UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the fiscal year ended June 30, 2022**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT 1934**

Commission file number 0-28800

DRDGOLD LIMITED

(Exact name of Registrant as specified in its charter and translation of Registrant's name into English)

REPUBLIC OF SOUTH AFRICA

(Jurisdiction of incorporation or organization)

Constantia Office Park Cnr 14th Avenue and Hendrik Potgieter Road Cycad House, Building 17, Ground Floor Weltevreden Park 1709, South Africa

(Address of principal executive offices)

Riaan Davel, Chief Financial Officer, Tel. no. +27 11 470 2600, Email riaan.davel@drdgold.com

Mpho Mashatola, Group Financial Manager Tel. no. +27 11 470 2600, Email mpho.mashatola@drdgold.com

(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act

Title of each class:	**Trading symbol**	**Name of each exchange on which registered:**
Ordinary shares (traded in the form of American Depositary Shares, each American Depositary Share representing ten underlying ordinary shares.)	DRD	The New York Stock Exchange, Inc.

Securities registered or to be registered pursuant to Section 12(g) of the Act **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report. 864,588,711 ordinary shares of no par value outstanding as of June 30, 2022.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

If this report is an annual report or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Date File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☑ Non-accelerated filer ☐ Emerging growth company ☐

If any emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing. U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☑ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

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Preparation of Financial Information

We are a South African company and currently all our operations are located in South Africa. Accordingly, our books of account are maintained in South African Rand. Our financial statements included in our corporate filings are prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

Our consolidated financial statements included in this Annual Report are prepared in accordance with IFRS as issued by the IASB. All financial information in this Annual Report, except as otherwise noted is prepared in accordance with IFRS as issued by the IASB.

We present our financial information in rand, which is our presentation and reporting currency. All references to "dollars" or "$" herein are to United States Dollars and references to "rand" or "R" are to South African rands. Solely for your convenience, this Annual Report contains translations of certain rand amounts into dollars at specified rates. These rand amounts do not represent actual dollar amounts, nor could they necessarily have been converted into dollars at the rates indicated. Unless otherwise indicated, rand amounts have been translated into dollars at the rate of R16.27 per $1.00, the year end exchange rate on June 30, 2022.

In this Annual Report, we present certain non-IFRS financial measures such as "cash operating costs per kilogram", "all-in sustaining costs per kilogram" and "all-in costs per kilogram" which have been determined using industry guidelines promulgated by the World Gold Council, and which we use to determine costs associated with producing gold, cash generating capacities of the mines and to monitor performance of our mining operations. An investor should not consider these items in isolation or as alternatives to, operating costs, cash generated from operating activities, profit/(loss) for the year or any other measure of financial performance presented in accordance with IFRS or as an indicator of our performance. While the World Gold Council has provided definitions for the calculation of these measures, the calculation of cash operating costs per kilogram, all-in sustaining costs per kilogram and all-in costs per kilogram may vary significantly among gold mining companies, and these definitions by themselves do not necessarily provide a basis for comparison with other gold mining companies. See Glossary of Terms and Explanations and Item 5A. Operating Results – "Cash operating costs, all-in sustaining costs and all-in costs" and "Reconciliation of cash operating costs per kilogram, all-in sustaining costs per kilogram, all-in costs per kilogram".

DRDGOLD Limited

When used in this Annual Report, the term the "Company" refers to DRDGOLD Limited and the terms "we," "our," "us" or "the Group" refer to the Company and its subsidiaries as appropriate in the context.

Special Note Regarding Forward-Looking Statements

This Annual Report contains certain "forward-looking" statements within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934, regarding expected future events, circumstances, trends and expected future financial performance and information relating to us that are based on the beliefs of our management, as well as assumptions made by and information currently available to our management. Some of these forward-looking statements include phrases such as "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "should," or "will continue," or similar expressions or the negatives thereof or other variations on these expressions, or similar terminology, or discussions of strategy, plans or intentions, including statements in connection with, or relating to, among other things:

- our reserve calculations and underlying assumptions;
- the trend information discussed in Item 5D.- Trend Information, including target gold production and cash operating costs;
- life of mine and potential increase in life of mine;
- statements made in or with respect to the Technical Report Summaries ("**TRS**" or "**TRSs**") including statements with respect to Mineral Reserves and Resources and assumptions, gold prices, projected revenue and cash flows and capital expenditures and other forward looking statements in the TRSs;
- estimated future throughput capacity and production;
- expected trends in our gold production as well as the demand for and the price of gold;
- our anticipated labor, electricity, water, crude oil and steel costs;
- our expectation that existing cash will be sufficient to fund our operations in the next 12 months including our anticipated commitments;
- estimated production costs, cash operating costs per ounce, all-in sustaining costs per ounce and all-in costs per ounce;
- expectations on future gold price, supply and pricing trends, including long term trends, expected impact of the global environment on gold prices;
- expected gold production and cash operating costs expected in fiscal year 2023;
- statements with respect to agreements with unions;
- our prospects in litigation and disputes;
- statements with respect to the legal review for increasing the deposition capacity of the Brakpan/Withok Tailings Storage Facility ("**TSF**") and the Regional Tailings Storage Facility ("**RTSF**"), and expected potential increase in capacity and life of mine and statements with respect to our flotation fine-grind ("**FFG**") program;
- expected deposition capacity from improvements in our dams and new dam construction; and
- expected effective gold mining tax rate.

Such statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others:

- the global impact of the COVID-19 pandemic and potential new variants, including in South Africa;
- the global impact of Ukraine conflict and global inflation;
- adverse changes or uncertainties in general economic conditions in South Africa;
- regulatory developments adverse to us or difficulties in maintaining necessary licenses or other governmental approvals;
- future performance relating to the FWGR Phase 2 assets and the reclamation sites on the east of Ergo's plant;
- challenges in replenishing mineral reserves;
- changes in our competitive position;
- changes in, or that affect, our business strategy;
- that assumptions underlying our Mineral Reserves and Mineral Resources as set forth in this report and our TRSs prove to be incorrect;
- our ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions;
- the success of our business strategy, development activities and other initiatives;
- adverse changes in our gold production as well as the demand for and the price of gold;
- changes in technical and economic assumptions underlying our Mineral Reserve estimates;
- any major disruption in production at our key facilities;
- adverse changes in foreign exchange rates;
- adverse environmental or environmental regulatory changes;
- adverse changes in ore grades and recoveries, and to the quality or quantity of reserves;
- unforeseen technical production issues, industrial accidents and theft;
- anticipated or unanticipated capital expenditure on property, plant and equipment;
- the impact of HIV/AIDS, tuberculosis and the spread of other contagious diseases; and
- various other factors, including those set forth in Item 3D. Risk Factors.

For a discussion of such risks, see Item 3D. Risk Factors. The risk factors described above and in Item 3D. could affect our future results, causing these results to differ materially from those expressed in any forward-looking statements. These factors are not necessarily all of the important factors that could cause our results to differ materially from those expressed in any forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results.

Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date thereof. We do not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Annual Report or to reflect the occurrence of unanticipated events.

Special Note Regarding Links to External, or Third-party Websites

Any links to external, or third-party websites, are provided solely for convenience. We take no responsibility whatsoever for any third-party information contained in such third-party websites, and we specifically disclaim adoption or incorporation by reference of such information into this report and no websites are incorporated by reference into this report.

Imperial units of measure and metric equivalents

The table below sets forth units stated in this document, which are measured in Imperial and Metric.

Metric	Imperial	Imperial	Metric
1 metric tonne	1.10229 short tons	1 short ton	0.9072 metric tonnes
1 kilogram	2.20458 pounds	1 pound	0.4536 kilograms
1 gram	0.03215 troy ounces	1 troy ounce	31.10353 grams
1 kilometer	0.62150 miles	1 mile	1.609 kilometers
1 meter	3.28084 feet	1 foot	0.3048 meters
1 liter	0.26420 gallons	1 gallon	3.785 liters
1 hectare	2.47097 acres	1 acre	0.4047 hectares
1 centimeter	0.39370 inches	1 inch	2.54 centimeters
1 gram/tonne	0.0292 ounces/ton	1 ounce/ton	34.28 grams/tonnes
0 degree Celsius	32 degrees Fahrenheit	0 degrees Fahrenheit	- 18 degrees Celsius

Glossary of Terms and Explanations

The table below sets forth a glossary of terms used in this Annual Report:

Adjusted EBITDA	Adjusted EBITDA means earnings before interest, tax, depreciation, amortisation, share-based payment (benefit)/expense, change in estimate of environmental rehabilitation recognised in profit or loss, gain/(loss) on disposal of property, plant and equipment, gain/(loss) on financial instruments, IFRS 16 lease payments, exploration expenses and transaction costs, and retrenchment costs. This is a non-IFRS financial measure and should not be considered a substitute measure of net income reported by us in accordance with IFRS.
Administration expenses and other costs excluding non-recurring items	Administration expenses and other costs excluding loss on disposal of property, plant and equipment and transaction costs.
All-in sustaining costs per kilogram	All-in sustaining costs is a measure on which guidance is provided by the World Gold Council and includes cash operating costs of production, plus movement in gold in process on a sales basis, corporate administration expenses and other (costs)/income, the accretion of rehabilitation costs and sustaining capital expenditure. Costs other than those listed above are excluded. All-in sustaining costs per kilogram are calculated by dividing total all-in sustaining costs by kilograms of gold produced. This is a non-IFRS financial measure and should not be considered a substitute measure of costs and expenses reported by us in accordance with IFRS.
All-in costs per kilogram	All-in costs is a measure on which guidance is provided by the World Gold Council and includes all-in sustaining costs, retrenchment costs, care and maintenance costs, ongoing rehabilitation expenditure, growth capital expenditure and capital recoupments. Costs other than those listed above are excluded. All-in costs per kilogram are calculated by dividing total all-in costs by kilograms of gold produced. This is a non-IFRS financial measure and should not be considered a substitute measure of costs and expenses reported by us in accordance with IFRS.
Assaying	The chemical testing process of rock samples to determine mineral content.
Brakpan/Withok final life design	The Brakpan/Withok Tailings Storage Facility final life design is the engineering design that ultimately brings the tailings storage facility to its finality in terms of extent, operation, rehabilitation and management. The implemented final design would result in alignments with the Global Industry Standard on Tailings Management ("**GISTM**") and regulatory bodies, increase deposition capacity, improve operation/management and bring about the sustainable closure of the facility.
$/oz	US dollar per ounce.
Called gold content	The theoretical gold content of material processed.
Care and maintenance	Costs to ensure that the Ore Reserves are open, serviceable and legally compliant after active mining activity at a shaft has ceased.
Cash operating costs of production	Cash operating costs of production are operating costs less ongoing rehabilitation expenses, care and maintenance costs and net other operating costs/(income). This is a non-IFRS financial measure and should not be considered a substitute measure of costs and expenses reported by us in accordance with IFRS.
Cash operating costs per kilogram	Cash operating costs are operating costs incurred directly in the production of gold and include labor costs, contractor and other related costs, inventory costs and electricity costs. Cash operating costs per kilogram are calculated by dividing cash operating costs by kilograms of gold produced. This is a non-IFRS financial measure and should not be considered a substitute measure of costs and expenses reported by us in accordance with IFRS.
Cut-off grade	The grade (i.e., the concentration of metal or mineral in rock) that distinguishes material deemed to have no economic value from material deemed to have economic value.
CIL Circuit	Carbon-in-leach circuit.
Definitive Feasibility Study ("**DFS**")	A definitive engineering estimate of all costs, revenues, equipment requirements and production at a -5% to +10% level of accuracy. The study is used to define the economic viability of a project and to support the search for project financing.
Depletion	The decrease in the quantity of ore in a deposit or property resulting from extraction or production.
Deposition	Deposition is the geological process by which material is added to a landform or land mass. Fluids such as wind and water, as well as sediment flowing via gravity, transport previously eroded sediment, which, at the loss of enough kinetic energy in the fluid, is deposited, building up layers of sediment. Deposition occurs when the forces responsible for sediment transportation are no longer sufficient to overcome the forces of particle weight and friction, creating a resistance to motion.
Dilution	Waste or material below the cut-off grade that contaminates the ore during the course of mining operations and thereby reduces the average grade mined.
Doré	Unrefined gold and silver bullion bars consisting of approximately 90% precious metals which will be further refined to almost pure metal.
Footwall	The underlying side of a stope or ore body.
Grade	The amount of gold contained within auriferous material generally expressed in ounces per ton or grams per tonne of ore.
Growth capital expenditure	Capital additions that are not sustaining capital expenditure. This is a non-IFRS financial measure and should not be considered a substitute measure of costs and expenses reported by us in accordance with IFRS.
g/t	Grams per tonne.

Indicated Mineral Resources	That part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of adequate geological evidence and sampling. The level of geological certainty associated with an indicated Mineral Resource is sufficient to allow a qualified person to apply modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Because an indicated Mineral Resource has a lower level of confidence than the level of confidence of a measured Mineral Resource, an indicated Mineral Resource may only be converted to a probable Mineral Reserve.
Inferred Mineral Resources	That part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. The level of geological uncertainty associated with an inferred Mineral Resource is too high to apply relevant technical and economic factors likely to influence the prospects of economic extraction in a manner useful for evaluation of economic viability. Because an inferred Mineral Resource has the lowest level of geological confidence of all Mineral Resources, which prevents the application of the modifying factors in a manner useful for evaluation of economic viability, an inferred Mineral Resource may not be considered when assessing the economic viability of a mining project and may not be converted to a Mineral Reserve.
Measured Mineral Resources	That part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of conclusive geological evidence and sampling. The level of geological certainty associated with a measured Mineral Resource is sufficient to allow a qualified person to apply modifying factors, in sufficient detail to support detailed mine planning and final evaluation of the economic viability of the deposit. Because a measured Mineral Resource has a higher level of confidence than the level of confidence of either an indicated Mineral Resource or an inferred Mineral Resource, a measured Mineral Resource may be converted to a proven Mineral Reserve or to a probable Mineral Reserve.
Metallurgical plant	A processing plant (mill) erected to treat ore and extract the contained gold.
Mineral Reserves	An estimate of tonnage and grade or quality of indicated and measured Mineral Resources that, in the opinion of the qualified person, can be the basis of an economically viable project. More specifically, the economically mineable part of a measured or indicated Mineral Resource, which includes diluting materials and allowances for losses that may occur when the material is mined or extracted.
Mineral Resources	A concentration or occurrence of material of economic interest in or on the Earth's crust in such form, grade or quality, and quantity that there are reasonable prospects for economic extraction. A Mineral Resource is a reasonable estimate of mineralization, taking into account relevant factors such as cut-off grade, likely mining dimensions, location or continuity, that, with the assumed and justifiable technical and economic conditions, is likely to, in whole or in part, become economically extractable. It is not merely an inventory of all mineralization drilled or sampled.
Mine call factor	The gold content recovered expressed as a percentage of the called gold content.
Modifying factors	The factors that a qualified person must apply to indicated and measured Mineral Resources and then evaluate in order to establish the economic viability of Mineral Reserves. A qualified person must apply and evaluate modifying factors to convert measured and indicated Mineral Resources to proven and probable Mineral Reserves. These factors include, but are not restricted to: Mining; processing; metallurgical; infrastructure; economic; marketing; legal; environmental compliance; plans, negotiations, or agreements with local individuals or groups; and governmental factors. The number, type and specific characteristics of the modifying factors applied will necessarily be a function of and depend upon the mineral, mine, property, or project
Mt	Million tons.
Ore	A mixture of valuable and worthless materials from which the extraction of at least one mineral is technically and economically viable.
Other operating costs / (income)	Expenses incurred, and income generated in the course of operating activities, which are not directly attributable to production activities.
Operating costs	Operating costs are cost of sales less depreciation, change in estimate of rehabilitation provision, movement in gold in process and finished inventory – gold bullion, ongoing rehabilitation expenditure, care and maintenance, other operating income and retrenchment costs.
oz/t	Ounces per ton.
Prefeasibility study ("**PFS**")	A comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the modifying factors and the evaluation of any other relevant factors which are sufficient for a competent person, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral Reserve at the time of reporting. A prefeasibility study is at a lower confidence level than a feasibility study.
Proven Mineral Reserves	The economically mineable part of a measured Mineral Resource and can only result from conversion of a measured Mineral Resource and can only result from conversion of a measured Mineral Resource.
Probable Mineral Reserves	The economically mineable part of an indicated and in some cases, a measured Mineral Resource.
Qualified Person	An individual who is a mineral industry professional with at least 5 years of relevant experience in the type of mineralization and type of deposit under consideration and in the specific type of activity that person is undertaking on behalf of the registrant, and an eligible member or licensee in a good standing of a recognized professional organization at the time the technical report is prepared.
Refining	The final purification process of a metal or mineral.

Rehabilitation	The process of restoring mined land to a condition approximating its original state.
Reserves	That part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination.
Sediment	The deposition of solid fragmental material that originated from weathering of rocks and was transported from a source to a site of deposition.
Slimes	The tailings discharged from a processing plant after the valuable minerals have been recovered.
Sustaining capital expenditure	Sustaining capital expenditure are those capital additions that are necessary to maintain current gold production. This is a non-IFRS financial measure and should not be considered a substitute measure of costs and expenses reported by us in accordance with IFRS.
T'000	Tonnes in thousands.
Tailings	Finely ground rock from which valuable minerals have been extracted by milling, or any waste rock, slimes or residue derived from any mining operation or processing of any minerals.
Tailings dam	A dam created from waste material of processed ore after the economically recoverable gold has been extracted.
Tonnage/Tonne	Quantities where the metric tonne is an appropriate unit of measure. Typically used to measure reserves of gold-bearing material in-situ or quantities of ore and waste material mined, transported or milled.
Tpm	Tonne per month.
Yield	The amount of recovered gold from production generally expressed in ounces or grams per ton or tonne of ore.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

3A. [Reserved]

3B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

3C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

3D. RISK FACTORS

In conducting our business, we face many risks that may interfere with our business objectives. Some of these risks relate to our operational processes, while others relate to our business environment. It is important to understand the nature of these risks and the impact they may have on our business, financial condition and operating results. Some of these risks are summarized below and have been organized into the following categories:

- Risks related to our business and operations;
- Risks related to the gold mining industry;
- Risks related to doing business in South Africa;
- Risks related to climate change;
- Risks related to government regulation; and
- Risks related to ownership in our ordinary shares or American Depositary Shares (ADSs).

Risks related to our business and operations

Changes in the market price for gold and exchange rate fluctuations, both of which have fluctuated widely in the past, affect the profitability of our operations and the cash flows generated by those operations.

Our results are significantly impacted by the price of gold and the USD-Rand exchange rate. Any sustained decline in the market price of gold from the current levels would adversely affect us, and any sustained decline in the price of gold below the cost of production could result in the closure of some or all of our operations which would result in significant costs and expenditure, such as, incurring retrenchment costs earlier than expected which could lead to a decline in profits, or losses, as well as impairment losses. In addition, as most of our production costs are in rands, while gold is sold in dollars and then converted to rands, our results of operation and financial condition have been and could be in the future materially affected by an appreciation in the value of the rand. Accordingly, any sustained decline in the dollar price of gold and/or the strengthening of the South African rand against the dollar would negatively and adversely affect our business, operating results and financial condition.

In the wake-of the COVID-19 pandemic and measures taken to address the outbreak, there has been a global trend of investors turning to gold and gold stocks as a safe haven asset, as has been the case in previous times of global economic crisis. This has led to a surge in the average gold price during fiscal 2020 and fiscal 2021. Although the impact of the COVID-19 pandemic has diminished and the gold prices have marginally decreased, the average gold price for fiscal 2022 remained high due to continued economic uncertainty as the global economies attempt to recover from all the after effects of COVID19 and deal with, the conflict in Ukraine and rapidly rising inflation. In addition, we are impacted by movements in the exchange rate of the rand against the dollar as described below.

Exchange rates are influenced by global economic trends. The closing exchange rate of the rand against the dollar at June 30, 2022 weakened by 14% compared to June 30, 2021. The closing price of the rand against the dollar at June 30, 2021 strengthened by 18% compared to June 30, 2020. At September 30, 2022, the rand traded at R18.15 = $1.00 (based on closing rates), a 12% weakening of the rand against the Dollar from June 30, 2022 as the dollar strengthened as a result of quantitative tightening and the raising of interest rates by the US Federal Reserve. The rand/dollar exchange rate was volatile throughout the fiscal year 2022 mainly as a result of global, emerging market and South Africa economic uncertainty including uncertainties resulting from the global economic slowdown sentiment, rapidly rising global inflation, geopolitical tensions in Ukraine, perceived political and economic instability, structurally weak economic growth of the South African economy exacerbated by increasing loadshedding by power utility Eskom Holdings SOC Limited ("**Eskom**") as it battles with supply.

A decrease in the dollar gold price and/or a strengthening of the rand against the dollar results in a decrease in our profitability. If the rand was to appreciate against the dollar or the gold price were to decrease for a continued time, our operations could experience a reduction in cash flow and profitability, and this would adversely affect our business, operating results and financial condition.

We typically do not enter into forward contracts to reduce our exposure to market fluctuations in the dollar gold price or the exchange rate movements of the rand. Up to April 11, 2022 we sold gold at spot prices based on the afternoon London Bullion Market fixing price on the day when Rand Refinery, acting as an agent for the sale of all gold produced by the Group, delivers the Gold to the buyer. Our foreign currency was usually sold at the spot price in the market on the date of trade. Subsequent to April 11, 2022 gold is sold at a dollar gold price and spot exchange rate specified in a contract with the South African bullion banks to deliver the gold at a specified settlement date. If the dollar gold price should fall and/or the rand should strengthen against the dollar, this would adversely affect us, and we may experience losses, and if these changes result in revenue below our cost of production and remain at such levels for any sustained period, we may be forced to curtail or suspend some or all our operations.

A failure to acquire new Mineral Reserves could negatively affect our future cash flows, results of operations and financial condition.

New or ongoing exploration programs may be delayed or may not result in new mineral producing operations that will sustain or increase our Mineral Reserves. A failure to acquire new Mineral Reserves in sufficient quantities and quality to maintain or grow the current level and quality of our reserves will negatively affect our future cash flow, results of operations and financial condition. In addition, if we are unable to identify Mineral Reserves that have reasonable prospects for economic extraction while maintaining sufficient controls on production and other costs, this will have a material effect on the future viability of our operations.

If we are not successful in increasing reserves in future years, our reserves could decrease, and such reduction would adversely affect our business, operating results and financial condition.

We may be unable to make desirable acquisitions or to integrate successfully any businesses we acquire, including the development of Phase 2 of the FWGR assets acquired from Sibanye-Stillwater.

Our future success may depend in part on the acquisition of businesses or technologies intended to complement, enhance or expand our current business or products or that might otherwise offer us growth opportunities. Our ability to complete such transactions may be hindered by a number of factors, including identifying acquisition targets, obtaining necessary financing and potential difficulties in obtaining government approvals. Any acquisitions we make, could fail to achieve our financial or strategic objectives or disrupt our ongoing business which could adversely impact our results of operations.

Any acquisition that we do make would pose risks related to the integration of the new business or technology with our business and organization. We cannot be certain that we will be able to achieve the benefits we expect from a particular acquisition or investment. Acquisitions may also strain our managerial and operational resources, as the challenge of managing new operations may divert our management from day-to-day operations of our existing business. Furthermore, we may have difficulty integrating employees, business systems, and technology. The controls, processes and procedures of acquired businesses may also not adequately ensure compliance with laws and regulations and we may fail to identify compliance issues or liabilities. Our business, financial condition and results of operations may be materially and adversely affected if we fail to coordinate our resources effectively to manage both our existing operations and any businesses we acquire. Acquisitions can also result in unforeseen liabilities.

Moreover, our resources are limited and our decision to pursue a transaction has opportunity costs; accordingly, if we pursue a particular transaction, we may need to forgo the prospect of entering into other transactions that could help us achieve our financial or strategic objectives.

Limited deposition capacity

Our operations are based on ultra-volume and almost nano-gold extraction. The volume of reclaimed material delivered has one of the most profound impacts on the gold output of our metallurgical plants. The large volumes of material that are processed at our operations are deposited on tailings facilities which have a finite capacity. Alternative facilities will be required to ensure adequate deposition capacity for the current life of mine and for the future. Key projects to increase such a deposit capacity include the development of the regional tailings storage facility as part of Phase 2 FWGR project or identifying interim alternate deposition facilities as well as obtaining regulatory approvals for the Brakpan/Withok TSF final design at Ergo. However, their products may not be successful or sufficient to maintain or increase deposit capacity**.**

Our large projects, most notably the development of FWGR Phase 2, the Solar Plant Project and Brakpan/Withok TSF final life design implementation to enable mining on the east of the Ergo plant, are subject to schedule delays and cost overruns, and we may face constraints in financing our existing projects or new business opportunities, which could render our projects unviable or less profitable than planned.

The development of our projects are capital intensive processes carried out over long durations and requires us to commit significant capital expenditure and allocate considerable management resources in utilizing our existing experience and know-how.

Projects like the development of Phase 2 of the FWGR assets acquired from Sibanye-Stillwater, the Solar Plant Project and the implementation of the Brakpan/Withok TSF final life design are subject to the risk of delays, regulatory approvals and cost overruns which are inherent in any large construction project including, *inter alia*:

- shortages or unforeseen increases in the cost of equipment, labor and raw materials;
- unforeseen design and engineering problems;
- changes in construction plans that may require new or amended planning permissions;
- unforeseen construction problems;
- unforeseen delays commissioning sections of the project;
- inadequate phasing of activities;
- labor disputes;
- inadequate workforce planning or productivity of workforce;
- inadequate management practices;
- natural disasters and adverse weather conditions;
- national work stoppages as a result of infectious deceases and pandemics;
- failure or delay of third-party service providers; and
- changes to regulations, such as environmental regulations.

We also face the risk that expected benefits of our projects are not achieved.

The Phase 2 definitive feasibility study was completed in the 3rd quarter of fiscal year 2021, however regulatory approval still needs to be obtained for the submitted amended design. It is therefore anticipated that the construction of the Regional Storage Facility, related to Phase 2, will commence in fiscal year 2031. As the Driefontein 4 TSF is expected to reach full capacity during fiscal year 2025, whereafter the depositional rate would have to decrease materially. Plans are in place to redirect material to Sibanye Gold's Leeudoorn TSF until the Regional Storage Tailings Facility is ready for commissioning expected in fiscal year 2031.

Ergo is currently developing a Solar Power Plant to reduce its reliance on Eskom and to reduce its future cost of electricity ("**the Solar Plant**"). The Solar Plant definitive feasibility study was completed during fiscal year 2022 and is currently under development. A significant capital investment is needed to complete the project. It is estimated that benefit from the project in reduced electricity costs and reduced carbon footprint will start to materialize from April 2023 onwards.

Regulatory approvals for the final life design of the Brakpan/Withok TSF are yet to be obtained. The implementation of the final life design is expected to be crucial in the increase of the life of mine of Ergo as it will accommodate material in toward the east of the Ergo plant.

In addition, if the assumptions we make in assessing the viability of our projects, including those relating to commodity prices, exchange rates, interest rates, inflation rates and discount rates, prove to be incorrect or need to be significantly revised, this may adversely affect the profitability or even the viability of our projects. The uncertainty and volatility in the gold market makes it more difficult to accurately evaluate the project economics and increases the risk that the assumptions underlying our assessment of the viability of the project may prove incorrect.

As the development of FWGR, the Solar Power Project and the implementation of the final life design Brakpan/Withok TSF are particularly material to DRDGOLD, significant cost overruns or adverse changes in assumptions affecting the viability of these projects could have a material adverse effect on our business, cash flows, financial condition and prospects.

Our operating cash flow and available banking facilities may be insufficient to meet our capital expenditure plans and requirements, depending on the timing and cost of development of our existing projects and any further projects we may pursue. As a result, new sources of capital may be needed to meet the funding requirements of these projects and to fund ongoing business activities. Our ability to raise and service significant new sources of capital will be a function of, *inter alia*, macroeconomic conditions, rising cost of debt, our credit rating, our gearing and other risk metrics, the condition of the financial markets, future gold prices, the prospects for our industry, our operational performance and operating cash flow and debt position.

In the event of operating or financial challenges, any dislocation in financial markets or new funding limitations, our ability to pursue new business opportunities, invest in existing and new projects, fund our ongoing business activities and pay dividends, could be constrained, any of which could have a material adverse effect on our business, operating results cash flows and financial condition.

We may not be able to meet our cash requirements because of a number of factors, many of which are beyond our control.

Management's estimates on future cash flows are subject to risks and uncertainties, such as the rand gold price, production volumes, recovered grades and costs. Management is estimating a significant capital investment in major projects in the next few years. If we are unable to meet our cash requirements out of cash flows generated from our operations, we would need to fund our cash requirements from financing sources and any such financing may not be permitted under the terms of our financing arrangements or may not be possible on attractive terms or at all due to rising interest rates, or may not be available on acceptable terms, or at all. If we do not generate sufficient cash flows or have access to adequate financing, our ability to respond to changing business and economic conditions, make future acquisitions, react to adverse operating results, meet our debt service obligations and fund required capital expenditures or meet our working capital requirements may be adversely affected.

Any interruption in gold production at any of our two mining operations generating cash flows, will have an adverse effect on the Company.

We have two mining operations generating cash flows, namely Ergo and FWGR. Ergo's reclamation sites, processing plants, pump stations and the Brakpan/Withok TSF are linked through pipeline infrastructure. The Ergo plant is currently our major processing plant. FWGR's reclamation site, DP2 processing plant, pump stations and the Driefontein 4 Tailings Storage Facility are linked through pipeline infrastructure.

Our reclamation sites, plants, pipelines infrastructure and the deposition/storage facilities are exposed to numerous risks, including operational down time due to planned or unplanned maintenance and load shedding or power dips, destruction of infrastructure, spillages, higher than expected operating costs, or lower than expected production as a result of decreases in extraction efficiencies due to imbalances in the metallurgical process as well as inconsistent volume throughput or other factors.

Our FWGR operations are reliant on the use and access to Sibanye-Stillwater's mining infrastructure, related services including the smelting and recovery of gold from gold loaded carbon produced at FWGR as well as the use of various rights, permits and licenses held by Sibanye Gold pursuant to which FWGR operates, pending the transfer to FWGR of those that are transferable. Any disruption in the supply of, or our ability to use and access the Sibanye-Stillwater mining infrastructure, related services and rights, permits and licenses, could have an adverse impact on our operations.

Any of the risks above or weather conditions or other interruptions could adversely impact our operations which could have a material adverse effect on our business, operating results and financial condition.

Flooding at our discontinued underground operations may cause us to incur liabilities for environmental damage.

If the rate of rise of water is not controlled, water from our abandoned underground mining areas and active TSFs could potentially rise and come into contact with naturally occurring underground water or decant into surrounding underground mining areas and could ultimately also rise to surface. Progressive flooding of these abandoned underground mining areas and surrounding underground mining areas could eventually cause the discharge of polluted water to the surface and to local water sources.

Should underground water levels not reach a natural subterranean equilibrium, and if underground water rises to the surface, we may face claims relating to environmental damage. Any such claims may have a material adverse effect on our business, operating results and financial condition.

An increase in production costs could have an adverse effect on our results of operations.

An increase in our production costs will impact our results of operations. Production costs are affected by, *inter alia*:

- rising global and national inflation;
- labor stability, productivity and increases in labor costs;
- increases in electricity and water prices;
- increases in crude oil and steel prices;
- changes in regulation;
- unforeseen changes in ore grades and recoveries;
- unexpected changes in the quality or quantity of reserves;
- technical production issues;
- availability and cost of smelting and refining arrangements;
- environmental and industrial accidents;
- gold theft;
- shortages or availability of materials used in production;
- environmental factors; and
- pollution.

Our production costs consist mainly of materials including reagents and steel, labor, electricity, specialized service providers, machine hire, security, water, fuels, lubricants and other oil and petroleum-based products. Production costs have in the past, and could in the future, increase at rates in excess of our annual inflation rate and impact our results of operation and can result in the restructuring of these operations at substantial cost.

The transitional arrangement regarding wage increases with the workforce at FWGR when these employees were incorporated into DRDGOLD have now come to an end. A three-year wage agreement was reached with organized labor at FWGR in November 2021 and wage negotiations are currently under way at the ERGO operations after the previous extended agreement came to an end on June 30, 2022. A new wage agreement was concluded after June 30, 2022.

Increases in production costs, if material, will adversely impact our results of operations. In addition, any initiatives that we pursue to reduce costs, such as reducing our reliance on Eskom's grid through self-generation of power, for example through the Solar Power project at Ergo, reducing our labor force, a reduction of the corporate overhead, negotiating lower price increases for consumables and cost controls may not be successful or sufficient to offset the increases affecting our operations and could adversely affect our business, operating results and financial condition.

Uncertainties regarding the impact of the COVID-19 pandemic and potential new variants could impact current and future operations

The risk related to the impact of the COVID-19 pandemic is not isolated to health and safety for our employees and disruptions to our operations, but has manifested as a risk in terms of social stability as well as economic activity and growth both in South Africa and globally. The national state of disaster imposed by the South African Government ended on April 4, 2022, which reduced the overall risk related to the pandemic. We continue to monitor the risk related to the COVID-19 pandemic and have measures in place to react in the case that the COVID-19 pandemic worsens.

We have benefitted from the increase in dollar gold prices and weakening of the rand/dollar exchange rate driven at least in part by the impact of the COVID-19 pandemic. Dollar gold prices may decrease and the rand/dollar exchange rate may strengthen as the global impact of the COVID-19 pandemic is alleviated.

Uncertainties regarding supply chain

The global economic environment, geopolitical tensions as well as inflationary pressures worldwide have highlighted the interdependencies of supply chains. The risk of dependency on key suppliers requires ongoing focus and proactive management. The unavailability of critical material such as reagents and critical equipment may affect production and operating costs resulting in loss of revenue. Delays in supplies, freight costs and higher than inflationary increases for capital equipment are crucial elements for new projects.

Our operations are subject to extensive environmental regulations which could impose significant costs and liabilities.

Our operations are subject to increasingly extensive laws and regulations governing the protection of the environment under various state, provincial and local laws, which regulate air and water quality, hazardous waste management and environmental rehabilitation and reclamation. Our mining and related activities have the potential to impact the environment, including land, habitat, streams and environment near the mining sites. Failure to comply with environmental laws or delays in obtaining, or failures to obtain government permits and approvals may adversely impact our operations. In addition, the regulatory environment in which we operate could change in ways that could substantially increase costs of compliance, resulting in a material adverse effect on our profitability.

We have incurred, and expect to incur in the future, expenditures to comply with these environmental laws and regulations. We have estimated our aggregate group Provision for Environmental Rehabilitation at a net present value of R517.7 million which is included in our statement of financial position as at June 30, 2022 (Refer to Item 18. ''Financial Statements - Note 11 – Provision for environmental rehabilitation"). However, the ultimate amount of rehabilitation costs may in the future exceed the current estimates due to factors beyond our control, such as changing legislation, higher than expected cost increases, or unidentified rehabilitation costs. We used to fund these environmental rehabilitation costs by making contributions over the life of the mine to environmental trust funds or funds held in insurance instruments established for our operations. During fiscal year 2022 we changed the method of provision to funds held in insurance products. If any of our operations are prematurely closed, the rehabilitation funds may be insufficient to meet all the rehabilitation obligations of those operations. The closure of mining operations, without sufficient financial provision for the funding of rehabilitation liabilities, or unacceptable damage to the environment, including pollution or environmental degradation, may expose us and our directors to prosecution, litigation and potentially significant liabilities.

Damage to tailings dams and excessive maintenance and rehabilitation costs could result in lower production and health, safety and environmental liabilities.

Our tailings facilities are exposed to numerous risks and events, the occurrence of which may result in the failure, breach or damage of such a facility. These may include sabotage, failure by our employees to adhere to the codes of practice and natural disasters such as excessive rainfall and seismic events, any of which could force us to stop or limit operations. This is further impacted and expected to intensify with the effects of climate change. In addition, the dams could overflow or a side wall could collapse and the health and safety of our employees and communities living around these dams could be jeopardized. In the event of damage to our tailings facilities, our operations will be adversely affected and this in turn could have a material adverse effect on our business, operating results and financial condition.

Due to the nature of our business, our operations face extensive health and safety risks and regulation of those risks.

Gold mining is exposed to numerous risks and events, the occurrence of which may result in the death of, or personal injury, to employees. According to section 54 of the Mine, Health and Safety Act of 1996, if an inspector believes that any occurrence, practice or condition at a mine endangers or may endanger the health or safety of any person at the mine, the inspector may give any instruction necessary to protect the health or safety of persons at the mine. These instructions could include the suspension of operations at the whole or part of the mine. Health and safety incidents could lead to mine operations being halted and that will increase our unit production costs, which could have a material adverse effect on our business, operating results and financial condition.

Events may occur for which we are not insured which could affect our cash flows and profitability.

Because of the nature of our business, we may become subject to liability for pollution or other hazards against which we are unable to insure or are not insured, including those in respect of past mining activities. Our existing property, business interruption and other insurance contains certain exclusions and limitations on coverage. The insured value for property and loss of profits due to business interruption is R14.7 billion, with a total loss limit of R1 billion for Ergo and R650 million for FWGR for the 2023 fiscal year. Business interruption is only covered from the time the loss occurs and is subject to time and amount deductibles that vary between categories. To cover legal liability to third parties for damage, injury, illness or death a total of R1 billion insurance cover is in place for the 2023 fiscal year, subject to certain exclusions and limitations on coverage.

Insurance coverage may not cover the extent of claims brought against us, including claims for environmental, industrial or pollution related accidents, for which coverage is not available. If we are required to meet the costs of claims, which exceed our insurance coverage, this could have a material adverse effect on our business, operating results and financial condition.

If we are unable to attract and retain key personnel our business may be harmed.

The success of our business will depend, in large part, upon the skills and efforts of a small group of management and technical personnel including the positions of Chief Executive Officer and Chief Financial Officer. In addition, we compete with mining and other companies on a global basis to attract and retain key human resources at all levels with appropriate technical skills and operating and managerial experience necessary to operate the business. Factors critical to retaining our present staff and attracting additional highly qualified personnel include our ability to provide these individuals with competitive compensation arrangements, and other benefits. If we are not successful in retaining or attracting highly qualified individuals in key management positions, our business may be harmed. We do not maintain "key man" life insurance policies on any members of our executive team. The loss of any of our key personnel could delay the execution of our business plans, which may result in decreased production, increased costs and decreased profitability.

We are subject to operational risks associated with our flotation and fine-grind (FFG) project.

Our flotation and fine-grind project, implemented in fiscal year 2014, is designed to improve extraction efficiencies.

Certain components of the FFG were temporarily halted in the first quarter of fiscal year 2020 to perform an evaluation and compare the additional revenues earned from additional gold extracted from the most recently integrated reclamation sites compared to the cost incurred to operate the FFG circuit. The remaining components of the FFG continue to operate. Testing on the newly integrated material has suggested that some of these halted components will only operate in subsequent years once the related reclamation sites have been brought online in accordance with the current life of mine plan for ERGO. These halted components are classified as idle assets until they are brought back into operation as described. The success of the FFG is directly dependent on the material type and material mix processed through it. Therefore, the halted components will remain idle pending the continuation and conclusion of various test work regarding the material type and material mix of future reclamation sites. Firm decisions have also not yet been made by the executive committee and the Board of Directors on the future of the FFG. We remain subject to operations risks relating to the FFG project.

A disruption in our information technology systems, including incidents related to cyber security, could adversely affect our business operations.

We rely on the accuracy, availability and security of our information technology systems. Despite the measures that we have implemented, including those related to cyber security, our systems could be breached or damaged by computer viruses and systems attacks, natural or man-made incidents, disasters or unauthorized physical or electronic access.

Any system failure, accident or security breach could result in business disruption, theft of our intellectual property, trade secrets (including our proprietary technology), unauthorized access to, or disclosure of, personnel or supplier information, corruption of our data or of our systems, reputational damage or litigation. We may also be required to incur significant cost to protect against or repair the damage caused by these disruptions or security breaches in the future, including, for example, rebuilding internal systems, implementing additional threat protection measures, defending against litigation, responding to regulatory inquiries or actions, paying damages, or taking other remedial steps with respect to third parties.

These threats are constantly evolving, thereby increasing the difficulty of successfully defending against them or implementing adequate preventative measures and we remain subject to additional known or unknown threats. In some instances, we may be unaware of an incident or its magnitude and effects. We may be susceptible to new and emerging risks, including cyber-attacks and phishing, in the evolving landscape of cybersecurity threats. Given the increasing sophistication and evolving nature of these threats, DRDGOLD cannot rule out the possibility of them occurring in the future. An extended failure of critical system components, caused by accidental, or malicious actions, including those resulting from a cyber security attack, could result in a significant environmental incident, commercial loss or interruption to operations.

In addition, from time to time, we implement updates to our information technology systems and software, which can disrupt or shutdown our information technology systems. Information technology system disruptions, if not appropriately addressed or mitigated, could have a material adverse effect on our operations.

Risks related to the gold mining industry

A change in the dollar price of gold, which in the past has fluctuated widely, is beyond our control.

Historically, the gold price has fluctuated widely and is affected by numerous industry factors over which we have no control including:

- a significant amount of above-ground gold in the world that is used for trading by investors;
- the physical supply of gold from world-wide production and scrap sales, and the purchase, sale or divestment by central banks of their gold holdings;
- the demand for gold for investment purposes, industrial and commercial use, and in the manufacturing of jewelry;
- speculative trading activities in gold;
- the overall level of forward sales by other gold producers;
- the overall level and cost of production of other gold producers;
- international or regional political and economic events or trends;
- the strength of the dollar (the currency in which gold prices generally are quoted) and of other currencies;
- financial market expectations regarding the rate of inflation;
- interest rates;
- gold hedging and de-hedging by gold producers; and
- actual or expected gold sales by central banks and the International Monetary Fund.

During fiscal year 2022 the gold price reached a high of U$2,070 per ounce and a low of U$1,684. We benefited from a sustained high gold price due to slow global economic recovery, economic uncertainty and geopolitical tensions.

Investors globally, as they have in so many previous times of crisis, turned to gold and gold stocks as a safe haven asset, leading to a sustained high gold price for fiscal 2022 after the highs experienced in fiscal 2021. The rand/dollar exchange rate remained volatile throughout fiscal 2022 mainly as a result of economic uncertainty and perceived political instability, increase of interest rates by the US Federal Reserve as they attempt to reduce inflation, global market slowdown sentiment, Ukraine conflict, tensions between the USA and China, low economic growth and increased load shedding from Eskom as it struggles to keep up with demand., and a continually distressed Eskom. Further volatility in the Rand was fueled by Moody's upgrading of South Africa's sovereign credit rating to stable after the rating was downgraded to sub-investment grade in fiscal 2021.

The factors mentioned above could put negative pressure on the price of gold or the rand/dollar exchange rate in the future. Our profitability may be negatively impacted by a decline in the gold price as we incur losses when revenue from gold sales drops below the cost of production for an extended period.

The exploration of mineral properties is highly speculative in nature, involves substantial expenditures, and is frequently unproductive.

Exploration is highly speculative in nature and requires substantial expenditure for drilling, sampling and analysis of ore bodies to quantify the extent of the gold reserve. Many gold exploration programs, including some of ours, do not result in the discovery of mineralization and any mineralization discovered may not be of sufficient quantity or quality to be mined profitably. If we discover a viable deposit, it usually takes several years from the initial phases of exploration until production is possible. During this time, the economic feasibility of production may change.

Moreover, we rely on the evaluations of professional geologists, geophysicists, and engineers for estimates in determining whether to commence or continue mining. These estimates generally rely on scientific and economic assumptions, which in some instances may not be correct, and could result in the expenditure of substantial amounts of money on a deposit before it can be determined with any degree of accuracy whether the deposit contains economically recoverable mineralization. Uncertainties as to the metallurgical recovery of any gold discovered may not warrant mining based on available technology.

Our future growth and profitability will depend, in part, on our ability to identify and acquire additional mineral rights, and on the costs and results of our continued exploration and development programs. Our business focuses mainly on the extraction of gold from tailings, which is a volume driven exercise. Only significant deposits within proximity of services and infrastructure that contain adequate gold content to justify the significant capital investment associated with plant, reclamation and deposition infrastructure are suitable for exploitation in terms of our model. There is a limited supply of these deposits which may inhibit exploration and developments, especially in a declining gold price environment.

Because of these uncertainties, we may not successfully acquire additional mineral rights, or identify new Proven and Probable Ore Reserves in sufficient quantities to justify commercial operations in any of our operations. The costs incurred on exploration activities that do not identify commercially exploitable reserves of gold are not likely to be recovered and therefore are likely to be impaired.

There is inherent uncertainty in Mineral Reserves and Mineral Resources estimates.

Our Mineral Reserve and Mineral Resources figures described in this document are the best estimates of our current management as of the dates stated and are reported in accordance with the requirements of the SEC's Regulation S-K (Subpart 1300). These estimates may not reflect actual Mineral Reserves and Mineral Resources or future production.

Should we encounter mineralization or formations different from those predicted by past drilling, sampling and similar examinations, reserve estimates may have to be adjusted and mining plans may have to be altered in a way that might ultimately cause our reserve estimates to decline. Moreover, if the rand price of gold declines, or stabilizes at a price that is lower than recent levels, or those assumed in our mining plans, or if our labor, water, steel, electricity and other production costs increase or recovery rates decrease, it may become uneconomical to recover Mineral Reserves and Mineral Resources, particularly those containing relatively lower grades of mineralization. Under these circumstances, we would be required to re-evaluate our Mineral Reserves and Mineral Resources. Short-term operating factors relating to the ability to reclaim our Mineral Reserves, at the required rate, such as an interruption or reduction in the supply of electricity, limited deposition capacity or a shortage of water may have the effect that we are unable to achieve critical mass, which may render the recovery of Mineral Reserve, or parts of the Mineral Reserve no longer feasible, which could negatively affect production rate and costs and decrease our profitability during any given period. Estimates of Mineral Reserves and Mineral Resources are based on drilling results and because unforeseen conditions may occur in these mine dumps that may not have been identified by the drilling results, the actual results may vary from the initial estimates. These factors have in the past and could in the future result in reductions in our Mineral Reserves and Mineral Resources estimates and as a result, our production, which could in turn adversely impact the total value of our mining asset base and our business, operating results and financial condition.

Gold mining is susceptible to numerous events that could have an adverse impact on a gold mining business.

The business of gold mining is exposed to numerous risks and events, the occurrence of which may result in the death of or personal injury to employees, the loss of mining and reclamation equipment, damage to or destruction of mineral properties or production facilities, monetary losses, delays in production, environmental damage, loss of the license to mine and potential legal claims. The risks and events associated with the business of gold mining include:

- environmental hazards and pollution, including dust generation, toxic chemicals, discharge of metals, pollutants, radioactive materials and other hazardous material into the air and water;
- flooding, landslides, sinkhole formation, ground subsidence, ground and surface water pollution and waterway contamination;
- a decrease in labor productivity due to labor disruptions, work stoppages, disease, slowdowns or labor strikes;
- unexpected decline of ore grade;
- metallurgical conditions or lower than expected gold recovery;
- failure of unproven or evolving technologies;
- mechanical failure or breakdowns and ageing infrastructure;
- energy and electrical power supply interruptions;
- availability of water;

- injuries to employees or fatalities due to falls from heights and accidents relating to mobile machinery or electrocution or other causes;
- activities of illegal or artisanal miners;
- material and equipment availability;
- legal and regulatory restrictions and changes to such restrictions;
- social or community disputes or interventions;
- accidents caused from the collapse of tailings dams;
- pipeline failures and spillages;
- safety-related stoppages; and
- corruption, fraud and theft including gold bullion theft.

The occurrence of any of these hazards could delay production, result in losses, or increase production costs or decrease earnings and may result in significant legal claims and adversely impact our business results of operations and financial condition.

Risks related to doing business in South Africa

Political or economic instability in South Africa may reduce our production and profitability.

We are incorporated in South Africa and all our operations are currently in South Africa. As a result, political and economic risks relating to South Africa could have a significant effect on our production and profitability. Large parts of the South African population are unemployed and do not have access to adequate education, health care, housing and other services, including water and electricity. Government policies aimed at alleviating and redressing the disadvantages suffered by most citizens under previous governments may increase our costs and reduce our profitability. In recent years, South Africa has experienced high levels of crime. These problems may impede fixed inward investment into South Africa and increase emigration of skilled workers and as a result, we may have difficulties retaining qualified employees.

The sustained high unemployment rate of 33.9% and 46.5%, for 2022, amongst the youth has increased the risk of social unrest, such as protests and conflict, in our surrounding communities already created from a growing frustration of society at large on slow reformative action being taken by all spheres of the South African government, specifically, in combating unemployment particularly in the youth of the country. This frustration was a contributing factor that led to social unrest, people committing crimes, vandalising property, and damaging infrastructure during July 2021. A prolonged economic downturn could result in an extended period of high unemployment, further exacerbating anti-mining sentiments in South Africa. Furthermore, the rise of ESG factors, such as electricity usage, social unrest, social license to operate, climate change, water usage and environmental stewardship, in investment decisions may result in divestment in the mining sector.

Inflation can adversely affect us.

The inflation rate in South Africa is relatively high compared to developed, industrialized countries, although many countries around the world are currently facing inflation challenges. As of June 30, 2022, the annual Consumer Price Inflation Index ("**CPI**"), stood at 7.4% compared to 4.9% in June 2021 and 2.2% in June 2020. Annual CPI was 7.5% as at September 30, 2022. Inflation in South Africa generally results in an increase in our rand operational costs. Higher and sustained inflation in the future, with a consequent increase in operational costs could have a material adverse effect on our results of operations and our financial condition and could result in operations being discontinued or reduced or rationalized, which could reduce our profitability.

The treatment of occupational health diseases and the potential liabilities related to occupational health diseases may have an adverse effect on the results of our operations and our financial condition.

We may be subject to claims relating to occupational health diseases and we are currently subject to legal action described below.

In January 2013, DRDGOLD, East Rand Proprietary Mines Limited ("**DRDGOLD Respondents**") and 23 other mining companies ("**Other Respondents**") (collectively referred to as "**Respondents**") were served with a court application issued in the High Court of South Africa for a class certification on behalf of former mineworkers and dependents of deceased mineworkers ("**Applicants**"). In the application the Applicants allege that the Respondents conducted underground mining operations in a negligent and complicit manner causing the former mineworkers to contract occupational lung diseases. The Applicants have as yet not quantified the amounts which they are demanding from the Respondents in damages.

On May 3, 2018, former mineworkers and dependents of deceased mineworkers ("**Applicants**") and Anglo American South Africa Limited, AngloGold Ashanti Limited, Sibanye Gold Limited trading as Sibanye-Stillwater, Harmony Gold Mining Company Limited, Gold Fields Limited, African Rainbow Minerals Limited and certain of their affiliates ("**Settling Companies**") settled the class certification application in which the Applicants in each sought to certify class actions against gold mining houses cited therein on behalf of mineworkers who had worked for any of the particular respondents and who suffer from any occupational lung disease, including silicosis or tuberculosis.

The DRDGOLD Respondents, are not a party to the settlement between the Applicants and Settling Companies. The dispute, insofar as the class certification application and appeal thereof is concerned, still stands and has not terminated in light of the settlement agreement (refer to Item 18. "Financial Statements - Note 26 – Contingencies").

An adverse judgment in the claim described above or any other claim could have an adverse impact on us.

We have experienced an increase in organised crime activities which have started to target gold plants.

In October 2019, a number of companies, including our Knights and Ergo plants, were subject to armed attacks targeting the gold in the plants or high-grade gold bearing material. These incidents were very well organised and in all the incidents the thieves were armed. In some of the incidents employees of companies were also held hostage until the targeted material was obtained. In the 2019 incident, a security officer was fatally injured.

Any such incidents have and may still result in losses of gold or other damage which could have a material adverse impact on our business, financial results or condition.

Theft at our sites, particularly of copper and pipelines, may result in greater risks to employees or interruptions in production.

Crime statistics in South Africa indicate an increase in theft. This together with price increases for copper and steel has resulted in theft of copper cables and pipelines. Our operations experience high incidents of copper cable theft and pipelines despite the implementation of enhanced security measures which have increased our security spend. At times, the incidences have resulted in serious injuries of our security personnel. In addition to the general risk to employees' lives in an area where theft occurs, we may suffer production losses and incur additional costs as a result of power interruptions caused by cable theft and theft of bolts used for the pipeline.

Power stoppages or shortages or increases in the cost of power could negatively affect our results and financial condition.

Our mining operations are dependent on electrical power supplied by Eskom, South Africa's state-owned utility company. As a result of insufficient generating capacity, owing to poor maintenance and lagging capital infrastructure investment, South Africa has faced significant disruptions in electricity supply in the past and Eskom has warned that the country could continue to face disruptions in electrical power supply in the foreseeable future. Loadshedding has intensified over the past year.

The security of future power supply as well as the cost thereof remains a risk and may have major implications for our operations, which may result in significant production losses. The country's current reserve capacity may be insufficient and the risk of electricity stoppages is expected to continue for the foreseeable future. Supply interruptions because of this as well as an aging and poorly maintained distribution grid may pose a significant risk to the operations.

The Group has a load-curtailment agreement in place with Eskom in terms of which we reduce power consumption by between 10% and 20% when the grid is under pressure, but Eskom maintains uninterrupted power supply to the operations.

Eskom has approached the National Energy Regulator of South Africa ("**NERSA**") for a 32% increase in tariffs for 2023, a request that has been met by strong push from business and society. These increases have had an adverse effect on our production costs and similar or higher future increases could have a material adverse effect on our operating results and financial condition.

In February 2019, the President of South Africa announced the vertical unbundling of Eskom to improve efficiencies and have an independent grid operator and open competition for energy generation at lower cost to the consumer. While full state ownership will be maintained, the unbundling is expected to result in the separation of Eskom's generation, transmission and distribution functions into separate entities, which may require legislative and/or policy reform. The unbundling is expected to be completed by December 2022 for the generation and distribution functions. Poor reliability of the supply of electricity and instability in prices through the unbundling process is expected to continue. Eskom's coal fired power plants have not performed well for a number of years, with national rotational power cuts (load shedding) having been implemented intermittently through the last number of fiscal years. Should we experience further power tariff increases, our business operating results and financial condition may be adversely impacted.

Ergo is currently developing a Solar Power Plant to reduce its reliance on Eskom and to reduce its future cost of electricity but we face risks in the development of this plant as such plant may not be completed within expected timeframe or budget and may not reduce our dependence on Eskom as expected.

Ergo is currently disputing the electricity tariff charged by Ekurhuleni Metropolitan Municipality (refer to Item 18. "Financial Statements - Note 24 – Payments made under protest").

Risks related to climate change

Extreme weather

As a result of climate change, our operations are exposed to severe weather events that has in the past and could interrupt production. Major property, infrastructure and/or environmental damage as well as loss of human life could be caused by extreme weather events. Extreme weather conditions such as droughts, extreme rainfall and high wind volumes are on the increase. Specifically, we have experienced an increase in intensity of events, such as thunderstorms on the Highveld, where our operations are situated. It is believed that the long-term upward trend in global temperature is directly correlated with the increase in global severe weather events both in terms of magnitude and frequency.

For example, dry weather conditions have prompted level 2 water restrictions on residential water users in the Johannesburg area. These water restrictions remain in place as at September 30, 2022. Severe thunderstorms and high winds, especially during the summer rainy season, may also cause damage to operation infrastructure that may in turn cause an interruption in the production of gold. Such incidents and other weather events may damage the facility and may result in water shortages which can impact our operations and cause the interruption of deposition and gold production until the facility is repaired or alternative deposition is brought online.

Scarcity of water may negatively affect our operations.

South Africa is a relatively dry area and predictions are that dry conditions will escalate. South Africa faces water shortages, which may lead to the revision of water usage strategies by several sectors in the South African economy, including electricity generation and municipalities. This may result in rationing or increased water costs. Such changes would adversely impact our surface retreatment operations, which use water to transport the slimes or sand from reclaimed areas to the processing plant and to the tailings facilities. In addition, as our gold plants and piping infrastructure were designed to carry certain minimum throughputs, any reductions in the volumes of available water may require us to adjust production at these operations.

DRDGOLD invested R22 million in the construction of a filtration plant at the Rondebult Waste Water Works (operated by the East Rand Water Care Company) to treat sewage water to reduce the use of potable water. This water is used both to reclaim and carry production materials and also, ultimately, to irrigate rehabilitation vegetation at a significantly lower cost than that of potable water. The plant was commissioned in early fiscal year 2016 and has design capacity to provide Ergo with 10 Mega Litres ("**Ml**") a day from the Rondebult sewage treatment facility. However, due to the deterioration of the local government authorities' infrastructure, the expected quantity of sewerage is not reaching the treatment facility and as a result Ergo is still not able to extract the full design capacity of 10 Ml of water a day. It is not certain if and when the flow of sewerage will reach expected levels.

These measures may not be sufficient to alleviate the water scarcity issues we face.

Risks related to government regulation

Government policies in South Africa may adversely impact our operations and profits.

The mining industry in South Africa is extensively regulated through legislation and regulations issued through the government's administrative bodies. These involve directives in respect of health and safety, the mining and exploration of minerals and managing the impact of mining operations on the environment. A variety of permits and authorities are required to mine lawfully, and the government enforces its regulations through the various government departments. Lack of communication between government and regulators as well as ineffective regulators remains an issue that may increase the cost of compliance and obtaining permits. The formulation or implementation of government policies may be discretionary and unpredictable on certain issues, including changes in conditions for the issuance of licenses insofar as social and labor plans are concerned, transformation of the workplace, laws relating to mineral rights, ownership of mining assets and the rights to prospect and mine, additional taxes on the mining industry and in extreme cases, nationalization. A change in regulatory or government policies could adversely affect our business.

Mining royalties and other tax reform could have an adverse effect on the business, operating results and financial condition of our operations.

The Mineral and Petroleum Resources Royalty Act, No.28 of 2008 and the Mineral and Petroleum Resources Royalty Act (Administration), No.29 of 2008 govern royalty rates for gold mining in South Africa. These acts provide for the payment of a royalty, calculated through a royalty rate formula (using rates of between 0.5% and 5.0%) applied against gross revenue per year, payable half yearly with a third and final payment thereafter. The royalty is tax deductible and the cost after tax amounts to a rate of between 0.33% and 3.3% at the prevailing marginal tax rates applicable to the taxed entity. The royalty is payable on old unconverted mining rights and new converted mining rights. Based on a legal opinion the Company obtained, mine dumps created before the enactment of the Mineral and Petroleum Resources Development Act ("**MPRDA**") fall outside the ambit of this royalty and consequently the Company does not pay any royalty on any dumps created prior to the MPRDA. Introduction of further revenue based royalties or any adverse future tax reforms could have an adverse effect on our business, operating results and financial condition.

Failure to comply with the requirements of the Broad Based Socio-Economic Empowerment Charter 2018 could have an adverse effect on our business, operating results and financial condition of our operations.

In April 2018, judgment was handed down by the North Gauteng High Court in Pretoria against a provision in the 2010 Mining Charter regarding the "once empowered always empowered" principle. This principle refers to whether a mining company, after the exit of a Black partner that held a stake in the company consequent to a result of a Black Economic Empowerment ("**BEE**") transaction, continues to be BEE compliant. The judgment was appealed by the DMRE. The DMRE in August 2020, withdrew their notice to appeal to the Supreme Court of Appeal in respect of the judgment issued in April 2018 by the Pretoria High Court.

On September 27, 2018, the Broad-Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry, 2018 ("**Mining Charter 2018**") was published in Government Gazette No. 41934 of Government Notice No. 639 on September 27, 2018 superseding and replacing all previous charters, including the Reviewed Broad-Based Black Economic Empowerment Charter for the South African Mining and Minerals Industry, 2016 ("**Mining Charter III**").

Mining Charter 2018 requires, *inter alia*, an enduring 30% BEE interest in respect of new mining rights. It also has extensive provisions in respect of Historically Disadvantaged Persons ("**HDP**") representation at board and management, as well provisions relating to local procurement of goods and services. The procurement target of the total spend on services from South African companies has been pegged at 80% (up from 70% in Mining Charter III) and 60% of the aggregate spend thereof must be apportioned to BEE entrepreneurs.

In March 2019, the Mineral Council of South Africa brought an application in the High Court, Pretoria for a judicial review and setting aside of certain provisions in Mining Charter 2018.

In June 2020, the High Court ordered the Minerals Council to join parties representing communities, trade unions and BEE entrepreneurs as a prerequisite to the continuation of the lawsuit, as they have a direct and substantial interest in the outcome of the litigation.

On September 21, 2021, the High Court of South Africa ruled that the Mining Charter 2018 is not binding subordinate legislation but an instrument of policy. This ruling affirmed that the Minister of Mineral Resources and Energy ("**MRE Minister**") was not entitled to make law through the Mining Charter 2018 to require 30% HDP ownership for the renewal of existing mining rights. The MRE Minister confirmed that they will not appeal the ruling.

DRDGOLD cannot guarantee that it will meet all the targets set out by the Mining Charter 2018. For example, if the Mining Charter 2018 were to remain in its current form, there is no assurance that the goods, services and supplies in South Africa would be sufficient to allow us to meet the targets. More specifically, DRDGOLD may not be able to meet the requirement that 80% of total mining goods and services procurement spend be on South African-manufactured goods due to an insufficient number of suppliers in South Africa with heavy equipment. DRDGOLD may be required to increase participation by HDP in senior positions and allocate additional resources for the development of the mine community, human resources, sustainability, procurement and enterprise. DRDGOLD may also be required to make further adjustment to the ownership structure of its South African mining assets, including increasing the ownership of HDP, in order to meet the Mining Charter 2018 requirements. Any such additional measures could have a material adverse effect on our business, operating results and/or financial condition.

In addition, if we are unable to obtain sufficient representation of HDP at the board level and in management positions or if there are not sufficient succession plans in place, this could have a material adverse effect on our business (including resulting in the imposition of fines and having a negative effect on production levels), operating results and financial position. In relation to this, the mining industry, including DRDGOLD, continues to experience a global shortage of qualified senior management and technically skilled employees. DRDGOLD may be unable to hire or retain appropriate senior management, technically skilled employees or other management personnel, or may have to pay higher levels of remuneration than it currently intends in order to do so.

Also, there is no guarantee that any steps DRDGOLD has already taken or might take in the future will ensure the retention of its existing mining rights, the successful renewal of its existing mining rights, the granting of applications for new mining rights or that the terms of renewals of its mining rights would not be significantly less favourable than the terms of its current mining rights. Any further adjustment to the ownership structure of DRDGOLD's South African mining assets in order to meet the abovementioned requirements could have a material adverse effect on the value of DRDGOLD's securities

Refer to Item 4B. Business Overview – Governmental regulations and their effect on our business – The Broad Based Socio-Economic Empowerment Charter.

Government policies in South Africa may adversely impact our operations and profits related to financial provisioning for rehabilitation.

An amendment to the MPRDA was first proposed in 2013. The amendment bill, if implemented, would have had a material adverse impact on the Group's estimated financial provisions for environmental remediation and management due to the proposed inclusion of historic and old mine dumps in the definition of "residue stockpiles" as well as the extension of the liability for rehabilitation beyond the issuance of a closure certificate and the requirement to maintain financial provision for closed sites within a period of 20 years after a site is closed. The MPRDA Amendment Bill was withdrawn in August 2018 by the MRE Minister, citing, amongst other things, the adequacy of the current MPRDA to deal with all regulatory matter pertaining to the mining and petroleum industries.

Revised Financial Provisioning Regulations ("**FPR**") were published on November 20, 2015, under the National Environmental Management Act, 107 of 1998 ("**NEMA**") and became effective from the date of publication thereof. Proposed amendments to the FPRs were published for public comment GNR 1228 GG 41236 of November 10, 2017 ("**Draft Regulations**"), which seek to address some challenges relating to the implementation thereof. Under these FRPs to be implemented by the DMRE, existing environmental rehabilitation trust funds may only be used for post closure activities and may no longer be utilised for their intended purpose of concurrent and final rehabilitation and closure.

Several further proposed amendments to the FPRs, ("**Proposed Amendments**") were published subsequently. The latest Proposed Amendments were published in July 2022 which, *inter alia*, extends the compliance with these regulations to three months following the fiscal year end June 30, 2023.

The Proposed Amendments, in their current form and which are still subject to the approval of the DMRE and Treasury, allow under certain circumstances for the withdrawal against financial provision (which is currently not contemplated in the FPR). It is therefore uncertain whether these provisions relating to withdrawal will remain in their current form, or at all.

See discussion in 4.B. Business Overview – Governmental regulations and their effect on our business – Financial Provision for Rehabilitation.

The implementation of Carbon Tax effective from June 1, 2019 may have a direct or indirect material adverse effect on our business, operating results and financial condition.

The Carbon Tax Act No 15 of 2019, or the CTA, came into effect from June 1, 2019. The CTA is based on the polluter-pays-principle and will be implemented across phases. The first phase will run from June 1, 2019 to December 31, 2022 and is applicable to scope 1 emitters. The First phase did not have a material financial impact on the Group. The second phase will be implemented from January 1, 2023 to December 31, 2030. During the first phase, tax-free emission allowances ranging from 60 per cent to 95 per cent are available to emitters in this first phase. This includes a basic tax-free allowance of 60 per cent for all activities, a 10 per cent process and fugitive emissions allowance, a maximum 10 per cent allowance for companies that use carbon offsets to reduce their tax liability, a performance allowance of up to 5 per cent for companies that reduce the emissions intensity of their activities, a 5 per cent carbon budget allowance for complying with the reporting requirements and a maximum 10 per cent allowance for trade exposed sectors. The South African government indicated that a review of the impact of the carbon tax will be conducted before the second phase of the South African Carbon Tax Act is implemented.

The draft explanatory memorandum of the Taxation Laws Amendment Bill proposes that amendment to section 5(2) of the Carbon Tax Act to provide for the carbon tax rate adjustment by US$1, US$2 and US$3/ t CO2e for 2023, 2024 and 2025 tax period ending on 31 December using the average exchange rate as defined in the Income Tax Act. The rate will thereafter increase gradually to US$20t CO2e in 2026 and at least to US$30/t CO2e in 2030. Currently under phase 1 an amount of R120/t CO2e is levied. Although the decarbonization of electricity as an energy supply must nevertheless be prioritized by both the country and industries at large to de-carbonize the economy, the increased proposed rates denominated to US Dollar is expected to have an adverse impact on business.

The carbon tax has not had an impact on the price of electricity. However, should Eskom be required to pass on the cost of the tax from its emissions to its customers, electricity tariffs may rise significantly. This may also affect the electricity prices charged to our suppliers who may pass on the tax to us increasing the price of goods and services we consume in our operation.

Regulations detailing the tax-free emission allowances during the second phase have not been published to date. The second phase of implementation of the Carbon Tax may have a material direct and/or indirect adverse effect on our business, operating results and financial condition if the tax-free emission allowances are significantly reduced or the scope of implementation of the CTA is significantly increased. In addition, the potential increases in costs resulting from suppliers passing through their Carbon Tax exposure to the Company may have a direct or indirect material adverse effect on our business, operating results and financial condition.

Ring-fencing of unredeemed capital expenditure for South African mining tax purposes could have an adverse effect on the business, operating results and financial condition of our operations.

The Income Tax Act No 58 of 1962, or the ITA, contains certain ring-fencing provisions in section 36 specifically relating to different mines regarding the deduction of certain capital expenditure and the carry over to subsequent years. After the restructuring of the surface operations, effective July 1, 2012, Ergo is treated as one taxpaying operation pursuant to the relevant ring-fencing legislation. It is expected that FWGR will also be treated as one taxpaying operation pursuant to the relevant ring-fencing legislation. In the event that we are unsuccessful in confirming our position or should the South African Revenue Service have a different interpretation of section 36 of the ITA, it could have an adverse effect on our business, operating results and financial condition.

Draft amendments to the ITA regarding claiming accelerated capital expenditure allowances for South African mining tax purposes could have an adverse effect on the business, operating results and financial condition of our operations.

The National Treasury has proposed a prospective amendment to the preamble of section 15 of the ITA to limit the accelerated capital expenditure allowances applicable to taxpayers conducting mining operations to only those taxpayers that hold "*a mining right as defined in section 1 of the Mineral and Petroleum Resources Development Act in respect of the mine where those mining operations are carried on*". In addition, in relation to section 36 of the ITA, the National Treasury has proposed an amendment to the heading in order to limit the application of the provisions in respect of the calculation of the redemption allowance and balance of unredeemed capital expenditure, to certain mining operations. The proposed amendment will come into operation on March 31, 2023 and apply in respect of years of assessment ending on or after that date.

DRDGOLD, as a surface miner, conducts mining operations for its own benefit (i.e. it is not a contract miner) but DRDGOLD is not required to hold a mining right in terms of the MPRDA. The proposed requirement by the ITA to require a miner to hold a mining right in terms of the MPRDA will preclude DRDGOLD from claiming accelerated capital expenditure allowances in terms of sections 15 and 36 of the ITA.

If these proposed amendments are adopted, it will accelerate cash outflows resulting from current tax expenditure. This could have a material adverse effect on our cash flows, operations, capital investment decisions and financial condition.

Assessment of unredeemed capital expenditure by the South African Revenue Service could have an adverse effect on the business, operating results and financial condition of our operations.

The South African Revenue Service ("**SARS**") assesses capital expenditure when it is redeemed against taxable mining income rather than when it is incurred. A different interpretation by SARS could have an adverse effect on our business, operating results and financial condition.

Since our South African labor force has substantial trade union participation, we face the risk of disruption from labor disputes and new South African labor laws.

Labor costs are significant for Ergo, constituting 18% of Ergo's production costs for fiscal year 2022 (2021: 19%). As of June 30, 2022, our Ergo operations provided full-time employment for 763 employees while our main service providers deployed an additional 1,677 employees to our operations, of whom approximately 85% are members of trade unions or employee associations.

Labor costs are significant for FWGR, constituting 21% of FWGR's production costs for fiscal year 2022 (2021: 20%). As of June 30, 2022, our FWGR operations provided full-time employment for 152 employees while our main service providers deployed an additional 339 employees to our operations, of whom approximately 82% are members of trade unions or employee associations. We have entered into various agreements regulating wages and working conditions at our mines. Unreasonable wage demands could increase production costs to levels where our operations are no longer profitable. This could lead to accelerated mine closures and labor disruptions. We are also susceptible to strikes by workers from time to time, which result in disruptions to our mining operations.

In recent years, labor laws in South Africa have changed in ways that significantly affect our operations. In particular, laws that provide for mandatory compensation in the event of termination of employment for operational reasons and that impose large monetary penalties for non-compliance with the administrative and reporting requirements of affirmative action policies could result in significant costs to us. In addition, future South African legislation and regulations relating to labor may further increase our costs or alter our relationship with our employees. Labor cost increases could have an adverse effect on our business, operating results and financial condition.

Labor unrest could affect production.

During March 2022 to June 2022 there was strike action by staff at the Sibanye-Stillwater gold mines adjacent to FWGR. FWGR's gold bars are smelted at Sibanye's Driefontein plant. This resulted in Ergo having to smelt FWGR gold on their behalf. Such events at our operations or at our reclamation sites has in the past and could in future have an adverse effect on our business, operating results and financial condition.

We use a third party service provider for the management of our reclamation sites as well as on our Brakpan/Withok TSF and Driefontein 4 TSF. Any labor unrest or other significant issue at this third party service provider may impact the operation of this facility.

Strike action and intimidation at mining operations adjacent to our FWGR mining operations could have an adverse effect on our business, operating results and financial condition.

Our financial flexibility could be materially constrained by South African currency restrictions.

South African law provides for exchange control regulations, which restrict the export of capital from South Africa, the Republic of Namibia, and the Kingdoms of Lesotho and Eswatini, known collectively as the Common Monetary Area (the "**CMA**"). The Exchange Control Department of the South African Reserve Bank, or SARB, is responsible for the administration of exchange control regulations. In particular, South African companies:

- are generally not permitted to export capital from South Africa or to hold foreign currency without the approval of the SARB;
- are generally required to repatriate, to South Africa, profits of foreign operations; and
- are limited in their ability to utilize profits of one foreign business to finance operations of a different foreign business.

While the South African Government has relaxed exchange controls in recent years, South African companies remain subject to restrictions on their ability to deploy capital outside of the CMA and it is difficult to predict whether such relaxation of controls will continue in the future. As a result, DRDGOLD's ability to raise and deploy capital outside the CMA is restricted. These restrictions could hinder DRDGOLD's financial and strategic flexibility, particularly its ability to fund acquisitions, capital expenditures and exploration projects outside South Africa. For further information see Item 10D. Exchange Controls.

We could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar anti-bribery laws outside of the United States.

The U.S. Foreign Corrupt Practices Act, or the FCPA, and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials or other persons for the purpose of obtaining or retaining business. This includes aggressive investigations and enforcement proceedings by both the U.S. Department of Justice and the SEC, increased enforcement activity by non- U.S. regulators, and increases in criminal and civil proceedings brought against companies and individuals. Our policies mandate compliance with the FCPA and other applicable anti-bribery laws. Our internal control policies and procedures may not protect us from reckless or criminal acts committed by our employees, the employees of any of our businesses, or third party intermediaries. In the event that we believe or have reason to believe that our employees or agents have or may have violated applicable anti-corruption laws, including the FCPA, we would investigate or have outside counsel investigate the relevant facts and circumstances, which can be expensive and require significant time and attention from senior management. Violations of these laws may result in criminal or civil sanctions, inability to do business with existing or future business partners (either as a result of express prohibitions or to avoid the appearance of impropriety), injunctions against future conduct, profit disgorgements, disqualifications from directly or indirectly engaging in certain types of businesses, the loss of business permits, reputational harm or other restrictions which could disrupt our business and have a material adverse effect on our business, financial condition, results of operations or liquidity.

We face risks with respect to compliance with the FCPA and similar anti-bribery laws through our acquisition of new companies and the due diligence we perform in connection with an acquisition may not be sufficient to enable us fully to assess an acquired company's historic compliance with applicable regulations. Furthermore, as we make acquisitions such as the acquisition of FWGR, our post-acquisition integration efforts may not be adequate to ensure our system of internal controls and procedures are fully adopted and adhered to by acquired entities, resulting in increased risks of non-compliance with applicable anti-bribery laws.

Risks related to ownership of our ordinary shares or ADSs

It may not be possible for you to effect service of legal process, enforce judgments of courts outside of South Africa or bring actions based on securities laws of jurisdictions other than South Africa against us or against members of our board.

Our Company, certain members of our board of directors and executive officers are residents of South Africa. All our assets are located outside the United States and a major portion with respect to the assets of members of our board of directors and executive officers are either wholly or substantially located outside the United States. As a result, it may not be possible for you to effect service of legal process, within the United States or elsewhere including in South Africa, upon most of our directors or officers, including matters arising under United States federal securities laws or applicable United States state securities laws.

Moreover, it may not be possible for you to enforce against us or the members of our board of directors and executive officers' judgments obtained in courts outside South Africa, including the United States, based on the civil liability provisions of the securities laws of those countries, including those of the United States. A foreign judgment is not directly enforceable in South Africa, but constitutes a cause of action which will be enforced by South African courts provided that:

- the court which pronounced the judgment had jurisdiction to entertain the case according to the principles recognized by South African law with reference to the jurisdiction of foreign courts;
- the judgment is final and conclusive (that is, it cannot be altered by the court which pronounced it);
- the judgment has not lapsed;
- the recognition and enforcement of the judgment by South African courts would not be contrary to public policy, including observance of the rules of natural justice which require that no award is enforceable unless the defendant was duly served with documents initiating proceedings, that he was given a fair opportunity to be heard and that he enjoyed the right to be legally represented in a free and fair trial before an impartial tribunal;
- the judgment was not obtained by fraudulent means;
- the judgment does not involve the enforcement of a penal or revenue law; and
- the enforcement of the judgment is not otherwise precluded by the provisions of the Protection of Business Act, 1978 (as amended), of South Africa.

It is the policy of South African courts to award compensation for the loss or damage sustained by the person to whom the compensation is awarded. Although the award of punitive damages is generally unknown to the South African legal system that does not mean that such awards are necessarily contrary to public policy. Whether a judgment was contrary to public policy depends on the facts of each case. Exorbitant, unconscionable, or excessive awards will generally be contrary to public policy. South African courts cannot enter into the merits of a foreign judgment and cannot act as a court of appeal or review over the foreign court. South African courts will usually implement their own procedural laws and, where an action based on an international contract is brought before a South African court, the capacity of the parties to the contract will usually be determined in accordance with South African law.

It is doubtful whether an original action based on United States federal securities laws may be brought before South African courts. A plaintiff who is not resident in South Africa may be required to provide security for costs in the event of proceedings being initiated in South Africa. Furthermore, the Rules of the High Court of South Africa require that documents executed outside South Africa must be authenticated for use in South African courts. It may not be possible therefore for an investor to seek to impose liability on us in a South African court arising from a violation of United States federal securities laws.

Dividend withholding tax will reduce the amount of dividends received by beneficial owners.

On April 1, 2012, the South African Government replaced Secondary Tax on Companies (then 10%) with a 15% withholding tax on dividends and other distributions payable to shareholders. The dividend withholding tax rate was increased to 20%, effective from February 22, 2017. The withholding tax reduces the amount of dividends or other distributions received by our shareholders. Any further increases in such tax will further reduce net dividends received by our shareholders.

Your rights as a shareholder are governed by South African law, which differs in material respects from the rights of shareholders under the laws of other jurisdictions.

Our Company is a public limited liability company incorporated under the laws of the Republic of South Africa. The rights of holders of our ordinary shares, and therefore many of the rights of our ADS holders, are governed by our memorandum of incorporation and by South African law. These rights differ in material respects from the rights of shareholders in companies incorporated elsewhere, such as in the United States. In particular, South African law significantly limits the circumstances under which shareholders of South African companies may institute litigation on behalf of a company.

Control by principal shareholders could adversely affect our other shareholders.

Sibanye-Stillwater beneficially owns 50.1% of our outstanding ordinary shares and voting power and has the ability to control, our board of directors. Sibanye-Stillwater will continue to have control over our affairs for the foreseeable future, including with respect to the election of directors, the consummation of significant corporate transactions, such as an amendment of our constitution, a merger or other sale of our company or our assets, and all matters requiring shareholder approval. In certain circumstances, Sibanye-Stillwater's interests as a principal shareholder may conflict with the interests of our other shareholders and Sibanye-Stillwater's ability to exercise control, or exert significant influence, over us may have the effect of causing, delaying, or preventing changes or transactions that our other shareholders may or may not deem to be in their best interests. In addition, any sale or expectation of sale of some or all the shares held by Sibanye-Stillwater could have an adverse impact on our share price.

Sales of large volumes of our ordinary shares or ADSs or the perception that these sales may occur, could adversely affect the prevailing market price of such securities.

The market price of our ordinary shares or ADSs could fall if substantial amounts of ordinary shares or ADSs are sold by our stockholders, or there is the perception in the marketplace that such sales could occur. Current holders of our ordinary shares or ADSs may decide to sell them at any time. Sales of our ordinary shares or ADSs, if substantial, or the perception that any such substantial sales may occur, could exert downward pressure on the prevailing market prices for our ordinary shares or ADSs, causing their market prices to decline. Trading activity of hedge funds and the ability to borrow script in the marketplace will increase trading volumes and may place our share price under pressure.

ITEM 4. INFORMATION ON THE COMPANY

4A. HISTORY AND DEVELOPMENT OF THE COMPANY

Introduction

DRDGOLD, is a South African domiciled company that holds assets engaged in surface gold tailings retreatment in South Africa including exploration, extraction, processing and smelting.

We are a public limited liability company, incorporated in South Africa on February 16, 1895, as Durban Roodepoort Deep, Limited. On December 3, 2004, the company changed its name from Durban Roodepoort Deep Limited to DRDGOLD Limited. Our operations focus on South Africa's Witwatersrand Basin, which has been a gold producing region for over 120 years.

Our shares and/or related instruments trade on the Johannesburg Stock Exchange ("**JSE**"), and the New York Stock Exchange.

Our registered office and business address is Constantia Office Park, Cnr 14th Avenue and Hendrik Potgieter Road, Cycad House, Building 17, Ground Floor, Weltevreden Park, 1709, South Africa. The postal address is P.O. Box 390, Maraisburg, 1700, South Africa. Our telephone number is (+27 11) 470-2600 and our facsimile number is (+27 86) 524-3061. We are registered under the South African Companies Act 71, 2008 under registration number 1895/000926/06. For our ADSs, the Bank of New York Mellon, at 101 Barclay Street, New York, NY 10286, United States, has been appointed as agent.

The SEC maintains an internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC, which can be found at http://www.sec.gov. Our internet address is http://www.drdgold.com. The information contained on our website is not incorporated by reference and does not form part of this annual report.

All of our operations are conducted in South Africa.

Our operations primarily consist of Ergo and FWGR. Our Ergo operations include the historic Crown operations (which were restructured into Ergo during fiscal year 2012 and have substantially been rehabilitated as at the end of fiscal year 2018). East Rand Proprietary Mines Limited's ("**ERPM**") underground mining infrastructure was under care and maintenance up to this reporting date at which date the decommissioning and rehabilitation of the last remining underground mining infrastructure was completed.

Ergo

Ergo was formed in June 2007. Ergo is the surface tailings retreatment operation which consists of what was historically the Crown Gold Recoveries Proprietary Limited ("**Crown**"), ERPM Cason Dump operation and the Ergo Gold business units. On July 1, 2012, Ergo acquired the mining assets and certain liabilities of Crown and all the surface assets and liabilities of ERPM as part of the restructuring of our surface operations.

Capital expenditure for the Ergo projects is mainly financed through operational cash flows while financing for significant growth projects may be obtained through specific financing arrangements if required.

Brakpan/Withok TSF final life design

The Brakpan/Withok TSF final life design is the engineering design that ultimately brings the tailings storage facility to its finality in terms of extent, operation, rehabilitation and management. The implemented final design would result in alignments with the Global Industry

Standard on Tailings Management ("**GISTM**") and regulatory bodies, increase deposition capacity, improve operation/management and bring about the sustainable closure of the facility.

A legal review of the existing authorizations was undertaken for the final life design of the Brakpan/Withok TSF. The results indicated that most of the current authorizations are sufficient. An updated application was submitted to the Department of Water Affairs and Sanitation ("**DWAS**") for which we are awaiting approval. Final designs for the final stage of the Brakpan/Withok TSF are being reviewed, in anticipation of the DWAS approval. The Ergo life of mine has been increased to 19 years and the Daggafontein TSF classified as a Mineral Reserve.

For further information on other capital investments, divestures, capital expenditure and capital commitments, see Item 4D. Property, Plant and Equipment, and Item 5B. Liquidity and Capital Resources.

FWGR

On July 31, 2018, we acquired certain gold surface processing assets and tailing storage facilities that included Driefontein 3 and 5, Kloof 1, Venterspost North and South, Libanon, Driefontein 4, Driefontein 2 plant, Driefontein 3 plant, WRTRP pilot plant, and the land owned by Sibanye-Stillwater that was earmarked for the future development of a central processing plant, regional tailings storage facility and return water dam (together, the "**WRTRP Assets**") associated with Sibanye-Stillwater's WRTRP, subsequently renamed FWGR. This acquisition represented a significant increase in our assets, which impacted our results in fiscal 2019, 2020 and 2021. In connection with the acquisition, we issued to Sibanye-Stillwater new shares equal to 38.05% of outstanding shares and granted Sibanye-Stillwater an option to acquire up to a total of 50.1% of our shares within a period of 2 years from the effective date of the acquisition at a 10% discount to the prevailing market value. On January 8, 2020, Sibanye-Stillwater exercised the option and on January 22, 2020 subscribed for 168,158,944 DRDGOLD shares at an aggregate subscription price of R1,086 million, (R6.46 per DRDGOLD share).

The assets acquired are to be developed in two phases – Phase 1 and Phase 2.

FWGR Phase 1

Phase 1 involves the reclamation of the Driefontein 5 dump through a reconfigured Driefontein 2 plant and deposition onto the Driefontein 4 tailings storage facility. The Driefontein 4 tailings storage facility was an upstream day-wall dam with a capacity of approximately 200,000 tonnes per month. In order to increase the deposition capacity to 500 000 tonnes per month, the conversion of this dam to cyclone deposition commenced in fiscal year 2019. The conversion has been completed and this allows a deposition capacity of 500,000 tonnes per month until at least the end of calendar year 2025.

Although the Phase 1 upgrade of the Driefontein 2 Plant was essentially complete by the end of fiscal year 2019, a decision was made to bypass the mill so that further improvements to the mill liner configuration could be made. These modifications were successfully completed, and the mill was recommissioned in September 2019. A further upgrade to convert the mill to closed circuit from the open circuit to improve the grind of the material and yield more gold was completed in fiscal year 2021. A new thickener was commissioned in November 2021. The conversion yielded better grind of material with a concomitant improvement in leaching conditions and gold recovery, lower maintenance costs and increased water storage capacity in the current thickeners.

The material being reclaimed by FWGR contains high levels of copper which incurs penalty refining charges of between 1% and 5% during final refining by Rand Refinery depending on the copper content of the bullion delivered. FWGR has been allocated 98% of its gold production with 2% lost to these penalty refining charges due to the high levels of copper in the bullion delivered. To reduce these penalty refining charges, FWGR constructed and commissioned a copper elution plant at a cost of approximately R12 million during fiscal year 2021. On average, the plant resulted in an additional 1.2kg of gold per month which would otherwise have been lost due to penalty refining charges for the copper in its bullion.

FWGR Phase 2 expansion

The Phase 2 project is a key project for us intended to extend potential resources in the West Rand.

Phase 2 initially included the construction of a new Central Processing Plant ("**CPP**") with a capacity of between 1.2 to 2.4 million tonnes per month and the equipping of the required reclamation sites and pipeline infrastructure to supply the relevant resources to the CPP. The capital spent on final design work on the CPP, with the design work is also applicable to the potential expansion of DP2 from to 1.2 Mt as an alternative to CPP is currently being considered.

Phase 2 also includes the construction of a new Regional Tailings Storage Facility ("**RTSF**"), that we believe is necessary in order to develop our FWGR as envisaged by our management, the new RTSF is expected to be capable of processing 3 million tonnes per month with a maximum capacity of approximately 800 million tonnes. Delays in obtaining regulatory approval have affected the previously reported expected dates of the construction. The Sibanye-Stillwater Leeudoorn tailings storage facility was evaluated as a viable interim alternative to the RTSF whilst regulatory approvals are obtained.

The Definitive Feasibility Study ("**DFS**") for Phase 2 was completed in the 3rd quarter of fiscal year 2021 and that the project was found to be economically viable in a number of scenarios.

We engaged an external consultant, Sound Mining (consultants to the mining industry specializing in surface and underground operations) to perform an independent review of the available information and studies that have been performed regarding the Phase 2 expansion project. These included:

- DFS performed by DRA Global ("**DRA**") (An engineering consulting company) regarding the construction of the CPP and related pumping and pipeline infrastructure;
- Detail design of a new Reginal Storage Facility ("**RTSF**") performed by Beric Robinson (engineer of record) and related capital costing performed by DRA;
- Reviews of the explorations data base, Mineral Resource and Reserve estimates of FWGR assets and other future potential assets such as battery metals, uranium and other gold West Rand metal resources;
- Legal tenure, permitting, environmental and compliance status; and
- Economic analysis of the projects.

Based on currently available information, the Company believes that there are no material technical or geo-metallurgical risks that could significantly impact the production forecasts.

Risks associated with the Phase 2 project include obtaining regulatory approval of the amended design of the RTSF, which was submitted to the DWAS. Delays in obtaining such regulatory approval may have an adverse impact on the project timeline and capital cost estimate. We engaged the services of an external expert to assist us with engaging with the DWAS and these discussions are currently ongoing. Presentations were conducted to provide the regulator with the technical and scientific reasons for the changes to the design of the RTSF. It is anticipated that construction of the RTSF will commence in first half fiscal year 2027. The plant construction is anticipated to commence 6-9 months later.

Financing for significant growth projects may be obtained through specific financing arrangements if required. Capital expenditure for FWGR Phase 1 was financed through our RCF (Refer to Item 18. "Financial Statements - Note 20 – Capital Management). Significant financing is required for the Phase 2 expansion which is expected to be financed through a combination of cash resources, operational cash flows and facilities as may be determined. Capital expenditure for other projects is mainly financed through operational cash flows and cash resources.

We have commenced final design work on the CPP, with the design work also being applicable to the potential expansion of DP2. FWGR has appointed DRA Global to perform the relevant function.

For further information on other capital investments, divestures, capital expenditure and capital commitments, see Item 4D. Property, Plant and Equipment, and Item 5B. Liquidity and Capital Resources.

ERPM

ERPM was acquired in October 2002 and consists of an underground mine which has been under care and maintenance since fiscal year 2009. Underground mining at ERPM was halted in October 2008. On July 1, 2012, ERPM sold its surface mining assets and its 65% interest in ErgoGold to Ergo in exchange for shares in Ergo as part of the restructuring of our surface operations.

In December 2018, ERPM concluded revised agreements to dispose certain of its underground assets to OroTree Limited ("**Orotree**"). The disposal of the underground mining and prospecting rights were concluded in the second half of the financial year ended June 30, 2019. Orotree did not exercise an option to purchase the underground mining infrastructure.

In fiscal 2021, ERPM completed the decommissioning and rehabilitation of the last remaining underground mining infrastructure, being the Far East Vertical Shaft.

Crown

Crown was acquired on September 14, 1998. Due to the depletion of ore reserves in the western Witwatersrand, the Crown plant ceased operation in March 2017 and since then substantially rehabilitated.

4B. BUSINESS OVERVIEW

We are a South African company that holds assets engaged in surface gold tailings retreatment including exploration, extraction, processing and smelting. Our surface tailings retreatment operations, including the requisite infrastructure and metallurgical processing plants, are located in South Africa. Our operating footprint is unique in that it involves some of the largest concentration of gold tailings deposits in the world, situated within the city boundaries of Johannesburg and its suburbs and the far west rand of the province of Gauteng.

DRDGOLD has arranged its operations into two wholly owned entities covering their East Rand (east of Johannesburg) and far West Rand (far west of Johannesburg) businesses. The East Rand operations are run by Ergo and the West Rand operations by FWGR. A detailed overview of the operations is provided under Item 4D. Property, Plant and Equipment and in the Technical Report Summary attached as exhibits in this annual report.

DRDGOLD's long-term goal to extract as much gold from its assets as possible, sustainable and economically viable. To a large extent this depends on how effectively it continues to manage its capitals. DRDGOLD uses sustainable development to direct its strategic thinking. We seek sustainable benefits in respect to financial, manufactured, natural, social and human capitals, each of which is essential to our operations.

We also aim to align and overlap the interests of each of these capitals in such a manner that an investment in anyone translates into value-added increases in as many of the others as possible. We therefore seek to achieve an enduring and harmonious alignment between them, and we pursue these criteria in the feasibility analysis of each investment. We intend to explore opportunities made possible by technology, which could entail further investment in research and development ("**R&D**") to improve gold recoveries even further over the long term.

During the fiscal years presented in this Annual Report, all of our operations took place in one geographic region, namely South Africa.

Description of Our Mining Business

Surface tailings retreatment

Surface tailings retreatment involves the extraction of gold from old mine dumps and slimes dams, comprising the waste material from earlier underground gold mining activities. This is done by reprocessing sand dumps and slimes dams. Sand dumps are the result of the less efficient stamp-milling process employed in earlier times. They consist of coarse-grained particles which generally contain higher quantities of gold. Sand dumps are reclaimed mechanically using front end loaders that load sand onto conveyor belts. The sand is fed onto a screen where water is added to wash the sand into a sump, from where it is pumped to the plant. Most sand dumps have already been retreated using more efficient milling methods. Lower grade slimes dams were the product of the "tube and ball mill" recovery process. The economic viability of processing this material has improved due to improved treatment methods such as the treatment of large volumes of this material. The material from the slimes dams is broken down using monitor guns that spray jets of high pressure water at the target area. The resulting slurry is then pumped to a treatment plant for processing.

Exploration

Exploration activities are focused on the extension of existing ore reserves and identification of new ore reserves both at existing sites and at undeveloped sites. Once a potential site has been identified, exploration is extended and intensified in order to enable clearer definition of the site and the portions with the potential to be mined. Geological techniques are constantly refined to improve the economic viability of exploration and exploitation.

Our Metallurgical Plants and Processes

A detailed review of the metallurgical plants and processes is provided under Item 4D. Property, Plant and Equipment.

Gold Market

The gold market is relatively liquid compared to other commodity markets, and the price of gold is quoted in dollars. Physical demand for gold is primarily for manufacturing purposes, and gold is traded on a world-wide basis. Refined gold has a variety of uses, including jewelry, electronics, dentistry, decorations, medals and official coins. In addition, central banks, financial institutions and private individuals buy, sell and hold gold bullion as an investment and as a store of value.

The use of gold as a store of value and the large quantities of gold held for this purpose in relation to annual mine production have meant that historically the potential total supply of gold has been far greater than demand. Thus, while current supply and demand play some part in determining the price of gold, this does not occur to the same extent as in the case of other commodities. Instead, the gold price has from time to time been significantly affected by macro-economic factors such as expectations of inflation, interest rates, exchange rates, changes in reserve policy by central banks and global or regional political and economic crises. In times of inflation and currency devaluation or economic uncertainty gold is often seen as a safe haven, leading to increased purchases of gold and support for its price.

In the wake of the COVID-19 pandemic and measures taken to address the outbreak, there has been a global trend of investors turning to gold and gold stocks as a safe haven asset, as has been the case in previous times of global economic crisis. This has led to a surge in the average gold price during fiscal year 2020 and fiscal year 2021. Although the impact of the COVID-19 pandemic has reduced and gold prices have marginally decreased, the average gold price for fiscal year 2022 remained high due to continued economic uncertainty as the global economies attempt to recover from all the after effects of COVID-19, and deal with the conflict in Ukraine and rapidly rising inflation. In addition, we were impacted by movements in the exchange rate of the rand against the dollar during described below.

We generally take full exposure to the US dollar spot price of gold and rand/dollar exchange rate. The higher the gold price, the higher our profit margin and *vice versa,* subject to exchange rate fluctuations.

The average gold spot price decreased by 1% from $1,850 per ounce to $1,834 per ounce during fiscal year 2022 after having increased by 18% from $1,562 per ounce to $1,850 per ounce during the fiscal year 2021 and having increased by 24% from $1,263 per ounce to $1,562 per ounce during the fiscal year 2020. As a result, the average gold price received by us in Rands for fiscal year 2022 decreased by 3% to R894,409 per kg compared to the previous year at R917,996 per kg and for fiscal year 2021 increased by 19% to R917,996 per kg compared to the previous

year at R768,675 per kg. The decrease in the gold price received contributed to a 3% decrease in our total revenue for fiscal year 2022 amounting to R5,118.5 million (2021: R5,269.0 million and 2020: R4,185.0 million). All our revenue is generated from our operations in South Africa.

Looking ahead we believe that the global economic environment, including escalating sovereign and personal levels of debt, economic volatility and the oversupply of foreign currency, will continue to make gold attractive to investors. The supply of gold has shrunk in recent years and is likely to shrink even more due to the significantly reduced capital expenditure and development occurring in the sector. We believe that this, coupled with global economic uncertainty, is likely to provide support to the gold price in the long term.

Until April 11, 2022, all gold we produce was sold on our behalf by Rand Refinery Proprietary Limited (Rand Refinery) in accordance with a refining agreement entered into in October 2001 and updated in July 2018. The sales price was fixed at the London afternoon fixed dollar price on the day the gold was delivered to the buyer. Before November 2020, the dollar proceeds sold were remitted to us within two days at which date the dollars were sold. Since November 2020 up to April 11, 2022, the dollars are also sold on the day the gold is delivered to the buyer. After April 11, 2022, gold is sold directly to South African Bullion banks after being refined to the required purity by Rand Refinery. The Group recognizes revenue from the sale of gold at a point in time when the gold is delivered to the South African Bullion bank on an agreed upon date, gold price and exchange rate. The gold bars which we produce consist of approximately 85% gold, 7-8% silver and the remaining balance comprises copper and other common elements. The gold bars are sent to Rand Refinery for assaying and final refining where the gold is purified to 99.9% and cast into troy ounce bars of varying weights. In exchange for this service, we pay Rand Refinery a variable refining fee and administration fees and up to April 11, 2022, a fixed marketing charge. We own 11.3% (fiscal year 2021 and 2020: 11.3%) of Rand Refinery.

Governmental regulations and their effects on our business

Common Law Mineral Rights and Statutory Mining Rights

Prior to the introduction of the Minerals and Petroleum Resources Development Act, or MPRDA in 2002, ownership in mineral rights in South Africa could be acquired through the common law or by statute. With effect from May 1, 2004, all minerals have been placed under the custodianship of the South African government under the provisions of the MPRDA and old order proprietary rights were required to be converted to new order rights of use within certain prescribed periods, as dealt with in more detail below. Mine dumps created before the MPRDA became law fall outside the MPRDA and do not require a mining license to be processed nor do they require the extensive rehabilitation and closure guarantees that are a feature of the MPRDA. Many of the activities to re-process a mine dump do fall under the provisions of the National Environmental Management Act though, which requires at it most basic the compilation and submission of an Environmental Impact Assessment.

Conversion and renewal of Rights under the Mineral and Petroleum Resources Development Act, 2002

Existing old order rights were required to be converted into new order rights in order to ensure exclusive access to the mineral for which rights existed at the time of the enactment of the MPRDA. In respect of used old order mining rights, the DMRE is obliged to convert the rights if the applicant complies with certain statutory criteria. These include the submission of a mining works program, demonstrable technical and financial capability to give effect to the program, provision for environmental management and rehabilitation, and compliance with certain black economic empowerment criteria and a social and labor plan. These applications had to be submitted within five years after the promulgation of the MPRDA on May 1, 2004. Similar procedures apply where we hold prospecting rights and a prospecting permit and conduct prospecting operations. Under the MPRDA mining rights are not perpetual, but endure for a fixed period, namely a maximum period of thirty years, after which they may be renewed for a further period of thirty years. Prospecting rights are limited to five years, with one further period of renewal of three years. Applications for conversion of our old order rights were submitted to the DMRE within the requisite time periods. As at June 30, 2022 and September 30, 2022 respectively, all of our Ergo operation's old order mining rights have been converted into new order rights under the terms of the MPRDA and applications to renew the converted the new order mining rights have been lodged timeously.

The Broad Based Socio-Economic Empowerment Charter

In order to promote broad based participation in mining revenue, the MPRDA provides for a Mining Charter to be developed by the MRE Minister within six months of commencement of the MPRDA beginning May 1, 2004 and was subsequently amended in September 2010. It is used an instrument to achieve mutually symbiotic sustainable growth and broad based and meaningful transformation of the mining and mineral industry.

The Mining Charter sets certain goals on equity participation (amount of equity participation and time frames) by historically disadvantaged South Africans of South African mining assets. It recommends that these are achieved by, among other methods, disposal of assets by mining companies to historically disadvantaged persons on a willing seller, willing buyer basis at fair market value. The goals set by the Mining Charter require each mining company to achieve 15 percent ownership by historically disadvantaged South Africans of its South African mining assets within five years and 26 percent ownership by May 1, 2014. It also sets out guidelines and goals in respect of employment equity at management level with a view to achieving 40 percent participation by historically disadvantaged persons in management and ten percent participation by women in the mining industry, each within five years from May 1, 2004. Compliance with these objectives is measured on the weighted average "scorecard" approach in accordance with a scorecard which was first published around August 2010. In April 2018, judgment was handed down by the North Gauteng High Court in Pretoria against a provision in the 2010 Mining Charter regarding the "once empowered always empowered" principle." This principle refers to whether a mining company, after the exit of a Black partner that held a stake in the company consequent to a result of a BEE transaction, continues to be BEE compliant. The judgment was appealed by the DMRE. The DMRE in August 2020, withdrew their notice to appeal to the Supreme Court of Appeal in respect of the judgment issued in April 2018 by the Pretoria High Court.

The Mining Charter and the related scorecard are not legally binding and, instead, simply state a public policy. However, the DMRE

places significant emphasis on the compliance therewith. The Mining Charter and scorecard have a decisive effect on administrative action taken under the MPRDA.

In recognition of the Mining Charter's objectives of transforming the mining industry by increasing the number of black people in the industry to reflect the country's population demographics, to empower and enable them to meaningfully participate in and sustain the growth of the economy, thereby advancing equal opportunity and equitable income distribution, we have achieved our commitment to ownership compliance with the MPRDA through our historic black economic empowerment structures which have subsequently unwound.

The mining industry in South Africa is extensively regulated through legislation and regulations issued by government's administrative bodies. These involve directives with respect to health and safety, mining and exploration of minerals, and managing the impact of mining operations on the environment. A change in regulatory or government policies could adversely affect our business.

On June 15, 2017, the Reviewed Broad-Based Black Economic Empowerment Charter for the South African Mining and Minerals Industry, 2017 ("**2017 Mining Charter**") was published in the Government Gazette No. 40923 of Government Notice.581. The publication of the charter was met with widespread criticism and on June 26, 2017 the Minerals Council of South Africa (previously Chamber of Mines of South Africa), and applied to the High Court of South Africa, Gauteng division for an urgent interdict to prevent the charter from implementation.

Key provisions included:

- 50% Black ownership for new prospecting rights;
- 30% Black ownership for mining rights (up to 11% offset for local beneficiation)

- For new mining rights to be issued, the provision for 1% of Earnings Before Interest, Taxes, Depreciation and Amortisation ("**EBITDA**") is paid to communities and employees as a trickle dividend from the sixth year of a mining right until dividends are declared or at any point in a 12-month period where dividends are not declared

On February 2016, The President of South Africa announced that a new mining charter would be developed and will follow a process which includes all stakeholders. The Minerals Council of South Africa subsequently postponed its application in the High Court in respect of the 2017 Mining Charter.

On September 27, 2018 the Broad-Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry, 2018 ("**Mining Charter 2018**") was published in Government Gazette No. 41934 of Government Notice No. 639 on September 27, 2018 superseding and replacing all previous charters, including Mining Charter III.

Mining Charter 2018 requires an enduring 30% BEE interest in respect of new mining rights. It also has extensive provisions in respect of HDP representation at board and management, as well provisions relating to local procurement of goods and services. The procurement target of the total spend on services from South African companies has been set at 80% (up from 70% in Mining Charter III) and 60% of the aggregate spend thereof must be apportioned to BEE entrepreneurs.

Key provisions of Mining Charter 2018 are:

- the conditional acceptance of the continued consequences of previous compliance of the BEE ownership threshold of 26% in respect of existing mining rights;
- of the 30% HDP ownership component, qualifying employees and communities are each to hold a 5% carried interest (as opposed to a free carry interest as per Mining Charter III) the cost of which may be recovered by the mining right holder from the development of the asset. the community interest in turn may be offset by way of an equity equivalent;
- removal of the so-called 1% of EBITDA trickle dividend provided for in the 2017 Mining Charter; and
- the removal of provisions requiring community and employee representation at board level.
- that the continuing consequences of HDP ownership are not recognized for transfers of mining rights; and
- that a top up of HDP ownership back to 30% is required for the renewal of existing rights.

Subsequently, several notable developments have occurred:

In March 2019, the Mineral Council of South Africa brought an application in the High Court, Pretoria for a judicial review and setting aside of certain provisions in Mining Charter 2018.

In June 2020, the High Court ordered the Minerals Council of South Africa to join parties representing communities, trade unions and BEE entrepreneurs as a prerequisite to the continuation of the lawsuit, as they have a direct and substantial interest in the outcome of the litigation.

On September 21, 2021, the High Court of South Africa ruled that the Mining Charter 2018 is not binding subordinate legislation but an instrument of policy. This ruling affirmed that the MRE Minister was not entitled to make law through the Mining Charter 2018 to require 30% HDP ownership for the renewal of existing mining rights.

On November 23, 2021, the MRE Minister confirmed that the MRE Minister will not appeal the ruling made by the High Court of South Africa.

Mine Health and Safety Regulation

The South African Mine Health and Safety Act, 1996 (as amended), or the Mine Health and Safety Act, came into effect in January 1997. The principal object of the Mine Health and Safety Act is to improve health and safety at South African mines and, to this end, imposes various duties on us at our mines and grants the authorities broad powers to, among other things, close unsafe mines and order corrective action relating to health and safety matters. In the event of any future accidents at any of our mines, regulatory authorities could take steps which could increase our costs and/or reduce our production capacity. The Act was amended in 2009 and the amendments to the Act dealt with *inter alia* the stoppage of production and increase punitive measures including increased financial fines and legal liability of mine management. Some of the more important provisions in the 2009 amendment bill are the insertion of section 50(7A) that obliges an inspector to impose a prohibition on the further functioning of a site where a person's death, serious injury or illness to a person or a health threatening occurrence has occurred; a new section 86A(1) creating a new offence for any person who contravenes or fails to comply with the provisions of the Mine Health and Safety Act thereby causing a person's death or serious injury or illness to a person. Subsection (3) further provides that (a) the "fact that the person issued instructions prohibiting the performance or an omission is not in itself sufficient proof that all reasonable steps were taken to prevent the performance or omission"; and that (b) "the defense of ignorance or mistake by any person accused cannot be permitted"; or that (c) "the defense that the death of a person, injury, illness or endangerment was caused by the performance or an omission of any individual within the employ of the employer may not be admitted"; section 86A(2) creating an offence of vicarious liability for the employer where a Chief Executive Officer, manager, agent or employee of the employer committed an offence and the employer either connived at or permitted the performance or an omission by the Chief Executive Officer, manager, agent or employee concerned; or did not take all reasonable steps to prevent the performance or an omission. The maximum fines were also increased. Any owner convicted in terms of section 86 or 86A may be sentenced to "withdrawal or suspension of the permit" or to a fine of R3 million or a period of imprisonment not exceeding five years or to both such fine and imprisonment, while the maximum fine for other offences and for administrative fines have all been increased, with the highest being R1 million.

Under the South African Compensation for Occupational Injuries and Diseases Act, 1993 (as amended), or COID Act, employers are required to contribute to a fund specifically created for the purpose of compensating employees or their dependents for disability or death arising in the course of their work. Employees who are incapacitated in the course of their work have no claim for compensation directly from the employer and must claim compensation from the COID Act fund. Employees are entitled to compensation without having to prove that the injury or disease was caused by negligence on the part of the employer, although if negligence is involved, increased compensation may be payable by this fund. The COID Act relieves employers of the prospect of costly damages but does not relieve employers from liability for negligent acts caused to third parties outside the scope of employment. In fiscal year 2022, we contributed approximately R5.9 million under the COID Act (2021: R4.3 million and 2020: R3.7 million) to a multi-employer industry fund administered by Rand Mutual Assurance Limited.

Under the Occupational Diseases in Mines and Works Act, 1973 (as amended), or the Occupational Diseases Act, the multi-employer fund pays compensation to employees of mines performing "risk work," usually in circumstances where the employee is exposed to dust, gases, vapors, chemical substances or other working conditions which are potentially harmful, or if the employee contracts a "compensatable disease," which includes pneumoconiosis, tuberculosis, or a permanent obstruction of the airways. No employee is entitled to benefits under the Occupational Diseases Act for any disease for which compensation has been received or is still to be received under the COID Act. These payment requirements are based on a combination of the employee costs and claims made during the fiscal year.

Uranium and radon are often encountered during the ordinary course of gold mining operations in South Africa, and present potential risks for radiation exposure of workers at those operations and the public to radiation in the nearby vicinity. We monitor our uranium and radon emissions for compliance with all local laws and regulations pertaining to uranium and radon management and under the current legislative exposure limits prescribed for workers and the public, under the Nuclear Energy Act, 1999 (as amended) and Regulations from the National Nuclear Regulator.

Environmental Regulation

Managing the impact of mining on the environment is extensively regulated by statute in South Africa. Recent statutory enactments set compliance standards both generally, in the case of the National Environmental Management Act, and in respect of specific areas of environment impact, as in the case of the Air Quality Act 2004, the National Water Act (managing effluent), and the Nuclear Regulator Act 1999. Liability for environmental damage is also extended to impose personal liability on managers and directors of mining corporations that are found to have violated applicable laws.

The impact on the environment by mining operations is extensively regulated by the MPRDA. The MPRDA has onerous provisions for personal liability of directors of companies whose mining operations have an unacceptable impact on the environment.

Mining companies are also required to demonstrate both the technical and financial ability to sustain an ongoing environmental management program, or EMP, and achieve ultimate rehabilitation, the particulars of which are to be incorporated in an EMP. This program is required to be submitted and approved by the DMRE as a prerequisite for the issue of a new order mining right. Various funding mechanisms are in place, including trust funds, guarantees and concurrent rehabilitation budgets, to fund the rehabilitation liability.

The MPRDA imposes specific, ongoing environmental monitoring and financial reporting obligations on the holders of mining rights.

We believe that our environmental risks have been addressed in EMPs which have been submitted to the DMRE for approval. Additionally, key environmental issues have been prioritized and are being addressed through active management input and support as well as progress measured in terms of activity schedules and timescales determined for each activity.

Our existing reporting and controls framework is consistent with the additional reporting and assessment requirements of the MPRDA.

Financial Provision for Rehabilitation

We are required to make financial provision for the cost of mine closure and post-closure rehabilitation, including monitoring once the mining operations cease. This can be done through the use of rehabilitation trusts or through financial guarantees issued to the DMRE. During fiscal year 2022, a change in method was decided upon as providing for environmental rehabilitation from funding in a specific rehabilitation trust to financial guarantees which is an allowed method in terms of the National Environmental Management Act. The financial guarantees are issued through approved insurance products from Guardrisk Insurance Company Limited ("**GICL**"). All the required approvals for the change in method and transfer of the rehabilitation trust funds were obtained from the DMRE and a thorough consideration of tax and legal impacts were completed prior to the funds being transferred to GICL directly from the rehabilitation trust where the funds were previously held. As of June 30, 2022, we held a total of R589.8 million (2021: R87.5 million) in funds held in insurance instruments after the transfer, of R579.5 million from the rehabilitation trusts was completed. As at June 30, 2022 guarantees amounting to R614.0 million (2021: R430.1 million) were issued to the DMRE. As of June 30, 2022, subsequent to the transfer to GICL, the balance in the rehabilitation trust was R nil (2021: R564.7 million).

The provision for environmental rehabilitation for the group was R517.7 million at June 30, 2022, compared to R570.8 million at June 30, 2021.

New Financial Provisioning Regulations ("**FPR**") were promulgated on November 20, 2015 under the National Environmental Management Act, 107 of 1998 ("**NEMA**") by the Department of Forestry, Fisheries and the Environment ("**DFFE**"). Under the FPRs to be implemented by the DMRE, existing environmental rehabilitation trust funds, of which DRDGOLD has R0.0 million, may be used only for post closure activities and may no longer be utilized for their intended purpose of concurrent and final rehabilitation on closure. As a result, new methods for provisions will have to be made for these activities.

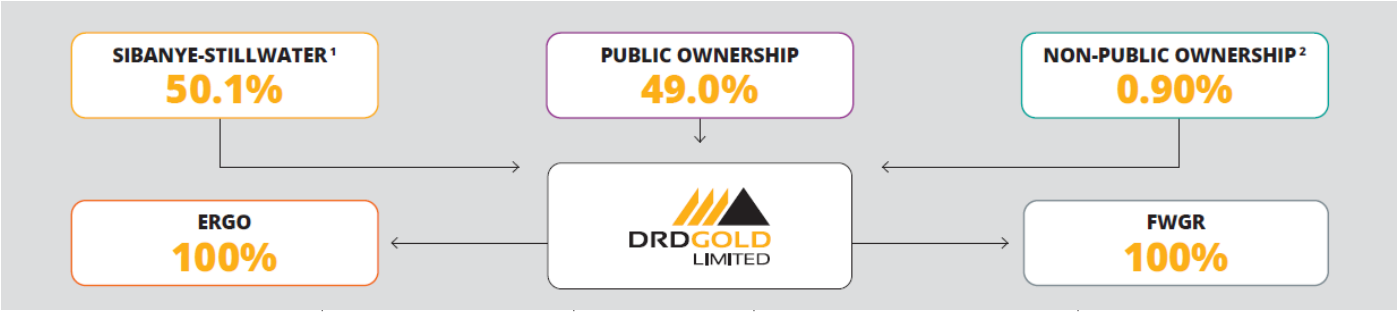
Several further proposed amendments to the FPRs, ("**Proposed Amendments**") were published subsequently. The latest Proposed Amendments were published in August 2021 which, *inter alia*, extends the compliance with these regulations to three months following the fiscal year end June 30, 2022.

The Proposed Amendments, in their current form and which are still subject to the approval of the DMRE and Treasury, allow under certain circumstances for the withdrawal against financial provision (which is currently not contemplated in the FPR). It is therefore uncertain whether these provisions relating to withdrawal will remain in their current form, or at all.

Regulation 5(4) of the Proposed Amendments states that the determination of financial provision must be undertaken by a specialist, which according to the definitions listed in the Proposed Amendments is an "independent person". Regulation 10 of the Proposed Amendments further requires the annual review and re-assessment of financial provision by an independent specialist, which in terms of Regulation 11 of the Proposed Amendments must also be audited by an independent auditor. The Proposed Amendments do not require that the annual review and re-assessment of financial provision be audited by a financial auditor.

4C. ORGANIZATIONAL STRUCTURE

The following chart shows our principal subsidiaries as of June 30, 2022 and as of September 30, 2022 respectively. All of our subsidiaries are incorporated in South Africa. Our voting interest in each of our subsidiaries are equal to our ownership interests. We hold the majority of our subsidiaries directly or indirectly as indicated below. Refer to Exhibit 8.1 for a list of our significant subsidiaries.



[1] Sibanye Gold Proprietary Limited trading as Sibanye-Stillwater.

[2] Includes shareholding by subsidiary, EMO, of 0.76% and shareholding by directors of the Company of 0.13%. Such shareholding is classified as non-public.

Ergo was previously owned by Ergo Mining Operations (Proprietary) Limited (EMO). EMO was 74% owned by DRDGOLD Limited and 26% by our broad-based black economic empowerment (BBBEE) partners – Khumo Gold SPV Proprietary Limited (Khumo) and the DRDSA Empowerment Trust. In FY2015, an agreement with our BBBEE partners entailing a roll-up of shareholding included the substitution of their 26% shareholding in EMO for 8.1% and 2.4% shareholding in DRDGOLD Limited respectively. At 30 June 2022, Khumo and the DRDSA Empowerment Trust held nil shares in DRDGOLD.

4D. PROPERTY, PLANT AND EQUIPMENT

Description of Significant Subsidiaries' Properties and Mining Operations

Mineral Reserves and Mineral Resources summary disclosures

Previously mining property disclosures were reported in accordance with the requirements of the SEC's Industry Guide 7. The SEC adopted amendments to modernize the property disclosure requirements for mining registrants, and related guidance. The amendments consolidate the SEC's mining property disclosure requirements by relocating them to a new subpart of Regulation S-K 1300 (Subpart 1300) ("**S-K 1300**"). These amendments closely align disclosure requirements to current industry and global regulatory practices and standards as embodied by the Committee for Reserves International Reporting Standards ("**CRIRSCO**"). The amendments were effective for the first fiscal year beginning on or after January 1, 2021. We have therefore adopted the new amendments in this Annual Report and going forward. The new rules require a registrant to obtain a dated and Technical Report Summary or Summaries ("**TRSs**") from the qualified person or persons, which identifies and summarizes the information reviewed and conclusions reached by each qualified person about the registrant's Mineral Resources and Mineral Reserves determined to be on each material property. Key changes in the amendments include the following:

- The reporting of Mineral Resources and not only Mineral Reserves. This is therefore the first time that we report on Mineral Resources and no comparatives are provided
- Statement of Mineral Resources exclusive of Mineral Reserves
- Removal of the requirement to use a three-year historical gold price to use in determining Mineral Reserves, but rather that of a reasonable and justifiable gold price
- Application of modifying factors in indicated or measured Mineral Resources in order to convert them to Mineral Reserves

The financial and technical assumptions underlying the Mineral Resources and Mineral Reserves estimations contained in this report and in the TRSs included as exhibits in this report are current as at June 30, 2022, the period covered by each of the respective reports. Such assumptions rely on various factors that may change after the reporting period, including as a result of operational reviews which the Company undertakes from time to time and when necessary. The TRSs which are filed as exhibits to this report in accordance with Item 601(86) and Item 1300 of Regulation S-K have been prepared by the Qualified Persons named therein'.

In South Africa, we are legally required to publicly report Mineral Reserves and Mineral Resources in compliance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, or SAMREC Code. South Africa is a member of CRIRSCO.

The following information is detailed for material properties of the Companies in Item 4D:

- History of operations
- Overview of operations
- Properties and location
- Geology
- Mining method
- Mineral Processing and Recovery Methods
- Infrastructure
- Exploration
- Environmental and Closure Aspects
- Water usage and reduction in use of potable water
- Water pollution
- Environmental rehabilitation closure providing and funding
- Legal aspects and permitting
- Production
- Capital Expenditure
- Mineral Reserves and Mineral Resources Estimation

History of operations

For a detailed review of the history of the operations, refer to Item 4A. History and development of the Company.

Overview of operations

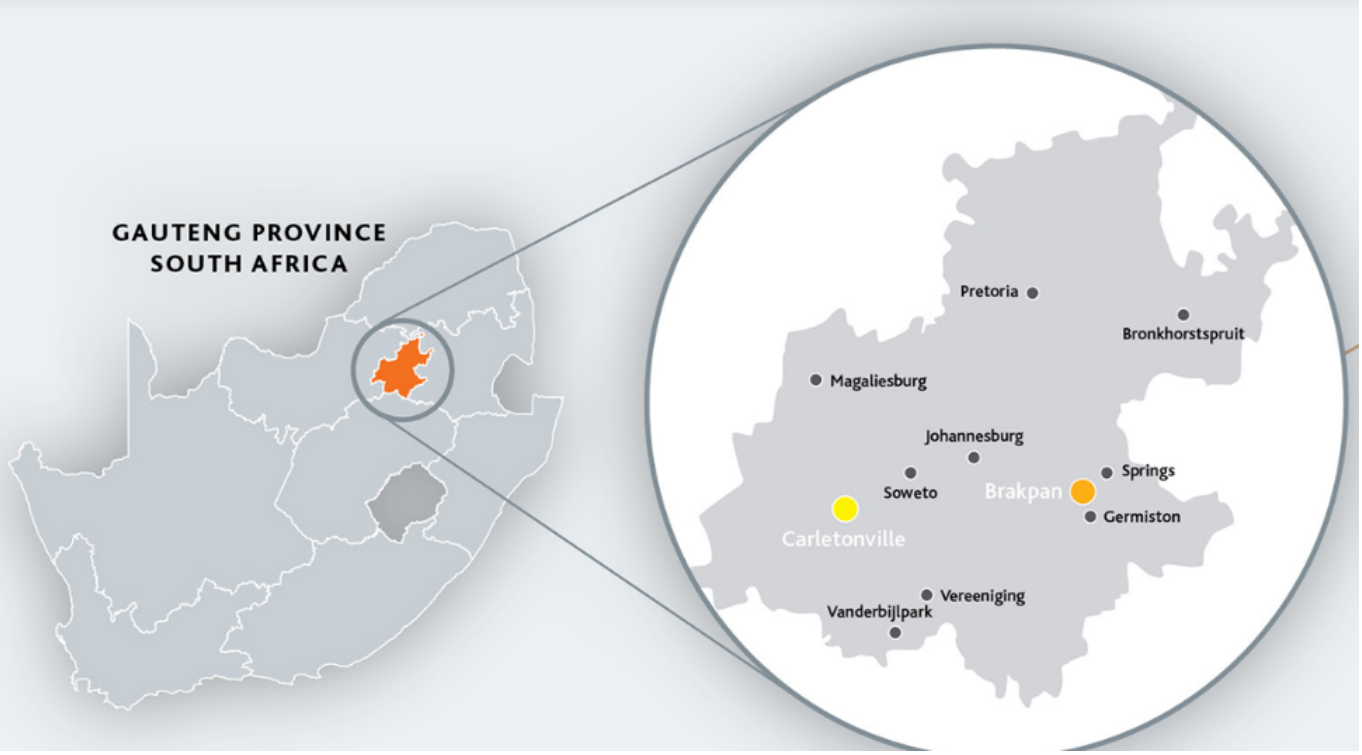
DRDGOLD owns 100% of Ergo and 100% of FWGR. Both are surface tailings retreatment operations producing gold. Ergo operates across central and east Johannesburg, within the Gauteng Province and FWGR in Carletonville on the far West Rand of the Gauteng Province. In order to improve synergies, effect cost savings and establish a simpler group structure, DRDGOLD restructured the Group's surface operations (Crown, ERPM's Cason Dump surface operation and ErgoGold) into Ergo with effect from July 1, 2012. On July 31, 2018, DRDGOLD acquired WRTRP Assets, which are surface gold processing assets and tailing storage facilities associated with Sibanye-Stillwater's WRTRP, and subsequently renamed it FWGR.

DRDGOLD also owns 100% ERPM. In December 2018, ERPM concluded revised agreements to dispose certain of its underground

assets to OroTree Limited ("OroTree") which included the disposal of ERPM's underground mining and prospecting rights. Underground mining infrastructure was not sold. ERPM's underground gold mining infrastructure is under care and maintenance.

At June 30, 2022, Ergo employed 763 full-time employees. In addition, specialist service providers deployed a further 1,677 employees to our operations bringing the total number of in-house and outsourced employees to 2,440 at June 30, 2022 (at June 30, 2021: 2,266; at June 30, 2020: 2,155). At June 30, 2022, FWGR employed 152 full-time employees. In addition, specialist service providers deployed a further 339 employees to our operations bringing the total number of in-house and outsourced employees to 491.

Below is geographical representation of the location on Ergo and FWGR within South Africa:



Properties and location

The Ergo plant is located approximately 43 miles (70 kilometers) east of the Johannesburg's central business district in the province of Gauteng on land owned by Ergo. Access to the Ergo plant is via the Ergo Road on the N17 Johannesburg-Springs motorway.

Following the restructuring of the Crown operations, which consisted of three separate locations, City Deep, Crown Mines and Knights, into a single surface retreatment operation in Ergo, these mining rights were transferred to Ergo in March 2014.The Crown Mines plant and sites were closed down in March 2017 and rehabilitated.

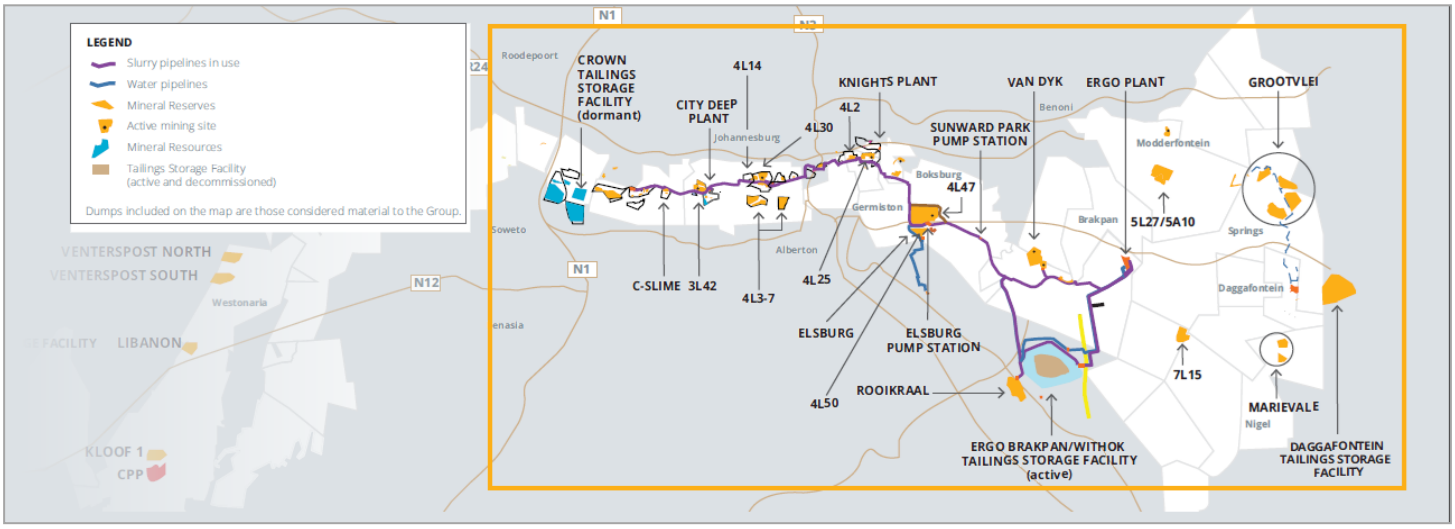
The City Deep operation is located on the West Wits line within the Central Goldfields of the Witwatersrand Basin, approximately 3 miles (5 kilometers) south-east of the Johannesburg central business district in the province of Gauteng. Access is via the Heidelberg Road on the M2 Johannesburg-Germiston motorway. The City Deep plant continues to operate as a pump/milling station feeding the metallurgical plants.

The Knights operation is located at Stanley and Knights Road Germiston off the R29 Main Reef Road. The Knights plant continues to operate as a metallurgical plant.

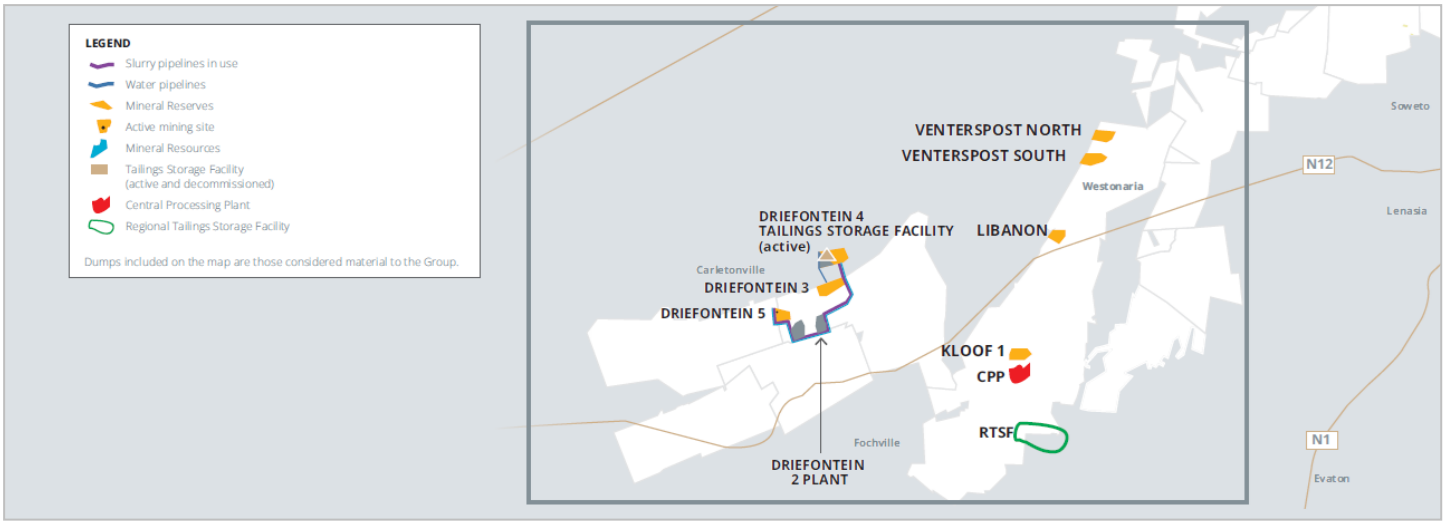
As of June 30, 2022 and September 30, 2022, no material encumbrances exist on Ergo's property.

As of June 30, 2022, the net book value of Ergo's mining assets was R1,707.0 million (2021: R 1,427.8 million).

Below is a geographical representation of the location of individual material properties of Ergo:



Below is a geographical representation of the location of individual material properties of FWGR:



FWGR's assets consists of the currently operational Driefontein 2 plant ("**DP2**"), Driefontein 3 plant ("**DP3**"), Driefontein 4 TSF which is a current active tailings deposition facility, pilot plant, which is a moveable LogiProc pilot plant established to test the processes, techniques and assumptions made in the definitive level design of the full scale retreatment of dumps. FWGR currently own six tailings storage facilities on the West Rand between Roodepoort and Carletonville, approximately 70km South West of Johannesburg (Figure A).

There are an additional four TSFs which will be transferred from Sibanye-Stillwater to FWGR once no longer required by the existing operations (Available TSFs). These are Driefontein 1, and 2, Kloof 2 and Leeudoorn. Numerous other TSFs are potentially available in the area for future reclamation. FWGR also owns land on which the Central Processing Plant ("**CPP**") and RTSF and the return water dam were originally planned to be built.

As of June 30, 2022, and September 30, 2022, no material encumbrances exist on FWGR's property.

At June 30, 2022, the net book value of FWGR's mining assets was R1,340.6 million (2021: R1,341.3 million).

Surface reclamation operations including the treatment of sand from ERPM's Cason Dump, was conducted through the Knights metallurgical plant, tailings deposition facilities and associated facilities until ERPM's surface mining assets were transferred to Ergo as part of the restructuring which took place on July 1, 2012.

As of June 30, 2022, and September 30, 2022, no encumbrances exist on ERPM's property.

At June 30, 2022, the net book value of ERPM's mining assets was zero (2021: zero).

Geology

DRDGOLD's surface deposits are the residue ("**tailings**") of the mining and metallurgical process recovery of gold and uranium ores of the gold bearing late Archaean (2.7Ga to 3.2Ga) Witwatersrand sedimentary basin. The Witwatersrand Basin is the largest gold bearing metallogenic province globally and is unconformably overlain by units of the Ventersdorp Supergroup (~2.7Ga), the Transvaal Supergroup (~2.6Ga), and the Karoo Supergroup (~280Ma).

The deposits consist of gold, uranium and sulphur-bearing sand dumps and slimes dams, and the composition reflects the major constituents of the Witwatersrand Basin: quartz (70%-80%), mica (10%), chlorite and chloritoid (9%-18%) and pyrite (1%-2%). Gold, uranium, zirconium and chromium may be minor constituents averaging <100ppm each. Deposits possess characteristics, determined by the geometry, material source and processing plants in which the original ores were processed.

Mining method

Material processed by Ergo is sourced from surface sources namely, sand and slime and are reclaimed separately. FWGR only source is slime.

No selective mining takes place on a dump with the entire TSF being processed. This is due to the following:

- No place exists on mining sites to dump below cut-off grade material;
- The mining method is not conducive to selective mining; and
- The operation is also a rehabilitation exercise, and all mineralized material must be removed from the site, and it is, therefore, economically beneficial to process all material, even low-grade material.

TSFs are mined through hydro-mining using high-pressure jets of water to dislodge tailings material or move sediment for transportation as a slurry to processing plants. The hydro-mining removes the tailings material from the top of a TSF to the natural ground level in 15m layers. Hydraulic mining provides slurry feedstock to the plants continuously. Ergo also uses mechanical front end loaders to load slimes/sand material. Material is re-pulped with water and pumped to the plants.

Mineral Processing and Recovery Methods

Our metallurgical plants use carbon-in-leach ("**CIL**") metallurgical processes to recover gold from slurry.

The surface sources have generally undergone a complex depositional history resulting in grade variations associated with improvements in plant recovery over the period the material was deposited. At Ergo, our two gold producing metallurgical plants, Ergo and Knights have an installed capacity to treat approximately 25 million tons of material per year based on 92% availability and are fully operational. All of the plants have undergone various modifications during recent years resulting in significant changes to the processing circuits. The City Deep plant continues to operate as a pump/milling station feeding the metallurgical plants. At FWGR, DP2 has a installed capacity to treat approximately 7.2 million tons of material per year.

The re-pulped slime is pumped to the plant and the reclaimed material is treated using screens, cyclones, ball mills and Carbon-in-Leach, or CIL, technology to extract the gold.

Set forth below is a description of each of our plants in operation:

Ergo Plant: Commissioned by Anglo American Corporation in 1977, became part of AngloGold Ashanti in 1998 from which it was acquired for a consideration of R42.8 million in 2007. The remaining five CIL tanks were refurbished during fiscal year 2015 to increase capacity to treat up to 25.2Mt per year.

Knights Plant: Commissioned in 1988, this surface/underground plant comprises a circuit including screening, primary cycloning, milling in closed circuit with hydrocyclones, thickening, oxygen preconditioning, CIL, elution, electro-winning and smelting to doré. The Knights plant, although historically part of the Crown operation, is located further east and considerably closer to the Brakpan/Withok TSF. Due to the location of the Knights plant it deposits waste on the Brakpan/Withok TSF. The Knights plant has an installed capacity to treat an estimated 3.6Mt per year.

City Deep Plant: Commissioned in 1987, this surface/underground plant comprises a circuit including screening, primary, secondary and tertiary cycloning in closed circuit milling, thickening, oxygen preconditioning, CIL, elution and zinc precipitation followed by calcining and smelting to doré. Retreatment continued at the City Deep Plant until the plant was decommissioned in August 2013 to operate as a milling and pump station and is currently pumping material to the Ergo Plant for the final extraction of gold.

Driefontein 2 Plant: Recommissioned in fiscal year 2019, this surface/underground plant was refurbished and modifications made to the milling and cyclone circuit to ensure the production of a finer grind for gold liberation.

Infrastructure

The hydro-mining, reprocessing and re-deposition of tailings material requires a network of pipes. Slurry pipelines will be needed

from the hydro-mining sites at the TSFs to the plants and tailings pipelines from the plants to the respective depositional facilities. High pressure water pipelines are necessary to supply the mining operations while separate low-pressure water pipes are needed for returning water to the plants from return water dams at the various TSFs. These have all been adequately designed and included in the LoM planning.

Ergo currently uses the Brakpan/Withok tailings facility as deposition facility, and FWGR, the Driefontein 4 TSF. Ergo requires the implementation of the final design of the Brakpan/Withok TSF to receive an additional 800Mt in order to deliver into its life of mine. FWGR requires the RTSF to ensure adequate storage facilities for the long-term deposition of all tailings arising from FWGR operations. It will be built on Transvaal Supergroup lithology (Figure D), to mitigate any risk of dolomite related sink holes. The design and cost estimate caters for a storage capacity of 800Mt and a potential disposal rate of up to 3.0Mtpm.

We are seeking to obtain the last regulatory approval for the final life design of the Brakpan/Withok TSF. Designs for the final life stage of the TSF are being reviewed. The permitting for the RTSF has been approved based on the initial design with a geomembrane barrier and FWGR are pursuing approval for the more recent scavenger well design. FWGR have reached an in-principle agreement with Sibanye Gold to co-deposit tailings on the Leeudoorn TSF. This will allow FWGR to increase production to 750ktpm for an interim period while also mitigating against the risk of an interruption to the planned production in the event that the approval sought for the RTSF is delayed.

Both operations obtain their power ultimately from the Eskom grid and therefore are currently exposed to the material risks associated with Eskom. Ergo operations receive power from several substations and mining sites are supplied power via several separate feeds. Currently, the Ergo plant demands peaks at 18MVa and the Brakpan/Withok Tailings Storage facility at 8MVa. Ergo operates 24-7-365 and the plant receives power at 6.6KV via Eskom's 88KV Vlakfontein distribution. At FWGR, power is currently supplied from Eskom's 132kV and 44kV grid to various Sibanye owned gold mines in the vicinity of FWGR's operations. The power requirement of FWGR remains within the current surplus capacity of the Driefontein and Kloof mining complexes.

Exploration

Exploration and development activity at Ergo involves the drilling of surface dumps and evaluating the potential gold bearing surface material in the determination of its Mineral Resources and Mineral Reserves. These exploration programmes comprise:

- surveying to determine physical dimensions and volumes;
- auger or reverse circulation drilling programs to permit sampling for gold content and mapping of the gold distribution;
- metallurgical and flow sheet development test work; and
- tailings toxicity tests and specific gravity determination.

Environmental and Closure Aspects

In accordance with South African mining legislation, all mining companies are required to rehabilitate the land on which they work to a determined standard for alternative use. DRDGOLD's business involves the reclamation of previously discarded material deposited, in many cases, by other companies, most of which are no longer in business. As a result we deal with legacy environmental issues.

Before we embark on new mining projects, we undertake an environmental authorization process which is performed by external consulting specialists that conduct detailed specialist studies, an environmental impact assessment and environmental management programme ("EMP") for the management of these projects. These reports are discussed and reviewed by our stakeholders through an open public participation process. Through this process, we are able to identify, address and minimize the effects of our activities on the environment and identify and mitigate the potential impacts our activities may have on surrounding communities and the receiving environment. Our environmental management systems and policies have been designed in compliance with South Africa's National Environmental Management Act 107 of 1998 and associated regulations. Internal and external environmental audits are performed annually and recorded in a database to ensure compliance. Our EMP encompasses all the activities of our operations and assesses the environmental impacts of mining at reclamation sites, plants and tailings storage facilities. It also outlines the closure process, including financial provisions.

At Ergo, environmental management and compliance is further assisted by the in–house developed electronic monitoring system (Compliance Management Tool) that incorporates all existing Environmental Impact Assessments ("**EIA**s"), EMPs, Mining Right Conversions, Performance Assessments and Social and Labor Plans ("**SLP**s") associated with each mining right. At Ergo the monitoring system incorporates existing EMPs and water use licenses. The existing and most recent studies are used to supplement the management components with regards to the mining right boundaries and its required compliance parameters. The individual management items are integrated to provide a holistic overview of the state of each of the mining right areas. Spatial data pertaining to the mining right boundaries is stored onto a central database and is utilized to create a live map which illustrates the mining right area and various environmental monitoring systems.

The Group actively manages and monitors the consumption of natural resources (including potable water and energy) at monthly and weekly meetings. This entails the analysis of trends to identify excess use and discuss various focus areas to ensure responsible natural resource usage. The major environmental risks are associated with dust from various reclamation sites, and effective management of relocated process material on certain tailings dams. At Ergo, Municipal infrastructure as well as commercial and residential developments have encroached towards the Ergo operation.

The impact of nuisance dust fallout on the surrounding environment and community is addressed through a comprehensive monitoring network including appropriate community involvement. The monitoring reports are sent to regulators, municipalities, and interested and affected

parties. For a residential zoned monitoring bucket, an exceedance is defined as above the dust limit of 600mg/m^2/day. For a non-residential zoned monitoring bucket, an exceedance is defined as above the dust limit of 1200mg/m^2/day.

Mitigation measures include environmentally friendly dust suppressants applied to high impact areas, active wetting of access roads by water bowsers, and a network of high velocity sprayers on our active TSFs. In the long-term, dust suppression and water pollution is managed through a program of progressive vegetation of the tailings followed by the application of lime, to reduce the natural acidic conditions, and fertilizer to assist in the growth of vegetation planted on the tailings dam.

Water usage and reduction in use of potable water

The primary uses for water are in the plants and hydro-mining for the various TSFs. Ergo constructed a central water reticulation plant in 2017 to give it the ability to deliver water to all corners of the operation and return it through a fully integrated closed system. Between 60%- 70% of all process water make up at Ergo is drawn from the Brakpan/Withok TSF to various reclamation sites by way of return water columns. Another 15%-20% water is drawn from lakes and dams in the region in terms of the requisite extraction licenses. A further 6%-11% of process water top up needs are from treated underground acid mine drainage ("**AMD**") drawn from Trans-Caledon Tunnel Authority ("**TCTA**"). DRDGOLD has the right to use up to 30 Ml of AMD water per day. Less than 1% of water is drawn from a wastewater treatment facility. Potable water is used only where the sensitivity of equipment requires it and for certain early stages of irrigation to settle in newly established vegetation on TSFs. At FWGR, all water harvested from Driefontein 4 TSF is used. This amounts to approximately 54% of process water requirements. The balance is made up from underground mine dewatering. Water use licenses are available for the pumping of water from underground workings at Kloof 10 shaft and Driefontein 10 shaft, and the consumption planned from these shafts will not exceed the pumping rates approved in the respective WULs. Potable water consumption is limited to drinking and change houses and flocculant make up for usage in the plant.

Water pollution

A closed water system is designed to avoid having to treat water or having to discharge into surface water courses. Overflows of return water dams may, depending on their location, pollute surrounding streams and wetlands. Ergo and FWGR have an ongoing monitoring program to ensure that its water balances (in its reticulation system, on its tailings and its return water dams) are maintained at levels that are sensitive to the capacity of return water dams. Any water discharge is contained through paddocks on reclaimed sites, storm water run-off and water systems that pump rain or excess water into the system. Another possible source water discharge is attributed mainly to compromised or aging pipes that may cause leaks. An external expert continuously monitors pipelines to timeously identify water leaks to minimize water seepages. A comprehensive maintenance plan is in place for replace compromised pipelines.

ERPM acid mine drainage

There is a regular ingress of water into the underground workings of ERPM, which was contained by continuous pumping from the underground section. Studies on the estimates of the probable rate of rise of water have been inconsistent, with certain theories suggesting that the underground water might reach a natural subterranean equilibrium, whilst other theories maintain that the water could decant or surface.

The government appointed TCTA to construct a partial treatment plant (neutralisation plant) to prevent the ground water being contaminated. TCTA completed the construction of the neutralisation plant for the Central Basin and commenced treatment during July 2014. As part of the heads of agreement signed in December 2012 between EMO, Ergo, ERPM and TCTA, sludge emanating from this plant is co-disposed onto the Brakpan/Withok TSF together with processed material from the Ergo plant. Partially treated water is then discharged by TCTA into the Elsburg Spruit. This agreement includes the granting of access to the underground water basin through one of ERPM shafts and the rental of a site onto which it constructed its neutralisation plant. In exchange, Ergo and its associate companies including ERPM have a set-off against any future directives to make any contribution toward costs or capital of up to R250 million. Through this agreement, Ergo also secured the right to purchase up to 30 ML of partially treated AMD, a day, from TCTA at cost, in order to reduce Ergo's reliance on potable water for mining and processing purposes.

Refer Item 18. ''Financial Statements - Note 26.2 Contingent liability for environmental rehabilitation" for disclosures on potential pollution impact on ground water through seepage

Environmental rehabilitation closure providing and funding

While the ultimate amount of rehabilitation costs to be incurred is uncertain, we have estimated that the total cost for Ergo, in current monetary terms as at June 30, 2022 is approximately R414.4 million. As at June 30, 2022, a total of R132.8 million (2021: R62.7 million) is held in insurance instruments in the Guardrisk Cell Captive, as security for financial guarantees issued for rehabilitation costs. As at June 30, 2022, after the change in method for providing for rehabilitation and subsequently the rehabilitation funds were transferred to the Guardrisk Cell Captive, a total of R0.0 million (2021: R127.2 million) is held in the Ergo Rehabilitation Trust Fund, previously called the Crown Rehabilitation Trust Fund, which is an irrevocable trust, managed by specific responsible people who we nominated and who are appointed as trustees by the Master of the High Court of South Africa.

We have estimated that the total cost for FWGR, in current monetary terms as at June 30, 2022 is approximately R93.9 million (June 30, 2021: R116.4 million). As at June 30, 2022, a total of R444.1 million (2021: R0.0 million) is held in insurance instruments in the Guardrisk Cell Captive, as security for financial guarantees issued for rehabilitation costs. As at June 30, 2022, after the change in method for providing for rehabilitation and subsequently the rehabilitation funds were transferred to the Guardrisk Cell Captive, a total of R0.0 million (2021: R425.1

million) is held in the Ergo Rehabilitation Trust Fund.

We have estimated that as at June 30, 2022 the present discounted value of the total cost of rehabilitation for ERPM is approximately R9.3 million (2021: R8.6 million). A total of R0.0 million (2021: R12.4 million) is held in the Ergo Rehabilitation Trust Fund for the benefit of ERPM and R51.6 million (2021: R24.8 million) is held in insurance instruments and is available for the settlement of these rehabilitation costs.

Legal aspects and permitting

Mining Rights and Prospecting Rights held are listed under the Ergo Mining Proprietary Limited subsidiary. DRDGOLD has numerous Surface, Mining and Prospecting Rights and ownership of the surface rights and mine dumps vests in various legal entities. Ergo is one of only a few surface operators that holds Mining Rights under the MPRDA over a large portion of its reserves. The provisions of the MPRDA, and the definition of 'mineral' had inadvertently created a gap in the Act placing the 'minerals' in certain TSFs beyond the regulatory reach of the MPRDA and limiting its competency to issue rights upon application. However, in terms of the transitional arrangements of the MPRDA, which were peremptory upon the DMRE in the event that the petitioner met the conditions for conversion from 'old order' to 'new order', Ergo was able to convert its old order rights, thus extending its "license to mine" into the dispensation introduced by the MPRDA. Ergo has also submitted applications to renew all its Mining and Prospecting Rights with the DMRE. The current Mining and Prospecting Rights have expired (with the exception of 7L4 TSF) but remain in force until such time that the renewal applications have been granted or refused by the DMRE. Water use licenses are applied for as and when required to remain compliant with relevant legislation. Ergo complies with all the conditions for renewal and has no reason to believe that the submitted renewals would not be granted. Ergo is in constant communication with the DMRE and is submitting the required information as per their requests to finalize these renewal applications.

The Mineral Resources and Mineral Reserves held by FWGR were acquired from Sibanye Gold Limited, a subsidiary of Sibanye-Stillwater Limited, in a transaction in which common law ownership was established over the various TSFs containing the said Mineral Resources and Mineral Reserves, and control was established by Sibanye-Stillwater over DRDGOLD. FWGR conducts its activities *inter alia* in accordance with Environmental Approvals ("**EAs**") and the provisions of the Mine Health and Safety regulations. A Use and Access Agreement with Sibanye Gold articulates the various rights, permits and licenses held by Sibanye Gold in terms of which FWGR operates, pending the transfer to FWGR of those that are transferable.

FWGR entered into a smelting agreement with Sibanye-Stillwater to smelt and recover gold from gold loaded carbon produced at the DP2 plant, and deliver the gold to Rand Refinery. In exchange for this service, Sibanye-Stillwater receives a fee based on the smelting costs plus 10% of the smelting costs. Rand Refinery performs the final refinement of all gold produced. Up to April 11, 2022, FWGR also engaged its fellow subsidiary, Ergo Mining Proprietary Limited, to act as its agent and representative and to enter into a refining services arrangement with Rand Refinery for the sale, marketing and export of the refined gold of the Company. After April 11, 2022, FWGR continued to engage Ergo Mining Proprietary Limited, to act as its agent and representative to sell gold directly to the South African Bullion banks. This agreement is expected to be in place until FWGR obtains its own precious metals beneficiation license and its own depository account with Rand Refinery.

DRDGOLD and its subsidiaries own the rights to some of the properties where the Mineral Resources are located. In other cases, agreements are in place with the landowners to mine the dump material and rehabilitate the land for other uses. The details of the related surface rights are not material for the purpose of this report. The necessary agreements are in place for all properties in the LoM plan.

Impediments on rights to mine

Grootvlei Complex

Ergo has submitted a renewal application of its prospecting rights over Grootvlei dumps 6L16, 6L17 and 6L17A to the DMRE. During the 2022 financial year, an external party raised a conflicting claim of common law ownership of 6L16, 6L17 and 6L17A TSFs. Although the claim was based on common law ownership and no attempt has been made to set aside the prospecting rights over the TSFs, the Grootvlei TSFs have been excluded from the Mineral Reserves statement and the Life-of-Mine (LoM) plan but included in the Mineral Resources statement.

Marievale Complex

Ergo acquired the 7L5, 7L6 and 7L7 TSFs in terms of a written notarial executed deed of sale during 2019 and took possession of the TSFs on 8 April 2019. It has since also obtained the requisite National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA) regulatory approvals to retreat the said TSFs. During the 2022 financial year, the owner of the land on which 7L5, 7L6 and 7L7 are situated, an estimated 36,524t out of the total 54,114t comprising the Marievale cluster, notified Ergo that in its view, the said TSFs had acceded to the land and that it had become the owner of the TSFs. Ergo disputes the claim of legal title and the matter is to be referred to arbitration.

All ownership requirements were met when the TSFs were purchased by Ergo and therefore the TSFs are still included in the Mineral Reserves. Whilst Ergo has received confident legal advice on the merits of its claim, in the event that the arbitration goes against Ergo, its Mineral Reserves will reduce by 35.52Mt (0.35Moz at 0.29g/t). Inasmuch as it then enters into a commercial arrangement with the land-owner, the financial benefit of this portion of the Marievale cluster will be reduced by whatever benefit is agreed to in favor of the land-owner.

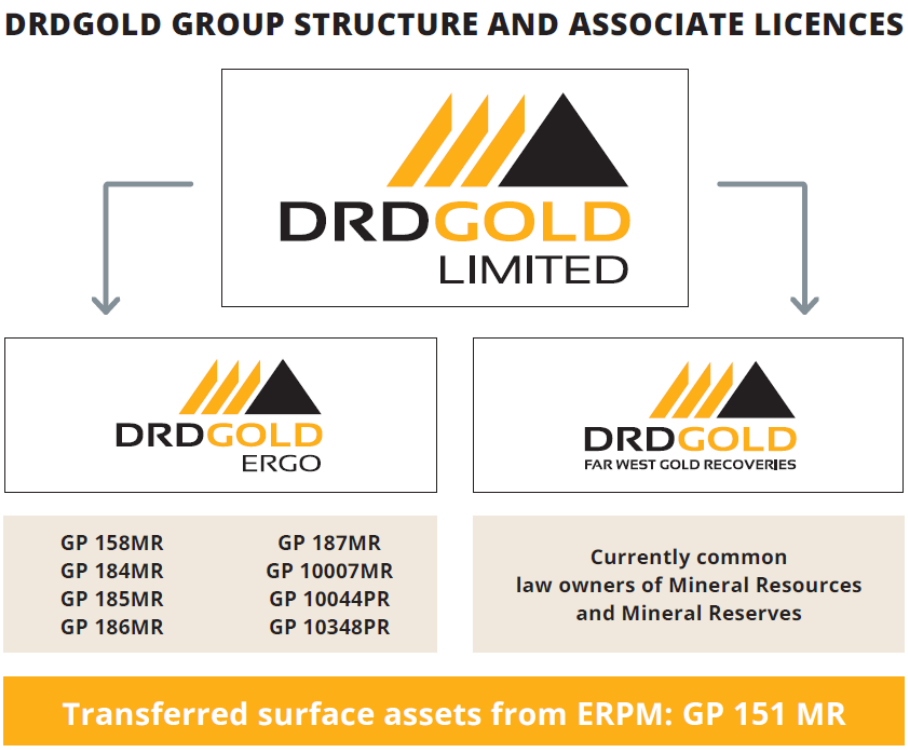
Ergo has a submitted renewal application to the DMRE for the prospecting rights it holds over 7L4 TSF. The entity (who holds common law ownership rights over the land on which the TSF is situated and the TSF itself) has agreed to relinquish ownership in favor of Ergo, provided that Ergo undertakes to:

- make a notional amount payment;

- suitably remove the TSF; and
- rehabilitate the land.

A draft contract stipulating the terms of such agreement is awaiting final signature.

Below is a graphical representation of the permits and licenses held within the Group:



Production

Ergo

For fiscal year 2022, production decreased to 133,618.0 ounces from 137,059.0 ounces in fiscal year 2021 mainly due to the volume throughput that decreased from 23.0Mt to 22.1Mt as a result of increased rainfall experienced in fiscal year 2022 in comparison to previous years. The impact of this decrease was offset by the increase in the average yield from 0.186g/t in fiscal year 2021 to 0.188g/t in fiscal year 2022.

Cash operating costs increased by $198.0 per ounce, or 16.0%, from $1,272.0 per ounce in fiscal year 2021 to $1,470.0 per ounce in fiscal year 2022 mainly due to the above inflationary increases in the costs of key consumables, diesel, steel and cyanide.

The following table details certain production and financial results of Ergo for the past two fiscal years.

	2022	2021
Production (imperial)		
Ore milled ('000 tons)	22,111	22,952
Recovered grade (oz/ton)	0.006	0.006
Gold produced (ounces)	133,618	137,059
Results of Operations		
Revenue (R million)	3,704.9	3,943.0
Cost of sales (R million)	3,141.8	2,871.0
Cash operating costs (R million)[1]	3,009.8	2,666.5
Cash operating costs (R/kilogram)[1]	718,676	629,585
All-in sustaining costs (R/kilogram) [1]	826,891	704,503
All-in cost (R/kilogram) [1]	848,683	717,755

1 Cash operating cost, cash operating costs per kilogram, all-in sustaining costs per kilogram and all-in costs per kilogram are financial measures of performance that we use to determine cash generating capacities of the mines and to monitor performance of our mining operations. These are all non-IFRS measures. For a reconciliation of these measures to the nearest IFRS measure see Item 5A.: "Operating Results - Reconciliation of cash cost per kilogram, all-in sustaining costs per kilogram and all-in costs per kilogram."

FWGR

For fiscal year 2022, production increased to 50,284 ounces from 46,940 ounces produced in fiscal year 2021. Although volume throughput decreased from 6.2Mt in fiscal year 2021 to 6.1Mt in fiscal 2022, this was offset by an increase average yield form 0.237g/t in fiscal year 2021 to 0.257g/t in fiscal year 2022.

Cash operating costs increased by $38 per ounce, or 7%, from $558 per ounce in fiscal year 2021 to $596 per ounce in fiscal year 2022 mainly due to an above inflationary increases in the costs of key consumables, diesel, steel and cyanide.

The following table details certain production and financial results of FWGR for the past two fiscal years.

	2022	2021
Production (imperial)		
Ore milled ('000 tons)	6,078	6,159
Recovered grade (oz/ton)	0.008	0.008
Gold produced (ounces)	50,284	46,940
Results of Operations		
Revenue (R million)	1,413.6	1,326.0
Cost of sales (R million)	592.1	517.2
Cash operating costs (R million)[1]	454.0	406.2
Cash operating costs (R/kilogram)[1]	291,302	276,174
All-in sustaining costs (R/kilogram) [1]	396,762	377,210
All-in cost (R/kilogram) [1]	422,540	400,829

1 Cash operating cost, cash operating costs per kilogram, all-in sustaining costs per kilogram and all-in costs per kilogram are financial measures of performance that we use to determine cash generating capacities of the mines and to monitor performance of our mining operations. These are all non IFRS measures. For a reconciliation of these measures to the nearest IFRS measure see Item 5A.: "Operating Results - Reconciliation of cash cost per kilogram, all-in sustaining costs per kilogram and all-in costs per kilogram."

Licenses to Operate	All the licenses, permits, permissions, management plans and reports, as well as amendments, variations or modifications thereof from time to time necessary for Sibanye-Stillwater to operate the WRTRP Assets lawfully.
Access Rights	The grant of access to DRDGOLD of the: · Driefontein 10 shaft; · Kloof 10 shaft located in the Kloof mining area that is subject to the Kloof Mining Right, for the purpose of pumping and supplying, at the cost of WRTRP, the required quantities of water, as licensed, for the WRTRP Assets; · rights, servitudes and agreements for installation, supply and distribution and maintenance of power supply; existing and proposed pipeline routes; servitudes; wayleaves and surface right permits; and · Driefontein 1 Gold Plant for the purpose of accessing the Pilot Plant.

Capital Expenditure

Ergo

For a discussion of capital expenditures in fiscal years 2020, 2021 and 2022, see "Item 5.A. Operating and Financial Review and

Prospects—Capital expenditure".

Capital expenditure related to material growth projects are financed on a project-by-project basis which may include bank facilities and existing cash resources. Sustaining capital expenditure is financed from cash generated from operations and existing cash resources. For a summary of capital expenditure, see Item 5A. Operating Results.

Advance planning is underway for the implementation of the final life design of the Brakpan/Withok TSF to accommodate higher grade resources in the area east of the of the Ergo Plant and further extend the life of mine of Ergo.

During fiscal year 2022 capital was expended to commence with the development of a solar power project, to reduce Ergo's reliance on the Eskom grid and reduce its carbon footprint. A large percentage of the planned capital expenditure in fiscal year 2023 will be applied to complete the first phase of the project. The project is expected to be completed in FY2024.

FWGR

FWGR appointed an engineering consulting company to undertake the definitive feasibility study and detailed design for the Phase 2 project. The available information was independently reviewed by an external consultant, Sound Mining Solution (Pty)Ltd. The project includes the construction of a new CPP with a capacity of between 1.2 Mtpm to 2.4 Mtpm and the equipping of the required reclamation sites and pipeline infrastructure to supply the relevant resources to the CPP. Phase 2 also includes the construction of a new RTSF capable of accepting up to 3 Mtpm to a capacity of approximately 800Mt. The definitive feasibility study was concluded in the fiscal 2021 year and is subject to obtaining regulatory approvals on the amended design of the RTSF. During the current year, management considered alternative plans should the RTSF be delayed further, based on information at hand. The Sibanye-Stillwater Leeudoorn tailings storage facility was evaluated as a viable interim alternative to the RTSF whilst regulatory approvals are obtained. Furthermore, the expansion of DP2 to a 1.2Mt processing capacity per month has been planned.

Capital expenditure related to material growth projects are financed on a project-by-project basis which may include bank facilities and existing cash resources. Sustaining capital expenditure is financed from cash generated from operations and existing cash resources.

Mineral Reserves and Mineral Resources Estimation

Mineral Resources

Mineral Resources are estimates that contain inherent risk and uncertainties and depend upon geological interpretations and data statistics drawn from drilling and sampling programmes, which may prove to be unreliable. For detailed description of risks associated with the Company's material properties, refer to Item 3D: Risk Factors.

Mineral Resources consist of sand dumps, slimes dams and silted 'vlei' areas and dams. Before dumps are included as Mineral Resources, they are evaluated by drilling and an initial assessment is completed by the Qualified Person.

With respect to the Mineral Resources and Mineral Reserves, drilling takes place on a predetermined grid to ascertain the average grade (grade model), moisture, expected extraction factors and ultimate financial viability before mining begins. Sampling is done subject quality control and assurance as prescribed.

Estimation methods vary depending on data distribution and statistics. A block model is generated and used to evaluate the potential for inclusion into a mine plan. The applied Mineral Resource classification is a function of the confidence of the entire process from surveying, drilling, sampling, assaying, geological understanding and/or geostatistical relationships. Mineral Resources is reported *in situ*.

Both Mineral Resources and Mineral Reserves are determined by the average grade of a TSF which must be above or equal to a plant feed cut-off grade. A cut-off is also determined per complex or cluster. A TSF may report an average gold grade below a cut-off, but when included in a complex, the total complex could be above the cut-off. The assumptions on a Mineral Resource cut-off include working costs, the average plant recovery, the expected residue grade, the required yield based on working cost and gold price, and are presented below:

	Ergo	**FWGR**
Cut-off assumptions		
Gold price (R)	914 294	914 294
Working cost (R/tonne)	90.86	85.23
Plant recovery (%)	40.87	53.55
Mine call factor (%)	100	100
Cut-off grade (g/t)	0.24	0.15

The Mineral Resource estimates for all the TSFs and a sand dump are declared as follows:

- The point of reference is in-situ. The TSFs or sand dumps themselves are the reference points;
- No geological or other losses were applied as all material is accessible and there are no geological structures;
- Mineral Resource Estimates are stated as both inclusive and exclusive of Mineral Reserves as defined in S-K 1300; and

- Mineral Resources are 100% attributable to DRDGOLD.

Mineral Reserves

The Mineral Reserves were prepared in accordance with the requirements of S-K 1300, and the economic viability thereof performed at a minimum prefeasibility study level. Modifying factors like dilution or mining losses bare not applied for the Mineral Reserve estimation because the TSFs are re-mined and re-processed in their entirety. All other modifying factors are reflected in the mine design and all of the associated technical aspects that informed the capital and operating cost estimates. Mineral Reserve is reported as delivered to the processing plants.

As material is removed for retreatment, the Mineral Resources and Mineral Reserves for each operation are adjusted accordingly. Continuous checks of modifying factors and ongoing surveys are conducted to monitor the rate of depletion and the accuracy of factors used in conversion.

Mineral Reserves changed in the past two fiscal years as follows:

- Mineral Reserves increased from 5.35 million ounces at June 30, 2021, to 6.04 million ounces at June 30, 2022, mainly because of Ergo's Daggafontein TSF being reclassified to a Mineral Reserve which was in part offset through ongoing mining activities. This is despite the Grootvlei dumps being classified from a Mineral Reserve. Ergo also classified a number of its dumps from a Probable Mineral Reserve to a Proven Mineral Reserve, notably the Rooikraal TSF, 0.47Moz(56.76Mt@0.26g/t). Grootvlei Complex has been excluded from the life of mine and has been classified from a Mineral Reserve to a Mineral Resource due to land claims.
- Mineral Reserves decreased from 5.73 million ounces at June 30, 2020, to 5.35 million ounces at June 30, 2021, mainly because of depletion through ongoing mining activities.

The life-of-mine for Ergo based on Proven and Probable Mineral Reserves S-K 1300 as at June 30, 2022, was 19 years (June 30, 2021: 13 years).

The life of mine for FWGR based on Proven and Probable Mineral Reserves under S-K 1300 as at June 30, 2022 was 20 years (June 30, 2021: 18 years).

The year on year Mineral Reserve reconciliation is shown below:

	Tonnes (Mt)	Grade Au (g/t)	Au Ounces (Moz)
Mineral Reserves as at June 30, 2021	518.10	0.32	5.35
Depletion of Mineral Reserves – Ergo	(20.48)	0.33	(0.22)
Survey adjustments - Ergo	(2.94)	0.20	(0.01)
Addition of Daggafontein TSF - Ergo	192.79	0.24	1.49
Addition of Various dumps - Ergo	6.72	0.24	0.06
Exclusion of Grootvlei Dumps – 6L16, 6L17 and 6L17A -Ergo	(66.04)	0.26	(0.55)
Depletion of Mineral Reserves – FWGR	(5.77)	0.45	(0.08)
Mineral Reserves at June 30, 2022	622.37	0.30	6.04

The figures contained in the table are rounded, which may result in minor computational discrepancies which are not deemed to be significant. Depletion based on block model surveys

Gold Price Assumptions

The estimation of Mineral Reserves and Mineral Resources requires the economic assessment to demonstrate reasonable prospects for economic extraction. Assumptions in the economic assessment includes a gold price. The Company has estimated gold price based on consensus forecasts obtained from various sources which provided a range as of June 30, 2022. The lowest range of these forecasts was selected to take into account the volatility experienced in the current global economic conditions. As of June 30, 2021, the three-year average gold price was used in accordance with Industry Guide 7 for the estimation of Mineral Reserves.

Year ended June 30, 2022	**Gold price**
Rand gold price per kilogram	914,294
Dollar gold price per ounce	1,823
ZAR/USD rate	15.60

Year ended June 30, 2021	**Three-year average gold price**
Rand gold price per kilogram	756,355
Dollar gold price per ounce	1,559
Ore Reserves (million ounces)	5.35

Qualified Persons:

The information contained in Item 4D related to Mineral Reserves and Mineral Resources is based on information compiled by the Qualified Persons as defined in S-K 1300. The Qualified Persons are not employed by the Company. The Company has evaluated the qualification and experience of the Qualified Persons and is satisfied that they meet the requirements in accordance with the SAMREC Code and S-K 1300. DRDGOLD obtained written consents from the Qualified Persons prior to publication of this report. The Qualified Person responsible for the compilation and reporting of Ergo's Mineral Resources is Mr Mpfariseni Mudau and for FWGR is Ms Diana van Buren. The Qualified Person responsible for the compilation and reporting of Ergo's Mineral Reserves is Professor Steven Rupprecht and for FWGR is Mr Vaughn Duke.

Qualified Persons	**Title**	**Address**	**Qualifications**	**Relevant years Experience**
Mpfariseni Mudau Pr.Sci.Nat 400305/12	Director of The RVN Group Proprietary Limited	Willowbrook Villas 21, Van Hoof St, Roodepoort, 1724	BSc (Hons) – Geology, MSc (Mining Engineering)	16
Professor Steven Rupprecht FSAIMM 701013	Associate Principal Mining Engineer of the RVN Group	Willowbrook Villas 21, Van Hoof St, Roodepoort, 1724	BSc. Mining Engineering PhD. Mechanical Engineering	35
Diana van Buren Pr.Sci.Nat. 400107/14	Partner of Sound Mining Solution Proprietary Limited	Sound Mining House, 2A Fifth Avenue, Rivonia, 2128	BSc (Hons) – Geology	16
Vaughn Duke Pr.Eng 940314 FSAIMM 37179	Partner of Sound Mining Solution Proprietary Limited	Sound Mining House, 2A Fifth Avenue, Rivonia, 2128	BSc Mining Engineering (Hons), MBA	37

Mineral Reserves and Mineral Resources internal control disclosure

DRDGOLD has employed an independent consultant to manage drilling activities and report sampling results in accordance with DRDGOLD's prescribed internal control procedures. The control procedures include standard operating procedure, supervision of drilling by experienced geologists, technical site visits by Qualified Persons, chain of custody and management approvals. Reputable commercial laboratories perform the assaying of samples for gold. These laboratories have quality assurance and quality control measures in place that satisfy Qualified Persons and also meet DRDGOLD's requirements. The results are also submitted to the directors at Ergo and FWGR to ensure that due process has been followed and to identify any anomalies. Verification of estimates is a routine part of the plant feed sampling programme. Plant feed grades are compared to the expected grades from the Mineral Resource and Mineral Reserves and updated monthly. Surveys are undertaken monthly, and a reconciliation is reported annually. Any adjustments for shortfall or overruns are made in the Mineral Resource and Mineral Reserve statement for the following year. Gains or losses are largely related to volume adjustments on survey although adjustment may be made for other reasons such as unexpected deleterious materials in the dump. The estimation of Mineral Reserves is an outcome of life of mine and budget planning which runs annually, whereby capital costs, operating costs and other assumptions are interrogated and approved at an executive committee level.

DRDGOLD's summary Mineral Resources (Including Mineral Reserves) as of June 30, 2022 are set forth in the tables below.

Mineral Resources (including Mineral Reserves)

	Measured Resources				Indicated Resources				Inferred Resources				Total			
	Tons (mill)	Grade (g/tonne)	Gold Content ('m ozs)	Gold Content (tonnes)	Tons (mill)	Grade (g/tonne)	Gold Content ('m ozs)	Gold Content (tonnes)	Tons (mill)	Grade (g/tonne)	Gold Content ('m ozs)	Gold Content (tonnes)	Tons (mill)	Grade (g/tonne)	Gold Content ('m ozs)	Gold Content (tonnes)
Ergo	266.25	0.31	2.64	82.24	568.21	0.25	4.55	141.40	21.32	0.24	0.16	5.12	855.78	0.27	7.35	228.76
FWGR	229.37	0.33	2.46	76.39	-	-	-	-	-	-	-	-	229.37	0.33	2.46	76.39
Total	**495.62**	**0.32**	**5.10**	**158.63**	**568.21**	**0.25**	**4.55**	**141.40**	**21.32**	0.24	**0.16**	**5.12**	**1,085.15**	**0.28**	**9.81**	**305.15**

DRDGOLD's summary Mineral Resources (Exclusive of Mineral Reserves) as of June 30, 2022 are set forth in the tables below.

Mineral Resources (Exclusive of Mineral Reserves)

	Measured Resources				Indicated Resources				Inferred Resources				Total			
	Tons (mill)	Grade (g/tonne)	Gold Content ('m ozs)	Gold Content (tonnes)	Tons (mill)	Grade (g/tonne)	Gold Content ('m ozs)	Gold Content (tonnes)	Tons (mill)	Grade (g/tonne)	Gold Content ('m ozs)	Gold Content (tonnes)	Tons (mill)	Grade (g/tonne)	Gold Content ('m ozs)	Gold Content (tonnes)
Ergo	66.04	0.26	0.55	17.17	375.41	0.25	3.02	93.85	21.32	0.24	0.16	5.12	462.77	0.25	3.73	116.14
FWGR [1]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**66.04**	**0.26**	**0.55**	**17.17**	**375.41**	**0.25**	**3.02**	**93.85**	**21.32**	0.24	**0.16**	**5.12**	**462.77**	**0.25**	**3.73**	**116.14**

[1] *Mineral Resources when stated exclusive of Mineral Reserves amount to zero for FWGR, because all of the Mineral Resources will be exploited and converted to Mineral Reserves*

DRDGOLD's summary Mineral Reserves as of June 30, 2022 are set forth in the tables below.

Mineral Reserves

	Proved Reserves				Probable Reserves				Total Reserves			
	Tons (mill)	Grade (g/tonne)	Gold Content ('m ozs)	Gold Content (tonnes)	Tons (mill)	Grade (g/tonne)	Gold Content ('m ozs)	Gold Content (tonnes)	Tons (mill)	Grade (g/tonne)	Gold Content ('m ozs)	Gold Content (tonnes)
Ergo	200.21	0.33	2.09	65.02	192.79	0.24	1.49	46.27	393.00	0.28	3.58	111.29
FWGR	216.49	0.33	2.32	72.15	12.88	0.33	0.14	4.24	229.37	0.33	2.46	76.39
Total	**416.70**	0.33	**4.41**	**137.17**	**205.67**	**0.25**	**1.63**	**50.51**	**622.37**	**0.30**	**6.04**	**187.68**

The figures contained in the tables are rounded, which may result in minor computational discrepancies which are not deemed to be significant.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

This section should be read in conjunction with, our audited financial statements and the other financial information contained elsewhere in this Annual Report. Our financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). Our discussion contains forward looking information based on current expectations that involve risks and uncertainties, such as our plans, objectives and intentions. Our actual results may differ from those indicated in such forward looking statements.

Comparison of financial performance for the fiscal year ended June 30, 2021 with fiscal year ended June 30, 2020

This comparison analysis can be found in Item 5A of the Company's annual report on Form 20-F for the fiscal year ended June 30, 2021.

5A. OPERATING RESULTS

Business overview

We are a South African gold mining company engaged in surface gold tailings retreatment, including exploration, extraction, processing and smelting. All our surface tailings retreatment operations, including the requisite infrastructure and metallurgical processing plants, are located in South Africa.

The success of DRDGOLD's long-term goal to extract as much gold from its assets as possible and is economically viable depends, to a large extent, on how effectively it continues to manage its resources.

DRDGOLD's strategic thinking is informed by principles of sustainable development. Our goal is to optimally exploit our entire resource over the long term, thereby seeking sustainable benefits in respect to the following capitals, each of which is essential to our operation – financial, manufactured, natural, human and social capital.

We also aim to align and overlap the interests of each of these capitals in such a manner that an investment in any one translates into value-add in as many of the others as possible. We therefore seek to achieve an enduring and harmonious alignment between them, and we pursue these criteria in the feasibility analysis of each investment.

Our profit for fiscal year 2022 decreased compared to fiscal year 2021, mainly due to, *inter alia*, the following:

- gold production decreased by 3kg to 5,720kg together with a decrease in gold sold by 20kg to 5,714kg. The decrease in production reflected a 3% decrease in throughput to 28,189,000t, offsetting the 3% increase in average yield to 0.203g/t;
- the average rand gold price received decreased by 3%; and
- above inflationary increases in the cost of key consumables, diesel, steel and cyanide.

Key drivers of our operating results and principal factors affecting our operating results

- the price of gold, which fluctuates both in terms of dollars and rands;
- our production tonnages and gold content thereof, impacting on the amount of gold we produce at our operations;
- our cost of producing gold, including the effects of mining efficiencies;
- general economic factors, such as exchange rate fluctuations and inflation, and factors affecting mining operations in South Africa; and
- government policies that could materially impact our operations.

Gold price

Our revenues are derived primarily from the sale of gold produced at our surface tailings retreatment operations. As a result, our operating results are directly related to the price of gold, which can fluctuate widely and is affected by numerous factors beyond our control, including industrial and jewelry demand, expectations with respect to the rate of inflation, the strength of the U.S. dollar (the currency in which the price of gold is generally quoted) and of other currencies, interest rates, actual or expected gold sales by central banks, forward sales by producers, global or regional political or economic events, and production and cost levels in major gold-producing regions such as South Africa. In addition, the price of gold is often subject to rapid short-term changes because of speculative activities. In response to the COVID-19 pandemic and measures taken to deal with the outbreak, investors globally, as they have in so many previous times of crisis, turned to gold and gold stocks as a safe haven asset, leading to a surge in the average gold price during fiscal year 2021 and the continued economic uncertainty along with the slow economic recovery, consequences of the Ukraine conflict resulted in sustained high (although marginally lower) gold prices for fiscal year 2022.

The demand for and supply of gold affects gold prices, but not necessarily in the same manner that supply and demand affect the prices of other commodities. The supply of gold consists of a combination of new production from mining and existing stocks of bullion and fabricated gold held by governments, public and private financial institutions, industrial organizations and private individuals.

The following table indicates data relating to the dollar gold spot prices for the 2022 and 2021 fiscal years:

	2022 fiscal year	2021 fiscal year	Change
	$ per ounce	$ per ounce	%
Closing gold spot price on June 30,	1,807	1,770	2
Lowest gold spot price during the fiscal year	1,684	1,676	-
Highest gold spot price during the fiscal year	2,070	2,072	-
Average gold spot price for the fiscal year	1,834	1,850	(1)

All our operations and gold production are based in South Africa, and as a result, the impact of movements in relevant exchange rates is significant to our operating results. The average gold price in rand (based on average spot prices for the year) increased by 16% from R24,466 per ounce in 2020 to R28,490 per ounce in 2021, and decreased by 2% to R27,896 per ounce in 2022.

An increase/(decrease) of 20% in the US dollar gold price throughout fiscal year 2022 would have increased/(decreased) revenue by approximately R1,023.7 million (2021: R1,053.8 million).

An increase/(decrease) of 20% in the Rand to US dollar exchange rate throughout fiscal year 2022 would have increased/(decreased) revenue by approximately R1,023.7 million (2021: R1,053.8 million).

Gold production

In fiscal year 2022, gold production decreased to 183,902 ounces (produced from 28.2 million tonnes milled at an average yield of 0.203g/t) from 183,999 ounces in fiscal year 2021 (produced from 29.1 million tonnes milled at an average yield of 0.197g/t). This was mainly due to Ergo's gold production which decreased to 133,618.0 ounces in fiscal year 2022 (produced from 22.1 million tonnes milled at an average yield of 0.188g/t) from 137,059.0 ounces in fiscal year 2021 (produced from 23.0 million tonnes milled at an average yield of 0.186g/t). The decrease was a result of a decrease in tonnes milled due to increased rainfall as well as lower grade material being mined.

In fiscal year 2021, gold production increased to 183,999 ounces (produced from 29.1 million tonnes milled at an average yield of 0.197g/t) from 174,385 ounces in fiscal year 2020 (produced from 26.3 million tonnes milled at an average yield of 0.206g/t). This was mainly due to the first full year of gold production of FWGR resulting in production of 46,940 ounces (produced from 6.2 million tonnes milled at an average yield of 0.237g/t), mitigating the impact of Ergo's gold production which increased to 137,059.0 ounces in fiscal year 2021 (produced from 23.0 million tonnes milled at an average yield of 0.186g/t) from 128,249.0 ounces in fiscal year 2020 (produced from 20.2 million tonnes milled at an average yield of 0.197g/t). The increase was a consequence of stable production during fiscal 2021 compared to fiscal 2020 when production suffered from the impact of the Lockdown, subsequent cautious ramp-up and interruptions in power supply from Eskom and the City of Ekurhuleni.

Cash operating costs

Cash operating costs is a non-IFRS financial measure of performance that is reported to the group's chief operating decision maker (CODM) and is used to monitor performance – refer to Item 18. ''Financial Statements - Note 23 – Operating Segments". For a reconciliation of this measure see Item 5A.: "Reconciliation of cash cost per kilogram, all-in sustaining costs per kilogram and all-in costs per kilogram".

Cash operating costs include consumables, labor, specialized service providers, electricity and other related costs incurred in the production of gold. Consumables, water and electricity, labor, specialized service providers and other costs are the largest components of cash operating costs. A breakdown of cash operating costs into these costs is described in Item 5A.: "Comparison of financial performance for the fiscal year ended June 30, 2022 with fiscal year ended June 30, 2021".

General economic factors

We are exposed to a number of factors, which could affect our profitability, such as exchange rate fluctuations, inflation and other risks relating to South Africa. In conducting mining operations, we are subject to the inherent risks and uncertainties of the industry, and the wasting nature of the assets.

Effect of exchange rate fluctuations

For the fiscal years 2022 and 2021, all of our revenues were generated from South African operations, all of our operating costs were denominated in rand and we derived all of our revenues in dollars before being translated to rands. As the price of gold is denominated in dollars which is then translated into rands, the appreciation of the dollar against the rand increases our profitability, whereas the depreciation of the dollar against the rand reduces our profitability.

