

---

APPLICABLE PRICING SUPPLEMENT

---

**DRDGOLD LIMITED**

(Registration Number 1895/000926/06)

(Established and Incorporated as a public company with limited liability in accordance with the laws of South Africa)

Guaranteed by

**CROWN GOLD RECOVERIES PROPRIETARY LIMITED**

(Registration Number 1988/005115/07)

(Established and incorporated as a private company with limited liability in accordance with the laws of South Africa)

and

**EAST RAND PROPRIETARY MINES LIMITED**

(Registration Number 1893/000773/06)

(Established and incorporated as a public company with limited liability in accordance with the laws of South Africa)

and

**ERGO MINING OPERATIONS PROPRIETARY LIMITED**

(Registration Number 2005/033662/07)

(Established and incorporated as a private company with limited liability in accordance with the laws of South Africa)

and

**ERGO MINING PROPRIETARY LIMITED**

(Registration Number 2007/004886/07)

(Established and incorporated as a private company with limited liability in accordance with the laws of South Africa)



Issue of ZAR 66 000 000 Tranche 1 Senior Unsecured Floating Rate Notes under its ZAR2 000 000 000 Domestic Medium Term and High Yield Note Programme

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated [•] and approved by the JSE on 12 June 2012, prepared by DRDGOLD Limited in connection with the DRDGOLD Limited ZAR2 000 000 000 Domestic Medium Term and High Yield Note Programme, as amended and/or supplemented from time to time (the "Programme Memorandum").

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*".

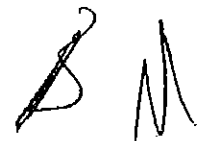
This document constitutes the Applicable Pricing Supplement relating to the Issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

The Notes referred to in this Applicable Pricing Supplement are of a speculative nature and potential investors should seek independent advice prior to investing in these Notes. In particular, investors should take into account the risk factors described in the Programme Memorandum under the sections headed "*Investor Considerations*" and "*Description of the Issuer and the Guarantors*".

#### DESCRIPTION OF THE NOTES

1. Issuer	DRDGOLD Limited
2. Guarantors	Crown Gold Recoveries Proprietary Limited, East Rand Proprietary Mines Limited, Ergo Mining Operations Proprietary Limited, and Ergo Mining Proprietary Limited
3. Guarantors date of incorporation	Crown Gold Recoveries Proprietary Limited- 7 September 1988, East Rand Proprietary Mines Limited- 6 May 1893, Ergo Mining Operations Proprietary Limited- 22 September 2005, and Ergo Mining Proprietary Limited- 15 February 2005
4. Status of Notes	Unsecured but guaranteed by the Guarantors
5. (a) Tranche Number	1
(b) Series Number	DRD03

6. Aggregate Principal Amount
  - (a) Series ZAR 111 000 000,00
  - (b) Tranche ZAR 66 000 000,00
7. Interest Interest-bearing
8. Interest Payment Basis Floating Rate Notes
9. Form of Notes Uncertificated, listed registered Notes
10. Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another N/A
11. Issue Date 3 July 2012
12. Principal Amount per Note ZAR 1 000 000,00
13. Business Centre Johannesburg
14. Additional Business Centre N/A
15. Specified Denomination ZAR 1 000 000,00
16. Issue Price 100 percent
17. Interest Commencement Date 3 July 2012
18. Redemption [Maturity] Date 3 July 2014
19. Specified Currency Rand
20. Applicable Business Day Convention Following Business Day
21. Final Redemption Amount 100% of the Principal Amount of each Note



22. Last Date to Register By 17h00 on the Business Day preceding the Books Closed Period
23. Books Closed Period(s) The Register will be closed from and including 29 December, 29 March, 28 June and 28 September to but excluding the next Interest Payment Date of each calendar year, each being 5 (five) days prior to each Interest Payment Date and the Redemption Date, as the case may be.
24. Default Rate N/A
25. Value of Aggregate Principal Amount of all Notes issued under the Programme as at the Issue Date ZAR 111 000 000,00

#### FLOATING RATE NOTES

26. (a) Floating Interest Payment Date(s) 3rd day of January, April, July and October of each year, or if such day is not a Business Day the immediately succeeding day that is a Business Day
- (b) Interest Period(s) Quarterly
- (c) Definitions of Business Day (if different from that set out in Condition 1 (*Interpretation*)) N/A
- (d) Minimum Rate of Interest N/A
- (e) Maximum Rate of Interest N/A
- (f) Other terms relating to the method of calculating interest (e.g., Day Count Fraction, rounding up provision) N/A
- (g) Manner in which the Rate of Interest is to be determined Screen Rate Determination

