

LET'S TALK ASIKHULUME

A QUARTERLY NEWSPAPER FOR THE PEOPLE OF DRDGOLD SA

Blyvoor recovers from fire

On 22 November 2006, the presence of carbon dioxide (CO₂) was detected on 34 level, about 2 500m below surface, at Blyvoor's No 5 Shaft. "The Trolex Heads – a gas monitoring system linked to a PC – were triggered at 12:45," says General Manager Collie Russouw. "All the production crews were obviously still underground, and the mine rescue brigade teams

were immediately deployed. Employees underground were contacted telephonically and the evacuation procedure was explained. At this point, we detected a fire in 35-29 stope."

At 14:00, the hoist driver on the B5A incline shaft reported smoke and poor visibility in the hoist chamber on 24 level: he was able to keep smoke out of the cabin by

opening the compressed air, thus pressurising the cabin, and was rescued by the proto team at 17:30.

"By 18:00," says Collie, "everyone working in the affected area was accounted for, except rock drill operator Nkosana Sikhafungana. The proto teams made three attempts to rescue him on 34 level, in appalling conditions: zero visibility, temperatures as high as 60°C, and concentrations of CO₂ and carbon monoxide (CO) as high as 42 000 and 4 000 parts per million (the respective legal limits are 5 000 and 50 ppm)." Tragically, Nkosana's body was recovered on the third attempt (see In Memoriam on page 2).

"The proto teams are to be commended for a job well done in extremely trying conditions," says Collie. "The No 5 shaft team also did very well in getting the shaft back to production in good time: we effectively lost two week's production or 76.9kg; recovery from a fire of this magnitude can sometimes take several months."



No 5 Shaft, Blyvoor.

Mollo mane Blyvoor

Ka la 22 Pudungwana (November) 2006 ka 12:45, ho ile ha fumanwa gase ya carbon dioxide ka tlasa mane Blyvoor No 5 Shaft. Dihlopha tsa pholoso tsa morafu di ile tsa tsebiswa ka potlako, mme basebetsi ba neng ba ameha ba ile ba boletswa ka telefounu ka mokgwa o tla latelwa ho tswa ka moo mokoting. Ya ba ho bonwa mollo setouping sa 35-29. Di-proto team di ile tsa leka hararo ho pholosa, tlasa maemo a boima haholo (themperetjhara tse hodimo, ho sa bonahale hantle le gase e ngata e neng e le moo) mme tsa atleha ho ntsha bohle sebakeng seo se amehileng ntle le rock drill operator e leng Sikhafungana Nkosana (sheba leqepheng la Matshidiso la 2). Ka bomadimabe mmele wa hae o ile wa fumanwa ka mora ho leka ho pholosa ka kgetlo la boraro. Motsamaisi Kakaretso, e leng Collie Russouw o ile a leboha ba di-proto team ka maiteko ao a bona a maholo tlasa maemo ao a neng a le mabe hakaalo.

Blyvoor not for sale, says John Sayers

Asikhulume recently caught up with John Sayers, former Chief Financial Officer of DRDGOLD Ltd who was appointed CEO in January, and asked him for his thoughts on the year ahead.

"First of all, thanks guys for all the hard work in a tough year. Looking ahead, our great challenge is to bring back some stability to the group. We're exploring options for Emperor Mines (DRDGOLD Ltd's 78.72%-held Australasian subsidiary) through a process of restructure and a SENS announcement in this regard was recently released.

"The other key focus area, of course, is our South African

operations. DRDGOLD SA is the mainstay of the group's business. Of our total identified attributable ore reserve of 8.833 million ounces, 6.682 million ounces – or just over 75% – are attributable to South Africa. Blyvoor is one of our core assets – there is no foundation whatever in recent media reports that we are considering its sale – and ERPM has major expansion projects in the pipeline. We have some of the most competent people in the South African mining industry at all three operations, so I'm confident DRDGOLD SA is here to stay.

"A major achievement, of which we can be proud, is that we have

reached the 26% empowerment ownership target stipulated in the mining charter, with our empowerment partners Khumo Gold. Mark Wellesley-Wood took a key role in making this happen, one of many instances of his dynamic and visionary leadership in nearly six years at the helm. I'm pleased we will still have the benefit of his leadership and wisdom through his chairmanship of DRDGOLD SA."



UJohn Sayers watyunjelwa kwisikhundla sobu-CEO bakwa-DRDGOLD Ltd ngoJanuwari.