In fiscal year 2022 the average Rand gold price received decreased by 3% compared to fiscal year 2021, this was a result of the combined impact of the average Dollar gold price which decreased by 1% and the average exchange rate of the rand against the dollar that strengthened by 1%.

In line with our long-term strategy of being an unhedged gold producer, we generally do not enter into forward gold sales contracts to reduce our exposure to market fluctuations in the Dollar gold price or the exchange rate movements. If revenue from gold sales falls for a substantial period below our cost of production at our operations, we could determine that it is not economically feasible to continue commercial production at any or all of our plants or to continue the development of some or all of our projects. However, during periods when medium-term debt is incurred to fund growth projects and hence introduce liquidity risk to the Group, we may mitigate this liquidity risk by entering into hedging instruments to achieve price protection (refer Item 11. Quantitative and Qualitative Disclosures About Market Risk – General).

Effect of inflation and exchange rates

In the past, our operations have been materially adversely affected by inflation. If there is a significant increase in inflation in South Africa, our costs will increase and if such a cost increase is not offset by an increase in the rand price of gold, this will negatively affect our operating results.

The movements in the rand/dollar exchange rate, based upon average rates during the periods presented, and the local annual inflation rate for the periods presented, as measured by the South African Consumer Price Index, or CPI, are set out in the table below:

Year ended June 30,	Fiscal year ended 2022 (%)	2021 (%)	2020 (%)
The average rand/dollar exchange rate (strengthened)/weakened by:	(1)	(2)	10
CPI (inflation rate)	7.4	4.9	2.2

Government policies that could materially impact operations

The mining industry in South Africa is extensively regulated through legislation and regulations issued by government's administrative bodies. One of the key findings of the Frasers Institute weighing on South Africa's investment appeal, is lack of regulatory certainty. Although the industry's successfully challenge of Mining Charter III in the High Court, that set aside certain provisions of the charter on the basis that it was purported legislation (as opposed to policy) provided some certainty to the industry, turnaround in obtaining permits and regulatory approvals remains slow, delaying the execution of key capital projects. The increasing prominence of ESG is also resetting the standard on transparency and sustainability and society generally is far more environmentally and socially aware, applying increasing pressure through providers of capital and the regulator to enforce compliance.

Production stoppages due to the impact of the COVID-19 pandemic on current operations

The Group temporarily halted its operations at Ergo and FWGR on March 26, 2020 pursuant to the announcement of the national lockdown in South African ("**Lockdown**"). Operations gradually recommenced through April and May 2020. Subsequent lockdowns in fiscal 2021 did not resulting in any similar stoppages in production and during fiscal 2022 the national state of disaster implemented by the National Government came to an end. (Refer to Item 4D. ''Property, plant and production – Ergo Production and FWGR production").

Key financial and operating indicators

The table below presents the key performance measurement data for the past two fiscal years: The financial results for the fiscal years below are stated in accordance with IFRS as issued by the IASB. The table includes the key performance measures for our business and its profitability, which are revenue, gold production, gold prices, operating costs, cash operating costs per kilogram, all-in sustaining costs per kilogram and all-in costs per kilogram, capital expenditure (additions to property, plant and equipment) and Ore Reserves.

Financial and operating data

	Year ended June 30, 2022	2021
Revenue (R'm)	5,118.5	5,269.0
Gold production (ounces)	183,902	183,999
Gold production (kilograms)	5,720	5,723
Gold sold (ounces)	183,709	184,352
Gold sold (kilograms)	5,714	5,734
Average spot gold price (R/kilogram)	896,877	915,972
Average gold price received (R/kilogram)	894,409	917,996
Cost of sales (R'm)	3,741.5	3,388.2
Operating costs (R'm)	3,506.5	3,122.5
Cash operating costs (R'm) (1)	3,463.8	3,072.7
Cash operating costs (R/kilogram) (1)	600,875	540,338
All-in sustaining costs (R/kilogram) (1)	721,684	626,247
All-in costs (R/kilogram) (1)	746,255	643,338
Additions to property, plant and equipment (R'm)	598.4	395.7

(1) Cash operating costs, cash operating costs per kilogram, all-in sustaining costs, all-in sustaining costs per kilogram and all-in costs and all-in costs per kilogram are non-IFRS financial measures of performance that we use to monitor performance. A reconciliation of these measures to the nearest IFRS measure is included in Item 5A.: "Operating Results - Reconciliation of cash cost per kilogram, all-in sustaining costs per kilogram and all-in costs per kilogram."

Revenue

Revenue decreased by 3% to R5,118.5 million in fiscal year 2022 from R5,269.0 million in fiscal year 2021 mainly due to the average rand gold price received that decreased by 3% to R894,409 per kilogram and the 20kg decrease in gold sold from 5,734 kilograms in fiscal 2021 to 5,714 kilograms in fiscal 2022.

Refer to Item 5A:. "Operating results: Key drivers of our operating results and principal factors affecting our operating results" for a discussion regarding the gold price received and sales volumes.

Capital expenditure

During fiscal year 2022 capital expenditure increased by R202.7 million to R598.4 million from R395.7 million in fiscal year 2021.

Ergo's capital expenditure during fiscal year 2022 increased by R173.3 million to R424.2 million from R250.9 million in fiscal year 2021. This was mainly due to upgrading of the 4A8 pump station & power supply amounting to R45.0 million, infrastructure development for Marievale and Rooikraal dumps amounting to R204.5 million, various expenditure on the Brakpan/Withok TSF including decanting and slurry lines amounting to R53.0 million and solar project plant related costs amounting to R59.1 million.

FWGR's capital expenditure during fiscal year 2022 increased by R16.5 million to R159.8 million from R143.3 million in fiscal year 2021. This was mainly due to the completion of the construction of an additional thickener to all full closed circuit milling amounting to R47.7 million, final designs for the CPP, with the design work also being applicable to the potential expansion of DP2 amounting to R64.1 million and the ongoing improvement of Driefontein 4 Tailings Storage Facility amounting to R6.3 million.

During fiscal year 2021, capital expenditure was R395.7 million primarily consisting of expenditure incurred on sustaining capital expenditure on the reclamation site, the Brakpan/Withok TSF, the Brakpan plant, the commencement of the construction for the additional thickener and the installation of the copper elution circuit.

Critical accounting policies

The preparation of the consolidated financial statements requires management to make accounting assumptions, estimates and judgements that affect the application of the Group's accounting policies and reported amounts of assets and liabilities, income and expenses. By their nature, judgements are subject to an inherent degree of uncertainty. Accounting assumptions, estimates and judgements are reviewed on an ongoing basis. Revisions to reported amounts are recognized in the period in which the revision is made and in any future periods affected. Actual results may differ from these estimates.

Management has discussed the development and selection of each of these critical accounting policies with the Board of Directors and the Audit Committee, both of which have approved and reviewed the disclosure of these policies. This discussion and analysis should be read in conjunction with the consolidated financial statements and related notes included in Item 18. "Financial Statements".

Critical accounting policies that require significant judgment

Management believes the following critical accounting policies require more significant judgements to be used in the preparation of our consolidated financial statements and could potentially impact our financial results and future financial performance:

- Payments made under protest: Judgement regarding the outcome of the matter, and
- Contingencies: Judgement regarding the outcome of the respective matters

Payments made under protest

The assessment to develop and apply the relevant accounting policy for payments made under protest that arise from the Municipality Electricity Tariff Dispute (refer Item 18. ''Financial Statements - Note 24 Payments made under protest") requires the exercise of significant judgement.

The judicial proceedings that impact the Payments made under protest are inherently complex legal issues that are subject to uncertainties and complexities and are subject to interpretation.

Contingencies

The assessment of the impact of contingent liabilities requires the exercise of significant judgement regarding the outcome of uncertain future events. Litigation and other judicial proceedings inherently entail complex legal issues that are subject to uncertainties and complexities and are subject to interpretation.

Critical accounting policies that require significant assumptions and estimates

Management believes the following are critical accounting policies which involve the more significant assumptions and estimates used in the preparation of our consolidated financial statements, and are therefore considered DRDGOLD's critical accounting estimates which could potentially impact our financial results and future financial performance:

- Depreciation: Estimation of the life-of-mine
- Provision for environmental rehabilitation: Estimation of future environmental rehabilitation costs
- Income tax: Estimation of the deferred tax rate
- Payments made under protest: Estimation of the carrying value and recoverability
- Other investments: Estimation of the fair value of financial assets

Depreciation: Estimation of life-of-mine

Depreciation of mine plant facilities and equipment, as well as mining property and development (including mineral rights) are calculated using the units of production method which is based on the life-of-mine of each site. The life-of-mine is primarily based on proved and probable mineral reserves. It reflects the estimated quantities of economically recoverable gold that can be recovered from reclamation sites based on the estimated gold price. Changes in the life-of-mine will impact depreciation on a prospective basis. The life-of-mine is prepared using a methodology that takes account of current information to assess the economically recoverable gold from specific reclamation sites and includes the consideration of historical experience.

Provision for environmental rehabilitation: Estimation of future environmental rehabilitation costs

Provisions for environmental rehabilitation are provided at the present value of the costs expected to be incurred in the future to settle the obligation based on current prices. The unwinding of the obligation is included in profit or loss. Estimated future costs of environmental rehabilitation are reviewed regularly and adjusted as appropriate. Changes in estimates are capitalized or reversed against the related asset but taken to profit or loss if there is no related asset left. Gains or losses from the expected disposal of assets are not taken into account when determining the provision.

Estimates of future environmental rehabilitation costs are based on the Group's environmental management plans which are developed in accordance with regulatory requirements, the life-of-mine plan and the planned method of rehabilitation which is influenced by developments in trends and technology.

Income tax: Estimation of the deferred tax rate

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The deferred tax liability is calculated by applying a forecast weighted average tax rate that is based on a prescribed formula. The calculation of the forecast weighted average tax rate requires the use of assumptions and estimates and are inherently uncertain and could change materially over time. These assumptions and estimates include the expected future profitability and timing of the reversal of the temporary differences. Due to the forecast weighted average tax rate being based on a prescribed formula that increases the effective tax rate with an increase in forecast future profitability, and vice versa, the tax rate can vary significantly year on year and can move contrary to current period financial performance.

Payments made under protest: Estimation of the carrying value and recoverability

The discounted amount of the Payments made under protest is determined using assumptions about the future that are inherently uncertain and can change materially over time and includes the discount rate and discount period.

These assumptions about the future include estimating the timing of concluding on the main application, i.e. the discount period, the ultimate settlement terms (refer Item 18. ''Financial Statements - Note 24 Payments made under protest"), the discount rate applied and the assessment of recoverability.

Recognition and measurement

The asset that arises from the Ekurhuleni electricity dispute (refer Item 18. ''Financial Statements - Note 24 Payments made under protest") and that are payments made under protest is initially measured at a discounted amount and any difference between the face value of payments made under protest and the discounted amount on initial recognition is recognised in profit or loss as a finance expense. Subsequent to initial recognition, the Payments made under protest is measured using the effective interest method to unwind the discounted amount to the original face value less any write downs for recovery. Unwinding of the carrying value and changes in the discount period are recognised in the statement of profit or loss.

Assessment of recoverability

The discounted amount of the payments under protest is assessed at each reporting date to determine whether there is any objective evidence that the full amount is no longer expected to be recovered. The Group considers the reasonable and supportable information related to the creditworthiness of Ekurhuleni Metropolitan Municipality and events surrounding the outcome of the Main Application (refer Item 18. ''Financial Statements - Note 24 Payments made under protest"). Any write down is recognised in the statement of profit or loss.

Other investments: Estimation of the fair value of financial assets

The fair value of other investments is determined using assumptions about the future that are inherently uncertain and can change materially over time. It includes several assumptions that are based on both observable and unobservable inputs. Assumptions applied in the estimation of the fair value of the investment in Rand Refinery include the following:

Amounts in R million	Observable/unobservable	Unit	2022	2021
Rand Refinery operations				
Average gold price	Observable input	R/kg	880,207	847,317
Average silver price	Observable input	R/kg	11,209	11,751
Average South African CPI	Observable input	%	4.4	4.4
South African long-term government bond rate	Observable input	%	10.26	9.5
Terminal growth rate	Unobservable input	%	4.4	4.4
Weighted average cost of capital	Unobservable input	%	15.9	15.1
Investment in Prestige Bullion				
Discount period	Unobservable input	Year	11	12
Cost of equity	Unobservable input	%	14.2	16.5

Marketability and minority discounts (both unobservable inputs) were also applied of 16.5% and 17.0% (2021: 16.5% and 17.0%) respectively. The latest budgeted cash flow forecasts provided by Rand Refinery as at June 30, 2022 was used, and therefore classified as an unobservable input into the models.

New standards, amendments to standards and interpretations

Refer to Item 18. ‘‘Financial Statements - Note 3 – New standards, amendments to standards and interpretations” for a discussion of relevant standards, amendments to standards and interpretations that may be applicable to the business of the Group and may have an impact on future consolidated financial statements.

Comparison of financial performance for the fiscal year ended June 30, 2022 with fiscal year ended June 30, 2021

Gold revenue

The following table illustrates the year-on-year change in gold revenue for fiscal year 2022 in comparison to fiscal year 2021:

R million	Total gold revenue 2021	Impact of change in amount of gold sold	Impact of change in gold price	Net change	Total gold revenue 2022
Ergo	3,939.9	(135.1)	(104.7)	(239.8)	3,700.1
FWGR	1,323.9	116.1	(29.4)	86.7	1,410.6
Consolidated	5,263.8	(19.0)	(134.1)	(153.1)	5,110.7

Gold revenue decreased by R153.10 million, or 3%, to R5,110.7 million during fiscal year 2022. This was mainly due to the average rand gold price received which decreased by 3% to R894,409 per kilogram and a marginal decrease in gold sold from 184 350 ounces to 183 709 ounces.

Cost of sales

Cost of sales amounted to R3,741.5 million in fiscal year 2022, consisting mainly of operating costs of R3,506.5 million, depreciation of R267.6 million, a positive movement in gold in process of R30.4 million and a positive movement in the change in estimate of environmental rehabilitation of R2.2 million. These are discussed as follows:

Operating costs

Operating costs increased by 12.3% to R3,506.5 million for fiscal year 2022 compared to R3,122.5 million for fiscal year 2021. The increase is mainly due to general higher inflation in fiscal year 2022 as well as above inflation increase in the costs of key consumables, diesel, steel and cyanide.

Depreciation

Depreciation charges were R267.6 million for fiscal year 2022 compared to R252.5 million for fiscal year 2021. Depreciation charges increased as a result of increased capital expenditure over the last two fiscal years.

Change in estimate of environmental rehabilitation

As of June 30, 2022, we estimate our total environmental rehabilitation provision, being the discounted estimate of future costs, to be R517.7 million as compared to R570.8 million at June 30, 2021. A change in estimate of environmental rehabilitation of R2.2 million was recognized due to changes in the estimated timing of the vegetation of non-viable reclamation sites and dormant infrastructure. In addition, a R67.2 million decrease in the provision due to the increase in the Ergo life of mine.

A total of R589.8 million (2021: R87.5 million) is invested in funds held in insurance instruments to secure financial guarantees provided to the DMRE through an insurance cell captive company, the Guardrisk Cell Captive. The increase is attributable to the transfer from the environmental trust funds to the Guardrisk Cell Captive along with growth of R10.4 million on these funds during fiscal year 2022. As at June 30, 2022, guarantees amounting to R614.0 million were in issue to the DMRE (2021: R430.1 million). Any shortfall between the invested funds and the estimated provisions is expected to be financed by contributions to the Guardrisk Cell Captive from time to time as required over the remaining production life of the respective mining operations and, at the time of mine closure, the proceeds on the disposal of remaining assets and gold from plant clean-up. The transfer of the funds from the environmental trust fund to the Guardrisk Cell Captive was completed after the required approvals for the change in method and transfer of the environmental trust funds were obtained from the DMR and a thorough consideration of tax and legal impacts was performed.
As a result, a total of R0.0 million remained in our various environmental trust funds as at the end of fiscal year 2022, as compared to R564.7 million at the end of fiscal year 2021. Up to the time of the transfer, R 14.8 million of interest was received on these funds during fiscal year 2022.

Movements in gold in process

Movement in gold in process in fiscal year 2022 amounted to R30.4 million mainly due to an increase in the lock up of gold in process at the plants and finished inventories - Gold Bullion.

Administration expenses and general costs

Administration expenses and general costs increased by R97.2 million from R64 million in fiscal year 2021 to R161.2 million in fiscal year 2022. Administration expenses and general costs in fiscal year 2021 included a share-based payments benefit of R44.3 million. The share-based payment benefit in 2021 was mainly due to the remeasurement of the cash-settled share-based payment liability at a seven-day volume weighted average price (VWAP) of the DRDGOLD share from R25.14 at June 30, 2020 to R18.62 at November 5, 2020. This liability was fully settled on November 5, 2020. In addition, transaction and exploration costs increased from R3.1 million in fiscal year 2021 to R15.2 million in fiscal year 2022 as well as an increase in other administration expenses and other costs of R13.1 million related to short term incentives and information technology.

Finance income

Finance income increased from R216.2 million in fiscal year 2021 to R225.8 million in fiscal year 2022, mainly due to an increase in interest income earned of R3.9 from higher cash and cash equivalents balances during the year and an unrealized foreign exchange gain of R7.0 million in fiscal year 2022 compared to an unrealized foreign exchange loss in 2021 which was recognized in finance expense.

Finance expense

Finance expenses increased from R69.5 million in fiscal year 2021 to R74.8 million in fiscal year 2022, mainly attributable to discount on the initial payment made under protest of R21.1 million compared to R7.4 million in fiscal year 2021. This increase was in part offset by the unrealized foreign exchange loss of nil in fiscal year 2022 compared to R8.4 million in fiscal year 2021.

Income tax

Income tax amounted to a charge of R334.3 million for fiscal year 2022 (2021: charge of R523.7 million) and consists of a current tax charge of R261.5 million (2021: charge of R423.7 million) and deferred tax charge of R72.7 million (2021: deferred tax charge of R100 million).

The current tax decreased to R261.5 million in fiscal year 2022 from R423.7 million in fiscal year 2021 mostly due to a decrease in the taxable mining income of both Ergo and FWGR resulting mainly from a decrease in profits as well as increased capital expenditure for which full capital redemption under section 36 of the Income Tax Act was applied.

The forecast weighted average deferred tax rate for both Ergo and FWGR decreased in fiscal year 2022 to 22% and 29% respectively from 25% and 30% respectively in fiscal year 2021. The decrease is due to a change in the gold mining tax formula and the updated life of mine plan. Refer to Item 10E.: Taxation – “Income Tax and Withholding Tax on Dividends” for a detailed explanation on changes in taxation laws and regulations.

Non-IFRS Measures

Set forth below is a discussion of non-IFRS measures presented in this report, including a reconciliation of such measures from the nearest measure under IFRS, as well as an explanation as to why we believe that presentation of such information provides useful information to investors and additional purposes, if any, for which we use such measures.

Adjusted earnings before interest, tax, depreciation and amortization ("Adjusted EBITDA")

Set forth below is a presentation of our Adjusted EBITDA, which is a non-IFRS measure, including the items included in this measure and a reconciliation from profit for the year. Our calculation of Adjusted EBITDA is based on the calculation of this measure as included in our RCF agreement and may not be comparable to similarly titled measures of other companies. Adjusted EBITDA is not a measure of performance under IFRS and should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity. We consider Adjusted EBITDA for the purpose of evaluating compliance with the covenants imposed by the Company's borrowing agreements entered into during fiscal year 2019. The Group considers the presentation of Adjusted EBITDA provides useful information to investors to enable investors to assess compliance with our historic covenants in the RCF agreement.

	Year ended, June 30	
Reconciliation of adjusted EBITDA	**2022**	2021
Profit for the year	**1,123.8**	1,439.9
Income tax	**334.3**	523.7
Profit before tax	**1,458.1**	1,963.6
Finance expense	**74.8**	69.5
Finance income	**(225.8)**	(216.2)
Results from operating activities	**1,307.1**	1,816.9
Depreciation	**267.6**	252.5
Share based payment (benefit)/expense	**18.4**	(28.3)
Change in estimate of environmental rehabilitation recognised in profit or loss	**(2.2)**	(12.4)
Gain on disposal of property, plant and equipment	**(6.6)**	(0.1)
IFRS 16 Lease payments [1]	**(23.8)**	(15.8)
Exploration expenses and transaction costs	**15.2**	3.1
Adjusted earnings before interest, tax depreciation and amortisation ("Adjusted EBITDA") [2]	**1,575.7**	2,015.9

1 The amended RCF includes IFRS 16 lease payments in the calculation of the adjusted EBITDA.

2 See Glossary of Terms for definitions.

Cash operating costs, cash operating costs per kilogram, all-in sustaining costs and all-in costs per kilogram

Cash operating costs, cash operating costs per kilogram, all-in sustaining costs per kilogram and all-in costs per kilogram are non-IFRS financial measures that should not be considered by investors in isolation or as alternatives to cost of sales, net profit/(loss) attributable to equity owners of the parent, profit/(loss) before tax and other items or any other measure of financial performance presented in accordance with IFRS or as an indicator of our performance. While the World Gold Council has provided guidance for the calculation of cash operating costs, cash operating costs per kilogram, all-in sustaining costs and all-in costs per kilogram, such measurements may vary significantly among gold mining companies, and these definitions by themselves do not necessarily provide a basis for comparison with other gold mining companies. However, we believe that these measures are useful indicators to investors and our management of an individual mine's performance and of the performance of our operations as a whole as they provide:

- an indication of a mine's profitability and efficiency;
- the trend in costs;
- a measure of margin per kilogram, by comparison of the cash operating costs per kilogram to the price of gold; and
- a benchmark of performance to allow for comparison against other mines and mining companies.

For fiscal year 2022, consolidated cash operating costs per kilogram increased by 11% to R600,875 per kilogram from R540,338 per kilogram in fiscal year 2021. Consolidated all-in sustaining costs per kilogram increased by 15% to R721,684 per kilogram in fiscal year 2022 from R626,247 per kilogram in fiscal year 2021. Consolidated all-in costs per kilogram increased by 16% to R746,255 per kilogram of gold in fiscal 2022 from R643,338 per kilogram of gold in fiscal year 2021.

The increase in consolidated cash operating costs per kilogram, all-in sustaining costs per kilogram and all-in costs per kilogram was mainly due to an increased in cash operating costs, which is due to higher inflation of 7.4% in fiscal 2022 in comparison to 4.9% fiscal 2021 and above inflationary increases in the costs of key consumables, diesel, steel and cyanide.

The increase in sustaining capital expenditure during fiscal year 2022 contributed to the increase in all-in sustaining costs per kilogram. The increase in growth capital expenditure incurred during fiscal year 2022 similarly contributed to the increase in all-in costs per kilogram.

Reconciliation of cash operating costs, cash operating costs per kilogram, all-in sustaining costs, all-in sustaining costs per kilogram, all-in costs and all-in costs per kilogram

R millions	**2022**	2021
Cost of sales	**3,741.5**	3,388.2
Depreciation	**(267.6)**	(252.5)
Change in estimate of environmental rehabilitation	**2.2**	12.4
Movement in gold in process	**30.4**	(25.6)
Operating costs	**3,506.5**	3,122.5
Ongoing rehabilitation expenditure	**(31.6)**	(48.3)
Care and maintenance costs	**(5.9)**	(3.9)
Other operating income/(costs)	**(5.2)**	2.4
Cash operating costs [1]	**3,463.8**	3,072.7
Movement in gold in process	**(30.4)**	25.6
Administration expenses and other costs excluding non-recurring items [1]	**146.0**	109.7
Other operating income/(costs)	**5.1**	(2.4)
Change in estimate of environmental rehabilitation	**(2.2)**	(12.4)
Unwinding of rehabilitation provision	**45.0**	44.7
Sustaining capital expenditure [1]	**496.4**	353.0
All-in sustaining costs [1]	**4,123.7**	3,590.9
Care and maintenance costs	**5.9**	3.9
Ongoing rehabilitation expenditure	**31.6**	48.3
Exploration expenses and transaction costs	**15.2**	3.1
Growth capital expenditure [1]	**87.7**	42.7
All-in costs [1]	**4,264.1**	3,688.9
Gold produced (kilograms)	**5,720**	5,723
Cash operating costs per kilogram (R per kilogram)	**600,875**	540,338
All-in sustaining costs per kilogram (R per kilogram)	**721,684**	626,247
All-in costs per kilogram (R per kilogram)	**746,255**	643,338

Reconciliation of sustaining capital expenditure and growth capital expenditure

Additions - property, plant and equipment owned	**584.1**	395.7
Less		
Growth capital expenditure [1]	**87.7**	42.7
Sustaining capital expenditure [1]	**496.4**	353.0

[1]See Glossary of Terms for definitions.

Cash operating costs

Cash operating costs are linked directly to the level of throughput of a specific fiscal year.

The following table illustrates the year-on-year change in cash operating costs for fiscal year 2022 in comparison with fiscal year 2021.

R million	Cash operating costs 2021	Impact of change in throughput	Impact of change in costs	Net change	Cash operating costs 2022
Ergo	2,666.5	(97.7)	441.0	343.3	3,009.8
FWGR	406.2	(5.3)	53.1	47.8	454.0
Total	3,072.7	(103.0)	494.1	391.1	3,463.8

Cash operating costs in fiscal year 2022 increased by R391.1 million to R3,463.8 million compared to cash operating costs of R3,072.70 million in fiscal year 2021.The increase is due to higher inflation of 7.4% in fiscal year 2022 in comparison to 4.9% fiscal year 2021 and above inflationary increases in the costs of key consumables, diesel, steel and cyanide.

The following table lists the major components of cash operating costs for the Group for each operation and fiscal year set forth below respectively:

	Ergo Years ended			FWGR Year ended	
Costs	**2022**	**2021**	**Costs**	**2022**	**2021**
Consumables	29%	28%	Consumables	32%	33%
Labor	18%	19%	Labor	21%	20%
Electricity and water	18%	18%	Specialized service providers	9%	9%
Specialized service providers	16%	16%	Electricity and water	19%	12%
Machine hire	4%	4%	Machine hire	2%	2%
Security expenses	4%	4%	Security expenses	5%	5%
Other costs	11%	11%	Other costs	12%	19%

5B. LIQUIDITY AND CAPITAL RESOURCES

Cash flows from operating activities

Cash generated from operating activities amounted to R1,497.8 million for fiscal year 2022 (fiscal year 2021: R1,573.40 million).

Cash generated from operating activities decreased during fiscal year 2022 mostly due to an 11% increase in cash operating costs to 600,875 per kilogram and an 3% decrease in the average rand gold price received to R894,409 per kilogram. Net movement in working capital (changes in trade and other receivables, consumable stores and stockpiles and trade and other payables) amounted to a cash inflow of R78.1 million in fiscal year 2022.

The decrease in cash inflows was partially mitigated by a R189.4 million decrease in current tax paid to R262.7 million.

Cash flows from investing activities

Net cash utilized by investing activities amounted to R626.2 million in fiscal year 2022 compared to R446.6 million in fiscal year 2021.

In fiscal year 2022, net cash utilized by investing activities consisted mainly of R584.1 million in additions to property, plant and equipment, R28.9 million investment in other funds and R25.4 million spent on environmental rehabilitation payments. These outflows were reduced by R12.2 million proceeds on the disposal of property, plant and equipment.

In fiscal year 2021, net cash utilized by investing activities consisted mainly of R395.7 million in additions to property, plant and equipment and R51.0 million spent on environmental rehabilitation payments. These outflows were reduced by R0.1 million proceeds on the disposal of property, plant and equipment.

Cash flows from financing activities

Net cash outflow from financing activities was R533.0 million in fiscal year 2022 compared to net cash outflows of R653.5 million in fiscal year 2021.

During fiscal year 2022, the net cash outflow consisted mostly of dividends paid on ordinary shares amounting to R513.3 million.

During fiscal year 2021, the net cash outflow consisted mostly of dividends paid on ordinary shares amounting to R640.9 million.

Cash and cash equivalents

Cash and cash equivalents as at June 30, 2022 amounted to R2,525.6 million compared to R2,180.00 million at the end of fiscal year 2021. Substantially all of our cash and cash equivalents balances were denominated in South African rand. Cash and cash equivalent denominated in foreign currency amounted to USD3.4 million at June 30, 2022 compared to USD3.4 million at the end of fiscal year 2021.

Cash and cash equivalents as at June 30, 2022 includes restricted cash related to guarantees of R10.7 million compared to R10.4 million at the end of fiscal year 2021.

At September 30, 2022, our cash and cash equivalents were R2,245.1 million.

Borrowings and funding

At June 30, 2022 our external sources of capital included our RCF. At September 30, 2022, we had no external sources of capital.

In September 2020, the RCF was amended. The amendments include a reduction in the size of the facility from R300 million to R200 million as well as removing any commitment towards the performance guarantee issued to Ekurhuleni Metropolitan Municipality. No amounts were drawn under this facility as of June 30, 2022 or up to the expiry date of September 14, 2022. The RCF has not been renewed as funding requirements for capital projects is currently being evaluated.

Anticipated funding requirements and sources

Our cash and cash equivalents are set out above under "Cash and cash equivalents". Our management believes that existing cash resources, net cash generated from operations and long term finance options for long term capital projects will be sufficient to meet the anticipated commitments of our existing operations for fiscal year 2023. As a result of the sustained high rand gold price, at September 30, 2022 the Group has a cash and cash equivalents balance of R2,245.1 million. Liquidity has been enhanced by the continued high rand gold price levels.

5C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.

DRDGOLD has a dedicated team that looks at ways and means of improving recoveries. While the team remains active with an ongoing focus on improving extraction efficiencies, the projects undertaken during the year ended June 30, 2022 were focused on optimizing the existing facilities rather than implementing new technologies to improve extraction efficiencies. We have no registered patents or licenses.

5D. TREND INFORMATION

Any sustained decline in the market price of gold from the current elevated gold price levels would adversely affect us, and any decline in the price of gold below the cost of production could result in the closure of some or all of our operations which would result in significant costs and expenditure, such as, incurring retrenchment costs earlier than expected which could lead to a decline in profits, or losses. In addition, as most of our production costs are in rands, while gold is sold in dollars and then converted to rands, our results of operation and financial condition have been and could be in the future materially affected by an appreciation in the value of the rand. Accordingly, any sustained decline in the dollar price of gold and/or the strengthening of the South African rand against the dollar would negatively and adversely affect our business, operating results and financial condition.

For the fiscal year 2023, we are planning Group gold production of 160,000 (4 977kg) to 180,000 (5 599kg) ounces at cash operating unit cost of approximately R685,000 per kilogram and expect a capital investment of approximately R1 400 million.

Reconciliation of budgeted cost of sales to budgeted cash operating costs (R'million)

Cost of sales	**3 954.8**
Reconciling items [1]	(318.1)
Cash operating costs [2]	**3 636.7**

[1] Includes expected depreciation of R274.4 million, ongoing environmental expenses of R37.1 million and care and maintenance expenses of R6.6 million
[2] See glossary of terms for definition
Rounding of figures may result in computational discrepancies

Our ability to meet the full year's production target could be impacted in a number of ways, including stoppages in production due to outbreaks of infections if the COVID-19 virus mutates and spreads in our workforce and interruptions to our supply chain. It could also be impacted by lower grades, failure to achieve the throughput targets set at Ergo and FWGR, power interruptions and other risks (refer Item 3D. Risk Factors—Risks related to our business and operations and "–Forward Looking Statements"). We are also subject to cost pressures in the event of above inflation increases in labor, key consumables, diesel, steel and cyanide. Unforeseen changes in ore grades and recoveries, unexpected changes in the quality

or quantity of reserves and resource, technical production issues, environmental and industrial accidents, gold theft, environmental factors and pollution could adversely impact the production, sales and cash operating costs for fiscal year 2023 and cause us to fail to meet our targets for the year.

Refer to Item 5A.: “Key drivers of our operating results and principal factors affecting our operating results” for a discussion of the trends in the US Dollar gold price as well as exchange rates impacting our business.

Set forth below is our summary results for the first quarter of fiscal year 2023. This information has not been audited.

Operating results for the quarter ended September 30, 2022

		Quarter ended Sep 30, 2022	Quarter ended Jun 30, 2022	% change
Production				
Gold produced	kg	1,453	1,443	1%
	oz	46,715	46,393	1%
Gold sold	kg	1,442	1,446	0%
	oz	46,362	46,490	0%
Ore milled	Metric (000't)	7,157	7,064	1%
Yield	Metric (g/t)	0.203	0.204	0%

Reconciliation of adjusted EBITDA

Profit for the period	**253.4**	399.3
Income tax	116.5	71.2
Profit before tax	**369.9**	470.5
Finance expense	17.3	29.1
Finance income	(54.8)	(79.4)
Results from operating activities	**332.4**	420.2
Depreciation	55.0	64.1
Share based payment expense	3.9	4.6
Change in estimate of environmental rehabilitation recognised in profit or loss	-	(2.2)
Gain on disposal of property, plant and equipment	-	(6.6)
IFRS 16 Lease payments [1]	(5.9)	(8.2)
Exploration expenses and transaction costs	1.0	5.4
Adjusted EBITDA [1,2]*	**386.4**	477.3

[1] The amended RCF includes IFRS 16 lease

[2] See Glossary of Terms for definitions.

** The adjusted EBITDA may not be comparable to similarly titled measures of other companies. Adjusted EBITDA is not a measure of performance under IFRS and should be considered in addition to, and not as substitute for other measures of financial performance and liquidity*

Reconciliation of cash operating costs, cash operating costs per kilogram, all-in sustaining costs, all-in sustaining costs per kilogram, all-in costs and all-in costs per kilogram (R'millions)

Cost of sales	**1,007.6**	**1,003.7**
Depreciation	(55.0)	(64.1)
Change in estimate of environmental	-	2.2
Movement in gold in process	4.4	4.0
Operating costs	**957.0**	**945.8**
Ongoing rehabilitation expenditure	(6.2)	(4.4)
Care and maintenance costs	(0.8)	(0.9)
Other operating income/(costs)	4.1	(2.7)
Cash operating costs [1]	**954.1**	**937.8**
Movement in gold in process	(4.4)	(4.0)
Administration expenses and other costs excluding non-recurring items [1]	26.8	8.4
Other operating (income)/Costs	(4.1)	2.7
Change in estimate of environmental rehabilitation	-	(2.2)
Unwinding of rehabilitation provision	13.2	8.4
Sustaining capital expenditure [1]	101.2	314.8
All-in sustaining costs [1]	**1,086.8**	**1,265.9**
Care and maintenance costs	0.8	0.9
Ongoing rehabilitation expenditure	6.2	4.4
Exploration expenses and transaction costs	0.9	5.4

Growth capital expenditure [1]	53.6	(16.8)	
All-in costs [1]	**1,148.3**	**1,259.8**	

		Quarter ended September 30,	Quarter ended June 30, 2021	% change
Price and costs				
Average gold price received	R per kg	945,983	937,509	-
	US$ per oz	1,727	1,871	-8%
Cash operating costs	R/t	133	133	-
	US$/t	8	9	-11%
Cash operating costs	R per kg	658,530	645,782	2%
	US$ per oz	1,202	1,289	-7%
All-in sustaining costs **	R per kg	755,201	875,450	-14%
	US$ per oz	11,378	1,747	551%
All-in cost **	R per kg	796,255	871,162	-9%
	US$ per oz	1,453	1,739	-16%
Capital expenditure				
Sustaining	Rm	101.2	314.8	-68%
	US$m	5.9	20.2	-71%
Non-sustaining/growth	Rm	53.6	(16.8)	-419%
	US$m	3.1	(1.1)	-382%
Average R/US$ exchange rate		17.04	15.58	9%
Reconciliation of sustaining capital				
Additions - property, plant and equipment		154.8	298.0	
Less				
Growth capital expenditure [1]		101.2	314.8	
Sustaining capital expenditure [1]		53.6	(16.8)	

[1] See Glossary of Terms for definitions.

Rounding of figures may result in computational discrepancies

*** All-in cost definitions based on the guidance note on non-GAAP Metrics issued by the World Gold Council on 27 June 2013.*

Gold production increased by 1% from the previous quarter to 1,453kg primarily due to a 1% increase in tonnage throughput despite yield being 0.001g/t lower at 0.203g/t. Gold sold decreased by 4kg to 1,442kg.

As a result of the above, the cash operating costs per kilogram of gold sold increased marginally from the previous quarter to R658,530/kg. The cash operating costs per tonne of material remained stable from the previous quarter at R133/t.

All-in sustaining costs per kilogram and all-in costs per kilogram were R755,201/kg and R796,255/kg, respectively, decreasing quarter on quarter mainly due to a decrease in sustaining capital expenditure in comparison to the previous quarter.

Adjusted EBITDA decreased by 19% from the previous quarter to R386.4 million primarily due to an insurance claim of R84.7 million recognised in the previous quarter.

Cash and cash equivalents decreased by R280.5 million to R2,245.1 million as at September 30, 2022 (June 30, 2022: R2,525.6 million) after paying the final cash dividend of R342.5 million for the year ended June 30, 2022.

The cash generated during the current quarter will, inter alia, be applied towards the Company's extended capital expenditure programme for the year ending June 30, 2023.

Despite the capital expenditure planned for the current financial year, the Company remains in a favourable position to, in the absence of unforeseen events, consider declaring an interim cash dividend in or around February 2023.

5E. Critical Accounting Estimates

For more information on environmental rehabilitation obligations Note 2 - "Use of accounting assumptions, estimates and judgements" under Item 18. "Financial Statements".

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

6A. DIRECTORS AND SENIOR MANAGEMENT

Directors and Executive Officers

Our board of directors may consist of not less than four and not more than twenty directors. As at June 30, 2022, our board consisted of nine directors.

In accordance with JSE listing requirements and our Memorandum of Incorporation, or MOI, one third of the directors comprising the board of directors, on a rotating basis, are subject to re-election at each annual general shareholders' meeting. Additionally, all directors are subject to election at the first annual general meeting following their appointment. Retiring directors normally make themselves available for re-election.

Mr Geoffrey Campbell's tenure as a director and chairman of the board of directors of the Company came to an end from December 1, 2021. Mr Timothy Cumming, a non-executive director of the Company, replaced Mr Campbell as chairman of the Board and the Nominations Committee with effect on December 1, 2021, after shareholder approval was obtained at the Annual General Meeting held on November 29, 2021. In order to ensure good corporate governance in accordance with the recommendations of the King IV Report on Corporate Governance for South Africa 2016, Mr Edmund Jeneker will remain as the lead independent director of the Company.

Mrs Toko Mnyango, an independent non-executive director of the Company, was appointed as a member of the Nominations Committee effective August 19, 2021.

The address of each of our Executive Directors and non-executive directors is the address of our principal executive offices. Refer to Item 4A. Information on the Company – Introduction for the company's address.

Executive Directors

Daniël (Niel) Johannes Pretorius (55) (BProc, LLB, LLM)
Chief Executive Officer;
- Member: Risk Committee

Niël Pretorius has two decades of experience in the mining industry. He was appointed Chief Executive Officer designate of DRDGOLD on August 21, 2008 and Chief Executive Officer on January 1, 2009. Having joined the company on May 1, 2003 as legal advisor, he was promoted to Group Legal Counsel on September 1, 2004 and General Manager: Corporate Services on April 1, 2005. Niël was appointed Chief Executive Officer of Ergo Mining Operations Proprietary Limited (formerly DRDGOLD SA) on July 1, 2006 and became Managing Director thereof on April 1, 2008. Niël also serves as an elected Council Member with the Minerals Council of South Africa.

Adriaan (Riaan) Jacobus Davel (46) (BCom (Hons), MCom, CA (SA)
Chief Financial Officer.
- Member: Social and Ethics Committee

Riaan Davel joined DRDGOLD in January 2015. Before joining DRDGOLD, he gained 17 years' experience in the professional services industry, the majority obtained in the mining industry in Africa. As part of gaining that experience, Riaan provided assurance and advisory services, including support and training on IFRS to clients and teams across the African continent. He has spent seven years at KPMG as an audit partner, performing, *inter alia*, audits of listed companies in the mining industry, including SEC registrants. Riaan has also gained experience as an IFRS technical partner and represented the South African Institute of Chartered Accountants on the International Accounting Standards Board's project on extractive activities from 2003 to 2010. Riaan has served on committees that compile/update the South African codes for reporting and valuation of mineral reserves and resources. Riaan is a member of the Social & Ethics Committee of DRDGOLD.

Non-Executive Directors

Timothy (Tim) John Cumming (64) BSc (Hons) (Civil Engineering), MA (Philosophy, Politics and Economics)
Non-executive Chairman
- Chairman: Board and Nominations Committee
- Member: Risk Committee; and Remuneration Committee

Tim was appointed Non-executive Director in August 1, 2020 and Non-executive Chairman December 1, 2021. Furthermore, he is a member of the Risk Committee, Remuneration Committee, and appointed Chairman of the Nominations Committee on December 1, 2021. He is also an independent non-executive director of Sibanye-Stillwater Limited and Nedgroup Investments Limited and serves as non-executive Chairman of Riscura Holdings Limited. His career spans mining, financial services and consulting. He is the founder of Scatterlinks Proprietary Limited, a South African-based company providing leadership development and advisory services to senior business executives. Tim started out

as an engineer at the Anglo American Corporation of South Africa Limited working on a number of gold and diamond mines including involvement in the geo-technical design of the Ergo tailings dam. Thereafter he held senior roles in financial services including General Manager at Allan Gray Limited, Head of Investment Research at HSBC Securities (SA), CEO of Old Mutual Asset Managers and MD of various divisions within the Old Mutual Group. Other involvements include Chairmanship of the Mandela Rhodes Foundation's Investment Committee and the Woodside Endowment Trust and membership of the Greenpop advisory board (a social enterprise committed to restoring ecosystems and sustainable development).

Edmund Abel Jeneker (60) (Chartered Director (SA), B Hons, IEDP, M.Inst.D., SAIPA)
Lead Independent Non-executive Director
- Chairman: Social and Ethics Committee
- Member: Remuneration Committee; and Nominations Committee

Edmund Jeneker was appointed Non-executive Director in November 2007 and Lead Independent Non-executive Director in August 2017. He has more than 31 years' experience as an executive in banking, business strategy, advisory and management at Grant Thornton South Africa Proprietary Limited, Swiss Re Corporate Solutions Advisors South Africa Proprietary Limited, the World Bank Competitiveness Fund and Deloitte South Africa. More recently, he completed almost 15 years at Absa Bank and Barclays Africa Group, where he was Managing Executive and served as director on the boards of several subsidiaries in the Barclays Africa Group. Edmund is active in community social upliftment and served as a member of the Provincial Development Commission of the Western Cape Provincial Government. He currently serves on the Advisory Board of the Institute of Directors Southern Africa, investment committee of BADISA and The Cape Philharmonic Orchestra. He is a Chartered Director (South Africa). Edmund chairs the Social & Ethics Committee and is a member of the Remuneration Committee and the Nominations Committee of DRDGOLD.

Johan Andries Holtzhausen (76) (BSc (Geology and Chemistry), BCompt (Hons), CA(SA))
Independent Non-executive Director
- Chairman: Audit Committee
- Member: Remuneration Committee; and Nominations Committee

Johan Holtzhausen holds a B.Sc. (Geology and Chemistry) from the University of Stellenbosch and a B. Compt. (Hons) from the University of South Africa. He has been a Chartered Accountant (South Africa) since 1975. He was appointed independent Non-executive Director in on April 25, 2014. He has more than 43 years' experience in the accounting profession, having served as a senior partner at KPMG Services Proprietary Limited, and held the highest Generally Accepted Accounting Principles (United States), Generally Accepted Auditing Standards and Sarbanes-Oxley Act accreditation required to service clients listed on stock exchanges in the United States. His clients included major corporations listed in South Africa, Canada, the United Kingdom, Australia and the United States. He also chairs the Audit and Risk Committee of Tshipi é Ntle Manganese Mining Proprietary Limited. He is a Non-executive Director of Caledonia Mining Corporation Plc, a Canadian corporation listed in the United States and the United Kingdom. Johan chairs the Audit Committee and is a member of the Remuneration Committee and the Nominations Committee of DRDGOLD.

Jean Johannes Nel (50) (BAcc (Hons), CA (SA), CFA (AIMR))
Independent Non-executive Director
- Chairman: Remuneration Committee
- Member: Audit Committee; Remuneration Committee; and Risk Committee

Jean Nel was appointed as an independent Non-executive Director on November 30, 2018. He qualified as a CA(SA) in 1998 obtained the CFA (AIMR) qualification. Mr. Nel has 20 years of mining finance and mining executive and operational management experience. He was appointed to the Aquarius Platinum Board in April 2012 and became CEO of the Group in November 2012, a position he held until Aquarius Platinum was acquired by Sibanye- Stillwater in April 2016. From April 2016 to January 2017 he was the CEO of the Platinum division of Sibanye Stillwater. He is currently a Non-executive director of Mimosa Investments which owns the Mimosa platinum mine in Zimbabwe and Tongaat Hulett. Jean chairs the Remuneration Committee and is a member of the Audit Committee and the Risk Committee of DRDGOLD.

Toko Victoria Buyiswa Nomalanga Mnyango (57) (Dip Juris, BJuris)
Independent Non-executive Director
- Member: Social and Ethics Committee, Nominations Committee; and Remuneration Committee

Toko Mnyango was appointed independent Non-executive Director on December 1, 2016. Toko began her career as a prosecutor for the KaNgwane homeland, before becoming a legal advisor for the Eastern Cape Development Corporation. She has held directorships on company boards including Gijima, EOH Mthombo Proprietary Limited, AllPay Eastern Cape Proprietary Limited, a subsidiary of ABSA Limited, and the Ryk Neethling Foundation. She currently holds the position of CEO of Vitom Technologies Proprietary Limited and Vitom Brands Communication Proprietary Limited. Toko is a member of the Remuneration Committee, Nominations Committee, and the Social & Ethics Committee of DRDGOLD.

Kuby Prudence Lebina (41) (BCom; Higher Diploma (Accounting), Certificate in Business Leadership, CA (SA))
Independent Non-executive Director
- Chairman: Risk Committee
- Member: Audit Committee; and Nominations Committee

Prudence Lebina was appointed as independent non-executive director on 03 May 2019. She qualified as a chartered accountant in December 2005 after serving her articles at PricewaterhouseCoopers Incorporated. A member of the South African Institute of Chartered

Accountants, with extensive experience in corporate finance, financial management, investor relations and the mining industry. She was previously CEO of GAIA Infrastructure Capital Limited. Prudence is currently CEO of TriAlpha Investment Management Proprietary Limited, a specialist fixed income investment house, and is also an independent non-executive director of Growthpoint Properties Limited and Telkom SA SOC Limited. Prudence chairs the Risk Committee and is a member of the Nominations Committee and the Audit Committee of DRDGOLD.

Charmel Diane Flemming (39) (BAcc (Hons) CA (SA))
Independent Non-executive Director
• *Member: Audit Committee; Risk Committee; and Social and Ethics Committee*

Charmel Flemming holds a B.Acc (Hons) from the University of the Free State and is a qualified Chartered Accountant (South Africa) with 11 years´ post articles experience primarily within the mining space. She started her career as a trainee accountant at KPMG South Africa and held various positions within the De Beers Group over a period of 11 years. She also served as a trustee on the boards of both the De Beers Benefit Society Medical Aid and De Beers Pension Fund from 2014 to 2018. Charmel is the founder and chief executive officer of F Twelve and is also a non-executive director at Acorn Agri & Food Limited and at ATKV. Charmel is a member of the Risk Committee, Audit Committee and Social & Ethics Committee of DRDGOLD.

Senior Management and Prescribed Officers

Wilhelm Jacobus Schoeman (48) (Dip Analytical Chemistry, BTech Analytical Chemistry)
Chief Operating Officer

Jaco Schoeman joined DRDGOLD in 2011 as Executive Officer: Business Development to focus on expanding the Group's surface retreatment business and extracting maximum value from existing resources. In July 2014, he was appointed Operations Director: Ergo Mining Operations Proprietary Limited.

Shalin Naidoo (45) (BTech, MBA)
Chief Information and Technology Officer

Shalin Naidoo joined DRDGOLD as Chief Information and Technology Officer on 2 November 2021. Ranked amongst South Africa's Top 8 Visionary CIOs by the institute of IT Professionals in South Africa (IITPSA) and International Data Corporation CIO of the Year in 2019, he has 10 years' experience in leadership and strategy. He has worked previously in the mining sector for Anglo American Platinum and Tronox .

Henry Gouws (53) (National Higher Diploma (Extraction Metallurgy), MDP)
Managing Director: Ergo

Henry Gouws has more than 30 years' experience in the mining industry. He graduated from Technikon Witwatersrand and obtained a National Diploma in Extraction Metallurgy in 1990 and a National Higher Diploma in Extraction Metallurgy in 1991. He completed a Management Development Program in 2003 through Unisa School of Business Leadership and an Executive Development Programme in 2012 through the University of Stellenbosch Business School. He was appointed Operations Manager of Crown in January 2006 and General Manager in July 2006. He was appointed to his current position in October 1, 2011.

Mark Burrell (60) (BCom Accounting, MDP)
Financial Director: Ergo

Mark Burrell holds a B.Comm Accounting degree, has completed a Management Development Programme (MDP) and has more than 20 years' experience in the mining sector. He joined DRDGOLD in 2004 on a consulting basis and later that year, was appointed as Financial Manager of the Blyvooruitzicht operation. He was appointed as Financial Director of Ergo in January 2012. Mark serves as a director on the Board of Rand Refinery Proprietary Limited.

Kevin Kruger (54) (BscEng (Mechanical Engineering), MDP, PMD, Government Certificate of Competency (Mines))
Managing Director: FWGR

Kevin has more than 30 years' experience in the mining industry in Africa. He joined the mining industry in January 1987 as second year engineering student. Kevin graduated from the University of the Witwatersrand at the end of 1989 obtaining his BSc (Mechanical Engineering) and his government certificate of Competency (mines) during 1993. Kevin was appointed as junior engineer in December 1989, section engineer - March 1994 and engineer in September 1994. He was appointed engineering manager 2003, general manager – technical services 2004 and managing director Chizimgold 2010. On 01 October 2013 he was appointed as technical director at Ergo where he was responsible for the environmental, health and safety, mineral resources and engineering portfolios. On 1 August 2018, Kevin was appointed Managing Director of FWGR.

Henriette Hooijer (42) (BCom (Hons), CA(SA))
Financial Director: FWGR

Henriette Hooijer is the Financial Director of FWGR. She joined DRDGOLD in May 2016 and was appointed as Financial Director of FWGR in August 2018. Before joining DRDGOLD, she spent 11 years in the professional services industry at KPMG, performing, *inter alia*, audits of listed companies in the mining industry, including SEC registrants.

Elise Beukes (45) (BProc)
Company Secretary

Elise Beukes was appointed as Company Secretary of DRDGOLD with effect from October 01, 2019. She has broad governance experience in all aspects of commercial law, having spent several years in both litigation and commercial practice as an admitted attorney and four years as corporate legal counsel. She has dealt extensively with broad-based black economic empowerment structures, employee ownership schemes, enterprise development and share incentive schemes involving complex company restructuring for both multi-nationals and large local entities. She has extensive knowledge on the new Companies Act and has particular interests in company secretarial and corporate governance matters.

There are no family relationships between any of our non-executive directors, executive directors or members of the group executive and senior management. There are no arrangements or understandings between any of our directors or executive officers and any other person by which any of our directors or executive officers has been so elected or appointed. Furthermore, none of the non-executive directors, executive directors, group executive and senior management members or other key management personnel are elected or appointed under any undertaking by, arrangement or understanding with any major shareholder, customer, supplier or otherwise.

6B. COMPENSATION

Our MOI provide that the directors' fees should be determined from time to time in a general meeting or by a quorum of Non-Executive Directors. The total amount of directors' remuneration paid and or accrued for the year ended June 30, 2022 was R42.0 million. During fiscal year 2021, an independent consultant compiled a benchmarking analysis report against an appropriate comparator group of companies consisting of JSE listed companies on fees paid non-executive directors. The report was presented to the Remuneration Committee on August 18, 2021. These changes were made to the base fee and committee fees and were approved by the shareholders at the annual general meeting on November 30, 2022.

Non-Executive Directors received the following fees for fiscal year 2022:

- Base fee as Non-Executive Chairman of R1,457,944 per annum up to December 1, 2021 and R1,500,000 thereafter;
- Base fee as Lead Independent Non-Executive Director of R672,247 per annum up to December 1, 2021 and R850,000 thereafter;
- Base fee as Non-Executive Directors of R647,975 per annum up to December 1, 2021 and R430,000 thereafter;
- Annual fee for the Audit Committee Chairman of R32,399 (excluding fee received as a committee member) up to December 1, 2021 and R180,000 (including fee received as a committee member) thereafter;
- Annual fee for an Audit Committee member of R32,399 up to December 1, 2021 and R120,000 thereafter;
- Annual fee for the Risk Committee Chairman of R140,000 (excluding fee received as a committee member) from December 1, 2021, onwards.
- Annual fee for a Risk Committee member of R100,000 from December 1, 2021, onwards.
- Annual fee for the Chairman of Remuneration Committee R24 299 (excluding fee received as a committee member) up to December 1, 2021 and R100,000 thereafter;
- Annual fee for a member of the Remuneration Committee of R24 299 each up to December 1, 2021 and R100,000 thereafter;
- Annual fee for Chairman of the Social and Ethics Committee of R100,000 (excluding fee received as a committee member) up to December 1, 2021 and R140,000 thereafter;
- Annual fee for a member of the Social and Ethics Committee of R24,299 each up to December 1, 2021 and R90,000 thereafter;
- Daily fee of R24,299 up to December 1, 2021 and thereafter the director will be remunerated if determined appropriate for additional services provided;
- Hourly rate of R3,240 up to December 1, 2021 and thereafter the director will be remunerated if determined appropriate for additional services provided;
- Half-day fee for participating by telephone in special board meetings of R12,150 up to December 1, 2021 and thereafter the director will be remunerated if determined appropriate for additional services provided; and
- The Chairman of the board, Lead Independent Non-Executive Director and other Non-Executive Directors do not receive committee fees.

The following table sets forth the compensation for our directors and prescribed officers for the year ended June 30, 2022.

The disclosure detailed in this table is consistent with the disclosure requirements of the Companies Act, 2008 (Act 71 of 2008) and the JSE Listings Requirements.

Directors / Prescribed Officer	Total remuneration recognised during the year R'000	Short-Term Incentives recognised related to this cycle R'000	Long-term Incentives settled during this cycle R'000	Total remuneration related to this cycle R'000
Executive directors				
D J Pretorius	**7,647**	**7,273**	**7,495**	**22,415**
A J Davel	**4,708**	**4,460**	**3,628**	**12,796**
	12,355	**11,733**	**11,123**	**35,211**
Non-executive directors				
T J Cumming	**1,267**	**-**	**-**	**1,267**
G C Campbell	**659**	**-**	**-**	**659**
E A Jeneker	**884**	**-**	**-**	**884**
J Holtzhausen	**808**	**-**	**-**	**808**
T B V N Mnyango	**772**	**-**	**-**	**772**
J J Nel	**844**	**-**	**-**	**844**
K P Lebina	**817**	**-**	**-**	**817**
C D Flemming	**778**	**-**	**-**	**778**
	6,829	**-**	**-**	**6,829**
Prescribed officers (1)				
W J Schoeman	**4,464**	**4,460**	**3,628**	**12,552**

E Beukes	**1,432**	**1,274**	**535**	**3,241**
	5,896	**5,734**	**4,163**	**15,793**
Total	**25,080**	**17,467**	**15,286**	**57,833**

(1) The Companies Act, 2008 (Act 71 of 2008), under section 30, requires the remuneration of prescribed officers, as defined in regulation 38 of Company Regulations 2008, to be disclosed with that of directors of the company. A person is a prescribed officer if they have general executive authority over the company, general responsibility for the financial management or management of legal affairs, general managerial authority over the operations of the company or directly or indirectly exercise or significantly influence the exercise of control over the general management and administration of the whole or a significant portion of the business and activities of the company.

Also see Item 6E. Share Ownership for details of share options held by directors.

Compensation of key management

Refer to Item 18. ‘‘Financial Statements – Note 19.3 – Related party transactions’’ for the total compensation paid to key management (including executive and non-executive directors as well as prescribed officers).

The Group applies a pool-based Short-Term Incentive scheme, based on modified free cash flow, because it drives a strong teamwork culture with all participants working primarily towards a single goal, maximising free cash flow which is an easy measure to understand. Salient features of the short-term incentive scheme are as follows:

• Participants include the executive directors, prescribed officers and senior management.

• The pool is calculated as 15% of the adjusted Free Cash Flow with 90% of the pool accruing to employees achieving a satisfactory performance rating;

• 10% of the pool is available for allocation at the discretion of the remuneration committee as recommended by the executive committee which provides the ability to recognise exceptional discretionary effort;

• A production modifier that can modify the pool upwards as well as downwards based on gold produced measured against budget;

• A safety and a fatality modifier, both supporting the Company’s strong commitment to its strategy of a renewed focus on employee safety, development, values and wellbeing; and

• The individual performance moderator model has been expanded to include employee performance ratings between 2 and 3 to participants in the STI scheme on a broader sliding scale set out below:

Individual performance rating	**Individual performance modifier**
< 2	(100%)
2 to 2.24	(80%)
2.25 to 2.49	(60%)
2.5 to 2.74	(40%)
2.75 to 2.99	(20%)
>= 3	0%

Performance measures

The STI is funded out of a pool created from the Adjusted Free Cash Flow (“**Adjusted FCF**”) generated by DRDGOLD in the financial year:

• Adjusted FCF is defined for the performance measure as cash generated from operations, less capital expenditure (“**Capex**”), and tax. In the budgeting process, if the Group believes that any Capex, Investment or other item/s should be excluded or amortised or treated in any different way for determining Adjusted FCF at the end of the year, they may make representations to the Remuneration Committee on the treatment of such item/s for the purposes of calculating Adjusted FCF for purposes of the STI pool. Remco has absolute discretion in approving the treatment of such items;

• The STI Pool is modified as per the Tables below;

Modifiers of the incentive pool

To drive strategic initiatives, the short-term incentive pool is modified by up to 20% for isolated non-achievements of targets and up to 50% for systemic or repetitive non-compliance. The modifiers are approved by the Remuneration Committee. These strategic initiatives and their measures are assessed at the beginning of each financial year to ensure that current strategies are driven in that year. These strategic modifiers and their weightings are communicated to participants at the beginning of each financial year to ensure understanding and compliance.

The Group performance measures set out by the Remuneration Committee and the weightings for FY2022 are as follows:

Strategic Initiatives Modifiers	
Environmental:	4%
Safety:	4%
Social development:	4%
Labour development:	4%
Transformation:	4%

Fatality Modifier

• Up to 25% per fatality, depending on the degree of culpability of the company, as assessed by the Remuneration Committee.

• If the fatality/ies is/are as a result of a breakdown in or disregard for a safety culture, the STI Pool can be modified by up to 100% at the Remuneration Committee's discretion.

Production Modifier

The calculated STI Pool may be modified, upwards or downwards, based upon gold (kg) produced measured against budget, as follows:

Gold (Kg) Produced: % of Budget	**STI Pool Adjustment**
< 93%	-10%
93% to < 97%	-5%
97% to < 103%	0%
103% to < 107%	+5%
≥ 107%	+10%

Distribution of the Incentive pool

The STI pool, after any moderation, will be distributed as follows:

• 90% formulaically, pro-rata to each individual's "% of STI Pool" taking *inter alia* the following factors into account:

- All-inclusive package of the individual for the financial year;
- Market-related STI quanta applicable to the Category;
- The level of accountability and responsibility of the role of the individual.

• 10% on a discretionary basis allocated by the Executive Committee after recommendations from line management. The Remuneration Committee will approve any allocations from the 10% discretionary pool to Executive Committee members.

Distributions are moderated for individual performance as follows:

Individual Performance Rating	**Modifier %**
< 2	-100%
2 to < 2.25	-80%
2.25 to < 2.5	-60%
2.5 to < 2.75	-40%
2.75 to < 3	-20%
≥ 3	0%

In order to be able to reward exceptional individual performance appropriately, the formulaic plus discretionary allocations may exceed this amount, but these instances, if any, would be subject to the Executive Committee's and ultimately the Remuneration Committee's approval.

Further considerations for the CEO and CFO

For the CEO and CFO ("executive directors") the formulaically calculated STI amounts will be reviewed by the Remuneration Committee, who has absolute discretion to further modify the STI amounts, upwards or downwards:

• If compelling, exceptional and objective circumstances warrant such application of discretion; and

• To ensure that the STI amounts awarded are balanced and equitable.

Executive Directors' STI amounts may be settled in a combination of cash and DRDGOLD shares (deferred bonus shares), with Remco having discretion to make up to 40% of the award in deferred bonus shares.

Deferred Bonus Shares will vest / be released to the Executive Directors as follows:

• 50% after 9 months;

• 50% after 18 months.

The following provisions apply to the deferred bonus shares:

• The Executive Director needs to be in active service and not under notice of resignation on the vesting dates in order to be eligible to receive the deferred bonus shares and any dividends accrued thereon; and

• The deferred bonus shares carry voting and dividend rights; however, the dividends will accrue and will only be paid out upon the vesting / release of the shares to which the dividends relate.

Service Agreements

Service contracts negotiated with each executive and non-executive director incorporate their terms and conditions of employment and are approved by our Remuneration Committee.

The Company's current executive directors, Mr. D.J. Pretorius and Mr. A.J. Davel, entered into agreements of employment with us, on January 1, 2009 and January 1, 2015, respectively. These agreements regulated the employment relationship with Messrs. D.J. Pretorius and A.J. Davel during the year ended June 30, 2022.

On July 1, 2022 Mr. D.J. Pretorius entered into a new agreement of employment for a period of 3 years and thereafter it continues indefinitely until terminated by either party on not less than three months' written notice. Under the employment agreement effective up to June 30, 2025 Mr. D.J. Pretorius receives from us a guaranteed remuneration package of R7.6 million per annum. Mr. D.J. Pretorius was eligible under his employment agreement, for an incentive bonus of up to 100% of his annual remuneration package in respect of one bonus cycle per annum over the duration of his appointment, on the condition that DRDGOLD achieves certain key performance indicators. In addition, he is eligible to participate in the equity-settled long-term incentive scheme (awarded 332,497 conditional shares in October 2020, 549,986 conditional shares in October 2021 and 799,595 conditional shares in October 2022).

Mr. A.J. Davel entered into a new employment agreement effective from July 1, 2022 for a period of 3 years and thereafter it continues indefinitely until terminated by either party on not less than three months' prior written notice. Mr. A.J. Davel receives from us a guaranteed remuneration package of R4.7 million per annum. Mr. A.J. Davel is eligible under his employment agreement, for a short term incentive of up to 100% of his annual remuneration package in respect of one bonus cycle per annum over the duration of his appointment, on the condition that DRDGOLD achieves certain key performance indicators. In addition, he is eligible to participate in the equity-settled long-term incentive scheme (awarded 160,919 conditional shares in October 2020, 292,796 conditional shares in October 2021 and 425,680 conditional shares in October 202)

Mr. E.A. Jeneker has a service agreement which run for a fixed period until October 31, 2023. Mr. J.A Holtzhausen has a service agreement which runs for a fixed period until April 25, 2024. Mrs. TVBN Mnyango has a service agreement which runs until March 31, 2023. Mr. J Nel entered into a service agreement which runs for a fixed period until March 31, 2022, and Ms. K.P Lebina entered into a service agreement which runs until May 02, 2023. Mr. T J Cumming and Ms C D Flemming entered into a service agreement which runs for a fixed period until July 31, 2022. After expiration of the initial two-year periods, the agreements continue indefinitely until terminated by either party on not less than three months' prior written notice.

The Company does not administer any pension, retirement or other similar scheme in which the directors receive a benefit.

Each service agreement with our directors provides for the provision of benefits to the director where the agreement is terminated by us in the case of our executive officers, except where terminated as a result of certain action on the part of the director, upon the director reaching a certain age, or by the director upon the occurrence of a change of control. A termination of a director's employment upon the occurrence of a change of control is referred to as an "eligible termination." Upon an eligible termination, the director is entitled to receive a payment equal to at least one year's salary or fees, but not more than three years' salary for Executive Directors or two years' fees for Non-Executive Directors, depending on the period of time that the director has been employed.

6C. BOARD PRACTICES

Board of Directors

As at June 30, 2022 and as at September 30, 2022, the board of directors comprises two Executive Directors (Mr. D.J. Pretorius and Mr. A.J. Davel), and seven Non-Executive Directors (Messrs. T.J. Cumming, J.J. Nel, E.A. Jeneker, J.A. Holtzhausen and Mmes. K.P. Lebina, T.V.B.N. Mnyango, C.D. Flemming). The Non-Executive Directors are independent under the New York Stock Exchange, or NYSE, requirements (as affirmatively determined by the Board of Directors) and the South African King IV Report except Mr. T Cumming who also serves as an independent non-executive director of Sibanye-Stillwater Limited, DRDGOLD's controlling shareholder.

In accordance with the King IV Report on corporate governance, as encompassed in the JSE Listings Requirements, and in accordance with the United Kingdom Combined Code, the responsibilities of Chairman and Chief Executive Officer are separate. Mr. T.J. Cumming is the Non-Executive Chairman, Mr. D.J. Pretorius is the Chief Executive Officer and Mr. A.J Davel is the Chief Financial Officer. The board has established a Nominations Committee, and it is our policy for details of a prospective candidate to be distributed to all directors for formal consideration at a full meeting of the board. A prospective candidate would be invited to attend a meeting and be interviewed before any decision is taken. In compliance with the NYSE rules a majority of independent directors will select or recommend director nominees.

The board's main roles are to create value for shareholders, to provide leadership of the Company, to approve the Company's strategic objectives and to ensure that the necessary financial and other resources are made available to management to enable them to meet those objectives. The board retains full and effective control over the Company, meeting on a quarterly basis with additional ad hoc meetings being arranged when necessary, to review strategy and planning and operational and financial performance. The board further authorizes acquisitions and disposals, major capital expenditure, stakeholder communication and other material matters reserved for its consideration and decision under its terms of reference. The board also approves the annual budgets for the various operational units.

The board is responsible for monitoring the activities of executive management within the company and ensuring that decisions on material matters are referred to the board. The board approves all the terms of reference for the various subcommittees of the board, including special committees tasked to deal with specific issues. Only the executive directors are involved with the day-to-day management of the Company.

To assist new directors, an induction program has been established by the Company, which includes background materials, meetings with senior management, presentations by the Company's advisors and site visits. The directors are assessed annually, both individually and

as a board, as part of an evaluation process, which is driven by an independent consultant. In addition, the Nominations Committees formally evaluate the executive directors on an annual basis, based on objective criteria.

All directors, in accordance with the Company's MOI, are subject to retirement by rotation and re-election by shareholders. In addition, all directors are subject to election by shareholders at the first annual general meeting following their appointment by directors. The appointment of new directors is approved by the board as a whole. The names of the directors submitted for re-election are accompanied by sufficient biographical details in the notice of the forthcoming annual general meeting to enable shareholders to make an informed decision in respect of their re-election.

All directors have access to the advice and services of the Company Secretary, who is responsible to the board for ensuring compliance with procedures and regulations of a statutory nature. Directors are entitled to seek independent professional advice concerning the affairs of the Company at the Company's expense, should they believe that course of action would be in the best interest of the Company.

Board meetings are held quarterly in South Africa and occasionally abroad. The structure and timing of the Company's board meetings, which are scheduled over two days, allows adequate time for the Non-Executive Directors to interact without the presence of the Executive Directors. The board meetings include the meeting of the Audit Committee, Risk Committee, Remuneration Committee & Nominations Committee as well as the Social & Ethics Committee which act as subcommittees to the board. Each subcommittee is chaired by one of the Independent Non-Executive Directors, each of whom provides a formal report back to the board. Each subcommittee meets for approximately half a day. Certain senior personnel of the Company attend the subcommittee meetings as invitees.

The board sets the standards and values of the Company and much of this has been embodied in the Company's Code of Conduct, which is available on our website at www.drdgold.com. The Code of Conduct applies to all directors, officers and employees, including the principal executive, financial and accounting officers, in accordance with Section 406 of the US Sarbanes-Oxley Act of 2002, the related US securities laws and the NYSE rules. The Code contains provisions for employees to report violations of Company policy or any applicable law, rule or regulation, including US securities laws.

A description of the significant ways in which our corporate governance practices differ from practices followed by U.S. companies listed on the NYSE can be found in Item 16G. Corporate Governance.

Directors' Terms of Service

The following table shows the date of appointment, expiration of term and number of years of service with us of each of the directors as at June 30, 2022:

Director	Title	Year first appointed	Term of current office	Unexpired term of current office
D.J. Pretorius	Chief Executive Officer	2008	3 years	0 months
A.J. Davel	Chief Financial Officer	2015	3 years	0 months
T.J. Cumming	Non-Executive Director	2020	2 years	1 month
E.A. Jeneker	Non-Executive Director	2007	2 years	16 months
J. Holtzhausen	Non-Executive Director	2014	2 years	22 months
T.V.B.N. Mnyango	Non-Executive Director	2016	2 years	7 months
J.J Nel	Non-Executive Director	2018	2 years	7 months
K.P Lebina	Non-Executive Director	2019	2 years	10 months
C.D. Flemming	Non-Executive Director	2020	2 years	1 month

* Renewal of the term of office was deferred to the October 2022 board meeting at which the contracts of D.J. Pretorius and A.J. Davel were extended to June 30, 2025.

Executive Committee

As at June 30, 2022, the Executive Committee consisted of Mr. D J Pretorius (Chairman), Mr. A J Davel, Mr. W.J. Schoeman and Ms. E. Beukes.

The Executive Committee meets bi-weekly basis to review current operations, develop strategy and policy proposals for consideration by the board of directors. Members of the Executive Committee, who are unable to attend the meetings in person, are able to participate via teleconference facilities, to allow participation in the discussion and conclusions reached. The subsidiary companies' executives are permanent participants on the Executive Committee.

Board Committees

The board has established a number of standing committees to enable it to properly discharge its duties and responsibilities and to effectively fulfill its decision-making process. Each committee acts within written terms of reference which have been approved by the board and under which specific functions of the board are delegated. The terms of reference for all committees can be obtained by application to the Company Secretary at the Company's registered office. Each committee has defined purposes, membership requirements, duties and reporting procedures. Minutes of the meetings of these committees are circulated to the members of the committees and made available to the board. Remuneration of Non-Executive Directors for their services on the committees concerned is determined by the board. The committees are subject to annual evaluation by the board with respect to their performance and effectiveness. The following information reflects the composition and activities of these committees.

The Board constituted an Investment Committee who had their first meeting on October 6, 2022 to consider prospective projects, acquisitions and disposals in line with DRDGOLD's strategy and to ensure that adequate due diligence procedures are followed. The Investment Committee also conducts other investment-related functions as delegated to it by the Board from time to time, as governance oversight increases as the DRDGOLD Group continues to grow. Members of this committee include J J Nel (Chairman), J A Holtzhausen, K P Lebina, E A Jeneker and T J Cumming. The CEO, CFO and COO are invitees.

Committees of the Board of Directors

Nominations Committee

As at June 30, 2022 the Nominations Committee consisted of T J Cumming (Chairman), E A Jeneker, J A Holtzhausen, T V B N Mnyango and K P Lebina.

The Nominations Committee meets on an *ad hoc* basis. All members of this committee are independent non-executive directors who are independent according to the definition set out in the NYSE Rules, except for T Cumming. It is chaired by the board chairman who is a non-executive director ("**NED**").

The primary role of the committee is to execute the following functions:

- ensure the establishment of a formal process for the appointment of directors;
- ensure that inexperienced directors are developed through a mentorship programme;
- ensure that directors receive regular briefings on changes in risks, laws and the appropriate contribution;
- drive an annual process to evaluate the board, board committees and individual directors;
- ensure that succession plans for the board, chief executive officer and senior management appointments are developed and implemented.

The key responsibilities of the Nominations Committee include the following:

- make recommendations to the board on the appointment of new directors;
- make recommendations on the composition of the board and the balance between executive and non-executive directors appointed to the board;
- review board structure, size and composition on a regular basis;
- make recommendations on directors eligible to retire by rotation; and
- apply the principles of good corporate governance and best practice in respect of nominations matters.

Remuneration Committee

As at June 30, 2022 the Remuneration Committee consisted of J.J. Nel (Chairman), E.A. Jeneker, J.A. Holtzhausen, T.V.B.N. Mnyango and T.J. Cumming.

The Remuneration Committee meets on a quarterly basis. All members of this committee are independent non-executive directors who are independent according to the definition set out in the NYSE Rules, except for T.J. Cumming. It is chaired by an independent non-executive director.

The committee has a mandate to offer competitive packages that will attract and retain executives of the highest caliber and encourage and reward superior performance. Industry surveys are provided for comparative purposes, and to assist the committee in the formulation of remuneration policies that are market related.

Audit Committee

As at June 30, 2022 the Audit Committee consisted of J.A. Holtzhausen (Chairman), J.J. Nel, K.P. Lebina and C.D. Flemming.

All members of the Audit Committee are independent according to the definition set out in the NYSE Rules. The committee's charter deals with all the aspects relating to its functioning.

The Audit Committee charter sets out the committee's terms of reference which include responsibility for:

- appointment and oversight of external auditors, audit process and financial reporting;
- oversight of internal audit;
- overseeing the integrated reporting and assurance model;

The Audit Committee meets each quarter with the external auditors, the company's manager: risk and internal audit, and the CFO. The committee reviews the audit plans of the internal auditors to ascertain the extent to which the scope of the audits can be relied upon to detect weaknesses in internal controls. It also reviews the annual and interim financial statements prior to their approval by the board.

The committee is responsible for making recommendations to appoint, reappoint or remove the external auditors, and the designated external audit partner as well as determining their remuneration and terms of engagement. In accordance with its policy, the committee preapproves all audit and non-audit services provided by the external auditors. KPMG Inc. was reappointed by shareholders at the last AGM on November 30, 2021 to perform DRDGOLD's external audit function, such appointment was made by the shareholders in accordance with the laws of South Africa and upon recommendation from the board following the Audit Committee recommendations. To comply with section 10(1)(a) of the Auditing Profession Act, 26 of 2005, the Independent Regulatory Board for Auditors ("**IRBA**") published the rule on Mandatory Audit Firm Rotation ("**MAFR**") for auditors of all public interest entities, as defined in section 290.25 to 290.26 of the amended IRBA Code of Professional Conduct for Registered Auditors. An audit firm, including a network firm as defined in the IRBA Code of Professional Conduct for Registered Auditors, shall not serve as the appointed auditor of a public interest entity for more than 10 consecutive financial years. Thereafter, the audit firm will only be eligible for reappointment as the auditor after the expiry of at least five financial years. The requirement is effective for financial years commencing on or after 1 April 2023. KPMG Inc. has been the appointed auditors since 2003 and the Company has decided to early adopt the MAFR rule and appoint new auditors – BDO South Africa Inc. for the 30 June 2023 financial year, subject to the shareholder approval at the next AGM on November 29, 2022.

The internal audit function is performed in-house, with the assistance of Pro-Optima Audit Services Proprietary Limited. Internal audits are performed at all DRDGOLD operating units and are aimed at reviewing, evaluating and improving the effectiveness of risk management, internal controls and corporate governance processes.

Significant deficiencies, material weaknesses, instances of non-compliance and exposure to high risk and development needs are brought to the attention of operational management for resolution and reported to the Audit Committee. The committee members have access to all the records of the internal audit team.

DRDGOLD's internal and external auditors have unrestricted access to the chairman of the Audit Committee and, where necessary, to the chairman of the board and the CEO. All significant findings arising from audit procedures are brought to the attention of the committee and, if necessary, to the board.

Section 404(a) of the Sarbanes-Oxley Act of 2002 stipulates that management is required to assess the effectiveness of the internal controls surrounding the financial reporting process. The results of this assessment are reported in the form of a management attestation report that is filed with the SEC as part of the Form 20-F. Additionally, DRDGOLD's external auditors are required to express an opinion on the effectiveness of internal controls over financial reporting, which is also contained in the Company's Form 20-F.

Risk Committee

As at June 30, 2022 the Risk Committee consisted of K.P. Lebina (Chairwoman), D.J. Pretorius, J.J. Nel, C.D. Flemming and T.J. Cumming.

Roles and responsibilities:

- Oversee the development and annual review of a policy and plan for risk management to recommend for approval to the Board
- Ensure that risk management assessments are performed on a continuous basis
- Ensure that reporting on risk management is complete, timely, accurate and accessible
- Oversee that the risk management plan is widely disseminated throughout the company and integrated in the day-to-day activities of the company
- Ensure that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks
- Ensure that management considers and implements appropriate risk responses
- Ensure co-ordination with the audit committee who will be responsible for the risk management process as far as internal controls, financial reporting and IT risks are concerned.

All members of the Risk Committee are independent according to the definition set out in the NYSE Rules, except for T.J. Cumming. It is chaired by an independent NED.

An important aspect of risk management is the transfer of risk to third parties to protect the company from disaster. DRDGOLD's major assets and potential business interruption and liability claims are therefore covered by the group insurance policy, which encompasses all the operations. Most of these policies are held through insurance companies operating in the United Kingdom, Europe and South Africa. The various risk-management initiatives undertaken within the group as well as the strategy to reduce costs without compromising cover have been successful and resulted in substantial insurance cost savings for the Group.

Social and Ethics Committee

As at June 30, 2022, the Social and Ethics Committee consisted of E.A. Jeneker (Chairman), A.J. Davel, TVBN Mnyango and C.D. Flemming

The Social and Ethics Committee is a statutory body established in terms of section 72 of the Companies Act, 2008; the objectives of which are to facilitate transformation and sustainable development by, *inter alia,* promoting transformation within the Company and economic empowerment of previously disadvantaged communities particularly within the areas where the Company conducts business; striving towards achieving the goal of equality as the South African Constitution and other legislation require within the context of the demographics of the country at all levels of the Company and its subsidiaries; and conducting business in a manner which is conducive to internationally acceptable environmental and sustainability standards.

The following terms of reference were approved by the board to enable the committee to function effectively. These are to be responsible for and make recommendations to the board with respect to the following matters:

- monitor the Company's activities regarding the 10 principles set out in the United Nations Global Compact Principles and the OECD recommendations regarding Corruption, the Employment Equity Act and the Broad Based Black Economic Empowerment Act;
- maintaining records of sponsorship, donations and charitable giving;
- reviewing matters relating to the environment, health and public safety, including the impact of the company's activities and of its products or services;
- reviewing matters relating to labor and employment
- reviewing and recommending the company's code of ethics;
- reviewing and recommending any corporate citizenship policies;
- reviewing significant cases of employee conflicts of interests, misconduct or fraud, or any other unethical activity by employees or the Company

6D. EMPLOYEES

Employees

The total number of employees at June 30, 2022, of 2,959 comprises 2,016 specialized service providers and 943 employees who are directly employed by us and our subsidiary companies. Of the 943 employees directly employed by us and our subsidiary companies, 34 employees are on a fixed term employment contract.

The total number of employees at June 30, 2021, of 2,791 comprises 1,838 specialized service providers and 953 employees who are directly employed by us and our subsidiary companies. Of the 953 employees directly employed by us and our subsidiary companies, 42 employees are on a fixed term employment contract.

The total number of employees at June 30, 2020, of 2,573 comprises 1,615 specialized service providers and 958 employees who are directly employed by us and our subsidiary companies. Of the 958 employees directly employed by us and our subsidiary companies, 34 employees are on a fixed term employment contract.

The total number of employees at September 30, 2022, of 2,941 comprises 2,018 specialized service providers and 923 employees who are directly employed by us and our subsidiary companies. Of the 923 employees directly employed by us and our subsidiary companies, 36 employees are on a fixed term employment contract.

All of our employees are based at our operations that operate exclusively in South Africa.

Labor Relations

As at June 30, 2022, approximately 84% of our Ergo employees and 86% of our FWGR employees are members of trade unions or employee associations. South Africa's labor relations environment remains a platform for social reform. The National Union of Mineworkers, ("**NUM**"), one of the main South African mining industry unions, is influential in the tripartite alliance between the ruling African National Congress, the Congress of South African Trade Unions, ("**COSATU**"), and the South African Communist Party as it is the biggest affiliate of COSATU. The relationship between management and labor unions remains cordial. The organized labor coordinating forum meets regularly to discuss matters pertinent to both parties.

A three-year wage agreement was reached with organized labor at FWGR in November 2021 and a new three-year wage agreement was concluded at Ergo subsequent to fiscal year 2022.

We recognize the need for transformation and have put systems and structures in place to address this at both management and board level. We aim to recruit in line with our transformational objectives. The composition of the Board of Directors specifically, changed significantly over the past two fiscal years and is more diverse and reflective of transformation and South Africa's demographics.

Safety statistics

Due to the importance of our labor force, we continuously strive to create a safe and healthy working environment. The following are our fiscal 2022 overall safety statistics for our operations:

(Per million man hours)	**Ergo**		**FWGR**		**Consolidated**	
	Year ended June 30,		**Year ended June 30,**		**Year ended June 30,**	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Lost time injury frequency rate (LTIFR)[1]	2.14	0.78	-	0.97	1.84	0.80
Reportable incidence frequency rate (RIFR)[1]	0.76	0.47	-	-	0.66	0.40
Fatalities	-	-	-	-	-	-

1 Calculated as follows: actual number of instances divided by the total number of man hours worked multiplied by one million.

6E. SHARE OWNERSHIP

To the best of our knowledge, we believe that our ordinary shares held by prescribed officers and directors, in aggregate, do not exceed one percent of the Company's issued ordinary share capital. For details of share ownership of directors and prescribed officers see Item 7A. Major Shareholders.

As of June 30, 2022, directors and prescribed officers do not hold any options to purchase ordinary shares.

Closed periods apply to share trading by directors, prescribed officers and other employees, whenever persons become or could potentially become aware of material price sensitive information, such as information relating to an acquisition, bi-annual results etc., which is not in the public domain. When these persons have access to this information an embargo is placed on share trading for those individuals concerned. The embargo need not involve the entire Company in the case of an acquisition and may only apply to the board of directors, executive committee, and the financial and new business teams, but in the case of interim and year-end results the closed-period is group-wide.

DRDGOLD Phantom Share Scheme (Amended November 2015) – Cash Settled Long-Term Incentive Scheme

Salient terms of the DRDGOLD Phantom Share Scheme are disclosed in Item 18. ''Financial Statements - Note 19. Cash Settled Long-Term Incentive Scheme''

On November 4, 2015, the committee approved an allocation of 20,527,978 phantom shares which is driven by share price performance and individual performance and is based on phantom share allocations. The vesting of any shares allocated was staggered over a five-year period commencing in the third year after the allocation is granted in line with King IV Report recommendations. The objectives of the revised scheme are to drive the longer-term strategies of DRDGOLD, to align participants' interests with shareholders' interest, to incentivise and motivate participants, to attract and retain scarce human resources and to reward superior performance by the Company and participants. The revised cash settled long-term incentive scheme was fully settled on November 5, 2020 and replaced by the equity-settled long term incentive scheme described below.

Equity-Settled Long-Term Incentive Scheme

On December 2, 2019 shareholders approved an Equity-Settled Long-Term Incentive Scheme ("**Scheme**") for purposes of replacing the current Cash-Settled Long-Term Incentive Scheme. The Cash-Settled Long-Term incentive scheme has a finite life and comes to an end with the vesting of the last phantom shares during fiscal year 2021. Certain key features of the Scheme are:

Equity settled

The Scheme will be equity-settled. Equity-settlement will be implemented by way of market acquisition of DRDGOLD ordinary shares or through the issue of authorised but unissued shares or treasury shares.

Participants

Persons eligible to participate in the Scheme will be permanent employees (which, for the avoidance of doubt, includes an executive director, but excludes a non-executive director) of the Company and its subsidiaries, in Category 19 and above ("**Participants**").

Award of Conditional Shares

Pursuant to the Scheme, the Company's Remuneration Committee will resolve, on an annual basis, to award "Conditional Shares" ("**Award**") which are comprised of:

- "Performance Shares" which are subject to conditions, as set out in the rules of the Scheme and performance conditions; and
- "Retention Shares" which are subject to conditions, as set out in the rules of the Scheme.

Participants are not required to pay for Awards or Shares Settled in terms of vested Awards.

Annual awards of Conditional Shares will be made, in two forms:

- 80% of the Award will be comprised of Performance Shares
- 20% of the Award will be comprised of Retention Shares

The target award value will be referenced to market-related award quanta, and will be adjusted based upon individual performance as follows:

Individual Rating	% of Target Value Awarded
< 2.75	0%
2.75 to < 3.00	50%
3.0 to < 3.75	100%
3.75 to < 4.5	133.33%
4.5 to < 5.0	166.67%
5.0	200%

Dividend and Voting Rights
The Conditional Share Awards carry no dividend or voting rights, until Settled, and therefore any transfer and other rights associated with the Conditional Shares will only vest following settlement.

Vesting of the Conditional Shares
The first grant was made on December 2, 2019 and will vest in two tranches, 50% on the 2nd anniversary and the remaining 50% on the 3rd anniversary of the grant date respectively, provided the employee is still within the employment of the Group until the respective vesting dates.

Retention shares:
100% of the retention shares will vest if the employee remains in the employ of the Company at vesting date and individual performance criteria are met.

Performance shares:
Total shareholder's return ("**TSR**") measured against a hurdle rate of 15% referencing DRDGOLD's Weighted Average Cost of Capital "WACC":

- 50% of the performance shares are linked to this condition; and
- all of these performance shares will vest if DRDGOLD's TSR exceeds the hurdle rate over the vesting period

TSR measured against a peer group of 3 peers (Sibanye-Stillwater, Harmony Limited and Pan-African Resources Limited):

- 50% of the performance shares are linked to this condition; and
- The number of performance shares which vest is based on DRDGOLD's actual TSR performance in relation to percentiles of peer group's performance as follows

Percentile of Peers	% of Conditional Shares Vesting
< 25th percentile	0%
25th to < 50th percentile	25%
50th to < 75th percentile	75%
≥ 75th percentile	100%

Awarded Conditional Shares which do not Vest to the Participant, as a result of forfeiture or which lapse, revert back to the Scheme.

Share Limits
Overall Company Limit
The aggregate number of Shares at any one time which may be awarded for Settlements under the Scheme shall not exceed 34,500,000 (thirty four million, five hundred thousand) Shares (representing approximately 4.95% of the total issued share capital of the Company at the date of this Notice).

Individual Limit
Subject to certain dilution adjustments, the aggregate number of Shares at any one time which may be awarded under the Scheme to any one Participant shall not exceed 14,500,000 Shares.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

7A. MAJOR SHAREHOLDERS

As of September 30, 2022, our issued capital consisted of:

- 864,588,711 ordinary shares of no par value; and
- 5,000,000 cumulative preference shares.

To our knowledge, as of June 30, 2022, we were not directly or indirectly owned or controlled by another corporation or any person or foreign government, other than the controlling interest held by Sibanye-Stillwater.

On July 31, 2018, 265 million ordinary shares were issued to Sibanye-Stillwater as settlement of the purchase consideration for the acquisition of the WRTRP Assets. On January 8, 2020, Sibanye-Stillwater exercised the option granted to it to subscribe for such number of new ordinary shares in the share capital of DRDGOLD for cash resulting in Sibanye-Stillwater holding in aggregate 50.1% of all DRDGOLD shares in issue (including treasury shares). Sibanye-Stillwater subscribed for 168,158,944 Subscription Shares at an aggregate subscription price of R1,086 million, on January 22, 2020. The Subscription Shares were allotted and issued at a price of R6.46 per share, being a 10% discount to the 30-day volume weighted average traded price.

Other than the above there are no arrangements, the operation of which may at a subsequent date result in a change in control of us.

Based on information available to us, as of September 30, 2022:

- there were 10,468 record holders of our ordinary shares in South Africa, who held 559,688,990 or approximately 64.7% of our ordinary shares;
- there was one record holder of our cumulative preference shares in South Africa, who held 5,000,000 ordinary shares or 100% of our cumulative preference shares;
- there were 36 US record holders of our ordinary shares, who held approximately 33,974,859 ordinary shares or approximately 3.9% of our ordinary shares excluding those shares held as part of our ADR program; and
- there were 664 registered holders of our ADRs in the United States, who held approximately 215,869,190 shares (21,586,919 ADRs) or approximately 25.0% of our ordinary shares.

The following table sets forth information regarding the beneficial ownership of our ordinary shares as of September 30, 2022, by:

- each of our directors and prescribed officers; and
- any person whom the directors are aware of as at September 30, 2022 who is interested directly or indirectly in 1% or more of our ordinary shares. There was significant change in the percentage ownership of the major shareholders over the preceding three years. During fiscal year 2020 Sibanye-Stillwater exercised the option granted to it to subscribe for such number of new ordinary shares in the share capital of DRDGOLD for cash resulting in Sibanye-Stillwater holding in aggregate 50.1% of all Shares in issue (including treasury shares). Sibanye-Stillwater subscribed for 168,158,944 ordinary shares.

	Shares Beneficially owned	
Holder	**Number**	**Percent of outstanding ordinary shares**
Directors/prescribed officers		
D.J. Pretorius	804,816	*
A.J. Davel	338,438	*
Other		
Sibanye-Stillwater	433,158,944	50.10%
The Bank of New York Mellon	227,196,436	26.28%
Government Employees Pension Fund	30,101,431	3.48%
Allan Gray Proprietary Limited	15,638,811	1.81%
BNYMSANV RE BNYMLBGC RE 586388	12,562,291	1.45%
CLEARSTREAM BANKING S.A LUXEMBOURG	10,763,378	1.24%
STATE STREET BANK AND TRUST	10,052,483	1.16%

* Indicates share ownership of less than 1% of our outstanding ordinary shares.

No ordinary shareholder has voting rights which differ from the voting rights of any other ordinary shareholder.

Cumulative Preference Shares

Randgold and Exploration Company Limited, or Randgold, owns 5,000,000 (100%) of our cumulative preference shares. Randgold's registered address is Suite 25, Katherine & West Building, Corner of Katherine and West Streets, Sandown, Sandton, 2196.

The holders of cumulative preference shares do not have voting rights unless any preference dividend is in arrears for more than six months. The terms of issue of the cumulative preference shares are that they carry the right, in priority to the Company's ordinary shares, to receive a dividend equal to 3% of the gross future revenue generated by the exploitation or the disposal of the Argonaut mineral rights acquired from Randgold in September 1997. Additionally, holders of cumulative preference shares may vote on resolutions which adversely affect their interests and on the disposal of all, or substantially all, of our assets or mineral rights. There is currently no active trading market for our cumulative preference shares. Holders of cumulative preference shares will only obtain their potential voting rights once the Argonaut Project becomes an operational gold mine, and dividends accrue to them. The prospecting rights have since expired and the Argonaut Project terminated. The development of the project is not expected to materialise and therefore no dividend is expected to be paid.

7B. RELATED PARTY TRANSACTIONS

Transactions with related parties are disclosed in Item 18. ‘‘Financial Statements - Note 5.1 – Cost of sales’’

Remuneration paid to key management is disclosed in Item 18. ‘‘Financial Statements - Note 19.3 – Key management personnel remuneration’’

7C. INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

ITEM 8. FINANCIAL INFORMATION

8A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

1. Please refer to Item 18. Financial Statements.
2. Please refer to Item 18. Financial Statements.
3. Please refer to Item 18. Financial Statements.
4. The last year of audited financial statements is not older than 15 months.
5. Not applicable.
6. Not applicable.
7. Please refer to Item 4D. Property, plant and equipment—Ongoing Legal Proceedings.
8. Please refer to Item 10B. Memorandum and articles of association.

8B. SIGNIFICANT CHANGES

Significant changes that have occurred since June 30, 2022, the date of the last audited financial statements included in this Annual Report, are discussed in the relevant notes to the financial statements under Item 18. Financial Statements.

ITEM 9. THE OFFER AND LISTING

9A. OFFER AND LISTING DETAILS

The principal trading market for our equity securities is the JSE (symbol: DRD) and our ADSs that trade on the New York Stock Exchange (symbol: DRD). The ADRs are issued by The Bank of New York Mellon, as depositary. Each ADR represents one ADS and each ADS represents ten of our ordinary shares. Until July 23, 2007, each ADS represented one of our ordinary shares.

The cumulative preference shares are not traded on any exchange.

There have been no trading suspensions with respect to our ordinary shares on the JSE during the past three years ended June 30, 2022, nor have there been any trading suspensions with respect to our ADRs on the New York Stock Exchange since our listing on that market.

9B. PLAN OF DISTRIBUTION

Not applicable.

9C. MARKETS

Nature of Trading Markets

See "Offer and Listing Details" above.

9D. SELLING SHAREHOLDERS

Not applicable.

9E. DILUTION

Not applicable.

9F. EXPENSES OF THE ISSUE

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

10A. SHARE CAPITAL

Not applicable.

10B. MEMORANDUM AND ARTICLES OF ASSOCIATION

As of June 30, 2022, we had authorized for issuance 1,500,000,000 ordinary shares of no par value (as of September 30, 2022: 1,500,000,000), and 5,000,000 cumulative preference shares of R0.10 par value (as of September 30, 2022: 5,000,000). On this date, we had issued 864,588,711 ordinary shares (as of September 30, 2022: 864,588,711) and 5,000,000 cumulative preference shares (as of September 30, 2022: 5,000,000).

Set out below are brief summaries of certain provisions of our Memorandum of Incorporation, or our MOI, the Companies Act of South Africa and the JSE Listings Requirements, all as in effect on June 30, 2022 and September 30, 2022. The summary does not purport to be complete and is subject to and qualified in its entirety by reference to the full text of the MOI, the Companies Act, and the JSE Listings Requirements.

We are registered under the Companies Act of South Africa under registration number 1895/000926/06. As set forth in our Memorandum of Incorporation, the main object and business of our company is mining and exploration for gold and other minerals.

Borrowing Powers

Our directors may from time to time borrow for the purposes of the company, such sums as they think fit and secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of securities, mortgage or charge upon all or any of the property or assets of the company. The directors shall procure that the aggregate principal amount at any one time outstanding in respect of monies so borrowed or raised by the company and all the subsidiaries for the time being of the company shall not exceed the aggregate amount at that time authorized to be borrowed or secured by the company or the subsidiaries for the time being of the company (as the case may be).

Share Ownership Requirements

Our directors are not required to hold any shares to qualify or be appointed as a director.

Voting by Directors

A director may authorize any other director to vote for him at any meeting at which neither he nor his alternate director appointed by him is present. Any director so authorized shall, in addition to his own vote, have a vote for each director by whom he is authorized.

The quorum necessary for the transaction of the business of the directors is a majority of the directors present at a meeting before a vote may be called at any meeting of directors.

Directors are required to notify our board of directors of interests in companies and contracts. If a director has a personal financial interest in respect of a matter to be considered at a meeting of the board he or she must disclose the interest and its nature, any material information relating to the matter and thereafter leave the meeting immediately after making the disclosure. Such director must not take part in consideration of the matter. He is not to be regarded as being present for the purpose of determining whether a resolution has sufficient support to be adopted.

The King IV Report on Corporate Governance for South Africa, 2016 (King IV) was published on 1 November 2016 and came into effect on 1 April 2017 for companies with financial years commencing thereafter. The application regime for King IV is "apply and explain", requiring companies to substantially and meaningfully strive towards good corporate governance. King IV is principles and outcomes based: a departure from mere compliance-based mindset. King IV recognises that sound governance outcomes, exemplified by integrity, competence, responsibility, accountability, fairness and transparency, are the cardinal pillars of good corporate citizenship. The JSE Limited has since made the adoption and application of King IV mandatory for all listed companies.

The remuneration of non-executive directors is typically determined by the board, but subject to approval by the shareholders at the AGM of the Company. In terms of section 65(11)(h) of the Companies Act, 2008 read with sections 66(8) and 66(9) thereof, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the shareholders within the previous 2 (two) years. A special resolution was passed at the 2021 AGM on November 30, 2021 to change the structure of the NED remuneration.

Under South African common law, directors are required to comply with certain fiduciary duties to the company and to exercise proper care and skill in discharging their responsibilities. These common law duties have now been codified by the Companies Act.

Age Restrictions

There is no age limit for directors.

Election of Directors

Each director shall be appointed by election by way of an ordinary resolution of shareholders at a general or annual meeting of company (“elected director (s)”) and no appointment of a director by way of a written circulated shareholders resolution in terms of section 60 of the Companies Act shall be competent.

One third of our directors, on a rotating basis, are subject to re-election at each annual general shareholder’s meeting. Retiring directors usually make themselves available for re-election. An amendment to the MOI which also subjects executive directors to re-election by rotation was approved by shareholders at the 2014 annual general meeting.

General Meetings

On the request of any shareholder or shareholders holding not less than 10 percent of our share capital which carries the right of voting at general meetings, we shall issue a notice to shareholders convening a general meeting for a date not less than 15 days from the date of the notice. Directors may convene general meetings at any time.

Our annual general meeting and a meeting of our shareholders for the purpose of passing a special resolution may be called by giving 15 days advance written notice of that meeting. For any other general meeting of our shareholders, 15 days advance written notice is required.

Our MOI provides that if at a meeting convened upon request by our shareholders, a quorum is not present within fifteen minutes after the time selected for the meeting, such meeting shall be postponed for one week. However the chairman has the discretion to extend the fifteen minutes for a reasonable period on certain grounds. The necessary quorum is three members present with sufficient voting powers in person or by proxy to exercise in aggregate 25% of the voting rights.

Voting Rights

The holders of our ordinary shares are generally entitled to vote at general meetings and on a show of hands have one vote per person and on a poll have one vote for every share held. The holders of our cumulative preference shares are not entitled to vote at a general meeting unless any preference dividend is in arrears for more than six months at the date on which the notice convening the general meeting is posted to the shareholders. Additionally, holders of cumulative preference shares may vote on resolutions which adversely affect their interests and on resolutions regarding the disposal of all or substantially all of our assets or mineral rights. When entitled to vote, holders of our cumulative preference shares are entitled to one vote per person on a show of hands and that portion of the total votes which the aggregate amount of the nominal value of the shares held by the relevant shareholder bears to the aggregate amount of the nominal value of all shares issued by us.

Dividends

We may, in certain circumstances in a general meeting, or our directors may, from time to time, declare a dividend to be paid to the shareholders in proportion to the number of shares they each hold. No dividend shall be declared except out of our profits. Dividends may be declared either free or subject to the deduction of income tax or duty in respect of which we may be charged. Holders of ordinary shares are entitled to receive dividends as and when declared by the directors.

Ownership Limitations

There are no limitations imposed by our MOI or South African law on the rights of shareholders to hold or vote on our ordinary shares or securities convertible into our ordinary shares.

Winding-up

If we are wound-up, then the assets remaining after payment of all of our debts and liabilities, including the costs of liquidation, shall be applied to repay to the shareholders the amount paid up on our issued capital and thereafter the balance shall be distributed to the shareholders in proportion to their respective shareholdings. On a winding up, our cumulative preference shares rank, in regard to all arrears of preference dividends, prior to the holders of ordinary shares. As of June 30, 2022 and September 30, 2022, no such dividends have been declared. Except for the preference dividend and as described in this Item our cumulative preference shares are not entitled to any other participation in the distribution of our surplus assets on winding-up.

Reduction of Capital

We may, by special resolution, reduce the share capital authorized by our MOI, or reduce our issued share capital including, without limitation, any stated capital, capital redemption reserve fund and share premium account by making distributions and buying back our shares.

***Amendment of the* MOI**

Our MOI may be altered by the passing of a special resolution or in compliance with a court order. The Company may also amend the MOI by increasing or decreasing the number of authorized shares, classifying or reclassifying shares, or determining the terms of shares in a class. A special resolution is passed when the shareholders holding at least 25% of the total votes of all the members entitled to vote are present or represented by proxy at a meeting and, if the resolution was passed on a show of hands, at least 75% of those shareholders voted in favor of the resolution and, if a poll was demanded, at least 75% of the total votes to which those shareholders are entitled were cast in favor of the resolution. An amendment to the MOI to increase the number of authorized shares was approved by shareholders at the 2018 general meeting on March 28, 2018.

Consent of the Holders of Cumulative Preference Shares

The rights and conditions attaching to the cumulative preference shares may not be cancelled, varied or added, nor may we issue shares ranking, regarding rights to dividends or on winding up, in priority to or equal with our cumulative preference shares, or dispose of all or part of the Argonaut mineral rights without the consent in writing of the registered holders of our cumulative preference shares or the prior sanction of a resolution passed at a separate class meeting of the holders of our cumulative preference shares.

Distributions

We are authorized to make payments in cash or in specie to our shareholders in accordance with the provisions of the Companies Act and other consents required by law from time to time. We may, for example, in a general meeting, upon recommendation of our directors, resolve that any surplus funds representing capital profits arising from the sale of any capital assets and not required for the payment of any fixed preferential dividend, be distributed among our ordinary shareholders. However, no such profit shall be distributed unless we have sufficient other assets to satisfy our liabilities and to cover our paid up share capital. We also need to consider the solvency and liquidity requirements stated in the Companies Act of South Africa.

Directors' power to vote compensation to themselves

The remuneration of non-executive directors may not exceed in any financial year the amount fixed by the Company in general meeting. The Companies Act requires that remuneration to non-executive directors may be paid only in accordance with a special resolution approved by shareholders within the previous two years.

Time limit for dividend entitlement

All unclaimed monies that are due to any shareholder/s shall be held by the company in trust for an indefinite period until lawfully claimed by such shareholder/s, subject to the Prescription Act, 1969 as amended or any other law which governs the law of prescription.

Staggered director elections & cumulative voting

At each annual general meeting of the Company one-third of the directors shall retire and be eligible for re-election. No provision is made for cumulative voting.

Sinking fund provisions and liability to further capital calls

There are no sinking fund provisions in the MOI attaching to any class of the company shares, and the company does not subject shareholders to liability to further capital calls.

Provision that would delay/prevent change of control

The Companies Act provides that companies which propose to merge or amalgamate must enter into a written agreement setting out the terms thereof. They must prove that upon implementation of the amalgamation or merger each will satisfy the solvency and liquidity test. Companies involved in disposals, amalgamations or mergers, or schemes of arrangement must obtain a compliance certificate from the Takeover Regulation Panel, pass special resolutions and in some instances they must obtain an independent expert report.

10C. MATERIAL CONTRACTS

Not applicable.

10D. EXCHANGE CONTROLS

The following is a summary of the material South African exchange control measures, which has been derived from publicly available documents. The following summary is not a comprehensive description of all the exchange control regulations. The discussion in this section is based on the current law and positions of the South African Government. Changes in the law may alter the exchange control provisions that apply, possibly on a retroactive basis.

Introduction

Dealings in foreign currency, the export of capital and revenue, payments by residents to non-residents and various other exchange control matters in South Africa are regulated by the South African exchange control regulations, or the Regulations. The Regulations form part of the general monetary policy of South Africa. The Regulations are issued under Section 9 of the Currency and Exchanges Act, 1933 (as amended). In terms of the Regulations, the control over South African capital and revenue reserves, as well as the accruals and spending thereof, is vested in the Treasury (Ministry of Finance), or the Treasury.

The Treasury has delegated the administration of exchange controls to the Exchange Control Department of the South African Reserve Bank, or SARB, which is responsible for the day to day administration and functioning of exchange controls. SARB has a wide discretion. Certain banks authorized by the Treasury to co-administer certain of the exchange controls, are authorized by the Treasury to deal in foreign exchange. Such dealings in foreign exchange by authorized dealers are undertaken in accordance with the provisions and requirements of the exchange control rulings, or Rulings, and contain certain administrative measures, as well as conditions and limits applicable to transactions in foreign exchange, which may be undertaken by authorized dealers. Non-residents have been granted general approval, in terms of the Rulings, to deal in South African assets, to invest and disinvest in South Africa.

The Regulations provide for restrictions on exporting capital from the Common Monetary Area consisting of South Africa, Namibia, and the Kingdoms of Lesotho and Swaziland. Transactions between residents of the Common Monetary Area are not subject to these exchange control regulations.

There are many inherent disadvantages to exchange controls, including distortion of the price mechanism, problems encountered in the application of monetary policy, detrimental effects on inward foreign investment and administrative costs associated therewith. The South African Finance Minister has indicated that all remaining exchange controls are likely to be dismantled as soon as circumstances permit. Since 1998, there has been a gradual relaxation of exchange controls. The gradual approach to the abolition of exchange controls adopted by the Government of South Africa is designed to allow the economy to adjust more smoothly to the removal of controls that have been in place for a considerable period of time. The stated objective of the authorities is equality of treatment between residents and non-residents with respect to inflows and outflows of capital. The focus of regulation, subsequent to the abolition of exchange controls, is expected to favor the positive aspects of prudential financial supervision.

The present exchange control system in South Africa is used principally to control capital movements. South African companies are not permitted to maintain foreign bank accounts without SARB approval and, without the approval of SARB, are generally not permitted to export capital from South Africa or hold foreign currency. In addition, South African companies are required to obtain the approval of the SARB prior to raising foreign funding on the strength of their South African statements of financial position, which would permit recourse to South Africa in the event of defaults. Where 75% or more of a South African company's capital, voting power, power of control or earnings is directly or indirectly controlled by non-residents, such a corporation is designated an “affected person” by the SARB, and certain restrictions are placed on its ability to obtain local financial assistance. We are not, and have never been, designated an “affected person” by the SARB.

Foreign investment and outward loans by South African companies are also restricted. In addition, without the approval of the SARB, South African companies are generally required to repatriate to South Africa profits of foreign operations and are limited in their ability to utilize profits of one foreign business to finance operations of a different foreign business. South African companies establishing subsidiaries, branches, offices or joint ventures abroad are generally required to submit financial statements on these operations as well as progress reports to the SARB on an annual basis. As a result, a South African company's ability to raise and deploy capital outside the Common Monetary Area is restricted.

Although exchange controls have been gradually relaxed since 1998, unlimited outward transfers of capital are not permitted at this stage. Some of the more salient changes to the South African exchange control provisions over the past few years have been as follows:

- corporations wishing to invest in countries outside the Common Monetary Area, in addition to what is set out below, apply for permission to enter into corporate asset/share swap and share placement transactions to acquire foreign investments. The latter mechanism entails the placement of the locally quoted corporation's shares with long-term overseas holders who, in payment for the shares, provide the foreign currency abroad which the corporation then uses to acquire the target investment;
- corporations wishing to establish new overseas ventures are permitted to transfer offshore up to R500 million to finance approved investments abroad and up to R500 million to finance approved new investments in African countries on an annual bases. Approval from the SARB is required in advance for investments in excess of R500 million. On application to the SARB, corporations are also allowed to use part of their local cash holdings to finance up to 10% of approved new foreign investments where the cost of these investments exceeds the current limits;
- as a general rule, the SARB requires that more than 10% of equity of the acquired off-shore venture is acquired within a predetermined period of time, as a prerequisite to allowing the expatriation of funds. If these requirements are not met, the SARB may instruct that the equity be disposed of. In our experience the SARB has taken a commercial view on this, and has on occasion extended the period of time for compliance; and

- remittance of directors' fees payable to persons permanently resident outside the Common Monetary Area may be approved by authorized dealers, in terms of the Rulings.

Authorized dealers in foreign exchange may, against the production of suitable documentary evidence, provide forward cover to South African residents in respect of fixed and ascertained foreign exchange commitments covering the movement of goods.

Persons who emigrate from South Africa are entitled to take limited amounts of money out of South Africa as a settling-in allowance. The balance of the emigrant's funds will be blocked and held under the control of an authorized dealer. These blocked funds may only be invested in:

- blocked current, savings, interest bearing deposit accounts in the books of an authorized dealer in the banking sector;
- securities quoted on the JSE and financial instruments listed on the Bond Exchange of South Africa which are deposited with an authorized dealer and not released except temporarily for switching purposes, without the approval of the SARB. Authorized dealers must at all times be able to demonstrate that listed or quoted securities or financial instruments which are dematerialized or immobilized in a central securities depository are being held subject to the control of the authorized dealer concerned; or
- mutual funds.

Aside from the investments referred to above, blocked rands may only be utilized for very limited purposes. Dividends declared out of capital gains or out of income earned prior to emigration remain subject to the blocking procedure. It is not possible to predict when existing exchange controls will be abolished or whether they will be continued or modified by the South African Government in the future.

Sale of Shares

Under present exchange control regulations in South Africa, our ordinary shares and ADRs are freely transferable outside the Common Monetary Area between non-residents of the Common Monetary Area. In addition, the proceeds from the sale of ordinary shares on the JSE on behalf of shareholders who are not residents of the Common Monetary Area are freely remittable to such shareholders. Share certificates held by non-residents will be endorsed with the words “non-resident,” unless dematerialized.

Dividends

Dividends declared in respect of shares held by a non-resident in a company whose shares are listed on the JSE are freely remittable.

Any cash dividends paid by us are paid in rands. Holders of ADRs on the relevant record date will be entitled to receive any dividends payable in respect of the shares underlying the ADRs, subject to the terms of the deposit agreement entered on August 12, 1996, and as amended and restated, between the Company and The Bank of New York, as the depository. Subject to exceptions provided in the deposit agreement, cash dividends paid in rand will be converted by the depositary to dollars and paid by the depositary to holders of ADRs, net of conversion expenses of the depositary, in accordance with the deposit agreement. The depositary will charge holders of ADRs, to the extent applicable, taxes and other governmental charges and specified fees and other expenses.

Voting rights

There are no limitations imposed by South African law or by our MOI on the right of non-South African shareholders to hold or vote our ordinary shares.

10E. TAXATION

Material South African Income Tax Consequences

The following is a summary of material income tax considerations under South African income tax law. No representation with respect to the consequences to any particular purchaser of our securities is made hereby. Prospective purchasers are urged to consult their tax advisers with respect to their particular circumstances and the effect of South African or other tax laws to which they may be subject.

South Africa imposes tax on worldwide income of South African residents. Generally, individuals not resident in South Africa do not pay tax in South Africa except in the following circumstances:

Income Tax and Withholding Tax on Dividends

Non-residents will pay income tax on any amounts received by or accrued to them from a source within (or deemed to be within) South Africa. Interest earned by a non-resident on a debt instrument issued by a South African company will be regarded as being derived from a South African source but will be regarded as exempt from taxation in terms of Section 10(1)(i) of the South African Income Tax Act, 1962 (as amended), or the Income Tax Act. This exemption applies to so much of any interest and dividends (which are not otherwise exempt) received from a South African source not exceeding (a) R34,500 if the taxpayer is 65 years of age or older or (b) R23,800 if the taxpayer is younger than 65 years of age at the end of the relevant tax year.

No withholding tax is deductible in respect of interest payments made to non-resident investors.

Section 64F of the amendments to the Income Tax Act as set out in Part VIII in Chapter II of the Income Tax Act sets out beneficial owners who are exempt from the dividend tax which includes resident companies receiving a dividend after the effective date, being April 1, 2012. The Convention between the United States of America and the Republic of South Africa for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Gains, or the Tax Treaty, would limit the rate of this tax with respect to dividends paid on ordinary shares or ADRs to a U.S. resident (within the meaning of the Tax Treaty) to 5% of the gross amount of the dividends if such U.S. resident is a company which holds directly at least 10% of our voting stock and 20% of the gross amount of the dividends in all other cases.

The above provisions shall not apply if the beneficial owner of the dividends is resident in the United States, carries on business in South Africa through a permanent establishment situated in South Africa, or performs in South Africa independent personal services from a fixed base situated in South Africa, and the dividends are attributable to such permanent establishment or fixed base.

In fiscal years 2022 and 2021, the tax rates for taxable mining income for Ergo was 5% and 25% respectively and for FWGR 31% for both fiscal periods. The gold mining tax formula for determining the South African gold mining tax rate for fiscal years ended 2022 and 2021 is: Y = 34 – 170/X. Where Y is the percentage rate of tax payable and X is the ratio of taxable income, net of any qualifying capital expenditure that bears to mining income derived, expressed as a percentage. The tax rate for non-mining taxable income is 28% for both fiscal years 2022 and 2021.

On February 23, 2022, the Minister of Finance announced that the corporate income tax ("**CIT**") rate will be lowered from 28% to 27% for companies with years of assessment commencing on or after April 1, 2022. The mining operations of the Group accounts for income tax using the gold mining tax formula as opposed to the CIT rate. The gold mining tax formula was changed to Y = 33 - 165/X for years of assessment commencing on or after April 1, 2022. It was further announced that the lowering of the CIT rate will be implemented alongside additional amendments to broaden the CIT base by limiting interest deductions and assessed losses. Section 23M which limits the deduction of interest payable to certain parties who are not subject to tax was significantly widened. A maximum of R1 million or 80% of assessed losses (whichever is greater) is permitted to be set-off against taxable income.

With effect from April 1, 2014, Section 8F of the Income Tax Act results in any amount of interest which is incurred in respect of a "*hybrid debt instrument*" is deemed to be a dividend *in specie* declared by the payor and received by the recipient which is exempt from income tax, as opposed to interest which is taxable. The terms of some of our intercompany loans cause the affected loans to be deemed as "*hybrid debt instruments*" and the interest thereof to be deemed to be an exempt dividend *in specie*. This characterization of the affected loans as a "*hybrid debt instrument*" was not impacted by subsequent amendments to Section 8F of the Income Tax Act that became effective in fiscal year 2017.

U.S. Federal Income Tax Considerations

The following is a summary of the U.S. federal income tax considerations generally applicable to the U.S. Holder ownership and disposition of ordinary shares or ADRs. Unless otherwise indicated, this discussion addresses only U.S. Holders who hold ordinary shares or ADRs as capital assets (generally, property held for investment) for U.S. federal income tax purposes. This discussion is based upon the provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations promulgated thereunder, judicial decisions, published rulings of the Internal Revenue Service (the "IRS"), administrative pronouncements and other relevant authorities, all as in effect on the date hereof and all of which are subject to differing interpretations and change, possibly on a retroactive basis. There can be no assurance that the IRS would not assert, or that a court would not sustain, a position contrary to any of the considerations discussed herein.

This summary does not address U.S. federal estate, gift or other non-income tax considerations, the alternative minimum tax, the Medicare tax on certain net investment income, or any state, local or non-U.S. tax considerations, relating to the ownership or disposition of ordinary shares or ADRs, nor does it address all aspects of U.S. federal income taxation that may be relevant to U.S. Holders in light of their particular circumstances or that may be relevant to certain types of U.S. Holders subject to special treatment under U.S. federal income tax law (such as dealers in securities or currencies, partnerships or other pass-through entities, banks and other financial institutions, traders in securities that elect mark-to-market treatment, insurance companies, tax-exempt organizations (including private foundations), certain expatriates or former long-term residents of the United States, persons holding ordinary shares or ADRs as part of a "hedge," "conversion transaction," "synthetic security," "straddle," "constructive sale" or other integrated investment, persons who acquired the ordinary shares or ADRs upon the exercise of employee stock options or otherwise as compensation, persons whose functional currency is not the U.S. dollar, or persons that actually or constructively own ten percent or more of the voting power or value of our shares).

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of ordinary shares or ADRs that is, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation (or any entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax without regard to its source; or
- a trust (i) if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (ii) if the trust has made a valid election to be treated as a U.S. person.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) owns any ordinary shares or ADRs, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Partnerships holding any ordinary shares or ADRs and their partners should consult their tax advisors regarding an investment in ordinary shares or ADRs.

U.S. Holders of ordinary shares or ADRs should consult their tax advisors regarding the U.S. federal income tax considerations applicable to the ownership and disposition of ordinary shares or ADRs in light of their particular circumstances as well as any considerations to them arising under the tax laws of any foreign, state or local taxing jurisdiction.

Distributions

For U.S. federal income tax purposes, a U.S. Holder of ADRs will be treated as the owner of the ordinary shares represented by such ADRs. Exchanges of ordinary shares for ADRs and ADRs for ordinary shares will generally not be subject to U.S. federal income tax.

Subject to the discussion below under the heading "Passive Foreign Investment Company", the gross amount of any distributions received by a U.S. Holder on ordinary shares or ADRs (including any amounts withheld in respect of South African withholding taxes) will generally be subject to tax to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, and will be includible in the gross income of a U.S. Holder on the day actually or constructively received. For U.S. federal income tax purposes, the gross amount of any distributions received by a U.S. Holder will generally equal the dollar value of the sum of the South African rand payments made (including any amounts withheld in respect of South African withholding taxes), determined at the "spot rate" on the date the dividend distribution is includable in such U.S. Holder's income, regardless of whether the payment is in fact converted into dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date a U.S. Holder includes the dividend payment in income to the date such holder converts the payment into dollars will be treated as ordinary income or loss.

Distributions, if any, in excess of our current or accumulated earnings and profits will constitute a non-taxable return of capital and will be applied against and reduce the U.S. Holder's basis in the ordinary shares or ADRs. To the extent that distributions exceed the U.S. Holder's tax basis in the ordinary shares or ADRs, as applicable, the excess generally will be treated as capital gain, subject to the discussion below under the heading "Passive Foreign Investment Company". We do not intend to calculate our earnings or profits for U.S. federal income tax purposes. U.S. Holders should therefore assume that any distributions on our ordinary shares or ADRs will constitute dividend income.

An individual or other non-corporate U.S. Holder may be subject to tax on any such dividends at the lower capital gain tax rate applicable to "qualified dividend income," provided that certain conditions are satisfied, including that (1) the ordinary shares or ADSs are readily tradable on an established securities market in the United States, or we are eligible for the benefits of a qualifying income tax treaty, (2) we are neither a PFIC nor treated as such with respect to a U.S. Holder (as discussed below) for the taxable year in which the dividend is paid and the preceding taxable year, and (3) certain holding period requirements are met. Dividend income derived with respect to the ordinary shares or ADRs will not be eligible for the dividends received deduction generally allowed to a U.S. corporation. U.S. Holders should consult their tax advisors regarding the U.S. federal income tax rate that will be applicable to their receipt of any dividends paid with respect to the ordinary shares and ADRs.

For U.S. foreign tax credit purposes, dividends received on ordinary shares or ADSs common shares will generally be treated as income from foreign sources and will generally constitute passive category income. Subject to certain conditions and limitations, a U.S. Holder eligible for the benefits of an applicable income tax treaty may be eligible to claim a foreign tax credit in respect of any South African income taxes paid or withheld with respect to dividends on ordinary shares or ADSs to the extent such taxes are nonrefundable under the treaty. Alternatively, a U.S. Holder may elect to deduct such taxes in computing its taxable income for U.S. federal income tax purposes. A U.S. Holder's election to deduct foreign taxes instead of claiming foreign tax credits applies to all creditable foreign income taxes paid or accrued in the relevant taxable year. The rules regarding foreign tax credits and the deductibility of foreign taxes are complex. All U.S. Holders should consult their tax advisors regarding the availability of foreign tax credits and the deductibility of foreign taxes in light of their particular circumstances.

Passive Foreign Investment Company

A non-U.S. corporation, such as our company, will be classified as a passive foreign investment company ("PFIC") for U.S. federal income tax purposes for any taxable year if either (i) 75% or more of our gross income for such year, including our pro rata share of the gross income of any company in which we are considered to own 25% or more of the shares by value, consists of certain types of "passive income" or (ii) 50% or more of the value of our assets (determined on the basis of a quarterly average) during such year, including our pro rata share of the assets of any company in which we are considered to own 25% or more of the shares by value, is attributable to assets that produce or are held for the production of passive income. Passive income generally includes dividends, interest, royalties, rents, annuities, net gains from the sale or exchange of property producing such income and net foreign currency gains. Passive assets are those which give rise to passive income and include assets held for investment, as well as cash, assets readily convertible into cash, and (subject to certain exceptions) working capital. Our company's goodwill and other unbooked intangibles are taken into account and may be classified as active or passive depending on the income such assets generate or are held to generate.

If we are a PFIC for any taxable year during which a U.S. Holder holds ordinary shares or ADRs, the U.S. Holder would be subject to special rules with respect to any (i) gain recognized upon the disposition of the ordinary shares or ADRs and (ii) receipt of an excess distribution (generally, any distributions to a U.S. Holder during a taxable year that is greater than 125% of the average amount of distributions received by such U.S. Holder during the three preceding taxable years in respect of the ordinary shares or ADRs or, if shorter, such U.S. Holder's holding period for the ordinary shares or ADRs). Under these rules:

- the gain or excess distribution will be allocated ratably over a U.S. Holder's holding period for the ordinary shares or ADRs, as applicable;
- amounts allocated to the taxable year of the excess distribution or of the sale or other disposition and to any taxable years in the U.S. Holder's holding period prior to the first taxable year in which we are classified as a PFIC (each, a "pre-PFIC year"), will be taxed as ordinary income;
- amounts allocated to each prior year (other than the current taxable year or a pre-PFIC year) will be taxed at the highest tax rate in effect applicable to the U.S. Holder for that year; and
- such amounts will be increased by an additional tax equal to interest on the resulting tax deemed deferred with respect to such years (other than the current taxable year or a pre-PFIC year).

Although we generally will be treated as a PFIC as to any U.S. Holder if we are a PFIC for any year during a U.S. Holder's holding period, if we cease to be a PFIC, the U.S. Holder may avoid PFIC classification for subsequent years if such holder elects to recognize gain based on the unrealized appreciation in the ordinary shares or ADRs through the close of the tax year in which we cease to be a PFIC.

A U.S. Holder of a PFIC is required to file an annual report with the Internal Revenue Service containing such information as the U.S. Secretary of Treasury may require.

A U.S. Holder of ordinary shares or ADRs that are treated as "marketable stock" may be able to avoid the imposition of the special tax and interest charge described above by making a mark-to-market election. Pursuant to this election, the U.S. Holder would include in ordinary income or loss for each taxable year an amount equal to the difference between, as of the close of the taxable year, the fair market value of the ordinary shares or ADRs and the U.S. Holder's adjusted tax basis in such ordinary shares or ADRs. Losses would be allowed only to the extent of net mark-to-market gain previously included by the U.S. Holder under the election for prior taxable years. If a U.S. Holder makes a mark-to-market election, then, in any taxable year for which we are classified as a PFIC, tax rules that apply to distributions by corporations that are not PFICs would apply to distributions by us (except that the lower applicable capital gains rate for qualified dividend income would not apply). If a U.S. Holder makes a valid mark-to-market election and we subsequently cease to be classified as a PFIC, the U.S. Holder will not be required to take into account the mark-to-market income or loss described above during any period that we are not classified as a PFIC. In addition, because, as a technical matter, a mark-to-market election cannot be made for any lower-tier PFICs that we may own, a U.S. Holder may continue to be subject to the PFIC rules with respect to such U.S. Holder's indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. U.S. Holders should consult their tax advisors with respect to the application and effect of making the mark-to-market election for their ordinary shares or ADRs.

In the case of a U.S. Holder who holds ordinary shares or ADRs and who does not make a mark-to-market election, the special tax and interest charge described above will not apply if such holder makes an election to treat us as a "qualified electing fund" in the first taxable year in which such holder owns the ordinary shares or ADRs and if we comply with certain reporting requirements. However, we do not intend to provide the information necessary for U.S. Holders to make qualified electing fund elections.

We believe that we were not a PFIC for our taxable year ended June 30, 2022. There can be no assurance regarding our PFIC status for the current taxable year or foreseeable future taxable years, however, because our PFIC status is a factual determination made annually that will depend, in part, upon the composition of our income and assets. The value of our assets for purposes of the asset test, including the value of our goodwill and unbooked intangibles, may be determined in part by reference to the market price of our ordinary shares or ADRs from time to time (which may be volatile). Because we will generally take into account our current market capitalization in estimating the value of our goodwill and other unbooked intangibles, our PFIC status for the current taxable year and foreseeable future taxable years may be affected by our market capitalization.

The rules relating to PFICs are complex. U.S. Holders should consult their tax advisors regarding the application of the PFIC rules to their investments in our ordinary shares or ADRs.

Disposition of Ordinary Shares or ADRs

A U.S. Holder will generally recognize gain or loss on the sale, exchange, or other taxable disposition of ordinary shares or ADRs in an amount equal to the difference between the U.S. dollar value of the amount realized on the disposition and such holder's adjusted tax basis in the ordinary shares or ADRs. Subject to the discussion above under the heading "Passive Foreign Investment Company", such gain or loss will generally be long-term capital gain or loss a if the U.S. Holder's holding period in the ordinary shares or ADRs exceeds one year. Long-term capital gains of individuals and certain other non-corporate U.S. Holders are generally eligible for a reduced rate of taxation. The deductibility of capital losses is subject to limitations. Gain or loss recognized by a U.S. Holder on the taxable disposition of ordinary shares or ADRs will generally be treated as U.S. source gain or loss for U.S. foreign tax credit purposes.

In the case of a cash basis U.S. Holder who receives rands in connection with the taxable disposition of ordinary shares or ADRs, the amount realized will be based on the spot rate as determined on the settlement date of such exchange. A U.S. Holder who receives payment in rand and converts rand into U.S. dollars at a conversion rate other than the rate in effect on the settlement date may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss.

An accrual basis U.S. Holder may elect the same treatment required of cash basis taxpayers with respect to a taxable disposition of ordinary shares or ADRs, provided that the election is applied consistently from year to year. Such election may not be changed without the consent of the IRS. In the event that an accrual basis U.S. Holder does not elect to be treated as a cash basis taxpayer, such U.S. Holder may have a foreign currency gain or loss for U.S. federal income tax purposes because of the differences between the U.S. dollar value of the currency received prevailing on the trade date and the settlement date. Any such currency gain or loss will be treated as ordinary income or loss and would be in addition to gain or loss, if any, recognized by such U.S. Holder on the disposition of such ordinary shares or ADRs.

Information with respect to Foreign Financial Assets

Certain U.S. Holders may be required to report on Internal Revenue Service Form 8938 information relating to an interest in ordinary shares or ADRs, subject to certain exceptions (including an exception for assets held in accounts maintained by certain financial institutions, although the account itself may be reportable if held at a non-U.S. financial institution). U.S. Holders should consult their tax advisers regarding the effect, if any, of this reporting requirement on their acquisition, ownership and disposition of ordinary shares or ADRs. U.S. Holders should consult their tax advisors regarding application of the information reporting and backup withholding rules.

10F. DIVIDENDS AND PAYING AGENTS

Not applicable.

10G. STATEMENT BY EXPERTS

Not applicable.

10H. DOCUMENTS ON DISPLAY

DRDGOLD files annual reports on Form 20-F and reports on Form 6-K with the SEC. You may access this information at the SEC's home page (http://www.sec.gov). Copies of the documents referred to herein may be inspected at DRDGOLD Limited's offices by contacting DRDGOLD Limited, P.O. Box 390, Maraisburg, Johannesburg, South Africa 1700. Attn: Company Secretary. Tel No. +27-11-470-2600.

10I. SUBSIDIARY INFORMATION

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

General

In the normal course of our operations, we are exposed to market risk, including commodity price, foreign currency, interest and credit risks. Refer to Item 18. ''Financial Statements - Note 27 - Financial instruments'' of the consolidated financial statements for a qualitative and quantitative discussion of our exposure to these market risks.

Our long-term strategy is to remain unhedged and to keep borrowings to a minimum. During fiscal 2022 we do not hold or issue derivative financial instruments for speculative purposes, nor did we hedge forward gold sales. However, in instances where we need to incur medium-term borrowings to finance growth projects that introduce some liquidity risk to the Group, we may mitigate this liquidity risk by entering into an arrangement to provide price protection against a possible decrease in the Rand gold price while borrowings are in place. For example in fiscal 2019 we entered into a hedging instrument in the form of a collar in respect of 50,000 ounces of gold that expired at the end of May 2019.

Commodity price risk

The rand market price of gold has a significant effect on our results of operations, our ability and the ability of our subsidiaries to pay dividends and undertake capital expenditures, and the market price of our ordinary shares or ADSs. Historically, rand gold prices have fluctuated widely and are affected by numerous industry factors over which we have no control. The aggregate effect of these factors on the rand gold price is impossible for us to predict. The rand price of gold may not remain at a level allowing us to economically exploit our reserves.

It is our long-term policy not to hedge this commodity price risk. However, in instances where we need to incur medium-term borrowings to finance growth projects that introduce some liquidity risk to the Group, we may mitigate this liquidity risk by entering into an arrangement to provide price protection against a possible decrease in the Rand gold price while borrowings are in place.

Concentration of credit risk

Credit risk is the risk of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from our trade and other receivables from customers.

The Group manages its exposure to credit risk on cash and cash equivalents and Guardrisk Cell Captive (classified as investments in rehabilitation and other funds in the statement of financial position), mandating the Guardrisk Cell Captive to diversify the funds across a number of major financial institutions, as well as investing funds in low-risk, interest-bearing cash and cash equivalents.

The Group manages its exposure to credit risk on trade receivables by selling gold on a cash on delivery basis. The Group manages its exposure to credit risk on other receivables by dealing with a number of counterparties, ensuring that these counterparties are of good credit standing and transacting on a secured or cash basis where considered required. Receivables are regularly monitored and assessed for recoverability.

Foreign currency risk

Our reporting and functional currency is South African rand. Although gold is sold in US dollars, the Company is obliged to convert this into rands. No hedges were entered into during fiscal 2022. We are thus exposed to fluctuations in the US dollar/rand exchange rate. Foreign exchange fluctuations affect the cash flow that we will realize from our operations as gold is sold in US dollars, while production costs are incurred primarily in rands. Our results are positively affected when the US dollar strengthens against the rand and adversely affected when the US dollar weakens against the rand. Our cash and cash equivalent balances are mostly held in South African rands.

Liquidity risk - Long-term debt

Set out below is an analysis of our debt as at June 30, 2022 consisting of capital and interest related to lease liabilities. All of our long-term debt is denominated in South African rand.

Interest rate	
Total	6.4% - 10.3%
	R'm
Repayment period	
2023	22.4
2024	15.7
2025	8.4
2026	7.6
2027	3.4
2028	2.1
Total	59.6

Based on our fiscal year 2022 financial results, a hypothetical 100 basis points (increase)/decrease in interest rate activity would (increase)/decrease our interest expense by R0.5 million.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

See Item 9. "The Offer and Listing Details".

12A. DEBT SECURITIES

Not applicable.

12B. WARRANTS AND RIGHTS

Not applicable.

12C. OTHER SECURITIES

Not applicable.

12D. AMERICAN DEPOSITARY SHARES

Depositary Fees and Charges

DRDGOLD's American Depository Shares, or ADSs, each representing ten of DRDGOLD's ordinary shares, are traded on the New York Stock Exchange, or NYSE under the symbol "DRD" (until December 29, 2011 our ADSs were traded on the Nasdaq Capital Market under the symbol "DROOY"). The ADSs are evidenced by American Depository Receipts, or ADRs, issued by The Bank of New York Mellon, as Depository under the Amended and Restated Deposit Agreement dated as of August 12, 1996, as amended and restated as of October 2, 1996, as further amended and restated as of August 6, 1998, as further amended and restated July 23, 2007, among DRDGOLD Limited, The Bank of New York Mellon and owners and beneficial owners of ADRs from time to time. ADR holders may have to pay the following service fees to the Depositary:

Service	**Fees (USD)**
Issuance of ADSs, including issuances resulting from a distribution of ordinary shares or rights	$5.00 (or less) per 100 ADSs (or portion thereof)[1]
Cancellation of ADSs for the purpose of withdrawal, including if the Deposit Agreement terminates	$5.00 (or less) per 100 ADSs (or portion thereof)[1]
Distribution of cash dividends or other cash distributions	2 cents (or less) per ADS (or portion thereof)
Distribution of securities distributed to holders of deposited securities which are distributed by the Depositary to ADS registered holders	$5.00 (or less) per 100 ADSs (or portion thereof)

[1] These fees are typically paid to the Depositary by the brokers on behalf of their clients receiving the newly-issued ADSs from the Depositary or delivering the ADSs to the Depositary for cancellation. The brokers in turn charge these transaction fees to their clients.

In addition, ADR holders are responsible for certain fees and expenses incurred by the Depositary on their behalf including (1) taxes and other governmental charges, (2) such registration fees as may from time to time be in effect for the registration of transfers of ordinary shares generally on the share register and applicable to transfers of ordinary shares to the name of the Depositary or its nominee or the Custodian or its nominee on the making of deposits or withdrawals, (3) such cable, telex and facsimile transmission expenses as are expressly provided in the Deposit Agreement, and (4) such expenses as are incurred by the Depositary in the conversion of foreign currency to U.S. Dollars.

The Depositary collects its fees for delivery and surrender of ADSs directly from investors depositing or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The Depositary, collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The Depositary may collect its annual fee for depositary services by deductions from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The Depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

Depositary Payments

The Bank of New York Mellon, as Depositary, has agreed to reimburse DRDGOLD an annual amount of $75,000 mainly consisting of accumulated contributions towards the Company's investor relations activities (including investor meetings, conferences and fees of investor relations service vendors). After the deduction of other fees, the annual reimbursement for the year ended June 30, 2022 amounts to approximately $11,721 (June 30, 2021: $51,944, June 30, 2020: $16,237). DRDGOLD is also entitled to a 25% share of the dividend fees which amounts to approximately $93,565for the year ended June 30, 2022 (June 30, 2021: $65,551, June 30, 2020: $nil).

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

There have been no material defaults in the payment of principal, interest, a sinking or purchase fund installment, or any other material defaults with respect to any indebtedness of ours.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None

ITEM 15. CONTROLS AND PROCEDURES

15A. Disclosure Controls and Procedures

As of June 30, 2022, our management, with the participation of our Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of our disclosure controls and procedures (as this term is defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act). Our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective as of June 30, 2022.

Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the applicable rules and forms and that such information required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934 is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

There are inherent limitations in the effectiveness of any system of disclosure controls and procedures. These limitations include the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, any such system can only provide reasonable assurance of achieving the desired control objectives.

15B. Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer and effected by our board, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Under Section 404(a) of the Sarbanes Oxley Act of 2002, management is required to assess our internal controls surrounding the financial reporting process as at the end of each fiscal year. Based on that assessment, management is to determine whether or not our internal controls over financial reporting are effective.

Internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that our receipts and expenditures are being made only in accordance with authorizations of our management and board; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Instead, it must be noted that even those systems that management deems to be effective can only provide reasonable assurance with respect to the preparation and presentation of our financial statements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or the degree of compliance with the policies and procedures.

Our management assessed the effectiveness of our internal control over financial reporting as of June 30, 2022. In making this assessment, our management used the criteria set forth by the *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our assessment and those criteria, our management concluded that as of June 30, 2022 our internal control over financial reporting was effective.

15C. Attestation Report of the independent registered public accounting firm

The effectiveness of internal control over financial reporting as of June 30, 2022 was audited by KPMG Inc., independent registered public accounting firm, as stated in their report on page F-1 of this Form 20-F.

15D. Changes in Internal Control Over Financial Reporting

During the year ended June 30, 2022, there have not been any changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Mr. J.A. Holtzhausen, Chairman of the Audit Committee, has been determined by our board to be an audit committee financial expert within the meaning of the Sarbanes-Oxley Act, in accordance with the Rules of the New York Stock Exchange, or NYSE, and rules promulgated by the SEC and independent both under the New York Stock Exchange Rules and the South African Johannesburg Stock Exchange Rules. The board is satisfied that the skills, experience and attributes of the members of the Audit Committee are sufficient to enable those members to discharge the responsibilities of the Audit Committee.

ITEM 16B. CODE OF ETHICS

We have adopted a Code of Conduct that applies to all senior executives including our Non-Executive Chairman, the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and the Financial Directors and Managing Directors at our mining operations as well as all other employees. The Code of Conduct can be accessed on the Company's website at the following web address: www.drdgold.com/about-us/governance.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

KPMG Inc. has served as our independently registered public accountant for the fiscal years ended June 30, 2022, 2021 and 2020, for which audited financial statements appear in this Annual Report. The Annual General Meeting elects the auditors annually.

The following table presents the aggregate fees for professional audit services and other services rendered by KPMG Inc. to us in fiscal year 2022 and 2021:

Audit Fees

Audit fees billed for the annual audit services engagement, which are those services that the external auditor reasonably can provide, include the company audit; statutory audits; comfort letters and consents; attest services; and assistance with and review of documents filed with the SEC.

Auditors' remuneration	**Year ended June 30,**	
	2022	**2021**
	R m	**R m**
Audit fees	8.6	9.1
All other fees	0.4	0.7
Total	9.0	9.8

All Other Fees

The all other fees during fiscal year 2022 consist of the following:

- R0.2 million with respect to limited assurance provided by KPMG on specified items contained in our Integrated Report for fiscal year 2021; and
- R0.2 million with respect to limited assurance provided by KPMG on specified items contained in our Integrated Report for fiscal year 2022;

The all other fees during fiscal year 2021 consist of the following:

- R0.5 million with respect to limited assurance provided by KPMG on specified items contained in our Integrated Report for fiscal year 2020; and
- R0.2 million with respect to limited assurance provided by KPMG on specified items contained in our Integrated Report for fiscal year 2021

The Audit Committee is directly responsible for recommending the appointment, re-appointment and removal of the external auditors as well as the remuneration and terms of engagement of the external auditors. The committee pre-approves, and has pre-approved, all non-audit services provided by the external auditors. The Audit Committee considered all of the fees mentioned above and determined that such fees are compatible with maintaining KPMG Inc.'s independence.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

To comply with section 10(1)(a) of the Auditing Profession Act, 26 of 2005, the Independent Regulatory Board for Auditors ("**IRBA**") published the rule on Mandatory Audit Firm Rotation ("**MAFR**") for auditors of all public interest entities, as defined in section 290.25 to 290.26 of the amended IRBA Code of Professional Conduct for Registered Auditors. An audit firm, including a network firm as defined in the IRBA Code of Professional Conduct for Registered Auditors, shall not serve as the appointed auditor of a public interest entity for more than 10 consecutive financial years. Thereafter, the audit firm will only be eligible for reappointment as the auditor after the expiry of at least five financial years. The requirement is effective for financial years commencing on or after 1 April 2023. On October 20, 2022, BDO South Africa Inc. was appointed by DRDGOLD's Board of Directors as the Company's independent principal accountants for the fiscal year ending June 30, 2023 (subject to shareholder approval), after a formal tender process to appoint a new independent registered public accounting firm.

KPMG Inc. ("**KPMG**") will resign as independent principal accountants of the group upon completion of their audit of the Company's consolidated financial statements as of and for the year ended June 30, 2022 and the effectiveness of internal control over financial reporting as of June 30, 2022, and the issuance of their report thereon.

The audit reports of KPMG on the Group's consolidated financial statements as of and for the years ended June 30, 2022 and 2021 did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles. The audit reports of KPMG on the effectiveness of internal control over financial reporting as of June 30, 2022 and 2021 did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles. In connection with the audits of the Company's financial statements for each of the two fiscal years ended June 30, 2022, there were (i) no disagreements with KPMG, as that term is used in Item 16F(a)(1)(iv) of Form 20-F over any matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which, if not resolved to the satisfaction of KPMG, would have caused KPMG to make reference to the matter in their report and (ii) there were no "reportable events" as defined in Item 16F(a)(1)(v) of Form 20-F.

DRDGOLD has provided KPMG with a copy of the foregoing disclosure and has requested KPMG to provide it with a letter addressed to the SEC stating whether or not KPMG agrees with the above statements. A copy of such letter, dated October 28, 2022 is filed as an exhibit to this annual report on Form 20-F, see "Item 19: Exhibits – 16.1"Letter from KPMG Inc. to the Securities and Exchange Commission regarding a change in registrant's certifying accountant".

ITEM 16G. CORPORATE GOVERNANCE

As a foreign private issuer with shares listed on the NYSE, we are subject to corporate governance requirements imposed by NYSE. Under section 303A.11 of the NYSE Listing Standards, a foreign private issuer such as us may follow its home country corporate governance practices in lieu of certain of the NYSE Listing Standards on corporate governance. DRDGOLD's home country corporate governance practices are regulated by the Listing Requirements of the JSE (the "**JSE Listing Requirements**"). We are also exempt from certain NYSE corporate governance requirements as a "controlled company". The following paragraphs summarize the significant ways in which DRDGOLD's home country corporate governance standards and its corporate governance practices differ from those followed by domestic companies under the NYSE Listing Standards.

Shareholder meeting quorum requirements

- Section 310.00 of the NYSE Listing Standards provides that the quorum required for any meeting of holders of common stock should be sufficiently high to insure a representative vote. Consistent with the practice of companies incorporated in South Africa, our Memorandum of Incorporation requires a quorum of three members present with sufficient voting powers in person or by proxy to exercise in aggregate 25% of the voting rights and we have elected to follow our home country rule.

- The NYSE Listing Standards require that the non-management directors of US-listed companies meet at regularly scheduled executive sessions without management. The JSE Listings Requirements do not require such meetings of listed company non-executive directors. The board has unrestricted access to all company information, records, documents and property. Directors may, if necessary, take independent professional advice at the Company's expense and non-executive directors have access to management and may meet separately with management, without the attendance of executive directors.

- The NYSE Listing Standards require U.S. listed companies to have a nominating/corporate governance committee composed entirely of independent directors. The JSE Listing Requirements also require the appointment of such a committee, and stipulate that all members of this committee must be non-executive directors, the majority of whom must be independent. DRDGOLD has a Nominations Committee which currently comprises five non-executive directors, all of whom are independent under the NYSE Listing Standards and the JSE Listing Requirements, except for T.J. Cumming. The Nominations Committee is chaired by the Chairman of DRDGOLD.

- The NYSE Listing Standards require U.S. listed companies to have a compensation committee composed entirely of independent directors. The JSE Listing Requirements merely require the appointment of such a committee but not that its members be independent. DRDGOLD has appointed a Remuneration Committee, currently comprising five board members, all of whom are independent under both the JSE Listing Requirements and the NYSE Listing Standards, except for T.J. Cumming.

ITEM 16H. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

Not applicable.

ITEM 18 FINANCIAL STATEMENTS

The following annual financial statements and related auditor's report are filed as part of this Annual Report

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
DRDGOLD Limited:
Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting
We have audited the accompanying consolidated statements of financial position of DRDGOLD Limited and subsidiaries (the Company) as of June 30, 2022 and 2021, the related consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended June 30, 2022, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of June 30, 2022, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the three-year period ended June 30, 2022, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2022 based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.
We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.
Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Evaluation of the provision for environmental rehabilitation

As discussed in note 11 to the consolidated financial statements, the Company has recorded a provision for environmental rehabilitation of R 517.7 million as of June 30, 2022. The Company's estimates of undiscounted environmental rehabilitation costs used in calculating the provision are determined with the assistance of an independent expert and are based on the Company's environmental management plans which are developed in

accordance with current regulatory requirements, the Company's life-of-mine ("LOM") plan (discussed in note 9 to the consolidated financial statements) and the planned method and timing of rehabilitation.

We identified the evaluation of the provision for environmental rehabilitation as a critical audit matter. Subjective auditor judgment and specialized skills and knowledge were required to evaluate the Company's LOM plan, specifically the estimated quantities of economically recoverable gold and the estimated rand gold price, that impact the planned method of rehabilitation.

The following are the primary procedures we performed to address this critical audit matter:

- We evaluated the design and tested the operating effectiveness of certain internal controls relating to the Company's process to determine the environmental rehabilitation provision. This included controls related to the determination of the Company's LOM plan, specifically related to the estimated quantities of economically recoverable gold, and the estimated rand gold price which impact the planned method of rehabilitation;

- We involved environmental rehabilitation professionals with specialized skills and knowledge, who assisted in evaluating the results of the Company's undiscounted estimated environmental costs detailed in the independent environmental expert's reports. This was performed by:

  - evaluating the objectivity, knowledge, skills and ability of the Company's independent expert by comparing their professional qualifications, experience and affiliations against industry norms and obtained an understanding of their scope of work; and

  - evaluating the undiscounted estimated environmental costs for a selection of sites by performing site inspections and challenging the planned method of rehabilitation that was determined for each selected site. This was performed by comparing the planned method of rehabilitation to the approved LOM plan, confirming that it is compliant with the environmental management plans as approved by the Department of Mineral Resources and Energy, where applicable, aligned with current industry practices and regulatory requirements.

- We evaluated the objectivity, knowledge, skills and ability of the Company's independent mineral resources experts, that reviewed management's mineral reserves and resources estimates, by comparing their professional qualification, experience and affiliation against industry norms;

- We evaluated the mineral resources experts' reports by vouching a selection of the reported reclamation sites to environmental approvals or mining rights and evaluated the methodology and certain key assumptions used to measure the quantities of economically recoverable gold against industry norms;

- We evaluated the reasonableness of the total estimated quantities of economically recoverable gold as indicated in the LOM plan by agreeing a selection of period-to-period movements to the current period actual recovered gold and increments or adjustments to the data in the mineral resources expert's report as well as assessing these movements considering our knowledge of the Company's business and the industry; and

- We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the estimated rand gold price by comparing it to an independently developed range of rand gold prices based on analyst reports.

Evaluation of deferred tax liabilities related to the Ergo and FWGR operations

As discussed in Note 18 to the consolidated financial statements, the Company has recorded a deferred tax liability of R452 million as of June 30, 2022, a portion of which related to the Ergo and FWGR operations. The deferred tax liabilities related to the Ergo and FWGR operations are calculated by applying a forecast weighted average tax rate to the temporary differences. The calculation of the forecast weighted average tax rate requires the use of assumptions and estimates, including the Company's life-of-mine ("**LOM**") plan (as discussed in note 9 to the consolidated financial statements) that is applied to calculate the expected future profitability.

We identified the valuation of deferred tax liabilities related to the Ergo and FWGR operations as a critical audit matter. Subjective auditor judgment and specialized skills and knowledge were required to evaluate the expected future profitability, that is based on the LOM plan, which includes certain key assumptions about the estimated quantities of economically recoverable gold and the estimated rand gold price.

The following are the primary procedures we performed to address this critical audit matter:

- We evaluated the design and tested operating effectiveness of certain internal controls relating to the Company's process to develop the assumptions and estimates used in calculating the forecast weighted average tax rate. This included controls related to the determination of the Company's LOM plan, specifically related to the estimated rand gold price and estimated quantities of economically recoverable gold that are applied in determining the expected future profitability;
- We evaluated the objectivity, knowledge, skills and ability of the Company's independent mineral resources experts, who reviewed management's mineral reserves and resources estimates, by comparing their professional qualifications, experience and affiliations against industry norms;
- We evaluated the mineral resources experts' reports by vouching a selection of the reported reclamation sites to environmental approvals or mining rights and evaluated the methodology and certain key assumptions used to measure the quantities of economically recoverable gold against industry norms;
- We evaluated the reasonableness of the total estimated quantities of economically recoverable gold as indicated in the LOM plan by agreeing a selection of period-to-period movements to the current period actual recovered gold and increments or adjustments to the data in the expert's report, as well as assessing these movements considering our knowledge of the Company's business and the industry;
- We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the estimated rand gold price by comparing it to an independently developed range of rand gold prices based on analyst reports;
- We evaluated the Company's ability to accurately forecast its expected future profitability by comparing the historical projections of the rand gold price and estimated quantities of economically recoverable gold to actual results; and

- We performed sensitivity analyses to assess the impact that changes in the estimated rand gold price and estimated quantities of economically recoverable gold could have had on the expected future profitability and resultant calculated forecast weighted average tax rate.

Valuation of the investment in Rand Refinery Proprietary Limited

As discussed in Note 25 to the consolidated financial statements, the Company has an unlisted equity investment in Rand Refinery Proprietary Limited ("**RR**") that is valued at R 136.1 million as of June 30, 2022. The fair value of the RR investment includes the valuation of the refining operations (excluding Prestige Bullion) using a free cash flow ("**FCF**") model and the valuation of RR's investment in Prestige Bullion (Prestige) using a finite life dividend discount ("**DD**") model.

We identified the valuation of the investment in RR as a critical audit matter. Subjective auditor judgment and specialized skills and knowledge were required to evaluate certain key inputs used in the FCF and DD models, specifically the forecasted average gold and silver prices and the discount rates, including the weighted average cost of capital of RR and cost of equity for Prestige ("**CoE**"), as well as the marketability and minority discounts, applied in the calculation of the total fair value for RR.

The following are the primary procedures we performed to address this critical audit matter:

- We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's process to determine the fair value of the investment in RR. This included controls related to the determination of the forecasted average gold and silver prices, discount rates, and the marketability and minority discounts;
- We involved valuation professionals with specialized skills and knowledge, who assisted in:

  - evaluating the forecasted average gold and silver prices used in the FCF and DD models by comparing them to independent analysts' reports;
  - evaluating the discount rates used by management in the FCF and DD valuation models as well as the marketability and minority discounts by comparing them against discount rate ranges and marketability and minority discounts that we independently developed using publicly available macroeconomic indicators and market data for comparable entities;
  - developing an independent range of fair values, using the independently developed discount rates and the forecasted average gold and silver prices, and compared our range of fair values to the Company's calculated fair value for the investment in RR; and
  - performing sensitivity analyses to assess the impact on the calculated fair value of changes to the certain key inputs used in the FCF and DD models.

/s/ KPMG Inc.
We have served as the Company's auditor since 2003.
Johannesburg, Republic of South Africa
October 28, 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended June 30, 2022

Amounts in R million	Note	2022	2021	2020
Revenue	4	**5,118.5**	5,269.0	4,185.0
Cost of sales	5.1	**(3,741.5)**	(3,388.2)	(2,937.9)
Gross profit from operating activities		**1,377.0**	1,880.8	1,247.1
Other income	5.2	**91.3**	0.1	0.7
Administration expenses and other costs	5.3	**(161.2)**	(64.0)	(309.9)
Results from operating activities		**1,307.1**	1,816.9	937.9
Finance income	6	**225.8**	216.2	109.8
Finance expense	7	**(74.8)**	(69.5)	(68.8)
Profit before tax		**1,458.1**	1,963.6	978.9
Income tax	18.1	**(334.3)**	(523.7)	(343.9)
Profit for the year		**1,123.8**	1,439.9	635.0
Other comprehensive income				
Items that will not be reclassified to profit or loss, net of tax				
Net fair value adjustment on equity investments at fair value through other comprehensive income		**(9.1)**	(34.4)	190.6
Fair value adjustment on equity investments at fair value through other comprehensive income	25	**(15.7)**	(28.2)	191.8
Deferred tax thereon	18.2	**6.6**	(6.2)	(1.2)
Total other comprehensive income for the year		**(9.1)**	(34.4)	190.6
Total comprehensive income for the year		**1,114.7**	1,405.5	825.6
Earnings per share				
Basic earnings per share (SA cents per share)	8	**131.2**	168.4	82.5
Diluted basic earnings per share (SA cents per share)	8	**130.6**	167.2	81.0

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at June 30, 2022

Amounts in R million	Note	2022	2021
ASSETS			
Non-current assets		**4,001.2**	3,675.3
Property, plant and equipment	9	**3,084.1**	2,809.7
Investments in rehabilitation and other funds[1]	12	**710.8**	652.2
Payments made under protest	24	**40.4**	40.5
Other investments	25	**151.4**	167.1
Deferred tax asset	18.2	**14.5**	5.8
Current assets		**3,077.0**	2,672.7
Inventories	17	**389.3**	340.0
Current tax receivable		**12.6**	8.6
Trade and other receivables	15	**149.5**	144.1
Cash and cash equivalents	13	**2,525.6**	2,180.0
TOTAL ASSETS		**7,078.2**	6,348.0
EQUITY AND LIABILITIES			
Equity		**5,439.9**	4,820.4
Stated share capital	21.1	**6,173.3**	6,157.9
Retained earnings		**(733.4)**	(1,337.5)
Non-current liabilities		**1,012.8**	996.1
Provision for environmental rehabilitation	11	**517.7**	570.8
Deferred tax liability	18.2	**451.9**	377.1
Liability for post-retirement medical benefits		**10.4**	10.3
Lease liabilities	10.2	**32.8**	37.9
Current liabilities		**625.5**	531.5
Trade and other payables	16	**598.4**	509.8
Current portion of lease liabilities	10.2	**19.5**	16.9
Current tax liability		**7.6**	4.8
TOTAL LIABILITIES		**1,638.3**	1,527.6
TOTAL EQUITY AND LIABILITIES		**7,078.2**	6,348.0

[1] *Description of the financial statement caption has changed as it now includes funds other than rehabilitation. See note 12 for more detail.*

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended June 30, 2022

Amounts in R million	Note	Stated share capital	Other reserves	Retained earnings	Total equity
Balance at June 30, 2019		**5,072.8**	**453.6**	**(2,837.8)**	**2,688.6**
Total comprehensive income					
Profit for the year				635.0	635.0
Other comprehensive income				190.6	190.6
Total comprehensive income		-	-	825.6	825.6
Transactions with the owners of the parent					
Contributions and distributions					
Issue of ordinary shares		1,085.6			1,085.6
Expenses incurred on issue of ordinary shares		(0.5)			(0.5)
Reallocation of the equity instruments on exercise of the Sibanye-Stillwater option			(453.6)	453.6	-
Dividend on ordinary shares	21.2			(565.1)	(565.1)
Equity settled share-based payment	19.2			6.0	6.0
Total contributions and distributions		1,085.1	(453.6)	(105.5)	526.0
Balance at June 30, 2020		**6,157.9**	**-**	**(2,117.7)**	**4,040.2**
Total comprehensive income					
Profit for the year				1,439.9	1,439.9
Other comprehensive income				(34.4)	(34.4)
Total comprehensive income		-	-	1,405.5	1,405.5
Transactions with the owners of the parent					
Contributions and distributions					
Dividend on ordinary shares	21.2			(641.3)	(641.3)
Equity settled share-based payment	19.2			16.0	16.0
Total contributions and distributions		-	-	(625.3)	(625.3)
Balance at June 30, 2021		**6,157.9**	**-**	**(1,337.5)**	**4,820.4**
Total comprehensive income					
Profit for the year				1,123.8	1,123.8
Other comprehensive income				(9.1)	(9.1)
Total comprehensive income		-	-	1,114.7	1,114.7
Transactions with the owners of the parent					
Contributions and distributions					
Dividend on ordinary shares	21.2			(513.6)	(513.6)
Treasury shares disposed of for the vesting of the equity-settled share-based payment	21.1, 19.2	15.4		(15.4)	-
Equity settled share-based payment	19.2			18.4	18.4
Total contributions and distributions		15.4	-	(510.6)	(495.2)
Balance at June 30, 2022	21.1	**6,173.3**	**-**	**(733.4)**	**5,439.9**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended June 30, 2022

Amounts in R million	Note	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated from operations	14	**1,585.6**	1,851.0	1,309.6
Finance income received		**111.1**	105.9	63.8
Dividends received		**71.5**	76.1	4.3
Finance expenses paid		**(7.7)**	(7.5)	(8.7)
Income tax paid		**(262.7)**	(452.1)	(240.1)
Net cash inflow from operating activities		**1,497.8**	1,573.4	1,128.9
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment		**(584.1)**	(395.7)	(181.1)
Environmental rehabilitation payments to reduce decommissioning liabilities	11	**(25.4)**	(51.0)	(22.1)
Proceeds on disposal of property, plant and equipment		**12.2**	0.1	0.7
Investment in other funds	12	**(28.9)**	-	-
Net cash outflow from investing activities		**(626.2)**	(446.6)	(202.5)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from the issue of ordinary shares	21.1	**-**	-	1,085.6
Share issue expenses		**-**	-	(0.5)
Dividends paid on ordinary shares		**(513.3)**	(640.9)	(564.5)
Initial fees incurred on facility		**-**	(1.0)	-
Repayment of lease liabilities	10.2	**(19.7)**	(11.6)	(11.4)
Net cash (outflow)/inflow from financing activities		**(533.0)**	(653.5)	509.2
NET INCREASE IN CASH AND CASH EQUIVALENTS		**338.6**	473.3	1,435.6
Impact of fluctuations in exchange rate on cash held in foreign currencies		**7.0**	(8.4)	-
Cash and cash equivalents at the beginning of the year		**2,180.0**	1,715.1	279.5
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	13	**2,525.6**	2,180.0	1,715.1

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2022

1 ABOUT THESE CONSOLIDATED FINANCIAL STATEMENTS

Reporting entity

The DRDGOLD Group is primarily involved in the retreatment of surface gold. The consolidated financial statements comprise DRDGOLD Limited (the "**Company**") and its subsidiaries who are all wholly owned subsidiaries and solely operate in South Africa (collectively the "**Group**" and individually "**Group Companies**"). The Company is domiciled in South Africa with a registration number of 1895/000926/06. The registered address of the Company is Constantia Office Park, Cnr 14th Avenue and Hendrik Potgieter Road, Cycad House, Building 17, Ground Floor, Weltevreden Park, 1709.

The DRDGOLD Group is 50.1% held by Sibanye Gold Limited, which in turn is a wholly owned subsidiary of Sibanye Stillwater Limited ("**Sibanye-Stillwater**").

Basis of accounting

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and its interpretations issued by the International Accounting Standards Board ("**IASB**"). The consolidated financial statements were approved by the board for issuance on October 28, 2022.

Functional and presentation currency

The functional and presentation currency of DRDGOLD and its subsidiaries is South African rand ("**Rand**"). The amounts in these consolidated financial statements are rounded to the nearest million unless stated otherwise. Significant exchange rates during the year are set out in the table below:

South African rand / US dollar	2022	2021	2020
Spot rate at year end	16.27	14.27	17.32
Average prevailing rate for the financial year	15.21	15.40	15.66

Basis of measurement

The consolidated financial statements are prepared on the historical cost basis, unless otherwise stated.

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances, transactions and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2 USE OF ACCOUNTING ASSUMPTIONS, ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires management to make accounting assumptions, estimates and judgements that affect the application of the Group's accounting policies and reported amounts of assets and liabilities, income and expenses.

Accounting assumptions, estimates and judgements are reviewed on an ongoing basis. Revisions to reported amounts are recognised in the period in which the revision is made and in any future periods affected. Actual results may differ from these estimates.

Information about assumptions and estimates in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are included in the notes:

NOTE 9 PROPERTY, PLANT AND EQUIPMENT
NOTE 11 PROVISION FOR ENVIRONMENTAL REHABILITATION
NOTE 18 INCOME TAX
NOTE 24 PAYMENTS MADE UNDER PROTEST
NOTE 25 OTHER INVESTMENTS

Information about significant judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are included in the notes:

NOTE 24 PAYMENTS MADE UNDER PROTEST
NOTE 25 OTHER INVESTMENTS
NOTE 26 CONTINGENCIES

3 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

New standards, amendments to standards and interpretations effective for the year ended June 30, 2022
During the financial year, there were no new and revised accounting standards, amendments to standards and new interpretation adopted by the Group.

New standards, amendments to standards and interpretations not yet effective
At the date of authorisation of these consolidated financial statements, the following relevant standards, amendments to standards and interpretations that may be applicable to the business of the Group were in issue but not yet effective and may therefore have an impact on future consolidated financial statements. These new standards, amendments to standards and interpretations will be adopted at their effective dates.

Annual Improvements to IFRS Standards 2018-2020 (Effective July 1, 2022)
As part of its process to make non-urgent but necessary amendments to IFRS Standards, the International Accounting Standards Board ("**IASB**") has issued the *Annual Improvements to IFRS Standards 2018–2020.* These are not expected to have a significant impact on the Group.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) (Effective July 1, 2022)
The IASB has amended IAS 16 *Property, Plant and Equipment* to provide guidance on the accounting for such sale proceeds and the related production costs.

Under the amendments, proceeds from selling items before the related item of property, plant and equipment ("**PPE**") is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 *Inventories* should be applied in identifying and measuring these production costs.

The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the amendments are adopted. The amendment is not expected to have a significant impact on the Group.

Definition of Accounting Estimate (Amendments to IAS 8) (Effective July 1, 2023)
The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendment is not expected to have a significant impact on the Group.

Deferred Tax related to Assets and Liabilities Arising from a single transaction – Amendments to IAS 12 *Income Taxes* (Effective July 1, 2023)
IAS 12 *Income taxes* clarifies how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions. The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. The amendment is not expected to have a significant impact on the Group.

Classification of liabilities as current or non-current (Amendments to IAS 1 *Presentation of Financial Statements*) (Effective July 1, 2023)

To promote consistency in application and clarify the requirements on determining if a liability is current or non-current, the IASB has amended IAS 1 as follows:

Right to defer settlement must have substance
Under existing IAS 1 requirements, companies classify a liability as current when they do not have an *unconditional right* to defer settlement of the liability for at least twelve months after the end of the reporting period.

As part of its amendments, the IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

Classification of debt may change
A company classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. The IASB has now clarified that a right to defer exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date. The amendment is not expected to have a significant impact on the Group.

3 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS *continued*

New standards, amendments to standards and interpretations not yet effective *(continued)*

Disclosure of Accounting Policy (Amendments to IAS 1 and IFRS Practice Statement 2) (Effective July 1, 2023)
The Board has recently issued amendments to IAS 1 *Presentation of Financial Statements* and an update to IFRS Practice Statement 2 *Making Materiality Judgements* to help companies provide useful accounting policy disclosures.

The key amendments to IAS 1 include:
- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments are applied prospectively.

Management has commenced an evaluation to assess the impact the amendment will have on the Group from a disclosure perspective. More detail will be disclosed in future financial statements.

4 REVENUE

ACCOUNTING POLICIES
Revenue comprises the sale of gold bullion and silver bullion (produced as a by-product).

Up to April 11, 2022 revenue is measured based on the consideration specified in a contract with the customer, which is based on the London Bullion Market fixing price on the date when the Group transfers control over the goods to the customer. The Group recognises revenue at a point in time when Rand Refinery Proprietary Limited ("**Rand Refinery**"), acting as an agent for the sale of all gold produced by the Group, delivers the Gold to the buyer and the sales price is fixed, as evidenced by the certificate of sale. It is at this point that the revenue can be measured reliably and the recovery of the consideration is probable. Rand Refinery is contractually obliged to make payment to the Group within two business days after the sale of the gold and silver and therefore no significant financing component exists.

Subsequent to April 11, 2022 revenue is measured based on the consideration specified in a contract with the customer, being South African bullion banks. The consideration is based on the gold price derived on the gold market on the day a contract is entered into with the customer. The Group recognises revenue at a point in time when the Group transfers the gold bullion and silver bullion to the bullion bank and the sale price is fixed, as evidenced by deal confirmations.
It is at this point that the customer obtains control of the gold bullion or silver bullion, which is the settlement date specified in the contract. At this point that the revenue can be measured reliably and the recovery of the consideration is probable. The customer is contractually obliged to make payment to the Group on the same day that the Group settles the contract and therefore no significant financing component exists.

Amounts in R million	2022	2021	2020
Gold revenue	**5,110.7**	5,263.8	4,179.3
Silver revenue	**7.8**	5.2	5.7
Total revenue	**5,118.5**	5,269.0	4,185.0

A disaggregation of revenue by operating segment is presented in note 23 OPERATING SEGMENTS.

MARKET RISK

Commodity price sensitivity
The Group's profitability and the cash flows are significantly affected by changes in the market price of gold which is sold in US Dollars. The Group did not enter into any hedging arrangements during the year.

A change of 20% in the average US Dollar gold price received during the financial year would have increased/(decreased) equity and profit/(loss) by the amounts shown below. This analysis assumes that all other variables remain constant and specifically excludes the impact on income tax.

Amounts in R million	2022	2021	2020
20% increase in the US Dollar gold price	**1,023.7**	1,053.8	837.0
20% decrease in the US Dollar gold price	**(1,023.7)**	(1,053.8)	(837.0)

4 REVENUE *continued*

Exchange rate sensitivity
The Group's profitability and the cash flows are significantly affected by changes in the Rand to the US Dollar exchange rate. The Group did not enter into any hedging arrangements during the year.

A change of 20% in the average Rand to US Dollar exchange rate received during the financial year would have increased/(decreased) equity and profit/(loss) by the amounts shown below. This analysis assumes that all other variables remain constant and specifically excludes the impact on income tax.

Amounts in R million	2022	2021	2020
20% increase in the Rand to US Dollar exchange rate	**1,023.7**	1,053.8	837.0
20% decrease in the Rand to US Dollar exchange rate	**(1,023.7)**	(1,053.8)	(837.0)

5 RESULTS FROM OPERATING ACTIVITIES

5.1 COST OF SALES

Amounts in R million	Note	2022	2021	2020
Cost of sales		**(3,741.5)**	(3,388.2)	(2,937.9)
Operating costs (a)		**(3,506.5)**	(3,122.5)	(2,692.1)
Movement in gold in process and finished inventories - Gold Bullion		**30.4**	(25.6)	3.1
Depreciation	9	**(267.6)**	(252.5)	(270.8)
Change in estimate of environmental rehabilitation	11	**2.2**	12.4	21.9
(a) The most significant components of operating costs include:				
Consumable stores		**(1,014.9)**	(880.2)	(801.0)
Labour including short term incentives		**(649.6)**	(598.4)	(573.0)
Electricity		**(547.3)**	(488.2)	(420.9)
Specialist service providers		**(610.2)**	(510.7)	(447.5)
Machine hire		**(139.0)**	(127.4)	(95.2)
Security expenses		**(133.0)**	(122.8)	(87.8)
Water		**(54.2)**	(57.1)	(47.0)

RELATED PARTY TRANSACTIONS

FWGR entered into an agreement with Sibanye-Stillwater effective July 31, 2018 for the pumping and supply of water and electricity to the FWGR operations for which FWGR is invoiced based on metered usage of water and electricity.

FWGR also entered into a smelting agreement with Sibanye-Stillwater effective July 31, 2018 to smelt and recover gold from gold loaded carbon produced at FWGR, and deliver the gold to Rand Refinery. As consideration for this service, Sibanye-Stillwater receives a fee based on the smelting costs plus 10% of the smelting costs.

Rand Refinery, up to April 10, 2022, performed the final refinement and marketing of all gold and silver produced by the Group. As consideration for this service, Rand Refinery receives a variable refining fee plus fixed marketing and administration fees. From April 11, 2022, Rand Refinery only performs the final refinement and administration of the gold bars delivered. As a result of this, the marketing fee was no longer incurred by the Group. Rand Refinery is a related party to the Group through Sibanye-Stillwater's shareholding in Rand Refinery.

All transactions and outstanding balances with related parties are to be settled in cash within 30 days of the invoice date. None of the balances are secured. No expense has been recognised in the current year as a credit loss allowance in respect of amounts charged to related parties.

Amounts in R million	2022	2021	2020
Services rendered by related parties and included in operating costs:			
Supply of water and electricity[1]	**79.2**	68.1	50.0
Gold smelting and related charges[1]	**19.1**	21.1	19.8
Other charges[1]	**0.3**	0.7	1.6
Charges to Sibanye-Stillwater[2]	**-**	-	(0.2)
Gold refining and related charges[3]	**6.9**	6.8	4.9
	105.5	96.7	76.1

[1] *Paid to Sibanye-Stillwater by FWGR*

[2] *Miscellaneous charges to Sibanye-Stillwater*

[3] *Paid to Rand Refinery*

5 RESULTS FROM OPERATING ACTIVITIES *continued*

5.2 OTHER INCOME

ACCOUNTING POLICIES

Other income is recognised where it is probable that the economic benefits associated with a transaction will flow to the Group and it can be reliably measured.

Other income is generally income earned from transactions outside the course of the Group's ordinary activities and may include COVID-19 and other insurance payouts, gains on disposal of property, plant and equipment and gains on financial instruments at fair value through profit or loss.

Amounts in R million	2022	2021	2020
Gain on disposal of property, plant and equipment	**6.6**	0.1	0.7
Insurance claim (a)	**84.7**	-	-
	91.3	0.1	0.7

(a) Insurance claim

During the 2020 financial year, a complex insurance claim process was initiated for business interruption caused by the regulatory lockdowns pursuant to the COVID-19 pandemic. Of the R84.7 million included in other income in profit and loss during the year, R53.0 million was received before June 30, 2022. R31.7 million was received subsequent to year end.

	84.7	-	-

5.3 ADMINISTRATION EXPENSES AND OTHER COSTS

Amounts in R million	Note	2022	2021	2020
Included in administration expenses and other costs are the following:				
Share based payment (expenses)/benefit		**(18.4)**	28.3	(224.1)
Cash settled Long-Term Incentive ("**CLTI**") scheme	19.1	**-**	44.3	(218.1)
Equity settled Long-Term Incentive ("**ELTI**") scheme	19.2	**(18.4)**	(16.0)	(6.0)
Exploration expenses and transaction costs[1]		**(15.2)**	(3.1)	(1.4)
Other costs and administration expenses[2]		**(52.8)**	(39.7)	(28.3)

1 Includes exploration expenses of R8.2 million paid to Sibanye-Stillwater for FY 2022.

2 Other costs and administration expenses are made of short-term incentives and information technology costs.

6 FINANCE INCOME

ACCOUNTING POLICY

Finance income includes interest received, growth in cash and cash equivalents in environmental rehabilitation trust funds, growth in investment in Guardrisk, growth in the reimbursive right for environmental rehabilitation guarantees, dividends received and the unwinding of the Payments made under protest and foreign exchange gains.

Amounts in R million	Note	2022	2021	2020
Interest on financial assets measured at amortised cost	13	**111.8**	108.7	63.1
Growth in cash and cash equivalents in environmental rehabilitation trust funds	12	**14.8**	22.5	33.3
Growth in reimbursive right for environmental rehabilitation guarantees	12	**1.8**	3.7	5.2
Growth in investment in Guardrisk	12	**13.1**	-	-
Dividends received	25	**71.5**	76.1	4.3
Unwinding of Payments made under protest	24	**5.8**	4.8	3.9
Unrealised foreign exchange gain		**7.0**	-	-
Other finance income		**-**	0.4	-
		225.8	216.2	109.8

7 FINANCE EXPENSE

ACCOUNTING POLICY

Finance expenses comprise interest payable on financial instruments measured at amortised cost calculated using the effective interest method, unwinding of the provision for environmental rehabilitation, interest on lease liabilities, the discount recognised on Payments made under protest and foreign exchange losses.

Amounts in R million	Note	2022	2021	2020
Interest on financial liabilities measured at amortised cost		**(2.6)**	(2.3)	(2.0)
Unwinding of provision for environmental rehabilitation	11	**(45.0)**	(44.7)	(52.0)
Discount recognised on Payments made under protest	24	**(21.1)**	(7.4)	(7.1)
Interest on lease liabilities	10.2	**(4.2)**	(4.5)	(5.1)
Unrealised foreign exchange loss		**-**	(8.4)	-
Other finance expenses		**(1.9)**	(2.2)	(2.6)
		(74.8)	(69.5)	(68.8)

8 EARNINGS PER SHARE

Amounts in R million	2022	2021	2020
The calculations of basic and diluted earnings per ordinary share are based on the following:			
Profit for the year	**1,123.8**	1,439.9	635.0

Reconciliation of weighted average number of ordinary shares to diluted weighted average number of ordinary shares	2022	2021	2020
Weighted average number of ordinary shares in issue adjusted for treasury shares	**856,760,797**	855,113,791	769,941,874
Effect of Sibanye-Stillwater Option	**-**	-	9,464,684
Effect of equity-settled share-based payment	**4,203,336**	5,935,215	4,283,001
Diluted weighted average number of ordinary shares	**860,964,133**	861,049,006	783,689,559

SA cents per share	2022	2021	2020
Basic earnings per share	**131.2**	168.4	82.5
Diluted basic earnings per share	**130.6**	167.2	81.0

9 PROPERTY, PLANT AND EQUIPMENT

SIGNIFICANT ACCOUNTING ASSUMPTIONS AND ESTIMATES

Mineral reserves and resources estimates

The Group is required to determine and report mineral reserves and resources in accordance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves ("**SAMREC Code**"). In order to calculate mineral reserves and resources, estimates and assumptions are required about a range of geological, technical and economic factors, including but not limited to quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates. Estimating the quantity and/or grade of mineral reserves and resources requires the size, shape and depth of reclamation sites to be determined by analysing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological judgements and calculations to interpret the data. Because the assumptions used to estimate mineral reserves and resources change from period to period and because additional geological data is generated during the course of operations, estimates of mineral reserves and resources may change from period to period. Mineral reserves and resources estimates prepared by management are reviewed by independent mineral reserves and resources experts.

Changes in reported mineral reserves and resources may affect the Group's life-of-mine plan, financial results and financial position in a number of ways including the following:

- asset carrying values may be affected due to changes in estimated future cash flows;
- depreciation charged to profit or loss may change where such charges are determined by the units-of-production method, or where the useful lives of assets change;
- decommissioning, site restoration and environmental provisions may change where changes in estimated mineral reserves and resources affect expectations about the timing or cost of these activities; and
- the carrying value of deferred tax assets and liabilities may change due to changes in estimates of the likely recovery of the tax benefits and charges.

Depreciation

The calculation of the units-of-production rate of depreciation could be affected if actual production in the future varies significantly from current forecast production. This would generally arise when there are significant changes in any of the factors or assumptions used in estimating mineral reserves and resources. These factors could include:

- changes in mineral reserves and resources;
- the grade of mineral reserves and resources may vary from time to time;
- differences between actual commodity prices and commodity price assumptions;
- unforeseen operational issues at mine sites including planned extraction efficiencies; and
- changes in capital, operating, mining processing and reclamation costs, discount rates and foreign exchange rates.

9 PROPERTY, PLANT AND EQUIPMENT *continued*

ACCOUNTING POLICIES

Recognition and measurement

Property, plant and equipment comprise mine plant facilities and equipment, mine property and development (including mineral rights) and exploration assets. These assets (excluding exploration assets) are initially measured at cost, whereafter they are measured at cost less accumulated depreciation and accumulated impairment losses. Exploration assets are initially measured at cost, whereafter they are measured at cost less accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition or construction of the asset, borrowing costs capitalised, as well as the costs of dismantling and removing an asset and restoring the site on which it is located. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Exploration and evaluation costs are capitalised as exploration assets on a project-by-project basis, pending determination of the technical feasibility and commercial viability of the project.

Exploration assets consists of costs of acquiring rights, activities associated with converting a mineral resource to a mineral reserve - the process thereof includes drilling, sampling and other processes necessary to evaluate the technical feasibility and commercial viability of a mineral resource to prove whether a mineral reserve exists. Exploration assets also include geological, geochemical and geophysical studies associated with prospective projects and tangible assets which comprise property, plant and equipment used for exploratory activities. Costs are capitalised to the extent that they are a directly attributable exploration expenditure and classified as a separate class of assets on a project by project basis. Once a mineral reserve is determined or the project ready for development, the asset attributable to the mineral reserve or project is assessed for impairment and then reclassified to the appropriate class of assets. Depreciation commences when the assets are available for use. Exploration and evaluation expenses prior to acquiring rights to explore is recognised in profit or loss.

Depreciation

Depreciation of mine plant facilities and equipment, as well as mining property and development (including mineral rights) are calculated using the units of production method which is based on the life-of-mine of each site. The life-of-mine is primarily based on proved and probable mineral reserves. It reflects the estimated quantities of economically recoverable gold that can be recovered from reclamation sites based on the estimated gold price. Changes in the life-of-mine will impact depreciation on a prospective basis. The life-of-mine is prepared using a methodology that takes account of current information to assess the economically recoverable gold from specific reclamation sites and includes the consideration of historical experience.

The depreciation method, estimated useful lives and residual values are reassessed annually and adjusted if appropriate. The current estimated useful lives are based on the life-of-mine of each site, currently between two (2021: three; 2020: four) and 19 years (2021: 13; 2020: 13) years for Ergo mining assets and between two (2021: three; 2020: four) and 20 years (2021: 18; 2020: 20) years for FWGR mining assets.

Impairment

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("**CGUs**"). The key assets of a surface retreatment operation which constitutes a CGU are a reclamation site, a metallurgical plant and a tailings storage facility. These key assets operate interdependently to produce gold. The Ergo and FWGR operations each have separately managed and monitored reclamation sites, metallurgical plants and tailings storage facilities and are therefore separate CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised in profit or loss if the carrying amount of an asset or CGU exceeds its recoverable amount.

