

SOCIAL PERFORMANCE



COMMUNICATING WITH STAKEHOLDERS

DRDGOLD communicates regularly with its employees, unions, the communities surrounding its operations, shareholders and other stakeholders.

Operating and financial information is released to the market every quarter (and sometimes more frequently, depending on the circumstances). At the time of half-year and year-end results, briefings are held with investors in at least two of the markets in which the group is listed. At the end of the other two quarters, a commentary on results can be accessed via teleconferences and webcasts. The website contains current information on DRDGOLD and its operations, as well as announcements and publications, including investor bulletins which are produced every second month.

Employees are kept informed through a group-wide briefing system, quarterly results briefings and employee publications. Regular meetings are held with union representatives.

There is formal and regular contact with local authorities in the areas where DRDGOLD has operations while interested and

affected parties are invited to meetings where information is shared and people are encouraged to air their views.

EMPLOYMENT

At the operational level, specialist human resources and training personnel handle the day-to-day management of employee-related issues, reporting both to operational management and to the strategic manager responsible for human resources across the group.

DRDGOLD believes that the right mix of talent and skills is key to operational excellence and is committed to building dynamic and diverse teams among its workforce. The group works to achieve this by following judicious selection procedures, by giving employees the opportunity to acquire and develop skills, and by monitoring talented individuals to ensure that they are given the necessary support to grow and flourish within the organisation.

At the end of FY08, DRDGOLD employed 7 627 people, of whom 1 371 were contractors (18% of the workforce). The turnover rates for the three operations in FY08 were: Blyvoor, 1.11%; Crown, 2.02%; and ERPM, 2.06%.

The employment of HDSAs is regulated through the Employment Equity Act, the MPRDA and the Mining Charter. The Mining Charter requires companies in South Africa to publish employment equity plans and to report on progress to achieve 40% HDSA participation in management and to have women making up 10% of the workforce. Employment equity plans for the three operations have been submitted to the Department of Labour and progress is reported regularly at Employment Equity forums.

EMPLOYMENT EQUITY

DRDGOLD's policy is to seek to promote employees to management positions rather than appointing people from outside the company. As a way of achieving this goal the group has established talent pools to identify promising HDSA candidates who are developed to management level through education, training and other interventions (mentorships, for example). Individual development plans are drawn up for these employees and their progress is tracked. Blyvoor currently has 40 employees in its talent pool; Crown has seven HDSA employees in its 'pipeline' who are being prepared for management posts, including one for a position in senior management; and ERPM has 16 employees in its pool, one of whom has been identified to move into the senior management level.

Progress made in terms of HDSAs in management positions is set out in the table below. Crown has reached the 40% target a year ahead of schedule. While the percentage, year-on-year,

| EMPLOYEES INCLUDING CONTRACTORS | | |
|---------------------------------|-------|-------|
| | 2008 | 2007 |
| Blyvoor | 4 511 | 4 623 |
| Crown | 1 179 | 1 165 |
| ERPM | 1 900 | 2 139 |
| Corporate and Regional | 37 | 44 |
| Total | 7 627 | 7 971 |

has increased at Blyvoor, it has decreased at ERPM. One of the problems is the retention of talent because promising HDSAs are in high demand in South Africa where there is also a shortage of skills across all industries. In FY08, five HDSA employees resigned at Blyvoor.

WOMEN IN MINING

Crown and ERPM have made significant advances in the past year in terms of meeting the Mining Charter's 10% requirement by 2009 as can be seen in the table below. Although the total percentage for Blyvoor has remained virtually unchanged, there has been a substantial increase in the number of women occupying production jobs (making up 24% of the total number of women employed at the mine) with one rockdrill operator, one stope team leader and three general miners having been appointed in the year under review. Women make up 12% of the employees working in the metallurgical plant.

During FY08 change-houses at No 4 and No 6 shafts at Blyvoor were upgraded for female employees. The upgrading of change-houses at the remaining Blyvoor shafts is scheduled for completion in FY09. The budget for this upgrading project is R1.7 million, of which R1 million had been spent by the end of June 2008. At ERPM, plans to build a change-house for women at the reduction plant are at an advanced stage. It is expected the facility will be completed by the end of November 2008. At least 16 women will be employed at the plant.

| WOMEN IN MINING | | |
|--------------------------------|-------|-------|
| Operation/entity | 2008 | 2007 |
| Blyvoor | 6.5% | 6.6% |
| Crown | 8.5% | 6.0% |
| ERPM | 7.0% | 5.5% |
| Corporate and Regional offices | 27.0% | 25.0% |

| HDSAs IN MANAGEMENT | | | | |
|--------------------------------|----------------------|-----------------------|----------------------|-----------------------|
| Operation/entity | 2008 | | 2007 | |
| | Number in management | % of total management | Number in management | % of total management |
| Blyvoor | 21 | 18% | 19 | 17% |
| Crown | 19 | 40% | 17 | 38% |
| ERPM | 13 | 27% | 15 | 30% |
| Corporate and Regional offices | 6 | 22% | 7 | 21% |

SOCIAL PERFORMANCE [CONTINUED]



Elizabeth Esau, a qualified teacher who joined DRDGOLD as a receptionist in 2000, was approached to head up ERPM's ABET Centre in 2007. Since then Elizabeth has not only qualified as an accredited ABET facilitator, assessor and moderator, but has also managed to successfully register the centre as an accredited ABET institution with the Department of Education and the Mining Qualifications Authority (MQA). She is very proud of the part she has played in the development of her fellow facilitators and of the employees who attend the ABET classes.

specifications set down by the South African Qualifications Authority (SAQA). To address this issue, Blyvoor is giving these candidates the opportunity of studying full-time which will enable them to obtain the national qualification in seven months. Two full-time educators will be appointed and the Level 4 classes are due to start in October 2008.

