

26 February 2018

Dear Shareholder

THE PROPOSED WRTRP ACQUISITION

We enclose for your kind attention the Circular detailing the proposed acquisition by DRDGOLD of Sibanye-Stillwater's West Rand Tailings Retreatment Project (WRTRP).

Included in the pack are the required Competent Person's Report, the Fair and Reasonable Opinion and a Notice convening a Special Meeting of Shareholders on 28 March 2018.

The threshold to carry the various resolutions to be tabled is high, so we ask that you take special notice of the various due dates to participate in the vote, and that you submit your proxy in time, should you not intend to attend the Special Meeting in person.

The prospect of acquiring roughly 250 million tonnes of gold bearing tailings that almost double our current reserve is, in itself, attractive. We were mindful from the outset, however, of the risk of diluting both earnings and value, and project execution risk. This ore reserve comes with existing plant and residue deposition infrastructure and can thus be developed and accessed by way of the staged approach we have explained previously, and which is detailed in the Circular.

This staged approach holds compelling embedded value with the 'alternative model' - essentially an extension of Phase 1 - offering a higher potential NPV than that of the entire WRTRP, should the numbers not support construction of a larger plant and tailings deposition facility, envisaged with Phase 2. The first phase should be up and running within 12 months of completion of the transaction, barring any unforeseen events.

The ore reserve also passes the quality check. It comprises first-generation dumps that have not been recycled before, with familiar geological characteristics, and an average gold grade higher than our existing reserve.

We will be hosting a number of information-sharing events between now and 15 March to provide further insights into the transaction and to answer questions you may have. Please check our website for details of our movements, and let us know if you want to talk to us.

We are excited about this project – it offers good value, as well as a compelling strategic regional advantage. We hope you will share in our excitement and support the transaction after reading the Circular.

Yours sincerely



Niël Pretorius

Chief Executive Officer



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