9 PROPERTY, PLANT AND EQUIPMENT *continued*

Amounts in R million	Note	Mine plant facilities and equipment	Mine property and development	Exploration assets	Total
June 30, 2022					
Cost		**2,733.9**	**2,419.6**	**14.2**	**5,167.7**
Balance at the beginning of the year		**2,604.3**	**2,154.0**	**110.5**	**4,868.8**
Additions - property, plant and equipment owned		**291.4**	**301.2**	**5.8**	**598.4**
Additions - right-of-use assets	10.1	**6.0**	**9.9**	**-**	**15.9**
Lease modifications	10.1	**-**	**1.2**	**-**	**1.2**
Lease derecognitions	10.1	**(1.6)**	**-**	**-**	**(1.6)**
Disposals and scrapping		**(185.3)**	**(61.6)**	**(0.9)**	**(247.8)**
Change in estimate of decommissioning asset	11	**(46.3)**	**(20.9)**	**-**	**(67.2)**
Transfers between classes of property, plant and equipment		**65.4**	**35.8**	**(101.2)**	**-**
Accumulated depreciation and impairment		**(1,017.0)**	**(1,056.9)**	**(9.7)**	**(2,083.6)**
Balance at the beginning of the year		**(1,074.0)**	**(975.4)**	**(9.7)**	**(2,059.1)**
Depreciation	5.1	**(125.1)**	**(142.5)**	**-**	**(267.6)**
Lease derecognitions		**1.6**	**-**	**-**	**1.6**
Disposals and scrapping		**180.5**	**61.0**	**-**	**241.5**
Carrying value at end of the year		**1,716.9**	**1,362.7**	**4.5**	**3,084.1**
Comprising:					
Property, plant and equipment owned		**1,698.7**	**1,333.2**	**4.5**	**3,036.4**
Right-of-use assets	10.1	**18.2**	**29.5**	**-**	**47.7**
Carrying value at end of the year		**1,716.9**	**1,362.7**	**4.5**	**3,084.1**
June 30, 2021					
Cost		2,604.3	2,154.0	110.5	4,868.8
Balance at the beginning of the year		2,203.5	2,147.0	266.3	4,616.8
Additions - property, plant and equipment owned		237.7	113.3	44.7	395.7
Additions - right-of-use assets	10.1	16.7	-	-	16.7
Lease modifications	10.1	-	2.3	-	2.3
Lease derecognitions	10.1	(1.0)	-	-	(1.0)
Disposals and scrapping		(54.7)	(133.4)	-	(188.1)
Change in estimate of decommissioning asset	11	14.9	14.2	(2.7)	26.4
Transfers between classes of property, plant and equipment		187.2	10.6	(197.8)	-
Accumulated depreciation and impairment		(1,074.0)	(975.4)	(9.7)	(2,059.1)
Balance at the beginning of the year		(1,017.5)	(968.5)	(9.7)	(1,995.7)
Depreciation	5.1	(112.2)	(140.3)	-	(252.5)
Lease derecognitions		1.0	-	-	1.0
Disposals and scrapping		54.7	133.4	-	188.1
Carrying value at end of the year		1,530.3	1,178.6	100.8	2,809.7
Comprising:					
Property, plant and equipment owned		1,509.7	1,150.1	100.8	2,760.6
Right-of-use assets	10.1	20.6	28.5	-	49.1
Carrying value at end of the year		1,530.3	1,178.6	100.8	2,809.7

CONTRACTUAL COMMITMENTS

Contractual commitments not provided for in the consolidated financial statements at June 30, 2022 amounted to R235.9 million (2021: R65.5 million).

Capital expenditure related to material growth projects are financed on a project-by-project basis which may include bank facilities and existing cash resources. Sustaining capital expenditure is financed from cash generated from operations and existing cash resources.

10 RIGHT OF USE ASSETS AND LEASES

ACCOUNTING JUDGEMENTS

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The contract must also be enforceable. To assess whether a contract conveys the right to control the use of an identified asset, requires judgement particularly on contracts with service contractors, which may contain embedded leases.

The Group assesses whether:
- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relevant stand-alone prices. However, for the lease of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease component as a single lease component.

Some property leases contain options to renew under the contract. Judgement is applied in whether the renewable option periods must be included in the lease term i.e. it is reasonably certain that the options to renew will be exercised. In applying judgement, the Group also considers whether the lease term is commensurate with estimated future mine plans requirements and environmental rehabilitation obligations associated with the property post reclamation.

ACCOUNTING POLICIES

Right of use asset
The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability and is adjusted by any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The Group recognises a right of use asset and lease liability at the lease commencement date.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The right of use asset carrying value is allocated to the CGU it belongs to and the CGU is reviewed at each reporting date to determine whether there is any indication of impairment. The carrying value is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability
The lease liability is initially measured at the present value of the outstanding lease payments at commencement date over the lease term, discounted using the interest rate implicit in the lease or if that rate is undeterminable, the Group's incremental borrowing rate. The lease term includes the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods when the Group is reasonably certain to exercise an option to extend a lease.

Lease payments comprise fixed payments, variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date, and the exercise price under a purchase option that the Group is reasonably certain to exercise.

The lease liability is measured using the effective interest rate method. The Group re-measures the lease liability when the lease contract is modified and this does not give rise to modification accounting, when the lease term has been changed or when the lease payments have changed as a result of a change in an index or rate or a change in the assessment of a purchase option. Upon remeasurement, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

Right of use assets are presented in "property, plant and equipment" and lease liabilities are separately disclosed in the statement of financial position.

Short term leases and leases of low value assets
The Group has elected not to recognise right of use assets and lease liabilities for short-term leases of machinery and equipment that have a lease term of 12 months or less and leases of low value assets which include IT equipment, security equipment and administration equipment.

10 RIGHT OF USE ASSETS AND LEASES *continued*

10.1 RIGHT OF USE ASSETS

Included in property, plant and equipment are the following leased assets:

Amounts in R million	Note	Mine plant facilities and equipment	Mine property and development	Total
June 30, 2022				
Cost		**31.2**	**58.4**	**89.6**
Opening balance		**26.8**	**47.3**	**74.1**
Additions		**6.0**	**9.9**	**15.9**
Lease modifications		**-**	**1.2**	**1.2**
Lease derecognitions		**(1.6)**	**-**	**(1.6)**
Accumulated depreciation		**(13.0)**	**(28.9)**	**(41.9)**
Opening balance		**(6.2)**	**(18.8)**	**(25.0)**
Depreciation		**(8.4)**	**(10.1)**	**(18.5)**
Lease derecognitions		**1.6**	**-**	**1.6**
Carrying value		**18.2**	**29.5**	**47.7**
June 30, 2021				
Cost		26.8	47.3	74.1
Opening balance		11.1	45.0	56.1
Additions		16.7	-	16.7
Lease modifications		-	2.3	2.3
Lease derecognitions		(1.0)	-	(1.0)
Accumulated depreciation		(6.2)	(18.8)	(25.0)
Opening balance		(2.9)	(8.3)	(11.2)
Depreciation		(4.3)	(10.5)	(14.8)
Lease derecognitions		1.0	-	1.0
Carrying value		20.6	28.5	49.1

10.2 LEASE LIABILITIES

Amounts in R million	Note	2022	2021
Reconciliation of the lease liabilities balance:			
Balance at the beginning of the year		**54.8**	47.1
New leases	9	**15.9**	16.7
Lease modifications	9	**1.2**	2.3
Interest charge on lease liabilities	7	**4.2**	4.5
Repayment of lease liabilities		**(19.7)**	(11.6)
Interest repaid		**(4.1)**	(4.2)
Balance at the end of the year		**52.3**	54.8
Current portion of lease liabilities		**(19.5)**	(16.9)
Non-current lease liabilities		**32.8**	37.9
Maturity analysis of undiscounted contractual cash flows:			
Less than a year		**22.4**	20.5
One to five years		**35.1**	42.0
More than 5 years		**2.1**	1.3
Total undiscounted lease liabilities at the end of the year		**59.6**	63.8
Lease payments not recognised as a liability but expensed during the year:			
Short-term leases		**(2.5)**	(1.4)
Leases of low value assets		**(8.6)**	(7.7)
Cash flows included in cash generated from operating activities		**(11.1)**	(9.1)

11 PROVISION FOR ENVIRONMENTAL REHABILITATION

SIGNIFICANT ACCOUNTING ASSUMPTIONS AND ESTIMATES

Estimates of future environmental rehabilitation costs are determined with the assistance of an independent expert and are based on the Group's environmental management plans which are developed in accordance with regulatory requirements, the life-of-mine plan (as discussed in note 9) which influences the estimated timing of environmental rehabilitation cash outflows and the planned method of rehabilitation which in turn is influenced by developments in trends and technology.

An average nominal discount rate ranging between 10.2% and 10.3% (2021: between 8.9% and 9.0%), average inflation rate of 5.5% (2021: 5.2%) and the discount periods as per the expected life-of-mine were used in the calculation of the estimated net present value of the rehabilitation liability.

ACCOUNTING POLICIES

The net present value of the estimated rehabilitation cost as at reporting date is provided for in full. These estimates are reviewed annually and are discounted using a pre-tax risk-free rate that is adjusted to reflect the current market assessments of the time value of money and the risks specific to the obligation.

Annual changes in the provision consist of financing expenses relating to the change in the present value of the provision and inflationary increases in the provision, as well as changes in estimates.

The present value of dismantling and removing the asset created (decommissioning liabilities) are capitalised to property, plant and equipment against an increase in the rehabilitation provision. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised in profit or loss. If the asset value is increased and there is an indication that the revised carrying value is not recoverable, an impairment test is performed in accordance with the accounting policy dealing with impairments of property, plant and equipment. Over time, the liability is increased to reflect an interest element, and the capitalised cost is depreciated over the life of the related asset. Cash costs incurred to rehabilitate these disturbances are charged to the provision and are presented as investing activities in the statement of cash flows.

The present value of environmental rehabilitation costs relating to the production of inventories and sites without related assets (restoration liabilities) as well as changes therein are expensed as incurred and presented as operating costs within cost of sales. Cash costs incurred to rehabilitate these disturbances are presented as operating activities in the statement of cash flows. The cost of ongoing rehabilitation is recognised in profit or loss as incurred.

Amounts in R million	Note	2022	2021
Opening balance		**570.8**	568.9
Unwinding of provision	7	**45.0**	44.7
Change in estimate of environmental rehabilitation recognised in profit or loss	5.1	**(2.2)**	(12.4)
Change in estimate of environmental rehabilitation recognised to decommissioning asset (a)	9	**(67.2)**	26.4
Environmental rehabilitation payments (b)		**(28.7)**	(56.8)
To reduce decommissioning liabilities		**(25.4)**	(51.0)
To reduce restoration liabilities	14	**(3.3)**	(5.8)
Closing balance		**517.7**	570.8
Environmental rehabilitation payments to reduce the liability		**(28.7)**	(56.8)
Ongoing rehabilitation expenditure [1]	23	**(31.6)**	(48.3)
Total cash spent on environmental rehabilitation		**(60.3)**	(105.1)

[1] The Group also performs ongoing environmental rehabilitation arising from its current activities concurrently with production. These costs do not represent a reduction of the above liability and are expensed as operating costs

(a) Change in estimate of environmental rehabilitation recognised to decommissioning asset
During the current year, updates were made to the Ergo life of mine, resulting in the inclusion of the Daggafontein TSF as a Mineral Reserve on a planned basis increasing the life of mine. During the current year, updates were also made to the FWGR life of mine, changing the expected timing of environmental rehabilitation cash outflows.

(b) Environmental rehabilitation payments
38ha of the Brakpan/Withok TSF, 3ha of the Daggafontein TSF and 17ha of the Driefontein 4 TSF were vegetated during the year.

GROSS COST TO REHABILITATE

The Group estimates that, based on the life of mine plan and current environmental and regulatory requirements, the total undiscounted rehabilitation cost is approximately R815.1 million (2021: R742.2 million).

12 INVESTMENTS IN REHABILITATION AND OTHER FUNDS

ACCOUNTING POLICIES

Cash and cash equivalents in environmental rehabilitation trusts
Cash and cash equivalents included in environmental rehabilitation trusts comprise low-risk, interest-bearing cash and cash equivalents and are non-derivative financial assets categorised as financial assets measured at amortised cost.

Cash and cash equivalents are initially measured at fair value. Subsequent to initial recognition, cash and cash equivalents are measured at amortised cost, which is equivalent to their fair value.

The cash and cash equivalents in environmental rehabilitation trusts are for the sole use of material future environmental rehabilitation payments and are therefore included in non-current assets.

Reimbursive right for environmental rehabilitation guarantees *("old environmental rehabilitation policy")*
Funds held in the cell captive that secure the environmental rehabilitation guarantees issued are recognised as a right to receive a reimbursement and are measured at the lower of the amount of the consolidated environmental rehabilitation liability recognised and the consolidated fair value of the fund assets.

Changes in the carrying value of the fund assets, other than those resulting from contributions and payments, are recognised in finance income.

The funds held in the cell captive under the old environmental rehabilitation policy are for the sole use of material future environmental rehabilitation payments and are therefore included in non-current assets.

Investments in Guardrisk Cell Captive
Funds invested in the Guardrisk Cell Captive, held within Guardrisk Insurance Company Limited ("**GICL**") or "**Guardrisk**" are non-derivative financial assets categorised as financial assets measured at fair value through profit and loss as the funds are invested by Guardrisk in liquid money market funds. These assets are initially measured at fair value and subsequent changes in fair value are recognised in profit or loss as they arise and included in finance income. The investments in GICL are for the sole use of environmental financial guarantees, Directors' and Officers' insurance and other insurance requirements.

The investment in the Guardrisk Cell Captive is for the sole use as determined in the insurance policies and are therefore included in non-current assets.

Investment in Guardrisk Cell Captive – Funding of environmental rehabilitation activities (refer note 11)
During the current year the Group made a decision to change its method of providing for environmental rehabilitation from funding in a specific rehabilitation trust to financial guarantees which is an allowed method in terms of the National Environmental Management Act. A new ring-fenced policy related to the funds was concluded. In this regard, the rehabilitation trust directly transferred a total amount of R579.5 million to the new ring-fenced policy with GICL in terms of which, GICL issued rehabilitation financial guarantees. The new ring-fenced policy has replaced the old environmental rehabilitation policy which lapsed during the year. The funds are ring-fenced for the sole objective of future rehabilitation during and at the end of the relevant life of mine. All the required approvals for the change in method and transfer of the rehabilitation trust funds were obtained from the Department of Mineral Resources and Energy ("**DMRE**") and a thorough consideration of tax and legal impacts were completed prior to the funds being transferred to GICL.

Environmental rehabilitation payments to reduce the environmental rehabilitation obligations and ongoing rehabilitation expenditure are mostly funded by cash generated from operations.

GICL has guarantees in issue amounting to R614.0 million (2021: R430.1 million) to the DMRE on behalf of DRDGOLD related to the environmental obligations. The funds for environmental rehabilitation in the cell captive serve as collateral for these guarantees.

Investment in Guardrisk Cell Captive – Directors' and Officers' insurance
During the current year premiums were paid into the Guardrisk Cell Captive for the creation of self-insurance for the Group's Directors and Officers.

Investment in Guardrisk Cell Captive – Other funds
These are existing funds within the cell captive which were previously part of the old environmental rehabilitation policy held for purposes of obtaining environmental rehabilitation guarantees. The policy came to an end during the financial year, but the funds remained within the cell captive for future insurance applications.

12 INVESTMENTS IN REHABILITATION AND OTHER FUNDS *continued*

Amounts in R million	Note	2022	2021
Cash and cash equivalents in environmental rehabilitation trust funds		**-**	564.7
Opening balance		**564.7**	542.2
Transfer to Investment in Guardrisk Cell Captive		**(579.5)**	-
Growth	6	**14.8**	22.5
Reimbursive right for environmental rehabilitation guarantees		**-**	87.5
Opening balance		**87.5**	83.8
Lapsing of old environmental rehabilitation policy retained in Guardrisk Cell Captive		**(89.3)**	-
Growth	6	**1.8**	3.7
Investment in Guardrisk Cell Captive (a)		**710.8**	-
Opening balance		**-**	-
Transfer to Guardrisk cell captive		**668.8**	-
Contributions		**28.9**	-
Growth	6	**13.1**	-
Investments in rehabilitation and other funds		**710.8**	652.2
(a) Investment in Guardrisk Cell Captive			
The investment in the cell captive is allocated as follows:		**710.8**	-
Environmental rehabilitation		**589.8**	-
Directors' and Officers' insurance		**29.5**	-
Other funds		**91.5**	-

CREDIT RISK
The Group is exposed to credit risk on the total carrying value of the investments held in the environmental rehabilitation trust funds and the Guardrisk Cell Captive.

The Group manages its exposure to credit risk by mandating the Guardrisk Cell Captive to diversify the funds across a number of major financial institutions, as well as investing funds in low-risk, interest-bearing cash and cash equivalents.

MARKET RISK

Interest rate risk
A change of 100 basis points (bp) in interest rates at the reporting date would have increased/(decreased) equity and profit/(loss) by the amounts shown below. This analysis assumes that all other variables, in particular the balance of the funds, remain constant. The analysis excludes income tax.

Amounts in R million	2022	2021
100bp increase	**7.1**	5.6
100bp (decrease)	**(7.1)**	(5.6)

FAIR VALUE OF FINANCIAL INSTRUMENTS
The fair value of investment in Guardrisk Cell Captive approximate their carrying value due to the short-term maturities of the underlying funds invested by Guardrisk.

13 CASH AND CASH EQUIVALENTS

ACCOUNTING POLICIES

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to cash without significant risk of changes in value and comprise cash on hand, demand deposits, and highly liquid investments which are readily convertible to known amounts of cash.

Cash and cash equivalents are non-derivative financial assets categorised as financial assets measured at amortised cost. Cash and cash equivalents are initially measured at fair value. Subsequent to initial recognition, cash and cash equivalents are measured at amortised cost, which is equivalent to their fair value.

Amounts in R million	Note	2022	2021
Cash on hand		**113.2**	100.5
Access deposits and income funds [1]		**2,401.7**	2,069.2
Restricted cash [2]		**10.7**	10.3
		2,525.6	2,180.0
Interest earned on cash and cash equivalents	6	**111.8**	108.7

[1] *These consist of access deposit notes and conservatively managed income funds that are diversified across the major financial institutions in South Africa.*
At reporting date all of these instruments had same day or next day liquidity and effective annualised yields of between 5.38% and 6.38%

[2] *This consists of cash held on call as collateral for guarantees issued by the Standard Bank of South Africa Limited on behalf of the Group for environmental rehabilitation amounting to R5.2 million and various utilities amounting to R5.1 million.*

CREDIT RISK

The Group is exposed to credit risk on the total carrying value of its cash and cash equivalents. The Group manages its exposure to credit risk by investing cash and cash equivalents across several major financial institutions, considering the credit ratings of the respective financial institutions, funds and underlying instruments.

Impairment on cash and cash equivalents, if any, are measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

MARKET RISK

Interest rate risk

A change of 100 basis points (bp) in the interest rates would have increased/(decreased) equity and profit/(loss) by the amounts shown below. This analysis is performed on the average balance of cash and cash equivalents for the year and assumes that all other variables remain constant. The analysis excludes income tax.

Amounts in R million	2022	2021
100bp increase	**23.5**	19.5
100bp (decrease)	**(23.5)**	(19.5)

Foreign denominated cash is held in a foreign currency bank account accruing negligible interest and is usually converted to South African Rand on the day of receipt. Foreign cash is therefore not exposed to significant interest rate risk.

Foreign currency risk

US Dollars received on settlement of the trade receivables are exposed to fluctuations in the US Dollar/South African Rand exchange rate until it is converted to South African Rands.

US Dollars not converted to South African Rands at reporting date are as follows:

Figures in USD million	2022	2021
Foreign denominated cash at 30 June	**3.4**	3.4

A 10% strengthening of the Rand against the US Dollar at 30 June would have increased/(decreased) equity and profit/(loss) by the amounts shown below. This analysis assumes that all other variables remain constant.

Amounts in R million	2022	2021
Strengthening of the Rand against the US Dollar	**(5.5)**	(4.9)
Weakening of the Rand against the US Dollar	**5.5**	4.9

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of cash and cash equivalents approximates their carrying value due to their short-term maturities.

14 CASH GENERATED FROM OPERATIONS

Amounts in R million	Note	2022	2021	2020
Profit for the year		**1,123.8**	1,439.9	635.0
Adjusted for				
Income tax	18.1	**334.3**	523.7	343.9
Depreciation	9	**267.6**	252.5	270.8
Movement in gold in process and finished inventories - Gold Bullion	5.1	**(30.4)**	25.6	(3.1)
Change in estimate of environmental rehabilitation	11	**(2.2)**	(12.4)	(21.9)
Environmental rehabilitation payments to reduce the restoration liabilities	11	**(3.3)**	(5.8)	(8.1)
Share-based payment expense/(benefit)	5.3	**18.4**	(28.3)	224.1
Gain on disposal of property, plant and equipment	5.2	**(6.6)**	(0.1)	(0.7)
Insurance claim receivable	5.2	**(31.7)**	-	-
Finance income	6	**(225.8)**	(216.2)	(109.8)
Finance expense	7	**74.8**	69.5	68.8
Other non-cash items		**3.8**	(2.5)	2.6
Operating cash flows before other changes		**1,522.7**	2,045.9	1,401.6
Changes in		**62.9**	(194.9)	(92.0)
Trade and other receivables		**25.7**	6.9	(79.0)
Consumable stores and stockpiles		**(18.9)**	(44.7)	(26.4)
Payments made under protest	24	**(15.2)**	(8.1)	(10.6)
Trade and other payables		**71.3**	(149.0) [1]	24.0 [1]
Cash generated from operations		**1,585.6**	1,851.0	1,309.6

[1] *Includes settlement of cash-settled long-term incentives for 2021: R183.3 million, 2020: R41.5 million.*

15 TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICIES

Recognition and measurement

Trade and other receivables, excluding Value Added Tax and prepayments, are non-derivative financial assets categorised as financial assets at amortised cost.

These assets are initially measured at fair value plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method less any expected credit losses using the Group's business model for managing its financial assets.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Impairment

The Group recognises loss allowances for trade and other receivables at an amount equal to expected credit losses ("**ECLs**"). The Group uses the simplified ECL approach. When determining whether the credit risk of a financial asset has increased since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on informed credit assessments and including forward-looking information. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). The Group assesses whether the financial asset is credit impaired at each reporting date. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred, including but not limited to financial difficulty or default of payment. The Group will write off a financial asset when there is no reasonable expectation of recovering it after considering whether all means to recovery the asset have been exhausted, or the counterparty has been liquidated and the Group has assessed that no recovery is possible.

Any impairment losses are recognised in the statement of profit or loss.

Trade receivables relate to gold sold to the bullion banks. Settlement is usually received on the gold sold date. Previously trade receivables related to gold sold on the bullion market by Rand Refinery in its capacity as an agent for the Group. Settlement was usually received two working days from gold sold date.

15 TRADE AND OTHER RECEIVABLES *continued*

Amounts in R million	2022	2021
Trade receivables	**-**	56.5
Value Added Tax	**75.1**	50.2
Other receivables [1]	**57.4**	21.2
Prepayments	**19.2**	17.4
Allowance for impairment	**(2.2)**	(1.2)
	149.5	144.1

1 Other receivables includes the outstanding COVID-19 insurance claim amount of R31.7 million (refer to note 5.2) which was received subsequent to year end.

CREDIT RISK

The Group is exposed to credit risk on the total carrying value of its trade receivables and other receivables excluding Value Added Tax and prepayments.

The Group manages its exposure to credit risk on trade receivables by selling gold on a cash on delivery basis. The Group manages its exposure to credit risk on other receivables by establishing a maximum payment period of 30 days, and ensuring that counterparties are of good credit standing and transacting on a secured or cash basis where considered necessary. The majority of other receivables, excluding the COVID-19 insurance claim, comprises balances with counterparties who have been transacting with the Group for over 5 years and in some of these cases, the counterparties are also suppliers of the Group. Receivables are regularly monitored and assessed for recoverability.

The balances of counterparties who have been assessed as being credit impaired at reporting date are as follows:

	2022		2021	
Amounts in R million	Non-credit impaired	Credit impaired	Non-credit impaired	Credit impaired
Trade receivables	**-**	**-**	56.5	-
Other receivables	**55.2**	**2.2**	20.0	1.2
	55.2	**2.2**	76.5	1.2
Loss allowance	**-**	**(2.2)**	-	(1.2)

Movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

Amounts in R million	2022	2021
Balance at the beginning of the year	**(1.2)**	(2.6)
Credit loss allowance/impairments recognised included in operating costs	**(1.1)**	(0.2)
Credit loss allowance/impairments reversed included in operating costs	**0.1**	1.3
Credit loss allowance written off against related receivable	**-**	0.3
Balance at the end of the year	**(2.2)**	(1.2)

MARKET RISK

Interest rate risk

Trade and other receivables do not earn interest and are therefore not subject to interest rate risk.

Foreign currency risk

Gold is sold at spot rates and is denominated in US Dollars. Gold sales are therefore exposed to fluctuations in the US Dollar/South African Rand exchange rate. All foreign currency transactions entered into during the year ended June 30, 2022 were at spot rates and no foreign exchange rate hedges are entered into. From April 11, 2022, The USD to be received from bullion sales are sold on the same date as the respective bullion sale to settle in ZAR to the Group. Prior to April 11, 2022, Rand Refinery, acting as an agent for the Group, sold the USD received from bullion sales on the same date as the respective bullion sale. As a result, trade receivables are not exposed to fluctuations in the US Dollar/South African Rand exchange rate.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of trade and other receivables approximate their carrying value due to their short-term maturities.

16 TRADE AND OTHER PAYABLES

ACCOUNTING POLICIES

Trade and other payables, excluding Value Added Tax, payroll accruals, accrued leave pay and provision for performance based incentives, are non-derivative financial liabilities categorised as financial liabilities measured at amortised cost.

These liabilities are initially measured at fair value plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. The Group derecognises a financial liability when its contractual rights are discharged, or cancelled or expire.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Amounts in R million	Note	2022	2021
Trade payables and accruals		**429.1**	352.9
Value Added Tax		**0.2**	4.5
Accrued leave pay		**55.7**	53.2
Accrual for short term performance based incentives		**87.5**	74.2
Payroll accruals		**25.9**	25.0
		598.4	509.8
Interest relating to trade payables and accruals included in profit or loss		**(1.8)**	(1.8)
RELATED PARTY BALANCES			
Trade payables and accruals include the following amounts payable to related parties:			
Sibanye-Stillwater		**25.8**	12.0
Rand Refinery		**-**	0.6

LIQUIDITY RISK
Trade payables and accruals are all expected to be settled within 12 months from reporting date.

FAIR VALUE OF FINANCIAL INSTRUMENTS
The fair value of trade payables and accruals approximate their carrying value due to their short-term maturities.

17 INVENTORIES

ACCOUNTING POLICIES

Gold in process is stated at the lower of cost and net realisable value. Costs are assigned to gold in process on a weighted average cost basis. Costs comprise all costs incurred to the stage immediately prior to smelting, including costs of extraction and processing as they are reliably measurable at that point. Gold bullion is stated at the lower of cost and net realisable value. Selling and general administration costs are excluded from inventory valuation.

Consumable stores are stated at cost less allowances for obsolescence. Cost of consumable stores and stockpile material is based on the weighted average cost principle and includes expenditure incurred in acquiring inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Amounts in R million	2022	2021
Consumable stores	**197.5**	177.6
Ore stockpile	**51.9**	52.9
Gold in process	**75.1**	59.6
Finished inventories - Gold Bullion	**64.8**	49.9
Total inventories	**389.3**	340.0
Inventory carried at net realisable value includes:		
Gold in process	**8.5**	-
Finished inventories - Gold Bullion	**7.9**	-
Write down to net realisable value included in movement in gold in process and finished stock	**(2.7)**	-

18 INCOME TAX

SIGNIFICANT ACCOUNTING ASSUMPTIONS AND ESTIMATES

Management periodically evaluates positions taken where tax regulations are subject to interpretation. This includes the treatment of both Ergo and FWGR as single mining operations respectively, pursuant to the relevant ring-fencing legislation.

The deferred tax liability is calculated by applying a forecast weighted average tax rate that is based on a prescribed formula. The calculation of the forecast weighted average tax rate requires the use of assumptions and estimates and are inherently uncertain and could change materially over time. These assumptions and estimates include expected future profitability and timing of the reversal of the temporary differences. Due to the forecast weighted average tax rate being based on a prescribed formula that increases the effective tax rate with an increase in forecast future profitability, and vice versa, the tax rate can vary significantly year on year and can move contrary to current period financial performance.

A 100 basis points increase in the effective tax rate will result in an increase in the net deferred tax liability at June 30, 2022 of approximately R18.7 million (2021: R14.2 million; 2020: R10.3 million).

The assessment of the probability that future taxable profits will be available against which the tax losses and unredeemed capital expenditure can be utilised requires the use of assumptions and estimates and are inherently uncertain and could change materially over time.

Capital expenditure is assessed by the South African Revenue Service ("**SARS**") when it is redeemed against taxable mining income rather than when it is incurred. A different interpretation by SARS regarding the deductibility of these capital allowances may therefore become evident subsequent to the year of assessment when the capital expenditure is incurred.

ACCOUNTING POLICIES

Income tax expense comprises current and deferred tax. Each company is taxed as a separate entity and tax is not set-off between the companies.

Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment on tax payable or receivable in respect of the previous year. Amounts are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or OCI. The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred tax is not recognised on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

Deferred tax assets relating to unutilised tax losses and unutilised capital allowances are recognised to the extent that it is probable that future taxable profits will be available against which the unutilised tax losses and unutilised capital allowances can be utilised. The recoverability of these assets is reviewed at each reporting date and adjusted if recovery is no longer probable.

Deferred tax related to gold mining income is measured at a forecast weighted average tax rate that is expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The calculation of the forecast weighted average tax rate requires the use of assumptions and estimates, including the Group's life-of-mine plan (as discussed in note 9 to the consolidated financial statements) that is applied to calculate the expected future profitability.

Current tax on gold mining income for the periods presented was determined based on a formula: Y = 34 - 170/X where Y is the percentage rate of tax payable and X is the ratio of taxable income, net of any qualifying capital expenditure that bears to gold mining income derived, expressed as a percentage. Non-mining income, which consists primarily of interest accrued, is taxed at a standard rate of 28% for the periods presented.

All mining capital expenditure is deducted in the year it is incurred to the extent that it does not result in an assessed loss. Capital expenditure not deducted from mining income is carried forward as unutilised capital allowances to be deducted from future mining income.

Amendment in the corporate income tax rate and mining tax rate formula and broadening the tax base
On February 23, 2022 the Minister of Finance announced in his budget speech that the corporate income tax ("**CIT**") rate will be lowered from 28% to 27% for companies with years of assessment commencing on or after April 1, 2022. The mining operations of the Group accounts for income tax using the gold mining tax formula as opposed to the CIT rate. The gold mining tax formula was changed to Y = 33 - 165/X for years of assessment commencing on or after April 1, 2022. It was further announced that the lowering of the CIT rate will be implemented alongside additional amendments to broaden the CIT base by limiting interest deductions and assessed losses. Section 23M which limits the deduction of interest payable to certain parties who are not subject to tax was significantly widened. A maximum of R1 million or 80% of assessed losses (whichever is greater) is permitted to be set-off against taxable income.

The deferred tax assets and liabilities for the Group have been calculated taking into account the above changes as they are effective for the financial year and year of assessment commencing July 1, 2022.

Deferred tax is recognised using the gold mining tax formula to calculate a forecast weighted average tax rate considering the expected timing of the reversal of temporary differences. The formula is calculated as: Y = 33 – 165/X where Y is the percentage rate of tax payable and X is the ratio of taxable income, net of any qualifying capital expenditure that bears to mining income derived, expressed as a percentage.

18 INCOME TAX *continued*

Amendment in the corporate income tax rate and mining tax rate formula and broadening the tax base *continued*

Due to the forecast weighted average tax rate being based on the expected future profitability, the tax rate can vary significantly year-on-year and can move contrary to current year financial performance.

The forecast weighted average deferred tax rate of Ergo has decreased from 25% to 22% as a result of the change in the gold mining tax formula and increase in the life of mine and increases in operating costs. The forecast weighted average deferred tax rate of FWGR has decreased from 30% to 29% as a result of the change in the gold mining tax formula.

18.1 INCOME TAX EXPENSE

Amounts in R million	2022	2021	2020
Current tax	**(261.6)**	(423.7)	(263.2)
Mining tax	**(250.2)**	(423.7)	(263.2)
Non-Mining, company and capital gains tax	**(11.4)**	-	-
Deferred tax	**(72.7)**	(100.0)	(80.7)
Deferred tax charge - Mining tax	**(119.9)**	(104.0)	(59.1)
Deferred tax charge - Non-mining, company and capital gains tax	**1.6**	(19.1)	(2.1)
Deferred tax rate adjustment	**45.6**	-	(20.7)
Recognition of previously unrecognised tax losses	**0.4**	7.8	-
(Derecognition of previously recognised)/Recognition of previously unrecognised tax losses of a capital nature	**-**	(1.2)	1.2
(Derecognition of previously recognised)/Recognition of previously unrecognised deductible temporary differences	**(0.4)**	16.5	-
	(334.3)	(523.7)	(343.9)
Tax reconciliation			
Major items causing the Group's income tax expense to differ from the statutory rate were:			
Tax on net profit before tax at the South African corporate tax rate of 28%	**(408.3)**	(549.9)	(274.1)
Rate adjustment to reflect the actual realised company tax rates applying the gold mining formula	**36.4**	3.7	(0.9)
Deferred tax rate adjustment (a)	**45.6**	-	(20.7)
Depreciation of property, plant and equipment exempt from deferred tax on initial recognition (b)	**(22.2)**	(21.2)	(21.4)
Non-deductible expenditure (c)	**(7.3)**	(6.2)	(7.9)
Exempt income and other non-taxable income (d)	**19.0**	22.8	2.4
(Derecognition of previously recognised)/Recognition of previously unrecognised deductible temporary differences	**(0.4)**	16.5	-
(Derecognition of previously recognised)Recognition of previously unrecognised tax losses of a capital nature	**-**	(1.2)	1.2
Utilisation of tax losses for which deferred tax assets were previously unrecognised	**0.4**	7.8	-
Current year tax losses for which no deferred tax was recognised	**(1.4)**	(0.1)	(23.5)
Other items	**3.6**	3.3	0.4
Tax incentives	**0.3**	0.8	0.6
Income tax	**(334.3)**	(523.7)	(343.9)

(a) Deferred tax rate adjustment

Ergo's forecast weighted average deferred tax rate decreased to 22% (2021: remained unchanged at 25%; 2020: increased from 22% to 25% due to an increase in forecast taxable income of Ergo).

FWGR's forecast weighted average deferred tax rate decreased to 29% (2021 and 2020: remained unchanged at 30%).

(b) Depreciation of property, plant and equipment exempt from deferred tax on initial recognition

Depreciation of R72.1 million (2021: R68.7 million; 2020: R73.2 million) on the fair value of FWGR's property, plant and equipment that was exempt from deferred tax on initial recognition in terms of IAS 12 *Income Taxes*.

(c) Non-deductible expenditure

The most significant non-deductible expenditure incurred by the Group during the year includes:

- R21.1 million discount recognised on Payments made under protest (2021: R7.4 million; 2020: R7.1 million);
- R17.8 million expenditure not incurred in generation of taxable income or capital in nature (2021: R17.0 million; 2020: R2.7 million); and
- R5.8 million net operating cost related to Ergo Business Development Academy Not for Profit Company that is not deductible as it is exempt from income tax (2021: R nil; 2020: R14.6 million).

18 INCOME TAX *continued*

18.1 INCOME TAX EXPENSE *continued*

(d) Exempt income and other non-taxable income
The most significant exempt income earned by the Group during the year includes:

- R71.5 million dividends received (2021: R76.1 million; 2020: R4.3 million);
- R5.8 million unwinding recognised on Payments made under protest (2021: R4.8 million; 2020: R4.0 million); and
- Rnil net operating income related to Ergo Business Development Academy Not for Profit Company that is not taxable as it is exempt from income tax (2021: R1.0 million; 2020 Ergo Business Development Academy Not for Profit Company incurred net operating cost that is not deductible as it is exempt from income tax) – refer to (c) non-deductible expenditure.

18.2 DEFERRED TAX

Amounts in R million	2022	2021
Included in the statement of financial position as follows:		
Deferred tax assets	**14.5**	5.8
Deferred tax liabilities	**(451.9)**	(377.1)
Net deferred tax liabilities	**(437.4)**	(371.3)
Reconciliation of the deferred tax balance:		
Balance at the beginning of the year	**(371.3)**	(265.1)
Recognised in profit or loss	**(72.7)**	(100.0)
Recognised in other comprehensive income	**6.6**	(6.2)
Balance at the end of the year	**(437.4)**	(371.3)

The detailed components of the net deferred tax liabilities which result from the differences between the amounts of assets and liabilities recognised for financial reporting and tax purposes are:

Amounts in R million	2022	2021
Deferred tax liabilities		
Property, plant and equipment (excluding unredeemed capital allowances)	**(537.6)**	(494.4)
Environmental rehabilitation obligation funds	**(63.3)**	(60.2)
Other investments	**(0.9)**	(7.4)
Gross deferred tax liabilities	**(601.8)**	(562.0)
Deferred tax assets		
Environmental rehabilitation obligation	**105.6**	124.5
Other provisions	**49.3**	46.7
Other temporary differences [1]	**4.6**	14.3
Estimated tax losses	**4.1**	4.1
Estimated unredeemed capital allowances	**0.8**	1.1
Gross deferred tax assets	**164.4**	190.7
Net deferred tax liabilities	**(437.4)**	(371.3)

[1] *Includes the temporary differences on the lease liability*

Deferred tax assets have not been recognised in respect of the following:

Amounts in R million	2022	2021
Estimated tax losses	**18.1**	16.7
Estimated tax losses - Capital nature	**313.6**	325.2
Unredeemed capital expenditure	**252.0**	253.3

Deferred tax assets for tax losses, unredeemed capital expenditure and capital losses have not been recognised where future taxable profits against which these can be utilised are not anticipated. These do not have an expiry date. A maximum of R1 million or 80 % of assessed losses (whichever is greater) is permitted to be set-off per year against taxable income.

19 EMPLOYEE BENEFITS

ACCOUNTING POLICIES

Cash settled share-based payments ("outgoing long-term incentive" or "CLTI")
Cash settled share-based payments are measured at fair value and remeasured at each reporting date to reflect the potential outflow of cash resources to settle the liability, with a corresponding adjustment in profit or loss. Vesting assumptions for non-market conditions are reviewed at each reporting date to ensure they reflect current expectations.

Equity settled share-based payments ("new long-term incentive" or "ELTI")
The grant date fair value of equity settled share-based payment arrangements is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at vesting date.

19.1 CASH SETTLED LONG-TERM INCENTIVE SCHEME ("outgoing LTI scheme" or "CLTI scheme")

Terms of the November 2015 grant made under the DRDGOLD Group's outgoing LTI scheme are:
- The scheme has a finite term of 5 years and thus no top-up awards are made when the shares vest;
- The phantom shares are issued at an exercise price of Rnil and will vest in 3 tranches: 20%, 30% and 50% on the 3rd, 4th and 5th anniversaries respectively, subject to individual service and performance conditions being met; and
- The phantom shares will be settled at the 7 day volume weighted average price ("**VWAP**") of the DRDGOLD share.

The last tranche of the November 2015 grant vested and was fully settled on November 5, 2020. The outgoing LTI scheme is replaced by a new equity settled long-term incentive scheme (refer note 19.2).

Amounts in R million	**Note**	**2022**	**2021**
Movements in the total liability for long-term incentive scheme is as follows:			
Opening balance		-	227.6
Share-based payment (benefit)/expense - CLTI scheme	5.3	-	(44.3)
Vested and paid		-	(183.3)
Liability for CLTI scheme at the end of the year		-	-

Reconciliation of outstanding phantom shares	**2022**		**2021**	
	Shares Number	**Weighted average price R per share**	**Shares Number**	**Weighted average price R per share**
Opening balance	-		9,845,638	
Vested and paid	-	-	(9,845,638)	18.62
Closing balance	-		-	

19 EMPLOYEE BENEFITS *continued*

19.2 EQUITY SETTLED LONG-TERM INCENTIVE SCHEME ("new LTI scheme" or "ELTI scheme")

Amounts in R million	2022	2021	2020
Share-based payment expense - ELTI scheme	**18.4**	16.0	6.0

On December 2, 2019, the shareholders approved a new equity settled long-term incentive scheme to replace the cash settled long-term incentive scheme established in November 2015. Under the new LTI scheme, qualifying employees are awarded conditional shares on an annual basis, comprising performance shares (80% of the total conditional shares awarded) and retention shares (20% of the total conditional shares awarded). Conditional shares will vest 3 years after grant date and will be settled in the form of DRDGOLD shares at a zero-exercise price.

The key conditions of the grants made under the ELTI scheme are:

Retention shares:

100% of the retention shares will vest if the employee remains in the active employ of the Company at vesting date, is not under notice period and individual performance criteria are met.

Performance shares:

Total shareholder's return (TSR) measured against a hurdle rate of 15% referencing DRDGOLD's Weighted Average Cost of Capital ("**WACC**"):

- 50% of the performance shares are linked to this condition; and
- all of these performance shares will vest if DRDGOLD's TSR exceeds the hurdle rate over the vesting period

TSR measured against a peer group of 3 peers (Sibanye-Stillwater, Harmony Gold Mining Company Limited and Pan-African Resources Limited):

- 50% of the performance shares are linked to this condition; and
- The number of performance shares which vest is based on DRDGOLD's actual TSR performance in relation to percentiles of peer group's performance as follows:

Percentile of peers	% of performance shares
< 25th percentile	**- %**
25th to < 50th percentile	**25 %**
50th to < 75th percentile	**75 %**
≥ 75th percentile	**100 %**

Reconciliation of the number of conditional shares	2022		2021	
	Shares Number	Weighted average price R per share	Shares Number	Weighted average price R per share
Opening balance	7,840,620		5,860,760	
Granted				
October 22, 2020	-		1,979,860	
October 20, 2021	3,508,232		-	
Vested	(2,862,654)	14.02	-	-
Forfeited	(892,528)		-	
Closing balance	7,593,670		7,840,620	
Vesting on	7,593,670		7,840,620	
December 2, 2021	-		2,930,380	
December 2, 2022	2,715,604		2,930,380	
October 22, 2023	1,666,778		1,979,860	
October 20, 2024	3,211,288		-	

Fair value

The weighted average fair value of the performance and retention shares at grant date were determined using the Monte Carlo simulation pricing model applying the following key inputs:

Grant date	October 20, 2021	October 22, 2020	December 2, 2019
Vesting date	**October 20, 2024**	**October 22, 2023**	**December 2, 2022**
Weighted average fair value of 80% performance shares [1]	**7.34**	10.49	4.12
Weighted average fair value of 20% retention shares	**12.32**	18.67	5.49
Expected term (years)	**3**	3	3
Grant date share price of a DRDGOLD share	**13.55**	19.43	6.15
Expected dividend yield	**3.15%**	1.33%	3.81%
Expected volatility [2]	**60.20%**	63.07%	53.80%
Expected risk free rate	**5.78%**	3.82%	6.80%

[1] The performance conditions are included in the measurement of the grant date fair value as they are classified as market-based performance conditions

[2] Expected volatility has been based on an evaluation of the historical volatility of DRDGOLD's share price, commensurate with the expected term of the options

19.3 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Interests in contracts

None of the directors, officers or major shareholders of DRDGOLD or, to the knowledge of DRDGOLD's management, their families, had any interest, direct or indirect, in any transaction entered into during the year ended June 30, 2022 or the preceding financial years, or in any proposed transaction which has affected or will materially affect DRDGOLD or its subsidiaries other than disclosed in these financial statements. None of the directors or officers of DRDGOLD or any associate of such director or officer is currently or has been at any time during the past financial year materially indebted to DRDGOLD.

Key management personnel remuneration

Amounts in R million	Note	2022	2021	2020
- Board fees paid		**7.8**	7.6	6.2
- Salaries paid		**82.5**	75.5	67.3
- Short term incentives relating to this cycle		**84.1**	73.8	63.6
- Market value of long-term incentives vested and transferred	19.2	**40.1**	-	-
- Long term incentives paid during the cycle	19.1	**-**	183.3	41.5
		214.5	340.2	178.6

20 CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to ensure that adequate capital is available to meet the requirements of the Group from time to time, including capital expenditure. The Group considers the appropriate capital management strategy for specific growth projects as and when required. Lease liabilities are not considered to be debt.

Liquidity management

At June 30, 2022 and June 30, 2021 the Group's facilities included an undrawn Revolving Credit Facility ("**RCF**") which was initially secured to finance the development of Phase 1 of FWGR as well as the general working capital requirements of the Group. In December 2018, R125 million of the RCF was committed to issue a guarantee to Ekurhuleni Local Municipality (refer note 24).

In September 2020, the initial R300 million RCF was amended to a R200 million RCF and extended for an additional term of 2 years with a final repayment date of September 14, 2022.

The initial and amended RCF permits a consolidated debt ratio (net debt to adjusted EBITDA) of no more than 2:1 and a consolidated interest coverage ratio (net interest to adjusted EBITDA) of no less than 4:1 calculated on a twelve-month rolling basis respectively. Management monitors the covenant ratio levels to ensure compliance with the covenants, as well as maintain sufficient facilities to ensure satisfactory liquidity for the Group. The covenant ratios were not breached as at or during the year ended June 30, 2022 or June 30, 2021.

The amendment included the reduction of the initial interest rate margin of 3.25% to 2.75%. A pledge and cession of DRDGOLD's shares in and shareholder claims against Ergo Mining Proprietary Limited and Far West Gold Recoveries Proprietary limited remains in place as security for the RCF. The amended RCF does not include any commitment towards the guarantee to Ekurhuleni Local Municipality.

No amounts were drawn under this facility as at June 30, 2022. Pursuant to the Group having started to evaluate its funding structure for its expanded budgeted capital expenditure programme in future years, a decision was made to not renew the RCF.

21 EQUITY

ACCOUNTING POLICIES

Stated share capital
Ordinary shares and the cumulative preference shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effect.

Repurchase and reissue of share capital (treasury shares)
When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from stated share capital.

Dividends
Dividends are recognised as a liability on the date on which they are declared which is the date when the shareholders' right to the dividends vests.

21.1 STATED SHARE CAPITAL

All ordinary shares rank equally regarding the Company's residual assets. Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

Preference shareholders participate only to the extent of the face value of the shares. Holders of preference shares do not have the right to participate in any additional dividends declared for ordinary shareholders. These shares do not have voting rights.

Amounts in R million	2022	2021	2020
Authorised share capital			
1,500,000,000, (2021 and 2020: 1,500,000,000) ordinary shares of no par value			
5,000,000 (2021 and 2020: 5,000,000) cumulative preference shares of 10 cents each	**0.5**	0.5	0.5
Issued share capital			
864,588,711 (2021 and 2020: 864,588,711) ordinary shares of no par value	**6,208.4**	6,208.4	6,208.4
6,612,266 (2021 and 2020: 9,474,920) treasury shares held within the Group (a)	**(35.6)**	(51.0)	(51.0)
5,000,000 (2021 and 2020: 5,000,000) cumulative preference shares of 10 cents each	**0.5**	0.5	0.5
	6,173.3	6,157.9	6,157.9

RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(a) Treasury shares
Shares in DRDGOLD Limited are held in treasury by Ergo Mining Operations Proprietary Limited ("**EMO**"). No shares were acquired in the market during the year ended June 30, 2022, the year ended June 30, 2021 or the year ended June 30, 2020. During the year ended June 30, 2022 2,862,654 shares were used to settle the equity settled share-based payment, at nil cashflow to the Group. R15.4 million, representing the average cost of the treasury shares used to settle the share based payment, was transferred to retained earnings.

21.2 DIVIDENDS

Amounts in R million	2022	2021	2020
Dividends paid during the year net of treasury shares:			
Final dividend declared relating to prior year: 40 SA cents per share (2021: 35 SA cents per share; 2020: 20 SA cents per share)	**342.0**	299.3	137.5
First interim dividend: 20 SA cents per share (2021: 40 SA cents per share; 2020: 25 SA cents per share)	**171.6**	342.0	213.8
Second interim dividend nil SA cents per share (2021: nil SA cents per share; 2020: 25 SA cents per share)	**-**	-	213.8
Total	**513.6**	641.3	565.1

After June 30, 2022, a dividend of 40 cents per qualifying share amounting to R342.0 million was approved by the directors as a final dividend for the year ended June 30, 2022. The dividend has not been provided as at June 30, 2022 and does not have any tax impact on the Group.

22 INTEREST IN SUBSIDIARIES

ACCOUNTING POLICIES

Significant subsidiaries of the Group are those subsidiaries with the most significant contribution to the Group's profit or loss or assets.

Ergo Mining Proprietary Limited ("**Ergo**") and Far West Gold Recoveries Proprietary Limited ("**FWGR**") are the only significant subsidiaries of the Group. They are both wholly owned subsidiaries and are incorporated in South Africa, are primarily involved in the retreatment of surface gold and all their operations are based in South Africa.

23 OPERATING SEGMENTS

ACCOUNTING POLICIES

Operating segments are reported in a manner consistent with internal reports that the Group's chief operating decision maker ("**CODM**") reviews regularly in allocating resources and assessing performance of operating segments. The CODM has been identified as the Group's Executive Committee. The Group has one material revenue stream, the sale of gold. To identify operating segments, management reviewed various factors, including operational structure and mining infrastructure. It was determined that an operating segment consists of a single or multiple metallurgical plants and reclamation sites that, together with its tailings storage facility, is capable of operating independently.

When assessing profitability, the CODM considers, *inter alia,* the revenue and cash operating costs of each segment. The net of these amounts is the segment operating profit or loss. Therefore, segment operating profit has been disclosed as the primary measure of profit or loss. The CODM also considers the additions to property, plant and equipment.

Ergo is a surface gold retreatment operation which treats old slime dams and sand dumps to the south of Johannesburg's central business district as well as the East and Central Rand goldfields. The operation comprises three plants. The Ergo and Knights plants continue to operate as metallurgical plants. The City Deep plant continues to operate as a pump/milling station feeding the metallurgical plants.

FWGR is a surface gold retreatment operation and treats old slime dams in the West Rand goldfields. Phase 1, which entailed the reconfiguration of the Driefontein 2 plant and relevant infrastructure to process tailings from the Driefontein 5 slimes dam and deposit residues on the Driefontein 4 Tailings Storage Facility, was commissioned on April 1, 2019.

Corporate office and other reconciling items (collectively referred to as **"Other reconciling items"**) represent the items to reconcile to consolidated financial statements. This does not represent a separate segment as it does not generate mining revenue.

Note condensed during the current year. Changes also affected on comparatives.

23 OPERATING SEGMENTS *continued*

2022 Amounts in R million	Ergo	FWGR	Other reconciling items	Total
Revenue (External)	3,704.9	1,413.6	-	5,118.5
Cash operating costs	(3,009.8)	(454.0)	-	(3,463.8)
Movement in gold in process and finished inventories - Gold Bullion	35.2	(4.8)	-	30.4
Segment operating profit	730.3	954.8	-	1,685.1
Additions to property, plant and equipment	(436.2)	(162.2)	-	(598.4)
Reconciliation of segment operating profit to profit after tax				
Segment operating profit	730.3	954.8	-	1,685.1
Depreciation	(134.5)	(131.6)	(1.5)	(267.6)
Change in estimate of environmental rehabilitation recognised in profit or loss	2.3	-	(0.1)	2.2
Ongoing rehabilitation expenditure	(30.1)	(1.5)	-	(31.6)
Care and maintenance	-	-	(5.9)	(5.9)
Other operating costs	(4.9)	(0.2)	(0.1)	(5.2)
Other income	70.1	21.2	-	91.3
Administration expenses and other costs	(7.7)	(13.8)	(139.7)	(161.2)
Finance income	22.4	19.0	184.4	225.8
Finance expense	(58.8)	(10.8)	(5.2)	(74.8)
Current tax	(12.9)	(237.3)	(11.4)	(261.6)
Deferred tax	(45.3)	(29.6)	2.2	(72.7)
Profit after tax	530.9	570.2	22.7	1,123.8
Reconciliation of cost of sales to cash operating costs				
Cost of sales	(3,141.8)	(592.1)	(7.6)	(3,741.5)
Depreciation	134.5	131.6	1.5	267.6
Change in estimate of environmental rehabilitation recognised in profit or loss	(2.3)	-	0.1	(2.2)
Movement in gold in process and finished inventories - Gold Bullion	(35.2)	4.8	-	(30.4)
Ongoing rehabilitation expenditure	30.1	1.5	-	31.6
Care and maintenance	-	-	5.9	5.9
Other operating costs	4.9	0.2	0.1	5.2
Cash operating costs	(3,009.8)	(454.0)	-	(3,463.8)

23 OPERATING SEGMENTS *continued*

2021 Amounts in R million	Ergo	FWGR	Other reconciling items	Total
Revenue (External)	3,943.0	1,326.0	-	5,269.0
Cash operating costs	(2,666.5)	(406.2)	-	(3,072.7)
Movement in gold in process and finished inventories - Gold Bullion	(31.9)	6.3	-	(25.6)
Segment operating profit	1,244.6	926.1	-	2,170.7
Additions to property, plant and equipment	(250.9)	(143.3)	(1.5)	(395.7)
Reconciliation of segment operating profit to profit after tax				
Segment operating profit	1,244.6	926.1	-	2,170.7
Depreciation	(135.6)	(115.6)	(1.3)	(252.5)
Change in estimate of environmental rehabilitation recognised in profit or loss	7.2	-	5.2	12.4
Ongoing rehabilitation expenditure	(46.6)	(1.7)	-	(48.3)
Care and maintenance	-	-	(3.9)	(3.9)
Other operating expenses	2.4	-	-	2.4
Other income	0.1	-	-	0.1
Administration expenses and other costs	15.0	1.8	(80.8)	(64.0)
Finance income	21.0	17.2	178.0	216.2
Finance expense	(45.8)	(9.8)	(13.9)	(69.5)
Current tax	(196.1)	(227.6)	-	(423.7)
Deferred tax	(66.6)	(37.4)	4.0	(100.0)
Profit after tax	799.6	553.0	87.3	1,439.9
Reconciliation of cost of sales to cash operating costs				
Cost of sales	(2,871.0)	(517.2)	-	(3,388.2)
Depreciation	135.6	115.6	1.3	252.5
Change in estimate of environmental rehabilitation recognised in profit or loss	(7.2)	-	(5.2)	(12.4)
Movement in gold in process and finished inventories - Gold Bullion	31.9	(6.3)	-	25.6
Ongoing rehabilitation expenditure	46.6	1.7	-	48.3
Care and maintenance	-	-	3.9	3.9
Other operating income	(2.4)	-	-	(2.4)
Cash operating costs	(2,666.5)	(406.2)	-	(3,072.7)

23 OPERATING SEGMENTS *continued*

2020 Amounts in R million	Ergo	FWGR	Other reconciling items	Total
Revenue (External)	3,064.3	1,120.7	-	4,185.0
Cash operating costs	(2,274.0)	(352.0)	-	(2,626.0)
Movement in gold in process and finished inventories - Gold Bullion	1.8	1.3	-	3.1
Segment operating profit	792.1	770.0	-	1,562.1
Additions to property, plant and equipment	(114.4)	(68.0)	(0.3)	(182.7)
Reconciliation of segment operating profit to profit after tax				
Segment operating profit	792.1	770.0	-	1,562.1
Depreciation	(150.4)	(119.6)	(0.8)	(270.8)
Change in estimate of environmental rehabilitation recognised in profit or loss	19.1	2.1	0.7	21.9
Ongoing rehabilitation expenditure	(22.3)	(2.0)	-	(24.3)
Care and maintenance	-	-	(11.1)	(11.1)
Other operating expenses	(27.6)	(3.1)	-	(30.7)
Other income	0.7	-	-	0.7
Administration expenses and other costs	(131.6)	(20.7)	(157.6)	(309.9)
Finance income	28.9	28.1	52.8	109.8
Finance expense	(48.8)	(14.3)	(5.7)	(68.8)
Current tax	(145.8)	(117.4)	-	(263.2)
Deferred tax	6.6	(86.5)	(0.8)	(80.7)
Profit after tax	320.9	436.6	(122.5)	635.0
Reconciliation of cost of sales to cash operating costs				
Cost of sales	(2,453.4)	(473.3)	(11.2)	(2,937.9)
Depreciation	150.4	119.6	0.8	270.8
Change in estimate of environmental rehabilitation recognised in profit or loss	(19.1)	(2.1)	(0.7)	(21.9)
Movement in gold in process and finished inventories - Gold Bullion	(1.8)	(1.3)	-	(3.1)
Ongoing rehabilitation expenditure	22.3	2.0	-	24.3
Care and maintenance	-	-	11.1	11.1
Other operating costs	27.6	3.1	-	30.7
Cash operating costs	(2,274.0)	(352.0)	-	(2,626.0)

24 PAYMENTS MADE UNDER PROTEST

SIGNIFICANT ACCOUNTING JUDGEMENTS

Payments made under protest

The determination of whether the payments made under protest give rise to an asset or a contingent asset or neither, required the use of significant judgement. The definition of an asset in the conceptual framework was applied as well as the considerations in the outcome of the IFRS Interpretations Committee ("**IFRIC**") agenda decision – Deposits relating to taxes other than income tax (IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*) ("**IFRIC Agenda Decision**") published in January 2019. The IFRIC Agenda Decision has a similar fact pattern to that of the payments made under protest. With the consideration of the facts and circumstances surrounding the payments made under protest in applying the definition of an asset and the IFRIC Agenda Decision, management considered the following:

- payments were made under protest and without prejudice or admission of liability. Such payments were not made as a settlement of debt or recognition of expenditure;
- the Group therefore retains a right to recover the payments from the City of Ekurhuleni Metropolitan Municipality ("**Municipality**") if the Group is successful in the Main Application (as defined below);
- if the Group is not successful in the Main Application, the payments will be used to settle the resultant liability to the Municipality; and
- these two possible outcomes (i.e. success in the Main Application or not) therefore, will lead to economic benefits to the Group.

Therefore, the right to recover the payments made under protest is not a contingent asset because it meets the definition and recognition criteria of an asset. No specific guidance exists in developing an accounting policy for such asset. Therefore, management applied judgement in developing an accounting policy that would lead to information that is relevant to the users of these financial statements and information that can be relied upon.

Contingent liabilities

The assessment of whether an obligating event results in a liability or a contingent liability requires the exercise of significant judgement of the outcome of future events that are not wholly within the control of the Group.

Litigation and other judicial proceedings inherently entail complex legal issues that are subject to uncertainties and complexities and are subject to interpretation.

SIGNIFICANT ACCOUNTING ASSUMPTIONS AND ESTIMATES

The discounted amount of the payments made under protest is determined using assumptions about the future that are inherently uncertain and can change materially over time and includes the discount rate and discount period.

These assumptions about the future include estimating the timing of concluding on the Main Application, i.e. the discount period, the ultimate settlement terms, the discount rate applied and the assessment of recoverability.

ACCOUNTING POLICIES

Payments made under protest

Recognition and measurement

The payment made under protest asset that arises from the Municipality Electricity Tariff Dispute is initially measured at a discounted amount, and any difference between the face value of payments made under protest and the discounted amount on initial recognition is recognised in profit or loss as a finance expense. Subsequent to initial recognition, the payments made under protest is measured using the effective interest method to unwind the discounted amount to the original face value less any write downs for recovery. Unwinding of the carrying value and changes in the discount period are recognised in finance income.

Assessment of recoverability

The discounted amount of the payments under protest is assessed at each reporting date to determine whether there is any objective evidence that the full amount is no longer expected to be recovered. The Group considers the reasonable and supportable information related to the creditworthiness of the Municipality and events surrounding the outcome of the Main Application. Any write down is recognised in finance expense.

Contingent liabilities

A contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent liability may also be a present obligation arising from past events but is not recognised on the basis that an outflow of economic resources to settle the obligation is not viewed as probable, or the amount of the obligation cannot be reliably measured. When the Group has a present obligation, an outflow of economic resources is assessed as probable and the Group can reliably measure the obligation, a provision is recognised.

24 PAYMENTS MADE UNDER PROTEST *continued*

Amounts in R million	Note	2022	2021
Balance at the beginning of the year		**40.5**	35.0
Payments made under protest		**15.2**	8.1
Discount on initial payment made under protest and change in estimate	7	**(21.1)**	(7.4)
Unwinding	6	**5.8**	4.8
Balance at the end of the year		**40.4**	40.5

Ekurhuleni Metropolitan Municipality ("Municipality") Electricity Tariff Dispute

There are primarily 3 (three) legal proceedings for which relief has been sought in the appropriate legal fora and all of which fall within the jurisdiction of the High Court of South Africa, Gauteng Local Division, Johannesburg. These comprise an application brought by Ergo and actions brought under two summonses by the Municipality.

In order to operate the Ergo Plant and conduct its business operations, Ergo requires a reliable and steady feed of electricity which it draws from the Ergo Central Substation.

Over the past several years the Municipality has charged Ergo for such electricity, at the Megaflex tariff at which ESKOM Holdings SOC Limited ("**ESKOM**") charges its large power users plus an additional surcharge, as it still does; and Ergo paid therefor.

Pursuant to its own investigations, and after having sought legal advice on the matter, Ergo determined that only ESKOM may legitimately charge it for the electricity so drawn and consumed at the Ergo Plant, specifically from the Ergo Central Substation. Despite this, ESKOM refused to either accept payment from Ergo in respect of such electricity consumption or to conclude a consumer agreement with it.

In December 2014, Ergo instituted legal proceedings by way of an application ("**Main Application**") against the Municipality and ESKOM as well as the National Energy Regulator of South Africa ("**NERSA**"), the Minister of Energy, the Minister of Co-operative Governance & Traditional Affairs and the South African Local Government Association, the latter 4 (four) respondents against whom Ergo does not seek any relief.

Ergo seeks the undermentioned relief:

- declaring that the Municipality does not supply electricity to it at the Ergo Plant;
- declaring that the Municipality is in breach of its temporary Distribution License (issued by NERSA) by purporting to supply electricity to Ergo at the Ergo Plant;
- declaring that neither the Municipality nor ESKOM may lawfully insist that only the Municipality may supply electricity to Ergo at the Ergo Plant;
- declaring that ESKOM presently supplies electricity to Ergo at the Ergo Plant; and
- directing ESKOM to conclude a consumer agreement with Ergo for the supply of electricity at the Ergo Plant at its Megaflex tariff.

The Municipality has since issued two summonses ("**Summonses**") for the recovery of arrears it alleges it is owed amounting to R74.0 million and R31.6 million, respectively.

In the interest of the proper administration of justice, the Main Application was postponed by agreement between the parties and a case manager was appointed to determine a collaborative process to facilitate the effective and efficient court scheduling and coordination of both the Main Application and the Summonses.

In order to secure uninterrupted supply of electricity, Ergo has made payment and continues to pay for consumption at the amended and lower "J-Tariff", albeit under protest and without prejudice and/or admission of liability. Whilst still deemed to be disproportionate, the J-Tarif is significantly lower than the previously imposed "D-Tariff". The Group recognised an asset for these payments that are made "under protest".

Ergo has also brought an application for the consolidation of both the Main Application and the actions brought under the Summonses, which is still ongoing.

The Group supported by the external legal team is confident that there is a high probability that Ergo will be successful in the Main Application and defending the Summonses. Therefore, there is no present obligation as a result of a past event to pay the amounts claimed by the Municipality (refer note 26.3).

The balance at the end of the year was based on the following assumptions:

- discount rate: 11.80% (2021: 11.68%) representing the Municipality maximum cost of borrowing on bank loans as disclosed in their June 30, 2021 annual report; and
- discount period: June 30, 2027 (2021: June 30, 2024) representing management's best estimate of the date of conclusion of the Main Application and is supported by external legal counsel. The discount period has increased due to delays in obtaining hearing dates due to back log cases at the court which began during the COVID-19 pandemic.

25 OTHER INVESTMENTS

ACCOUNTING JUDGEMENTS

The Group has one (1) director representative on the Rand Refinery board. Therefore, judgement had to be applied to ascertain whether significant influence exists, and if the investment should be accounted for as an associate under IAS 28 *Investments in Associates and Joint Ventures*. The director representation is not considered significant influence, as it does not constitute meaningful representation. It represents 11.11% of the entire board and is proportional to the 11.3% shareholding that the Group has.

SIGNIFICANT ACCOUNTING ASSUMPTIONS AND ESTIMATES

The fair value of the listed equity instrument is determined based on quoted prices on an active market. Equity instruments which are not listed on an active market are measured using other applicable valuation techniques depending on the extent to which the technique maximises the use of relevant observable inputs and minimizes the use of unobservable inputs. Where discounted cash flows are used, the estimated cash flows are based on management's best estimate based on readily available information at measurement date. The discounted cash flows contain assumptions about the future that are inherently uncertain and can change materially over time.

ACCOUNTING POLICIES

On initial recognition of an equity investment that is not held for trading, the Group may make an irrevocable election to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at fair value and changes therein are recognised in other comprehensive income ("**OCI**"), and are never reclassified to profit or loss, with dividends recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

The Group's listed and unlisted investments in equity securities are classified as equity instruments at fair value through OCI.

Amounts in R million	Shares	% held [1]	2022	2021
Listed investments (Fair value hierarchy Level 1):				
West Wits Mining Limited ("**WWM**")	47,812,500	2.4%	**10.7**	43.5
Total listed investments			**10.7**	43.5
Unlisted investments (Fair value hierarchy Level 3):				
Rand Refinery Proprietary Limited ("**Rand Refinery**")	44,438	11.3%	**136.1**	119.3
Rand Mutual Assurance Company Limited B Share Business Fund ("**RMA**") [2]	12,659 [2]	1.3% [2]	**4.4**	4.1
Guardrisk Insurance Company Limited (Cell Captive A170) [3]	20 [3]	100.0%	**0.1**	0.1
Chamber of Mines Building Company Proprietary Limited	42,292	4.5%	**0.1**	0.1
Total unlisted investments			**140.7**	123.6
Balance at the end of the year			**151.4**	167.1
Fair value adjustment on equity instruments at fair value through OCI			**(15.7)**	(28.2)
WWM			**(32.8)**	31.5
Rand Refinery			**16.8**	(59.1)
RMA			**0.3**	(0.6)
Dividends received on equity instruments at fair value through OCI			**(71.5)**	(76.1)
Rand Refinery			**(70.1)**	(72.3)
RMA			**(1.4)**	(3.8)

[1] *The number and percentage shares held remained unchanged for the prior year with the exception of WWM that issued new shares thereby diluting DRDGOLD's effective shareholding from 3.5% to 2.4%*

[2] *The "B Share Business Fund" shares relate to all the businesses of the RMA Group that do not relate to the Compensation for Occupational Injuries and Diseases Act*

[3] *The shares held entitles the holder to 100% of the residual net equity of Cell Captive A 170*

MARKET RISK

Other market price risk

Equity price risk arises from changes in quoted market prices of listed investments as well as changes in the fair value of unlisted investments due to changes in the underlying net asset values.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Listed investments

The fair values of listed investments are determined by reference to published price quotations from recognised securities exchanges and constitute level 1 instruments in the fair value hierarchy.

Unlisted investments

The fair values of unlisted investments are determined through valuation techniques that include inputs that are not based on observable market data and constitute level 3 instruments in the fair value hierarchy.

25 OTHER INVESTMENTS *continued*

25.1 RAND REFINERY

Amounts in R million	2022	2021
Balance at the beginning of the year	**119.3**	178.4
Fair value adjustment on equity investments at fair value through other comprehensive income	**16.8**	(59.1)
Balance at the end of the year	**136.1**	119.3

In accordance with IFRS 13 *Fair Value Measurement*, the income approach has been established to be the most appropriate basis to estimate the fair value of the investment in Rand Refinery. This method relies on the future budgeted cash flows as estimated by Rand Refinery. Management used a model developed by an external expert to perform the valuation.

Rand Refinery's refining operations (excluding Prestige Bullion) were valued using the Free Cash Flow model, whereby an enterprise value using a Gordon Growth formula for the terminal value was estimated. The forecasted dividend income to be received from Prestige Bullion was valued using a finite-life dividend discount model as Rand Refinery's shareholding will be reduced to nil in 2032 per agreement with the South African Mint (partner in Prestige Bullion). These valuations revealed that the fair value of the investment in Rand Refinery consist mainly of Rand Refinery's cash on hand and the forecasted dividend income to be received from Prestige Bullion.

The fair value of Rand Refinery increased as a result of an increase in cash on hand. The enterprise value of the refining operations of Rand Refinery decreased because of an increase in budgeted operating costs. The value of the forecasted dividends for Prestige Bullion decreased as a result of a decrease in the discount period due to the model being finite.

The fair value measurement uses significant unobservable inputs and relates to a fair value hierarchy level 3 financial instrument. Marketability and minority discounts (both unobservable inputs) of 16.5% and 17.0% (2021: 16.5% and 17.0%), respectively, were applied. The latest budgeted cash flow forecasts provided by Rand Refinery as at June 30, 2022 was used, and therefore classified as an unobservable input into the models. Other key observable/unobservable inputs into the model include:

Amounts in R million	Observable/unobservable input	Unit	2022	2021
Rand Refinery operations				
Forecast average gold price	Observable input	R/kg	880,207	847,317
Forecast average silver price	Observable input	R/kg	11,209	11,751
Average South African CPI	Observable input	%	4.4	4.4
South African long-term government bond rate	Observable input	%	10.26	9.5
Terminal growth rate	Unobservable input	%	4.4	4.4
Weighted average cost of capital	Unobservable input	%	15.9	15.1
Investment in Prestige Bullion				
Discount period	Unobservable input	years	11	12
Cost of equity	Unobservable input	%	14.2	16.5

Sensitivity analysis

The fair value measurement is most sensitive to the Rand denominated gold price and operating costs. The higher the gold price, the higher the fair value of the Rand Refinery investment. The higher the operating costs, the lower the fair value of Rand Refinery. The fair value measurement is also sensitive to the discount rate and minority and marketability discounts applied. The below table indicates the extent of sensitivity of the Rand Refinery equity value to the inputs:

		Input		Change in OCI, net of tax	
Amounts in R million		% Increase	% Decrease	% Increase	% Decrease
Rand Refinery operations					
Rand US Dollar exchange rate	Observable inputs	1	(1)	3.3	(3.3)
Commodity prices (Gold and silver)	Observable inputs	1	(1)	2.8	(2.8)
Operating costs	Unobservable inputs	1	(1)	(2.6)	2.6
Weighted average cost of capital	Unobservable inputs	1	(1)	(0.1)	0.1
Minority discount	Unobservable inputs	1	(1)	(1.2)	1.2
Marketability discount	Unobservable inputs	1	(1)	(1.2)	1.2
Investment in Prestige Bullion					
Cost of equity	Unobservable inputs	1	(1)	(1.0)	1.0
Prestige Bullion dividend forecast	Unobservable inputs	1	(1)	0.3	(0.3)

26 CONTINGENCIES

SIGNIFICANT ACCOUNTING JUDGEMENTS

The assessment of whether an obligating event results in a liability or a contingent liability requires the exercise of significant judgement of the outcome of future events that are not wholly within the control of the Group. Litigation and other judicial proceedings inherently entail complex legal issues that are subject to uncertainties and complexities and are subject to interpretation.

ACCOUNTING POLICIES

Contingent liabilities
A contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent liability may also be a present obligation arising from past events but is not recognised on the basis that an outflow of economic resources to settle the obligation is not viewed as probable, or the amount of the obligation cannot be reliably measured. When the Group has a present obligation, an outflow of economic resources is assessed as probable and the Group can reliably measure the obligation, a provision is recognised.

Contingent assets
Contingent assets are possible assets whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the entity. Contingent assets are not recognised, but they are disclosed when it is more likely than not that an inflow of benefits will occur. However, when the inflow of benefits is virtually certain an asset is recognised in the statement of financial position, because that asset is no longer considered to be contingent.

26.1 CONTINGENT LIABILITY FOR OCCUPATIONAL LUNG DISEASES

On May 3, 2018, former mineworkers and dependents of deceased mineworkers ("**Applicants**") and Anglo American South Africa Limited, AngloGold Ashanti Limited, Sibanye Gold Limited, Harmony Gold Mining Company Limited, Gold Fields Limited, African Rainbow Minerals Limited and certain of their affiliates ("**Settling Companies**") settled the class certification application in which the Applicants in each sought to certify class actions against gold mining houses cited therein on behalf of mineworkers who had worked for any of the particular respondents and who suffer from any occupational lung disease, including silicosis or tuberculosis. The fund managing the compensation for the Applicants has started disbursing funds to the claim beneficiaries.

The DRDGOLD Respondents, DRDGOLD Limited and East Rand Proprietary Mines Limited, are not a party to the settlement between the Applicants and Settling Companies and the settlement agreement is not binding on the DRDGOLD Respondents. The dispute, insofar as the class certification application and appeal thereof is concerned, still stands and has not terminated in light of the settlement agreement.

In terms of the class action, the DRDGOLD respondents has lodged an appeal against certain aspects of the class action, *inter alia* the extension of the remedy entertained in the class action, and the inclusion of tuberculosis as a basis for liability. The Appeal record has been finalised and the allocation of a date for the hearing of the Appeal is November 11, 2022.

DRDGOLD maintains the view that it is too early to consider settlement of the matter, mainly for the following reasons:
- the Applicants have as yet not issued and served a summons (claim) in the matter;
- there is no indication of the number of potential claimants that may join the class action against the DRDGOLD Respondents;
- many principles upon which legal responsibility is founded, are required to be substantially developed by the trial court (and possibly subsequent courts of appeal) to establish liability on the bases alleged by the Applicants.

In light of the above there is inadequate information to determine if a sufficient legal and factual basis exists to establish liability, and to quantify such potential liability.

26.2 CONTINGENT LIABILITY FOR ENVIRONMENTAL REHABILITATION

Mine residue deposits may have a potential pollution impact on ground water through seepage. The Group has taken certain preventative actions as well as remedial actions in an attempt to minimise the Group's exposure and environmental contamination.

The flooding of the western and central basins has the potential to cause pollution due to Acid Mine Drainage ("**AMD**") contaminating the ground water. The government has appointed Trans-Caledon Tunnel Authority ("**TCTA**") to construct a partial treatment plant to prevent the ground water being contaminated. TCTA completed the construction of the neutralisation plant for the Central Basin and commenced treatment during July 2014. As part of the heads of agreement signed in December 2012 between EMO, Ergo, ERPM and TCTA, sludge emanating from this plant since August 2014 has been co-disposed onto the Brakpan/Withok Tailings Storage facility. Partially treated water has been discharged by TCTA into the Elsburg Spruit.

This agreement includes the granting of access to the underground water basin through one of ERPM's shafts and the rental of a site onto which it constructed its neutralisation plant. In exchange, Ergo and its associate companies including ERPM have a setoff against any future directives to make any contribution toward costs or capital of up to R250 million. Through this agreement, Ergo also secured the right to purchase up to 30 Ml of partially treated AMD from TCTA at cost, to reduce Ergo's reliance on potable water for mining and processing purposes.

26 CONTINGENCIES *continued*

26.2 CONTINGENT LIABILITY FOR ENVIRONMENTAL REHABILITATION *continued*

While the heads of agreement should not be seen as an unqualified endorsement of the state's AMD solution, and do not affect our right to either challenge future directives or to implement our own initiatives should it become necessary, it is an encouraging development.

In view of the limitation of current information for the accurate estimation of a potential liability, no reliable estimate can be made for the possible obligation.

During the current year, a report was produced regarding the extent of ground water seepage from the Brakpan/Withok tailings storage facility by an expert. The report suggests that scavenger boreholes be constructed around the dam to deal with the seepage. The majority of the scavenger boreholes have been constructed and are currently operational and the results are being monitored. Management is currently investigating a sustainable solution to deal with the seepage post the closure of the mine and therefore no reliable estimate can be made for the post closure liability.

26.3 CONTINGENCIES REGARDING EKURHULENI METROPOLITAN MUNICIPALITY ELECTRICITY TARIFF DISPUTE

Refer note 24 PAYMENTS MADE UNDER PROTEST for a full description of the matter.

Contingent liability
The Municipality has issued two summonses for the recovery of arrears it alleges it is owed amounting to R74.0 million and R31.6 million, respectively. The group supported by the external legal team is confident that there is a high probability that Ergo will be successful in defending the Summonses. Therefore, there is no present obligation as a result of a past event to pay the amounts claimed by the Municipality.

Contingent asset
Ergo instituted a counterclaim against the Municipality for the recovery of the surcharges which were erroneously paid to the Municipality in the bona fide belief that they were due and payable prior to the Main Application of approximately R43 million (these surcharges were expensed for accounting purposes).

27 FINANCIAL INSTRUMENTS

CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

A financial asset shall be measured at amortised cost if both the following conditions are met:
- the financial asset is held in a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An investment is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss:
- It is held with a business model whose objective achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

27 FINANCIAL INSTRUMENTS *continued*

FINANCIAL RISK MANAGEMENT FRAMEWORK

Overview

The Group has exposure to credit risk, liquidity risks, as well as other market risks from its use of financial instruments. This note presents information about the Group's exposure to each of the above risks, the Group's objectives and policies and processes for measuring and managing risk. The Group's management of capital is disclosed in note 20. This note must be read with the quantitative disclosures included throughout these consolidated financial statements.

The board of directors ("**Board**") has overall responsibility for the establishment and oversight of the Group's risk management framework. The Risk Committee ("**RC**") which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes to market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The RC oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The RC is assisted in its oversight role by the internal audit function. The internal audit function undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the RC.

CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables.

The Group's financial instruments do not represent a concentration of credit risk due to the exposure to credit risk being managed as disclosed in the following notes:

NOTE 12 INVESTMENTS IN REHABILITATION AND OTHER FUNDS
NOTE 13 CASH AND CASH EQUIVALENTS
NOTE 15 TRADE AND OTHER RECEIVABLES

MARKET RISK

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates, interest rates and equity prices will affect the consolidated profit or loss or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Commodity price risk

Additional disclosures are included in the following note:
NOTE 4 REVENUE

Other market risk

Additional disclosures are included in the following note:
NOTE 25 OTHER INVESTMENTS

Interest rate risk

Fluctuations in interest rates impact on the value of short-term cash investments and financing activities, giving rise to interest rate risk. In the ordinary course of business, the Group receives cash from its operations and is obliged to fund working capital and capital expenditure requirements. This cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimising risks. Lower interest rates result in lower returns on investments and deposits and also may have the effect of making it less expensive to borrow funds. Conversely, higher interest rates result in higher interest payments on loans and overdrafts.

Additional disclosures are included in the following notes:
NOTE 12 INVESTMENTS IN REHABILITATION AND OTHER FUNDS
NOTE 13 CASH AND CASH EQUIVALENTS

Foreign currency risk

The Group enters into transactions denominated in foreign currencies, such as gold sales denominated in US dollar, in the ordinary course of business The Group holds cash denominated in a foreign currency. This exposes the Group to fluctuations in foreign currency exchange rates.

Additional disclosures are included in the following notes:
NOTE 4 REVENUE
NOTE 15 TRADE AND OTHER RECEIVABLES
NOTE 13 CASH AND CASH EQUIVALENTS

27 FINANCIAL INSTRUMENTS *continued*

LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Additional disclosures are included in the following note:

NOTE 10.2	LEASES
NOTE 16	TRADE AND OTHER PAYABLES
NOTE 20	CAPITAL MANAGEMENT

28 RELATED PARTIES

Disclosures are included in the following notes:

NOTE 5.1	COST OF SALES
NOTE 5.3	ADMINISTRATION EXPENSES AND OTHER COSTS
NOTE 16	TRADE AND OTHER PAYABLES
NOTE 19.3	TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL
NOTE 21	EQUITY
NOTE 22	INTEREST IN SUBSIDIARIES

29 SUBSEQUENT EVENTS

There were no significant subsequent events between the year-end reporting date of June 30, 2022 and the date of issue of these financial statements other than described below and included in the preceding notes to the consolidated financial statements.

Declaration of dividend

On August 24 2022, the Board declared a final dividend for the year ended June 30, 2022 of 40 SA cents per qualifying share amounting to R342.0 million, which was paid on September 26, 2022.

Receipt of COVID-19 insurance claim

During September and October, 2022, a total amount of R31.7 million was received on the balance receivable at June 30, 2022.

Conditional shares granted

On 19 October 2022, 4,922,751 conditional shares were granted to qualifying employees under the current equity settled long-term incentive scheme. These are expected to vest on 19 October 2025. The number of conditional shares granted includes those granted to directors and prescribed officers as follows:

	Number of conditional shares awarded
Executive directors	
D J Pretorius	799,595
A J Davel	425,680
Prescribed officers	
W J Schoeman	425,680
E Beukes	57,100

ITEM 19. EXHIBITS

The following exhibits are filed as a part of this Annual Report:

1.1[1]	Memorandum of Association of DRDGOLD Limited.
1.2[6]	Articles of Association of DRDGOLD Limited, as amended on November 8, 2002. http://www.sec.gov/Archives/edgar/data/1023512/000104746902008746/a2096282zex-1_2.txt
1.3[1]	Excerpts of relevant provisions of the South African Companies Act.
1.5[9]	Memorandum of Incorporation, as amended on November 30, 2012. http://www.sec.gov/Archives/edgar/data/1023512/000120561313000188/ex1_5.htm
2.1[1]	Excerpts of relevant provisions of the Johannesburg Stock Exchange Listings Requirements.
2.2[4]	Indenture between DRDGOLD Limited, as Issuer, and The Bank of New York Mellon, as Trustee, dated November 12, 2002. http://www.sec.gov/Archives/edgar/data/1023512/000104746902008746/a2096282zex-2_2.txt
4.1[2]	Deposit Agreement among DRDGOLD Limited, The Bank of New York Mellon as Depositary, and owners and holders of American Depositary Receipts, dated as of August 12, 1996, as amended and restated as of October 2, 1996, as further amended and restated as of August 6, 1998, as further amended and restated July 23, 2007.
4.2[3]	Form of Non-Executive Employment Agreement.
4.3[3]	Form of Executive Employment Agreement.
4.4[4]	Agreement between DRDGOLD Limited and Rand Refinery Limited, dated October 12, 2001. http://www.sec.gov/Archives/edgar/data/1023512/000104746902008746/a2096282zex-4_36.txt
4.5[12]	Local Mine Bullion Refining Agreement between DRDGOLD Limited and Rand Refinery Limited, dated June 27, 2018. http://www.sec.gov/Archives/edgar/data/1023512/000102351218000003/exhibit4.htm
4.9[8]	Sale of Shares and Claims Agreement entered into by Village Main Reef Limited (“Village”), DRDGOLD Limited (“DRDGOLD”) (“Seller”), Business Venture Investments No 1557 Proprietary Limited (“Purchaser”) and Blyvooruitzicht Gold Mining Company Limited (“Blyvoor”) dated February 11, 2012. http://www.sec.gov/Archives/edgar/data/1023512/000120561312000150/ex4_140.htm
4.10[9]	Heads of Agreement entered into by Trans-Caledon Tunnel Authority (“TCTA’), Ergo Mining Operations Proprietary Limited (“EMO”), East Rand Proprietary Mines Limited (“ERPM”) and Crown Gold Recoveries Proprietary Limited (“CGR”) (collectively CGR, EMO and ERPM are called “the Ergo Group”) dated November 28, 2012. http://www.sec.gov/Archives/edgar/data/1023512/000120561313000188/ex4_39.htm
4.13(11)	Settlement Agreement between DRDGOLD Limited ("DRDGOLD") and VMR Gold Investments 02 Proprietary Limited ("VMR Gold") dated May 28, 2015. http://www.sec.gov/Archives/edgar/data/1023512/000120561315000144/ex4_42.htm
8.1(13)	List of Subsidiaries
10.1(12)	DRD Exchange Agreement entered into by DRDGOLD Limited (“DRDGOLD”) and Sibanye Gold Limited http://www.sec.gov/Archives/edgar/data/1023512/000102351218000003/exhibit10.htm
10.2(12)	Sibanye-Stillwater Exchange Agreement entered into by Sibanye Gold Limited and K2017449061 (South Africa) Proprietary Limited (to be renamed WRTRP Proprietary Limited) and including DRDGOLD Limited (“DRDGOLD”) http://www.sec.gov/Archives/edgar/data/1023512/000102351218000003/exhibit10002.htm
10.3(12)	DRD Guarantee issued by DRDGOLD Limited (“DRDGOLD”) to and in favor of Sibanye Gold Limited. http://www.sec.gov/Archives/edgar/data/1023512/000102351218000003/exhibit10003.htm

ITEM 19. EXHIBITS

The following exhibits are filed as a part of this Annual Report:

10.5[12]	Closing and Amending Agreement, dated 20 July 2018, among Sibanye Gold Limited, WRTRP Proprietary Limited and DRDGOLD Limited; each of the following annexures are incorporated by reference to Sibanye-Stillwater's Schedule 13-D, Exhibit 99.5 filed with the Securities and Exchange Commission on July 31, 2018 Annexure A — Approval of Financial Surveillance Department of SARB; Annexure B — JSE Approval of DRD Circular; Annexure C — TRP Approval of DRD Circular; Annexure D — Approval in Terms of Competition Act; Annexure E — Press Announcement Confirming Approval of DRD Shareholders; Annexure F — Environmental Authorisations and Waste Management Licences; Annexure G — Confirmation of VAT Registration of Issuing Party; Annexure H — Lender's Consent in Terms of the Rand Revolving Credit Facility; and Annexure I — Employees of the Business as at the Delivery Date of the Closing and Amending Agreement. http://www.sec.gov/Archives/edgar/data/1023512/000110465918048791/0001104659-18-048791-index.htm http://www.sec.gov/Archives/edgar/data/1023512/000102351218000003/exhibit10005.htm
10.6[12]	Revolving Credit Facility. http://www.sec.gov/Archives/edgar/data/1023512/000102351218000003/exhibit10006.htm
10.8[13]	ABSA Ergo Mining Performance Guarantee Number 175 02 0183033 G
10.9[14]	Second Addendum to the Revolving Credit Facility Agreement entered into on August 1, 2018
12.1[15]	Certification pursuant to Section 302 of the Sarbanes Oxley Act of 2002.
12.2[15]	Certification pursuant to Section 302 of the Sarbanes Oxley Act of 2002.
13.1[15]	Certification pursuant to Section 906 of the Sarbanes Oxley Act of 2002.
13.2[15]	Certification pursuant to Section 906 of the Sarbanes Oxley Act of 2002.
16.1[15]	Letter from KPMG Inc. to the Securities and Exchange Commission regarding a change in registrant's certifying accountant
96.1[15]	Technical Report Summary and Certification from Qualified person – FWGR
96.2[15]	Technical Report Summary and Certification from Qualified person – Erg
101.INS[15]	XBRL Instance Document
101.SCH[15]	XBRL Taxonomy Extension Schema Document
101.CAL[15]	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF[15]	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB[15]	XBRL Taxonomy Extension Label Linkbase Document
101.PRE[15]	XBRL Taxonomy Extension Presentation Linkbase Document

ITEM 19. EXHIBITS

The following exhibits are filed as a part of this Annual Report:

(1) Incorporated by reference to our Registration Statement (File No. 0-28800) on Form 20-F.
(2) Incorporated by reference to Amendment No. 1 to our Registration Statement (File No. 333-140850) on Form F-6.
(3) Incorporated by reference to our Annual Report on Form 20-F for the fiscal year ended June 30, 2000.
(4) Incorporated by reference to our Annual Report on Form 20-F for the fiscal year ended June 30, 2002.
(5) Incorporated by reference to our Annual Report on Form 20-F for the fiscal year ended June 30, 2005.
(6) Incorporated by reference to our Annual Report on Form 20-F for the fiscal year ended June 30, 2006.
(7) Incorporated by reference to our Annual Report on Form 20-F for the fiscal year ended June 30, 2010.
(8) Incorporated by reference to our Annual Report on Form 20-F for the fiscal year ended June 30, 2012.
(9) Incorporated by reference to our Annual Report on Form 20-F for the fiscal year ended June 30, 2013.
(10) Incorporated by reference to our Annual Report on Form 20-F for the fiscal year ended June 30, 2014.
(11) Incorporated by reference to our Annual Report on Form 20-F for the fiscal year ended June 30, 2015.
(12) Incorporated by reference to our Annual Report on Form 20-F for the fiscal year ended June 30, 2018.
(13) Incorporated by reference to our Annual Report on Form 20-F for the fiscal year ended June 30, 2019.
(14) Incorporated by reference to our Annual Report on Form 20-F for the fiscal year ended June 30, 2020.
(15) Filed herewith.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

DRDGOLD LIMITED

By: /s/ D.J. Pretorius
D.J. Pretorius
Chief Executive Officer

By: /s/ A.J. Davel
A.J. Davel
Chief Financial Officer

Date: October 28, 2022

EXHIBIT 8.1

LIST OF MAIN SUBSIDIARIES AS AT JUNE 30, 2022 AND AS AT OCTOBER 28, 2022

SUBSIDIARY NAME	JURISDICTION OF INCORPORATION AND RESIDENCE	PROPORTION OF OWNERSHIP INTEREST AND VOTING INTEREST
Ergo Mining Operations Proprietary Limited	South Africa	100%
Crown Gold Recoveries Proprietary Limited	South Africa	100%
East Rand Proprietary Mines Limited	South Africa	100%
Ergo Mining Proprietary Limited	South Africa	100%
Far West Gold Recoveries Proprietary Limited	South Africa	100%

Exhibit 12.1

CERTIFICATION

I, Daniel Johannes Pretorius, certify that:

1) I have reviewed this Annual Report on Form 20-F of DRDGOLD Limited.

2) Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report.

3) Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this Annual Report.

4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Annual Report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this Annual Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Annual Report based on such evaluation; and

   d) Disclosed in this Annual Report any change in the Company's internal control over financial reporting that occurred during the period covered by this Annual Report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: October 28, 2022

/s/ Daniel Johannes Pretorius
Daniel Johannes Pretorius
Chief Executive Officer

Exhibit 12.2

CERTIFICATION

I, Adriaan Jacobus Davel, certify that:

1) I have reviewed this Annual Report on Form 20-F of DRDGOLD Limited.

2) Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report.

3) Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this Annual Report.

4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Annual Report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this Annual Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Annual Report based on such evaluation; and

   d) Disclosed in this Annual Report any change in the Company's internal control over financial reporting that occurred during the period covered by this Annual Report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: October 28, 2022

/s/ Adriaan Jacobus Davel
Adriaan Jacobus Davel
Chief Financial Officer

Exhibit 13.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 20-F of DRDGOLD Limited (the "Company") for the fiscal year ended June 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Daniel Johannes Pretorius, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act 2002, that, to the best of his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Daniel Johannes Pretorius
By: Daniel Johannes Pretorius
Title: Chief Executive Officer
Date: October 28, 2022

Exhibit 13.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 20-F of DRDGOLD Limited (the "Company") for the fiscal year ended June 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Adriaan Jacobus Davel, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act 2002, that, to the best of his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Adriaan Jacobus Davel
By: Adriaan Jacobus Davel
Title: Chief Financial Officer
Date: October 28, 2022

Exhibit 16.1

Securities and Exchange Commission

Washington, D.C. 20549

October 28, 2022

Dear Sir or Madam:

Change in registrant's certifying accountant
We are currently principal accountants for DRDGOLD Limited and, under the date of October 28, 2022, we reported on:

- the consolidated financial statements of DRDGOLD Limited as of and for the years ended June 30, 2022 and 2021; and
- the effectiveness of internal control over financial reporting as of June 30, 2022.

On October 20, 2022, we were notified that DRDGOLD Limited appointed BDO South Africa Inc. as its principal accountant for the year ending June 30, 2023 and that the auditor-client relationship with KPMG Inc. will cease upon completion of the audit of DRDGOLD Limited's consolidated financial statements as of and for the year ended June 30, 2022, and the effectiveness of internal control over financial reporting as of June 30, 2022 and the issuance of our report thereon.

We have read DRDGOLD Limited's statements included under item 16F of its Annual Report on Form 20-F dated October 28, 2022, and we agree with such statements, except that we are not in a position to agree or disagree with DRDGOLD Limited's stated reason for changing principal accountants. We are also not in a position to agree or disagree with DRDGOLD Limited's statement that the change was approved by the board of directors.

Yours faithfully,

/s/ KPMG Inc.



TECHNICAL REPORT SUMMARY

FAR WEST GOLD RECOVERIES (PROPRIETARY) LIMITED

Prepared for:
Far West Gold Recoveries
(Proprietary) Limited
Cycad House, Building 17
Constantia Office Park
Cnr 14th Avenue and
Hendrik Potgieter Road
Weltevredenpark, 1709

Document No.: PR/SMI/1203/22
Effective date: 30 June 2022
Document date: 28 October 2022

MINERAL INDUSTRY ADVISORY

Sound Mining International Limited
Directorate: Vaughn Glenn Duke, Jonathan Karsten
Sound Mining House, 2A Fifth Avenue, Rivonia 2128, South Africa | Tel: +23 (0) 11 234 7152 | Reg no: 2007/020184/07

soundmining.co.za

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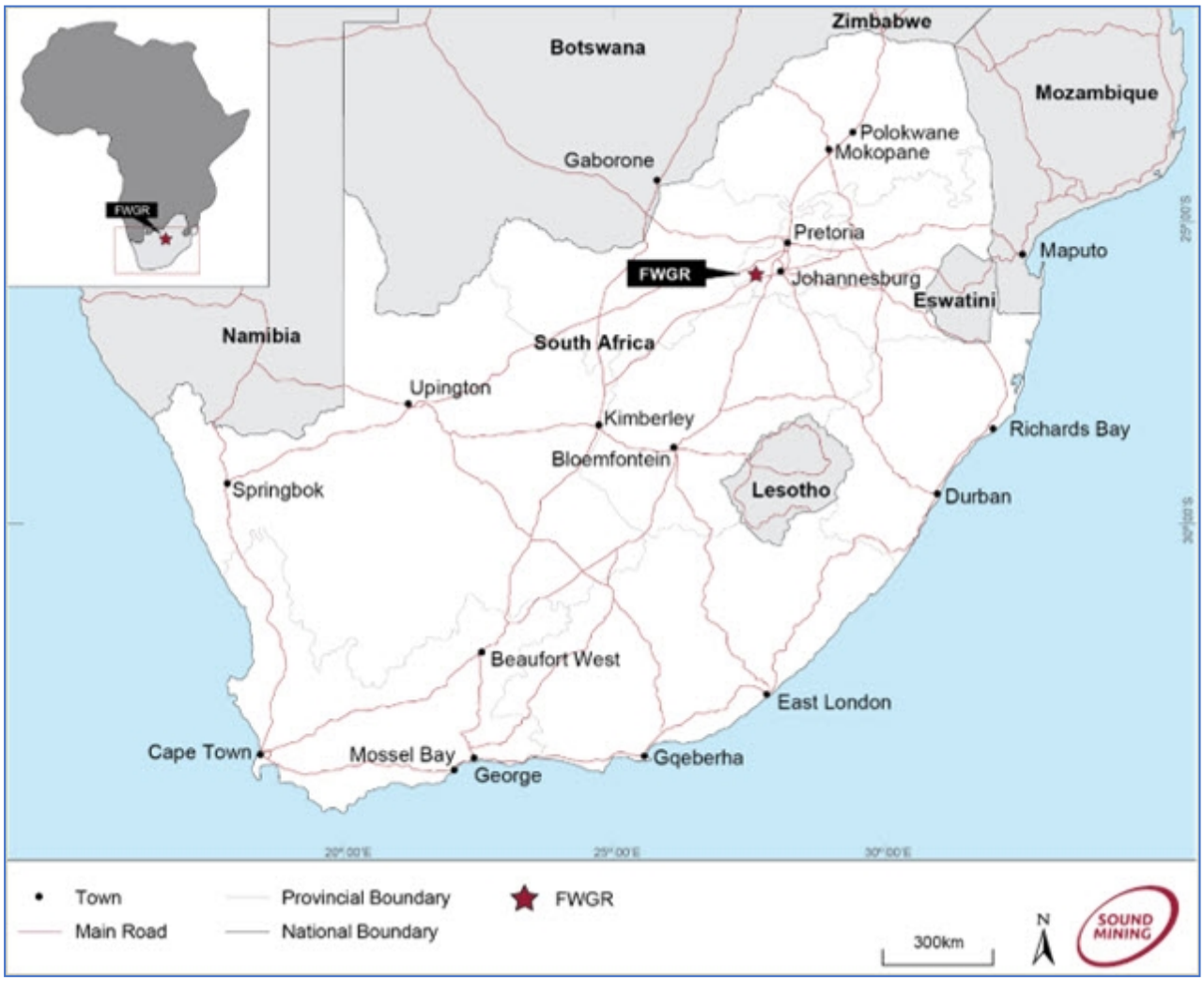
Appendix 1: Summary of the DCF Model (excluding liner) 137

1. EXECUTIVE SUMMARY

1.1. Introduction

DRDGOLD Limited (DRDGOLD), which has a primary listing on the Johannesburg Stock Exchange (JSE) and a secondary listing on the New York Stock Exchange (NYSE), is an established gold tailings retreatment company located near Johannesburg, South Africa. The company's business is to profitably reclaim tailings from surface Tailings Storage Facilities (TSFs). DRDGOLD has arranged its operations into two wholly owned entities covering their East Rand (east of Johannesburg) and far West Rand (far west of Johannesburg) businesses. The East Rand operations are run by Ergo Mining (Proprietary) Limited (Ergo) and the West rand operations by Far West Gold Recoveries (Proprietary) Limited (FWGR). FWGR currently own six TSFs on the West Rand between Roodepoort and Carletonville, approximately 70km South West of Johannesburg (Figure A). There are an additional three TSFs which are to be transferred from Sibanye Gold Limited (Sibanye Gold) to FWGR once no longer required by the existing operations (Available TSFs). Numerous other TSFs are potentially available in the area for future reclamation (Target TSFs).

Figure A: Location of the FWGR Operations



Source: Sound Mining, 2022

This Technical Report Summary (TRS) was prepared by Sound Mining International SA (Proprietary) Limited (Sound Mining) for DRDGOLD as the registrant. It was compiled by qualified persons (QPs) in line with the Securities Exchange Commission (SEC) requirements, Regulation S-K 1300. It presents the Mineral Resources and Mineral Reserves of FWGR as at 30 June 2022, and as a maiden submission to the SEC.

The QP has relied on information provided by FWGR with respect to legal matters (Item 3), the gold price (Item 16.1), environmental or social and labor planning aspects (Item 17) and economic assumptions (Item 19).

The qualified persons Mrs Diana van Buren (Mineral Resources), Mr Vaughn Duke (Mineral Reserves) and Mr Keith Raine (Environmental, Social and Governance) have reviewed the exploration data base; the geological block models; the processing plant design and costing; mine plans, production scheduling, infrastructure; legal tenure, permitting, environmental and social compliance status and the latest assessment of the environmental rehabilitation liabilities required for eventual closure of the operation.

The information was used to substantiate the confidence in the Mineral Resource and Mineral Reserve estimates and then incorporated into a Discounted Cashflow (DCF) Model for an economic assessment of the viability of the Mineral Reserves.

The assets held by FWGR were acquired from Sibanye Gold Limited (Sibanye Gold), a subsidiary of Sibanye-Stillwater Limited (Sibanye-Stillwater), in a transaction which was concluded in July 2018 in which common law ownership was established over various TSFs containing the Mineral Resources and Mineral Reserves.

FWGR conducts its activities inter alia in accordance with Environmental Approvals and the provisions of the Mine Health and Safety regulations. A Use and Access Agreement with Sibanye Gold articulates the various rights, permits and licenses held by Sibanye Gold in terms of which FWGR operates, pending the transfer to FWGR of those that are transferable. The FWGR operations are comprised of a variety of assets (Table A), including a processing plant and land for the development of a Regional Tailings Storage Facility (RTSF) for long-term sustainability.

Table A: FWGR Assets

Asset Type	Asset	Location
TSFs	Driefontein 3	Driefontein Mining Right area
	Driefontein 5	
	Kloof 1	Kloof Mining Right area
	Libanon	
	Venterspost North	
	Venterspost South	
Depositional TSF	Driefontein 4	North-east of Driefontein Mining Right area
Operating Surface Gold Processing Plants	DP2	Located on: Farm Blyvooruitzicht 116IQ Portion (Ptn) 6; and Farm Driefontein 113IQ Remainder (Re) of Ptn 1
	Pilot plant	Located at: Driefontein 1 processing plant
Land for Phase 2	Land for the RTSF	Located on: Farm Cardoville 647IQ; Re Ptn 6 Farm Cardoville 364 IQ; Ptn 8 of Ptn 6 of Farm Cardoville 364IQ; Ptn 13 of Ptn1 of Farm Cardoville IQ; Ptn 50 Farm Kalbasfontein 365IQ; Re Ptn 3 Farm Cardoville 364; Re Ptn 5 of Ptn 3 Farm Cardoville 364IQ; and Ptn 11 Farm Cardoville 364IQ
	Land for a Central Processing Plant (CPP) which provides strategic optionality	Located after subdivision of: Farm Rietfontein 347IQ Ptn 35 and Ptn 73
Access Rights	Access to water from the Driefontein 10 shaft and Kloof 10 shaft, for the purposes of hydro-mining	Located within the Driefontein and Kloof Mining Right areas
	Installation, supply, distribution and maintenance of power supply	
	Driefontein 1 gold plant	Located at Driefontein 1 processing plant

Source: FWGR, 2022

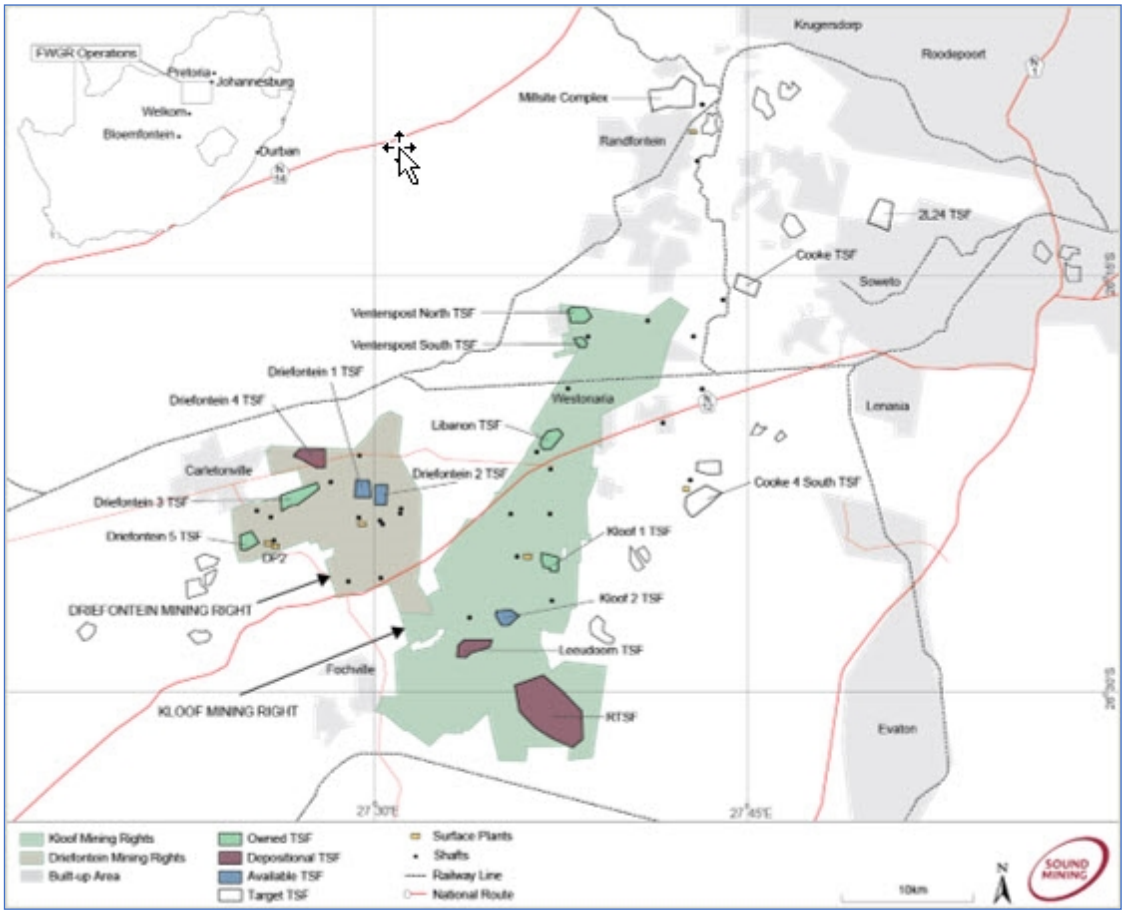
A review of the environmental permitting concluded that the necessary permitting requirements are in place or are being proactively addressed. Sufficient provision is included to address the rehabilitation liabilities associated with the above assets. The QPs are satisfied that FWGR has the legal right to reclaim and process the TSFs forming part of the operation. These are classified as moveable assets and so there is no immediate requirement to transfer any part of the mining rights from Sibanye Gold Limited (Sibanye Gold). The operations are not subject to royalty payments.

The initial phase of FWGR's long-term growth strategy is now complete. It included upgrading the Driefontein Plant 2 (DP2) to process tailings material through the hydro-mining of Driefontein 5 TSF at approximately 500ktpm. Phase 2 will begin with the expansion of DP2 to a processing capacity of 1.2Mtpm. New arisings (i.e., retreated tailings) from DP2 are being deposited onto the Driefontein 4 TSF (0.5Mtpm), which is due to reach capacity towards the end of calendar year 2025 whereafter the depositional rate would have to decrease materially. Sibanye Gold has in principle approved the deposition of new arisings onto their Leeudoorn TSF until the planned new RTSF is operational in 2030. Upon the conclusion of written terms, FWGR will be able to deposit 500ktpm on the Leeudoorn TSF until 2029. Supporting pipelines will link this infrastructure to additional TSFs that have been identified as potentially available for reclamation to extend the life of the operation beyond the current Mineral Reserves.

The construction of a significantly larger CPP has been considered as a strategic option to facilitate growth beyond the throughput of 1.2Mtpm called for in the Life-of-Mine (LoM) plan. A large RTSF has been designed to accommodate such strategic growth over the longer term and the LoM plan anticipates that this facility will be commissioned in 2030. The Leeudoorn TSF will enable the expansion to 750ktpm planned by FWGR over the shorter term, until 2030.

The operation's infrastructure and current TSFs lie across two mining rights which stretch from Westonaria to Carletonville (Figure B).

Figure B: FWGR Operations



Source: Sound Mining, 2022

The TSFs are located at elevations between 1,570mamsl and 1,720mamsl in an area that is typical of a mature landscape with gentle rolling undulations and shallow sided river valleys. The area enjoys warm to hot, moist summers and cool dry winters with an average ambient temperature of 20°C. The operation experiences some 571mm of rain each year, with most of it occurring during summer in the form of thunderstorms. Most of the area comprises disturbed grazing land and minor crop production. The area is well serviced with schools, medical facilities, a rail network, power, water and other supporting infrastructure. Both tarred and gravel roads are used to commute between farms and mines, as well as to and from urban centers.

1.2. History

Gold and uranium mining operations commenced in the late 1800s in the Witwatersrand Basin goldfields of South Africa, and have resulted in the accumulation of substantial amounts of surface tailings and other mine residues. The possible re-treatment of TSFs in the West Rand area has a long and complex history with Gold Fields Limited (Gold Fields), Rand Uranium Limited (Rand Uranium), Harmony Gold Mining Company Limited (Harmony), Gold One International Limited (Gold One) and Sibanye Gold completing a number of parallel, independent studies relating to the retreatment of these TSFs. There is an approximate fifteen-year history of metallurgical test work and process design which has been undertaken for a variety of combinations of assets and products recovered. Whilst these historical studies were for specific combinations of assets, they are not all relevant to FWGR in its current form.

Prior to 2009, Gold Fields embarked on a project known as the West Wits Project (WWP) aimed at retreating several TSFs on its four mining complexes: Kloof, Driefontein, Venterspost and South Deep to recover gold, uranium and sulfur and storing the tailings on a new Central Tailings Storage Facility (CTSF). Similarly, Rand Uranium had embarked on the Cooke Uranium Project (CUP), which endeavored to treat the Cooke TSF for gold, uranium and sulfur. The two independent projects had similar operational and environmental mandates, within a 25km radius of each other.

In 2009, Gold Fields and Rand Uranium evaluated the potential synergy of an integrated retreatment plan for TSFs located within the South Deep, Cooke, Kloof, Driefontein and Venterspost mining complexes.

In 2012, Gold One acquired Rand Uranium and in the same year acquired the Ezulwini Mining Company (Proprietary) Limited (Ezulwini). During the same year Gold One, revived the tailings retreatment project and Gold Fields entered into a joint venture (JV) partnership with Gold One to investigate the economic viability of concurrently reprocessing current arisings and historical tailings from a number of sites situated in the greater West Rand area. A scoping study was concluded in 2012.

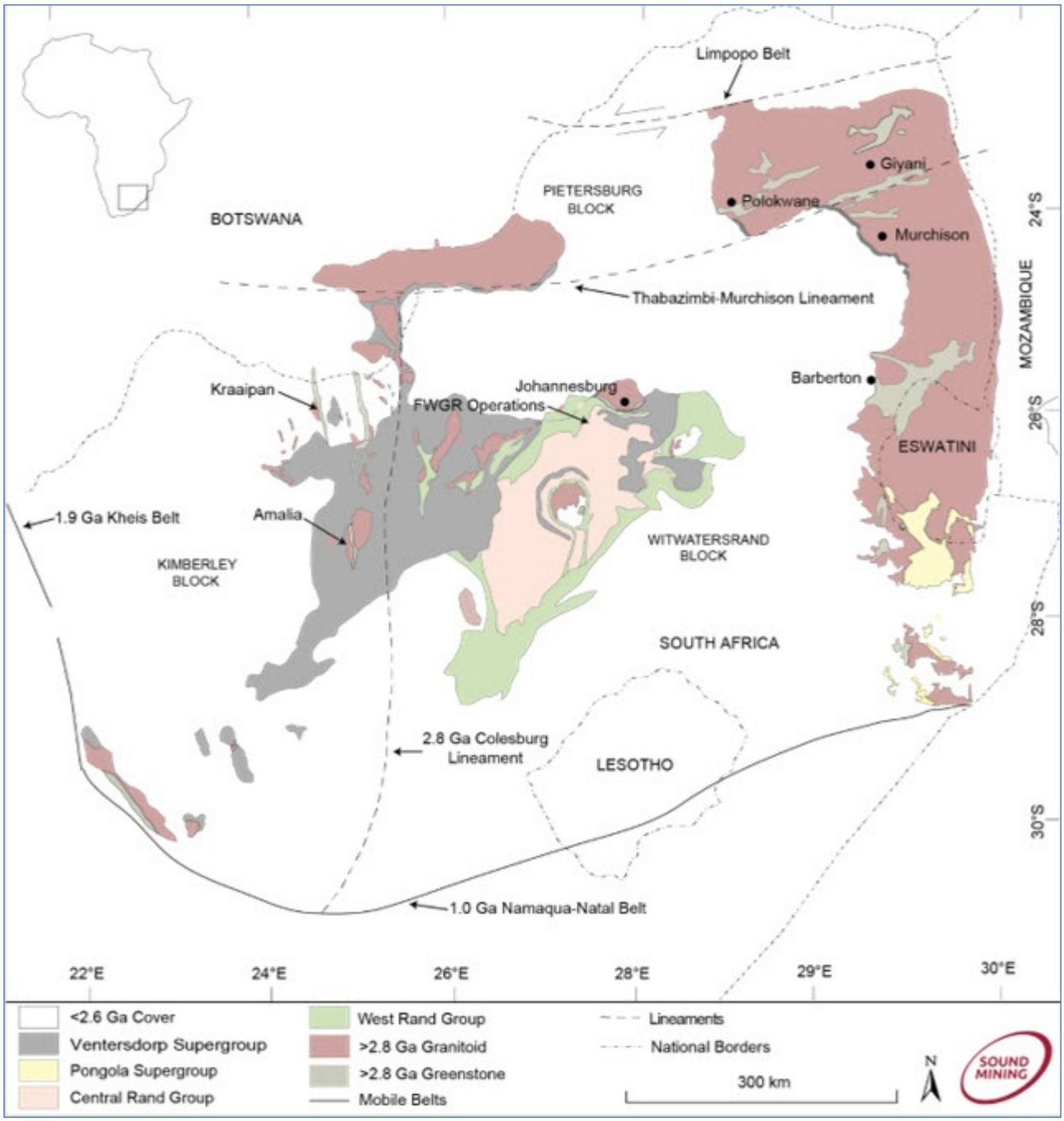
In early 2013, Gold Fields unbundled its Kloof and Driefontein Complex and Beatrix gold mines in the Free State Province to create a separate entity in Sibanye Gold and listed Sibanye Gold as a fully independent company on both the JSE and the NYSE stock exchanges. Subsequently, in October 2013, Sibanye Gold Limited purchased the interest held by Gold One in Rand Uranium and Ezulwini. The Gold One assets which became part of Sibanye Gold included the Cooke operations (underground mining and surface reclamation operations) for gold and uranium production. This transaction gave Sibanye Gold control of a substantial portion of the surface mineral resources in the region. A Preliminary Feasibility Study (PFS) was completed in 2013 and confirmed that there is a significant opportunity to extract value from the surface Mineral Resources. Subsequently, a number of Definitive Feasibility Studies (DFSs) have been completed on various combinations of TSFs. Sibanye Gold's TSF reclamation assets were housed in a special purpose vehicle (SPV) called West Rand Tailings Retreatment Project (WRTRP).

In 2018, Sibanye Gold traded its SPV for an equity share in DRDGOLD, which as a consequence then wholly owned the tailings retreatment project which was subsequently renamed FWGR. In mid-2018, FWGR initiated Phase 1 of a phased approach to its growing reclamation operations.

1.3. Geological Setting

The assets of FWGR are derived from the West Rand Goldfield of the gold-bearing, late Archaean (2.7Ga to 3.2Ga), Witwatersrand Supergroup (Witwatersrand Basin). The Witwatersrand Basin is a roughly oval-shaped sedimentary basin, filled with approximately 14,000m of sedimentary and subordinate volcanic units, of which only small portions outcrop to the south and west of Johannesburg (Figure C).

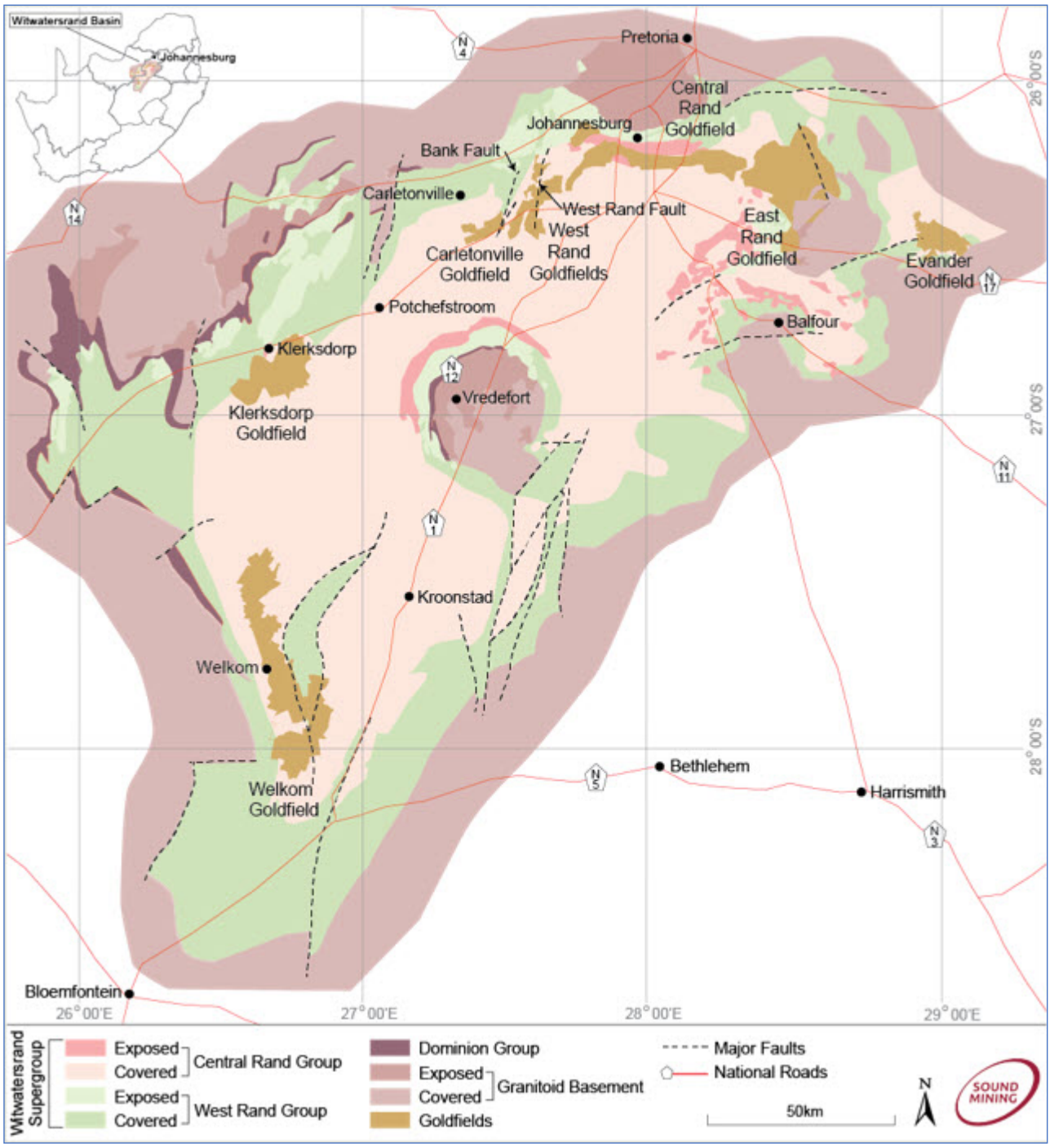
Figure C: Regional Geological Setting of the Witwatersrand Supergroup



Source: Sound Mining, 2022

The basin hosts vast auriferous and uraniferous deposits which have been grouped into geographically distinct sub-basins or goldfields, which are separated by stratigraphy where no economic mineralization has been discovered (Figure D).

Figure D: Local Geological Setting



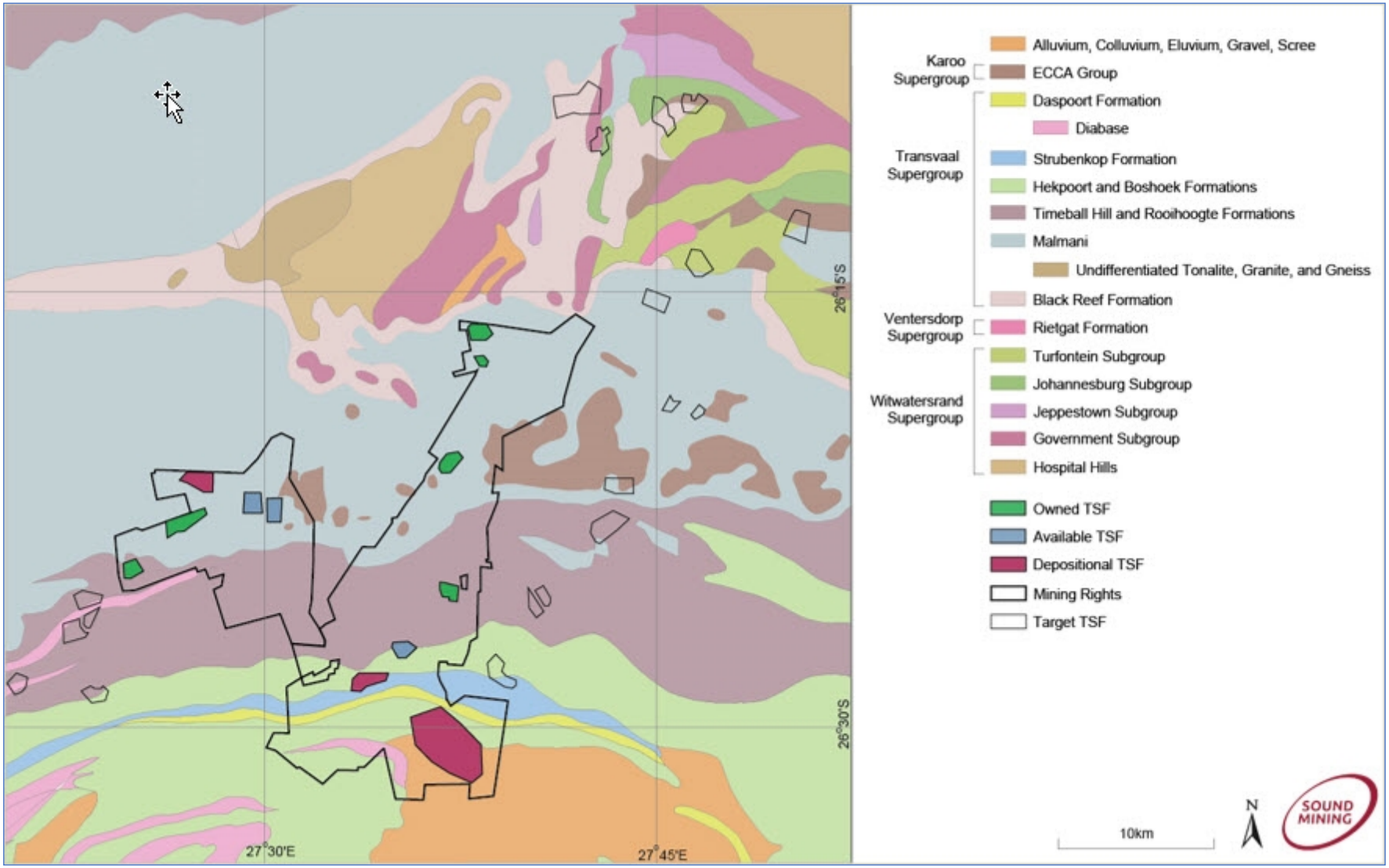
Source: Sound Mining, 2022

Recent studies consider the deposition in the Witwatersrand sediments to have taken place along the interface between a fluvial system and a major body of still water or an inland sea. Specifically, this body of water is considered to be a retro-arc-foreland basin which formed in response to crustal thickening on the northern edge of the Kaapvaal Craton, during a collision with the Zimbabwe Craton to the north.

The varying stratigraphic position of the narrow, 0.1m to 2.0m thick quartz-pebble conglomerate reefs are interpreted to represent major, diachronous, entry points of coarse-grained sediment into the basin. Complex patterns of syn-depositional faulting and folding have caused significant variations in sediment thickness and sub-vertical to over-folded reef structures are characteristic of the basin margins. Later faulting and folding of the sequence determined which parts of the Witwatersrand Basin remained buried, as well as the depth extent of mineable horizons, relative to the present-day surface.

The FWGR assets (Figure E) are derived from the Driefontein, Kloof, Libanon and Venterspost mining operations located in the West Rand Goldfield, on the north-western rim of the Witwatersrand Basin.

Figure E: Property Geology



Source: Sound Mining, 2022

These operations exploit three primary reefs, namely the Ventersdorp Contact Reef (VCR) located at the top of the Central Rand Group, the Carbon Leader Reef (CLR) near the base of the Central Rand Group and the Middelvlei Reef (MR), which stratigraphically occurs 50m to 75m above the Carbon Leader. Additional minor reefs including the Kloof, Elsburg, Kimberley and Libanon Reefs are exploited at some operations.

The TSFs to be reclaimed are located in the Western Witwatersrand Basin, within the West Rand and Carletonville goldfields. The TSFs contain the processed waste from the mining of auriferous and uraniferous ores from Driefontein, Kloof, Libanon and Venterspost underground mining operations. The mining operations have targeted different reefs and as a result the TSFs have developed from the following:

- the Driefontein TSFs comprise primarily processed VCR, CLR and Middelvlei Reef;
- the Kloof TSFs comprise primarily processed VCR, Middelvlei Reef and to a lesser extent the Kloof Reef;
- the Venterspost TSFs comprise primarily processed Middelvlei Reef and VCR; and
- the Libanon TSFs comprises material from the VCR, Libanon Reef, Kloof Reef and Middelvlei Reef.

The composition of a TSF depends on the geochemical make-up of the material being mined and the chemicals used in the mining and extraction process. In addition to the internal structure, the TSF reflects the mining strategy and depositional methodologies employed at each operation. Variations in the density of tailings material is a critical factor in the accurate estimation of quantities as these factors can result in a considerable variation in gold content and distribution throughout a TSF where such variation has an impact on final recoveries and projected revenues for the operation. In addition, secondary processes such as metal re-mobilization, erosion, weathering, leaching and acid mine drainage can further affect the geochemical characteristics of a TSF.

These processes tend to progress faster in a TSF compared to a primary ore body as weathering, erosion and oxidation are accelerated by the fine particle size of the material. Gold can undergo mobilization within the TSF with time and hence may exhibit areas of re-concentration and even be present in the sub-structure soil. Although exceptions occur, the TSFs generally show an increase in grade towards the base of the TSF.

1.4. Exploration

The extent, morphology and structure of a TSF is relatively simplistic compared to conventional mineral deposits, and so the exploration programs were also simple, comprising:

- surveying to determine physical dimensions and volumes;
- auger drilling programs to permit sampling for gold content and mapping of the gold distribution;
- metallurgical and flow sheet development test work; and
- tailings toxicity tests and specific gravity determination.

The QPs have concluded that the drilling programs were suitable for the type of deposits and that the drilling and sampling techniques were of a high standard, with sample contamination and losses kept to a minimum. The drilling and sampling programs were conducted to industry standards and the results are considered reliable and suitable for incorporation into a Mineral Resource estimate.

The analytical laboratories used in the exploration program are all ISO certified for gold analysis and all of them follow best practice principles of quality management. The Quality Assurance and Quality Control (QA/QC) of the field and laboratory verification procedures were independently audited and are considered appropriate.

Full length samples were taken and are considered representative of the disseminated mineralization which has no orientation or structural control other than grade variations due to deposition variations and secondary remobilization of the gold. This gold distribution within the TSFs is adequately understood from the geological modelling.

The Driefontein TSFs, Venterspost TSFs and Libanon TSF are located on Malmani Subgroup dolomites (Figure D) with the remainder located on non-dolomitic argillaceous and arenaceous sediments of the Timeball Hill and Hekpoort Formations. An independent density study by Geostrada concluded that the basement lithology does not significantly impact the density of the tailings material.

A bulk density of 1.42g/cm^3 is applied to the TSF assets. It is based on substantial empirical evidence and considered reliable. The use of a dry density in the estimation of an in situ Mineral Resource is standard best practice and the dry density value has been applied to the Mineral Resource estimate.

1.5. Metallurgical Testing

Test work has been performed on Driefontein 3 TSF, Driefontein 5 TSF, Libanon TSF, Kloof 1 TSF and Venterspost North TSF. Less test work has been performed on the Venterspost South TSF. The metallurgical data that was originally available for the Driefontein 5 TSF was subsequently supported by the results of full-scale processing at DP2 during Phase 1. Based on the test work, the QPs are comfortable that the following processing recoveries are achievable for the respective TSFs (Table B).

Table B: Summary of Process Recovery Potential

TSF Recovery	Process (%)
Driefontein 5	49.8%
Driefontein 3	56.6%
Kloof 1	50.5%
Libanon	47.2%
Venterspost North	54.7%
Venterspost South	62.5%

Source: Sound Mining, 2022; and FWGR, 2020

1.6. Mineral Resource Estimation

The original Mineral Resource estimates of 2009 were confirmed by Sound Mining in 2020. Sound Mining independently reviewed the database, geological models, estimation methodology and classification criteria. Sound Mining concluded that the estimations are based on a suitable database of reliable information and that no material issues were found which could affect the overall estimate.

The exploration database is comprised of analytical data from reliable laboratory assays of samples obtained from sampling and drilling programs based on industry best practice. The drillhole grid spacing is comparatively close for typical TSF drilling programs and the entire depth of each TSF was sampled. The data density is considered sufficient to assure continuity of mineralization and structure and provides an adequate basis for estimation.

The exploration database was imported into DataMineTM Studio 3 software and data validation was undertaken to ensure the integrity and validity of the imported data. The samples for Driefontein 3 TSF and Driefontein 5 TSFs represent 3.0m composite samples and not 1.5m composites. The samples from all of the other TSFs were 1.5m in length. The end of the drillhole sample, where it contained footwall material, was separated into tailings and footwall material and treated separately by the laboratory.

Ordinary Kriging was undertaken for the gold grade estimation which allows for testing of the accuracy and efficiency of the estimation. Due to the construction of the TSFs and potential gold remobilization, a spatial grade distribution was anticipated and since Kriging is based on modelling the spatial variances within an orebody, it was considered the most reliable and accurate methodology for the task.

The economic assessment provided in this TRS demonstrates positive margins and confirms reasonable prospects for eventual economic extraction. The applied Mineral Resource classification is a function of the confidence of the asset tenure and the entire process from drilling, sampling, geological understanding and geostatistical relationships. The latest Mineral Resources are all in the Measured category (Table C).

Table C: Mineral Resource Estimate for FWGR as at 30 June 2022

TSF	Volume ('000m³)	Density (t/m³)	Quantity (Mt)	Grade (g/t)	Content (t)	Content (koz)
Driefontein 5	5,685	1.42	8.07	0.48	3.85	124
Driefontein 3	35,540	1.42	50.47	0.47	23.71	762
Kloof 1	19,931	1.42	28.30	0.33	9.20	296
Libanon	52,351	1.42	74.34	0.27	20.23	650
Venterspost North	38,954	1.42	55.31	0.27	15.16	487
Venterspost South	9,068	1.42	12.88	0.33	4.24	136
Total Mineral Resource Estimate	**161,529**	**1.42**	**229.37**	**0.33**	**76.39**	**2,456**

Source: Sound Mining, 2022
Notes: Apparent computational errors due to rounding
These Mineral Resources are stated inclusive of Mineral Reserves
Mineral Resources, if stated exclusive of Mineral Reserves, would equate to zero
In situ Mineral Resource estimate reported according to S-K 1300 requirements
No geological losses applied

1.7. Mineral Reserve Estimates

A LoM plan and mining schedule was developed by FWGR as outlined in Item 13.2. The LoM plan was tested for economic viability in the DCF model which indicated a positive cashflow through to the end of LoM.

The Mineral Reserves were prepared in accordance with the requirements of S-K 1300 (Table D). No mining losses or dilution are applied in determining the Mineral Reserve estimates because the TSFs are re-mined and re-processed in their entirety. All other modifying factors are captured in the mine design together with all of the associated technical aspects that inform the capital and operating cost estimates.

FWGR's six TSF assets convert to a total Mineral Reserve of 229.37Mt with a gold content of 76.39t.

Table D: S-K 1300 Compliant Mineral Reserve Estimate as at 30 June 2022

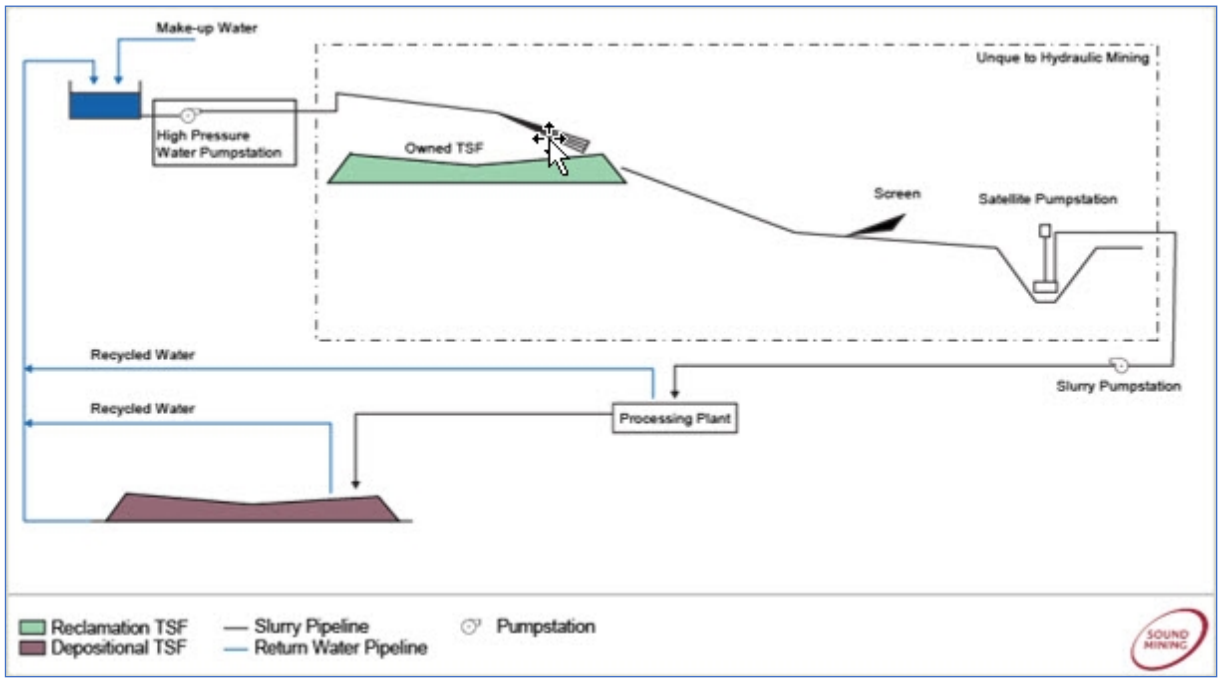
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Driefontein 3	35,540	1.42	50.47	0.47	23.71	762
Kloof 1	19,931	1.42	28.30	0.33	9.20	296
Libanon	52,351	1.42	74.34	0.27	20.23	650
Venterspost North	38,954	1.42	55.32	0.27	15.16	487
Total Proved Mineral Reserve	**152,461**	**1.42**	**216.49**	**0.33**	**72.15**	**2,320**
Venterspost South	9,068	1.42	12.88	0.33	4.24	136
Total Probable Mineral Reserve	**9,068**	**1.42**	**12.88**	**0.33**	**4.24**	**136**
Total Mineral Reserve Estimate	**161,529**	**1.42**	**229.37**	**0.33**	**76.39**	**2,456**

Source: Sound Mining, 2022
Notes: Apparent computational errors due to rounding and are not considered significant
Mineral Reserves are reported using a dry density of 1.42t/m³ and at the head grade on delivery to the plant
The Mineral Reserves constitute the feed to the gold plants
The Mineral Reserves are stated at a price of ZAR914,294.00/kg
A cut-off grade of 0.15g/t is applicable to the FWGR LoM plan
Although stated separately, the Mineral Resources are inclusive of Mineral Reserves
Venterspost South TSF is classified as a Probable Mineral Reserve due to some uncertainty regarding the processing recovery
Uranium has been excluded in the Mineral Reserve estimate as it is not being recovered by FWGR
Grade and quantity measurements are reported in metric units (Mt) rounded to two decimal places
The input studies are to a PFS level of accuracy
The Mineral Reserve estimates contained herein may be subject to legal, political, environmental or other risks that could materially affect the potential development of such Mineral Reserves

1.8. Mine Design and Mine Plan

FWGR exploits TSFs through hydro-mining using high-pressure jets of water to dislodge tailings material or move sediment for transportation as a slurry to processing plants. The hydro-mining removes the tailings material from the top of a TSF to the natural ground level in 15m layers (Figure F).

Figure F: Mining Methodology

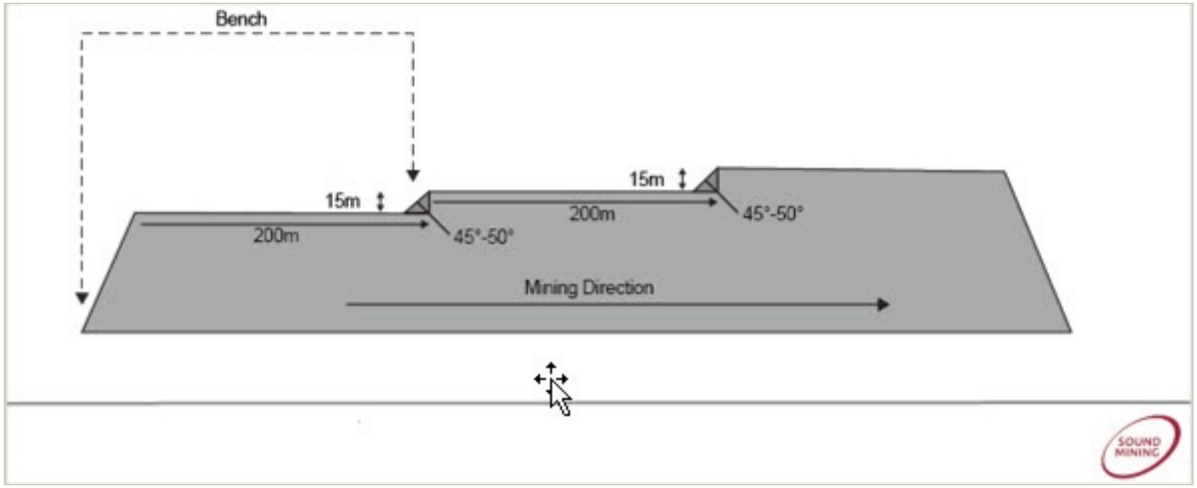


Source: Sound Mining, 2022

A safe bench height is dependent upon the material strength which is influenced by the phreatic surface within a dump. The TSFs have been dormant for a number of years and so the phreatic surface is expected to be well below the surface of the dumps. The drilling program to define the Mineral Resource did not encounter saturated zones or phreatic surfaces and so the risk of slope failure or liquefaction is low.

Horizontal benches of 100m to 200m, inclusive of the face angles (45° to 50°), are created to maintain safe working distances between simultaneous operations at different bench elevations (Figure G).

Figure G: Mining Widths



Source: Sound Mining, 2022

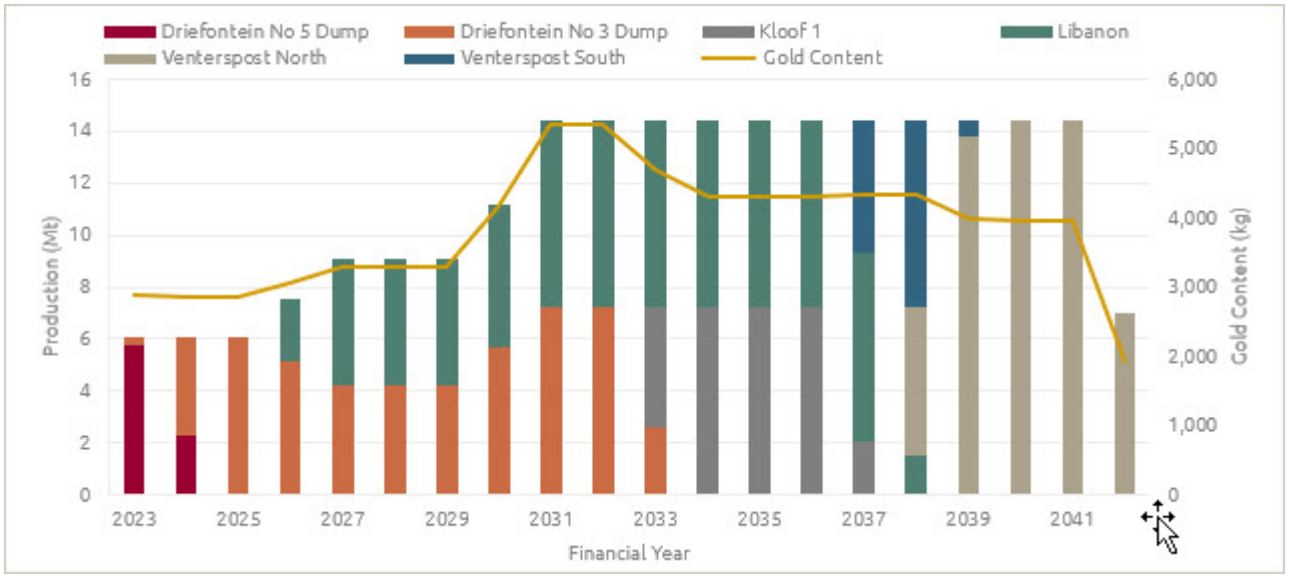
Hydro-mining and the re-deposition of tailings is a specialized activity, and is outsourced to competent and experienced service providers. The hydro-mining performance assumptions used for the LoM planning are based on the current reclamation operations where the method has been successfully “tried and tested“.

The operating cost and capital expenditure assumptions are supported by actual operational figures rather than being only based on computations from “zero based” cost models or feasibility studies. Similarly, the equipment requirements, manning complements and necessary supporting infrastructure, in terms of water and power supply, are well understood by FWGR. There have been no untested technical assumptions made with regards to the mining design criteria.

The cost and maintenance of the mining equipment, and employees are paid for by the mining contractors. The pipeline and pumping design and associated capital expenditure estimate has been undertaken by independent specialists familiar with the mining operations.

Specific mining schedules were developed for each TSF based on the grade distribution of the Mineral Resource block models. These schedules were integrated into a production plan that exhausts FWGR’s current Mineral Reserves (Graph A).

Graph A: LoM Production Forecast



Source: Sound Mining, 2022

Given the nature of the hydraulic mining operation, no selective mining, other than very broad rejection of sections of the TSFs, is possible and the mine scheduling has shown that this is unnecessary. No geotechnical constraints have been applied and hydrological aspects affecting the surface deposits are not significant to the operation. A mining contractor using its own equipment (i.e., “mining units”) is responsible for the reclamation activities, and so no provision has been made in the initial capital estimate for mining equipment.

Sound Mining is satisfied that the LoM schedule is reasonable and appropriate for the operation.

1.9. Process and Recovery Methods

Sound Mining is of the opinion that there is sufficient test work available to support the metallurgical performance anticipated for the current and future processing facilities. The LoM plan relies on the currently operating DP2 processing plant (~600ktpm) and an expansion thereof to 1,200ktpm.

FWGRs Phase 1 entailed a modification and refurbishment of the old DP2 plant to accommodate a nameplate throughput of 600ktpm, albeit that a constraint currently exists with the prevailing deposition capacity of 500ktpm for new arisings onto the Driefontein 4 TSF. While at current depositional rates, the plan is to exhaust the storage capacity of this TSF by the end of 2025, however, it may be possible for FWGR to exceed this capacity for some years thereafter by continuing to deposit new arisings but at a materially reduced rate.
A detailed design to expand DP2 to accommodate a throughput of 1.2Mtpm was prepared by external specialists with appropriate capital cost estimates. There is no change to the process flow and the QP is satisfied that the metallurgical characterization of the TSFs has been sufficiently catered for in the design. These were reviewed by Sound Mining and are considered to be appropriate and in-line with industry standards.

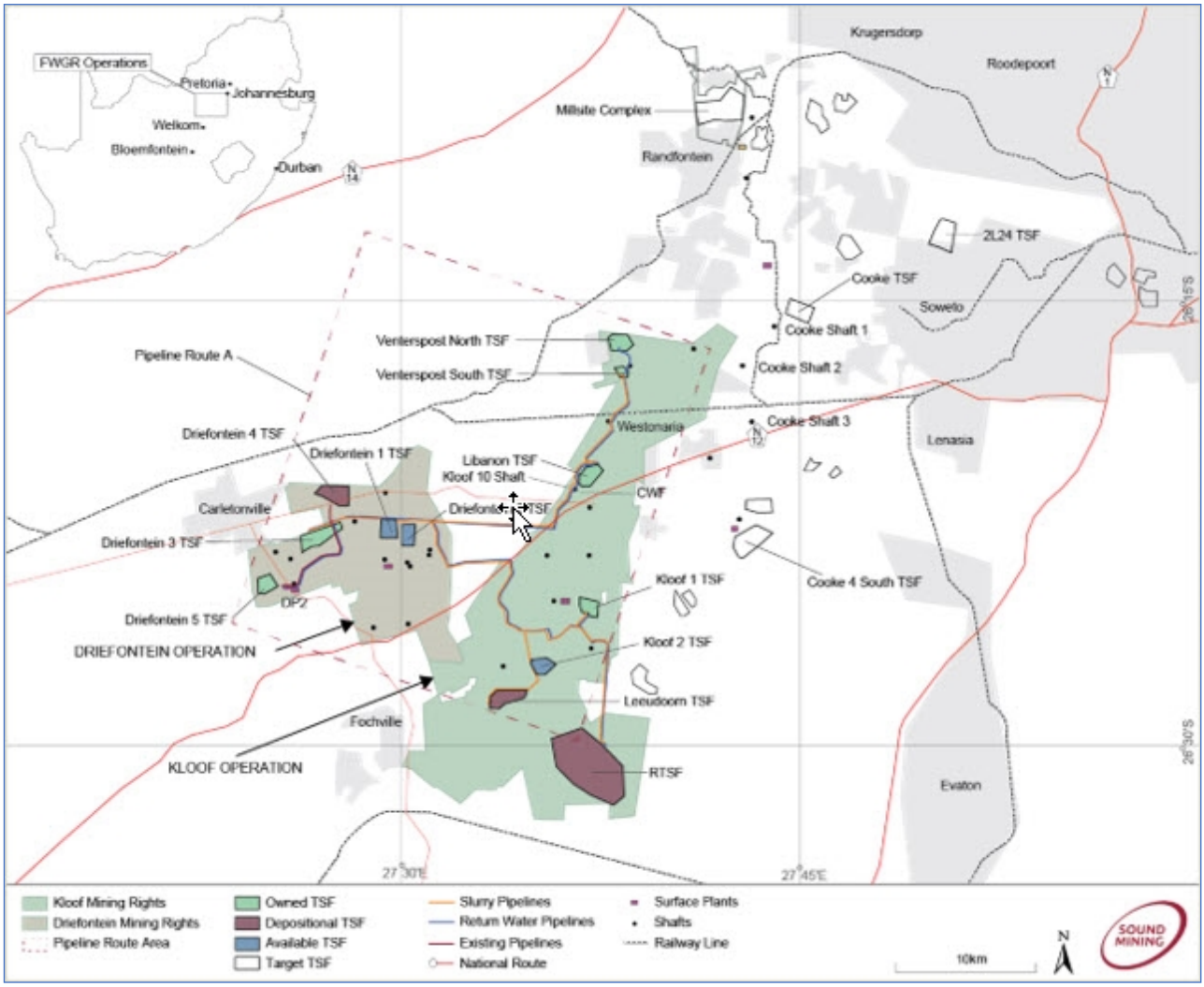
1.10. Infrastructure

Sound Mining has inspected the existing infrastructure which comprises DP2, the Driefontein 4 TSF, and all associated pumping and piping installations. The QP is of the opinion that this infrastructure has been correctly planned, properly installed to date, fully functional and well maintained.

Electricity is currently supplied from Eskom's 132kV and 44kV grid to various Sibanye owned gold mines in the vicinity of FWGR's operations. The power requirement of FWGR remains within the current surplus capacity to the Driefontein, Kloof and Cooke and mining complexes. Power supply remains a material risk to all mining operations in South Africa including FWGRs operations.

A closed water system has been designed to avoid having to treat water or having to discharge into surface water courses (Figure H).

Figure H: TSF Location, Make-up Water Shafts, Processing Plants and Pipeline Layouts



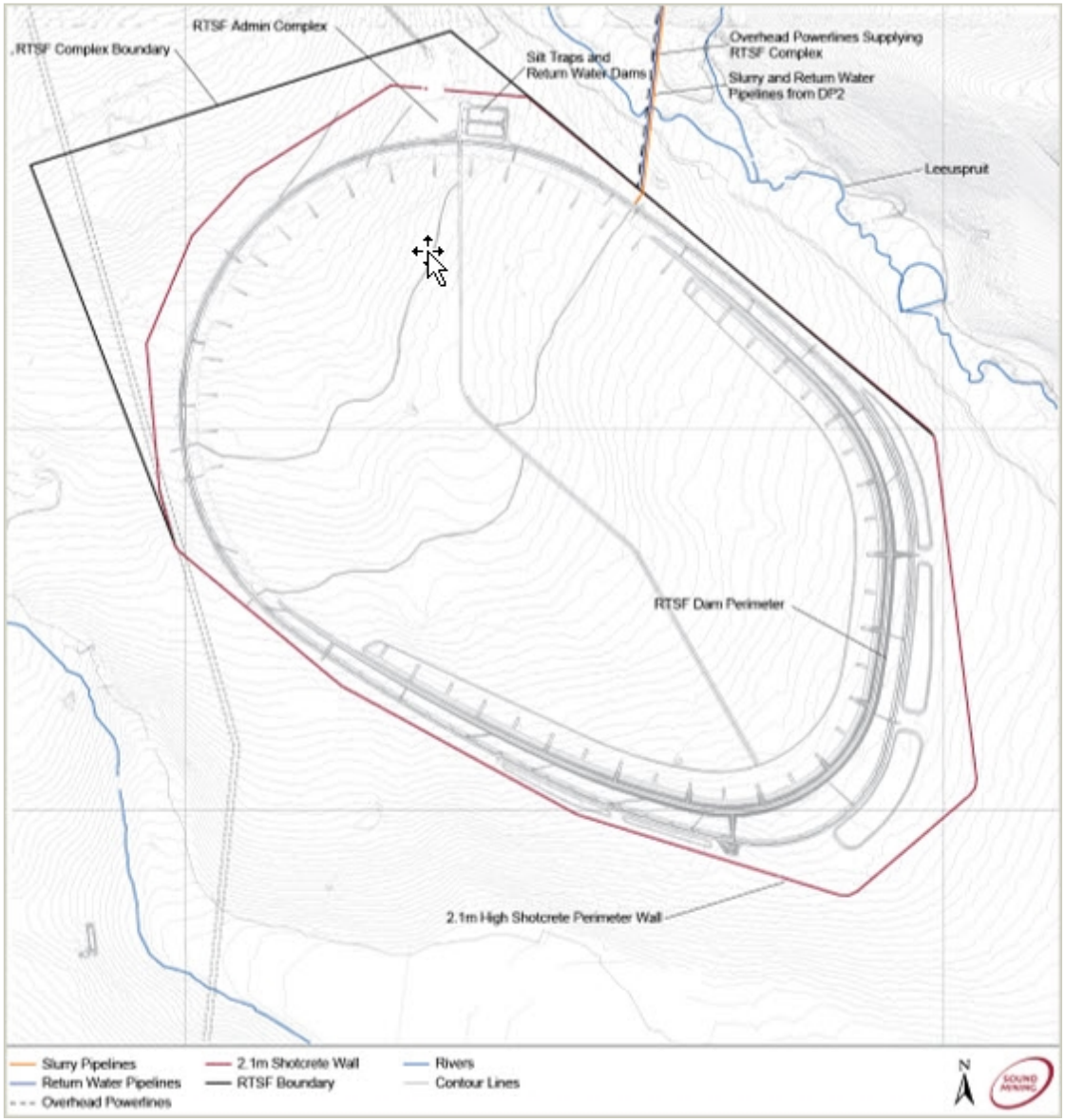
Source: Sound Mining, 2022

Water use licenses are available for the pumping of water from underground workings at Kloof 10 shaft and Driefontein 10 shaft, and the consumption planned from these shafts will not exceed the pumping rates approved in the respective WULs. Water will also be reclaimed from the Leeudoorn TSF and RTSF in due course and Sound Mining is satisfied that there is more than enough water to meet the requirements of the operation as currently planned.

The hydro-mining, reprocessing and re-deposition of tailings material requires a network of pipes. Slurry pipelines will be needed from the hydro-mining sites at the TSFs to DP2 and tailings pipelines from DP2 to the respective deposition facilities. High pressure water pipelines are necessary to supply the mining operations while separate low-pressure water pipes are needed for returning water to DP2 from water dams at the various TSFs. These have all been adequately designed and included in the LoM planning.

FWGR requires the RTSF to ensure adequate storage facilities for the long-term deposition of all tailings arising from FWGR operations. It will be built on Transvaal Supergroup lithology (Figure D), to mitigate any risk of dolomite related sink holes. The design and cost estimate caters for a storage capacity of 800Mt and a potential disposal rate of up to 2.4Mtpm. It will cover an area of approximately 1,000ha with a final top surface area of around 600ha at a maximum height of 100m. The selected site of approximately 1,500ha is shown in Figure I.

Figure I: RTSF Layout



Source: Beric Robertson Tailings, 2020

A key design consideration has been the management of ground water through the use of a scavenger well system that will capture and recycle future leachable pollution plumes. In the context of risk, this is believed to be a viable solution to a previously considered geomembrane barrier approach. The permitting for this site has been approved based on the initial design with the geomembrane barrier and FWGR are pursuing approval of the more recent scavenger well design.

Sound Mining is of the opinion that the selected site is appropriate for the intended construction and operation of the RTSF and endorses the proposed scavenger well solution for ground water as this can provide a sustainable solution to the RTSF's future plume management requirements.

FWGR have received in principle permission from Sibanye Gold to co-deposit tailings on the Leeudoorn TSF. This will allow FWGR to increase production to 750ktpm while also mitigating against the risk of an interruption to the planned production in the event that the approval sought for the RTSF is delayed. The depositional requirements for the new arisings will now be shared between the Driefontein 4 TSF and Leeudoorn TSF, until such a time that the RTSF is approved, constructed and ready to receive these new arisings.

In addition, FWGR have commissioned further study work on the RTSF design to investigate the potential for the soil conditions at this site to accommodate the compaction of the associated clay layer to act as an alternative or additional barrier system in support of the scavenger well design.

1.11. Market Studies

Gold is a precious metal, refined and sold as bullion on the international market. It is traded globally on financial markets almost continuously and traditionally used for jewelry, bartering or storing wealth. Aside from the gold holdings of central banks, current uses of gold include jewelry, private investment, dentistry, medicine and technology (Table E).

Table E: Above Ground Gold Stocks in 2022

Description	Quantity (t)	Contribution (%)
Jewelry	94,464	46.0%
Private Investment	45,456	22.2%
Bank Holdings	34,592	16.9%
Other	30,726	15.0%

Source: World Gold Council, 2022

DRDGOLD has a long-standing off take agreement with the Rand Refinery who refine the gold produced by FWGR. DRDGOLD uses an agent to sell FWGR's gold to South Africa bullion banks and once sold, Rand Refinery will transfer the gold to the purchasers' bullion bank depository.

1.12. Environmental Permitting and Liability

A review of the environmental status was undertaken by an independent environmental specialist. The authorizations required for the "listed activities" under NEMA, NEM:WA, NEM:AQA and NWA were reviewed in detail. EIA, EMPrs and environmental authorizations exist for the Kloof and Driefontein mining areas. Areas requiring amendments have been cited. Environmental permitting is underway and at an appropriate stage for the planned expansions. There is enough time for approval of amendment applications and no fatal flaw exist from a compliance perspective. Some heritage and culturally significant areas have been identified and these are accommodated in the construction plans.

The activities of FWGR already contribute to the socio-economic environment on the West Rand. The operation will further enhance the situation by reducing unemployment and investing capital for an extended LoM which will contribute to the national GDP. The operation also provides long-term positive impacts in terms of employment creation, skills development, local procurement of goods and services, as well as local and regional economic development. The Social Impact Assessment notes that informal settlements in close proximity to the operation may pose a risk in terms of community stability. The concerns of local farmers may also need to be addressed. Sound Mining believes that these concerns can be managed, and that the positive impacts will benefit the surrounding communities.

The closure liability is assessed annually to maintain environmental compliance. These constitute the quantum of the financial obligation and guarantees required by the Department of Mineral Resources and Energy (DMRE). They have been determined on both an "unscheduled" and "scheduled" basis. The unscheduled estimate is based on the costs of rehabilitating the TSFs in their present state without any mining activity having taken place. The disclosure to the DMRE and the quantum of financial guarantees required is based on the unscheduled estimate.

The closure liability bank guarantees under Regulation 7 of the NEMA Financial Provision Regulations (2015) must ensure that the financial provision is, at any given time, equal to the sum of the actual costs of implementing the plans for a period of at least ten years forthwith (this includes the annual rehabilitation, final, decommissioning and closure plans). This figure is required to be updated annually and adjusted. In the case of the FWGR the annual updates will show reduced amounts as the tailing's facilities decrease to only footprint rehabilitation. The scheduled estimate assumes that mining takes place and that the final rehabilitation will be confined to rehabilitation of the TSF footprints and the RTSF.

Guardrisk has issued financial guarantees in favor of the DMRE of ZAR169.0 M. An amount of ZAR444.1 M is also invested in Guardrisk Cell Captive under a ring-fenced environmental rehabilitation policy. The financial guarantees and funds held with the Guardrisk Cell Captive (30 June 2022) are sufficient to cover the 2022 estimated unscheduled liability of ZAR309.69 M as estimated for the operation.

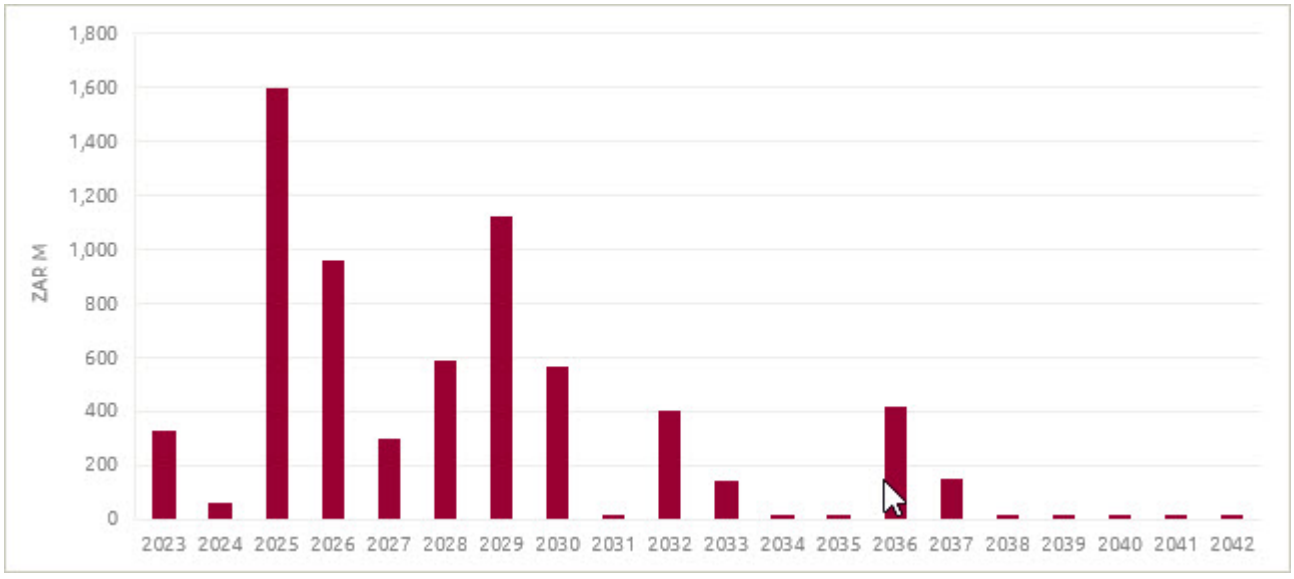
1.13. Capital Expenditure and Operating Costs

The capital and operating cost estimates used to examine the viability of the estimated Mineral Reserve were informed by current operations and recent feasibility study work (i.e., 2020 and 2021) on processing, the RTSF and associated pumping and piping infrastructure. The operating cost estimates are supported by actual on mine invoices received and paid, while the capital estimates have been determined using unit rates (obtained from quotations or bench marked against recent installations) and design quantities.

Although the previous feasibility study work was in most instances to a definitive level of accuracy, the estimates are no longer current and therefore deemed to be at a preliminary feasibility level of accuracy (i.e., +/-25%). Where necessary estimates have been appropriately inflated to June 2022 real terms and Sound Mining has included a 15% contingency on all costs to reflect the confidence expected for a PFS level of study.

An annual Stay-in-Business (SiB) provision of ZAR8.7 M is considered until 2030 after which it is increased to ZAR16.0 M for the rest of the LoM. This provision covers maintenance and the replacement of equipment across the operation. The Guardrisk Cell Captive exceeds the current environmental liability and so no additional provision has been made in the capital estimate. Graph B presents the annual capital expenditure forecast for the operation.

Graph B: Capital Expenditure Forecast



Source: Sound Mining, 2022

Early capital will be required to access the Leeudoorn TSF, whereafter, DP2 will be expanded (i.e., FY2025 and FY2026). The RTSF is scheduled to be constructed over four years (i.e., FY2027 to FY2030) with the remaining capital expenditure largely earmarked for piping and pumping infrastructure.

The DP2 operating cost estimate (Table F) are based on the actual costs being incurred by the current operation. Economies of scale were taken into consideration by applying a factor to the escalated budget as DP2 increases its throughput.

Table F: Average DP2 Operating Cost over LoM

Description	Unit Costs (ZAR/t)
Salaries and Wages	10.40
Contractors	8.89
Reagents	20.63
Other Engineering Stores	6.20
Electricity	15.56
Water	0.46
Machine Hire	1.51
Other	8.15
Other Corporate Costs	3.23
Contingency (15%)	10.20
DP2 Operating Costs	**85.23**

Source: Sound Mining, 2022; and FWGR, 2020

A contingency of 15% was included for the assessment of economic viability.

1.14. Economic Assessment

A Discounted Cashflow (DCF) modelling approach was adopted to assess the economic viability of the Mineral Reserves as stated. Considering the stage of development of the operation and the uncertainties of future global economics, as well as exchange rate, interest rate and gold price uncertainties, a real DCF model is deemed more appropriate than a nominal DCF model. The DCF model was generated in June 2022 real South African Rand (ZAR) terms and is based on the revenue forecast, associated capital and operating cost forecasts, and on appropriate and reasonable economic assumptions (Table G).

Table G: Inputs to the DCF Model

Description	Quantum	Unit
Key Dates		
Money Terms		30 June 2022
Phase Description		
Phase 2 Includes:		
DP2 Expansion	Mtpm	1.2
LoM		
Phase 2	Years	20
Contingencies		
Contingency	%	15%
Gold Price		
ZAR/USD	ZAR/USD	15.60
USD/oz Gold	USD/oz	1,823
ZAR/kg Gold	ZAR/kg	914,294

Source: Sound Mining, 2022; and FWGR, 2022

These assumptions are based on information received from FWGR and from the various consultants who contributed to the Mineral Resources, LoM planning and technical study work that underpin this Mineral Reserve estimate. The economic assessment assumes a 100% equity-based business and does not consider the effect of working capital changes. The QP is satisfied with the quality of this information, including the revenue and cost forecasts, and considers the inputs to the DCF model to constitute an overall PFS level of accuracy (i.e., +/-25%).

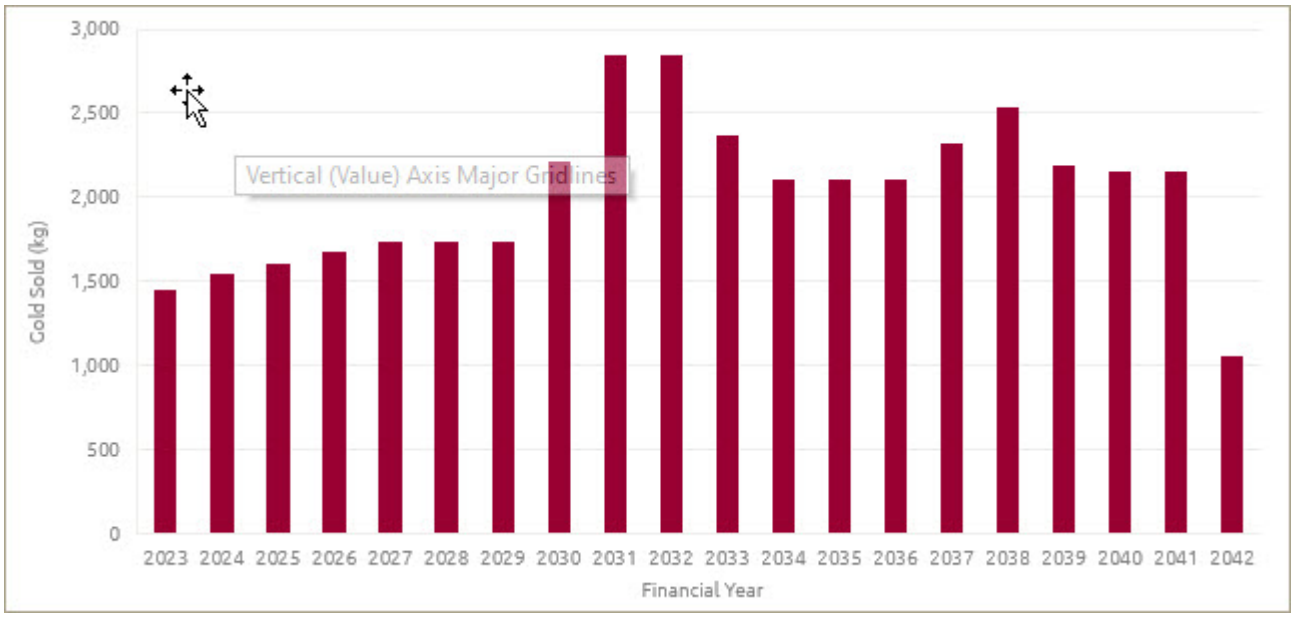
The revenue forecast is a function of gold sales and the pricing assumptions used for the economic analysis. The commissioning of an expanded DP2 enables an increase in gold sales (Graph C).

The revenue forecast is a function of gold sales and the pricing assumptions used for the economic assessment. The following processing recoveries, which are supported by test work and current plant performance data, were applied to the material from the respective TSFs to compute the amount of gold sold:

- 49.8% for Driefontein 5 TSF material;
- 56.6% for Driefontein 3 TSF material;
- 50.5% for Kloof 1 TSF material;
- 47.2% Libanon TSF material;
- 62.5% for Venterspost South TSF material; and
- 54.7% for Venterspost North TSF material.

Graph C shows the expansion of DP2 facilitates an increase in gold sales over time (refer to Appendix 1).

Graph C: Gold Sales Forecast



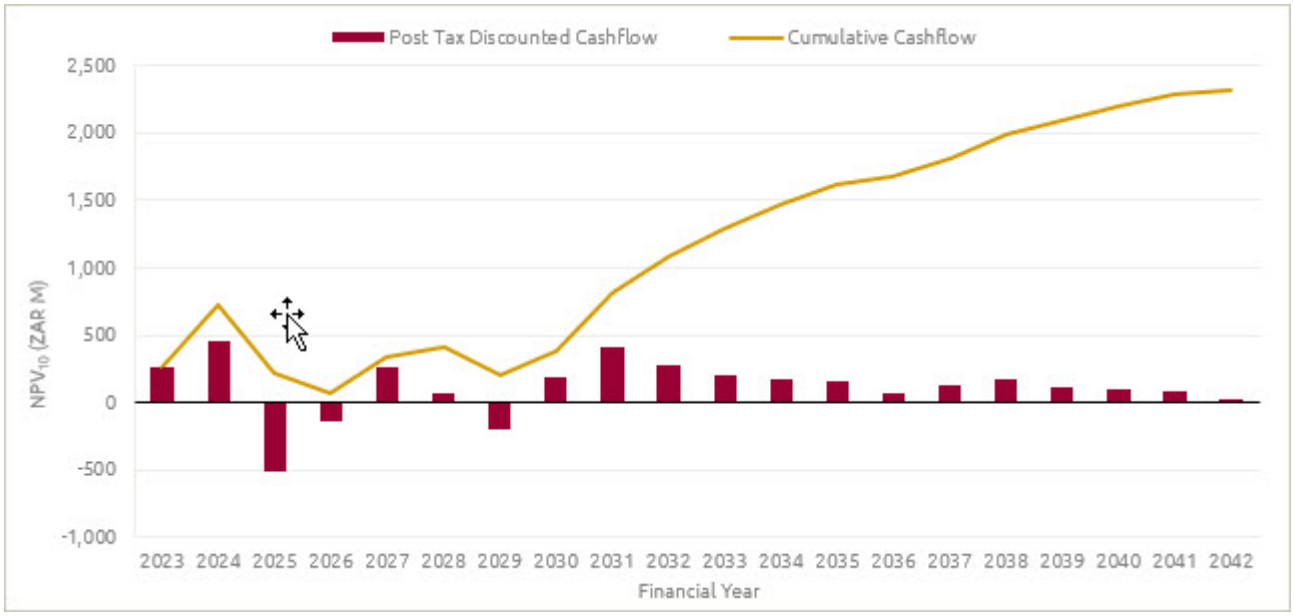
Source: Sound Mining, 2022

Processing throughput can continue after 2042 when the available TSFs are likely to be incorporated into the operation. At this stage, the economic assessment has only considered the depletion of the TSFs that comprise the current Mineral Reserves. The gold sold from these TSFs equate to approximately 1.3Moz.

The real revenue forecast relies on a gold price of ZAR914,294 (i.e., USD1,823/oz at ZAR15.60/USD). Taxes would be determined using the gold mining tax formula with all unredeemed capital taken into account. The assets are part of the ongoing business of FWGR, which is not subject to the Mineral and Petroleum Resources Royalty Act, 2008 (Act No. 28 of 2008) and so the royalty formula for unrefined metals was not included in the revenue determination.

Graph D presents the post-tax cashflow for an operation that excludes the benefits that would eventually be derived from the available TSFs (refer to Appendix 1).

Graph D: Post-tax Discounted Cashflows



Source: Sound Mining, 2022

The cumulative post-tax cashflows over the LoM remain positive. When assuming a discount rate of 10% for the unleveraged operation, a Net Present Value (NPV) of ZAR2.32 Billion is computed. FWGR is an ongoing operation and thus the Internal Rate of Return (IRR) and a capital payback period are not applicable.

The achievability of the LoM plans, budgets and forecasts cannot be assured as they are based on economic assumptions, many of which are beyond the control of the company. Future cashflows and profits derived from such forecasts are inherently uncertain and actual results may be significantly more or less favorable. The technical risks as identified by Sound Mining are provided in Item 12.1. These and other environmental risks can impact the anticipated revenue and cost forecasts and accordingly have been assessed against upside or downside changes of between -20% and +20%. The consequential potential impacts are presented in Table H and are illustrated graphically in Graph E.

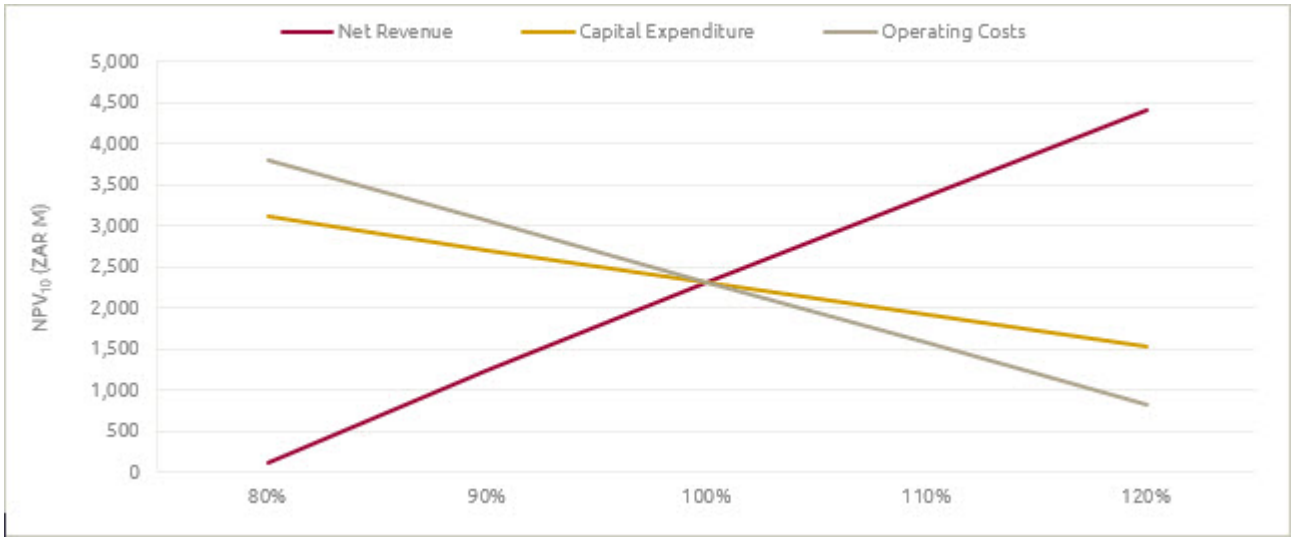
Table H: Sensitivity of Post-tax NPV

Variance	NPV_{10} (ZAR Billion)				
	80%	90%	100%	110%	120%
Revenue (ZAR Billion)	0.12	1.23	2.32	3.36	4.41
Capital Expenditure (ZAR Billion)	3.11	2.71	2.32	1.92	1.53
Operating Costs (ZAR Billion)	3.81	3.06	2.32	1.57	0.83

Source: Sound Mining, 2022

Graph E shows that changes to the revenue forecast will impact margins the most.

Graph E: Sensitivity to Expected Revenue and Costs



Source: Sound Mining, 2022

Table I shows the materiality of changes in the gold price.

Table I: Sensitivity of Gold Price

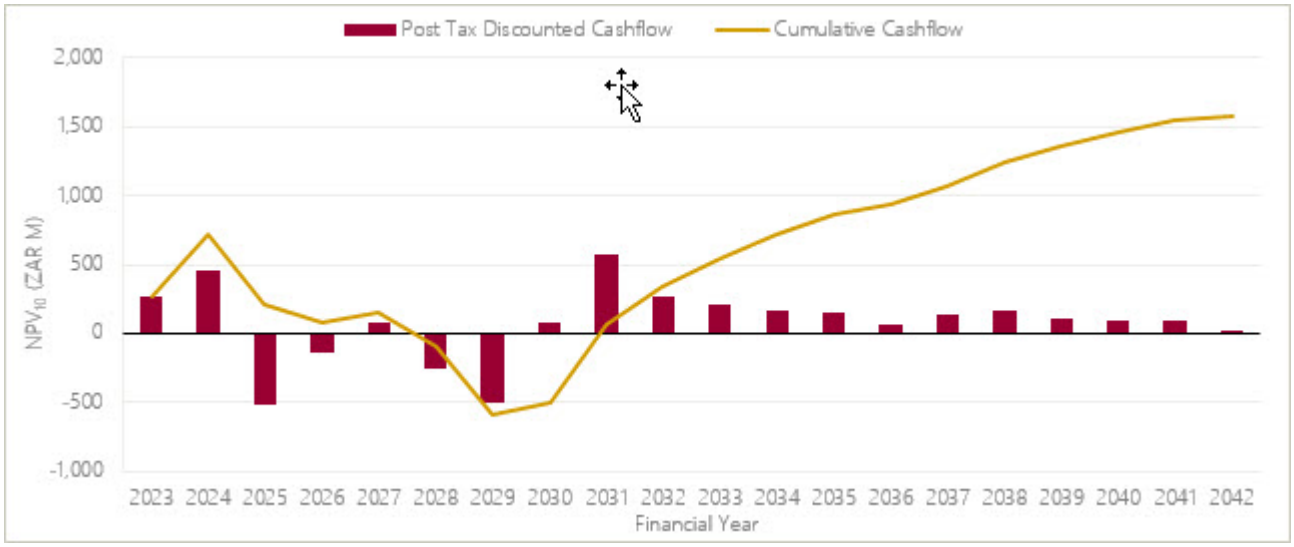
Gold Price	ZAR/kg				
	700,000	800,000	900,000	1,000,000	1,100,000
NPV (ZAR Billion)	(0.27)	0.96	2.15	3.30	4.45

Source: Sound Mining, 2022

The operation is economically viable above a gold price of ZAR721,264/kg. The impact of changes to the operating cost forecast is materially less, and any variance in capital expenditure being relatively insensitive.

As a final sensitivity, the QP has tested the impact of FWGR having to revert to the use of a synthetic liner for the RTSF as opposed to the design currently included in the LoM plan. The impact of this expenditure on the discounted post-tax cashflows is shown in Graph F.

Graph F: Post-tax Discounted Cashflows (including liner)



Source: Sound Mining, 2022

The NPV_{10} still returns a positive number of ZAR1.58 Billion, albeit the overall margins are reduced.

The QP is satisfied that the Mineral Reserves as stated are all economically viable. Indeed, the economic assessment of viability includes substantial additional capital for a growing business while not capturing the potential benefits of the envisaged long term revenue potential.

1.15. Concluding Comments

Despite the usual existence of environmental, political, social and infrastructural risks the QP's are satisfied that the FWGR operation is a relatively low risk business in the context of the broader South African mining industry.

