



DRD supports GATA

I have just returned from the GATA African Summit, and what a refreshing session it was. Their speakers cast a light on some of the murkier corners of the gold market, and what is appearing is an end to this long bear market.

Irrespective of any conspiracy theory to depress the price of gold, the fundamentals are slowly turning round. At long last people are realizing that the crucial upside for gold is as sound money. I firmly believe that gold is money, and jewellery is a by-product. Now that Central Banks have ditched their gold they will have to convince their citizens that their array of Committees: FOMCs, MPCs etc can make a mess of monetary policy in the long run. This recession may be their first real test. Gold always used to be the central banker's friend and the politician's enemy. Now that central banks have made gold their enemy, they are presenting every individual with a wonderful opportunity to own gold for their own asset mix.

Having lent out so much gold, they also now run the risk of not getting it all back. On certain assumptions, the bank vaults could be empty in seven years' time! The markets could therefore spring back to bite them still.

As for producers like DRD, one of the most marginal gold miners in the world, it re-affirms to me that your Board has taken the right decision to adopt its policy of eliminating its hedge. Unfortunately, we can only reduce as we can afford it. Nevertheless, we closed out a 75,000 ounce hedge on our Tolukuma gold mine in Papua New Guinea, just last week. With costs down to \$160/oz, it seemed increasingly inappropriate to hedge.

Bullion Bankers, many of whom are our counterparties, are, increasingly, in what Frank Venorosa termed, an 'inadvertant corner'. They will be under increasing pressure to unwind their positions. Let's just hope that they do not create too much havoc in the industry in the process.

Well done GATA! DRD has already assisted GATA and I assure you that we will continue to support their good work.

Mark Wellesley-Wood
Chairman

P.S. If anyone thinks that the use of gold as a payment mechanism is dead then I recommend they visit the goldmoney.com site to see a secure internet payment system based on gold.

Environmental issues *a priority*

DRD is committed to managing the impact on the environment by its operations in the best interests of all stakeholders, including local communities. So says Melt Marais, Manager: Environmental Services, who is responsible for environmental management at all of DRD's South African operations.

Marais admits that mining poses an environmental challenge for any company – and particularly those companies like DRD, who have frequently inherited the sins of the past. However, he stresses that the environment is – more than anything else – about people and the development of people, and that local communities need to be part of the solution.

Marais notes that all DRD operations have submitted Environmental Management Plans to the Department of Minerals and Energy and that environmental management and rehabilitation is conducted according to these plans.

"A great deal of money, time and effort is spent on environmental issues. And the costs involved are frequently enormous. For example, the Rand Leases dump rehabilitation has just been completed at a cost of some R1,5 million. About R2 million has been spent on the DRD complex and at the Crown complex alone, rehabilitation costs amount to some R200 000 per month.

"These efforts are negated – and even hampered – by large-scale theft and deliberate destruction. At the DRD complex recently the pump irrigation system was stolen, not to mention an actual pumphouse, switchgear and irrigation pipes. Fences, signs and other structures are torn down and removed on almost all sites shortly after being placed.

"These problems are exacerbated by poor planning on the part of developers and the authorities, where legislation and regulations have been disregarded, and entire communities have been located almost on the dumps. In addition, informal settlements have gathered on these mostly unused sites, without consent.

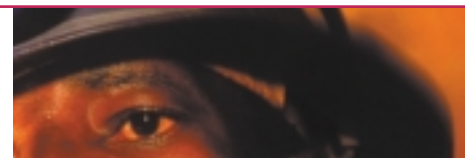
"Nonetheless, environmental rehabilitation is an ongoing issue which is taken seriously by DRD. It is an issue which is relevant not only to DRD, and the mining community, but also to the State and various municipalities, which own many of the discarded dumps around Gauteng.

The focus today is in coming up with cost effective and practical solutions which are in the interests of both the communities and the company. DRD is committed to this process and has – and will continue – to discuss these issues with stakeholders.

