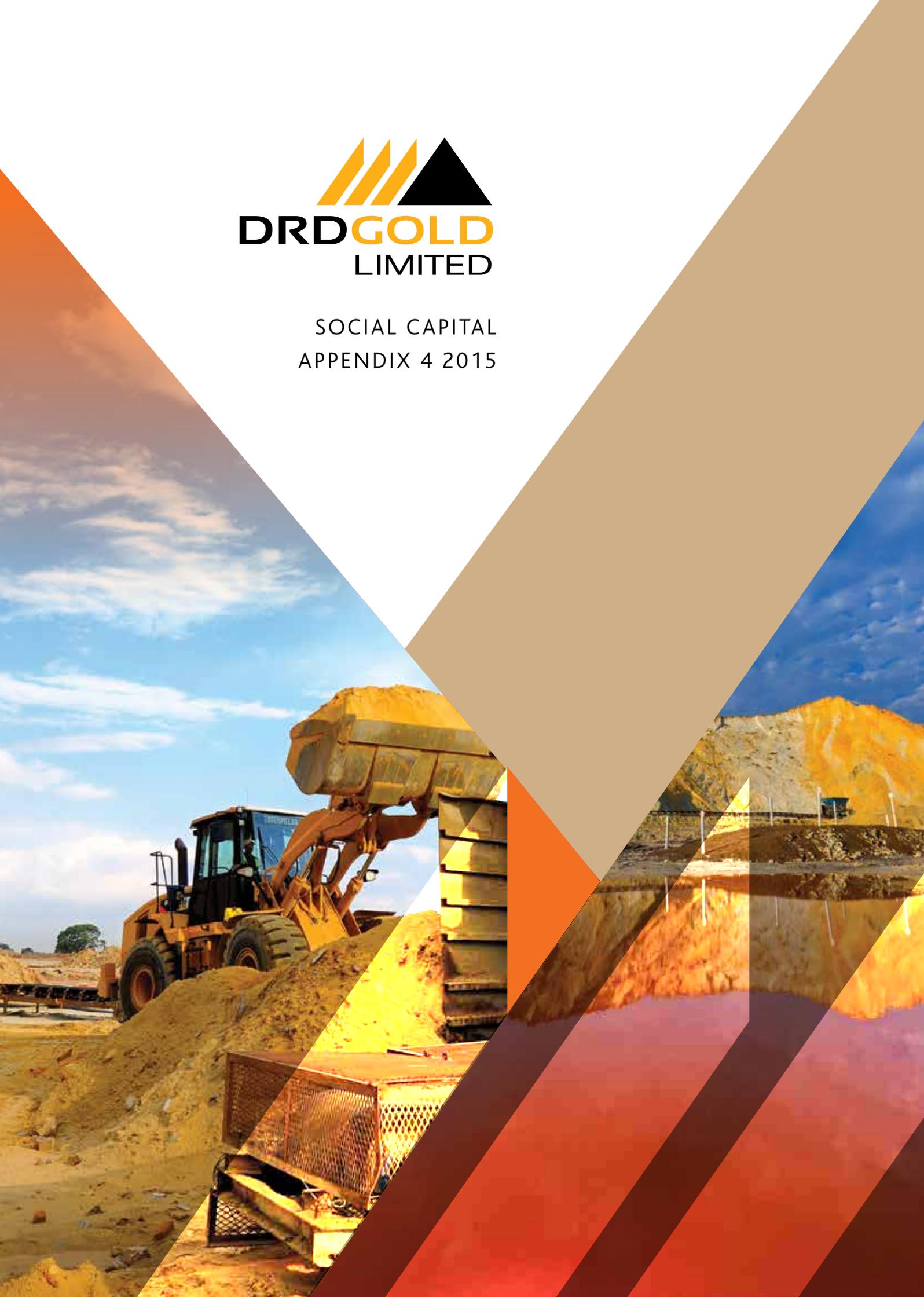




SOCIAL CAPITAL
APPENDIX 4 2015



APPENDIX 4: SOCIAL CAPITAL

The DRDGOLD board recognises that the company's social responsibilities – its social licence to operate – is of particular importance given South Africa's turbulent and inequitable social history.