FWGR's legal tenure is underpinned by the amended EMPs and access and usage rights to exploit the moveable assets. The assets held by FWGR were acquired from Sibanye Gold Limited, a subsidiary of Sibanye-Stillwater Limited, in a transaction in which common law ownership was established over the various TSFs containing the Mineral Resources and Mineral Reserves. A Use and Access Agreement with Sibanye Gold articulates the various rights, permits and licenses held by Sibanye Gold in terms of which FWGR operates, pending the transfer to FWGR of those that are transferable. FWGR conducts its activities inter alia in accordance with Environmental Approvals (EAs) and the provisions of the Mine Health and Safety Act and regulations.

Most of the land on which the RTSF is to be constructed has been purchased by FWGR with a final outstanding property secured through an option agreement.

The drilling, sampling, analytical processes and governance of the exploration programs are appropriate and in-line with industry best practice. They are considered to be of high confidence. The density used to determine quantities from volumes has been determined from both in situ measured values and empirical data and is considered reliable. The QPs conclude that the estimations are based on a suitable database of code compliant information.

TSFs constructed from the tailings of Witwatersrand gold mining operations have been successfully and economically exploited for several decades and the geotechnical and geometallurgical characteristics are well understood from experience and from test work on the FWGR assets themselves. Notwithstanding the risks identified herein, which can be managed, no material factors of a geotechnical or geometallurgical nature, for example, have been identified that would have a significant effect on the prospects for eventual economic extraction.

The DP2 plant has performed in-line with expectations and the design for its expansion to 1.2Mtpm is based on representative and adequate metallurgical test work. The mass balance for the plant is appropriate. Scrutiny of the LoM plan reveals that recoveries currently being achieved coincide with expectations from metallurgical test work and that the quantities and grades reported are consistent with forecasts from the Mineral Resource estimation.

New arisings will eventually be stored in the RTSF which will have excess capacity from both a depositional rate (2.4Mtpm) and final capacity perspective (800Mt). All the necessary infrastructure requirements have been reviewed and are considered appropriate. Sound Mining has reviewed the design for the RTSF prepared by FWGR's specialists and has concluded that the detailed design report provides the framework and guidelines for the future safe development of the RTSF.

The estimated capital expenditure and operational costs are aligned with actual operational data from current operations and considered appropriate and in-line with industry standards.

The operation is robust, the Mineral Reserves are economically viable, and the QP considers the LoM plan to be sufficient for the Mineral Reserve estimate. The QPs note the necessity for FWGR to acquire the necessary regulatory approvals for the RTSF timeously to achieve the production as forecast.

2. INTRODUCTION

Item 2 - (i); (ii); (iii); (iv) and (v)

DRDGOLD Limited (DRDGOLD) is a tailings retreatment company located near Johannesburg, South Africa. It has a primary listing on the Johannesburg Stock Exchange (JSE) and a secondary listing on the New York Stock Exchange (NYSE). The DRDGOLD operations are comprised of two wholly owned entities covering their East Rand (east of Johannesburg) and far West Rand (far west of Johannesburg) businesses. The East Rand operations are run by Ergo Mining (Proprietary) Limited (Ergo) and the West rand operations by Far West Gold Recoveries (Proprietary) Limited (FWGR). FWGR currently own six Tailings Storage Facilities (TSFs) with additional TSFs, although not owned by FWGR, potentially available in the area for future reclamation (Available TSFs).

This Technical Report Summary (TRS) was prepared for DRDGOLD as the registrant. It has been compiled to align with the requirements of Subpart 1300 of Regulation S-K under the U.S. Securities Exchange Act of 1934 (Regulation S-K) and Item 601(b)(96) of Regulation S-K (Item 601(b)(96)) (S-K 1300). It is a first submission to the Securities Exchange Commission (SEC) and presents DRDGOLD's Mineral Resources and Mineral Reserves of FWGR.

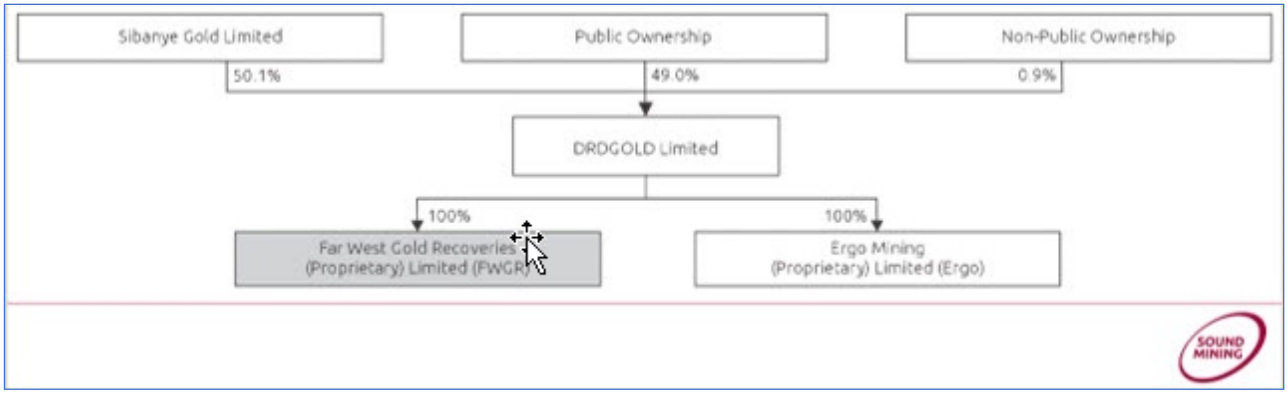
FWGR completed various studies to examine the techno economic merits of a phased approach to expanding the current operations:

- Phase 1 is the current operations which involved upgrading the Driefontein Processing Plant 2 (DP2) to process tailings from the closest TSF at a planned throughput of around 500ktpm. This Phase was successfully commissioned and the operation reached steady state production in 2019; and
- Phase 2 involves building additional processing capacity through the expansion of DP2 rather than the construction of a Central Processing Plant (CPP) which will remain part of FWGR's strategic options. The DP2 expansion will facilitate an eventual DP2 throughput of 1.2Mtpm. Only 750ktpm of this capacity will be utilized from January 2026 to December 2029 because of the prevailing depositional constraints. The new arisings (i.e., retreated tailings) will initially be redeposited onto the Driefontein 4 TSF (at 250ktpm) and the Leeudoorn TSF (at 500ktpm) between January 2026 and December 2029, whereafter a newly constructed Regional Tailings Storage Facility (RTSF) will be commissioned in 2030. The RTSF will have sufficient storage capacity to also accommodate new arisings at a rate of 1.2Mtpm from the mining of available TSFs in the area well into the future. Examples of these include the Driefontein 1 TSF, Driefontein 2 TSF and Kloof 2 TSF, which, once decommissioned are to be transferred to FWGR from Sibanye Gold Limited (Sibanye Gold).

2.1. Corporate Structure and Compliance

Figure 1 presents FWGR's corporate structure.

Figure 1: DRDGOLD Corporate Structure



Source: Sound Mining, 2022

Sibanye Gold owns a 50.1% shareholding of DRDGOLD. DRDGOLD's non-public ownership which includes shareholding by subsidiary, Ergo Mining Operations (Proprietary) Limited, of 0.8% and 0.1% shareholding by directors. Such shareholding is classified as non-public.

2.2. Purpose and Terms of Reference (ToR)

FWGR commissioned Sound Mining International SA (Proprietary) Limited (Sound Mining) to compile a SEC S-K 1300 compliant TRS that describes the Mineral Resource and Mineral Reserve estimates as at 30 June 2022. The document date is 28 October 2022 and there are no material chances in the period between these dates.

The Qualified Person (QP) has relied on information provided by FWGR for this purpose with respect to legal matters (Item 3), the gold price (Item 16.1), environmental or social and labor planning aspects (Item 17) and economic assumptions (Item 19).

Sound Mining is an independent advisory company. The ToR required an independent technical review of FWGR in order to identify factors of a technical and strategic nature that would influence the future viability of the Mineral Reserves. The review accords with the principles of open and transparent disclosure that are embodied in internationally accepted Codes for Corporate Governance. It has been based upon technical information supplied by FWGR and its appointed consultants. The contractual agreement with FWGR, for the preparation of the TRS, was with Sound Mining and not with the QP as an individual. The QPs provide independent opinions and conclusions throughout this TRS.

The estimation of Mineral Resources and Mineral Reserves is inherently subject to some level of uncertainty and inaccuracy, because they are based on analytical results of samples that commonly represent only a small portion of a mineral deposit. The uncertainty of the estimates, where material, are explained in this TRS and are reflected in the choice of Mineral Resource and Mineral Reserve categories.

2.3. Qualified Persons Declaration and Qualifications

The signatories to this TRS are qualified to express their professional opinions on the technical aspects and value of the mineral assets described. The technical and economic information provided are correct to the best of the QPs' knowledge, having followed best endeavors. The QPs responsible for this TRS and the Mineral Resource and Mineral Reserves as stated are:

- Mr V Duke is the designated QP responsible for the compilation and reporting of FWGR's Mineral Reserves. He is a partner of Sound Mining located at 2A Fifth Avenue, Rivonia, South Africa. He holds a B.Sc. Mining Engineering (Hons.), is registered with the Engineering Council of South Africa (ECSA) and is a Fellow of the Southern African Institute of Mining and Metallurgy (FSAIMM) (Membership No.: 37179). He has over 35 years' experience in the minerals industry, specializing in engineering studies, due diligence audits and valuations. Mr Duke has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration. The QP is recognized by ECSA located at Lake Office Park, 1st Floor, Waterview Corner Building, 2 Ernest Oppenheimer Avenue, Bruma, Johannesburg, South Africa;
- Mrs D van Buren is the designated QP responsible for the compilation and reporting of FWGR's Mineral Resources. Mrs van Buren who holds a B.Sc. (Hons.) in geology and is registered with the South African Council for Natural Scientific Professions (Pr. Sci. Nat. No.: 440107/14), and the Geological Society of South Africa (GSSA) located on the corner of Carlow Road and Rustenburg Road, Auckland Park, Johannesburg, South Africa. She is a principal geologist with over twelve years' experience in mining, geology and consulting; and
- Mr K Raine is the designated QP responsible for the compilation reporting of the environmental and permitting requirements of FWGR. Mr Raine holds a B.Sc. (Hons.), B.Sc. (Zoology) and is registered with the South African Council for Natural Scientific Professions (Pr. Sci. Nat. No.: 114290). He is a consultant with more than ten years' experience in mining projects, environmental legal compliance, sustainability, construction and wildlife preservation. The QP is recognized by the South African Council for Natural Scientific Professions (SACNASP) located at Management Enterprise Building, Mark Shuttleworth Street, Innovation Hub, Pretoria, Gauteng, South Africa.

The QPs were assisted by the following specialists:

- Mr M Nasiri - Mining Engineer for the mining and production scheduling;
- Mr R Spargo - Metallurgist for the DP2 and RTSF;
- Mr N Weeks - Geologist for the background and modelling of the Mineral Resource estimate;
- Mr M Turnbull - Financial Modeler for the discounted cashflow (DCF) modelling.

The QPs also relied on reports from:

- DRA SA (Proprietary) Limited (DRA);
- Geo Tail SA (Proprietary) Limited's (GTSA);
- Beric Robinson Tailings (Proprietary) Limited (Beric Robinson Tailings); and
- Digby Wells Environmental (South Africa) (Proprietary) Limited (Digby Wells).

Detailed references and sources of information and data contained in this TRS is presented in Item 24.

The Sound Mining QPs and other specialists visited FWGR in 2019, 2020 and 2022 and examined the operations as shown in Table 1. During the site visit, the infrastructure, TSFs and the proposed RTSF and DP2 sites were inspected.

Table 1: Personal Inspection

Professional	Site Visit
V Duke	Visited in 2019, 2020 and 2022 as a QP
D van Buren	Visited in 2019 and 2020 as a QP
K Raine	Visited in 2020 as a QP
M Nasiri	No site visit
R Spargo	Visited DP2 in 2020
N Weeks	Visited in 2020 and 2022
M Turnbull	Visited in 2020

Source: Sound Mining, 2022

2.4. Units, Currencies and Survey Coordinate System

The economic assessment in this TRS have all been carried out in South African Rands (ZAR). All other units used in this TRS are defined in the text or in the Glossary (Item 24). All references to tonnage are in metric tonnes; gold ounces (oz Au) are troy ounces (oz) and the conversion factor used for conversion to troy ounces is 31.10348. Unless explicitly stated, all units presented in this TRS are in the Système Internationale (SI) - i.e., metric tonnes (t), kilometers (km), metres (m), and centimeters (cm). Throughout the technical studies relating to the FWGR numerous acronyms have been used but for reporting purposes, the use of acronyms has been kept to a minimum, with the convention being definition of the acronym in the first usage. However, where required throughout the document the full term may be used for clarity and ease of reading.

The coordinate system employed by the surface surveys at the operation is based on the Gauss Conform Projection (UTM), Hartebeeshoek 94 Datum, Ellipsoid WGS84, Central Meridian WG27. Some regional scale maps in this Technical Summary may be referenced with Latitude and Longitude coordinates for ease of reading.

2.5. Political and Economic Climate

South Africa gained independence from Britain on 31 May 1961, and was declared a republic. From 1948 until 1990, the South African political and legal systems were based upon the concept of apartheid. South Africa became a constitutional democracy in 1994, and the first democratic elections brought an end to apartheid and ushered in majority rule under the African National Congress (ANC) political party, with a number of different political parties participating in the elections. The country continues to hold democratic, peaceful, free and fair elections, the last of which was won by the ANC in 2019, who appointed Mr Cyril Ramaphosa as President.

2.6. Minerals Industry

South Africa has a mature minerals industry developed from gold and diamond discoveries in the late 1800s. It is the world's largest producer of platinum and chrome and ranks highly in the production of diamonds, coal, iron ore, vanadium and base metals. GDP generated by the South African Mining industry has averaged ZAR223 Billion per quarter between 1993 and 2022, reaching an all-time high of ZAR240 Billion in the fourth quarter of 2006 and a record low of ZAR147 Billion in the second quarter of 2020.

One of the greatest challenges associated with the minerals and mining industry in South Africa is the political instability, concerns over the reliability of legal tenure, rising costs of labor, electricity, diesel and steel, among other costs. Labor and community unrest caused by low wages, particularly among contract workers and under-resourced communities has proved problematic in recent years and exacerbated municipalities' inability to provide adequate infrastructure to communities.

Other important concerns for the mining industry are the effect of diseases (i.e., HIV/Aids and Covid-19) on the workforce and the recent downgrading of the country's credit risk rating to junk status. Although the South African political system has credibility, the political risk index, indicates that factors such as the country's high degree of unionization, the threat of industrial action and the disruption to economic activity are a constant concern to investors.

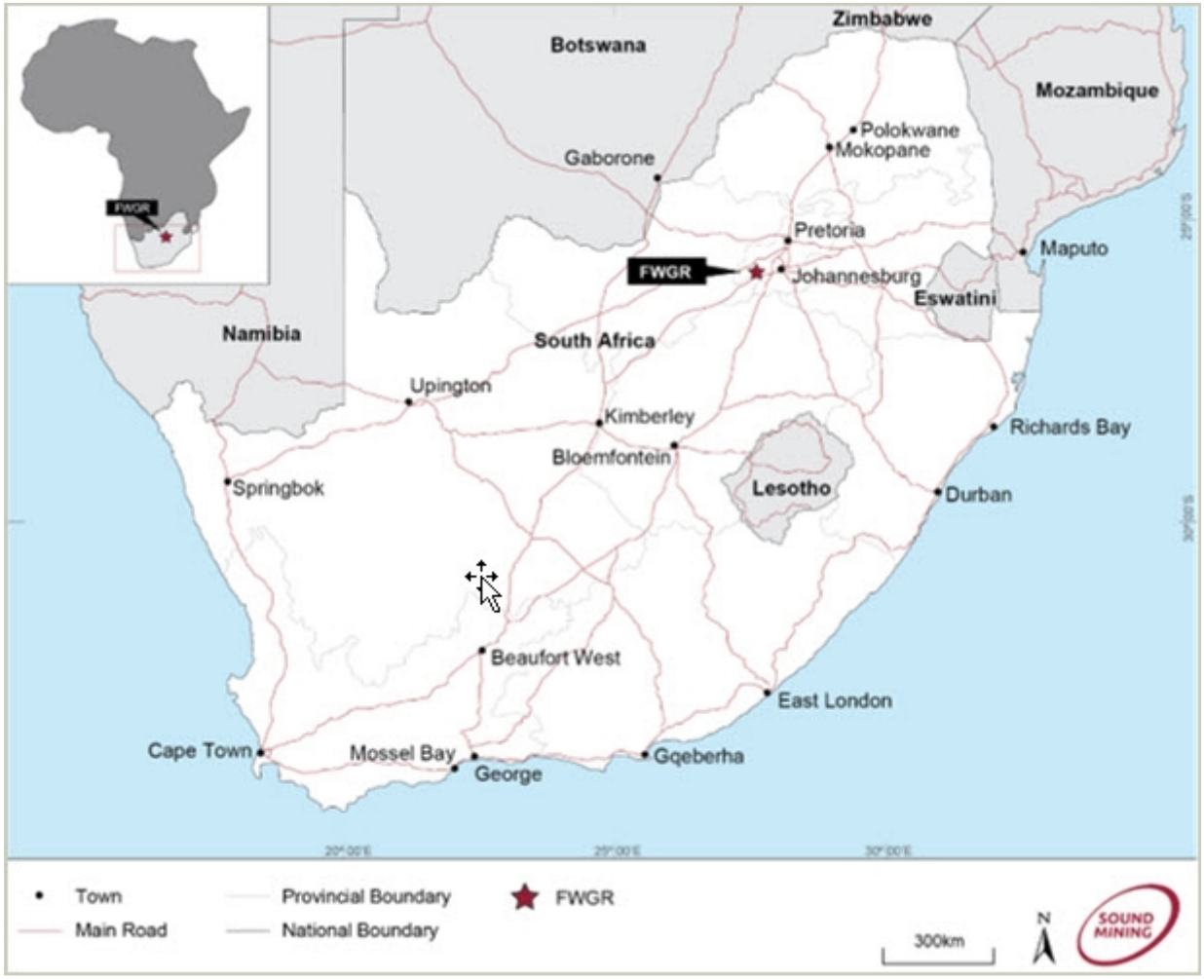
3. PROPERTY DESCRIPTION

Item 3 (i); (ii); (iii); (iv), (v) and (vi)

3.1. Property Location

The FWGR operations are located in the Gauteng province of South Africa, approximately 70km South West of the city of Johannesburg (Figure 2). The operations can be accessed from Johannesburg by traveling for approximately one hour along tarred roads. The operations which are located between the latitudes and longitudes 26°32'34.90"S and 26° 5'32.68"S, and 27°24'6.49"E and 27°49'4.84"E, and cover an area of 29,577.62ha.

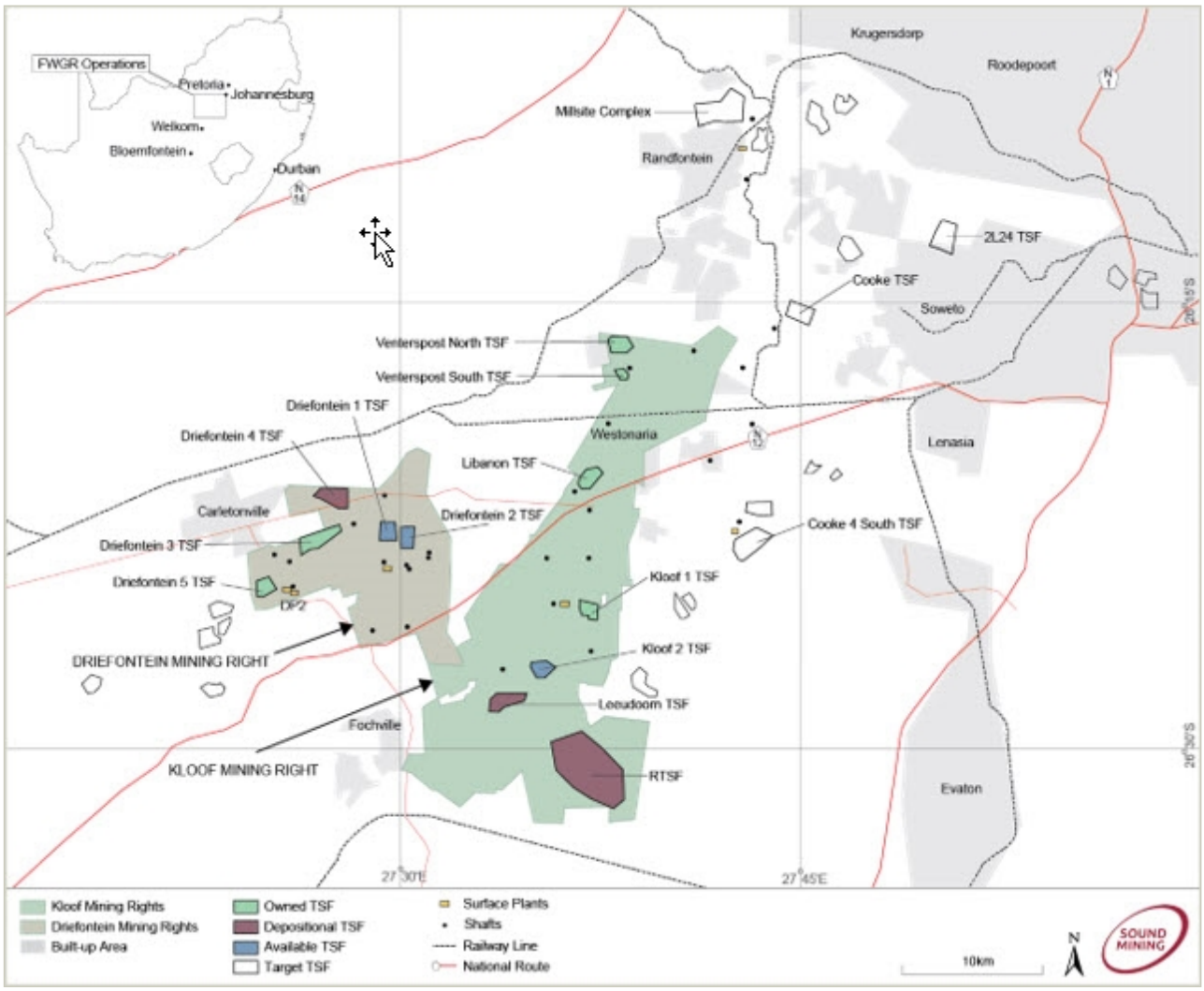
Figure 2: Location of the FWGR Operations



Source: Sound Mining, 2022

FWGR is located in an area with a long history of gold mining and as a consequence the region is disseminated with TSFs and supporting mining infrastructure. The operation's infrastructure and current TSFs lie across two mining rights which stretch from Westonaria to Carletonville (Figure 3).

Figure 3: FWGR Operations



Source: Sound Mining, 2022

3.2. Legal Tenure and Permitting

Sound Mining's environmental and permitting specialist has undertaken a review of the legal aspects of the assets. This review has been based on information provided by DRDGOLD and FWGR. DRDGOLD is a subsidiary of Sibanye Gold and FWGR operates within the extensive framework of legal tenure held by Sibanye Gold.

3.3. Material Agreements, Access and Surface Rights

3.3.1. Exchange Agreement

Sibanye Gold and DRDGOLD signed an Exchange Agreement on 22 November 2017. The agreement contains terms in connection with FWGR which was established specifically to house the intended TSF reclamation activities. The agreement provided that Sibanye Gold initially obtained a 38,05% stake in DRDGOLD in exchange for the FWGR assets, with the option to increase it to 50,1% by way of a cash subscription. Sibanye Gold currently holds a 50.1% equity in DRDGOLD meaning that Sibanye Gold is now the ultimate holding company of FWGR.

3.3.2. Use and Access Agreement

A “Use and Access Agreement” signed in November 2017, grants FWGR the rights to following:

- access to Kloof 10 shaft located in the Kloof Mining Right area and Driefontein 10 shaft located in the Driefontein Mining Right area for the purpose of pumping and supplying the required quantities of water to FWGR;
- agreements for the installation, supply and distribution of power;
- existing and proposed pipeline routes;
- servitudes, wayleaves and surface right permits; and
- access to the Driefontein 1 Gold Plant.

The agreement stipulates that it will endure until the end of FWGR’s business and that FWGR is to give Sibanye Gold at least 18 months’ prior written notice of the anticipated end of life of the business.

The surface rights agreements over both the Driefontein and Kloof Mining Rights (held by Sibanye Gold) for the TSFs and processing plant sites are adequate for the current Sibanye Gold operations and would therefore also be applicable to FWGR's operations. FWGR will secure servitudes for all of its infrastructure located on Sibanye Gold land.

FWGR owns the majority of the land on which the RTSF will be constructed. FWGR has an option agreement with the landowner for the purchase of the remaining land still required for the RTSF. FWGR is in the process of complying with the requirements of the Spatial Planning and Land Use Management Act, 2016 (Act No. 13 of 2016) (SPLUMA) and is having the land rezoned from agricultural use to that of mining.

3.3.3. Leeudoorn Agreement

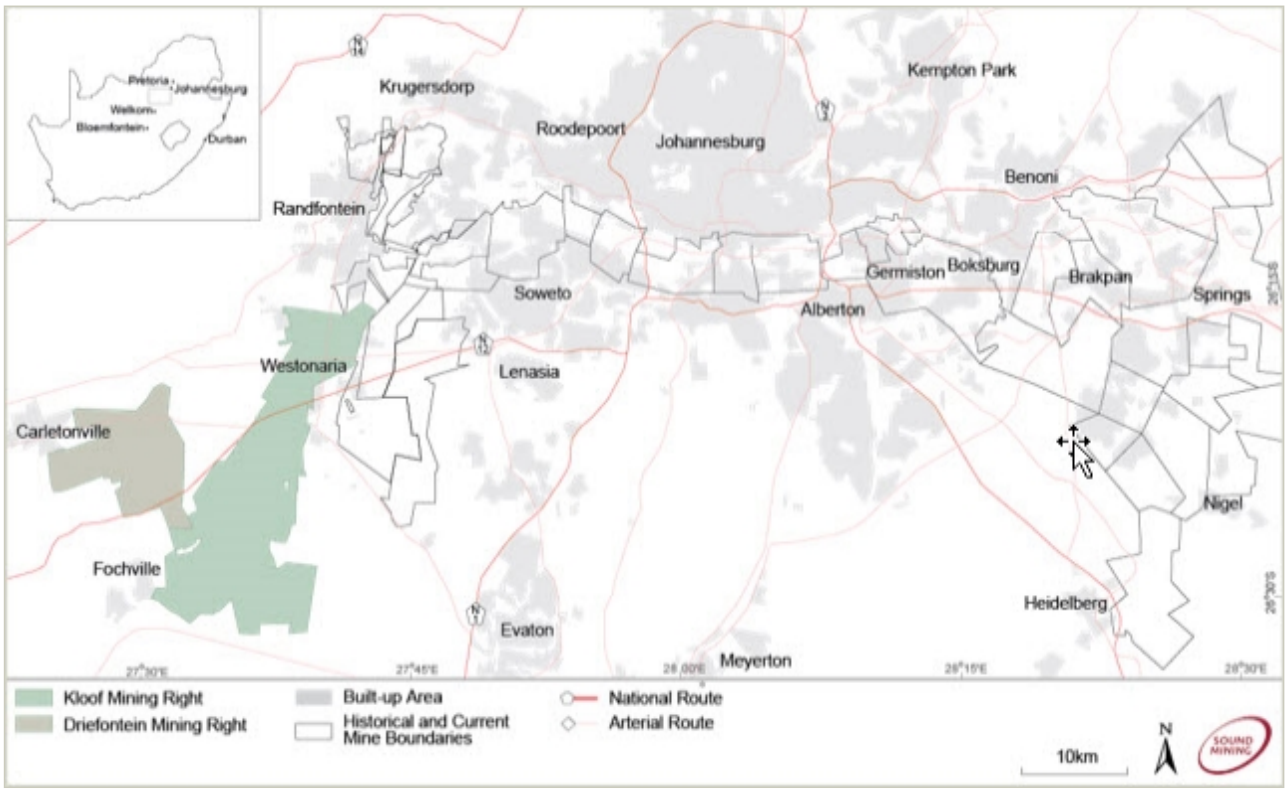
The QP has had sight of a document describing DRDGOLD’s requirement with regard to the use of the Leeudoorn TSF for a period to the point that the RTSF is commissioned (i.e., 2030). This document also initiated negotiations between DRDGOLD and Sibanye Gold for such access to the Leeudoorn TSF which at this stage, will remain the property of Sibanye Gold. Accordingly, the associated liabilities will also remain with Sibanye Gold.

3.4. Permitting

The permitting associated with the different Mining Right (MR) areas (Figure 4) are commented on below.

The minerals in tailings fall outside the definition of ‘mineral’ in the Mineral and Petroleum Resources Development Act’ (MPRDA), where a MR as defined in this act is technically not a requirement, and the operations of FWGR are conducted in terms of Environmental Authorizations (“EA”). In 2016, Sibanye Gold applied and received an EA which incorporated an Environmental Impact Assessment (EIA) and Environmental Management Programs report (EMPr) for their West Rand Tailings Retreatment Project (WRTRP). FWGR applied to the Department of Mineral Resources and Energy (DMRE) for Sibanye Gold’s EAs to be transferred to FWGR. As part of its expansion plans, FWGR will be required to make similar applications for appropriate EAs.

Figure 4: Sibanye Gold Mining Rights



Source: Sound Mining, 2022

3.4.1. Driefontein Operational Area

The DMRE granted Sibanye Gold an EA under the 2014 EIA Regulations (GNR 983 and GNR 984) (the 2014 Regulations) on 11 May 2018. The approval is recorded in GP 30/5/1/2/3/2/1 (51) EM.

Driefontein MR: a new order MR (GP 30/5/1/2/2/51MR) was issued in 2007 and is valid until January 2037 and covers 9,490.62ha. Sibanye Gold is entitled to mine all declared material situated within this MR and has all the necessary statutory requirements in place.

3.4.2. Kloof Operational Area

In 2016, Sibanye Gold also applied for an Integrated Environmental Authorization (IEA) which includes a waste management license for Kloof to undertake various listed activities, which the DMRE equally granted on 11 May 2018. The grant is recorded under GP 30/5/1/2/3/2/1 (66) EM and the IEA remains valid until the end of Life-of-Mine (LoM). This IEA was transferred to FWGR in January 2022.

Kloof MR: a new order MR (GP 30/5/1/2/2/66MR) issued in 2007, is valid until 2027 and covers 20,087ha. Sibanye Gold is entitled to mine all declared material falling within this MR and has all the necessary statutory requirements in place.

Two Section 102 amendments were submitted in 2015 to extend the Kloof MR to include the Venterspost North, Venterspost South TSFs and RTSF. The Section 102 amendment for Venterspost North and Venterspost South TSFs was granted at the end of 2021. The RTSF Section 102 amendment was granted but has not been executed by Sibanye Gold as yet.

A Section 102 is an application to the Minister of the DMRE to amend the rights permits, programs or plans. Sound Mining notes that FWGR is not involved with any legal proceedings that may have an influence on the rights to extract minerals nor on the legal ownership of all mining and surface rights.

Neither Sibanye Gold nor FWGR are aware of any outstanding legal disputes that are applicable to FWGR as stated in the Exchange Agreement signed on 22 November 2017 and effective at the end of July 2018. To the best of Sibanye Gold's and FWGR's knowledge no land claims exist over the relevant properties and no outstanding legal disputes exist that could affect FWGR right to further develop the assets. To the best of the Sound Mining's legal specialist's knowledge, all statutory permits have either been approved or are in the process of being approved.

In summary, the security of tenure for the FWGR is considered to be intact. The transfer of the TSFs by Sibanye Gold to FWGR involved the transfer of moveable assets; and therefore, are not subject to the transfer of the associated MRs to FWGR. In terms of the Exchange Agreement all risks and benefits of the business, passed from Sibanye Gold to FWGR including the rehabilitation liability of the TSFs. The portion of the Sibanye Gold's rehabilitation trust fund related to these assets was transferred to an environmental trust fund. In 2022, these funds were subsequently transferred to a Guardrisk Cell Captive, under a ring-fenced environmental rehabilitation insurance policy for the sole use of the rehabilitation liability.

3.5. Driefontein Environmental Authorization Transfer

Sibanye Gold's Driefontein EA still needs to be transferred to FWGR. An Amendment Application was filed at the DMRE (on 18 August 2020), for the following purposes:

- application with a request that the scope of FWGR be expanded by including DP2 for tailings processing and Driefontein 4 TSF as a deposition site as well as amending the sequence of reprocessing and disposal of residue tailings of Driefontein 3 TSF and 5 TSF; and
- application for the transfer of EA (Reference No.: GP 30/5/1/2/2 (51) EM to FWGR.

3.6. Water Use Licenses

Two Water Use Licenses (WUL) were granted to Sibanye Gold in terms of Section 21 of the National Water Act, 1998 (Act No. 36 of 1998) (NWA) over the Driefontein and Kloof mining areas on 9 March 2017 with Reference numbers: 10/C22B/ACFG/496 and 10/C23E/ACEFGJ4527 respectively. The WUL's are valid for a period of twenty years, from the date of issuance and thus expire on 9 March 2037.

Sibanye Gold is permitted to reclaim TSFs through hydraulic mining following which, retreatment takes place in and at the process plants. All the water comes from Driefontein's underground works at Driefontein 10 shaft and from Kloof 10 shaft.

Currently, residue from DP2 is disposed at Driefontein 4 TSF, however when the RTSF has been constructed and is operational, the residue will be disposed of at this facility. A return water dam will receive water from the RTSF where it will be recycled and reused in the reclamation operations.

FWGR has chosen to use a closed water reticulation system to reduce its water consumption needs by recycling process water.

The Dam Safety Regulations, under the NWA, require a Dam Safety License for the construction of the RTSF. The overarching WRTRP WUL has been successfully transferred to FWGR. In addition, an application has been submitted for the transfer of applicable water uses from the Driefontein WUL to FWGR. This application is yet to be granted by the Department of Water Affairs and Sanitation.

3.7. Other Permitting Requirements

A Refinery License has been issued to FWGR by the South African Diamond and Precious Metals Regulator (SADPMR) to deal in unwrought precious metals.

A Heritage Impact Assessment (HIA) covering Driefontein and Kloof was prepared and submitted to The South African Heritage Resource Agency (SAHRA). SAHRA responded by means of a Final Statutory Comment in letters dated 22 April 2016, granting conditional approval regarding the heritage sites at Driefontein and Kloof.

FWGR is the holder of Certificates of Registration 281 (CoR) issued in July 2019, in terms of the National Nuclear Regulator (NNR) for Driefontein 3 TSF, Driefontein 4 TSF, Driefontein 5 TSF, Kloof 1 TSF, Venterspost South TSF, Venterspost North TSF, Driefontein Plant 2 (DP2) Driefontein Plant 3 (DP3) and the RTSF.

FWGR's operations are governed by the Mine Health and Safety Act, 1996 (Act No. 29 of 1996) (MHSA).

3.8. Royalties

Under the MPRDA, no Mineral Royalties are payable on the reprocessing of TSFs for gold.

3.9. Liabilities

The Driefontein and Kloof EAs contain stipulative clauses as to what mitigatory and rehabilitative obligations exist and explicitly states that the rehabilitation requirements must be adhered to. Financial provision for remediation of environmental damage is stipulated in Section 24P of the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA) (as amended). FWGR obtained a Closure Cost Assessment from Digby Wells in June 2022 for two gold processing plants and seven TSFs.

Currently, FWGR has sufficient rehabilitation guarantees and funds in place for all of its assets to satisfy the DMRE. The closure and rehabilitation liability for the operation is updated annually at the end of the financial year (FY).

3.10. Concluding Comments

In terms of the Exchange Agreement all risks and benefits of the operation passed from Sibanye Gold to FWGR. In particular, the rehabilitation liability of the TSFs and associated infrastructure have been transferred to FWGR. The portion of the Sibanye Gold's rehabilitation trust fund related to these assets has been transferred to the Guardrisk Cell Captive, under a ring-fenced environmental rehabilitation insurance policy for the sole use for environmental rehabilitation activities, with any shortfall covered by an insurance policy taken out by FWGR.

FWGR owns the majority of the land on which the RTSF will be constructed. FWGR has an option agreement with the landowner for the purchase of the remaining land still required for the RTSF. Provision has been made for this within the cashflow model.

There are no significant factors or material risks to the access, title or ability to perform work on the property. A consequence of the Use and Access Agreement is that there are no significant encumbrances to the property with regard to current and future permitting requirements. Outstanding permitting conditions are being proactively managed in line with the required timeframes (Item 17). FWGR has not been served with any fines for violations.

The QP notes that the Dam Safety Regulations, under the NWA, require a Dam Safety License for the construction of the RTSF. The existing and overarching WRTRP WUL has been successfully transferred to FWGR.

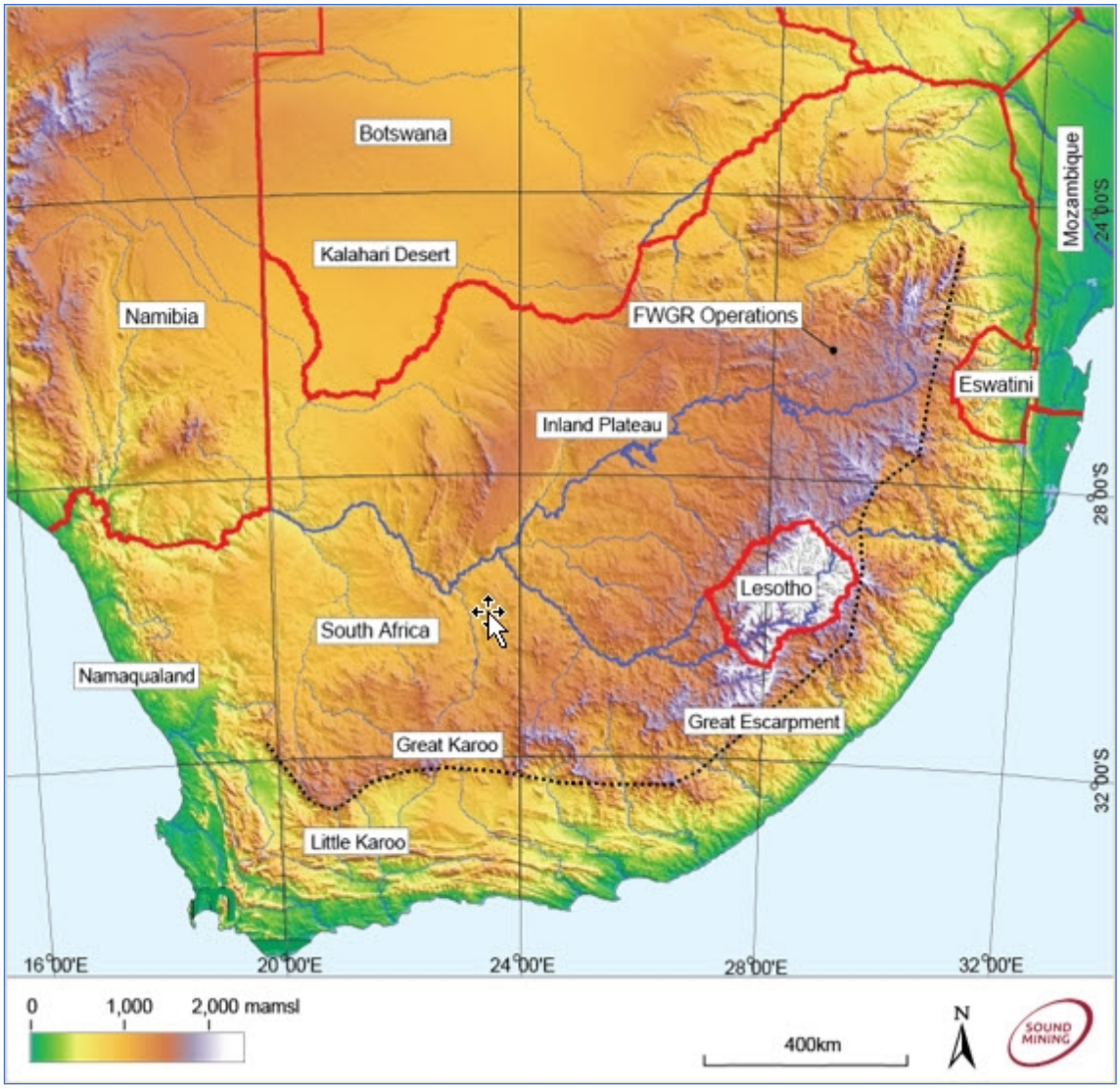
As an administrative matter, an application has also been submitted for the transfer of the water uses from the Driefontein WUL to FWGR. Approval of this application by the Department of Water Affairs and Sanitation is pending. This is not deemed a material risk to the ongoing operations.

4. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

Item 4 (i); (ii); (iii) and (iv)

The FWGR operations are 70km west of Johannesburg from where they can be accessed by travelling for approximately one hour along tarred roads. The TSFs are located at elevations between 1,570mamsl and 1,720mamsl (Figure 5).

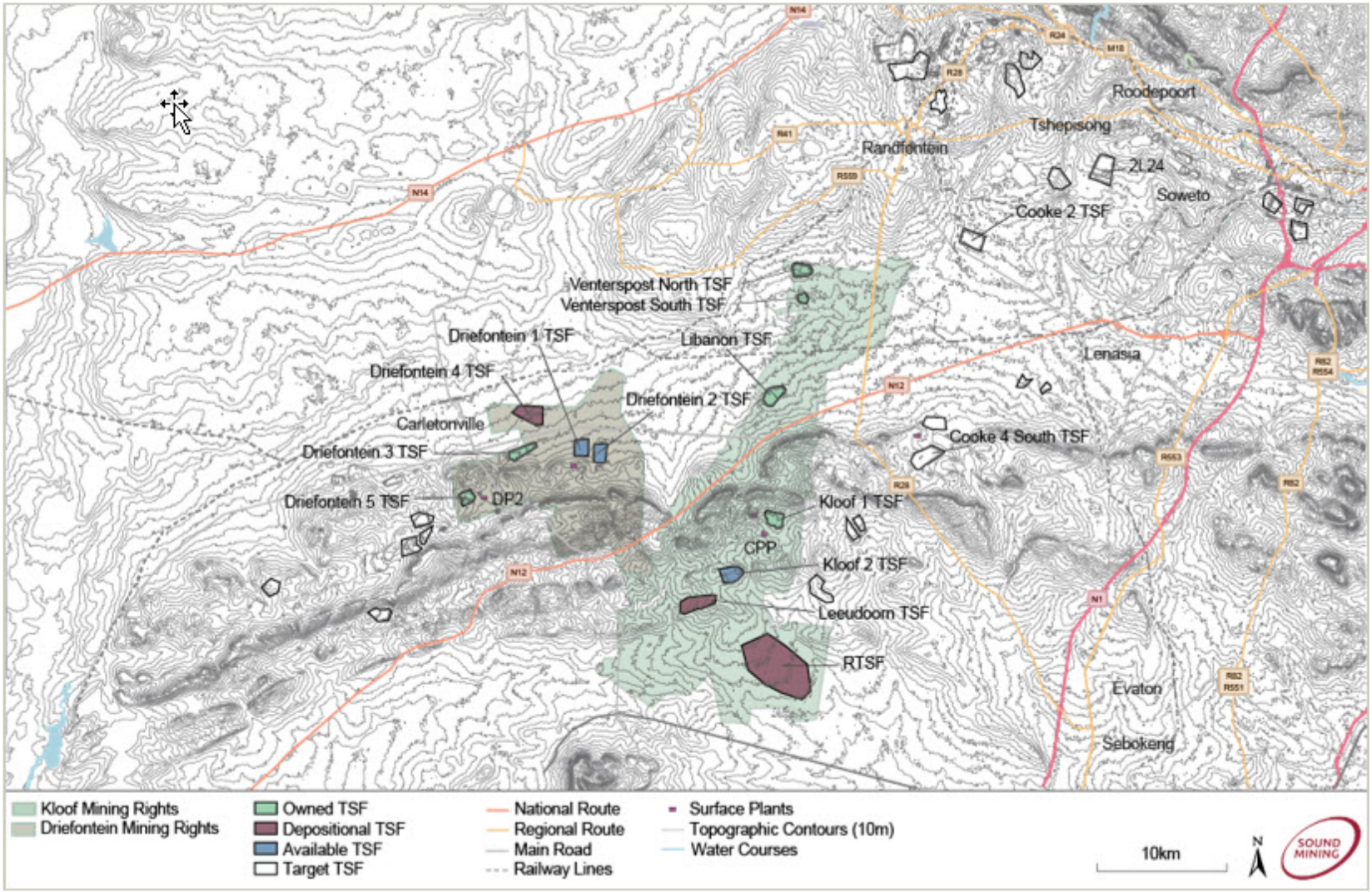
Figure 5: Topography of Southern Africa



Source: Sound Mining, 2022

The area which forms part of the South African inland plateau region is typical of a mature landscape with gentle rolling undulations and shallow sided river valleys as shown in the topographic map (Figure 6).

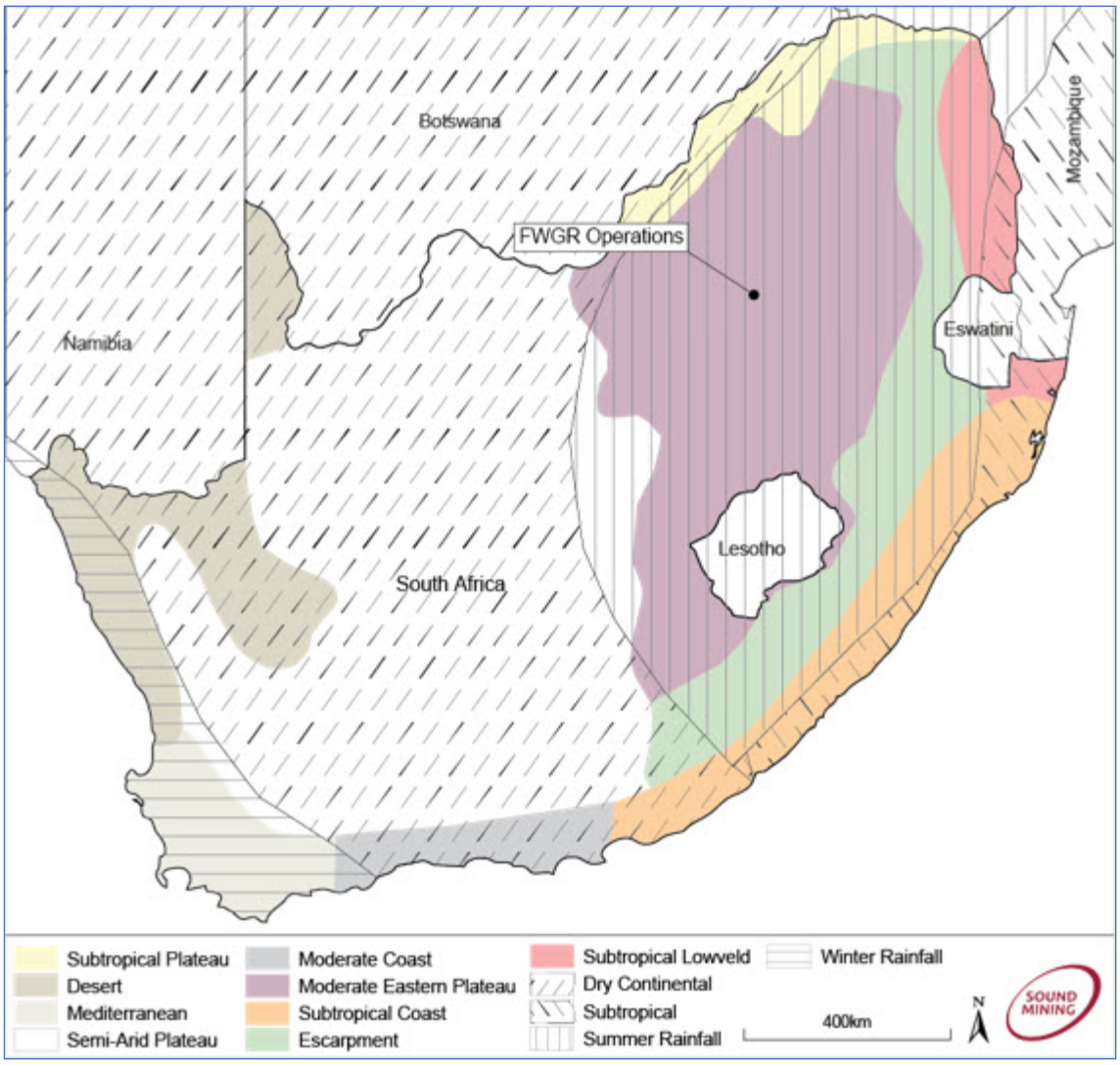
Figure 6: Topography Map of FWGR



Source: Sound Mining, 2022

Climatically, the area is classified as 'moderate eastern plateau' with by well-defined seasons characterized by warm to hot, moist summers and cool dry winters, often accompanied by frost (Figure 7).

Figure 7: Climate and Rainfall of South Africa

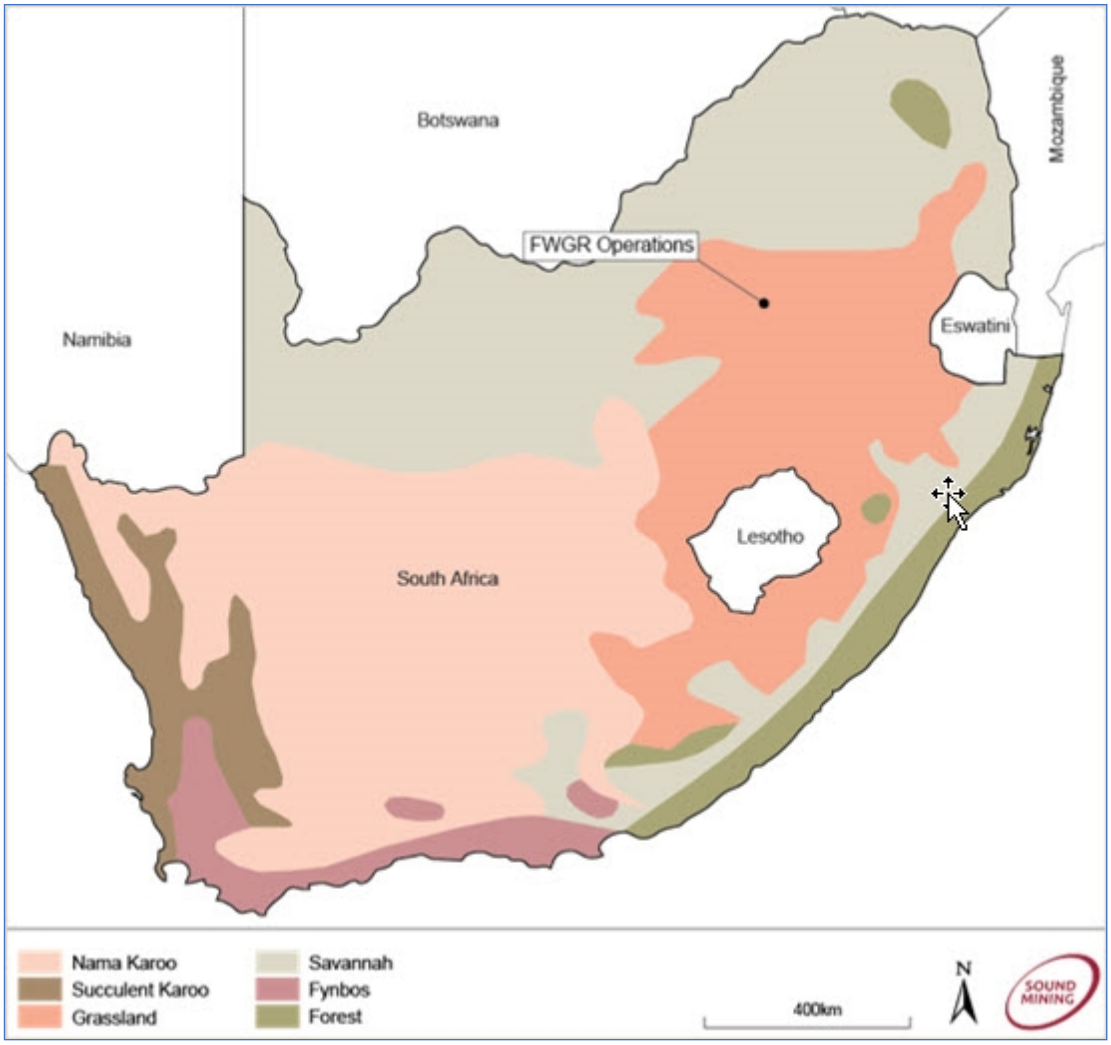


Source: Sound Mining, 2022

The temperate climate has an average ambient temperature of 20°C with dry winters between May and July (0°C to 18°C) and wet, warm summers from September to March (0°C to 27°C). The daily mean temperatures in January and July are 21.2°C and 9.8°C respectively. The Randfontein area, on average, receives 571mm of rain per year, with most rainfall occurring during summer in the form of thunderstorms. The highest rainfall occurs in January (107mm) and the lowest in June (0mm) where the wet season occurs from November to April. With the exception of summer thunderstorms, the climatic conditions have little to no effect on the mining operations at FWGR where work is done at all times of the year and where there is no operating season.

The vegetation of the region is typical savannah grassland (Figure 8) but most of the area comprises disturbed grazing land and minor crop production. The major land uses in the area include agriculture in the form of maize and soya production as well as livestock grazing, formal and informal residential, mining and business uses.

Figure 8: Vegetation of South Africa



Source: Sound Mining, 2022

The area developed on the back of gold mining and is now well serviced with schools, suburbs, medical facilities, a rail network and other supporting infrastructure. The operation lies across the Randfontein and Merafong City Local Municipalities which provide potable water with the national electricity supplier - Electricity Supply Commission (Eskom), suppling the operation with power (see Item 15).

Infrastructure includes formal and informal dwellings, buildings, commercial farming infrastructure, roadside shops, privately owned infrastructure such as access roads, boreholes and dams, public infrastructure (roads and transmission lines) and mine accommodation. Personnel and supplies, from the surrounding areas, make use of both tarred and gravel roads connecting farms, mines and urban centers such as Carletonville and Fochville.

5. HISTORY

Item 5 (i) and (ii)

Gold and uranium mining operations commenced in the late 1800s in the Witwatersrand Basin goldfields of South Africa, and have resulted in the accumulation of substantial amounts of surface tailings and other mine residues. The possible re-treatment of TSFs in the West Rand area has a long and complex history with Gold Fields Limited (Gold Fields), Rand Uranium Limited (Rand Uranium), Harmony Gold Mining Company Limited (Harmony), Gold One International Limited (Gold One) and Sibanye Gold completing a number of parallel, independent studies relating to the retreatment of these TSFs. There is an approximate fifteen-year history of metallurgical test work and process design which has been undertaken for a variety of combinations of assets and products recovered, as summarized in Table 2. Whilst these historical studies were for specific combinations of assets, they are not all relevant to FWGR in its current form.

Prior to 2009, Gold Fields embarked on a project known as the West Wits Project (WWP) aimed at retreating several TSFs on its four mining complexes: Kloof, Driefontein, Venterspost and South Deep (Table 2) to recover residual gold, uranium and sulfur and storing the tailings on a new Central Tailings Storage Facility (CTSF). Similarly, Rand Uranium had embarked on the Cooke Uranium Project (CUP), which endeavored to treat the Cooke TSF for gold, uranium and sulfur and ultimately deposit the tailings onto the Geluksdal TSF, located very close to the CTSF. The two independent projects had similar operational and environmental mandates, within a 25km radius of each other.

In 2009, Gold Fields and Rand Uranium evaluated the potential synergy of an integrated retreatment plan for TSFs located within the South Deep, Cooke, Kloof, Driefontein and Venterspost mining complexes.

In 2012, Gold One acquired Rand Uranium and in the same year acquired the Ezulwini Mining Company (Proprietary) Limited (Ezulwini) in an agreement with First Uranium Corporation. During the same year Gold One, revived the tailings retreatment project and Gold Fields entered into a joint venture (JV) partnership with Gold One to investigate the economic viability of concurrently reprocessing current arisings and historical tailings from a number of sites situated in the greater Carletonville/Westonaria/Randfontein area. A scoping study was concluded in 2012.

In early 2013, Gold Fields unbundled its Kloof and Driefontein Complex and Beatrix gold mines in the Free State Province to create a separate entity in Sibanye Gold and listed Sibanye Gold as a fully independent company on both the JSE and the NYSE stock exchanges. Subsequently, in October 2013, Sibanye Gold Limited purchased the interest held by Gold One in Rand Uranium and Ezulwini. The Gold One assets which became part of Sibanye Gold included the Cooke operations (underground mining and surface reclamation operations) for gold and uranium production. This transaction gave Sibanye Gold control of a substantial portion of the surface mineral resources in the region. A Preliminary Feasibility Study (PFS) was completed during 2013 and confirmed that there is a significant opportunity to extract value from the surface Mineral Resources. Subsequently, a number of Definitive Feasibility Studies (DFSs) have been completed on various combinations of TSFs as shown in Table 2. Sibanye Gold's TSF reclamation assets were housed in a special purpose vehicle (SPV) called WRTRP.

In 2018, Sibanye Gold vended its interest in WRTRP to DRDGOLD for an equity stake of 38.05% and an option to subscribe for additional shares for cash to take its stake to 50.1%. In mid-2018, FWGR initiated Phase 1 of a phased approach to its growing reclamation operations.

Table 2: Historical Development of FWGR

Owner/Operator	Period	Project and/or Transaction	Properties	Activity	Comment
Gold Fields Group Limited		WWP	Driefontein Complex (Driefontein 1, 2, 3, 4 and 5 TSFs); Kloof Complex (Kloof 1 and 2 TSFs, Libanon and Leeudoorn TSFs; Venterspost Complex (Venterspost North and Venterspost South); and the South Deep Complex		Aimed at retreating several West Rand TSFs to recover gold, uranium and sulfur and storing the tailings on a new CTSF
Gold Fields - subsidiary GFI Mining South Africa (Proprietary) Limited	2009	West Wits Tailings Treatment Project (WWTTP)	Driefontein Complex, Kloof Complex, Libanon, Leeudoorn, Venterspost Complex and South Deep Complex	WWTTP Feasibility Study near completion	
Rand Uranium Limited (Rand Uranium)	2009	CUP	Cooke mining Complex	CUP Feasibility Study near completion	Treatment of the Cooke TSF for gold, uranium and sulfur. Arising tailings would be deposited onto the Geluksdal TSF located near the CTSF
Gold Fields and Rand Uranium	Late 2009	Discussion of synergy of WWTTP and CUP - combination of WWTTP and CUP		Evaluation of a combined project	Significant re-engineering and metallurgical test work required and the project was put on hold
Rand Uranium	2010 to 2012	Completed the CUP and the Cooke Optimization Project (COP)		CUP and COP Feasibility Study completed	Applications for authorizations partially complete
Gold One International Limited (Gold One)	2012	Acquisition of Rand Uranium and Ezulwini		Revived the surface retreatment integration discussions - update CUP DFS	
Gold One JV with Gold Fields	2012 to 2013	JV to investigate economic potential of concurrently re-processing current arisings and TSFs	TSFs and current arisings in the Carletonville/Westonaria/Randfontein region	Gold One/Gold Fields JV Scoping Study completed end 2012	
Gold Fields unbundled GFI Mining South Africa (Proprietary) Limited and created Sibanye Gold Limited	Early 2013	Unbundling of the Kloof-Driefontein Complex and Beatrix Gold Mines and listing of Sibanye Gold on the JSE Limited and NYSE	Unbundling of the Kloof-Driefontein Complex and Beatrix Gold Mines		
Sibanye Gold Limited	2013	Acquisition from Gold One of the Rand Uranium and Ezulwini assets	As a result of the transaction, Sibanye Gold held most of the surface resources in the region	Gold One/Gold Fields JV Scoping Study completed a PFS	PFS showed significant opportunity to extract value from the surface resources
Sibanye Gold	2015	Study initiated for the original Version 1 West Rand Tailings Retreatment Project (V1-WRTRP)	Treatment of the Driefontein 3 and 5 TSFs using Ezulwini uranium process plant	DFS for the first phase of the V1-WRTRP	
Sibanye Gold	December 2015	Integrated study on Version 2 of the WRTRP (V2-WRTRP)	Cooke, Driefontein 3, Driefontein 5 and Cooke 4 South TSFs	Integrated study for the production of gold, uranium and sulfuric acid - DFS for V2-WRTRP	DFS for V2 - WRTRP. On completion of the DFS, the project progressed to Front End Engineering Design (FEED) level of accuracy whilst funding and permitting was sought
Sibanye Gold	2016	Decision to close Cooke No 4 shaft		DFS to determine economic viability of using existing infrastructure including DP2 and Ezulwini uranium process plant	
DRDGOLD	2018	DRDGOLD acquired 100% of Sibanye Gold's SPV (WRTRP) for a now 50.1% equity in DRDGOLD	Driefontein 3, Driefontein 4, Driefontein 5, Kloof 1, Libanon, Venterspost North, Venterspost South, TSFs, DP2 and land for a RTSF and CPP	2017 Competent Persons Report, required in terms of Chapter 12 of the JSE listing requirements, outlining category one transaction	DRDGOLD renamed the WRTRP to FWGR

Source: DRDGOLD, 2022

6. GEOLOGICAL SETTING, MINERALIZATION AND DEPOSIT

Item 6 (i); (ii) and (iii)

6.1. Regional Setting, Mineralization and Deposit

The mineral assets considered in this TRS are the tailings derived through the mining and processing of the Driefontein, Kloof, Libanon and Venterspost mines of the Witwatersrand Gold Fields. As such the mineralization of the mined material which produced the tailings, now being processed by FWGR, is described in this TRS. Whereas the nature of the underlying geology is not of direct relevance, an understanding of the scale and nature of the gold mineralization that was targeted in the historical mining operations provides insight into the structure and composition of the mineral assets.

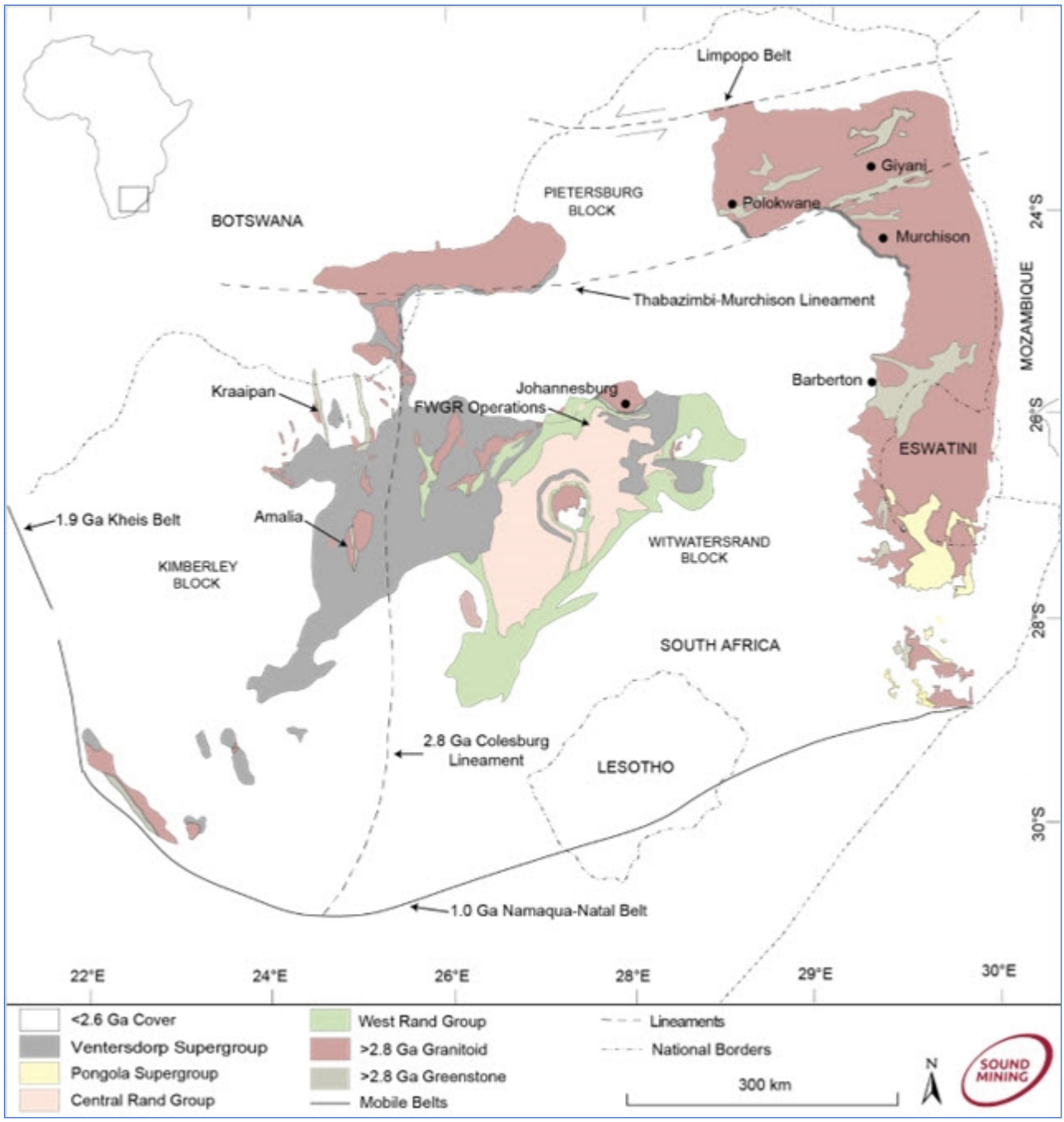
The assets of FWGR are derived from the West Rand and Carletonville Goldfields of the gold-bearing, late Archaean (2.7Ga to 3.2Ga), Witwatersrand Supergroup (Witwatersrand Basin). The Witwatersrand Basin is the largest gold bearing metallogenic province globally and is a roughly oval-shaped sedimentary basin, elongated in a northeast-southwest direction. The major north-south axis of the basin is approximately 160km long, stretching from Welkom to Johannesburg and where the minor, east-west axis, spans approximately 80km. The Witwatersrand Basin is filled with approximately 14,000m of sedimentary and subordinate volcanic units, of which only small portions outcrop to the south and west of Johannesburg. The Witwatersrand Supergroup overlies an Archaean (>3.1Ga) granite-greenstone basement and the 3.08Ga to 3.07Ga Dominion Group and is subsequently uncomfortably overlain, by units of the Ventersdorp (~2.7Ga), Transvaal (~2.6Ga) and Karoo (~280Ma) Supergroups (Figure 9).

The basin hosts vast auriferous and uraniferous deposits which have been grouped into geographically distinct sub-basins or goldfields (Figure 10). The goldfields are separated by stratigraphy where no economic mineralization has been discovered. The stratigraphy of the Witwatersrand Supergroup is broadly split into two Groups, namely the Central Rand and the West Rand Groups, which in turn are split into a series of subgroups, formations and members (Figure 11). The stratigraphic structure of the Witwatersrand Supergroup is well understood at subgroup level, however at formation level, correlation problems are encountered between the defined goldfields. The recognition of basin-wide disconformities, can be used as a basis for stratigraphic correlation and thus permits the correlation of formations between the various goldfields to higher comfort levels (McCarthy and Rubidge, 2006). The principal economic reefs have been correlated across various goldfields and do not occur at the same stratigraphic level.

Recent studies consider the deposition in the Witwatersrand sediments to have taken place along the interface between a fluvial system and an inland sea. Specifically, this body of water is considered to be a retroarc-foreland basin which formed in response to crustal thickening on the northern edge of the Kaapvaal Craton, during a collision with the Zimbabwe craton to the north. The varying stratigraphic position of the narrow, 0.1m to 2.0m thick quartz-pebble conglomerate reefs are interpreted to represent major, diachronous, entry points of coarse-grained sediment into the basin. They appear to be laterally coalesced fluvial braid-plains, where gold was concentrated within conglomerates which developed, primarily along erosional unconformities. The extent of the development of the various unconformities is greatest near the basin margins and decreases towards the more distal areas. Complex patterns of syn-depositional faulting and folding have caused significant variations in sediment thickness and sub-vertical to over-folded reef structures are characteristic of the basin margins.

Structurally, the Witwatersrand Basin has experienced a long and complex history, affected by several superimposed structural events, differentiated as syn- and post-depositional deformations. Syn-depositional deformation played a key role in the original distribution of sediments which controlled the locality of auriferous conglomerates and the thickness of enclosing sedimentary sequences. Later faulting and folding of the sequence determined which parts of the Witwatersrand Basin remained buried, as well as the depth extent of mineable horizons, relative to the present-day surface.

Figure 9: Regional Geological Setting of the Witwatersrand Supergroup

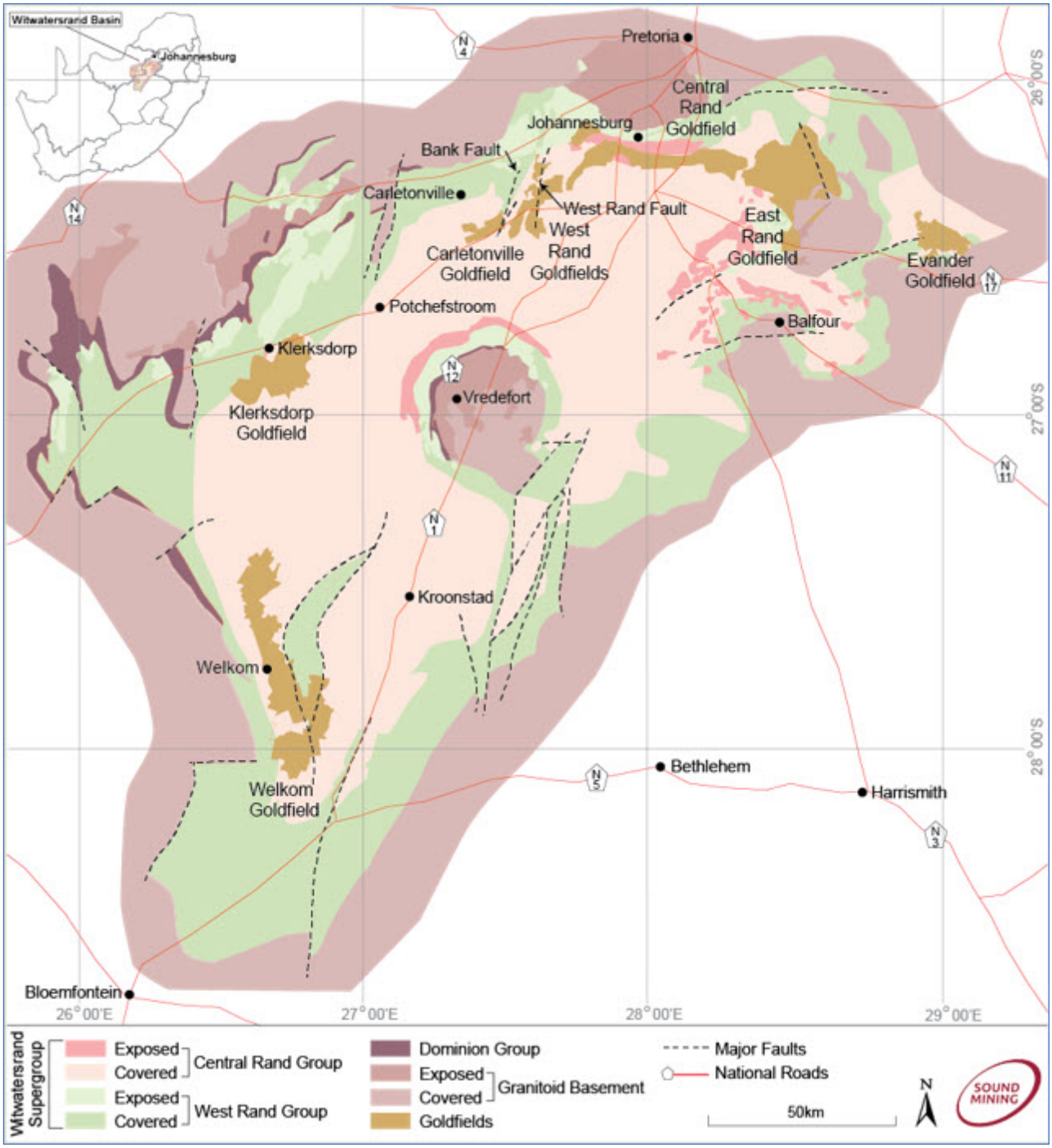


Source: Sound Mining, 2022

6.2. Local Geological Setting, Deposit and Mineralization

In terms of a more local description, the FWGR assets comprise of TSFs of tailings material derived from the mining and processing of ore from the Driefontein, Kloof, Libanon and Venterspost mining operations, located in the West Rand and Carletonville Goldfields, on the north-western rim of the Witwatersrand Basin (Figure 10).

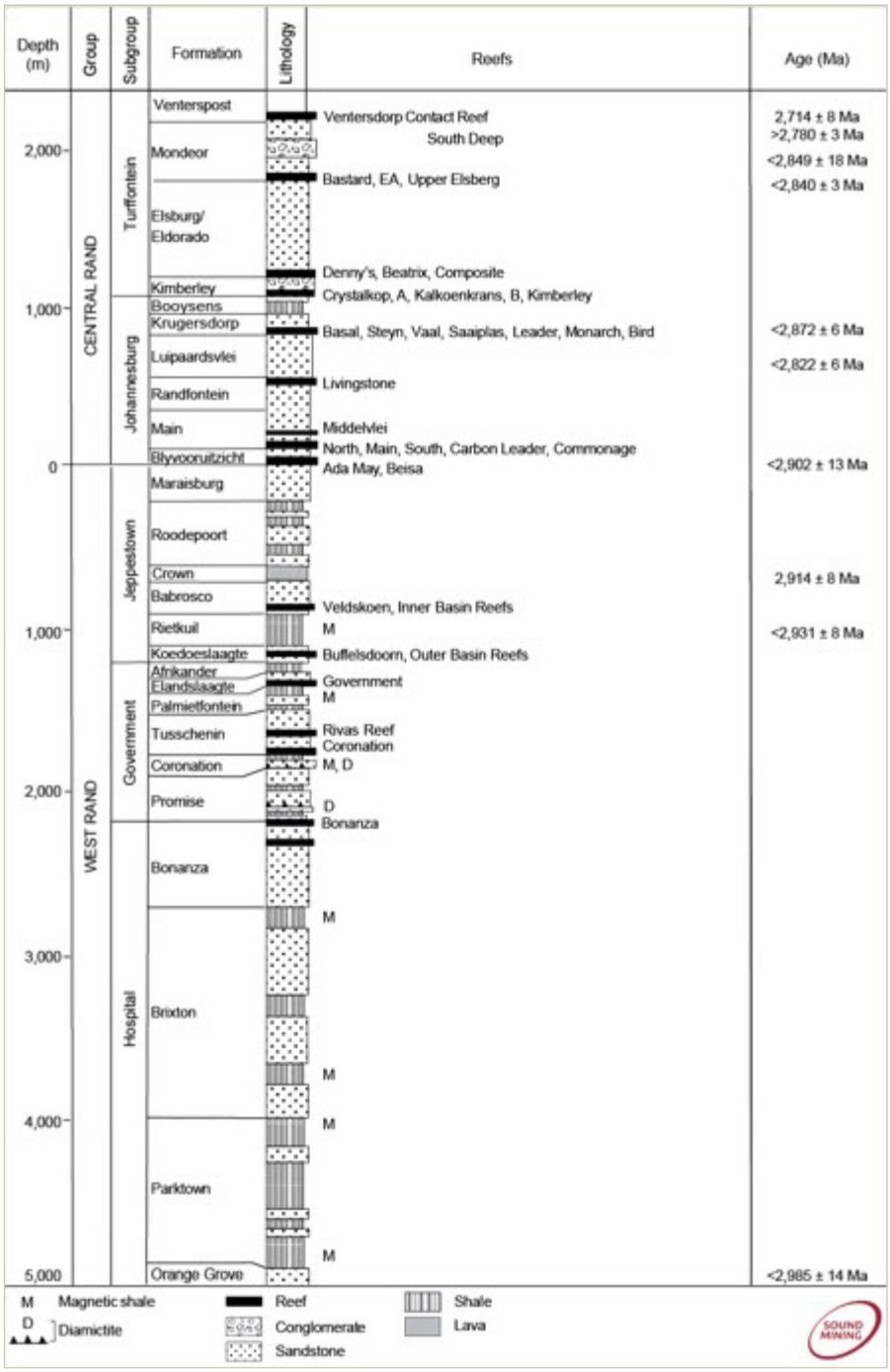
Figure 10: Geology of the Witwatersrand Basin



Source: Sound Mining, 2022

These operations exploit the Ventersdorp Contact Reef (VCR) located at the top of the Central Rand Group, the Carbon Leader Reef (CLR) near the base of the Central Rand Group and the Middelvlei Reef, which stratigraphically occurs 50m to 75m above the Carbon Leader. Additional minor reefs including the Kloof, Elsburg, Kimberley and Libanon Reefs are exploited at some operations (Figure 11). The Central Rand Group, is dominated by course-grained siliciclastic metasedimentary facies with subordinate fine grained (mudstone) facies. Its depositional environment is interpreted as alluvial deltas and braided streams which formed at the fluvial - shallow marine interface. The proximal, high energy, facies are directly linked with the concentration of detrital gold, pyrite and uraninite and thus the Central Rand Group accounts for 95% of the gold production from the Witwatersrand Basin.

Figure 11: Witwatersrand Supergroup Stratigraphic Section



Source: Frimmel et al, 2005

The gold bearing reefs are fundamentally distinguished by their association with quartz-pebble conglomerates, which are confined by a basal angular unconformity and an upper planar bedding surface separating it from an overlying quartz wacke or siltstone unit. The extent of the unconformable surfaces is typically greatest at the basin margins and decreases towards the distal areas of the basin. The Witwatersrand Supergroup is poorly exposed in outcrop due to the overlying, younger cover sequences. The surface geology of the mining area comprises outliers of Karoo Supergroup shales and sandstones, followed by Pretoria Group sediments and the Chuniespoort Group dolomites of the Transvaal Supergroup. In the center of the Witwatersrand Basin, units of the Witwatersrand Supergroup have been upturned and exposed in the Vredefort meteorite impact crater which is dated at 2,023Ma.

The region is structurally complicated with a major structural fault, the West Rand Fault, separating the West Rand Goldfield operations from the South Deep Gold Mine to the east (Figure 10). Additional horst structures are superimposed upon the southeast plunging West Rand Syncline including the Bank Fault (Figure 10), a large west dipping fault with a down-throw to the west. The structural features affect the preservation, depth and length of the economic reefs. In the area east of the Bank Fault the majority of mining exploits the VCR, with minor contributions from the Middelvlei Reef and the Kloof Reefs (Gold Fields). West of the Bank Break the CLR is generally a high-grade reef and represents the major source of Run-of-Mine (RoM) with minor contributions from the VCR and Middelvlei Reef.

6.3. Property Geology, Deposit and Mineralization

FWGR TSFs are located on two mining rights (Figure 12) within the West Rand and Carletonville Goldfields. As stated above, they are the processed waste derived from the mining and processing of auriferous and uraniferous ores from Driefontein, Kloof, Libanon and Venterspost mining operations. The mining operations targeted different reefs, namely:

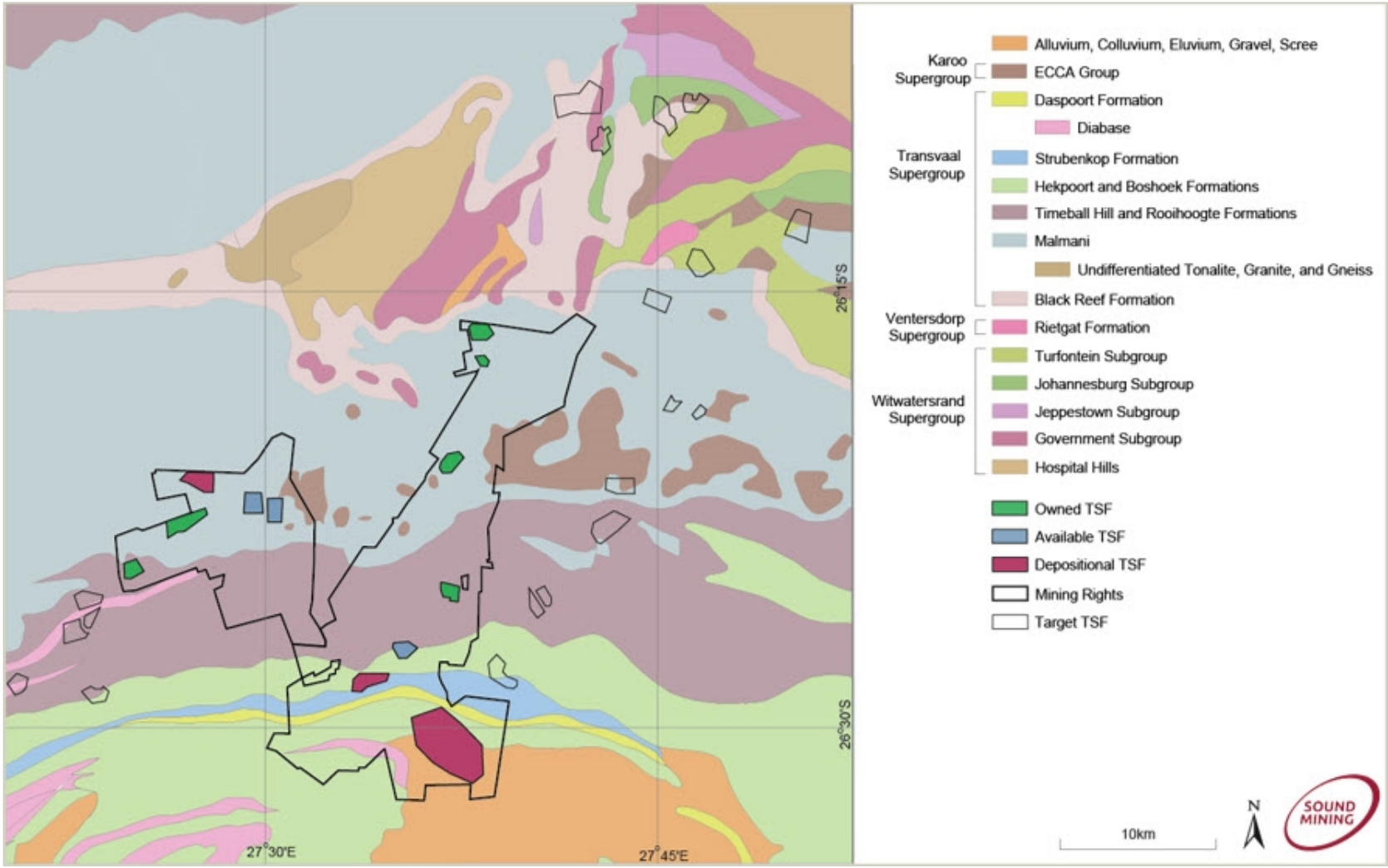
- the Driefontein TSFs comprise primarily processed VCR, CLR and Middelvlei Reef;
- the Kloof TSF comprises primarily processed VCR, Middelvlei Reef and the Kloof Reef;
- the Venterspost TSFs comprise primarily processed Middelvlei Reef and VCR; and
- the Libanon TSF comprises material from the VCR, Libanon Reef, Kloof Reef and Middelvlei Reef.

The composition of a TSF depends on the geochemical make-up of the material being mined and the chemicals used in the mining and extraction process. In addition to the internal structure, the TSF reflects the mining strategy and depositional methodologies employed at each operation. A single TSF can have portions of different composition and specific gravity (SG) due to changes in underlying orebody contribution, the deposition of tailings arising from different operations and differing depositional strategies.

The bulk density of tailings material is a critical factor in the accurate estimation of quantities and thus an investigation into the lateral and vertical variation was conducted. These factors can result in a considerable variation in gold content and distribution throughout a TSF where such variation has an impact on final recoveries and projected revenues for the operation. Various exploration programs and subsequent geological modelling has enabled the classification of FWGR TSFs as Mineral Resources with a bulk density ranging from 1.40g/cm^3 to 1.45g/cm^3.

In addition, secondary processes such as metal re-mobilization, erosion, weathering, leaching and acid mine drainage can further affect the geochemical characteristics of a TSF. These processes tend to progress faster in a TSF compared to a primary ore body as weathering, erosion and oxidation are accelerated by the fine particle size of the material, and leaching together with acid mine drainage occur due the large amount of water associated with TSFs. Gold can undergo mobilization within the TSF with time and hence may exhibit areas of re-concentration and even be present in the sub-structure soil. The geochemical characteristics of the footprint geology, such as dolomites, granites, quartzites, has a bearing on the mobilization dynamics of a TSF. Hence, depending on several factors such as footprint, age of deposition, beneficiation and primary reef origin of slimes, a TSF may exhibit areas/layers of differing grade profiles. The modelled dumps show vertical and lateral variation in gold grade and although exceptions occur, in general, the grade tends to increase towards the bottom of the dump and into the footwall. Detailed exploration results and geological modelling is outlined in Item 7 and Item 11 respectively.

Figure 12: Property Geology



Source: Sound Mining, 2022

7. EXPLORATION

Item 7 (i); (ii); (iii); (iv); (v) and (vi)

7.1. Methods and Databases

The extent, morphology and structure of the TSFs is relatively simple when compared to conventional mineral deposits. Consequently, the exploration programs are also simple and straightforward. Exploration of the FWGR's assets comprised:

- auger drilling programs to permit sampling for gold content and mapping of the gold distribution undertaken in drilling campaigns by Gold Fields in 2007, 2008 and 2009 for the Driefontein, Kloof, Libanon and Venterspost TSFs;
- surveying of the borehole collars undertaken by Gold Fields in-house surveyors to determine physical dimensions and volumes verified independently by Light Detection and Ranging (LIDAR) consultants;
- metallurgical and flow sheet development test work including historical studies by SGS South Africa (Proprietary) Limited (SGS) and recent test work by Mintek; and
- tailings toxicity tests and SG determination - undertaken by SLR Consulting (Africa) (Proprietary) Limited and The RVN Group (Proprietary) Limited (The RVN Group).

7.2. Geophysical Characterization

No geophysical investigation of the TSFs has been undertaken as part of the exploration programs.

7.3. Geo-hydrological Characterization

A geohydrological investigation of the TSFs did not form part of the exploration programs. It is not required for the determination and classification of FWGR's Mineral Resources. The handling of surface water is described in the mining and processing Items (Item 13 and Item 14). Hydrological and geohydrological considerations for the Leeudoorn TSF and RTSF are discussed in Item 15.1.1 and Item 15.2.1.

7.4. Geotechnical Characterization

A geotechnical investigation of the TSFs did not form part of the exploration programs. It is not required for hydro-mining of the unconsolidated tailings material. The slope angles and bench widths do not pose a risk to the mine design (Item 13.1). Geotechnical assessments were performed for the design of the Leeudoorn TSF and RTSF (Item 15.1.1 and Item 15.2.1). The auger drilling method performed during exploration does not allow for the orientation of samples. Geotechnical characterization is not applicable to the determination and classification of FWGR's Mineral Resources.

7.5. LIDAR and Surveying

A detailed helicopter-based LIDAR survey was undertaken by Gold Fields in late 2008. The survey was conducted by Southern Mapping Company (Proprietary) Limited and the total area surveyed was approximately 44,000ha. The aerial survey was conducted using an aircraft mounted LIDAR system which scanned the ground below with a 70kHz laser. Digital color images were also gathered to produce color orthophotos. The survey was conducted at a height of 1,100m above datum with an image pixel size of 15cm. The vertical accuracy was 10cm and the horizontal accuracy was 20cm. The survey was calculated in Hartebeesthoek94, LO27 projection with ellipsoidal heights. The data was supplied to Gold Fields in CAPE LO27 with orthometric heights. The LIDAR survey provided surface data from which three-dimensional (3D) models of the TSFs were constructed.

The Driefontein 5 TSF and Driefontein 3 TSFs were surveyed in 2004 and 2006 respectively by Gold Fields, using differential Global Positioning System (GPS) methodology. In all instances it was found that the vertical positioning of the drillhole collars were offset from the surface of the TSFs as determined from the LIDAR survey. The offset ranges from approximately 0.5m to several metres. It was assumed that the LIDAR survey was the more accurate of the two surveys and the drillhole positions were moved to intersect the top of the TSF wireframes.

7.6. Drilling

Historical exploration programs and Mineral Resource estimates that have contributed to the overall exploration database include:

- a Mineral Resource estimate (Minxcon 2008); and
- Gold Fields (2007) undertook an initial drilling campaign on Driefontein 3 TSF and Driefontein 5 TSF. The Mineral Resources were reported in Minxcon (Proprietary) Limited (Minxcon) report R2008-14 (2008). The drilling continued in 2008 to cover 13 TSFs in the Kloof, Driefontein, and Venterspost areas.

The drilling was done on either a 100m-by-100m or a 200m-by-200m grid. All drillholes were vertical and downhole surveys were considered unnecessary as the drillholes were shallow, generally <70m deep. The drillhole grid and downhole sampling density are sufficient to establish both grade and geological continuity.

The drilling was undertaken using a fully portable hydraulic drill rig comprising a rotating spiral auger drill encased in a stainless-steel core barrel/rod. The rod comprises a 50mm nominal bore drill rod and inner spiral, with the inner spiral rotating in the opposite direction to the outer casing whilst advancing into the tailings material. The drilling is performed dry and due to the nature of the drilling the resultant samples are not oriented. Orientation is not relevant to mining methodologies of the TSFs.

Samples have been described and assayed appropriately to support a Mineral Resource estimation.

Two drilling contractors were utilized, namely Dump and Dune Drillers (Proprietary) Limited and Gold Mine Sands and Slime Dam Drillers (Proprietary) Limited. Both companies have experience in the drilling of tailings material and comply with industry practices.

Auger and sonic drilling of tailings material by its nature is intrinsically open to contamination and therefore requires particular care to ensure the results are adequate for use in a Mineral Resource estimate. The drilling programs were supervised by in-house qualified geologists and a high degree of corporate governance is evident. The drilling methodologies were independently audited by SRK Consulting (Proprietary) Limited (SRK) in 2008 for Driefontein 3 TSF, Driefontein 5 TSF, Kloof 1 TSF, Libanon TSF, Venterspost North TSF and Venterspost South TSF.

Drilling logs were kept by the drilling foreman but no sample photographs were kept. Given the drilling methodology, this is not considered inappropriate.

Overall conclusions for each drilling campaign suggest that the drilling and sampling programs were conducted to industry standards and suitable for incorporation into a Mineral Resource estimate.

The location of the drillhole collars for the TSFs are shown in Figure 13 to Figure 18. The total number of drill holes is 1,180 with an approximate length of 72km.

7.7. Exploration Budget

Numerous historical exploration activities now contribute to the FWGR's overall exploration database and it is anticipated that FWGR will continue to conduct exploration activities which are necessary to keep ahead of recoveries and to update knowledge of the content within the TSFs. Provisions for future exploration are included in the DCF model.

8. SAMPLE PREPARATION, ANALYSIS AND SECURITY

Item 8 (i); (ii); (iii); (iv) and (v)

8.1. Sampling Method

Auger Drilling: the auger drill comprises a rotating spiral auger drill bit encased in a stainless-steel core barrel. The core barrel comprises a 50mm drill rod and inner spiral, with the inner spiral rotating in the opposite direction to the outer casing as the tailings material is penetrated. The extension rods and spiral augers have three lengths; namely 1.5m, 3.0m and 4.5m. The typical drilling cycle comprised the following sequence, repeated until the floor of the TSF was intersected:

- an initial sample was drilled with a 1.5m spiral auger/sample tube, after which the first sample was extracted;
- the subsequent sample was drilled with a 3.0m auger/sample tube and the 1.5m sample extracted;
- thereafter, a 4.5m spiral auger/sample tube was used and the sample extracted; and
- the succeeding samples were extracted from the 4.5m spiral auger plus a 1.5m extension rod, followed by a 3.0m extension rod and then a 4.5m drill rod.

The first two samples were extracted directly into new sample bags by using the drill rig to reverse the rotation of the spiral within the 1.5m and 3.0m auger/sample tubes. The sample bag was placed over the end of the tube to collect the sample following which the spiral auger and interior of the barrel were cleaned by using a cloth and a steel brush to remove the tailings material.

Subsequent samples were extracted by removing the spiral auger and the sample collected in a rubber trough. The first 10cm to 15cm of the sample were discarded as they would be the most likely to have contamination and the remainder of the sample was transferred into the bag at the end of the rubber trough. The sample bag was then closed, placed in sequence and the tickets added. The sample at the floor of the TSF is collected into two separate bags containing the soil/footprint sample and the lowermost tailings sample.

The entire sample was collected and consequently the full length of the TSF was sampled, ensuring representivity. No relationship exists between sample recovery and grade as the material is fine grained and the entire sample was collected so no preferential loss of fines is anticipated. Each resulting sampled weighed between 2kg and 4kg and is considered suitable for the fine grain size of the tailings. No selective sampling was undertaken.

The drilling sites were visited by independent consultants who concluded the sampling and management of samples by the drillers was of a high quality, well controlled and from the evaluation of the quality control data, the number of errors made by the drillers was very small.

The samples were not geologically nor geotechnically logged as these criteria cannot be obtained from an auger sample.

8.2. Sample Security

The database used for the Mineral Resource estimation was thoroughly reviewed and found to be reliable.

8.3. Analytical Laboratories

Four independent laboratories were used for sample analysis, namely SGS, Set Point Laboratories (Set Point), ALS Chemex South Africa (Proprietary) Limited (ALS) and Performance Laboratories (Proprietary) Limited (Performance Laboratories). All except for Performance Laboratories, are accredited by the South African National Accreditation System (SANAS) for gold assay. At the time of work, Performance Laboratories did meet the requirements of ISO/IEC 17025:2005 for gold assay which accreditation was valid until February 2015.

Set Point and ALS were independently inspected and found to follow best practice principles of quality management. They have procedures of chemical analysis and assay that meet the requirements for code compliance. They use sample preparation equipment that complies with international accepted practices and laboratory information management systems with sample tracking. Quality management systems exist with quality checks throughout the entire assay and analytical process.

8.4. Analytical Procedures

Gold analysis was undertaken using standard fire assay methodology with gravimetric finish which is considered entirely appropriate for the sample type.

The laboratory sample preparation was standard for auger drill samples and included drying, jaw crushing to a nominal 10mm if compacted, pulverizing with a disc pulverizer and manual homogenization. The final sample size submitted for assay was 500g and the likelihood the samples being non-representative is low.

8.5. Bulk Density

In general, the conversion from volume to quantity in the case of mineral deposits is undertaken by the application of a density or the SG determined experimentally on dry samples. Density is the mass per unit volume e.g., t/m^3, whilst SG is the ratio of the density of a substance to the density of a reference substance (usually water); and is a unitless ratio of the mass of a substance to the mass of a reference substance for the same given volume. Wet density measurements can be undertaken for samples with moisture content.

Bulk density, however is defined as the dry weight of a material per unit volume of that material. Bulk density considers both the solids and the pore space; whereas, density and SG consider only the solids.

The density throughout the various TSFs will vary marginally depending on the original reefs mined. An average density of 1.40t/m^3 was used in the 2018 Mineral Resource estimate but this Mineral Resource has now been updated using a density of 1.42t/m^3 because of data subsequently available to FWGR from the current operations and from recent test work performed by The RVN Group. This compares favorably with the average densities reported by other companies in the business of retreating Witwatersrand tailings (Table 3).

Table 3: Dry Densities used by Other Re-treatment Companies for the Witwatersrand Operations

Company	TSF	Dry Density (t/m^3)
Rand Uranium	West Rand Operations	1.45
Anglo Gold Ashanti	Vaal River Operations	1.45
Ergo Mining (Proprietary) Limited	Elsburg Tailings Complex	1.42
Mintails SA	West Rand Projects	1.40

Source: Sound Mining, 2022

The QP has therefore assumed a consistent density of 1.42t/m^3 for the Mineral Resource estimate as at 30 June 2022.

The use of a dry density in the estimation of an in situ Mineral Resource is standard best practice and the dry density value has been applied to the Mineral Resource estimate.

8.6. Concluding Comments

The QP considers the sampling method and preparation adequate for this type of mineralization. Sample security is considered adequate and the resulting database reliable. Standard analytical processes were used for sample grade determination with Quality Assurance and Quality Control (QA/QC) (Item 9) providing confidence in the results.

9. DATA VERIFICATION

Item 9 (i); (ii) and (iii)

9.1. Quality Assurance and Quality Control (QA/QC)

The internal laboratory standards and blanks (between two and four per fifty) were inserted in every batch. Internal standards with a blind standard were used on all instruments. The laboratories undertake regular evaluation of overall performance by statistical evaluation of all QC data.

The laboratory internal checking processes were independently checked and found to be standard and reliable. Several checks were undertaken on the importation of data into the Mineral Resource estimation software with no issues highlighted.

Laboratory reports suggest that blanks and Certified Reference Materials (CRM) were included for every 100 samples. The CRMs submitted were African Mineral Standards (AMIS) AMS0046 at 0.67g/t Au; AMIS AMS0080 at 1.14g/t Au and accredited blank AMIS AMS0069 <0.002g/t Au. The spread of gold grades in the CRM is appropriate and the review of the quality control and quality assurance data concluded that 13.7% of the total population of samples (13,000 samples) were outside of the two standard deviation limits allowed and were re-analyzed.

9.2. Independent Verification

The TSFs exploration programs were conducted during 2007 to 2009 with independent oversight and review provided by Minxcon (Proprietary) Limited, with auditing of the results by SRK Consulting (Proprietary) Limited. The overall conclusions for each drilling campaign suggests that the drilling and sampling programs were conducted to industry standards and are acceptable for a Mineral Resource estimate. The TSF volumes were independently verified by Southern Mapping Company Limited.

Sound Mining has since completed an independent review of the available information and a verification of the data used for the LoM plan to exploit FWGR's assets. This involved integrity checks on the capturing of data and interviews with the specialists involved in the original exploration programs. The QP is satisfied with the accuracy and integrity of the Mineral Resource estimate. The QP is further comforted by the fact that mining of the Driefontein 5 TSF (December 2018 to current) has confirmed both the volume and grade estimates of the TSF.

It should also be noted that the type and style of mineralization of the original reefs exploited during the establishment of the TSF assets are not relevant to the Mineral Resource estimate.

10. MINERAL PROCESSING AND METALLURGICAL TESTING

Item 10 (i); (ii); (iii); (iv) and (v)

10.1. Metallurgical Test Work

The test work described here under relates to understanding recoveries applicable to the TSF mineral deposits. The metallurgical characterization of the TSFs in the area have been covered by numerous techno-economic studies from 2000 to date. These have ranged from Scoping Studies through PFS work to DFS levels of accuracy. The metallurgical test work covered various processing options including direct leach, grinding, ultra-fine grinding and flotation.

Metallurgical test work, on the FWGR's TSFs, was completed by three independent laboratories, namely SGS Lakefield (SA), Mintek, and Patterson & Cooke. Results were independently review by ENC Minerals (Proprietary) Limited and are considered acceptable by the QP. These laboratories are all accredited by the SANAS for gold assay. All three laboratories were independently inspected. They follow conventional best practice principles of quality management and have procedures of chemical analysis and assay that are accepted as fulfilling the requirements of compliancy demanded of modern mining companies. They use sample preparation equipment that complies with international accepted practice. They have installed well developed laboratory information management systems with sample tracking. They have evolved quality management systems in place with quality checks through the entire assay and analytical process.

Test work has been performed on Driefontein 3 TSF, Driefontein 5 TSF, Libanon TSF, Kloof 1 TSF and Venterspost North TSF. Less test work was performed on the Venterspost South TSF. The diagnostic leach results as well as gold deportment per size fraction of the Driefontein TSFs are included in Table 4, Table 5 and Table 6.

Table 4: Full Diagnostic Leach Results on Un-milled Feed Samples

Diagnostic Results Un-Milled Feed Sample Association	Driefontein 3 TSF		Driefontein 5 TSF	
	(g/t Au)	(% Au)	(g/t Au)	(% Au)
Gold Available to Direct Cyanidation	0.24	54.7	0.22	52.4
Gold that is Preg-robbed Carbon-in-Leach (CIL)	0.02	3.5	0.00	0.0
Gold Associated with GCI Digestible Minerals	0.06	14.9	0.05	11.4
Gold Associated with HNO_3 Digestible Minerals	0.03	6.9	0.04	10.3
Gold Associated with Carbonaceous Matter	0.02	4.1	0.00	0.0
Gold Associated with Quartz (balance)	0.07	16.0	0.11	25.9
Total	**0.43**	**100.0**	**0.41**	**100.0**

Source: Mintek, 2015

Table 5: Driefontein 5 TSF Feed Sample Assay by Size

Particle Size (µm)	Mass (%)	Cumulative Mass (% mass)	Discrete Grade Au (g/t)	Discrete Distribution (%)			Cumulative Distribution (%)		
				Au	U_3O_8	S_2	Au	U_3O_8	S_2
150	5.5	94.5	1.13	15.2	4.1	0.9	100.0	100.0	100.0
106	10.8	83.6	0.62	16.3	4.8	1.9	84.8	95.9	99.1
75	15.1	68.5	0.34	12.4	7.9	6.1	68.6	91.0	97.2
53	10.6	58.0	0.27	6.9	6.3	11.9	56.1	83.2	91.1
38	8.7	49.3	0.32	6.7	6.4	16.1	49.2	76.9	79.2
25	9.0	40.3	0.31	6.8	7.9	17.6	42.5	70.5	63.1
15	22.0	18.3	0.23	12.3	36.9	33.6	35.7	62.6	45.5
-15	18.3		0.53	23.4	25.7	11.9	23.4	25.7	11.9
Total	**100.0**			**100.0**	**100.0**	**100.0**			
Head Grade (calculated)			0.41						
Head Grade (measured)			0.41						
Variance			0.70%						

Source: Mintek, 2015

Table 6: Driefontein 3 TSF Feed Sample Assay by Size

Particle Size (µm)	Mass (%)	Cumulative Mass (% mass)	Discrete Grade Au (g/t)	Discrete Distribution (%)			Cumulative Distribution (%)		
				Au	U_3O_8	S_2	Au	U_3O_8	S_2
150	5.0	95.0	1.48	18.0	5.5	0.08	100.0	100.0	100.0
106	12.9	82.0	0.39	12.2	5.9	1.8	82.0	94.5	99.2
75	17.0	65.0	0.37	15.3	8.9	7.9	69.8	88.6	97.5
53	10.5	54.6	0.34	8.6	6.8	12.6	54.5	79.8	89.5
38	8.4	46.2	0.34	6.9	6.3	16.1	45.9	72.9	76.9
25	7.8	38.4	0.27	5.1	6.1	14.7	38.9	66.7	60.7
15	24.9	13.5	0.29	17.5	40.2	38.8	33.8	60.5	46.1
-15	13.5		0.50	16.3	20.3	7.3	16.3	20.3	7.3
Total	**100.0**			**100.0**	**100.0**	**100.0**			
Head Grade (calculated)			0.41						
Head Grade (measured)			0.43						
Variance			4.10%						

Source: Mintek, 2015

The presence of preg-robbers in the tailings material can be ascertained from the above results. Preg-robbing is the phenomenon whereby the gold cyanide complex, $Au(CN)_2$, is removed from solution by the constituents of the ore. The preg-robbing components may be the carbonaceous matter present in the ore, such as wood chips, organic carbon, or other impurities, such as elemental carbon.

The actual content of the preg-robbers in the samples seems to vary from 0% up to 10% in certain samples. This pattern is consistent with results from similar operations and is a function of the nature of the material being re-mined. In particular, areas on a TSF which contain organic matter and plants (i.e., side walls, reed beds etc.) will have elevated preg-robbing content. It is therefore an established practice to design a plant with a Carbon-in-Leach (CIL) system and not a Carbon-in-Pulp (CIP) system. The process design does allow for CIL to mitigate the impact of preg-robbers on recovery potential.

The recoveries in Table 7 are underpinned by test work and records from the currently throughput of Driefontein 5 at the DP2. FWGR also actively try to liberate addition gold locked in silicates through additional fine grinding at DP2 to enhance overall recoveries. This possibility for improved recoveries is supported by the fact that approximately 30% of the contained gold is found in the coarse fractions (>106µm). Historically the most favorable liberation on Witwatersrand Basin gold bearing ores have been achieved at grind sizes of <75µm. Both the diagnostic leach and assay by size results confirm the need to mill the coarse fractions in order to improve recovery.

Based on the test work, Sound Mining's QP is comfortable that the following processing recoveries are achievable on the various TSF feed sources (Table 7).

Table 7: Summary of Process Recovery Potential

TSF	Process Recovery (%)
Driefontein 5	49.8
Driefontein 3	56.6
Kloof 1	50.5
Libanon	47.2
Venterspost North	54.7
Venterspost South	62.5

Source: Sound Mining, 2022; and FWGR, 2020

10.2. Concluding Comments

The initial metallurgical test work, sampling and bulk sample trials used to support the Mineral Resource estimates and feasibility study work is considered by the QP to reasonably represent the deposit as a whole. The processing of the Driefontein 5 TSF has provided the QP with further confidence in that the actual metallurgical recoveries have been consistent with the initial forecast.

11. MINERAL RESOURCE ESTIMATES

Item 11 (i); (ii); (iii); (iv); (v); (vi) and (vii)

The original Mineral Resource estimates of 2009 were confirmed by Sound Mining in 2020. Sound Mining independently reviewed the database, geological models, estimation methodology and classification criteria. Sound Mining concluded that the estimations are based on a suitable database of reliable information and that no material issues were found which could affect the overall estimate. The density assumption used for the various TSFs in the 2018 Mineral Resources estimate was 1.40t/m^3. It has since been revised to 1.42t/m^3 following FWGRs data from the mining of the Driefontein 5 TSF. Geological losses are not applied because the entire volume of a TSF will be processed once included into FWGR's Mineral Resource base for future exploitation.

11.1. Geological Models and Interpretation

TSFs constructed from the tailings of Witwatersrand gold mining operations have been successfully and economically exploited for decades and the geotechnical and geometallurgical characteristics are well understood from experience and test work on the FWGR assets themselves. Apart from the potential risks identified in Item 12.1, no factors of a geotechnical or geometallurgical nature have been identified that would have a significant effect on the prospects for eventual economic extraction.

The exploration database has been demonstrated to comprise analytical data obtained from reliable laboratory assays on samples obtained from sampling and drilling programs based on industry best practice. The drillhole grid spacing is comparatively close for typical TSF drilling programs and the entire depth of each TSF was sampled. The data density is therefore considered sufficient to assure continuity of mineralization and structure and provides an adequate basis for estimation.

The exploration database was imported into DataMineTM Studio 3 software and data validation was undertaken to ensure the integrity and validity of the imported data. The samples for Driefontein 3 TSF and Driefontein 5 TSFs represent 3.0m composite samples and not 1.5m composites. The samples from all of the other TSFs were 1.5m in length. The end of the drillhole sample, where it contained footwall material, was separated into tailings and footwall material and treated separately by the laboratory.

Three dimensional wireframes were constructed from surveyed data and drillhole information. The top wireframe surface for the Driefontein 3, Driefontein 5, Kloof 1, Libanon, Venterspost North and South TSFs were constructed from LIDAR data. The base/footprint wireframe was constructed from the soil intercept depths from the drillhole data and the footprint perimeter. The wireframes comprised simple 3D representations of the volume of the TSFs and as such are not open to alternative interpretations.

11.2. Estimation Methodology

Ordinary Kriging was undertaken for the gold grade estimation which allows for testing of the accuracy and efficiency of the estimation. Due to the construction of the TSFs and potential gold remobilization, a spatial grade distribution was anticipated and since Kriging is based on modelling the spatial variances within an orebody, this method was considered the most reliable and accurate.

The capping of anomalously high-grade values was only applied to Driefontein 5 TSF and Kloof 1 TSF These capping values were determined from the probability plots generated for each TSF. Capping in the variography stage of the estimation limits the excessive variances of the anomalously high grade from skewing the distribution away from the representative variance of the data distribution. Capping in the Kriging stage limits the zone of influence that the ultrahigh grades have on the estimation of the surrounding areas. This is considered an appropriate method of data handling.

The following parameters were applied in the Kriging process:

- 50m-by-50m-by-3m block size as derived from 100m-by-100m drillhole spacing and 1.5m sample lengths for Driefontein 5, Driefontein 3, Kloof 1, Libanon, Venterspost North and South TSFs;
- sub-cells employed at a minimum of 10m-by-10m (X and Y) for each TSF;

- first search volume (SVOL1):
  - X and Y at approximately the variogram range;
  - Z search volume was in general the downhole variogram range equating to a search of 6m. Given the stratified nature of the TSFs an excessive search in the vertical direction could result in smearing of grades vertically;
  - minimum of 12 samples within the search volume one (SVOL1); and
  - maximum of 40 samples within the search volume one (SVOL1).
- second search volume (SVOL2):
  - approximately 1.5 times the first search volume;
  - minimum of four samples within the search volume; and
  - maximum of 40 samples within the search volume.

The spatial relationships of the sample grades were investigated with variograms. Both downhole and planar variograms were calculated and modelled. The aim of the downhole variograms was to determine a nugget value and the applicable vertical range of continuity, whilst the planar variogram used the nugget value determined from the downhole variogram. The anisotropy (the difference, when measured along different axes, in a material's physical or mechanical properties) for gold in each TSF was investigated. The variograms were deemed best represented by omni-directional models and the variogram parameters are shown in Table 9.

The vertical (i.e., Z) range of the planar variogram model is replaced by the range determined from the downhole variogram. Where necessary (Driefontein 5 TSF and Kloof 1 TSF) both the downhole and planar variograms were conducted using top-cuts, determined from the probability plots generated for each element for each TSF.

11.3. Mineral Resource Classification

The applied Mineral Resource classification is a function of the confidence of the asset tenure and consideration of the entire process from drilling, sampling, geological understanding and geostatistical relationships. FWGR's legal tenure is secured through the necessary permitting required to access and exploit the moveable assets. The drilling, sampling, analytical processes and governance of the exploration programs have been appropriate and in-line with industry best practice and are considered to be of high confidence. The density used in the conversion from volume to tonnage has been determined from both in situ measured values and empirical data and is considered reliable. In addition, the following statistical criteria were applied to the Mineral Resource classification:

- number of samples used to estimate a specific block:
  - Measured - at least four drillholes within the variogram range and minimum of twenty 1.5m composited samples;
  - Indicated - at least three drillholes within the variogram range and a minimum of twelve 1.5m composite samples;
  - Inferred - less than three drillholes within the variogram range.
- distance to sample (variogram range):
  - Measured - within at least 60% of variogram range;
  - Indicated - within variogram range;
  - Inferred - further than variogram range.
- lower confidence limit (blocks):
  - Measured - less than 20% from mean (80% confidence);
  - Indicated - 20% to 40% from mean (80% to 60% confidence);
  - Inferred - more than 40% (less than 60% confidence).
- Kriging efficiency:
  - Measured - more than 40%;
  - Indicated - 20% to 40%;
  - Inferred - less than 20%.
- Kriged variance a relative parameter used in conjunction with the other criteria.

- deviation from lower 90% confidence limit (data distribution within the Mineral Resource area considered for classification):
  - Measured - less than 10% deviation from the mean;
  - Indicated - 10% to 20%;
  - Inferred - more than 20%.

In accordance with the criteria noted above, all of the TSF Mineral Resources were classified as Measured Mineral Resources.

11.4. Mineral Resource Verification

The following data was received, interrogated, and verified by Sound Mining (Table 8).

Table 8: Data Interrogated per TSF

TSF	De-surveyed DataMine™ Borehole File	Final Block Model	Report
Driefontein 5	compall1_au_u_s.dm	dr5_krig_all fin.dm	Minxcon 2009 updated by Sound Mining 30 June 2022
Driefontein 3	compall.dm	drth_krig_allfinal2b.dm	Minxcon 2009
Kloof 1	compall.dm	kl1_krig_all_final3c.dm	Minxcon 2009
Libanon	compall1.dm	lib_krigall1_2010c.dm	Minxcon 2009
Venterspost North	BHA.dm	vn_krig_all1_fin2d.dm	Minxcon 2009
Venterspost South	COMPALL1.dm	vs_krig_all1_final2c.dm	Minxcon 2009

Source: Sound Mining, 2022

No original laboratory assay reports were received for the TSFs for verification of the assay results; however, it must be noted that head grade assays of the Driefontein 5 TSF correspond with that expected from the Mineral Resource model. An interrogation of the stated modelling parameters yielded acceptable results and demonstrate that the variography and parameters used in the Kriging process are reasonable (Table 9). The QP concludes that the reported Mineral Resource estimation methodologies and interpretations are reasonable and can be relied upon to reflect the Mineral Resource base for FWGR.

Table 9: Variogram Parameters

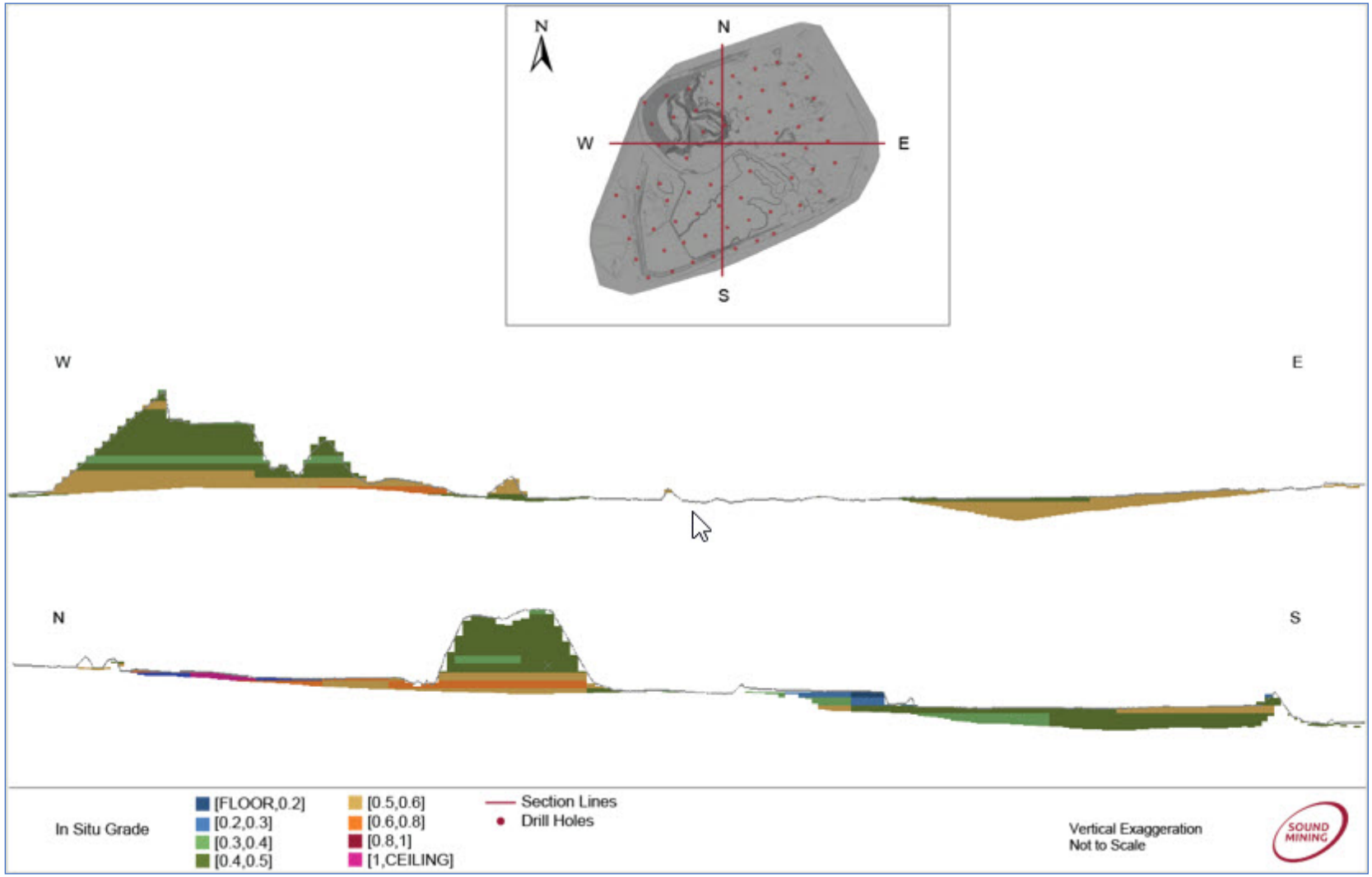
TSF	Parameter	Domain	Sill	Nugget	Sill 1	X1 Range
Driefontein 5	Au	1	0.029	0.180	68.51	124
Driefontein 3	Au	1	0.024	0.280	91.47	134
Kloof 1	Au	1	0.008	0.560	82.82	120
Libanon	Au	1	0.018	0.450	91.59	130
Venterspost North	Au	1	0.025	0.290	90.98	123
Venterspost South	Au	1	0.020	0.290	75.80	117
TSF	**Y1 Range**	**Z1 Range**	**Sill 2**	**X2 Range**	**Y2 Range**	**Z2 Range**
Driefontein 5	124	6	100	545	545	6
Driefontein 3	134	6	100	655	655	6
Kloof 1	120	6	100	406	406	6
Libanon	130	10	100	522	522	10
Venterspost North	123	10	100	385	385	10
Venterspost South	117	6	100	272	272	6

Source: Minxcon, 2009

11.5. Cross-sections and Grade Distribution

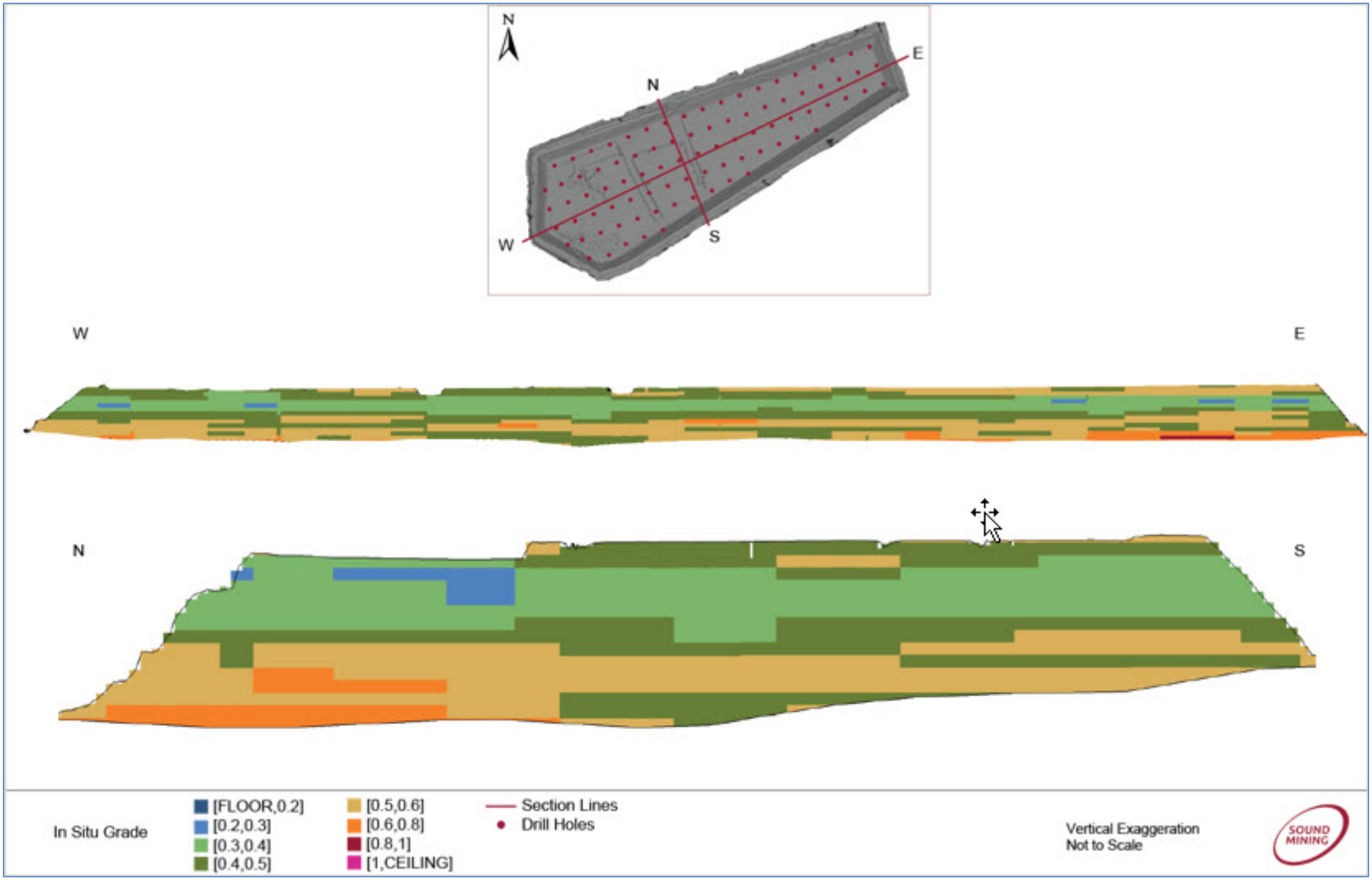
Cross-sections and grade distribution through each TSF are provided in Figure 13 to Figure 18. The Driefontein 5 TSF has been reclaimed since December 2018 and the cross-section presents the depleted TSF as at 30 June 2022. The other TSFs have not yet been reclaimed. Driefontein 5 TSF and Driefontein 3 TSFs have the highest average grade of 0.47g/t Au, with isolated sections up to 0.80g/t Au to 1.05g/t Au. Driefontein 3 TSF and Venterspost North TSF show a clear trend where grade increases with depth, whilst Driefontein 5 TSF appears to have no such pattern. Kloof 1 TSF and Libanon TSF show a slight increase in grade with depth, whilst the opposite is the case for Venterspost South TSF where grades increase quite markedly towards the surface. Libanon TSF and Venterspost North TSF display the lowest average grades but are both fairly large deposits of 74.3Mt and 55.3Mt respectively.

Figure 13: Cross-sections and Grade Distribution - Driefontein 5 TSF



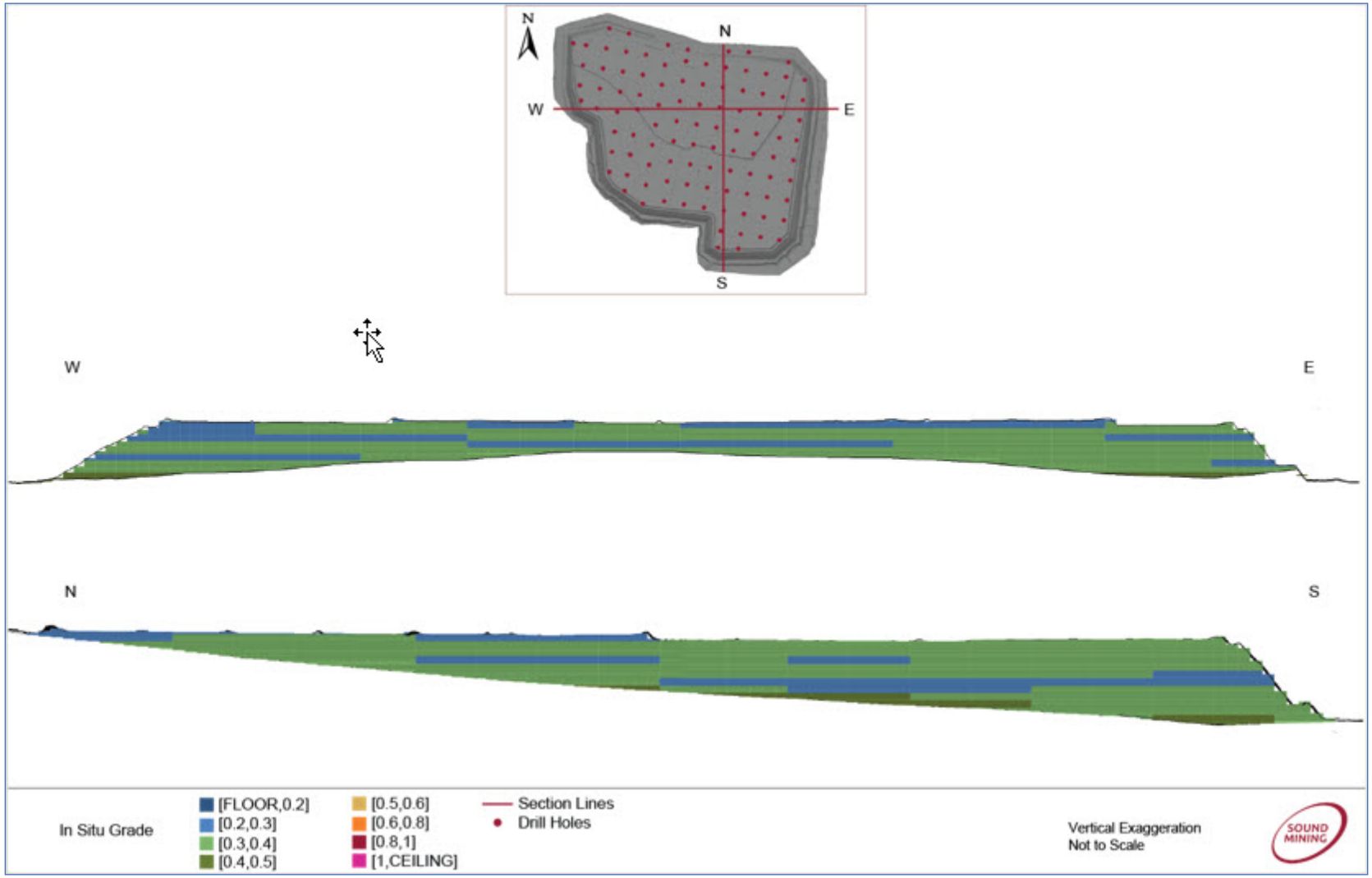
Source: Sound Mining, 2022

Figure 14: Cross-sections and Grade Distribution - Driefontein 3 TSF



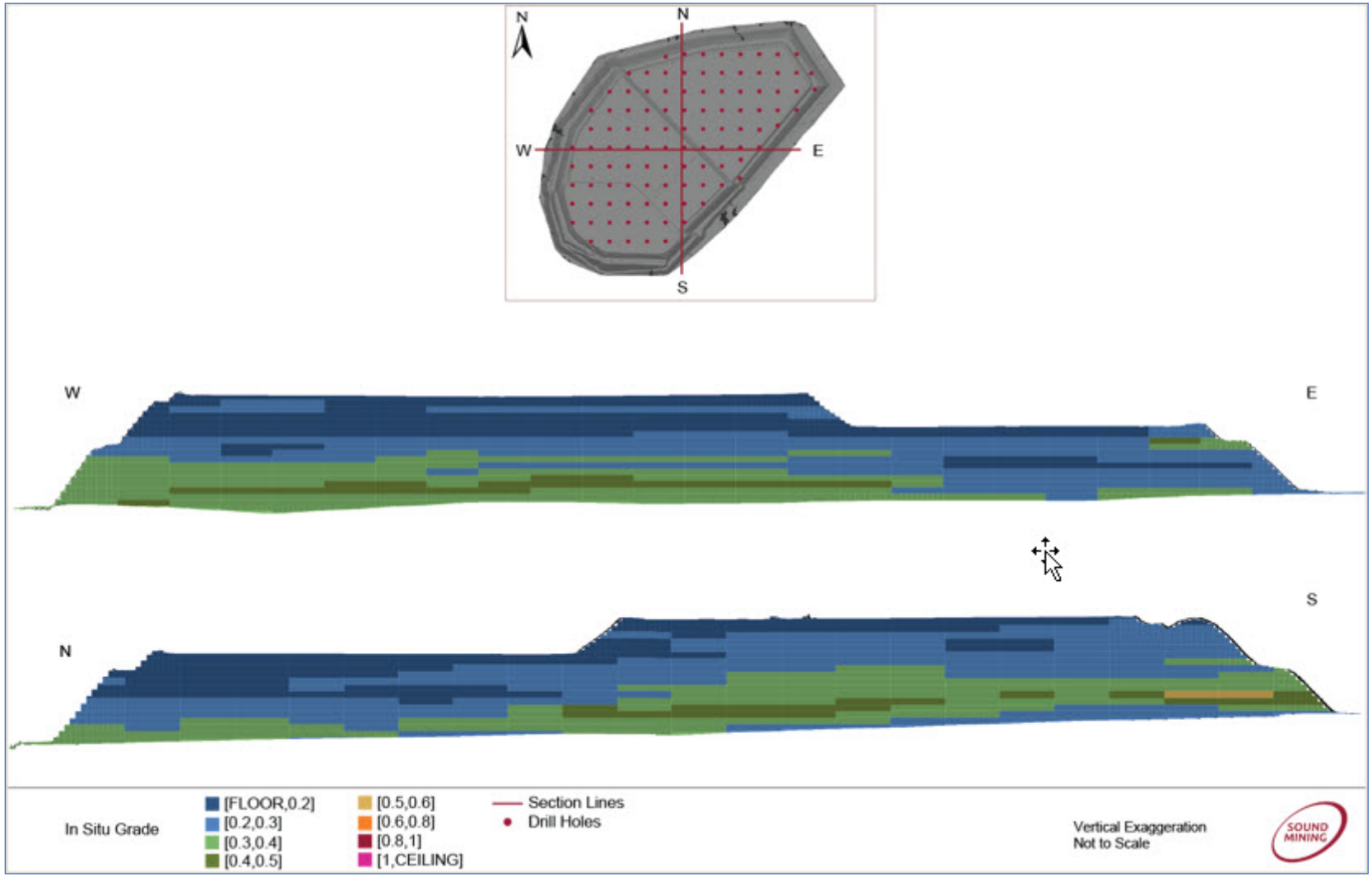
Source: Sound Mining, 2022

Figure 15: Cross-sections and Grade Distribution - Kloof 1 TSF



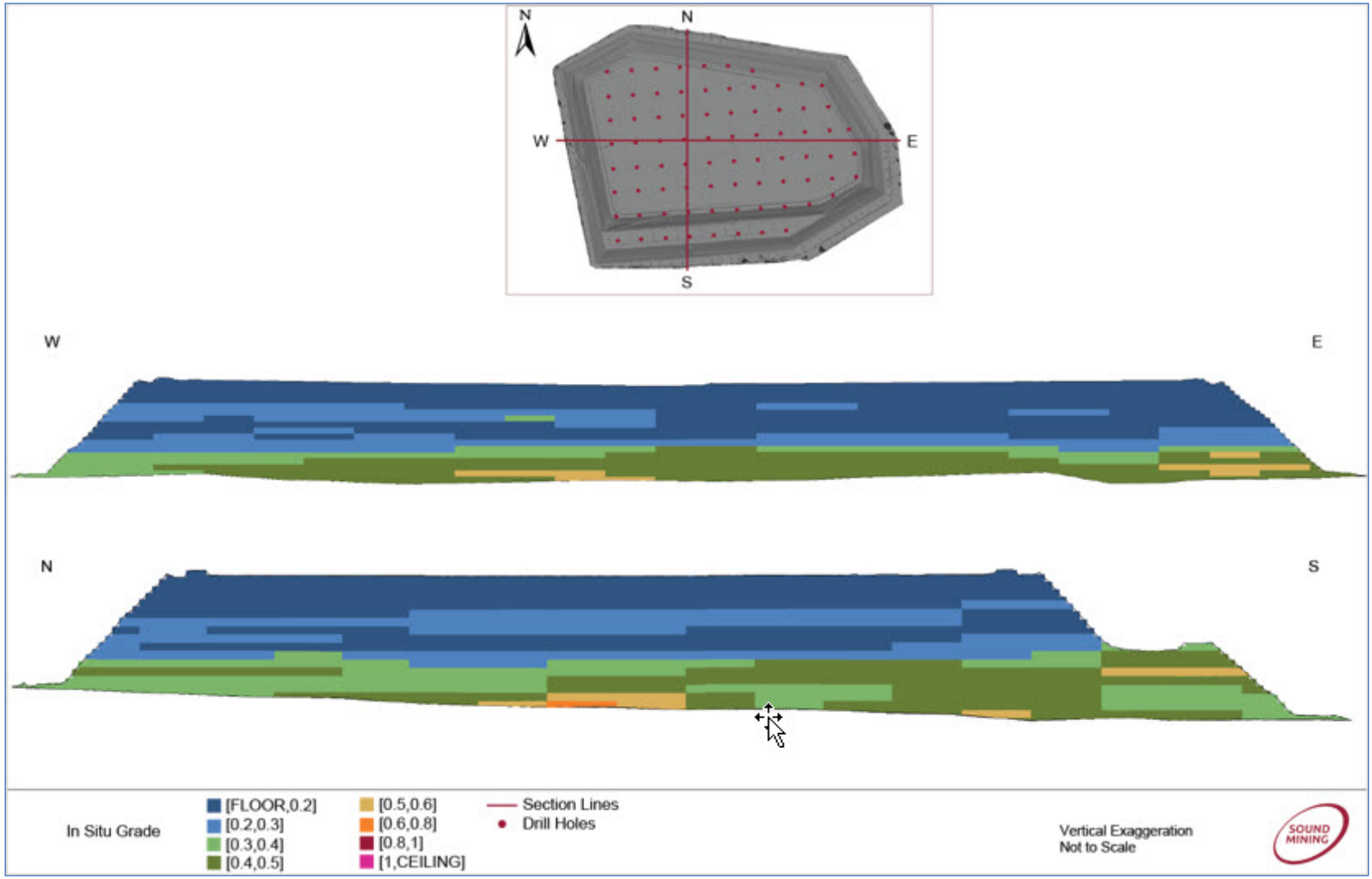
Source: Sound Mining, 2022

Figure 16: Cross-sections and Grade Distribution - Libanon TSF



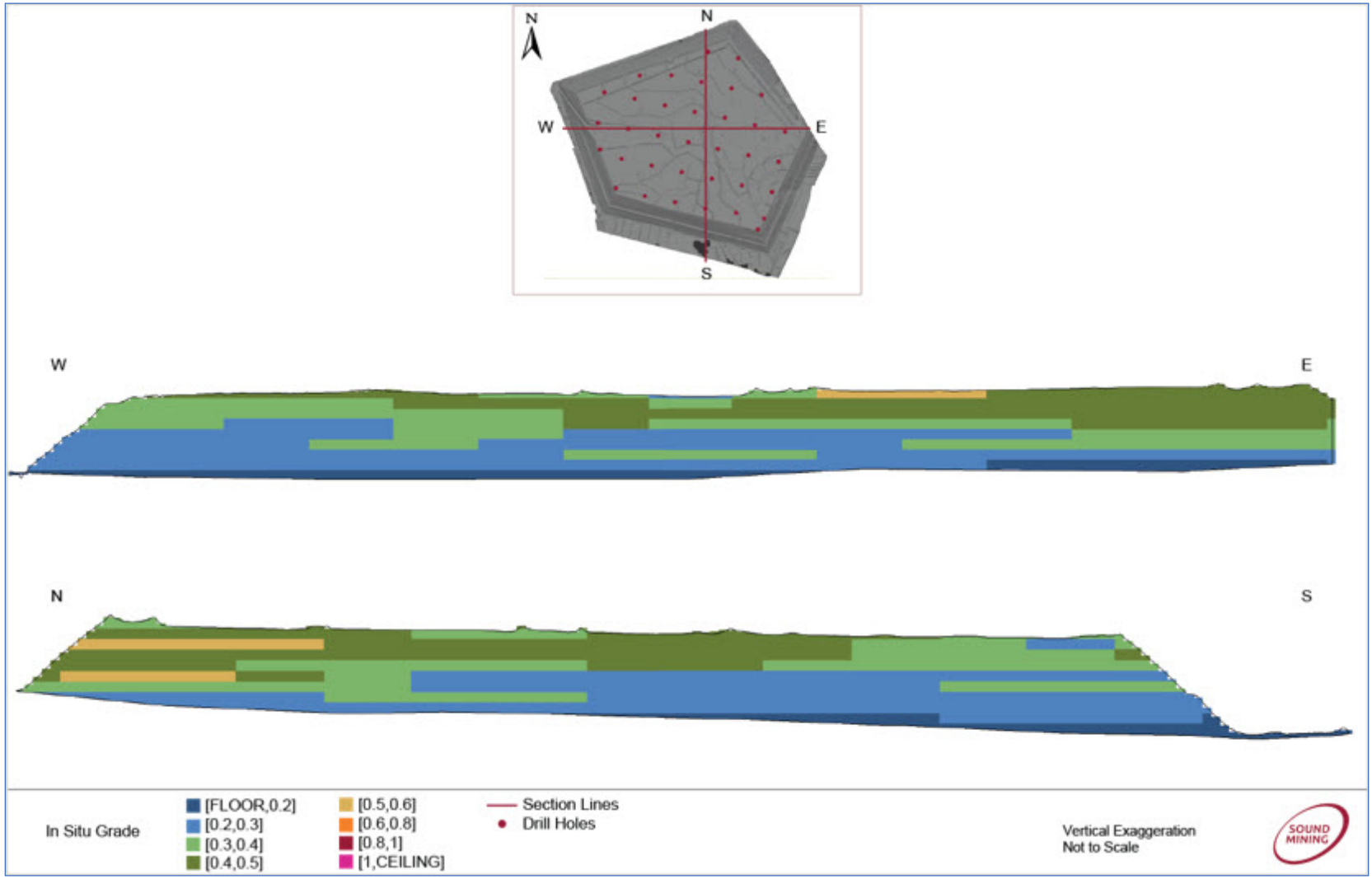
Source: Sound Mining, 2022

Figure 17: Cross-sections and Grade Distribution - Venterspost North TSF



Source: Sound Mining, 2022

Figure 18: Cross-sections and Grade Distributions - Venterspost South TSF



Source: Sound Mining, 2022

11.6. Reasonable and Realistic Prospects for Economic Extraction

Both Mineral Resources and Mineral Reserves for FWGR are determined by the average grade of a TSF which must be above or equal to a plant feed cut-off grade. The assumptions on a Mineral Resource cut-off include working costs, the average plant recovery, the expected residue grade, the required yield based on working cost and gold price.

The cut-off assumptions for FWGR (Item 13.2) have been based on the experience of FWGR from its current (i.e., Phase 1) operations. The capital and operational costs of the infrastructure and mining equipment have been estimated at a PFS level of accuracy and all services including water and power are current and appropriately priced.

A real gold price of ZAR914,294/kg was used in the estimation of the Mineral Resources and Mineral Reserves as of June 2022. The QP is comfortable with this price assumption in the context of the long-term consensus pricing used by FWGR for its LoM and annual business planning. These prices are based on information received from various independent sources.

The economic assessment provided in this TRS demonstrates positive margins and confirms reasonable prospects for eventual economic extraction for all FWGRs TSFs at an average cut-off grade of 0.15g/t. The average grades of the TSFs included in the Mineral Resource statement are therefore all above 0.15g/t. This means that the Mineral Resources when stated exclusive of Mineral Reserves will amount to zero because all of the Mineral Resources will be exploited and converted to Mineral Reserves.

The QP is of the opinion that reasonable technical and economic factors have been considered and that there are reasonable and realistic prospects for economic extraction of the Mineral Resources as at 30 June 2022.

There are no permitting risks in relation to mineral title with regard to eventual extraction. Security of tenure for eventual extraction is premised on common law ownership and EAs. Access to the moveable assets has been provided in the “Use and Access Agreement” with Sibanye Gold. The granting of the necessary environmental authorizations and permits to continue operations are in place.

11.7. Mineral Resource Estimation

FWGR currently owns six TSF assets totaling 229.4Mt with a total gold content of 76.39t. All Mineral Resources estimates fall within the Measured Mineral Resource category. Table 10 presents the Mineral Resource estimate for FWGR as at 30 June 2022.

Table 10: Mineral Resource Estimate for FWGR as at 30 June 2022

TSF	Volume ('000m^3)	Density (t/m^3)	Quantity (Mt)	Grade (g/t)	Content (t)	Content (koz)
Driefontein 5	5,685	1.42	8.07	0.48	3.85	124
Driefontein 3	35,540	1.42	50.47	0.47	23.71	762
Kloof 1	19,931	1.42	28.30	0.33	9.20	296
Libanon	52,351	1.42	74.34	0.27	20.23	650
Venterspost North	38,954	1.42	55.31	0.27	15.16	487
Venterspost South	9,068	1.42	12.88	0.33	4.24	136
Total Mineral Resource Estimate	**161,529**	**1.42**	**229.37**	**0.33**	**76.39**	**2,456**

Source: Sound Mining, 2022
Notes: Apparent computational errors due to rounding
All of these Mineral Resources are above the cut-off grade of 0.15g/t
These Mineral Resources are stated inclusive of Mineral Reserves
Mineral Resources, if stated exclusive of Mineral Reserves, would equate to zero
In situ Mineral Resource estimate reported according to S-K 1300 requirements
No geological losses applied

The Mineral Resources in Table 10 are inclusive of Mineral Reserves. As the entire TSF is mined, Mineral Resources exclusive of Mineral Reserves will be zero. It accounts for the revised bulk density of 1.42t/m^3 and caters for the depletion of the Driefontein 5 TSF through hydro-mining from December 2018 until 30 June 2022.

11.8. Additional Mineral Resources

Once decommissioned, FWGR is contractually entitled to receive the Driefontein 1, Driefontein 2 and Kloof 2 TSFs from Sibanye Gold as a part of the 2018 Exchange Agreement. These represent growth options available for FWGR to extend the LoM, but do not form part of FWGR's current Mineral Resource. In addition to these currently available TSFs, the area hosts other potentially available TSFs.

11.9. Concluding Comments

Upon interrogation of borehole and production data, Sound Mining observes the continuation of gold grade beyond the TSF material and into the footwall. This grade does not form part of the Mineral Resource estimation.

No geological losses have been applied as the entire volume of the TSF will be mined.

The initial TSF Mineral Resources were estimated by Minxcon 2009, confirmed by Sound Mining through remodeling of the TSFs in 2018 and then updated and now restated in 2022. The Driefontein 5 TSF has been depleted through reclamation and Sound Mining has updated the Mineral Resource estimate as at 30 June 2022.

The QP is of the opinion that there are no material risks which are expected to hinder the prospects for reasonable and realistic economic extraction of the Mineral Resources. Both the actual recoveries and grades may differ to those used for the Mineral Resource estimate during exploitation of the TSFs, but experience from the reclamation of the Driefontein 5 TSF suggests that in that these variations are unlikely to be material. The QP also notes that the underlying geology from which the TSFs are comprised, is similar and does not expect significant variation.

12. MINERAL RESERVE ESTIMATES

Item 12 (i); (ii); (iii); (iv); (v) and (vi)

The Mineral Reserves were prepared in accordance with the requirements of S-K 1300 (Table 11) and at a real gold price of ZAR914,294/kg.

The QP is comfortable with the use of this long-term pricing assumption of FWGR which it has used for both LoM and annual business planning. The forecast price assumption is based on information provided by various independent institutions that do commodity forecasting. ZAR914,294/kg is considered a reasonable representation of the price to be expected over the 20-year LoM in real 30 June 2022 terms. The operation remains economically viable above a gold price of ZAR721,264/kg (Item 16.1).

A LoM plan and mining schedule was developed by FWGR and modified by Sound Mining, as outlined Item 13.2. The LoM plan was tested for economic viability in the DCF model which indicated a positive cashflow through to the end of LoM.

No mining losses or dilution are applied in determining the Mineral Reserve estimates because the TSFs are re-mined and re-processed in their entirety. All other modifying factors are captured in the mine design together with all of the associated technical aspects that inform the capital and operating cost estimates.

FWGR's six TSF assets convert to a total Mineral Reserve of 229.4Mt with a gold content of 76.39t.

Table 11: S-K 1300 Compliant Mineral Reserve Estimate as at 30 June 2022

TSF	Volume ('000m³)	Density (t/m³)	Quantity (Mt)	Grade (g/t)	Content (t)	Content (koz)
Driefontein 5	5,685	1.42	8.07	0.48	3.85	124
Driefontein 3	35,540	1.42	50.47	0.47	23.71	762
Kloof 1	19,931	1.42	28.30	0.33	9.20	296
Libanon	52,351	1.42	74.34	0.27	20.23	650
Venterspost North	38,954	1.42	55.32	0.27	15.16	487
Total Proved Mineral Reserve	**152,461**	**1.42**	**216.49**	**0.33**	**72.15**	**2,320**
Venterspost South	9,068	1.42	12.88	0.33	4.24	136
Total Probable Mineral Reserve	**9,068**	**1.42**	**12.88**	**0.33**	**4.24**	**136**
Total Mineral Reserve Estimate	**161,529**	**1.42**	**229.37**	**0.33**	**76.39**	**2,456**

Source: Sound Mining, 2022

Notes: Apparent computational errors due to rounding and are not considered significant
Mineral Reserves are reported using a dry density of 1.42t/m³ and at the head grade on delivery to the plant
The Mineral Reserves constitute the feed to the gold plants
The Mineral Reserves are stated at a price of ZAR914,294/kg
A cut-off grade of 0.15g/t is applicable to the FWGR LoM plan
Although stated separately, the Mineral Resources are inclusive of Mineral Reserves
Venterspost South TSF is classified as a Probable Mineral Reserve due the level of uncertainty regarding the processing recovery
Uranium has been excluded in the Mineral Reserve estimate as it is not being recovered by FWGR
Grade and quantity measurements are reported in metric units (Mt) rounded to two decimal places
The input studies are to a PFS level of accuracy
The Mineral Reserve estimates contained herein may be subject to legal, political, environmental or other risks that could materially affect the potential development of such Mineral Reserves

12.1. Risk to the Mineral Reserve Estimate

Uncertainties associated with the FWGR operations, and therefore the Mineral Resource and Mineral Reserve estimates, are can be mitigated. Sound Mining has not exposed any fatal flaws or technical risks to the successful execution of the LoM plan and the QP does not anticipate any material changes to the associated modifying factors. The uncertainties requiring comment in the context of their impact on these estimates are:

- **Mining:** whilst the mining method and practices are well established and conducted by experienced hydro-miners, throughput could be affected by a variety of issues, including, but not limited to availability of electricity and water.

- **Quality of the Mineral Assets:** the six TSFs that comprise the Mineral Reserve have all been adequately drilled, their likely content adequately assessed and recovery test work satisfactorily completed. The actual recoveries will be influenced by the actual RoM grade entering DP2 and the amount of carbon (elemental and/or organic) in the RoM. This risk could be managed by blending material from different TSFs', where possible.
- **Plant Performance:** the management of the risk of a lower-than-expected overall throughput recovery can be mitigated by ensuring optimal grind sizes at the DP2 facility.
- **RTSF Design Risk:** the QP considers the main design risk of the RTSF to be the effectiveness of the proposed scavenger well system to contain future groundwater plumes. This system replaces the use of a synthetic liner, installed at the base of the RTSF to create a third 'perched' aquifer above the current weathered zone aquifer. It provides an elegant solution to pollution containment and has been demonstrated to operate successfully on other South African TSFs.
- **Delayed Commissioning of Key Infrastructure:** any delays to the scheduled commissioning of the Leeudoorn TSF, RTSF or expanded processing capacity of DP2 will impact on the proposed production forecast and anticipated revenues. Sound Mining is of the opinion, with the exception of the permitting and licensing process currently underway for the RTSF, that in the absence of unforeseen circumstances, delays to key infrastructure are unlikely and notes that the current LoM plan only requires the RTSF by 2030.
- **Water Supply:** South Africa is a relatively dry area and predictions are that dry conditions will escalate. Mining is heavily reliant on water to transport material over large distances and for processing. FWGR uses potable water for potable usage and not mining operations. Process water is secured through a combination of harvested return water from the treated tailings and dewatering from local shaft systems and local wellfields.
- **Power Supply:** power is provided by the national power supplier, Eskom. The national power supply and distribution infrastructure is severely destressed and this results in frequent disruptions to the power delivered to the South African mining industry. There is a curtailment agreement in place with Eskom which requires that during black-outs electricity use is to be curtailed, which is typically achieved by shutting down the milling section. Diesel generators are used to restart the plant.

  Sound Mining understands that no alternative power supply arrangements are currently in place at FWGR and as such consider the threat of production losses resulting from power disruption to represent a significant production risk.
- **Grave Relocation:** the process of grave relocation is well understood in the South African mining industry and supported by comprehensive statutory guidelines. It will be managed by FWGR specialists who will ensure that full consultation with next of kin is undertaken and that appropriate compensation is realized.
- **Long-term Sustainability:** the RTSF design and capacity caters for the long-term sustainability of FWGR which includes the potential increase in production rates above 1.2Mtpm. Continued production beyond the current LoM plan and Mineral Reserve estimate relies on available TSFs that can be brought on line in the future. There is ample time for additional sampling and resource modelling to confirm their extent and content prior to production and the three currently available TSFs envisaged by FWGR's long-term operational aspirations, are controlled by Sibanye Gold. Sound Mining do not envisage any future security of tenure complications arising from the inclusion of these TSFs in the overall LoM plan.
- **Extreme Weather:** As a result of climate change, extreme weather events such as droughts, extreme rainfall and high wind volumes are on the increase. Specifically, the increase in intensity of events, such as thunderstorms on the Highveld, where the operations are situated, will impact operations. Major property, infrastructure and/or environmental damage as well as loss of human life could also be caused by extreme weather events.
- **Rising Costs:** The global economic environment, geopolitical tensions and inflationary pressures world-wide have led to above inflationary increases in production costs as well as an unavailability of critical material such as reagents and critical equipment which effects production and operating costs. FWGR remains a relatively low-cost operation however a pro-longed period of high inflation will erode financial value over time.
- **Gold Price:** FWGR takes full exposure to the gold price, and therefore a reduction in the price of gold may erode margins or lead to the operations making a loss.

For additional information regarding the Company's risks, see Item 3D of the Form 20-F.

13. MINING METHOD

Item 13 (i); (ii); (iii); (iv) and (v)

The mining method is hydro-mining (or hydraulic mining), which uses high-pressure water monitors to deliver a high-pressure water jet to hydraulically repulp and mobilize tailings material within the TSFs. The water from the monitors mixes with the tailings and forms a slurry with a high solids content. The slurry flows under gravity along channels at the base of the dump to a collection sump at the lowest elevation of the bench being mined. Screens are installed to remove debris, which must be cleaned regularly to prevent an impact on the pumping operations.

The monitors comprise of 200mm self-propelled track monitor guns (Photograph 1), each with production rates of up to 300ktpm. They discharge approximately 500m^3/hr of water at pressures up to 30bar through a variable sized nozzle depending on the hardness of the material being slurried, and can be controlled remotely by the operator. In order to minimize hydraulic pressure losses and poor reclamation gun efficiencies, water pressure is designed to reach the monitor guns at a minimum pressure of 25bar.

Photograph 1: Monitor Gun

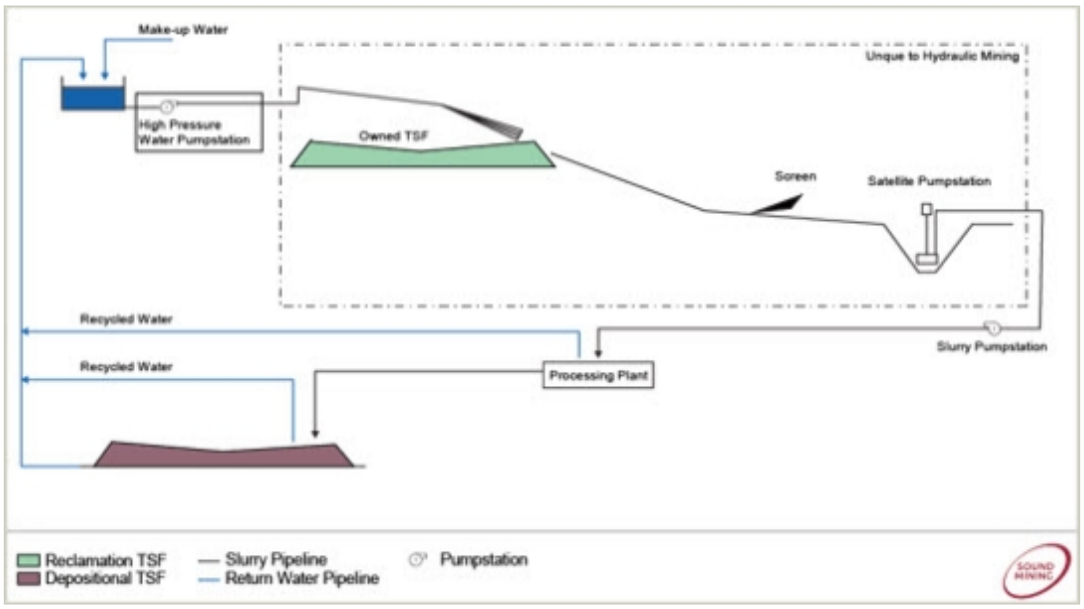


Source: FWGR, 2020

The prerequisites for hydro mining are limited to the infrastructure discussed in Item 14 and Item 15. Pre-stripping and backfilling processes are not applicable to this mining method.

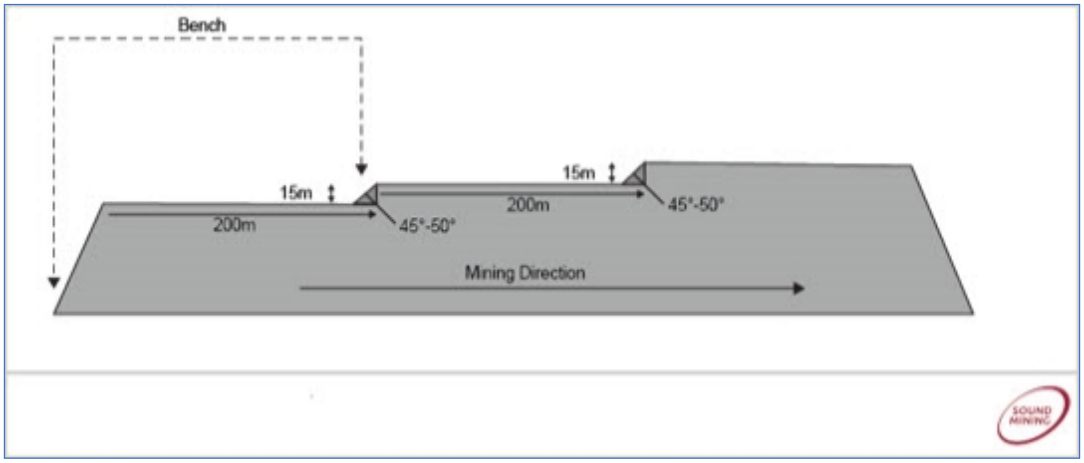
Early forms of hydraulic mining were adapted from methods developed in the United Kingdom for the mining of primary kaolin deposits. These early attempts used a high-pressure monitor located at the base of the TSF to wash material from the base of the slope. A disadvantage of this approach is that by directing the water jet at the base of the slope, the slope is undercut and can become unstable, leading to uncontrolled slope failure. With sufficient off-set distance between the slope and the monitor and/or monitor operator, this is not necessarily a problem, however, given that many of the tailings dams that are available for reprocessing are located in urban locations, a safer system of monitor operation has subsequently been developed. The majority of tailings dams that have been mined in the last 20 years have utilized a monitor located on the upper bench of the tailings dam, directing a water jet downwards to cut a stable slope surface into the face of the TSF. This approach has been successfully applied within densely populated urban areas. It is considered safer and allows for rapid changes in slope angles to cope with any operational variances that may be encountered. The resulting slopes usually consists of a 15m high bench with a 45º to 50º slope angle. High faces with consistent slope angles can be formed using the top-down hydraulic mining technique as shown in Figure 19 and Figure 20.

Figure 19: Mining Methodology



Source: Sound Mining, 2022

Figure 20: Mining Widths



Source: Sound Mining, 2022

Increased production is achieved by the inclusion of additional units and this modular approach provides a high degree of flexibility that allows simultaneous mining at a number of points over a wide range of production rates and consequently, grade blending is readily achievable if required.

The slurry density produced by the monitors is controlled by the operator. Actively moving the monitor and consistently cutting the face results in a slurry with relatively high solids content. Experience from FWGR's ongoing operations has demonstrated that slurries with 35% to 50% solids can consistently be achieved. The monitor guns seek to maintain optimal slurry densities in the region of 1.42t/m^3.

The TSFs consist of fine tailings material, with a typical particle size of 70% <75µm. Relatively flat flow channels will develop with gradients in the order of 1:100m. The position of the sump will change as mining proceeds along a bench, to limit the distance between the monitor and the sump. If too far from the active face, tailings material may drop out of suspension and reduce the solids content of the slurry pumped to the plant. However, the slurry tends to flow at a natural beaching angle which is generally self-correcting. If the slope gets too steep, flow velocities increase in the channels causing erosion until the equilibrium slope is attained. If the slope is too flat the solids settle out reducing the height of the mining face until the equilibrium slope is achieved (Figure 20). A monitor gun dislodges the in situ material which washes into slurry channels (Photograph 2).

Photograph 2: Monitor Gun in Operation



Source: FWGR, 2022

The slurry flows through the channel and passes through screens to remove debris which may cause blockages in the pipeline. After screening, the slurry collects in the sump and is pumped to the plant for processing. Slurry densities are maintained at approximately 1.42t/m^3, for optimal pipeline performance.

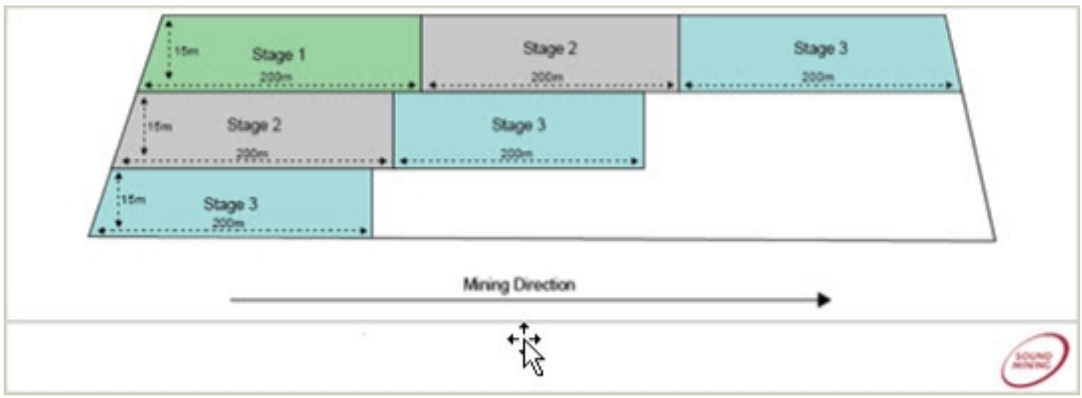
13.1. Mining Plan and Layout

Hydro-mining and the re-deposition of tailings is a specialized activity and is accordingly outsourced by FWGR to competent and experienced service providers. The hydro-mining performance assumptions used are based on the current operations where the method has been successfully “tried and tested”. The equipment requirements, manning complements and necessary supporting infrastructure, in terms of water and power supply, are well understood and have been accurately planned by both FWGR and their current service provider. No untested technical assumptions with regards to the mining have been made.

Monitors remove the tailings material from the top of a TSF to the natural ground level in 15m layers. The monitor is positioned on the top of the working bench to direct the water jet down into the TSF. It will work the face in one direction along the front edge of the dam before returning in the opposite direction when it reaches the far end of the dam. As the mining faces advance, slurry is directed via launders to a pit pump which then transfers the slurry to a fixed transfer pump station that includes a vibrating trash screen.

A stepped bench approach is adopted to most efficiently reclaim the TSF while maintaining slope stability. Horizontal benches of 100m to 200m, inclusive of the face angle, are created to maintain safe working distances between simultaneous operations at different bench elevations. The layout is illustrated in a schematic cross-section (Figure 21).

Figure 21: Mining Sequencing



Source: Sound Mining, 2022

The top and second layers progress simultaneously until a safe distance (~200m) for the third 15m layer is reached, and so forth until ground level is reached and the entire TSF is reclaimed. As mining progresses and the footprint is exposed, the final layer is cleared, prepared and rehabilitated.

13.2. Modifying Factors and Mining Schedule

No mining losses or dilution are applied in determining the Mineral Reserve estimates because the TSFs are re-mined and re-processed in their entirety. All other modifying factors are captured in the mine design together with all of the associated technical aspects that inform the capital and operating cost estimates.

However, the QP has observed from on-site inspections of the mining process that FWGR also reclaims footwall material, where deemed economically viable. This practice could imply the application of an appropriate modifying factor in the derivation of Mineral Reserves when not part of the Mineral Resource estimate. FWGR are keeping suitable records to assess the materiality of this practice on the Mineral Reserve estimate and if material may be included in future mineral Reserve estimates.

Table 12 reports the production as scheduled from the FWGR's owned TSFs. It reveals a total recovered RoM quantity of 229.37Mt at an average head grade of 0.33g/t. Table 12 also presents the average metallurgical recovery anticipated from each TSF.

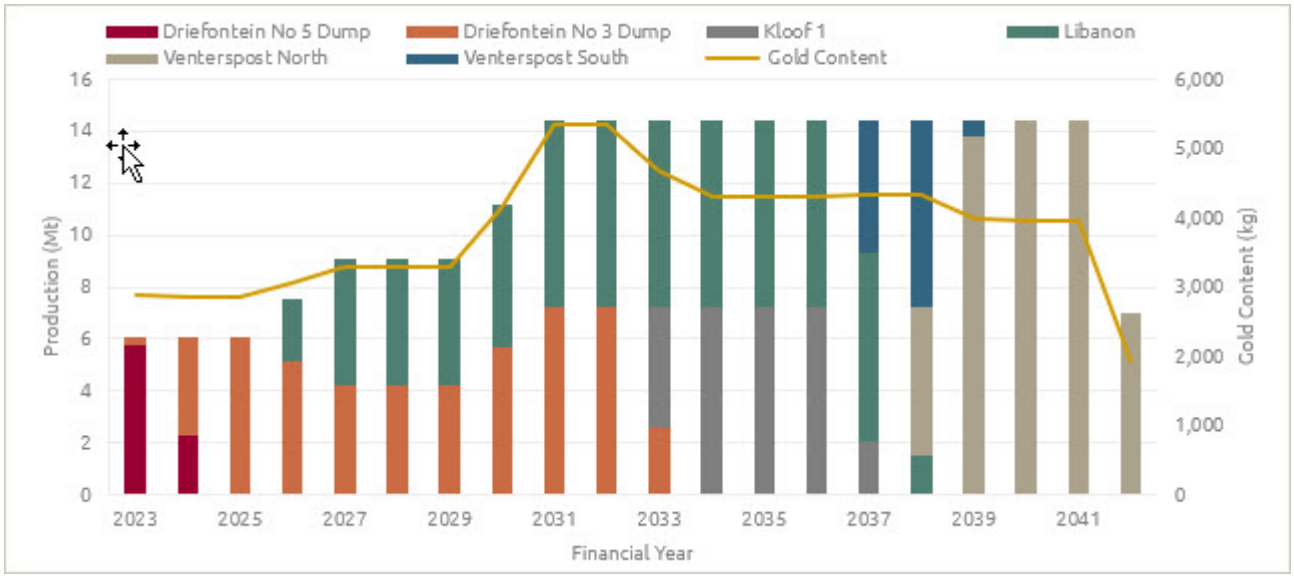
Table 12: Scheduled RoM Production

TSF	Mineral Resource Category	RoM Quantity (Mt)	In situ Grade (g/t Au)	Recovery (%)
Driefontein 5	Measured	8.07	0.48	49.9
Driefontein 3	Measured	50.47	0.47	56.6
Kloof 1	Measured	28.30	0.33	50.5
Libanon	Measured	74.34	0.27	47.2
Venterspost North	Measured	55.32	0.27	54.7
Venterspost South	Measured	12.88	0.33	62.5
Total		**229.37**	**0.33**	**-**

Source: Sound Mining, 2022; and FWGR, 2020

The reclamation sequencing was designed in line with FWGR's phased approach to increase production (Graph 1).

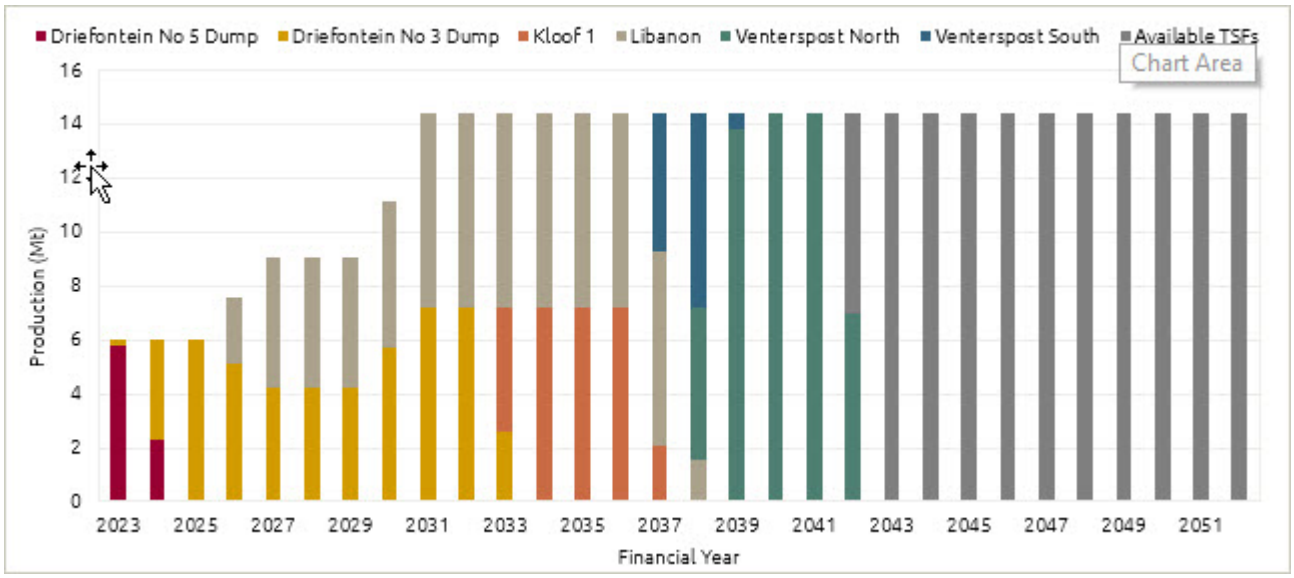
Graph 1: LoM Production Forecast



Source: Sound Mining, 2022

Graph 2 demonstrates an the Available TSFs which are included in FWGR's longer-term growth strategy and which justifies the envisaged RTSF capacity and planned DP2 upgrade.

Graph 2: Potential LoM Production Forecast



Source: Sound Mining, 2022

13.3. Cut-off Grade

A cut-off grade has been computed for each of FWGR's TSFs considering the assumed gold price, anticipated recovery through the planned plant and the expected operating costs. The results are presented in Table 13.

Table 13: Calculated Cut-off Grades

TSF	Cut-off Grade (g/t)
Driefontein 5	0.19
Driefontein 3	0.16
Kloof 1	0.18
Libanon	0.20
Venterspost North	0.17
Venterspost South	0.15

Source: Sound Mining, 2022

The cut-off grades for the respective dumps range from 0.15g/t to 0.20g/t with an average of 0.18g/t. A cut-off grade of 0.15g/t is applicable to the FWGR LoM plan.

13.4. Mining Contractor

The cost and maintenance of the mining equipment at reclamation sites, employees and other operational resources are for the operating contractor's account. They are the subject of contractual agreements with FWGR. Initial capital is not required for the mining. The equipment (i.e., monitor guns) supplied by the contractor is shown in Table 14.

Table 14: Mining Equipment Planned for each TSF

TSF	Steady State Production (ktpm)	Required Units (Number)
Driefontein 5	520	2
Driefontein 3	600	2
Kloof 1	600	2
Libanon	600	2
Venterspost North	600	2
Venterspost South	600	2

Source: Sound Mining, 2022

The mining contractor currently relies on two active mining units with a third unit in transit to the next planned set-up position.

The operating cost estimate for the mining and re-deposition of tailings is supported by actual operational figures. They are presented in the working cost estimates as "contractor costs".

The capital expenditure estimates for the pipeline and pumping design to move the RoM material to the respective plants for processing and for the return of the processed material (new arisings) for re-deposition, is provided in Item 18.

13.5. Concluding Comments

Hydro-mining is an existing "tried and tested" process which is well understood. The contractor is entitled to decide on various operational alternatives and to deploy capital equipment and manage costs. The QP has checked the integrity of the mine design and associated costs and is satisfied with the level of detail and accuracy of the study work completed. The selective mining of portions of a TSFs is not considered an option by Sound Mining.

From a health and safety perspective, hydro-mining does not create, but rather ameliorates the airborne dust problem often associated with fine tailings material. Safe bench heights are governed by the material's strength which is influenced by the phreatic surface within a TSF. These have been dormant for many years and the phreatic surface is expected to be well below the surface of the dumps. The drilling program to define the Mineral Resource did not encounter saturated zones or phreatic surfaces and so the risk of slope failure or liquefaction is considered to be low. Slope stability is however managed and the hydrological aspects affecting the TSFs are not considered significant to the operation. There is a clean/dirty water separation system with emergency paddocks to prevent any spillage or run-off from the facilities. These assist in preventing chocked screens from vegetation or heavy rainstorm events, where the runoff needs to be contained prior being pumped through the circuit back to the TSF.

14. PROCESS AND RECOVERY METHODS

Item 14 (i); (ii); (iii) and (iv)

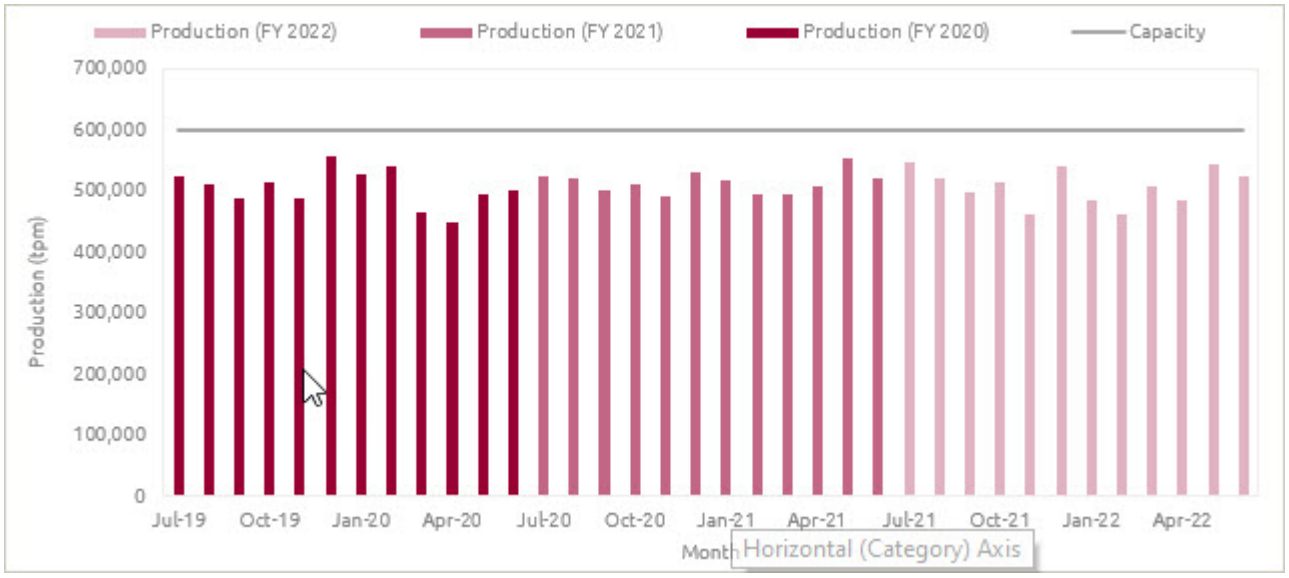
An expansion of the currently operating DP2 processing plant is planned to facilitate an increase in processing throughput from the current TSF Mineral Reserve inventory. DRA were responsible for the detailed design and associated cost estimates for the expansion of DP2 as well as the piping and pumping infrastructure. The QPs appointed Spargo Consult, as an independent expert, to assist with the review of the metallurgical aspects.

14.1. Existing DP2 Processing Facility

Phase 1 of FWGR's long-term growth strategy required that the original Driefontein Plant 2 (DP2) be modified and refurbished to accommodate up to 600ktpm of RoM slime from the TSFs. This has been accomplished but with a throughput constraint of approximately 500ktpm imposed by the maximum deposition rate for new arisings onto the Driefontein 4 TSF. Based on current deposition rates, this TSF is due to reach its storage capacity at the end of 2025. The Phase 1 work on the plant included a refurbishment of the conventional CIL plant and modifications to the milling and cyclone circuits to ensure the production of a finer grind for gold liberation as suggested by metallurgical test work. The existing primary ball mill design was modified to incorporate an overflow discharge rather than the grate discharge and the use of a 30mm ball charge instead of the 50mm ball size that was included in the original mill design. This improved contact between grinding media and gold ore particles for increased grinding efficiency in gold liberation. A new 45m diameter hi-rate thickener was also installed. The achievable grind of 70% <75µm proved to be satisfactory for current gold recoveries, however, closed circuit milling with cyclones was introduced for an improved grind of between 75% and 80% <75µm to improve the liberation of gold locked within coarser silicates. Further revisions to the process flow have since included a copper elution step on the loaded carbon, which delivers a higher-grade gold bar and an improved efficiency of gold removal from cathodes, by improving the gold to copper ratio in the RoM feed.

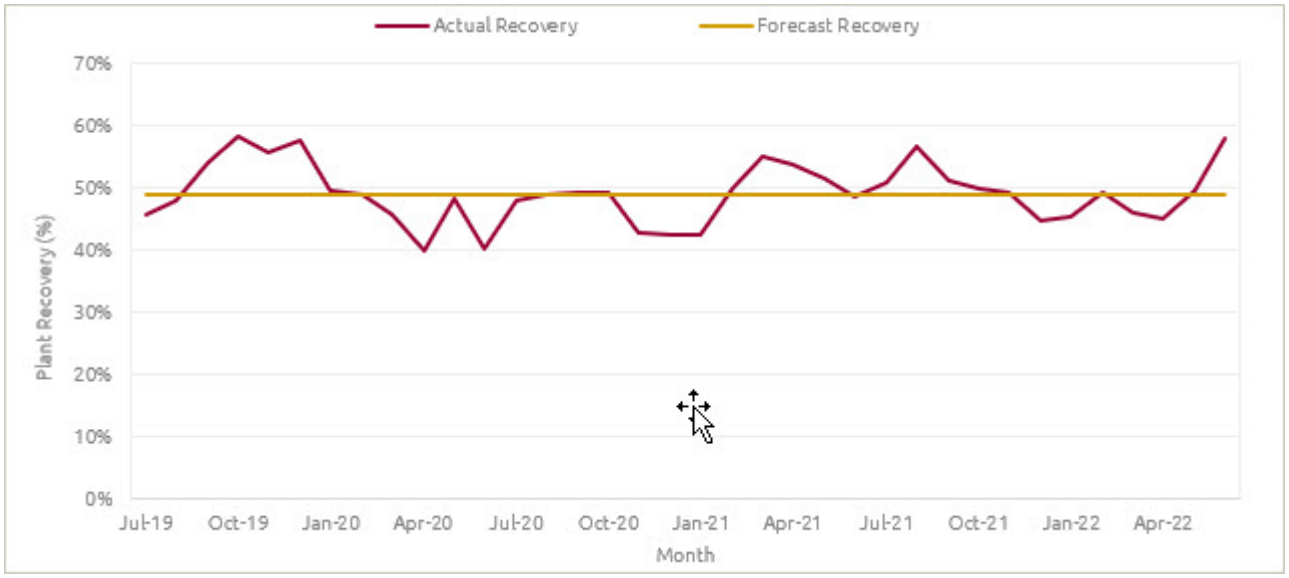
Graph 3 and Graph 4 show actual DP2 plant production capacity and plant recoveries over the period FY2020 to FY2022. DP2 Plant capacity improvements over the period analyzed show a gradual improvement of 4.2% when comparing FY2021 (average of 513ktpm) against FY2022 (average of 506ktpm). Plant metallurgical recoveries over the period FY2021 to FY2022 range between 49.0% to 49.8% and report lower than metallurgical test work forecasts. However, it should be noted that the metallurgical plant recoveries will be materially affected by plant head grade feed.