"Okokuqala, enkosi kuni nonke ngokusebenza ngamandla kunyaka onzima. Umceli-mngeni ngoku kukubuyisa uzinzo kwiqela lethu, yaye sisahlola amalinge eAustralasian Emperor Mines eziphantsi kolawulo lwezinye iinkampani (subsidiary). Umba esijolise kuwo ngamandla, kakade, kukusebenza koMzantsi Afrika. Amaphesenti angama 75 ethu anokubalelwa kwintsimbi ekrwada egcinweyo kuvimba eMzantsi Afrika, yaye sinabantu abathile abanobuchule kakhulu kuzo zontathu iindawo zokusebenza, ke ngoko, ndinethemba ukuba i-DRDGOLD SA isekho ixesha elide. Sikwanakho nokuzingca ngokufikelela umgqaliselo wethu wamaphesenti angu 26 okuxhobisa ngobumnini njengoko kuxelwe kumqulu wamalungelo asemayini (mining charter), sinamaqabane ethu kwezokunika amandla iKhumo Bathong Holdings.

LETTER FROM

Mark Wellesley-Wood Chairman, DRDGOLD SA

Everyone has a stake in the empowerment process

Dear Colleagues

I would like to tell you about my new job! I have been appointed Chairman of DRDGOLD SA, which is the company most of you reading this letter work for, whether at Blyvoor, Crown or ERPM. I was put in this position by Khumo Gold, which now owns 26% of DRDGOLD SA, including 6% of these shares which are being placed in a trust for the benefit of all employees.

Now, KBH is a different kind of shareholder because it is a Black Empowerment Company. So, it has an interest not only in the shares of the company but also how Government legislation to uplift the previously disadvantaged is going to be implemented. Empowerment means making sure that our suppliers include BEE companies, that our workforce is properly trained and given access to key jobs, that our working and living conditions are improved and that we give back something to the communities and societies with which we interact.

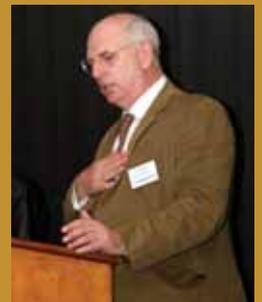
All this sounds very nice I am sure, but it will cost money.

Because every one of you now has a stake in this empowerment process, not only as someone who benefits from these projects, but also as a member of our employee trust, you will share in some of the interests and profits of the shareholders. Empowerment means ownership. But when you 'own' something you are also responsible for it.

The company needs to make a profit so that all the owners can benefit. This directly links to our employees. At the time of writing this letter, both our underground mines were underperforming. In other words, we are receiving less for the gold we are selling than it costs us to dig it out of the ground. This is not because the price of gold is bad but because we are not producing enough. In fact we are 10% below where we ought to be. That's a big gap. I am sure you will agree.

So, my job will be to balance the interests of all our owners, workers and other stakeholders so that everyone gets a fair deal. But, if we are going to have any deal at all, we first need to make some money. That means more gold; but, what will be different now, is there will be something in it for all of you.

I look forward to telling you more about how we are getting on with this shortly.



Mark Wellesley-Wood speaking at the Blyvoor safety function. See page 2.

Letters to the Editor

This is your newsletter and we want to hear from you. Write to James Duncan (james@rair.co.za).

If you have a question you would like to put to Niel Pretorius, please send it to us. Niel will answer the most interesting question received every quarter.

DRDGOLDSA ▶

Highlights of this issue

- ▶ Blyvoor wins DME safety flag
- ▶ Meet Crown's learners
- ▶ ABET at ERPM
- ▶ Don't support it, report it!

Blyvoor commits to fighting Aids

World Aids Day was celebrated at Blyvoor on Saturday 2 December 2006.

Employee Relations Officer Paul Leenderts welcomed all present. Councillor Henson Nkayitshana of Ward 5 of the Merafong City

Council, and DRDGOLD SA's NUM Co-ordinator, then spoke of the need for people to declare their HIV status as a means to living a longer life. "Good treatment and a healthy lifestyle, including good nutrition, are key

to a good life," he said.

Other representatives of organised labour, and a motivational speaker living with Aids, reinforced the message that, while much needed to be done, people living with HIV need have no fear of victimisation if they revealed their status.

