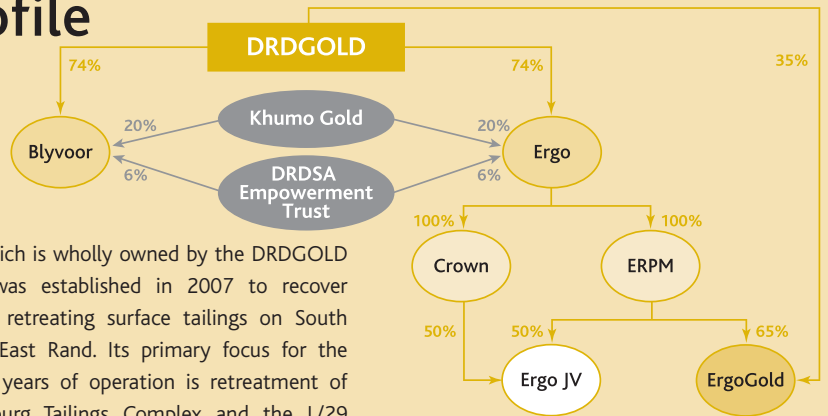




Profile



Ergo, which is wholly owned by the DRDGOLD group, was established in 2007 to recover gold by retreating surface tailings on South Africa's East Rand. Its primary focus for the first 12 years of operation is retreatment of the Elsburg Tailings Complex and the L/29 dump, comprising a total of 186Mt of tailings, estimated to contain some 1.7Moz of gold. In the longer term, Ergo's network of surface rights provides access to a further 600Mt of surface tailings deposited across the eastern, central and western Witwatersrand.

Ergo is operated by DRDGOLD's Crown Gold Recoveries (Pty) Limited (Crown), which has been producing gold from surface tailings on the Central Rand for more than 28 years. Crown, which comprises three plants, also operates the Cason surface retreatment circuit at the company's Knights Plant in Germiston.

At the end of FY10, Ergo had resources of 4.2Moz and provided employment for 569 people – 207 employees and 362 contractors.

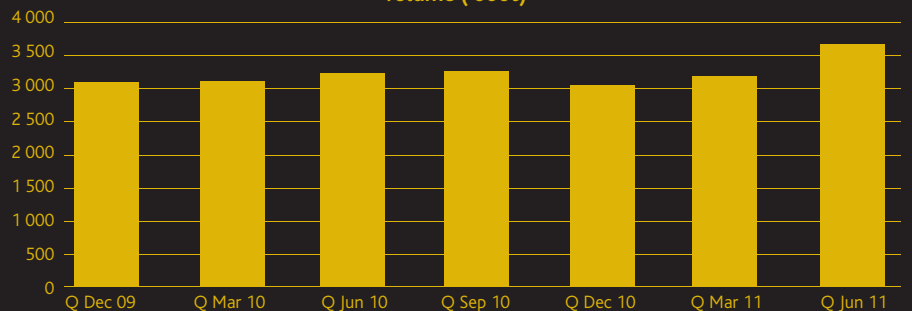
In January 2011, DRDGOLD changed its group structure to better distinguish between its surface retreatment and underground operations. Subsequently, the Board of Directors announced that, because of fundamental differences between the two, shareholder value could be maximised through the development of two separate investment opportunities. It resolved to appoint a corporate advisor to assist in taking the process forward.

Current status

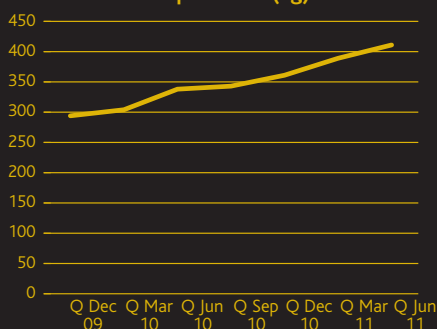
Ergo continues to make significant progress in terms of achieving higher volumes, improved yields, higher production and lower costs. In FY11, throughput was 13.206Mt, the average yield 0.11g/t, gold production 48 352oz and costs R23/t.

