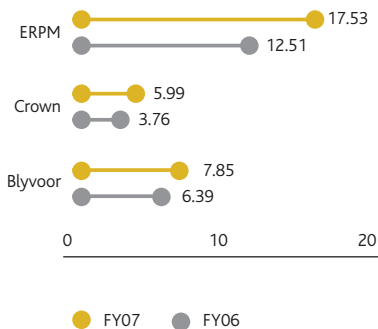
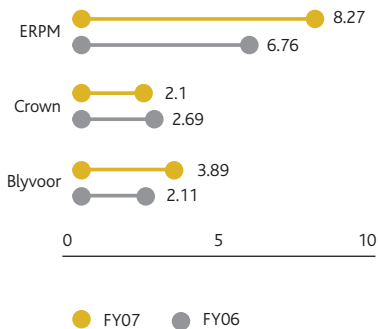


# Safety, health and environment

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 ERP) 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 tramping 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 tramping was implemented at Blyvoor, contributing to a decrease in trucks and tramping 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.

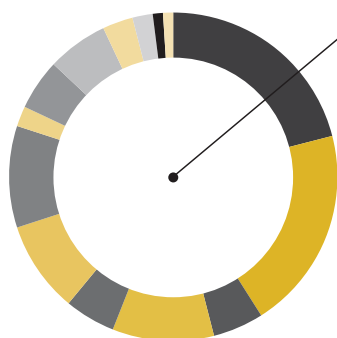
A new safety campaign, focusing on the prevention of fall of ground accidents, is currently being workshopped at the underground operations and is scheduled for implementation during the second quarter.

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



- 21% ● FOG (gravity)
- 20% ● FOG (seismic)
- 5% ● Rolling rock
- 10% ● Trucks & tramping
- 5% ● Fire
- 9% ● Slip & fall
- 10% ● Material handling
- 2% ● Fall to lower level
- 5% ● Other
- 6% ● Winches & rigging
- 3% ● Tools
- 2% ● Struck by moving object
- 1% ● Heat
- 1% ● Mud rush

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 Diseases (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

# Safety, health and environment

## continued

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
<b>Total</b>	<b>60 383 989</b>	<b>75 770 967</b>

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.

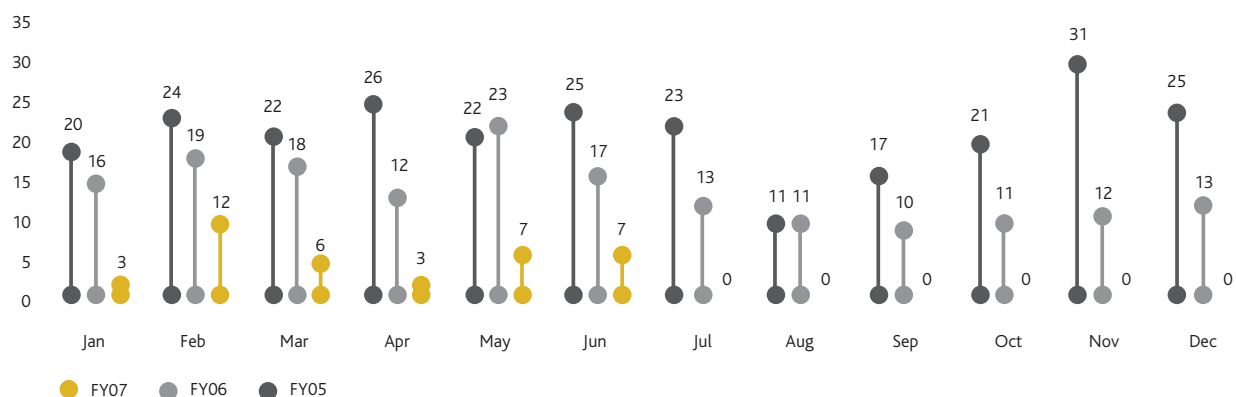
The company's environmental policy is reviewed every three years and updated if required. Environment management systems are based on ISO14001 standards.

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.