Guest speaker NUM regional chairperson Deon Boqwana expressed some disappointment at not seeing a larger turnout. He emphasised that Aids was the responsibility of everyone, from mineworker to top management. "It is not only a black problem – everyone is affected."

He stressed the importance of home-based care centres for people with Aids.

The day concluded with a dance competition between peer educators and local children, with the children being declared the winners. Khuluma Africa, a local



Getting the message about HIV/Aids: a scene from the World Aids Day celebration at Blyvoor on Saturday 2 December 2006.



NUM Regional Chairperson Deon Boqwana stressed that Aids is the responsibility of everyone.

performing arts group, presented a short industrial theatre piece highlighting the causes of the spread of

HIV/Aids, and the mine's peer educators presented a short play illustrating the risks to youth of sex without contraception.

STOP PRESS STOP PRESS

Blyvoor has won the Association of Mine Managers safety trophy for the ninth year in succession. Watch out for full details in the next issue of *Asikhulume*.

In Memoriam

With deep regret, we record the death of one employee of DRDGOLD SA in a mine-related accident during the December quarter.

Rock Drill Operator Nkosana Sikhafungana died on 22 November 2006 in the underground fire that took place at the 35-29 S2 Stope entrance at Blyvoor's Number 5 Shaft. Nkosana, who came from Lesotho, had 25 years' service with DRDGOLD SA. Our sincere condolences go to his wife and family.

Blyvoor flies the flag

In a major tribute to the passion and commitment with which the people of Blyvoor approach safety, the mine has won the Department of Minerals and Energy safety flag. The competition, for ultra deep gold and platinum mines, is based on reduction in lost shifts and serious injuries (causing absence for 14 shifts or more) over a three-year period. Blyvoor's award is for the period 1 July 2003 to 30 June 2006.

"This is the second time Blyvoor has won the award," says Chief Safety Officer Willie Nelson proudly. "We last won in 1995."

Statistics speak for themselves. "Over the previous three-year period we had 16 fatalities, compared with five in the period under review," says Willie. "Any fatality is unacceptable, but we are moving in the right direction. Our fatality rate decreased from 0.6 to 0.12, and our reportable injury rate from 3.92 to 2.43." (Rates refer to the number of events per million man hours.)

The DME safety flag will fly over Blyvoor for one year, from 25 January 2007 to 25 January 2008.

Speaking at the function held on 25 January at Blyvoor to celebrate the award, DRDGOLD SA Chairman Mark Wellesley-Wood called for a minute's silence in tribute to the five mineworkers who lost their lives in the three-year period. Mark paid tribute to former and current General Managers (Mark Munroe and Collie Russouw), and to Willie, for their unflinching leadership and commitment to safety. "Blyvoor is an old mine, and clearly demonstrates the point that old mines do not have to be unsafe," he said. "The first three lines of Blyvoor's safety policy, I am convinced, have been the key to Blyvoor's success: have a high regard for the dignity of people; treat people fairly and honestly; and be confident in your approach, sincere and consistent with commitment."

Collie Russouw accepted the flag, on behalf of Blyvoor, from Acting Chief Inspector of Mines Jacques Erasmus.

Maikemisetso a Blyvoor a ho ba le polokeho a etswe hloko ka kgau ya Lefapha la Diminerale le Eneji ya folokga ya polokeho. Merafo yohle ya Afrika Borwa ya gauta le platinamo e hlodisana bakeng sa kgau ena, e theilweng hodima phokotseho ya ho lahlehelwa ke ditjhifi le dikotsi tse mpe nakong ya dilemo tse tharo. Kgau ya Blyvoor e kenyetsetsa nako ya ho toha ka Phupu (July) 2003 ho ya ho Phupjane (June) 2006. Ha ho bapiswa le dilemo tse tharo tse fetileng, sekgahla sa kotsi tse mpe haholo, Blyvoor se ile sa theoha haholo ho toha ho 0.6 ho ya ho 0.12, le nako ya bona e lahlehileng ka baka la kotsi tse hlahang ho toha ho 3.92 ho ya ho 2.43. Ha a ne a bua moketjaneng o neng o tshwerwe morafong ka la 25 Pherekong (January) ho keteka kgau ena, Modulasetulo wa DRDGOLD SA e leng Mark Wellesley-Wood o itse: "Blyvoor ke morafa wa kgale, mme o bontshitse ntlha ya hore merafo ya kgale ha ho hlokehe hore e se ke ya bolokeha."