27. Margin 4.5% per annum to be added to the relevant Reference Rate

If ISDA Determination

28. (a) Floating Rate N/A

(b) Floating Rate Option N/A

(c) Designated Maturity N/A

(d) Reset Date(s) N/A

(e) ISDA Definitions to apply N/A

If Screen Determination

29. Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated) 3 month JIBAR

30. Interest Rate Determination Date(s) 3rd day of January, April, July and October of each year

31. Relevant Screen Page and Reference Code Reuters SAFETY page

32. If Rate of Interest to be calculated otherwise than by reference to ISDA Determination or Screen Determination, insert basis for determining Rate of Interest/Margin/ Fallback provisions N/A

33. Calculation Agent responsible for calculating amount of principal and interest Absa Capital, the investment banking division of Absa Bank Limited, affiliated with Barclays Bank plc

**PROVISIONS REGARDING REDEMPTION/  
MATURITY**

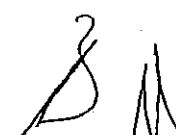
34. Issuer's Optional Redemption: No
35. Redemption at the option of the Senior Noteholders: No
36. Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default N/A

**GENERAL**

37. Financial Exchange JSE
38. Calculation Agent Absa Capital, the investment banking division of Absa Bank Limited, affiliated with Barclays Bank plc
39. Paying Agent Absa Capital, the investment banking division of Absa Bank Limited, affiliated with Barclays Bank plc
40. Specified office of the Paying Agent 15 Alice Lane, Sandown, 2196
41. Transfer Agent Absa Capital, the investment banking division of Absa Bank Limited, affiliated with Barclays Bank plc
42. Provisions relating to stabilisation N/A
43. Stabilising Manager N/A
44. Additional selling restrictions N/A
45. ISIN No. ZAG000096520
46. Stock Code DRD03



47. Method of distribution Private placement
48. If syndicated, names of Managers N/A
49. If non-syndicated, name of Dealer Absa Capital, the investment banking division of Absa Bank Limited, affiliated with Barclays Bank plc.
50. Governing law (if the laws of South Africa are not applicable) N/A
51. Use of proceeds The proceeds raised from the issue of the Notes will be utilised by the Issuer for its general corporate purposes.
52. Pricing Methodology Standard JSE pricing methodology.
53. Additional selling restrictions N/A
54. Other provisions N/A
55. Issuer Rating and issue date No Credit Rating has been assigned to the Issuer.
56. Programme Rating and issue date No Credit Rating has been assigned to the Programme.
57. Notes Rating and issue date No Credit Rating has been assigned to the Notes.
58. Date of rating review N/A
59. Rating Agency N/A



DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS – SEE APPENDIX "A"

ADDITIONAL/AMENDED TERMS AND CONDITIONS RELATING TO THE NOTES – SEE APPENDIX "B"

ADDITIONAL DEFINITIONS IN RESPECT OF THE NOTES – SEE APPENDIX "C"


**Responsibility:**

The Issuer (who has taken all reasonable care to ensure that such is the case) certifies that to the best of its 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 as well as that this Applicable Pricing Supplement contains all information required by law and the JSE Listing Requirements. The Issuer and each Guarantor accepts full responsibility for the accuracy of the information contained in this Applicable Pricing Supplement and the annual financial report, the amendments to the annual financial report or any supplements from time to time, except as otherwise stated therein.

Application is hereby made to list this issue of Notes with effect from 3 July 2012.

SIGNED at Rooiberg this 20TH day of JUNE 2012.

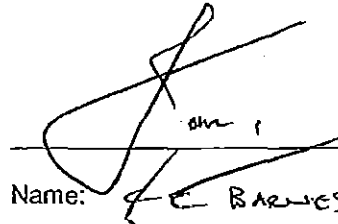
For and on behalf of  
DRDGOLD LIMITED

  
\_\_\_\_\_

Name: D.J. Pretorius,

Capacity: CEO

Who warrants his/her authority hereto

  
\_\_\_\_\_

Name: G.E. Barnes

Capacity: CFO

Who warrants his/her authority hereto



## APPENDIX "A"

## Disclosure Requirements in terms of paragraph 3(5) of the Commercial Paper Regulations

## 1. Paragraph 3(5)(a)

The ultimate borrower is the Issuer and its Subsidiaries.

## 2. Paragraph 3(5)(b)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.

## 3. Paragraph 3(5)(c)

The auditor of the Issuer is KPMG Inc.