Spotlight on Melt Marais

Manager: Environmental Services

Melt started his career at the Stilfontein Mine in 1983. A mechanical engineer by trade, Melt started specializing in environmental issues in 1991. Based at Buffels, he is currently responsible for all issues relating to environmental management – including strategies, policies, Codes of Practice and closure – for the West Wits section, West Rand Consolidated and DRD. He is also tasked with briefing managers on all legal aspects as well as liaising with mining authorities with regard to legislation.





Let's meet Wayne Hatton-Jones & Grant Dempsey

DRD has always prided itself on the calibre employee it has within its ranks. Two additions to the team are Wayne Hatton-Jones and Grant Dempsey, who hold the positions of Strategic Business Unit Manager (Crown) and Manager Engineering (North West operations) respectively.

Focus on Grant

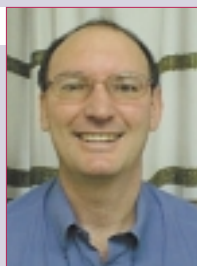
With 23 years' worth of experience in the mining industry (spanning both gold and diamond mining), Grant is certain to complement the DRD team. In charge of all plant and machinery from a maintenance, installation and safe operation point-of-view Grant has his hands full. A mechanical and electrical certified engineer, Grant's BCom (Business Management) degree and an MDP (Management Development Programme) qualification has seen him rise through the ranks.

Grant reckons his future with DRD is going to be "both

challenging and busy".

"I have been impressed with the management style at DRD, and I intend making a valuable contribution to the company, which it appears will be made that much easier in view of the professional team I have encountered thus far."

During his free time, Grant is a keen squash player, who enjoys watching rugby and motorsport. An added benefit of joining the DRD team is the fact that he and his wife, Charmaine have been able to spend more time with their daughter since she no longer needs to attend boarding school.



Focus on Wayne

No newcomer to the world of mining, Wayne boasts over 14 years' experience in large-scale mining operations, including time spent on projects as far afield as Mali in West Africa. Wayne has worked on such projects as the Harmony Pure Gold project, the Syama 1 and 2 expansion projects and Morila. As Strategic Business Unit Manager at West Wits, Wayne is responsible for overseeing all metallurgical operations and plant engineering. A scientist by nature, Wayne has a BSc degree which is complemented by his MDP qualification.

But his accolades do not end there – Wayne has also had an article published by the Mine Metallurgical Managers Association of South Africa (MMMA) titled *Replacing of*

Secondary Filtration by Carbon-in-Pulp.

On his future at DRD, Wayne says, "I am looking forward to putting my past experience to good use in meeting the challenges which lie ahead. Cost reductions coupled with an increase in revenue remain critical, and I am confident that the team at West Wits will foster a culture of cost control, good housekeeping and sound environmental practice. The optimism which currently abounds with the reduction in working costs based on these operational improvements needs to continue into the future."

Wayne is married to Debby and they have three children. When he isn't fulfilling professional or family duties, Wayne enjoys running, tennis and squash.



DURBANS DOT COM GROWS UP

DRD's web communications efforts are being revamped to avoid the "just being there" syndrome so frequently seen in cyberspace. The "seven secrets of highly successful websites" as espoused by the growing generation of internet gurus, suggest that contemporary websites go beyond the "we must have a website" phase, but that they evolve into "mission-critical business applications far outgrowing their original goal of just being there". An approach which now looks distinctly '90s.

As with any business intent on securing a successful future, DRD has taken a critical look at its existing website, and recognises that there is room for improvement. The new site now being developed, should have more up-to-date and current information available – such as a live share price feed on the home page and loads more interactivity. Yes, we did listen to you! And with the research into download speeds in the US and elsewhere, we also hope to speed up download times considerably, and also add more relevant and useful information.

Although this process is likely to continue for some weeks yet, we hope the outcome will have been worth the wait (no pressure on the new service provider...). So please keep a look out for the notifications we'll be sending to alert you to the launch of the new site – and be sure to let us know if we're living up to the cyberspace credo of "mission-critical business application".



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