

CONDENSED CONSOLIDATED REVIEWED PROVISIONAL RESULTS

for the year ended 30 June 2021
and cash dividend declaration

Mine. Enhance. Sustain.

HIGHLIGHTS

Gold production increase by 6% to 5 723 kilograms	Operating profit increase by 39% to R2 170.7 million	All-in sustaining costs margin of 31.8%	Final cash dividend of 40 SA cps	Headline earnings of R1 439.8 million
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REVIEW OF OPERATIONS

		Year ended 30 June 2021	Year ended 30 June 2020	% change ¹
Gold production	kg	5 723	5 424	6
	oz	183 999	174 385	6
Gold sold	kg	5 734	5 437	5
	oz	184 352	174 804	5
Cash operating costs	R per kg	540 338	482 417	12
	US\$ per oz	1 091	958	14
All-in sustaining costs	R per kg	626 247	541 475	16
	US\$ per oz	1 265	1 075	18
Average gold price received	R per kg	917 996	768 675	19
	US\$ per oz	1 854	1 527	21
Operating profit	R million	2 170.7	1 562.1	39
Operating margin	%	41.2	37.3	10
All-in sustaining costs margin	%	31.8	29.7	7
Headline earnings	R million	1 439.8	634.5	127
	SA cents per share ("cps")	168.4	82.4	104

¹ Percentage change is rounded to the nearest percent and is based on the amounts as presented, which are rounded to the nearest hundred thousand Rand. Rounding of figures may result in computational discrepancies.

SHAREHOLDER INFORMATION

DRDGOLD Limited

(Incorporated in the Republic of South Africa)

Registration No. 1895/000926/06

JSE share code: DRD

NYSE trading symbol: DRD

ISIN: ZAE 000058723

("DRDGOLD" or the "Company" or the "Group")

Issued capital

864 588 711 ordinary no par value shares (30 June 2020: 864 588 711)

9 474 920 treasury shares held within the Group (30 June 2020: 9 474 920)

5 000 000 cumulative preference shares (30 June 2020: 5 000 000)

Price of stock traded	JSE (R)	NYSE (US\$) ¹
• 12-month intra-day high	29.50	1.81
• 12-month intra-day low	13.01	0.87
• Close	14.93	1.09

¹ This data represents per share data and not American Depository Receipt ("ADR") data: one ADR reflects 10 ordinary shares

Market capitalisation	Rm	US\$m
As at 30 June 2021	12 908	942
As at 30 June 2020	23 301	1 365

RESULTS

The condensed consolidated financial statements of DRDGOLD for the year ended 30 June 2021 are available on DRDGOLD's website as well as at the Company's registered office.

FOR FURTHER INFORMATION

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South Africa

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South Africa

DIRECTORS (*British) (*Independent)
(*Lead Independent)

Executive directors

DJ Pretorius
(Chief Executive Officer)
AJ Davel (Chief Financial Officer)

Non-executive directors

GC Campbell*[#]
(Non-executive Chairman)
EA Jeneker[^]
JA Holtzhausen[#]

TVBN Mnyango[#]

JJ Nel[#]

P Lebina[#]

TJ Cumming

C Flemming[#]

Company Secretary

E Beukes

Sponsor

One Capital

FORWARD LOOKING STATEMENTS

Many factors could cause the 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, adverse changes or uncertainties in general economic conditions in the markets we serve, a drop in the gold price, a sustained strengthening of the Rand against the Dollar, regulatory developments adverse to DRDGOLD or difficulties in maintaining necessary licenses or other governmental approvals, changes in DRDGOLD's competitive position, changes in business strategy, any major disruption in production at key facilities or adverse changes in foreign exchange rates.

These risks include, without limitation, those described in the section entitled "Risk Factors" included in our annual report for the fiscal year ended 30 June 2020, which we filed with the United States Securities and Exchange Commission on 29 October 2020 on Form 20-F. You should not place undue reliance on these forward-looking statements, which speak only as of the date thereof. We do not undertake any obligation to publicly update or revise these forward-looking statements to reflect events or circumstances after the date of this report or to the occurrence of unanticipated events. Any forward-looking statements and financial information included in this announcement have not been reviewed and reported on by DRDGOLD's auditors.

DEAR SHAREHOLDERS

YEAR ENDED 30 JUNE 2021 VS YEAR ENDED 30 JUNE 2020

OVERVIEW

It is very pleasing to report that DRDGOLD recorded an outstanding performance on all fronts in the 2021 financial year, notwithstanding the fact that we continued to work the full 12 months in the continuing shadow of the COVID-19 pandemic. It is to the credit of our employees, contractors, suppliers and other stakeholders that we were able to do so safely, in compliance with rigorous, restrictive but absolutely necessary COVID-19 precautions.

We came within striking distance (99%) of achieving the upper limit of our production guidance of 185 000oz and exceeded our cash operating cost guidance of R535 000/kg by just 1%.

Year-on-year, we increased production by treating more material and, as a consequence, cleared more land for rehabilitation and sustainable land use, delivering on our promise to help reverse the environmental impacts of mining.