Ergo performance trends

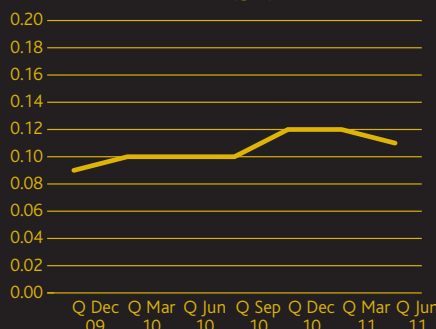
Volume ('000t)



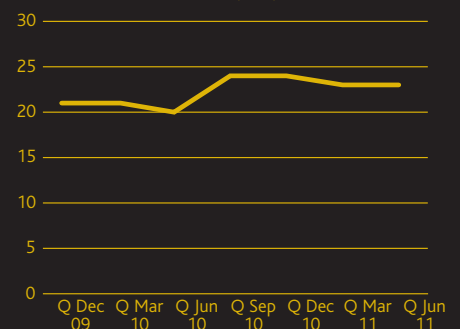
Gold produced (kg)



Yield (g/t)



Costs (R/t)





History

The Anglo years

1977	1984	1990	1998	2005
<ul style="list-style-type: none"> Anglo American Corporation commissions Ergo to recover gold, uranium and sulphuric acid from surface tailings, using flotation process. A South African 'first' 	<ul style="list-style-type: none"> Carbon-in-leach (CIL) plant – the world's largest – commissioned at Ergo's Brakpan plant 	<ul style="list-style-type: none"> Ergo's uranium plant and larger of two sulphuric acid plants closed 	<ul style="list-style-type: none"> Ergo becomes part of AngloGold Limited (later AngloGold Ashanti Limited) 	<ul style="list-style-type: none"> Anglogold Ashanti closes Ergo

1977-2005: Ergo retreats material from 64 surface sites; produces 8.19Moz of gold (feasibility study estimate: 3.55Moz); re-deposits more than 800Mt of residue on two consolidated sites; makes a total profit of R2 236 million (feasibility study estimate: R518 million)

The DRDGOLD years

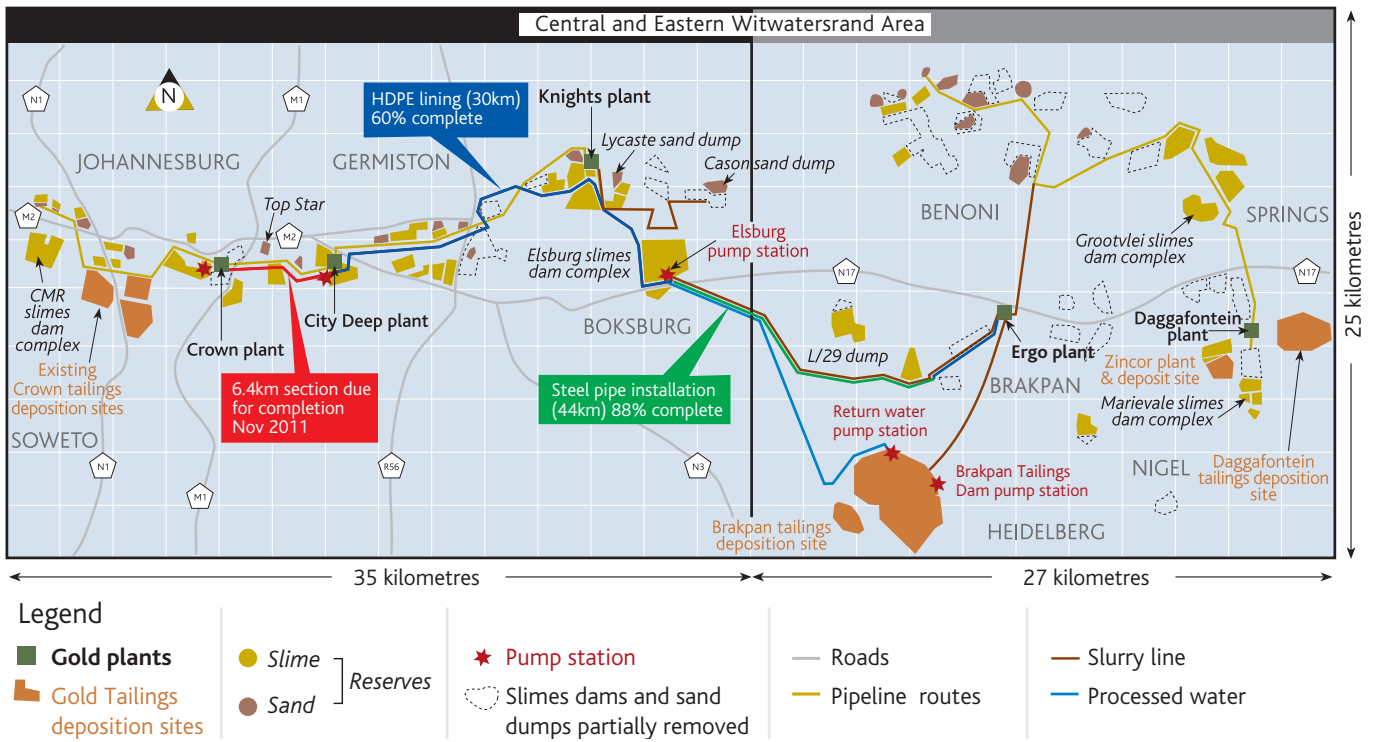
2007	2008	2009	2010	2011
<ul style="list-style-type: none"> Ergo Mining (Pty) Limited founded as a DRDGOLD/Mintails JV to re-establish Ergo 	<ul style="list-style-type: none"> Ergo Phase 1 (gold) launched (refurbishment, re-commissioning of Brakpan plant's first CIL circuit; retreatment of L29 tailings dam and Elsburg Tailings Complex) Ergo Phase 1 commissioning starts: retreatment of L29 tailings dam DRDGOLD acquires Mintails stake in Phase 1 for R277 million 	<ul style="list-style-type: none"> Ergo Phase 1 commissioning continues: elution plant completed; first feeder line to Brakpan plant from Elsburg Tailings Complex comes into operation Ergo Phase 2 (gold, uranium and sulphuric acid) drilling completed 	<ul style="list-style-type: none"> DRDGOLD takes full control of Ergo through acquisition of Mintails' 50% in Ergo Mining (Pty) Limited for R82 million Ergo Phase 1 production ramp-up nears completion: second Elsburg Tailings Complex feeder line to Brakpan plant comes into operation Crown/Ergo pipeline goes ahead 	<ul style="list-style-type: none"> DRDGOLD restructured to separate surface retreatment (Ergo and Crown) from underground (Blyvooruitzicht). Process initiated to create two separate investment opportunities Crown/Ergo pipeline on schedule and within budget