During the year one Blyvoor employee was sponsored by the MQA to enrol for the ABET National Qualifications Framework (NQF) 4, the qualification required to practise as an ABET facilitator.

At Crown, there is a facilitator in place and full-time ABET classes (from Level 1 to Level 4) are available to all employees on company premises. Participation is voluntary and around 20 employees enrol each year. The operation will be conducting a skills audit in 2008 to determine future ABET requirements.

ERPM has four trained facilitators who offer ABET classes to employees on a full-time and a part-time basis. The entire

TRAINING AND DEVELOPMENT

DRDGOLD has a multi-faceted training and development programme for its employees across all levels. In FY08, a total of R5.5 million (FY07: R4 million) was spent by the group on skills development and training. Information regarding the hours spent on training is not collated.

At Blyvoor, Adult Basic Education and Training (ABET) is available on a part-time basis to employees as well as to people from the surrounding community. The company employs a full-time co-ordinator and four part-time educators. During 2007, 97 learners enrolled at the ABET centre, 46 of whom wrote an examination and were certified as competent in Levels 1, 2 and 3.

No learners obtained Level 4 certificates because, run on a part-time basis, the mine's ABET programme did not offer the required number of subjects in the year to meet the

Adult Basic Education and Training (ABET)

There are an estimated 3.3 million illiterate adults in South Africa and eradicating illiteracy is one of the nine priorities of the country's National Education Strategy, Tirisano. Among other things, the government's Adult Basic Education and Training Act, 52 of 2000 provides for the establishment of public and private adult learning centres, and quality assurance mechanisms for the sector.

The intention is that ABET should be available to all adults who wish to finish their basic education. An outcomes-based education programme, ABET aims to offer basic learning tools, knowledge and skills, and provides participants with nationally recognised qualifications. The programmes are overseen by the National ABET Board.

The four levels of ABET training are equivalent to Grades R to 9 as follows:

- Level 1 (equivalent to Grade 3 or Standard 1)
- Level 2 (equivalent to Grade 5 or Standard 3)
- Level 3 (equivalent to Grade 7 or Standard 5)
- Level 4 NQF Level 1 (equivalent to Grade 9 or Standard 7)

At DRDGOLD SA, ABET is focused on the development of language, literacy, communication and numeracy skills among employees and the surrounding community, where possible.

| ABET PARTICIPANTS IN 2008 | | | |
|---------------------------|---------|-------|------|
| Levels | Blyvoor | Crown | ERPM |
| Level 1 | 30 | 10 | 16 |
| Level 2 | 30 | 6 | 19 |
| Level 3 | 25 | 4 | 11 |
| Level 4 | 20 | 3 | 9 |
| Total | 105 | 23 | 55 |

QUALIFICATIONS OBTAINED IN 2008

| | Blyvoor | Crown | ERPM |
|-------------------------------------|---------|-------|------|
| Mine Managers' Certificate | – | – | – |
| Mine Overseers' Certificate | 1 | – | – |
| Production Supervisors' Certificate | 7 | – | 1 |
| Rockbreaking Certificate | 1 | – | 6 |
| NQF 6 Certificate | 3 | 5 | 1 |
| NQF 5 Certificate | 3 | – | – |

ABET curriculum – equivalent to nine years of schooling – is offered. An additional facilitator has been employed for a fixed term to focus on maths and science. Because the building used as the ABET centre at this mine was deemed to be unsafe, classes are now being conducted at Ergo's training facilities. ERPM has as its target the enrolment of 80 full-time ABET learners per year until 2011. Employees who have successfully completed ABET Level 4 or the NQF 1 through the ABET programme, will be given preference when candidates are selected for the operation's learnership and apprenticeship programmes.

DRDGOLD has five employees – three at Blyvoor and two at Crown – who are enrolled on the Management Development Programme run by the University of South Africa (Unisa). A number of employees obtained degrees, diplomas and certifications during the year under review as set out in the table above.

Talent is fostered through learnerships, internships and tertiary education programmes. Learnerships provide employees with the opportunity to improve their skills through a combination of theoretical and practical learning. At Blyvoor during FY08, three employees finished learnerships in rock breaking; and three started learnerships, two of which were completed in September 2008. Seven Blyvoor employees are busy with engineering learnerships which will be completed in September 2009. At Crown, the learnership programme is providing training for artisans. Six employees – two electricians, two fitters and two boilermakers – will become qualified artisans by the end of December 2008. Ten employees at ERPM started on the learnership programme in December 2007: five are being trained in rock breaking; two as electricians; one as a boilermaker; one as a fitter; and one as a rigger. The rock-breaking group is expected to have completed the programme by October 2008. Of this mine's first group of six learner miners who finished the programme in June 2007, two electricians passed their trade tests on 30 June 2008.