By producing and selling more gold at a substantially higher average Rand gold price and containing working cost increases reasonably well, we recorded a much higher operating profit.

We were thus able to continue to deliver handsomely into our environmental, social, and governance obligations, and to declare a final dividend of 40 cents per share. This is our 14th consecutive financial year of the Company declaring dividends.

Importantly, with a view to the future, we were also able to initiate – and in some cases complete – important capital projects at both of our operations. All of these are intended to help us do more of what we do, better. We have begun, and will continue in the months ahead, to report regularly to stakeholders on our various improvement initiatives.

A detailed breakdown of our operating and financial performance, with year-on-year comparisons appears below.

OPERATIONAL REVIEW

Gold production for the Group as a whole rose by 6% to 5 723kg and gold sold by 5% to 5 734kg. The increase in production reflected an 11% increase in throughput to 29.1Mt. The average yield was down 4% to 0.197g/t.

Group cash operating unit costs were 12% higher at R540 338/kg. The key drivers of the increase in cash operating unit costs were the decrease in yield at Ergo, a 15% tariff increase by power utility, Eskom, which came into effect in April 2021 and the first full year of milling at FWGR.

Group all-in sustaining cash unit costs ("AISC") were 16% higher at R626 247/kg, reflective mainly of the increase in cash operating unit costs as well as significant sustaining capital project expenditure at both operations.

Ergo Mining Proprietary Limited ("Ergo")

Gold production was 7% higher at 4 263kg due to a 13% rise in throughput to 23.0Mt. Ergo's average yield was down 6% to 0.186g/t.

Cash operating unit costs were 11% higher at R629 585/kg mainly due to the 6% decrease in yield and a 15% tariff increase by power utility, Eskom, which came into effect in April 2021.

AISC rose by 15% to R704 503/kg reflective mainly of the increase in cash operating unit costs as well as significant sustaining capital project expenditure which included:

- Previously reported infrastructure development for reclamation of the 4L25 dump
- Upgrading of the Brakpan plant's carbon in leach circuit to provide more capacity and achieve better efficiencies
- The installation of a third regeneration kiln, both for additional carbon regeneration capacity to manage the planned higher plant throughput and as back-up for the two existing kilns
- Improved tailings deposition

More information about the latter three projects will be provided in due course.

Far West Gold Recoveries Proprietary Limited ("FWGR")

Gold production at FWGR was 2% higher at 1 460kg due to a 2% increase in throughput to 6.2Mt. The operation's average yield was unchanged at 0.237g/t.

Cash operating unit costs were 13% higher at R276 174/kg mainly due to FY2021 being the operation's first full year of milling.

AISC were 26% higher at R377 210/kg reflective mainly of the increase in cash operating unit costs as well as significant sustaining capital project expenditure. Key projects included the previously reported installation of a copper elution circuit and a closed milling circuit, about which more will be reported shortly.

FINANCIAL REVIEW

Group revenue rose by 26% to R5.3 billion due to the afore-mentioned rise in gold production and sales, and the 19% increase in the average Rand gold price received to R917 996/kg.

Group operating profit increased by 39% to R2.2 billion, after accounting for cash operating costs, 17% higher at R3.1 billion.

The Group's operating margin increased to 41.2% (FY2020: 37.3%).

Headline earnings were 127% higher at R1.4 billion (168.4 SA cents per share).

Cash and cash equivalents, after paying a final and interim cash dividend of R641 million, were R2.2 billion (FY2020: R1.7 billion). At year-end, the Company remained debt-free.

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

For the year under review the Group spent, in total, R105 million on environmental activities. This included an amount of R97.5 million spent at Ergo and R7.5 million at FWGR. 95ha was vegetated on Ergo's Tailings Storage Facilities ("TSFs") comprising 69ha on Brakpan TSF, 20ha on Daggafontein TSF and 6ha on the Crown Complex. 20ha was vegetated on FWGR's TSF comprising 19ha on Driefontein 4 TSF and 1ha concurrent vegetation on Driefontein No 5 dump.

For Ergo, some 1 230 dust samples were analysed for exceedance during the year, compared to 1 203 in the prior year. Two exceedances were detected (0.2% of sample) compared to three in FY2020. 250 dust samples were analysed for exceedance for FWGR and two exceedances were detected (0.8%) compared to 349 dust samples analysed and five exceedances in FY2020. The Group recorded a 12% increase in the use of externally sourced potable water from 2 659ML in FY2020 to 2 968ML. Ergo's use was 2 813ML and FWGR, 155ML. Ergo consumed 13% more externally sourced potable water at its operations than in FY2020 due to less process water being pumped to City Deep from the central water facility while consumption at FWGR decreased slightly from 162ML to 155ML.

In 2021, women in mining remained unchanged at 23% of the Group's total staff. 72% of employees in managerial and supervisory positions are historically disadvantaged South Africans (HDSAs) compared to 73% in FY2020. Some 736 individual training courses took place at a total cost to company of R12.0 million, compared with 1 245 at a total cost to company of R11.5 million in FY2020. Socio-economic development spend was R48.9 million compared with R32.5 million in FY2020. There was increased spend on the learnerships, the Broad-Based Livelihoods Programme and the bursary programme.