Graph 3: Actual Production Capacity of DP2 for FY2020, FY2021 and FY2022



Source: FWGR, 2022

Graph 4: Actual Plant Recovery for DP2 versus Forecast Recovery for FY2020, FY2021 and FY2022



Source: FWGR, 2022

The process flow is now as follows:

- the slurry from the hydro-mining operation is pumped to a surge tank via a 25m^2 linear trash screen (800µm). Lime, sourced from a contract supplier as milk of lime, is added directly into a receiving tank for pH control;
- from the receiving surge tank, the slurry is pumped to the milling and classification section from where the cyclone overflow reports to the thickener for thickening to 1.45t/m^3 before being pumped to the CIL plant;
- the CIL section comprises seven tank stages of 1,600m^3 per tank combining to approximately twelve hours residence time. Each tank is fitted with carbon retaining screens and a recessed impeller vertical spindle carbon transfer pump. Sodium cyanide solution is added to CIL Tank 1 and Tank 2 in order to maintain the required concentration for the leach reaction. Slurry flows downstream through the screens and via launders from CIL Tank 1 to CIL Tank 7 from where it exits to the 25m^2 tailings linear screen. Fine carbon is recovered from the screen overflow while the underflow is pumped by the CIL tailings pump to the tailings tank at the slurry receiving area;
- loaded carbon flows upstream from CIL Tank 7 to CIL Tank 1 and is recovered daily from the CIL tank 1 by batch transferring of carbon slurry to the loaded carbon screen and into a holding tank for transfer to the elution circuit after undergoing copper elution;
- loaded carbon is batch processed through a 9t elution circuit for gold stripping with the stripped solution reporting to 128m^3 holding tanks;
- the solution is passed through an electrowinning circuit for cleaning. The sludge is then calcined and smelted into doré bars;
- the doré bars are dispatched to Rand Refinery Limited for final refining;
- the eluted carbon is thermally regenerated in a horizontal kiln at 700°C and returned to DP2 for re-use in the CIL circuit. Fresh carbon is added to the circuit as required; and
- CIL tailings and oversize waste from the incoming TSF re-mined slurry is stored in a mechanically agitated surge tank and pumped by the final tailings pumps to the Driefontein 4 TSF.

14.2. Planned Expansion of DP2

The latest LoM plan requires an expansion of DP2 rather than the construction of a CPP facility which had been a part of FWGR's strategic plans. DP2 will be expanded from its current production capacity of 600ktpm to a higher throughput rate of 1.2Mtpm, while the CPP will remain an option for future strategic planning. The DP2 expansion scheduled to occur during FY2025 and FY2026, although the plant will only be required to treat 750ktpm until January 2030 when the new RTSF is planned to be fully commissioned and operational. The design approach to the DP2 expansion design has been to modify existing ball milling capacity and duplicate existing processing circuits. The process flow block plan shown in Figure 22 depicts the changed DP2 plant layout planned from the plant expansion.

Figure 22: DP2 Revised Block Plan



Source: DRA, 2022

Historically achievable plant gold recoveries are expected to be realized from the expanded DP2 plant with gold recoveries being principally driven by the plant feed head grade. A provision of ZAR1,283.20M (excluding contingencies) has been included in the LoM plan for this expansion. The principal areas of capital expenditure covered by this provision are:

- **Slurry Receiving and Trash Screening (ZAR64.19 M):** the hydraulically mined material is pumped over trash screens before entering the respective receiving tanks. Lime can be added in the receiving tank for pH correction. From the slurry receiving tanks the material is pumped either to the classification and milling circuit or can be bypassed directly to the CIL or pre-leach thickeners.

  The provision addresses process design screen changes and the tank volume adjustments necessary to address the increased production capacity.

- **Milling and Thickening (ZAR146.81 M):** prior to milling the material passes through a primary classification stage, via cycloning, where after the coarser material is closed circuit milled and the finer material from the milling circuit directed to the pre-leach thickeners. Thickener underflow is pumped to a second set of trash linear screens prior to CIL.

  The provision addresses the newly designed cyclone cluster installations, the new 45m diameter thickener circuit, along with all the adjustments and modifications necessary to the current ball milling circuit.

- **Leach and Adsorption (ZAR231.70 M):** reclamation slurry is either pumped directly to the CIL or first passes through the classification, milling and thickening circuits before passing through the CIL trash screens and into the CIL. Each circuit consists of one stage of pre-oxidation and seven stages of CIL where gold is leached and adsorbed onto activated carbon, which flows counter-currently to gold-bearing slurry. Loaded carbon is directed to elutriation and elution circuits while tailings pass over carbon safety screens before being pumped to the final tailings tank.

  The provision provides for the installation of a new CIL section which will duplicate the currently installed capacity.

- **Tailings Disposal (ZAR86.70 M):** CIL tails gravitate through to carbon safety screens. The screen oversize is pumped to the fine carbon handling circuit ensuring that any carbon passing through the CIL circuit is recovered. The screen undersize is sampled before being collected in the final tailings tank and then pumped to the TSF.

  The provision recognizes the requirement for additional pumping infrastructure to deliver the increased throughput capacity to the future identified TSF sites at Leeudoorn and the RTSF.

- **Services and Distribution (ZAR193.01 M):** this provision considers all of the supporting bulk services required for the plant expansion and includes the necessary road access construction for the expanded plant site.

- **Water and Air Services (ZAR57.97 M):** the requirements for process water and compressed air services at the increased production capacity are covered by this provision.

- **Reagents (ZAR52.14 M):** this provision covers the infrastructure necessary to ensure correct reagent dosage in the duplicated processing circuits.

- **Elution and Carbon Handling (ZAR175.09 M):** loaded carbon from the CIL circuit is elutriated to remove any foreign particles prior to elution. Adsorbed gold will be eluted from the activated carbon by means of a heated solution of sodium cyanide and caustic soda. This elution process is followed by rinsing and cooling stages. Barren carbon from the batch elution process will be directed to carbon regeneration while the pregnant leach solution will be routed to pregnant solution tanks for zinc precipitation. The barren carbon from the elution circuits passes through carbon regeneration kilns to volatilize off impurities and reactivate the carbon where after it is acid washed and transferred back to the last CIL tank of each circuit. Regenerated carbon is pumped into an acid wash hopper where it undergoes acid wash to remove precipitated material (inorganic and organic) to restore additional carbon activity prior to being pumped back to the respective CIL circuit. The provision addresses the requirement for the installation of a new elution and carbon handling circuit which will duplicate the currently installed capacity.

- **Zinc Precipitation and Smelting (ZAR81.42 M):** Gold in solution from the elution circuit will be recovered by zinc precipitation in plate and frame filters. The provision addresses the requirement for the installation of a new zinc precipitation and smelting circuit which will enable the production of doré to match the currently installed capacity.

- **Indirect Capital (ZAR194.16):** which is comprised of Construction Costs (ZAR4.79 M), First Fill Consumables (ZAR0.18 M), Commissioning and Spares (ZAR10.96 M) and Project Services (ZAR178.23 M).

14.3. Concluding Comments

The current DP2 process performance and subsequent modifications to the original DP2 plant circuit, along with the supporting metallurgical test work have indicated that the forecast DP2 expansion will be capable of meeting the expected financial forecasting.

15. INFRASTRUCTURE

Item 15 (i); (ii); (iii); (iv); (v); (vi); (vii); (viii); (ix) and (x)

Phase 1 capital expenditure on surface infrastructure was mostly on pump stations, pipelines and a cyclone deposition system at the Driefontein 4 TSF to facilitate the storage of tailings derived from the initial reclamation and processing of the Driefontein 5 TSF. The Driefontein 4 TSF provides a current depositional capacity of 500ktpm. Phase 1 capital expenditure on surface infrastructure was mostly on pump stations, pipelines and a cyclone deposition system at the Driefontein 4 TSF to facilitate the storage of tailings derived from the initial reclamation and processing of the Driefontein 5 TSF. The Driefontein 4 TSF provides a current depositional capacity of 500ktpm, which will reduce to 250ktpm from December 2025, when additional depositional capacity of 500ktpm at the Leeudoorn TSF will become available in terms of an in-principle agreement with Sibanye Gold. The Leeudoorn TSF will be converted from a day-wall design to a cyclone deposition design and the processing at DP2 is planned to increase in to 750ktpm. This depositional arrangement is scheduled to carry on until January 2030 when the RTSF is planned to be operational at a deposition rate of 1.2Mtpm. Figure 23 shows the locality of the existing Driefontein 4 TSF and the DP2 plant.

Figure 23: Driefontein 4 TSF Location and Infrastructure



Source: FWGR, 2020

15.1. Leeudoorn Facility

The Leeudoorn TSF is located 7km north-east of Fochville on the West Rand, Gauteng Province. Sibanye Gold have, after a detailed, joint technical review, agreed in principle that FWGR may, with effect from January 2026, deposit up to 500ktm of tailings onto the Leeudoorn TSF provided FWGR paid the capital cost to convert the TSF to cyclone depositioning.

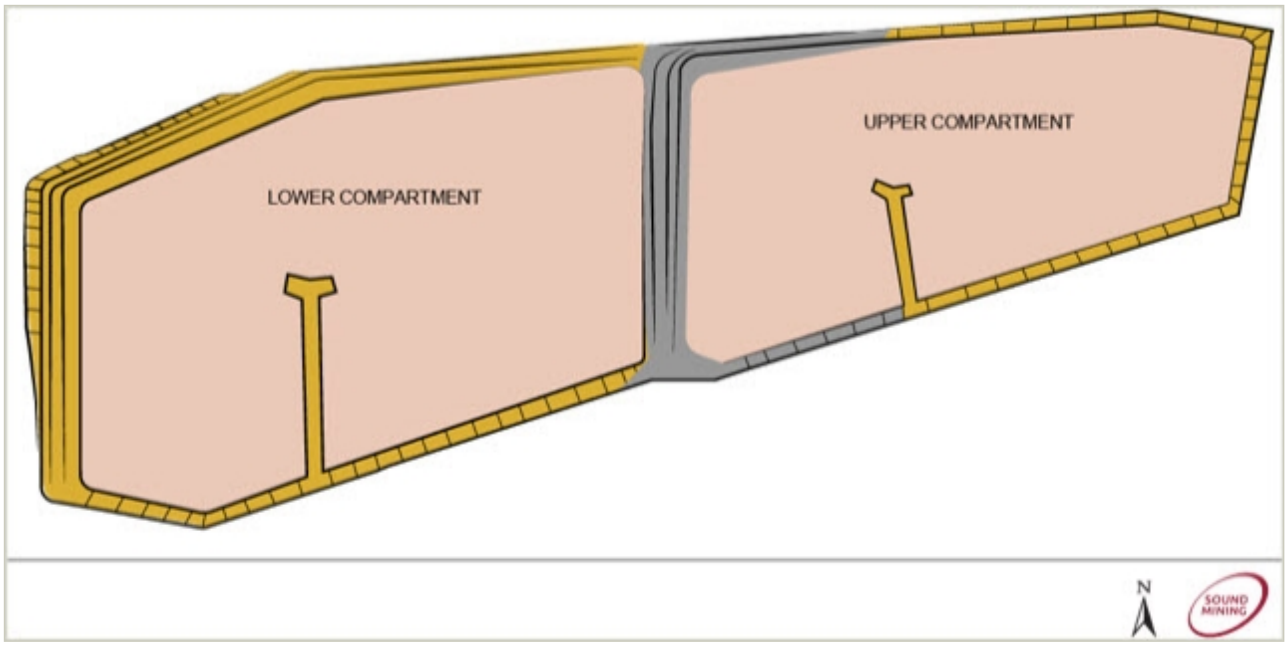
The QPs have relied on the findings of Geo Tail SA (Proprietary) Limited's (GTSA) Leeudoorn TSF Cyclone Conversion Design and technical evaluation for an understanding of the planned conversion of the current day wall TSF to a cyclone-based deposition system. The design has been developed to accommodate the required deposition plan. While the QP has not interrogated the voracity of this work in detail, it has been benchmarked against other similar conversion projects and has been found to be within proven operational practice and acceptable risk levels.

FWGR intends to use this TSF for a period of four years, until the RTSF is constructed. The TSF incorporates two independent and active compartments namely the western (lower) compartment and the eastern (upper) compartment.

A return water dam (RWD) and storm water dam (SWD) are located to the west of the lower TSF compartment. The upper and lower compartments were commissioned in 1991 and 1990 respectively. The TSF footprint is 189ha with a lower compartment footprint of 108ha and an upper compartment footprint of 81ha. Underdrains are installed at the base of the TSF which discharge into an unlined solution trench. Sibanye Gold, the current TSF operator are presently installing two floating penstocks on the lower and upper compartments.

Water from the TSFs is diverted to the RWD through the unlined solution trench. A spillway links water from the RWD to the SWD with a pumping system which returns water back to the TSF compartments. A further spillway allows the release of water from the SWD into the environment. Both TSF compartments are unlined. Figure 24 shows the current layout of the Leeudoorn TSF.

Figure 24: Leeudoorn TSF Layout



Source: Geo Tail, 2022

Table 15 presents a summary of the design criteria and assumptions used for the Leeudoorn TSF design.

Table 15: Design Criteria and Assumptions

Description	Value/Output	Source
General		
Topographical Survey	A Lidar survey dated May 2021	Sibanye Gold
Residue Materials	Gold tailings	FWGR
Legal Framework	South Africa and benchmarking against good practice international standards i.e., GISTM	FWGR
Process Criteria		
Tailings Deposition Rate	Deposition strategy	FWGR
Slurry Density	Average Relative Density = 1.38	FWGR
Design Life	Deposition strategy	FWGR
Water Management		
Objectives	• Minimize usage • Encourage drying and consolidation of the tailings • Separate clean run-off from potentially contaminated process water • Prevent uncontrolled dirty surface water discharge to the environment	GTSA
Principles	• Divert clean storm water run-off away from the facility • Minimize the storage of water on the facility • Contain and re-use the water emanating from the facility • Discharge excess water from the facility to the environment only if the structural stability of the facility is compromised	GTSA

Description	Value/Output	Source
Water Balance	A continuous daily time step water balance (GoldSim)	iLanda
Climatic Data	MAP = 624 mm MAE: 1,670 mm (S-Pan)	iLanda
Storm Event	1 in 50-year, 24-hour = 119 mm 1 in 10,000-year, 24-hour, or PMP = 248 mm	iLanda
Decant Rate	• Decant slurry water daily to ensure that the average pool volume is maintained as small as possible • Transfer the design storm from the storage facility basin to the return water dam within an acceptable period	GTSA
Water Storage and Return Pumping Capacity	• The objective will be to create adequate water storage and water return pumping capacity to prevent uncontrolled discharge of dirty surface water to the environment. The water balance will confirm the frequency for controlled discharges, if necessary • The return water pumping system will be designed to return 100% of the process demand from the return water dam to the process	GTSA
Lining Requirement	No lining required	FWGR
Structural Stability		
Objective	To create a safe and stable tailings storage complex and to minimize the risk to human lives, health, and property	GTSA
Design Storm	1 in 50-year, 24-hour (minimum) 1 in 10,000-year, 24-hour (maximum)	GTSA
Freeboard Target	The minimum freeboard target will be to accommodate the 1 in 50-year, 24-hour storm volume plus 0.8m dry freeboard on top of the normal operating level (excluding decant return) or the 1 in 10,000-year, 24-hour storm volume on top of the normal operating level (excluding decant return). The most conservative storm event will be utilized for freeboard analysis	GTSA
Side Slope Stability	• The minimum factor of safety will be 1.5 for drained conditions at peak strength • The minimum factor of safety will be 1.1 for seismic loading (drained analysis) • The minimum factor of safety will be 1.3 for undrained conditions at peak strength • The minimum factor of safety will be 1.1 for undrained conditions at residual strength	GTSA

Source: Geo Tail, 2022

15.1.1. Geotechnical, Hydrological and Geohydrological Considerations

The area to be covered by the TSF overlies mostly an andesitic volcanic intrusive with typically fine and expansive soil profiles. While the weathering profiles are highly variable within this host formation, no dolomite has been identified within the TSF footprint. There is a single north-south striking linear structural feature (possible dyke or fault) located east of the upper compartment.

It is noted from geotechnical observations that the TSF comprises sand and silty sand grading to clay and silty sand within the middle region of the TSF profile and clay along the base. Clayey and silty layers occur within the upper regions as thin cohesive lenses, associated with a reduction in the cone resistance. The tailings appear to be stiff across both compartments of the TSF and the underlying basement materials also exhibit very stiff consistencies. Overall, the observations made along the surface of each section on both the Upper and Lower Compartments presents evidence of cementation and densification of tailings materials with depth.

A geo-hydrological study was completed in 2019 regarding the impact of the Leeudoorn RWD and the Leeudoorn TSF on the ground water. The TSF contributes the majority of the contamination to the ground water, with the rest being from the Leeudoorn RWD. When using sulphate as an indicator leachate concentration in the pollution plume are in the order of 50,000m^3/month from the Leeudoorn TSF and only 60m^3/month Leeudoorn RWD.

An independent risk assessment was completed on the possibility of a dam breach using a 2020 as-built survey. The most critical failure scenario recorded was a rainy-day cascade failure at the western wall of the lower compartment, with an estimated Population at Risk (PAR) of 2,570 people and a Potential Loss of Life (PLL) of between 13 and 400 people and when classified by the Global Industry Standard for Tailings Management (GISTM) Classification system, was reported as an Extreme Consequence Classification.

15.1.2. Leeudoorn Design

Figure 25 shows the final layout for the Leeudoorn TSF.

Figure 25: Final Layout of Airspace Model



Source: Geo Tail, 2022

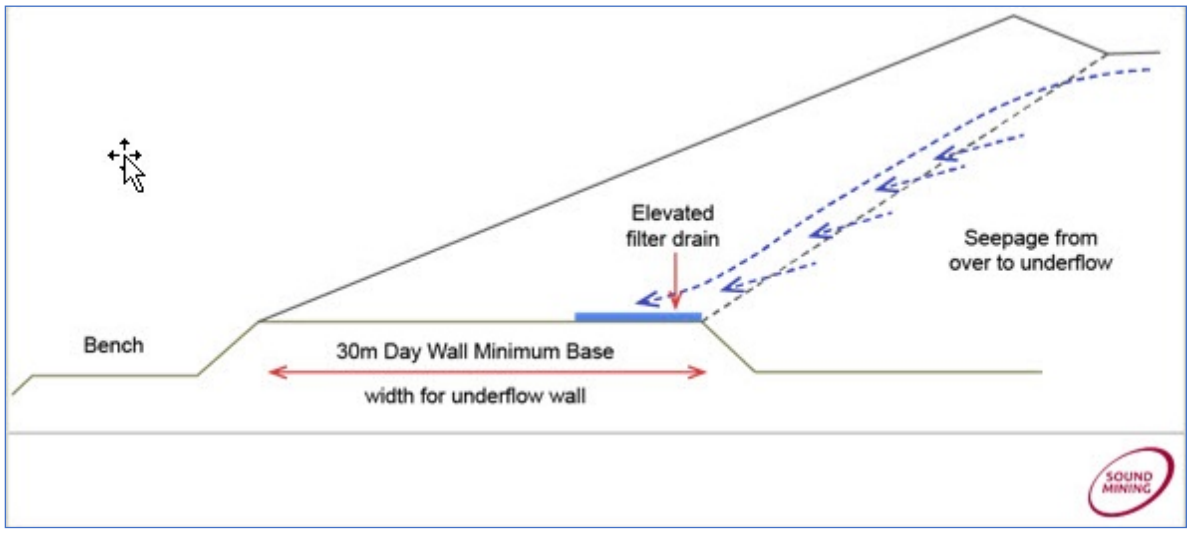
The elements of the proposed Leeudoorn design are described further:

Transport System: A booster pump station located at the existing Leeudoorn Process plant will pump slurry to the cyclone delivery stations located on the TSF. The supernatant water will decant via the existing gravity penstock systems to the new silt traps which will overflow to the solution trench. The solution trench reports to the return water dam from where the water will be pumped to the operating plant for re-use in the process. Excess water from the return water dam will spill to the SWD.

Elevated Filter Drain: The elevated filter drains will be installed during the operation ahead of the development of the underflow wall. The outflow collection system must be pre-installed as part of the construction works. The drain outflow collection system comprises HDPE manholes at the end of the outlet pipes from the filter drains. These are located on the newly formed step-in. Outlet pipes from the manholes will divert the water down the side slope to the solution trench.

Figure 26 shows the position of the elevated drain filter.

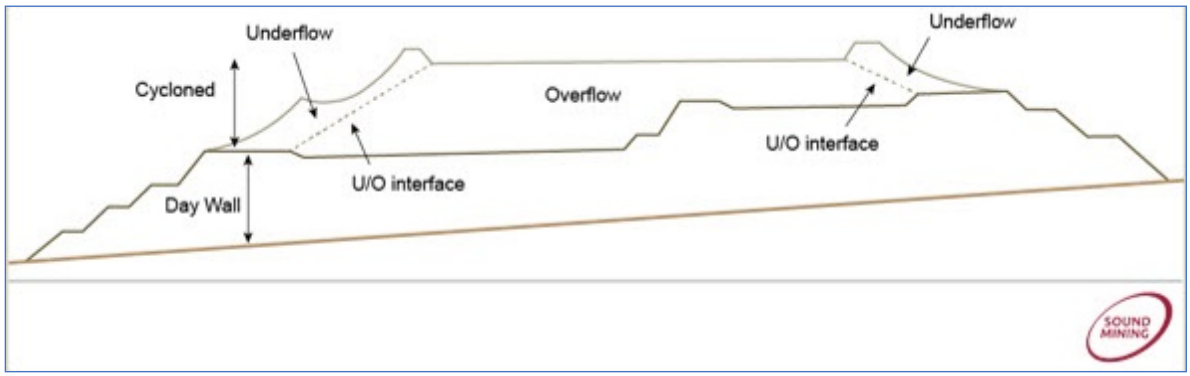
Figure 26: Position of the Elevated Drain Filter



Source Geo Tail, 2022

Cyclone Set-up: The cyclone layouts for the two compartments are shown in Figure 27.

Figure 27: Cyclone Layout



Source: Geo Tail, 2022

Engineered Benches: Engineered benches will collect surface run-off and silt load. Bench penstocks will be utilized to divert excess water to the solution trench from where the flow will be diverted to the RWD. The in-line bench penstocks will be linked with a single downpipe with a maximum of five bench penstocks feeding into each downpipe. Run-off will be temporarily stored on the benches during high rainfall events and to accommodate this, benches will be sloped inwards and a bund wall will be constructed.

Wall Development: The 250mm, 30tph, cyclones will be 24m apart along the complete perimeter. There will be no disconnecting and relocating of cyclones from one point to another on the wall with every cyclone being required to develop a 24m section of wall. The cyclone is used to create a trapezoidal wall cross-section with anticipated approximate 1v:3h side slopes and a 1.0m to 1.5m wide crest. The outcome of the cyclone deposition operation must be a smooth consistent outer profile, conforming to the specified profile with a level crest.

The TSF Contractor shall regularly take feed, under and overflow density measurements to calculate the cyclone split. In addition, a monthly survey shall be conducted to allow a volumetric reconciliation and calculation of under/overflow split to be determined at the same time checking the wall geometry and freeboard.

Pool and Decant Management: Routine rotation of deposition around the perimeter should maintain the pool around the penstock intakes. Given the high deposition rate and the expected increased vertical freeboard, the pool will be larger than with the day wall operation and likely to be permanent. Decanting will be continuous with no stacking of night rings. The decant return should always be maximized to ensure minimum storage of supernatant and storm water with excess water only being temporarily stored in the TSF basin during high rainfall periods.

Silt Trap: The elevated penstocks discharge directly into the new lined silt traps before it overflows into the solution trench. Discharge into the silt traps should be regularly stopped to allow the silt to settle and be measured.

15.1.3. Conclusions

The stability assessment of the proposed conversion has demonstrated factors of safety which exceed the design targets and therefore considered satisfactory for normal operating conditions. This assumes that the TSF operation will be properly managed and that all the identified critical parameters will be monitored.

A water balance has been developed for the proposed changes to the current conventional TSF design.

This water balance demonstrates the expected improvements in water recovery resulting from the increased rate of rise and greater water recovery efficiency of the cyclone system.

The forecast returns from the Leeudoorn TSF are expected to be approximately 50% of slurry water. Modelling has demonstrated that the current penstock arrangement on both compartments is adequate to maintain pool control within both basins.

In order to ensure compliance with the Government Notice (GN) 704 (Regulations on Use of Mining and Related Activities Aimed at the Protection of Water Resources - published in the Government Gazette 20119) the RWD will require a capacity of 56,000m^3 between 2026 and 2029 (period of high deposition rate) and a capacity of 107,000m^3 from post 2030 (period of low deposition rate). The water balance indicates that during storm conditions up to 90% of the slurry water is likely to be returned to the system.

15.2. Regional Tailings Storage Facility

The LoM planning by FWGR includes the establishment of a RTSF on a site 10km east of Fochville.

The RTSF site consists of an area of approximately 1,000ha. It is located between two water courses, the Leeuspruit to the north east and an un-named ephemeral stream/wetland to the south west, both merging south east of the site. FWGR owns most of the land on which the RTSF will be constructed, with the balance covered by way of an option agreement. Topographically this creates a slightly convex spur. Elevations in the area vary between around 1,540mamsl along the northern extremity to around 1,500mamsl in the south east over a distance of some 6km. This results in typically gentle slopes of around 0.7% with some localized variations in gradient.

FWGR has a development plan for the RTSF which incorporates the following changes to the WUL as originally approved:

- the inclusion of an alternative barrier system to the previously proposed synthetic barrier for groundwater protection; and
- the submission of a detailed design to the Department of Water and Sanitation (DWS) for approval.

Table 16 outlines the main differences between the earlier RTSF design and the revised design. These differences include a significantly larger capacity of 800Mt compared to an earlier 290Mt, along with a correspondingly higher disposal rate which is ramped up in phases to 2.4Mtpm compared to 1.4Mtpm. In the revised design, the overall percentage of slurry solids is reduced to a 50% segregating slurry compared to an earlier 65% non-segregating slurry.

Table 16: Changes in Parameters

Criteria/Parameter	Sibanye Gold FS	FWGR FS
LoM	Phase 1 only - 17 years	Complete life 25 years
Processing Plant	Au, U, H_2SO_4, roaster	Gold only
Total Disposal Quantity	FS only 290Mt	800Mt
Disposal Rate	1.4Mtpm	1.2Mtpm, increasing to 1.8Mtpm, then 2.4Mtpm
Slurry Delivery	Single Pipe	2 to 5 pipes
Slurry Percentage Solids	65% - non-segregating	50% - segregating
Surface Water Management	Treat and discharge	Collect and re-cycle
Ground Water Protection	Synthetic barrier	Scavenger wells
Tailings Dam Development Method	Untried spigotting of a non-segregating slurry at <3m/yr	Proven on-wall cyclones at 4m/yr to 6m/yr

Source: Beric Robertson Tailings, 2020

Coupled to the deployment of this lower density slurry is the use of proven on-wall cyclones. The water treatment approach for the revised design is to consider a closed circuit, which collects and re-cycles the water load. FWGR proposed amended designed provides that groundwater is to be managed by way of a network of interception scavenger wells positioned to capture and recycle the pollution plume. It is proposed that this replaces the previously considered method of a synthetic barrier. It is noted that the impact of adopting a disposal method which generates a higher rate of rise per annum is to promote a smaller environmental footprint.

The approach to the RTSF design and disposal policy has been guided by the FWGR policy, the objective of which is “to develop an indefinitely sustainable landscape that, at worst, has a benign, but preferably positive socio-environmental impact”.

The following has been referenced in developing the RTSF design:

- the Chamber of Mines Guide to the Design of Metalliferous Tailings Dams 1972, as revised; and
- SABS 0286; Mine Residue standard (now SANS 10286) (1998).

Following the headline TSF failures in Brazil at Samarco (2015) and Brumadinho (2019) a number of initiatives have been promulgated in the international mining community. The International Council for Mining and Minerals (ICMM) developed a Global Industry Standard for Tailings Management (GISTM) (2020). The GISTM is a guide with no regulatory jurisdiction outside of the membership articles of the ICMM and consists of fifteen principles which can be adopted voluntarily by mining companies. In March 2020, the International Council for Large Dams (ICOLD) published a draft bulletin on Tailings Dam Safety.

The RTSF design adopted by FWGR has taken reference from SANS 10286 and all other relevant South African legislation including the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008) (NEM:WA), the NWA, the MHSA and their associated regulations. All of this work has been undertaken in the context of the FWGR Tailings Disposal Policy.

The RTSF design approach has undertaken a rigorous iterative examination of an appropriate tailing disposal method, for the class, quantity and quality of tailings under consideration. Throughout the design process, cognizance has been taken of the potentiality of catastrophic or consequential failure resulting from the following two most commonly responsible mechanisms:

- hydraulic over topping leading to erosion of the containment wall with consequent collapse; and
- geotechnical instability as a result of insufficient shear strength resulting in a collapse of a portion of the outer wall.

The iterative examination process has considered the following environmental and engineering elements (Table 17 and Table 18).

Table 17: Environmental Elements under Consideration for RTSF Design and Disposal Method

Criteria/Parameter	Description
Topography	i.e., Mountainous, hilly or planar
Climate	i.e., Arid, semi-arid, temperate, sub-tropical, tropical, monsoon
Seismicity	Low, medium or high
Geochemistry	Low, moderate, severe
Tailings SG	High, average, low

Source: Beric Robertson Tailings, 2020

Table 18: Engineering Elements under Consideration for RTSF Design and Disposal Method

Criteria/Parameter	Description
Disposal	Wet or Dry
Generation Type	1st, 2nd, 3rd or 4th
PSD	CC, FC, CF or FF*
Slurry Density	Low, Ave, High (up to paste)
Wall Development Method	Downstream, centerline or upstream
Deposition Method	Open-end, spigot, on-wall cyclones
Decant System	Gravity, pumped, siphon
Ground Water Protection	Synthetic liner or scavenger wells
Air and Surface Water quality Protection	Various options
Post-closure Options	Various approaches

Source: Beric Robertson Tailings, 2020
Note: * C=coarse, F=fine

Based on the above criteria, the design for the RTSF includes the following attributes (Table 19):

Table 19: RTSF Design Criteria

Design Criteria
A 4th generation TSF
Low density slurry feed to an on wall upstream ring dyke dam
A pumped decant system
The abstraction containment of the leachate plume
The progressive cladding and vegetation of the outer slopes
Post closure water treatment designed for a non-consumable agricultural product farming business

Source: Beric Robertson Tailings, 2020

The proposed RTSF will cover an area of approximately 1,000ha with a final surface top area of around 600ha. The RTSF has been planned within the original demarcated and authorised site area.

15.2.1. Geotechnical, Hydrological and Geohydrological Considerations

Geotechnical investigations have confirmed that there are no related fatal flaws. They demonstrate that the RTSF site is suitable for the construction of a RTSF and its related infrastructure. The natural material available on site is suitable, both qualitatively and quantitatively, for the construction of the various structures including embankments, canals, foundations, roadways, compacted clay liners and for use as cover placement. In areas with collapsible topsoil an allowance was made to excavate and use this material for general compacted fill, and to use an impact roller to compact the remaining material from surface in order to reduce its collapse potential to acceptable levels thereby forming a suitable foundation in these areas.

The current legislation contains mechanisms for the classification of processed tailings, which in the case of the approved RTSF, called for the use of a liner (Class C barrier or equivalent). This legislation has been reviewed by the legislature to address various shortcomings with one material change being that the remediation requirements will be informed by the outcome of a comprehensive hazard identification and risk assessment approach, subject to final approval of this legislation. The latest design of the RTSF is aligned with the requirements of the pending changes to the legislation.

Hydrological studies have assessed the impact of the RTSF on the hydrology of the local area. Mean average rainfall of around 600mm is noted. The area has exceptionally high evaporation rates of around 2,000mm and this will assist in removing water content from the tailings which will aid tailings stability. It is expected that climate change impacts are unlikely to be material over the next decade.

A consequence of the ring dyke dam design and the hydrological setting is that surface water will tend to flow away from the RTSF surface footprint. As a consequence, the RTSF has no direct riverine impact being well above the 1:100-year flood lines as confirmed in the most recent hydrological assessment.

RTSF run-off impacts will be managed through the progressive soil cladding and grassing of the slopes with clear water run-off forecast after some four years from commissioning.

Overall water management has been assessed through the use of a dynamic water simulation model over the LoM. The model as expected confirms low average monthly returns as the return water pumping rate is controlled. This results in seasonal fluctuations in the RTSF pond volume driven principally by reduced winter evaporation. The model outcomes imply that due to the relatively high basin capacity of the RTSF, the risk of over topping due to hydro-meteorological events and operational practices is considered to be low.

Storm water management on the RTSF slopes between the crest of the basin and the perimeter toe is managed through the implementation of the following design approach:

- the slope is divided into 400m wide segments around the perimeter;
- each 400m wide segment has a centrally located outlet down the slope consisting of precast concrete chutes;
- the cross-section comprises a series of 10m high, 35m wide scallops forming a 1.6m high (but could be reduced to 1.4m) bund along the lower edge of each;
- the scallops temporary buffer create capacity for run-off prior to discharge down the chutes; and
- the scalloped benches are divided into paddocks by cross-walls or bunds with hydraulic links to control flow between paddocks.

The concrete chute system has been successfully used at other TSFs.

The geo-hydrological impacts of the RTSF will be managed through the installation of a network of abstraction wells. The regional water table is found at relatively shallow depths across the RTSF site of 3m to 8m. The impact of tailings deposition will be that a phreatic surface will merge between the original water table setting and the TSF. Seepage modelling has been used to analyze the impacts on the geo-hydrology. Input requirements into this modelling include, the site geological structure and the topology of all the materials in the TSF. Each material type or zone is assigned appropriate permeability properties along with other factors such as slurry water inflow, rainfall, evaporation and run-off rates. Further modelling describes the proposed zoning of the under and overflow from the cyclone disposal positions during the TSF operation.

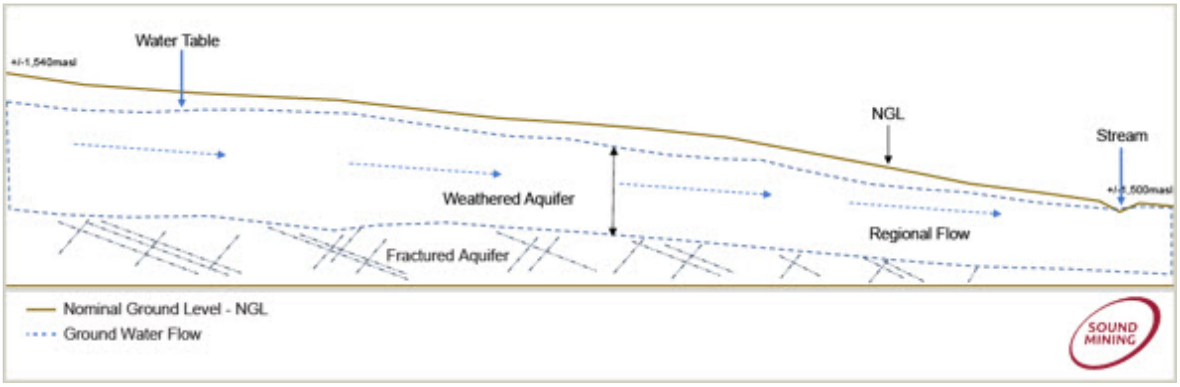
The seepage modelling has confirmed that the stability of the RTSF can be enhanced through the construction of filter drains integrated into the underflow tailings walls which protrude into the basin of the RTSF. These underflow curtains which are described as similar to the “fins of a radiator”, draw down the phreatic surface of the underflow which contributes to the enhancement of the wall stability.

Post closure modelling indicates that drain flows of up to 700m^3/d may need will need to be treated through a small sustainable water treatment facility.

The primary purpose of the ground water modelling has been to validate the use of a scavenger well network to control pollution impacts on the local aquifer system. This modelling has been developed from calibrating existing boreholes and using an historical database established by the earlier investigators.

The geo-hydrological regime at the RTSF site consists of the stacking of a weathered aquifer over a deeper fractured aquifer (Figure 28).

Figure 28: Geo-hydrological Regime at the RTSF Site

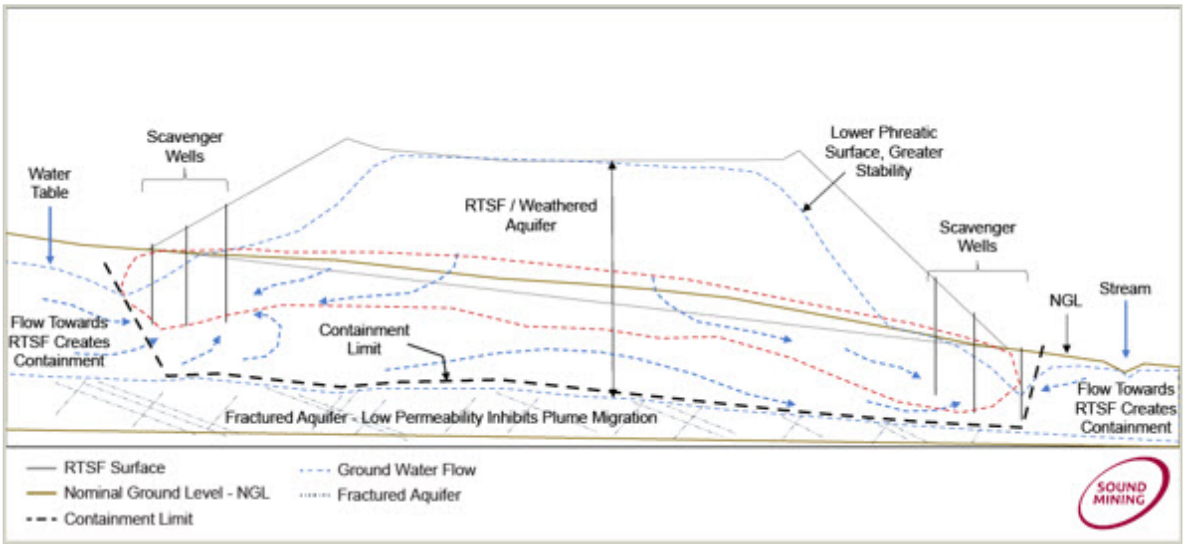


Source: Beric Robinson Tailings, 2020

The water table approximates the topography at a depth of 3m to 8m and the general ground water flow is from north west to south east with local south and eastward flows to the adjacent streams. Earlier studies promoted the use of a synthetic liner for ground water protection. The use of a synthetic liner, installed at the base of the RTSF would be to create a third 'perched' aquifer above the current weathered zone aquifer. Installing such a barrier over a 1,000ha footprint could result in a design which will ultimately end up with a compromised liner integrity, requiring the eventual implementation of a well system to contain the contaminant plume. In addition to this, the inclusion of a liner in the design significantly raises RTSF geotechnical risk.

The scavenger well system generates a hydraulic barrier around the RTSF by directing ground water flow towards the RTSF footprint (Figure 29).

Figure 29: Geo-hydrological Effects of Scavenger Wells beneath the RTSF



Source: Beric Robinson Tailings, 2020

The deeper fractured aquifer exhibits low permeability characteristics which promote the flow of the contaminated plume towards the peripheral abstraction wells which recover the polluted ground water and contain the plume dispersion. All the dirty water from these scavenger wells accumulates in large concrete sumps before being pumped back into the operational circuit whilst operating and post closure will be treated for either disposal or utilization.

Ground water modelling was carried out in an appropriate software package and confirmed the effectiveness of the abstraction well system methodology. Numerous modelling iterations were carried out to identify optimal borehole spacing and localities. The modelling has indicated that a series of abstraction wells drilled into the weathered aquifer to a depth of around 20m, arranged in three rows around the perimeter should effectively prevent the lateral spread of any contaminant plume. Vertical

containment is effectively achieved at the base of the weathered aquifer, the underlying fractured aquifer exhibiting low permeability characteristics.

A critical feature of the implementation of the scavenger well system methodology will be the practice of systematic water quality sampling and it is proposed that 25% of all wells are tested on a monthly basis. This will be used for the regular updating and calibrating of the ground water model which will enable, where necessary, practical interventions into the well field design to be implemented.

15.2.2. The RTSF Design

The RTSF design has been configured by assembling the following components or design elements:

Toe Wall Embankment and Cladding Stockpile: the perimeter boundary of the RTSF is defined by a single Toe Wall (3m high by 6m wide). This serves as a containment barrier and as a perimeter access road. The tailings placement has been planned to fill within 1.5 to 2.0m of the Toe Wall crest. Compacted material for the Toe Wall will be borrowed from a 2m deep trench excavated within the Toe Wall perimeter. This trench will form a paddock for tailings run-off material at the toe of the slope. A temporary cladding stockpile will be formed outside the Toe Wall.

Heel Wall Embankment: in the case of RTSF, an upstream cyclone dam, the containment wall formed from the underflow needs to be established on a stable platform for the tailings placement to be ultimately stable. The overflow is therefore contained behind an embankment upstream of the intended wall footprint and is called a Heel Wall. The Heel Wall therefore defines the initial division or separation of the under and overflow with the overflow area termed the Basin.
The height of the Heel Wall changes progressively as the dam is developed and is determined from the availability of underflow and the relative rates of rise of the over and underflow. The determination of the expected height and position of the Heel Wall is an iterative process of trial and optimization with the base of the wall being typically selected at approximately one third of the horizontal distance of the base length of the final slope.

Heel Wall structure on a dam the size of the RTSF represents a substantial embankment structure with a correspondingly high level of material requirements. This material has been sourced within the RTSF footprint which reduces further environmental degradation from external borrow pits and reduces haul distance costs. A further feature to assist construction material placement is the incorporation of access ramps onto the Heel Wall at 400m centers. Geotechnical site investigations have verified the suitability and availability of material excavated from within the RTSF footprint for Heel Wall construction.

Miscellaneous Embankments: in order to control the run-off harvested between the Heel Wall and Toe Wall on the low south side of the RTSF and prevent an overtopping of the Toe Wall, it is necessary to construct a series of radial cross walls at approximately 400m centers. These compartments serve to spread the containment of run-off material over a broader area and reduce the depth of material around the RTSF perimeter.

Where necessary, low embankments will be constructed to correct the gradients of filter drains. The decant pumping arrangement will require an embankment on which the pumps can stand, which will also provide an access road facility.

Filter Drain System: the beneficial reduction of pore water pressure in the underflow results in a lowering of the phreatic surface levels and improved tailings strength development, along with a reduction in the risk of slope undercutting at the slope toe. This is achieved through the use of a filter drain network which promotes high permeability conducts which evacuates pore water while holding back solid particles. The impact of an effective drainage system is to activate the radial flow of water towards the drain centers. Various drain configurations have been incorporated into the RTSF design. These variations have been optimised through iterative stages of numerical seepage analysis.

Scavenger Well System: the scavenger well system is a viable alternative to managing the inherent geotechnical risks and financial burden of a synthetic barrier. The system exploits the existing geo-hydrological regime beneath the proposed RTSF, which consists of an aquifer comprising of two horizons; the upper 20m to 30m a weathered aquifer and an underlying fractured

aquifer. The transmissivity of the fractured aquifer is limited to discontinuities in the rock mass. This confines ground water flow almost entirely to the upper weathered aquifer.

A well system of three rows of scavenger wells is envisaged, consisting of an outer row along the Toe Wall of the facility, the Toe Wall Scavenger Wells (TWSWs), a middle row along the line of the Heel Wall Scavenger Wells (HWSWs) and an inner third row to be drilled after the fourth bench of the RTSF.

The HWSW and TWSW wells would be installed from the outset, with the TWSW wells being used initially as monitoring wells. As and where necessary, additional boreholes will be established downstream for additional scavenger well purposes.

Deposition System: on-wall cyclones will be used to deposit the tailings pumped from the DP2 Plant some 46km to the RTSF through 500mm high-density polyethylene (HDPE) lined steel pipelines. A relatively low target slurry density of 1.38t/m^3 has been stipulated for the RTSF.

The slurry is pumped in trains of 600ktpm per pipeline, starting with two pipelines to accommodate the production rate of 1.2Mtpm. The pipe servitude enters the RTSF site from the north-east where the pipes will be taken through the pre-cast box culverts to the inside of the Toe Wall. One pipe will continue straight onto the dam with the pipe being extended up the side of the dam, suitably profiled across the benches, as the dam develops in height. Two of the slurry pipes will be directed clockwise along the inside of the Toe Wall, one extending 20% and the second 40% around the perimeter. The other two slurry pipes will be similarly routed, but anti-clockwise.

For the first three years of operation, 250mm cyclones will be deployed so as to ensure a maximum split of underflow during the period when underflow demand is greatest due to wall construction requirements. This cyclone arrangement has been deployed in the South African tailings environment since the 1980s.

A 600ktpm slurry stream will require some 20 to 25 cyclones to deposit material based on a cyclone throughput of 40tph to 45tph. The eventual layout of cyclones will consider some 37 to 41 cyclones per dam sector of around 1,000m to 1,100m. This is estimated to service approximately 25% to 30% of the dam perimeter with all five slurry streams operating (5% to 6% per pipeline). This is expected to deliver a deposition to drying ratio of 1.3 to 1.4 which is considered acceptable for sustainable underflow consolidation.

Once the underflow wall has been established, consideration may be given to changing from the Multiple Deposition Point (MDP) 250mm cyclones to the less efficient, but more economic Single Deposition Point (SDP) system, in this case in the form of Self-Propelled Cyclone Units (SPCUs). This system has been successfully deployed on an East Rand TSF for the last eight years.

Decant System: the decanting system handles the clear water from the deposited slurry which separates into clear water and saturated solids on the TSF. The clear water accumulates in a supernatant pond or pool in the basin which becomes available for decanting and re-cycling through the process. The selected decant system is a series of pumps which are commonly used globally. In the South African mining space, gravity penstocks predominate in decanting solutions, however this would not provide the optimal solution for the RTSF case.

The pumping system to be deployed at the basin pond at RTSF will consist of a skid-mounted land-based pump with ancillary power and control equipment which will be intermittently moved across the basin from south east to the middle and raised vertically as the dam develops.

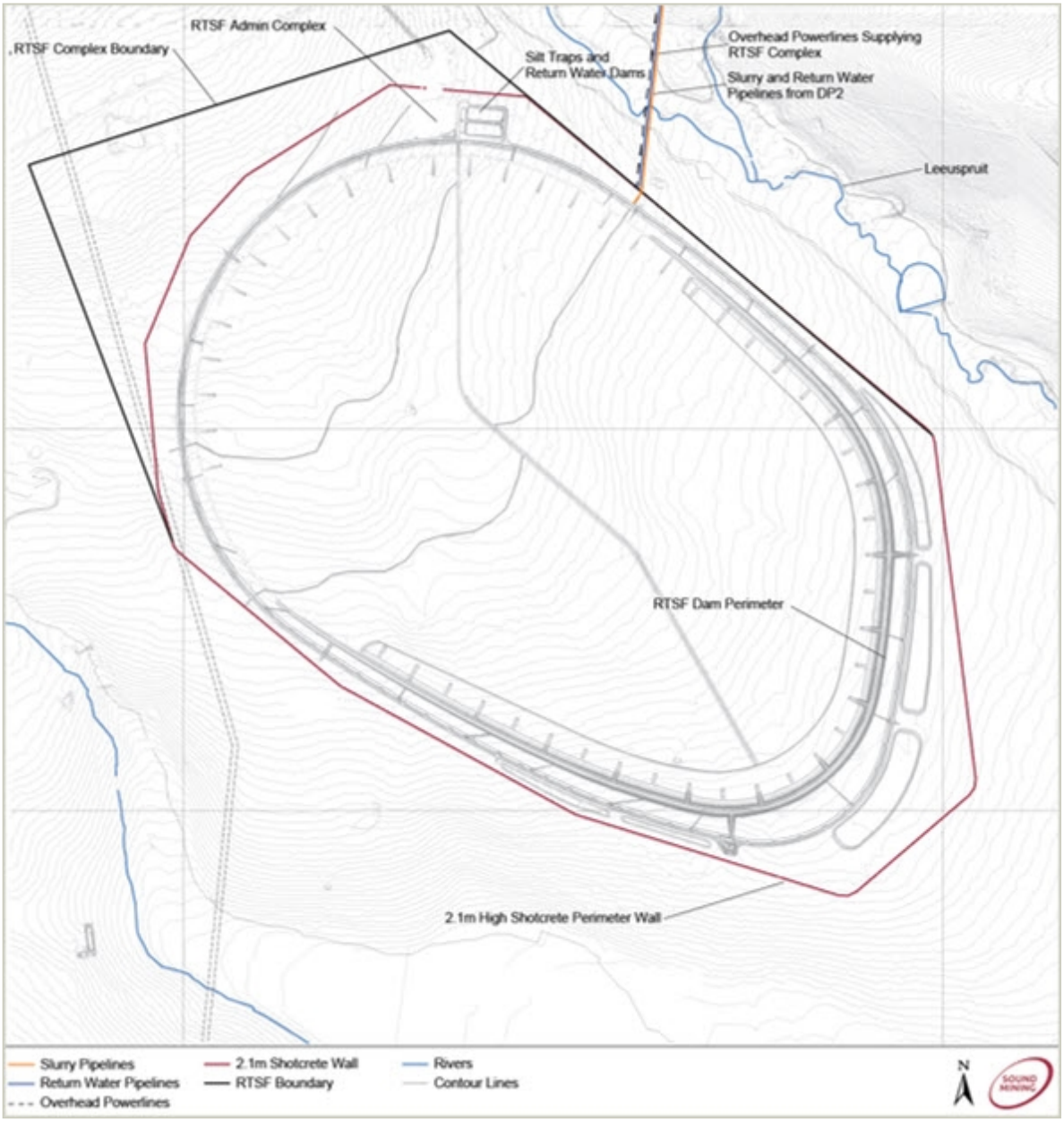
Return Water System: the water recovered from the RTSF will be returned to DP2 and any other sites that may require water. The return water system comprises a decant water receiving stilling chamber that overflows into twin concrete lined silt traps that in turn spill over into twin HDPE lined RWDs. Return water pumps at the RWDs, pump water back to DP2 through twin overland pipes following the same servitude as the slurry delivery pipes.

Other Supporting Infrastructure: power will be delivered to the RTSF complex via a 10km 33kV overhead powerlines from Kloof. The power is first stepped to 11kV prior to transmission to required locations via overhead bundled lines. Numerous pole transformers step down the power to 3.3kV for distribution to the scavenger wells. Diesel back-up power generators are placed to sustain critical operability of seepage recycling as well as alternate powering of the decant pumps and return water pumps. Solar energy will be utilized to power the administrative buildings and external ergonomic lighting.

For security against theft and destruction against infrastructure, the entire RTSF complex will be surrounded by a 2.1m tall shotcrete wall with razor coil on the top. Tamper sensors will be placed on the wall that are wirelessly linked to a permanently manned security control room.

Figure 30 shows the layout of the RTSF.

Figure 30: RTSF Layout



Source: Beric Robertson Tailings, 2020

The revised design of the RTSF was undertaken by Beric Robinson Tailings for the current configuration of the FWGR operations. This study was independently reviewed by a Sound Mining appointed specialists who concluded that there are no fatal flaws in the design.

15.2.3. Concluding Comments

Sound Mining has reviewed the FWGR Regional Tailings Dam Report and design prepared by Beric Robinson Tailings (2020) (costed by DRA) and has concluded that the report provides a solid basis for the future development of a safe RTSF. Sound Mining believes that by following the principles and design strategy outlined in the report, the chances of a TSF failure will be unlikely. However, cognizance needs to be taken of the uncertainties discussed subjectively below.

There are concept risks associated with the recommended RTSF tailings disposal solution which proposes the implementation of a fourth Generation, unlined, ring-dyke, upstream, on-wall cyclone dam with a pumped decant system, on a site with poor to moderate soils and a high-water table. Furthermore, for risk analysis purposes it is noted that there is an absence of water courses over the intended RTSF site area and that the operation of the on-wall cyclone disposal method will initially be relatively labor intensive.

Based on the proposed RTSF solution, the following inherent risks are apparent:

- the stability of upstream development;
- the sufficiency of underflow to form an adequate wall around the perimeter ring dyke;
- the capability of the management and labor force to perform as required;
- the ability of a pumped system to decant adequately; and
- undue impacts on the environment.

The proposed solution has been operated on a number of South African TSFs over the last three to four decades. Each TSF has performed as expected, demonstrating stability with the underflow arisings. All these TSFs have and in some cases still operate without evidence of overtopping with pumped decants. In these cases, while water contaminant plumes have been generated, their impact has not been shown to be significant.

The RTSF design has been undertaken by a team of assembled experts who are familiar with the application of an upstream cyclone method delivering relatively uniform sized tailings in the South African context. The lead RTSF designer has over 30 years' experience in similar local installations and operations. The design work has also been independently reviewed by two local tailings engineering specialists.

The effectiveness of the proposed RTSF is dependent on the delivery of acceptable underflow particle quality and quantity. Failure to deliver on either of these parameters will compromise wall development and stability. Historical observations of a number of similar TSFs have shown that TSF development has progressed adequately with no significant design risks realized.

Underflow demand is high during the initial development phase and increases as the dam elevation is increased and the dam perimeter is subsequently decreased. This has been accommodated in the RTSF design with the decision to deploy the more efficient 250mm cyclones during the start-up period.

It is noted that the RTSF design is based on underflow splits currently achieved at the Driefontein 4 TSF. Although in the early years, the RTSF design underflow demand is close to these levels, this demand drops in the later years proving an acceptable error margin.

Hydrological risk is managed through the provision of a substantial freeboard over the LoM and the verification through modelling that the storm water capacity of the dam is in excess of 20Mm^3 which compares to a Probable Maximum Precipitation (PMP) event of around 1,600Mm^3.

The requirement for the management of tailings disposal operations is stipulated in SANS 10286 which was initially published in 1998. Recent initiatives through ICMM and ICOLD have provided guidelines for corporate management. Despite this, it is a recognized fact that most TSF disasters have been attributable to management failures.

FWGR's approach to the management of surface mining risk has been to adopt a pro-active strategy, whereby maintenance and risk-reducing activities are carried out timeously. This operating philosophy is now being formalized and outlined in their management system.

Effective operational performance will deliver into the achievement of the necessary targets of appropriate underflow characteristics, wall geometry and consistently acceptable freeboard. For this risk to be managed it is imperative that all involved operational parties including specialist support services and equipment suppliers, are appointed on the basis of their appropriate experience, capacity and competency.

Based on FWGR's extensive history of operational experience in surface mining and tailings disposal, it is Sound Mining's opinion that operational risks can be adequately controlled.

The current DP2 deposition at Driefontein 4 TSF (0.5Mtpm) can only continue until 31 December 2025, at current deposition rates. The commissioning of the RTSF has been delayed until January 2030 while approval for the amended design is being sought from the authorities. Due to this delay, the Leeudoorn TSF has to be converted to a cyclone depositioning system to accommodate FWGR deposition requirement between January 2026 and December 2029. Any delay in the RTSF commissioning may result in reduced production until such time as full capacity of the RTSF is available.

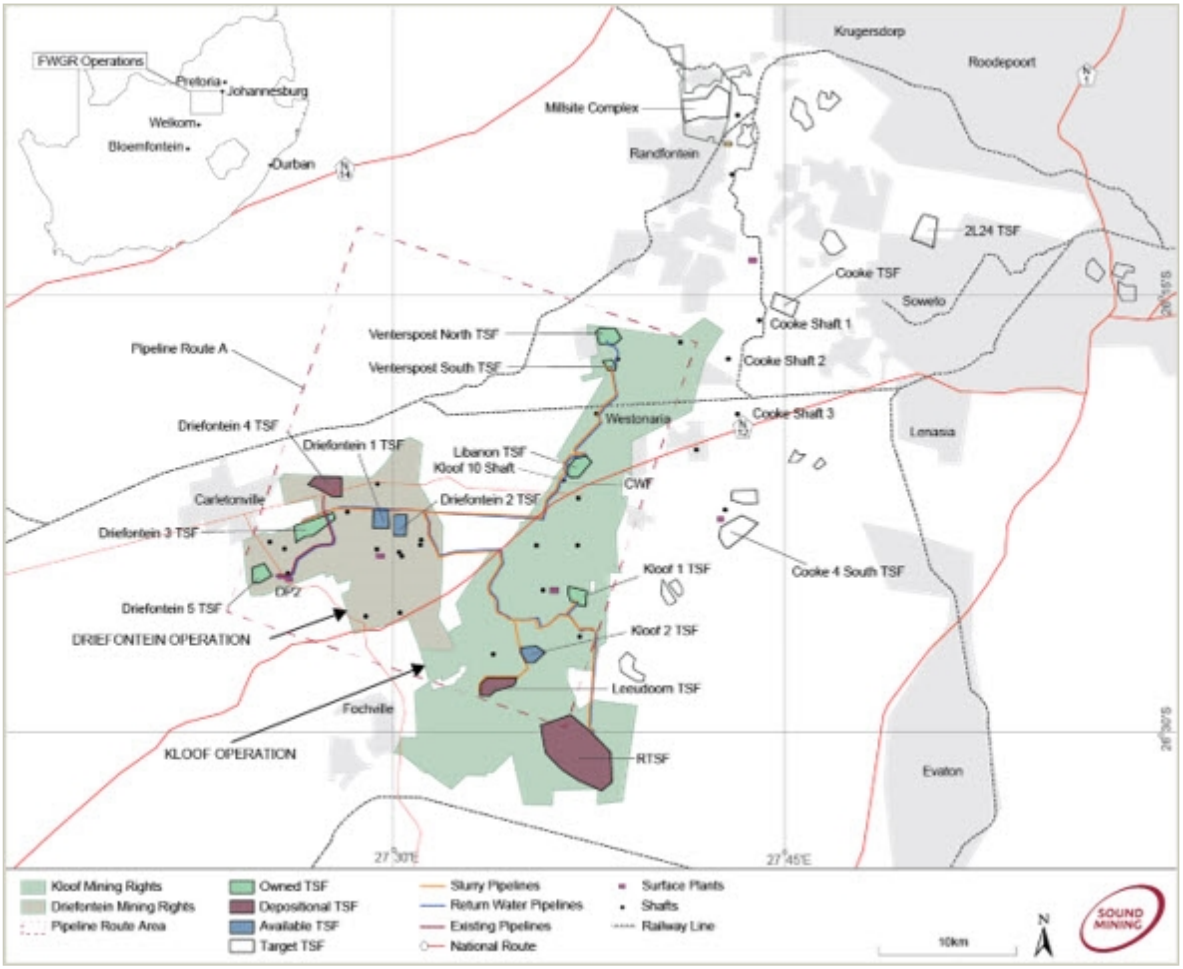
Sound Mining is of the opinion that the selected site is appropriate for the intended construction and operation of the RTSF and endorses the proposed scavenger well solution for ground water as this can provide a sustainable solution to the RTSF's future plume management requirements.

15.2.4. Technical Studies - Water

Water is required for the hydro-mining of the TSF's and for the processing of the reclaimed material. FWGR commissioned an external assessment of the water requirement for an expanded operation in 2020. The work involved modelling the waterflows to establish a water balance for the operation at steady state. The inputs to the model were examined by Sound Mining and found to be appropriate.

The planned water supply will primarily be from the RTSF return water and from underground water sources (Figure 31).

Figure 31: TSF Location, Make-up Water Shafts, Processing Plants and Pipeline Layouts



Source: Sound Mining, 2022

Kloof 10 shaft, which is located at the Libanon TSF, will supply make-up water for the hydro-mining of Kloof 1 TSF, Libanon TSF, Venterspost North TSF and Venterspost South TSF. Two WULs have been granted for the Kloof and Driefontein operating areas, which permit the pumping of water from nearby underground workings as presented in Table 20.

Table 20: Underground Water Sources

Facility	Permitted Quantity (m^3/a)
Kloof 10 Shaft	9,487,500
Driefontein 10 Shaft	2,555,000

Source: Sound Mining, 2022; and FWGR, 2020

Return water from Driefontein 4 TSF is currently re-used for the reclamation of the Driefontein 5 TSF and associated processing at DP2. Make-up water is sourced from Driefontein 10 shaft (~6,000m^3/d).

Water from DP2, the Leeudoorn TSF, RTSF and Kloof 10 shaft will be pumped to a Central Water Facility (CWF). There are currently four water tanks at the CWF used for water storage. Water will be pumped from the CWF to the necessary sites for hydro-mining and processing.

Water and slurry from the hydro-mining of distal TSFs will be pumped to the pumping stations closer to the hydro-mining sites to piggy-back off these sites to avoid having to use additional Booster Pump Stations (BPS). The water pumps at DP2 supply sufficient pressure for the Driefontein 5 TSF hydro-mining operation.

High-pressure water pumps will be placed at the various TSFs (i.e., excluding Driefontein 3 TSF) to avoid having high-pressure water pipelines between the hydro-mining sites and the processing plant. They will be utilized in series to deliver the required pressure of 25bar to 30bar, for hydro-mining.

The mining operation will pump approximately 42,000m³/d of water from the various mining sites to feed the DP2 expansion facility. Each production unit (or monitor) requires in the order of 10,500m³/d for the hydro-mining of TSF material and each site will have two monitor units running and one on standby during steady state operations. Water will be recovered from the various deposition facilities and returned to the system.

Make-up water (i.e., 30% - 40% of the total water requirement) will be required to compensate after accounting for losses and rainfall (~18,000m³/d), with Kloof 10 shaft alone, having ample available capacity (~36,000m³/d).

15.2.4.1. Concluding Comments

The available water supply more than adequately meets the FWGR requirements including the make-up water during the dry season. The supply from Driefontein 10 shaft and Kloof 10 shaft do not exceed the permissible pumping rates approved in the WULs.

According to the WULs the return water will be treated in an advanced water treatment facility and discharged into Leeuspruit or disposed to dust suppression. Instead of this open configuration FWGR has opted for a closed water system throughout the LoM so no water treatment or discharge into the surface water courses will occur. The final water still in use at the point of closure will be deposited onto the RTSF for evaporation, or an alternative water treatment and use will be considered.

15.2.5. Technical Studies - Power

The power supply and Point of Delivery (PoD) for the operations has been determined by independent specialists. These have been reviewed and are deemed appropriate for the operation. Power is currently supplied to transformers at the various sites (Table 21) from Eskom's 132kV and 44kV grid, where the voltage is reduced to 6.6kV.

Table 21: Power Requirements for FWGR Operations

Site	Installed (kVA)	Used (kVA)	Available (kVA)	Comments
Driefontein 8 Shaft	20,000	11,000	9,000	Sufficient for reclamation operations
Driefontein 13 Shaft	10,000	6,600	3,400	
DP2	40,000	-	40,000	18,000kVA required by DP2 at 1.2Mtpm capacity
Libanon	40,000	22,000	18,000	Sufficient for reclamation operations
Kloof 4 Shaft	80,000	64,000	16,000	3,500kVA required by RTSF
Kloof Main Complex	140,000	81,000	59,000	
Leeudoorn Shaft	100,000	61,000	39,000	2,500kVA required by Leeudoorn TSF
Total	**430,000**	**245,600**	**184,400**	

Source: FWGR, 2022; and Sound Mining, 2022

The capital estimates take account of the available equipment at the respective substations and routing from the substations. The PoDs feeding the substations are shown in Table 22.

Table 22: Eskom Points of Delivery

Eskom PoD	NMD	Maximum Utilized NMD	Transformer Size	Comments
Driefontein 8 Shaft	14.0MVA	11.0MVA	4 by 5MVA	
Driefontein 13 Shaft	4.3MVA	6.6MVA	4 by 5MVA	There are sufficient transformers
Kloof 1 Shaft (132kV)	81MVA	81MVA	7 by 20MVA	
Libanon Shaft	5.2MVA	6.92MVA	1 by 20MVA	FWGR to install 1 by 20MVA transformer
Libanon Gold	22MVA	19.3MVA	2 by 20MVA	

Source: FWGR, 2022; and Sound Mining, 2022

Suitable PoDs have been identified for the FWGR operations, as shown in Figure 31. Eskom will be notified of the increased load - Nominal Maximum Demand (NMD) to be catered for within the existing contracts - at the appropriate time. Overhead lines will be utilized as far as possible to reduce the installation costs and reduce the risk of cable theft. The aggregate load requirement has been based on a conservative diversity factor of 0.8 for the low voltage loads, which represents a relatively flat load profile.

The current Eskom supply is stable in that it is linked to the main ring feed. There is a curtailment agreement in place and only under severe power disruption, would the area lose supply. In this case there is still sufficient capacity to run the vital plant areas by shutting down the milling section and using diesel generators which will provide enough emergency power to ensure that selected critical process plant equipment is able to re-start immediately in the event of a power failure.

15.2.5.1. Concluding Comment

It is noted by Sound Mining that the power estimates determined are considered appropriate for the planned operations. The power requirement to the various components of the FWGR operation is within the spare capacity available to the related ongoing and current underground mining and processing operations. Management will need to ensure timely modifications to the agreements with Eskom and sufficient allowance for the rising cost of power.

15.2.6. Technical Studies - Pipelines and Pumping

FWGR's expansion planning requires a network of slurry pipelines from the TSF sites to DP2, and tailings pipelines from DP2 to the Leeudoorn TSF and to the RTSF. Low-pressure return water pipelines will be required from the RTSF to the CWF and from the CWF back to the TSF sites. High pressure pumps will provide the mining operations with the pressures they require (25bar to 30bar). This eliminates having to install high-pressure pipelines from the processing plants to the TSF sites.

FWGR worked with specialists on the design and cost estimates for the pipelines. Cognizance was also taken of the environment, mine owned land and already disturbed areas. The pipeline layout has been designed to make use of the shortest possible routes, while also using existing mine servitudes as far as possible. Use was made of the road servitudes to prevent additional impacts associated with the clearing and construction of the pipelines, and to ensure that the pipelines are easily accessed for maintenance. Alternative routes were also considered to avoid wetland areas; and existing impacted land, in the context of the effect on operating costs due to the influence of topographical and pumping costs. A summary of the current pipeline and pumping infrastructure Figure 31, is provided in Table 23.

Table 23: Existing Pipeline and Pumping Infrastructure

Existing Pipeline and Pumping Infrastructure	Approvals
Pre-screening and Slurry Pumping Reclamation Station at Driefontein 5 TSF Hydraulic Mining Site	Approved EA and Environmental Management Plan (EMP)
Fine Screening and Slurry Transfer Pump Station at Mining Site	Approved EA and EMP
Slurry Pipeline between Driefontein 5 TSF and DP2	Approved EA and EMP
Tailings Pipeline from DP2 to Driefontein 4 TSF	Approved EA and EMP
Return Water Dam at Driefontein 4 TSF and Process Water Supply to DP2	Approved EA and EMP
Process Water Make-up Storage and Pump Station at Driefontein 10 Shaft	Approved EA, Integrated Water Use Licenses (IWUL) and EMP
Process Water from Driefontein 10 Shaft to DP2	Approved EA, IWUL and EMP

Source: Sound Mining, 2022

A summary of the additional piping requirements is presented in Table 24.

Table 24: Phase 2 Pipeline and Pumping Infrastructure

Planned Pipeline and Pumping Infrastructure	Approvals
Pre-screening and Slurry Pumping Reclamation Stations at Driefontein 3 TSF	Approved EA and EMP
Pre-screening and Slurry Pumping Reclamation Stations at Kloof 1 TSF	Approved IEA and EMP
Pre-screening and Slurry Pumping Reclamation Stations at Libanon TSF	Approved IEA and EMP
Pre-screening and Slurry Pumping Reclamation Stations at Venterspost North TSF	Approved IEA and EMP
Pre-screening and Slurry Pumping Reclamation Stations at Venterspost South TSF	Approved IEA and EMP
Slurry Pipeline from Libanon TSF to DP2	Approved IEA and EMP
Slurry Pipeline from Venterspost South TSF to Libanon TSF	Approved IEA and EMP
Slurry Pipeline from Kloof 1 TSF to DP2	Approved IEA and EMP
Return Water Pipeline from CWF to DP2	Approved IEA and EMP
Water Pipeline from DP2 to Driefontein 3 TSF	Approved EA and EMP
Return Water Pipeline from CWF to Libanon TSF	Approved IEA and EMP
Return Water Pipeline from CWF to Venterspost South TSF	Approved IEA and EMP
Process Water Make-up Storage and Pump Station at Kloof 10 Shaft	Approved IEA, IWUL and EMP
Process Water from Kloof 10 Shaft to DP2	Approved IEA, IWUL and EMP
Slurry Pipeline from DP2 to the RTSF	Approved IEA and EMP
Slurry Pipeline from Libanon TSF to DP2	Approved IEA and EMP

Source: Sound Mining, 2022

The civil infrastructure requirements for pipeline crossings of road/rail, pipe jack culverts, open/minor culverts have been considered and amount to around 65 installations.

15.2.6.1. Concluding Comments

The QP considers the pipeline infrastructure design to be well-engineered and underpinned by practical experience. There appear to be no fatal flaws in the thinking behind amendments to various EIAs and EMPs to accommodate the changes to the pipeline and pumping infrastructure.

16. GOLD MARKET

Item 16 (i) and (ii)

All gold produced is delivered to the Rand Refinery for refining with no restrictions on the quantity or time frame. DRDGOLD has a long-standing off take agreement with the Rand Refinery according to which gold is sold on the prevailing spot in South African Rands. When applying the 30 June 2022 spot exchange rate (ZAR16.29/USD) to the associated gold price of USD1,819.06/oz Au, a real gold price of ZAR952,721.20/kg is computed.

Gold is a precious metal, refined and sold as bullion on the international market. It is traded on the global financial markets and has traditionally been used for jewelry, bartering or storing wealth. Aside from the gold holdings of central banks, current uses of gold include jewelry, private investment, dentistry, medicine and technology (Table 25).

Table 25: Above Ground Gold Stocks in 2021

Description	Quantity (t)	Contribution (%)
Jewelry	94,464.0	46%
Private Investment	45,456.0	22%
Bank Holdings	34,592.3	17%
Other	30,726.0	15%

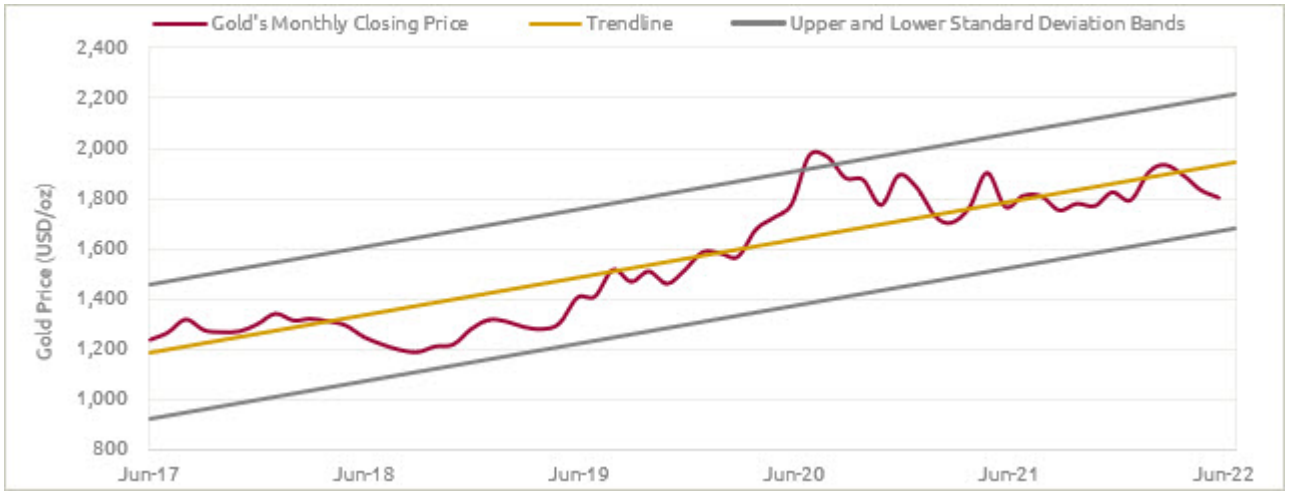
Source: GoldHub, 2022

The largest use of gold is in jewelry, accounting for approximately 46% of the above-ground gold. Gold does not follow the usual supply and demand logic because it is virtually indestructible and can easily be recycled. In addition, gold stored in the vaults of banks is relatively illiquid and subject to the vagaries of global economies. These characteristics of the gold market make it challenging to forecast the gold price.

16.1. Gold Price Trends

The QP considered a five-year period of historical analysis to form an opinion of the gold price and exchange rate to be expected going forward because the QP is of the opinion that a five-year period sufficiently covers the market volatility seen in the international gold market. This is also consistent with the five-year period of consensus pricing relied on for the price forecast. The gold price increased in 2020 due to uncertainties related to the outbreak of Covid-19. It then steadily declined to a spot price of ~ZAR945,295/kg (i.e., USD1,806.89/oz at ZAR16.27/USD) as at 30 June 2022 (Graph 5). After interrogating the gold price, the QPs are of the opinion that a gold price of ZAR914,294/kg, provided by FWGR, is appropriate for use in the economic assessment.

Graph 5: Gold Price Historical Trendline



Source: Sound Mining, 2022

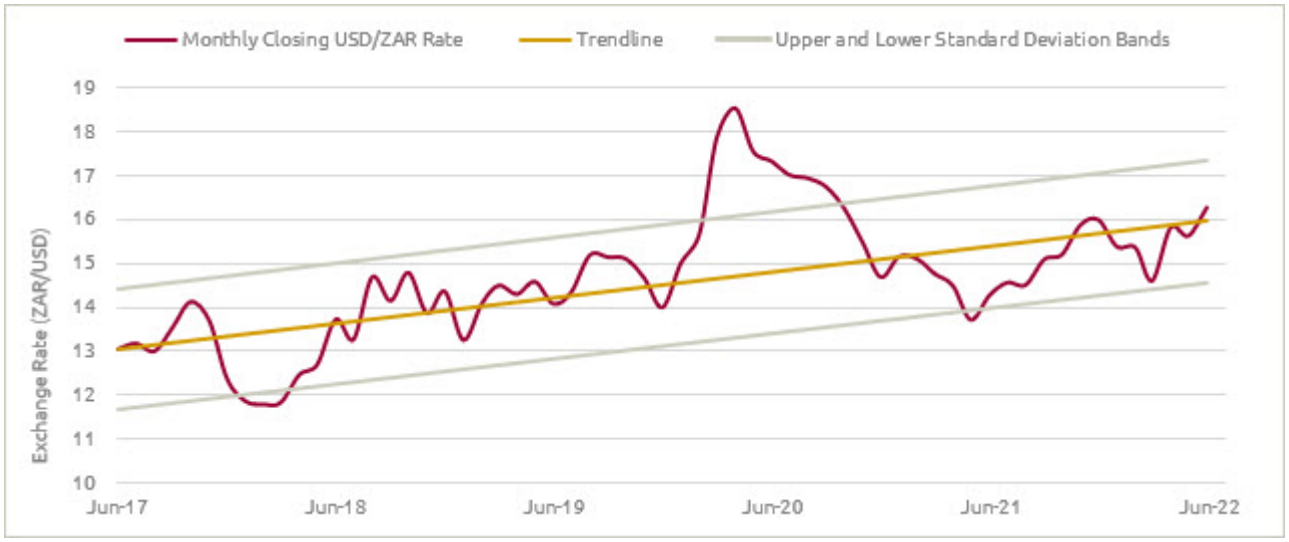
The linear trendline indicates robust gold price potential over the near to medium-term.

16.2. Exchange Rate Forecast

The ZAR to USD exchange rate saw record breaking highs in the second quarter of 2020 (ZAR19.35/USD) but has subsequently dropped back to ZAR16.27/USD as at 30 June 2022. A factor in the deterioration of the local currency in 2020 was the lockdowns and economic volatility brought on by Covid-19.

The spot exchange rate of ZAR16.27/USD compares well with the six-year historical trendline as visually displayed in Graph 6.

Graph 6: Exchange Rate Historical Trendline



Source: Sound Mining, 2022

Various service providers and financial institutions are consulted to determine consensus forecasts of the gold price (Table 26).

Table 26: Long Term Consensus Forecasts in Nominal Terms

Description	Year 1 (FY2023)	Year 2 (FY2024)	Year 3 (FY2025)	Year 4 (FY2026)	Year 5 (FY2027)
Gold Price (USD/oz)	1,823	1,799	1,751	1,724	1,496
Exchange Rate (ZAR/USD)	15.60	15.74	15.77	15.79	15.20
Gold Price (ZAR/kg)	914,294	910,051	888,083	875,474	731,081

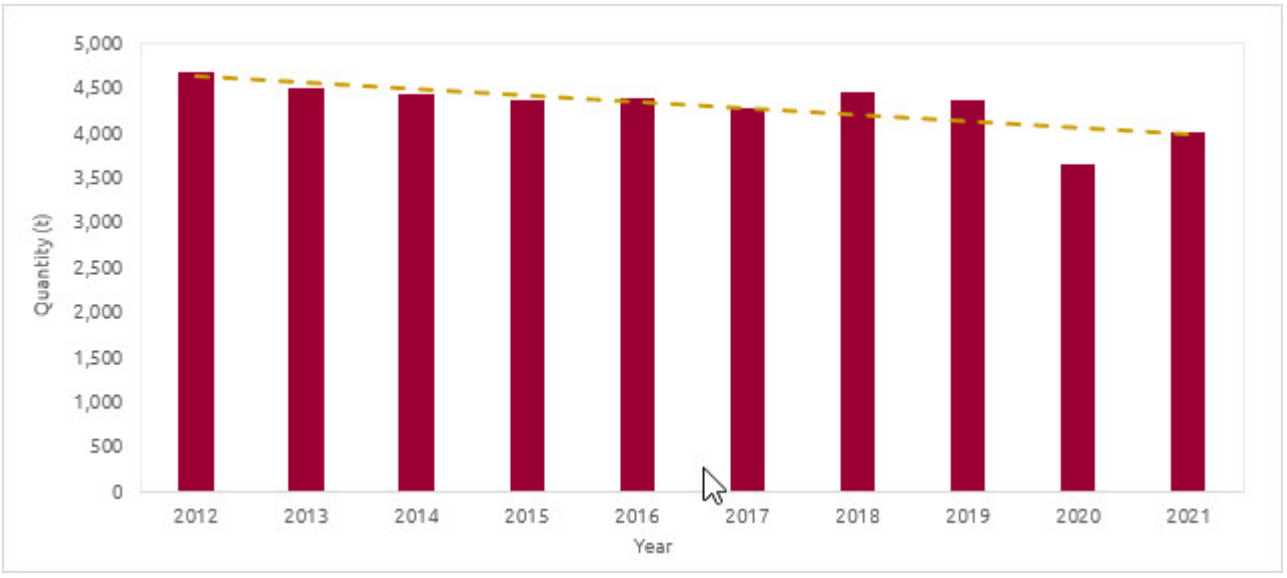
Source: DRDGOLD, 2022

The economic assessment for the Mineral Reserve estimate relies on a real price of ZAR914,294/kg (i.e., USD1,823/oz at ZAR15.60/USD) in 30 June 2022 terms as provided by FWGR. The QP has considered the consensus forecasts supplied by FWGR against linear trends in the demand and supply of gold as recorded over the period from 2012 to 2021 to examine whether these forecasts are reasonable.

16.3. Global Demand

Graph 7 reveals a gradual reduction in demand (~14.2%) over the past ten years (2012 to 2021).

Graph 7: Global Gold Demand from 2012 to 2021

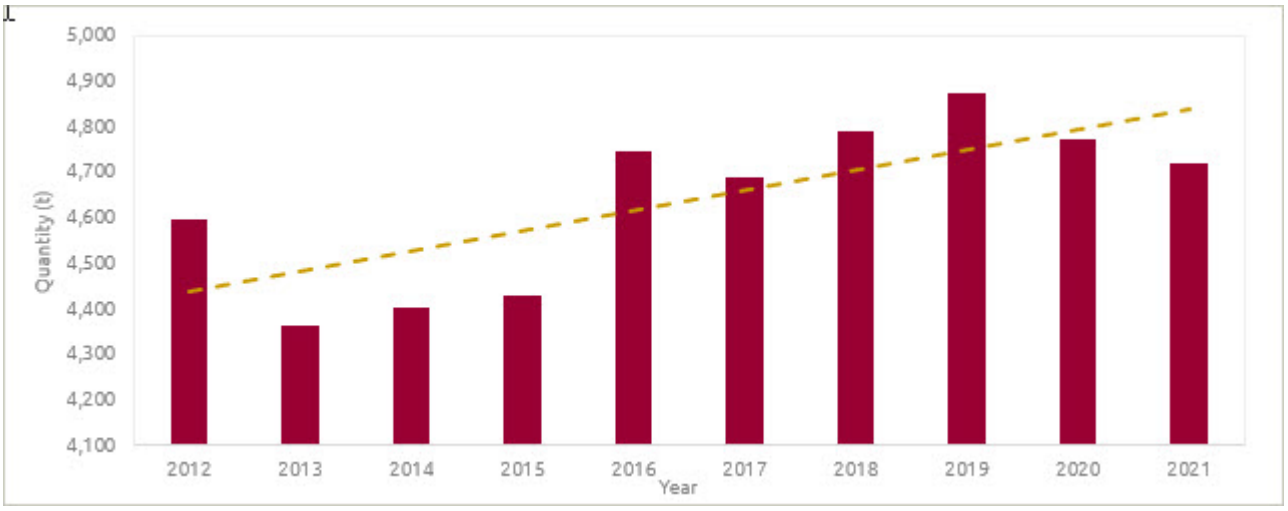


Source: GoldHub, 2022

16.4. Global Supply

The global gold supply from mining and recycling activities over the same period is presented in Graph 8.

Graph 8: Global Gold Supply from 2012 to 2021



Source: GoldHub, 2022

While the graph suggests an overall upward trend from 2012 to 2021 (~2.6%), the supply generally levelled out over the past five years. The supply from mining satisfied some 76% of the demand in 2021, with the balance met by recycled gold.

Gold supply from mining increased by approximately 106t during 2021 (3,582t) when compared with 2020 (3,476t) despite an overall drop in supply since 2019 (GoldHub, 2022). Below are the top ten gold producing countries in 2021 Table 27.

Table 27: Global Gold Production

Rank	Country	Production (t)					
		2016	2017	2018	2019	2020	2021
1	China	464	429	404	383	368	332
2	Russia	262	281	295	330	331	331
3	Australia	288	293	313	325	328	315
4	Canada	163	171	189	183	171	193
5	United States of America	229	236	225	200	190	187
6	Ghana	131	133	149	142	139	129
7	Peru	166	167	163	143	98	127
8	Mexico	131	120	118	109	102	125
9	Indonesia	118	118	153	92	101	118
10	South Africa	163	154	128	111	99	114

Source: GoldHub, 2022

Even though China has experienced five years of consecutive decline in annual gold production, it remains the largest producer of gold (~10% of global gold production in 2021).

16.5. Concluding Comments

The QP notes a short term up-tick despite the long-term reduction in demand together with an essentially constant supply over the past five years. These trends are not inconsistent with the forecast price trend in Table 25. The QP is satisfied that a real 30 June 2022 gold price of ZAR914,294/kg is a reasonably conservative assumption for examining the economic viability of the Mineral Reserve estimate.

17. ENVIRONMENTAL STUDIES, PERMITTING, OR AGREEMENTS WITH LOCALS, INDIVIDUALS OR GROUPS

Item 17 (i); (ii); (iii); (iv); (v); (vi) and (vii)

A review of the environmental status was undertaken by Sound Mining. It relies on information provided by DRDGOLD and FWGR. The key environmental aspects are discussed below, along with any associated liabilities and risks. Risks or liabilities, that would generally be addressed in terms of accepted environmental practice and which do not have significant cost implications, have not been discussed.

17.1. Permitting Status

The environmental and social compliance status in relation to South African legislation is summarised in Item 21. The following expands on the relevant authorizations or permits required.

17.1.1. The National Environmental Management Act (NEMA)

EAs have been granted in terms of NEMA and the Environmental Impact Assessment (EIA) Regulations of 2014 as described below.

Driefontein Mining Right Area: in March 2016, Sibanye Gold Limited submitted an application for an IEA including a Waste Management License (WML) for the proposed activities on the Driefontein Mining Right area (DMRE Ref. No.: GP 30/5/1/2/2 (51) MR. The DMRE granted the EA Ref. No.: GP 30/5/1/2/3/2/1 (51) EM on 11 May 2018.

The Driefontein MR and EA are in good legal standing. Sibanye Gold applied for a Section 102 amendment to the MR to include the Driefontein 4 TSF, which has been granted. FWGR has submitted an application to the DMRE for the transfer of the existing Driefontein EA (Ref. No.: GP 30/5/1/2/3/2/1 (51) EM) as well as the inclusion of related activities covered by the existing Driefontein EMP relevant to the FWGR operation. The amendment was for the following:

- the transfer of the Driefontein EA to FWGR;
- a modification to scope of how the Phase 1 operations are currently being executed; and
- to include DP2, DP3 and Driefontein 4 TSF.

Permission for depositing onto the Driefontein 4 TSF is contained in the original Driefontein EMP associated with the MR. This EMP is needed for the operation's waste management obligations. The pipelines fall within the scope of the existing infrastructure recorded in the current EA and EMP. Table 28 summarizes the current environmental legal standing for the Driefontein mining area.

Table 28: Required Environmental Legislation and the Status for the Driefontein Mining Area

Act, Regulation or By-Law	Requirements	Status - Driefontein Area
MPRDA, 2002 (Act No. 28 of 2002)	Mining Right	This is currently in place.
	Social and Labor Plan (SLP)	FWGR has an internally signed-off SLP, however, an SLP is not required for FWGR.
NEMA, 1998 (Act No. 107 of 1998): Environmental Impact Assessment Regulations 2014 (GNR 982)	EA	This is currently in place; an application has been submitted for a name change to FWGR and for the inclusion of the Driefontein 4 TSF.
	EMPr/EIA	Forms part of the Driefontein EMPr/EIA.
	The Rehabilitation and Closure Cost plan must be annually adjusted.	This is guaranteed through a Guardrisk Cell Captive.
National Environmental Management: Air Quality Act, 2004 (Act No. 39 of 2004) (NEM:AQA)	An Atmospheric Emissions License (AEL) is required for any listed activity within this Act.	N/A
NEM:WA, 2008 (Act No. 59 of 2008)	A WML is required for any listed activities within the Act.	There is an EA in place for Driefontein. The TSFs are currently managed under Sibanye Gold's existing EMPs which were in operation prior to the legislation coming into effect.
National Heritage Resources Act, 1999 (Act No. 25 of 1999) (NHRA)	Permission from SAHRA is required for the removal of graves.	This area is currently operational, and all correct process have been followed.
NWA, 1998 (Act No. 36 of 1998)	Any abstraction, storage, diversion, flow reduction and disposal of water and effluent requires an IWUL.	This is included in the IWUL. An application was submitted for a name change and the transfer of applicable water uses to FWGR. The application to change the name from WRTRP to FWGR has been approved.

Source: FWGR, 2020; and Sound Mining, 2022

Kloof Mining Right Area: in March 2016, Sibanye Gold submitted an application for an IEA including a WML for the proposed activities on the Kloof Mining Right area (DMRE Ref. No.: GP 30/5/1/2/2 (66) MR). The DMRE granted the IEA (Ref. No.: GP 30/5/1/2/3/2/1 (66) EM on 11 May 2018. Table 28 summarizes the current environmental legal standing of the Kloof mining area which includes the new pipelines and the RTSF.

The Kloof MR is in good legal standing and its IEA has been transferred to FWGR. Sibanye Gold has applied for two Section 102 amendments to the Kloof MR for the inclusion of the Venterspost North and South TSFs as well as land for the RTSF. The Section 102 amendment for Venterspost North and Venterspost South TSFs was granted at the end of 2021. The RTSF Section 102 amendment was granted but has not been executed by Sibanye Gold as yet.

17.1.2. National Environmental Waste Management Act (NEM:WA)

FWGR has confirmed that their TSFs have an approved Code of Practice (CoP) on Mine Residue Deposits in terms of the MPRDA. The TSFs on the Driefontein MR and Kloof MR are covered under this CoP. For Phase 2, the following waste management activities have been granted in terms of GNR 921 of 13 November 2013 (as amended) under the NEM:WA, 2008 (Act No. 59 of 2008) (Table 29). The DMRE granted the IEA Ref. No.: GP 30/5/1/2/3/2/1 (66) EM on 11 May 2018. The waste management activities in Table 30 allow FWGR to construct the RTSF and associated infrastructure. The requirements under NEM:WA have been covered.

Table 29: Activities for Phase 2 Requiring a Waste Management License (WML)

Number of the Relevant Government Notice	Listed Activity Number Authorised	Description of Activity
GNR 921	Activity B (1)	Construction and operation of the RTSF and the sewage treatment plant
GNR 921	Activity B (7)	Operation of RTSF
GNR 921	Activity B (11)	Establishment of the RTSF

Source: FWGR, 2020

17.1.3. National Water Act (NWA)

FWGR is operating under two authorised IWUL, FWGR License No.: 10/C22B/ACFGI/4976 and Driefontein License No.: 10/C23E/ACEFGJ4527 both issued 9 March 2017.

The FWGR IWUL is valid for a period of twenty years from the date of issuance and may be reviewed at intervals of not more than five years. The Driefontein IWUL is valid for a period of fourteen years from the date of issuance and may be reviewed at intervals of not more than five years. An application to transfer the applicable Driefontein uses to FWGR has been submitted.

Compliance is also required with the general provisions of the regulations on the use of water for mining and related activities published under the NWA in GN 704 of 1999. Storm water needs to be managed in line with GN 704 of 1999.

FWGR has proposed an amendment to the conditions of the WUL based on a design that includes a network of intercept wells, in lieu of a synthetic liner, and will apply for approval in terms of the Dam Safety Regulations (GNR 139 of 24 February 2012). This approval will be required before FWGR can construct the RTSF and approval for this has to date, not been forthcoming. It is in this context that the LoM plans now include interim deposition onto the Leeudoorn TSF, to allow time to obtain the requisite amendment of the Leeudoorn TSF, incorporated, to reduce the load on the Driefontein 4 TSF and to allow more time for this approval to be obtained.

17.2. Environmental Considerations

The EIAs for the Kloof and Driefontein operation areas state that the TSFs are permanent sources of pollution. Dust from the TSFs impact on the ambient air quality, the surrounding soils and the wetlands and surface water resources. Ground water is also significantly affected by leaching and the seepage of pollutants from the TSFs that are located over dolomitic aquifers. Any seepage from the Driefontein 3 TSF, Driefontein 4 TSF, Libanon TSF, Venterspost North TSF, Venterspost South TSF and Driefontein 5 TSF is expected to migrate downwards into the aquifers. Monitoring data indicates elevated concentrations of sulphate, total dissolved solids (TDS) and nitrate in the groundwater which are all typical constituents associated with contamination emanating from gold mining areas. The pH ranges from 4.1 to 8.0 and is indicative of acid mine drainage, which is associated with seepage from existing tailings and surface mining facilities.

Underground mining in these areas have significantly dewatered the dolomitic systems which have resulted in numerous sinkhole formations. Dewatering reduces pressure within the dolomite and this encourages drainage from the overlying TSFs. The removal of these TSFs in the region will result in long-term positive benefits to the region. It is expected that the removal of the TSFs off the underlying dolomite will improve the ground water quality near the TSFs. There is no dolomitic risk in the area of the RTSF. The RTSF site is underlain by Transvaal Supergroup Strubenkop shale, Daspoort quartzite and Silverton shale units. The baseline groundwater quality is good. However, there will be contamination of the ground water quality in the area. The main elements of concern are sulphate and manganese, and to a lesser extent arsenic, uranium and iron. These could potentially impact private boreholes and the Leeuspruit or its tributary. TSFs will be relocated to the new RTSF which is more suitably located with respect to ground water. New environmental impacts and risks associated with the RTSF will need to be adequately mitigated and appropriate measures implemented.

Dust measurements from the TSFs are generally within the limits specified by the National Dust Control Regulations. However, the EIA found some sites to be a problem during the dry winter months.

Land is used in the region for mining activities, the cultivation of crops, and for grazing. The pipeline routes will utilize existing servitudes and mine owned land.

Prior to final rehabilitation of reclaimed TSFs, and any subsequent development thereafter, a radiation assessment will be completed to determine if any radioactive hotspots exist on the site. Should any exist, they will be excavated and taken to the RTSF. If a site falls within the clearance requirements of the NNRs, for the proposed land use, a report will need to be submitted to the NNR for approval. Once approved, the site will be rehabilitated with indigenous vegetation and handed back to the landowner.

The RTSF is planned on agricultural land over a small wetland area. The EA state that a wetland offset strategy must be implemented within one year of the wetland being impacted. These impacts will be mitigated through the correct and careful stripping, stockpiling and use of the soil resources. The impacts due to contaminated water run-off and windblown dust, will be mitigated through the use of wind breaks, concurrent rehabilitation of the RTSF and the installation of silt traps.

Clearing and grubbing of the vegetation for construction will leave the soils open to erosion which could lead to sedimentation of surface water, wetlands, and the deterioration of aquatic habitats. These impacts will be mitigated through either silt curtains, cut off drains or siltation ponds.

Fauna and Flora Impact Assessments formed part of the EIAs. The vegetation comprises of Carletonville Dolomite Grassland and Gauteng Shale Mountain Bushveld (both with a vulnerable conservation status), as well as Rand Highveld Grassland (Endangered) and Soweto Highveld Grassland (Endangered). There is also other vegetation namely: grasslands, ridges and wetland vegetation of high-ecological importance due to their influence on the overall ecosystem. They are seen to be valuable to maintain the biodiversity balance and therefore, should be conservation priorities.

Fauna expected to occur within the area include mammals, birds, reptiles, amphibians and invertebrates. Fauna species of importance are the White-Tailed Mouse (Endangered) and Rough Haired Golden Mole (Vulnerable). Some thirty-seven bird species were identified with some of them being the “Listed Red Data” bird species. However, the Grass Owl (Vulnerable) is expected to occur within the wetland habitats. Red Data reptile species that have a low probability of occurring within the operation area include the Giant Girdled Lizard (Vulnerable) and the Striped Harlequin Snake (Rare). None of the identified amphibians are of concern. Red Data butterfly species expected to occur on site are the Marsh sylph, Roodepoort Copper and Highveld Blue.

A consolidated Heritage Resources Management process was completed in 2016 for the Driefontein and Kloof Mining Right areas. No fatal flaws were identified despite the fact that the operation is situated within a sensitive cultural landscape. An environmental compliance audit of the 2019 EA and the Driefontein EMPr in September 2020 recorded no major issues with an overall compliance of 88%. Construction on the Kloof area has not commenced, and so environmental compliance audits are not available.

17.3. Social and Political Considerations

The operation is located in the vicinity of the following four local municipalities: Mogale City, Westonaria, Randfontein and Merafong City. The RTSF is in the Westonaria and Merafong City Local Municipalities. Local towns include Fochville, Carletonville, Westonaria and Venterspost. The land is used for mining, agriculture, residential and businesses. Agriculture covers the largest portion of the area, followed by mining and residential uses. Human settlements are relatively scattered due to the mining activities and impact of dolomite. Two thirds of the local GDP is from finance, personal services and government services. The Westonaria and Merafong City economies are more dependent on the mining industry than the district in general. Merafong City has an unemployment rate of over 21%, while the Westonaria unemployment rate exceeds 42%. The expansion is expected to improve the socio-economic status with new jobs will be created during construction. Capital investment and contributions to the GDP as a consequence of the FWGR operations, and the obvious multiplier effect, will have a positive impact in the area. Employment opportunities include direct employment by the operation, indirect employment will be created by procuring local goods and services, induced employment generated through spending and associated job creation in the economy. Operation related employment has the potential to considerably improve the livelihoods and income stability of employees and their dependents.

17.3.1. Discussions with Local Individuals or Groups

Interested and Affected Parties (I&APs) raised concerns during the public participation phase of the Kloof EIA process. A petition of 793 signatories was compiled in this regard by the “No for Mega Dump Forum” representing the community (farmers, business owners and residential areas). The concerns raised included:

- environmental impacts from the existing TSFs and whether the FWGR operation would worsen the conditions;
- dust being a major concern for health reasons;
- safety and security on surrounding farms;
- water quality;
- population influx; and
- reduced economic activity within the local community after the LoM.

Some of the I&APs acknowledged that the FWGR operation would have a long-term positive impact by removing TSFs. Other positive impacts expected skills development, employment creation and the benefits of the multiplier effect where, local procurement of goods and services, as well as local and regional economic development would benefit.

Improved quality of life and increased availabilities of land were also cited as positive impacts. These will be managed by the FWGR Social and Labor Plan.

The Social Impact Assessment (SIA) revealed political and community expectations for sharing in the benefits by local communities. Local municipalities sometimes claim that they are disproportionally benefiting, or not benefitting at all, from mining when compared with district municipalities and the provinces at large. It is not the responsibility of FWGR to control informal settlements or to provide public services and facilities. However, the existence of informal settlements near the operations poses a risk to the operation in terms of political stability and community relations/support. FWGR's internal controls state that the operation has a shared responsibility (together with the relevant local authorities and key stakeholders) to address operational induced in-migration to affected communities. Farmers in the area are more hostile towards the mining industry and they contribute to poor community relations.

A social and labor plan exists to address any negative social impacts of the operation on host communities. Potential positive impacts on host communities will be optimized and enhanced in a sustainable manner. Emphasis will be placed on skills development and local economic development as these aspects would constitute the foundation for enhancing the operation's social capital. Moreover, negative impacts, such as increased pressure on infrastructure and services, and economic dependence on FWGR can be more effectively mitigated when the social capital of the operations are enhanced. It is anticipated that the consequence and/or probability of most negative impacts can be reduced to acceptable levels and that the positive impacts of the operations will outweigh the negative effect.

17.4. Environmental Closure Liability Estimate

Sound Mining has relied on environmental closure liability estimates provided by Digby Wells. They are experts in this field and were commissioned for the purpose. A review of the closure estimate and associated plans covered the following aspects:

- discussion of the methodology used to derive the costs for demolition, closure and rehabilitation; and
- comment on the adequacy of the financial provisions made for the operation.

17.4.1. Basis of the Closure Liability Estimate

The closure cost assessment was conducted according to the requirements of NEMA as amended (refer to Section 13), by Digby Wells in June 2022. The purpose of the financial provision assessment was to revise the existing estimate for closure and rehabilitation to reflect current conditions as of June 2022.

17.4.2. Quantum of the Closure Liability

The closure cost estimate is for the purpose of reporting the liability in the annual financial statements of FWGR.

NEMA as amended, requires the holder of a MR to make full financial provision for the rehabilitation of negative environmental impacts. This liability is required to be updated annually and adjusted.

The closure costs are determined on both an "unscheduled" and "scheduled" basis. Scheduled costs assume that mining continues and that the final rehabilitation will be confined to the rehabilitation of the TSF footprints. Unscheduled costs assume the immediate termination of mining and provide for rehabilitation of the area in its current condition. The detailed closure cost model calculates the cost of demolishing, removing and rehabilitating each infrastructure component which may include (but is not limited to):

- rehabilitation of the pump station and pipeline footprints;
- generalized rehabilitation and vegetation management strategies;

- ensuring the reclaimed footprints are free draining;
- vegetating the TSFs that will remain post closure;
- radiation clearance for each rehabilitated footprint; and
- post-closure maintenance and monitoring costs.
- FWGR has provided for the quantum of the financial guarantees on an unscheduled estimate basis.

Table 30 presents the closure cost estimates of the June 2022 Digby Wells Annual Financial Provision Assessment.

Table 30: Current Closure Cost Estimates for FWGR

Asset	Unscheduled Cost 2022 (ZAR M)	Scheduled Cost 2022 (ZAR M)
Driefontein 5 TSF	9.61	9.61
Driefontein 3 TSF	27.61	11.61
Kloof 1 TSF	14.71	11.87
Libanon TSF	21.03	14.84
Venterspost North TSF	23.59	12.33
Venterspost South TSF	6.87	4.82
DP2	14.36	14.36
DP3	11.54	11.54
Driefontein 4 TSF	19.87	20.38
Pipelines	3.35	3.35
Post Closure Aspects Driefontein 5 TSF	2.85	2.85
Post Closure Aspects Driefontein 3 TSF	9.17	3.62
Post Closure Aspects Kloof 1 TSF	24.45	3.70
Post Closure Aspects Libanon TSF	7.53	4.60
Post Closure Aspects Venterspost North TSF	41.16	3.84
Post Closure Aspects Venterspost South TSF	12.25	1.56
Post Closure Aspects DP2	2.42	2.42
Post Closure Aspects DP3	0.24	0.24
Post Closure Aspects Driefontein 4 TSF	14.34	6.35
Project Management	16.09	8.71
Contingency	26.82	14.51
Total	**309.69**	**166.90**

Source: Digby Wells, 2022
Note: Apparent computational errors due to rounding

As mining of the TSFs progress, the liability for rehabilitation and closure will decrease from the current unscheduled cost of ZAR309.69 M to a final scheduled cost of ZAR166.90 M. FWGR will make appropriate application to the DMRE for adjustments to the closure obligation to cater for this decreasing liability.

Guardrisk Insurance Company Limited (GICL) has issued financial guarantees in favor of the DMRE of ZAR169.0 M. An amount of ZAR444.1 M is also invested in Guardrisk Cell Captive under the ring-fenced environmental rehabilitation insurance policy. The funds are ring-fenced for the sole objective of future rehabilitation activities during and at the end of the LoM. The financial guarantees and funds held with the Guardrisk Cell Captive (30 June 2022) is sufficient to cover the 2022 estimated unscheduled liability of ZAR309.69 M as estimated for the operation.

Table 31 shows the closure liability for the RTSF calculated in the 2016 Digby Wells EIA and Environmental and Management Program Report Under Regulation 7 of the NEMA Financial Provision Regulations (2015) which states that the financial provision is, at any given time, equal to the sum of the actual costs of implementing the plans for a period of at least ten years forthwith (this includes the annual rehabilitation, final, decommissioning and closure plans). Sound Mining has been informed by FWGR that a ZAR169.0 M of the closure cost estimate for the RTSF has been guaranteed by FWGR through Guardrisk and satisfies the IEA requirements. The 2022 closure cost estimate was normalized by inflating the 2016 estimate by 6%.

Table 31: Closure Cost Estimates from Kloof EIA and Guaranteed through Guardrisk

Asset	Unscheduled Costs after One Year 2016 (ZAR M)	Scheduled Costs 2016 (ZAR M)	Unscheduled Costs 30 June 2022 (ZAR M)	Scheduled Costs 30 June 2022 (ZAR M)
RTSF	77.17	172.31	116.04	259.09

Source: Digby Wells, 2016

17.5. Concluding Comments

The FWGR IWUL of 9 March 2017 provides for this facility to be constructed on a synthetic liner. FWGR is pursuing an amendment of this condition following its latest design specification.

It is noted that the SAHRA issued a Final Statutory Comment supporting the requirements and conditions contained in the HIA Reports.

It is the opinion of the environmental specialist that the FWGR operations have been well planned and executed thus far. The legislative requirements have been identified and addressed and where there are gaps, measures are being taken to address them. The identified risks are well understood by FWGR and at the time of this TRS are being addressed to avoid any significant impact to the operations. No fatal flaws were identified during this review.

An insurance policy through Guardrisk of ZAR169.0 M, combined with the current balance in the Guardrisk Cell Captive of ZAR444.1 M (30 June 2022) is sufficient to cover the 2022 unscheduled liability of ZAR309.69 M as estimated for the operation.

Cognizance needs to be taken of the following:

- a risk assessment should be completed as per Government Gazette No.: GNR 1147 the NEMA Financial Provision Regulations (2015) (as amended January 2020) to determine any residual or latent costs to be included;
- FWGR has applied for amendments to the Driefontein EA, and is awaiting a response;
- FWGR is in the process of amending and transferring its Driefontein IWUL to FWGR;
- FWGR is in the process of confirming the RTSF design, if it is not approved by Department of Water Affairs (DWA) or if further amendment to the FWGR's IWUL or IEA are required it could impact the proposed timing of the operations;
- numerous heritage sites and grave sites have been identified across the scope of the operations, which require appropriate attention;
- illegal mining activities, and nearby informal settlements may encroach on the operations. In terms of the Extension of Security of Tenure Act, 1997 (Act No. 62 of 1997) (ESTA), any illegal land occupiers may also be entitled to certain tenure rights, which could prevent landowners and government from evicting them unless the provisions of ESTA have been met. This may have been exacerbated during the Covid-19 restrictions as no evictions were allowed during this period;
- dust resulting from the TSFs and the mining activities needs to be managed; and
- the quality or quantity of water available to agricultural activities needs to be preserved.

These are being addressed according to the required timelines.

18. CAPITAL AND OPERATING COSTS

Item 18 (i) and (ii)

The capital and operating cost estimates used to examine the viability of the estimated Mineral Reserve were informed by current operations and recent feasibility study work (i.e., 2020 and 2021) on processing, the RTSF and associated pumping and piping infrastructure. The operating cost estimates are supported by actual on mine invoices received and paid, while the capital estimates have been determined using unit rates (obtained from quotations or bench marked against recent installations) and design quantities.

Although the previous feasibility study work was in most instances to a definitive level of accuracy, the estimates are no longer current and therefore deemed to be at a preliminary feasibility level of accuracy (i.e., +/-25%). Where necessary estimates have been appropriately inflated to June 2022 real terms and Sound Mining has included a 15% contingency on all costs to reflect the confidence expected for a PFS level of study.

18.1. Capital Expenditure

The capital expenditure is estimated in 30 June 2022 real terms and is summarized in Table 32.

Table 32: Summary of Capital Expenditure

Description	June 2022 (ZAR M)
Property Purchases	
Land (RTSF and Pipelines)	71
Total for Property Purchasing	**71**
DP2 Expansion	
Equipment and Infrastructure	1,283
Total for DP2 Expansion	**1,283**
RTSF	
RTSF Construction*	1,511
Total for RTSF	**1,511**
Pumping and Piping	
RTSF	776
Driefontein 3	151
Kloof 1	444
Libanon	406
Venterspost South	462
Leeudoorn	525
Total for Pumping and Piping Capital Expenditure	**2,765**
Total Direct Capital Expenditure	**5,630**
Indirect Capital Expenditure	
Rehabilitation Provision**	-
Stay-in-Business (SiB)	254
Total Indirect Capital Expenditure	**254**
Contingency	
Contingency (15%)	883
Total Capital Expenditure	**6,767**

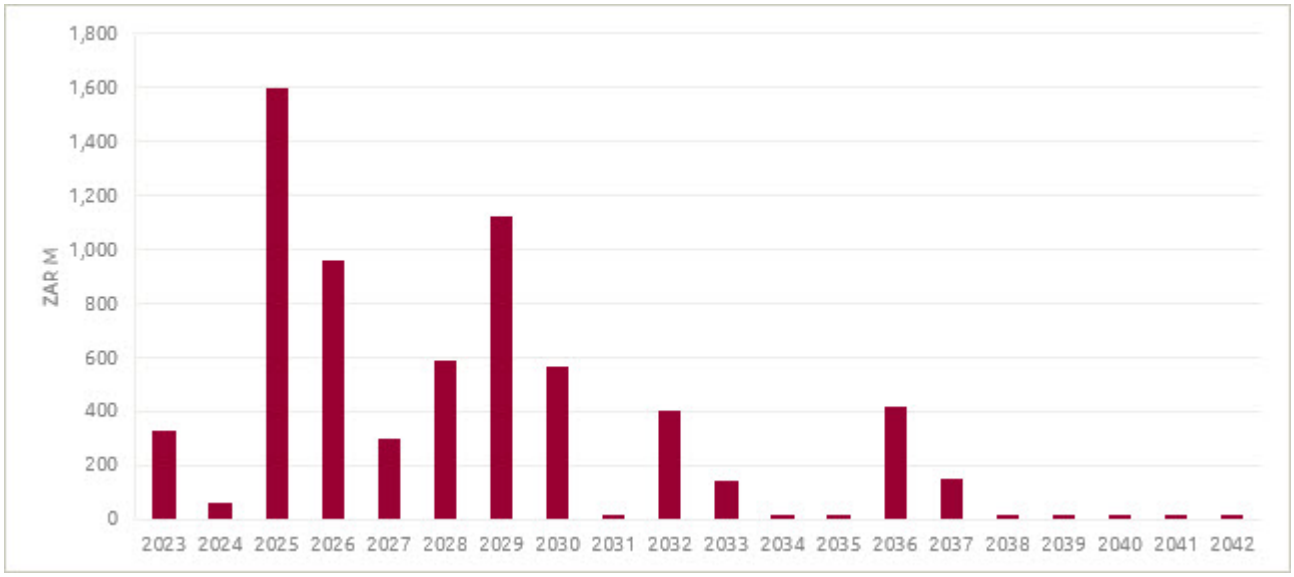
Source: Sound Mining, 2022; and FWGR, 2020

Note: * RTSF Provision does not cater for a liner which could amount to approximately ZAR1.5 Billion

** This rehabilitation requirement is currently exceeded by the provisions in the associated trust fund

An annual Stay-in-Business (SiB) provision of ZAR8.7 M is considered until 2030 after which it is increased to ZAR16.0 M for the rest of the LoM. This provision covers maintenance and the replacement of equipment across the operation. Sound Mining has noted that the Guardrisk Cell Captive is in excess of the environmental liability and therefore no provision was included. Graph 9 illustrates the resulting annual capital expenditure requirement for the operation.

Graph 9: Capital Expenditure Forecast



Source: Sound Mining, 2022

Early capital will be required to access the Leeudoorn TSF, whereafter, DP2 will be expanded (i.e., FY2025 and FY2026). The RTSF is scheduled to be constructed over four years (i.e., FY2027 to FY2030) with the remaining capital expenditure largely earmarked for piping and pumping infrastructure.

18.2. Operating Costs

The DP2 operating cost estimate (Table 33) and forecast (Graph 10) are based on the actual costs being incurred by the current operation. Economies of scale were taken into consideration by applying a factor to the escalated budget as DP2 increases its throughput.

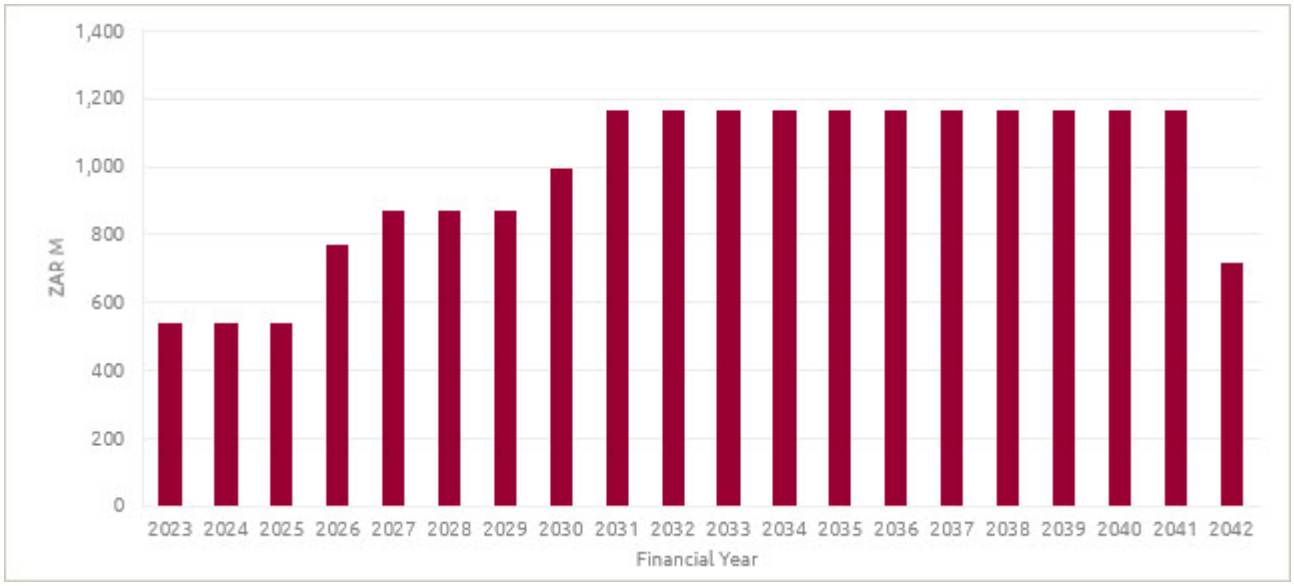
Table 33: Average DP2 Operating Cost over LoM

Description	Unit Costs (ZAR/t)
Salaries and Wages	10.40
Contractors	8.89
Reagents	20.63
Other Engineering Stores	6.20
Electricity	15.56
Water	0.46
Machine Hire	1.51
Other	8.15
Other Corporate Costs	3.23
Contingency (15%)	10.20
DP2 Operating Costs	**85.23**

Source: Sound Mining, 2022; and FWGR, 2022

A contingency of 15% was included for the assessment of economic viability.

Graph 10: Operating Cost Forecast



Source: Sound Mining, 2022

18.2.1. Concluding Comments

The impact of a change in the pumping costs for longer average distances between the deposition sites, current TSFs, available TSFs and DP2, is not fully captured in the operating cost estimates over the LoM. There is a risk that the operating costs may prove to be higher over time, but these are not expected to be material.

19. ECONOMIC ASSESSMENT

Item 19 (i); (ii); (iii) and (iv)

A Discounted Cashflow (DCF) modelling approach was adopted to assess the economic viability of the Mineral Reserves as stated. Considering the stage of development of the operation and the uncertainties of future global economics, as well as exchange rate, interest rate and gold price uncertainties, a real DCF model is deemed more appropriate than a nominal DCF model. The DCF model was generated in June 2022 South African Rand (ZAR) real terms and is based on the revenue forecast, associated capital and operating cost forecasts, and on appropriate and reasonable economic assumptions (Table 34).

Table 34: Inputs to the DCF Model

Description	Quantum	Unit
Key Dates		
Money Terms		30 June 2022
Phase Description		
Phase 2 Includes:		
DP2 Expansion	Mtpm	1.2
LoM		
Phase 2	Years	20
Contingencies		
Contingency	%	15%
Gold Price		
ZAR/USD	ZAR/USD	15.60
USD/oz Gold	USD/oz	1,823
ZAR/kg Gold	ZAR/kg	914,294

Source: Sound Mining, 2022; and FWGR, 2022

These assumptions are based on information received from FWGR and from the various consultants who contributed to the Mineral Resources, LoM planning and technical study work that underpin this Mineral Reserve estimate. The economic assessment assumes a 100% equity-based business and ignores the effect of working capital changes. The QP is satisfied with the quality of this information, including the revenue and cost forecasts, and considers the inputs to the DCF model to constitute an overall PFS level of accuracy (i.e., +/-25%).

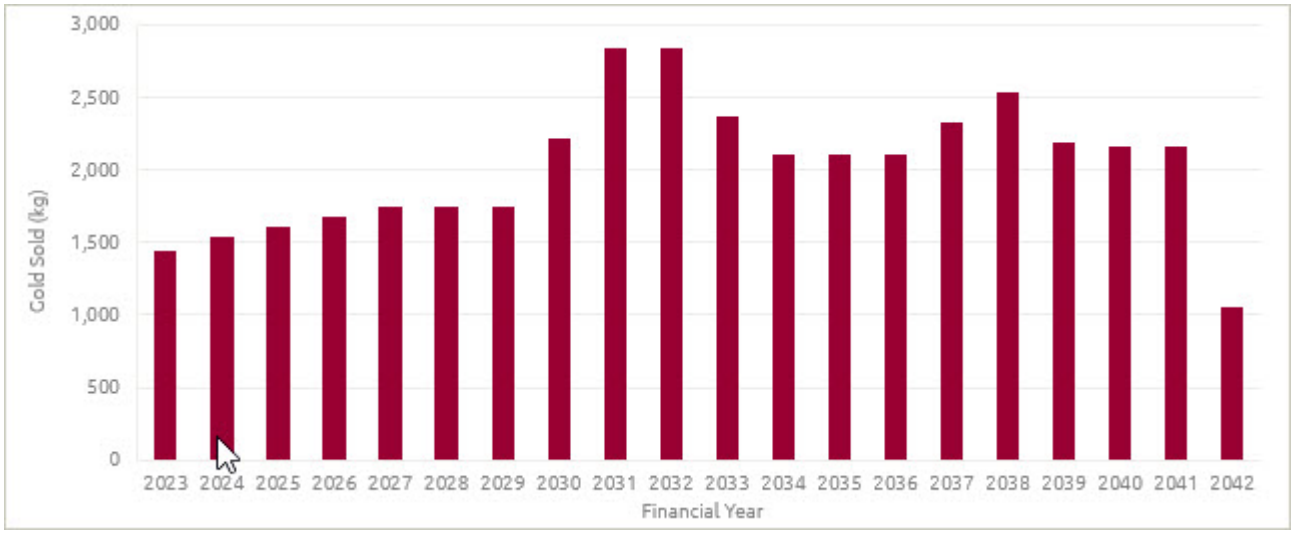
19.1. Revenue Forecast

The revenue forecast is a function of gold sales and the pricing assumptions used for the economic assessment. The following processing recoveries, which are supported by test work and current plant performance data, were applied to the material from the respective TSFs to compute the amount of gold sold:

- 49.8% for Driefontein 5 TSF material;
- 56.6% for Driefontein 3 TSF material;
- 50.5% for Kloof 1 TSF material;
- 47.2% Libanon TSF material;
- 62.5% for Venterspost South TSF material; and
- 54.7% for Venterspost North TSF material.

Graph 11 shows the expansion of DP2 facilitates an increase in gold sales over time (refer to Appendix 1).

Graph 11: Gold Sales Forecast



Source: Sound Mining, 2022

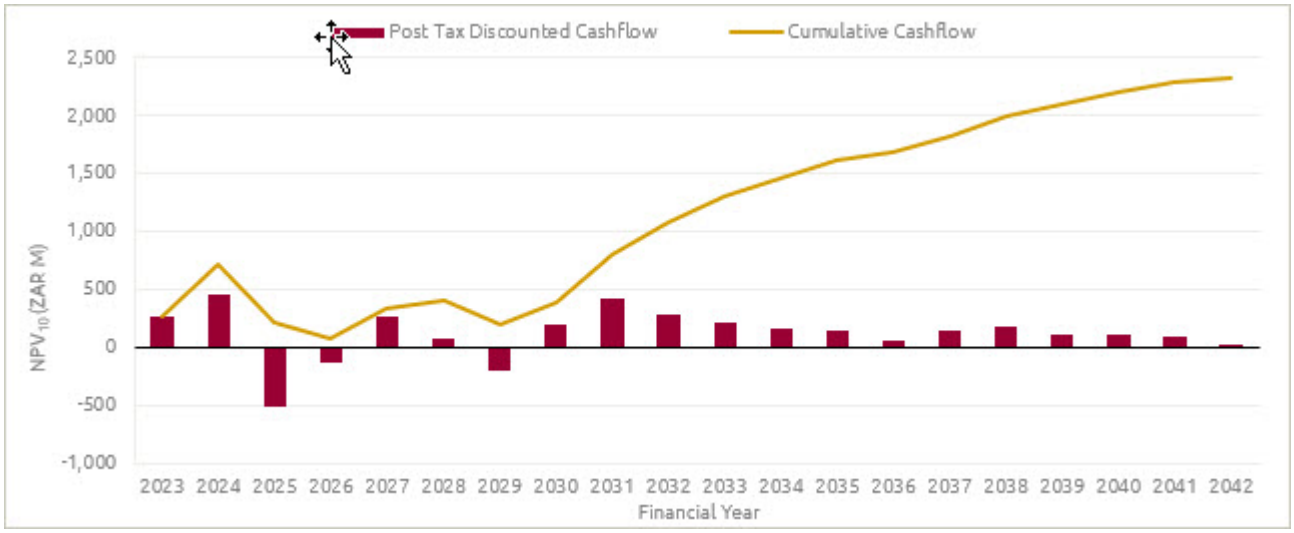
Processing throughput can continue after 2042 when the available TSFs are likely to be incorporated into the operation. At this stage, the economic assessment has only considered the depletion of the TSFs that comprise the current Mineral Reserves. The gold sold from these TSFs equate to approximately 1.3Moz.

The real revenue forecast relies on a gold price of ZAR914,294 (i.e., USD1,823/oz at ZAR15.60/USD). Taxes would be determined using the gold mining tax formula with all unredeemed capital taken into account. The assets are part of the ongoing business of FWGR, which fall outside the ambit of the provision of the MPRDA that would place an obligation to pay royalties on the proceeds of the operations.

19.2. Cashflows

Graph 12 presents the post-tax cashflow for an operation that excludes the benefits that would eventually be derived from the Available TSFs (refer to Appendix 1).

Graph 12: Post-tax Discounted Cashflows



Source: Sound Mining, 2022

The cumulative post-tax cashflows over the LoM remain positive. When assuming a discount rate of 10% the unleveraged operation reflects a Net Present Value (NPV) of ZAR2.32 Billion with. FWGR is an ongoing operation and thus the Internal Rate of Return (IRR) and a capital payback period are not applicable.

19.3. Sensitivities

The achievability of the LoM plans, budgets and forecasts cannot be assured as they are based on economic assumptions, many of which are beyond the control of the company. Future cashflows and profits derived from such forecasts are inherently uncertain and actual results may be significantly more or less favorable. The technical risks as identified by Sound Mining are provided in Item 12.1. These and other environmental risks can impact the anticipated revenue and cost forecasts and accordingly have been assessed against upside or downside changes of between -20% and +20%. The consequential potential impacts are presented in Table 35 and is illustrated graphically in Graph 13.

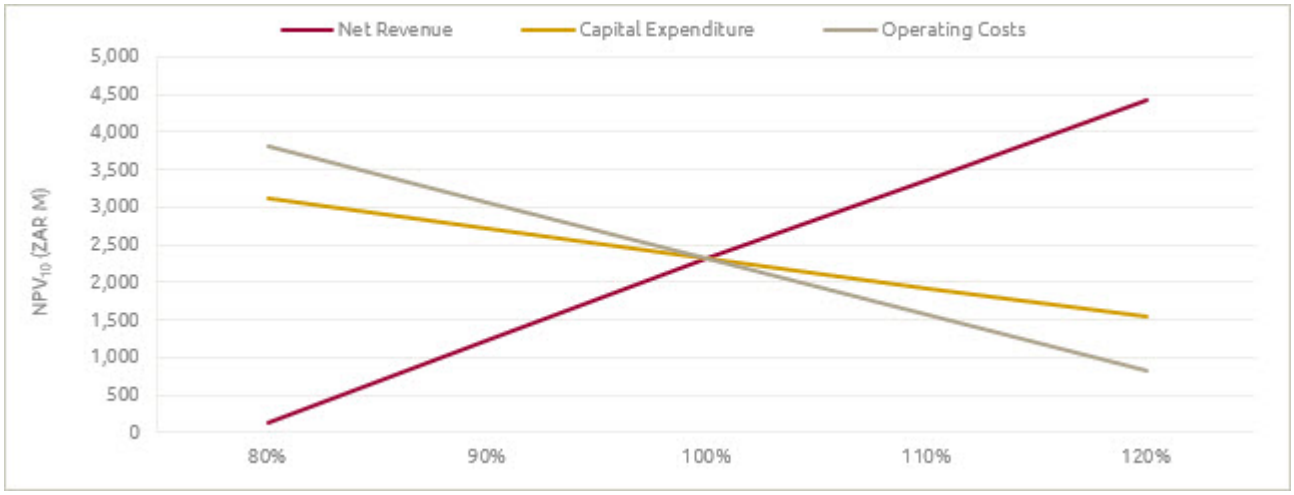
Table 35: Sensitivity of Post-tax NPV

Variance	NPV_{10} (ZAR Billion)				
	80%	90%	100%	110%	120%
Revenue (ZAR Billion)	0.12	1.23	2.32	3.36	4.41
Capital Expenditure (ZAR Billion)	3.11	2.71	2.32	1.92	1.53
Operating Costs (ZAR Billion)	3.81	3.06	2.32	1.57	0.83

Source: Sound Mining, 2022

Graph 13 shows that changes to the revenue forecast will impact margins the most.

Graph 13: Sensitivity to Expected Revenue and Costs



Source: Sound Mining, 2022

Table 36 shows the materiality of changes in the gold price.

Table 36: Sensitivity of Gold Price

Gold Price	ZAR/kg				
	700,000	800,000	900,000	1,000,000	1,100,000
NPV (ZAR Billion)	(0.27)	0.96	2.15	3.30	4.45

Source: Sound Mining, 2022

The operation is economically viable above a gold price of ZAR721,264/kg. The impact of changes to the operating cost forecast is materially less, and any variance in capital expenditure being relatively insensitive.

A sensitivity on the discount rate is displayed in Table 37.

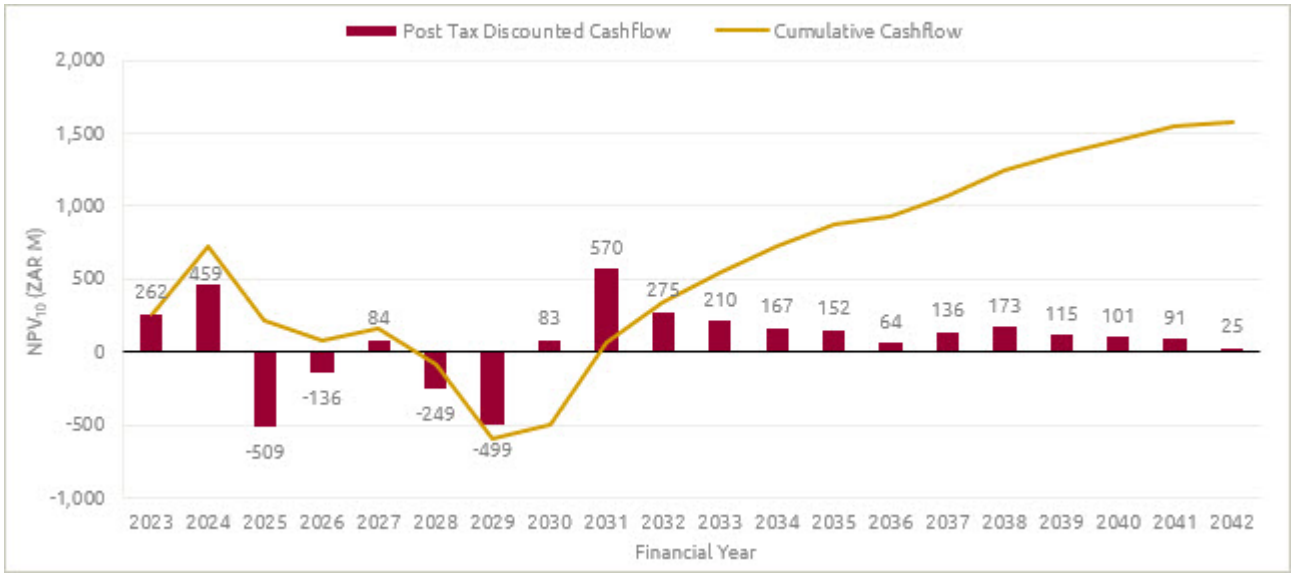
Table 37: Sensitivity of the Discount Rate

Discount Rate	0%	5%	8%	10%	13%
NPV (ZAR Billion)	7.34	3.97	2.85	2.32	1.74

Source: Sound Mining, 2022

As a final sensitivity, the QP has tested the impact of FWGR having to revert to the use of a liner for the RTSF as opposed to the design currently included in the LoM plan. The impact of this expenditure on the discounted post-tax cashflows is shown in Graph 14.

Graph 14: Post-tax Discounted Cashflows (including liner)



Source: Sound Mining, 2022

The NPV_{10} still returns a positive number of ZAR1.58 Billion, albeit the overall margins are reduced.

19.4. Concluding Comments

The QP is satisfied that the Mineral Reserves as stated are all economically viable.

20. ADJACENT PROPERTIES

Item 20 (i); (ii); (iii) and (iv)

A discussion of the characteristics of adjacent properties is usually relevant for in situ mineral deposits. The TSF assets are independent from adjacent properties with no correlation in mineralization.

21. OTHER RELEVANT DATA AND INFORMATION

Item 21

Information relevant to the Mineral Resource and Mineral Reserve statements will certainly include the prevailing legislative framework in South Africa.

21.1. South African Minerals Policy and Legislative Framework

The South African Government has an extensive legal framework within which mining, environmental and social aspects are managed. Inclusive within the framework are international treaties and protocols, and national acts, regulations, standards, and guidelines which address international, national, provincial and local management areas. The role of the Government and the relevant regulatory authorities can be summarised as follows:

- the custodian of environmental and mining legislation as a Constitutional imperative;
- a conduit between the public and mining companies to ensure that mineral rights holders satisfy the objectives of transforming the mining industry by, inter alia, increasing the number of black people in the industry to reflect the country's population demographics, to empower and enable them to meaningfully participate in and sustain the growth of the economy; thereby ensuring transparency to achieve accelerated and shared economic growth;
- advocate of sustainable development, from a socio-economic and environmental management perspective; and
- ultimate custodian of historical mining legacies, inclusive of abandoned mines.

The Government has significantly reformed its environmental legislation. The driving force behind this is the need to support the overall national objective of sustainable development. Most recently, in 2015, the government published the National Environmental Management Laws Amendment Bill for public comment and the Draft Revised Financial Provision Regulations were published in General Notice No.: R1228 of 10 November 2017 in Government Gazette No.: 41236 in respect of prospecting, exploration and mining or production operations. The applicable laws are listed below:

- The Constitution of South Africa (Act No. 108 of 1996);
- Mines and Works Act, 1956 (Act No. 27 of 1956);
- the Mine Health and Safety Act, 1996 (Act No. 29 of 1996);
- the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA);
- National Water Act, 1998 (Act No. 36 of 1998) (NWA);
- National Nuclear Regulator Act, 1999 (Act No. 47 of 1999) (NNRA);
- National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004);
- National Environmental Management: Air Quality Act, 2004 (Act No. 39 of 2004);
- National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008) (NEM:WA);
- the Competition Act, 1998 (Act No. 89 of 1998);
- the Companies Act, 2008 (Act No. 71 of 2008);
- Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002) (MPRDA);
- Mineral and Petroleum Resources Royalty Act, 2008 (Act No. 28 of 2008) (MPRRA);
- Mining Titles Registration Act, 1967 (Act No. 16 of 1967);
- Mining Titles Registration Amendment Act, 2003 (Act No. 24 of 2003);
- Broad-Based Socio-Economic Charter (and associated amendments, 2010), also known as the Mining Charter;
- National Heritage Resources Act, 1999 (Act No. 25 of 1999) (NHRA);
- National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003) (NEM:PAA);
- National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004) (NEM:BA);
- National Forests Act, 1998 (Act No. 30 of 1998) (NFA);

- Hazardous Substances Act, 1973 (Act No. 15 of 1973) (HSA);
- Explosives Act, 1956 (Act No. 25 of 1956);
- National Road Traffic Act, 1993 (Act No. 93 of 1996) (NRTA); and
- New Broad-Based Black-Economic Empowerment Charter for the South African Mining Industry (also known as the New Mining Charter) published in September 2018.

21.2. South African Legislative Framework

South African legislation applicable to mining related activities and specifically with regard to environmental, social and community impact issues are:

- The Constitution of South Africa Act, 1996 (Act No. 108 of 1996);
- Mineral and Petroleum Resources Development Act, 2008 (Act No. 28 of 2002) (MPRDA);
- National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA);
- National Water Act, 1998 (Act No. 36 of 1998) (NWA);
- National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008) (NEM:WA);
- National Environmental Management: Air Quality Act, 2004 (Act No. 39 of 2004) (NEM:AQA);
- Hazardous Substances Act, 1973 (Act No. 15 of 1973) (HSA);
- National Heritage Resources Act, 1999 (Act No. 25 of 1999) (NHRA);
- National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003) (NEM:PAA);
- National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004); and
- National Forests Act, 1998 (Act No. 30 of 1998) (NFA).

A brief description of the above Acts is summarised below:

The Constitution of South Africa Act, 1996 (Act No. 108 of 1996): Mines must comply with South African constitutional and common law by conducting their operational and closure activities with due diligence and care for the rights of others.

Section 24(a) of the Constitution states that everyone has the right to (a) an environment which is not harmful to their health or well-being; and (b) to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that:

- prevent pollution and ecological degradation;
- promote conservation; and
- secure ecologically sustainable development and use of natural resources.

while promoting justifiable economic and social development.

Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002) (MPRDA): The MPRDA provides a holistic cradle-to-grave approach to prospecting and mining by fully considering economic, social and environmental costs to achieve sustainable development of South African Mineral Resources.

National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA): NEMA was promulgated in 1998 to replace the Environmental Conservation Act, 1989 (Act No. 73 of 1989) (ECA) as the overarching national environmental legislative framework. NEMA was promulgated to give effect to the Environmental Management Policy (published in 2007), and has been subsequently amended, including the National Environmental Management Amendment Act of 2003, and the National Environmental Management Second Amendment Act, 2004 (Act No. 8 of 2004).

The requirements for financial provisions for rehabilitation and closure are evolving. Historically, closure and rehabilitation liability calculations and financial provisions had to be determined and provided for in accordance with Regulations 53 and 54 under the MPRDA (GN 527, April 2004), a guideline document for the evaluation of the quantum of closure-related financial provisions issued by the DMRE in 2004/5, and a set of master rates updated from time to time by the DMRE based on inflation.

Financial provision regulations (GNR 1147) were published on November 2015 (as amended January 2020) to replace Regulations 53 and 54 under the MPRDA. The new regulations require the following:

- annual rehabilitation, as reflected in an annual rehabilitation plan;
- final rehabilitation, decommissioning and closure of the prospecting, exploration, mining or production operations at the end of the life of operations, as reflected in a final rehabilitation, decommissioning and mine closure plan; and
- remediation of latent or residual environmental impacts which may become known in the future, including the pumping and treatment of polluted or extraneous water; as reflected in an environmental risk assessment report; and
- The applicant or holder of a right or permit must ensure that the financial provision is, at any given time, equal to the sum of the actual costs of implementing the plans and report contemplated in regulation 6 and regulation 11 (1) for a period of at least 10 years forthwith.

The NEMA Section 24P (as amended in April 2014) also applies. It requires:

- financial provisions to be made in the prescribed manner before an environmental authorization is issued by the DMRE;
- annual assessment of environmental liabilities; and
- annual “increase” of available financial provisions to the satisfaction of the Minister of Mineral Resources.

National Water Act, 1998 (Act No. 36 of 1998) (NWA): The NWA stipulates that a WUL is required for the abstraction, storage, use, diversion, flow reduction and disposal of water and effluent in terms of Section 21 of the Act.

Use of water for mining and related activities is also regulated through regulations that were updated after the promulgation of the NWA in 1999 - GN 704. GN 704 addresses the regulations on use of water for mining and related activities aimed at the protection of water resources. Inclusive within GNR 704 are the control measures for activities and its regulation of the sizing, control and monitoring of water management measures.

National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008) (NEM:WA): Waste management activities listed in terms of the NEM:WA (GN 921, 29 November 2013) include: storage of waste; the reuse, recycling and recovery of waste; treatment of waste; and disposal of waste at specified thresholds. Historically, mine residues were managed in accordance with the MPRDA and the NEMA. This situation changed in 2014 with the promulgation of the National Environmental Management: Waste Amendment Act of 2014 and its inclusion of mine residue as a Category A (hazardous) waste, as well as the addition of mine residue stockpiles and residue deposits to the list of waste management activities requiring a WML.

In 2008 the Ministers of Mineral Resources and Environmental Affairs concluded an agreement on the “One Environmental System” for the country with respect to mining. Ministers adopted an integrated mine environmental management system and sought to align the MPRDA, NEMA, NEM:WA, NEM:AQA and NWA. In short, the agreement implied that environmental issues resulting from mining, prospecting, production and related activities will be regulated in terms of the NEMA, whilst the Minister of Mineral Resources will become a competent authority in terms of NEMA.

Following the acceptance of the above-mentioned agreement various amendments were made to environmental legislation, inter alia, the NEMA, MPRDA and NEM:WA. Significant to these amendments were the inclusion of residue stockpiles under the NEM:WA listed

activities as well as the publication of regulations regarding the planning and management of residue stockpiles and residue deposits from the prospecting, mining, exploration or production operation in GNR 632 of 2015 and GN 921 July 2015.

Transitional provisions specifically include the following:

- any activity in terms of regulation 73 of the MPRDA relating to the management of residue stockpiles and residues deposits, that can be done in terms of a provision of GNR 632 of 2015, must be regarded as having been done in terms thereof;
- management measures of residue stockpiles and residue deposits approved in terms of the MPRDA, at the time of the coming into operation of GNR 632 of 2015, must be regarded as having been approved in terms thereof;
- a holder of a right or permit in terms of the MPRDA must continue the management of the residue stockpiles and residue deposits in accordance with the approved management measures; and
- a person who lawfully conducts a waste management activity listed in the NEM:WA Schedule on the date of the coming into effect of this Notice may continue with the waste management activity until such time that the Minister by notice in a Gazette calls upon such a person to apply for a WML.

National Environmental Management: Air Quality Act, 2004 (Act No. 39 of 2004) (NEM:AQA): In terms of Section 21 of the NEM:AQA, an Atmospheric Emissions License (AEL) is required for listed processes that may result in atmospheric emissions, which may have a significant detrimental effect on the environment, health, social and economic conditions. These requirements apply to smelters, refineries and certain processing plants. NEM:AQA GN 283 April 2015 requires mines to register with the Department and submit results in line with the National Atmospheric Emission Inventory System (NAEIS) requirements. The National Dust Control Regulations (GNR 827, 1 November 2013) provides standards for dust-fall in residential and non-residential areas, and the requirements of monitoring and reporting to the air quality officer. Mining operations have the responsibility to comply with the standards.

Hazardous Substances Act, 1973 (Act No. 15 of 1973) (HSA): The regulations relating to Group IV Hazardous Substances (GNR 247 of 26 February 1993) in terms of the HSA apply to the use and transportation of radioactive nuclides used in metallurgical processing plants.

National Heritage Resources Act, 1999 (Act No. 25 of 1999) (NHRA): The NHRA requires that a heritage assessment be undertaken for developments listed in the Act. The Act prohibits the following: the alteration, disturbance, damage or demolishment of buildings and structures older than 60 years; archaeological and paleontological artefacts; cultural significant graves and burial sites; and public monuments, except for where a permit was issued by the relevant Provincial Heritage Resources Authority.

National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003) (NEM:PAA): The NEM:PAA regulates the system of protected areas in South Africa and their management. It distinguishes between the following types of protected areas: national parks; nature reserves; special nature reserves; and ‘protected environments. Mining is prohibited in national parks, nature reserves and special nature reserves, but mining in ‘protected environments’ may be allowed with the necessary permission from the Minister of Environmental Affairs as well as the Minister of Mineral Resources.

National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004) (NEM:BA): Holders of a mining right need to comply with the alien and invasive species regulations (GNR 598 of 1 August 2014) in terms of NEM:BA for species listed in GN 864, of 29 July 2016, which deal with different categories of alien and invasive plant and animal species that are prohibited, must be combatted or eradicated, controlled, require a permit or are subject to certain exemptions and prohibitions.

National Forest Act, 1998 (Act No. 84 of 1998) (NFA): The NFA prohibits the cutting, disturbance, damage or destruction of trees in natural forests and trees included in the lists of protected tree species published in terms of the NFA, except where a license was issued by the Department of Agriculture Forestry and Fisheries (DAFF).

22. INTERPRETATIONS AND CONCLUSIONS

Item 22

A full list of all technical documents used in the compilation of the TRS is provided in Item 24. The QP has interrogated all of this information in the process of generating the Mineral Resource and Mineral Reserve estimates and remains satisfied with the technoeconomic merits of the LoM planning and of the integrity of the information and study work performed.

The QP's are of the opinion that the operations of FWGR are reasonably robust in the context of the current methodologies and systems. These operations are ongoing with an experienced management team, skilled employees and a mining contractor whose track record demonstrates the required competence. Apart from the uncertainties identified herein, which risks are manageable, no factors of an operational or geo-metallurgical nature have been identified that could significantly impact the prospects for eventual economic extraction, or the validity of the Mineral Reserves as stated.

The QP is comfortable with the gold price of ZAR914,294.00/kg used for the economic assessment. This price was provided by DRDGOLD and is not inconsistent with the spot price as at 30 June 2022 of ZAR945,295/kg (i.e., USD1,806.89/oz at ZAR16.27/USD).

Sound Mining has reviewed the EIA and Environmental Management Plan (EMP) that were provided. The assets held by FWGR were acquired from Sibanye Gold, a subsidiary of Sibanye-Stillwater, in a transaction in which common law ownership was established over the various tailings dams containing the Mineral Resources and Mineral Reserves. FWGR conducts its activities inter alia in accordance with EAs and the provisions of the Mine Health and Safety regulations. A Use and Access Agreement with Sibanye Gold articulates the various rights, permits and licenses held by Sibanye Gold in terms of which FWGR operates, pending the transfer to FWGR of those that are transferable.

The drilling, sampling, analytical processes and governance of the exploration programs are appropriate and in-line with industry best practice. They are considered to be of high confidence. The density used to determine quantities from volumes has been determined from both in situ measured values and empirical data and is considered reliable. Sound Mining concludes that the estimations are based on a suitable database of reliable information.

Scrutiny of the LoM plan has shown that the recoveries coincide with the recoveries achieved in the metallurgical test work and the quantities and grades used are consistent with those estimated in the Mineral Resource estimation. A review of the processing at DP2 reveals that the plant has performed in-line with expectations and with further modifications will adequately handle the planned increase in throughput to 1,200ktpm for Phase 2. The design for the expansion is based on representative and adequate metallurgical data, knowledge and insights. The mass balance for the plant is appropriate.

The tailings material arising from DP2 will be stored at the Driefontein 4 TSF and Leeudoorn TSF before being rerouted to a RTSF that will have excess capacity from both a depositional rate (3.0Mtpm) and final capacity perspective (800Mt). Sound Mining has reviewed the design for the RTSF prepared by FWGR's specialists and has concluded that the detailed design report provides a solid basis for the future development of a safe RTSF.

The capital provision for all of the necessary infrastructure requirements have been reviewed and are considered appropriate. The capital expenditure estimates for the expansion of DP2 and the RTSF were undertaken independently and are currently presented at a PFS level of accuracy. The operational expenditure has been estimated from actual data at the current operations. These estimates are considered appropriate and in-line with industry standards.

The QP while cognizant of the risks identified in Item 12.1, remains satisfied that Mineral Resources and Mineral Reserves of FWGR are not likely to change materially as a consequence of these uncertainties.

23. RECOMMENDATIONS

Item 23

The QPs recommend that FWGR continues to proactively seek the necessary regulatory approvals for the RTSF timeously to ensure that forecast production can continue uninterrupted.

24. REFERENCES

Item 24

The sources of data and information used in preparation of this TRS are presented in Table 38.

Table 38: TRS Data and Information Sources

Source	Date	File Type	Title
Engineering			
Beric Robinson Tailings (Proprietary) Limited	September 2020	pdf	FW Regional Tailings Dam Model - Detail Design Report (BRT-10-2020)
DRA SA (Proprietary) Limited	May 2011	pdf	DRDGOLD - Far West Gold Recoveries Phase 2 Expansion Project Feasibility Study - Major Pipeline Routes
DRA SA (Proprietary) Limited	May 2011	pdf	FWGR Phase 2 Process Flow Diagrams IZADBR4544
DRA SA (Proprietary) Limited	August 2020	pdf	RTSF Hazard and Operational Study 2 Report
DRA SA (Proprietary) Limited	August 2020	pdf	Far West Gold Recoveries RTF FS RTSF Complex Infrastructure Fencing 2.1m High Shotcrete Perimeter Wall Layout & Details
DRA SA (Proprietary) Limited	September 2020	pdf	Far West Gold Recoveries Regional Tailings Facility - Basis of Estimate
DRA SA (Proprietary) Limited	September 2020	pdf	Far West Gold Recoveries Regional Tailings Facility Basis of Estimate
DRA SA (Proprietary) Limited	June 2020	pdf	Plant layout DRD FWGR Phase 2 Expansion Project (CPP)
DRA SA (Proprietary) Limited	June 2020	pdf	DRD FWGR Phase 2 Expansion Project Feasibility Study Process Design Criteria (CPP)
DRA SA (Proprietary) Limited	June 2020	pdf	DRD FWGR Phase 2 Expansion Project Feasibility Study Mechanical Equipment List (CPP)
DRA SA (Proprietary) Limited	November 2020	pdf	DRD FWGR Phase 2 Expansion Project Feasibility Study Executive Summary
DRA SA (Proprietary) Limited	November 2020	pdf	DRD FWGR Phase 2 Expansion Project Feasibility Study Opex (CPP)
DRA SA (Proprietary) Limited	November 2020	xlsx	Phase 2 Expansion Project Feasibility Study Capital Cost Estimate (CPP and Piping Rev 6)
DRA SA (Proprietary) Limited	October 2020	xlsx	Far West Gold Recoveries Regional Tailings Facility Capital Cost Estimate: Scenario 2
DRA SA (Proprietary) Limited	October 2020	xlsx	DRDGOLD - Far West Gold Recoveries Phase 2 Expansion Project Feasibility Study OPEX
DRA SA (Proprietary) Limited	August 2022	pdf	00301-Blockplan with Google Overlay
DRA SA (Proprietary) Limited	2022	pdf	00301-Blockplan
DRA SA (Proprietary) Limited	2022	xlsx	DP2 - expansion capital spend
DRA SA (Proprietary) Limited	March 2022	pdf	Far West Gold Recoveries DP2 Expansion Project Feasibility Study Basis of Estimate
DRA SA (Proprietary) Limited	2022	pdf	FZADBR6245-PROC-PDC-005-Rev B_PDC
DRA SA (Proprietary) Limited	2022	xlsx	FZADBR6245-PROC-PDC-005-Rev B_PDC
DRA SA (Proprietary) Limited	May 2022	pdf	Far West Gold Recoveries Dp2 Expansion Project Feasibility Study Process Flow Diagram
DRDGOLD Limited	August 2020	docx	Manual for the Management of the Disposal of Tailings on the Far West Gold Recoveries Regional Tailings Facility
DRDGOLD Limited	August 2020	pdf	Electrical Point of Delivery Meeting minutes
Geo Tail SA (Proprietary) Limited	June 2022	pdf	Leeudoorn TSF Cyclone Conversion Design
Geo Pollution Technologies - Gauteng (Proprietary) Limited	August 2021	pdf	Kloof Gold Mine Leeudoorn Return Water Dam Strategy
Highlands Hydrology (Proprietary) Limited and Water Hunters	August 2020	pdf	Hydrological Assessment for the Proposed Regional Tailings Facility, Far West Gold Recoveries Version 1
Knight Piesold (South Africa) (Proprietary) Limited	August 2021	pdf	Geotechnical Investigation for Leeudoorn Active TSF
Mintek and DRDGOLD Limited	September 2020	xlsx	Predicted yields from the various dams based on test work results at September 2020
Water Hunters	January 2020	xlsx	WRTRP Output Analysis v 0.5e2 Base Case
Water Hunters	August 2020	pdf	Far West Gold Recoveries - Regional Tailings Facility - Updated Ground Water Model Report
Environmental/Legal			
Department of Minerals Resources and Energy	May 2018	pdf	WRTRP Driefontein Environmental Authorization GP30/5/1/2/3/2/1(51)EM

Department of Minerals Resources and Energy	May 2018	pdf	WRTRP Kloof Integrated Environmental Authorization GP30/5/1/2/3/2/1 (66)EM
Department of Water and Sanitation	March 2017	pdf	WRTRP Integrated Water Use License. License No.: 10/C22B/ACFGI/4976
Department of Water and Sanitation	March 2017	pdf	Driefontein Water Use License. License No.: 10/C23E/ACEFGIJ/4527
Digby Wells Environmental (South Africa) (Proprietary) Limited	July 2022	pdf	Far West Gold Recoveries Closure Cost Assessment 2022. Financial Provision Assessment Report
Digby Wells Environmental (South Africa) (Proprietary) Limited	March 2016	pdf	Environmental Impact Assessment and Environmental Management Programme for the Amendment of the existing EMP and Inclusion of Listed Activities Associated with Operations at Driefontein Mining Right Area, Sibanye Gold Limited
Digby Wells Environmental (South Africa) (Proprietary) Limited	March 2016	pdf	Environmental Impact Assessment and Environmental Management Programme for the Amendment of the existing EMP and Inclusion of Listed Activities Associated with Operations at Kloof Mining Right Area, Sibanye Gold Limited
Digby Wells Environmental (South Africa) (Proprietary) Limited	May 2020	pdf	Far West Gold Recoveries Closure Costs Assessment 2020 (ERG6453)
Digby Wells Environmental (South Africa) (Proprietary) Limited	September 2020	pdf	Driefontein Environmental Authorization Audit
Digby Wells Environmental (South Africa) (Proprietary) Limited	July 2022	pdf	Far West Gold Recoveries Closure Cost Assessment 2022 Financial Provision Assessment Report
Kongiwe Environmental (Proprietary) Limited	October 2019	docx	The reclamation and reprocessing of the Soweto Cluster dumps in the City of Johannesburg, Gauteng. Draft Environmental Impact Assessment Information
Malan Scholes Inc	November 2017	pdf	Due Diligence Report for DRDGOLD Limited in respect of the West Rand Tailings Retreatment Project
National Nuclear Regulator	July 2019	pdf	Certificate of Registration in terms of the National Nuclear Regulator Act, 1999 (Act No. 4T of 1999)
Sibanye-Stillwater Limited	December 2019	xlsx	19128093_SS_RUSO CC 2019_20191118_FINAL_09_03_20 (Consolidated)
Sibanye-Stillwater Limited	December 2019	xlsx	19128093_SS_RUSO CC 2019_20191118_FINAL_V1
Werksmans Attorneys	November 2017	pdf	Exchange agreement between Sibanye Gold Limited and K2017449061 (WRTRP to be renamed) and including DRDGOLD
Schedule and Economics			
DRDGOLD Limited	2022	xlsx	SK1300 - DP2 Expansion LOM plan_13Jul22_Option 3_REAL_Blended_50_MT Edited_Rev3
DRDGOLD Limited	July 2022	pdf	DRDGOLD Group Information Sharing Document – Financial Reporting
DRDGOLD Limited	2022	pdf	Annual Integrated Report
DRDGOLD Limited	2022	xlsx	Production information_Jun22
Financial Times	2022	https	https://www.ft.com/content/be9c5a5e-1280-4281-8b28-04717d2c7e66
GoldHub	2022	https	World Gold Council, Gold supply and demand statistics - https://www.gold.org/goldhub/data/gold-supply-and-demand-statistics
GoldHub	2022	https	https://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q2-2022
GoldHub	2022	https	https://www.gold.org/goldhub/data/historical-mine-production
GoldHub	2022	https	Gold Supply and demand statistics 30 July 2022https://www.gold.org/goldhub/data/gold-supply-and-demand-statistics
Sibanye-Stillwater Limited	2019	pdf	Mineral Resources and Mineral Reserves Report
Sound Mining	December 2017	pdf	Competent Persons' Report on the West Rand Tailings Retreatment Project for DRDGOLD Limited
Sound Mining	December 2020	pdf	PR SMI 0921 20 DFS Report for FWGR - Phase 2 Expansion Project
USGS	2017	https	https://s3-us-west-2.amazonaws.com/prd-wret/assets/palladium/production/mineral-pubs/gold/mcs-2017-gold.pdf
USGS	2018	https	https://s3-us-west-2.amazonaws.com/prd-wret/assets/palladium/production/mineral-pubs/gold/mcs-2018-gold.pdf
USGS	2019	https	https://prd-wret.s3-us-west-2.amazonaws.com/assets/palladium/production/s3fs-public/atoms/files/mcs-2019-gold.pdf
USGS	2020	https	https://pubs.usgs.gov/periodicals/mcs2020/mcs2020-gold.pdf
World Gold Council	2022	https	Gold Demand Trends Q2 2022 - https://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q2-2022/supply

Geology			
Frimmel et al	2005	pdf	The Formation and Preservation of the Witwatersrand Goldfields, the World's Largest Gold Province
Geographicx Surveys CC	July 2022	dwg	Driefontein 5 02072022 Merge R1
Geographicx Surveys CC	July 2022	pdf	Quantity Report of Driefontein 5 02072022 R1
Geoplan Materials Engineering (Proprietary) Limited	November 2020	xlsx	DRDGOLD Density Data
McCarthy and Rubidge	2005	Book	The Story of Earth and Life
Minxcon (Proprietary) Limited	June 2009	pdf	Technical Report on the Surface Mineral Resource Estimation, Scheduling and Financial Valuation of the West Wits HTO Project, Gold Fields (Pty) Ltd. South Africa
Minxcon (Proprietary) Limited	February 2013	pdf	A Technical Report on The Gold1 TSFs in the Gauteng Province, South Africa
Minxcon (Proprietary) Limited	2013	dm	d4_e_krig_all1
Minxcon (Proprietary) Limited	2013	dm	d4_w_krig_all1
Minxcon (Proprietary) Limited	2009	dm	drth_krig_allfinal2b
Minxcon (Proprietary) Limited	2009	dm	DTOPO_pt/tr
Minxcon (Proprietary) Limited	2009	dm	dr5_krig_all fin
Minxcon (Proprietary) Limited	2009	dm	dtopo_pt/tr
Minxcon (Proprietary) Limited	2009	dm	kl1_krig_all_final3c
Minxcon (Proprietary) Limited	2009	dm	DTOPO_pt/tr
Minxcon (Proprietary) Limited	2009	dm	lib_krig_all1_2010c
Minxcon (Proprietary) Limited	2009	dm	dtopo_pt/tr
Minxcon (Proprietary) Limited	2009	dm	vn_krig_all1_fin2d
Minxcon (Proprietary) Limited	2009	dm	vn_fin_pt/tr
Minxcon (Proprietary) Limited	2009	dm	vs_krig_all1_final2c
Minxcon (Proprietary) Limited	2009	dm	vs_fin_pt/tr
The RVN Group (Proprietary) Limited	July 2020	pdf	Density Measurements and Supervision DRDGOLD

The glossary of terms, units and abbreviations used in this TRS are presented in Table 39.

Table 39: Glossary and Abbreviations

Term	Explanation
Archaean	Geological eon from 2,500Ma - 4,000Ma
Assay	The chemical analysis of ore samples to determine their metal content
Auriferous	Containing, or producing, gold
Basin	A geological basin is a large low-lying area, often below sea level
Clastic	A rock or sediment composed principally of transported broken fragments derived from pre-existing rocks or minerals
Conformable	A sequence of beds is said to be conformable when they represent an unbroken period of deposition
Conglomerate	A coarse-grained clastic sedimentary rock composed of rounded to subangular fragments set in a fine-grained matrix
Craton	An old and stable section of the continental lithosphere which has survived cycles of merging and rifting continents. Cratons are today generally found in the interior of tectonic plates
Cut-off grade	The lowest grade of mineralized rock that determines as to whether or not it is economic to recover its gold content by further concentration
Density	Measure of the relative "heaviness" of objects with a constant volume, density = mass/volume
Deposit	Any sort of earth material that has accumulated through the action of wind, water, ice or other agents
De-survey	Mathematical reconstruction in 3D space of a borehole trace using azimuth and dip survey data
Detrital	Formed from eroded loose rock and mineral material
Dilution	Waste or material below the cut-off grade that contaminates the ore during the course of mining operations and thereby reduces the average grade mined
Definitive Feasibility Study (DFS)	A definitive engineering estimate of all costs, revenues, equipment requirements and production at a -5% to +10% level of accuracy. The study is used to define the economic viability of a project and to support the search for project financing
Distal	Relating to or denoting the outer part of an area affected by geological activity
Dolomite	Carbonate mineral, $CaMg(CO_3)_2$. The word dolomite is also used to describe the sedimentary carbonate rock, which is composed predominantly of the mineral dolomite

Term	Explanation
Doré	An unrefined, therefore impure, alloy of gold with variable quantities of silver and smaller quantities of base metals, which is produced at a mine before passing on to a refinery for upgrading to London Good Delivery standard, which usually consists of 85% gold on average
Drillhole	Exploration hole drilled for the purposes of exploring for and evaluating sub-surface geology, in this instance the presence and distribution of gold
Dyke	A tabular vertical or near-vertical body of igneous rock formed by magmatic injection into planar zones of weakness such as faults or fractures that is discordant to the bedding or foliation of the country rock
Estimation	The quantitative judgement of a variable
Exploration	Prospecting, sampling, mapping, drilling and other work involved in the search for mineralization
Facies	The sum total of sedimentary features that characterize a sediment as having been deposited in a given environment; an assemblage of metamorphic rocks which are considered to have formed under similar conditions of temperature and pressure
Fault	A fracture in earth materials, along which the opposite sides have been displaced parallel to then plane of the movement
Fire Assay	The assaying of metallic ores by methods requiring the use of furnace heat
Fluvial	Produced by the action of a stream or river
Footwall	The underlying side of a stope or ore body
Goldfield	An auriferous deposit defined in a geographically distinct sub-basin
Granite	An intrusive felsic rock which is granular in texture
Hydrothermal	The circulation of hot water. Hydrothermal circulation occurs most often in the vicinity of sources of heat within the Earth's crust. In general, this occurs near volcanic activity
Indicated Mineral Resource	Is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of adequate geological evidence and sampling. The level of geological certainty associated with an indicated Mineral Resource is sufficient to allow a qualified person to apply modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Because an indicated Mineral Resource has a lower level of confidence than the level of confidence of a measured mineral resource, an indicated Mineral Resource may only be converted to a probable Mineral Reserve.
Inferred Mineral Resource	Is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. The level of geological uncertainty associated with an inferred Mineral Resource is too high to apply relevant technical and economic factors likely to influence the prospects of economic extraction in a manner useful for evaluation of economic viability. Because an inferred Mineral Resource has the lowest level of geological confidence of all Mineral Resources, which prevents the application of the modifying factors in a manner useful for evaluation of economic viability, an inferred Mineral Resource may not be considered when assessing the economic viability of a mining project, and may not be converted to a Mineral Reserve.
Karoo	A large semi-desert natural region of South Africa which lends its name to the geological Karoo Supergroup which is often used as an age description for the eon from 145Ma - 360Ma
Kriging	An interpolation method that minimizes the estimation error in the determination of a mineral resource. Kriging is a method of interpolation for which the interpolated values are modelled by a Gaussian process governed by prior covariances
License, Permit, Lease or other similar entitlement	Any form of license, permit, lease or other entitlement granted by the relevant Government department in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract minerals that might be contained in the land, or ownership title that may prove ownership of the minerals
Life-of-Mine (LoM)	Number of years in the current mine plan that an operation will extract and treat ore
Measured Mineral Resource	is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of conclusive geological evidence and sampling. The level of geological certainty associated with a measured Mineral Resource is sufficient to allow a qualified person to apply modifying factors, in sufficient detail to support detailed mine planning and final evaluation of the economic viability of the deposit. Because a measured Mineral Resource has a higher level of confidence than the level of confidence of either an indicated Mineral Resource or an inferred Mineral Resource, a measured Mineral Resource may be converted to a proven Mineral Reserve or to a probable Mineral Reserve.
Mineable	That portion of a mineral resource for which extraction is technically and economically feasible
Mineral Asset(s)	Any right to explore and/or mine which has been granted (“property”), or entity holding such property or the securities of such an entity, including but not limited to all corporeal and incorporeal property, mineral rights, mining titles, mining leases, intellectual property, personal property (including plant equipment and infrastructure), mining and exploration tenures and titles or any other right held or acquired in connection with the finding and removing of minerals and petroleum located in, on or near the Earth’s crust. Mineral Assets can be classified as Dormant Properties, Exploration Properties, Development Properties, Mining Properties or Defunct Properties
Mineral Reserve	Is an estimate of tonnage and grade or quality of indicated and measured Mineral Resources that, in the opinion of the QP, can be the basis of an economically viable project. More specifically, the economically mineable part of a measured or indicated Mineral Resource, which includes diluting materials and allowances for losses that may occur when the material is mined or extracted. The determination that part of a measured or indicated Mineral Resource is economically mineable must be based on a preliminary feasibility or feasibility study conducted by a QP applying the modifying factors to indicated or measured Mineral Resources. The study must demonstrate that,

Term	Explanation
	at the time of the reporting, extraction of the Mineral Reserve is economically viable under reasonable investment and market assumptions. The study must establish a life of mine plan that is technically achievable and economically viable, which will be the basis of determining the Mineral Reserve. And the term “economically viable” means that the QP has determined, using a discounted cashflow analysis, or has otherwise analytically determined that the extraction of the mineral reserve is economically viable under reasonable investment and market assumptions.
Mineral Resource	Is a concentration or occurrence of material of economic interest in or on the Earth's crust in such form, grade or quality, and quantity that there are reasonable prospects for economic extraction. A Mineral Resource is a reasonable estimate of mineralization, taking into account relevant factors such as cut-off grade, likely mining dimensions, location or continuity, that, with the assumed and justifiable technical and economic conditions, is likely to, in whole or in part, become economically extractable. It is not merely an inventory of all mineralization drilled or sampled.
Modifying Factors	Are the factors that a qualified person must apply to indicated and measured Mineral Resources and then evaluate in order to establish the economic viability of Mineral Reserves. A qualified person must apply and evaluate modifying factors to convert measured and indicated Mineral Resources to proven and probable Mineral Reserves. These factors include, but are not restricted to: Mining; processing; metallurgical; infrastructure; economic; marketing; legal; environmental compliance; plans, negotiations, or agreements with local individuals or groups; and governmental factors. The number, type and specific characteristics of the modifying factors applied will necessarily be a function of and depend upon the mineral, mine, property, or project.
Reef	A precious metal bearing stratiform tabular ore body
Run-of-Mine (RoM)	Means the mineralized, raw unprocessed or uncrushed material obtained after blasting or excavating
Shale	A fine-grained detrital sedimentary rock formed from clay, mud or silt
Strike	Refers to the orientation of a geologic feature which is a line representing the intersection of that feature with a horizontal plane. This is represented as a compass bearing of the strike line
Syncline	A fold with strata sloping upward on both sides from a common valley/base
Tailings	Material remaining after ore has been processed
Unconformity	A surface between successive strata representing a missing interval in the geologic record of time and produced either by an interruption in deposition or by the erosion of lithology followed by renewed deposition
Uraninite	A black, brown or grey uranium ore mineral, UO_2
Variogram	A measure of the average variance between sample locations as a function of sample separation
Wireframe	A 3D surface constructed from vertices with connecting straight lines or curves

Term	Description
%	percentage
% Au	percentage gold
% mass	percentage mass
~	approximate
‘	minutes
‘000m^3	thousand cubic metres
“	seconds
°	Degree
°C	Degrees Celsius
µm	micrometer
3D	three dimensional
AEL	Atmospheric Emissions License
ALS	ALS Chemex South Africa (Proprietary) Limited
AMIS	African Mineral Standards
ANC	African National Congress
Au	Gold
$Au(CN)_2$	gold cyanide complex
bar	metric unit of pressure
Beric Robinson Tailings	Beric Robinson Tailings (Proprietary) Limited
BPS	Booster Pump Stations
$CaSO_4$	Calcium sulfite (gypsum)
CC	coarse coarse
CF	coarse fine
CIL	Carbon-in-Leach
CIP	Carbon-in-Pulp
CLR	Carbon Leader Reef

cm	centimeter
CoP	Code of Practice
COP	Cooke Optimization Project
CoR	Certificate of Registration
Covid-19	Coronavirus Disease 2019
CPP	Central Processing Plant
CRM	Certified Reference Material
CTSF	Central Tailings Storage Facility
CUP	Cooke Uranium Project
CWF	Central Water Facility
DAFF	Department of Agriculture Forestry and Fisheries
DCF	Discounted Cashflow
DFS	Definitive Feasibility Study
Digby Wells	Digby Wells Environmental (South Africa) (Proprietary) Limited
DMRE	Department of Mineral Resources and Energy (Department of Mineral Resources prior to 2019)
DP2	Driefontein Plant 2
DP3	Driefontein Plant 3
DRA	DRA SA (Proprietary) Limited
DRDGOLD	DRDGOLD Limited
DWA	Department of Water Affairs
DWS	Department of Water and Sanitation
E	east
EA	Environmental Authorization under NEMA
ECA	Environmental Conservation Act
ECSA	Engineering Council of South Africa
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
EMPr	Environmental Management Program Report
EPCM	Engineering, Procurement and Construction Management
Ergo	Ergo Mining (Proprietary) Limited
Eskom	Electricity Supply Commission
ESTA	Extension of Security of Tenure Act
Ezulwini	Ezulwini Mining Company (Proprietary) Limited
FC	fine coarse
FEED	Front End Engineering Design
FF	fine fine
FSAIMM	Fellow of the Southern African Institute of Mining and Metallurgy
FW	Footwall
FWGR	Far West Gold Recoveries (Proprietary) Limited
FY	Financial Year
g	gram
g/cm^3	grams per cubic centimeter
g/t	grams per tonne
g/t Au	grams per tonne gold
Ga	Giga annum (a period of 1 billion years)
GDP	Gross Domestic Product
GICL	Guardrisk Insurance Company Limited
GISTM	Global Industry Standard on Tailings Management
GISTM	Global Industry Standard for Tailings Management
GN	Government Notice
GNR	Government Notice Regulation
Gold Fields	Gold Fields Limited
Gold One	Gold One International Limited
GPS	Global Positioning System
GSSA	Geological Society of South Africa
GTSA	Geo Tail SA (Proprietary) Limited

H_2SO_4	sulfuric acid
ha	Hectare
Harmony	Harmony Gold Mining Company Limited
HDPE	high-density polyethylene pipe
HIA	Heritage Impact Assessment
HIV/AIDS	Human Immunodeficiency Viruses/Acquired Immunodeficiency Syndrome
HNO_3	nitric acid
hr	Hour
HSA	Hazardous Substances Act
HWSW	Heel Wall Scavenger Wells
I&APs	Interested & Affected Parties
ICMM	International Council for Mining and Minerals
ICOLD	International Council for Large Dams
IEA	Integrated Environmental Authorization
IEC	International Electrotechnical Commission
iLanda	iLanda Water Services CC
IRR	Internal Rate of Return
ISO	International Organization for Standardization
IWUL	Integrated Water Use License
JSE	Johannesburg Stock Exchange Limited
JV	Joint Venture
kg	kilogram
kHz	kilohertz
km	kilometre
koz	kilo ounce
ktpm	kilotonne per month
kV	kilovolt
kVA	kilovolt-ampere
LIDAR	light detection and ranging
LoM	Life-of-Mine
m	metres
M	million
m/yr	metres per year
m^2	square meter
m^3	cubic meter
m^3/a	cubic meter per annum
m^3/d	cubic metres per day
m^3/hr	cubic meter per hour
Ma	Mega annum (a period of 1 million years)
mamsl	metres above mean sea level
MCNCF	Maximum Cumulative Negative Cashflow
MDP	Multiple Deposition Point
MHSA	Mine Health and Safety Act
Minxcon	Minxcon (Proprietary) Limited
mm	millimeters
Mm^3	Million cubic meters
Mm^3/a	Million cubic meters per annum
Moz	Millions of ounces
MPRDA	Mineral and Petroleum Resources Development Act
MPRRA	Mineral and Petroleum Resources Royalty Act
MR	Mining Right
Mt	Million tonnes
Mtpm	Million tonnes per month
MVA	Mega Volt Ampere
N	north
NAEIS	National Atmospheric Emission Inventory System

NEM:AQA	National Environmental Management Air Quality Act
NEM:BA	National Environmental Management Biodiversity Act
NEM:PAA	National Environmental Management: Protected Areas Act
NEM:WA	National Environmental Management Waste
NEMA	National Environmental Management Act
NFA	National Forests Act
NGL	Nominal Ground Level
NHRA	National Heritage Resources Act
NMD	Nominal Maximum Demand
NNR	National Nuclear Regulator
NNRA	National Nuclear Regulator Act
NPV	Net Present Value
$NPV_{10.17}$	Net Present Value at 10.17%
NRTA	National Road Traffic Act
NWA	National Water Act
NYSE	New York Stock Exchange
oz	troy ounce (conversion to troy ounces is 31.10348)
oz Au	gold ounces
PAR	Population at Risk
PFS	Preliminary Feasibility Study
pH	scale used to specify the acidity or basicity of an aqueous solution
PLL	Potential Loss of Life
PMP	Probable Maximum Precipitation
PoD	Point of Delivery
PSD	particle size distribution
QA/QC	Quality Assurance and Quality Control
QP	Qualified Person
Rand Uranium	Rand Uranium Limited
RoM	Run-of-Mine
RTSF	Regional Tailings Storage Facility
RWD	return water dams
S	south
S_2	sulfur
SABS	South African Bureau of Standards
SACNASP	South African Council for Natural Scientific Professions
SADPMR	The South African Diamond and Precious Metals Regulator
SAHRA	South African Heritage Resources Agency
SAIMM	Southern African Institute of Mining and Metallurgy
SANAS	South African National Accreditation System
SDP	Single Deposition Point
SEC	Securities Exchange Commission
Set Point	Set Point Laboratories
SG	Specific Gravity
SGS	SGS South Africa (Proprietary) Limited
SI	Système Internationale
SIA	Social Impact Assessment
SiB	Stay-in-Business
Sibanye Gold	Sibanye Gold Limited
Sibanye-Stillwater	Sibanye-Stillwater Limited
S-K 1300	Subpart 1300 of Regulation S-K under the U.S. Securities Exchange Act of 1934
SLP	Social and Labor Plan
SLR	SLR Consulting (Africa) (Proprietary) Limited
Sound Mining	Sound Mining International SA (Proprietary) Limited
SPCU	Self-Propelled Cyclone Units
SPLUMA	Spatial Planning and Land Use Management Act,
SPV	Special Purpose Vehicle

SRK	SRK Consulting (Proprietary) Limited
SVOL1	first search volume
SVOL2	second search volume
SWD	storm water dam
t	metric tonne
t/m^3	tonnes per cubic meter
TDS	total dissolved solids
the Trust	DRDSA Empowerment Trust
ToR	Terms of Reference
tpa	tonnes per annum
tph	tonnes per hour
tpm	tonnes per month
TRS	Technical Report Summary
TSF	Tailings Storage Facility
TWSW	Toe Wall Scavenger Wells
U	uranium
U/O	Underflow/Overflow
U_3O_8	triuranium octoxide
USD	United States Dollars
USD/oz	United States Dollars per ounce
V1	Version 1
V2	Version 2
VCR	Ventersdorp Contact Reef
W	west
Witwatersrand Basin	Witwatersrand Supergroup
WML	Waste Management License
WRTRP	West Rand Tailings Retreatment Project (Proprietary) Limited
WUL	Water Use License
WWP	West Wits Project
WWTTP	West Wits Tailings Treatment Project
ZAR	South African Rands
ZAR Billion	Billion South African Rands
ZAR M	Million South African Rands
ZAR M/yr	Millions of South African Rands per year
ZAR/kg	South African Rands per kilogram
ZAR/t	South African Rands per tonne
ZAR/USD	South African Rands and United States Dollars exchange rate

25. RELIANCE ON INFORMATION PROVIDED BY THE REGISTRANT

Item 25

The information and conclusions within this TRS are based on information made available to the QPs by DRDGOLD and FWGR at the time of the preparation of this TRS as noted in this item. The QPs have relied on this information with respect to legal matters (Item 3), Environmental Studies, Permitting, or Agreements with locals or Individuals or Groups (Item 17) and the economic Assessment (Item 19). The QPs have not independently conducted any title or litigation searches but have relied upon FWGR for information on the property title, agreements and other pertinent conditions (throughout Item 3).

The QPs have reviewed this information at face value and are satisfied that it is both reasonable and appropriate. The QPs believe that it is reasonable to rely on the information provided by FWGR as identified in this item because they are intimately more familiar with the operations and ongoing progress of FWGR since inception, and as a consequence this provides the QPs with an enhanced level of comfort with respect to the management, processes, procedures and quality of planning at FWGR.

26. QUALIFIED PERSONS DISCLOSURE CONSENT

Item 26

We, the signees, in our capacity as Qualified Persons in connection with the Technical Report Summary of Far West Gold Recoveries Proprietary Limited dated 28 October 2022 (The Technical Report Summary) as required by Item 601(b)(96) of Regulation S-K and filed as an exhibit to DRDGOLD Limited's (DRDGOLD) annual report on Form 20-F for the year ended 30 June 2022 and any amendments or supplements and/or exhibits thereto (collectively, the "Form 20-F") pursuant to Subpart 1300 of Regulation S-K promulgated by the U.S. Securities and Exchange Commission (1300 Regulation S-K), each hereby consent to:

- the public filing and use by DRDGOLD of the Technical Report Summary for which I am responsible as an exhibit to the Form 20-F;
- the use and reference to my name, including my status as an expert or Qualified Person (as defined by SK-1300) in connection with the Form 20-F and Technical Report Summary for which I am responsible;
- use of any extracts from, or summary of, the Technical Report Summary in the Form 20-F and the use of any information derived, summarized, quoted or referenced from the Technical Report Summary, or portions thereof, that is included or incorporated by reference into the Form 20-F; and any amendments or supplements thereto.

I am responsible for authoring, and this consent pertains to, the Technical Report Summary for which my name appears below and certify that I have read the 20-F and that it fairly and accurately represents the information in the Technical Report Summary for which I am responsible.

Table 40: QP Area of Responsibility and Disclosure Consent

Property Name	TRS Effective Date	QP Name	Affiliation to Registrant	Field or Area of Responsibility	Signature
Far West Gold Recoveries Proprietary Limited (A subsidiary of DRDGOLD Limited)	30 June 2022	Mr Vaughn Duke	Independent Consultant	Mineral Reserves	/s/ Vaughn Duke
Far West Gold Recoveries Proprietary Limited (A subsidiary of DRDGOLD Limited)	30 June 2022	Mrs Diana van Buren	Independent Consultant	Mineral Resources	/s/ Diana van Buren
Far West Gold Recoveries Proprietary Limited (A subsidiary of DRDGOLD Limited)	30 June 2022	Mr Keith Raine	Independent Consultant	Environmental and Social Governance	/s/ Keith Raine

Appendix 1: Summary of the DCF Model (excluding liner)

Description	Unit	Total/ Average	2023 FY	2024 FY	2025 FY	2026 FY	2027 FY	2028 FY	2029 FY	2030 FY	2031 FY	2032 FY	2033 FY	2034 FY	2035 FY	2036 FY	2037 FY	2038 FY	2039 FY	2040 FY	2041 FY	2042 FY
Reclaimed Tonnes	kt	229.371	6,044	6,044	6,044	7,546	9,048	9,048	9,048	11,148	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	7,000
Head Grade	g/t	0.33	0.48	0.47	0.47	0.41	0.36	0.36	0.36	0.37	0.37	0.37	0.32	0.30	0.30	0.30	0.30	0.30	0.28	0.27	0.27	0.27
Recovery	%	53%	50%	54%	57%	55%	53%	53%	53%	53%	53%	53%	51%	49%	49%	49%	54%	58%	55%	55%	55%	55%
Gold Sold	kg	40,409	1,404	1,528	1,592	1,674	1,740	1,740	1,740	2,216	2,840	2,840	2,369	2,105	2,105	2,105	2,322	2,532	2,190	2,159	2,159	1,049
Revenue	ZAR M	36,946	1,284	1,397	1,455	1,531	1,591	1,591	1,591	2,026	2,597	2,597	2,166	1,924	1,924	1,924	2,123	2,315	2,003	1,974	1,974	959
Operating Costs	ZAR M	19,550	838	538	538	773	868	868	868	995	1,168	1,168	1,168	1,168	1,168	1,168	1,168	1,168	1,168	1,168	1,168	717
Capital Expenditure	ZAR M	6,767	326	61	1,595	957	300	589	1,120	565	18	402	146	18	18	416	152	18	18	18	18	20
Post-tax Free Cashflow	**ZAR M**	**7,338**	**288**	**555**	**(678)**	**(199**	**424**	**118**	**(397**	**404**	**987**	**714**	**600**	**525**	**525**	**242**	**567**	**794**	**579**	**559**	**559**	**171**
Cumulative Post-tax Free Cashflow	**ZAR M**	**7,338**	**288**	**843**	**165**	**(34**	**389**	**507**	**110**	**514**	**1,501**	**2,216**	**2,816**	**3,341**	**3,867**	**4,108**	**4,675**	**5,469**	**6,049**	**6,608**	**7,167**	**7,338**
Post-tax Discounted Cashflow	**ZAR M**	**2,318**	**262**	**459**	**(509)**	**(136**	**263**	**66**	**(204**	**189**	**419**	**275**	**210**	**167**	**152**	**64**	**136**	**173**	**115**	**101**	**91**	**25**
Cumulative Post-tax Discounted Cashflow	**ZAR M**	**2,318**	**262**	**721**	**211**	**75**	**338**	**405**	**201**	**389**	**808**	**1,083**	**1,294**	**1,461**	**1,613**	**1,677**	**1,813**	**1,986**	**2,100**	**2,201**	**2,292**	**2,318**

Notes: Apparent computational errors due to rounding

Technical Report Summary of the Material

Tailings Storage Facilities

Effective Date: 30 June 2022

Qualified Persons:

Mpfariseni Mudau Pr.Sci.Nat.