DRDGOLD's internships offer candidates who have not started working yet the chance to gain exposure to a particular field.



Nkqubela Ntantala and Duncan Mokoena were the first apprentices at ERPM to finish the learnership programme, qualifying as electricians at the end of June 2008. Nkqubela joined the mine in 2001 as a stope team member while Duncan started as a plant assistant in 2004. Both aspire to become junior engineers.

Blyvoor launched its internship programme in FY08 with a drive to attract potential employees to fields where skills are scarce. Nine candidates were enrolled – in the disciplines of mining engineering, electrical engineering, mineral surveying, chemical engineering, geology, environment and financial management – and are progressing well. Crown took on three interns in the year under review who all gained in-service training in metallurgy. These candidates completed their studies and obtained their diplomas, and they are now permanent employees of the operation. At ERPM, two interns – one in the field of mechanical engineering and the other in metallurgy – were taken on in January 2008 for a year. A further candidate was seconded from corporate office in March 2008 for vocational training in the mining engineering discipline.

Interest-free loans are available to staff at Crown and ERPM who wish to study part-time at the tertiary level. Nine Crown and eight ERPM employees are currently enrolled for courses at various education institutions. At Blyvoor, the needs of the company and the career opportunities available in a particular field are considered when employees wish to study part-time.

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Currently 13 employees at this operation are receiving assistance towards obtaining tertiary qualifications.

Mentorship programmes, which stretch across the disciplines, are in place at all DRDGOLD operations. Individuals in the talent pools are mentored. At Blyvoor, 34 mentors have been trained; at ERPM, 12 mentors have been identified, 10 of whom have been trained; and at Crown, 10 have been identified, two of whom have been through an introductory training session.

HOUSING AND LIVING CONDITIONS

The numbers of employees who live at the two hostels at Blyvoor declined by 10% to 1 794 (FY07: 1 995). While 225 employees reside with their families in the three mine villages, 994 receive a living out allowance. During FY08, Blyvoor continued with its programme of upgrading hostel rooms for family accommodation. To date, 225 rooms have been completed at a cost of R1.2 million.

There is no hostel accommodation at Crown. The operation has a housing development for its employees enabling participants to live in good quality houses, close to the operation. For further details, please refer to the Corporate Responsibility section of this report.

At ERPM, occupancy at the two hostels declined to 139 (FY07: 161). The majority of employees, 1 538, continue to opt for the living-out allowance. However, during the xenophobic attacks during the final quarter of the year, the number of hostel residents increased to 550 and plans are in place to refurbish more blocks at the Far East Hostel to accommodate up to 750 employees should the need arise.

ERPM has a low-cost housing initiative for employees and community members. For further details, please refer to the Corporate Responsibility section of this report.

HUMAN RIGHTS

South African legislation – in particular the Labour Relations Act, the Employment Equity Act, aspects of the Mine Health and Safety Act, the MPRDA and the Mining Charter – sets out certain requirements in respect of labour relations for companies operating in the country. These include such human rights conventions as freedom of association and collective bargaining. South Africa's constitution, as well as its subscription to various International Labour Organisation (ILO) declarations and other international regulations and conventions, also plays a part in setting parameters for employer/employee relations.

DRDGOLD adheres to the tenets of South African legislation, the country's constitution as well as other international legislation

as outlined above. This means that the group prohibits forced, compulsory and child labour and ensures that its employment practices are fair.

LABOUR RELATIONS

The group recognises freedom of association and the principle of collective bargaining is recognised and underpins the relationship between management and the unions. Wages and other conditions of employment are the main issues covered in the collective bargaining agreements. At Blyvoor, three unions are recognised: the National Union of Mineworkers (NUM), UASA and Solidarity. The percentage of the workforce belonging to these unions at the mine is 77.4%, 7.2% and 3.6%, respectively. NUM represents 71% of employees and UASA, 8.6% at Crown while at ERPM, 59% of the workforce belongs to NUM and 8.6% to UASA.

In general, labour relations were relatively peaceful in the period under review. There was no industrial action during wage negotiations (only an objection at Blyvoor as outlined below) and a two-year wage deal was signed at all three operations at the start of FY08.

Two incidents occurred at Blyvoor. The first involved a work stoppage by some 3 300 employees which started on the evening of 29 May 2008. The illegal strike was related to the arrest of two employees by the South African Police Service in connection with the death of one man and the assault of a second, neither of whom was an employee, during December 2007. DRDGOLD SA obtained an interim court order which instructed the striking employees to return to work. They did so and no further action was taken.

The second occurred during wage negotiations when an objection was raised regarding the participation of the South African Equity Workers' Association (SAEWA) because this union had not maintained its required level of participation on the mine, namely 30% plus one. The matter was referred to the Commission for Conciliation, Mediation and Arbitration (CCMA) and the ruling went in favour of the company which then proceeded with the process of derecognising SAEWA.