At Ergo, about 576 COVID-19 tests were conducted during the year with 142 (25%) showing a positive result. Two employees succumbed to the virus.

At FWGR, 176 COVID-19 tests were conducted, with 34 showing positive cases (19%). One employee succumbed to the virus. Two positive COVID-19 cases were detected at the corporate office.

DIVIDEND

The DRDGOLD board of directors ("**Board**") has declared a final cash dividend of 40 cps for the year ended 30 June 2021 as follows:

- The dividend has been declared out of income reserves
- The local Dividend Withholding Tax rate is 20% (twenty percent)
- The gross local dividend amount is 40 SA cents per ordinary share for shareholders exempt from Dividend Withholding Tax
- The net local dividend amount is 32 SA cents per ordinary share for shareholders liable to pay Dividend Withholding Tax
- DRDGOLD currently has 864 588 711 ordinary shares in issue (which includes 9 474 920 treasury shares)
- DRDGOLD's income tax reference number is 9160/013/60/4

In compliance with the requirements of Strate Proprietary Limited ("**Strate**") and the JSE Limited Listings Requirements ("**Listings Requirements**"), given the Company's primary listing on the exchange operated by the JSE Limited ("**JSE**"), the salient dates for payment of the dividend are as follows:

- Last date to trade in ordinary shares *cum*-dividend: Monday, 20 September 2021
- Ordinary shares trade *ex*-dividend: Tuesday, 21 September 2021
- Record date: Thursday, 23 September 2021
- Payment date: 27 September 2021

On payment date, dividends due to holders of certificated securities on the SA share register will either be electronically transferred to such shareholders' bank accounts or, in the absence of suitable mandates, dividends will be held in escrow by the Company until suitable mandates are received to electronically transfer dividends to such shareholders.

Dividends in respect of dematerialised shareholdings will be credited to such shareholders' accounts with the relevant Central Securities Depository Participant ("**CSDP**") or broker.

To comply with the further requirements of Strate, between Monday, 20 September 2021 and Thursday, 23 September 2021, both days inclusive, no transfers between the SA share register and any other share register will be permitted and no ordinary shares pertaining to the SA share register may be dematerialised or rematerialised.

The currency conversion date for the Australian and United Kingdom share registers will be Monday, 27 September 2021.

The holders of ADRs should confirm dividend details with the depository bank.

Assuming an exchange rate of R15.00/\$1, the dividend payable on an ADR is equivalent to 21 United States ("**US**") cents for ADR holders liable to pay dividend withholding tax. However, the actual rate of payment will depend on the exchange rate on the date for currency conversion.

CHANGES TO THE BOARD OF DIRECTORS AND THE NOMINATIONS COMMITTEE

Mr Geoffrey Campbell, independent non-executive chairman of the Board, has advised the Company that he does not intend to make himself available for re-election as a member of the Board when his current contract expires on 30 November 2021.

Mr Timothy Cumming, a non-executive director of the Company, will replace Mr Campbell as chairman of the Board and the nominations committee with effect from 1 December 2021.

Ms Thoko Myango, an independent non-executive director of the Company, was appointed to the nominations committee with effect from 19 August 2021.

LOOKING AHEAD

South Africa has some way to go to achieve COVID-19 vaccination levels that will assure us of an acceptable degree of herd immunity to known variants of the disease and of course, information about new variants continues to emerge.

With the rest of the country's mining industry, we are encouraging our employees, their families and the communities where they live to be vaccinated and are facilitating the process in co-operation with the relevant health authorities.

The pandemic continues, for now, to present uncertainties and risks, with a fourth wave predicted to impact South Africa towards the end of calendar 2021. It goes without saying that strict observance of all the key COVID-19 preventative measures will have to continue to be applied in all our workplaces.

As I have already noted, our Human Capital has shown its mettle in FY2021 notwithstanding the continuing risk posed by the pandemic. We are well positioned in terms of this and, as discussed above, the five other capitals that drive us – Financial, Manufacturing and intellectual, Social and Natural – for the year ahead.

The global economy is transitioning rapidly into environmentally responsible energy generation, heralding the start of a potentially extended cycle for metals used in the generation and storage of green energy. Our primary shareholder, Sibanye-Stillwater, has firmly joined this race. We are aligning ourselves with the strategy of Sibanye-Stillwater and will, in addition to our ongoing commitment to rolling back the environmental legacy of mining through tailings recycling and land restoration, seek to join this race and play our part in the production of these metals from tailings dams and current arisings.

This year, because of marginally lower expected yield, we guide production for FY2022 in a range slightly lower than FY2021, of between 160 000 and 180 000 ounces, with volume throughput still the primary determining factor. We guide cash operating costs at approximately R600 000/kg and expect a capital investment of approximately R600 million.