SAFETY REPORT

We begin this issue with the concluding extract of *A Mining Prayer*, written by a DRDGOLD SA employee.

Lord, we ask for Your help.

Each day we go deep into the bowels of the earth,

into a place where Your sun does not shine nor Your rain fall

We go there to provide for our loved ones, an honest living of which we can be proud

But Lord, we ask for Your blessings upon us as we carry out these tasks

We ask You to bless our health so we can

continue to perform our work

In the name of Your son, Jesus – Amen

Blyvoor, despite the tragic fatality recorded during the quarter (see In Memoriam) reported significant improvements in both Lost Time and Reportable Injury Rates.

"Blyvoor's LTIFR dropped by 48% to 6.28 compared with the previous quarter," says Group Safety Co-ordinator Phillip Watters. "The Reportable Injury rate dropped by 45%, from 6.55 to 3.01 quarter on quarter."

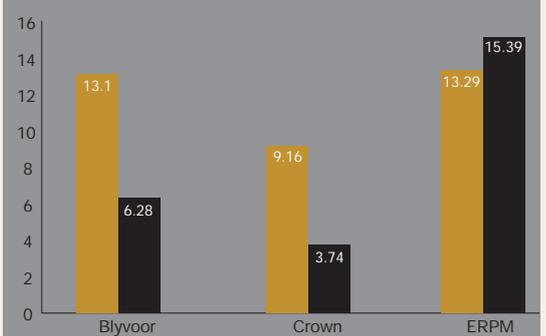
ERPM showed a slight improvement in the RIFR, but a slight regression in the LTIFR. At Crown, the LTIFR improved significantly while the RIFR increased from 1.14 to 1.26.

Falls of round remain the most common cause of accidents, with

gravity and seismic falls of ground together accounting for 45% of reportable injuries during the quarter. "This has, however, reduced from 54% in the last quarter, showing our BEFORE YOU WORK campaign, with its focus on making workplaces safe before work begins, is having an effect," says Phillip.

The BEFORE YOU WORK campaign has been implemented at both Blyvoor and ERPM. Phillip also reports that industrial theatre is being used successfully at Blyvoor to communicate safety issues. The programme is run in-house, and employees from the different sections perform the play at safety meetings.

LTIFR September and December quarters (rates per million man hours)





Clockwise from the back: Justice Ndlangamandla, Jan Mogapi, Isaac Mokoti, City Mashego, Vincent Mndaweni and Titus Khoza have embarked on a 24-month learnership, comprising theoretical training and on-the-job experience.

Meet Crown's learners

As reported in the last issue of *Asikhulume*, a major drive to foster talent is under way in DRDGOLD SA, and two groups of learners – from Blyvoor and ERPM – have started their theoretical training at the Gold Fields Academy near Careltonville.

Crown's selection process is now also complete,

and the six successful candidates from a short list of 12 started their studies in January.

After a period of exposure to various disciplines, to identify each learner's skills and aptitudes, their specific training programmes will be finalised.

ERPM plans ahead

A major project to split the main conveyor in the decline shaft at ERPM's Far East Vertical (FEV) Shaft has been re-scheduled for the Easter break.

"The belt carries 70% of our ore, so it is a major constraint: if it snaps, we face a major disruption to the mine's output," says General Manager Manny da Silva. "An extensive planned maintenance programme is in place, involving monitoring all the splices in the belt over two hours before each shift, but the risk is still unacceptably high. To counter this, we decided to split the belt into two. This would reduce wear and tear, as each section – 1 200 metres from pulley to pulley – would carry a reduced load."

Another advantage will be that significant cost savings – of the

order of R100/metre – will be achieved by using a cheaper grade of belt, adequate for the new, smaller load.

Ho rerilwe projeke e kgolo mona ERPM e tla arola conveyor e ka sehloohong e tjhafong e theosang ka Far East Vertical (FEV) shaft. Ho arola lebanta lena karolo tse pedi ho tla fokotsa haholo ho senyeha ha lona, ka ha karolo e nngwe le e nngwe jwale e tla rwala morwalo o fokoditsweng. Projeke ena e rerilwe ho etswa ka nako eo ho kgefutswang bakeng sa Paseka: mosebetsi o mong wa ho qala wa kaho o se o entswe, empa nako e lekanyeditsweng bakeng sa ho arolwa hoo ha lebanta e tla ba matsatsi a mahlano.



Congratulations!