A restructuring of ERPM's underground operations was necessary to reverse a worsening pattern of unprofitable mining and this was completed during the last quarter of the year. Initially it seemed that some 400 employees would have to be retrenched but an agreement was reached with unions without recourse to industrial action, and the successful application of various avoidance measures contained the number of employees retrenched to 239.

The foreign nationals who make up 36.3% of ERPM's workforce were caught up in the violence in the surrounding communities

which formed part of the xenophobic attacks that occurred in South Africa in May. Management and NUM officials came together to seek a solution, meeting representatives of the affected workforce to discuss such issues as alternative housing and security. As mentioned above, these employees were assisted with temporary accommodation in a hostel where meals were provided. Security for this sector of the workforce was also provided until the situation returned to normal.

SAFETY

Each operation has a safety department which reports to the general manager of the mine and to the general manager responsible for projects across DRDGOLD, as well as a Health and Safety Committee on which unions and employees are represented. Management holds a monthly forum meeting with

the unions at which members of this committee are present. Health and safety issues are among the matters discussed at these sessions.

Compliance audits are conducted by the safety department at each operation and full safety audits of specific workplaces are carried out through 'hot spot' visits by management and union representatives.

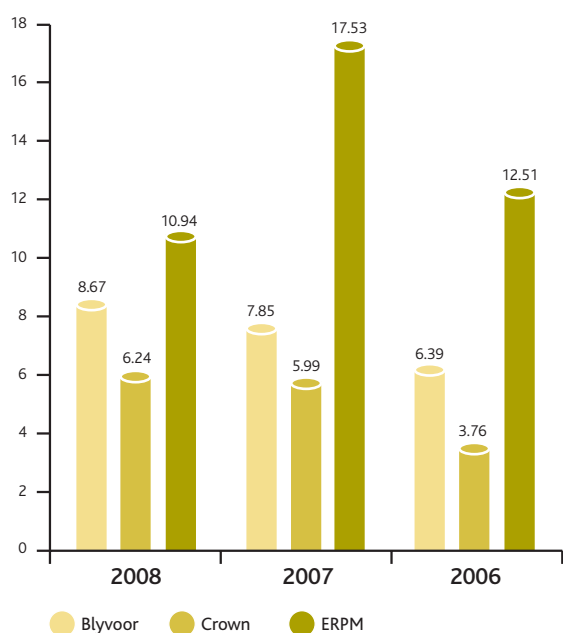
TRENDS AND STATISTICS IN FY08

DRDGOLD regrets to report the death of four employees, one of whom was a contractor, during the year under review (FY07: 6). Two deaths were at Blyvoor and two at ERPM. Falls of ground (FOG) remain the principal cause, with gravity-related falls of ground accounting for two fatalities. The third was the result of

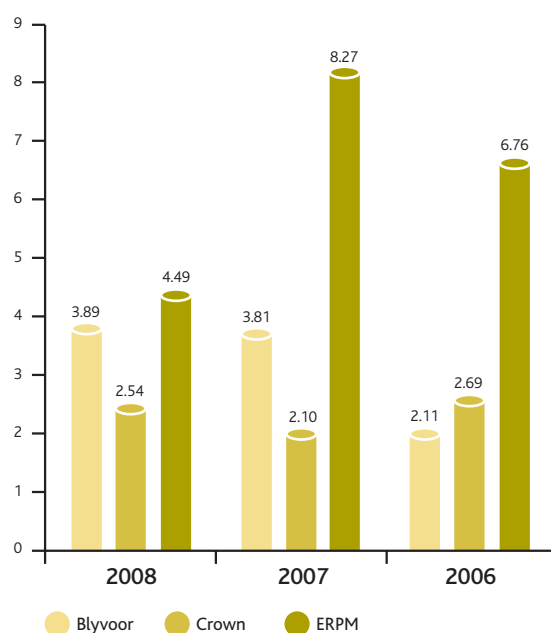
DETAILS OF THOSE WHO DIED AT DRDGOLD OPERATIONS IN 2008

| Name and age | Date of accident | Operation and occupation | Home | Family |
|----------------------|------------------|---------------------------------|----------------------------------|--|
| Samuel Vini (52) | 5 September 2007 | ERPM Driver of Hydraulic Picker | Welkom, Free State Province | Mr Vini was married with two children. |
| Paul Ngxakazela (42) | 7 September 2007 | ERPM Rockdrill Operator | Germiston, Gauteng Province | Mr Ngxakazela was married with two children. |
| Ncedile Loloni (45) | 12 October 2007 | Blyvoor Loco Guard | Tabankulu, Eastern Cape Province | Mr Loloni was married with six children. |
| Abram Pwetwe (41) | 19 October 2007 | Blyvoor Stoper | Ventersdorp, North West Province | Mr Pwetwe was not married. |

Lost Time Injury Frequency Rate (LTIFR)



Reportable Injury Frequency Rate (RIFR)



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a truck and tramping incident and the fourth occurred when a concrete silo collapsed in the wrong direction as it was being demolished.