The majority of the communities surrounding our operations require social intervention and we manage our social capital with a view to making a long-lasting difference in people's lives wherever possible.

Although we are committed in our attempts to relieve hardship, improve the quality of life and the opportunities of those whom we reach, we are aware of the limitations of what we can realistically achieve as a mid-tier mining company – and in a milieu where the needs are so extensive and wide-ranging.

However, the board holds fast to the view of good corporate citizenship and believes that by creating small 'pockets of stability and excellence' corporate South Africa can – together – make a significant contribution to ensuring a better future for the generations to come.

CONTEXT: THE PAST 12 MONTHS

Economic growth in South Africa continued in FY2015, as it did in the previous year, to suffer from the effects of the global economic downturn that began in 2007.

Unemployment in South Africa remains a major economic issue – particularly among the youth.

Poor education standards, inadequate service delivery, lack of experience and a shortage of employment opportunities are part of this complex problem. Mainly affecting underprivileged citizens, unemployment has serious social ramifications, and is regarded as a critical national issue.

WHAT WE DO

Our education initiatives in the communities near our operations are discussed elsewhere in the DRDGOLD Integrated Report 2015 and the accompanying appendices, but our social capital initiatives – which are largely community-based are best summarised in the following table:

PROJECT	OUTCOME	PROGRESS	EXPENDITURE 2015	AREA
Clean fuel project	500 gas stoves plus 6kg gas canisters to be distributed to households without electricity	Awaiting feedback from community leaders on community requirements	R239 400	Riverlea
Vegetation rehabilitation project	Local youth employed for rehabilitation of Crown and Ergo tailings complexes	Ongoing	R2 120 749	Soweto/Geluksdal communities
Uwesio Technogirl	Expose girl learners to workplace and career options	Visits to Ergo plant, job shadowing during school breaks	R14 244	

PROJECT	OUTCOME	PROGRESS	EXPENDITURE 2015	AREA
Palesa Primary School, construction of an administration building	Handed over: 29 May 2015	Complete	R682 500	Soweto
Buhlebemfundo Secondary School	Supplied, constructed and installed wooden and steel security doors	Complete	R123 244	Tsakane
Geluksdal Primary School	Classrooms painted	Complete	R131 971	Geluksdal
Funukukhanya Primary School	Classrooms tiled	Complete	R98 000	Geluksdal
Enterprise Development Club	Developing small business initiatives	Ongoing	R273 385	Geluksdal
Crown logistics	Established employee transport co-operative to provide nightshift transport	Ongoing	R3 670 850	Ekurhuleni and Johannesburg
Maths science and accountancy programme	Classes offered at seven schools; quarterly workshops for educators. Learners and educators are given support on challenging components of the syllabus	Ongoing	R587 747	Ekurhuleni and Johannesburg
Community ABET-18.2	Community members: basic educational support to qualify for further study e.g. technical courses	Ongoing	R2 079 079	Ekurhuleni and Johannesburg
N courses (N1 and N2)	Community members: improve prospects of qualifying for learnerships	Ongoing	R297 300	Ekurhuleni and Johannesburg
Learnerships	Opportunities for community members to become artisans	Ongoing	R1 207 721	Ekurhuleni and Johannesburg
Bursaries	Bursaries for study towards mining-related disciplines	Ongoing	R714 739	Gauteng
Total			R12 240 929	

APPENDIX 4: SOCIAL CAPITAL

continued

FY2015 DONATIONS

PROJECT	OUTCOME	EXPENDITURE 2015	AREA
Nigel football sponsorship	Purchase of trophies	R865	Tsakane/Nigel
Kasi sports advisor	Donation to local sports magazine	R17 752	Tsakane
Ramaphosa Combined School	Donation towards tuition fees	R30 000	Ramaphosa
Donation of blankets and children's tracksuits and jackets	Distribution to communities and charities in Soweto, Ramaphosa and Tsakane	R351 688	Ekurhuleni and Johannesburg
702 CEO sleep out	Donation to Boys and Girls Town	R100 000	Boys/Girls Town
Christian youth job creation project	Creation of jobs for the youth	R50 000	
Alexander youth crisis centre	Bi-annual support of community events	R97 294	
MES golf day and MES concert	Contributions used for Johannesburg street kids and adults	R38 500	
Open Door golf day	Donations to crisis centre for counselling services and social support	R6 000	
Bed race	Midrand Round table	R13 500	
Total		R705 599	

DRDGOLD's total contribution to social projects and donations in FY2015 was R12 946 528.