Niël Pretorius

Chief Executive Officer

25 August 2021

CONDENSED CONSOLIDATED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 30 Jun 2021 Rm Reviewed	Year ended 30 Jun 2020 Rm Audited
	Notes		
Revenue		5 269.0	4 185.0
Cost of sales		(3 388.2)	(2 937.9)
Gross profit from operating activities		1 880.8	1 247.1
Other income		0.1	0.7
Administration expenses and other costs	2	(64.0)	(309.9)
Results from operating activities		1 816.9	937.9
Finance income		216.2	109.8
Finance expenses		(69.5)	(68.8)
Profit before tax		1 963.6	978.9
Income tax		(523.7)	(343.9)
Profit for the year		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	6,8	(34.4)	190.6
Total other comprehensive income for the year		(34.4)	190.6
Total comprehensive income for the year		1 405.5	825.6
Basic earnings per share ¹	4	168.4	82.5
Diluted basic earnings per share ¹	4	167.2	81.0

¹ All per share financial information is presented in South African cents per share (cps) and is rounded to the nearest one decimal point based on the results as presented, which are rounded to the nearest million Rand.

These condensed consolidated financial statements for the year ended 30 June 2021 were reviewed by DRDGOLD's auditors and have been prepared under the supervision of DRDGOLD's Chief Financial Officer, Mr AJ Davel CA(SA). The condensed consolidated financial statements were authorised by the directors on 19 August 2021 for issue on 25 August 2021.

**CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION**

	Notes	As at 30 Jun 2021 Rm Reviewed	As at 30 Jun 2020 Rm Audited
Assets			
Non-current assets		3 675.3	3 485.4
Property, plant and equipment		2 809.7	2 621.1
Investments in rehabilitation obligation funds		652.2	626.0
Payments made under protest		40.5	35.0
Other investments	6	167.1	195.3
Deferred tax assets		5.8	8.0
Current assets		2 672.7	2 189.8
Inventories		340.0	323.4
Tax receivables		8.6	4.9
Trade and other receivables		144.1	146.4
Cash and cash equivalents	7	2 180.0	1 715.1
Total assets		6 348.0	5 675.2
Equity and liabilities			
Equity		4 820.4	4 040.2
Non-current liabilities		996.1	889.1
Provision for environmental rehabilitation	5	570.8	568.9
Deferred tax liability	3	377.1	273.1
Employee benefits		10.3	10.1
Lease liabilities		37.9	37.0
Current liabilities		531.5	745.9
Trade and other payables		509.8	478.8
Employee benefits	2	–	227.6
Current portion of lease liabilities		16.9	10.1
Current tax liability		4.8	29.4
Total liabilities		1 527.6	1 635.0
Total equity and liabilities		6 348.0	5 675.2

**CONDENSED CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY**

	Notes	Year ended 30 Jun 2021 Rm Reviewed	Year ended 30 Jun 2020 Rm Audited
Balance at the beginning of the year		4 040.2	2 688.6
Total comprehensive income			
Profit for the year		1 439.9	635.0
Other comprehensive income	6	(34.4)	190.6
Transactions with the owners of the parent			
Issue of ordinary shares		–	1 085.6
Expenses incurred on issue of ordinary shares		–	(0.5)
Dividend on ordinary share capital		(641.3)	(565.1)
Equity-settled share-based payment		16.0	6.0
Balance at the end of the year		4 820.4	4 040.2

**CONDENSED CONSOLIDATED
STATEMENT OF CASH FLOWS**

	Notes	Year ended 30 Jun 2021 Rm Reviewed	Year ended 30 Jun 2020 Rm Audited
Net cash inflow from operating activities		1 573.4	1 128.9
Cash generated from operations		1 851.0	1 309.6
Finance income received		105.9	63.8
Dividends received	6	76.1	4.3
Finance expense paid		(7.5)	(8.7)
Income tax paid		(452.1)	(240.1)
Net cash outflow from investing activities		(446.6)	(202.5)
Acquisition of property, plant and equipment		(395.7)	(181.1)
Proceeds on disposal of property, plant and equipment		0.1	0.7
Environmental rehabilitation payments to reduce decommissioning liabilities		(51.0)	(22.1)
Net cash (outflow)/inflow from financing activities		(653.5)	509.2
Proceeds from the issue of shares		–	1 085.6
Share issue expenses		–	(0.5)
Dividends paid on ordinary shares		(640.9)	(564.5)
Initial fees incurred on facility		(1.0)	–
Repayment of lease liabilities		(11.6)	(11.4)
Net increase in cash and cash equivalents		473.3	1 435.6
Effect of exchange rate fluctuations on cash		(8.4)	–
Opening cash and cash equivalents		1 715.1	279.5
Closing cash and cash equivalents	7	2 180.0	1 715.1
Reconciliation of cash generated from operations			
Profit for the year		1 439.9	635.0
Adjusted for			
Income tax		523.7	343.9
Depreciation		252.5	270.8
Movement in gold in process		25.6	(3.1)
Change in estimate of environmental rehabilitation recognised in profit or loss	5	(12.4)	(21.9)
Environmental rehabilitation payments to reduce restoration liabilities		(5.8)	(8.1)
Gain on disposal of property, plant and equipment		(0.1)	(0.7)
Share-based payment (benefit)/expense	2	(28.3)	224.1
Finance income		(216.2)	(109.8)
Finance expense		69.5	68.8
Other non-cash items		(2.5)	2.6
Changes in		(194.9)	(92.0)
Trade and other receivables		6.9	(79.0)
Payments made under protest		(8.1)	(10.6)
Consumable stores and stockpiles		(44.7)	(26.4)
Trade and other payables and employee benefits		(149.0)	24.0
Cash generated from operations		1 851.0	1 309.6

The accompanying notes are an integral part of the condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed consolidated financial statements for the year ended 30 June 2021 are prepared in accordance with the requirements of the JSE Limited Listings Requirements ("Listings Requirements") for provisional reports and the requirements of the Companies Act of South Africa.