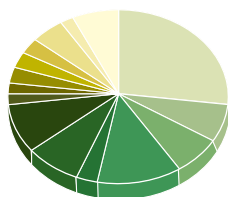
The lost-time injury frequency rate (LTIFR) deteriorated at Blyvoor, from 7.85 in FY07 to 8.67 in FY08, and at Crown, from 5.99 in FY07 to 6.24 in FY08. The LTIFR at ERPM, however, improved significantly from 17.73 in FY07 to 10.94 in FY08.

While the reportable injury frequency rate (RIFR) at Crown regressed from 2.10 in FY07 to 2.54 in FY08, the regression was only slight at Blyvoor, from 3.81 in FY07 to 3.89 in FY08. ERPM showed a notable improvement, from 8.27 in FY07 to 4.49 in FY08.

More accidents are caused by falls of ground than any other factor, with gravity-related and seismic falls of ground accounting for over 34% of reportable accidents. Trucks and tramping incidents come next, being responsible for 13% of all reportable accidents.

Reportable Agencies 2008

| | |
|-----------------------|-----|
| ● FOG Gravity | 27% |
| ● FOG Seismic | 7% |
| ● Rolling rock | 7% |
| ● Trucks & tramping | 12% |
| ● Explosives | 3% |
| ● Slip and fall | 8% |
| ● Mat handling | 9% |
| ● Fall to lower level | 2% |
| ● Rolling material | 2% |
| ● Winches and rigging | 3% |
| ● Mud rush | 3% |
| ● Shaft conveyance | 3% |
| ● Hand tools | 5% |
| ● Structure | 2% |
| ● Other | 7% |



During the year Blyvoor lost 2 220 shifts through accidents, Crown 253 and ERPM 2 610.

ADDRESSING SAFETY ISSUES

DRDGOLD regards the development of a safety mindset among all employees as a critical aspect of safety, and a number of behaviour-based safety interventions are 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 is used at Blyvoor in the communication of safety issues. Employees have been trained as actors, and perform regularly at safety meetings.

A special behaviour-based safety intervention was initiated at Blyvoor towards the end of FY08. This initiative focuses on the reduction of risky behaviour and encourages safe practices. The

first part of the training for this intervention started in August 2008 and the second part will be conducted during October 2008. Each course runs for two weeks after which a system is designed. Pilot site implementation will start in December 2008.

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.

Drives to prevent falls of ground and to raise awareness are continuing at the underground operations. These focus on early morning inspections, mid-shift barring activities and the timely installation of temporary and permanent support. Seismic monitoring remains key to DRDGOLD's efforts to prevent falls of ground.

In FY07 the concept of a mini risk assessment – requiring team members to carry out a risk assessment before starting work – was introduced at Crown plant and this campaign was rolled out to the City and Knights plants during FY08.

In addition to the initiatives described above, a number of other campaigns were launched. Trucks and tramping as well as winches and rigging were put under the spotlight at Blyvoor, where a safety day was also introduced. Work in high risk areas is stopped and the focus for the day is on the safety of employees in those workplaces. Campaigns to draw attention to the importance of protecting eyes, hands and fingers were started at Crown.

Developed at Blyvoor and regarded as an effective safety management tool, a safety barometer has been extended to all operations. This barometer determines the risk rating for each workplace, based on the number and type of risks within that area. A simple classification then indicates the management level at which corrective action needs to be taken.

ACHIEVEMENTS

During the year under review Blyvoor won the Association of West Rand Mine Managers Inter-mine Safety Competition for the tenth year in succession. The rules of this competition are based on reportable injury frequency rates with an additional penalty for fatalities. On 8 February 2008, No 6 Shaft reached 750 000 fatality-free shifts; on 12 May 2008, No 4 Shaft completed one million fatality-free shifts; and, on 23 June 2008, the mine as a whole achieved one million fatality-free shifts.

A particular area of focus for FY09 is the prevention of fall of ground incidents. A new safety campaign to address this is

being workshopped at the underground operations and is scheduled for implementation during the second quarter.

HEALTH

The provision of primary health care to all employees is central to DRDGOLD's Health and Safety Policy. Secondary health care is offered where suitable infrastructure is available.

Primary health care, including occupational health and medical surveillance, at the three operations is outsourced to reputable service providers in the field. Representatives of management and organised labour belong to the lifestyle forums that have been set up at each operation. Every quarter the lifestyle team embarks on an education drive, both on the mine and in the surrounding communities, and covers such aspects as HIV/Aids, drug and alcohol awareness, sport and recreation, and nutrition.

The major occupational health care challenges that DRDGOLD faces at its underground mines, Blyvoor and ERPM, are noise-induced hearing loss (NIHL), occupational lung disease (OLD) and tuberculosis (TB). The use of noisy equipment, such as drills and fans, is the major cause of NIHL while exposure to silica dust makes those employees working underground susceptible to OLD. Employees who are HIV positive and who are exposed to silica are at substantially increased risk of contracting TB. The main challenges at Crown are NIHL and TB.

ADDRESSING HEALTH ISSUES

DRDGOLD's occupational health strategy has two pillars: trying to eliminate or reduce the cause of health problems and regular medical monitoring of employees, particularly those most at risk, in an effort to prevent such problems occurring and to detect symptoms early.

