

OPERATIONAL PERFORMANCE CONTINUED

SOUTH AFRICA – UNDERGROUND OPERATIONS

Doornkop

		FY20	FY19	FY18
Number of employees				
– Permanent		3 249	3 133	3 073
– Contractors		585	751	669
Total		3 924	3 884	3 742
Operational				
Volumes milled	(000t) (metric)	681	730	696
	(000t) (imperial)	750	805	767
Gold produced	(kg)	2 994	3 273	3 429
	(oz)	96 259	105 229	110 245
Gold sold	(kg)	3 038	3 255	3 404
	(oz)	97 673	104 650	109 440
Grade	(g/t)	4.40	4.48	4.93
	(oz/t)	0.128	0.131	0.144
Productivity	(g/TEC)	74.83	85.07	94.97
Development results				
– Total metres		6 042	8 834	9 595
– Reef metres		1 474	1 621	1 478
– Capital metres		315	497	806
Financial				
Revenue	(Rm)	2 270	1 931	1 958
	(US\$m)	145	136	152
Average gold price received	(R/kg)	747 282	593 301	575 077
	(US\$/oz)	1 484	1 302	1 392
Cash operating cost	(Rm)	1 699	1 593	1 418
	(US\$m)	109	112	110
Production profit	(Rm)	540	367	547
	(US\$m)	35	26	43
Capital expenditure	(Rm)	281	308	274
	(US\$m)	18	22	21
Operating free cash flow ¹	(Rm)	290	30	266
	(US\$m)	19	2	21
Cash operating cost	(R/kg)	567 632	486 795	413 586
	(US\$/oz)	1 127	1 068	1 001
All-in sustaining cost	(R/kg)	649 041	572 132	508 065
	(US\$/oz)	1 289	1 255	1 230
Average exchange rate	(R/US\$)	15.66	14.18	12.85
Safety				
Number of fatalities		1	2	0
Lost-time injury frequency rate	per million hours worked	6.10	5.22	6.78
Environment				
Electricity consumption	(GWh)	204	212	193
Water consumption – primary activities	(ML)	² 665	266	344
Greenhouse gas emissions	(000t CO ₂ e)	217	193	199
Intensity data per tonne treated				
– energy		0.3	0.29	0.28
– water		0.98	0.36	0.49
– greenhouse gas emissions		0.32	0.26	0.27
Number of reportable environmental incidents		0	0	0
Community				
Local economic development ³	(Rm)	9	8	6
Training and development	(Rm)	41	46	47

¹ Operating free cash flow = revenue – cash operating cost – capital expenditure ± impact of run of mine (ROM) costs as per operating results

² Year on year decrease due to the installation of the 5ML recycling plant

³ Figures include R3 million spent on the local economic development projects

Doornkop CONTINUED

Other salient features

Status of operation	Mining takes place on the South Reef at this single-shaft operation
Life of mine	16 years
Nameplate hoisting capacity (per month)	103 000 tonnes (113 000 tons)
Compliance and certification	<ul style="list-style-type: none">• New order mining right – October 2008• ISO 14001• ISO 9001• OHSAS 18001• Cyanide code certified

Mineral Reserve estimates at 30 June 2020

	Proved			Probable			Total		
Reserves (metric)	Tonnes (Mt)	Grade (g/t)	Gold (000kg)	Tonnes (Mt)	Grade (g/t)	Gold (000kg)	Tonnes (Mt)	Grade (g/t)	Gold (000kg)
	5.2	5.33	28	4.6	5.03	23	9.8	5.19	51
Reserves (imperial)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)
	5.8	0.155	896	5.1	0.147	742	10.8	0.151	1 638

Overview of operations

Doornkop is a deep-level single-shaft operation located in Gauteng, approximately 30km west of Johannesburg, on the northern rim of the Witwatersrand Basin. While a mature operation, it still has a 16-year life of mine left.

The operation focuses on narrow-reef conventional mining of the South Reef gold-bearing conglomerate reef. Mining of this reef is undertaken to a depth of 2 219m below surface. Ore from the operation is processed at the Doornkop plant, which uses the carbon-in-pulp process to extract the gold.

Operating performance FY20

Regrettably, there was one fatality at the Doornkop plant in the first quarter, this after the operation recorded the first ever 4 million fatality-free shifts in 2018, which was the first to be recorded in the history of South African gold mining industry.

A 7% year on year decrease in volumes milled to 681 000 tonnes as well as the decline in underground recovered grade to 4.40g/t resulted in a 9% decline in gold production to 2 994kg (96 259oz) in FY20. The decline in production was on account of the Covid-19 pandemic and national lockdown imposed on South Africa at the end of March. This was offset by the substantial 26% rise in gold price received to R747 282/kg, which facilitated an 18% increase in revenue to R2 270 million (FY19: R1 931 million).

Cash operating costs increased by 7% to R1 699 million mainly due to annual wages and Eskom electricity tariff increases. Capital expenditure decreased by 9% to R281 million mainly due to all expenditure being stopped during the national lockdown in April 2020 and the subsequent phased start-up of operations.

Outlook for FY21

Achieving planned development targets to enable the life-of-mine production build up and to enhance mining flexibility will remain the priorities for FY21. A focus on safety, development and disciplined mining will ensure that we achieve our production targets at this mine.