The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, at a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The accounting policies applied in the preparation of the condensed consolidated provisional financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements.

	Year ended 30 Jun 2021 Rm Reviewed	Year ended 30 Jun 2020 Rm Audited
2. ADMINISTRATION AND OTHER COSTS		
Included in Administration and other costs are:		
CASH-SETTLED SHARE-BASED PAYMENT (BENEFIT)/EXPENSE ("CLTI")	(44.3)	218.1
The benefit to profit or loss for the current year related to the share-based payment expense is mainly due to a decrease in the seven-day volume weighted average price ("VWAP") of the DRDGOLD share from R25.14 at 30 June 2020 to R18.62 at the settlement date of 5 November 2020. The CLTI scheme was fully settled on 5 November 2020.		
EQUITY-SETTLED SHARE-BASED PAYMENT EXPENSE	16.0	6.0
On 2 December 2019, the shareholders approved a new equity settled long-term incentive scheme to replace the CLTI established in November 2015.		
The first grant was made on 2 December 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. The second grant was made on 22 October 2020 and will vest on the 3rd anniversary.		
Share-based payment (benefit)/expense	(28.3)	224.1

3. DEFERRED TAX

DEFERRED TAX RATE ADJUSTMENT

Impact of the change in the forecast weighted tax rate:

Deferred tax is recognised using the gold 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: $Y = 34 - 170/X$ 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.

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 and FWGR has remained unchanged at 25% and 30%, respectively. Although forecasted capital expenditure for Ergo has increased, this was mitigated by the forecast gold price remaining at high levels. FWGR remains at the higher end of the gold mining tax formula, due to its relatively lower cost base and higher yields.

DEFERRED TAX LIABILITY

The deferred tax liability increased due mainly to the acquisition of property, plant and equipment that have been fully claimed as accelerated capital deductions for income tax. In addition, deferred tax assets have reduced due to accruals at 30 June 2020 being claimed during the year ended 30 June 2021.

	Year ended 30 Jun 2021 Rm Reviewed	Year ended 30 Jun 2020 Rm Audited
4. EARNINGS PER SHARE		
Reconciliation of headline earnings		
Profit for the year	1 439.9	635.0
Adjusted for:		
Gain on disposal of property, plant and equipment, net of tax	(0.1)	(0.5)
Headline earnings	1 439.8	634.5
Weighted average number of ordinary shares in issue adjusted for treasury shares	855 113 791	769 941 874
Diluted weighted average number of ordinary shares adjusted for treasury shares	861 049 006	783 689 559
Basic earnings per share ¹	168.4	82.5
Diluted basic earnings per share ¹	167.2	81.0
Headline earnings per share ¹	168.4	82.4
Diluted headline earnings per share ¹	167.2	81.0

¹ All per share financial information is presented in SA cps and is rounded to the nearest one decimal point based on the results which are rounded to the nearest million Rand.

5. PROVISION FOR ENVIRONMENTAL REHABILITATION

Balance at the beginning of the year	568.9	682.6
Unwinding of provision for environmental rehabilitation	44.7	52.0
Change in estimate of environmental rehabilitation recognised in profit or loss (a)	(12.4)	(21.9)
Change in estimate of environmental rehabilitation recognised to property, plant and equipment (b)	26.4	(113.6)
Environmental rehabilitation payments (c)	(56.8)	(30.2)
To reduce decommissioning liabilities	(51.0)	(22.1)
To reduce restoration liabilities	(5.8)	(8.1)
Balance at the end of the year	570.8	568.9

(a) **Change in estimate of environmental rehabilitation recognised in profit or loss**
This is as a result of changes in the estimated timing of the vegetation of reclamation sites.

(b) **Change in estimate of environmental rehabilitation recognised to property, plant and equipment**
Increase is as a result of an increase in contractor rates for the establishment of vegetation based on ongoing test work performed as well as inflationary increases on other contractor rates.

(c) **Environmental rehabilitation payments**

69ha of the Brakpan TSF, 20ha of the Daggafontein TSF, 6ha of the Crown Complex TSF, and 19ha of the Driefontein 4 TSF was vegetated during the year. 1ha of the Dam 5 tailings dam was concurrently vegetated.

6. INVESTMENT IN RAND REFINERY (PTY) LTD ("Rand Refinery")

The fair value of DRDGOLD's 11.3% interest in Rand Refinery at 30 June 2021 is estimated at R119.3 million (30 June 2020: R178.4 million). The investment is designated as an equity instrument at fair value through other comprehensive income. Majority of the value is driven by cash on hand and valuation of forecasted dividend income received from Prestige Bullion.