To determine the status of occupational health at DRDGOLD and to set objectives for the future, a baseline occupational health audit was conducted at all operations during FY07. Following this, project planning is under way for the implementation of a hearing protection programme.

Major focus areas in FY08 have included a programme to reduce the sound level of rockdrills and fans, and reinforcing procedures regarding the use of hearing protection devices. During FY08, the programme introduced to reduce the sound level of equipment progressed relatively well at Blyvoor where 75% of all rockdrills have been muffled. This reduces the sound levels by approximately 10 decibels. In addition, 90% of all fan installations have also been silenced. At ERPM, the process of installing muffles will start by the end of October 2008. Currently, 60% of all fan installations have been silenced; by June 2009, this programme will be complete. In terms of the reduction of dust at tips, at Blyvoor 40% of all tips have had foggers installed to reduce dust emissions. At ERPM, the installation of foggers has started.

| BLYVOOR AND ERPM: OCCUPATIONAL HEALTH INDICATORS (AVERAGE PER MONTH) | | | |
|--|---|-------|-------|
| Blyvoor | | 2008 | 2007 |
| Noise-induced hearing loss (NIHL) | Number of diagnostic audiograms performed | 49 | 113 |
| | Submission for possible compensation | 27 | 75 |
| | Cases compensated | 22 | 75 |
| Tuberculosis (TB) [†] | Monthly prevalence rate per 100 000 employees | 2 512 | 2 897 |
| Occupational lung disease (OLD) | Number of cases submitted to MBOD ^{††} | 105 | 75 |
| ERPM | | | |
| NIHL | Number of diagnostic audiograms performed | 37 | 27 |
| | Submission for possible compensation | 27 | 27 |
| | Cases compensated | 4 | – |
| TB [†] | Monthly prevalence rate per 100 000 employees | 1 956 | 1 695 |
| OLD | Number of cases submitted to MBOD ^{††} | 22 | 5 |

[†] Blyvoor and ERPM each had seven reported cases of MDR TB during the year.

^{††} Medical Bureau for Occupational Diseases

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DRDGOLD's occupational health care programme at Blyvoor, ERPM and Crown comprises initial, periodic and exit medical examinations. At Blyvoor and ERPM, the following takes place: heat tolerance screening; diagnosis and therapy for TB, multi-drug resistant TB (MDR TB) and extremely drug resistant TB (XDR TB); the keeping of statutory records; and the submission of compensation claims to the Medical Bureau for Occupational Diseases. Details for health indicators at these two operations in FY08 appear in the table on page 13.

During FY08 at DRDGOLD SA, no new cases of TB were identified; and one case of compensable NIHL was diagnosed, compared with 13 in FY07.

MANAGING HEALTH CARE

At Blyvoor, the provision of health care, including the occupational health programme, has been outsourced to Healthshare Health Solutions. Primary health care is available 24 hours per day at two on-mine clinics. A doctor serves both clinics, which employ a total of 11 nurses and nursing assistants. 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.

The Blyvoor lifestyle team identified five community development workers who were trained and certificated by the North West Province's Department of Health. These voluntary workers visit homes in the surrounding area, educating and counselling members of the community on various health issues such as HIV/Aids and TB. Every quarter an education drive is carried out both on mine property and in the community to raise awareness about HIV/Aids and the dangers of drugs and alcohol. At the same time the importance of sport, recreation and good nutrition is emphasised. Since the establishment of the lifestyle team, there has been a significant increase in the numbers of community members attending the community clinic on Blyvoor property, from an average number of 567 people per month in FY07 to 964 per month in FY08. The number of condoms distributed by the clinic has increased from an average of 227 per month in FY07 to 778 per month in FY08.

Health care at ERPM is outsourced to Life Healthcare and primary health care is available to employees at the on-site clinic. The mine also has an occupational health clinic, situated at Far East Vertical Shaft, which is staffed by a doctor and four nursing sisters.

The Caritas Care Home, which operates from premises donated by ERPM, is a hospice to employees and people from the wider Ekurhuleni area.

All Crown 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, handles medical surveillance and the treatment of NIHL and TB.

HIV/AIDS

DRDGOLD recognises that HIV/AIDS is a serious threat to the well-being of employees, the company and the industry. While recognising that there is no simple method of countering this threat, the company's strategy includes the following:

- actively driving awareness programmes at each operation;
- involving all stakeholders in a multi-faceted approach to educate employees and their dependants to prevent the incidence of HIV/Aids;
- the development of wellness programmes for employees;
- providing confidential, informed, voluntary counselling and testing (VCT);
- providing appropriate medical care to employees suffering from HIV/Aids; and
- giving terminally ill employees the opportunity to live the rest of their lives with dignity.

MANAGING HIV/AIDS

The management of HIV/Aids at Blyvoor is based on prevention and treatment. A joint management/union initiative, called Project Tsietsi by employees in memory of a colleague who passed away, was established at the mine during the year. This project has run a number of awareness campaigns. A focus on HIV/Aids forms part of the lifestyle team's quarterly education initiative. Posters are widely used to raise awareness at Blyvoor. Employees are encouraged to go for VCT which is available at the on-mine clinics. The clinics run a wellness programme which involves lifestyle counselling and medication for opportunistic infections.