Mining South Africa's mineral wealth – again

50km pipeline linking Crown and Ergo



Synergies with Crown

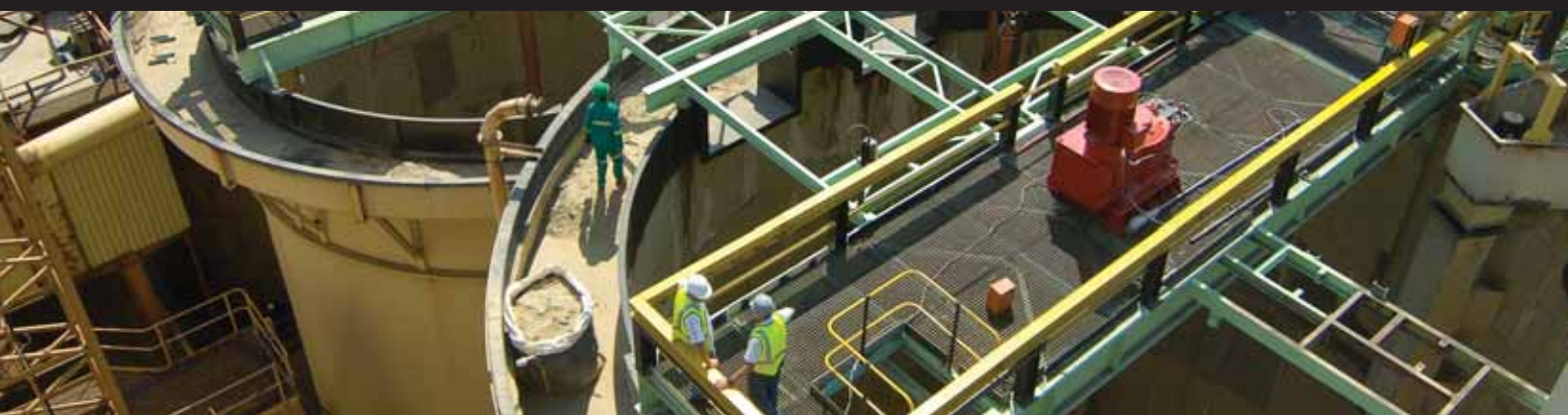
When DRDGOLD embarked on the Ergo project, one of its objectives was to exploit synergies between this operation and Crown. A major development in terms of this is the construction of a new 600 000tpm, 50km pipeline to link two of Crown's plants (Crown and City) with Ergo. Scheduled for completion by the end of 2011, this pipeline will provide Crown with increased tailings deposition capacity – a constraint in recent times – and thus the opportunity to bring to account further surface tailings resources on the western and central Witwatersrand.