The enterprise value of the refining operations of Rand Refinery decreased as a result of a decrease in forecast gold prices, a decrease in budgeted production volumes, and an increase in budgeted operating costs of the refining operations of Rand Refinery.

The value of the forecasted dividends for Prestige Bullion decreased as a result of a decrease in the demand in Krugerrands and an increase in the discount rate applied to the forecasted dividends of Prestige Bullion.

The increase in the discount rate is as a result of adjusting the risk premium to account for increased volatility in demand for Krugerrands in the medium- to long-term.

6. INVESTMENT IN RAND REFINERY (PTY) LTD ("Rand Refinery") (continued)

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 in the current year. This method relies on the future budgeted cash flows as determined by Rand Refinery. Management used a model developed by an external expert to perform the valuation. The Rand Refinery 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 dividends received by Rand Refinery from Prestige Bullion were valued using a finite life dividend discount model as Rand Refinery's shareholding will be reduced to nil in 2032. The fair value measurement uses significant unobservable inputs and relates to a fair value hierarchy level 3 financial instrument.

	2021 Rm	2020 Rm
Reconciliation of investment in Rand Refinery:		
Balance at the beginning of the year	178.4	–
Fair value adjustment on equity investments at fair value through other comprehensive income	(59.1)	178.4
Balance at the end of the year	119.3	178.4
Dividends received	72.3	–

Key observable/unobservable inputs into the model include:

Rand Refinery refining operations

Average gold price ¹	R847 317/kg
Average silver price ¹	R11 751/kg
Average South African CPI ¹	4.4%
Terminal growth rate ²	4.4%
South African long-term government bond rate ¹	9.5%
Weighted average cost of capital ²	15.1%

Investment in Prestige Bullion

Discount period ²	12 years
Weighted average cost of equity ²	16.5%

¹ Observable input

² Unobservable input

Marketability and minority discounts (both unobservable inputs) of 16.5% and 17% were also applied respectively. The latest available long-term budget was used and is classified as an unobservable input into the models.

The fair value measurement is most sensitive to the Rand denominated gold price and volumes. The higher the gold price and volumes, the higher the fair value of the Rand Refinery investment. 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:

Sensitivity	Increase/ (Decrease)	% Change in OCI, net of tax
Rand Refinery refining operations		
Rand US Dollar exchange rate ¹	1%/(1%)	3.8%/(3.8%)
Commodity prices (Gold and silver) ¹	1%/(1%)	3.0%/(3.0%)
Volumes ²	1%/(1%)	2.6%/(2.6%)
Weighted average cost of capital ²	1%/(1%)	(0.3%)/0.3%
Minority discount ²	1%/(1%)	(1.2%)/1.2%
Marketability discount ²	1%/(1%)	(1.2%)/1.2%
Investment in Prestige Bullion		
Weighted average cost of equity ²	1%/(1%)	(1.5%)/1.5%
Prestige dividend forecast ²	1%/(1%)	0.4%/(0.4%)

¹ Observable input

² Unobservable input

Impact of the COVID-19 pandemic

The COVID-19 pandemic continues to have an impact on the gold market and budgeted cash flows of Rand Refinery and the assumptions as disclosed were adjusted with relevant information at the reporting date.

7. FINANCIAL RISK MANAGEMENT FRAMEWORK

Commodity price sensitivity

The Group's profitability and cash flows are primarily affected by changes in the market price of gold which is sold in US Dollars and then converted to Rand. In line with our long-term strategy of being an unhedged gold producer, we generally do not enter into gold sales forward contracts to reduce our exposure to market fluctuations in the US Dollar gold price or the exchange rate movements. 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 facilities to achieve price protection. No such facilities were entered into during the current reporting period.

Liquidity management

DRDGOLD ended the current reporting period with cash and cash equivalents of R2 180.0 million (30 June 2020: R1 715.1 million), with a revolving credit facility ("RCF") with ABSA Bank Limited of R200 million, available if needed. The Group remains free of bank debt as at 30 June 2021 (30 June 2020: Rnil). Liquidity is further enhanced by current high Rand gold price levels.

8. FAIR VALUES

The Group's assets that are measured at fair value at reporting date consist of equity instruments at fair value through other comprehensive income and are included in other investments in the statement of financial position. Of this line item, R43.5 million (30 June 2020: R12.0 million) relates to fair value hierarchy level 1 instruments. This balance increased due mainly to an increase in the share price of West Wits Mining Limited. R123.6 million (30 June 2020: R183.3 million) relates to fair value hierarchy level 3 instruments.

9. SUBSEQUENT EVENTS

There were no subsequent events between the reporting date of 30 June 2021 and the date of issue of these condensed consolidated financial statements other than included in the notes above and described below:

Dividend

On 25 August 2021, the Board declared a final cash dividend for the year ended 30 June 2021 of 40 SA cps, payable on Monday, 27 September 2021.