## 4. Paragraph 3(5)(d)

As at the date of this issue:

(a) the Issuer has not issued any Notes; and

(b) it is not anticipated that the Issuer will issue any further notes, other than those issued under this Applicable Pricing Supplement, during its current financial year.

## 5. Paragraph 3(5)(e)

All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the Notes is contained in the Programme Memorandum and the Applicable Pricing Supplement.

## 6. Paragraph 3(5)(f)

There has been no material change in the financial or trading position of the Issuer since the date of the Issuer and each Guarantor's latest audited financial statements, up to the date of this Programme Memorandum.

## 7. Paragraph 3(5)(g)

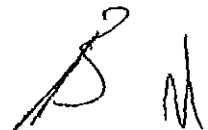
The Notes issued will be listed.

## 8. Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for its general corporate purposes.

## 9. Paragraph 3(5)(i)

The Notes are unsecured but guaranteed by the Guarantors.



## 10. Paragraph 3(5)(j)

KPMG Inc., the statutory auditors of the Issuer, have confirmed that nothing has come to their attention to indicate that this issue of Notes Issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

Handwritten signature and initials in the bottom right corner of the page.

## APPENDIX "B"

## ADDITIONAL/AMENDED TERMS AND CONDITIONS RELATING TO THESE TRanches OF NOTES OF THE SERIES

## COVENANTS

The Terms and Conditions set out in the Programme Memorandum are amended in relation to the Notes of these Tranches of Notes by the insertion of the following additional Condition 24:

## 24. COVENANTS

## 24.1. Financial Indebtedness

24.1.1. There shall be no limitation on the incurrence of any Financial Indebtedness by any Group Company:

24.1.1.1. If, immediately after the incurrence of such Financial Indebtedness, the Fixed Charge Cover Ratio is at least 2.00 times, calculated when the Group Company wishes to incur additional Financial Indebtedness, after adjusting the Fixed Charge Cover Ratio giving the *pro forma* effect of such incurrence of additional Financial Indebtedness, which shall be confirmed in a certificate signed by 2 directors of the Issuer (one of whom shall be the chief financial officer and one of whom shall be an executive director) accompanied by the relevant calculations, and delivered to the auditors of the Issuer at least 10 Business Days prior to the proposed date of incurrence of such Financial Indebtedness for the purpose of final determination by the them and, in this regard, the determination by the auditors of the Issuer shall, in the absence of manifest error, be final and binding on the Noteholders; and

24.1.1.2. provided that immediately after the incurrence of such Financial Indebtedness, no Event of Default will occur or be continuing as a result of the incurrence of the Financial Indebtedness.

24.1.2. If the Fixed Charge Cover Ratio is lower than 2.00 times, calculated when the Group Company wishes to incur additional Financial Indebtedness, after adjusting the Fixed Charge Cover Ratio giving the *pro forma* effect of such incurrence of additional Financial Indebtedness, then the Issuer shall not, and shall procure that each Group Company shall not, incur such additional Financial Indebtedness at that time. This restriction does not apply to the incurrence of any additional Financial Indebtedness:

24.1.2.1. in respect of inter-company loans between Guarantors;



- 24.1.2.2. to refinance any existing debt of any Group Company, in whole or in part; provided that any additional Financial Indebtedness incurred in terms of a partial refinancing does not have a weighted average life to maturity that is shorter than the existing debt;
- 24.1.2.3. expressly permitted in writing by an Extraordinary Resolution of the Senior Noteholders.

## 24.2. Disposal of Assets

- 24.2.1. For so long as there is no Event of Default which is continuing, a Group Company may, either in a single transaction or a series of transactions and whether related or not and whether voluntarily, Dispose of all or any part of their assets, provided that:
  - 24.2.1.1. the disposal is at a fair value (i.e. a value as could reasonably be expected to be obtained in an arm's length transaction) and is evidenced by a board resolution for all amounts greater than R10,000,000,00; and
  - 24.2.1.2. the disposal proceeds, whether in cash or otherwise, must, subject to Condition 24.2.1.1, be applied, within 3 months of the relevant Disposal (i) for capital expenditure or replacement capital expenditure, or (ii) for the investment in any other asset comparable or superior as to type, value, quality and title, provided that if investment is made in a business from the disposal proceeds then such entity becomes a Guarantor.
- 24.2.2. If the disposal proceeds are not applied, within 3 months of the relevant disposal of the asset concerned ("Relevant Asset"), for the purposes referred to in Condition 24.2.1.2, then the Issuer shall offer to redeem the Senior Notes, in an aggregate amount equal to so much of the disposal proceeds in respect of all assets disposed of in terms of clause 24.2.1 (including the Relevant Asset) as exceeds R150 000 000, rounded down to the nearest R1 000 000 (the "Excess Disposal Proceeds"), in accordance with the remaining provisions of this Condition 24.2.2.
- 24.2.3. On or before the date of the expiry of the 3 months period referred to in Condition 24.2.1.2, the Issuer shall, by delivering a written notice (the "Prepayment Offer Notice") to each Senior Noteholder to that effect, offer to redeem the Notes held by each such Senior Noteholder, on the date for redemption specified in the Prepayment Offer Notice (which shall not be later than 10 Business Days after the expiry of the 3 month period referred to in