BEYOND MINING

EBDA does not simply support the mining industry, which is the business of DRDGOLD and its operating company Ergo. Our board and management realises that simply creating jobs is no longer sufficient to solve the problems of unemployment. EBDA has therefore developed a comprehensive skills development initiative to focus on job 'creators', an approach that is central to building longer-term sustainable businesses.

ENTREPRENEURSHIP

An important means of job creation is by the development of small businesses. In order to develop entrepreneurs, EBDA has a service-level agreement with Lepharo that offers a three-year part-time entrepreneurship programme and covers the basic guidelines for small business start-up. The aim of the programme is to empower participants so they are able to establish sustainable small-, medium- and micro-enterprises (SMMEs). Graduates are also offered business coaching and support. Eighty-six SMMEs are currently participating in the incubation programme. Of these, 22 are undergoing training by EBDA as part of their initial entrepreneurial training.

ENTERPRISE CLUBS

The EBDA Enterprise Club programme is another project designed to promote the development of small businesses. The first phase was launched in January 2013 at three secondary schools on the East Rand and was completed successfully. All 36 learners have since successfully implemented revenue-generating projects. The programme was repeated in FY2014 for another 36 learners at the same schools, but the programme was suspended after the death of the facilitator. A new facilitator was appointed in February 2015 and an additional group of 14 school leavers joined the programme at the same time. At the time of writing, learners from the three schools had completed about 60% of the programme. The school leavers are in the final stage of the programme and about to submit their applications for finance.

The programme focuses on the basics of running a small business and includes simulations of business-related issues and problems. Successful entrepreneurs from the local townships also make presentations to the participants. Outside visits are arranged when possible e.g. JSE tour. The purpose of the programme is to instil an understanding of, and passion for entrepreneurship and self-employment. The nine-month programme is followed by a further two-year period of coaching and support.

MATHS, SCIENCE AND ACCOUNTING CENTRE OF EXCELLENCE

DRDGOLD's business relies on engineers and metallurgists and these disciplines require a strong grasp of mathematics and science. There is a critical shortage of school leavers with tertiary-level passes in these subjects in South Africa, and among those a rapidly declining standard of understanding and competence has been measured. These problems are carried forward from the school system into tertiary-level education.

In an effort to address this challenge, EBDA has instituted a Maths, Science and Accounting Centre of Excellence to provide maths, science and accounting support to students and teachers at schools on the East and West Rand.

East Rand:

- Tsakane Secondary School – maths, science and accounting;
- Tlakula High School – maths, science and accounting;
- Langaville Secondary School – maths, science and accounting; and
- Nkambula High School – accounting (until June 2014 only).

West Rand

- Namedi High School – maths and science; and
- Madibane High School – maths, science and accounting; and
- Fons Luminus – maths, science and accounting.

COMPARATIVE MATRIC RESULTS: MATHS AND SCIENCE

School name	Subject	Pass rate: calendar 2014	Pass rate: calendar 2013
Langaville	Mathematics	43	85
Langaville	Science	67	70
Tlakula	Mathematics	56	58
Tlakula	Science	72	70
Tsakane	Mathematics	45	70
Tsakane	Science	69	75

MATHS AND SCIENCE CENTRE OF EXCELLENCE: AVERAGE STUDENT NUMBERS FY2015

Subject	Grade 11	Total
Mathematics and science	655	655
Accountancy	328	328

In calendar 2014, a total of 624 learners from the six schools enrolled for these classes. However, the accountancy support programme was suspended from June to October 2014 due to the resignation of the facilitator. A new facilitator was appointed in October 2014.



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