

Group			Company	
2003	2004		2004	2003
R'000	R'000		R'000	R'000
		<b>A. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED BY/(APPLIED TO) OPERATIONS</b>		
374 180	(242 072)	(Loss)/profit before taxation	(721 768)	(1 004 722)
		<i>Adjusted for:</i>		
12 806	23 837	Movement in provision for environmental rehabilitation	(209)	2 770
105 675	204 590	Depreciation and amortisation	11 264	11 415
38 484	41 325	Non-cash movement in provisions	2 442	1 243
631	–	Amortisation of restraint of trade balance	–	631
133 001	108 770	Asset impairment and diminution in investments	698 274	1 010 784
15 929	–	Movement in fair value of listed investments	–	–
(15 663)	(52)	Profit on sale of assets	–	(9 759)
43 674	–	Share of results of associates	–	–
(89 333)	–	Profit on sale of subsidiary	–	–
(99 649)	(17 854)	Unrealised foreign exchange profits on translation	(63 477)	(98 195)
(1 376)	–	Profit on sale of listed investment	9	–
39 498	41 935	Finance costs	42 197	32 040
(377 268)	8 362	Unrealised loss/(profit) on derivative instrument	(1 132)	13 582
(17 730)	(130 849)	Investment income	(33 327)	(9 339)
11 331	(6 900)	Movement in gold in process	–	–
1 368	584	Provision for bad debts	250	421
175 558	31 676	Operating profit/(loss) before working capital changes	(65 477)	(49 129)
(255 571)	(8 373)	<i>Working capital changes:</i>	9 113	(112 776)
(175 478)	44 638	Accounts receivable	21 228	(91 814)
879	31 460	Inventories	(84)	(16)
(80 972)	(84 471)	Accounts payable and accrued liabilities	(12 031)	(20 946)
(80 013)	23 303	Cash generated by/(applied to) operations	(56 364)	(161 905)
		<b>B. CASH AND CASH EQUIVALENTS</b>		
		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.		
331 820	140 894	Cash and cash equivalents	7 536	235 423
(29 110)	(11 473)	Bank overdrafts	(2 820)	(21 281)
302 710	129 421		4 716	214 142

Group			Company	
2003	2004		2004	2003
R'000	R'000		R'000	R'000
		<b>C. CASHFLOW ON (ACQUISITION)/DISPOSAL OF SUBSIDIARIES AND JOINT VENTURE NET OF CASH DISPOSED OF</b>		
		<i>Sale of Crown Gold Recoveries (Pty) Limited – 1 July 2002</i>		
		On 1 July 2002 the Company sold 60% of its fully owned subsidiary company Crown Gold Recoveries (Pty) Limited to Khumo Bathong Holdings (Pty) Limited in a transaction consistent with our black economic empowerment strategy. In the prior year, the results of this company had been consolidated into the results of the Group. Effective 1 July 2002, our remaining 40% interest has been treated as an investment in an associate and equity accounted		
136 337		Mining assets – net book value		
2 000		Non-current investment		
15 352		Inventories		
9 373		Accounts receivable		
24 795		Cash and cash equivalents		
4 695		Environmental rehabilitation trust fund		
(20 988)		Provision for environmental rehabilitation		
(76 092)		Long-term liabilities		
(57 139)		Accounts payable and provisions		
(11)		Taxation payable		
38 322		Total Net Book Value at date of sale		
22 993		60% thereof		
(6 795)		Fair value adjustment at group level – mining assets		
16 198				
105 531		Proceeds from the sale		
89 333		Profit on disposal of 60% Interest		
105 531		Proceeds from the sale of 60%		
(24 795)		Less cash and cash equivalents in subsidiary sold		
80 736		Net cash flow on sale of subsidiary		

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		<b>C. CASHFLOW ON (ACQUISITION)/DISPOSAL OF SUBSIDIARIES AND JOINT VENTURE NET OF CASH DISPOSED OF (continued)</b>		
		<i>Acquisition of Net-Gold Services Limited</i>		
		With effect from 28 April 2004, the Group acquired 50.25% of the shares of Net-Gold Services Limited. This entity brokers the payment of purchases made by subscribers, through settlement in gold. Included in the acquisition is a call and put option to exchange the Group's shareholding in Net-Gold Services Limited for 523.26 shares in G.M. Network Limited (GoldMoney.com). These options are valid up to 31 December 2007.		
		The fair value of the assets acquired was as follows:		
	6 680	Inventories		
	281	Accounts receivable		
	8 901	Cash and cash equivalents		
	(4 230)	Accounts payable and provisions		
	<b>11 632</b>	Total fair value at time of acquisition		
	5 845	50.25% thereof		
	7 071	Goodwill arising on acquisition		
	12 916	Consideration		
	(8 901)	Less cash and cash equivalents of acquired entity		
	4 015	Net consideration		
	4 015	Settled by way of cash and cash equivalents		

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		<b>C. CASHFLOW ON (ACQUISITION)/DISPOSAL OF SUBSIDIARIES AND JOINT VENTURE NET OF CASH DISPOSED OF (continued)</b>		
		<i>Acquisition of Porgera Joint Venture</i>		
		With effect from 14 October 2003 the Group acquired the shares in Orogen Minerals (Porgera) Limited, or OMP, and Mineral Resources Porgera Limited, or MRP. The transaction was affected through the amalgamation of OMP, MRP and the Company's wholly-owned subsidiary, Dome Resources (PNG) Limited subsequently renamed DRD (Porgera) Limited. This resulted in the Company acquiring a 20% interest in the Porgera Joint Venture in Papua New Guinea.		
	448 605	Mining assets – net book value		
	195 619	Non-current inventory		
	66 818	Inventories		
	21 344	Accounts receivable		
	8 571	Cash and cash equivalents		
	13 194	Taxation receivable		
	(25 888)	Provision for environmental rehabilitation		
	(46 810)	Accounts payable and provisions		
	(139 189)	Deferred mining and income tax		
	542 264	Total fair value at time of acquisition		
	(8 571)	Less cash and cash equivalents of acquired entity		
	533 693	Net consideration		
	106 768	Settled by way of shares issued		
	426 925	Settled by way of cash and cash equivalents		
		<i>Acquisition of Fortis Limited</i>		
		With effect from 21 May 2004, the Group acquired the shares in Fortis Limited, a company which provides worker compensation insurance to the Tolukuma Mine, in Papua New Guinea		
	4 470	Cash and cash equivalents		
	4 470	Total net book value at time of acquisition		
	(4 470)	Less cash and cash equivalents of acquired entity		
	–			
		<i>Total net cash flow on acquisition of subsidiary and joint venture</i>		
	4 015	Net-Gold Services Limited		
	426 925	Porgera Joint Venture		
	–	Fortis Limited		
	430 940			