Steven Rupprecht FSAIMM

Prepared for:

Date and Signature Page

This report entitled 'Technical Report Summary of the Material Tailings Storage Facilities', with an effective date of 30 June 2022 was prepared for Ergo Mining Proprietary Limited by the Qualified Persons: Mr Mpfariseni Mudau and Professor Steven Rupprecht.

Dated at Johannesburg, 28 October 2022.

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1 Executive Summary

1.1 Introduction

Ergo Mining (Proprietary) Limited (Ergo) is a wholly owned subsidiary of DRDGOLD Limited (DRDGOLD). DRDGOLD is domiciled in South Africa and listed on the Johannesburg Stock Exchange (JSE: DRD) and New York Stock Exchange (NYSE: DRD). DRDGOLD, a South African-based gold mining company, has a 100% share in Ergo. DRDGOLD is a Tailings Storage Facilities (TSFs) retreatment company.

The TSFs Mineral Resource and Mineral Reserve estimates declared in this Technical Report Summary (this Report) are 100% attributable to DRDGOLD. The TSFs covered are from Crown, City Deep, Knights, Ergo, Marievale and Grootvlei Complexes, 5A10/5L27 sand dump and Daggafontein TSF.

The Mineral Resource and Mineral Reserve estimate contained in this Technical Report Summary were compiled and reported by the Qualified Persons (QPs) for DRDGOLD in accordance with Items 601(b)(96) and 1300 through 1305 of Regulation S-K (Title 17, Part 229, Items 601(b)(96) and 1300 through 1305 of the Code of Federal Regulations) promulgated by the Securities and Exchange Commission (SEC).

This document is the first submission of a Technical Report Summary under Regulation S-K; thus, it is not an update of a previously filed Technical Report Summary.

This Technical Report Summary is based on information available until 30 June 2022. There were no material changes between the effective and reporting dates.

1.2 Property Description

Ergo is reclaiming TSFs and sand dumps in the City of Johannesburg and the City of Ekurhuleni, Gauteng, South Africa. The Crown and City Deep Complexes are in the City of Johannesburg, while all other TSFs are located in the City of Ekurhuleni. A total of 19 material properties are discussed in this report.

1.3 Mineral Rights and Ownership

Ergo's title in its Mineral Resources is vested in common law ownership and/or contractual arrangements and Prospecting Rights, and its competency to mine the same lie in various Mining Rights that were converted (and consolidated) in terms of the provisions of the MPRDA and Environmental Approvals. Ergo has submitted an application to renew and consolidate all their Mining Rights into a single Mining Right; this application is receiving attention from the Department of Mineral Resources and Energy (DMRE). Renewal applications have been submitted to the DMRE for each expired Right. Ergo has applied to extend the consolidated Mining Right for 30 years, which is the maximum allowable renewal period as detailed in the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002) (MPRDA).

This report has considered section 24(5) of the MPRDA, as amended:

''A mining right in respect of which an application for renewal has been lodged shall despite its expiry date remain in force until such time as such application has been granted or refused.''

The same applies to the Prospecting Rights through section 18(5) of the MPRDA.

1.4 Geology and Mineralization

The TSFs are man-made features. The material in the TSFs has been processed through metallurgical plants that generate residue (tailings), which are relatively uniform in comparison with the natural deposit from which the

material is derived. The variation between grades is small as the process residue TSFs were constructed in layers. Grade variation primarily follows variations in the processing and, to a lesser extent, the primary deposits characteristic.

The TSFs are the waste product of the mineral recovery process. They took the form of a liquid slurry made of fine mineral particles - created when mined ore was crushed, milled and processed. The tailings were pumped to TSFs which were constructed using the Upstream Deposition Methodology. Water contained within the slurry was removed via various drainage systems and then re-used in the process whilst the TSF was in operation. Once a TSF is decommissioned and declared dormant, water is still drained and recovered but evaporation and seepage are the main reasons for water loss. Rehabilitation of the side slopes and top surface of the TSF, by way of vegetation and irrigation, was previously only implemented once the TSF was declared dormant.

1.5 Evaluation Drilling and Sampling

A qualified surveyor surveyed all evaluation drill hole positions. Holes were drilled into the TSF at 1.5m intervals to determine grade distribution. The number of samples (at 1,5m intervals), correlated with surveying data, provided the height of the TSF and tonnage based on a bulk solid's density of 1.42.

The typical exploration programs (geophysics, trenching, mapping, and soil sampling) were not undertaken on the TSFs. Evaluation drilling programs were conducted on the TSFs. No exploration is required to locate TSFs, as their locations are known and established above the natural ground level.

Two drilling techniques were followed by specialized drilling contractors on the TSFs. The Reverse Circulation (RC) method was used where auger drilling techniques could not drill to the base of the TSFs, mainly due to the drill hole length and moisture of the TSFs towards their bases.

With auger drilling, the rotation of a helical screw causes the blade of the screw to lift the sample to the surface. This drilling method does not require heavy machinery to drill to the desired depth. The auger method can be used for shallow environmental drilling, geotechnical drilling, soil engineering and mineral deposits where the formation is soft and the hole does not collapse. This is done by pressing the spiral rods into the ground using a drilling head machine which can drill up to a depth of 50m.

Samples were collected through the spiral at 1.5m intervals, and the spiral was cleaned with water and brushed after every run.

The RC drilling technique was chosen in preference to auger drilling in certain locations because RC drilling could drill deeper than auger drilling. In addition, because of its higher power, RC can drill through wet material and has better recovery percentages than auger drilling, which loses wet samples through its spiral.

The RVN Group (Proprietary) Limited (The RVN Group) monitored the drilling and sampling process. The methods were to an acceptable industry standard, and the results were considered appropriate for further evaluation.

Logging was carried out as per the Ergo protocols and the QP considered it appropriate for the deposit under consideration. Drill holes were logged on-site by the RVN Geologist. Samples of 1.5m length intervals were taken for the entire length of the drill holes. Samples were classified according to whether they were slimes or soil, moist or wet and on color. All drill hole data was provided to Ergo in electronic and hardcopy formats as drill hole logs, sample logs and assay certificates.

1.6 Sample Preparation

As the samples were moist to wet, all samples were split on-site using the cone and quartering method. One set was prepared for routine exploration analysis for use in the Mineral Resource estimation and the other set for

metallurgical process test work. All the samples were presented to the laboratory in a well-organized and sorted manner with easily understandable documentation, including fully completed Sample Submission Forms.

The samples were sent to the following three laboratories for further preparation and assaying:

- MAED Metallurgical Laboratories (Proprietary) Limited (MAED) is located at Ergo's processing plant in Brakpan. The facility is not accredited, however is used by Ergo for its grade control and daily sampling. Although MAED is not owned by Ergo, it is situated in the Ergo processing plant and was supplied with all routine exploration samples.
- SGS South Africa (Proprietary) Limited (SGS) is located in Randfontein. SGS is an accredited facility (T0265) by the South African National Accreditation System (SANAS) for the selected analytical method. Randomly selected check samples (approximately 10% of total samples per TSF) from MAED were sent to SGS for confirmation. SGS is independent of Ergo; and
- AngloGold Ashanti Limited Chemical Laboratory (Anglo Lab), located in Carletonville, analyzed some check samples for 7L15 TSF in 2016/2017 as a secondary laboratory to MAED. The laboratory no longer exists and was not SANAS accredited. The laboratory was independent of Ergo.

The slime material has been previously processed and sample preparation only requires weighing, drying, screening, splitting and milling before assaying. Screening removes potentially carbonaceous and other oversized material to represent the material to be processed through the metallurgical plant.

1.7 Assays

The laboratories weighed the samples on receipt before dry screening them to remove foreign material. The samples were then dried at 105˚C, crushed (80% passing 2mm), before being riffle split and pulverized to 75µm. The samples were then analyzed to determine the gold content by fire assay with gravimetric finish by MAED and Atomic Absorption Spectroscopy (AAS) finish by SGS. The lower detection limit for these methods is 0.01g/t with no upper detection limit for the gravimetric method and a 10g/t upper limit for AAS. The lower limit is relevant to the current project as the TSFs and sand dumps consist of processed materials and are generally low-grade, with grades slightly higher than 10 to 20 times the detection limit.

The laboratories were instructed to use a 100g aliquot to analyze for gold. Through the experience of the QPs, it is known that analyzing gold in low-grade slimes, anything less than a 100g aliquot may report inaccurate results.

1.8 Quality Assurance and Quality Control

The laboratories used in analyzing the samples have robust internal quality control checks. They routinely insert reference material (standards and blanks) and create duplicates to internally check the accuracy and precision of their assaying techniques. A batch is re-assayed if the quality control samples do not perform as expected. The results of the quality control checks were provided with the sample assays and were all found to be acceptable by the QP.

The RVN Group inserted certified quality control samples as an additional check for contamination, precision and accuracy. The RVN Group quality control samples results were satisfactory as they generally reported values within the expected ranges.

1.9 Metallurgical Sampling and Testing

The TSFs were portioned into logical sections for metallurgical testing, based either on area, shape or elevation. The selected intervals for compositing into the metallurgical test work samples were taken at different elevations within the TSF to provide sufficient material for the test work.

The “as received” material was blended and divided into 2kg portions using cone and quarter splitting.

Leaching of “as received” material were done using the following parameters, which simulates the existing Ergo leach plant:

- pH = 10.5;
- precondition with lime for 1 hour or more to maintain pH at 10.5;
- Carbon-in-Leach (CIL) with 15g/l carbon;
- NaCN addition 0,5kg/t;
- dissolved oxygen in excess of six parts per million (ppm);
- leach time eight hours; and
- all samples were submitted to MAED for gold analysis.

The metallurgical test work confirms that the material tested can be processed to recover residual gold from the TSFs assessed via the current Ergo metallurgical plant process.

Predicted recoveries from the TSFs tested vary between 30% and 60% and are dependent on head grade and the nature of the material. These values are typical for gold TSF processing. All the TSFs meet the requirements for processing through the Ergo plants.

1.10 Mineral Resource Estimate

The Mineral Resource Estimate for the TSFs and sand dumps were adjusted for depletion as at 30 June 2022. The Mineral Resource estimate for all the TSFs and sand dumps are declared as follows:

- the point of reference is *in situ* for all TSFs and sand dumps. The TSFs or sand dumps themselves are the reference points;
- no geological or other loses were applied as all material is accessible and there are no geological structures.
- the Mineral Resource Estimate is stated as both inclusive and exclusive of Mineral Reserves as defined in Subpart 1300 of Regulation S-K; and
- Mineral Resource is 100% attributable to DRDGOLD.

The total Mineral Resource Estimate for Ergo is presented in Table 1.1 to Table 1.2. The changes in the Mineral Resource from June 2021 to June 2022 are due to the depletion of 20.51Mt at 0.33g/t Au and minor survey adjustments of 2.94Mt at 0.20g/t Au.

Table 1.1: Ergo's Mineral Resource Statement as at 30 June 2022 (Inclusive)

Mineral Resource Classification	Mineral Resource as at 30 June 2021 (Inclusive)			Mineral Resource as at 30 June 2022 (Inclusive)		
	Tons (Mt)	Au (g/t)	Contents (Moz)	Tons (Mt)	Au (g/t)	Contents (Moz)
Measured Mineral Resource	282.95	0.31	2.81	266.25	0.31	2.64
Indicated Mineral Resource	574.95	0.25	4.61	568.21	0.25	4.55
Sub-total Measured and Indicated Mineral Resource	**857.90**	**0.27**	**7.42**	**834.45**	**0.27**	**7.19**
Inferred Mineral Resource	21.32	0.24	0.16	21.32	0.24	0.16
Total Mineral Resources	**879.22**	**0.27**	**7.58**	**855.77**	**0.27**	**7.35**

Source: The RVN Group, 2022

Notes:

1. Mineral Resources are reported inclusive of Mineral Reserves.
2. Mineral Resources have been reported in accordance with the classification criteria of Subpart 1300 of Regulation S-K.
3. Mineral Resources were estimated using the USD1,823/oz, ZAR15.60/USD, ZAR914,294/kg financial parameters and recoveries in Table 11.2.
4. The reference point for the Mineral Resource is in situ.
5. Quantities and grades have been rounded to two decimal places; therefore, minor computational errors may occur.
6. No geological losses were applied to the Mineral Resources.
7. Attributable Mineral Resource is 100% of the total Mineral Resource.

Table 1.2: Ergo's Mineral Resource Statement as at 30 June 2022 (Exclusive)

Mineral Resource Classification	Mineral Resource as at 30 June 2021 (Exclusive)			Mineral Resource as at 30 June 2022 (Exclusive)		
	Tons (Mt)	Au (g/t)	Contents (Moz)	Tons (Mt)	Au (g/t)	Contents (Moz)
Measured Mineral Resource	-	-	-	66.04	0.26	0.55
Indicated Mineral Resource	574.95	0.25	4.61	375.41	0.25	3.02
Sub-total Measured and Indicated Mineral Resource	**574.95**	**0.25**	**4.61**	**441.45**	**0.25**	**3.57**
Inferred Mineral Resource	21.32	0.24	0.16	21.32	0.24	0.16
Total Mineral Resources	**596.27**	**0.25**	**4.77**	**462.77**	**0.25**	**3.73**

Source: The RVN Group, 2022

Notes:

1. Mineral Resources are reported exclusive of Mineral Reserves.
2. Mineral Resources have been reported in accordance with the classification criteria of Subpart 1300 of Regulation S-K.
3. Mineral Resources were estimated using the USD1,823/oz, ZAR15.60/USD, 914,294ZAR/kg financial parameters and recoveries in Table 11.2.
4. The reference point for the Mineral Resource is in situ.
5. Quantities and grades have been rounded to two decimal places; therefore, minor computational errors may occur.
6. No geological losses were applied to the Mineral Resources.
7. Attributable Mineral Resource is 100% of the total Mineral Resource.

1.11 Mineral Reserve Estimate

The total Mineral Reserve estimate for Ergo is presented in Table 1.3. The changes in the Mineral Reserve from 30 June 2021 to 30 June 2022 is due to the inclusion of 192Mt at 0.24g/t Au from Daggafontein, the removal of 66Mt at 0.26g/t Au from Grootvlei, the depletion of 20Mt at 0.33g/t Au and the survey adjustments of 2.94Mt at 0.20g/t Au.

Table 1.3: Ergo's Mineral Reserve Statement as at 30 June 2022

Mineral Reserve Classification	Mineral Reserve as at 30 June 2021			Mineral Reserve as at 30 June 2022		
	Tons (Mt)	Au (g/t)	Contents (Moz)	Tone (Mt)	Au (g/t)	Contents (Moz)
Proven Mineral Reserve	29.36	0.295	0.28	200.21	0.33	2.09
Probable Mineral Reserve	253.59	0.311	2.53	192.79	0.24	1.49
Total Mineral Reserves	**282.95**	**0.309**	**2.81**	**393.00**	**0.28**	**3.58**

Source: The RVN Group, 2022

Notes:

1. Tons and grades were rounded and this may result in minor adding discrepancies.
2. Mineral Reserve has been reported in accordance with the classification criteria defined in the classification criteria of Subpart 1300 of Regulation S-K
3. Mineral Reserve is estimated using the USD1,823/oz, ZAR15.60/USD and ZAR914,294/kg financial parameters.
4. A cut-off grade of 0.20g/t has been applied.
5. No mining losses or dilution has been applied in the conversion process nor has a mine call factor been applied.
6. Tons and grade Run-of-Mine (RoM) as delivered to the plant.
7. Attributable Mineral Reserve is 100% of the total Mineral Reserve.

Table 1.4 depicts the Mineral Reserve reconciliation between 30 June 2021 and 30 June 2022.

Table 1.4: Mineral Reserve Reconciliation

Source	Tons (Mt)	Au Grade (g/t)	Content (Moz)
Total Mineral Reserve as at 30 June 2021	**282.95**	**0.31**	**2.81**
Depletion through Mining	(20.48)	0.33	(0.22)
Survey Adjustments	(2.94)	0.20	(0.01)
Inclusion of Daggafontein TSF in the LoM Plan	192.79	0.24	1.49
Exclusion of a Grootvlei TSF	(66.04)	0.26	(0.55)
Inclusion of 4 TSFs in the LoM Plan	6.72	0.26	0.06
Total Mineral Reserve as at 30 June 2022	**393.00**	**0.28**	**3.58**

Source: The RVN Group, 2022
Note: Quantities and grades have been rounded to two decimal places therefore minor computational errors may occur.

The various modifying factors, i.e., mining, metallurgical, processing, infrastructure, economic, marketing, legal, environmental, and governmental factors, are discussed in the following Items of this report.

The 30 June 2022 Life-of-Mine (LoM) plan was developed for the Ergo operations and is based on the Mineral Resource Estimate as at 30 June 2022 together with a set of modifying factors based on recent historical results and economic inputs provided by Ergo. The assumptions applied in determining the modifying factors and economic inputs are reasonable and appropriate. The LoM plan is sufficiently detailed to ensure achievability and is based on historical achievements. All the inputs used in the estimation of the Mineral Reserve have been thoroughly reviewed and can be considered technically robust.

The current mining methods applied by Ergo are suitable for all TSFs. No selective mining will occur with the entire TSF being processed (including Inferred Mineral Resources).

The Ergo processing plant targets a Run-of-Mine (RoM) throughput between 1.8Mtpm to 2.0Mtpm. The City Deep plant has been reconfigured to operate as a milling and pump station and feed the Ergo processing plant via a 50km pipeline. The City Deep plant processes material from mining areas of the Central Rand areas of Johannesburg and is scheduled to close in 2027. Mining areas of Germiston, and some areas of Boksburg are treated via the Knights plant, with mining operations scheduled to close in June 2024.

An average processing plant recovery of 40.9% has been estimated over the 19-year LoM. The recoveries are based on metallurgical test work for the various TSFs, slimes and silted wetland areas that are scheduled to be mined over the 19-year LoM plan.

The QP is of the opinion that all significant infrastructure and logistical requirements have been considered and costed. It is notable that Ergo has been operating for more than 20 years and has a very good understanding of infrastructural and logistical requirements.

A gold price of ZAR914,294/kg is used to support the 30 June 2022 Mineral Resource and Mineral Reserve statements. A gold price of USD1,823/oz and an exchange rate of ZAR15.60:1USD was used in the estimation process.

The gold price and exchange rates were considered reasonable by the QPs to support the Mineral Resource and Mineral Reserve estimates as at 30 June 2022.

Mining Rights, Environmental Approvals and Prospecting Rights held are listed under the Ergo subsidiary. Ergo has numerous Surface and Prospecting Rights and the ownership of the surface rights and mine TSFs vests in various legal entities. Ergo's Environmental Management Plan (EMP) encompasses all the activities of Ergo's

operations and assesses the environmental impacts of mining at reclamation sites, processing plants, TSFs and sand dumps. It also outlines the closure process, including financial provisions.

There are competing ownership claims on the Grootvlei and Marievale Complexes, as detailed in Item 3.6. On other TSFs, there are no legal challenges to Ergo's title that would prevent operations of any of the current mineral rights or mining operations.

A closure cost of ZAR645 million has been estimated in June 2022 for the Ergo operations. The QP is satisfied that funding for rehabilitation and mine closure is adequate. The QP is satisfied that all material issues relating to Environmental, Social and Governance have been addressed in this document.

A total capital of ZAR3.22 billion is scheduled to support the 19-LoM plan, as depicted. The breakdown of capital expenditure indicates that the majority of the capital, ZAR3.14 billion, is allocated to the Ergo operation over the duration of the LoM plan with an additional ZAR81.9 million allocated for the City Deep Complex. As the mining at the Knight section is scheduled to be completed in 2024 there is no allocation of capital. The level of accuracy for the capital expenditure is at least to a preliminary feasibility study (PFS) level of accuracy, (i.e., +/-25%) with a maximum level of contingency of 15%.

The planned average operating cost for the Ergo budget over the 19-year operations is estimated at a PFS level of accuracy (i.e., +/-25%) and a total working cost of ZAR90.86/t.

The 30 June 2022 19-year LoM plan, which is the basis of the Mineral Reserve estimate, is scheduled to mine a total of 410.33Mt at 0.28g/t and produce 50,658kg of gold over the same period. The LoM plan includes 17.3Mt of material that is treated on a third-party contract basis and is not included in the Mineral Reserve. The economic analysis is based on a LoM plan that is designed to a PFS level of accuracy (i.e., +/-25%). The economic analysis conducted by the QP indicates a net present value (NPV) of ZAR2.21 billion after capital expenditure and taxation utilizing a discount rate of 9.48%. As the Ergo operations are an on-going operation with an annual positive cashflow, the internal rate of return (IRR) and payback period are not applicable.

The sensitivity analysis of the Ergo LoM model varies revenue (price and grade), operating cost and capital expenditure at 5% increments above and below the base case. The analysis indicates that the Ergo operations are very sensitive to revenue parameters such as gold price, exchange rate, grade and recovery. In addition, the LoM is also very sensitive to changes in operating costs. The sensitivity analysis indicates that the LoM is not overly sensitive to capital and therefore, capital expenditure should be considered if the expenditure will reduce operating costs or increase revenue. The sensitivity analysis indicates that the achievement of the LoM Plan in terms of tonnage is critical in realizing the planned operating costs and being able to mine the individual TSFs at the planned cut-off grade.

1.12 Permitting Requirements

Ergo is one of only a few surface operators that holds Mining Rights under the MPRDA over a large portion of its reserves. The provisions of the MPRDA, and the definition of 'mineral' had inadvertently created a gap in the Act placing the 'minerals' in certain TSFs beyond the regulatory reach of the MPRDA and limiting its competency to issue rights upon application.

However, in terms of the transitional arrangements of the MPRDA, which were peremptory upon the DMRE in the event that the petitioner met the conditions for conversion from 'old order' to 'new order', Ergo was able to convert its old order rights, thus extending its "license to mine" into the dispensation introduced by the MPRDA. Ergo has also submitted applications to renew all its Mining and Prospecting Rights with the DMRE. The current Mining and Prospecting Rights have expired (with the exception of 7L4 TSF) but remain in force until such time that the renewal applications have been granted or refused by the DMRE. Water use licenses are applied for as and when required to remain compliant with relevant legislation.

Ergo complies with all the conditions for renewal and has no reason to believe that the submitted renewals would not be granted. Ergo is in constant communication with the DMRE and is submitting the required information as per their requests to finalize these renewal applications.

There are conflicting ownership claims to certain Grootvlei and Marievale TSFs which are detailed in Item 3.6.

1.13 Conclusion and Recommendations

The QP concludes that the protocols for drilling, sampling preparation and analysis, verification, and security meet industry standard practices and are appropriate for the purposes of a Mineral Resource estimate. The studies have found that the Ergo TSFs have reasonable prospects for economic extraction. The QP is satisfied with the Quality Assurance (QA) developed by The RVN Group and the Quality Control (QC) programs implemented as there was no significant bias in reporting data.

The QP contends that the assumptions, parameters, and methodology used for the Mineral Resource estimate are appropriate for the style of mineralization and deposit type.

There is sufficient information to allow for decision-making in the future. The QPs recommended no additional work.

The QP considers the conversion of Mineral Resources to Mineral Reserves to be appropriate. TSFs reported in this document have sufficient information to be used in Mineral Reserve estimate and demonstrate economic viability. The modifying factors applied are considered appropriate as they contain sufficient detail to support at least a PFS level of accuracy (i.e., +/-25%); with a maximum level of contingency of 15%.

The significant risks that could affect the Mineral Resource and Mineral Reserve are:

- rising electricity prices and the continuity of the Eskom supply distribution;
- regulatory approval for the Withok compartment of the Brakpan/Withok TSF final life design;
- the sensitivity of some of the TSFs to the increase in operating costs and the decrease in the gold price;
- social unrest and social license to operate;
- supply and cost of water;
- failure to obtain necessary approvals from the DMRE;
- competing claims to ownership of certain Marievale and Grootvlei TSFs;
- global inflation and rising production costs; and
- extreme weather.

2 Introduction

2.1 Project Background

Ergo Mining (Proprietary) Limited (Ergo) is a subsidiary of DRDGOLD Limited (DRDGOLD). DRDGOLD is domiciled in South Africa and listed on the Johannesburg Stock Exchange (JSE:DRD)and New York Stock Exchange (NYSE: DRD). DRDGOLD, a South African-based gold mining company, has a 100% share in Ergo.

The Tailings Storage Facilities' (TSFs') Mineral Resource and Mineral Reserve estimates declared in this Technical Report Summary (this Report/TRS) are owned by Ergo and are 100% attributable to DRDGOLD. The TSFs covered in the report are from the Crown, City Deep, Knights, Ergo, Marievale and Grootvlei Complexes, and 5A10/5L27 sand dumps and Daggafontein TSF. A total of 19 TSFs were identified by Ergo to be material properties and have been described extensively in this report. Ergo has a total of 98 TSFs inclusive of 79 smaller TSFs and clean-up sites.

The Mineral Resource and Mineral Reserve estimates contained in this Technical Report Summary were compiled and reported by the Qualified Persons (QPs) for DRDGOLD in accordance with Items 601(b)(96) and 1300 through 1305 of Regulation S-K (Title 17, Part 229, Items 601(b)(96) and 1300 through 1305 of the Code of Federal Regulations) promulgated by the Securities and Exchange Commission (SEC).

This document is the first submission of a Technical Report Summary under Subpart 1300 of Regulation S-K; thus, it is not an update of a previously filed Technical Report Summary.

The material TSFs are at different mining stages as presented below:

- **Crown (3L5, 3L7 and 3L8):** The TSFs are at an advanced exploration stage, with all TSFs classified as Indicated Mineral Resources.
- **City Deep (4L3, 4L4 and 4L6):** The Complex is at a development stage with all TSFs declared as Measured Mineral Resources and Proven Mineral Reserves.
- **Knights (4L14 and 4L50):** The Complex is at a development stage, with TSFs reported as Measured Mineral Resources and Proven Mineral Reserves.
- **Ergo (Rooikraal and 7L15):** The Complex is at a production stage with Measured/Indicated Mineral Resources and Proven/Probable Mineral Reserves declared.
- **Marievale (7L4, 7L5, 7L6 and 7L7):** The Complex is at a development stage with TSFs reported as Measured Mineral Resources and Proven Mineral Reserves.
- **Grootvlei (6L16, 6L17 and 6L17A):** The Complex is at an advanced exploration stage with two TSFs reported as Measured Mineral Resources and one TSF reported as Indicated Mineral Resources.
- **5A10/5L27 Sand Dumps:** The two sand dumps are joined. Measured Mineral Resource and Proven Mineral Reserve were declared. The sand dump is a production stage through trucking to Ergo Plant.
- **Daggafontein TSF:** The TSF is at a development stage, with a significant amount (192.79Mt) declared as Indicated Mineral Resource and Probable Mineral Reserve. A smaller amount (21.32Mt) of the material is reported as Inferred Mineral Resource due to inaccessibility because of the presence of surface water.

2.2 Terms of Reference and Purpose of the Technical Report

Ergo commissioned the QPs from The RVN Group (Proprietary) Limited (The RVN Group) to compile this Technical Report Summary to report their Mineral Resource and Mineral Reserve estimates.

This report details the results of the evaluation drilling, sampling, assaying, bulk density determination, surveying and metallurgical test work and the resultant Mineral Resource and Mineral Reserve estimations.

This document reports the Mineral Resource and Mineral Reserve estimates for the material TSFs. The TSFs in this report are clustered into complexes, with the exception of the 5A10/5L27 sand dumps and Daggafontein TSF, which are reported separately due to their size and location:

- Crown;
- City Deep;
- Knights;
- Ergo;
- Grootvlei;
- Marievale;
- 5A10/5L27; and
- Daggafontein.

This report is the first Technical Report Summary for DRDGOLD prepared under the SEC's Subpart 1300 of Regulation S-K disclosure requirements.

The effective date of the Mineral Resource and Mineral Reserve estimates for the TSFs is 30 June 2022. The QPs noted that there had been no material change to the information between the effective date and the signature date of the Report.

Ergo is a South African gold producer, recovering gold from the retreatment of surface tailings facilities located in the Central and Eastern areas of the Gauteng Province.

The RVN Group is a South African-based mining consulting firm that provides services and advice to the local and international mineral industries. Ergo has retained The RVN Group since 2016 to manage drilling activities, estimate Mineral Resources and Mineral Reserves and compile technical reports. The QPs from The RVN Group prepared this Technical Report Summary.

2.3 Participants and Areas of Responsibilities

The following personnel were nominated to the project team, and their specific areas of responsibility are shown in Table 2.1. The qualifications and appropriate experience of the authors are summarized in Table 2.1.

Table 2.1: List of QPs and their Responsibilities

Personnel	Company	Qualifications	Responsibility
Mpfariseni Mudau, Pr.Sci.Nat.	The RVN Group	B.Sc. (Hons) Geology, Graduate Diploma in Mining Engineering, M.Sc. Mining Engineering, B.Sc. Applied Mathematics and Statistics, SACNASP Registration No.: 400305/12	Item 1 to 11 and 20 to 25
Steven Rupprecht, FSAIMM	The RVN Group	B.Sc. Mining Engineering, Ph.D. Mechanical Engineering FSAIMM Registration No.: 701013	Item 1 and 12 to 19

Source: The RVN Group, 2022

The QP responsible for reporting and signing off on the exploration activities and Mineral Resource estimates is Mr Mpfariseni Mudau. Mr Mudau is a Professional Natural Scientist (with registration number 400305/12) registered with the South African Council for Natural Scientific Professions (SACNASP) with more than five years of experience relevant to the drilling, estimation and reporting of TSF Mineral Resources. Mr Mudau works for The RVN Group and is independent of Ergo and DRDGOLD.

The QP with responsibility for reporting and signing off of the Mineral Reserve estimates is Professor Steven Rupprecht. Professor Rupprecht is a Fellow of the Southern African Institute of Mining and Metallurgy (SAIMM with registration number: 701013) with more than five years of experience relevant to the estimation and reporting of TSF Mineral Reserves. Professor Rupprecht is an associate of The RVN Group and is independent of Ergo and DRDGOLD.

2.4 Sources of Information

Most of the technical information utilized for the preparation of this report was obtained from the drilling campaigns that The RVN Group supervised. Other technical information and engineering data were sourced from Ergo, their contractors and third-party reports available in the public domain. These sources are acknowledged in the body of the report and listed in Item 24.

Information provided by the registrant upon which the QPs relied is listed in Item 25.

In preparing the report, the QPs have relied upon contributions from a range of technical, financial, environmental and engineering specialists for the disciplines outside their expertise. Based on the support and advice from the specialists, the QPs consider it reasonable to rely upon the information/advice provided.

2.5 Site Inspection

Mr Mpfariseni Mudau visited the drilling projects on commencement, during, and completion of the drilling campaigns. These visits were conducted in 2016, 2017, 2018, 2019, 2020, 2021 and 2022. Mr Mudau further visited the sample sorting and storage facilities at the Ergo processing plant in Brakpan. On several occasions, Mr Mudau also visited MAED Metallurgical Laboratories (Proprietary) Limited (MAED) and SGS South Africa (Proprietary) Limited (SGS) where the samples were prepared and analyzed. Mr Mudau also visited the mining sites on several occasions.

The objectives of the site visits were to:

- familiarize the QP with the TSFs and the general infrastructure;
- inspect the drilling and sampling sites;
- conduct assessment of sampling methodologies, quality control processes and data validation;
- provide training and conduct planned task observations;
- validate the geological logging;
- inspect the sample storage area and the sample preparation methods;
- discuss and agree on the analytical method with the laboratories; and
- collection of database and additional technical information.

Steven Rupprecht conducted site visits to material and non-material TSFs in 2020, 2021 and 2022.

2.6 Units, Currencies and Survey Coordinate System

Unless otherwise stated, all figures included in this report are expressed in metric units. All geographic coordinates are UTM WGS84 system or LO29 Meridian. The elevation Datum is the mean sea level.

All monetary figures expressed in this report are in South African Rand (ZAR) and United States Dollar (USD).

A point is used as the decimal marker, and the comma is used for the thousand's separator (for numbers larger than 999).

Unless otherwise stated, the word 'tons' denotes a metric ton (1,000kg). Table 2.2 presents the abbreviations used in the report.

Table 2.2: List of Abbreviations

Units	Description
%	percentage
°	degrees
˚C	Degrees Centigrade
‘	minutes
“	seconds
µm	Micron
3D	three-dimensional
AAS	Atomic Absorption Spectroscopy
AMD	acid mine drainage
AMIS	African Mineral Standards
amsl	above mean sea level
Anglo Lab	AngloGold Ashanti Limited Chemical Laboratory
Au	gold
CIL	Carbon-in-Leach
cm	centimeter(s)
CoV	Coefficient of Variation
CRM	Certified Reference Material
Crown Mines	Crown Mines Limited
DMRE	Department of Mineral Resources and Energy
DRDGOLD	DRDGOLD Limited
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
EMPr	Environmental Management Program
Ergo	Ergo Mining (Proprietary) Limited

Units	Description
ERPM	East Rand Proprietary Mines Limited
Eskom	Electricity Supply Commission
g	gram(s)
g/l	grams per liter
g/t	grade grams per ton
Geografix	Geografix Surveys CC
GPS	Global Positioning System
ha	hectares = 100m-by-100m
HRD	Human Resource Development
IDW	Inverse Distance Weighting
InSAR	Interferometric Synthetic Aperture Radar
IRR	internal rate of return
ISO	International Organization for Standardization
JSE	Johannesburg Stock Exchange
kg	kilograms = 1,000 grams
kg/t	kilograms per ton
km	kilometer(s) = 1,000 meters
km^2	square kilometers
koz	kilo ounces= 1,000 ounces (troy)
kt	kilotons
ktpm	kilotons per month
LED	Local Economic Development
liter	Metric unit of volume = 1,000cm^3
LoM	Life-of-Mine
m	meter(s)
m^2	square meters
MAED	MAED Metallurgical Laboratories (Proprietary) Limited
mamsl	meters above mean sea level
mm	millimeter(s) = meter/1000
Moz	Million ounces (troy)
MR	Mining Right
Mt	Million metric tons
Mtpa	Million tons per annum
MWP	Mining Works Program
NaCN	sodium cyanide
NERSA	National Energy Regulator of South Africa
NN	Nearest Neighbor
NNR	National Nuclear Regulator
NPV	net present value
NYSE	New York Stock Exchange
oz	Troy ounces = 31.1034768 grams
pH	quantitative measure of the acidity or basicity of a solution
ppm	parts per million
PR	Prospecting Right
PWP	Prospecting Work Program
QA	Quality Assurance
QC	Quality Control
QP	Qualified Persons
RC	Reverse Circulation
RoM	Run-of-Mine
SANAS	South African National Accreditation System

Units	Description
SCADA	supervisory control and data acquisition
SEC	Securities and Exchange Commission
SGS	SGS South Africa (Proprietary) Limited
S-K 1300	Subpart 1300 of Regulation S-K under the U.S. Securities Exchange Act of 1934
SLP	Social and Labor Plan
t	metric ton = 1,000 kilograms
t/m^3	density - ton per cubic meter
TCTA	Trans-Caledon Tunnel Authority
The RVN Group	The RVN Group (Proprietary) Limited
this Report	Technical Report Summary
tons	metric tons = 1,000 kilograms
TPMS	Tailings Performance Management System
USD	United States Dollars
WGS84	World Geographic System 1984
WUL	Water Use License
ZAR	South African Rand

2.7 Independence

The QPs or The RVN Group received a fee for preparing this Technical Report Summary in accordance with standard professional consulting practice. The QPs or The RVN Group will receive no other benefit for the preparation of this report. Neither QPs, The RVN Group, nor any of its employees and associates employed in the preparation of this report has any pecuniary or beneficial interest in Ergo, DRDGOLD, or their associates.

The QPs consider themselves independent.

3 Property Description

3.1 Location and Operations Overview

Ergo is reclaiming TSFs in the City of Johannesburg and the City of Ekurhuleni, Gauteng, South Africa. The Crown and City Deep Complexes are located in the City of Johannesburg while all other TSFs and the sand dumps are located in the City of Ekurhuleni, as shown in Figure 3.1.

This TRS covers a total of 18 material TSFs of varying sizes and one sand dump. The smaller TSFs or clean-up sites (79 in total) are not extensively covered in this report for various reasons: they are not material as most are too small while others are not part of an immediate plan to be included in the Life-of-Mine plan by Ergo (e.g., Fleurhof Complex). The 18 material TSFs and one sand dump contribute approximately 89% of the total Mineral Resource, while the remaining 79 smaller TSFs and clean-up sites only contribute 11% to the total Ergo Mineral Resource estimates. Of the total Ergo Mineral Reserve declared, 92% contribution by tonnage is from the material properties. Thus, Ergo considers the 79 smaller TSFs and clean-up sites not material (Figure 3.2).

The sand dumps (5A10 and 5L27) are combined to form one elongated structure of varying heights. The two small dumps on the north and east are known as 5L27 and the center sand dump is 5A10. These dumps are joined and have similar properties. They were modelled as 5A10/5L27 but then separated for reporting Mineral Resource estimate.

Of the total material properties, 18 are slime TSFs and one is a sand dump (5A10/5L27). Slime is a very fine material, while sand is course-grained.

The areas occupied by the 18 material TSFs and a sand dump are shown in Table 3.1. Engineering parameters and topography determined the size and shapes of the properties at the time of deposition of the waste products from the respective processing plants.

Table 3.1: Footprint Areas of the Material TSFs

TSF	Centre Coordinates	Area (ha)	Maximum Height (m)
Crown			
3L5 (Diepkloof)	26^{0}13’34.95”S, 27^{0}57’09.70”E	130.00	67.50
3L7 (Mooifontein)	26^{0}13’35.85”S, 27^{0}13’35.85”E	87.00	88.50
3L8 (GMTS)	26^{0}14’23.75”S, 27^{0}58’07.91”E	147.00	94.50
City Deep			
4L3	26°13'51.72"S, 28° 5’50.63”E	36.61	40.50
4L4	26°13’59.91”S, 28° 6’9.99”E	23.81	16.50
4L6	26°13’59.56”S, 28° 7’15.02”E	27.15	19.50
Knights			
4L14	26°12'23.76"S, 28° 8'54.38"E	10.27	37.50
4L50	26°15'18.78"S, 28°13'8.60"E	68.03	40.50
Ergo			
Rooikraal	26^{0}21’48.16” S, 28^{0}17’40.88”E	141.04	47.50
7L15	26°19'49.59"S, 28°24'46.01"E	73.28	37.50
Marievale			
7L4	26°19'30.94"S, 28°30'5.07"E	133.48	25.00
7L5	26°19'55.08"S, 28°30'3.08"E	26.91	22.50
7L6	26°19'56.20"S, 28°30'22.96"E	46.73	34.50
7L7	26°20'51.49"S, 28°30'5.43"E	47.00	13.50
Grootvlei			
6L16	26°14'31.94"S, 28°28'55.51"E	112.13	31.50
6L17	26°13'18.99"S, 28°29'23.20"E	110.02	40.50
6L17A	26°14'0.25"S, 28°29'42.67"E	85.05	25.50
5A10/5L27			
5A10/5L27	26°13'9.79"S, 28°23'51.84"E	202.00	68.00*
Daggafontein			
Daggafontein TSF	26^{0}17’56.48” S, 28^{0}31’55.10”E	462.21	64.50
Total Area (ha)		**1,969.72**	

Source: The RVN Group, 2022

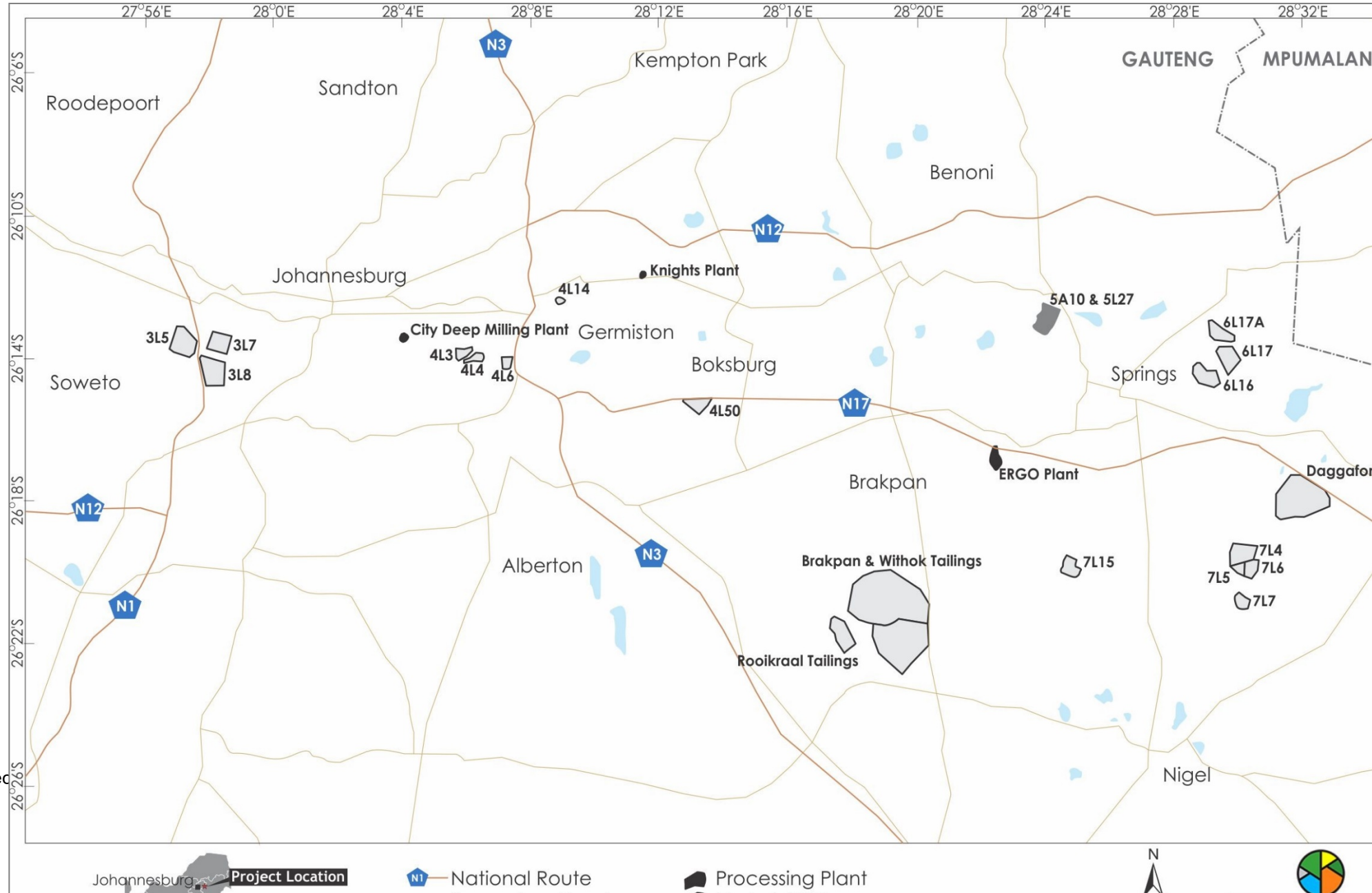
Note: *estimated height as drilling could not reach the base of the sand dump, only drilled up to 52.5m

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Figure 3.1: Location of the Material TSFs and Infrastructure (the material properties of Ergo)

THE RVN GROUP

Together, we can achieve zero harm



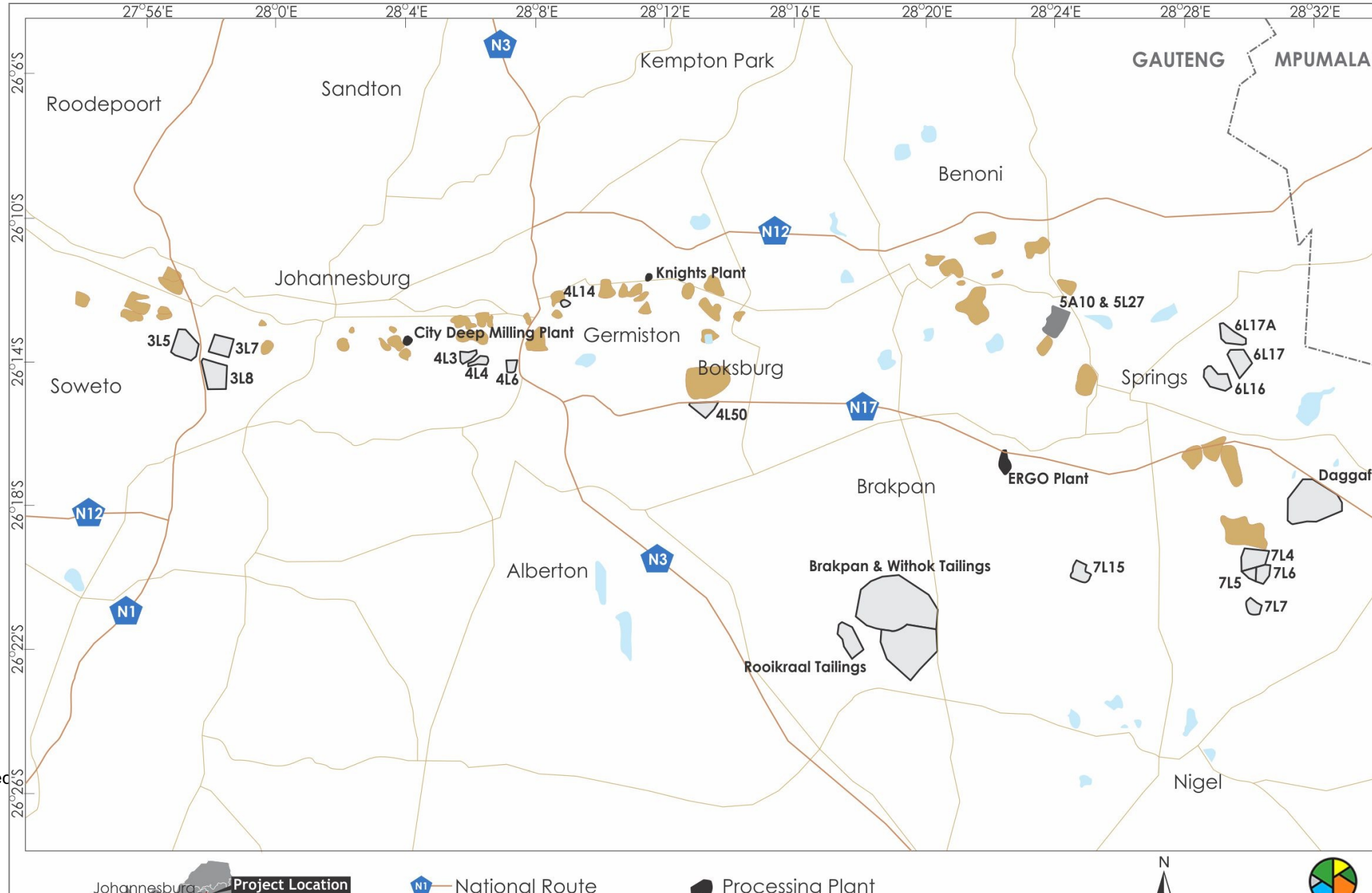
Tec

Source: The RVN Group, 2022

Figure 3.2: Location of the Material Properties in Relation to the Smaller TSFs and Clean-up Operations

THE RVN GROUP

Together, we can achieve zero harm



Source: The RVN Group, 2022

Other material properties of Ergo include:

- Knights Plant;
- Ergo Plant;
- Brakpan/Withok TSF;
- pump stations;
- a network of pipelines;
- City Milling Plant;
- Central Water Facility; and
- solar power project.

3.2 Mineral Rights Conditions

TSFs are in most instances considered movable, and capable of being owned under the common law separately from land. As such they are distinguishable from underground minerals, which can no longer be individually owned in South African but in respect of which the Department of Mineral Resources and Energy (DMRE) may issue Mining Rights in terms of the MPRDA of 2002 (MPRDA), as amended. The construct of the MPRDA caused the minerals in certain TSFs to therefore fall outside the regulatory reach of the MPRDA. The transitional arrangements of the MPRDA provided for existing operations however, to convert old order rights (Mining Licenses held under the previous dispensation) to new order rights. Ergo successfully converted its old order licenses to Mining Rights, and is seeking to consolidate them into a single right. Now, in terms of reserves in TSFs over which there were no old order rights, Environmental Approvals are obtained from the DMRE for the retreatment of such TSFs – a somewhat pragmatic, yet administratively competent means of overcoming the drafting gap in the MPRDA.

For an exploration project, a Prospecting Right (PR), valid for five years, is issued, and for a mining operation, a Mining Right (MR) valid for up to 30 years, is issued. The PR, which is conducted in terms of a Prospecting Work Program (PWP), is renewable for a further three years. The MR is undertaken in terms of the Mining Works Program (MWP), Social and Labor Plan (SLP), and an approved Environmental Management Program (EMPr)which can be renewed for a further 30 years. A PR or MR may be cancelled or suspended subject to Section 47 of the MPRDA.

The MPRDA makes provisions relating to the ownership and Broad-Based Socio-Economic Empowerment Charter. A shareholding, equity, interest or participation in the mining right or joint venture, or a controlling interest in a company/joint venture may not be encumbered, ceded, transferred, mortgaged, let, sublet, assigned, alienated, or otherwise disposed of without the written consent of the Minister, except in the case of a change of controlling interest in listed companies.

The SLP is submitted to the DMRE every five years for approval, while the SLP's annual progress report is submitted annually to the DMRE.

The Environmental Management Plan (EMP) and Water Use License (WUL) are assessed for compliance annually.

3.3 Mineral Title

Ergo title in its TSFs is vested in either common law ownership or private treaty and it holds either Mining and Prospecting Rights as presented in Table 3.2 or Environmental Approvals in respect of the same. Ergo has submitted applications for the renewal of its mining rights and prospecting rights. The renewal applications were made to the DMRE on different dates per mining right. Ergo is in the process of a consolidation of its mining rights and as such has applied to extend the mining period for a further 30 years through its consolidated mine works program. The period of 30 years is the maximum period allowable for a Mining Right renewal as detailed in the MPRDA, as amended.

This report has considered Section 24(5) of the MPRDA, as amended:

''A mining right in respect of which an application for renewal has been lodged shall despite its expiry date remain in force until such time as such application has been granted or refused.''

The same applies to the prospecting right (section18(5) of the mentioned Act).

Freehold landowners are presented in Table 3.3. Ergo owns a significant portion of freehold where the TSFs and sand dumps are located. Where Ergo does not own the property, use and access agreements are in place with third-party landowners, with the exception of the landowner on which certain of the Marievale dumps are situated. Access to the TSFs for Prospecting Right purposes is enabled through the provisions in the MPRDA.

Table 3.2: Mineral Rights Information as at 30 June 2022

Complex	Permit Holder	Permit Type	Reference Number with the DMRE	Expiry Date	Renewal Submission Application Date	Renewal Reference Number with the DMRE
Crown	Ergo	Mining Right	GP184MR	20/06/2014	24/03/2014	GP 10022 MR
City Deep	Ergo	Mining Right	GP185MR	20/06/2014	24/03/2014	GP 10023 MR
Knights	Ergo	Mining Right	GP187MR	20/06/2018	13/03/2018	GP 10067 MR
Ergo	Ergo	Mining Right	GP158MR	27/10/2021	23/07/2021	GP 10097 MR
Marievale (7L4)	Ergo	Prospecting Right	GP10348	19/02/2022	Not applicable	Not applicable
Marievale (7L5, 7L6 and 7L7)	Ergo	Common Law Ownership	Not applicable	Not applicable	Not applicable	Not applicable
Grootvlei	Ergo	Prospecting Right	GP10044PR	21/04/2019	28/03/2019	GP 10592 PR*
5A10/5L27	Ergo	Mining Right	GP158MR	27/10/2021	23/07/2021	GP 10097 MR
Daggafontein TSF	Ergo	Mining Right	GP158MR	27/10/2021	23/07/2021	GP 10097 MR

Source: DRDGOLD, 2022

Table 3.3: Land Tenure Information

Reclamation Sites	Surface Rights Owner
Crown Complex	Ergo and Innovative Property Solutions(iPROP)
City Deep Complex	Ergo and IPROP
Knights Complex	Ergo, Abland, Living Africa and EMM
Ergo Complex	Ergo and Ekurhuleni Metropolitan Municipality
Marievale Complex	Ergo, Ekurhuleni Metropolitan Municipality, Scarlet Sun and STI Consulting
Grootvlei Complex	Ekurhuleni Metropolitan Municipality and various private owners
5A10/5L27 Sand Dump	Marcon Group
Daggafontein TSF	Ergo

Source: DRDGOLD, 2022

3.4 Violation and Fines

Ergo has no fines resulting from violating the mineral rights conditions.

3.5 Royalties

Ergo is not required to pay royalties to the State, nor does it receive royalties from any other operation. Royalties in South Africa are guided by the Mineral and Petroleum Resources Royalty Act, 2002 (Act No. 28 of 2008) (MPRRA).

Ergo does not pay royalty on the retreatment of TSFs and sand dumps as the treatment of TSFs and sand dumps does not trigger the requirement to pay royalties.

3.6 Legal Proceedings and Significant Encumbrances to the Property

The QP was advised by Ergo that there are no material legal challenges concerning its Mineral Resource and Mineral Reserve, except for Grootvlei and Marievale Complexes. The QPs find it reasonable to rely on the legal opinion provided by Ergo.

From the documentation reviewed and input by the relevant Technical Specialists, the QPs could not identify any significant factors or risks with regards to the title permitting, surface ownership, environmental and community factors that would prevent the evaluation or economic extraction of the TSFs. The QPs were assured that Ergo Mining complies with all title and environmental permitting requirements. The QPs were informed by Ergo Mining that no significant factors or risks might affect access, title, or the right or ability to perform work on the TSFs, except for Grootvlei and Marievale Complexes.

Grootvlei Complex: Ergo has submitted a renewal application of its prospecting rights over Grootvlei dumps 6L16, 6L17 and 6L17A to the DMRE. During the 2022 financial year, an external party raised a conflicting claim of common law ownership of 6L16, 6L17 and 6L17A TSFs. Although the claim was based on common law ownership and no attempt has been made to set aside the prospecting rights over the TSFs, the Grootvlei TSFs have been excluded from the Mineral Reserves statement and the Life-of-Mine (LoM) plan but included in the Mineral Resources statement.

Marievale Complex: Ergo acquired the 7L5, 7L6 and 7L7 TSFs in terms of a written notarial executed deed of sale during 2019 and took possession of the TSFs on 8 April 2019. It has since also obtained the requisite National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA) regulatory approvals to retreat the said TSFs. During the 2022 financial year, the owner of the land on which 7L5, 7L6 and 7L7 are situated, an estimated 36,524t out of the total 54,114t comprising the Marievale cluster, notified Ergo that in its view, the said TSFs had acceded to the land and that it had become the owner of the TSFs. Ergo disputes the claim of legal title and the matter is to be referred to arbitration.

All ownership requirements were met when the TSFs were purchased by Ergo and therefore the TSFs are still included in the Mineral Reserves. Whilst Ergo has received confident legal advice on the merits of its claim, in the event that the arbitration goes against Ergo, its Mineral Reserves will reduce by 35.52Mt (0.35Moz at 0.29g/t). Inasmuch as it then enters into a commercial arrangement with the land-owner, the financial benefit of this portion of the Marievale cluster will be reduced by whatever benefit is agreed to in favor of the land-owner.

Ergo has a submitted renewal application to the DMRE for the prospecting rights it holds over 7L4 TSF. The entity (who holds common law ownership rights over the land on which the TSF is situated and the TSF itself) has agreed to relinquish ownership in favor of Ergo, provided that Ergo undertakes to:

- make a notional amount payment;
- suitably remove the TSF; and
- rehabilitate the land.

A draft contract stipulating the terms of such agreement is awaiting final signature.

4 Accessibility, Climate, Local Resources, Infrastructure and Physiography

4.1 Topography, Elevation and Vegetation

The project areas fall in the Grassland Biome of South Africa. The Grassland Biome is found on the high central plateau of South Africa and the inland areas of Kwazulu-Natal and the Eastern Cape.

The topography is mainly flat and elevation ranges between 1,560mamsl and 1,700mamsl.

Natural vegetation for the project is limited to areas outside the urban footprint. Within the urban environment where most of the TSFs are to be reclaimed, little vegetation occurs in its natural state.

The TSFs and sand dumps are situated in highly urbanized and industrialized areas with limited fauna and flora. The TSFs are man-made and the trees and grasses on the TSFs have been planted to prevent dust and erosion from the TSFs.

4.2 Access, Towns and Regional Infrastructure

The TSFs and sand dumps are situated in the Gauteng Province of South Africa, Gauteng is the most industrialized province in South Africa and the infrastructure is adequate. All the regional and on-site infrastructure that is required for mining is well established. There is a good supply chain for all necessary consumables and equipment in or near the mine sites.

The areas surrounding the mine sites have good health facilities (i.e., public and private hospitals) and education facilities (i.e., ranging from pre-primary to secondary and tertiary education levels).

A good road transportation system can be found in the area. The TSFs and sand dumps are well serviced by highways, paved regional roads and a network of dirt tracks that the Ergo utilized to access mining and project visits. The QPs consider access to the TSFs to be in good condition. For international supplies or travel, the OR Tambo and Lanseria International Airports, in Kempton Park and Lanseria respectively, are well-positioned to service Ergo.

Tele-communication on the TSFs and sand dumps is good for all major network providers. Most parts of the project areas are fully covered by the third or fourth generation (3G or 4G) wireless mobile telecommunications technology. Other areas are now covered by high-end 5G technology.

Item 15 presents the infrastructure in more detail.

4.3 Climate

A summer rainfall climate prevails in the areas. Summer rain occurs mainly in the form of thunderstorms with a mean annual precipitation of approximately 680mm, and evaporation is about 1,800mm per year. Winds are

generally light and blow predominantly from the northwest. Winters are cold and dry. Extreme weather conditions occur in the form of frost (2 to 20 occurrences per annum) and the occasional hailstorm.

The average annual temperature for the year is approximately 19˚C, with average maximum temperatures ranging between 22˚C and 32˚C and average minimum temperatures ranging between 2˚C and 18˚C. The hottest months are from December to February. During April and May, there is a noticeable drop in temperature, which signals the commencement of winter. The coldest months are June and July. Rains and temperature have minimal effects on operations.

The area generally has a high evaporation rate in the summer months from November to January. This gives rise to high relative humidity. Evaporation is greater in summer than in winter due to higher ambient temperatures.

There are no long-term associated climatic risks, other than those associated with climate change and global warming, and the operating season is year-round.

4.4 Infrastructure and Bulk Service Supplies

The TSFs and sand dumps are situated in the well-developed province of Gauteng and have the most major supplies. All the regional and on-site infrastructure that is required for mining and processing is well established. There is a good supply chain for all necessary consumables and equipment in or near the mine sites. Section 15 of this report details the infrastructure relevant to Ergo.

The TSFs and sand dumps are located near hospitals offering basic and advanced medical care.

The project areas are supplied with bulk electricity from the regional grid supplied by Eskom, the national power supplier, or by the local municipality. Like most parts of South Africa, the operations are affected by occasional load shedding implemented by Eskom during periods of constrained power generation.

Water to the TSFs and related infrastructure is supplied by Rand Water. Ergo recycles most of the water.

4.5 Personnel Sources

Where mining activities take place, Ergo has commissioned contractors to conduct mining and secure the TSFs. Where there are no mining activities, Ergo has employed contractors to maintain the TSFs (to minimize dust and monitor water levels on the TSFs and sand dumps) and security companies to secure the properties.

Ergo employees conduct site inspections on a regular basis of the project TSFs and sand dumps.

Should additional employees be required, the surrounding areas have a large semi-skilled and skilled workforce. The cities of Johannesburg and Ekurhuleni have a large source of talent for trades and technical management.

The majority of employees hired by Ergo are sourced from Gauteng Province, where all the properties are situated. Contractors and specialist consultants are also predominantly based in Gauteng Province.

5 History

5.1 Ownership

Anglo American Corporation commissioned the Ergo facility (processing plant) on the East Rand in 1977. The objective was to recover gold, uranium and produce sulfuric acid from surface tailings material via a metallurgical flotation process. In 1977 a carbon in leach (CIL) plant was added. In 1990, when the uranium market collapsed, the uranium plant and the larger of the two acid plants were closed down. In 1998 Ergo became part of Anglo Gold Limited (later Anglo Gold Ashanti Limited). In 2005 Ergo was closed down.

In 2007, Ergo (Pty) Limited was formed as a joint venture between DRDGOLD and Mintails to re-establish the tailings treatment operations. A year later (2008) re-commissioning of the plant started, and Ergo acquired the Mintails' stake in the gold recovery phase of the project. In 2009 a second feed line was brought into the Ergo plant from the Elsburg TSFs and the plant capacity doubled to 1.2 Mt per month. In 2010, DRDGOLD acquired the balance of Mintails' interest.

5.1.1 Crown Complex

Crown Mines Limited (Crown Mines), previously known as Rand Mines (Milling and Mining) Limited, belonged to Rand Mining Proprietary Group, which commenced retreatment operations in 1982. At least 90% of the Crown Complex material was deposited onto the Crown TSF Complex Facility by Crown Gold Recoveries, which retreated processed material originally mined from the historical mines in the area. The Crown complex is situated on the farm Mooifontein 225-IQ.

5.1.2 City Deep complex

City Deep belonged to Rand Mines (Milling and Mining) Limited and fell under the same group as Crown Gold Recovery. Records indicate that in 1986 City Deep Complex belonged to City Deep Rand Mines. Most of City Deep TSFs are located on the farms Elandsfontein 107-IR, Kliprivierfontein 106-IR and Doornfontein 92-IR.

5.1.3 Knight Complex

Most of the TSFs in the Knights complex were previously owned by Simmer and Jack dating back to 1986. Witwatersrand Gold Mine owned other TSFs.

5.1.4 Ergo Complex

The Ergo Complex was created by East Rand Proprietary Mines Limited (ERPM) around 1958. ERPM in Boksburg was established more than 125 years ago as an underground gold mining operation and produced gold from 1896 to 2008. ERPM had approximately 15 shafts in the Elsburg area, which were the primary sources of the tailings material deposited onto TSFs 4L47/48/49 and 50. The Ergo complex is situated on the farms Klippoortje 110-IR and 112-IR.

5.1.5 Marievale Complex

Marievale Complex was previously owned by Gencor Limited (General Mining Union Corporation) (Gencor) and operated by Marievale Consolidated Mines. The primary commodity was gold, and the secondary commodity was silver. The first year of production was 1939. Mining stopped in 1998. The Marievale complex is located on the farm Vlakfontein 281-IR.

5.1.6 Grootvlei Complex

Grootvlei was previously owned by Gencor and operated by Grootvlei Proprietary Mines Limited from 1967 to 1981 at an average grade of 5g/t of gold. The registered owner in 1986 was DUMPCO Limited. Mining stopped in 2005. Grootvlei is located on the farm Grootvlei 124-IR.

5.1.7 5A10/5L27

The Consolidated Modderfontein Mine deposited mine tailings on the 5A10/5L27 sand dump during the 1980s. Before then, the sand dump was owned by Government Gold Mine.

5.1.8 Daggafontein TSF

Daggafontein TSF was previously owned by Daggafontein Mines. Tailings deposition onto the TSF commenced around 1982 and ceased around 2002 when the mine ceased operations. Currently, the TSF is owned by Ergo.

5.2 Construction of the TSFs and Sand Dumps

The TSFs were constructed in accordance with the then Chamber of Mines guidelines and best practices at the time. The guidelines provided for a starter wall, toe drain and blanket drain. Gravity penstocks were provided on all TSFs, which were subsequently replaced with elevated penstocks during their operations. The final design heights for a ‘typical’ TSF operated using day-walls were generally between 30m and 100m.

All the TSFs were constructed as upstream TSFs. Upstream TSFs need to be raised slowly to allow the solid tailings time to dry and consolidate enough to support a new level of the TSF.

The sand dump material was deposited by trucks or cocopans.

Table 5.1 presents the history and status of TSFs and the sand dump. The TSFs and the sand dump are considered old, and the properties have been dormant for a considerable number of years.

Table 5.1: History and Status of the TSFs and Sand Dump

TSF/Sand Dump	Commissioned Date	Decommissioned Date	Status as at 30 June 2022	Age since becoming Dormant (Years)
Crown				
3L5	+/-1920	2009	Dormant	12
3L7			Dormant	
3L8			Dormant	
City Deep				
4L3	1965	1984	Development	37
4L4			Development	
4L6			Development	
Knights				
4L14	1960	2000	Dormant	21
4L50	1968	1998	Mining	NA
Ergo				
Rooikraal	1985	2012	Development	9
7L15	1964	1986	Dormant	35
Marievale				
7L4	1964	1998	Dormant	23
7L5	1964	1998	Dormant	23
7L6	1964	1998	Dormant	23
7L7	1964	1998	Dormant	23
Grootvlei				
6L16	1964	2005	Dormant	16
6L17		2005	Dormant	16
6L17A		2005	Dormant	16
5A10/5L27				
5A10/5L27	1960	1986	Mining	NA
Daggafontein				
Daggafontein	1970	2003	Dormant	17

Source: DRDGOLD, 2022

5.3 Previous Exploration and Mine Development

5.3.1 Previous Evaluation Drilling

Previous evaluation drilling was completed on the TSFs in the 1970s by Anglo-American, and from 2006 to 2008 by Ergo and Mintails SA (Proprietary) Limited. The QP was made aware of these activities, however the QP did not use data acquired before 2008 in this report as data quality assessment and validation could not be performed.

5.3.2 Previous Development

In 1976, the construction of the processing plant and associated infrastructure commenced and Ergo formally came into production on 25 February 1978.

Table 5.2 presents Ergo's production data over the last five years.

Table 5.2: ERGO Production History

Date	Tons Mined (Mt)	Yield Au (g/t)	Gold Produced (kg)	Gold Produced (koz)
30 June 2018	24.3	0.19	4,679	150
30 June 2019	23.2	0.19	4,493	144
30 June 2020*	20.2	0.20	3,989	128
30 June 2021	23.0	0.19	4,263	137
30 June 2022	22.1	0.19	4,156	134

Source: DRDGOLD, 2022
Note: *production was affected by COVID-19 national lockdown.

6 Geological Setting, Mineralization and Deposit

6.1 Regional Geology

The TSFs are man-made features, and mineral distribution reflects the artificial nature of the deposit. The materials are the waste products (tailings) of the mining and metallurgical process recovery from the Witwatersrand and Transvaal Supergroups gold deposits.

These tailings consist predominantly of quartz, lesser amounts of mica, chlorite, chloritoid, pyrite (1% to 2%) and low concentrations of gold, uranium and sulfur.

Gold was discovered in the conglomerates of the Witwatersrand sedimentary basin in about 1886.

The Witwatersrand Supergroup is aerially and structurally related to the underlying Dominion Reef System and the overlying Ventersdorp System. The Supergroup is an elongated sedimentary basin stretching some 320km in a north-easterly direction and 160km in a north-westerly direction. The upper portions of the Witwatersrand Supergroup contain quartz conglomerates that have been mined for their gold and uranium contents.

The Transvaal Supergroup is a stratigraphic unit consisting of clastic sediments, carbonates, banded iron formations and volcanics younger than the Witwatersrand Supergroup. It occasionally directly overlies the gold-bearing conglomerates of the Witwatersrand Supergroup where the Ventersdorp Volcanics have been eroded or were not developed. At the base of the Transvaal Supergroup is a conglomerate layer, the Black Reef, that has been mined for gold.

The operations are situated in the Witwatersrand Central Rand and East Goldfields. The East Goldfield are linked to the Central basin across a large monoclinal structure, the Springs Monocline. The major economic horizons mined were the South Reef together with Main Reef, Main Reef Leader and the Elsburg and Kimberley Reefs. The Black Reef, where mineralized, was also mined in the area.

6.2 Mineralization, Local and Property Geology

The TSFs has been processed through metallurgical plants that eject a residue (tailings) which is relatively uniform in terms of gold mineralization when compared with the natural deposit from which the material is derived. The variation between gold grades is small as the process residue dump was constructed in layers/benches. Grade variation primarily follows variations in the processing and, to a lesser extent, primary deposits characteristic. The gold mineralization is fairly well distributed throughout the TSF.

The TSFs are the by-product of the mineral recovery process. They took the form of a liquid slurry made of fine mineral particles – created when mined ore was crushed, milled and processed. The tailings were pumped to the TSFs which were constructed using earth dams. As the residue of the tailings gradually drained and became compacted, grass and other vegetation were planted to rehabilitate the environment.

The TSFs and sand dumps evaluated in this report originated from different sources or processing plants, as shown in Table 6.1.

Table 6.1: Origin of the TSF and Sand Dump Material

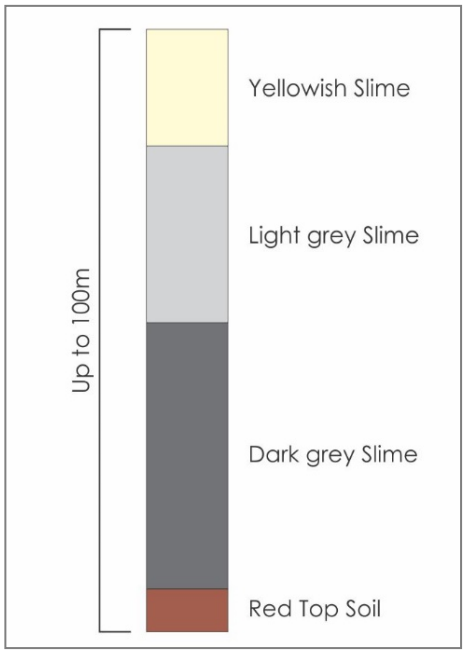
TSF/Sand Dump	Source Mine	Mined Reef
Crown Complex		
3L5	Crown Mines	Main Reef
3L7	Crown Mines	Main Reef
3L8	Crown Mines	Main Reef
City Deep Complex		
4L3	City Deep Gold Mine (Proprietary) Limited	Kimberley Reef
4L5	City Deep Gold Mine (Proprietary) Limited	Kimberley Reef
4L6	City Deep Gold Mine (Proprietary) Limited	Kimberley Reef
Knights Complex		
4L14	Simmer and Jack Gold Mine	Black Reef
4L50	Witwatersrand Gold Mine	Black Reef/Elsburg
Ergo Complex		
Rooikraal	Knights Plant	Residue from Knights Plant
7L15	Vlakfontein Mine	Black Reef
Marievale Complex		
7L4	Marievale Consolidated Mine	Kimberley Reef, Nigel Reef and Main
7L5	Marievale Consolidated Mine	Kimberley Reef, Nigel Reef and Main
7L6	Marievale Consolidated Mine	Kimberley Reef, Nigel Reef and Main
7L7	Marievale Consolidated Mine	Kimberley Reef, Nigel Reef and Main
Grootvlei Complex		
6L16	Grootvlei Proprietary Mines Limited	Kimberley Reef
6L17	Grootvlei Proprietary Mines Limited	Kimberley Reef
6L17A	Grootvlei Proprietary Mines Limited	Kimberley Reef
5A10/5L27 Sand Dumps		
5A10/5L27	Modderfontein East Mine	Main Reef Leader
Daggafontein TSF		
Daggafontein	Daggafontein Mine	Main Reef

Source: DRDGOLD, 2022

6.3 Stratigraphy and Cross-sections

Unlike the stratigraphy of the in situ mineral deposit, the stratigraphy of a TSF or sand dump is man-made. A typical stratigraphy is presented in Figure 6.1. Slime was deposited on soil (original ground level). The color of topsoil ranges from red to black. In some cases, soil is mineralized or enriched.

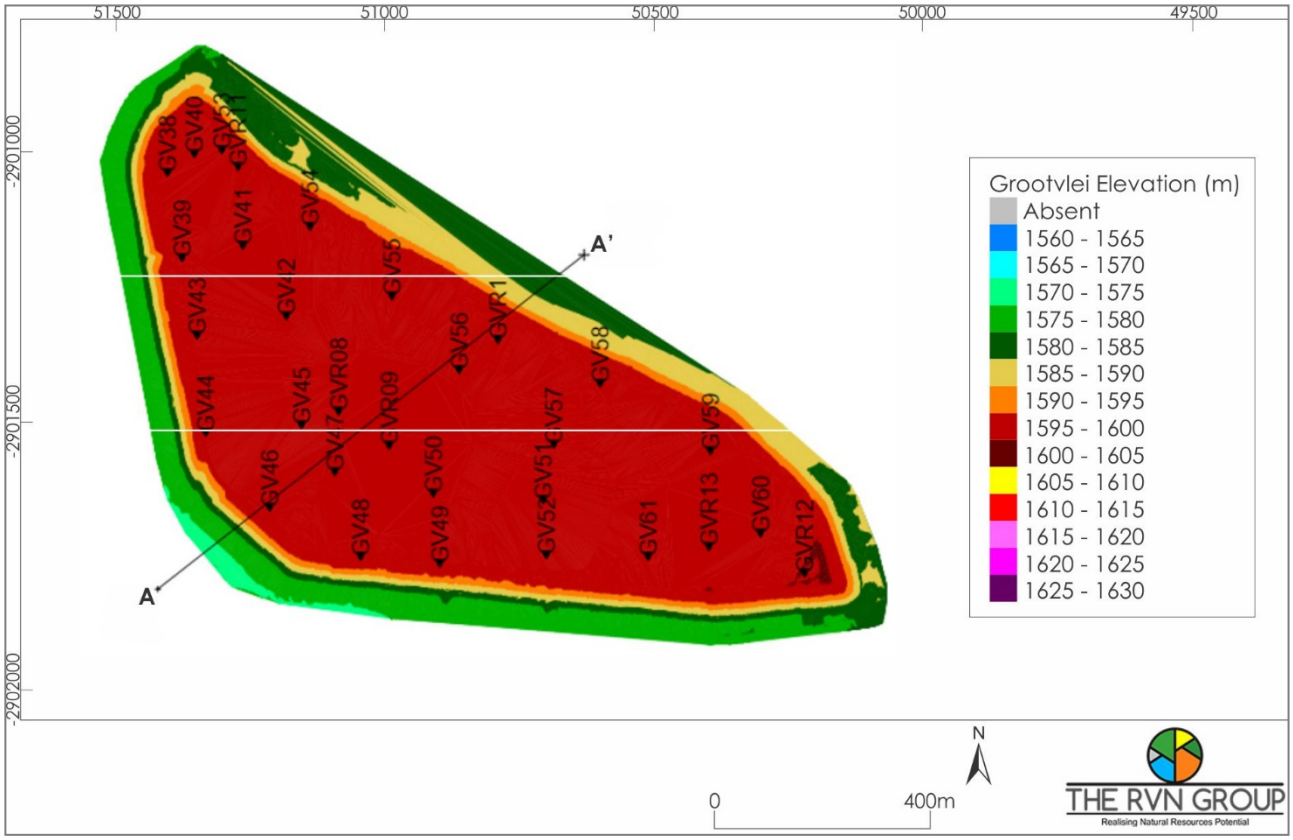
Figure 6.1: A Typical Stratigraphy for Ergo's TSFs



Source: The RVN Group, 2022

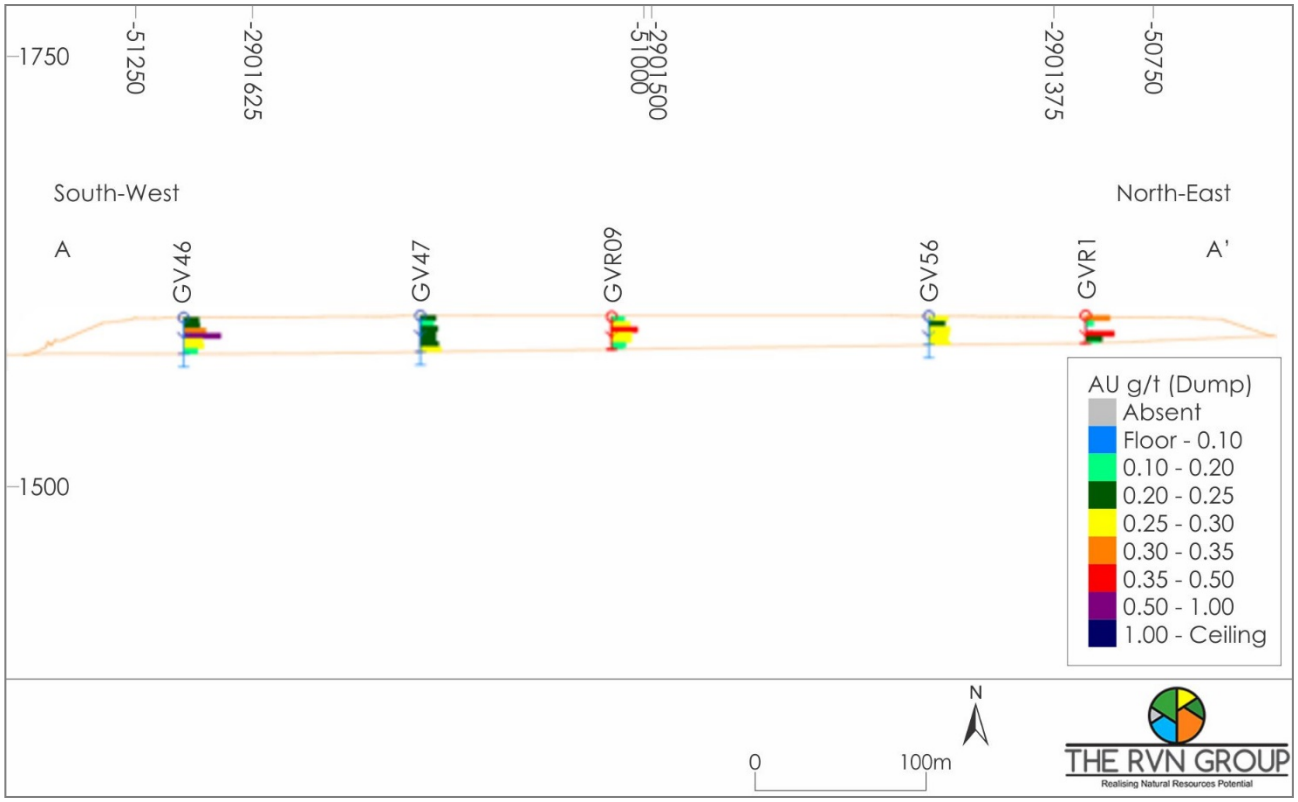
A typical cross-section of a TSF is shown in Figure 6.2 and Figure 6.3.

Figure 6.2: Grootvlei Complex (6L17) Map showing Location of Cross-section



Source: The RVD Group, 2022

Figure 6.3: Cross-section of the Grootvlei Complex (6L17)



Source: The RVN Group, 2022

6.4 Deposit Type

The deposits under consideration are man-made features that are sometimes referred to as dumps, tailing dams, or simply mine dams.

The TSF or sand dump generally lies above the prevailing ground level and there is no host rock. No geological or mineralization controls are relevant to the TSFs or sand dumps as they are man-made features.

The engineering design parameters determine the size and shape of the TSF or sand dump at the time of the deposition of the waste products from the respective plants.

7 Exploration

7.1 Exploration

The TSFs are man-made engineering features and typical exploration programs (geophysics, trenching, mapping and soil sampling) were not undertaken on the TSFs. An evaluation drilling program was conducted on the TSFs. No exploration work was required to locate the TSFs, as their locations are well known, rising well above ground level. The QP considered non-drilling exploration to be not material to the Ergo properties.

7.2 Topographic Surveys

The topographic surfaces of the TSFs were surveyed by Jaco van Staden, a qualified surveyor from Geografix Surveys CC (Geografix), using a differential Global Positioning System (GPS) unit. The method has an accuracy in the range of 10cm. The conventional survey equipment (total stations, prisms and related equipment) and GPS Real Time Kinetic systems were used to accurately determine the coordinated positions of the surface features as required to create a digital terrain model.

Daily calibration through transformation was completed to ensure the instruments reported accurate results. This standard procedure was performed daily before surveying. After surveying was conducted or when the day's work was completed, the calibration was rechecked through measurements of the benchmark points to confirm that the instruments measured the correct values. Data from survey measurements were checked through repeated measurements of selected points. No bias was identified.

Surveys were undertaken on a 10m grid and measurements were also taken on all breaker lines. An additional 10m to 20m outside the footprint of each TSF and sand dump was also surveyed.

No additional tailings material was deposited on the TSFs after the surveys were conducted. For the TSFs where mining is taking place (4L50 and 5A10/5L27), monthly surveys are completed, and the tonnage is depleted from the Mineral Resources and Mineral Reserves up to 30 June 2022. The details of the survey information are presented in Table 7.1.

The QP was satisfied to rely on the survey measurements as an accurate representation of the TSFs and sand dumps.

7.3 Evaluation Drilling

Evaluation drilling campaigns were completed on the TSFs and sand dumps. The drilling grid was not always regular due to access issues; however, the QP noted that drill holes were well spread. The well-spread drill holes ensured that the samples collected were representative of the respective TSFs and sand dumps.

7.4 Drilling Methodology

Two drilling techniques were followed by specialized independent drilling contractors on the TSFs. The Reverse Circulation (RC) method was implemented where the auger drilling technique could not drill to the base of the TSF due to drill hole length exceeding 55m or areas of high moisture content at the base of the TSF.

The QP was satisfied that all measures were taken to ensure that drilling, sampling and recoveries were acceptable and would not affect the accuracy and reliability of the results. The experienced geologists from The RVN Group monitored the drilling process. The QP made ad-hoc site visits during drilling and sampling. In the opinion of the QP, the processes followed were adequate for collecting quality samples and information for use in the interpretation of results and in the Mineral Resource estimation.

Table 7.1: Survey Details of the Material from the TSFs and Sand Dumps

TSF/Sand Dump	Area (ha)*	Date Surveyed**	Coordinate System, Datum
Crown			
3L5 (Diepkloof)	158.5	02/09/2013	WGS84 LO27, amsl***
3L7 (Mooifontein)	108.4	15/08/2013	WGS84 LO27, amsl
3L8 (GMTS)	159.3	20/09/2013	WGS84 LO27, amsl
City Deep			
4L3	33.9	15/05/2017	WGS84 LO29, amsl
4L4	20.6	08/06/2017	WGS84 LO29, amsl
4L6	44.2	15/06/2017	WGS84 LO29, amsl
Knights			
4L14	22.4	13/11/2015	WGS84 LO29, amsl
4L50	55.5	19/05/2017	WGS84 LO29, amsl
Ergo			
Rooikraal	136.8	23/05/2018	WGS84 LO29, amsl
7L15	97.6	23/05/2008	WGS84 LO29, amsl
Marievale			
7L4	116.3	19/01/2009	WGS84 LO29, amsl
7L5	31.1	08/01/2009	WGS84 LO29, amsl
7L6	62.0	20/01/2009	WGS84 LO29, amsl
7L7	69.1	22/01/2009	WGS84 LO29, amsl
Grootvlei			
6L16	127.9	15/05/2015	WGS84 LO29, amsl
6L17	130.7	15/05/2015	WGS84 LO29, amsl
6L17A	85.7	15/05/2015	WGS84 LO29, amsl
5A10/5L27			
5A10/5L27	56.7	26/02/2008	WGS84 LO29, amsl
Daggafontein			
Daggafontein TSF	476.9	12/08/2016	WGS84 LO29, amsl
Total Area (Ha)	**1,993.6**		

Source: The RVN Group, 2022
Note:
*area includes 10m outside the TSF footprint
**date before mining (4L50 TSF and 5A10/5L27 sand dump are surveyed monthly for production purposes)
***amsl is the abbreviation for above mean sea level

7.4.1 Auger Drilling

Auger drilling, a cost-effective method, was commissioned by Ergo on most of their TSFs for holes less than 55m and located within areas of lower moisture content.

With auger drilling, the rotation of a helical screw causes the blade of the screw to lift the sample to the surface. This drilling method does not require heavy machinery in order to drill to the desired depth. This auger method can be used for shallow environmental drilling, geotechnical drilling, soil engineering and mineral deposits where

the formation is soft and the hole does not collapse. This is done by pressing the spiral rods into the ground using a drilling head machine which can drill up to a depth of 55m.

Samples were collected through the spiral at every 1.5m interval and the spiral was cleaned with water and brushed clean after every run.

7.4.2 Reverse Circulation

RC drilling, with better sample recovery than auger drilling, is a method of drilling which uses dual wall drill rods consisting of an outer drill rod with an inner tube. These hollow inner tubes allow the drill cuttings to be transported back to the surface in a continuous, steady flow.

The drilling mechanism is often a pneumatic reciprocating piston called a hammer, which in turn drives a clay cutter, specifically made to cut soft material such as tailings and soil.

The clay cutter is used to remove samples that are pushed through the machine with compressed air. When air is blown down the annulus (ring-shaped structure) of the rod, the pressure shift creates a reverse circulation, bringing the tailings up the inner tube. When the tailings reach a deflector box at the top of the rig, the material is moved through a hose attached to the top of the cyclone.

The drill cuttings will travel around the cyclone until they fall through the bottom opening into a sample bag. These bags are sorted and marked with the location and depth where the sample was collected.

RC drilling technique can drill up to 1,500m deep. The other benefits of RC drilling include:

- more reliable and less contaminated samples than those from auger drilling;
- a high drill penetration rate;
- a larger sample size; and
- a more cost-effective method than diamond or sonic drilling.

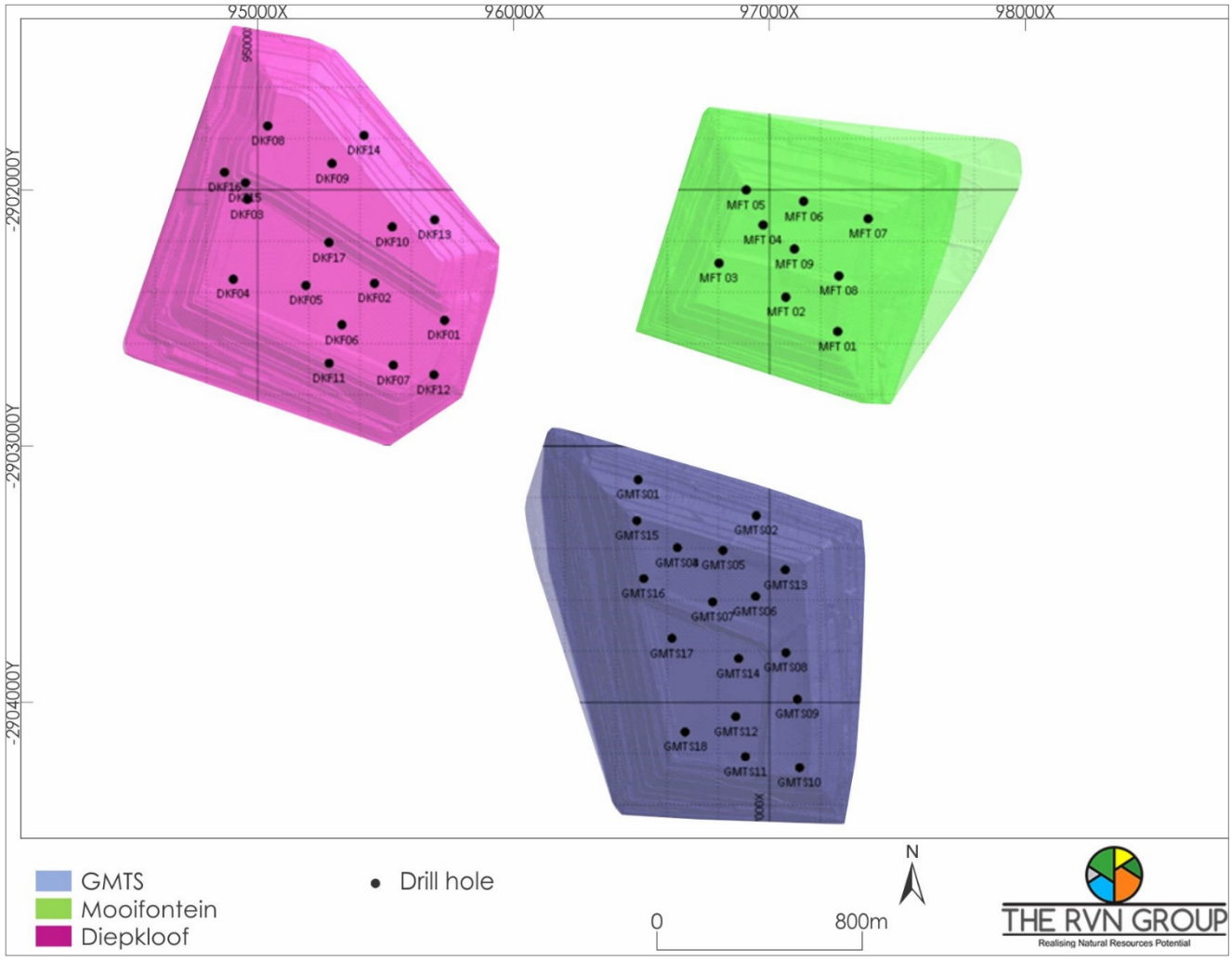
Samples were collected through the cyclone at 1.5m intervals and the rods and cyclone were cleaned with compressed air after every run.

The RC drilling technique was chosen because RC drilling could drill deeper holes than auger drilling. In addition, because of its higher power, RC drilling can drill through wet material and has a better recovery percentage than auger drilling, which is prone to losing wet samples through its spiral.

7.5 Crown

A total of 44 RC drill holes at approximately 200m-by-200m average grid were completed in 2017 on Crown Complex as shown in Figure 7.1Figure 7.8.

Figure 7.1: Crown Complex: Map showing drill hole Locations

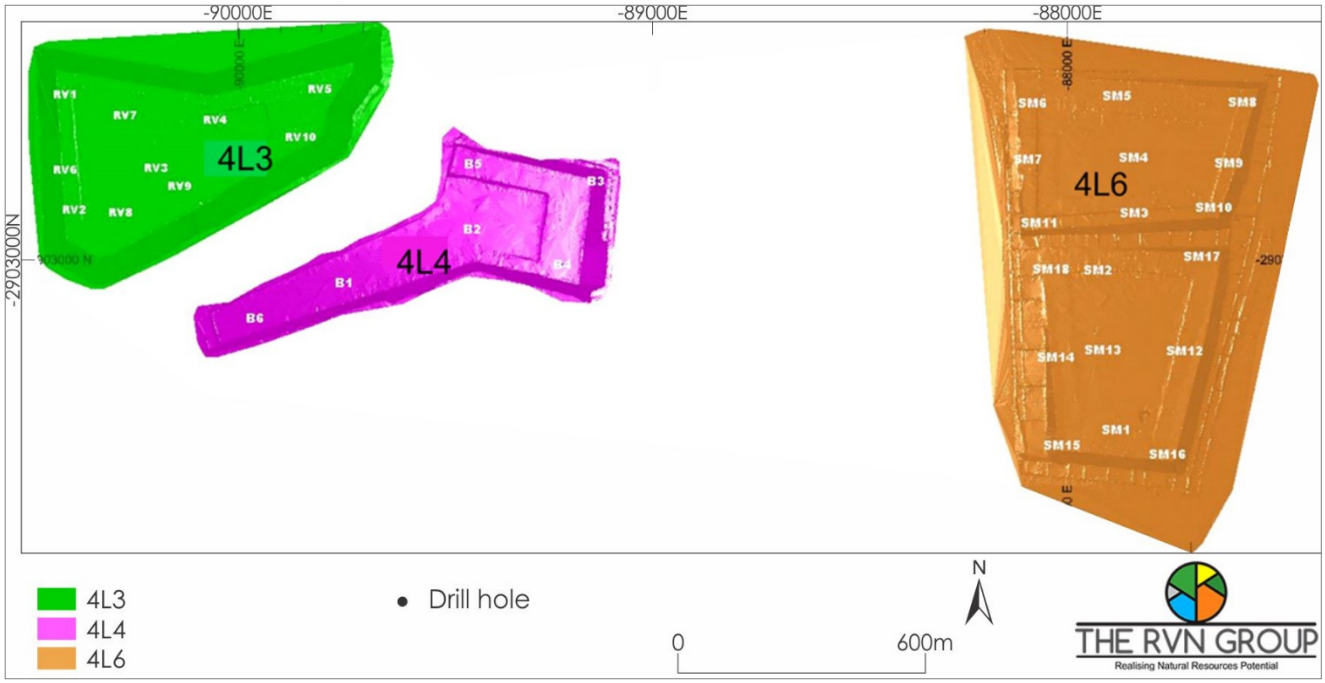


Source: The RVN Group, 2022

7.6 City Deep

A total of 27 auger drill holes between 100m and 200m spacing were completed in 2017 on the City Deep Complex, as shown in Figure 7.2.

Figure 7.2: City Deep Complex: Map showing Drill Hole Locations



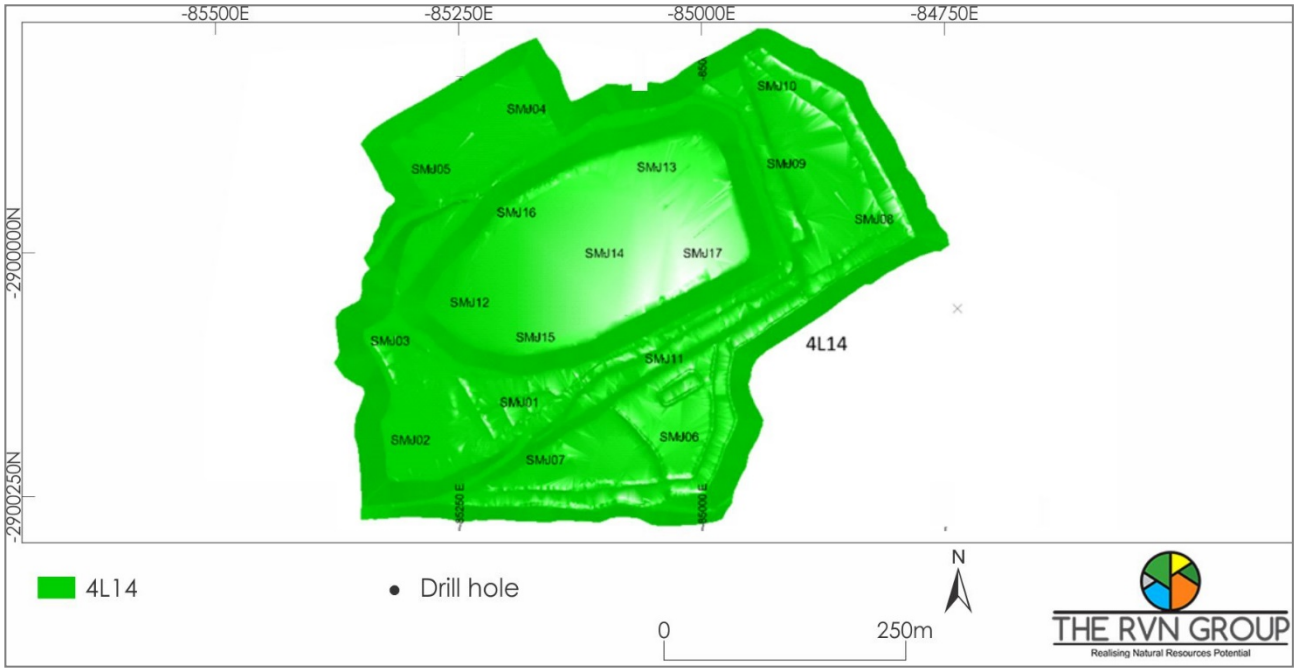
Source: The RVN Group, 2022

7.7 Knights

7.7.1 4L14

A total of 17 auger drill holes were completed on 4L14. The average drill hole spacing was 100m. Drill holes are well spread throughout the TSF as presented in Figure 7.3.The TSF has a maximum height of 37.5m. The intersected soil reported higher gold values; thus, the soil was modelled as a separate domain and added to the TSF's Mineral Resource.

Figure 7.3: Knights Complex - 4L14: Map showing Drill Hole Locations

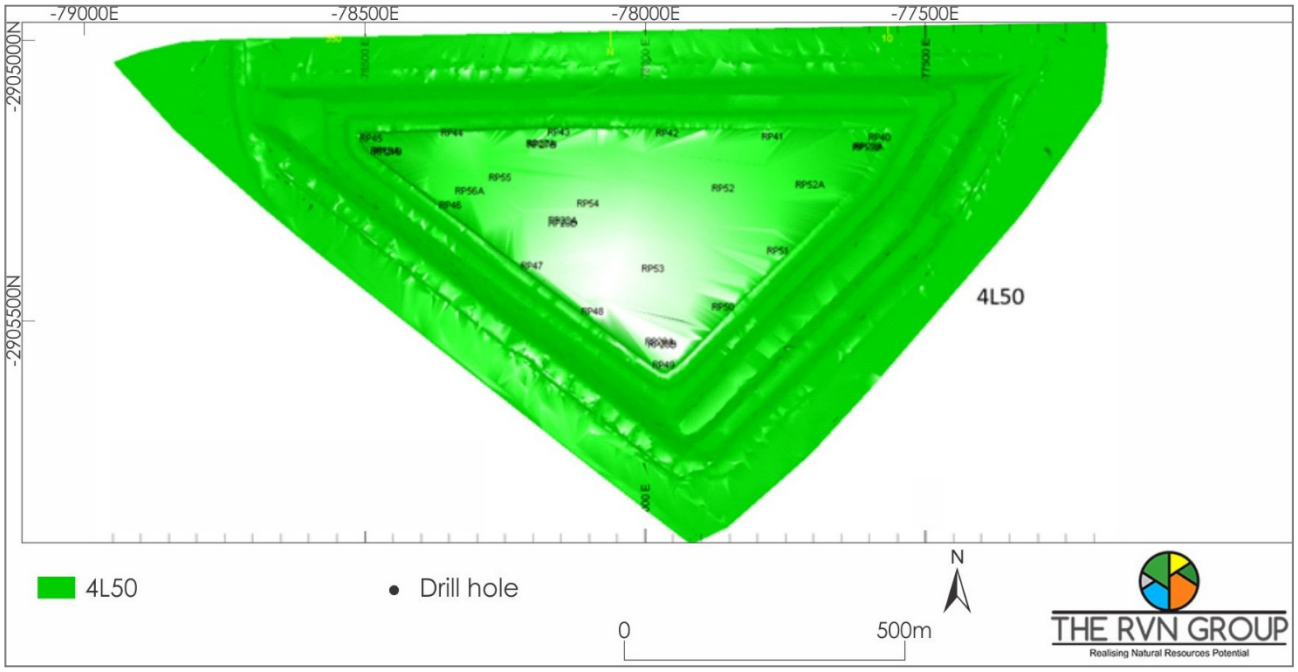


Source: The RVN Group, 2022

7.7.2 4L50

A total of 22 auger drill holes were completed on 4L50. The average drill hole spacing is between 50m and 100m. Drill holes are well spread throughout the TSF (Figure 7.4). The TSF has a maximum height of 40m. The average gold grade is 0.26g/t. Mining is ongoing on this TSF.

Figure 7.4: Knights Complex - 4L50: Map showing Drill Hole Locations



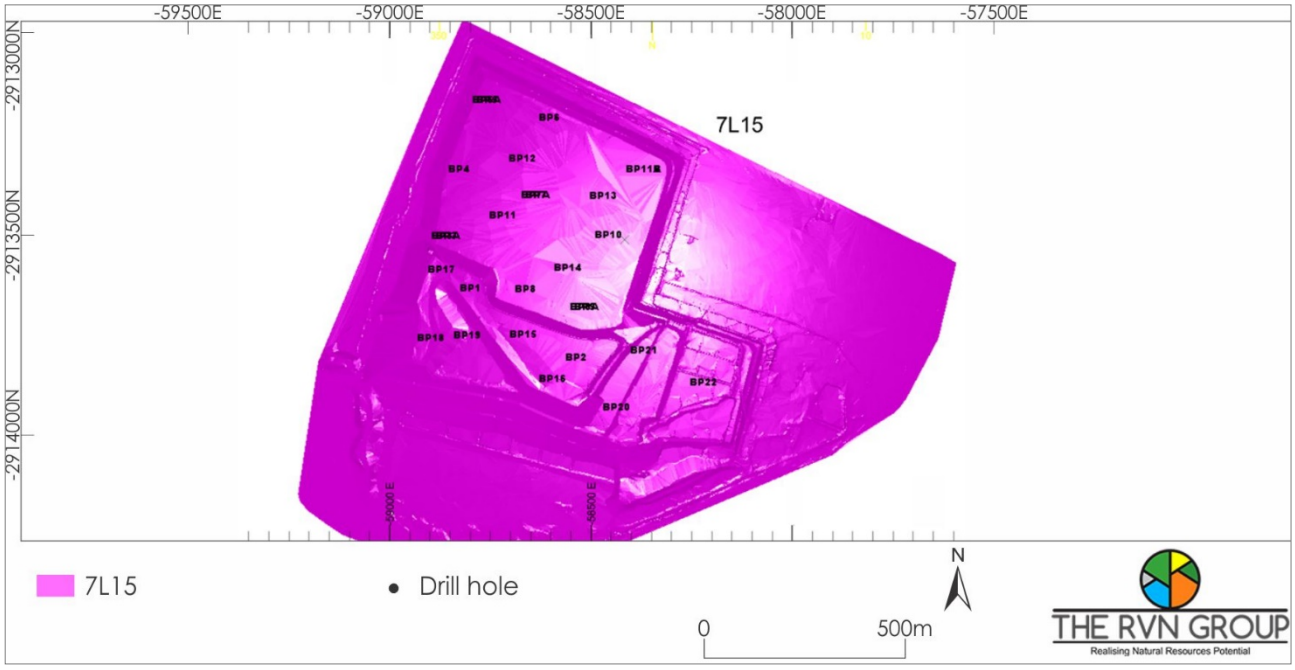
Source: The RVN Group, 2022

7.8 Ergo

7.8.1 7L15

A total of 22 auger drill holes were completed on 7L15. Some holes were twin holes to confirm the results obtained in previous drilling campaigns. The drill hole pattern has an irregular spacing averaging less than 100m (Figure 7.5).

Figure 7.5: Ergo Complex - 7L15: Map showing Drill Hole Locations

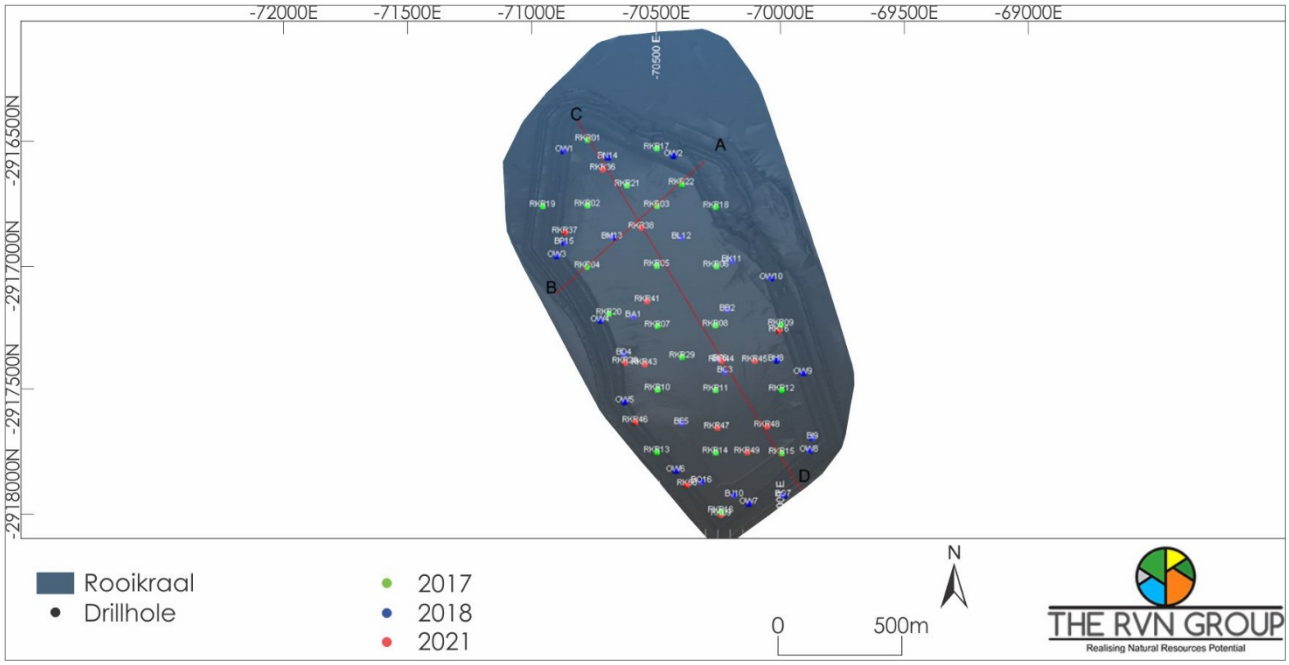


Source: The RVN Group, 2022

7.8.2 Rooikraal

A total of 64 RC drill holes were completed on Rooikraal. Irregular drill hole spacing was due to access challenges (Figure 7.6). An average drill hole spacing of less than 100m was achieved.

Figure 7.6: Ergo Complex - Rooikraal: Map showing Drill Hole Locations

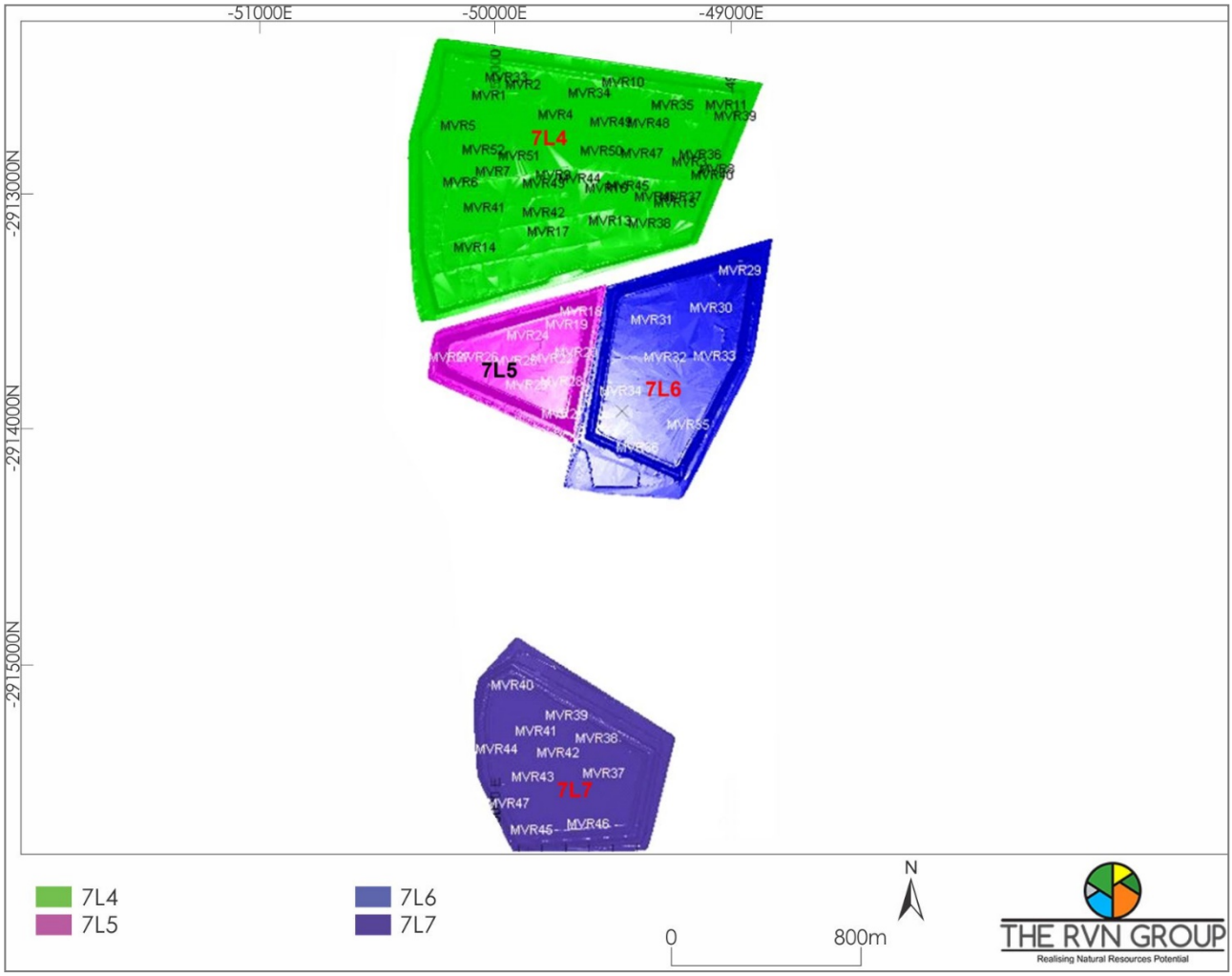


Source: The RVN Group, 2022

7.9 Marievale

A drill hole map for the Marievale complex is presented in Figure 7.7. Average spacing of 100m was followed. Auger drilling was done in 2020.

Figure 7.7: Marievale Complex: Map showing Drill Hole Locations

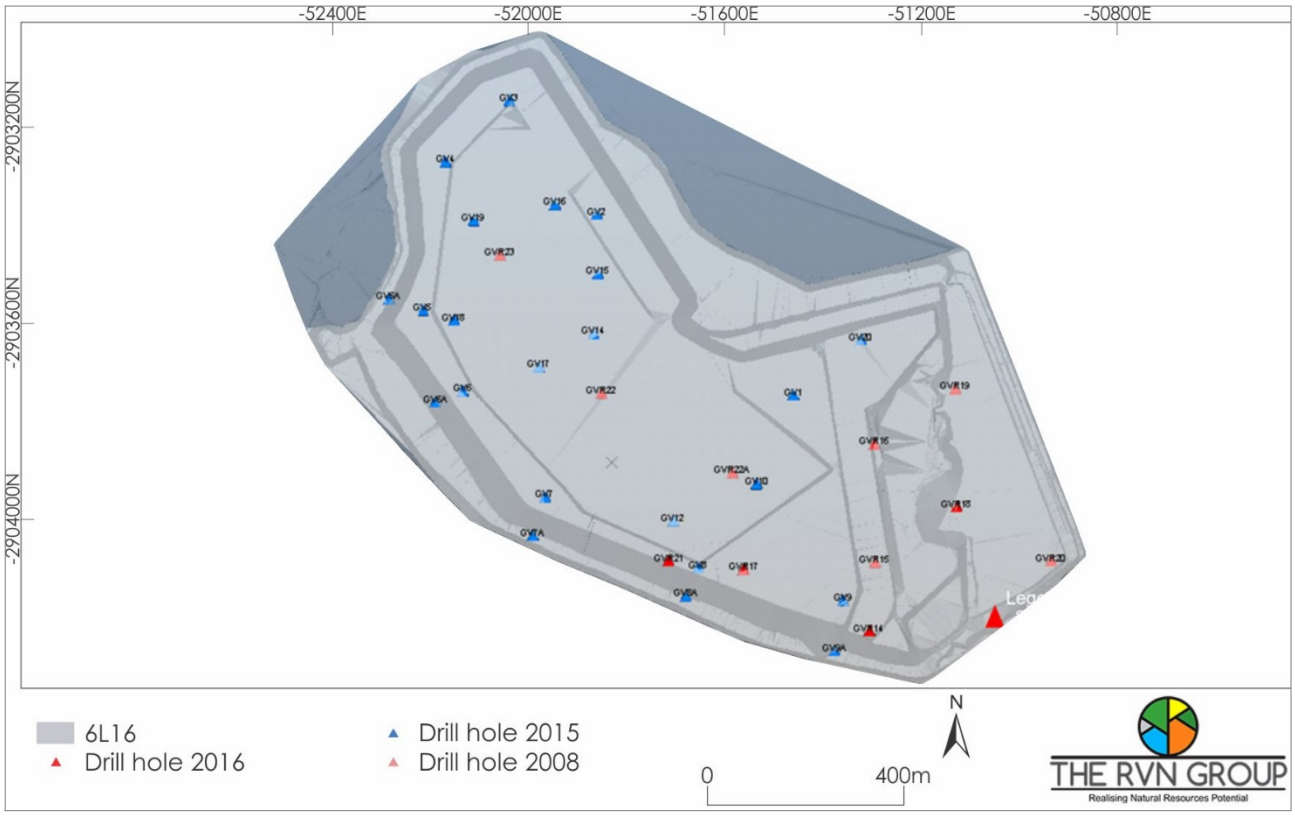


Source: The RVN Group, 2022

7.10 Grootvlei Complex

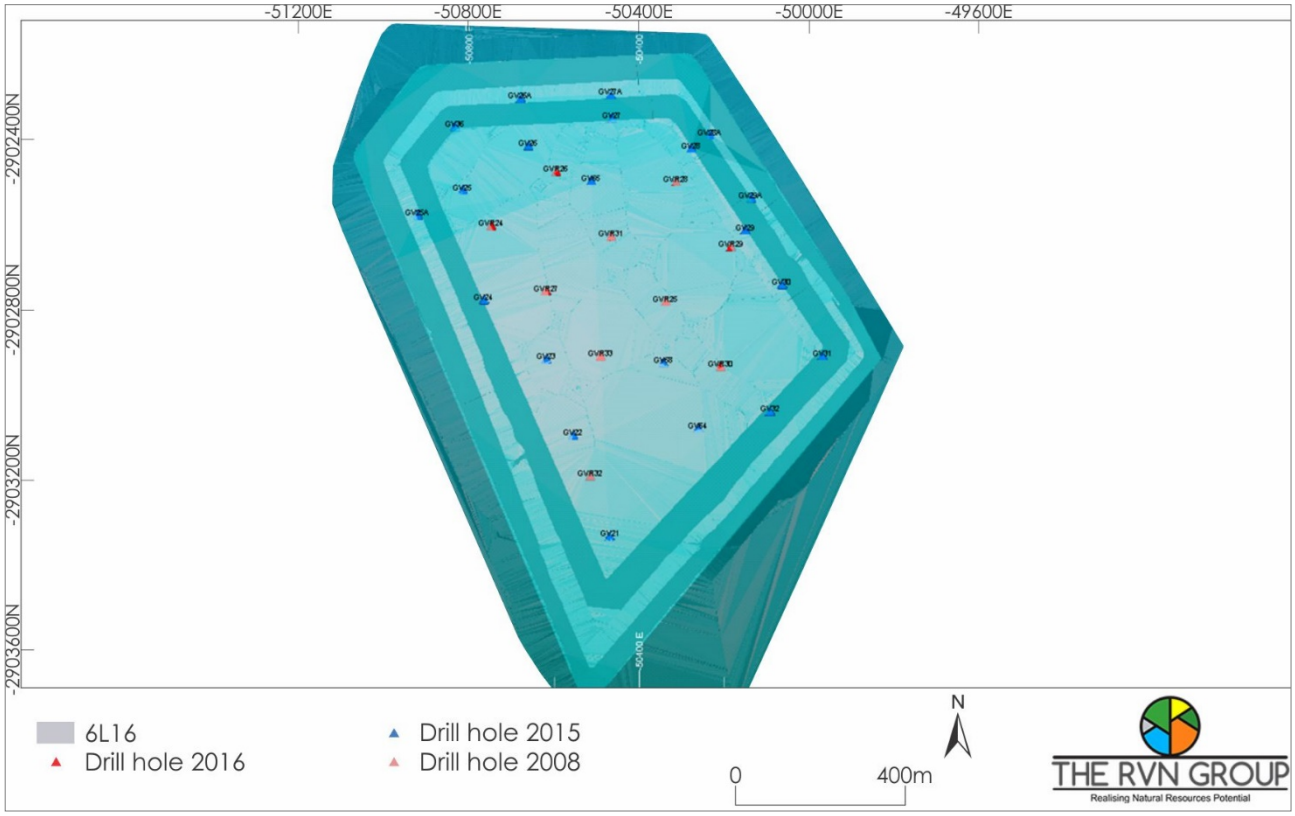
A total of 34, 31 and 39 drill holes were completed on 6L16, 6L17 and 6L17A respectively, as shown in Figure 7.8, Figure 7.9 and Figure 7.10. Drill holes completed in 2016 were a combination of auger and RC techniques. All previous campaigns (2008 and 2015) used the auger drilling technique. The grid spacing for 6L16 is approximately 200m-by-200m while 6L17 and 6L17A have a closer drill hole spacing of approximately 100m-by-100m.

Figure 7.8: Grootvlei Complex - 6L16: Map showing Drill Hole Locations



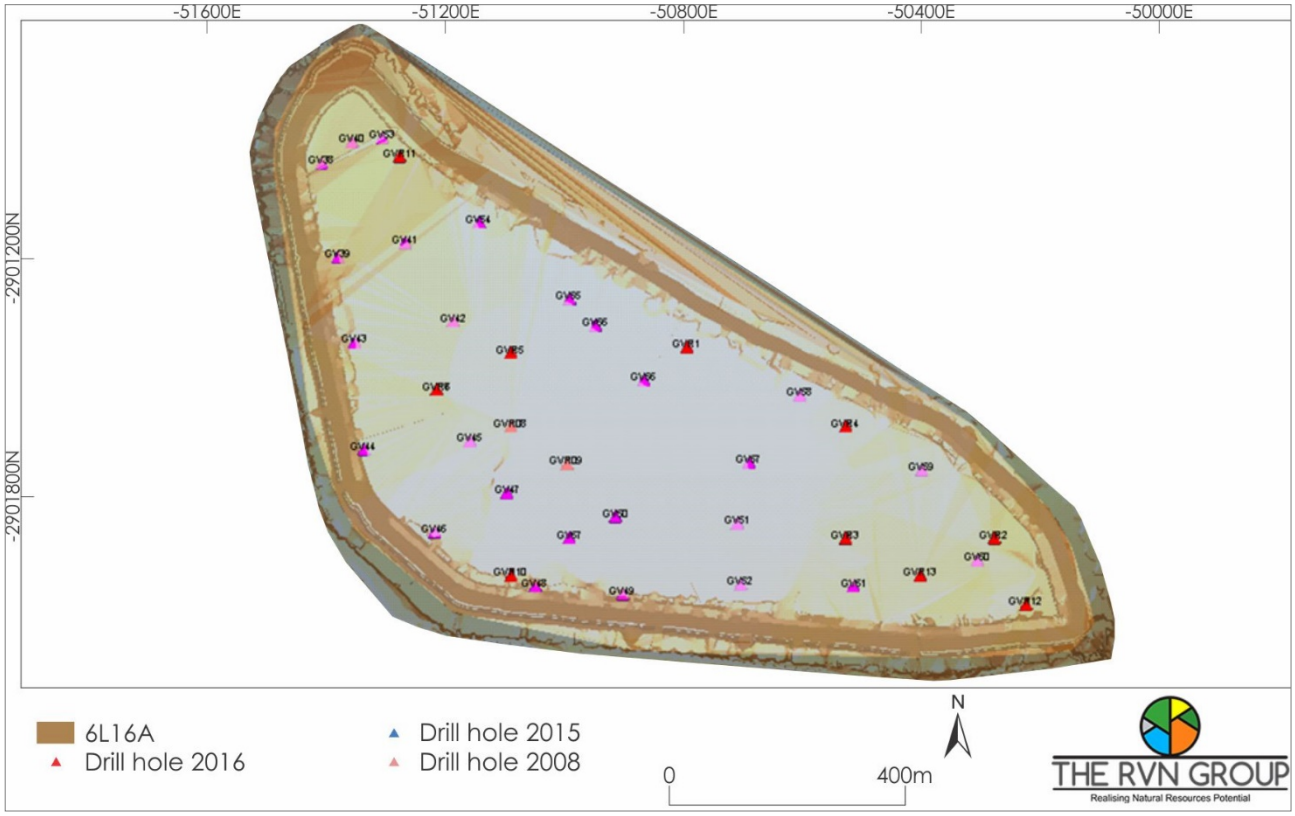
Source: The RVN Group, 2022

Figure 7.9: Grootvlei Complex - 6L17: Map showing Drill Hole Locations



Source: The RVN Group, 2022

Figure 7.10: Grootvlei Complex - 6L17A: Map showing Drill Hole Locations

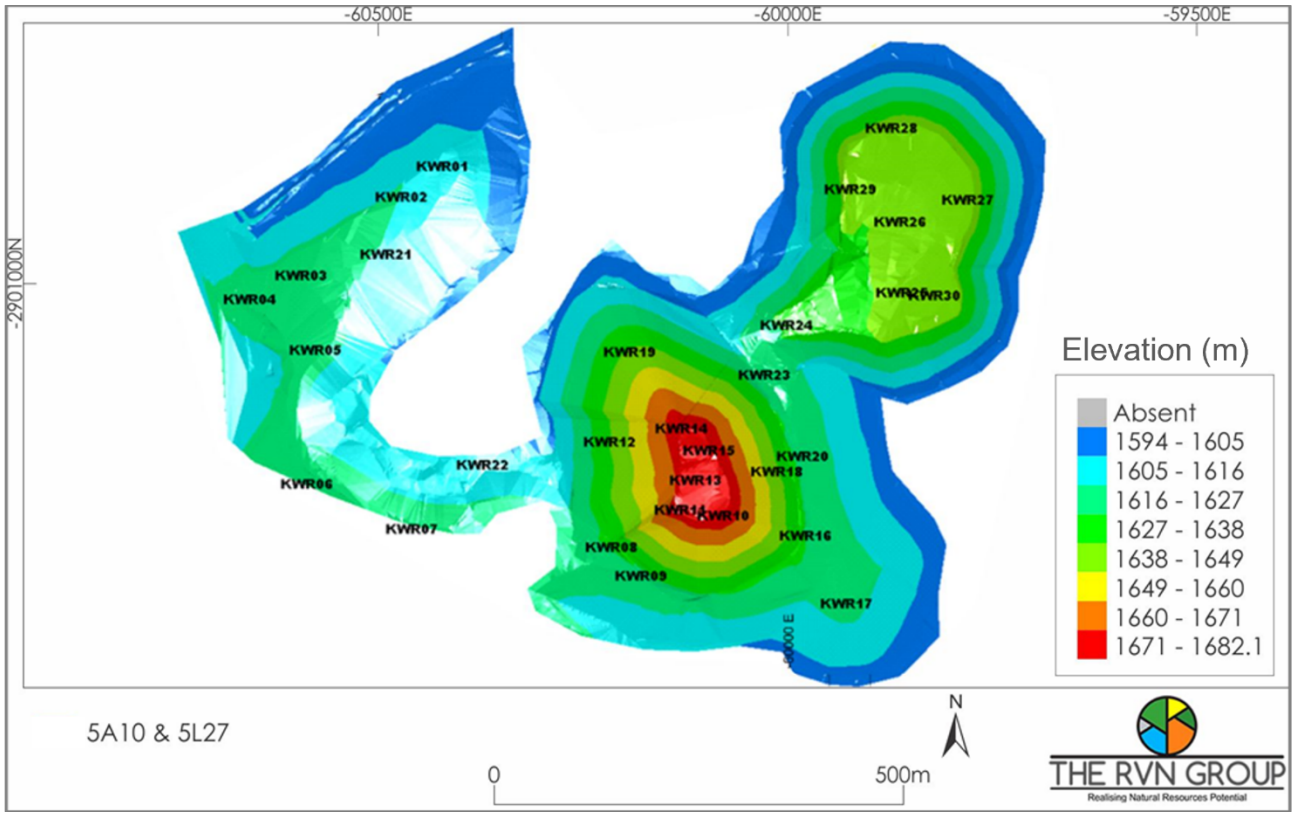


Source: The RVN Group, 2022

7.11 5A10/5L27

A total of 30 drill holes were completed on the 5A10/5L27 sand dumps in 2017. All drill holes were drilled using the auger drilling technique. An irregular spacing of between 50m and 100m was followed. Due to the high height of the sand dump, all holes drilled on top of the middle dump did not intersect the base of the TSF (red color in Figure 7.11). Mining is ongoing on this sand dump.

Figure 7.11: 5A10/5L27: Map showing Drill Hole Locations



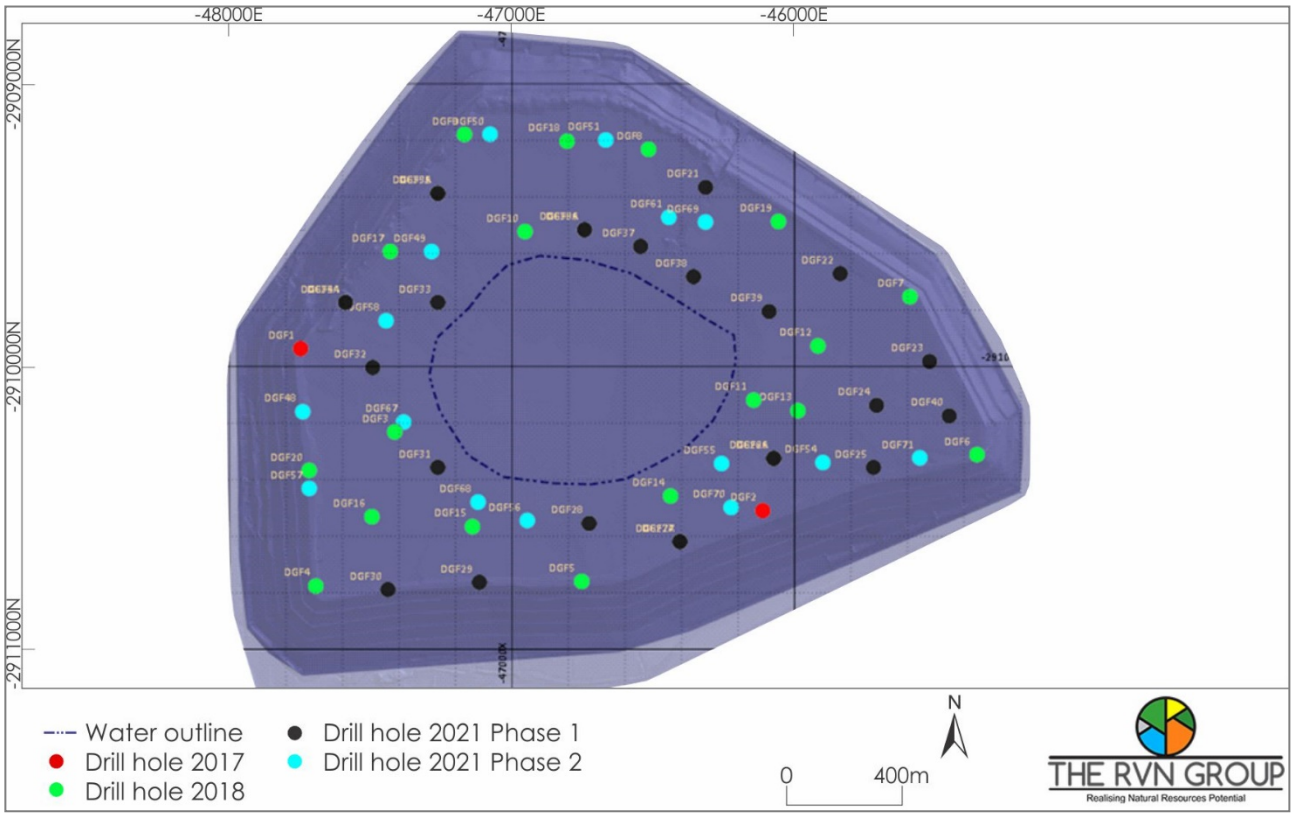
Source: The RVN Group, 2022

The deepest drilled hole was 52.5m. This drill hole did not intersect the base or soil. The auger drill machine could not drill deeper because the holes collapse at depths, due to auger drilling constraints. The RVN Group geologists stopped drilling once they noticed that the hole had collapsed, so as to ensure that only good-quality representative samples were obtained.

7.12 Daggafontein TSF

A total of 55 drill holes were drilled on Daggafontein TSF from 2017 to 2021 as shown in Figure 7.12. The center of the TSF (outlined with a dotted line) could not be accessed for drilling due to the presence of surface water. Figure 7.12 presents the evaluation drilling information for the different drilling campaigns. Only two drill holes were completed in 2017 which were drilled far apart. Drilling campaigns completed from 2018 to 2021 were drilled to infill the drill space to confirm the continuity of mineralization. On average, the drill holes were spaced at a nominal grid of 200m-by-200m and were well spread to ensure that the samples were representative of the TSF.

Figure 7.12: Daggafontein Complex - Daggafontein TSF: Map showing Drill Hole Locations



Source: The RVN Group, 2022

7.13 Logging and Sampling

The RVN Group used comprehensive logging and sampling standard procedures, including extensive Quality Assurance (QA)and Quality Control (QC) procedures. In addition, the geologist and drilling supervisor counted the rods after each hole had intersected the soil to confirm the borehole depths. Where samples were split, quartering was done by the geologist on-site to ensure the representativity of these samples.

The samples were assigned unique sample identification numbers and tagged before being submitted to the laboratory. In addition, for each sample batch, QC samples were submitted to the laboratory. The RVN Group geologists prepared sample submission sheets that accompanied the samples. Records of the sample data were captured in a database.

The RVN Group monitored the drilling and sampling process. Logging was qualitative in nature, except for sample intervals. All drill holes were logged in entirety from top to bottom on-site.

As drilling progressed, the spiral for auger and rods for RC drilling were cleaned after every drilling run to prevent sample contamination.

7.13.1 Logging

Drill holes were logged on-site by The RVN Group geologist using the individual 1.5m samples taken throughout the drill hole. Samples were classified according to whether they were slimes or soil, moist or wet and on color.

Logging was done on-site as hard copy handwritten logs, then later captured electronically into Microsoft Excel.

7.13.2 Sampling

Every drill hole was sampled at 1.5m intervals for the entire length of the hole. The samples were immediately bagged and tagged on site. Sampling (plastic) bags were labelled and tagged with a sample book tag. The drill log and sample book were regularly checked against the drill hole depth as drilling proceeded so as to ensure compatibility.

Samples were noted as “dry”, “moist” or “wet” in the drill log and sample book.

The responsible geologist planned sample numbers and the QC samples in a Microsoft Excel spreadsheet and assigned them to the appropriate sample interval.

The RVN Group safely and carefully collected, secured and transported the samples from the site so as to avoid contamination and sample loss.

All the samples were presented to the laboratory in a well-organized and sorted manner with easily understandable documentation, including a fully completed Sample Submission Form.

7.14 Sample Recovery

Samples recovered from the TSFs and sand dump material were mostly moist and fine-grained. The sample size was visually checked on-site to ensure they were of a similar size and sufficient quantity. The gold grade did not show a definable relationship with sample weights. The QP considered the recovery and sample quality satisfactory for further evaluation.

7.15 On-site Security Measures

Access to the drill sites was restricted to the drilling and The RVN Group teams. Any unauthorized access to the drill sites was prohibited. Drilling sites were demarcated by danger tape and no visitors could cross the demarcated area unless authorized by the QP. Once samples were packed and the bags closed, no one was allowed to open the bags.

7.16 Collar Survey Data

A qualified surveyor from Geografix surveyed the drill hole collar positions using total station surveying equipment and differential GPS instruments. The accuracy of the method was within a 10cm range.

Collar positions were plotted on the satellite images to verify positions and collars plots were inspected. Elevations were compared to the topographic survey. Collar positions were verified to be accurate.

The QP is satisfied with the surveying methodology followed. The surveys were performed by a qualified surveyor who has sufficient experience to undertake the task. The surveys were considered to be of adequate quality for use in the evaluations of the TSFs.

No downhole survey measurements were taken as the drill holes were shallow and vertical, and the QP anticipated no deviations.

7.17 Density Determination

Bulk densities on the TSFs were measured in situ by Letsatsi Materials Engineering (Proprietary) Limited (a South African National Accreditation System (SANAS) accredited institution for engineering materials testing) using a Troxler densitometer between September 2020 and January 2021. The bulk density measurements included compaction rates and moisture content. The use of densitometers on TSFs and sand dumps is common practice, as TSFs and sand dumps are engineered features with consistent physical properties. The density of the TSF is directly proportional to the compaction rate and material property. As the moisture content increases, density decreases and vice versa. The compaction rate and material property do not vary significantly with depth (TSFs and sand dumps are largely homogeneous); thus, measurements taken at any depth (>10cm) are representative of the TSF and sand dump compartments.

Density measurement points were prepared and measurements were taken per TSF or sand dump. The points were well spread. Preparation of points involved removing the topmost 5cm to 10cm of loose material and flattening (levelling) the surface. Measurements were taken at 150mm and 300mm depths per point. As part of quality control, some points are measured more than once.

The statistics of the density measurements are presented in Table 7.2.

The average bulk densities determined for the TSFs or sand dump were slightly higher than the 1.42t/m^3 that Ergo uses for the TSFs or sand dump they are mining.

The mean tests showed that the density is more than 1.42t/m^3 with a 95% confidence level. Confidence intervals for the densities indicated, with a 95% confidence level, that the mean density applied at Ergo is within the range. The QP decided to continue using a lower mean density of 1.42t/m^3 as it is within the 95% confidence and prediction intervals, passed the mean test. In addition, Ergo has been successfully applying 1.42t/m^3 in their mining production reconciliation for more than 15 years.

The QP is satisfied using a 1.42t/m^3 mean dry bulk density for all the TSFs and sand dumps with the understanding of the upside potential if the mean density is later determined to be higher.

Table 7.2: Bulk Density Information and Statistics

Reclamation Site	TSF/Sand Dump	Number of Samples	Mean Density (t/m³)	Standard Deviation (t/m³)	Minimum (t/m³)	Maximum (t/m³)	CoV***
Crown Complex	3L5	60	1.479	0.044	1.353	1.567	0.03
	3L7	60	1.443	0.020	1.381	1.485	0.01
	3L8	32	1.397	0.028	1.331	1.440	0.02
City Deep Complex	4L3	20	1.419	0.078	1.214	1.560	0.05
	4L4	20	1.456	0.031	1.410	1.522	0.02
	4L6*	-	-	-	-	-	-
Knights Complex	4L14*	-	-	-	-	-	-
	4L50	30	1.624	0.040	1.531	1.711	0.02
Ergo Complex	7L15	30	1.513	0.035	1.443	1.591	0.02
	Rooikraal	90	1.457	0.051	1.350	1.602	0.04
Marievale Complex	7L4	60	1.457	0.033	1.405	1.526	0.02
	7L5	30	1.434	0.047	1.360	1.520	0.03
	7L6	60	1.453	0.060	1.335	1.595	0.04
	7L7	60	1.461	0.032	1.374	1.548	0.02
Grootvlei Complex	6L16	60	1.543	0.060	1.384	1.643	0.04
	6L17	59	1.499	0.038	1.420	1.592	0.03
	6L17A	58	1.490	0.044	1.402	1.606	0.03
5A10/5L27 Sand Dumps	5A10/5L27	30	1.529	0.037	1.468	1.596	0.02
Daggafontein TSF	Daggafontein	58	1.511	0.058	1.394	1.687	0.04
Total		**817**	**1.480****	**0.043**	**1.214**	**1.711**	**0.03**

Source: The RVN Group, 2022
*no measurements were taken due to access problems
**weighted average
***CoV is the abbreviation for Coefficient of Variation

7.18 Hydrological Drilling and Test Work

No hydrogeological studies were completed.

However, some relevant hydrological data was captured during drilling and logging by The RVN Group. The RVN Group logs have moisture content recorded (i.e., dry, moist, wet or watery). Additionally, Ergo installed piezometers in some larger TSFs (Crown Complex and Daggafontein TSF) to monitor water levels. Smaller TSFs are considered low risks as they are dormant and mostly moist to dry; thus, no piezometers were installed.

7.18.1 Crown Complex

The QP has classified the GMTS TSF as moist to wet and Diepkloof and Mooifontein TSFs are classified as dry to moist (Table 7.3, Table 7.4 and Table 7.5).

Table 7.3: GMTS (3L8) Moisture Content

Average Depth		Moisture Content Commentary
From (m)	To (m)	
0.0	27.0	Dry
27.0	54.0	Moist
54.0	58.5	Wet
58.5	61.5	Watery
61.5	64.5	Wet
64.5	67.5	Watery
67.5	The Base of the TSF	Wet
The Base of the TSF	Soil	Moist

Source: The RVN Group, 2022

Table 7.4: Diepkloof (3L5) Moisture Content

Average Depth		Moisture Content Commentary
From (m)	To (m)	
0.0	21.0	Dry
21.0	45.0	Moist
45.0	The Base of the TSF	Wet
The Base of the TSF	Soil	Moist

Source: The RVN Group, 2022

Table 7.5: Mooifontein (3L7) Moisture Content

Average Depth		Moisture Content Commentary
From (m)	To (m)	
0.0	30.5	Dry
30.5	36.0	Moist
36.0	The Base of the TSF	Wet
The Base of the TSF	Soil	Moist

Source: The RVN Group, 2022

7.18.2 City Deep Complex

The QP classified the City Deep Complex as moist (Table 7.6, Table 7.7 and Table 7.8).

Table 7.6: 4L3 Moisture Content

Average Depth		Moisture Content Commentary
From (m)	To (m)	
0.0	31.5	Moist
31.5	The Base of the TSF	Wet
The Base of the TSF	Soil	Moist

Source: The RVN Group, 2022

Table 7.7: 4L4 Moisture Content

Average Depth		Moisture Content Commentary
From (m)	To (m)	
0.0	The Base of the TSF	Moist
The Base of the TSF	Soil	Moist

Source: The RVN Group, 2022

Table 7.8: 4L6 Moisture Content

Average Depth		Moisture Content Commentary
From (m)	To (m)	
0.0	13.5	Moist
13.5	The Base of the TSF	Wet
The Base of the TSF	Soil	Moist

Source: The RVN Group, 2022

7.18.3 Knights Complex

The QP classified the Knights TSFs as moist (Table 7.9 and Table 7.10).

Table 7.9: 4L14 Moisture Content

Average Depth		Moisture Content Commentary
From (m)	To (m)	
0.0	4.5	Dry
4.5	12.0	Moist
12.0	25.0	Wet
25.0	30.0	Moist
30.0	The Base of the TSF	Wet
The Base of the TSF	Soil	Moist

Source: The RVN Group, 2022

Table 7.10: 4L50 Moisture Content

Average Depth		Moisture Content Commentary
From (m)	To (m)	
0.0	16.5	Moist
16.5	The Base of the TSF	Wet

The Base of the TSF	Soil	Moist

Source: The RVN Group, 2022

7.18.4 Ergo Complex

The QP classified the Rooikraal TSF as moist to wet (Table 7.11 to Table 7.12). The TSF is moist to wet because it is situated closer to the wetland. The 7L15 TSF is moist.

Table 7.11: Rooikraal Moisture Content

Average Depth		Moisture Content Commentary
From (m)	To (m)	
0.0	12.0	Moist
12.0	13.5	Dry
13.5	22.5	Wet
22.5	The Base of the TSF	Watery
The Base of the TSF	Soil	Moist

Source: The RVN Group, 2022

Table 7.12: 7L15 Moisture Content

Average Depth		Moisture Content Commentary
From (m)	To (m)	
0.0	19.5	Moist
19.5	The Base of the TSF	Wet
The Base of the TSF	Soil	Moist

Source: The RVN Group, 2022

7.18.5 Marievale Complex

The QP classified the Marievale TSFs as moist to wet (Table 7.13, Table 7.14, Table 7.15 and Table 7.16). The TSF is moist to wet because it is situated closer to the Blesbokspruit. All TSFs are east of the Blesbokspruit.

Table 7.13: 7L4: Moisture Content

Average Depth		Moisture Content Commentary
From (m)	To (m)	
0.0	6.0	Moist
6.0	10.5	Wet
10.5	The Base of the TSF	Watery
The Base of the TSF	Soil	Moist

Source: The RVN Group, 2022

Table 7.14: 7L5: Moisture Content

Average Depth		Moisture Content Commentary
From (m)	To (m)	
0.0	1.5	Dry
1.5	12.0	Moist
12.0	The Base of the TSF	Wet
The Base of the TSF	Soil	Moist

Source: The RVN Group, 2022

Table 7.15: 7L6: Moisture Content

Average Depth		Moisture Content Commentary
From (m)	To (m)	
0.0	4.5	Dry
4.5	15.0	Moist
15.0	The Base of the TSF	Wet
The Base of the TSF	Soil	Moist

Source: The RVN Group, 2022

Table 7.16: 7L7: Moisture Content

Average Depth		Moisture Content Commentary
From (m)	To (m)	
0.0	6.0	Dry
6.0	10.5	Moist
10.5	The Base of the TSF	Wet
The Base of the TSF	Soil	Moist

Source: The RVN Group, 2022

7.18.6 Grootvlei Complex

The QP classified the Grootvlei TSFs as wet (Table 7.17, Table 7.18 and Table 7.19). The TSFs are wet because they are situated closer to the Blesbokspruit wetland area. The 6L17 and 6L17A TSFs are east of the Blesbokspruit, while the 6L16 TSF is located to the west.

Table 7.17: 6L16 Moisture Content

Average Depth		Moisture Content Commentary
From (m)	To (m)	
0.0	7.5	Moist
7.5	24.5	Wet
24.5	The Base of the TSF	Watery
The Base of the TSF	Soil	Moist

Source: The RVN Group, 2022

Table 7.18: 6L17 Moisture Content

Average Depth		Moisture Content Commentary
From (m)	To (m)	
0.0	4.5	Dry
4.5	18.0	Moist
18.0	The Base of the TSF	Wet
The Base of the TSF	Soil	Moist

Source: The RVN Group, 2022

Table 7.19: 6L17A Moisture Content

Average Depth	Moisture Content Commentary

From (m)	To (m)	
0.0	13.5	Dry
13.5	The Base of the TSF	Wet
The Base of the TSF	Soil	Moist

Source: The RVN Group, 2022

7.18.7 5A10/5L27

The QP classified the 5A10/5L27 sand dumps as moist to dry sand dumps. This is because courser grained sand does not trap water like the finer grained tailings slime (Table 7.20).

Table 7.20: 5A10/5L27 Moisture Content

Average Depth		Moisture Content Commentary
From (m)	To (m)	
0.0	The Base of the TSF	Moist
The Base of the TSF	Soil	Moist

Source: The RVN Group, 2022

7.18.8 Daggafontein TSF

Daggafontein TSF has water on the surface. The QP classified it as wet. It was estimated that at least one million cubic meters of water are on top of Daggafontein TSF (Table 7.21).

Table 7.21: Daggafontein Moisture Content

Average Depth		Moisture Content Commentary
From (m)	To (m)	
0.0	12.0	Dry
12.0	16.0	Moist
16.0	19.5	Wet
19.5	30.0	Watery
30.0	The Base of the TSF	Wet
The Base of the TSF	Soil	Moist

Source: The RVN Group, 2022

7.19 Geotechnical Data, Testing and Analysis

No geotechnical testing and sampling were completed on the TSFs and sand dumps.

However, stability assessment studies were completed on the TSFs with a greater than 60Mt Mineral Resource. In 2019, stability assessments were conducted on Daggafontein TSF and Crown Complex TSFs by Lutails Engineering (Proprietary) Limited. No studies were completed on other the TSFs or sand dumps as they are small, dormant) and pose a low geotechnical stability risk.

The following were observed on the Daggafontein TSF:

- there was no seepage anywhere around the toe of the TSF;
- some of the catchment paddocks, where they still exist, are quite silted and should be cleaned or re-shaped during a rehabilitation process;

- the filter drains were mostly open but in need of jet-rodding to remove sedimentation; and
- there was water visible on the top surface.

On the Crown Complex TSFs, the following conclusions were made:

- there are adequate controls on the TSFs to prevent stormwater damage, with no significant spillages having occurred over the past few years;
- the potential for wind-blown dust has been ameliorated through ridge ploughing of the basins and due to the presence of well-established vegetation;
- vegetation has been established on most side slopes thereby reducing water and wind erosion. There have been no reports of significant spillages from the Crown Complex over the past few years;
- most of the filter drain outlets are no longer operational, and recorded drain flow is therefore only a fraction of what it was. Despite the outlet pipe losses, the is very little evidence of seepage from the toe of the TSF; and
- most of the standpipe piezometers are no longer operational. Those remaining show a drop in piezometric levels, albeit it less than reasonably expected.

Hydrogeological advice is obtained prior to mining activities as the combination of high moisture content and fine particles could, during mining activities, result in liquefaction and mud rush conditions.

A risk assessment is undertaken when commencing mining of a TSFs or sand dump to avoid slope failures. Ergo and their mining contractors have procedures to ensure safe mining and loading of TSFs and sand dumps which can be as high as 70m.

Ergo had not reported any significant slope failures associated with the retreatment operations of their TSFs or sand dumps in the past 15 years.

The QP is satisfied that the stability studies of the TSFs are sufficient and meet the requirements for the intended purpose.

8 Sample Preparation, Analyses and Security

8.1 Sampling Governance and Quality Assurance

The RVN Group used its standard procedures for data collection, analysis, validation and storage. In addition, regular planned task observations of procedures and their implementations are undertaken to ensure compliance and appropriateness for the drilling program. Training and planned task observations are provided by the QP.

The sample chain of custody is managed by experienced geologists from The RVN Group.

The QP is satisfied with the QA and QC protocols in place.

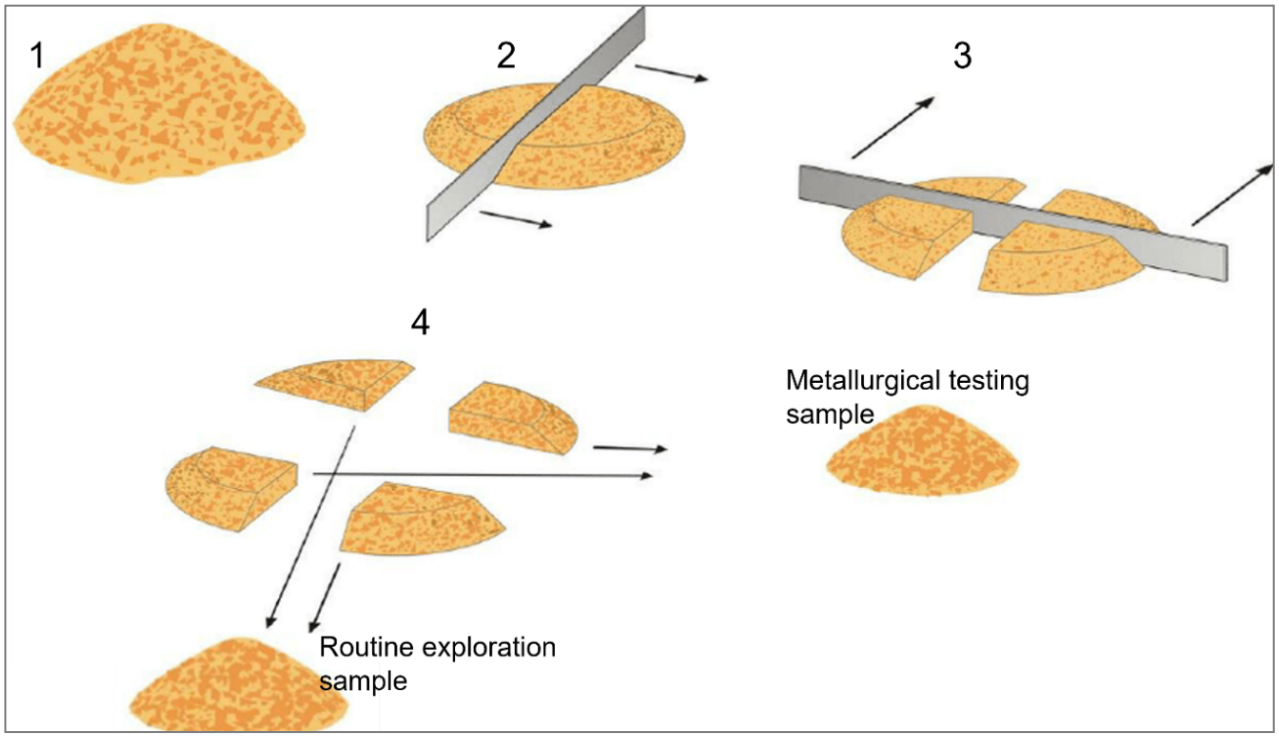
8.2 Sample Preparation and Analysis

8.2.1 On-site Sample Preparation

All samples were halved on-site by a geologist through the cone and quartering method as the samples were too moist or wet to use a riffle splitter, which has the potential to introduce cross-contamination and bias. The cone and quartering method does not introduce a systematic bias as it involves pouring each sample on a clean, flattened bag (1.0m-by-0.5m).

The quartering method is considered appropriate for the TSF material as TSF samples are homogeneous due to the deposition procedure. Figure 8.1 shows the cone and quartering methodology followed. One half is for the metallurgical test and the other half is for a routine exploration sample.

Figure 8.1: Cone and Quartering Method



Source: Modified after Alakangas, 2015

Sorting of samples took place on the TSFs and at the storage site at Ergo.

Where a field duplicate was required, a selected routine exploration sample underwent a further quartering process.

To maintain validity and integrity of samples and as part of security measures, only geologists worked on the samples, and samples were sealed immediately after preparation.

8.2.2 Laboratories, Sample Preparation and Analyses

The samples were sent to the following three reputable laboratories for further preparation and assaying:

- MAED at Ergo's Plant in Brakpan: The facility is not accredited but it is the laboratory used by Ergo for its grade control and daily plant samples. MAED is not owned by Ergo, although it is situated in the Ergo Plant and was supplied with all routine exploration samples for analysis;
- SGS in Randfontein: SGS is a SANAS accredited facility (T0265) and has been used for the selected analytical method. Randomly selected check samples (approximately 10% of the total samples) from MAED were sent to SGS for confirmation. SGS is independent of Ergo; and
- AngloGold Ashanti Limited Chemical Laboratory (Anglo Lab) in Carletonville: Anglo Lab analyzed some check samples for 7L15 TSF in 2016 and 2017 as a secondary laboratory to MAED. The laboratory no longer exists and it was not SANAS accredited. The laboratory was independent of Ergo.

Table 8.1 presents information about where the samples were analyzed.

Table 8.1: Laboratories Used

TSF/Sand Dump	Primary Laboratory	Secondary Laboratory
Crown Complex		
3L5	MAED	
3L7	MAED	
3L8	MAED	
City Deep Complex		
4L3	MAED	SGS
4L5	MAED	
4L6	MAED	
Knights Complex		
4L14	MAED	SGS
4L50	MAED	SGS
Ergo Complex		
Rooikraal	MAED	SGS
7L15	MAED	SGS and Anglo Lab
Marievale Complex		
7L4	MAED	
7L5	MAED	
7L6	MAED	
7L7	MAED	
Grootvlei Complex		
6L16	MAED	SGS
6L17	MAED	SGS
6L17A	MAED	SGS
5A10/5L27 Sand Dump		
5A10/5L27	MAED	
Daggafontein Complex		
Daggafontein	MAED	SGS

Source: The RVN Group, 2022

The laboratories sorted and weighed samples on receipts, conducted dry screening to remove foreign material. Subsequently, the samples were dried at 105˚C, then crushed to 80% passing 2mm, riffle split and finally pulverized to 75µm before being analyzed.

The selected laboratories follow analytical procedures that are conventional industry practice.

The samples were analyzed for gold by fire assay with gravimetric finish by MAED and Atomic Absorption Spectroscopy (AAS) finish by SGS and Anglo Lab. These methods are conventional and have been used for more than 50 years with minor adjustments. The methods have a lower detection limit of 0.01g/t Au and there is no upper detection limit for gravimetric finish. The AAS has a 10g/t Au upper limit. The lower limit is relevant to the TSFs and sand dumps. The TSFs and sand dumps are processed materials and are generally low-grade materials with slightly higher grades than ten times the detection limit.

The laboratories were instructed to use a 100g aliquot to analyze for gold. Through experience, it is known that to analyze for gold in low-grade slimes, anything less than a 100g aliquot may report less accurate results.

8.2.3 QP Opinion

The QP is satisfied with the sample preparation, analytical methods and level of cleanliness at the analytical laboratories. The analytical techniques employed are suited to the mineralization style and expected grades. The techniques meet the requirements for the intended use.

8.3 Analytical Quality Control

8.3.1 Nature and Extent of the Quality Control Procedures

A comprehensive QC program comprising reference material, duplicates and commercially sourced certified blanks were inserted by The RVN Group in a random but stratified manner, at frequencies targeting ±10% coverage of all samples. The QC program identifies various aspects of the results that could negatively influence the subsequent evaluation processes. The QC samples were used to monitor the sampling, sample preparation and analytical processes. Analysis of QC data is performed to assess the reliability of all sample assay data and the confidence in the data used for Mineral Resource estimation.

All QC sample insertions maintained consecutive numerical order. These control samples were inserted as part of a continuous sample number sequence and the QC samples were not obviously different from routine samples when the milled material was prepared and analyzed. Applying the QC process, it was possible to identify samples that have been swapped, gone missing or incorrectly labelled amongst other aspects.

QC samples were sourced from African Mineral Standards (AMIS) based in Modderfontein, Johannesburg.

The RVN Group ensured that all standards and blanks were stored in sealed containers and considerable care was taken to ensure that they were not contaminated in any manner (i.e., through storage in a dusty environment or being placed in a contaminated sample bag, etc.).

Field duplicates were prepared on-site as the TSF material was already loose and fine-grained.

The QC set of samples consisted of:

- the certified silica blanks (AMIS0484) from AMIS;
- certified reference materials (CRMs) (AMIS0647 with 0.17g/t Au, AMIS0299 with 0.36g/t Au, AMIS0515 with 0.51g/t Au) from AMIS;
- standard reference material L-AU015 and L-AU16 with an average value of 0.20g/t Au and 0.30g/t Au, respectively. Standard reference materials with the averages of 0.22g/t Au, 0.33g/t Au and 0.74g/t Au were also used; and
- field duplicates (prepared through the cone and quartering technique discussed in Item 8.2.1).

From 2021, only CRM were used and the use of inhouse standard reference material was discontinued as inhouse standards performance was not always consistent. The QP noted that this does not imply that the previous results were of low quality as rigorous quality control assessments were implemented. The new procedure of using only CRM with a matched matrix was implemented because the CRMs come with defined certified values and are easier to monitor.

8.3.2 Quality Control Results

Analytical results for the blank and standards are analyzed graphically on control charts to facilitate the identification of anomalous data points. A sufficient number of standards and blanks are inserted into the sample stream. If the standard result is reported outside three standard deviations of the certificate value – a re-assay would be requested for the whole batch from the laboratory.

8.3.3 QP Opinion

In the QP's opinion, the QC samples covered a reasonable range of grades with respect to the overall resource grades and no significant bias was observed. The laboratories' analytical data shows overall acceptable precision and accuracy and no evidence of overwhelming contamination by the laboratory that would affect the integrity of the data. As a result, the analytical data from the laboratories is of acceptable integrity and can be relied upon for TSF and sand dump grade estimation.

8.4 Sample Storage and Security

Samples were stored at the Archive Store at Ergo's processing plant in Brakpan. The storage facility is always locked and has an electric fence to prevent unauthorized entry. Sample rejects and pulps are stored for six months after all assays are received from the laboratory and then discarded.

8.5 Data Storage and Database Management

Procedures are in place to ensure the accuracy and security of the databases.

Laboratories reported results in Microsoft Excel and .pdf formats. The RVN Group copied and pasted the results into the database. Spot checks were randomly performed to identify copying and pasting errors.

The RVN Group created and validated the database on behalf of Ergo. The database was developed and validated in Microsoft Excel. The database was sent to Ergo for further use and storage.

The RVN Group compiled the following key digital databases:

- a drill hole database that includes collar location, assay and geology data;
- assay quality control data;
- density data; and
- process samples information.

The QP is satisfied with data storage and validation. Database management practices adhere to best practice. The QP is of the opinion that the databases are a fair and accurate record of all drill hole and assay data.

The RVN Group has saved the information, including the databases, in the cloud as a backup, in line with the latest technological developments. Additionally, data is stored on external hard drives placed in different locations. The RVN Group has provided sufficient provisions to ensure the security and integrity of the data stored in the databases.

9 Data Verification

Post-2016: The QP performed verifications of the data collected. The QP experienced no limitations to the review, analysis and verification of data.

The QP did compare a selection of the hardcopy logs with the drill holes database and the logs and database match. The collars were checked by comparing the collars with the topography surface from the surveyor. Collars were also plotted on Google Earth Pro for confirmation. The collars were accurate.

Logging, surveying and sampling were monitored by the exploration geologists and verified routinely for consistency. The RVN Group geologists regularly maintain and validate the databases using validation routines and regularly check the drill hole data visually on-screen. A first check consists of identifying duplicate sample numbers or lack of sample information. Paper records are stored in a safe location at Ergo's Offices.

The QP is of the opinion that the data collection, import and validation workflows are consistent with industry standards and are of sufficient quality to support the Mineral Resource estimation.

The QP has taken a number of steps to verify the Mineral Resource estimates, including assumptions and inputs into the estimate and the estimation process itself. The QP checked the volume, density and grade with the Mineral Resource QP along with the mine planning specialist, noting that based on historical information, no dilution or mining loss is applied to the Mineral Resource.

The QP conducts quarterly reconciliations of Run-of-Mine (RoM) grade, tonnage, recovery (metallurgical assumptions) and other modifying factors from the ongoing mining operations to demonstrate that the modifying factors applied to the mine plan are as predicted by the geological block model.

Actual performance for operational mining areas provides a high level of confidence where similar performance can be expected from future mining areas. The current Mineral Reserves have not demonstrated any material differences in the planned and actual modifying factors. The QP is of the opinion that the data used to estimate the Mineral Reserve is adequate.

Historical: Sampling and assaying of the TSFs and sand dumps prior to 2016 is essentially the same as the current work. The only real change noted by the QP is that the sieve size was reduced to 850µm in 2016, where it was 1,000µm previously. Currently, there is no apparent difference between the results using these different sieve sizes.

The analytical method is fire assay, a well-established technique used in the South African gold mines. The methods differed slightly over time and between laboratories, but the results are consistent within a TSF. Aliquot sizes have been either 100g or 125g, depending on the laboratory used.

Quality control systems are in place in laboratories to monitor accuracy and precision.

10 Mineral Processing and Metallurgical Testing

10.1 Nature and Extent of the Metallurgical Testing Method

Samples were received from the various drilling exercises in 1.5m increments for each hole. Typically, composites were made over a 15m horizon as this corresponds with the monitoring/mining depth. The TSFs and sand dumps were generally divided into a top, middle and bottom horizon, depending on the height of the TSF or sand dump. In the plans, the TSFs were also divided into areas giving distinct domain samples for metallurgical test work.

10.2 Procedure

10.2.1 Slime Material

The individual samples were split in two using a blending mat, and cone and quartering methods. The one half was returned to the sample bag for possible future use and for reference. The other half was composited as per the areas/horizons or domain alluded to earlier. The composite was well mixed and sub-samples taken for test work at Ergo Metallurgical Research or at the Maelgwyn South Africa (Proprietary) Limited's laboratory.

The proposed processing route for all TSF and sand dump material is hydraulic mining, cyaniding in a Carbon-in-Leach (CIL) circuit, with the tailings deposited onto another TSF, and then carbon eluted for gold recovery before being recycled back to the leach.

A standard bottle roll test was done on each composite using the following leaching parameters:

- samples slurried to a density of 1.45;
- screened to remove +850µm discard material;
- head sample was taken for triplicate fire assay;
- pre-conditioning with lime for one hour to stable pH of 10.5;
- cyanide added at 0.35kg/t;
- activated carbon added at 20g/l;
- leach terminated after seven hours;
- solids filtered and washed twice and solutions tested for residual reagents and gold content;
- residue assays done in triplicate.

10.2.2 Sand Material

Metallurgical test work was conducted on 5A10/5L27 sand dump drilling samples. The objective of the test work was to validate the gold grades received from the Mineral Resource Management (MRM) Department, assess the milling requirements and evaluate the leach kinetics/characteristics of the material. The dump was partitioned into four sections. The average gold grade received from the MRM Department for Section 1 was 0.62g/t, Section 2 was 0.30g/t, Section 3 was 0.51g/t and Section 4 was 0.41g/t. The average gold grade obtained from metallurgical research test work for Section 1 was 0.62g/t, Section 2 was 0.30g/t, Section 3 was 0.51g/t and Section 4 was 0.39g/t.

The samples were milled over varying durations and milling curves plotted to determine the optimum milling time. The milling curves indicate that the optimum milling duration achieving at least 60% -75µm is 2.5 hours for Section 1 and 2 hours for Sections 2, 3 and 4. Leach tests were then conducted on the milled product and the results confirm that gold yield increases with increased milling time.

The respective 5A10 material responds well to cyanide leach as desired dissolution of 60% was attained for all Sections at the above milling durations. Preg-robbing tests were also conducted on material from Sections 1 and 3 and the results indicate that there is no significant preg-robbing.

10.3 Representative of the Samples

Drill holes were drilled on a defined grid down to the soil. The samples received were correctly split and composited, and are considered to be representative of the various volumes within the TSFs.

10.4 Details of the Laboratories

The Ergo Metallurgical Research Laboratory, located in Brakpan inside the Ergo processing plant, is geared to perform bottle roll testing on a routine basis with skilled technicians. Internal accounting checks are undertaken to ensure the accuracy of the work done. The laboratory is not accredited and is the internal test facility for Ergo. The laboratory is not independent of Ergo.

The Maelgwyn South Africa (Proprietary) Limited (Maelgwyn) laboratory, situated in Roodepoort, is accredited for International Organization for Standardization (ISO 9001:2025) to perform gold leaching test work with their assays analysis conducted by the SGS laboratory, in Randfontein. SGS is an SANAS accredited facility (T0265) for gold analysis.

Both the Maelgwyn and SGS laboratories are independent of Ergo.

10.5 Results

The main assumption was that the laboratory procedure emulates the processing plant and historically this has been shown to be a fair assumption. To accommodate the dissolved loss encountered in the processing plant, an allowance of 0.008g/t Au is made to calculate the predicted recovery in the plant.

Table 10.1 presents the results of metallurgical test work.

Table 10.1: Summary of Predicted Ergo Processing Plant Performance

TSF/Sand Dump	Head Au (g/t)	Washed Residue Au (g/t)	Dissolution Loss Au (g/t)	Recovery (%)	Analysis Laboratory
Crown Complex					
3L8 (GMTS)	0.25	0.14	0.008	41	Ergo
3L7 (Mooifontein)	0.23	0.13	0.008	40	Ergo
3L5 (Diepkloof)	0.23	0.14	0.008	36	Ergo
City Deep Complex					
4L3	0.32	0.12	0.008	60	Ergo
4L4	0.37	0.21	0.008	41	Ergo
4L6	0.31	0.12	0.008	58	Ergo
Knights Complex					
4L14	0.28	0.15	0.008	44	Maelgwyn/Ergo
Ergo Complex					
4L50	0.26	0.16	0.008	35	Maelgwyn/Ergo
Rooikraal	0.25	0.17	0.008	31	Ergo
7L15	0.28	0.14	0.008	47	Maelgwyn/Ergo
Marievale Complex					
7L4	0.29	0.13	0.008	52	Ergo
7L5	0.30	0.19	0.008	34	Ergo
7L6	0.24	0.16	0.008	30	Ergo
7L7	0.34	0.2	0.008	39	Ergo
Grootvlei Complex					
6L16	0.25	0.17	0.008	33	Maelgwyn/Ergo
6L17	0.26	0.13	0.008	47	Maelgwyn/Ergo
6L17A	0.26	0.15	0.008	39	Maelgwyn/Ergo
5A10/5L27 Sand Dumps					
5A10/5L27	0.49	0.21	0.008	60	Ergo
Daggafontein TSF					
Daggafontein	0.25	0.16	0.008	35	Ergo

Source: DRDGOLD, 2022

10.6 Interpretation of the Results

Table 10.1 summarizes the metallurgical test work that has been done on the various TSFs and sand dumps. In the table under the ‘comments’ column, an indication as to which laboratories carried out the test work is given. The head grade and washed residue are the results achieved in the laboratory. In order to predict how the material would respond to treatment in the Ergo processing plant, a dissolved gold loss of 0.008g/t Au has been applied. In general, the head grades vary between 0.25g/t Au and 0.32g/t Au. The response to cyanidation is varied which could be due to numerous factors.

10.7 QP Opinion

In the opinion of the QP, data derived from metallurgical test work is adequate for designing processing facilities and techniques, and provides suitable grade and recovery predictions for use in the LoM plans.

Confidence is further increased by processing plant performance demonstrated through reconciliation for over ten years.

The metallurgical process is well tested and utilized by numerous tailings retreatment operators in South Africa and elsewhere. There were no processing factors or deleterious elements that could significantly affect potential economic extraction.

11 Mineral Resource Estimates

The gold grade estimation was completed using two modelling techniques: Inverse Distance Weighting (IDW) to the power of 2 and validation using the Nearest Neighbor (NN) technique. The techniques reported a similar average global gold grade with no significant conditional bias. The Mineral Resource estimation was declared using the IDW to the power of 2. The estimation approach was considered appropriate based on the review of several factors, including the quantity and spacing of available data, the interpreted control on mineralization, the style and geometry of the mineralization as well as geological logging and additional information recorded from the drill holes. TSFs and sand dumps are man-made engineering features which was considered in the estimation process. Ordinary Kriging was considered unnecessary for TSF and sand dump evaluation as the main aim was to obtain global averages rather than local variations considering the envisaged or applied mining method.

Mineral Resources were estimated for all the TSFs, and the estimation procedures are similar in approach for all the TSFs and sand dumps. However, each TSF and sand dump is treated as a separate entity as each has differences due to data distribution and characteristic of the material. Estimation procedures and parameters are given individually per TSF or sand dump.

All tailings material is above the current land surface and continuity of grade within the TSFs is defined based on +/-100m drill hole spacing. The tailings material has been processed through a metallurgical treatment plant that ejects a waste residue that is relatively uniform when compared with the natural deposit from which the material is derived. The variation between samples and drill hole is small (0.1g/t to 1.0g/t) in comparison to in situ gold deposits. However, the percentage difference may be huge as is the case with trace elements.

Datamine's Studio RM geological modelling software was used as the modelling tool. Most of the statistical and geostatistical study was completed using SAS JMP Pro and the RStudio, an open-source integrated development environment for "R", a programing language for advanced statistical computing and graphics.

Mineral Resource estimates are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into a Mineral Reserve.

The Mineral Resource estimates for all the TSFs and a sand dump are declared as follows:

- the point of reference is *in situ*. The TSFs or sand dumps themselves are the reference points;
- no geological or other losses were applied as all material is accessible and there are no geological structures;
- Mineral Resource estimates are stated as both inclusive and exclusive of Mineral Reserves as defined in Subpart 1300 of Regulation S-K; and
- the Mineral Resource is 100% attributable to Ergo. DRDGOLD, the registrant, owns 100% of Ergo.

Item 11.1 to Item 11.7 present the methodology followed a similar methodology for all the TSFs and sand dumps. Item 11.9 to Item 11.16 provides detail for each complex, TSF or sand dump.

The 79 smaller TSFs and clean-up material contribute about 11% of the total Mineral Resource estimates by tonnage. The Mineral Resource estimates in these smaller dumps pose a less than material risk to Ergo. Their Mineral Resource was estimated from survey information, production and/or historical data, applying straight arithmetic averages as the TSFs or clean-up sites are too small to be evaluated by 3D modelling. The QP considered the inclusion of the TSFs and clean-up operations as appropriate and has conducted verification

checks to support their inclusion. The Mineral Resource estimates of these TSFs and clean-up operations are not discussed individually, but they are part of the total Mineral Resource for Ergo.

11.1 Volume Modelling

For all significant TSFs, three-dimensional (3D) modelling was completed using drill hole information and survey data. Volumes were estimated using a top surface defined by a ground survey and associated digital terrain model. The bases of the TSFs were defined by the drill hole data and the edges of the TSFs. All drill holes were drilled to intersect soil at the base of the TSFs. The block models were constructed inside of this volume. Tonnages and grades were then extracted from the block models.

11.2 Bulk Dry Density

An average dry bulk density of 1.42t/m^3 described in Item 7.17 was applied to all the TSFs and the sand dumps. The tons were reported as dry tons.

11.3 Exploratory Data Analysis

Exploratory data analysis was done on raw and composited gold data. Samples were collected at 1.5m intervals. For IDW estimation method, the sample lengths were adequate. The samples were further composited to 6m to allow for NN estimation as the modelled blocks were 6m high to represent bench height. Samples were composited based on mean sea level to mimic deposition. This allowed for estimations to be carried out based on the levels.

The requirement for high-grade capping was assessed to ascertain the reliability and spatial clustering of the high-grade data. The steps completed as part of the high-grade capping assessment are summarized below:

- review of the data to identify any data that deviates from the general data distribution. This was completed using histograms and log probability plots;
- review of plots comparing the contribution to the mean and standard deviation of the highest-grade data; and
- visual review in 3D to allow assessment of the clustering of the higher-grade data.

11.4 Estimation Techniques

The estimation was constrained by the mineralization interpretations. The statistical characteristics of the available sample information and the spatial distribution aided the definition of the estimation parameters, such as search volume and orientation of the search ellipses.

The IDW (to the power of 2) and NN method of estimation were chosen as the most appropriate methods for evaluation of TSFs and sand dumps, as the dataset for each TSF and sand dump is generally homogeneous (laterally), grade variations are small due to deposition technique and the drill holes are well spread and spacing is moderately wide. The methods, when applied appropriately, retain the grade variation of the deposit, as opposed to an arithmetic average, and is simpler and more appropriate for TSF or sand dump evaluation than other advanced estimation techniques such as Ordinary Kriging.

These estimation techniques have been found to be reliable by Ergo over the last 15 years of mining TSFs and sand dumps.

Hard domain boundaries were used throughout, preventing samples lying outside the domain from being used for the estimation meaning slime and soil samples were separated during the estimation process. A three-pass estimation strategy was applied to each zone, applying an expanded and less restrictive sample search to the second and subsequent estimation passes and only considering blocks not previously assigned an estimate. However, more than 80% of the estimates were completed in the first pass. A record was kept of the number of samples used to estimate the grade into a block. The variance of each block and the search volume that satisfied the criteria used to select samples for use in the estimation of each block.

11.5 Modelling and Estimation Parameters

The parent block size for all the TSFs and sand dumps was largely based on the average drill spacing and sample compositing interval. The height of the original dump benches is approximately 5m to 6m. The parent block size is selected to estimate the deposit approximates half the drill hole spacing and maps the bench height. Sub-blocking was allowed for a good volume definition.

11.6 Model Validation

A routine validation process was followed for all the TSFs and sand dumps. All relevant statistical information was recorded to enable validation and review of the estimates.

The recorded information included:

- the number of samples used per block estimate;
- average distance to samples per block estimate;
- estimation flag to determine in which estimation pass a block was estimated; and
- the number of drill holes from which composite data were used to complete the block estimate.

The estimates were reviewed visually and statistically prior to being accepted. The review included the following activities:

- comparison of volume estimates between the block model, the 3D wireframe model and the surveyor's report;
- check for global bias through comparison of the estimate versus the mean of the composite dataset, including weighting where appropriate to account for data clustering;
- histogram comparison of grade block distribution versus composite grade distribution;
- visual checks of cross-sections, long-sections and plans; and
- where production data was available, reconciliation was carried out as part of the model validation process.

Alternative estimates were also completed to test the sensitivity of the reported model to the selected interpolation parameters. An insignificant amount of variation in overall grade was noted in the alternate estimations. The results were satisfactory for the level of accuracy anticipated for TSF evaluation.

11.7 Technical and Financial Parameters

In determining the cut-off grades of the Mineral Resources, the QP applied the data presented in Table 11.1.

The QP considered the gold price, exchange rate and working cost per ton (long-term prices as at 30 June 2022), as applied reasonable for use in declaring the Mineral Resources. Justification for the financial parameters used is detailed in Item 16. Additional technical parameters per TSF or sand dump are presented in the relevant items. The QP considered both technical and financial parameters (infrastructure, mine design and planning, processing plant, environmental compliance and permitting) to justify the reasonable prospects for economic extraction. All complexes except Crown and Grootvlei Complexes have studies done to a PFS level of accuracy (i.e., +/- 25%). For the Crown and Grootvlei Complexes, initial assessments were completed.

Table 11.1: Financial and Technical Data considered for Mineral Resource

Element	Unit	Value
Mineral Resource Gold Price	USD/oz	1,823
Mineral Resource Gold Price	ZAR/kg	914,294
Exchange Projection	ZAR/USD	15.60
Working Costs per Ton (slimes)	ZAR/t	70.76
Working Costs per Ton (sand)	ZAR/t	204.46

Source: DRDGOLD, 2022

The QP has considered that Ergo does not selectively mine a TSF. The average grade of the TSF is used to determine whether or not a TSF is mined in its entirety. Where the average grade of the TSF is above the cut-off grade, all the material in the TSF or sand dump is considered to be mined. The QP applied no block cut-off.

A cut-off grade is also determined per TSF or sand dump. A TSF may report an average gold grade below a cut-off grade, but when included in a complex, the total complex should be above the cut-off grade. See Table 11.2 for the cut-off information. The QP determined cut-off grades using the formula presented in Item 12.2.

Table 11.2: Mineral Resource Estimate Cut-off Grades

TSF/Sand Dump	Recovery (%)	Cut-off Grade (g/t)
Crown Complex		
3L8 (GMTS)	41	0.189
3L7 (Mooifontein)	40	0.193
3L5 (Diepkloof)	36	0.215
Average for the Complex		**0.199**
City Deep Complex		
4L3	60	0.129
4L4	41	0.189
4L6	58	0.133
Average for the Complex		**0.150**
Knights Complex		
4L14	44	0.176
4L50	35	0.221
Average for the Complex		**0.199**
Ergo Complex		

Rooikraal	33	0.235
7L15	47	0.165
Average for the Complex		**0.200**
Marievale Complex		
7L4	52	0.149
7L5	34	0.228
7L6	30	0.258
7L7	39	0.198
Average for the Complex		**0.208**
Grootvlei Complex		
6L16	33	0.235
6L17	47	0.165
6L17A	39	0.198
Average for the Complex		**0.199**
5A10/5L27 Sand Dump		
5A10/5L27	55	0.407
Daggafontein TSF		
Daggafontein	35	0.221

Source: The RVN Group, 2022

The following statements apply to all Mineral Resources tables:

- Mineral Resources are not Mineral Reserves;
- Mineral Resources are reported inclusive and exclusive of Mineral Reserves;
- Mineral Resources have been reported in accordance with Subpart 1300 of Regulation S-K;
- Mineral Resources were estimated using the USD1,823/oz, ZAR15.60/USD and ZAR914,294/kg financial parameters;
- the recovery information is presented in Table 11.2;
- the reference point is *in situ*;
- a troy ounce = 31.1034768g; and
- quantities and grades were rounded to reflect the accuracy of the estimates; any apparent errors are insignificant.

11.8 Uncertainties and Classification Criteria

Definitions for Mineral Resource categories used in this report are those defined by the Security and Exchange Commission in Subpart 1300 of Regulation S-K. Mineral Resource Estimates are classified to reflect the increased level of geological confidence into Inferred, Indicated and Measured Mineral Resource categories.

By their nature, all Mineral Resource estimates carry an inherent amount of risk and uncertainty depending on various factors, including interpretation of data, drilling data quality, uncertainty in the survey and metallurgical test work data collected and the modelling process. However, Ergo has been in operation for more than 20 years treating TSFs and sand dumps and has sufficiently mitigated Mineral Resource risks through obtaining sufficient sampling information. Some uncertainties were resolved through reconciliations, process improvement and the use of experienced personnel in data collection and interpretation.