In conjunction with the pipeline, Ergo's second CIL circuit is being refurbished to increase capacity from 1.2Mtpm to 1.8Mtpm initially and

to provide the potential for treatment capacity to be raised to 2.4Mtpm in the longer term.

The Brakpan tailings deposition site is being modified to increase the monthly deposition rate to a minimum of 1.8Mtpm and the capacity of the site by an additional 150Mt to 200Mt.

The combined operations of Crown and Ergo, which will have four plants with a total treatment capacity of 2.45Mtpm, are expected to produce 805 600oz of gold from a throughput of 143Mt in the period from 2011 to 2016.



Looking ahead

While we anticipate a measure of isolated volatility over the next 12 months with the phasing out of two plants, and the commissioning of a number of new reclamation sites, we expect trends in respect of volume, unit costs and recoveries will remain favourable during the current financial year.

Improving recoveries

The 2011 financial year recorded an 11% increase in throughput to 13 206 000t. Engineering refinements are expected to further increase volumes in the 2012 financial year.

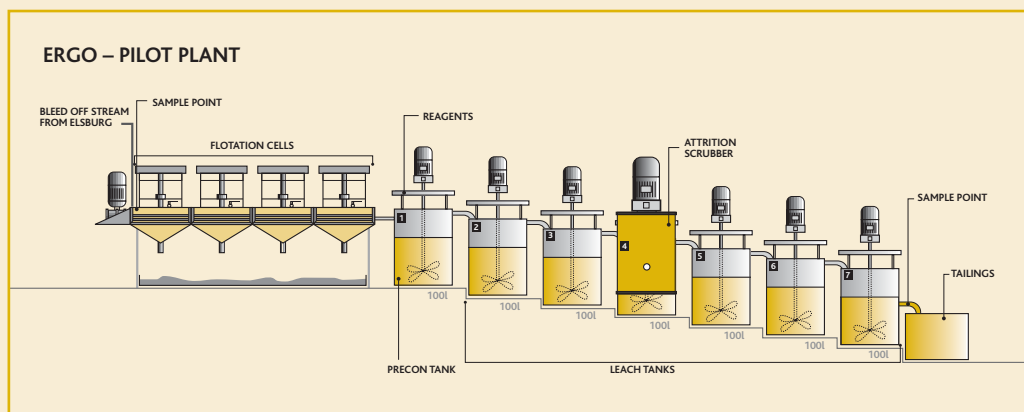
The next challenge – to improve recoveries – is subject to ongoing research and development. A pilot plant, which is a replica of the production plant, has been set up to assist in understanding

the make-up and location of the inert gold in the tailings materials and the process for liberating the gold from the sulphates. The pilot plant has been running consistently since the beginning of 2010. Test work has already demonstrated that a higher percentage of gold can be liberated than is currently being achieved at the main production plant.

Test work has also been undertaken on the Elsburg Tailings Complex's 4/L/48 dump.

A total number of 19 holes have been drilled and face sampling at intervals of 50m completed. Some 580 samples indicated results higher than those achieved in plant sampling.

With continuing work in the pilot plant and other research and development initiatives, Ergo expects to realise improvements in recovered grade in the medium term.



Features:

- *main plant replica*
- *retreats Elsburg Tailings Complex material 24/7*
- *no upsets caused to main plant*

Ergo Phase 2

Ergo is licensed to produce uranium and sulphuric acid, and a feasibility study continues to assess the potential of these by-products from the Ergo resource.

Contact details

South Africa
James Duncan, Russell and Associates

Tel: +27 11 880 3924 (office)
Cell: +27 82 892 8052 (mobile)

Email: james@rair.co.za (email)
Web address: www.drjgold.com