10. REVIEW OF THE INDEPENDENT AUDITOR

These condensed consolidated provisional financial statements for the year ended 30 June 2021 have been reviewed, in accordance with the Companies Act of South Africa and International Standard on Review Engagements (ISRE) 2410, by KPMG Inc. who expressed an unmodified review conclusion. The auditor's review report does not necessarily report on all of the information contained in these condensed consolidated provisional results. Shareholders are advised that, to obtain a full understanding of the nature of the auditor's review engagement, they should obtain a copy of the auditor's review report together with the accompanying financial information from the registered office of DRDGOLD.

11. OPERATING SEGMENTS

The following summary describes the operations in the Group's reportable operating segments:

- 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 operate as metallurgical plants and deposit residues on the Brakpan/Withok Tailings Storage Facility. The City Deep plant operates as a pump/milling station feeding the two metallurgical plants.
- FWGR is a surface gold retreatment operation and treats old slime dams in the West Rand goldfields. The operation comprises the Driefontein 2 plant and processes tailings from the Driefontein 5 slimes dam and deposits residues on the Driefontein 4 Tailings Storage Facility.

Corporate office and other reconciling items (collectively referred to as "Other reconciling items") are taken into consideration in the strategic decision-making process of the chief operating decision maker and are therefore included in the disclosure here, even though they do not earn revenue. This includes taking into consideration the Group's adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") for the purpose of the covenants imposed by the Company's RCF.

11. OPERATING SEGMENTS (continued)

	Year ended 30 Jun 2021 Reviewed				Year ended 30 Jun 2020 Audited			
	Ergo Rm	FWGR Rm	Corporate office and other reconciling items Rm	Total Rm	Ergo Rm	FWGR Rm	Corporate office and other reconciling items Rm	Total Rm
Revenue (external)	3 943.0	1 326.0	–	5 269.0	3 064.3	1 120.7	–	4 185.0
Cash operating costs	(2 666.5)	(406.2)	–	(3 072.7)	(2 274.0)	(352.0)	–	(2 626.0)
Movement in gold in process	(31.9)	6.3	–	(25.6)	1.8	1.3	–	3.1
Operating profit	1 244.6	926.1	–	2 170.7	792.1	770.0	–	1 562.1
Administration expenses and other costs	15.0	1.8	(80.8)	(64.0)	(131.6)	(20.7)	(157.6)	(309.9)
Interest income ¹	1.3	0.1	107.7	109.1	13.9	2.9	46.3 ³	63.1 ³
Dividends received	7.1	–	69.0	76.1	–	–	4.3 ³	4.3 ³
Interest expense ²	(4.2)	(0.3)	(12.9)	(17.4)	(5.2)	–	(4.5)	(9.7)
Current tax	(196.1)	(227.6)	–	(423.7)	(145.8)	(117.4)	–	(263.2)
Working profit/(loss) before additions to property, plant and equipment	1 067.7	700.1	83.0	1 850.8	523.4	634.8	(111.5)	1 046.7
Additions to property, plant and equipment	(251.0)	(143.3)	(1.5)	(395.8)	(114.4)	(68.0)	(0.3)	(182.7)
Working profit/(loss) after additions to property, plant and equipment	816.7	556.8	81.5	1 455.0	409.0	566.8	(111.8)	864.0

¹ Interest income excludes the unwinding of the payments made under protest

² Interest expense excludes the discount recognised on the initial recognition of the payments made under protest and unwinding of provision for environmental rehabilitation.

³ During 2021, the Group disaggregated "Interest income" into "Interest income" and "Dividends received" respectively to present material dividends received separately for all periods presented.

Reconciliation of profit/(loss) for the year to working profit/(loss) before additions to property, plant and equipment

Profit/(loss) for the year	751.7	528.8	159.4	1 439.9	297.1	424.9	(87.0)	635.0
Deferred tax	66.6	37.4	(4.0)	100.0	(6.6)	86.5	0.8	80.7
Other operating costs/(income) including care and maintenance costs	45.4	24.2	(68.1)	1.5	51.5	14.8	(24.5)	41.8
Ongoing rehabilitation expenditure	46.6	1.7	–	48.3	22.3	2.0	–	24.3
Discount recognised on payments made under protest including subsequent unwinding	2.6	–	–	2.6	3.2	–	–	3.2
Unwinding of provision for environmental rehabilitation	34.2	9.5	1.0	44.7	36.5	14.3	1.2	52.0
Growth in environmental rehabilitation trust funds and reimbursive right	(7.7)	(17.1)	(1.4)	(26.2)	(11.2)	(25.2)	(2.1)	(38.5)
Gain on disposal of property, plant and equipment	(0.1)	–	–	(0.1)	(0.7)	–	–	(0.7)
Change in estimate of environmental rehabilitation recognised in profit or loss	(7.2)	–	(5.2)	(12.4)	(19.1)	(2.1)	(0.7)	(21.9)
Depreciation	135.6	115.6	1.3	252.5	150.4	119.6	0.8	270.8
Working profit/(loss) before additions to property, plant and equipment	1 067.7	700.1	83.0	1 850.8	523.4	634.8	(111.5)	1 046.7

Reconciliation of adjusted EBITDA

Profit for the year				1 439.9				635.0
Income tax				523.7				343.9
Profit before tax				1 963.6				978.9
Finance expense				69.5				68.8
Finance income				(216.2)				(109.8)
Results from operating activities				1 816.9				937.9
Depreciation				252.5				270.8
Share-based payment (benefit)/expense				(28.3)				224.1
Change in estimate of environmental rehabilitation recognised in profit or loss				(12.4)				(21.9)
Gain on disposal of property, plant and equipment				(0.1)				(0.7)
IFRS 16 lease payments ¹				(15.8)				–
Transaction costs				3.1				1.4
Adjusted EBITDA²				2 015.9				1 411.6

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

² 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 a substitute for, other measures of financial performance and liquidity.