On 20 December 2006, a number of production and development teams at ERPM were recognised for their achievement as best crews of the month. The development crew had achieved a 42-metre face advance, compared with a target of 35 metres, while the two production crews had beaten their 12-metre target by eight metres, achieving 20 metres face advance. "In my two years here, these are best results I have seen," said Mine Overseer Kaputt Pieterse.



One of the ERPM teams recognised on 20 December 2006.

DRDGOLD SA – December quarter

- DRDGOLD SA cash costs remain flat at US\$505/oz (R119 388/kg)
- DRDGOLD SA records a profit for the second consecutive quarter
- Prospecting right for ERPM extension 2 granted
- R10.5 million project approved for reclamation of 3L2 slimes dam at Crown
- Crown's application for mining right over Top Star dump lodged with DME on 1 February

Doors to literacy open at ERPM

"I grabbed the opportunity with two hands," says ABET facilitator and co-ordinator Elizabeth Esau, speaking of her role at the recently-opened ERPM ABET centre.

Elizabeth, who holds a teaching qualification from the Bonamelo College of Education in the Free State, previously worked as ERPM's receptionist. "After six years in the job, I was feeling demotivated and needing a new challenge, when Buti spoke to me about ABET." "Elizabeth has blossomed here," says HR Manager Buti Biloane proudly, who was instrumental in establishing the ABET centre in October 2006.

"Her role involves co-ordinating the curriculum and timetable, as well as learner and teacher assessment. All our ABET facilitators are ERPM employees: apart from Elizabeth, we have Busi Mveli, who used to teach at the Comet Primary School on the mine, now relocated to new

premises; Lawrence Vilakazi was previously a time and attendance clerk; and Thozama Ngakani worked in the transport department."

Lawrence and Thozama have qualified as ABET facilitators through the Gold Fields Academy (which has examination accreditation with the Mining Qualifications Authority) near Careltonville, and have registered for the ABET teaching diploma offered by Unisa.

The centre is accommodated in spacious premises in the old survey offices, next to the DRDGOLD SA regional office, which was once ERPM's main office.

"We have three full-time classes and two part-time," says Elizabeth, "giving a total of 43 learners. We offer classes from pre-ABET to ABET level 4, which equates to National Qualifications Framework (NQF) Level 1: this means that our learners can go on to enrol for

mining, engineering or metallurgical learnerships."

Targets for the centre, in terms of ERPM's Workplace Skills Plan, are to accommodate 120 full-time learners per year from 2007 to 2011. Full-time learners – who receive full pay while on the course – enrol subject to their head of department's permission to ensure production is not disrupted.

Employees who cannot be released for full-time study may enrol on a part-time basis.

Iziko le-ABET lase-ERPM lavula ngo-Oktobha 2006. Kukho abafundi abangama-43 abaseluqeqeshweni kungoku nje ezikweni, kwizifundo ezintathu ezisisigxina nezimbini zabafundi abafunda ngeentsuku ezithile. Izifundo zinikezelwa ukusuka kwezandulela i-ABET ukuya kwi-ABET yeqanaba lesi-4, into ethetha ukuba abafundi abaphumeleleyo banakho ukuqhubeka ngokubhalisela ukufunda umsebenzi wezemigodi, ubunjini okanye ubugcisa bokunyibilikisa isinyithi ngenkqubo zee-learnership. Bonke abaquzeleli be-ABET bangabasebenzi bakwa-

ERPM. Umququzeleli uElizabeth Esau, oyititshalakazi egqibeleleyo, owasakusebenza njengomamkeli weendwendwe ngaphambili; uBusi Mveli wasakuba ngutitshalakazi eComet Primary School; uLawrence Vilakazi noThozama Ngakani babesebenza kumacandelo exesha nobukho emsebenzini kunye nesebe lezothutho umntu ngamnye. ULawrence noThozama bafumene iziqinisekiso zokuba ngabaquzeleli be-ABET phantsi kwe-Gold Fields Academy (kufuphi neCareltonville), enikwe invume yovavanyo lwe-Mining Qualifications Authority.



"I have gained a lot of confidence in speaking and writing English, and I'm getting to grips with Maths," says learner Phumelele Dlamini, slope team member. One day I want to be a miner at ERPM." Phumelele is pictured with ABET co-ordinator Elizabeth Esau.

Teamwork at Crown



Effective teamwork at Knight's plant, one of the three operations that make up Crown Gold Recoveries, solved a potentially serious water shortage during December 2006.

