOLD shareholders to be held in the boardroom, EBSCO House 4, 299 Pendoring Avenue, Blackheath, Randburg on Friday, 30 November 2007 at 11:00 (South African time) (the annual general meeting of DRDGOLD shareholders).

DRDGOLD shareholders on the South African register who have already dematerialised their share certificates 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 authority to attend the annual general meeting of DRDGOLD shareholders or, if they do not wish to attend the annual general meeting of DRDGOLD 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, broker or nominee.

I/We (BLOCK LETTERS please) ______________________________

of ______________________________

Telephone work (   )   Telephone home (   )

being the holder/s or custodians of [   ] shares hereby appoint (see note 1 overleaf):

1. ______________________________ or failing him/her,

2. ______________________________ or failing him/her,

3. the chairman of the annual general meeting of DRDGOLD shareholders,

as my/our proxy to attend, speak and vote on a show of hands or on a poll for me/us and on my/our behalf at the annual general meeting of DRDGOLD shareholders to be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the DRDGOLD shares registered in my/our name as follows (see note 2 overleaf):

Form of proxy continued

	FOR	AGAINST	ABSTAIN
ORDINARY BUSINESS 1. To receive and consider the audited annual financial statements for the 12 months ended 30 June 2007			
2. To re-appoint KPMG Inc. as independent auditors of the company for ensuing period terminating on the conclusion of the next annual general meeting of the company and to authorise the directors to fix the auditors' remuneration for the past year.			
3. To elect Mr J H Dissel as a alternate director of the company			
4A:To re-elect Mr R P Hume as a director of the company			
4B:To re-elect Mr J Turk as a director of the company			
SPECIAL BUSINESS **Ordinary resolution no 1** To place all unissued shares in the capital of the company under the control of the directors of the company			
Ordinary resolution no 2 To authorise the allotment and issue of ordinary shares for cash			
Ordinary resolution no 3 To approve the allotment and issue of shares to directors in terms of the DRDGOLD (1996) Share Option Scheme pursuant to the exercise of options already granted			
Ordinary resolution no 4 To authorise the directors to implement resolutions passed at the annual general meeting			
Special Resolution no 1 To approve and ratify the allotment and issue of share options to non-executive directors in terms of the DRDGOLD (1996) Share Option Scheme			
Special Resolution no 2 To authorise the directors to allot and issue new ordinary shares in terms of section 82 (1) of the Companies Act, 1973 (Act 61 of 1973), as amended			
Special Resolution no 3 To authorise the directors to approve the acquisition by the company or its subsidiaries of shares in the company			

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

(Tick whichever is applicable). 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 2 overleaf).

Signed at On 2007

Signature

Assisted by (where applicable)

Each DRDGOLD 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 DRDGOLD shareholder at the annual general meeting of DRDGOLD shareholders. Unless otherwise instructed, the proxy may vote as he deems fit.

Please read the notes on the reverse side hereof.

NOTES

1. A DRDGOLD 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 annual general meeting of DRDGOLD shareholders', but any such deletion must be initialled by the shareholder. The person whose name appears first on the form of proxy and who is present at the annual general meeting of DRDGOLD shareholders will be entitled to act as proxy to the exclusion of those whose names follow.

2. A DRDGOLD shareholder's instruction to his proxy must be indicated in the appropriate box by inserting the number of shares in respect of which the shareholder wishes his proxy to cast his votes.

3. Should there be no indication in the appropriate box as to how the shareholder wishes his 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 annual general meeting as the proxy deems fit.

4. A DRDGOLD 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 DRDGOLD shareholder who gives no indication as to the number of shares in respect of which the proxy is entitled to 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 annual general meeting.

5. A complete form of proxy, to be effective, must reach the transfer secretaries in South Africa and the United Kingdom at least 48 hours before the time appointed for the holding of the annual general meeting (which period excludes Saturdays, Sundays and public holidays).

6. The completion and lodging of this form of proxy by DRDGOLD shareholders holding share certificates, CSDPs' nominee companies, brokers' nominee companies and DRDGOLD shareholders who have dematerialised their share certificates and who have elected 'own-name' registration through a CSDP or broker, will not preclude the relevant shareholder from attending the annual general meeting of DRDGOLD shareholders and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof. DRDGOLD shareholders who have dematerialised their share certificates and who have not elected 'own-name' registration through a CSDP or broker and DRDGOLD shareholders who hold certificated ordinary shares through a nominee who wish to attend the annual general meeting of DRDGOLD shareholders must instruct their CSDP or broker to issue them with the necessary authority to attend.

7. Documentary evidence establishing the authority 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 were 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 annual 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 annual 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, United Kingdom or must deposit his share warrant at the office of the French agents, Euro Emetteurs Finance, 48 Boulevard des Batignolles, 75850, Paris, Cedex 17, France, in both cases not later than 48 hours before the date appointed for the holding of the annual 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 annual general meeting shall be issued.