	Year ended 30 Jun 2021 Unaudited				Year ended 30 Jun 2020 Unaudited			
	Ergo Rm	FWGR Rm	Corporate office and other reconciling items Rm	Total Rm	Ergo Rm	FWGR Rm	Corporate office and other reconciling items Rm	Total Rm
OPERATIONAL PERFORMANCE								
Ore milled (000t)	22 952	6 159	–	29 111	20 228	6 052	–	26 280
Yield (g/t)	0.186	0.237	–	0.197	0.197	0.237	–	0.206
Cash operating costs								
(R/t)	116	66	–	106	112	58	–	100
(US\$/t)	8	4	–	7	7	4	–	6
Gold produced (kg)	4 263	1 460	–	5 723	3 989	1 435	–	5 424
Gold sold (kg)	4 286	1 448	–	5 734	3 997	1 440	–	5 437
Reconciliation of All-in sustaining costs (All amounts presented in R million unless otherwise indicated)								
Cash operating costs	(2 666.5)	(406.2)	–	(3 072.7)	(2 274.0)	(352.0)	–	(2 626.0)
Movement in gold in process	(31.9)	6.3	–	(25.6)	1.8	1.3	–	3.1
Administration expenses and other costs (sustaining)	(8.0)	(1.8)	(99.9)	(109.7)	(5.6)	(1.0)	(89.5)	(96.1)
Other operating (costs)/income excluding care and maintenance costs	(45.4)	(24.2)	72.0	2.4	(51.5)	(14.8)	35.6	(30.7)
Change in estimate of environmental rehabilitation recognised in profit or loss	7.2	–	5.2	12.4	19.1	2.1	0.7	21.9
Unwinding of provision for environmental rehabilitation	(34.2)	(9.5)	(1.0)	(44.7)	(36.5)	(14.3)	(1.2)	(52.0)
Capital expenditure (sustaining)	(240.7)	(110.8)	(1.5)	(353.0)	(110.9)	(53.0)	(0.3)	(164.2)
All-in sustaining costs	(3 019.5)	(546.2)	(25.2)	(3 590.9)	(2 457.6)	(431.7)	(54.7)	(2 944.0)
Care and maintenance costs	–	–	(3.9)	(3.9)	–	–	(11.1)	(11.1)
Ongoing rehabilitation expenditure	(46.6)	(1.7)	–	(48.3)	(22.3)	(2.0)	–	(24.3)
Administration expenses and general costs (non-sustaining)	–	–	(3.1)	(3.1)	–	–	(1.4)	(1.4)
Capital expenditure (non-sustaining)	(10.2)	(32.5)	–	(42.7)	(3.5)	(15.0)	–	(18.5)
All-in costs	(3 076.3)	(580.4)	(32.2)	(3 688.9)	(2 483.4)	(448.7)	(67.2)	(2 999.3)
Cash operating costs R/kg	629 585	276 174	–	540 338	568 476	243 542	–	482 417
Cash operating costs US\$/oz	1 272	558	–	1 091	1 129	484	–	958
All-in sustaining costs ¹ R/kg	704 503	377 210	–	626 247	614 861	299 792	–	541 475
All-in sustaining costs ¹ US\$/oz	1 423	762	–	1 265	1 221	595	–	1 075
All-in costs ¹ R/kg	717 755	400 829	–	643 338	621 316	311 597	–	551 646
All-in costs ¹ US\$/oz	1 450	810	–	1 299	1 274	639	–	1 131

¹ All-in sustaining costs and All-in cost definitions are based on the guidance note on non-GAAP Metrics issued by the World Gold Council on 27 June 2013.

Additional evaluation drilling on Daggafontein TSF resulted in the reclassification of 1.49Moz (192.8Mt @ 0.24g/t) of Inferred Mineral Resources to Indicated Mineral Resources.

There have been no other material changes to the technical information relating to, *inter alia*, the Group's Mineral Reserves and Mineral Resources, legal title to its mining and prospecting rights and legal proceedings relating to its mining and exploration activities as disclosed in DRDGOLD's annual report for the year ended 30 June 2020.

The technical information referred to in this report is in accordance with the SAMREC Code and has been reviewed by Messrs Mpariseni Mudau (SACNASP), Vaughn Duke (ECSA) and Professor Steven Rupprecht (SAIMM). All are independent contractors of DRDGOLD. They approved this information in writing before the publication of the report.