Water for the Cason dump (owned by ERPM but treated by Knight's plant) is piped from the Angelo Dam near ERPM. There is no catchment from rainfall, and

the dam is fed entirely from treated water piped from underground at the high density sludge (HDS) pump station.

Towards the end of November, failures in the 400mm water pipeline, which returns water recovered from the slimes dam, caused the water level in Angelo Dam to drop significantly. "We could make use of

the old Ergo pipeline (from AngloGold Ashanti's now-closed metallurgical operation), but there was a 700 metre gap, where we had to lay an extra pipeline," says Strategic Business Unit Manager Danny Hitge.

On Thursday 7 December, the brief went out that it was, literally, all hands to the pump. "We asked

for volunteers, and the guys worked two 12-hour shifts round the clock," says Danny.

The team started laying the pipe on Friday, and the job was done by Tuesday 12 December, with help from ERPM who also sent volunteers.

"We're now using water that was previously being dumped from the

HDS station into the Elsburgspruit," says Danny, "and we're saving 6 000 cubic metres of water, equivalent to R25 000 per day. I'd like to thank all the guys who cancelled their leave to get the job done, and Manny da Silva and the team at ERPM for coming to the party – it's good to see we're getting away from the old 'miners against mud pumpers' culture."

Don't support it – report it!

DRDGOLD Ltd has introduced an independent whistleblowing service for the Group.

"This means that anyone – employees,

contractors, suppliers, or members of the public – has a safe and confidential channel through which they can report anything they believe is wrong – theft, fraud or abuse of company property," says Hannes Botes, Risk Manager DRDGOLD, Ltd.

In line with the practice of most major corporates, DRDGOLD is using an independent, outside provider for this service. "Tip-Offs Anonymous (TOA) is an

independently managed division of Deloitte, the major accounting firm," says Hannes. Active since 1999, they number more than 280 other major corporates among their clients, including Old Mutual, Sasol and AngloGold Ashanti. "The call centre may be contacted by

telephone or email: callers will be completely anonymous. Direct emails sent to TOA will pass through a server that will remove your identity before it is seen by anybody at TOA."

The call centre is open 24 hours per day, every day of the year: call centre staff are trained to ask the right questions, and can speak all South African languages.

The system was officially launched on 1 February. Daily reports are passed from the call centre to Hannes, who reviews, with CEO John Sayers, the more significant issues raised. Where call centre management believe an issue is sufficiently important, it can be routed directly to the Audit Committee Chairman Rob Hume.



Pictured from left to right: Wayne Swanepoel, Dean Lindecke, Charles Symons, Willie Bernhardt, Barry de Bloccq, Niel Pretorius (CEO and potential new member) Johan Meyer, Alwyn Hamman, Paul Housler, Hannes Botes.

Freewheeling to fitness

The DRDGOLD Cycling Club, formed in November 2006, is going from strength to strength, now numbering 15 members. A recent highlight was the club's participation in the 94.7 Pick 'n Pay Cycle Challenge on 19 November 2006. "Club members Alwyn Hamman, Wayne Swanepoel and Hannes Botes all put in very creditable times," says HR Manager Corporate Services, Barry de Bloccq (who also completed the race.) "Alwyn managed the 97 km race in an amazing 02:55 hrs, chasing his wife who managed an even more impressive 02:44 hrs!" Any keen cyclists out there are welcome to contact Barry (011 219 8716) for further details.



500 years at Crown: 20 employees celebrated 25 years at Crown on 27 October 2006.

Crown honours long service

At a well-attended function at the Crown Recreation Club on 27 October 2006, 20 loyal employees were honoured for having achieved 25 years' service with the company. General Manager Henry Gouws thanked all recipients for their loyalty, hard work and commitment.

APPOINTMENTS



Themba Gwebu was appointed Group Legal Counsel, Company Secretary and Compliance Officer, DRDGOLD Ltd, on 1 January 2007.



Kevin Hall was appointed Head of Procurement, DRDGOLD SA, on 1 November 2006.

Can you help?

René de Witt, daughter of Pieter de Witt of the Blyvoor metallurgical plant, is six years old and was born profoundly deaf. She needs a cochlear implant – ideally this year to give her a good start at school. Medical aid covers hospital costs only, and Pieter is collecting money to help pay the balance of costs.

If anyone would like to help, funds can be deposited in account No 9169721497, Absa Bank, in the name of R de Witt.



Pieter de Witt