The QP based the Mineral Resource categorization on the robustness of the various data sources available, the confidence of the geological interpretation and various estimation parameters (e.g., distance to data, number of data, maximum search radii etc.) and reconciliation data where it is available. The QP considers the Mineral Resource classification as a function of the confidence of the whole process from drilling, sampling, geological understanding and variables relationships. TSFs and sand dumps are evaluated individually and there are no blanket classification parameters as TSFs and sand dumps are different. However, drill hole spacing and data quality contribute significantly to the classification confidence.

Each TSF or sand dump has its classification criteria discussed separately.

The Mineral Resource confidence is assessed via internal peer reviews, with no material issues identified.

Mineral Resources have reasonable prospects for economic extraction and the QP considered a range of mining, processing, infrastructural, social, environmental and permitting factors.

11.9 Crown Complex

11.9.1 Exploratory Data Analysis

Statistical analysis of data was completed as presented in Figure 11.1 to Figure 11.8. Data was analyzed as raw, capped and composites. There was no material changed between the data sets. The data sets show positively skewed distribution.

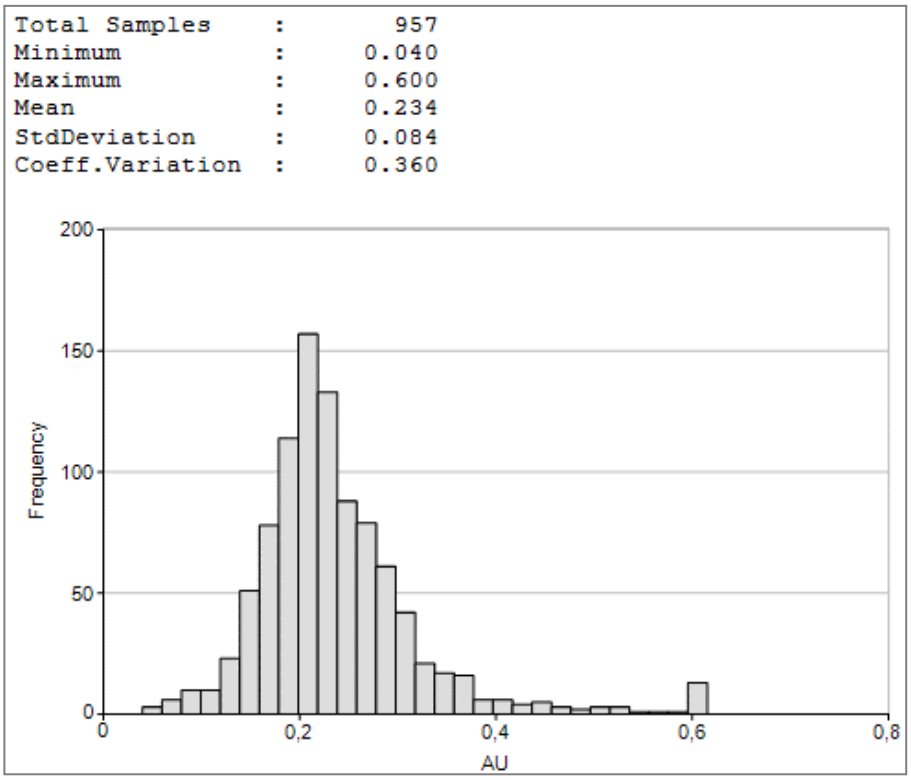
Based on the high-grade cap investigations, high-grade caps were selected and applied to the raw dataset:

- 3L7 (Mooifontein): gold grades were capped at 0.60g/t;
- 3L8 (GMTS): gold grades were capped at 0.60g/t; and
- 3L5 (Diepkloof): two domains (compartments) were modelled and gold grades were also capped at 0.60g/t.

Capping was only applied to raw data and its impact on the mean was immaterial.

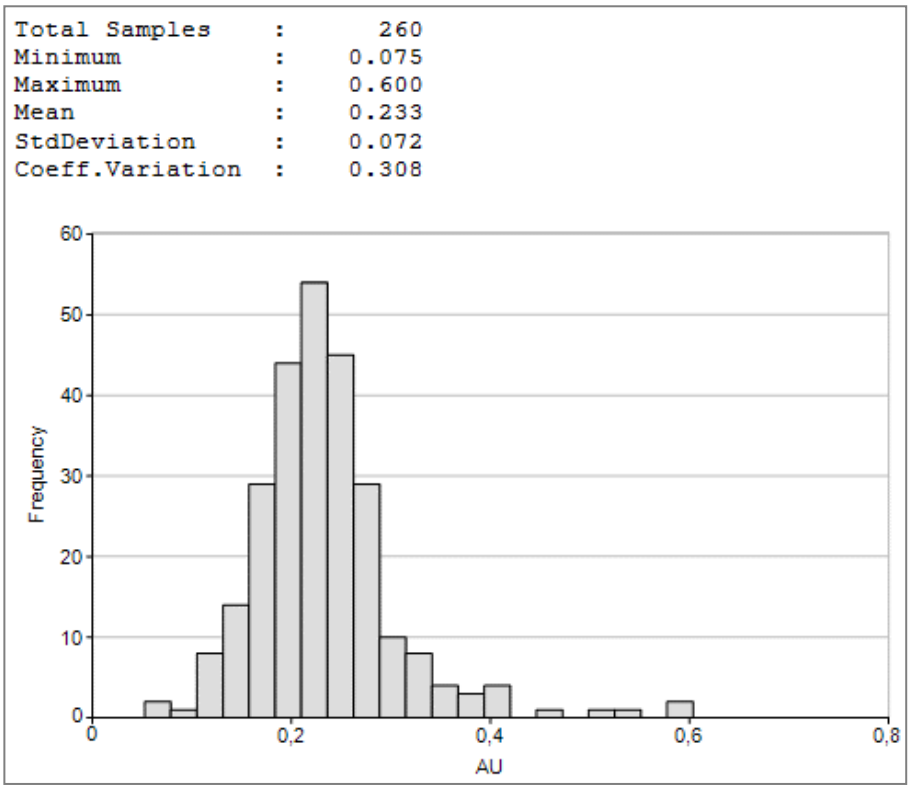
3L5 (Diepkloof TSF) was domained into two areas because of physical separation between the two compartments (Homestead and Diepkloof).

Figure 11.1: 3L7 (Mooifontein): Distribution of Raw Gold Capped Data



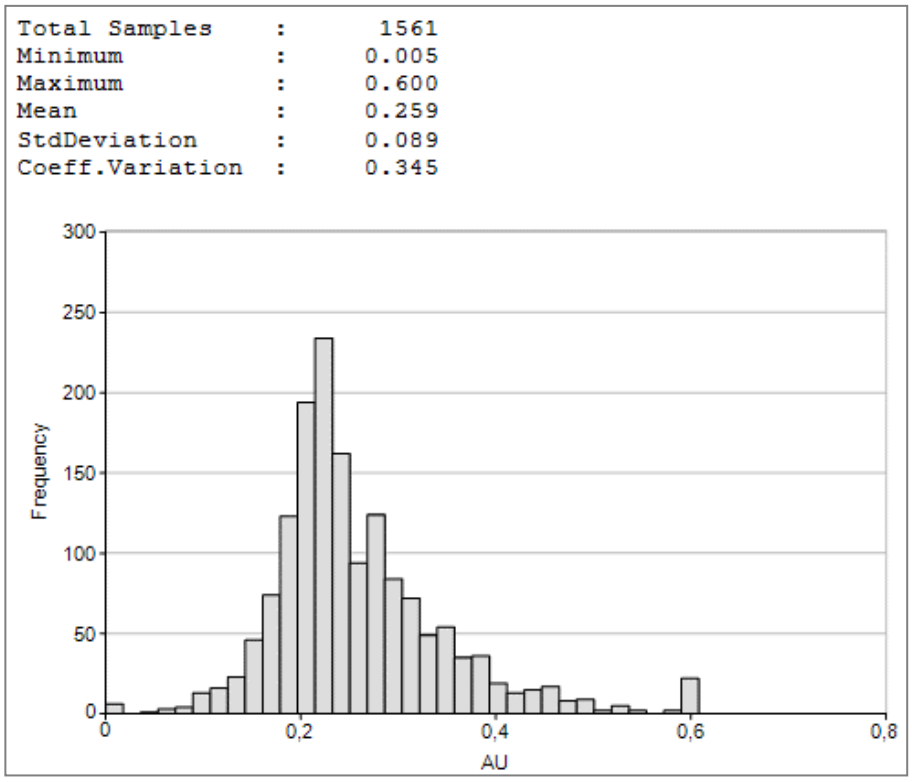
Source: The RVN Group, 2022

Figure 11.2: 3L7 (Mooifontein): Distribution of Composited Gold Data



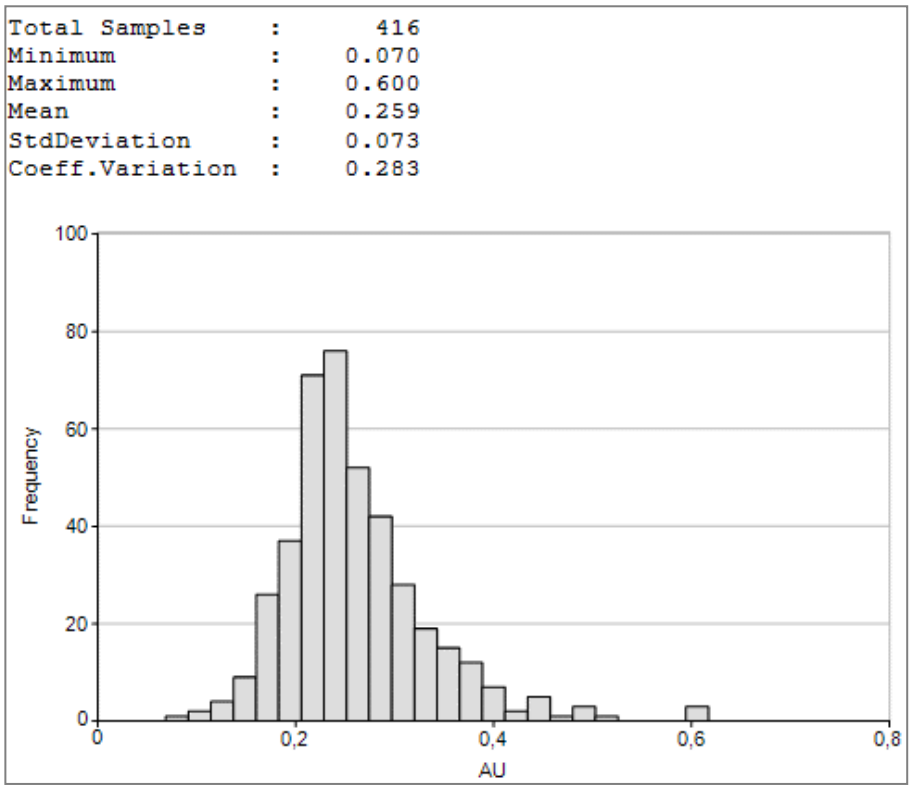
Source: The RVN Group, 2022

Figure 11.3: 3L8 (GMTS): Distribution of Raw Gold Capped Data



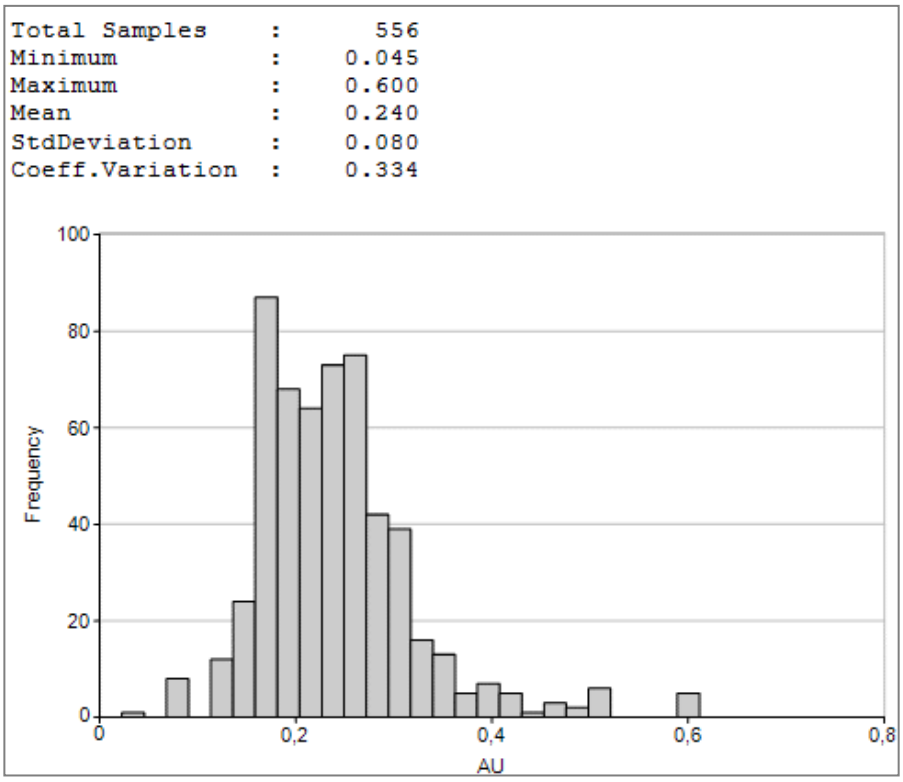
Source: The RVN Group, 2022

Figure 11.4: 3L8 (GMTS): Distribution of Composited Gold Data



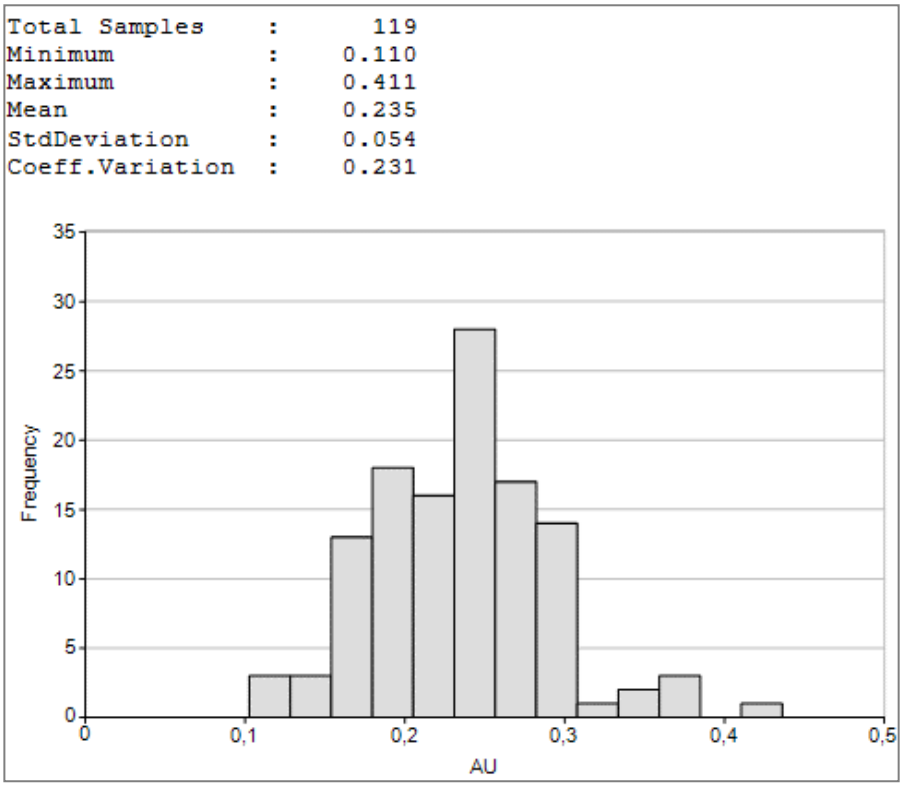
Source: The RVN Group, 2022

Figure 11.5: 3L5 (Diepkloof: Diepkloof): Distribution of Raw Gold Capped Data



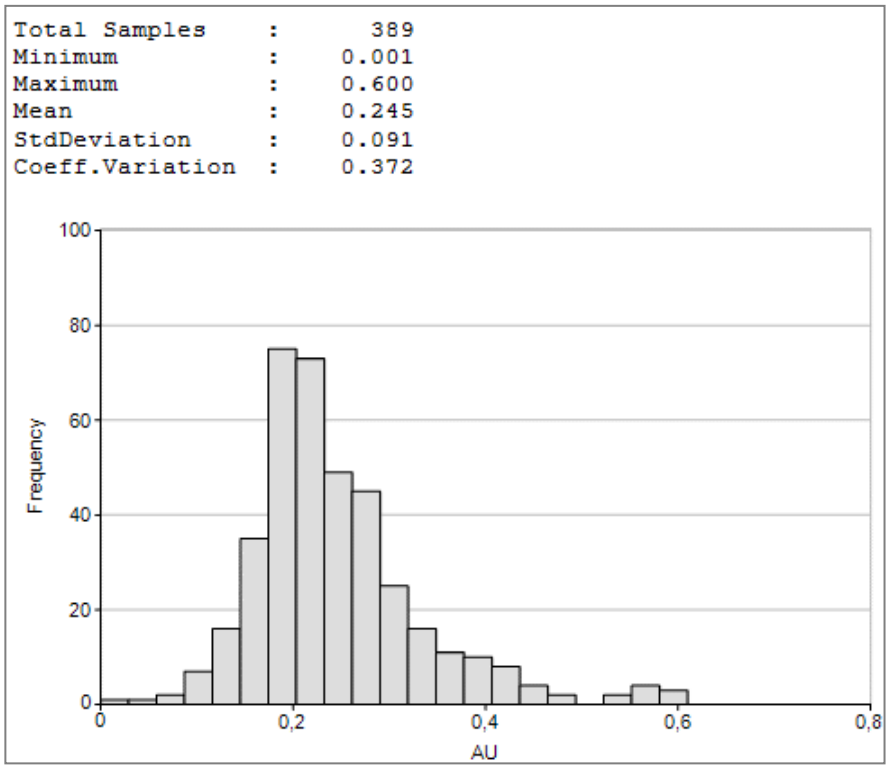
Source: The RVN Group, 2022

Figure 11.6: 3L5 (Diepkloof: Diepkloof): Distribution of Composited Gold Data



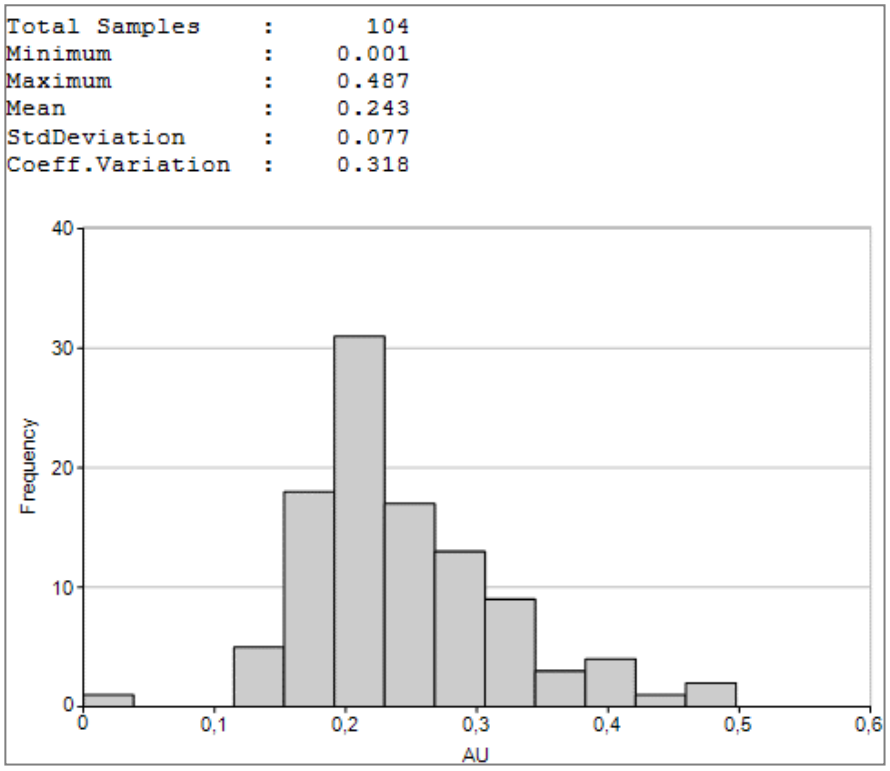
Source: The RVN Group, 2022

Figure 11.7: 3L5 (Diepkloof: Homestead): Distribution of Raw Gold Capped Data



Source: The RVN Group, 2022

Figure 11.8: 3L5 (Diepkloof: Homestead): Distribution of Composited Gold Data



Source: The RVN Group, 2022

11.9.2 Modelling and Estimation Parameters

Half the drill hole spacing was chosen as the block size. Block size of 100m-by-100m-by-6m was chosen for the TSFs. Sub-celling was allowed for better volume definition.

The sample search parameters are supplied in Table 11.3.

Table 11.3: Search Parameters: Inverse Distance Estimation Method

TSF	Domain	Estimation Pass	Search Distance			Minimum Number of Composites	Maximum Number of Composites
			X (m)	Y (m)	Z (m)		
3L7 (Mooifontein)	Mooifontein	1	300	300	6	5	20
		2	600	600	12	5	20
		3	900	900	18	5	20
3L8 (GMTS)	GMTS	1	400	400	10	4	10
		2	800	800	20	4	10
		3	1,200	1,200	30	4	10
3L5 (Diepkloof)	Homestead	1	400	400	10	4	10
		2	800	800	20	4	10
		3	1,200	1,200	30	4	10
	Diepkloof	1	400	400	10	4	10
		2	800	800	20	4	10
		3	1,200	1,200	30	4	10

Source: The RVN Group, 2022

11.9.3 Technical and Economic Factors

11.9.3.1 Site Infrastructure

Crown Complex is located in a well-developed area (Johannesburg) with most mining infrastructure in place. Johannesburg is a megacity and is one of the 100th largest urban cities in the world. Johannesburg was established in the 1880s following the discovery of gold.

Roads: Access to the Crown Complex is via the N1 highway and a network of the well-maintained paved road systems.

Power: Power requirements are primarily for the operation of pumps and site offices. Power is sourced from the national supplier, the Electricity Supply Commission (Eskom). There is power supply from17# substation to the surrounding areas and the TSFs.

Site Offices and Workshop: Site offices are typically established by mining contractors as part of the mining contract. Workshops for maintenance of roads, pumps and pipelines are based at the Ergo processing plant and no additional infrastructure is required.

Crown Complex is situated in the City of Johannesburg, so other specialized services could be sourced from the private workshops.

Pumps and Pipelines: Before mining could start, the pump station and pipeline to Ergo processing plant in Brakpan should be completed. A pipeline of approximately 20km will be required to supply slime to City Deep. There is already a pipeline infrastructure to transport slime to Ergo Plant from City Deep; this may need to be upgraded along with a water supply pipeline at a later stage.

Water: Water is required during mining as hydraulic mining method is suitable for Crown Complex. A Mining Right renewal application has been launched. Crown Complex has the majority of the water uses authorized and would only require minor amendments, but this would only be able to 100% defined when the entire scope and design of the project is finalized. Ergo is confident that a water use license will be issued.

Tailings Deposition Site: Ergo has sufficient tailings deposition capacity at their Brakpan/Withok tailings deposition facility to accommodate all material from Crown Complex, in addition to the tonnages in the LoM plan if the final design of the Brakpan/Withok TSF is approved and implemented. Refer to Item 15.7 and 19.3.2 for more detail on deposition plans.

11.9.3.2 Mine Design and Planning

Hydraulic mining is suitable for Crown Complex. Hydraulic mining can loosely be defined as the excavation of material from its *in situ* state using water. A stream of water is directed at the tailings material with the purpose of mechanically breaking and/or softening the material so that it can be carried away by the water flow. The application or effectiveness of the method is a function of a variety of factors ranging from the size, velocity and pressure of the water stream to the location, hardness, particle size and moisture content of the material to be mined.

Hydraulic mining is typically undertaken using 100mm or 150mm monitor guns with increased production achieved by the inclusion of additional units. This provides a high degree of flexibility that allows simultaneous mining at a number of points over a wide range of production rates. Consequently, grade blending is readily achievable.

A production rate of 3 x 600kt/m is assumed from Crown Complex due to pipeline capacity.

11.9.3.3 Processing Plant

Crown Complex material could be processed at Ergo's processing plant as discussed in Item 10 and the results presented in Table 10.1. The slime material is not significantly different to the slimes material processed at the Ergo processing plant. The Ergo processing plant details are in Item 14.

11.9.3.4 Environmental Compliance and Permitting

A Mining Right renewal application was launched with the DMRE. Compliance and permitting are discussed in Item 3.2 and 17.

11.9.3.5 Initial Assessment Results

The QP's opinion is that there is a reasonable prospect for economic extraction based on the total mix of technical and financial factors discussed. A cut-off grade is discussed in Item 12.2.11.7

11.9.4 Mineral Resource Classification Criteria

A list of the criteria used to classify the Mineral Resources is given in Table 11.4. Applying these confidence levels, Mineral Resource classification codes were assigned to the block model. A low confidence in one of the listed items will mean classification is downgraded to Inferred, a moderate confidence in at least one item will mean a property is Indicated while all highs mean the property is in the Measured Mineral Resource category.

Table 11.4: Confidence Levels for Key Criteria for Mineral Resource Classification

Items	Discussion	Confidence
Drilling Techniques	RC drilling technique to international standards	High
Logging	Detailed logging throughout	High
Drill Sample Recovery	The sample recovery was considered satisfactory and was acceptable for mineral resource estimation	High
Sub-sampling Techniques and Sample Preparation	Material has previously been processed and quartering was applied	High
Quality of Assay Data	Available data is of robust quality however there is a relatively high variability in the lowest grade assays	High
Verification of Sampling and Assaying	A comprehensive QC program implemented during exploration	High
Location of Sampling Points	Survey of all collars and TSFs surfaces	High
Data Density and Distribution	Data points were well spread, though widely spaced. Approximately 200m-by-200m spacing was followed	Moderate
Database Integrity	Errors identified and rectified	High
Geological Interpretation	Geometry is known accurately	High
Bulk Density	A mean density of 1.42t/m^3 was considered reasonable	High
Mineralization Type	Mineralization is well known from processing	High
Estimation and Modelling Techniques	NN and Inverse Distance	High

Source: The RVN Group, 2022

The drill hole spacing was approximately 200-by-200m on all the TSFs. With this grid, the grade, floor elevation and TSF geometry were estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the TSFs. All TSFs' material was classified as Indicated Mineral Resources. No Measured Mineral Resource was declared as the drill space is still too wide to conclusively define grade continuity and volume. No Inferred was declared as drilling provided sufficient information.

The data or supporting information is derived from the adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation.

11.9.5 Mineral Resource Statement

As no Mineral Reserve was declared, inclusive is equal to exclusive Mineral Resource for the Crown Complex (Table 11.5).

Table 11.5: Crown Complex Mineral Resource Estimate (Exclusive)

TSF	Mineral Resource Category	Mineral Resources as at 30 June 2021 (Exclusive)			Mineral Resources as at 30 June 2022 (Exclusive)		
		Tons (kt)	Au (g/t)	Content (oz)	Tons (kt)	Au (g/t)	Content (oz)
Measured Mineral Resources		-	-	-	-	-	-
Mooifontein (3L7)	Indicated	67,559	0.23	499,577	67,559	0.23	499,577
GMTS (3L8)	Indicated	107,450	0.25	863,649	107,450	0.25	863,649
Diepkloof (3L5)	Indicated	97,988	0.23	724,589	97,988	0.23	724,589
Sub-total Indicated Mineral Resources		**272,997**	**0.24**	**2,087,815**	**272,997**	**0.24**	**2,087,815**
Sub-total Measured and Indicated Mineral Resources		**272,997**	**0.24**	**2,087,815**	**272,997**	**0.24**	**2,087,815**
Inferred Mineral Resources		-	-	-	-	-	-
Total Mineral Resource		**272,997**	**0.24**	**2,087,815**	**272,997**	**0.24**	**2,087,815**

Source: The RVN Group, 2022

11.9.6 Mineral Resource Changes

There was no change in Mineral Resource as no drilling, mining or additional deposition was done on Crown Complex.

11.9.7 Mineral Resource Risks and Uncertainty

The renewal of the Mining Right for the Crown Complex is a risk. The application to renew was launched in 2014 and Ergo has since been constantly engaging the DMRE. This report has considered section 24(5) of the MPRDA, as amended; as quoted below:

''A mining right in respect of which an application for renewal has been lodged shall despite its expiry date remain in force until such time as such application has been granted or refused.''

The QP classified the overall Mineral Resource risk as medium due to lower grades and permitting status of the Crown Complex.

In the opinion of the QP, no further technical work is required as the drilling program provided sufficient data to define continuity.

11.10 City Deep Complex

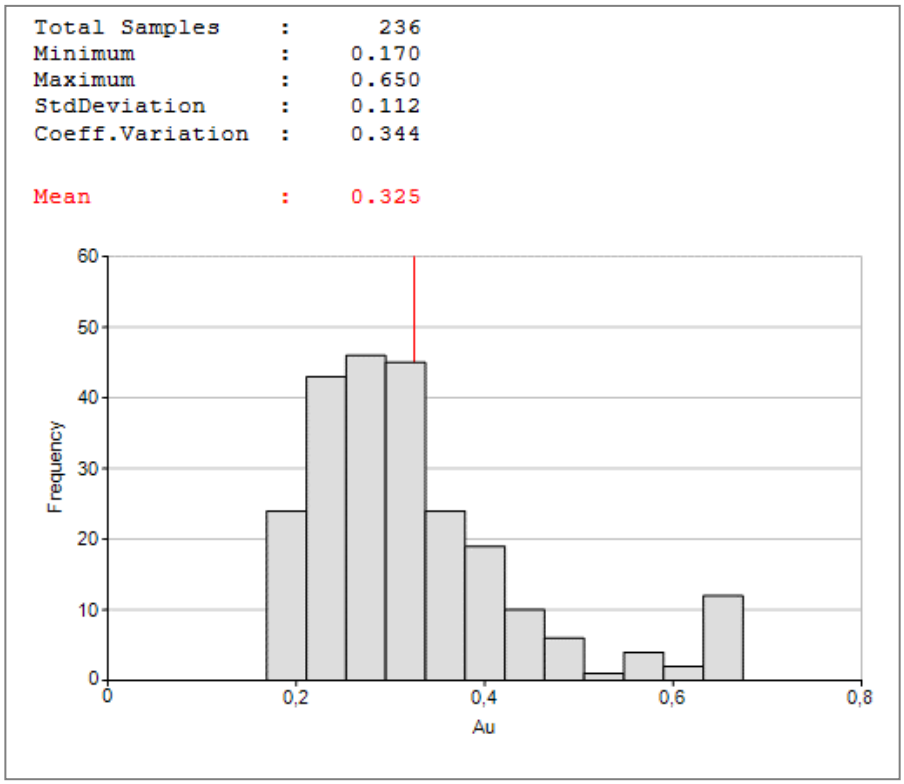
11.10.1 Exploratory Data Analysis

Figure 11.9 to Figure 11.14 show the frequency distributions of the gold grades on 4L3, 4L4 and 4L6. Data was analyzed as raw, capped and composites. There was no material changed between the data sets. The data sets show positively skewed distribution.

Based on the high-grade cap investigations, high-grade caps were selected and applied to the raw dataset. A little/insignificant reduction in the available metal is noted.

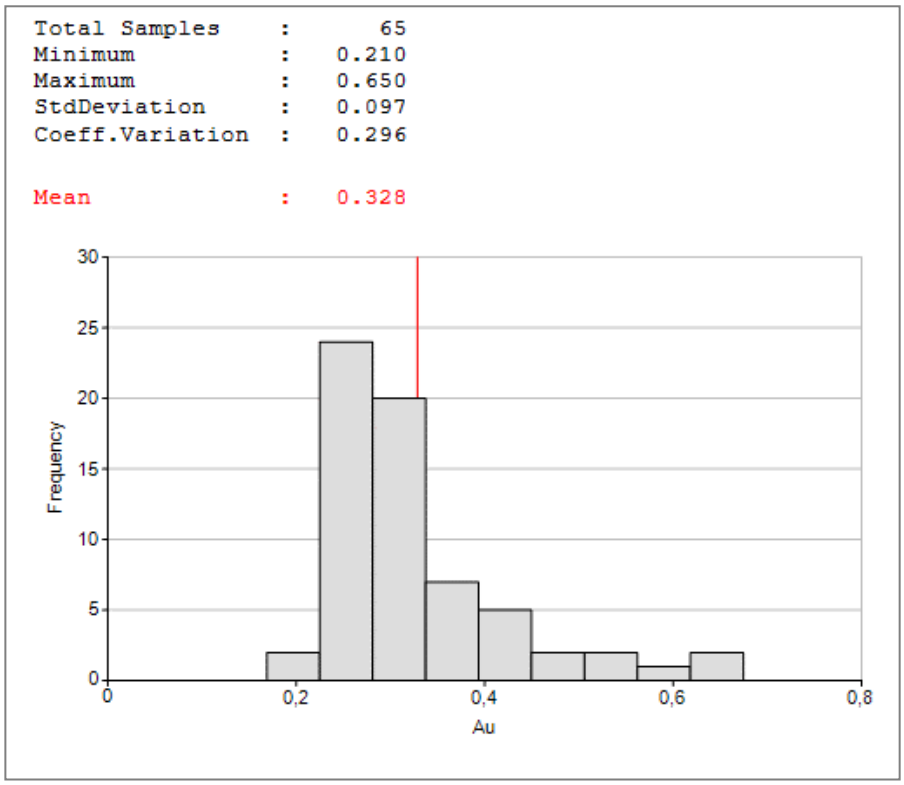
- 4L3: capped at 0.65g/t Au;
- 4L4: capped at 0.65g/t Au; and
- 4L6: capped at 0.50g/t Au.

Figure 11.9: 4L3: Distribution of Raw Gold Capped Data



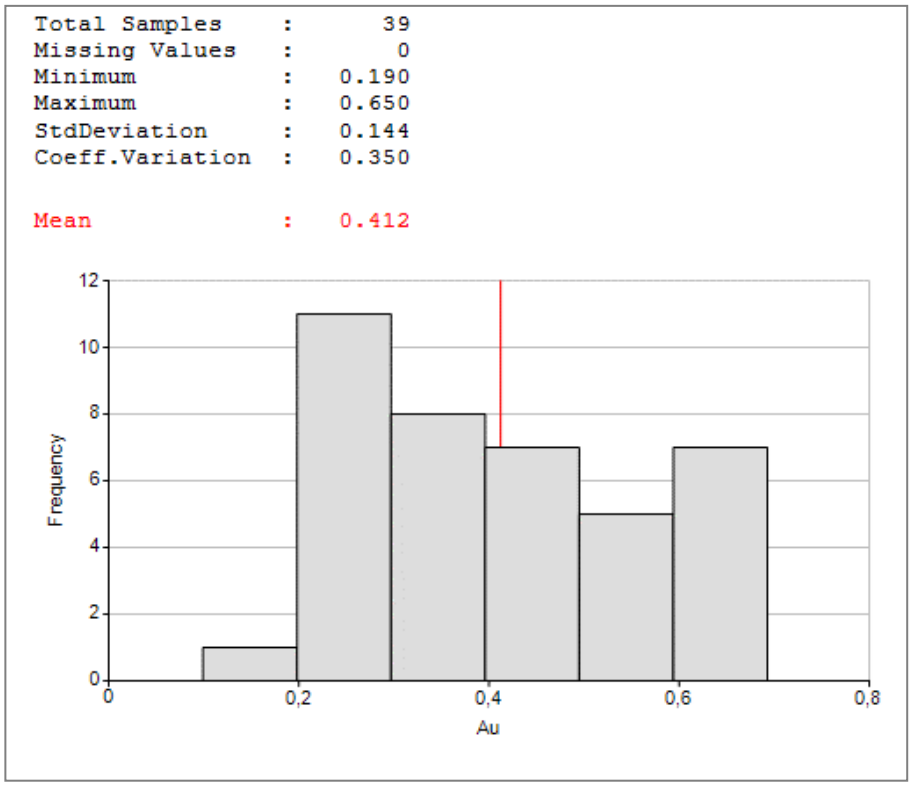
Source: The RVN Group, 2022

Figure 11.10: 4L3: Distribution of Composited Gold Data



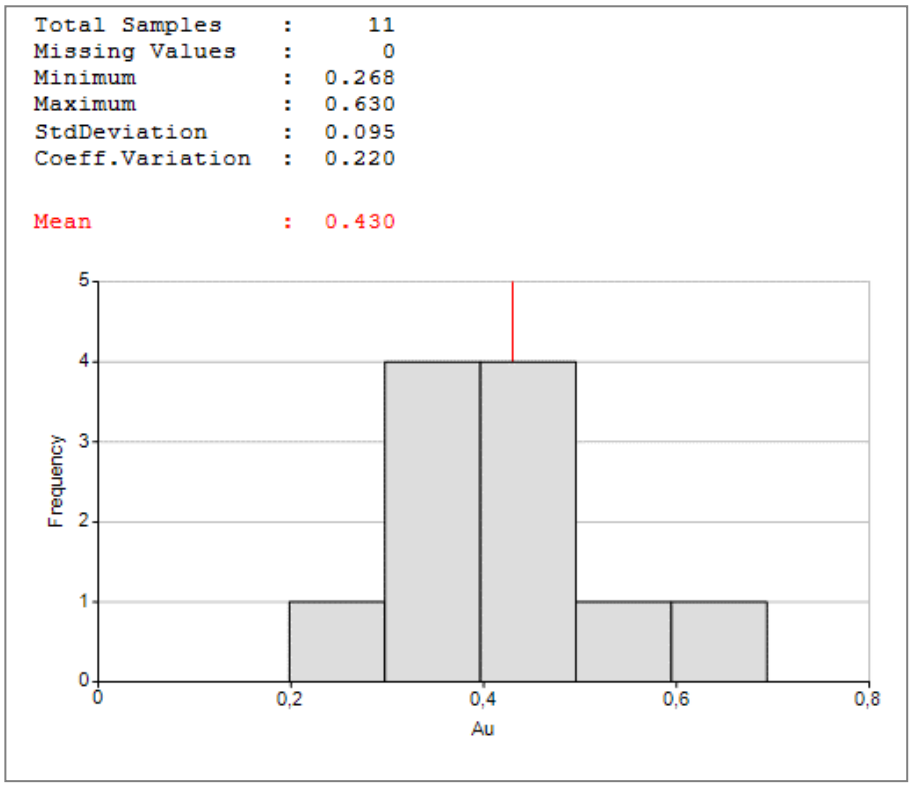
Source: The RVN Group, 2022

Figure 11.11: 4L4: Distribution of Raw Gold Capped Data



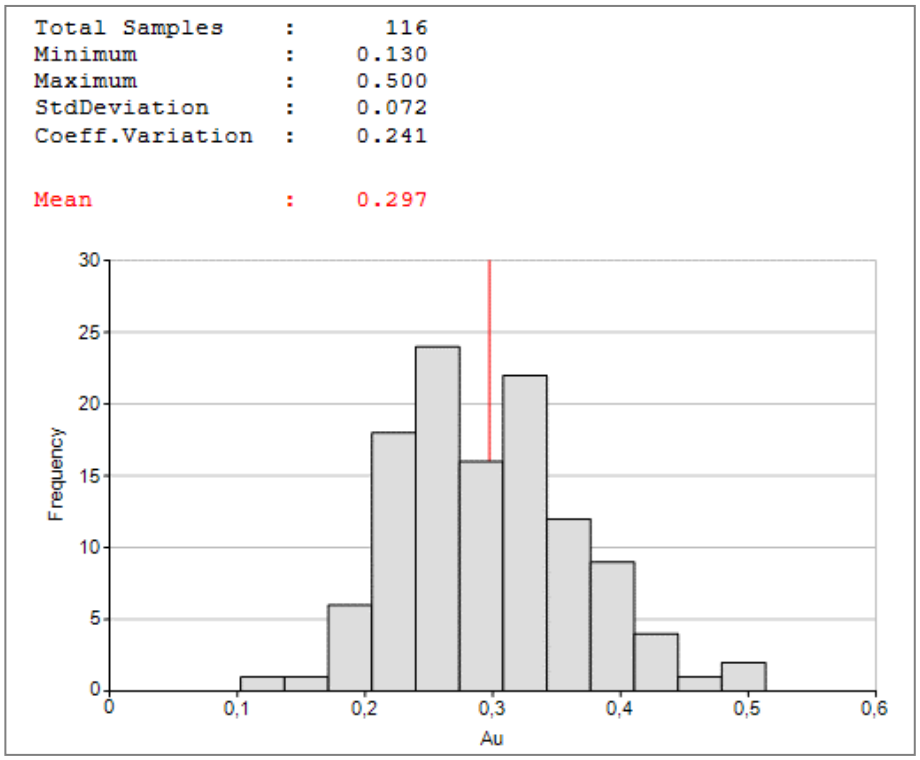
Source: The RVN Group, 2022

Figure 11.12: 4L4: Distribution of Composited Gold Data



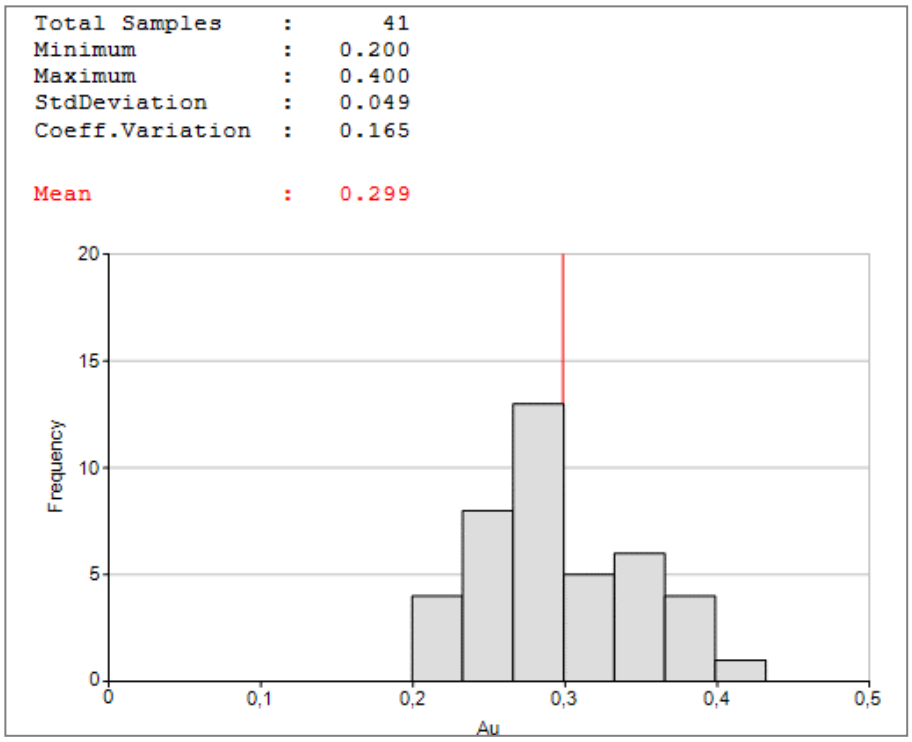
Source: The RVN Group, 2022

Figure 11.13: 4L6: Distribution of Raw Gold Capped Data



Source: The RVN Group, 2022

Figure 11.14: 4L6: Distribution of Composited Gold Data



Source: The RVN Group, 2022

11.10.2 Modelling and Estimation Parameters

A block model with 100m-by-100m blocks was constructed for 4L3, 4L4 and 4L6 inside the respective volumes. Tonnages and grades were estimated into the block model. The parent block sizes selected to estimate the deposit approximates the drill hole spacing. The tailings bench heights are 5m to 8m high. The QP selected 6m in the Z direction for the City Deep Complex to correspond with the average bench height.

The sample search parameters are supplied in the Table 11.6.

Table 11.6: Search Parameters: Inverse Distance Estimation Method

TSF	Estimation Pass	Search Distance			Minimum Number of Composites	Maximum Number of Composites
		X (m)	Y (m)	Z (m)		
4L3	1	400	400	10	4	10
	2	800	800	20	4	10
	3	1,200	1,200	30	4	10
4L4	1	400	400	10	4	10
	2	800	800	20	4	10
	3	1,200	1,200	30	4	10
4L6	1	400	400	10	4	10
	2	800	800	20	4	10
	3	1,200	1,200	30	4	10

Source: The RVN Group, 2022

11.10.3 Technical and Economic Factors

Item 13 to Item 19 were considered in declaring the Mineral Resource estimates.

11.10.4 Mineral Resource Classification Criteria

An additional list of the criteria used by the QP to classify the Mineral Resource estimates in addition to the statistical parameters is given in Table 11.7. Applying these confidence levels, Mineral Resource classification codes were assigned to the block model. A low confidence in one of the listed items will mean classification is downgraded to Inferred, a moderate confidence in at least one item will mean a property is Indicated while all highs mean the property is in the Measured Mineral Resource category.

Table 11.7: Confidence Levels of Key Criteria for Classification of the TSFs Mineral Resources

Items	Discussion	Confidence
Drilling Techniques	Auger to industry standards	High
Logging	Detailed logging throughout	High
Drill Sample Recovery	The sample recovery is estimated as >90% and was considered acceptable for Mineral Resource estimation	High
Sub-sampling Techniques and Sample Preparation	Material has previously been processed and was submitted directly for sampling	High
Quality of Assay Data	Available data is of robust quality	High
Verification of Sampling and Assaying	A comprehensive QC program was implemented	High
Location of Sampling Points	Survey of all collars and TSF surfaces	High
Data Density and Distribution	Approximately 100m-by-100m spacing was followed	high
Geological Interpretation	Geometry is known accurately	High
Mineralization Type	Mineralization is well known from processing	High
Estimation and Modelling Techniques	Inverse distance used for resource declaration. NN used for validation	High

Source: The RVN Group, 2022

The QP classified the Mineral Resources into the Measured Mineral Resource Category as the drill hole spacing was tight enough (approximately 100m apart) to provide sufficient evidence of grade continuity and estimate tons with high confidence. No Indicated and Inferred Mineral Resources were declared.

11.10.5 Mineral Resource Statement

Table 11.8 to Table 11.9 present Mineral Resources for 4L3, 4L4 and 4L6 as at 30 June 2022.

Table 11.8: City Deep Complex Mineral Resource Estimates (Inclusive)

TSF	Mineral Resource Category	Mineral Resources as at 30 June 2021 (Inclusive)			Mineral Resources as at 30 June 2022 (Inclusive)		
		Tons (kt)	Au (g/t)	Content (oz)	Tons (kt)	Au (g/t)	Content (oz)
4L3	Measured	13,134	0.32	135,126	13,134	0.32	135,126
4L4	Measured	4,738	0.32	48,746	4,738	0.32	48,746
4L6	Measured	2,410	0.31	24,020	2,410	0.31	24,020
Sub-total Measured Mineral Resources		**20,282**	**0.32**	**207,891**	**20,282**	**0.32**	**207,891**
Indicated Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**
Sub-total Measured and Indicated Mineral Resources		**20,282**	**0.32**	**207,891**	**20,282**	**0.32**	**207,891**
Inferred Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**
Total Mineral Resource		**20,282**	**0.32**	**207,891**	**20,282**	**0.32**	**207,891**

Source: The RVN Group, 2022

Table 11.9: City Deep Complex Mineral Resource Estimates (Exclusive)

TSF	Mineral Resource Category	Mineral Resources as at 30 June 2021 (Exclusive)			Mineral Resources as at 30 June 2022 (Exclusive)		
		Tons (kt)	Au (g/t)	Content (oz)	Tons (kt)	Au (g/t)	Content (oz)
4L3	Measured	-	-	-	-	-	-

4L4	Measured	-	-	-	-	-	-
4L6	Measured	-	-	-	-	-	-
Sub-total Measured Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**
Indicated Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**
Sub-total Measured and Indicated Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**
Inferred Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**
Total Mineral Resource		**-**	**-**	**-**	**-**	**-**	**-**

Source: The RVN Group, 2022

11.10.6 Mineral Resource Changes

There was no change in Mineral Resources as no drilling, mining or additional deposition was done on 4L3, 4L4 and 4L6 TSFs.

11.10.7 Mineral Resource Risks and Uncertainty

The QP's opinion is that the overall grade and tonnage estimates are reasonable for mine planning based on the drill hole data and assay statistics.

The gold price fluctuations present the main risk to the declared Mineral Resource estimates.

Risks of grade, continuity of mineralization and tons were mitigated through the reasonable drilling space, validation procedures, metallurgical testing, advanced statistical analyses and the use of robust modelling techniques.

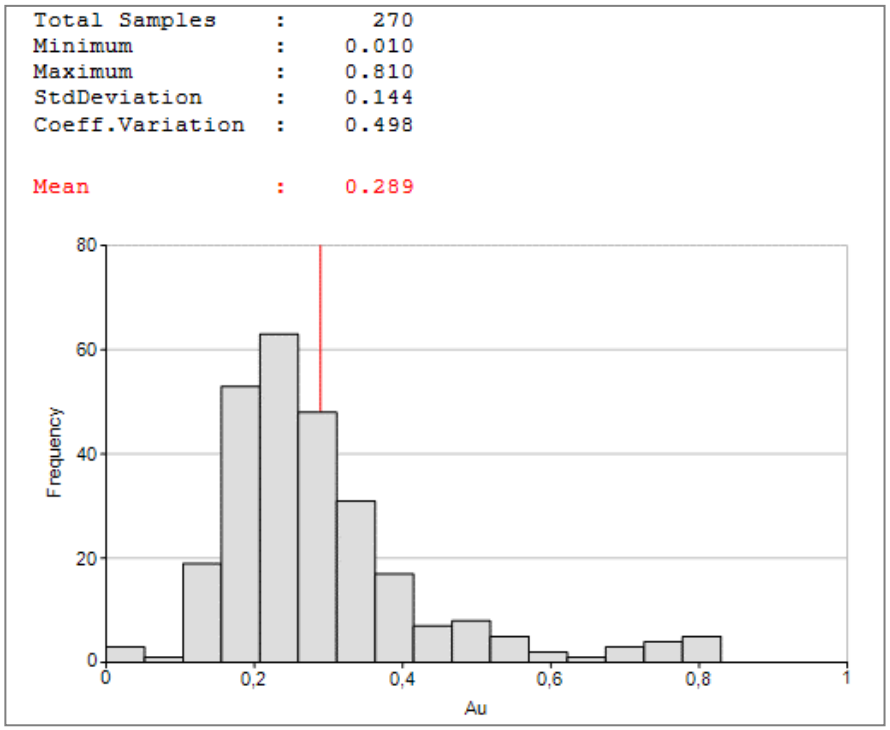
The QP classified the overall Mineral Resource risk as low. In the opinion of the QP, no further technical work is required as the drilling program provided enough data to define continuity.

11.11 Knights Complex

11.11.1 Exploratory Data Analysis

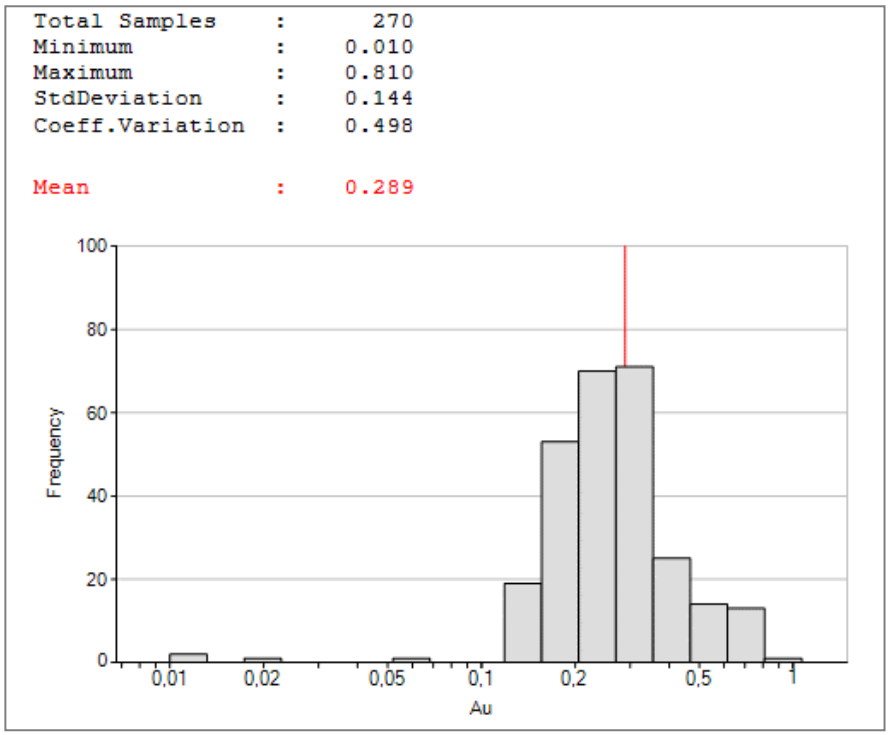
Statistics of the sample population from raw, capped and composited data are given in Figure 11.15 to Figure 11.28. At 4L14, both slime and soil were mineralized with soil having a maximum grade of 1.96g/t Au. The spread of both the slimes and soil data is not large which indicates that the grade variability is low. The gold grades for soil were capped at 0.94g/t to reduce the over-estimation of soil gold resources. Capping reduced the mean by about 10%; however, this is due to lack of data rather than a large volume of high-grade material. The slimes grades were composited into 6m intervals. The soil domain was not composited as there was not enough data. The 6m composites were based on numerous statistical tests and bench height. The bench height is 5m to 6m high.

Figure 11.15: 4L14: Distribution of Slime Raw Data



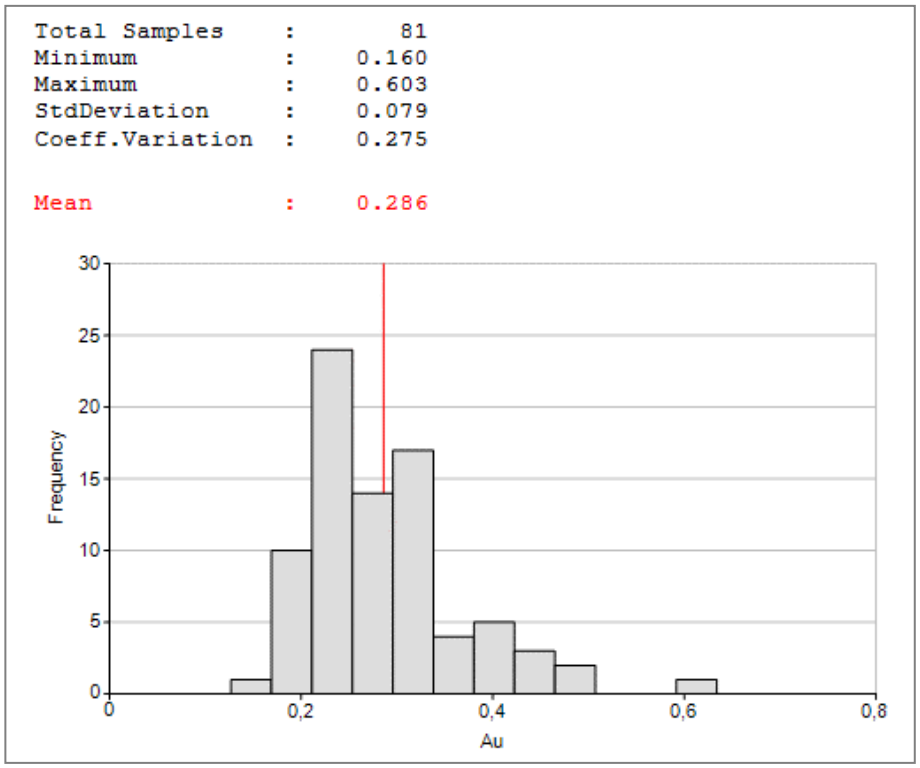
Source: The RVN Group, 2022

Figure 11.16: 4L14: Log Distribution of Slime Raw Data



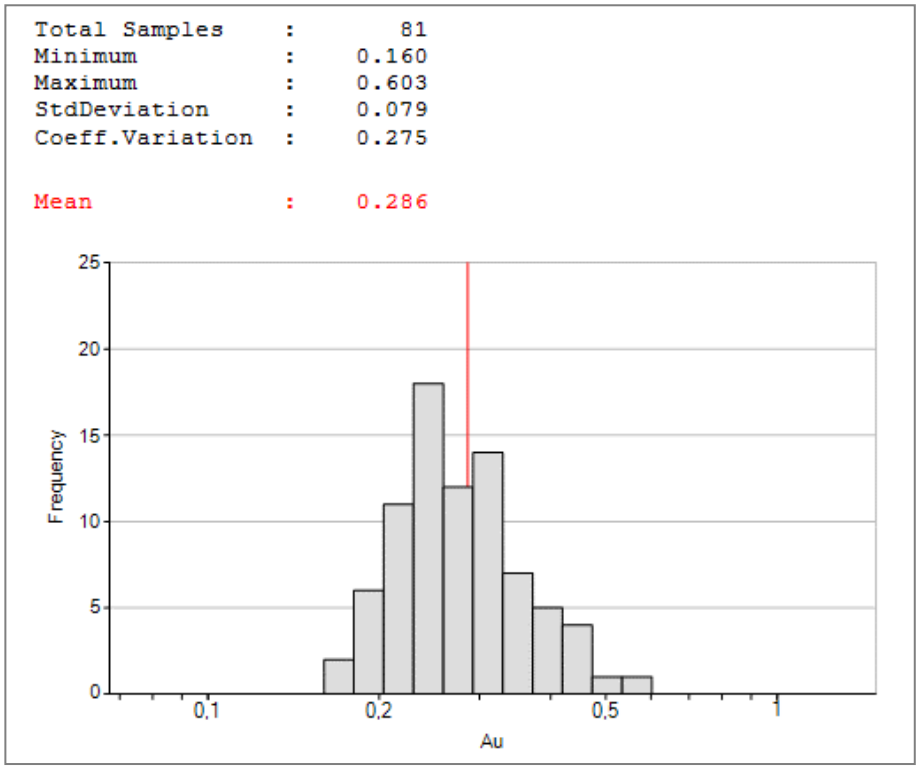
Source: The RVN Group, 2022

Figure 11.17: 4L14: Distribution of Slime 6m Composited Data



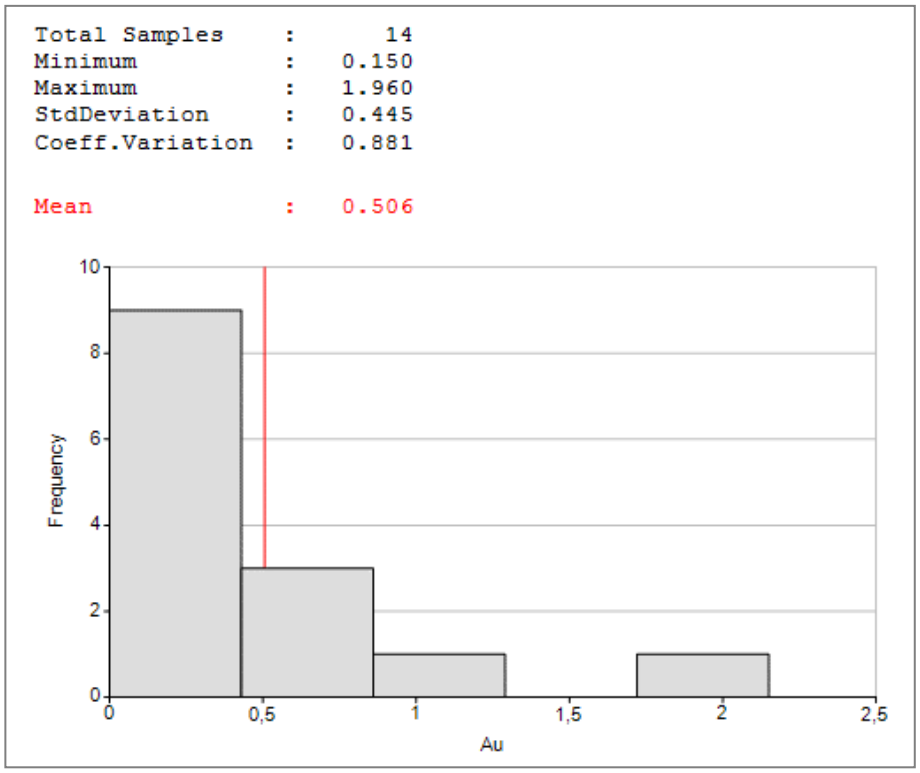
Source: The RVN Group, 2022

Figure 11.18: 4L14: Log Distribution of Slime 6m Composited Data



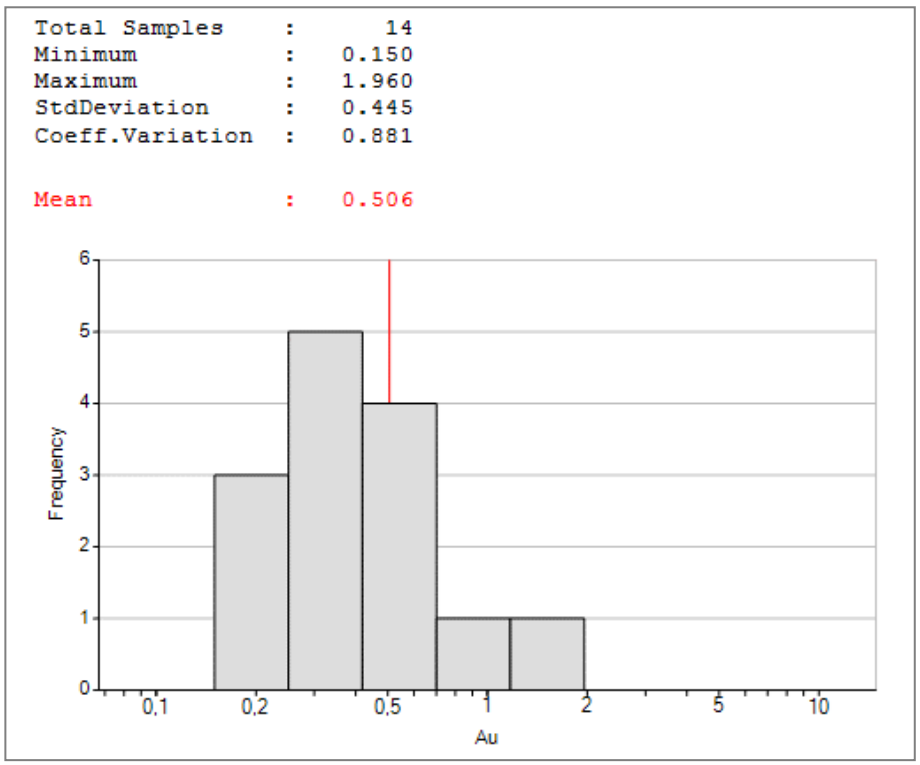
Source: The RVN Group, 2022

Figure 11.19: 4L14: Distribution of Soil Raw Data



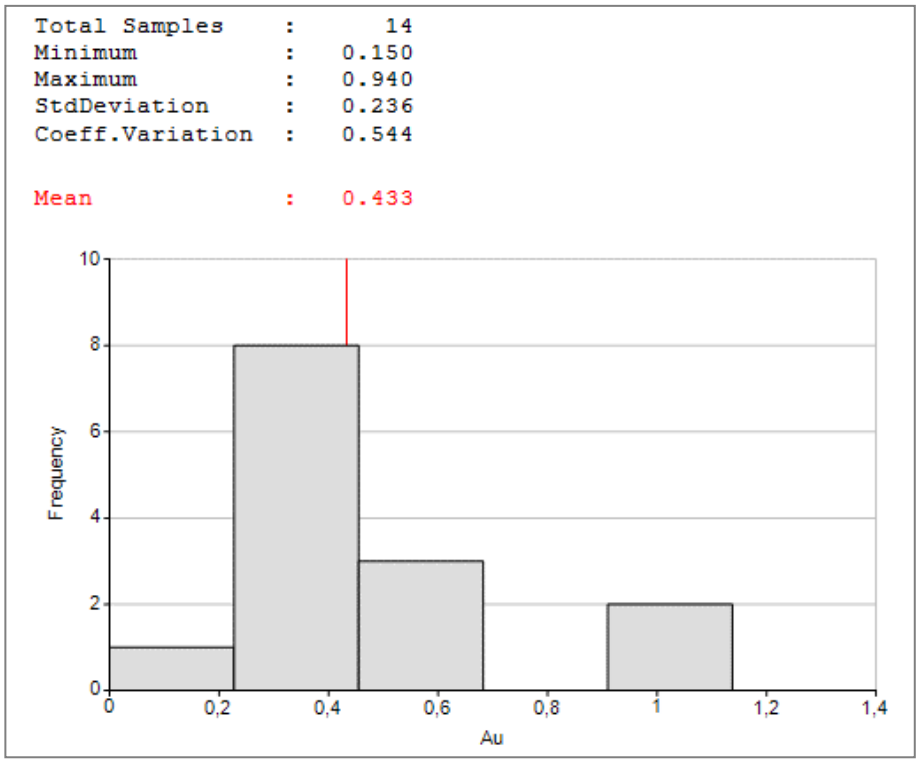
Source: The RVN Group, 2022

Figure 11.20: 4L14: Log Distribution of Soil Raw Data



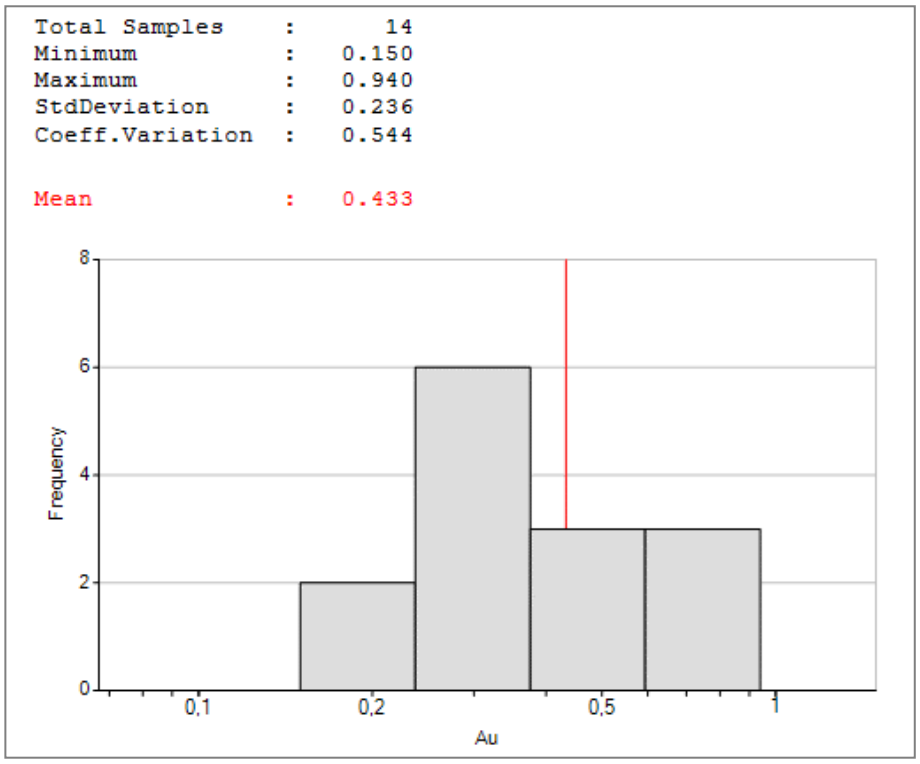
Source: The RVN Group, 2022

Figure 11.21: 4L14: Distribution of Soil Raw Capped Data



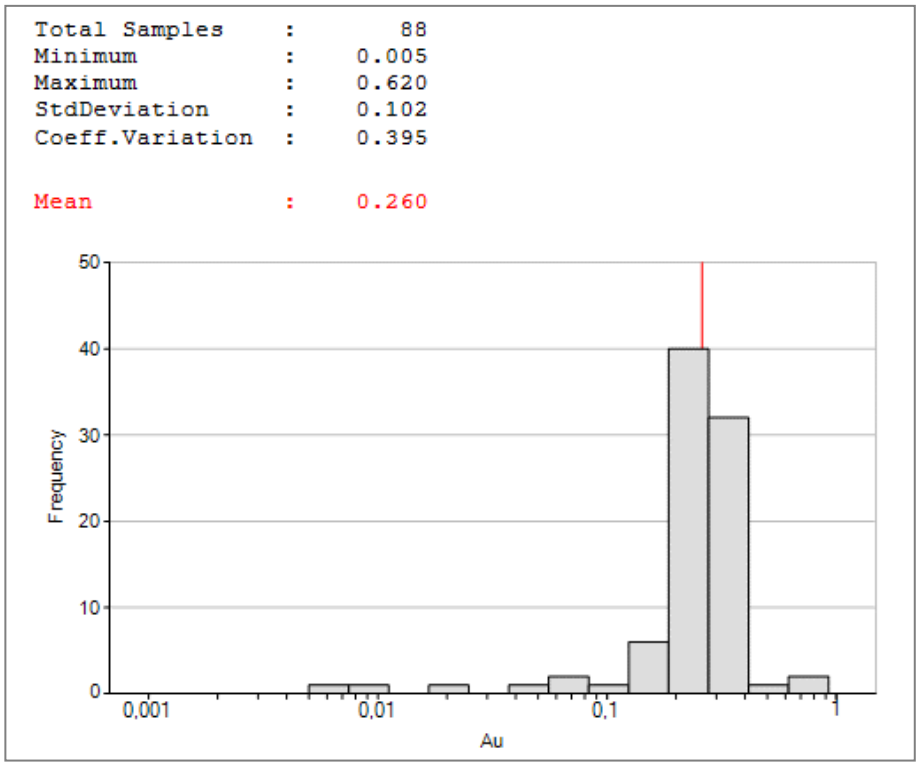
Source: The RVN Group, 2022

Figure 11.22: 4L14: Log Distribution of Soil Raw Capped Data



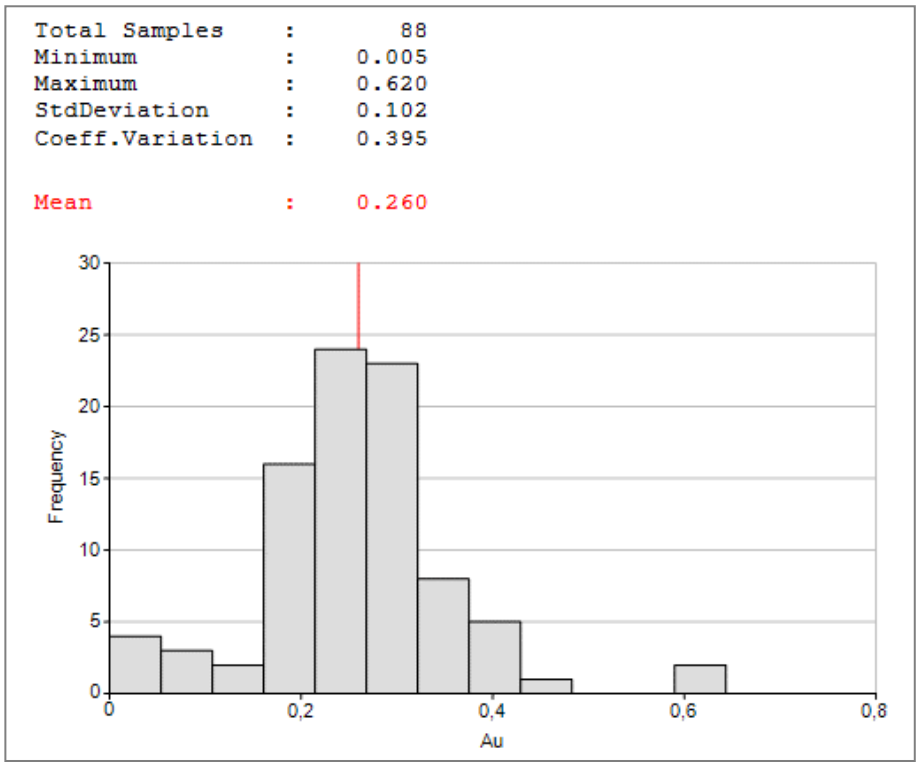
Source: The RVN Group, 2022

Figure 11.23: 4L50: Log Distribution of Raw Slime Data



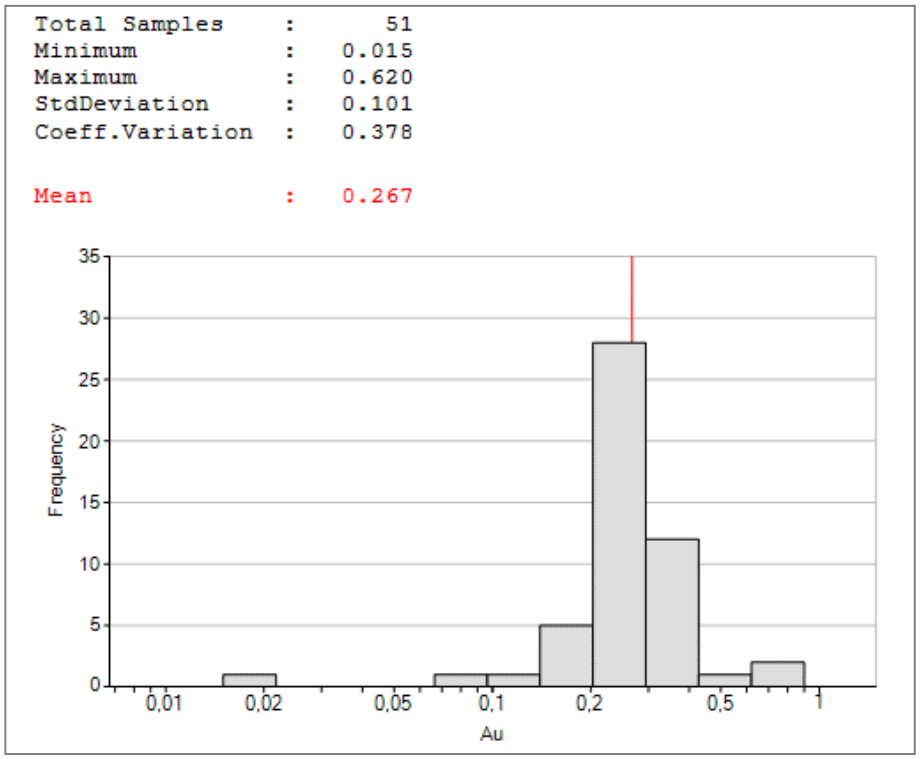
Source: The RVN Group, 2022

Figure 11.24: 4L50: Distribution of Raw Slime Raw Data



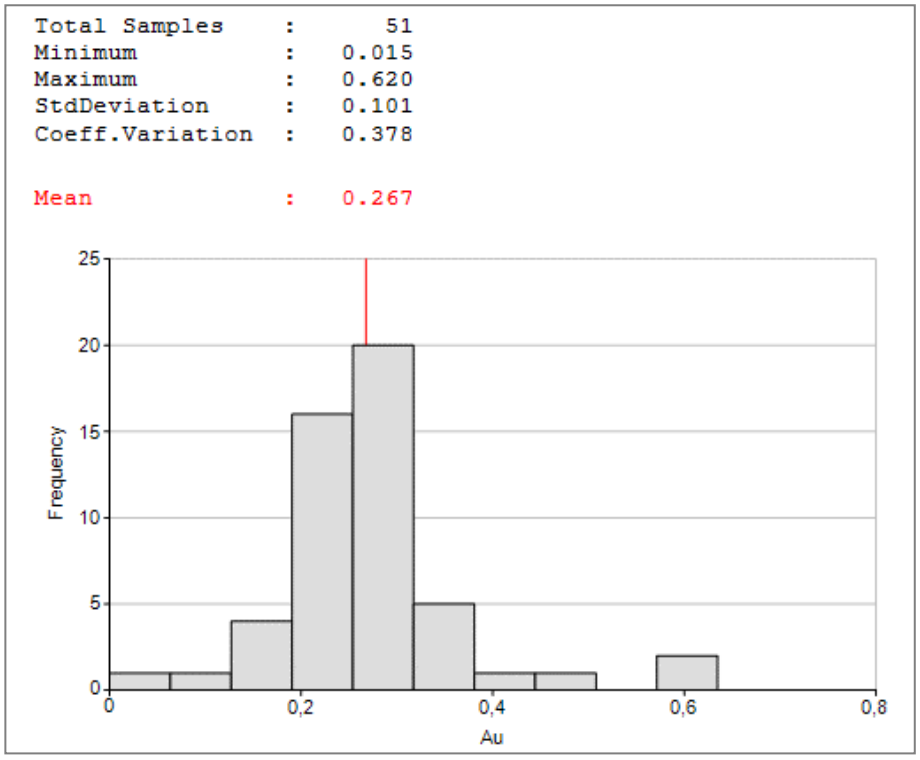
Source: The RVN Group, 2022

Figure 11.25: 4L50: Log Distribution of Raw Capped Slime Data



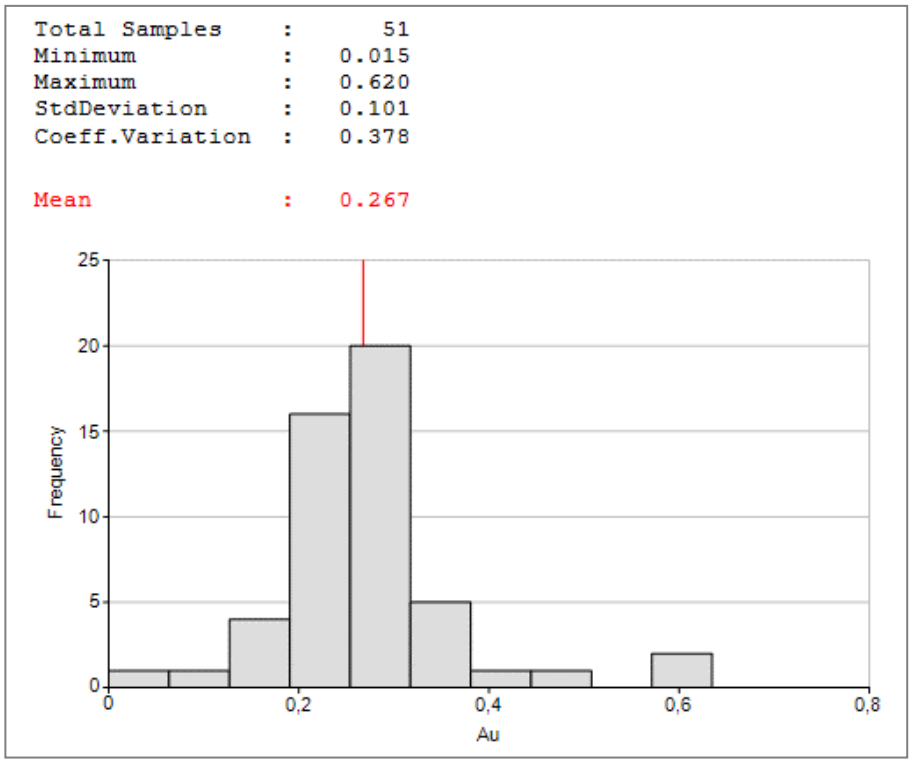
Source: The RVN Group, 2022

Figure 11.26: 4L50: Distribution of Raw Capped Slime Data



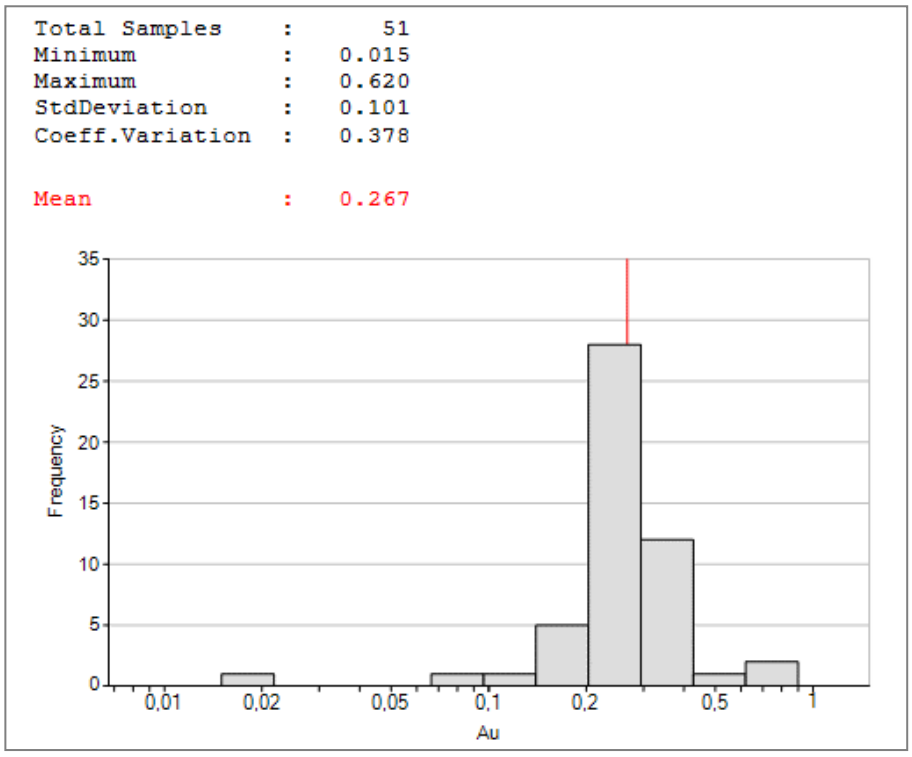
Source: The RVN Group, 2022

Figure 11.27: 4L50: Distribution of 3m Composited Slime Data



Source: The RVN Group, 2022

Figure 11.28: 4L50: Log Distribution of 3m Composited Slime Data



Source: The RVN Group, 2022

11.11.2 Modelling and Estimation Parameters

4L14: The parent block sizes for the TSFs were mostly based on the average drill spacing and compositing interval. The height of the dump benches is around 5m to 6m. The parent block sizes selected to estimate the deposit approximates half the drill hole spacing. Sub-blocking was allowed for good volume definition. Soil was modelled as a separate domain. Soil was modelled because it had high gold values, the QP attributed this high gold value to gold remobilization from the TSF.

Estimation Parameters for 4L14 are given in Table 11.10 and Table 11.11.

Table 11.10: 4L14: Search Parameters: Nearest Neighbor Estimation Method

Domain	Estimation Pass	Search Distance			Minimum Number of Composites	Maximum Number of Composites	Maximum Number of Composites per Drill Hole
		X (m)	Y (m)	Z (m)			
Slime	1	400	400	50	1	1	1
	2	800	800	100	1	1	1
	3	1,200	1,200	150	1	1	1
Soil	1	400	400	50	1	1	1
	2	800	800	100	1	1	1
	3	1,200	1,200	150	1	1	1

Source: The RVN Group, 2022

Table 11.11: 4L14: Search Parameters: Inverse Distance Estimation Method

Domain	Estimation Pass	Search Distance			Minimum Number of Composites	Maximum Number of Composites	Maximum Number of Composites per Drill Hole
		X (m)	Y (m)	Z (m)			
Slime	1	500	500	12	5	10	2
	2	1,000	1,000	24	5	10	2
	3	1,500	1,500	36	5	10	2
Soil	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

Source: The RVN Group, 2022

4L50: The parent block sizes for the 4L50 TSF were mostly based on the average drill spacing and bench height. The parent block sizes selected to estimate the deposit approximates the borehole spacing. The bench height is 2m to 4m high. Sub-blocking was allowed to improve volume representation within the interpreted wireframe models of the dump top and bottom surfaces.

A comparison of the 2008 and 2016 drillhole information showed that the base of the dump was not properly defined in the 2008 drilling. There appeared to be over-drilling or extra samples at the base. Due to this problem, it was decided to map the base of the dump using the 2016 to 2017 drilling campaign data only. There is high confidence in the logging data from the 2016 drilling campaign.

The sample search parameters are supplied in Table 11.12 and Table 11.13.

Table 11.12: 4L50: Search Parameters: Nearest Neighbor Estimation Method

Domain	Estimation	Search Distance	Minimum	Maximum	Maximum

	Pass	X (m)	Y (m)	Z (m)	Number of Composites	Number of Composites	Number of Composites per Drill Hole
Slime	1	400	400	50	1	1	1
	2	800	800	100	1	1	1
	3	1,200	1,200	150	1	1	1

Source: The RVN Group, 2022

Table 11.13: 4L50: Search Parameters: Inverse Distance Estimation Method

Domain	Estimation Pass	Search Distance			Minimum Number of Composites	Maximum Number of Composites	Maximum Number of Composites per Drill Hole
		X (m)	Y (m)	Z (m)			
Slime	1	500	500	6	5	10	2
	2	1,000	1,000	12	5	10	2
	3	1,500	1,500	24	5	10	2

Source: The RVN Group, 2022

A number of search parameters were tested; optimum parameters were chosen by the QP.

11.11.3 Technical and Economic Factors

Item 13 to Item 19 were considered in declaring the Mineral Resource Estimates. The technical studies were done at a PFS level. As at 30June 2022, 4L50 was being mined.

11.11.4 Mineral Resource Classification Criteria

The 4L14 and 4L50 TSFs were classified using a number of criteria including data density, estimation statistics and TSF knowledge and interpretation. For classification purpose, blocks estimated within the first search radius were classified as Measured Mineral Resources. The TSFs were classified as Measured Mineral Resources.

A list of the criteria used to classify the Mineral Resources in addition to the statistical parameters, is given in

Table 11.14 below. Applying these confidence levels, Mineral Resource classification codes were assigned to the block model. A low confidence in one of the listed items will mean classification is downgraded to Inferred, a moderate confidence in at least one item will mean a property is Indicated while all highs mean the property is in the Measured Mineral Resource category.

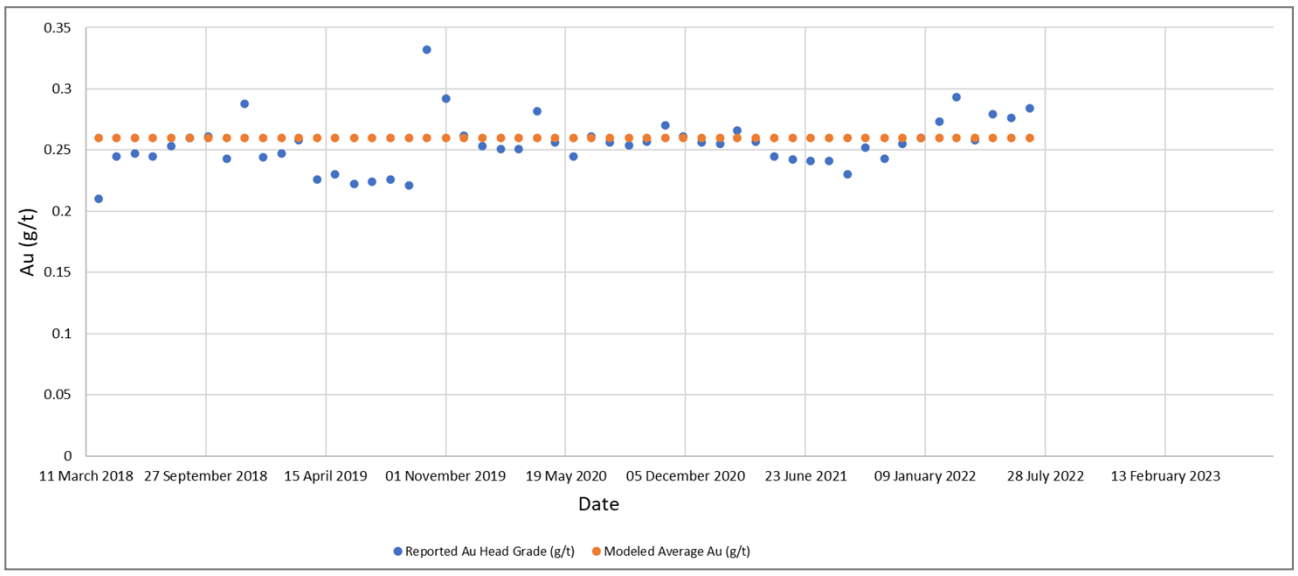
Table 11.14: Confidence Levels of Key Criteria for Classification of the 4L14and 4L50 TSFs Mineral Resources

Items	Discussion	Confidence
Drilling Techniques	Auger to international standards	High
Logging	Detailed logging throughout	High
Drill Sample Recovery	The sample recovery is estimated as >90% and is considered acceptable for Mineral Resource estimation	High
Sub-sampling Techniques and Sample Preparation	Material has previously been processed and can be submitted directly for sampling	High
Quality of Assay Data	Available data is of robust quality however there is a relatively high variability in the lowest grade assays	High
Verification of Sampling and Assaying	A comprehensive QC program implemented during exploration	High
Location of Sampling Points	Survey of all collars and TSFs surfaces	High
Data Density and Distribution	Drilled with auger drill holes at 100m-by-100m	High
Database Integrity	Errors identified and rectified	High
Geological Interpretation	Geometry is known accurately	High
Mineralization Type	Mineralization is well known from processing	High
Estimation and Modelling Techniques	NN and Inverse Distance Squared	High

Source: The RVN Group, 2022

Both TSFs were classified as Measured due to a tight drill hole spacing of <100m and high data quality. This spacing enabled the QP to estimate tonnage and grade continuity with high confidence. Production data from 4L50 matches well with the estimated values (Figure 11.29). No Indicated and Inferred Mineral Resources were declared as confidence in the data and estimation process followed were high.

Figure 11.29: 4L50: Head Grade versus Modelled Average Gold Grade



Source: The RVN Group, 2022

11.11.5 Mineral Resource Statement

Table 11.15 and

Table 11.16 present the Mineral Resource for 4L14 and 4L50.

Table 11.15: Knights Complex Mineral Resource Estimates (Inclusive)

TSF	Mineral Resource Category	Mineral Resources as at 30 June 2021 (Inclusive)			Mineral Resources as at 30 June 2022 (Inclusive)		
		Tons (kt)	Au (g/t)	Content (oz)	Tons (kt)	Au (g/t)	Content (oz)
4L14	Measured	6,638	0.29	61,891	6,638	0.29	60,824
4L50	Measured	6,756	0.26	56,475	3,418	0.26	27,216
Sub-total Measured Mineral Resources		**13,394**	**0.27**	**118,366**	**10,056**	**0.28**	**88,040**
Indicated Mineral Resources		-	-	-	-	-	-
Sub-total Measured and Indicated Mineral Resources		**13,394**	**0.27**	**118,366**	**10,056**	**0.28**	**88,040**
Inferred Mineral Resources		-	-	-	-	-	-
Total Mineral Resource		**13,394**	**0.27**	**118,366**	**10,056**	**0.28**	**88,040**

Source: The RVN Group, 2022

Table 11.16: Knights Complex Mineral Resource Estimates (Exclusive)

TSF	Mineral Resource Category	Mineral Resources as at 30 June 2021 (Inclusive)			Mineral Resources as at 30 June 2022 (Inclusive)		
		Tons (kt)	Au (g/t)	Content (oz)	Tons (kt)	Au (g/t)	Content (oz)
4L14	Measured	-	-	-	-	-	-
4L50	Measured	-	-	-	-	-	-
Sub-total Measured Mineral Resource		**-**	**-**	**-**	**-**	**-**	**-**
Indicated Mineral Resource		**-**	**-**	**-**	**-**	**-**	**-**
Sub-total Measured and Indicated Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**
Inferred Mineral Resource		**-**	**-**	**-**	**-**	**-**	**-**
Total Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**

Source: The RVN Group, 2022

11.11.6 Mineral Resource Changes

Mining on 4L50 TSF resulted in a depletion of the Mineral Resource. Depletion and reconciliation are explained in 13. The modeled average gold grade correlated well with production data (Figure 11.29). No mining has taken place on 4L14 TSF.

11.11.7 Mineral Resource Risks and Uncertainty

The QP's opinion is that the overall grade and tonnage estimates are reasonable for mine planning based on the drill hole data and assay statistics.

The gold price fluctuations present the main risk to the declared Mineral Resource estimates.

Risks of grade, continuity of mineralization and tonnage were mitigated through the reasonable drilling spacing, validation procedures, metallurgical testing, advanced statistical analyses and the use of robust modelling techniques.

The QP classified the overall Mineral Resource risk as low. In the opinion of the QP, no further technical work is required as the drilling program provided enough data to define continuity.

11.12 Ergo Complex

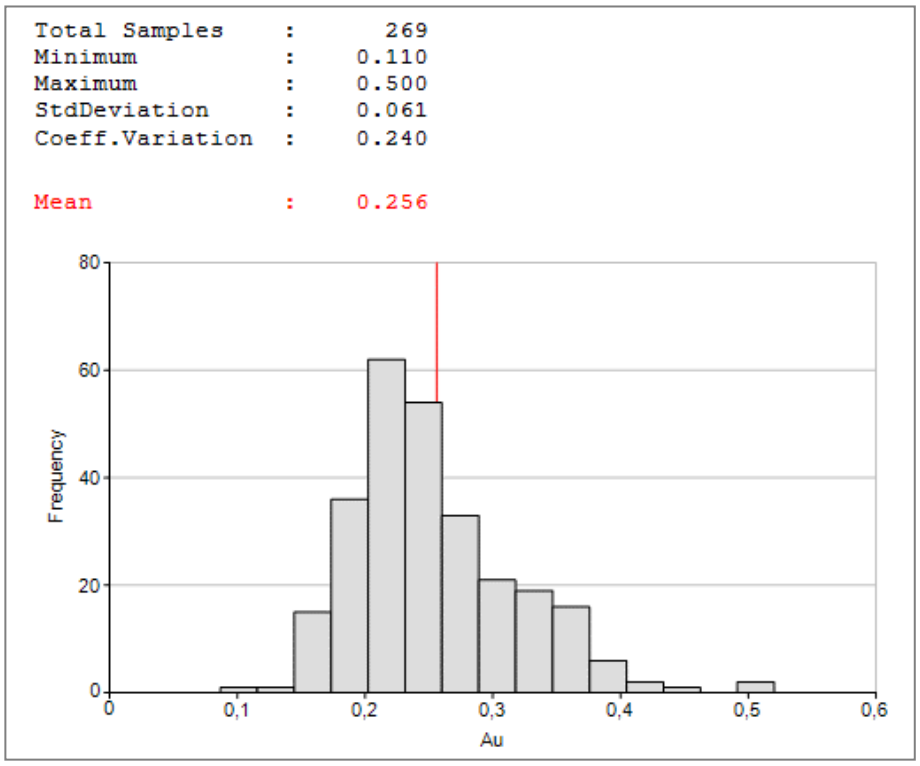
11.12.1 Exploratory Data Analysis

11.12.1.1 Rooikraal

Exploratory data analysis was done on raw and composited gold data (Figure 11.30 and Figure 11.31). The distribution of the raw and composite is symmetrical with similar coefficient of variation and a low standard deviation.

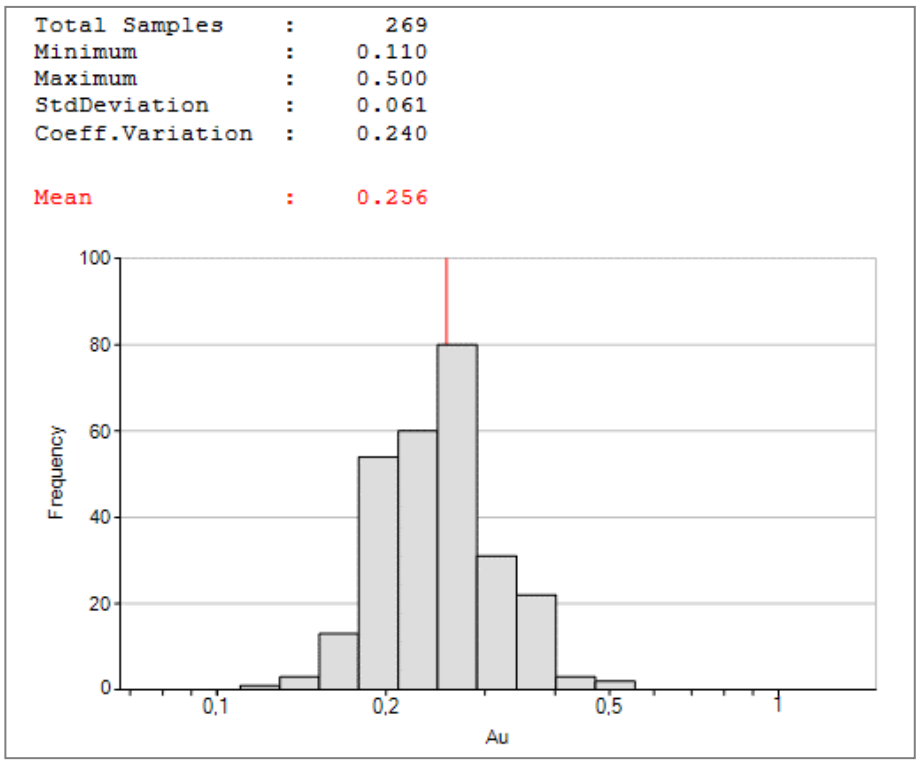
Based on the high-grade cap investigations, the QP decided not to apply high-grade capping as no extreme values were noted.

Figure 11.30: Rooikraal: Distribution of Raw Gold Data



Source: The RVN Group, 2022

Figure 11.31: Rooikraal: Log Distribution of Composited Gold Data



Source: The RVN Group, 2022

11.12.1.2 7L15

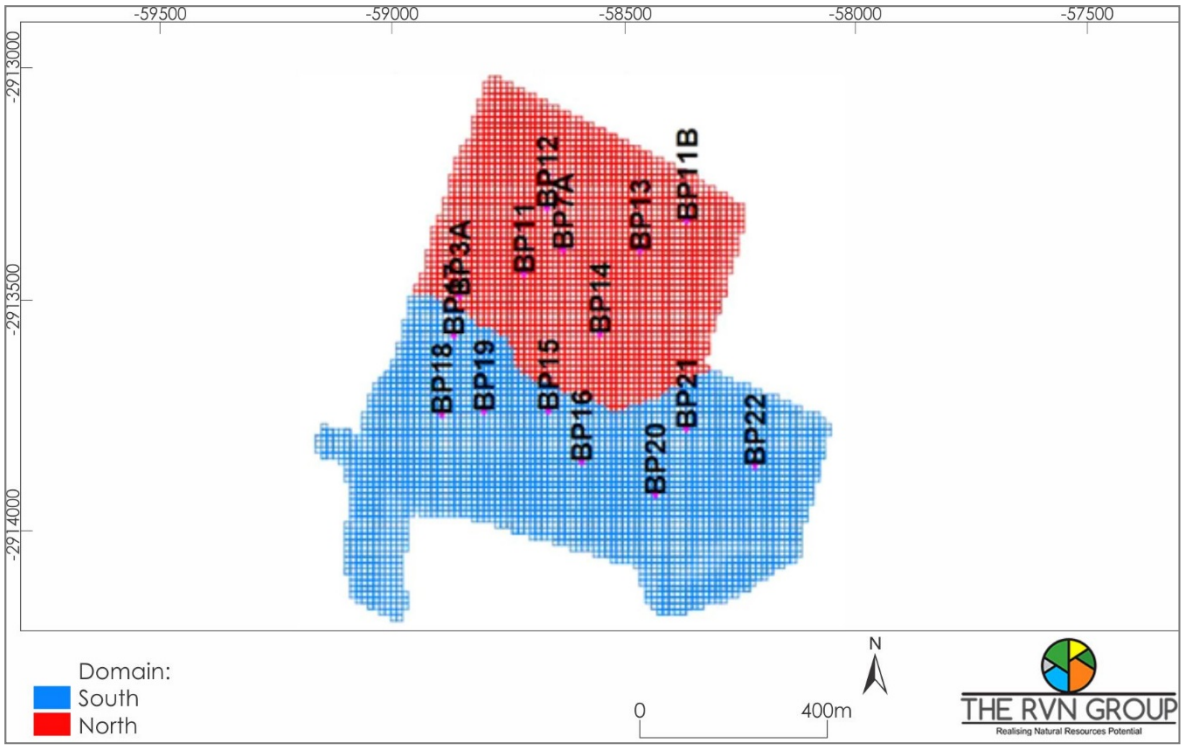
A comprehensive study on the 2015 versus the 2016 to 2017 datasets was performed. The 2015 dataset has higher grades than the 2016 to 2017 dataset. The 2015 dataset reported an average gold grade of 0.34g/t and the 2016 to 2017 dataset has an average gold grade of 0.26g/t.

A decision was made to re-drill three drill holes and compare the 2015 samples against the 2016 samples in the same horizon. The 2016 samples were split on-site into three subsamples and were sent to two different laboratories. One batch was sent to the local mine laboratory (MAED-Ergo) and two batches of same samples were sent to the Anglo Lab with completely different sample numbers to avoid the laboratory identifying that the samples were from the same drillholes.

The results of the re-drilling showed that the old 7L15 data (2015) analyzed by the MAED (Crown) laboratory were over-reported and should not be used in the Mineral Resource evaluation. Only the 2016 to 2017 drilling campaign dataset could be used for the estimation. The MAED laboratory analyzing the 2016 samples is a new laboratory at the Ergo processing plant and not the old laboratory at the Crown processing plant, which analyzed the 2015 samples.

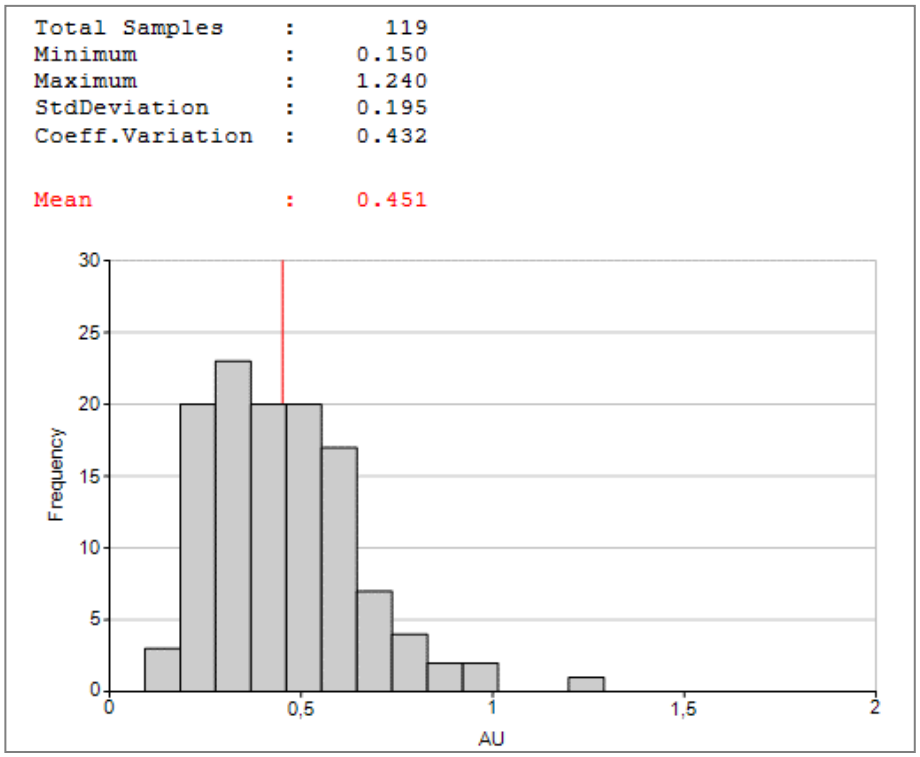
Domaining: 7L15 has two physically visible TSFs and the grades of the TSFs are different (Figure 11.32). The layering in each domain did not continue into the other. The South and North domains were separated for Mineral Resource evaluation. The North TSF (Figure 11.33 and Figure 11.34) has lower grades than the South TSF (Figure 11.35 and Figure 11.36). The North domain has an average grade of 0.23g/t Au and the South domain reported an average grade of 0.30g/t Au.

Figure 11.32: 7L15: Plan showing North and South Domains



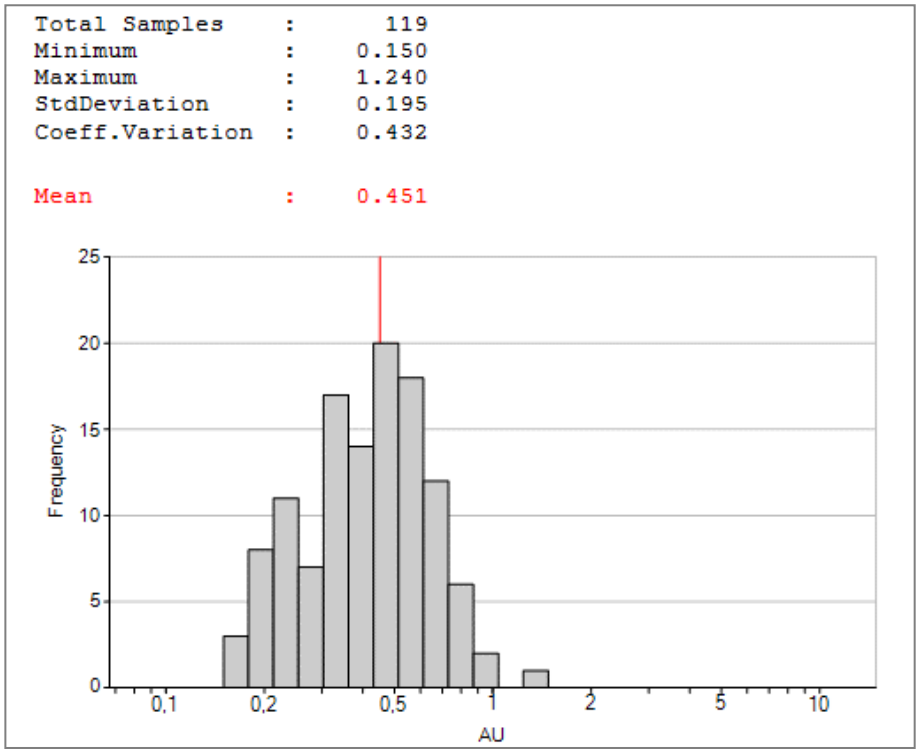
Source: The RVN Group, 2022

Figure 11.33: 7L15: Distribution of 2015 Raw Data - North Domain



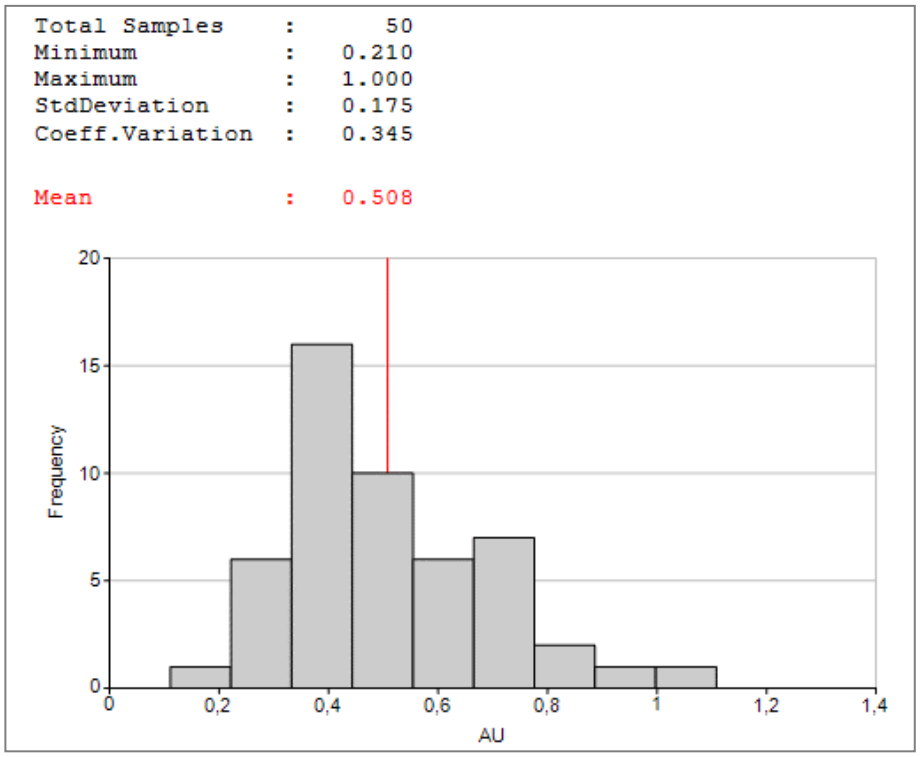
Source: The RVN Group, 2022

Figure 11.34: 7L15: Log Distribution of 2016 Raw Data - North Domain



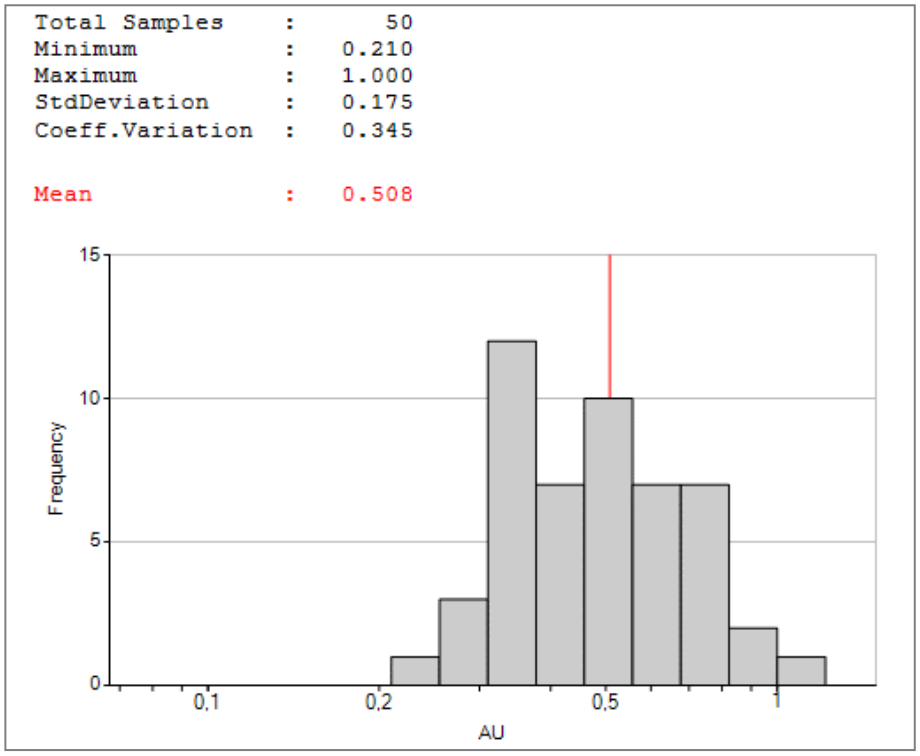
Source: The RVN Group, 2022

Figure 11.35: 7L15: Distribution of 2015 Raw Data - South Domain



Source: The RVN Group, 2022

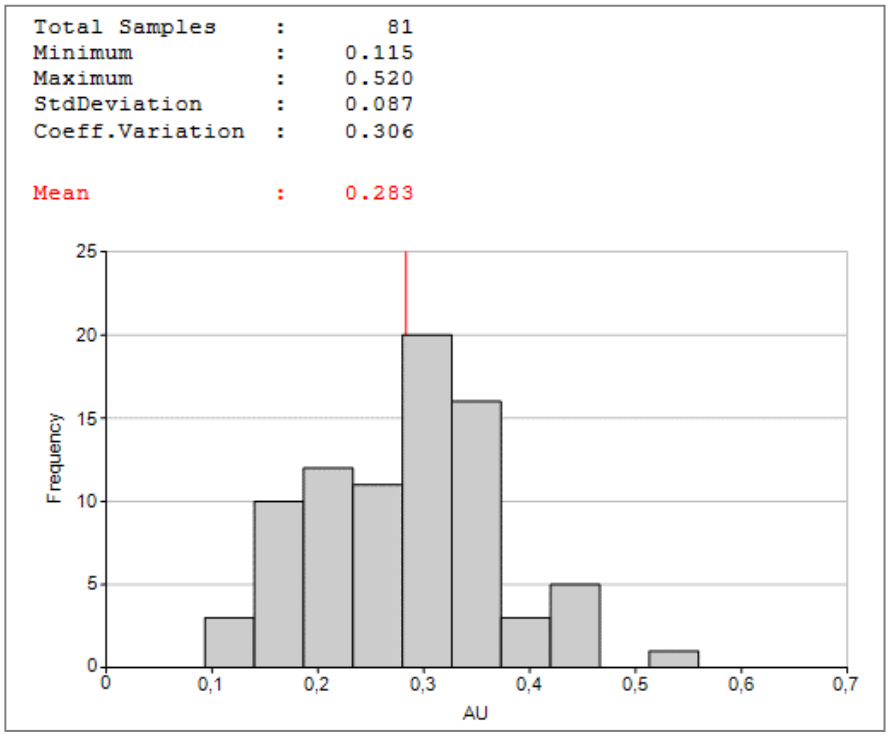
Figure 11.36: 7L15: Log Distribution of 2016 Raw Data - South Domain



Source: The RVN Group, 2022

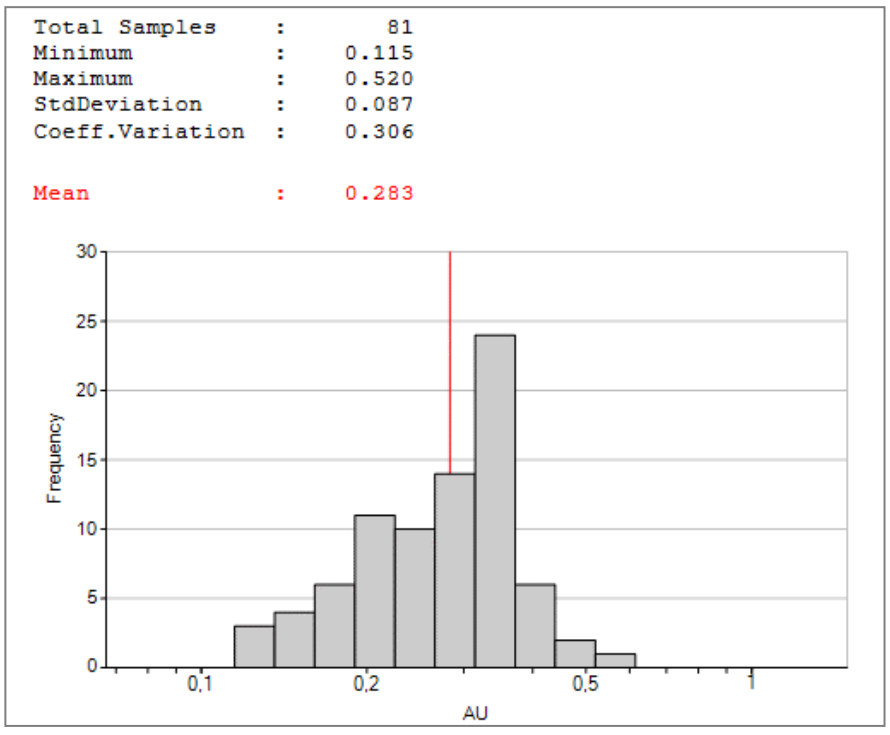
The statistical characteristics of the North and South domains are shown in Figure 11.37 to Figure 11.40. Compositing was completed at 3m interval.

Figure 11.37: 7L15: Distribution of 3m Composited Slime Data - South Domain



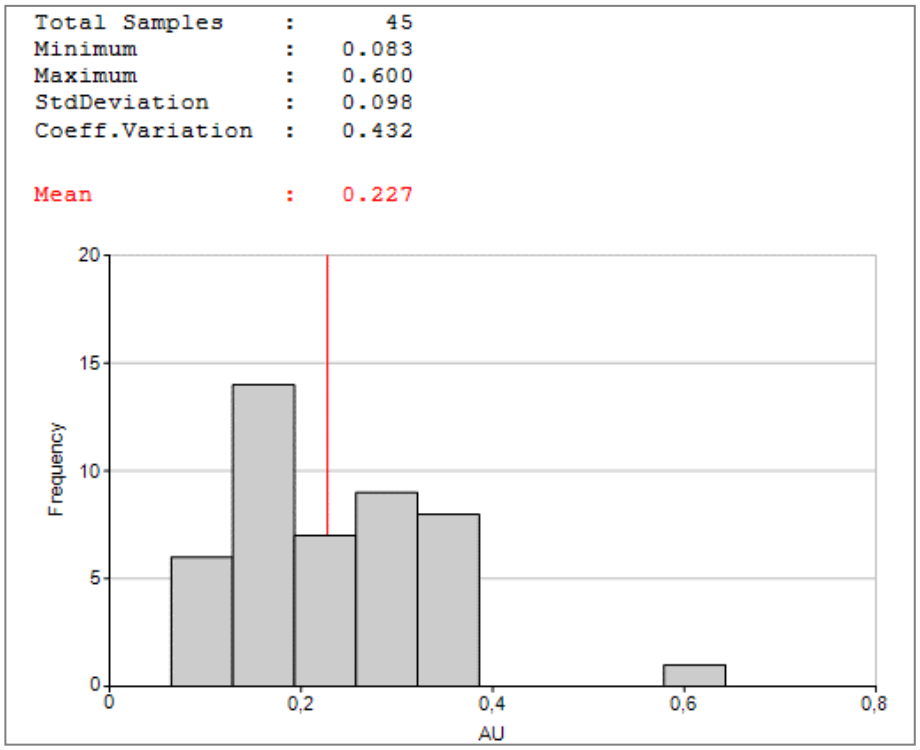
Source: The RVN Group, 2022

Figure 11.38: 7L15: Log Distribution of 3m Composited Slime Data - South Domain



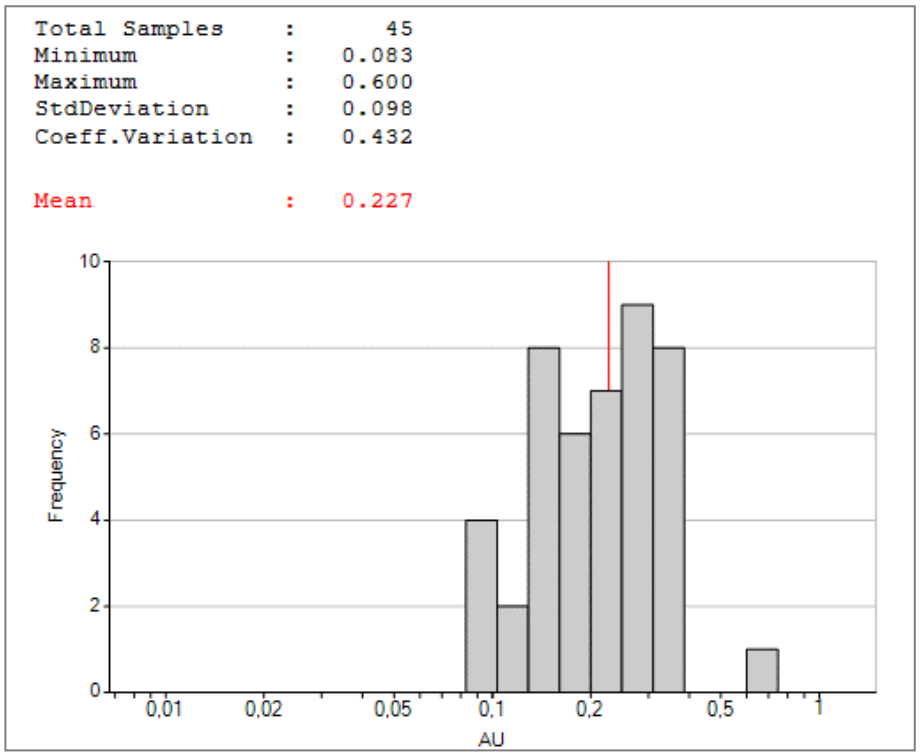
Source: The RVN Group, 2022

Figure 11.39: 7L15: Distribution of 3m Composited Slime Data - North Domain



Source: The RVN Group, 2022

Figure 11.40: 7L15: Log Distribution of 3m Composited Slime Data - North Domain



Source: The RVN Group, 2022

11.12.2 Modelling and Estimation Parameters

11.12.2.1 Rooikraal

The height of the original dump benches is approximately 5m to 6m. The parent block sizes selected to estimate the deposit approximates the drill hole spacing (at least a drill hole in a block) and maps the bench height.

A number of search parameters were tested and optimum parameters were chosen by the QP. The sample search parameters are supplied in Table 11.17.

Table 11.17: Rooikraal: Search Parameters: Inverse Distance Estimation Method

Domain	Estimation Pass	Search Distance			Minimum Number of Samples	Maximum Number of Samples	Maximum Number of Samples per Drill Hole
		X (m)	Y (m)	Z (m)			
Rooikraal	1	600	600	12	6	18	5
	2	1,200	1,200	24	6	18	5
	3	1,800	1,800	36	6	18	5

Source: The RVN Group, 2022

11.12.2.2 7L15

The parent block sizes for the 7L15 TSFs were mostly based on the average drill spacing and compositing interval. The parent block sizes selected to estimate the deposit approximates half the borehole spacing. Sub-blocking was allowed for good volume definition. The search parameters are presented in Table 11.18.

Table 11.18: 7L15: Search Parameters: Inverse Distance Estimation Method

Domain	Estimation Pass	Search Distance			Minimum Number of Composites	Maximum Number of Composites	Maximum Number of Composites per Drill Hole
		X (m)	Y (m)	Z (m)			
North	1	400	400	6	2	5	-
	2	800	800	12	2	5	-
	3	1,200	1,200	24	2	5	-
South	1	400	400	6	2	5	-
	2	800	800	12	2	5	-
	3	1,200	1,200	24	2	5	-

Source: The RVN Group, 2022

11.12.3 Technical and Economic Factors

The QP used the PFS information (Item 13 to Item 19) to declare that the Rooikraal and 7L15 TSFs have reasonable prospects for economic extraction.

The QP opinion is that there is a reasonable prospect for economic extraction based on the total mix of technical and economic factors discussed.

11.12.4 Mineral Resource Classification Criteria

A list of the criteria used to classify the Mineral Resources in addition to the statistical parameters is given in Table 11.19. Applying these confidence levels, Mineral Resource classification codes were assigned to the block model. A low confidence in one of the listed items will mean classification is downgraded to Inferred, a moderate

confidence in at least one item will mean a property is Indicated while all highs mean the property is in the Measured Mineral Resource category.

Table 11.19: Ergo: Confidence Levels for Key Criteria for Mineral Resource Classification

Items	Discussion	Confidence
Drilling Techniques	Auger for 7L15 and for Rooikraal TSF, RC and auger drilling techniques were used. These methods are industry standard for drilling TSFs	High
Logging	Detailed logging throughout	High
Drill Sample Recovery	The sample recovery was considered satisfactory and was acceptable for Mineral Resource estimation	High
Sub-sampling Techniques and Sample Preparation	Material has previously been processed and quartering was applied	High
Quality of Assay Data	Available data is of robust quality however there is a relatively high variability in the lowest grade assays	High
Verification of Sampling and Assaying	A comprehensive QC program implemented during exploration	High
Location of Sampling Points	Survey of all collars and TSFs surfaces	High
Data Density and Distribution	Data points were well spread. Approximately 100m-by-100m spacing was followed	High
Database Integrity	Errors identified and rectified	High
Geological Interpretation	Geometry is known accurately.	High
Bulk Density	A mean density of 1.42t/m^3 was considered reasonable with a potential upside	High
Mineralization Type	Mineralization is well known from processing	High
Estimation and Modelling Techniques	NN and Inverse Distance	High

Source: The RVN Group, 2022

The drillhole spacing was approximately 100m-by-100m. With this grid, the grade, floor elevation and TSF geometry were estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the TSF. Some auger drill holes that did not intersect the floor, had the floor defined by the RC drill holes. All the RC drill holes intersected the floor or the base. The TSF material was classified as a Measured Mineral Resource.

11.12.5 Mineral Resource Statement

The Mineral Resource in Table 11.20 to Table 11.21 is 100% attributable to DRDGOLD.

Table 11.20: Ergo Mineral Resource Estimates (Inclusive)

TSF	Mineral Resource Category	Mineral Resources as at 30 June 2021 (Inclusive)			Mineral Resources as at 30 June 2022 (Inclusive)		
		Tons (kt)	Au (g/t)	Content (oz)	Tons (kt)	Au (g/t)	Content (oz)
7L15	Measured	17,646	0.26	147,506	17,646	0.26	147,506
Rooikraal	Measured	56,763	0.26	474,493	56,763	0.26	474,493
Sub-total Measured Mineral Resources		**74,409**	**0.26**	**621,999**	**74,409**	**0.26**	**621,999**
Indicated Mineral Resources		-	-	-	-	-	-
Sub-total Measured and Indicated Mineral Resources		**74,409**	**0.26**	**621,999**	**74,409**	**0.26**	**621,999**
Inferred Mineral Resources		-	-	-	-	-	-
Total Mineral Resource		**74,409**	**0.26**	**621,999**	**74,409**	**0.26**	**621,999**

Source: The RVN Group, 2022

Table 11.21: Ergo Mineral Resource Estimates (Exclusive)

TSF	Mineral Resource Category	Mineral Resources as at 30 June 2021 (Exclusive)			Mineral Resources as at 30 June 2022 (Exclusive)		
		Tons (kt)	Au (g/t)	Content (oz)	Tons (kt)	Au (g/t)	Content (oz)
7L15	Measured	-	-	-	-	-	-
Rooikraal	Measured	-	-	-	-	-	-
Sub-total Measured Mineral Resources		-	-	-	-	-	-
Indicated Mineral Resources		-	-	-	-	-	-
Sub-total Measured and Indicated Mineral Resources		-	-	-	-	-	-
Inferred Mineral Resources		-	-	-	-	-	-
Total Mineral Resource		-	-	-	-	-	-

Source: The RVN Group, 2022

11.12.6 Mineral Resource Changes

There was no change in the Mineral Resource as no mining or additional deposition was done on the Rooikraal and 7L15 TSFs.

11.12.7 Mineral Resource Risks and Uncertainty

The QP classified the overall Mineral Resource risk for both the Rooikraal and 7L15 TSFs as medium due to the low-grade margin, gold price, recovery and working costs.

In the opinion of the QP, no further technical work is required as the drilling program provided sufficient data to define continuity.

11.13 Marievale Complex

11.13.1 Exploratory Data Analysis

Exploratory data analysis was done on raw and composited gold data (Figure 11.41 to Figure 11.48). Data was analyzed as raw, capped and composites. There was no material changed between the data sets. The data sets distribution is symmetrical.

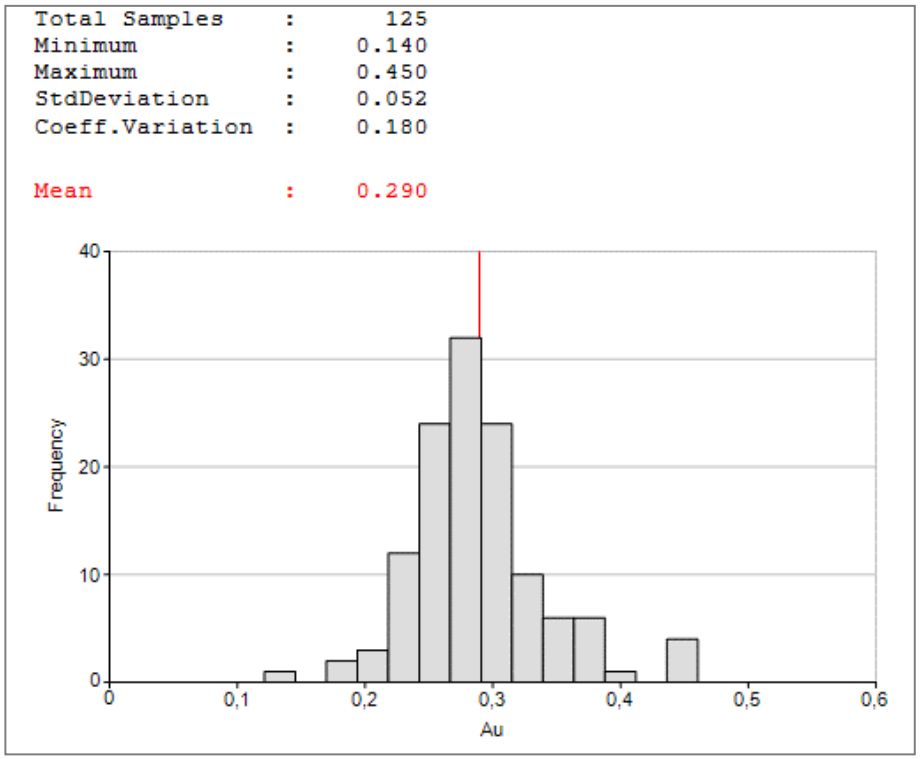
Based on the investigation, cutting or capping of the extreme values was considered. Lower extreme grades were noted and visualized in 3D space. They were considered part of the population:

- 7L4: capping was applied at 0.45g/t Au. All gold grades greater than 0.45g/t were set as 0.45g/t;
- 7L5: no capping was applied as no outliers were noted;
- 7L6: no capping was applied as no outliers were noted; and
- 7L7: capping was applied at 0.70g/t Au to minimize the impact of extremely high values.

A study on domaining was conducted. The TSFs were not domained laterally or vertically; however, the QP noted the vertical stratification. This stratification aided in defining the search volume (estimation parameter) in a vertical direction.

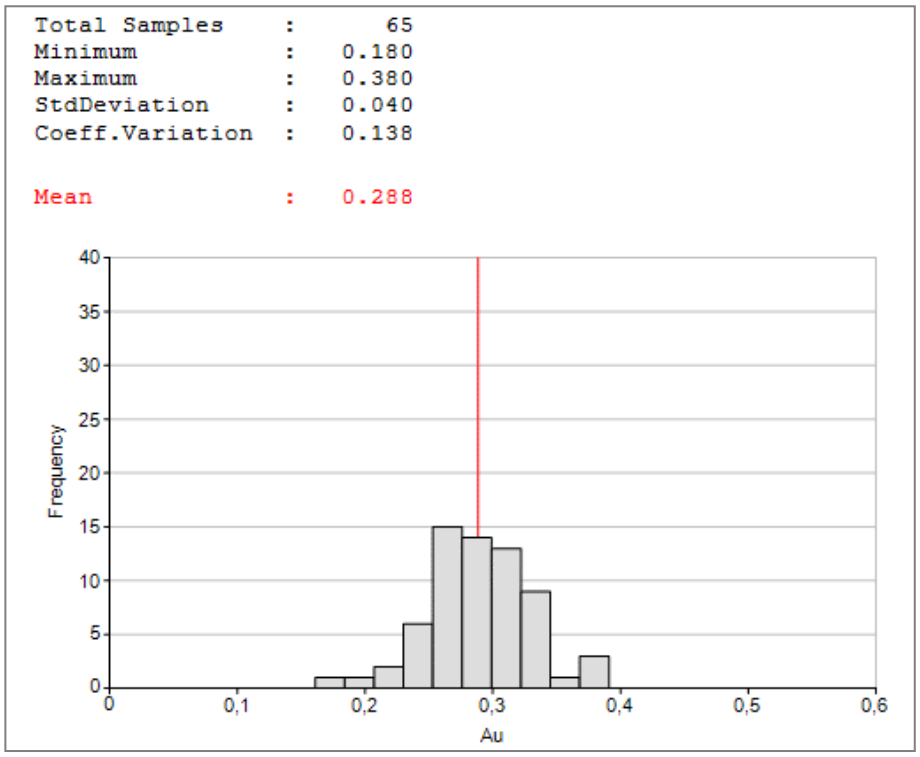
The gold distributions are symmetrical and the variability is low, typical for a TSF.

Figure 11.41: 7L4: Distribution of Capped Raw Gold Data



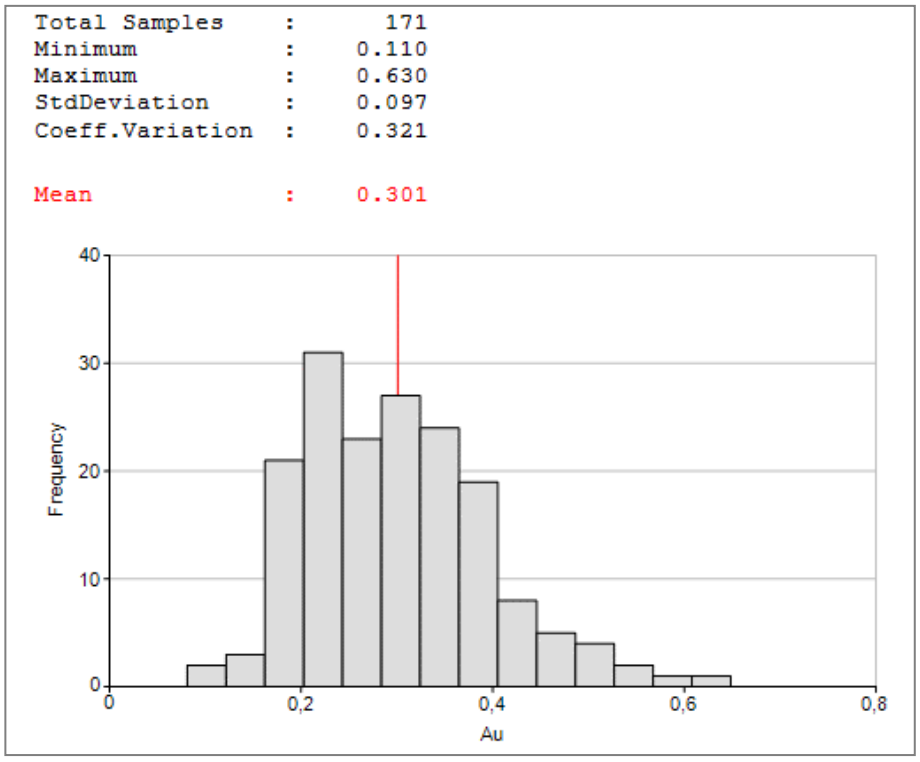
Source: The RVN Group, 2022

Figure 11.42: Distribution of Composited Raw Gold Data



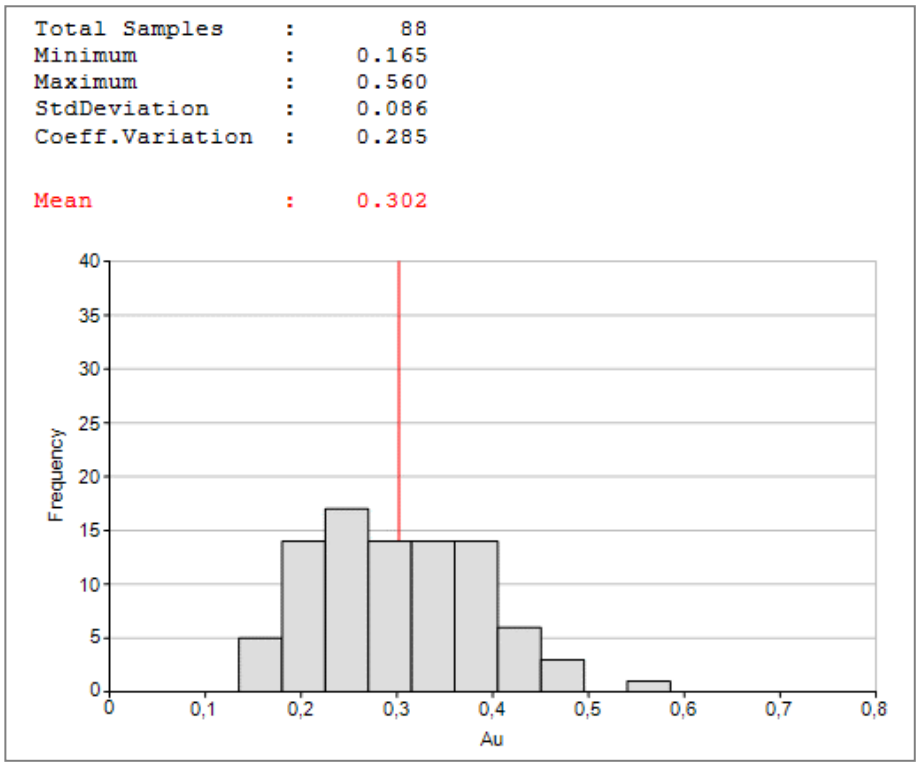
Source: The RVN Group, 2022

Figure 11.43: 7L5: Distribution of Raw Gold Data



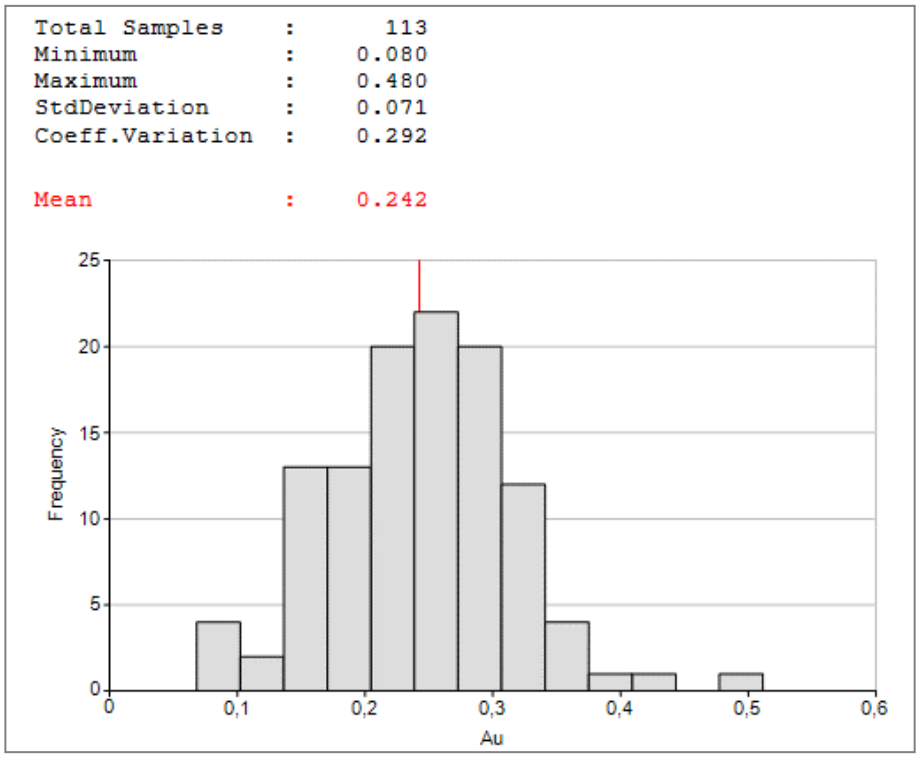
Source: The RVN Group, 2022

Figure 11.44: 7L5: Distribution of Composited Gold Data



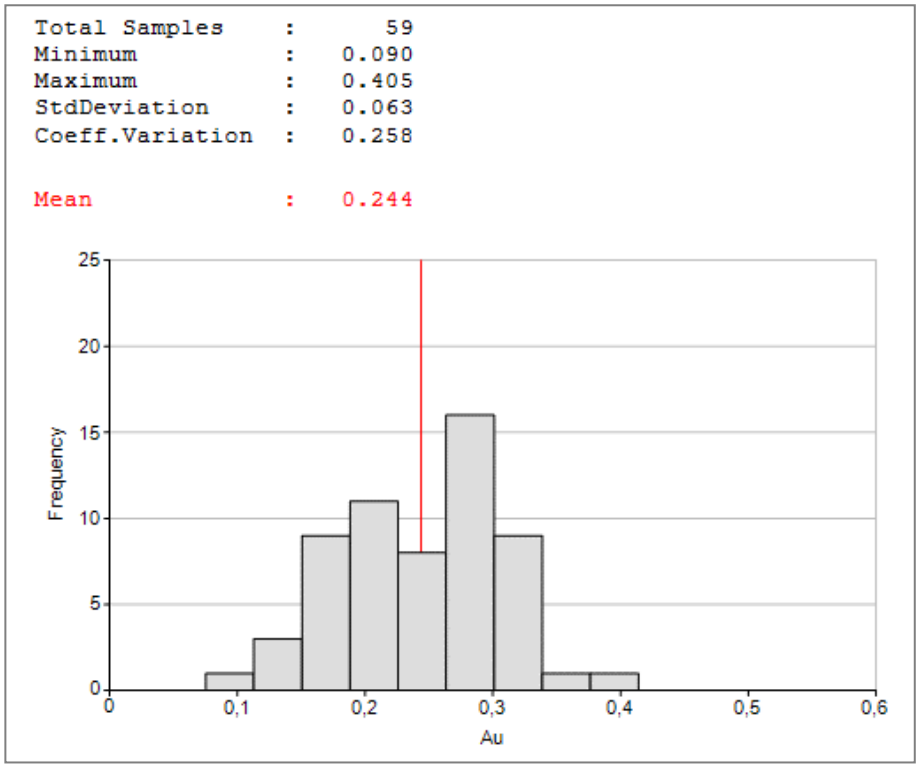
Source: The RVN Group, 2022

Figure 11.45: 7L6: Distribution of Raw Gold Data



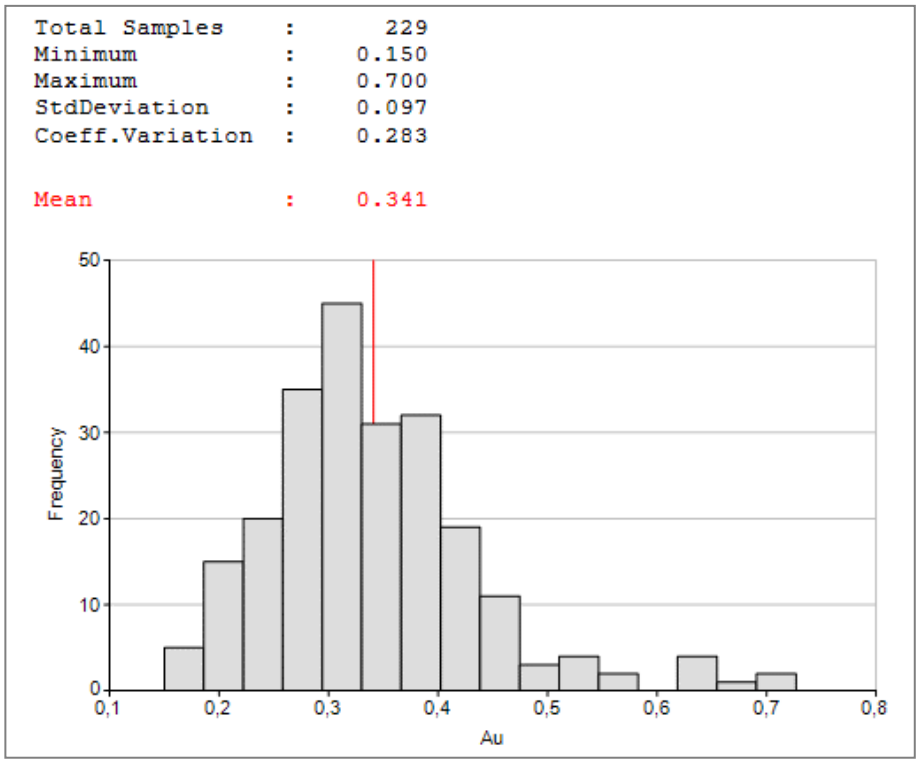
Source: The RVN Group, 2022

Figure 11.46: 7L6: Distribution of Composited Gold Data



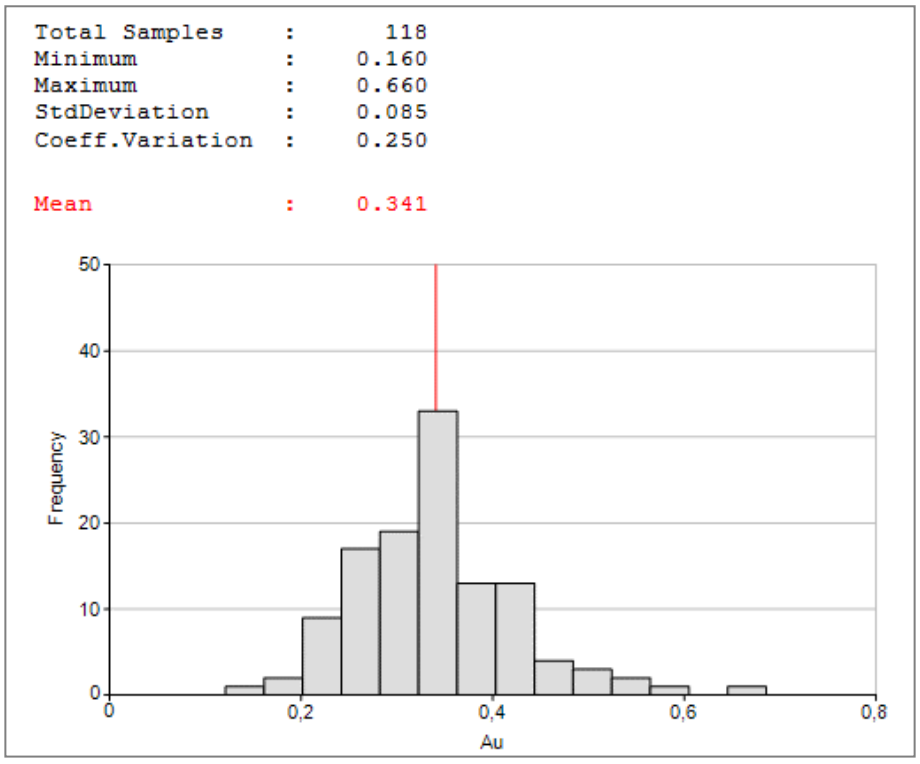
Source: The RVN Group, 2022

Figure 11.47: 7L7: Distribution of Raw Capped Gold Data



Source: The RVN Group, 2022

Figure 11.48: 7L7: Distribution of Composited Capped Gold Data



Source: The RVN Group, 2022

11.13.2 Modelling and Estimation Parameters

The height of the original dump benches is approximately 5m to 6m. The parent block sizes selected to estimate the deposit approximates half the drill hole spacing and corresponds to the bench height or multiple thereof. Sub-blocking was allowed for good volume definition.

The sample search parameters are supplied in Table 11.22.

Table 11.22: Search Parameters

Domain	Estimation Pass	Search Distance			Minimum Number of Composites	Maximum Number of Composites	Maximum Number of Samples Per Drill Hole
		X (m)	Y (m)	Z (m)			
Slime	1	400	400	6	3	10	2
	2	800	800	12	3	10	2
	3	1,200	1,200	18	3	10	2

Source: The RVN Group, 2022

11.13.3 Technical and Economic Factors

The technical and financial studies completed for the Marievale Complex were at the preliminary feasibility study (PFS) level of accuracy, (i.e., +/-25%) as presented in Item 13 to Item 19. The QP concluded that there are reasonable prospects for economic extraction.

11.13.4 Mineral Resource Classification Criteria

A list of the criteria used to classify the Mineral Resources is given in Table 11.23. Applying these confidence levels, Mineral Resource classification codes were assigned to the block model. A low confidence in one of the listed items will mean classification is downgraded to Inferred, a moderate confidence in at least one item will mean a property is Indicated while all highs mean the property is in the Measured Mineral Resource category.

Table 11.23: Confidence Levels for Key Criteria for Mineral Resource Classification

Items	Discussion	Confidence
Drilling Techniques	Auger drilling technique to international standards	High
Logging	Detailed logging throughout	High
Sub-sampling Techniques and Sample Preparation	Material has previously been processed and quartering was applied	High
Quality of Assay Data	Available data is of robust quality however there is a relatively high variability in the lowest grade assays	High
Verification of Sampling and Assaying	A comprehensive QC program implemented during exploration	High
Location of Sampling Points	Survey of all collars and TSFs surfaces	High
Data Density and Distribution	Data points were well spread	High
Database Integrity	Errors identified and rectified	High
Geological Interpretation	Geometry is known accurately	High
Bulk Density	A mean density of 1.42t/m^3 was considered reasonable	High
Mineralization Type	Mineralization is well known from processing	High
Estimation and Modelling Techniques	NN, and Inverse Distance	High

Source: The RVN Group, 2022

The material was classified as a Measured Mineral Resource as drill hole spacing was approximately 100m-by-100m. No Indicated or Inferred Mineral Resources were declared as the geological confidence derived from

exploration, test work and Mineral Resource estimation work was conclusive, and the defined Mineral Resource can be used for mine planning studies.

11.13.5 Mineral Resource Statement

The Mineral Resource Estimates are stated as both an inclusive and exclusive of Mineral Reserve (Table 11.24 to Table 11.25).

Table 11.24: Marievale Mineral Resource Estimates (Inclusive)

TSF	Mineral Resource Category	Mineral Resources as at 30 June 2021 (Inclusive)			Mineral Resources as at 30 June 2022 (Inclusive)		
		Tons (kt)	Au (g/t)	Content (oz)	Tons (kt)	Au (g/t)	Content (oz)
7L4	Measured	17,590	0.34	192 281	17,590	0.34	192,281
7L5	Measured	6,980	0.29	65 080	6,980	0.29	65,080
7L6	Measured	12,760	0.26	106 663	12,760	0.26	106,663
7L7	Measured	16,784	0.32	172 678	16,784	0.32	172,678
Sub-total Measured Mineral Resources		**54,114**	**0.31**	**536,701**	**54,114**	**0.31**	**536,701**
Indicated Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**
Sub-total Measured and Indicated Mineral Resources		**54,114**	**0.31**	**536,701**	**54,114**	**0.31**	**536,701**
Inferred Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**
Total Mineral Resource		**54,114**	**0.31**	**536,701**	**54,114**	**0.31**	**536,701**

Source: The RVN Group, 2022

Table 11.25: Marievale Resource Estimates (Exclusive)

TSF	Mineral Resource Category	Mineral Resources as at 30 June 2021 (Exclusive)			Mineral Resources as at 30 June 2022 (Exclusive)		
		Tons (kt)	Au (g/t)	Content (oz)	Tons (kt)	Au (g/t)	Content (oz)
7L4	Measured	-	-	-	-	-	-
7L5	Measured	-	-	-	-	-	-
7L6	Measured	-	-	-	-	-	-
7L7	Measured	-	-	-	-	-	-
Measured Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**
Indicated Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**
Sub-total Measured and Indicated Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**
Inferred Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**
Total Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**

Source: The RVN Group, 2022
Notes:

1. Mineral Resources are not Mineral Reserves.
2. Mineral Resources are reported exclusive of Mineral Reserves.
3. Mineral Resources have been reported in accordance with Subpart 1300 of Regulation S-K.
4. Mineral Resources were estimated using the USD1,823/oz, ZAR15.60ZAR/USD and ZAR914,294ZAR/kg financial parameters and recoveries in Item 11.13.3.
5. A troy ounce = 31.1034768g
6. The quantities and grades have been rounded to two decimal places; therefore, minor computational errors may occur.

11.13.6 Mineral Resource Changes

There was no change in Mineral Resource as no drilling, mining, or additional deposition was done on Marievale Complex since the latest estimate.

11.13.7 Mineral Resource Risks and Uncertainty

The QP's opinion is that the overall grade and tonnage estimates are reasonable for mine planning based on the drill hole data and assay statistics. This presents a low risk for preliminary feasibility or feasibility mine planning work, as only Mineral Resources with the highest level of geoscientific knowledge are included in an economic assessment.

The gold price fluctuations present the main risk to the declared Mineral Resource.

Risks of grade and continuity of mineralization were mitigated through the closely spaced drilling, validation procedures, metallurgical testing, advanced statistical analyses and the use of robust geological modelling techniques.

The QP classified the overall Mineral Resource risk as low to medium. In the opinion of the QP, no further technical work is required as the drilling program provided enough data to define continuity.

11.14 Grootvlei Complex

11.14.1 Exploratory Data Analysis

Analysis of data from different campaigns was completed to check compatibility. Tools used for this were box plots, histograms, PP and QQ plots, and ANOVA table. Datasets from different campaigns were then combined.

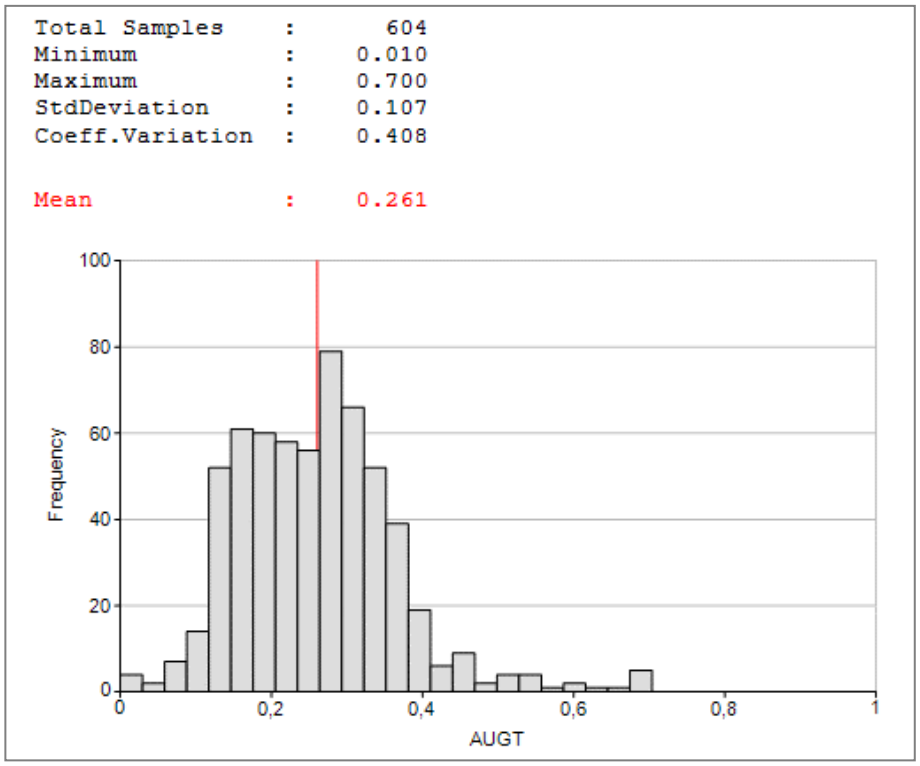
Based on the high-grade cap investigations, high-grade caps were selected and applied to the raw dataset. A little/insignificant reduction in the available metal was noted.

- 6L16: gold grades were capped at 0.70g/t;
- 6L17: gold grades were capped at 0.69g/t; and
- 6L17A: gold grades were capped at 0.65g/t.

Capping was only applied to raw data and its impact on the mean was immaterial for the 6L17 and 6L17A TSFs. One sample with 16.10g/t skewed the results for the 6L16 TSF. Additional infill drilling is required on 6L16 TSF to further test the robustness of the high grade intersects, which, if confirmed by the infill drilling, may support a less aggressive capping strategy.

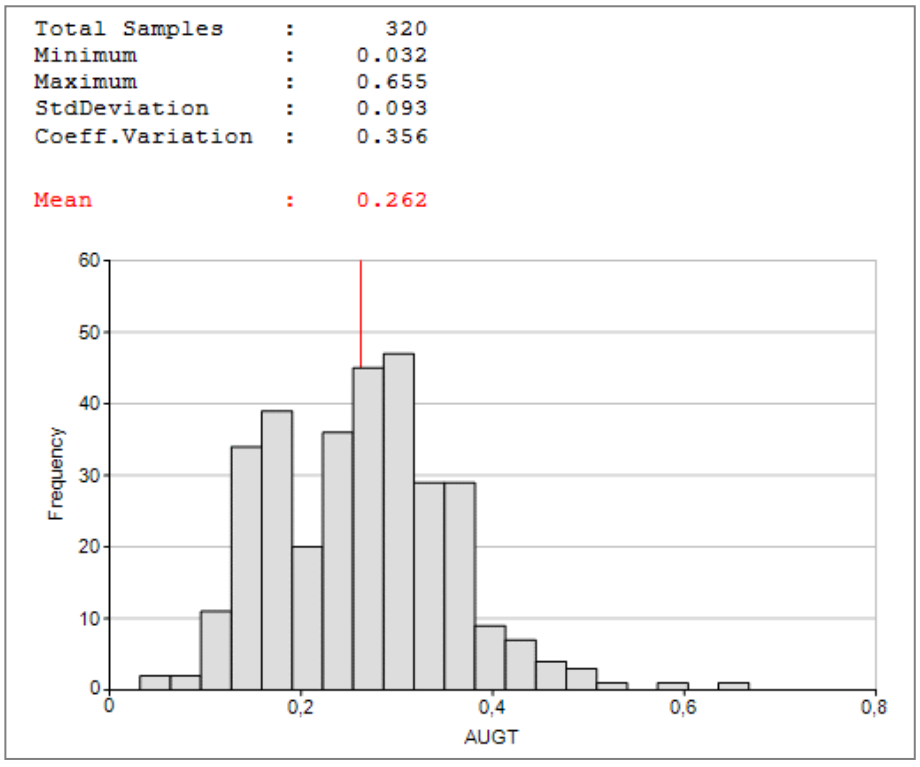
Figure 11.54 to Figure 11.49 presents the basic statistics data for 6L16, 6L17 and 6L17A. Data was analyzed as raw, capped and composites. There was no material changed between the data sets. The data sets show positively skewed distribution.

Figure 11.49: 6L16: Distribution of Raw Capped Gold Data



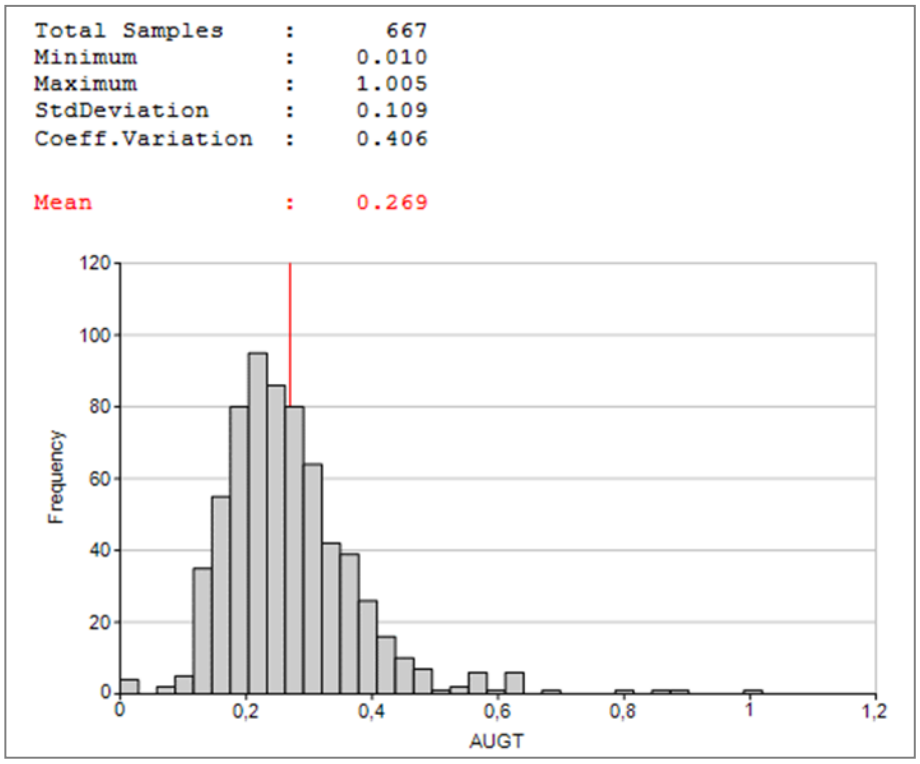
Source: The RVN Group, 2022

Figure 11.50: 6L16: Distribution of Composited Gold Data



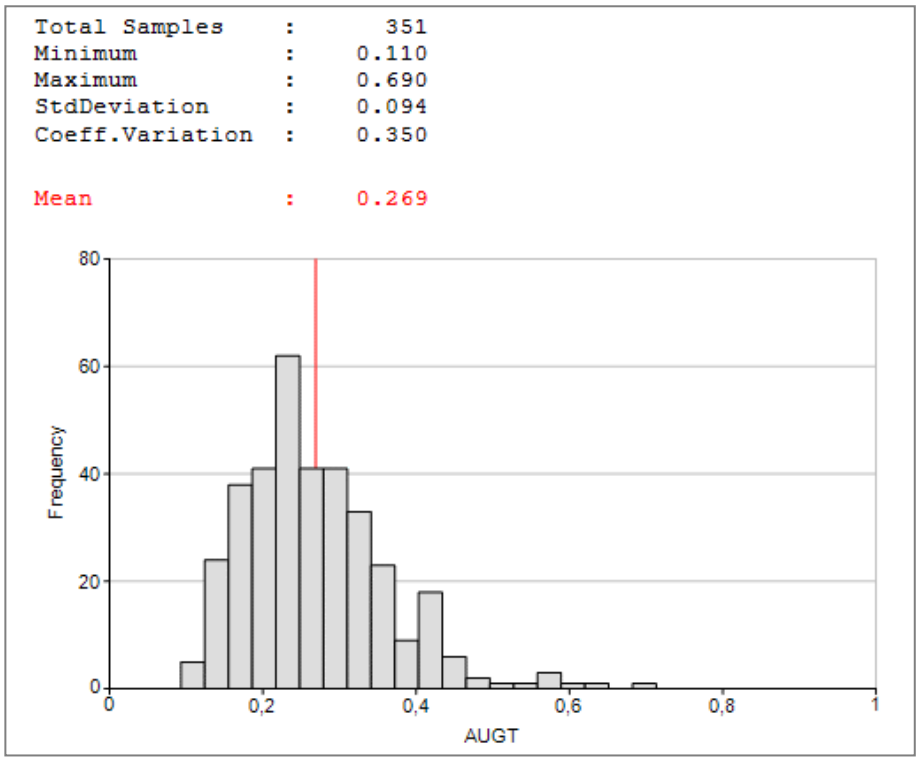
Source: The RVN Group, 2022

Figure 11.51: 6L17: Distribution of Raw Capped Gold Data



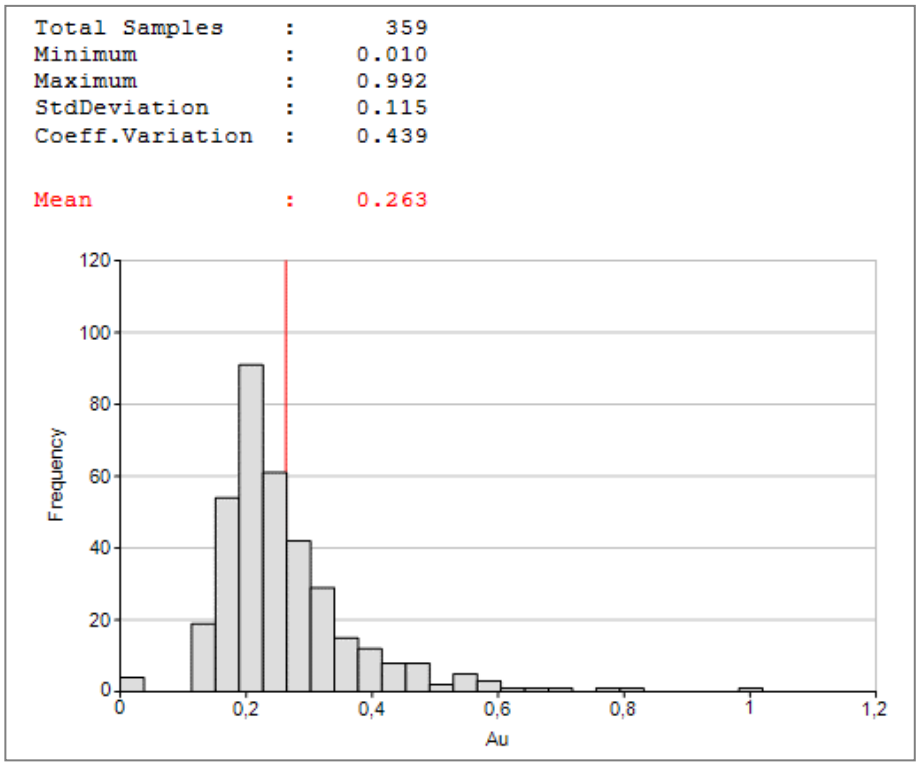
Source: The RVN Group, 2022

Figure 11.52: 6L17: Distribution of Composited Gold Data



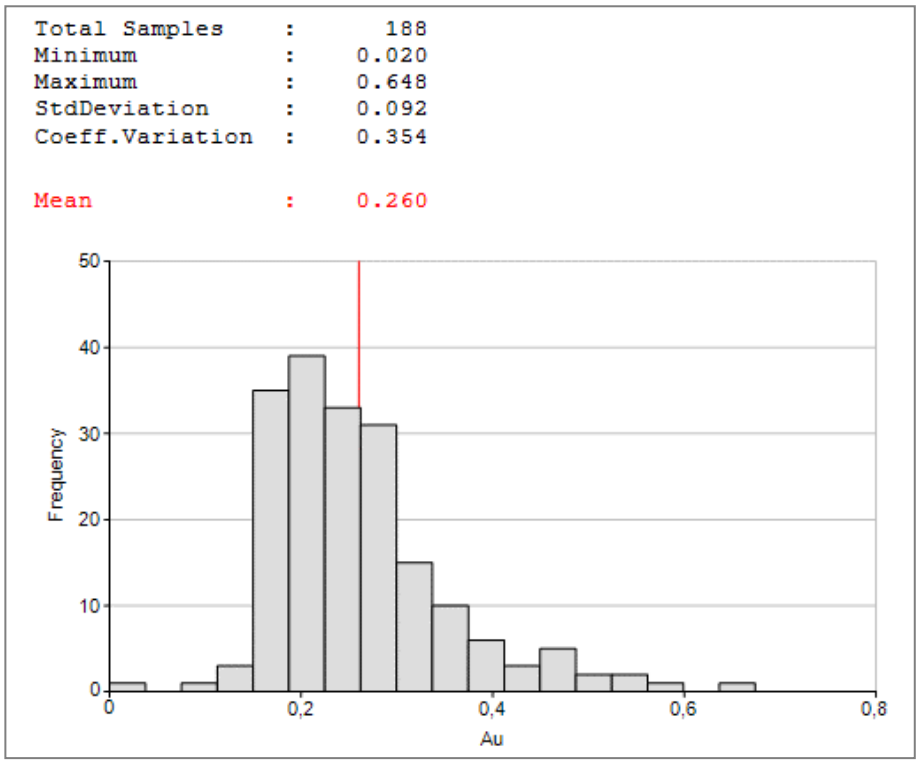
Source: The RVN Group, 2022

Figure 11.53: 6L17A: Distribution of Raw Capped Gold Data



Source: The RVN Group, 2022

Figure 11.54: 6L17A: Distribution of Composited Gold Data



Source: The RVN Group, 2022

11.14.2 Modelling and Estimation Parameters

The parent block size for the TSF was largely based on the average drill spacing and sample compositing interval. The height of the original dump benches is approximately 5m to 6m. The parent block sizes selected to estimate the deposit approximates the drill hole spacing for the 6L17 and 6L17 TSFs, half the drill hole spacing for 6L16 TSFs and maps the bench height. Sub-blocking was allowed for a good volume definition.

The sample search parameters are supplied in Table 11.26.

Table 11.26: Search Parameters: Inverse Distance Estimation Method

Domain	Estimation Pass	Search Distance			Minimum Number of Composites	Maximum Number of Composites
		X (m)	Y (m)	Z (m)		
Grootvlei	1	400	400	10	5	20
	2	800	800	20	5	20
	3	1,200	1,200	30	5	20

Source: The RVN Group, 2022

11.14.3 Technical and Economic Factors

The Mineral Resource Estimates for the 6L16, 6L17 and 6L17A TSFs were declared considering the initial assessment completed. The Grootvlei TSFs are not included in the LoM plan. The cut-off grade details are presented in Table 11.2.

11.14.3.1 Site Infrastructure

Roads: Access to the Grootvlei Complex is via the N17 highway and a network of well-maintained paved road system. The operation is accessed via gravel roads.

Power: Power requirements are primarily for the operation of pumps and site offices. Power is sourced from the national supplier, Eskom. There is a power supply near the TSFs.

Site Offices and Workshop: Site offices are typically established by mining contractors as part of the mining contract. Workshops for the maintenance of roads, pumps and pipelines is based at the Ergo processing plant and no additional infrastructure is required.

The Grootvlei Complex is situated in the City of Ekurhuleni, so other specialized services could be sourced from the private workshops.

Pumps and Pipelines: Before mining can start, the pump station and pipeline to the Ergo processing plant in Brakpan will be required to be completed. As other TSFs in the same vicinity are in the LoM plan with a detailed pipeline plan, it is the QP's view that a shorter (less than 5km) pipeline will be required to connect the Grootvlei TSFs to the other planned pipeline network (for Daggafontein TSF in the LoM plan done at PFS level).

Tailings Deposition Site: Ergo has sufficient tailings deposition capacity at their Brakpan/Withok TSF to accommodate all material from Grootvlei Complex, in addition to the tons in the LoM plan provided regulatory approval for the Brakpan/Withok TSF final design is obtained. See Item 15.7 and Item 19.3.2 for more information on the deposition plans.

11.14.3.2 Mine Design and Planning

Mine design and planning will be similar to the one in Item 13.1.1. A production rate of 600ktpm (200ktpm per TSF) is assumed due to the pipeline capacity as the TSFs could be mined together with others in the same vicinity.

11.14.3.3 Processing Plant

The Grootvlei Complex material could be processed at the Ergo processing plant (see Item 10.5.).

11.14.3.4 Environmental Compliance and Permitting

Ergo's Prospecting Rights covering the Grootvlei Complex are presented in Item 3.3.

Ergo complies with all environmental and social responsibilities as required by the MPRDA, as amended. No known environmental issues were identified during the site visit and documentation review. There is an EMP approved by the DMRE. There are no exclusions of material or area due to Environmental, Social and Governance considerations.

As discussed in Item 3.6, there is a competing ownership claim over the Grootvlei Complex.

11.14.3.5 Initial Assessment Results

The QP's opinion is that there is a reasonable prospect for economic extraction based on the total mix of technical and economic factors discussed.

11.14.4 Mineral Resource Classification Criteria

A list of the criteria used to classify the Mineral Resources, in addition to the statistical parameters, is given in Table 11.27. Applying these confidence levels, Mineral Resource classification codes were assigned to the block model. A low confidence in one of the listed items will mean classification is downgraded to Inferred, a moderate confidence in at least one item will mean a property is Indicated while all highs mean the property is in the Measured Mineral Resource category.

Table 11.27: Confidence Levels for Key Criteria for Mineral Resource Classification

Items	Discussion	Confidence
Drilling Techniques	Auger and RC drilling technique to international standards	High
Logging	Detailed logging throughout	High
Drill Sample Recovery	The sample recovery was considered satisfactory and was acceptable for Mineral Resource estimation	High
Sub-sampling Techniques and Sample Preparation	Material has previously been processed and quartering was applied	High
Quality of Assay Data	Available data is of robust quality however there is a relatively high variability in the lowest grade assays	High
Verification of Sampling and Assaying	Full QC program implemented during exploration	High
Location of Sampling Points	Survey of all collars and TSFs surfaces	High
Data Density and Distribution	Data points were well spread, though widely spaced. Approximately 100m-by-100m spacing was followed for 6L17 and 6L17A TSFs. 6L16 TSF has an average drill hole spacing of 200m-by-200m	High (6L17 and 6L17A) Moderate for 6L16
Database Integrity	Errors identified and rectified	High
Geological Interpretation	Geometry is known accurately	High
Bulk Density	A mean density of 1.42t/m^3 was considered reasonable	High
Mineralization Type	Mineralization is well known from processing	High
Estimation and Modelling Techniques	NN and Inverse Distance	High

Source: The RVN Group, 2022

The drill hole spacing was approximately 100-by-100m on the 6L17 and 6L17A TSFs. With this grid, the grade, floor elevation and TSF geometry were estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the TSFs. The 6L17 and 6L17A TSFs were classified in the Measured Mineral Resource category. The 6L16 TSF was declared as Indicated Mineral Resource, as the drill space is too wide (200m-by-200m).

The data or supporting information is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between the points of observation.

11.14.5 Mineral Resource Statement

The Mineral Resource Estimates for the Grootvlei Complex is presented in Table 11.28. No Mineral Reserve was declared on the Grootvlei TSFs, so exclusive and inclusive are equal.

Table 11.28: Grootvlei Complex Mineral Resource Estimates (Exclusive)

TSF	Mineral Resource Category	Mineral Resources as 30 June 2021 (Exclusive)			Mineral Resources as at 30 June 2022 (Exclusive)		
		Tons (kt)	Au (g/t)	Content (oz)	Tons (kt)	Au (g/t)	Content (oz)

6L17	Measured	49,320	0.26	412,275	49,320	0.26	412,275
6L17A	Measured	16,716	0.26	140,807	16,716	0.26	140,807
Sub-total Measured Mineral Resources		**66,036**	**0.26**	**553,082**	**66,036**	**0.26**	**553,082**
6L16	Indicated	41,619	0.26	347,901	41,619	0.26	347,901
Sub-total Indicated Mineral Resources		**41,619**	**0.26**	**347,901**	**41,619**	**0.26**	**347,901**
Sub-total Measured and Indicated Mineral Resources		**107,655**	**0.26**	**900,984**	**107,655**	**0.26**	**900,984**
Inferred Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**
Total Mineral Resource		**107,655**	**0.26**	**900,984**	**107,655**	**0.26**	**900,984**

Source: The RVN Group, 2022

11.14.6 Mineral Resource Changes

There was no change in Mineral Resource as no additional drilling, mining, additional deposition or study was done on the Grootvlei Complex.

11.14.7 Mineral Resource Risks and Uncertainty

The renewal of the Prospecting Right for the Grootvlei Complex is a risk. The application to renew was launched in 2019 and Ergo is awaiting the granting of the Prospecting Permit from the DMRE. This report has considered section 18(5) of the MPRDA, as amended:

''A prospecting right in respect of which an application for renewal has been lodged shall despite its expiry date remain in force until such time as such application has been granted or refused.''

There is an ownership claim as detailed in Item 3.6.

The QP classified the overall Mineral Resource risk as high. In the opinion of the QP, no further technical work is required as the drilling program provided sufficient data to define continuity.

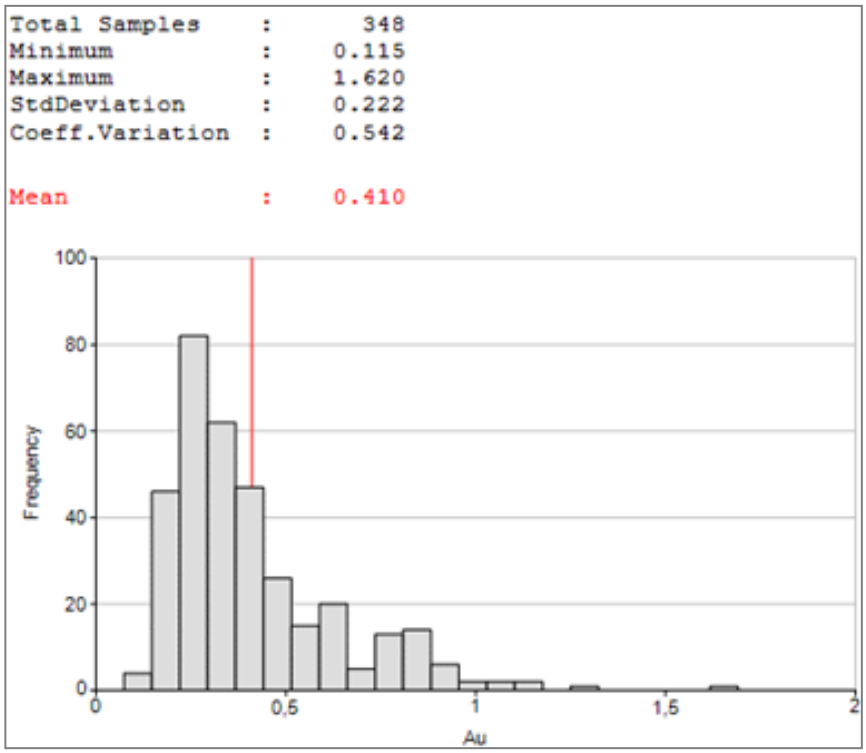
11.15 5A10/5L27 Sand Dumps

11.15.1 Exploratory Data Analysis

Exploratory data analysis was performed on gold grades. No capping was applied as data shows no extreme values. Samples were composited to 6m interval. The mean did not change materially after compositing into 6m interval.