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

Administration and contact details

DIRECTORS
Geoff Campbell
Non-executive Chairman
John Sayers
Chief Executive Officer
Kobus Dissel
Acting Chief Financial Officer
Douglas Blackmur
Senior Independent Non-executive
Rob Hume
Independent Non-executive
James Turk
Non-executive

AUDIT COMMITTEE
Rob Hume (Chairman)
Douglas Blackmur
Geoff Campbell

REMUNERATION AND NOMINATIONS COMMITTEE
Douglas Blackmur (Chairman)
Geoff Campbell
Rob Hume

RISK COMMITTEE
Douglas Blackmur (Chairman)
James Turk

COMPANY SECRETARY
Themba Gwebu

AUDITORS
KPMG Inc.

ATTORNEYS
Feinsteins Attorneys
Bowman Gilfillan Inc.
Franklyn Legal Skaddens, Arps, State, Meagher and Flom International
O'Brien's Lawyers

BANKERS
The Standard Bank of South Africa Ltd
Duncan Lawrie Private Bankers (DRD Offshore)
ANZ Banking Group Limited (Emperor)

OFFICES
DRDGOLD Limited
EBSCO House 4
299 Pendoring Avenue
Blackheath
Randburg
2195
South Africa

PO Box 390
Maraisburg
1700
South Africa

Tel: +27 11 219 8700
Fax + 27 11 476 2637

Emperor Mines Limited
Level 1
490 Upper Edward Street
Spring Hill
Brisbane
Queensland 4004
Australia

Tel: +61 7 3007 8000
Fax: +61 7 3007 8080

DRD (Offshore) Limited
14/15 Mount Havelock
Douglas
IM1 2QG
Isle of Man

STATUTORY AND LISTING INFORMATION
DRDGOLD Limited
(Incorporated in the Republic of South Africa)
(Registration number 1895/000926/06)
ARBN number 086 277 616
JSE trading symbol: DRD
ISIN Code: ZAE 000058723
Issuer code: DUSM
Nasdaq trading symbol : DROOY
('DRDGOLD' or 'the company')

DRDGOLD's ordinary shares are currently listed on the JSE Limited and on the Nasdaq Capital Market in the form of ADRs. The company's shares are also traded on the Marché Libre in Paris, the Regulated Unofficial Market on the Frankfurt Stock Exchange, the Berlin and Stuttgart OTC markets, as well as on the Euronext Brussels, in the form of International Depositary Receipts.

INVESTOR RELATIONS
James Duncan
E-mail: james@rair.co.za
WEBSITE

www.drdgold.com

SHARE TRANSFER SECRETARIES
Link Market Services South Africa (Pty) Ltd
11 Diagonal Street
Johannesburg
2001
Republic of South Africa

Tel: + 27 11 630-0800
Fax: + 27 11 834 4398

UNITED KINGDOM REGISTRARS AND BEARER OFFICE
CAPITA IRG plc
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU
United Kingdom

Tel: + 44 20 870 162 3100
Fax: + 44 20 8639 2487

UNITED KINGDOM SECRETARIES
St James's Corporate Services Limited
6 St James's Place
London SW 1A 1NP
United Kingdom

Tel: + 44 20 7499 3916
Fax: + 44 20 7491 1989

FRENCH AGENTS
Euro Emetteurs Finance
48 Boulevard des Betignolles
75850 Paris Cedex 17
France

Tel: +33 1 5530 5900
Fax : +33 1 5530 5910

AUSTRALIAN CORPORATE REGISTRY
Computershare Investor Services (Pty) Ltd
Level 2, 45 St George's Terrace
Perth
Western Australia 6000
Australia

GPO Box D182
Perth
Western Australia 6840
Australia

Tel: + 1300 557 010 (within Australia)
Tel: + 61 3 9615 5970 (outside Australia)
Fax:+ 61 8 9323 2033

AUSTRALIAN AGENT
Sygnum Financial Services
62 Colin Street West
Perth
Western Australia 6005
Australia

Tel: +61 8 9323 2000
Fax: +61 8 9323 2033

DEPOSITARY BANK
The Bank of New York
101 Barclay Street
New York 10286
United States of America

Tel: +1 212 815 8223
Fax:+1 212 571 3050

OPERATIONS
Blyvooruitzicht Gold Mining Company Limited
PO Box 7001
Blyvooruitzicht
2504
South Africa

Tel: + 27 18 789 9030
Fax: + 27 18 789 9166

Crown Gold Recoveries (Pty) Ltd
Private Bag X9
Crown Mines
2025
South Africa

Tel: + 27 11 248 9000
Fax: + 27 11 835 2922

East Rand Proprietary Mines Limited
PO Box 2227
Boksburg
1460
South Africa

Tel: +27 11 896 5129
Fax: +27 11 896 5120

Tolukuma Gold Mines Limited
PO Box 5043
Baroko
Papua New Guinea

Tel: + 675 329 9277
Fax: + 675 329 9262

DRDGOLD
LIMITED

EBSCO House 4 • 299 Pendoring Avenue • Blackheath • 2195 • Randburg
PO Box 390 • Maraisburg 1700 • Republic of South Africa
Tel: +27 (0)11 219 8700 • Fax: +27 (0)11 476 2637
www.drdgold.com