When it is medically indicated that antiretroviral therapy (ART) is required, Healthshare refers patients to a private practitioner in Carletonville, Dr David Masuku, who is highly experienced in the treatment of HIV-positive patients. Through years of liaison with other practitioners in the field and contacts with donors he has become an accredited provider with the President's Emergency Plan for AIDS Relief (PEPFAR). This means that he treats patients with ART drugs which are sponsored by a donor. The treatment protocol followed is in line with the Department of Health's regimens. This ensures continuity of treatment if an employee should leave Blyvoor because that employee is then referred to a government facility. There are currently more than 100 employees on ART.

In a joint venture with the Merafong Municipality, Blyvoor is in the process of establishing a hospice on its premises, with

To ensure the success of its HIV/Aids programme, Blyvoor adheres to seven basic principles.

- The company does not discriminate against HIV-positive employees in the workplace.
- The company observes strict confidentiality with respect to the HIV status of its employees.
- The company sustains an HIV/Aids awareness campaign with continual HIV training and compulsory annual HIV counselling of all community development workers.
- Employees are encouraged to confirm their HIV status with regular voluntary HIV testing.
- Community development workers motivate employees to disclose their HIV status to Healthshare to enable company support.
- The company monitors the process and complies with the national Aids treatment protocol by facilitating access to Highly Active Antiretroviral (ARV) medication.
- The company promotes a responsible lifestyle for its employees by supplying condoms which are placed in high traffic places in the workplace as well as in the residential areas.

capacity for 500 patients, which will be available to its employees as well as members of the community. The intention is that ART will be available at this facility – to be known as the Elijah Barayi Medical Centre – which will also house and care for people suffering from HIV/Aids. The centre will be run by the non-governmental organisation Siyaphila, which has completed its study to ascertain the funds required to get started. It is envisaged that the centre may start functioning in the last quarter of 2008.

HIV/Aids awareness drives are run by ERPM every quarter. Gatherings are held at different locations and employees and members of the community are invited to attend and listen to talks by invited speakers. The company sponsors T-shirts as well as entertainment in the form of videos and musical performances. Attendance figures at these events are increasing as is the number of those volunteering for HIV/Aids tests. The treatment provided by the Caritas Care Home includes VCT, a wellness programme and free ART, which is sponsored by the state.

Crown employees fall under a three-year HIV awareness campaign which is run by accredited education and training service provider Redpeg (a company owned and managed by black women) in collaboration with the government.

CORPORATE RESPONSIBILITY

DRDGOLD is committed to contributing to the long-term economic well-being of the areas in which it operates and, through Teba Development, to those areas from where its labour is drawn. It has Local Economic Development (LED) programmes in place for all three operations. These aim to promote development that:

- is based on resources that are locally available;
- is based on the priorities and needs identified by the municipality concerned;
- uses resources economically and sustainably;
- is feasible for the operation, given its size and profitability;
- includes as many economic sectors as possible;
- provides for a diverse labour market; and
- devolves ownership of the development process to local people.

Projects for consideration are identified through regular and structured contact with local authorities: Blyvoor with the Merafong City Council; ERPM with the Ekurhuleni Mining Forum; and Crown with the Johannesburg and Ekurhuleni metropolitan municipalities.

The chief areas of focus are education, sustainable job creation, health (particularly HIV/Aids) and housing. And the same priorities apply when it comes to selecting projects for corporate social investment.

Blyvoor has embarked on four major LED projects. The first is a programme, which started in FY06, to provide quality housing with full services for employees and their dependants. This involves upgrading hostel rooms to family accommodation. To date, 225 rooms have been converted at a cost of R1.2 million. Gardens and recreation areas have also been upgraded.

| BLYVOOR AND ERPM : HIV/AIDS STATISTICS | | | |
|---|------|------|------|
| | 2008 | 2007 | 2006 |
| Blyvoor | | | |
| VCT attendance | 91 | 74 | 82 |
| Wellness clinic participation (average per month) | 173 | 149 | 126 |
| Referrals for ART | 169 | 146 | 129 |
| ERPM | | | |
| VCT attendance | 85 | 64 | 29 |
| Wellness clinic participation (average per month) | 30 | 8 | 10 |
| Referrals for ART | 40 | 36 | 9 |

SOCIAL PERFORMANCE [CONTINUED]

Reef picking – the job of sorting through four rock dumps to pick out rocks with gold-bearing qualities – is the second project which was established in FY06 to provide employment for local women. Candidates are sent on a sampling/geology course to obtain the required skills. Those with high potential are sent to the processing plant to acquire further skills and experience. This paves the way for them to become permanent employees of Blyvoor and to progress into careers as smelters, surveyors and geologists. Currently 107 women (supporting around 600 dependants) are employed as reef pickers. This project, which has a five-year budget (to FY11) of R22.15 million, is planned to continue for the remainder of the mine's life.