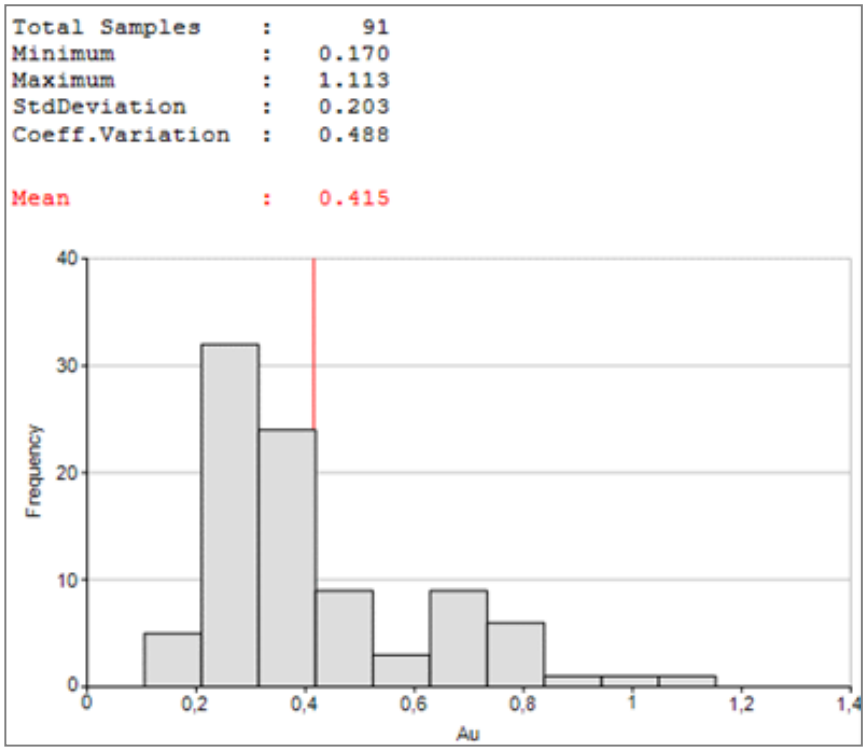
Figure 11.55 and Figure 11.56 present the basic statistical data for the 5A10/5L27 sand dumps. Data was analysed as raw, capped and composites. There was no material changed between the data sets. The data sets show positively skewed distribution.

Figure 11.55: 5A10/5I27: Distribution of Raw Gold Data



Source: The RVN Group, 2022

Figure 11.56: 5A10/5I27: Distribution of Composited Gold Data



Source: The RVN Group, 2022

11.15.2 Modelling and Estimation Parameters

The parent block size for the sand dumps was largely based on the average drill spacing and sample compositing interval. The height of the original sand dump benches is approximately 5m to 6m. The parent block sizes selected to estimate the deposit approximates the drill hole spacing and maps the bench height. Sub-blocking was allowed for a good volume definition.

The sample search parameters are supplied in Table 11.29.

Table 11.29: Search Parameters: Inverse Distance Estimation Method

Domain	Estimation Pass	Search Distance			Minimum Number of Composites	Maximum Number of Composites
		X (m)	Y (m)	Z (m)		
5A10/5l27	100	100	50	4	10	100
	200	200	100	4	10	200
	300	200	200	4	10	300

Source: The RVN Group, 2022

11.15.3 Technical and Economic Factors

The QP declared the Mineral Resource estimate for the 5A10/5L27 sand dumps considering technical and economic studies in Item 13 to Item 19.

11.15.4 Mineral Resource Classification Criteria

A list of the criteria used to classify the Mineral Resources in addition to the statistical parameters is given in Table 11.30. Applying these confidence levels, the Mineral Resource classification codes were assigned to the block model.

Table 11.30: Confidence Levels for Key Criteria for Mineral Resource Classification

Items	Discussion	Confidence
Drilling Techniques	Auger and drilling technique to international standards	High
Logging	Detailed logging throughout	High
Drill Sample Recovery	The sample recovery was considered satisfactory and was acceptable for Mineral Resource estimation	High
Sub-sampling Techniques and Sample Preparation	Material has previously been processed and quartering was applied	High
Quality of Assay Data	Available data is of robust quality however there is a relatively high variability in the lowest grade assays	High
Verification of Sampling and Assaying	Full QC program implemented during exploration	High
Location of Sampling Points	Survey of all collars and TSFs surfaces	High
Data Density and Distribution	Data points were well spread, though widely spaced. Approximately 50m-by-100m spacing was followed. Where drill holes did not intersect the base, holes were completed on the edge	High
Database Integrity	Errors identified and rectified	High
Geological Interpretation	Geometry is known accurately	High
Bulk Density	A mean density of 1.42t/m^3 was considered reasonable	High
Mineralization Type	Mineralization is well known from processing	High
Estimation and Modelling Techniques	NN and Inverse Distance	High

Source: The RVN Group, 2022

The drill hole spacing enabled the QP to define gold grades, floor elevation and sand dump geometry. This provide the QP conclusive confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the sand dumps. The sand dumps were classified as Measured Mineral Resources. The data or supporting information is derived from the adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. The resource model and production data reconciled well with less than a 1% grade difference. This was also considered in classifying the 5A10/5L27 sand dumps as Measured Mineral Resources.

11.15.5 Mineral Resource Statement

The Mineral Resource estimates for the 5A10/5L27 sand dumps are presented in Table 11.28 to Table 11.32.

Table 11.31: 5A10/5L27 Mineral Resource Estimates (Inclusive)

TSF	Mineral Resource Category	Mineral Resources as 30 June 2021 (Inclusive)			Mineral Resources as at 30 June 2022 (Inclusive)		
		Tons (kt)	Au (g/t)	Content (oz)	Tons (kt)	Au (g/t)	Content (oz)
5L27 (East)	Measured	5,965	0.48	92,054	3,979	0.49	60,467
5L27 (North)	Measured	4,288	0.28	38,601	4,288	0.28	38,601
5A10	Measured	2,117	0.61	41,519	1,595	0.61	31,285
Sub-total Measured Mineral Resources		**12,370**	**0.43**	**172,174**	**9,862**	**0.42**	**128,075**
Indicated Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**
Sub-total Measured and Indicated Mineral Resources		**12,370**	**0.43**	**172,174**	**9,862**	**0.42**	**128,075**
Inferred Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**
Total Mineral Resource		**12,370**	**0.43**	**172,174**	**9,862**	**0.42**	**128,075**

Source: The RVN Group, 2022

Table 11.32: 5A10/5L27 Mineral Resource Estimates (Exclusive)

TSF	Mineral Resource Category	Mineral Resources as 30 June 2021 (Exclusive)			Mineral Resources as at 30 June 2022 (Exclusive)		
		Tons (kt)	Au (g/t)	Content (oz)	Tons (kt)	Au (g/t)	Content (oz)
5L27	Measured	-	-	-	-	-	-
5A10	Measured	-	-	-	-	-	-
Sub-total Measured Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**
Indicated Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**
Sub-total Measured and Indicated Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**
Inferred Mineral Resources		**-**	**-**	**-**	**-**	**-**	**-**
Total Mineral Resource		**-**	**-**	**-**	**-**	**-**	**-**

Source: The RVN Group, 2022

11.15.6 Mineral Resource Changes

Mining took place on the 5A10 sand dump reclaiming 808kt at 0.61g/t Au in the last financial year. The mined and modelled tonnage and grades reconciled well.

11.15.7 Mineral Resource Risks and Uncertainty

The QP's opinion is that the overall grade and tonnage estimates are reasonable for mine planning based on the borehole data and assay statistics. Production data reconciled well with the block model.

The gold price fluctuations and lower grades of sand material present the main risk to the declared Mineral Resource.

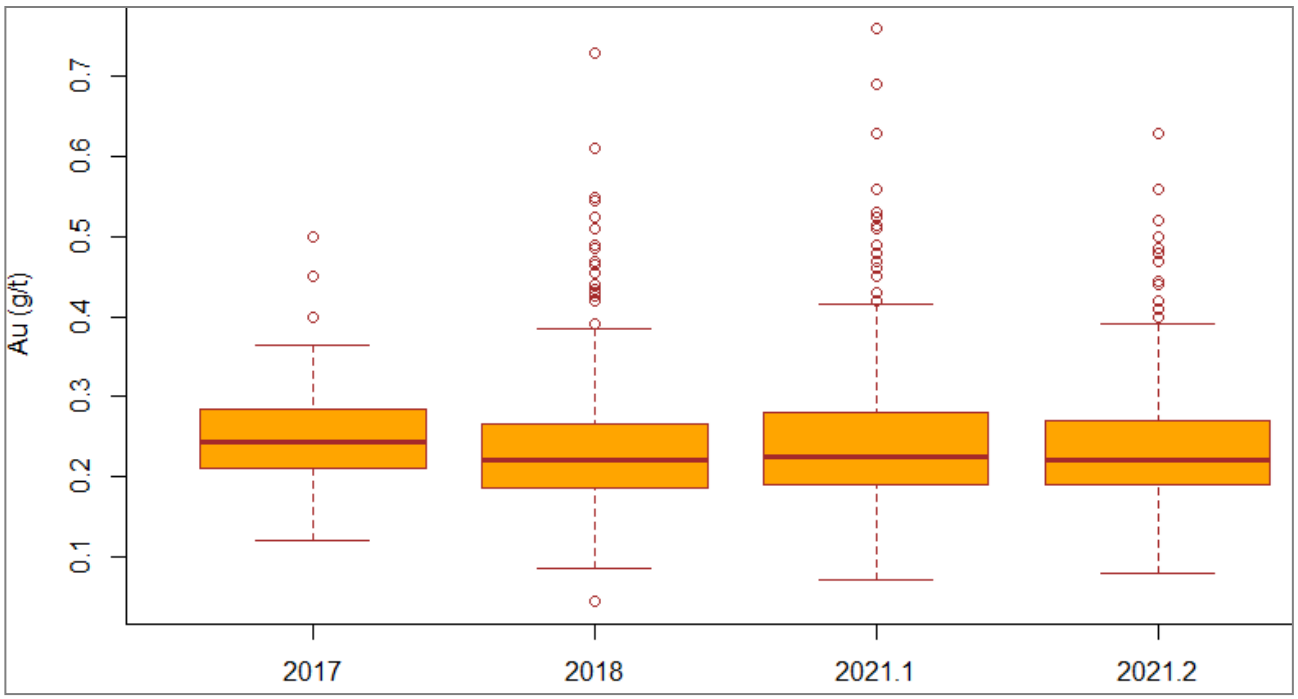
The QP classified the overall Mineral Resource risk as low to medium. In the opinion of the QP, no further technical work is required as the drilling program provided enough data to define continuity.

11.16 Daggafontein TSF

11.16.1 Exploratory Data Analysis

The QP tested if there was a material difference in the gold grades from the various drilling campaigns to ascertain if the datasets from the different campaigns were compatible. Figure 11.57 shows the box plots of the different campaigns. The difference was considered minor by the QP. The 2017 drilling campaign reported slightly higher grades. This campaign, however only comprised two drill holes (on either side of the TSF – east and west). Analysis of variance and a Tukey (Honest Significant Differences) HSD plot showed that there is a difference in sample means between 2017 and the other campaigns. The QP investigated the differences and concluded that the difference is due to the amount of data per campaign and spatial distribution of the data point. Accordingly, the QP concluded that data from the campaigns could be combined.

Figure 11.57: Boxplots for the Different Drilling Campaigns

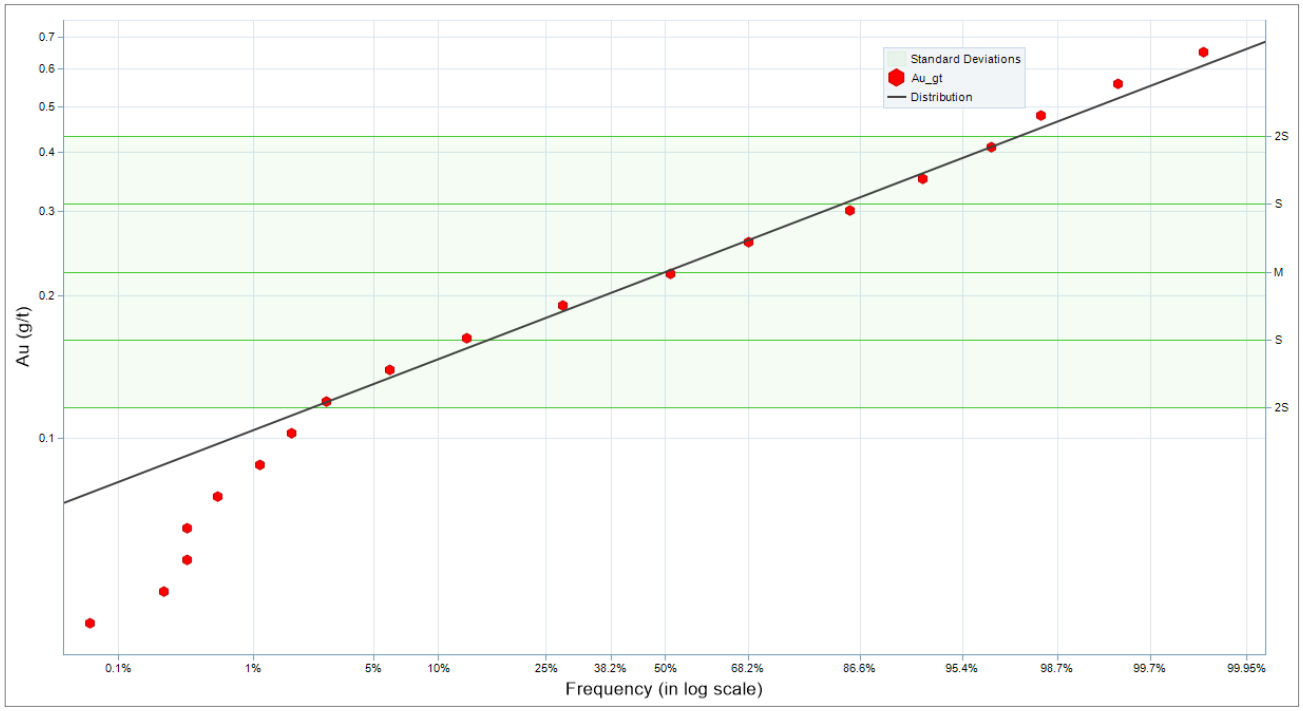


Source: The RVN Group, 2022

The drill hole individual sample gold grades are positively skewed. The mean of the gold grades is 0.24g/t.

Based on the statistical investigation, cutting or capping of the extreme values was not considered (Figure 11.58). Lower extreme grades were noted and visualized in 3D space. They were considered part of the population.

Figure 11.58: Log Probability Plot



Source: The RVN Group, 2022

A study on domaining was conducted. This was done through analysis of zones based on TSF material, color and spatial grade analysis. The TSF was not domained laterally or vertically, however, the QP noted the vertical stratification. This stratification aided in defining the search volume in the vertical direction.

No capping was applied.

11.16.2 Modelling and Estimation Parameters

The parent block size for the TSF was largely based on the average drill spacing and sample compositing interval.

The sample search parameters are supplied in Table 11.33.

Table 11.33: Search Parameters

Domain	Estimation Pass	Search Distance			Minimum Number of Composites	Maximum Number of Composites	Maximum Number of Samples Per Drill Hole
		X (m)	Y (m)	Z (m)			
Slime	1	500	500	6	5	20	4
	2	1,000	1,000	12	5	20	4

	3	1,500	1,500	18	5	20	4

Source: The RVN Group, 2022

11.16.3 Technical and Economic Factors

The QP declared the Mineral Resource estimates for the Daggafontein TSF considering technical and economic studies in Item 13 to Item 19.

The Daggafontein TSF's average gold grade is 0.24g/t, which is above the cut-off grade presented in Table 11.2. Selective mining of the TSF is not practiced by Ergo, therefore a cut-off is not a block level but it is for the entire TSF. If a TSF mean grade is above cut-off, it is considered for the Mineral Resource.

The QP's opinion is that there is a reasonable prospect for economic extraction based on the total mix of technical and economic factors discussed.

11.16.4 Mineral Resource Classification Criteria

A list of the criteria used to classify the Mineral Resources is given in Table 11.34 below. Applying these confidence levels, Mineral Resource classification codes were assigned to the block model.

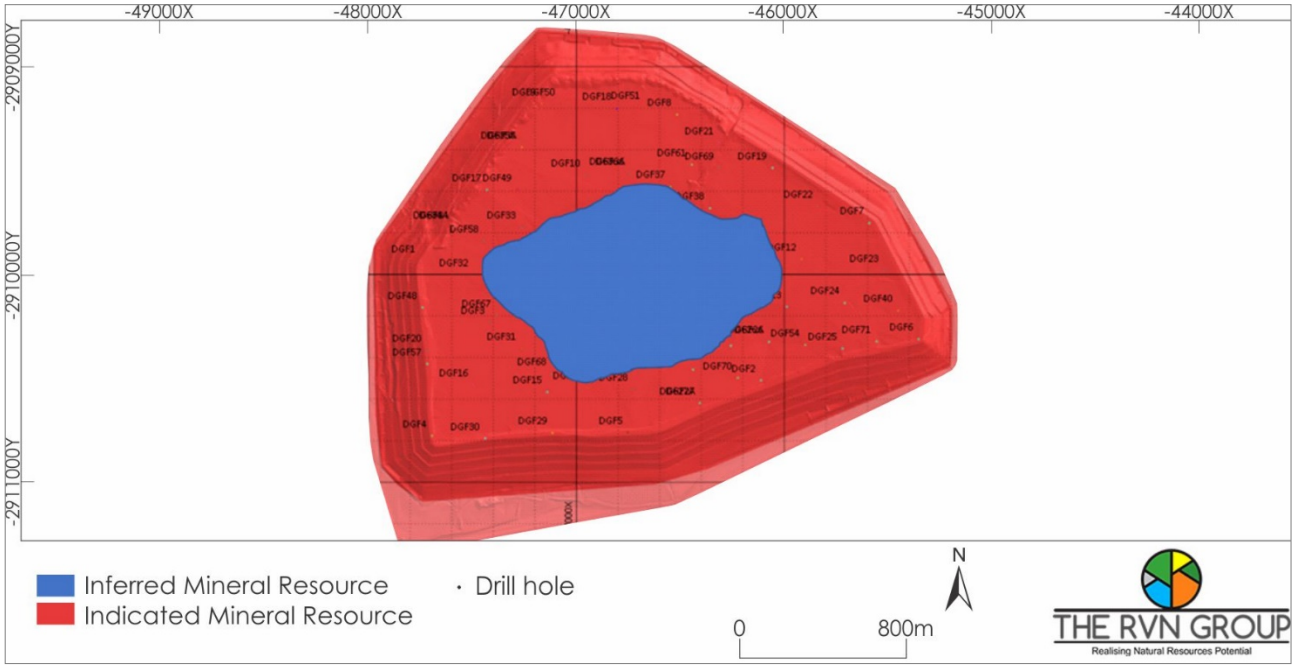
Table 11.34: Confidence Levels for Key Criteria for Mineral Resource Classification

Items	Discussion	Confidence
Drilling Techniques	RC drilling technique to international standards	High
Logging	Detailed logging throughout	High
Sub-sampling Techniques and Sample Preparation	Material has previously been processed and quartering was applied	High
Quality of Assay Data	Available data is of robust quality however there is a relatively high variability in the lowest grade assays	High
Verification of Sampling and Assaying	Full QC program implemented during exploration	High
Location of Sampling Points	Survey of all collars and TSFs surfaces	High
Data Density and Distribution	Data points were well spread. No drilling under water	Moderate (low for underwater material)
Database Integrity	Errors identified and rectified	High
Geological Interpretation	Geometry is known accurately	High
Bulk Density	A mean density of 1.42t/m^3 was considered reasonable	High
Mineralization Type	Mineralization is well known from processing	High
Estimation and Modelling Techniques	NN, Inverse Distance and Ordinary Kriging	High

Source: The RVN Group, 2022

Where drill hole spacing is less than 250m, the material was classified as an Indicated Mineral Resource (Figure 11.59). An Inferred Mineral Resource was defined for the area under water where drilling could not be done and grades were estimated on the second pass i.e., up to 1,000m drilling space.

Figure 11.59: Mineral Resource Classification



Source: The RVN Group, 2022

11.16.5 Mineral Resource Statement

The Mineral Resource is stated in Table 11.35 and Table 11.36.

Table 11.35: Daggafontein TSF Mineral Resource Estimate (Inclusive)

TSF	Mineral Resource Category	Mineral Resources as 30 June 2021 (Inclusive)			Mineral Resources as at 30 June 2022 (Inclusive)		
		Tons (kt)	Au (g/t)	Content (oz)	Tons (kt)	Au (g/t)	Content (oz)
Measured Mineral Resources		-	-	-	-	-	-
Indicated Mineral Resources		192,793	0.24	1,487,625	192,793	0.24	1,487,625
Sub-total Measured and Indicated Mineral Resources		192,793	0.24	1,487,625	192,793	0.24	1,487,625
Inferred Mineral Resources		21,318	0.24	164,494	21,318	0.24	164,494
Total Mineral Resources		214,111	0.24	1,652,119	214,111	0.24	1,652,119

Source: The RVN Group, 2022

Table 11.36: Daggafontein TSF Mineral Resource Estimate (Exclusive)

TSF	Mineral Resource Category	Mineral Resources as 30 June 2021 (Exclusive)			Mineral Resources as at 30 June 2022 (Exclusive)		
		Tons (kt)	Au (g/t)	Content (oz)	Tons (kt)	Au (g/t)	Content (oz)
Measured Mineral Resources		-	-	-	-	-	-

Indicated Mineral Resources	-	-	-	-	-	-
Sub-total Measured and Indicated Mineral Resources	-	-	-	-	-	-
Inferred Mineral Resources	**21,318**	**0.24**	**164,494**	**21,318**	**0.24**	**164,494**
Total Mineral Resources	**21,318**	**0.24**	**164,494**	**21,318**	**0.24**	**164,494**

Source: The RVN Group, 2022

11.16.6 Mineral Resource Changes

There was no change in the Mineral Resource from June 2021 to June 2022 as no additional drilling or studies were completed on the Daggafontein TSF.

11.16.7 Mineral Resource Risks and Uncertainty

The QP's opinion is that the overall grade and tonnage estimates are reasonable for mine planning based on the drill hole data and assay statistics. The Inferred portion of the Mineral Resource could not be sufficiently drilled as this portion of the TSF remains saturated and its estimation was based on extrapolation. This presents a low risk for preliminary feasibility or feasibility mine planning work, as no Inferred Resource was included in an economic assessment.

The gold price fluctuations and lower grades present the main risk to the declared Mineral Resource.

Risks of grade and continuity of mineralization were mitigated through infill drilling, validation procedures, metallurgical testing, advanced statistical analyses and the use of robust geological modelling techniques.

The QP classified the overall Mineral Resource risk as low to medium. In the opinion of the QP, no further technical work is required as the drilling program provided sufficient data to define continuity. No drilling in the waterlogged area is recommended.

11.17 Summary Mineral Resource Estimates

Table 11.37 presents the summary of the Mineral Resource estimates (inclusive) for the 18 TSFs and the one sand dump. The Mineral Resource estimates are reported as inclusive of the Mineral Reserve and the reference point is in situ.

Table 11.37: Inclusive Mineral Resources of the 19 Material Properties as at 30 June 2022

Complex	TSF/Sand Dump	Category	Mineral Resources as at 30 June 2021 (Inclusive)			Mineral Resources as at 30 June 2022 (Inclusive)		
			Tons (kt)	Au (g/t)	Content (oz)	Tons (kt)	Au (g/t)	Content (oz)
City Deep	4L3	Measured	13,134	0.32	135,126	13,134	0.32	135,126
	4L4	Measured	4,738	0.32	48,746	4,738	0.32	48,746
	4L6	Measured	2,410	0.31	24,020	2,410	0.31	24,020
Knights	4L14	Measured	6,638	0.29	61,891	6,638	0.29	60,824
	4L50	Measured	6,756	0.26	56,475	3,418	0.26	27,216
Ergo	7L15	Measured	17,646	0.26	147,506	17,646	0.26	147,506
	Rooikraal	Measured	56,763	0.26	474,493	56,763	0.26	474,493
Marievale	7L4	Measured	17,590	0.34	192,281	17,590	0.34	192,281
	7L5	Measured	6,980	0.29	65,080	6,980	0.29	65,080
	7L6	Measured	12,760	0.26	106,663	12,760	0.26	106,663
	7L7	Measured	16,784	0.32	172,678	16,784	0.32	172,678
Grootvlei	6L17	Measured	49,320	0.26	412,275	49,320	0.26	412,275
	6L17A	Measured	16,716	0.26	140,807	16,716	0.26	139,732
5A10/5L27	5A10/5L27	Measured	11,985	0.43	164,623	9,862	0.42	128,075
Sub-total Measured Mineral Resources			**240,220**	**0.29**	**2,202,664**	**234,759**	**0.28**	**2,134,715**
Grootvlei	6L16	Indicated	41,619	0.26	347,901	41,619	0.26	347,901
Daggafontein	Daggafontein	Indicated	192,793	0.24	1,487,625	192,793	0.24	1,487,625
Crown	Mooifontein (3L7)	Indicated	67,559	0.23	499,577	67,559	0.23	499,577
	GMTS (3L8)	Indicated	107,450	0.25	863,649	107,450	0.25	863,649
	Diepkloof (3L5)	Indicated	97,988	0.23	724,589	97,988	0.23	724,589
Sub-total Indicated Mineral Resources			**507,409**	**0.24**	**3,923,341**	**507,409**	**0.24**	**3,923,341**
Sub-total Measured and Indicated Mineral Resources			**747,629**	**0.25**	**6,126,005**	**742,168**	**0.25**	**6,058,056**
Daggafontein	Daggafontein	Inferred	21,318	0.24	164,494	21,318	0.24	164,494
Sub-total Inferred Mineral Resources			**21,318**	**0.24**	**164,494**	**21,318**	**0.24**	**164,494**
Total Material Mineral Resources			**768,947**	**0.25**	**6,290,499**	**763,486**	**0.25**	**6,222,550**

Source: The RVN Group, 2022

Notes:

i. Mineral Resources are not Mineral Reserves.
ii. Mineral Resources are reported inclusive of Mineral Reserves.
iii. Mineral Resources have been reported in accordance with Subpart 1300 of Regulation S-K
iv. Mineral Resources were estimated using the USD1,823/oz, ZAR15.60/USD, ZAR914,294/kg financial parameters and recoveries in Table 11.2
v. A troy ounce = 31.1034768g
vi. Quantities and grades were rounded to reflect the accuracy of the estimates; and if any apparent errors are insignificant

Table 11.38 presents exclusive Mineral Resource estimates for the material properties.

Table 11.38: Exclusive Mineral Resources of the 19 Material Properties as at 30 June 2022

Complex	TSF/Sand Dump	Category	Mineral Resources as at 30 June 2021 (Exclusive)			Mineral Resources as at 30 June 2022 (Exclusive)		
			Tons (kt)	Au (g/t)	Content (oz)	Tons (kt)	Au (g/t)	Content (oz)
City Deep	4L3	Measured	-	-	-	-	-	-
	4L4	Measured	-	-	-	-	-	-
	4L6	Measured	-	-	-	-	-	-
Knights	4L14	Measured	-	-	-	-	-	-
	4L50	Measured	-	-	-	-	-	-
Ergo	7L15	Measured	-	-	-	-	-	-
	Rooikraal	Measured	-	-	-	-	-	-
Marievale	7L4	Measured	-	-	-	-	-	-
	7L5	Measured	-	-	-	-	-	-
	7L6	Measured	-	-	-	-	-	-
	7L7	Measured	-	-	-	-	-	-
Grootvlei	6L17	Measured	-	-	-	49,320	0.26	412,275
	6L17A	Measured	-	-	-	16,716	0.26	140,807
5A10/5L27	5A10/5L27	Measured	-	-	-	-	-	-
Sub-total Measured Mineral Resources			**-**	**-**	**-**	**66,036**	**0.26**	**553,082**
Grootvlei	6L16	Indicated	41,619	0.26	347,901	41,619	0.26	347,901
Daggafontein	Daggafontein	Indicated	192,793	0.24	1,487,625	-	-	-
Crown	Mooifontein (3L7)	Indicated	67,559	0.23	499,577	67,559	0.23	499,577
	GMTS (3L8)	Indicated	107,450	0.25	863,649	107,450	0.25	863,649
	Diepkloof (3L5)	Indicated	97,988	0.23	724,589	97,988	0.23	724,589
Sub-total Indicated Mineral Resources			**507,409**	**0.24**	**3,923,342**	**314,616**	**0.24**	**2,435,716**
Sub-total Measured and Indicated Mineral Resources			**507,409**	**0.24**	**3,923,342**	**380,652**	**0.24**	**2,988,798**
Daggafontein	Daggafontein	Inferred	21,318	0.24	164,494	21,318	0.24	164,494
Total Inferred Mineral Resources			**21,318**	**0.24**	**164,494**	**21,318**	**0.24**	**164,494**
Total Material Mineral Resource			**528,727**	**0.24**	**4,087,835**	**401,970**	**0.24**	**3,153,292**

Source: The RVN Group, 2022

Notes:

i. Mineral Resources are not Mineral Reserves.
ii. Mineral Resources are reported exclusive of Mineral Reserves.
iii. Mineral Resources have been reported in accordance with Subpart 1300 of Regulation S-K
iv. Mineral Resources were estimated using the USD1,823/oz, ZAR15.60/USD, ZAR914,294/kg financial parameters and recoveries in Table 11.2
v. A troy ounce = 31.1034768g
vi. Quantities and grades were rounded to reflect the accuracy of the estimates; and if any apparent errors are insignificant

The total Mineral Resource Estimates for Ergo are presented in Table 11.39 and Table 11.40. The total Mineral Resource consisted of 19 material properties and 79 small TSFs and clean-up sites. The changes in Mineral Resource from June 2021 to June 2022 are due to depletion of 20.48Mt at 0.33g/t Au and minor survey adjustments of 2.94Mt at 0.20g/t Au as presented on Figure 11.60.

Table 11.39: Ergo Inclusive Mineral Resources Statement as at 30 June 2022

Mineral Resources Classification	Mineral Resources as at 30 June 2021 (Inclusive)			Mineral Resources as at 30 June 2022 (Inclusive)		
	Tons (Mt)	Au (g/t)	Content (Moz)	Tons (Mt)	Au (g/t)	Content (Moz)
Measured Mineral Resources	282.95	0.31	2.81	266.25	0.31	2.64
Indicated Mineral Resources	574.95	0.25	4.61	568.21	0.25	4.55
Sub-total Measured and Indicated Mineral Resources	**857.90**	**0.27**	**7.42**	**834.45**	**0.27**	**7.19**
Inferred Mineral Resources	21.32	0.24	0.16	21.32	0.24	0.16
Total Mineral Resources	**879.22**	**0.27**	**7.58**	**855.77**	**0.27**	**7.35**

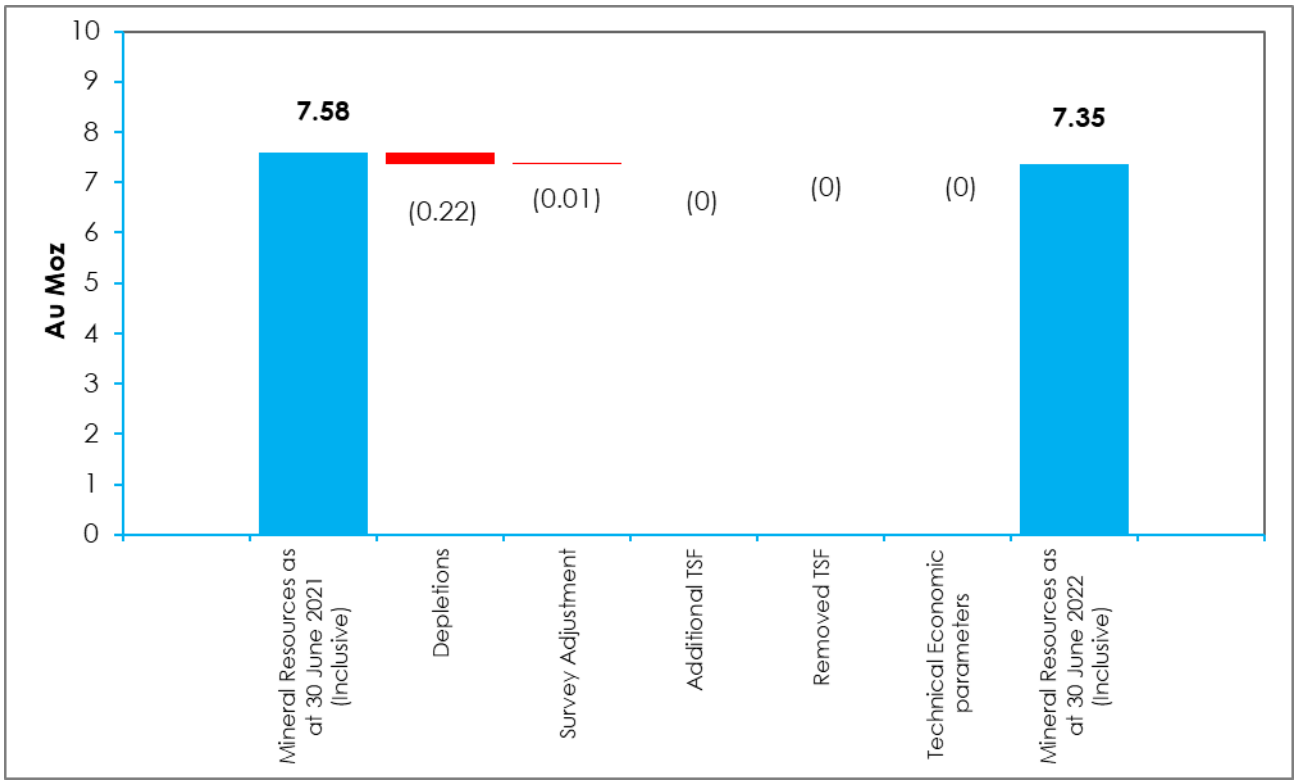
Source: The RVN Group, 2022

Table 11.40: Ergo Exclusive Mineral Resources Statement as at 30 June 2022

Mineral Resources Classification	Mineral Resources as at 30 June 2021 (Exclusive)			Mineral Resources as at 30 June 2022 (Exclusive)		
	Tons (Mt)	Au (g/t)	Content (Moz)	Tons (Mt)	Au (g/t)	Content (Moz)
Measured Mineral Resources	-	-	-	66.04	0.26	0.55
Indicated Mineral Resources	574.95	0.25	4.61	375.41	0.25	3.02
Sub-total Measured and Indicated Mineral Resources	**574.95**	**0.25**	**4.61**	**441.45**	**0.25**	**3.57**
Inferred Mineral Resources	21.32	0.24	0.16	21.32	0.24	0.16
Total Mineral Resources	**596.27**	**0.25**	**4.77**	**462.77**	**0.25**	**3.77**

Source: The RVN Group, 2022

Figure 11.60: Mineral Resource Reconciliation (Inclusive)



Source: The RVN Group, 2022

11.18 QP's Opinion

In the QP's opinion, all relevant technical and economic factors that may likely affect the prospects of economic extraction, were adequately considered for the Mineral Resources reported. The QP recommended no further work.

12 Mineral Reserve Estimates

This Item includes discussion and comments on the conversion of Mineral Resources to Mineral Reserves. Specifically, comments are provided on the key assumptions, parameters and methods (modifying factors) used to estimate the 30 June 2022 Mineral Reserve.

Mineral Reserves estimates are affected by multiple factors that change over time. Fluctuations in the gold price, exchange rates, legislation in the operating country, other reporting jurisdictions and a wide range of operating conditions may affect the Mineral Reserve estimates. Estimates of the Mineral Reserves should be considered best estimates at the time of reporting.

The level of the study conducted to support the declaration of the 30 June 2022 Mineral Reserve is based on a mine plan and design conducted to a PFS level of accuracy (i.e., +/-25%) with a maximum level of contingency of 15%. Ergo utilizes Measured and Indicated Mineral Resources incorporated into the LoM plan. No Inferred Mineral Resources have been used in the LoM plan.

12.1 Grade Control and Reconciliation

The Ergo LoM plan and schedule for the individual TSFs is based on 3-D geological models, which provides grade, density, and volume for each individual block. The planning department takes this information and establishes a grade for the proposed mining cut, typically in the order of 15m. The mine plan accounts for each block, resulting in a tonnage and grade estimate for the entire mining block or mining cut. The mining cut is then sequenced and scheduled.

Ergo conducts grade and tonnage reconciliations on a quarterly basis with no material difference between the planned and actual grade and tonnages observed.

Table 12.1: Reconciliation of RoM Head Grade (Au)

Year	Plan RoM Head Grade (g/t)	Actual RoM Head Grade (g/t)	Head Grade Difference (g/t)	Percentage Difference (%)
2019/2020	0.358	0.354	-0.003	-1.13%
2020/2021	0.354	0.363	0.009	2.54%
2021/2022	0.347	0.366	0.018	5.19%

Source: The RVN Group, 2022

Table 12.2: Reconciliation of RoM Tonnage

Year	Measured Survey Tonnage (kt)	Processing Plant Tonnage (kt)	Tonnage Difference (kt)	Percentage Difference (%)
2019/2020	20 265	20 086	-179	-0.9%
2020/2021	22 884	22 949	66	0.7%
2021/2022	22 810	21 553	-1 527	-6.7%

Source: The RVN Group, 2022

The above results (Table 12.1 and Table 12.2) indicate no material difference between the planned and actual grade and planned and actual tonnages for years 2019/20 and 2020/21. However, the 2021/22 reconciliation between planned and actual grade indicates a 5.2% increase in the gold grade (0.35g/t versus 0.37g/t). Further,

the reconciliation showed a 6.7% decrease in the planned tonnage during the same period. The higher grade is associated with mining some mineralized material not in the mine plan nor in the Mineral Reserve, which was mined at a higher grade than anticipated. The decrease in the tonnage was due to power issues at Knights section. Knights was negatively affected by load shedding (scheduled and unscheduled power cuts). Ergo is addressing this issue by introducing back-up power generators and installing a power cable from City Deeps to supply Knights with power from Eskom rather than City Power. The supply of Eskom power will result in advised power reduction rather than power cuts without any warning, which was the case with City Power.

12.2 Cut-off Grade Estimation

The cut-off grade, for the purposes of the Mineral Reserve definition, is defined as the grade at which the value of the contained metal in a unit quantity is equivalent to the cost of its production, i.e., the breakeven grade.

$$\text{Cut-off Grade} = \frac{\text{Total On-Mine Production Costs}}{(\text{Metal Market Price} - \text{Off-Mine Costs}) \times \text{Recovery}}$$

The gold price and other operational inputs are discussed in various Items of this Report; plant recoveries are reviewed in Item 14, Item 16 reports on marketing and pricing, and operating costs are commented on in Item 18. The cut-off grade and Mineral Reserve grades for the source areas are provided in Table 12.3. Note that due to the nature of mining TSFs, the cut-off grade is not based on a block value or individual sections of the TSF but based on the total TSF (i.e., if the entire TSF grade is above the cut-off grade, the TSF will be mined.

Table 12.3: Cut-off Grade and Mineral Reserve Grades

Source Area	Plant Recovery (%)	Cut-off Au Grade (g/t)	Mineral Reserve Au Grade (g/t)
Ergo	40,87	0.24	0.28

Source: The RVN Group, 2022

Notes:

1. The cut-off grade provided above is based on the June 2022 LoM plan and used to validate the 30 June 2022 Mineral Resource and Mineral Reserve estimation.
2. Gold price ZAR914,294/kg (Item 16).
3. On-mine cost ZAR90.86/t (Item 18).
4. Off-mine cost ZAR0.00/t.

The various modifying factors i.e., mining, metallurgical, processing, infrastructure, economic, marketing, legal, environmental, and governmental factors are discussed in Item 13 to Item 19

12.3 Estimation and Modelling Techniques

Ergo reports its Mineral Resources and Mineral Reserves in accordance with the Regulation S-K 1300. In no case has Measured Mineral Resources been downgraded to a Probable Mineral Reserve category.

Other than geological modelling, no other modelling or estimation techniques are used in the selection of Mineral Reserves. Selection for inclusion in the Mineral Reserves is based on the average grade of the TSF being above the required cut-off grade.

The following comments are relevant in the conversion of Mineral Resources to Mineral Reserves:

- there is no mining dilution, as each of the TSFs is to be mined and processed in their entirety;

- no allowance has been made for mining losses; and
- a LoM plan has been generated, reviewed and tested for economic viability in a discounted cash flow (DCF) model. Cognizance has been taken of the geotechnical considerations regarding the safety of the operation and long-term stability of the TSF walls, and the working considerations are based on operational practices as provided by Fraser Alexander (Proprietary) Limited, a tailings design, management and mining company.

12.4 Mineral Reserve Classification Criteria

The Mineral Reserve classification of Proven and Probable is a function of the Mineral Resource classification with due considerations of the minimum criteria for the "modifying factors" as considered in the S-K1300. In no case has Measured Mineral Resources been downgraded to a Probable Mineral Reserve Category.

Due to the length of approval times for the renewal of permits, some of the Mineral Reserves may be based on permits (approvals) still in the process of being renewed. At this time, there is no indication that these renewals will not be granted and therefore have been used in the LoM plan and Mineral Reserve statement.

12.5 Mineral Reserves Statement

Mineral Reserves are based on the 30 June 2022, LoM plan and schedule. The Ergo Mineral Reserve statement as at 30 June 2022 is provided in Table 12.4 along with the previous Mineral Reserves as at 30 June 2021.

The QP confirms that the Mineral Reserve statement presented in Table 12.4 is disclosed in accordance to the S-K1300 guidelines.

Table 12.4: Ergo TSF Mineral Reserves Statement as at 30 June 2022

Mineral Reserve Classification	Mineral Reserves as at 30 June 2021			Mineral Reserves as at 30 June 2022		
	Tons (Mt)	Au (g/t)	Contents (Moz)	Tons (Mt)	Au (g/t)	Contents (Moz)
Proven	29.36	0.295	0.28	200.21	0.33	2.09
Probable	253.59	0.311	2.53	192.79	0.24	1.49
Total Mineral Reserves	**282.95**	**0.309**	**2.81**	**393.00**	**0.28**	**3.58**

Source: The RVN Group, 2022

Notes:

1. Tons and grades were rounded, and this may result in minor adding discrepancies.
2. The Mineral Reserve has been reported in accordance with the classification criteria defined in the Regulation S-K 1300.
3. The Mineral Reserve is estimated using the USD1,823/oz, ZAR15.60/USD and ZAR914,294ZAR/kg financial parameters.
4. No mining losses or dilution has been applied in the conversion process nor has a mine call factor been applied.
5. Tonnage and grade RoM delivered to the processing plant.
6. The attributable Mineral Reserve is 100% of the total Mineral Reserve.

The QP responsible for the reporting and sign-off of the Mineral Reserve is Professor Steven Rupprecht. Professor Rupprecht is a Fellow of the Southern African Institute of Mining and Metallurgy (SAIMM) with more than five years of experience relevant to the evaluation and reporting of TSF Mineral Reserves.

Table 12.5 depicts the Mineral Reserve reconciliation between 30 June 2021, and 30 June 2022. Some 20.48Mt was depleted through mining operations; 66.04Mt was removed from the Mineral Reserve by the removal of the Grootvlei TSFs from the LoM plan; 2.94Mt was subtracted due to survey adjustments, and a further 192.79Mt added to the LoM plan with the inclusion of the Daggafontein TSF and 6.72Mt for additional TSFs upgraded from Indicated Mineral Resources to the Probable Mineral Reserve category. Based on the above, a total tonnage of 110.06Mt has been added, resulting in a 30 June 2022 Mineral Reserve of 393.00Mt at a grade of 0.28g/t.

Table 12.5: Mineral Reserve Reconciliation

Source	Tons (Mt)	Au Grade (g/t)	Content (Moz)
Mineral Reserve as at 30 June 2021	**282.95**	**0.31**	**2.81**
Depletion through Mining Operations	(20.48)	0.33	(0.22)
Survey Adjustment	(2.94)	0,20	(0.01)
Inclusion of Daggafontein TSF in the LoM Plan	192.79	0.24	1.49
Exclusion of a Grootvlei TSF	(66.04)	0.26	(0.55)
Inclusion of 4 TSFs in the LoM Plan	6.72	0.26	0.06
Mineral Reserve as at 30 June 2022	**393.00**	**0.28**	**3.58**

Source: The RVN Group, 2022
Note: Quantities and grades have been rounded to two decimal places, therefore minor computational errors may occur.

The various modifying factors, i.e., mining, metallurgical, processing, infrastructure, economic, marketing, legal, environmental, and governmental factors, will be discussed in the following Items of this Report.

12.6 QP Statement on the Mineral Reserve Estimation

The Mineral Reserves declared are estimated from the 30 June 2022 LoM plan which was developed for the Ergo operations and is based on the Mineral Resource Estimates as at 30 June 2021, depleted to 30 June 2022 together with a set of modifying factors based on recent operational results, and economic inputs provided by Ergo. The assumptions applied in determining the modifying factors and economic inputs are reasonable and appropriate. The LoM plan is in sufficient detail to ensure achievability and is based on historical achievements. All the inputs used in the estimation of the Mineral Reserves have been thoroughly reviewed and can be considered technically robust.

Apart from the Marievale Complex (a low to medium risk due to ownership issues), the QP applies a low risk to the Mineral Reserves but acknowledges there are several external factors that can impact on Mineral Reserves, such as infrastructural, marketing, financial, environmental, social and governmental aspects.

13 Mining Methods

Ergo's business is the retreatment of old gold bearing sand dumps and slimes dams (termed TSFs) to recover gold. Consequently, Ergo has acquired an extensive inventory of gold bearing sand and slimes TSFs spread across the Central and East Rand goldfields produced from the historical processing of gold ores of the Witwatersrand Supergroup, by the gold mines that operated across the gold fields. These mines are now mostly defunct and stretch from the Crown, City Deep and Knights processing plants in the Central Rand to the south of Johannesburg to the Grootvlei Mine in the East Rand over some 70km.

The result of Ergo's retreatment is the creation of a 'new' TSF, which tailings are deposited on a mega TSF (Brakpan/Withok TSF) designed to modern standards. In this way, Ergo plays a dual role in creating value and cleaning up the environment.

Ergo consists of the processing plant and pipeline infrastructure, the mining rights, licenses and permits to access a large number of surface Mineral Resources (old tailings, slimes and sand dumps) and the active Brakpan/Withok TSF.

Table 13.1 indicates Ergo's historical operation results. The results show that since 2017 Ergo has declined from nearly 25Mtpa to 21.5Mtpa. During the 2020 and 2021 financial years (FYs), production was adversely affected by the Covid-19 pandemic and in 2022 was influenced by power restrictions (load shedding). The 2022 tonnage profile was also lower due to a deliberate decision by management to mine higher grade material as part of a clean-up operation which in turn sacrificed low grade volume. Although operational tonnage was lower than planned, operational performances were boosted by a higher gold price received for FY2022 (ZAR894,409/kg), FY2021 (ZAR917,996/kg) and FY2020 (ZAR768,675/kg) reporting robust net cashflows. Ergo has adjusted the planned RoM tonnage in the 2022 LoM plan targeting about 22Mtpa in the short to medium term and 21.6Mtpa in the longer term.

Table 13.1: Historical Ergo Operational Results

Year	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017
Tonnage (t) ('000)	21,111	22,952	20,228	23,162	24,281	24,958
Gold Produced (kg)	4,156	4,263	3,989	4,493	4,679	4,265
Yield (g/t)	0,188	0,186	0,197	0,194	0,193	0,171

Source: DRDGOLD, 2022

13.1 Mining Method

The current mining methods applied by Ergo are suitable for all TSFs (dumps) (Figure 13.1). No selective mining will occur with the entire TSF being processed. No selective mining is the result of four conditions inherent in the DRDGOLD operation of reclaiming the dumps:

- there is nowhere on the mining sites to dump the below cut-off grade material;
- the mining method is not conducive to selective mining; and
- the operation is a rehabilitation exercise, and all mineralized material must be removed from the site, and it is, therefore, economically beneficial to process all material, even low-grade material.
- Concurrent rehabilitation takes place which reduces the environmental impact as well as the rehabilitation liabilities

Figure 13.1: Typical Tailing Storage Facility



Source: DRDGOLD, 2022

13.1.1 Hydraulic Mining

The use of water plus energy to mine unconsolidated material has a long history. Documented and physical evidence indicates widespread and sophisticated use in the Californian goldfields in the mid-19th century. Thousands of kilometers of ditches and flumes were constructed to gravitate water from the mountains to generate sufficient pressure to “flush” the alluvial gravel beds into sluices. In recent years, however, the most popular techniques have been based on hydraulic mining used to mine unconsolidated materials, alluvial deposits, freshly blasted ores and for the recovery (or mining) of dewatered TSFs.

Hydraulic mining is loosely defined as excavating material from its in situ state using water. A stream of water is directed at the mining face to mechanically breaking and/or softening the material so that the water flow can carry it away. The application or effectiveness of the method is a function of various factors ranging from the size, velocity and pressure of the water stream to the location, hardness, particle size and moisture content of the material to be mined.

Hydraulic mining is typically undertaken using 100mm or 150mm monitor guns (Figure 13.2), with increased production achieved by including additional units. Hydraulic mining provides a high degree of flexibility that allows simultaneous mining at several points over a wide range of production rates. Consequently, grade blending is readily achievable.

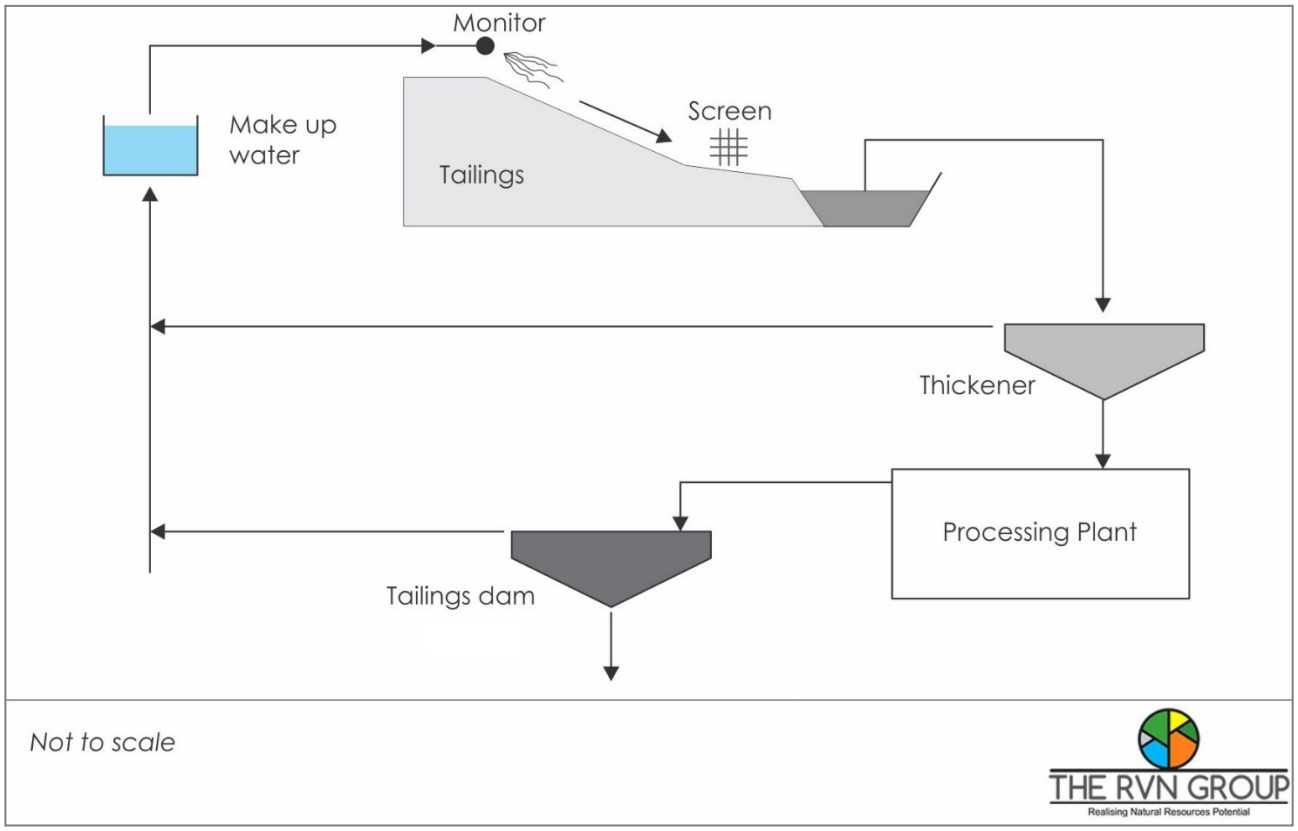
Figure 13.2: Example of Hydraulic Mining



Source: DRDGOLD, 2022

Hydraulic mining in semi or near-saturated conditions is possible and common and has a clear advantage over load-and-haul operations. Hydraulic mining does not create, but rather ameliorate the airborne dust problem often associated with fine TSFs and dry mining techniques. A typical generic hydraulic mining system is shown in Figure 13.3.

Figure 13.3: Hydraulic Mining Process Diagram



Source: J Engels, No Date
Note: the pumps have been excluded for clarity

The planning of hydraulic mining considers several factors:

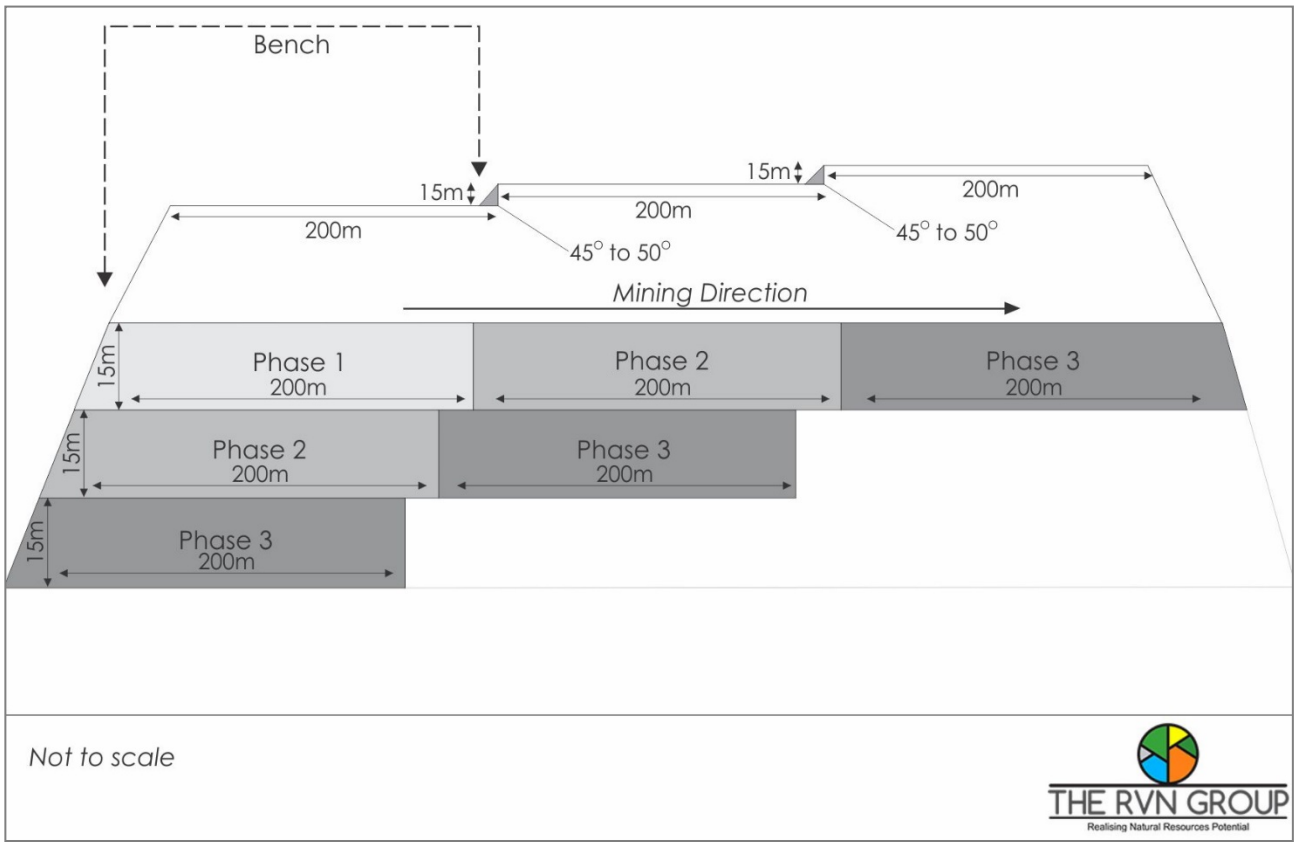
- the required production rate;
- the life of the operation;
- the type of material to be mined (including hardness, density, grading, specific gravity, degree of contamination (vegetation));
- the site topography, shape and form of the TSF;
- the slurry quality requirements;
- the pumping distances; and
- water, power, equipment and labor availability.

Considering the abovementioned aspects allows the size and number of monitor guns to be determined. Essentially, most applications require 1m^3 of water per dry ton to be mined aiming for 50% solids. A monitor gun can be fitted with different diameter nozzles (100mm or 150mm) that allow production rates to be “fine-tuned”.

Before the slurry enters the pumping facilities, it is usually necessary to pass the slurry through a screen or series of screens depending upon the degree of contamination and oversize. Satellite pumps transport slime into a thickener or header tank ahead of the processing plant that accommodates surges in flow, grading or density.

Hydraulic mining provides slurry feedstock to the mineral processing plant continuously. To maintain production, high pressure water must be ensured. Slurry densities and production rates will not be achieved if the water pressure is not maintained. Critical to hydraulic mining is consistent high slurry densities. If densities drop, less tonnage is delivered to the processing plant, thus increasing the mining cost. Figure 13.4 demonstrates a cross-sectional view of mining a TSF.

Figure 13.4: Typical Mining Method for a TSF



Source: DRDGOLD, 2018

13.1.2 Conventional Load, Haul and Slurry

A second mining method employed by Ergo is the use of front-end loaders (FEL) to load slimes and sand (Figure 13.5). In these cases, the FELs load from the bottom of the dump and transport the mineralized material to a feed hopper which feeds a conveyor. The conveyor transports (Figure 13.6 to Figure 13.8) the mineralized material to the satellite pump station where it is mixed with water to form a slurry then pumped to the processing plant. In other cases, the FELs load directly onto trucks for transport to the processing plant.

Figure 13.5: Example of Loading with a FEL



Source: DRDGOLD, 2022

Figure 13.6: Example of Loading with a FEL into a Hopper



Source: DRDGOLD, 2022

Figure 13.7: Example of Material on Conveyor



Source: DRDGOLD, 2022

Figure 13.8: Slurry Point for Loading



Source: DRDGOLD, 2022

13.2 Mining Sections

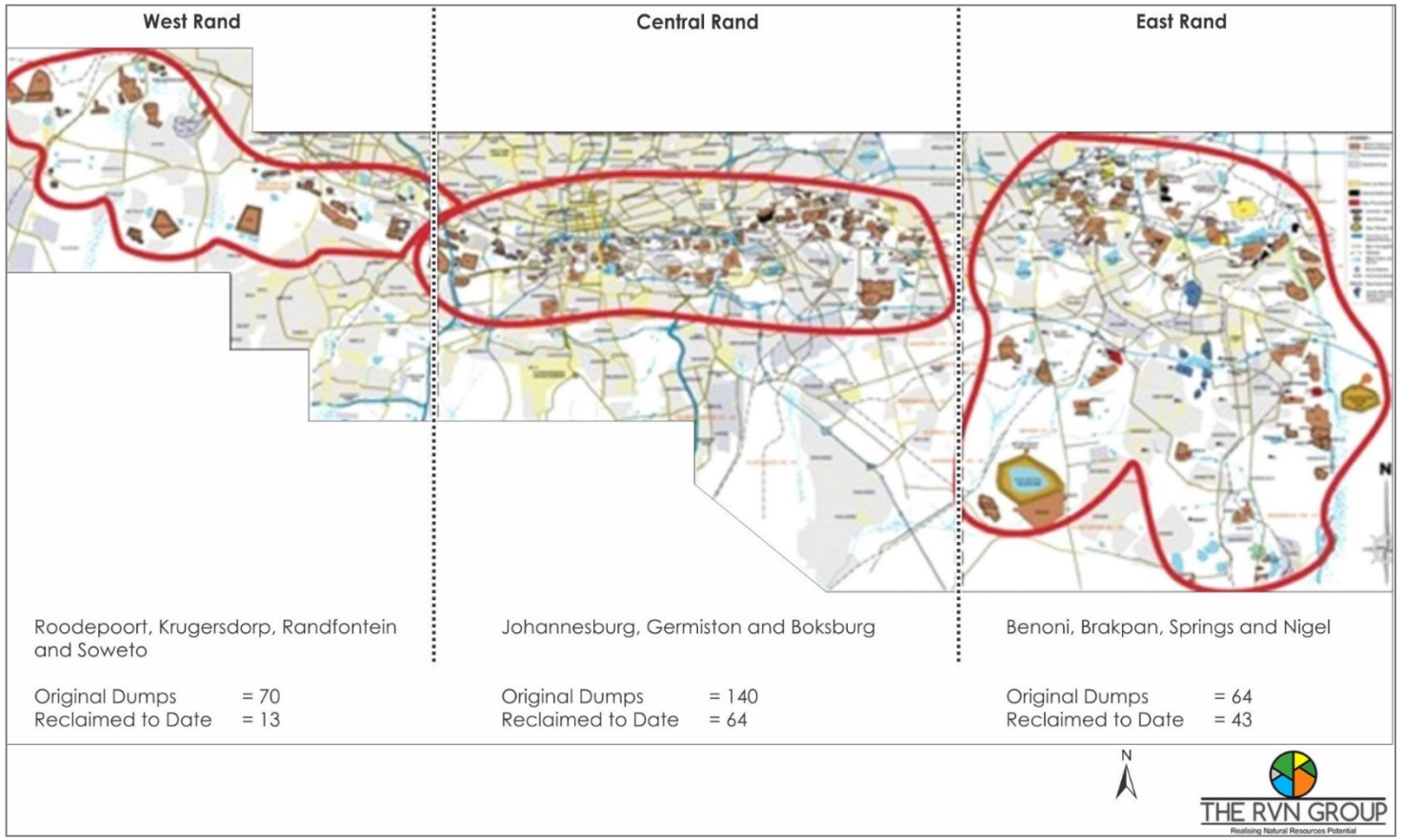
Ergo re-treats slimes and sand dumps from three sections, as depicted in Figure 13.9, the West Section, Central Section, and the East Section. Figure 13.10 provides an overview of the Ergo operations and pipelines from the West Rand to East Rand.

In terms of the LoM plan and the Mineral Reserve statement, the following TSFs are considered material for Ergo:

- 4L3 (13.1Mt);
- Rooikraal TSF (56.8Mt);
- 7L15 TSF (17.1Mt);
- Marievale Complex (54.1Mt); and
- Daggafontein TSF (192.8Mt).

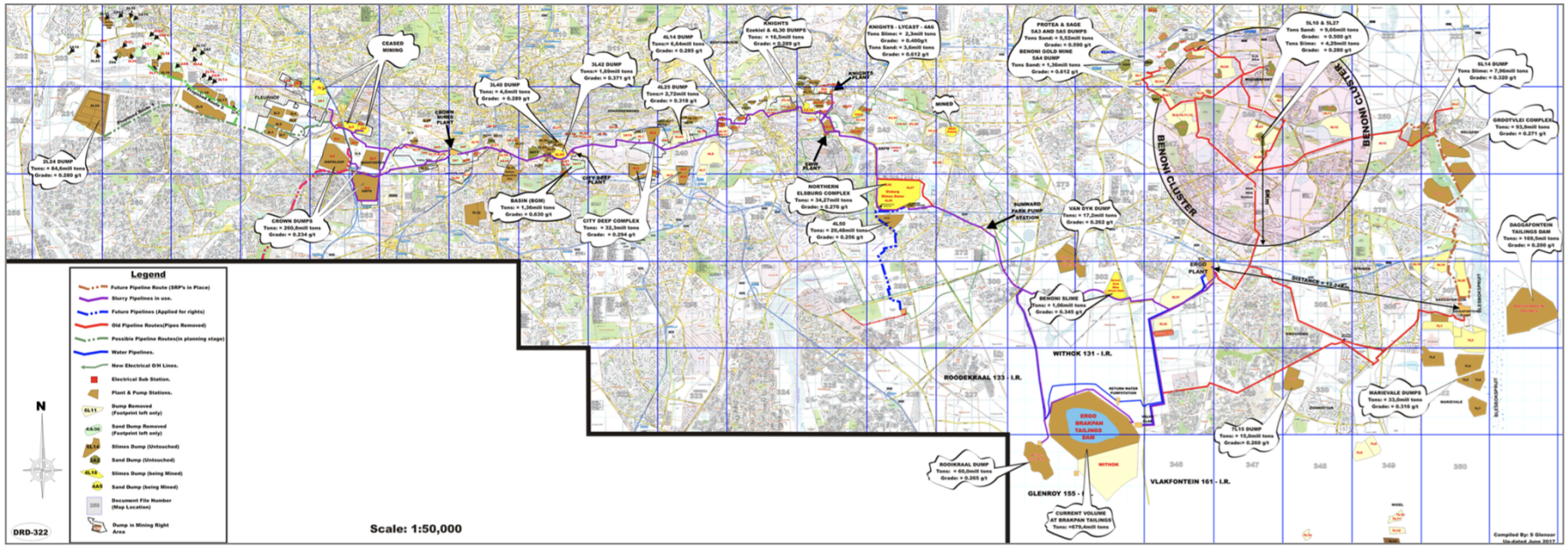
The following TSFs, excluding the material TSFs listed above, are reported on an aggregate basis, as they are included in the LoM plan and cumulatively make the Ergo operation economically viable.

Figure 13.9: Ergo Sections



Source: DRDGOLD, 2022

Figure 13.10: Ergo Operations Overview



Source: DRDGOLD, 2022
Note: overview purposes only

13.2.1 West Rand

No Mineral Reserve was declared.

13.2.2 Central Rand Section – City Section

Mining areas located from Soweto to City Deep are planned to be loaded and hauled to the City Deep Basin or alternatively 4L25. Slurry is pumped from the City Deep Basin via a 600ktpm (500mm NB pipe) pipeline to the Ergo processing plant. Operations from the City Section are planned to be completed in September 2027 and the Knights Section will be completed in June 2024.

Table 13.2 and Table 13.4 depict the working places in the Central Rand that are included in the LoM plan and include sites that are being mined on a contract basis and not included in the Mineral Reserve.

Table 13.2: Central Rand (City Section)

Workplace	Tonnage (kt)	Grade AU (g/t)	Recovery (%)	Steady State Mining Rate (ktpm)	Commentary
3L1 Sand and 3A1	201	0.63	64.1	20	Mined in 2026
3L40	204	0.30	46.0	50	Mined in 2022 to 2023
4L42	300	0.30	46.0	75	Mined in 2022
3L43	150	0,45	52.7	50	Mined in 2022
4L2	252	0.30	46.0	100	Mined in 2022 to 2023
4L25 LG	1 518	0.31	46.1	150	Mined in 2022 to 2023
4L3	13,134	0.32	45.9	320	Mined in 2022 to 2026
4L4	4,738	0.31	47.8	140	Mined in 2023 to 2027
4L6	2,410	0.60	44.2	140	Mined in 2023 to 2024
3L30 Rob Deep Slime	216	0.60	73.3	40	Mined in 2022
3L30 Rob Deep Sand	15	1.00	62,5	20	Mined in 2022 to 2023 (Rehabilitation)
Valley Silts	3,760	0.60	64.9	80	Mined in 2022 to 2026
Genesis (3A11)	164	0.42	62.5	50	Contract-Mined in 2022
Cons Dump Cluster	794	0.63	51.4	65	Contract-Mined in 2026
Total	**27,856**				

Source: The RVN Group, 2022

Table 13.3: Central Rand (Knights Section)

Workplace	Tonnage (kt)	Grade Au (g/t)	Recovery (%)	Steady State Mining Rate (ktpm)	Commentary
4A18 - E and S Sand	130	0.60	62.2	10	Mined in 2022
4A18 - 4A30 Sand	204	0.50	55.2	17	Mined in 2022
4A18 -4A19 Sand	216	0.60	62.2	18	Mined in 2022

4A18 - 4L13 Sand	46	0.60	62.3	10	Mined in 2022
4A18 - BGM Dumps Sand	2,256	0.60	62.8	34	Contract - Mined in 2022
4A18 - Benoni Cluster Sand	1,200	0.56	59.6	60	Mined in 2023 to 2024
Consolidated Dumps via 5/L/27	645	0.38	41.0	80	Mined in 2024
4L18 -Ezekiel	130	0.40	43.5	20	Mined in 2022
4L18 - 4L19 Slime	292	0.65	65.2	40	Mined in 2022
4L18 - 4L8 Slime	120	0.48	52.9	15	Mined in 2022
4L18 - Primrose Slime	398	0.60	62.3	40	Mined in 2023 to 2024
Cedar and 50/50	350	0.36	37.7	40	Mined in 2023 to 2024
Cason Slime and Lycast Clean-up	50	0.63	64.2	15	Mined in 2022
Cedar and 50/50	881	0.47	52.3	100	Mined in 2022
Total	**6,919**				

Source: The RVN Group, 2022

13.2.3 East Rand Section

Table 13.4 indicates the TSF planned working sites located in the East Rand - Ergo Section, including sites that are being mined on a contract basis, and not included in the Mineral Reserve.

Table 13.4: East Rand Section (Ergo Section)

Workplace	Tonnage (kt)	Grade (g/t)	Recovery (%)	Steady State Mining Rate (ktpm)	Commentary
4L14	6,638	0.28	48.1	270	Mined 2023 to 2025
4L30	3,512	0.33	48.0	270	Mined 2022 to 2024
4L39	9,008	0.42	54.3	360	Contract - Mined 2023 to 2025
4L40	2,281	0.27	44.4	300	Contract -Mined 2025 to 2026
Cons Dump Benoni	1,912	0.48	63.5	50	Contract - Mined 2024 to 2027
4L50 Elsburg	3,418	0.26	39.5	280	Plan Finish in 2023
4L49 Elsburg	290	0.26	41.3	290	Mined 2023
4L47 Elsburg	3,219	0,26	41.3	270	Site clean up
Benoni Slime	500	0.34	43.8	130	Mined 2023
5A10	975	0,61	65.0	70	Completed in 2022
5L27	3,829	0.40	64.9	140	Mining 2022 to 2026
5L27 Sand	4,288	0.28	60.0	140	Mining 2026 to 2028
5L27 Scoops Slime	1,155	0.60	67.9	100	Contract - Mined 2022 to 2023
5L27 Pipeline	1,002	0.60	62.8	90	Mined to 2024 to 2025
5L29 van Dyk	2,355	0.26	42.3	220	Mined to 2023
6L13	2,874	0.60	58.3	240	Mined 2028 to 2029
6L14	6,980	0.32	50.0	291	Mined 2027 to 2029
7L15	17,646	0.26	42.9	600	Mined 2027 to 2033
Rooikraal	56,763	0.26	34.2	380	Mined 2023 to 2034
Marievale 7L4	17,590	0.34	46.0	750	Mined 2025 to 2027
Marievale 7L5	6,980	0.29	47.4	750	Mined 2027 to 2029
Marievale 7L6	12,760	0.26	41.3	350	Mined 2029 to 2031
Marievale 7L7	16,784	0.32	40.9	550	Mined 2028 to 2031
Daggafontein	192,800	0.24	35.0	1,800	Mined 2031 to 2041
Total	**375,559**				

Source: The RVN Group, 2022

13.3 Mine Design and Schedule

The technical work/studies conducted by Ergo to support the conversion of Mineral Resources to Mineral Reserves and to generate the on-going LoM plan are at least to a PFS level of accuracy (i.e., +/-25%). The LoM schedule mines approximately 21Mtpa from several TSF sites.

Table 13.5 provides the modifying factors used to convert the Mineral Resources to a Mineral Reserve used in the 19-year LoM plan. Due to the nature of mining tailings and slimes TSFs, no mining loss or dilution is applied in the conversion process. Recovery factors are based on actual plant performances, which are reconciled annually.

Table 13.5: Summary of Modifying Factors for LoM Plan

Source Area/Plant	MCF (%)	LoM Recovery (%)	Mining Loss (%)	Dilution (%)
Total Ergo Operation	100	40.9	0	0

Source: The RVN Group, 2022
Note: Tailing recoveries vary on a TSF-by-TSF basis

Table 13.6 provides the 30 June 2022 19-year LoM tonnage and recovered gold schedule used to support the declaration of the Mineral Reserve. The LoM plan has a cut-off grade of 0.24g/t Au, which is below the planned LoM head grade of 0.28g/t Au. The working cost of ZAR90.86/t is based on the LoM plan. The current LoM plan is very robust. However, it remains sensitive to RoM grade, gold price, exchange rate, recovery and operating costs.

Table 13.6: Ergo Forecast Production from July 2021 to June 2034

Years	1		2		3		4		5		6		7	
	2022 to 2023		2023 to 2024		2024 to 2025		2025 to 2026		2026 to 2027		2027 to 2028		2028 to 2029	
	Tons (kt)	Recovered Au (kg)	Tons (kt)	Recovered Au (kg)	Tons (kt)	Recovered Au (kg)	Tons (kt)	Recovered Au (kg)	Tons (kt)	Recovered Au (kg)	Tons (kt)	Recovered Au (kg)	Tons (kt)	Recovered Au (kg)
Sand	3,409	1,380	4,684	1,767	2,560	1,116	2,450	885	2,615	839	1,549	605	720	466
Slime	19,501	2,760	18,290	2,873	19,020	2,873	18,038	2,437	19,340	2,628	19,479	2,486	20,200	2,479
Total	**22,910**	**4,141**	**22,974**	**4,561**	**21,580**	**3,988**	**20,488**	**3,322**	**21,955**	**3,467**	**21,028**	**3,091**	**20,920**	**2,945**

Years	8		9		10		11		12		13		14	
	2029 to 2030		2030 to 2031		2031 to 2032		2032 to 2033		2033 to 2034		2034 to 2035		2035 to 2036	
	Tons (kt)	Recovered Au (kg)	Tons (kt)	Recovered Au (kg)	Tons (kt)	Recovered Au (kg)	Tons (kt)	Recovered Au (kg)	Tons (kt)	Recovered Au (kg)	Tons (kt)	Recovered Au (kg)	Tons (kt)	Recovered Au (kg)
Sand	720	466	720	466	720	466	515	333	0	-	0	-	0	-
Slime	21,145	2,727	21,599	2,555	21,585	1,979	21,600	1,852	21,703	1,854	21,600	1,814	21,600	1,814
Total	**21,865**	**3,193**	**22,319**	**3,021**	**22,305**	**2,445**	**22,115**	**2,185**	**21,703**	**1,854**	**21,600**	**1,814**	**21,600**	**1,814**

Years	15		16		17		18		19				Total	
	2036 to 2037		2037 to 2038		2038 to 2039		2039 to 2040		2040 to 2041					
	Tons (kt)	Recovered Au (kg)	Tons (kt)	Recovered Au (kg)	Tons (kt)	Recovered Au (kg)	Tons (kt)	Recovered Au (kg)	Tons (kt)	Recovered Au (kg)			Tons (kt)	Recovered Au (kg)
Sand	0	-	0	-	0	-	0	-	0	-			**20,662**	**8,788**
Slime	21,600	1,814	21,600	1,814	21,600	1,814	21,600	1,814	18,572	1,560			**389,672**	**41,870**
Total	**21,600**	**1,814**	**21,600**	**1,814**	**21,600**	**1,814**	**21,600**	**1,814**	**18,572**	**1,560**			**410,334**	**50,658**

Source: The RVN Group, 2022

13.4 Geotechnical and Geohydrology

The Witwatersrand TSFs have been successfully and economically exploited for some time, and the geotechnical and geohydrology characteristics are well understood from practical experience. A safe bench height is dependent upon the material being mined and is also influenced by the phreatic surface within the dump. No geotechnical or hydrological risks surrounding Ergo's operations have been identified that would impact the declaration of a Mineral Reserve. As no open pit mining is taking place, the mine design does not account for slope angles but rather the natural angle of repose from hydraulic mining. To ensure the competency of the wall, an angle of 45˚ is used for mining.

No geotechnical or hydrological aspects affecting the surface deposits are significant to the operation and the QP is unaware of any incidents regarding unexpected highwall failure.

Mining bench heights are in the order of 15m.

Hydraulic mining provides slurry feedstock to the processing plant continuously. To maintain production, high pressure water must be ensured. Slurry densities and production rates will not be achieved if the water pressure is not maintained. Critical to hydraulic mining is consistent high slurry densities. If densities drop, less tonnage is delivered to the processing plant, thus increasing the unit mining cost.

The following series of steps offer an overview of the hydraulic mining process:

- the water monitor washes the slime material between 10m to 15m high benches with a mining width of 15m and a length of 9m or more ("mining cut");
- monitoring will be conducted from the bench of the TSF (i.e., top-down approach);
- the resulting slurry stream is channeled in the 15m wide mining cut, which forms a trough to ensure a good flow of the slurry material to the pumps, which will then transport the slurry to the processing plant; and
- approximately 6,950t/d (316tph) per water monitor is achievable equating to four hydraulic monitors to produce 600ktpm.

The operating position of the monitor will be on the top of the mining cut and operating at a 45˚ angle, as seen in Figure 13.11. The reclamation gun position and bench angles are based on experience and on-site observations.

Figure 13.11: Hydraulic Mining with Monitor showing Distance and Angle



Source: DRDGOLD; and The RVN Group, 2022

When FELs are used, care is taken to ensure that there is no undermining of the dump highwall with operators being cognizant of the risks related to slumping highwalls. Dozers are used to remove over hanging material where required. No geotechnical or hydrological aspects affecting the surface deposits are significant to the operation and the QP is unaware of any incidents regarding unexpected highwall failure.

13.5 Requirements for Stripping

As no underground mining is done, there is no underground development and backfilling required. Other than minimal precleaning with a dozer of the top of the TSFs no pre-stripping is required at Ergo.

13.6 Mining Equipment and Personnel Requirements

The equipment required for hydraulic mining are as follows:

- track mounted hydraulic monitors;
- water columns, 250mm diameter pipes to feed water to the hydraulic monitor;
- grizzly screen to remove debris from slurry;
- satellite pump stations (spindle pumps) to pump slurry to main pump station; and
- main transfer pump station.

For loading of sand, excavators, dozers, FELs, trucks and conveyors are required as shown in Item 13.2.2.

Ergo employs 776 full time employees and 1,628 special service providers, with service providers deployed mostly in security, reclamation, and tailings deposition.

13.7 Mine Plans

13.7.1 Introduction

The QPs have identified the material TSFs in the Mineral Resource and Mineral Reserve.

In terms of the LoM plan and the Mineral Reserve statement, the following TSF are considered material for Ergo:

- 4L3 (13.1Mt);
- Rooikraal TSF (56.8Mt);
- 7L15 TSF (17.1Mt);
- Daggafontein (192.8Mt); and
- Marievale Complex (54.1Mt).

13.7.2 Central Rand

The 4L3 TSF accounts for 13.1Mt and is considered material to Ergo. The 4L3 TSF has commenced mining operations in 2022 achieving a steady state mining rate of 3.2Mtpa and is completed in 2026.

13.7.3 East Rand (Ergo)

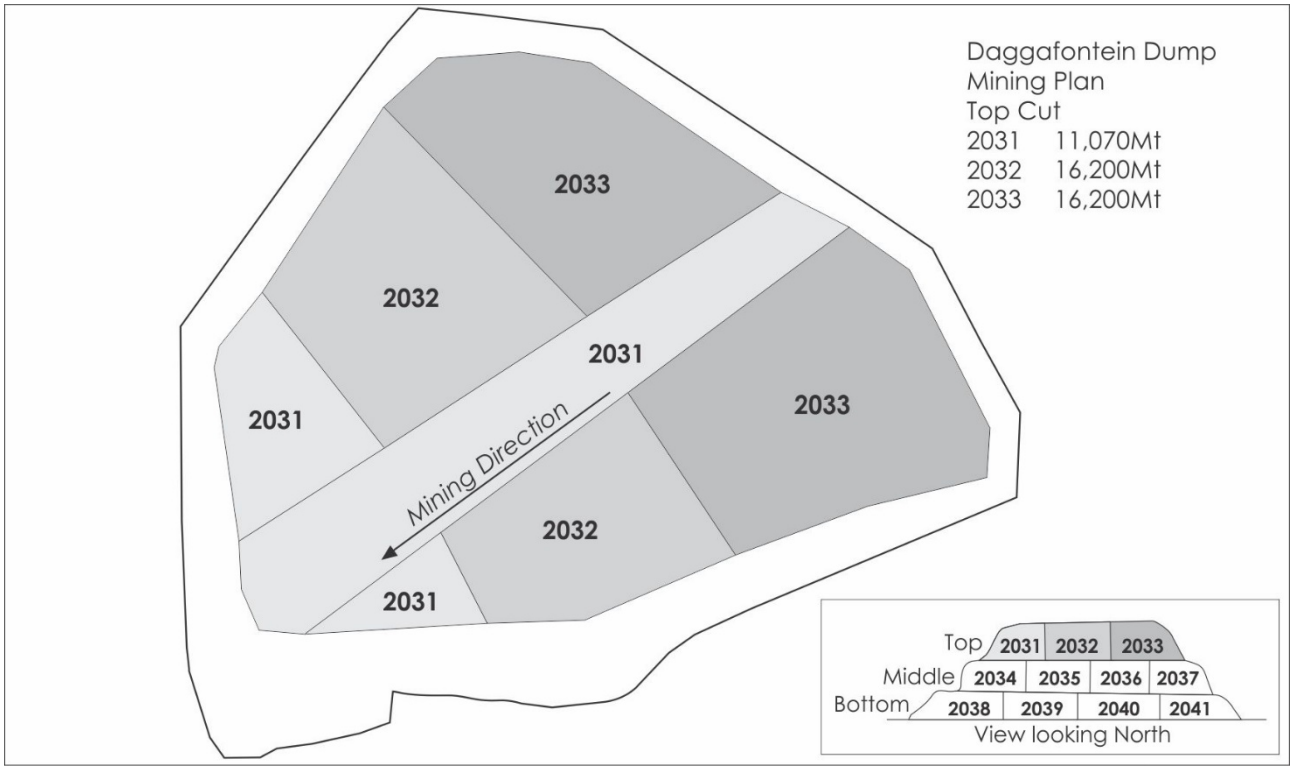
The Rooikraal TSF is scheduled to commence mining in 2023 and completes mining operations in 2034 Rooikraal starts up at 4.5Mt in 2023, with steady state production of 5.4Mt between 2027 and 2033. The final year produces 4.4Mt as the remnant of the TSF is removed.

Mining of the Marievale Complex is scheduled to commence in 2025, starting with the mining of the 7L4 TSF, in 2027 the 7L5 TSF embarks with 7L6 and 7L7 TSFs begin mining in 2028. The Marievale complex starts production at 4.7 Mtpa and reaching a steady state mining rate of 9.0Mtpa in 2028 with production influenced by the various TSFs starting-up or winding down production. The mining of Marievale is conditional upon the successful resolution of the conflicting ownership claim by the owner of the freehold on which a part of the complex is situated.

Mining of the Daggafontein TSF commences in October 2031. The top cut is mined from 2031 until 2033, the middle cut of the TSF being mined for four years, from 2034 until 2037, and the bottom cut mined from 2038 to

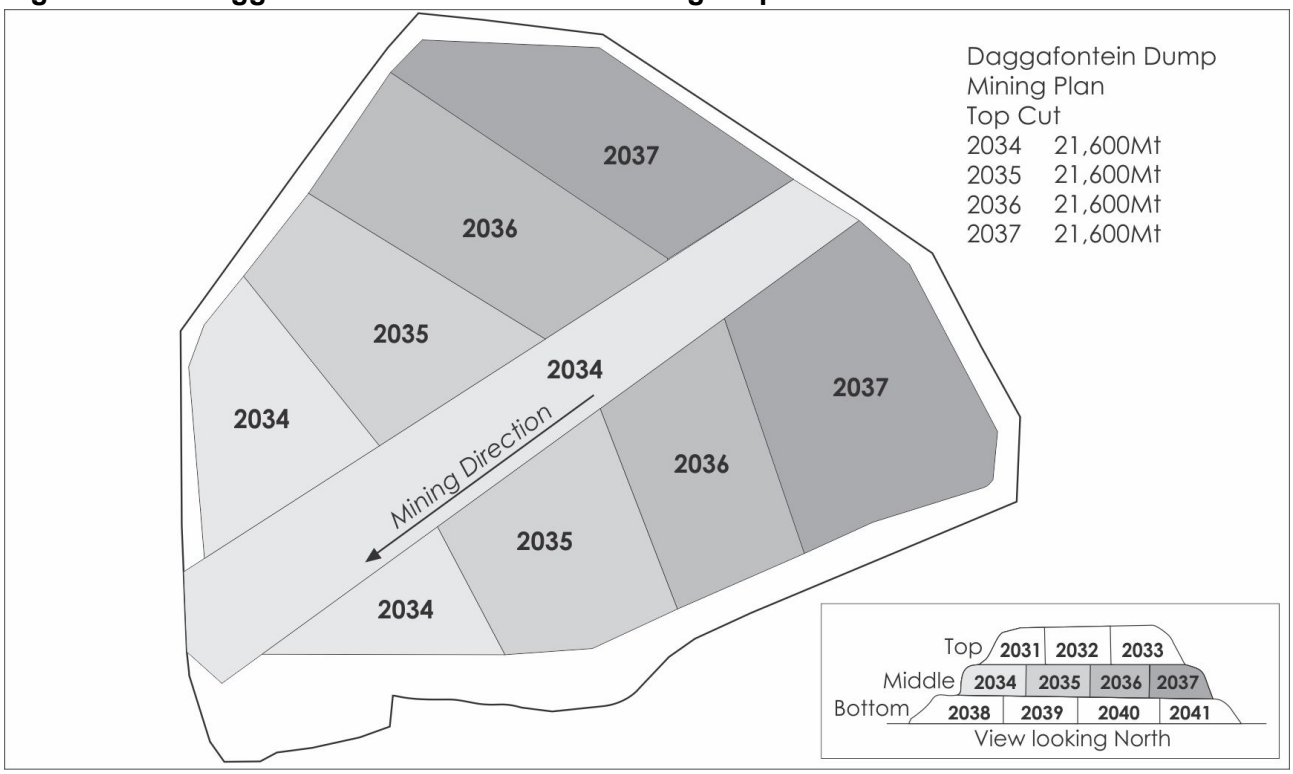
2041 (Figure 13.12, Figure 13.13 and Figure 13.14). Over the 11-year period the Daggafontein TSF produces 192.8Mt at a grade of 0.24g/t Au.

Figure 13.12: Daggafontein TSF Top Cut Mining Sequence



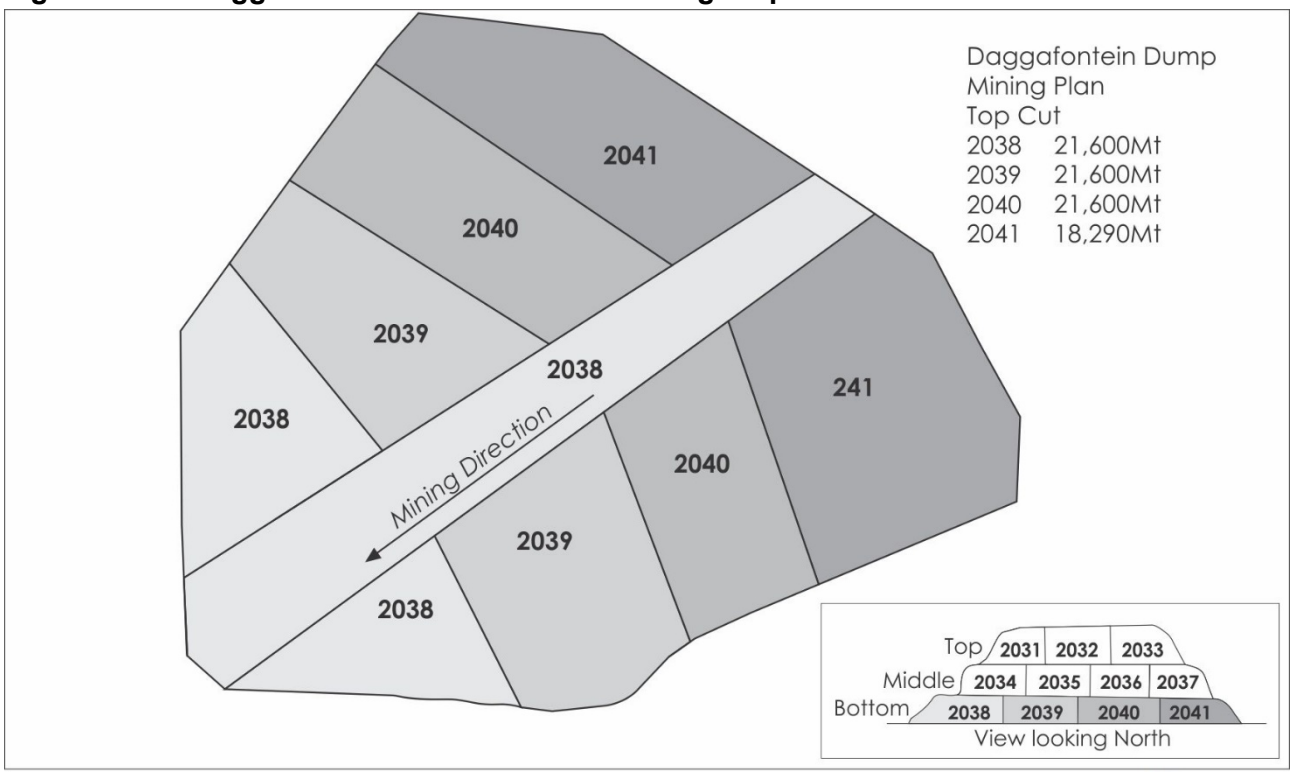
Source: The RVN Group, 2022

Figure 13.13: Daggafontein TSF Middle Cut Mining Sequence



Source: The RVN Group, 2022

Figure 13.14: Daggafontein TSF Bottom Cut Mining Sequence



Source: The RVN Group, 2022

14 Processing and Recovery Methods

14.1 Introduction

The Ergo processing plant located in Brakpan, is Ergo's flagship metallurgical plant which currently targets throughput between 1.8Mtpm to 2.0Mtpm. The City Deep processing plant has been reconfigured to operate as a milling and pump station and feed the Ergo processing plant via a 50km pipeline. The City Deep processing plant processes mineralized material from TSFs of the Central Rand areas (i.e., Johannesburg, Germiston, and Boksburg), with mining operations scheduled to close in 2027. Knights Plant treats sand and slime and will operate until 2024.

The Ergo processing plant follows the conventional method of extracting gold. The plant has been in operation for more than 30 years, with minor improvements conducted on a regular basis.

Ergo retreats historical tailings and the remaining gold in the TSFs is finely disseminated within the material. The gold does not respond to physical recovery methods. Direct cyanidation has been used for decades to solubilize the gold and then recover it by hydrometallurgical techniques. The Carbon in leach (CIL) process is used with elution and final recovery by zinc precipitation which produces >85% bullion quality.

14.2 Plant Feed Grade and Metallurgical Test Work

The Ergo processing plant is fed from at least eight different mining sites (including sand and slime) that are being mined and fed into the plant at any one time. Daily composites are submitted to the assay laboratory for grade determination to assist with the management of the operations. A sub-sample is split and composite samples over a week for metallurgical test work. A bottle roll test is conducted utilizing the same parameters that are used on the full-scale plant. Should any deviations be reported, further investigations are undertaken.

Prior to commencing reclamation of any mineralized material, a comprehensive drilling exercise is carried out. As part of the evaluation, sub-samples are sent to Ergo's in-house metallurgical research laboratory for testing to assess the amenability of the material to cyanidation and what recoveries can be expected. Mineralogy work is not carried out on a routine basis but on a needs-basis associated with the exploration program.

Sand material that is coarse in nature, is first milled prior to cyanidation, while slimes material is processed without pre-milling. All feed streams are combined before removing extraneous oversize, which could contaminate the activated carbon, over linear screens. The material is leached with cyanide at an elevated pH in mechanically agitated tanks. Carbon is then used to adsorb the dissolved gold. The loaded carbon is removed from the circuit and the gold eluted off the carbon. The gold is then finally recovered using zinc precipitation and smelting of bullion bars.

The tailings are pumped to a large Mega TSF (Brakpan/Withok TSF) located south of the Ergo processing plant. The Brakpan/Withok TSF as of June 2022 has a remaining capacity of approximately (~950Mt) after implementation of the facility's final life design. The Ergo plant capacity is 64,000tpd and gold recovery is between 35% and 50%.

A 100% mine call factor is applied at the Ergo processing plant.

For planning purposes, Ergo uses the RoM head grade (i.e., the grade of the RoM material as delivered to the processing plant) and the anticipated residue grade to estimate the recovery which is the head grade minus residue grade multiplied by the tonnage treated.

During the life of each TSF, the mined grade is monitored and compared to the estimated Mineral Reserve grade. Generally, these grades tend to track each other. When the TSF is completely mined, a final reconciliation is conducted.

Metallurgical test work is carried out routinely using laboratory equipment and leach conditions, which closely mimic the full-scale operation. The test work is considered representative as historical results are consistent, and generally minor deviations are seen on numerous tests from the same source material. The material differs slightly in terms of head grade, particle size and origin, so different recovery factors are used for each source. Due to the consistency of the exploration and metallurgical test work, no bulk sampling or pilot scaling test work is conducted.

No specific assumptions or allowances are made for deleterious elements in the material. They are either screened out before entering the processing plant or if they cannot be removed, the metallurgical test work results will include the impact. If the impact is too great, the material will not be treated.

Cyanidation of gold bearing material, with elution of gold from the loaded carbon is a tried and tested process and there is nothing novel about the process.

Figure 14.1: Process Flow Diagram

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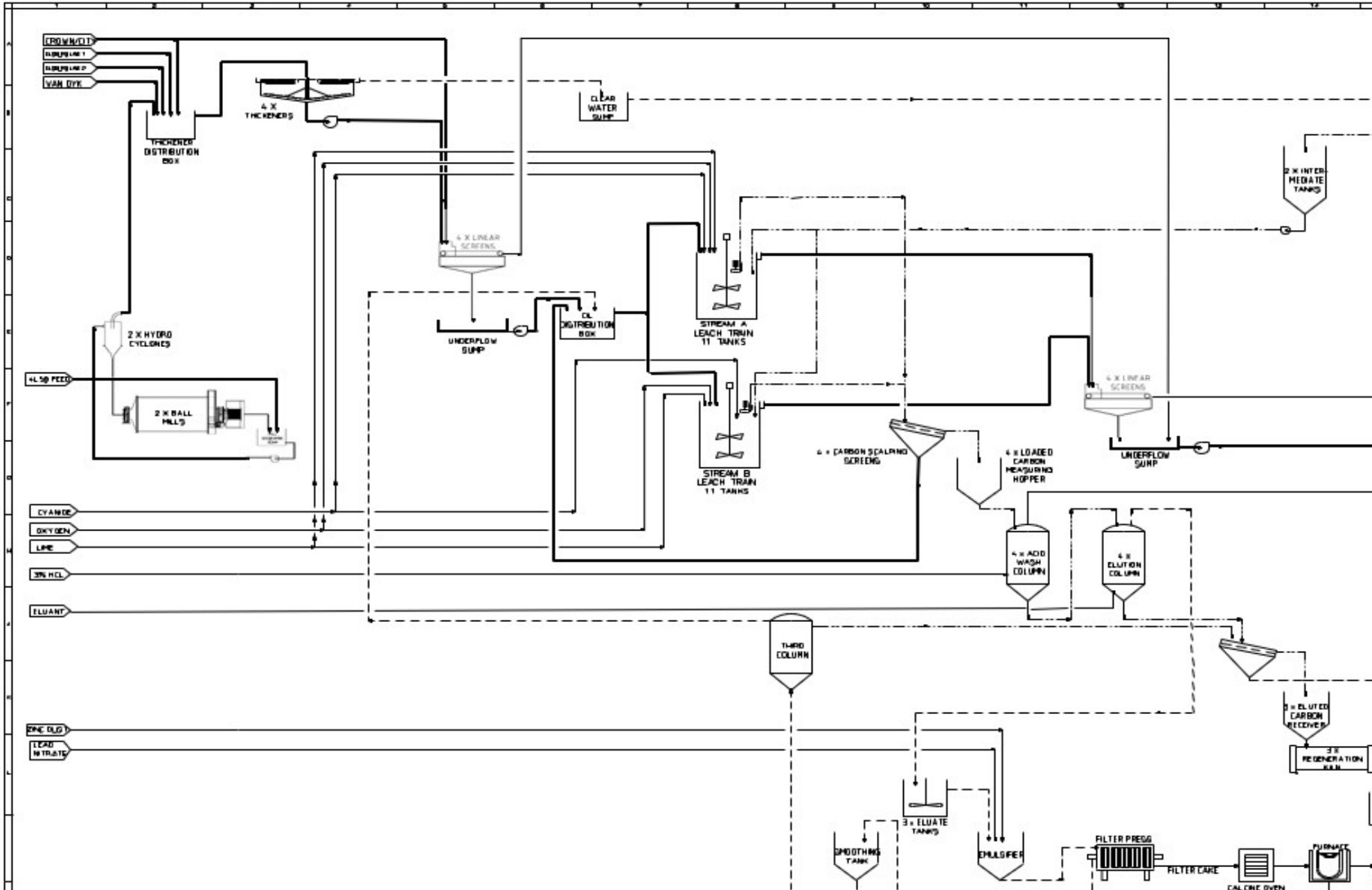


Table 14.1 indicates the process recoveries for the various plants for the past two years, and the planned average recoveries over the 19-year LoM. The recoveries are based on metallurgical test work for the various tailings dumps, slimes and silted vleis that are scheduled to be mined over the 19-year LoM plan.

Table 14.1: Ergo Process Recoveries

Description	2020 to 2021	2021 LoM Average	2022 LoM Average
Total Mine	45.9%	48.9%	40.8%

Source: DRDGOLD, 2022
Note: The drop in the 2022 recovery is due to the inclusion of the Daggafontein TSF which has a recovery of 35%.

14.3 Mineral Process and Equipment Characteristics

The metallurgical process and equipment used at the Ergo processing plant is well tested and utilised by numerous tailings retreatment operators in South Africa.

14.3.1 Reception

Material received from the various mining sites is first sampled through two in one slurry samplers and then thickened in four large thickeners to produce an underflow with an SG of 1.45 for leaching and for recovery of excess water.

14.3.2 De-sanding Section

Thickened material from the four large thickeners is pumped to a distribution box in the de-sanding section. Here the tailings can be directed to four linear screens which have an 850µm aperture cloth for the removal of debris to prevent contamination of the carbon. The undersize from the linear screens is pumped up to a two-way distribution box ahead of the leach.

14.3.3 Carbon-in-Leach

The CIL section comprises of two streams of 11 tanks per stream. Each tank has a capacity of 2,000m^3 and at a throughput of 1.8Mtpm gives a leach residence time of about 11.5 hours, with the first tank being used for pre-conditioning with lime and oxygen.

Cyanide is added to the second and fourth tank in the leach train. Carbon is present in all but the first two tanks and is retained by interstage screens. Carbon is moved counter-current up the leach using recessed impeller pumps. The carbon concentration in the tanks is about 10g/l. Loaded carbon is transferred to the four loaded carbon hoppers over vibrating screens. Loaded carbon values vary between 200g/t and 300g/t.

CIL tailings flow through residue samplers before passing over four safety linear screens. Screened material reports to a residue sump from where it is pumped to the Brakpan/Withok TSF through three tailings pipelines using five of six installed D-frame pumps.

14.3.4 Carbon Treatment

Loaded carbon is acid treated in 8.5t batches in three independent acid wash columns. The carbon then reports to three of the four elution columns. The fourth column is used to scavenge gold from the zinc precipitation tails.

Loaded carbon is first washed with dilute hydrochloric acid to remove acid soluble contaminants. Acid washed carbon is transferred to the elution column which is operated at elevated temperatures and pressure to strip gold off the carbon using a cyanide/caustic solution (eluant).

The eluate, which now contains the gold in solution, is contacted with ultra-fine zinc powder to precipitate the gold. This gold bearing sludge is then filtered in a plate and frame filter. Sludge is then calcined at 600˚C before being smelted in an arc furnace and cast into dorè bars.

Eluted carbon is regenerated in two rotating kilns at about 750˚C. In total, about 100 elutions are conducted monthly.

14.3.5 Plant Services

Instrument Air: Instrument air is supplied to the float from one compressor house and the remainder of the processing plant from a centrally located facility.

Process Water: Process water is made up of thickener overflow and return dam water and is distributed throughout the processing plant by a network of pumps and pipes.

Fresh Water: The Rand Water Board water is received at a reservoir for use in the processing plant and directly for elution water, fire hydrants and human consumption.

Power: Bulk power is supplied to the Ergo processing plant by the Ekurhuleni Metropolitan Municipality.

Natural Gas: Natural gas is obtained by a pipeline from Sasol and used for elution heating purposes.

Assay Laboratory: All assays are done by the MAED laboratory which is located on the Ergo processing plant site but is operated by an independent third party.

14.4 Personnel Requirements

Ergo employs 776 full time employees and 1,628 special service providers, with service providers deployed mostly in security, reclamation (mining) and tailings deposition. The processing plants employ 376 persons.

14.5 Energy and Water Requirements

Energy and water requirements are discussed in Item 15.3 and 15.5.

14.6 Process Materials Requirements

Ergo has access to all required process material required through their local or international suppliers.

15 Infrastructure

Ergo currently mines the existing gold TSFs and sand dumps in the Johannesburg and Brakpan areas with slurry pumped via pipelines from the numerous mining operations to the Ergo processing plant located in Brakpan.

The infrastructure required to support the LoM plan is essentially in place, with future infrastructure requirements being designed and estimated by Ergo to a PFS level of accuracy (i.e., +/-25%) with a maximum level of contingency of 15%. Infrastructure requirements and capital costs are based on current mining operations, as the mining methodology applied to exploit the TSFs and sand dumps are substantially the same throughout the LoM plan with no significant operational changes expected between current and planned future operations.

The use of railways, port facilities, dams, leach pads and other infrastructure components not discussed below as they are not material infrastructure components the Ergo operations.

15.1 Roads

Access to the mining sites is via current municipal and regional road networks with no construction or upgrading of unpaved roads.

15.2 Site Offices and Workshops

The mining contractors establish site offices as part of the mining contract. Workshops for the maintenance of roads, pumps and pipelines are based at the Ergo processing plant, and no additional infrastructure is required.

15.3 Power

Bulk power is supplied to Ergo by Eskom, City Power and the Ekurhuleni Municipality. The power grid infrastructure serving the East Rand is particularly extensive, with electrical power being received through several alternative substations on the Eskom grid. Mining sites are supplied via several separate feeders.

The Eskom power grid has been negatively affected by poor power availability and subsequently, it has at times been unable to meet power demand. Some load shedding has taken place during 2021 and 2022, affecting the country and Ergo. Electrical demand is approximately between 60MW and 70MW.

Power supply is viewed as a risk to Ergo operations. A risk-mitigating measure that has been implemented by Ergo is the provision of back-up power and other engineering upgrades to prevent plant choke-up/silt-down during power interruptions. These measures have enabled the processing plant to resume full production without extensive delay after each power interruption. A 7MVA diesel emergency power plant is also available as backup.

Ergo has a curtailment agreement with Eskom whereby the total consumption is reduced on request by an agreed percentage during load-shedding hours. This involves reducing the total consumption by between 4MVA and 8MVA during load-shedding hours. The reduction in the power consumption results in the operations maintaining an uninterrupted tonnage throughput, but recoveries are lower due to certain parts of the process plant not operating during the load reduction periods.

15.4 Pumps and Pipelines

Slurry transport is mainly via pipelines that carry it to the Ergo processing plant (Figure 15.1). Ergo uses a standard set of pipes and pumps (500mm pipes). Equipment selection is based on the most suitable sizes from the standard equipment range.

Figure 15.1: Above Ground Pipeline System



Source: DRDGOLD, 2022

The pipelines are mainly installed above ground, providing easy maintenance access and making it easier to identify and rectify any failures on these pipelines. Where necessary, pipe bridges are used along the pipeline routes to cross streams and rivers.

The existing pumping and slurry pipeline systems are managed through a supervisory control and data acquisition (SCADA) system. The SCADA system allows Ergo to operate the equipment remotely. Thereby, Ergo can monitor the entire pipeline system via a centralized system. For example, pumps and valves can be used (open/closed or on/off), and readings taken (pressures and flows) from the centralized site, with no actual human-machine interface on the actual site. As the pumps are installed with a duty and standby configuration, the operation of the existing and planned pumping and pipeline systems should be adequate to support the requirements of the LoM plan.

Operations west of the Ergo processing plant are serviced by pipeline and other existing infrastructure. The Marievale and Daggafontein mining areas east of the processing plant have pipeline permits/servitudes/surface rights in place. The QP has not identified any impediments that would prevent the construction of the necessary infrastructure to support the LoM plan.

15.5 Water

The primary uses for water are in the Ergo processing plant and for hydraulic mining of the various TSFs. Water used for hydraulic mining turns the dry tailings into a slurry, which is then pumped to the processing plant for processing. Excess water recovered at the thickeners in the processing plant is then returned to the hydraulic mining sites for re-use.

In 2017, Ergo completed the construction of a central water reticulation plant to give it the ability to deliver water to all corners of the operation and return it through a fully integrated closed system.

Currently 60% to 70% of all process water make up at Ergo is drawn from the Brakpan/Withok TSF to various reclamation sites by way of return water columns. A further 6% to 11% of process water top-up needs are from treated underground acid mine drainage (AMD), drawn from a facility operated by the Trans-Caledon Tunnel Authority (TCTA) from whom DRDGOLD secured the right to use up to 30Ml of AMD water per day. The Ekurhuleni City Council's wastewater treatment facility at Rondebult supplies less than 1%, depending on the rate at which water flows into the waste facility and another 15% to 20% is from lakes and dams in the region that captures the inflow of seasonal rain and storm water inflows, harvested in terms of the requisite extraction licenses. Potable water is used only where the sensitivity of equipment requires it and for certain early stages of irrigation to settle in newly established vegetation on TSFs.

Given the location of the Ergo operations, the QP does not foresee the likelihood of the operations being curtailed due to a water shortage. However, the future increased reliance on water purchased from Rand Water will add materially to the operating costs.

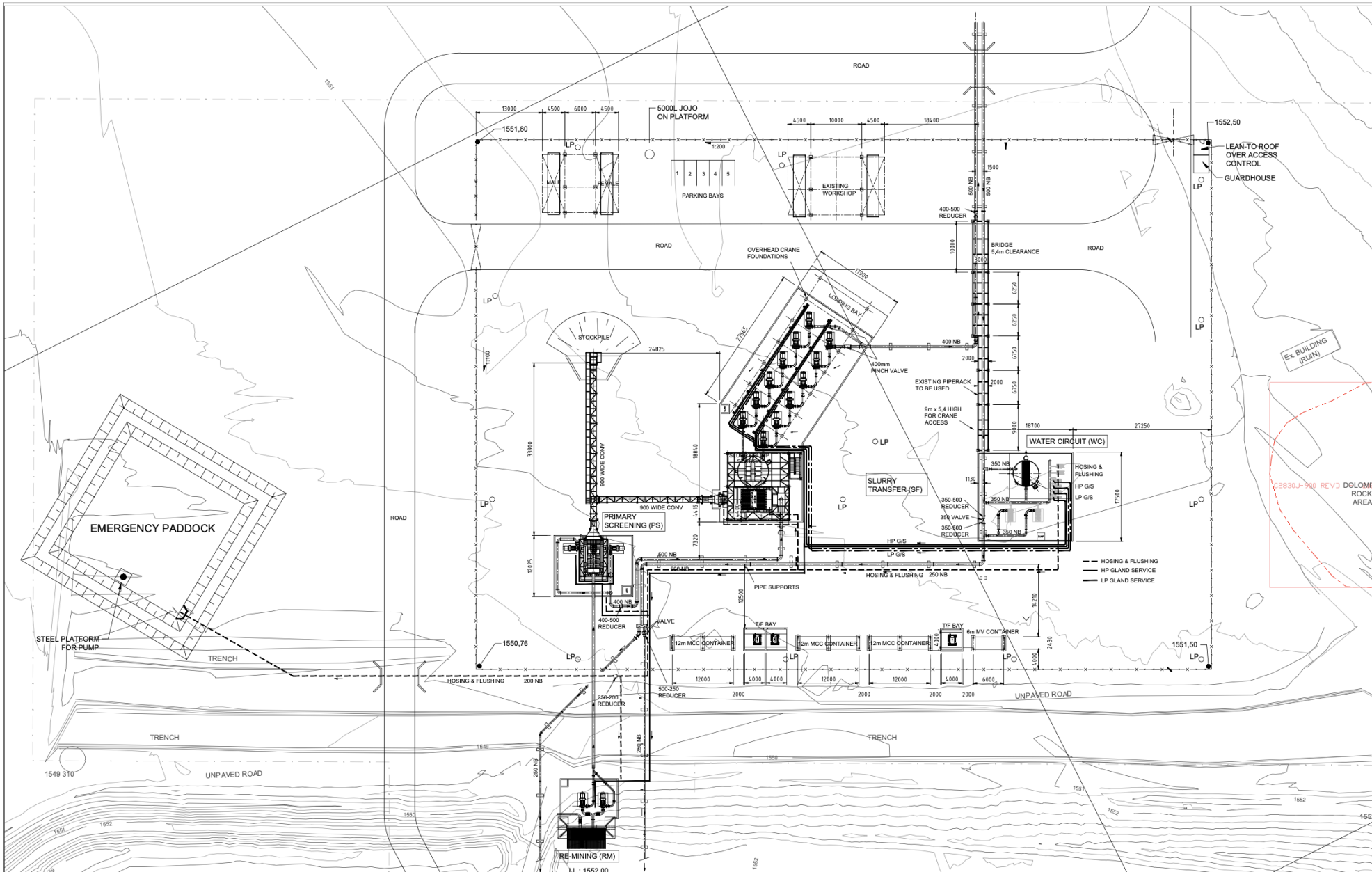
15.6 Infrastructure

General arrangement drawings are provided for the Rooikraal TSF to demonstrate design work typical of a mining site (Figure 15.2). The actual construction work will vary slightly to account for specific site conditions, but generally, the infrastructure is common from site to site, with 52 TSFs planned to be mined over the 19-year LoM plan.

Figure 15.2: Rooikraal General Arrangement - Site Layout

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Source: DRDGOLD, 2022

15.7 Tailings Disposal

The Brakpan/Withok TSF (Figure 15.3) is a single large tailings dam that covers 700ha at its base and 500ha at its current elevation and has a perimeter of around 12km. The Brakpan/Withok TSF was built by cycloning the tailings at the point of deposition out with the larger particles from the tailings, forming the dam wall. The annual rate of rise is between 3m and 4m. The fines from the cyclones run out into the center of the dam. This generates a more stable wall with the finer material safely stored inside the TSF. With the deposition rate from 1.8Mtpm to 2.0Mtpm the use of cycloning is viewed as the most appropriate method for disposal of the tailings material. Track mounted cyclone units (Figure 15.4) are used with eight cyclone units connected to the tailings pipeline system. The TSF was originally designed by Knight Piésold. Operational activities are currently under contract by Fraser Alexander.

Immediately adjacent and to the south of the Brakpan/Withok TSF footprint lies the former cleared footprint of an area licensed for tailings storage, spanning an approximate 400 hectares. This area, on which a large portion of the Withok compartment stood, was retreated and cleared by the former owners of Ergo. Ergo intends to redeposit residue tailings onto this compartment and has initiated a process to obtain regulatory approval for the final design of the Brakpan/Withok TSF. The Brakpan/Withok TSF final design is the engineering design that ultimately brings the tailings deposition facility to its finality in terms of extent, operation, rehabilitation and management. The implemented final design would result in alignments with the Global Industry Standard on Tailings Management (GISTM) and regulatory bodies, increase deposition capacity, improve operation/management and bring about the sustainable closure of the facility. The Brakpan/Withok TSF will provide sufficient storage capacity to support Ergo's 19-year LoM plan. Ultimately, when the Withok compartment of the TSF reaches a suitable height, it will merge with the Brakpan compartment of the TSF.

The Brakpan/Withok TSF as of 30 June 2022 has a capacity of 250.4Mt. Once regulatory approvals are received for its final life design, the TSF will have will have a joint capacity of over 930Mt.

Figure 15.3: Brakpan/Withok TSF



Source: DRDGOLD, 2022

Figure 15.4: Placement of Tailings Material at Brakpan/Withok TSF



Source: DRDGOLD, 2022

15.8 Conclusion

The QP is of the opinion that all significant infrastructure and logistical requirements have been considered. It is notable that Ergo has been operating for more than 20 years and has a very good understanding of infrastructural and logistical requirements.

16 Market Studies

16.1 Markets

All gold produced is delivered to the Rand Refinery for refining with no restrictions on the quantity or time frame. DRDGOLD has a long-standing agreement with Rand Refinery in terms of which Rand Refinery accounts to Ergo at the prevailing spot price. When applying the 30 June 2022 spot exchange rate (ZAR16.29/USD) to the associated gold price of USD1,819.06/oz Au, a real gold price of ZAR952,721.20/kg is achieved.

Gold is a precious metal, refined and sold as bullion on the international market. Aside from the gold holdings of central banks, current uses of gold include jewelry, private investment, dentistry, medicine and technology (Table 16.2).

Table 16.1: Above Ground Gold Stocks in 2021

Description	Quantity (t)	Contribution (%)
Jewelry	94,464.0	46%
Private Investment	45,456.0	22%
Bank Holdings	34,592.3	17%
Other	30,726.0	15%

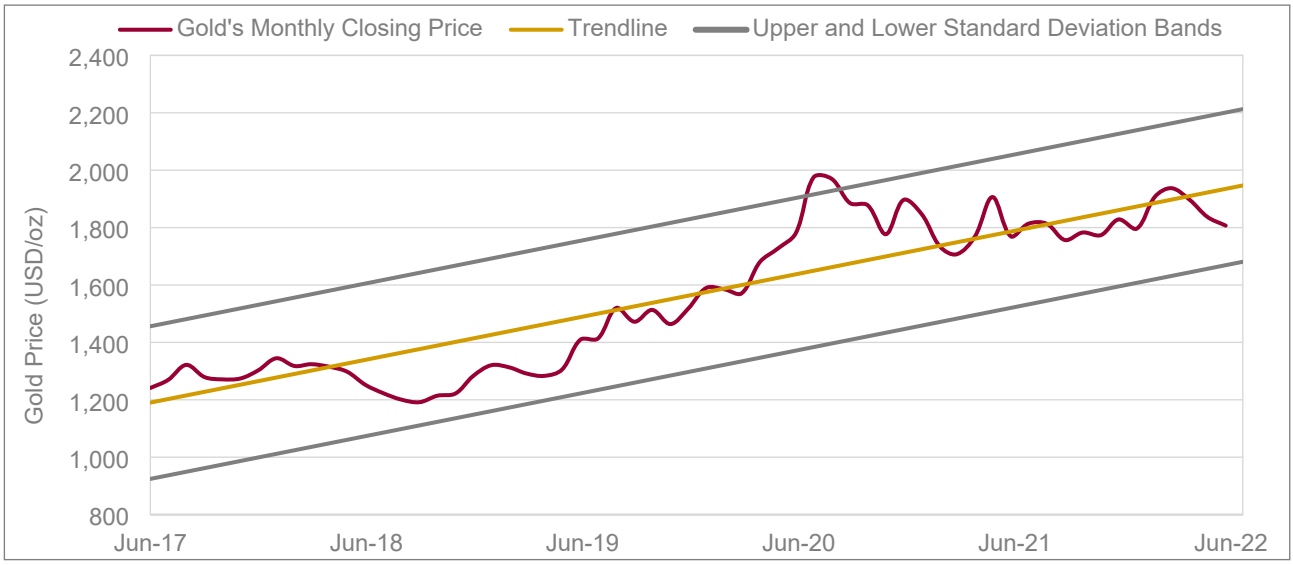
Source: GoldHub, 2022

The largest use of gold is in jewelry, accounting for approximately 46% of the above-ground gold. Gold does not follow the usual supply and demand logic because it is virtually indestructible and can easily be recycled. In addition, gold stored in the vaults of banks is relatively illiquid and subject to the vagaries of global economies. These characteristics of the gold market make it challenging to forecast the gold price.

16.2 Gold Price

The gold price increased in 2020 due to uncertainties related to the outbreak of Covid-19. It then declined to a spot price of ~ZAR945,295/kg (i.e., USD1,806.89/oz at ZAR16.27/USD) as at 30 June 2022 (Graph 1).

Graph 1: Gold Price Historical Trendline



Source: Sound Mining, 2022

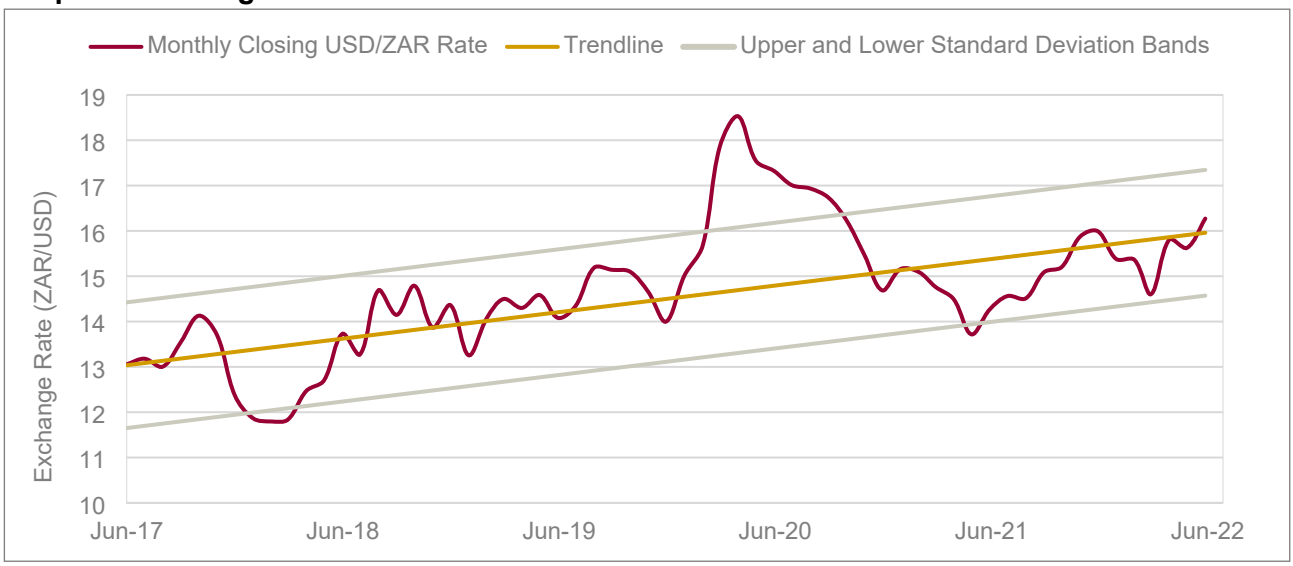
The linear trendline indicates robust gold price potential over the longer-term.

16.3 Exchange Rate Trends

The ZAR to USD exchange rate saw record breaking highs in the second quarter of 2020 (ZAR19.35/USD) but has subsequently dropped back to ZAR16.27/USD as at 30 June 2022. A factor in the deterioration of the local currency in 2020 was the lockdowns and economic volatility brought on by Covid-19.

The spot exchange rate of ZAR16.27/USD compares well with the six-year historical trendline as displayed in Graph 2.

Graph 2: Exchange Rate Historical Trendline



Source: Sound Mining, 2022

Various service providers and financial institutions are consulted to determine consensus forecasts of the gold price (Table 16.2).

Table 16.2: Long Term Consensus Forecasts in Nominal Terms

Description	Year 1 (FY2023)	Year 2 (FY2024)	Year 3 (FY2025)	Year 4 (FY2026)	Year 5 (LT)
USD/oz	1,823	1,799	1,751	1,724	1,496
ZAR/USD	15.60	15.74	15.77	15.79	15.20
ZAR Price/kg	914,294	910,051	888,083	875,474	731,081

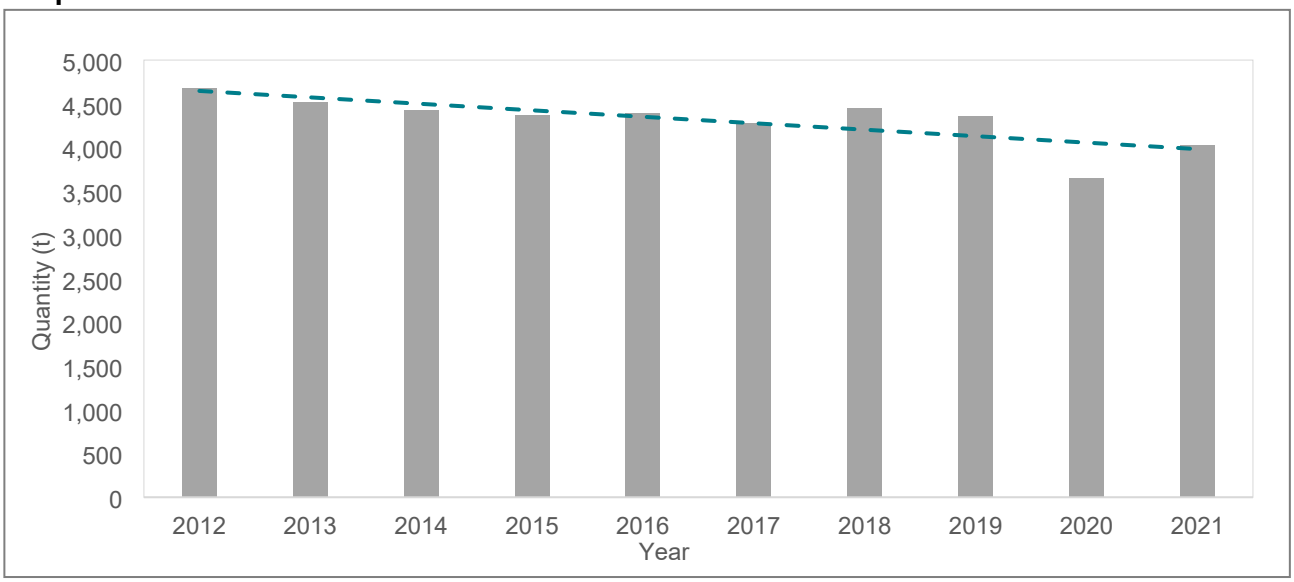
Source: Sound Mining, 2022

The economic assessment for the Mineral Reserve estimate relies on a real price of ZAR914,294/kg (i.e., USD1,823/oz at ZAR15.60/USD) as of 30 June 2022 terms as provided by DRDGOLD. The QP has considered the consensus forecasts supplied by DRDGOLD against linear trends in the demand and supply of gold as recorded over the period from 2012 to 2021 to examine whether these forecasts are reasonable.

16.4 Global Demand

Graph 3 reveals a gradual reduction in demand (~14.2%) over the past ten years (2012 to 2021).

Graph 3: Global Gold Demand from 2012 to 2021

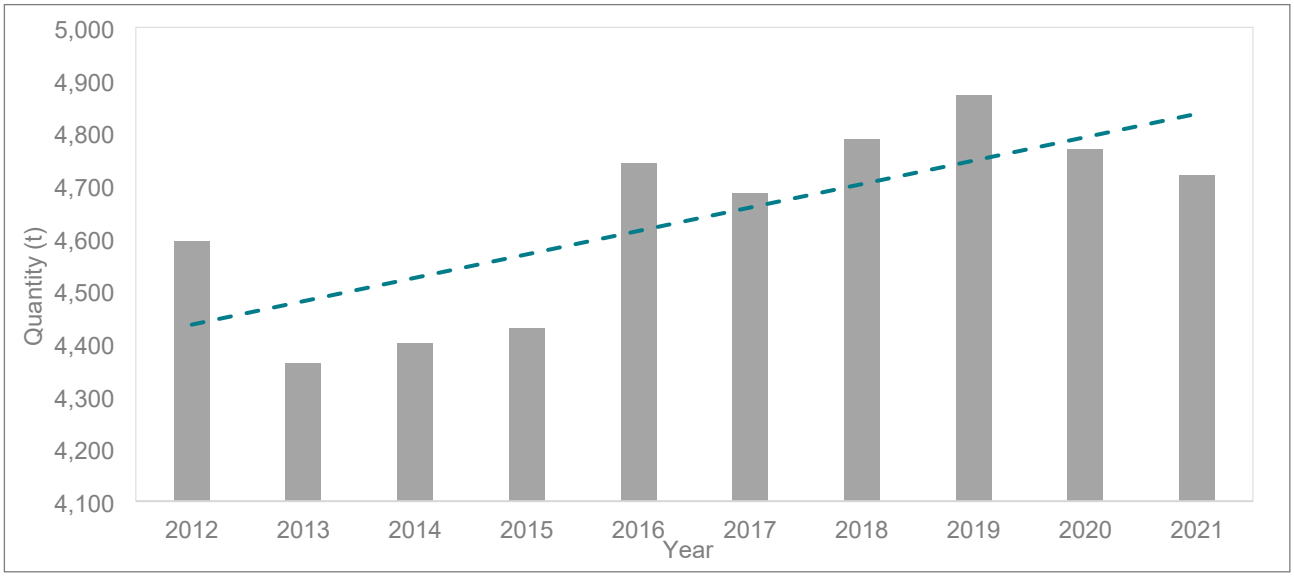


Source: GoldHub, 2022

16.5 Global Supply

The global gold supply from mining and recycling activities over the same period is presented in Graph 4.

Graph 4: Global Gold Supply from 2012 to 2021



Source: GoldHub, 2022

While the graph suggests an overall upward trend from 2012 to 2021 (~2.6%), the supply generally levelled out over the past five years. The supply from mining satisfied some 76% of the demand in 2021, with the balance met by recycled gold.

Gold supply from mining increased by approximately 106t during 2021 (3,582t) when compared with 2020 (3,476t) despite an overall drop in supply since 2019 (GoldHub, 2022). Below are the top ten gold producing countries in 2021 (Table 16.3).

Table 16.3: Global Gold Production

Rank	Country	Production (t)					
		2016	2017	2018	2019	2020	2021
1	China	464	429	404	383	368	332
2	Russia	262	281	295	330	331	331
3	Australia	288	293	313	325	328	315
4	Canada	163	171	189	183	171	193
5	United States of America	229	236	225	200	190	187
6	Ghana	131	133	149	142	139	129
7	Peru	166	167	163	143	98	127
8	Mexico	131	120	118	109	102	125
9	Indonesia	118	118	153	92	101	118
10	South Africa	163	154	128	111	99	114

Source: GoldHub, 2022

16.6 Concluding Comments

The QP notes a short-term up-tick despite the long-term reduction in demand together with an essentially constant supply over the past five years. These trends are not inconsistent with the forecast price trend in Table 16.3. The QP is satisfied that a real 30 June 2022 gold price of ZAR914,294/kg is a reasonable assumption for examining the economic viability of the Mineral Reserve estimate.

17 Environmental Studies

17.1 Results of Environmental Studies

An Environmental Impact Assessment (EIA) has been conducted over the Ergo operation with the findings of the EIA showing that the operation would result in certain negative impacts during the operational phase to the environment, however, none of the specialist studies objected to the project. During the mining operations, negative impacts are largely Moderate to Insignificant, and after interventions the impacts are mitigated to a Low significance. During the decommissioning and post-decommissioning phases, most of the impacts will be positive as the historical TSFs and associated environmental impacts of the TSFs are removed.

Social and community interaction remains a key focus for Ergo. Stakeholder engagement is reported annually with the SLP compliant and filed with the proper authorities. Ergo appears to have good relations with surrounding communities and engages proactively.

The QP is unaware of any material flaws in terms Ergo's social license to operate, however, it is noted that in the current South African socio-political issues remain a risk and require constant monitoring.

Rehabilitation will be carried out once the reclamation of individual TSF are completed, with rehabilitation returning the disturbed land to as close to its original landscape as possible.

The principles for proper rehabilitation are:

- preparing a comprehensive rehabilitation plan prior to the commencement of any activities on site;
- stormwater management must be in place at the site prior to commencing with any activities;
- landform design (e.g., shaping, re-grassing, etc.);
- maintenance management and eradication of invader species;
- a plan on how waste will be managed on site; and
- an emergency preparedness/response plan.

The objective of the site rehabilitation (in accordance with the NEMA EIA Regulations of 2014) must be measurable, practical and be feasible to implement through:

- providing the vision, objectives, targets and criteria for final rehabilitation of the project;
- outlining the principles for rehabilitation;
- explaining the risk assessment approach and outcomes and link decommissioning activities to risk;
- rehabilitation detailing the decommissioning and rehabilitation actions that clearly indicate the measures that will be taken to mitigate and/ or manage identified risks and describing the nature of residual risks that will need to be monitored and managed post decommissioning;
- identifying knowledge gaps and how these will be addressed and filled; and
- outlining monitoring, auditing and reporting requirements.

17.2 Requirements for Tailings Disposal, Site Monitoring and Water Management

The general description of the Brakpan/Withok TSF is covered in Item 15.

17.2.1 Site Monitoring

Site monitoring provides information on whether rehabilitation methods employed are functioning correctly or not. The purpose of monitoring is to ensure that the objectives of the rehabilitation program are met, and that the progressive rehabilitation process is followed as planned during the LoM.

The post closure monitoring period will begin once scheduled decommissioning and rehabilitation activities for the sites have been completed. The duration of post closure monitoring will be determined based on environmental performance and until it can be demonstrated that the rehabilitation work has achieved the agreed outcomes; however, at present, it has been assumed that post closure monitoring will not continue for more than five years. It is important that the data obtained during monitoring is used to gauge the success of rehabilitation. Negative monitoring findings should be clearly linked to specific corrective actions.

The following aspects should be monitored during the post-closure phase.

17.2.2 Water Management

The quality of groundwater and surface water at the various sites will be monitored quarterly for five years post closure, except for the Knights Mining Right which requires 30 years monitoring at certain monitoring points as per the approved WULs, to ensure compliance of the various constituents with the standards. Samples should be analyzed for particulate and soluble contaminants. Water monitoring will be taking place at 76 different locations.

17.2.3 Vegetation Monitoring

The following vegetation monitoring is recommended:

- vegetation cover;
- species composition;
- erosion; and
- alien invasive plants.

17.2.4 Vegetation Maintenance

Vegetation maintenance will specifically focus on fertilizing the rehabilitated areas annually if required, controlling alien invasive plants where needed and general maintenance such as in-filling of erosion gullies. In the case of erosion, the cause should be identified, and rectified.

17.2.5 Water Monitoring

Currently, 66% of all process water make-up at Ergo is drawn from water returned from the Brakpan as shown in Table 17.1.

Table 17.1: Ergo Water Consumption

Description	Total Consumption 2022		Total Consumption 2021	
	Ml	%	Ml	%
Potable Water Sources Externally	2,460	9	2,813	11
Rondebult Waste Water	27	-	46	-
Surface Water Extracted	4691	18	4,210	17
Water Recycled in Process	16,302	62	17,233	66
TCTA Water (AMD)	2,907	11	1,683	6

Total Water Used	**26,387**	**100**	**25,985**	**100**

Source: DRDGOLD, 2022

17.2.6 Legal and Permitting

Item 3 of the TRS (Table 3.2) discusses the Mining Rights and Prospecting Rights details for Ergo's and the status thereof.

Ergo's EMP encompasses all the activities of Ergo's operations and assesses the environmental impacts of mining at reclamation sites, plants and TSFs. It also outlines the closure process, including financial provisions.

There are currently no legal challenges to Ergo's title to its reserves other than those discussed below.

The QPs are aware of two issues that could impact on Ergo's current mining rights or mining operations.

Grootvlei Complex: Ergo has a Mining Right over Grootvlei TSF 6L14 via Mining Right GP158MR and has submitted a renewal application of its Prospecting Rights over Grootvlei TSFs 6L16, 6L17 and 6L17A to the DMRE, which application is pending. During the 2022 financial year, an external party raised a conflicting claim of common law ownership of TSFs 6L16, 6L17 and 6L17A. Although the claim was on common law ownership and no challenge has been brough against the Prospecting Rights over the dumps, the Grootvlei Complex has been excluded from the Mineral Reserves statement and the LoM plan. However, the Grootvlei Complex has been included in the Mineral Resources statement as Ergo is of the opinion that the Prospecting Rights will be renewed.

Marievale Complex: Ergo acquired the Marievale TSFs 7L5, 7L6 and 7L7 in terms of a written notarially executed deed of sale during 2019 and took possession of the TSFs on 8 April 2019. It has since also obtained the requisite NEMA regulatory approvals to retreat these TSFs. During the 2022 financial year, the owner of the land on which 7L5, 7L6 and a portion of 7L7 are situated, an estimated 36,524t out of the total 54,114t comprising the Marievale Complex, notified Ergo that in its view, the said TSFs had acceded to the land, and that it had become the owner of the TSF. Ergo disputes the claim of legal title and the matter is to be referred to arbitration. All ownership requirements were met when the TSFs were purchased by Ergo and therefore these TSFs are still included in the LoM plan and Mineral Reserves. Whilst Ergo has received confident legal advice of the merits of its claim, in the event that the arbitration goes against Ergo, its Mineral Reserves will reduce by 35.52Mt (0.35Moz at 0.29g/t). In so much as it then enters into a commercial arrangement with the landowner, the financial benefit of this portion of the Marievale Complex will be reduced by whatever benefit is agreed to in favor of the land-owner.

Ergo has submitted a renewal application to the DMRE for the Prospecting Rights it holds over the 7L4 TSF as described more fully under Item 3.6.

17.3 Plan Negotiations, or Agreements with Local Individuals or Groups

Social and community interaction remains a key focus for Ergo. Stakeholder engagement is reported annually against the SLP and any complaint is filed with the proper authorities.

The QP is unaware of any material flaws of Ergo's social license to operate. However, it is noted that in the current South African political environment, social and community issues always remain a risk and require constant monitoring.

The five-year SLP was submitted by Ergo in terms of the requirements of the MPRDA. The development, submission and implementation of an SLP is a requirement of the MPRDA and the right to mine. Table 17.2 indicates the budget for the 2018 to 2022 SLP, noting that the SLP plan is conducted in five-year segments.

The SLP covers three key elements:

- **Human Resource Development (HRD)**: which focuses on the empowerment of historically disadvantaged South Africans to progress to higher career levels within the industry. Ergo has various programs to address this aspect, including skills development programs, career progression and mentorship employment equity targets;
- **Local Economic Development (LED):** which focuses on the upliftment of both the surrounding (affected) and labor-providing communities. Ergo has four projects, one agricultural development, a sewing project and two projects to upgrade facilities at primary schools. A ZAR10 million budget is allocated to these LED projects; and
- **Program for Management of Downscaling and Retrenchment:** which focuses on minimizing negative impact due to either job losses through retrenchment and mine closure in the long-term.

Table 17.2: SLP Financial Provision Summary

Description	2018	2019	2020	2021	2022	Total
	(ZAR million)					
HRD Total	7.08	7.53	5.69	5.91	7.08	33.29
LED Total	3.40	5.80	2.60	2.20	1.50	15.50
Downscaling Retrenchment						13.00*
SLP Budget	**10.48**	**13.33**	**8.29**	**8.11**	**8.58**	**61.79**

Source: DRDGOLD, 2022
Note: *This amount has already been accrued and is available for reskilling should the mine prematurely be forced to close.

17.4 Mine Closure Plans Remediation Plans, and Associated Costs

In accordance with South African mining legislation, all mining companies are required to rehabilitate the land on which they work to a determined standard for alternative use. Ergo has spent ZAR198 million on various rehabilitation activities in the three years between 2020 and 2022.

A community consortium, consisting of nine local companies that represent areas including Langlaagte, Diepkloof, Meadowlands, Orlando West, Orlando East, Riverlea, Pennyville and Ormonde, has been established to conduct certain rehabilitation work for Ergo as part of its small enterprise development initiatives. It currently employs 27 community members from the abovementioned areas. Their current project entails the establishment of new side slope vegetation on the Crown TSFs and to irrigate until the vegetation is self-sustainable.

Ergo is on track to complete this vegetation program by 2026.

In 2016, a decision was taken to complete the recovery of mine waste materials from a number of legacy reclamation sites and to close the Crown plant. The clean-up of the legacy sites has proven difficult and costly and requires the use of earthmoving equipment to mechanically lift and move residual material. Steady progress is being made on the clean-up and closure of these legacy sites.

As clean-up work on former reclamation sites is completed, applications are submitted to the National Nuclear Regulator (NNR) for land clearance certificates. In 2019, Ergo received land clearance certificates for an area covering approximately 135.5ha from NNR, releasing land located close to the Benoni central business district for development.

In 2019, applications were lodged with the NNR in respect of 136ha of rehabilitated land for clearance. In 2020, applications were lodged for a further 27ha of rehabilitated land, in 2021, for a further 87.6ha and in 2022, for a further 23.6ha.

Ergo’s decommissioning and restoration liabilities are funded by a combination of funds that have been set aside for environmental rehabilitation. ZAR132.7 million is currently held in the Guardrisk Cell Captive under a ring-

fenced environmental insurance policy. Further environmental guarantees of ZAR377.8 million have been issued by Guardrisk Insurance Company Limited to the DMRE. In total, Ergo has ZAR510.5 million in environmental rehabilitation and closure cover.

The calculated costs for rehabilitation and closure of the Ergo Operations estimated by Digby Wells are ZAR639 million (Table 17.3). Ergo systematically audits and monitors progress on rehabilitation and closure and adjusts its provision accordingly. Required audits are undertaken and submitted to the DMRE annually.

Table 17.3: Ergo Rehabilitation Financial Provision Summary

Area and Mining Right	Closure Cost 2022 (ZAR)
CMR - GP186MR	11,845,711
Crown - GP184MR	125,160,690
City Deep - GP185MR	41,802,525
Knights - GP187MR	46,318,600
ERPM - GP150 and 151MR	10,240,493
Ergo - GP158MR	403,565,361
Total (excluding VAT)	**638,933,381**

Source: Digby Wells, 2022

17.5 QP Statement on the Environmental Studies, Permitting, Plans, Negotiations, with Local Individuals or Groups

The QP is satisfied that all material issues relating to Environmental, Social and Governance have been addressed in this document.

The above statement is borne out by the fact that Ergo incurred no fines of monetary value or significant non-monetary sanctions for non-compliance with environmental laws and regulations were imposed in the past four years (2019, 2020, 2021 and 2022).

The QP finds the funding mechanism appropriate for mine rehabilitation and mine closure, but notes that there is a shortfall between the reclamation funding and the July 2022 Digby Wells closure cost estimate.

18 Capital and Operation Costs

The capital expenditure and operating costs provided take cognizance of the requirements to support the LoM plan. The capital expenditure takes into account the ongoing requirements of starting new operating sites as current TSFs Mineral Reserves are depleted. This capital expenditure schedule is based on the LoM production schedule with the capital expenditure based on mining and engineering designs conducted to a PFS level of accuracy (i.e., +/-25%) with a maximum level of contingency of 15% being applied.

The operating costs support the planned LoM production profile taking into consideration whether slimes or sand material is mined and the method and distance in which the mineralized material is transported(i.e., pumped or trucked). Operating costs are activity-based costs accounting for surface mining costs (extraction and transportation); processing costs (including tailings disposal costs), cost of maintaining key mine infrastructure and general and administrative costs. The estimate of operating costs are based on historical operating cost data, which is well understood as Ergo is a well-established mining operation. Operating costs are estimated to at least a PFS level of accuracy (i.e., +/-25%) with no contingency applied due to the understanding of the cost to mine and process the RoM material.

18.1 Capital Expenditure

A total capital of ZAR3.22 billion is scheduled to support the Ergo LoM plan. The breakdown of capital expenditure indicates the majority of the capital, ZAR3.14 billion, is allocated to the Ergo Section over the duration of the LoM plan with an additional ZAR81.9 million allocated in 2022 for the City Section. As the mining at the Knights Section is completed in 2024 there is no allocation of capital.

The capital expenditure summary as proposed in the 30 June 2022 LoM plan is presented in Table 18.1. The level of accuracy for the capital expenditure is to at least a PFS level of accuracy (i.e., +/-25%) with a maximum level of contingency of 15%.

Table 18.1: Capital Expenditure Summary

Area	Budgeted Capital Expenditure (ZAR)
Ergo Section	3,137,603,000
City Section	81,923,000
Knights Section	0
Total (excluding VAT)	**3,219,526,000**

Source: DRDGOLD, 2022

18.1.1 Ergo Section Capital Expenditure

This section depicts the capital expenditure estimate for the Ergo Section. Table 18.2 indicates the Rooikraal capital expenditure estimate planned in January 2022.

Table 18.2: Rooikraal Capital Expenditure Estimate

Discipline	Capital Expenditure (ZAR)
Consultancies	324,000
Civil	15,100,835
Structural Steel	14,591,639
Mechanical	18,783,480
Piping	99,680,396
Electrical	28,471,978

Instrumentation	1,599,218
Security	415,634
Other	2,824,000
Total	**181,791,181**

Source: DRDGOLD, 2022
Note: ZAR 91.759 million spent in 2021/22 financial year

Table 18.3 indicate the capital expenditure estimate for the Marievale pump station and total Marievale capital expenditure estimate respectively.

Table 18.3: Marievale Capital Pump Stations

Area	Budgeted Capital Expenditure (ZAR)
Consultants	294,000
Civil engineering	29,793,240
Structural steelwork	30,583,013
Mechanical	36,020,706
Electrical	66,507,688
Instrumentation	4,471,908
Security	1,525,297
Other	7,568,000
Total (excluding VAT)	***176,763,853***

Source: DRDGOLD, 2022

Table 18.4: Marievale Total Capital Expenditure Summary

Area	Budgeted Capital Expenditure (ZAR)
Pump Station	176,763,853
Slurry Pipeline	65,628,130
Water Pipeline	56,328,874
Water Transfer	41,343,778
total (excluding VAT)	**345,590,778**

Source: DRDGOLD, 2022

Table 18.5 shows the estimated capital expenditure for the Daggafontein pump station, inclusive of a ZAR4.6 million contingency (4.2%). Table 18.6 indicates the Daggafontein capital expenditure summary.

Table 18.5: Daggafontein Capital Pump Stations

Description	Budgeted Capital Expenditure (ZAR)
Consultants	294,000
Civil Engineering	17,611,703
Structural Steelwork	18,279,748
Mechanical	20,300,199
Electrical	41,446,040
Instrumentation	4,471,908
Security	415,634
Other	7,568,000
Total (excluding VAT)	**110,387,234**

Source: DRDGOLD, 2022

Table 18.6: Daggafontein Capital Expenditure Summary

Area	Budgeted Capital Expenditure (ZAR)
Pump Stations	110,387,234
Slurry Pipeline	36,981,310
Water Pipeline	33,161,400
Daggafontein Plant Upgrades	86,149,055
Total (excluding VAT)	**266,679,000**

Source: DRDGOLD, 2022

Table 18.7shows the non-material TSF Capital Expenditure for the Ergo Section.

Table 18.7: Non-material TSF Capital Expenditure for the Ergo Section

Area	Budgeted Capital Expenditure (ZAR)
4L14	50,157,000
7L15	60,000,000
4L39	69,927,000
5L27	59,852,000
Sustaining[1] and Small Capital Projects	837,085,000
Total (excluding VAT)	**1,077,021,000**

Source: DRDGOLD, 2022

Note:

1. Sustaining capital of ZAR30 million between years 3 to 18 (ZAR480 million); ZAR221.4 million and ZAR105.6 million allocated in year 1 and year 2 to complete numerous small capital programs

The Withok compartment design is based on upstream cyclone system and a scavenger well system for environmental containment. The Brakpan/Withok TSF has been digitally modelled which model has been used to inform the various quantities of the various infrastructure aspects. The capital costs to implement the Withok compartment has been estimated upon typical contractor tender methodologies by Beric Robinson Tailings (Proprietary) Limited. Table 18.8 indicates the capital expenditure budget for the proposed Withok compartment. The Withok compartment design work has been conducted to a PFS level of accuracy with a 15% contingency applied to the capital estimate.

Table 18.8: Withok Compartment Capital Expenditure

Area	Budgeted Capital Expenditure (ZAR)
Construction Contract	456,056,963
Material Supply	76,009,494
Engineering Design and Oversight	3,648,456
Scavenger Boreholes	12,161,519
Pumps, Power Reticulation and Other	60,807,595
Sub-total	**608,684,026**
Contingency 14%	91,302,604
Total (excluding VAT)	**699,986,630**

Source: DRDGOLD, 2022

The capital budget for the solar power project is shown in Table 18.9.

Table 18.9: Solar Power Project Capital Estimate

Area	Budgeted Capital Expenditure (ZAR)
Solar MW Works	69,579,000
Solar 20MW	338,084,000
Solar 88kV (15% contingency)	239,660,000
Total (excluding VAT)	646,323,000

Source: DRDGOLD, 2022

18.1.2 City Capital Expenditure

A capital of ZAR81.9 million has been allocated to the City section in 2022 (Table 18.10).

Table 18.10: City Total Capital Expenditure Summary

Area	Budgeted Capital Expenditure (ZAR)
4/L/4 TSF	19,527,000
Valley Silts	62,396,000
Total (excluding VAT)	**81,923,000**

Source: DRDGOLD, 2022

18.1.3 Knights Capital Expenditure

Due to the short life of the Knights Section, no capital expenditure has been planned or budgeted.

18.1.4 QP commentary

The QP associates a low risk to the engineering capital expenditure for the mining associated projects as the design and construction of pump stations and pipelines have been conducted numerous times by Ergo. The QP notes the level of accuracy for the capital expenditure estimates are to a PFS level accuracy (i.e., +/-25%). Contingency varies between 0% to 15% with contingency typically applied to civil work, structural steelwork and electrical and instrumentation. In no case is the contingency above 15%.

The QP is of the opinion that the risk associated with the Withok compartment capital estimate and solar plant and storage facility is Low to Medium and typical of a PFS level of accuracy (i.e., +/-25%).

18.2 Operating Costs

Mining related operating costs are assigned to the Ergo processing plant and the mining of the various TSFs. A different operational cost is applied to each deposit, depending on its composition, proximity to the processing plant and the reclamation method. Sand dumps have a higher cost than slimes, as sand must be milled down to 80% less than 75µm while the slime can be treated in the CIL tanks directly.

Mining related operating costs are assigned to the planned TSFs to be mined and the Ergo processing plant. The planned average operating cost for the Ergo 19-year LoM plan is estimated at a PFS level of accuracy (i.e., +/-25%) with a maximum level of contingency of 15% with a total working cost of ZAR90.86/t (Table 18.11).

Table 18.11: Average LoM Operating Cost for Ergo

Operating Cost	Average LoM Operating Cost (ZAR 000's)
Labor	375,733
Consumables	663,822
Electricity	81,735
Water	28,557
Contractors	350,715
Other	262,710
Sub-total Cash Cost	**1,863,272**
Rehabilitation Cost	25,349
Other Operation Cost	24,572
Retrenchment Cost	6,215
Corporate Cost	42,916
Sub-total Other Cost	**99,052**
Total Working Cost	**1,962,324**

Source: The RVN Group, 2022

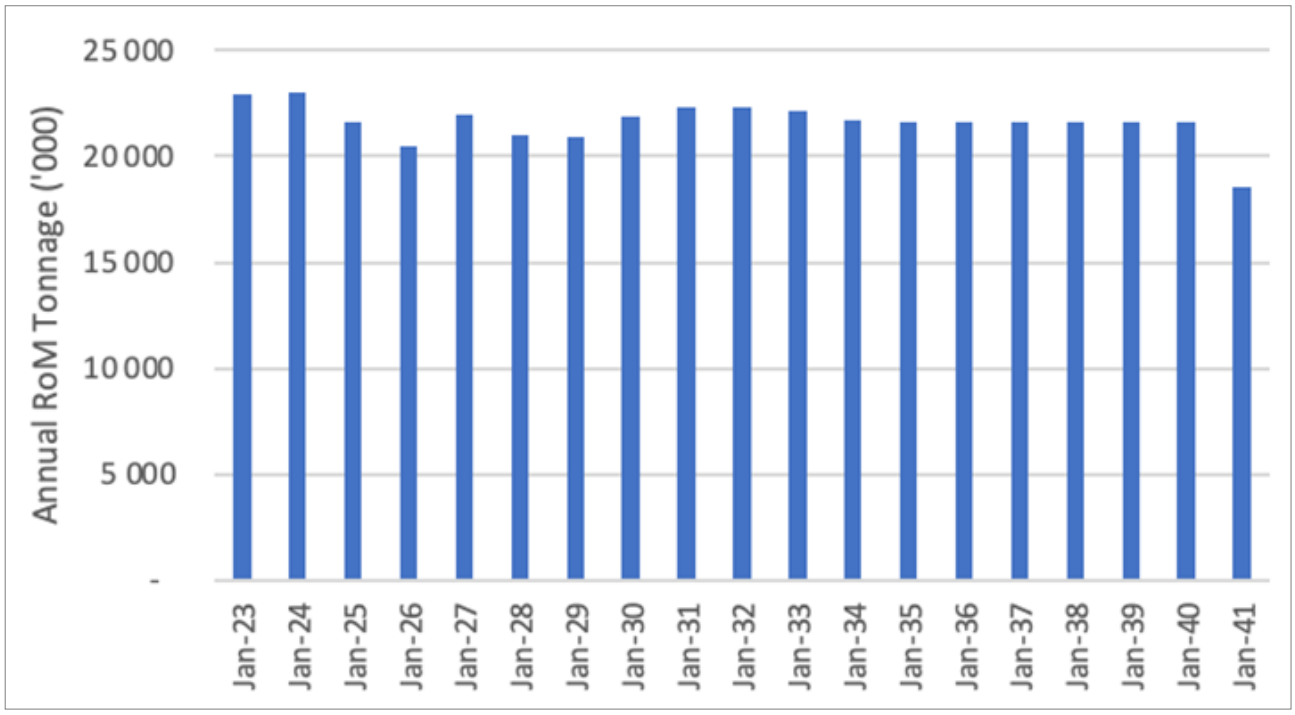
The development of the annual operating costs is based on historical cost data as Ergo has been operational for numerous years. The QP associates a Low risk with many of the operating costs, however a Medium risk is associated with consumables, electricity and water due to the volatile nature of the market of these items. Ergo is attempting to mitigate the volatility with the installation of the solar power project and reuse of water where possible. Refer to Item 19.3 for more details on risk.

19 Economic Analysis

19.1 Economic Analysis

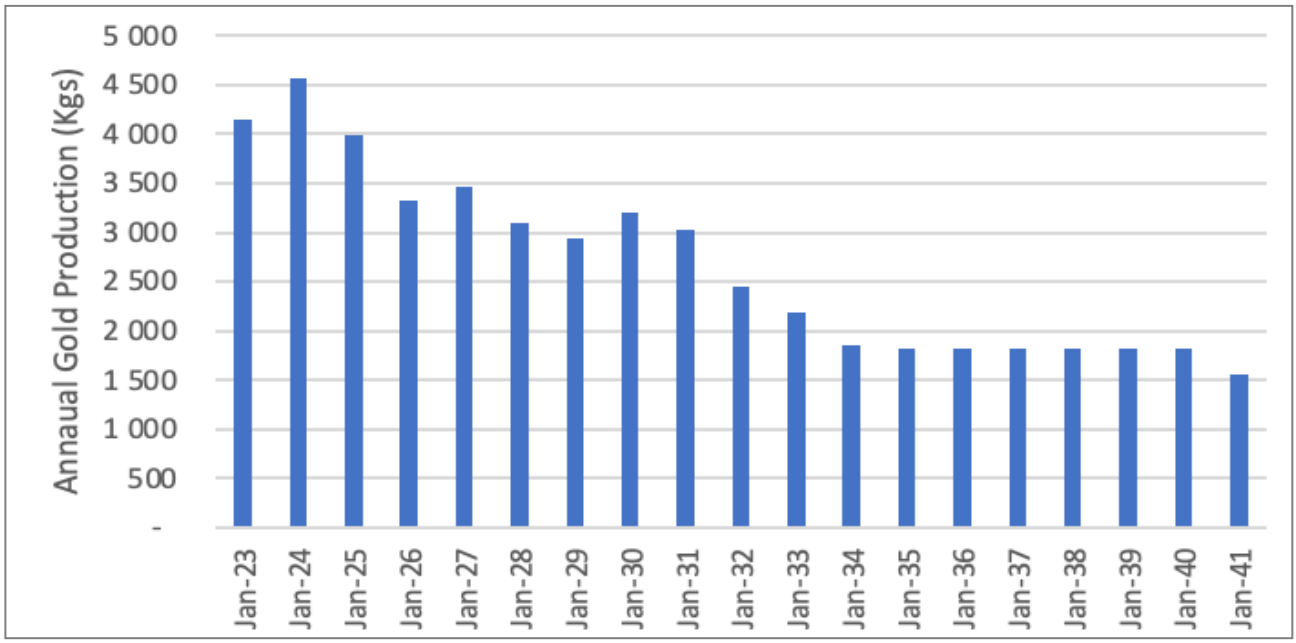
The 30 June 2022 19-year LoM plan, which is the basis of the Mineral Reserve, is scheduled to mine a total of 410.33Mt at 0.28g/t Au and produce 50,658kg of gold over the same period. The economic analysis is based on a LoM plan that is designed to a PFS level of accuracy (i.e., +/-25%). The economic analysis conducted by the QP indicates a net present value (NPV) of ZAR2.2 billion after capital expenditure and taxation utilizing a discount rate of 9.48% (real terms). As the Ergo operations are an on-going with an annual positive cashflow, the internal rate of return (IRR) and payback period are not applicable.

Figure 19.1: Ergo LoM Production Tonnage



Source: The RVN Group, 2022

Figure 19.2: Ergo LoM Gold Production



Source: The RVN Group, 2022

Table 19.1 presents the Ergo cashflow model over the 19-year LoM Plan. The NPV has been calculated by discounting the positive cashflows at the appropriate rate and subtracting the required capital expenditure. The QP has made the assumptions listed below to derive a realistic base case operational cashflow model:

- the production schedule is sourced from the Ergo LoM plan. The mining tonnage schedule is shown in Figure 19.1, which varies between 23.0Mtpa and 18.2Mtpa;
- plant feed grade as per the LoM schedule (Figure 19.2) with an average grade of 0.28g/t Au;
- the average metallurgical recovery over the LoM schedule is 40.9%;
- total working costs estimated at ZAR90.86/t RoM are inclusive of mining, metallurgical and general and administration costs (working costs);
- the gold market price is set at ZAR914,294/kg (see Item 16 for further information for gold price in USD/oz and exchange rate);
- capital expenditure of ZAR3.219 billion is inclusive of contingency;
- no salvage value of assets has been assumed;
- a tax rate of 27%;
- a discount rate of 9.48% in real (no inflation) terms;
- no royalty payment is applicable to Ergo, as the operation is not subject to royalties on the retreatment of TSFs;
- capital expenditure was fully written-off against operating profit, with no time constraint; and

- no escalation or inflationary effects have been included in the economic evaluation, which is based on constant money value (real terms).

The NPV of the Ergo LoM plan as at 30 June 2022 was calculated at ZAR2.2 billion at a discount rate of 9.48% as shown in Table 19.1.

Table 19.1: Economic Analysis

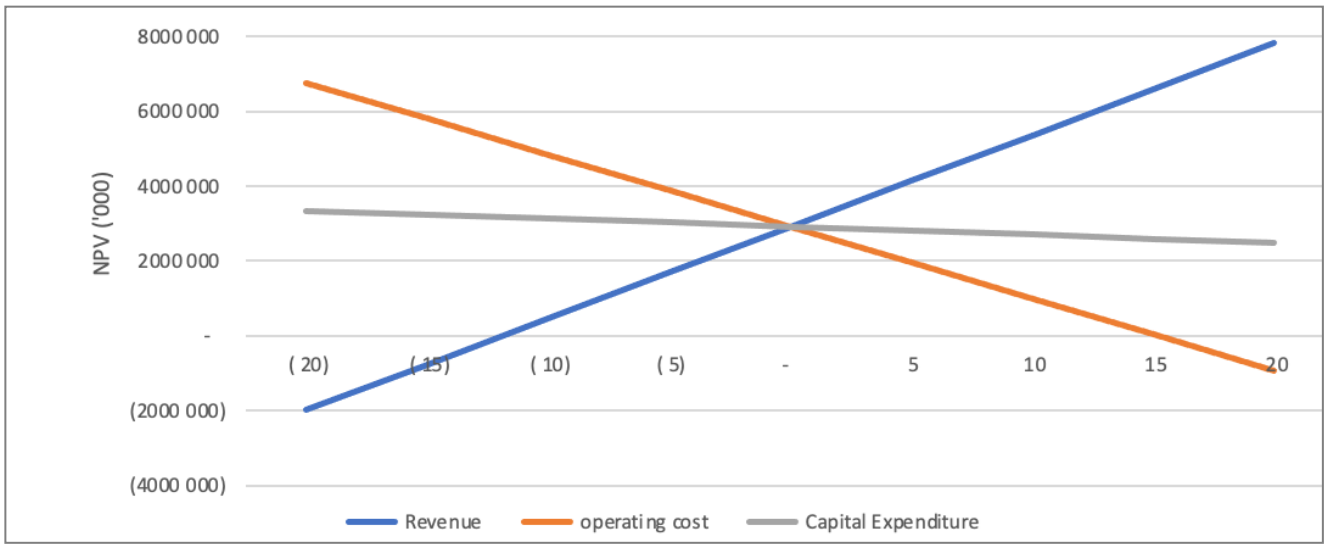
Ergo Mining (Pty) Limited Life of Mine Planning Total mine			NPV 2 212 665																		
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Total
Production			Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34	Jun-35	Jun-36	Jun-37	Jun-38	Jun-39	Jun-40	Jun-41	
Production tonnes	Sand	('000)	3 409	4 684	2 560	2 450	2 615	1 549	720	720	720	720	515	-	-	-	-	-	-	-	-	**20 662**
Production tonnes	Slime	('000)	19 501	18 290	19 020	18 038	19 340	19 479	20 200	21 145	21 599	21 585	21 600	21 703	21 600	21 600	21 600	21 600	21 600	21 600	18 572	**389 672**
Total mine production tonnes		**('000)**	**22 910**	**22 974**	**21 580**	**20 488**	**21 955**	**21 028**	**20 920**	**21 865**	**22 319**	**22 305**	**22 115**	**21 703**	**21 600**	**21 600**	**21 600**	**21 600**	**21 600**	**21 600**	**18 572**	**410 334**
Production tonnes	*Float*		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gold produced	Sand	('000)	1 380	1 767	1 116	885	839	605	466	466	466	466	333	-	-	-	-	-	-	-	-	**8 788**
Gold produced	Slime	('000)	2 760	2 793	2 873	2 437	2 628	2 486	2 479	2 727	2 555	1 979	1 852	1 854	1 814	1 814	1 814	1 814	1 814	1 814	1 560	**41 870**
Total mine gold produced		**('000)**	**4 141**	**4 561**	**3 988**	**3 322**	**3 467**	**3 091**	**2 945**	**3 193**	**3 021**	**2 445**	**2 185**	**1 854**	**1 814**	**1 814**	**1 814**	**1 814**	**1 814**	**1 814**	**1 560**	**50 658**
Revenue																						
Revenue	Sand	('000)	1 262 155	1 615 884	1 020 028	809 589	766 762	552 768	425 727	425 727	425 727	425 727	304 513	-	-	-	-	-	-	-	-	**8 034 605**
Revenue	Slime	('000)	2 523 862	2 554 002	2 626 321	2 228 105	2 402 647	2 273 324	2 266 627	2 493 445	2 336 222	1 809 298	1 693 455	1 694 665	1 658 895	1 658 895	1 658 895	1 658 895	1 658 895	1 658 895	1 426 343	**38 281 687**
Total mine revenue		('000)	**3 786 018**	**4 169 885**	**3 646 349**	**3 037 694**	**3 169 409**	**2 826 093**	**2 692 353**	**2 919 172**	**2 761 949**	**2 235 024**	**1 997 968**	**1 694 665**	**1 658 895**	**1 658 895**	**1 658 895**	**1 658 895**	**1 658 895**	**1 658 895**	**1 426 343**	**46 316 292**
Average gold price		('000)	914	914	914	914	914	914	914	914	914	914	914	914	914	914	914	914	914	914	914	**914**
Cost																						
Total working cost		**('000)**	**3 248 427**	**3 221 567**	**2 511 632**	**2 427 961**	**2 421 531**	**2 112 467**	**1 934 586**	**1 934 576**	**1 946 102**	**1 808 507**	**1 703 092**	**1 537 320**	**1 452 510**	**1 534 706**	**1 534 706**	**1 534 706**	**1 534 706**	**1 534 706**	**1 350 349**	**37 284 158**
Profit / (loss) before Capex		('000)	537 590	948 318	1 134 717	609 733	747 878	713 625	757 767	984 595	815 847	426 517	294 876	157 344	206 385	124 189	124 189	124 189	124 189	124 189	75 994	**9 032 135**
Capital Expenditure		('000)	1 111 010	470 054	282 860	515 459	30 000	90 000	123 464	30 000	296 679	30 000	30 000	30 000	30 000	30 000	30 000	30 000	30 000	30 000	-	**3 219 526**
Profit / (loss) after Capex		**('000)**	**(573 419)**	**478 265**	**851 857**	**94 274**	**717 878**	**623 625**	**634 303**	**954 595**	**519 168**	**396 517**	**264 876**	**127 344**	**176 385**	**94 189**	**94 189**	**94 189**	**94 189**	**94 189**	**75 994**	**5 812 609**
Taxation @ 27%			-	-	191 575	-	184 604	159 166	164 896	266 850	125 753	93 973	54 443	14 062	30 835	3 711	3 711	3 711	3 711	3 711	1 543	**1 306 255**
Profit / (loss) afterTax			(573 419)	478 265	660 281	94 274	533 273	464 459	469 407	687 745	393 415	302 544	210 433	113 283	145 550	90 479	90 479	90 479	90 479	90 479	74 451	**4 506 354**
Discount rate		('000)	**0,913**	**0,834**	**0,762**	**0,696**	**0,636**	**0,581**	**0,530**	**0,485**	**0,443**	**0,404**	**0,369**	**0,337**	**0,308**	**0,281**	**0,257**	**0,235**	**0,214**	**0,196**	**0,179**	
Discounted PreTax Cashflow		**('000)**	**(523 766)**	**399 024**	**503 181**	**65 622**	**339 060**	**269 736**	**249 004**	**333 234**	**174 115**	**122 304**	**77 702**	**38 207**	**44 839**	**25 460**	**23 255**	**21 242**	**19 402**	**17 722**	**13 320**	**2 212 665**

Source: The RVN Group, 2022

19.2 Sensitivity Analysis

The sensitivity analysis of the Ergo financial model that varies revenue (price and grade); operating cost and capital expenditure at 5% increments above and below the base case is shown in Figure 19.3. The analysis indicates that the Ergo operations are very sensitive to revenue parameters such as gold price, grade, and recovery. In addition, the LoM plan is also very sensitive to changes in operating costs. The sensitivity indicates that the LoM plan is not as sensitive to capital and therefore capital expenditure should be considered if the expenditure will result in reducing operating cost or increase revenue. The sensitivity indicates that achievement of the LoM plan in terms of tonnage is critical in realizing the planned operating costs and being able to mine at the planned cut-off grade. The QP is unaware of any capital expenditures, that if delayed, would materially affect the LoM plan or cashflow. The QP is of the opinion that no extremely weather conditions will materially impact on the capital development program.

Figure 19.3: Sensitivity Analysis



Source: The RVN Group, 2022

19.3 Risk Assessment

The following highlights show the key risks that Ergo has identified as critical to their operations, as well as comments on mitigation of these risks.

19.3.1 Rising Electricity Prices and Eskom Supply Distribution

The mining industry is a dominant consumer of electricity, consuming approximately 30% of the national electricity supply. The processing plants operate on a “24/7/365” basis and continuous electricity supply is paramount to achieving a stable plant with enhanced efficiencies.

Eskom remains the biggest systemic risk to the sustainability of the South African economy. On 28 July 2020, a court judgment was given against the National Energy Regulator of South Africa (NERSA) and allowed for Eskom to increase its tariffs from the original 5.22% on 1 April 2021 to approximately 15%. An increase of 14.59% was approved for the 2021 to 2022 municipal tariff after Eskom applied for an electricity price increase of 20.5%. In February 2022, NERSA allowed for an increase of 9.6% in the standard electricity tariff as implemented in April 2022.

Ergo has adopted a two-staged approach to the risks associated with electricity supply.

Firstly, Ergo has had to install extensive back-up systems to counteract the impact of unscheduled interruptions in the power supply. Although Ergo is unable to maintain full production during black-outs, back-up generator sets ensure that the processing plants remain in motion and that the circuits do not choke or become blocked through the settlement of solids in the slurry. This enables the immediate start-up of production once the power is restored.

At the Brakpan/Withok TSF, the back-up capacity is sufficient to ensure that deposition can continue uninterrupted, thus there is no interference with the processing plant operations (i.e., if the deposition system comes to a halt, then the entire operation will stop). From a safety perspective, it is also essential that the water balance on the TSF pumping operations remain under control to ensure that water on the Brakpan/Withok TSF remains within the stated factors of safety.

The second important strategic consideration regarding electricity supply is to address the impact of escalating electricity costs. Ergo continues to investigate ways of reducing the impact of price increases. Power storage and the pricing policy of Eskom to charge different rates during peak and off-peak periods appear to be the most likely near-term solutions in this regard. Charging power storage units during these periods and then drawing them down during peak hours to avoid peak rates, may well in the long-term, provide a financially feasible model in this regard.

Ergo has obtained regulatory approvals for the development of a solar photovoltaic and battery storage facility which will be located adjacent to the Ergo processing plant. Ergo has approved ZAR646.3 million to develop the first phase of the solar energy project.

19.3.2 Tailings Storage Facility Capacity

Ergo is a volume-driven business. As a result, Ergo needs to ensure that there is sufficient capacity in its TSFs to deposit material after processing and extracting gold in the plant. Additional tailings storage capacity is required in the medium-term to continue operating at current levels. This additional capacity will come from the Brakpan/Withok TSF, adjacent to the Brakpan TSF. Ergo has allocated ZAR700 million for the implementation of the Brakpan/Withok TSF final life design. These is a risk of production being reduced in the event that regulatory approvals are not obtained or not obtained timeously.

19.3.3 Social Unrest

The growing frustration of society due to lack of Government service delivery and high rates of unemployment (heightened by the impact of the Covid-19 pandemic) lead to increased protests and conflict, affecting communities in and around Ergo's operations. This may result in operational disruptions.

19.3.4 Increased Crime

The current strained economic and uncertain socio-political environment contribute to adverse crime trends. Ergo operations are not immune to crime and are frequently targeted by criminals as well as syndicates seeking access to gold or gold concentrate.

19.3.5 Depletion of Ergo's Mineral Reserves

Ergo's strategy is to maintain its Mineral Reserve base by improving the robustness of LoM plan by increasing production through better extraction efficiencies. Another risk associated with Ergo's Mineral Reserve is the depletion of higher-grade Mineral Reserves. The current gold price assists with the economic viability of lower grade TSFs, however when the gold price drops, it will be important to optimize the LoM plan to enable the mining

of lower grade TSFs. This will require optimizing the mining throughput, reducing operating costs and improving the mineral recovery efficiencies. The QP associates a low to medium risk to the Mineral Reserve base as some TSF are operating close to the cut-off grade. In certain instances, the risk may be negated by increasing the mining rate of the TSF, thereby reducing the per unit operating cost and the cut-off grade.

19.3.6 Social Licenses to Operate

Historically, mining has taken place in the Johannesburg area since 1886 and therefore, environmental and waste disposal practices that were designed and that may have been adequate in a less densely populated environment, are inadequate today. Ergo's entire operating footprint is the legacy footprint of mining in Johannesburg specifically in the East Rand. An integral part of Ergo's mining process is to remedy the shortcomings of that legacy by mining and the historical TSFs.

While mining, there can be high levels of dust and other disturbances from reclamation sites, however, the result is a better and cleaner environment once the TSF us removed. To minimize the impact of mining operations, Ergo conducts dust monitoring and implements measures to suppress dust.

In addition, Ergo has adopted the strategy of concurrent rehabilitation, which reduces Ergo's long-term environmental obligation. Ergo's current mine design strategy is to conduct rehabilitation of completed mining sites as soon as practically possible (See Item 17 for further Environmental, Social and Governance commentary).

Pressures and demands on business by local communities, non-government organizations have increased. Social license to operate issues are typically driven by the social and economic landscape; and the Covid-19 pandemic has exacerbated the social and economic issues in South Africa. Unemployment, hunger and desperation are of great concern and Ergo has been active in supporting the local communities. Ergo will, however, be increasingly exposed to this risk should social and economic conditions in the country not improve.

19.3.7 Fluctuations in the Gold Price and Exchange Rate

As a market price taker, Ergo is exposed to fluctuations in the United States Dollar gold price and ZAR/USD exchange rate. The higher the gold price, the higher the profitability. A noticeable upswing in the gold price has occurred since March 2019 (Figure 19.4), with a peak of USD1,970/oz achieved in July 2020, and a 30 June 2022 price of USD1,829/oz. Between the August 2021 peak and the July 2020 high, a gold price low of USD1,062 was reached in November 2015, indicating price volatility of approximately USD700/oz between the high and low gold prices from 2011 to 2022.

Figure 19.4: 30-Year Gold Price in USD/oz (1992 to 2022)



Source: Macrotrends.net, 2022

This is mainly because of investors returning to gold as a safe haven asset in the wake of recent fears of a global economic slowdown. The ZAR/USD exchange rate remained volatile throughout the year mainly as a result of economic uncertainty marred by political instability and global market slowdown sentiment.

Since the revenue line is determined by external factors, Ergo manages this risk by being very focused on areas that it can influence such as costs and operational efficiency. Ergo continues to look at ways to impede the increase of costs and save costs by making ongoing continuous improvements on process and efficiencies. Precise dosing of chemicals and consumables, based on the ongoing analysis of key drivers in the Ergo processing plant, contributes to keeping costs as low as possible; lower friction in pipelines through HDPE lining reduces power consumption, and maintaining a closed water circuit and use of recycled water reduces the costs of water consumption are a few initiatives implemented.

To limit the vulnerability to a drop in the price of gold in ZAR terms, Ergo monitors costs in line with the approach stated above. In addition to that, Ergo also works hard to increase recoveries.

19.3.8 Supply and Cost of Water

Ergo's surface retreatment operations are reliant on water to transport the slimes from reclaimed areas to the processing plant and to the TSF.

It is acknowledged that water is a limited natural resource, crucial for the sustainability of the planet and South Africa is a water-scarce country. There are increasing calls from interest groups for intervention to avoid future deficits in water supply. Over the past few years, Ergo has deliberately focused on investing in infrastructure and strategies to reduce the reliance on potable water and expand the use of other water sources. Ergo relies on third party providers for any shortfall in water.

20 Adjacent Properties

There are no adjacent properties to report.

21 Other Relevant Data and Information

Ergo is committed to improving governance and transparency in the safety and management of TSFs, a commitment that so far has taken Ergo to implement the following:

- an internal Tailings Performance Management System (TPMS) was implemented for dedicated data collection, storage and processing to ensure the integrity of the data for day-to-day management and oversight purposes;
- quarterly drone surveillance; and
- review of historical Interferometric Synthetic Aperture Radar (InSAR) imagery for mapping ground deformation over large areas.

An eternal Tailings Review Panel review panel has been in place since 2018.

The QPs and Ergo have a number of internal controls to manage risk and uncertainty in the Mineral Resource and Mineral Reserve estimation process. Monthly meetings are held with the Ergo MRM Manager and the Ergo/DRDGOLD Finance team to discuss any concerns or areas requiring further work. In addition to these meeting, the QPs liaise with the relevant specialists on an on-going basis to check on progress of a number of technical programs.

There is no other known available relevant data or information material to the discussed properties in this regard.

22 Interpretation and Conclusions

The QP concludes that the protocols for drilling, sampling preparation and analysis, verification, and security meet industry standard practices and are appropriate for the purposes of a Mineral Resource estimate. The initial assessments have found that the Ergo TSFs have reasonable prospects for economic extraction. The QP is satisfied with the QA developed by The RVN Group and the QC program implemented, as there was no significant bias in reporting data.

The QP contends that the assumptions, parameters and methodology used for the Mineral Resource estimate are appropriate for the style of mineralization and deposit type.

The tonnage and content of the TSFs are as expected and can be processed in the current Ergo processing plant. TSFs and sand dumps reported in this document have sufficient information to be used in the Mineral Reserve estimates and demonstrate economic viability.

The identified risks that could affect the Mineral Resources and Mineral Reserves are:

- rising electricity prices and Eskom supply distribution;
- depositional capacity;
- social unrest;
- increased crime;
- depletion of Ergo's Mineral Reserves;
- dependency on key suppliers;
- social licenses to operate;
- fluctuation of the gold price and the exchange rate;
- extreme weather; and
- supply and cost of water.

23 Recommendations

There is sufficient information to allow for decision-making in the future. Accordingly, no additional work is recommended.

24 References

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Mudau, M. and Rupprecht, S.M., 2020a. Technical Report of the Marievale Tailings Storage Facility. The RVN Group. Johannesburg. The RVN Group. Unpublished.

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25 Reliance on Information Provided by Registrant

The QPs relied on the following information provided by the registrant:

- legal matters about the Mining and Prospecting Rights. The QPs considered it reasonable to rely on registrant's legal opinion (legal or permitting matters are discussed in Item 1.3, Item 3.3 to Item 3.6 and Item 17.2.6);
- environmental matters discussed in Item 17.3 and Item 19.3.6 relating to Ergo compliance;
- Ergo commits or plans to provide to local individuals or groups (Item 17.3);
- macroeconomic trends, data, and assumptions and interest rates (Item 16); and
- marketing information and plans (Item 16).

The QPs considered it reasonable to rely on the above information as the registrant has the necessary expertise and has been in operation for more than 20 years of successful and profitable retreatment of TSFs and sand dumps. The QP also found that the data provided aligns with the industry norms. The QPs have no reason to believe that any material facts had been withheld or misstated.

26 Qualified Persons Disclosure Consent

We, the signees, in our capacity as Qualified Persons in connection with the Technical Report Summary of Ergo Mining Proprietary Limited dated 28 October 2022 (The Technical Report Summary) as required by Item 601(b)(96) of Regulation S-K and filed as an exhibit to DRDGOLD Limited's (DRDGOLD) annual report on Form 20-F for the year ended 30 June 2022 and any amendments or supplements and/or exhibits thereto (collectively, the "Form 20-F") pursuant to Subpart 1300 of Regulation S-K promulgated by the U.S. Securities and Exchange Commission (1300 Regulation S-K), each hereby consent to:

- the public filing and use by DRDGOLD of the Technical Report Summary for which I am responsible as an exhibit to the Form 20-F;
- the use and reference to my name, including my status as an expert or Qualified Person (as defined by SK-1300) in connection with the Form 20-F and Technical Report Summary for which I am responsible;
- use of any extracts from, or summary of, the Technical Report Summary in the Form 20-F and the use of any information derived, summarized, quoted or referenced from the Technical Report Summary, or portions thereof, that is included or incorporated by reference into the Form 20-F; and any amendments or supplements thereto.

I am responsible for authoring, and this consent pertains to, the Technical Report Summary (Table 26.1) for which my name appears below and certify that I have read the 20-F and that it fairly and accurately represents the information in the Technical Report Summary for which I am responsible.

Table 26.1: Qualified Person's Details

Property Name	TRS Effective Date	QP Name	Affiliation to Registrant	Field or Area of Responsibility	Signature
Ergo Mining Proprietary Limited (A subsidiary of DRDGOLD Limited)	30 June 2022	Professor Steven Rupprecht	Independent Consultant	Item 1 and 12 to 19l	/s/ Steven Rupprecht
Ergo Mining Proprietary Limited (A subsidiary of DRDGOLD Limited)	30 June 2022	Mr Mpfariseni Mudau	Independent Consultant	Item 1 to 11 and 20 to 25	/s/ Mpfariseni Mudau