

Gold

DRDGOLD's Far West Gold Recoveries project

Name of the Project

Far West Gold Recoveries (FWGR) project.

Location

Gauteng, South Africa.

Project Owner/s

DRDGOLD's acquisition of Sibanye-Stillwater's (Sibanye's) West Rand Tailings Retreatment Project assets was finalised on July 31, 2018. Following the successful implementation of the transaction between the two companies, Sibanye owned 38.05% of the issued share capital of DRDGOLD.

Under the terms of the transaction, entered into in November 2017, Sibanye agreed to exchange selected surface-gold processing assets and tailings storage facilities (TSFs) for shares in DRDGOLD.

Sibanye also had an option to subscribe for further shares in DRDGOLD, within 24 months at a 10% discount. In January 2020, Sibanye exercised this option, obtaining a 50.1% controlling interest in DRDGOLD.

Project Description

FWGR is being rolled out in a phased approach.

Phase 1 included early-stage production, involving upgrading the Driefontein 2 plant to process tailings from the Driefontein 5 dump at between 400 000 t and 600 000 t a month, depositing the residue on the Driefontein 4 tailings dam, which was upgraded to a cyclone deposition dam to cater for the higher throughput.

Phase 2 envisages the construction of a high-volume central processing plant capable of processing between 1.2-million and 2.4-million tonnes a month, as well as the continued use of Driefontein 2 plant at an increased 600 000 t a month and the development of a new regional TSF capable of receiving up to three-million tonnes a month to a capacity of about 800-million tonnes.

In this phase, reclamation will initially be from the Driefontein 3, Libanon and Kloof 1 dumps, and then from the Ventersdorp North and South dumps. The scale of the infrastructure established in this



phase will allow for reclamation from other sources in the region. The objective being to clean up the regional landscape by reprocessing tailings that are currently on dolomite, and redepositing reclaimed material onto a properly designed and managed single megadam, thereby reversing the potential pollution of underground water in the region.

Phase 2 is expected to extend the life of the operation to 20 years and beyond. Good progress has been made in advancing Phase 2 of FWGR and DRDGOLD is well into the planning and permit application processes.

As an alternative to Phase 2, or if Phase 2 is delayed, Phase 1 can be extended by extending deposition onto the Driefontein 4 tailings dam. This is possible, owing to the good cyclone splits being achieved at the Driefontein 4 tailings dam. Envisaged is the treatment of the remaining tonnes from Driefontein 5 and then processing material from Driefontein 3.

Potential Job Creation

Since its inception, FWGR has secured employment for more than 100 employees and is committed to its environmental, social and



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Source: DRDGOLD

governance mandate and social upliftment programmes in the Far West Rand area of operations. With the implementation of Phase 2 and extended life-of-mine, more opportunities are expected to create DRDGOLD's value creation narrative.

Capital Expenditure

DRDGOLD invested R330-million of capital into Phase 1.

The cost of Phase 2 will depend on whether DRDGOLD chooses to build a second plant and TSF, or if it expands the existing facilities.

Planned Start/End Date

Phase 1 commercial production began within eight months of the acquisition, on April 1, 2019, and made its maiden full 12-month contribution to DRDGOLD's financial results in the 2020 financial year.

Detailed design of the planned new processing plant will start in this financial quarter and will be undertaken by DRA Global.

Construction of Phase 2 is planned to be completed by 2024/5 provided the requisite amendments to existing regulatory approvals are obtained, the gold market remains favourable and

an investment climate prevails that is conducive to long-term investment on this scale.

Latest Developments

In the six months to December 31, 2020, FWGR's all-in sustaining costs increased by 40% to R365 070/kg, owing to higher cash operating costs and expenditure on several capital projects, including the conversion of the upper compartment of the Driefontein No 4 TSF to cyclone deposition and the completion of irrigation infrastructure for dust-inhibiting vegetation of the TSF.

Work on a definitive feasibility study and planning for FWGR Phase 2 continued apace in the current financial year. The amended design for the regional TSF was submitted for approval to the Department of Water and Sanitation in November 2020.

Key Contracts and Suppliers

None stated.

Contact Details for Project Information

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