Dorice Mahlaba, a 38-year-old mother of two, has progressed from being a member of the reef picking team at Blyvoor to becoming the first female rockdrill operator at the mine in February 2008. One of the first participants in the reef picking project, she became interested in the mining sector as a whole. She approached one of the managers about becoming a rockdrill operator and completed the strenuous training in three months. She has expressed interest in completing the ABET level 4 qualification, which will enable her to qualify to join the mine's learnership programme as an apprentice.

The third project, which is now complete, was assistance with the provision of a library for the Merafong district. Blyvoor made a building available, which it repaired and cleaned, provided furniture and constructed fencing to make the facility secure. The library was handed over to the municipality at the beginning of FY08.

The hospice, discussed in the section on HIV/Aids above, is the fourth LED project. Blyvoor has donated the building and will provide mentoring to those involved in running the facility as and when it is required.

Other community projects in which Blyvoor was involved in FY08 included the donation of:

- a house for the setting up of a day care centre;
- a building (which was also upgraded) for a sewing project for unemployed women. NUM has provided two sewing machines;
- a building for the establishment of a clinic for the community. This clinic is discussed in more detail in the Health section above;
- a stove to the community clinic which has started a vegetable growing project. The community development workers run a soup kitchen from the premises. Vegetables not required for the soup kitchen are sold to the community and the funds generated are used to grow more vegetables; and
- blankets to old age homes and to orphaned children.

Blyvoor assists the three primary schools situated on its property in various ways, for example, with the marking of sports fields and the provision of a public address system for special events. The mine settles the water and electricity bills for one of the schools which it is in the process of upgrading by painting classrooms, fixing roofs and establishing a vegetable garden, among other things.

In the Health section reference was made to Blyvoor's involvement in drugs and alcohol awareness campaigns. In FY08 this culminated in the holding of an Alcohol and Drugs Awareness Day on 16 June 2008.

Crown is involved in a major LED project, namely the establishment of the East Rand Academy of Learning to promote community skills development and education, and to facilitate the employment of individuals when they have qualified. An existing training centre at the Ergo property on the East Rand will be upgraded and refurbished to house the centre. A partnership will be formed with a training service provider and this training will be linked to the development of related small businesses that can offer the sort of goods and services that are in demand in the area. The intention is that, in time, the project will be handed over to a management team consisting of community members who have been fully trained. In the second half of 2008, an internal project committee will be established and a feasibility study undertaken. By December 2008, a training provider accredited by the Services Sector Education and Training Authority (SETA) will be appointed and during the first half of 2009, core beneficiary communities will be identified. A budget of R500 000 has been set aside for FY09. The budget for the project as a whole to 2012 is R1.5 million.

Crown has been granted a mining right in respect of the landmark Top Star dump to the south of the Johannesburg CBD. The application included a proposal to establish a nursery

on the site of the dump and tailing complex when operations cease (about two years after they start). The project will provide a reliable supply of the plant species required for the rehabilitation of the site while encouraging job creation. An existing training centre in close proximity to the tailings complex will be able to support the initiative with training and equipment. It is envisaged that the nursery will provide employment for three people on a full-time basis. A budget of R732 000 has been allocated to this project.

In 2005 Crown launched a housing development for its employees enabling participants to live in good quality houses, close to the operation. The company donated the land, which is on the premises of the now closed Durban Roodepoort Deep Mine, and, to date, 102 employees (out of a total of 393 eligible employees) have benefited from this project. Crown has facilitated education programmes for employees to learn about the housing options available in surrounding areas, the accessing of government subsidies and housing loans, and the drawing up of budgets to meet repayment obligations. The company also facilitates employees' applications for housing available through the government's Reconstruction and Development Programme (RDP) and for housing loans through financial institutions.

ERPM has two LED projects. One is the Community ABET Centre first referred to in the Employment section of this report. The objectives are to increase the community's access to ABET programmes to enable people to acquire literacy and numeracy skills; to create jobs as ABET facilitators for local people; and to establish a facility that will operate as a fully functioning independent business before the end of 2010. The operation has allocated a five-year budget of R2.15 million for this project.

The second project is a low-cost housing initiative for employees and community members. ERPM has relinquished its surface rights permits to 62 hectares of its land (estimated value: R19 million) near Boksburg and has made this available to the Ekurhuleni Municipality. Some 600 housing units will be constructed – half for ERPM employees and half for community members – at rentals of between R600 to R1 200 per month for employees and between R800 and R1 600 per month for other participants. Some of the rental money will be used to maintain the housing units and the rest will be saved towards programmes for training employees in other skills ahead of the closure of the mine.

PRODUCT RESPONSIBILITY

After gold at DRDGOLD's operations has been mined, processed and smelted into doré bars (roughly 85% purity), it is further refined at Rand Refinery which also acts as an agent for the company in the marketing and selling of its product.

Most of the gold produced is sold to bullion banks locally and internationally, and to trading houses. Rand Refinery also supplies value-added products, including cast and minted bars, coin blanks and various semi-fabricated items, to the jewellery manufacturing industry as well as gold for application in various industries.

There were no issues of non-compliance with regulations concerning the health and safety effects of DRDGOLD's products in FY08.

Gold bars from Rand Refinery bear the name of the refinery as well as the purity of the gold. International norms and standards are used in labelling gold products and no incidents in terms of incorrect labelling were recorded in the year under review.