Condition 24.2.1.2 24.2.1.1 (the "Prepayment Offer Redemption Date"), in an amount equal to its Pro Rata Share of the Excess Disposal Proceeds.

24.2.4. Each Senior Noteholder shall, within 10 Business Days of receipt of the Prepayment Offer Notice, notify the Issuer in writing whether it wishes to accept the offer, in whole or in part. If a Senior Noteholder fails to notify the Issuer of the acceptance of the offer in accordance with the provisions of this Condition 24.2.4, such Senior Noteholder shall be regarded as not having accepted the offer.

24.2.5. The Issuer shall, on the Prepayment Offer Redemption Date, redeem the Notes of those Senior Noteholders who have accepted the offer in accordance with provisions of Condition 24.2.4. Notes redeemed pursuant to this Condition 24.2.5 will be redeemed at their Early Redemption Amount referred to in Condition 10.5 (*Early Redemption Amounts*), together with accrued unpaid interest (if any) from (and including) the immediately preceding Interest Payment Date to (but excluding) the date of redemption.

24.2.6. The restrictions in Condition 24.2.1.2 do not apply to any disposal:

24.2.6.1. of trading stock made on arm's length terms in the ordinary course of trading;

24.2.6.2. of any asset (not being a business or shares) on arm's length terms in exchange for any other asset comparable as to type, value, quality and title;

24.2.6.3. of obsolete or redundant vehicles, plant and equipment, for cash on arm's length terms;

24.2.6.4. constituted by a security interest in terms of the negative pledge which is permitted under Condition 7 (*Negative Pledge and Restrictions on Indebtedness*);

24.2.6.5. by the Issuer of its interest in Blyvooruitzicht Gold Mining Company Limited to Village Main Reef Limited;

24.2.6.6. if the disposal proceeds are applied to acquire the shares in the company which acquires such property provided that such company becomes a Guarantor; or

24.2.6.7. by one Guarantor to another Guarantor and/or by the Issuer to a Guarantor.

### 24.3. Guarantee Coverage

24.3.1. In respect of the Guaranteed Notes, the Issuer hereby undertakes that it shall, for so long as any Guaranteed Notes remains Outstanding, ensure that:

24.3.1.1. the aggregate EBITDA of the Obligors (In each case calculated on an unconsolidated basis and excluding all intra-Group items) represents not less than 90% (ninety percent) of the EBITDA (calculated on a consolidated basis) of the Group; and

24.3.1.2. the aggregate value of gross assets of the Obligors (in each case calculated on an unconsolidated basis and excluding all intra-Group items) represents not less than 90% of the aggregate consolidated gross assets owned by the Group; and

24.3.1.3. the aggregate turnover of the Obligors (in each case calculated on an unconsolidated basis and excluding all intra-Group items) represents not less than 90% of the aggregate consolidated total turnover of the Group;

(in each case as calculated by reference to the latest audited financial statements of each Obligor and the latest audited consolidated financial statements of the Group),

(the "Guarantor Coverage Threshold").

24.3.2. The Issuer shall within 30 Business Days after the financial year-end of each Obligor calculate whether or not the Guarantor Coverage Threshold has been met which determination shall be confirmed in a certificate signed by 2 directors of the Issuer (one of whom shall be the chief financial officer and one of whom shall be an executive director) accompanied by the relevant calculations and delivered to the auditors of the Issuer at least 35 Business Days after the relevant financial year-end for the purpose of final determination by them and, in this regard, a report by the auditors of the Issuer ("Auditor Report") that the Guarantor Coverage Threshold has or has not been met shall, in the absence of manifest error, be final and binding on the Noteholders.

24.3.3. Should the Auditor Report confirm that the Guarantor Coverage Threshold has not been met, the Issuer shall ensure that so many additional Principal Subsidiaries as may be required to restore the Guarantor Coverage Threshold shall accede to the Guarantee in accordance with clause 24.3.2 by no later than 5 Business Days after receipt of the Auditor Report, failing which the provisions of Condition 13.2 (*Event of Default*) shall be applicable to such failure.

24.3.4. For the purpose of acceding to the Guarantee, the relevant Principal Subsidiary shall sign an accession letter in the form attached to Appendix "A" to the Guarantee

Handwritten signature or initials in the bottom right corner of the page.

## APPENDIX "C"

## ADDITIONAL DEFINITIONS IN RESPECT OF NOTES OF THE SERIES

1. Terms and expressions set out below will have the meanings set out below in the Terms and Conditions of the Notes of the Tranches referred to in this Applicable Pricing Supplement:

**"Consolidated EBIT"**

in relation to a Measurement Period, the aggregate of the consolidated operating profits of the Group (excluding the results from discontinued operations) before Finance Costs and tax for that Measurement Period;

adjusted by:

1. excluding any items which represent gains or losses arising on:
  - a. restructurings of the activities of an entity and reversals of any provisions for the costs of restructuring;
  - b. disposals of non-current assets;
  - c. the disposal of assets associated with discontinued operations;
  - d. reversals of any provision;
2. excluding any unrealised gains or losses on any derivative instrument (other than any derivative instrument which is accounted for on a hedge accounting basis) which is reported through the income statement;
3. excluding extraordinary gains or losses;
4. excluding non-cash items;
5. excluding debt raising cost;

**"Consolidated EBITDA"**

in relation to a Measurement Period, Consolidated EBIT for that Measurement Period after adding back any depreciation and amortisation and excluding any charge for impairment or any reversal of any previous



charge made in the period;

- "Consolidated Finance Costs"**
- in relation to a Measurement Period, all Finance Costs (whether paid, payable or added to principal) incurred by the Group during that period calculated on a consolidated basis, adjusted by:
  - excluding any interest accrued on subordinated shareholder loans;

**"EBITDA"**

for the purpose of calculating the Guarantee Coverage Threshold for the relevant Measurement Period, the operating income of the Obligor or the Group, as the case may be, before interest, tax, depreciation and amortisation charged or incurred, calculated in accordance with IFRS on a basis consistent and in accordance with the calculation thereof for purposes of the previous financial statements of that Obligor or Group, as the case may be, but taking no account of:

- any extraordinary items in accordance with IFRS;
- any unrealised gains and losses on any financial instrument which is reported through the income statement;
- any increase or decrease in the foreign currency translation reserves accounted for in the income statement;
- any charge for impairment of goodwill or any reversal of any impairment of goodwill charge;
- any realised or unrealised gains or losses in respect of any hedging arrangements;

**"Finance Costs"**

for any Measurement Period or at any given date, as the case may be, the aggregate amount, without double counting, of the accrued interest, dividends on redeemable preference shares, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments in respect of Financial Indebtedness (excluding any such charges on any derivative transaction protecting against or benefiting from fluctuations in any rate or price);

**"Financial Indebtedness"** means any indebtedness for or in respect of:

- (a) moneys borrowed or credit provided;

- (b) any acceptance credit (including any dematerialised equivalent);
- (c) any note purchase facility, bond, note, debenture, loan stock or other similar instrument;
- (d) any suspensive sale or instalment credit transaction;
- (e) any agreement treated as a finance or capital lease in accordance with IFRS;
- (f) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (g) any derivative transaction protecting against or benefiting from fluctuations in any rate or price (and, except from non-payment of an amount, the then mark-to-market value of the derivative transaction will be used to calculate its amount);
- (h) any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by a bank or financial institution;
- (i) any redeemable preference share;
- (j) any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing; and/or
- (k) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any item referred to in the above paragraphs;

**"Fixed Charge Cover Ratio"** in respect of a Measurement Period, the historical ratio of pro-forma Consolidated EBITDA to pro forma Consolidated Finance Costs, at the end of that relevant Measurement Period;

**"Guarantor Coverage Threshold"** as more fully defined in Condition 24.2.6.4;

**"Guaranteed Notes"** the Tranches of Notes referred to in this Applicable Pricing Supplement;

"Measurement Period" a period of 12 months ending on the last day of the month preceding the date on which the relevant ratio or threshold, as the case may be, is calculated;

"Principal Subsidiary" each Subsidiary

- (a) (i) whose total EBITDA represents in excess of 5% of the EBITDA of the Group (calculated on a consolidated basis); or (ii) whose total value of gross assets represents in excess of 5% of the total value of all consolidated gross assets owned is in excess of 5% of the total value of all consolidated total turnover of the Group, in each case calculated by reference to the latest audited financial statements of each Subsidiary and the latest audited consolidated financial statements of the Group and, in this regard, a report by the auditors of the Issuer that a Subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be final and binding on the Noteholders;

