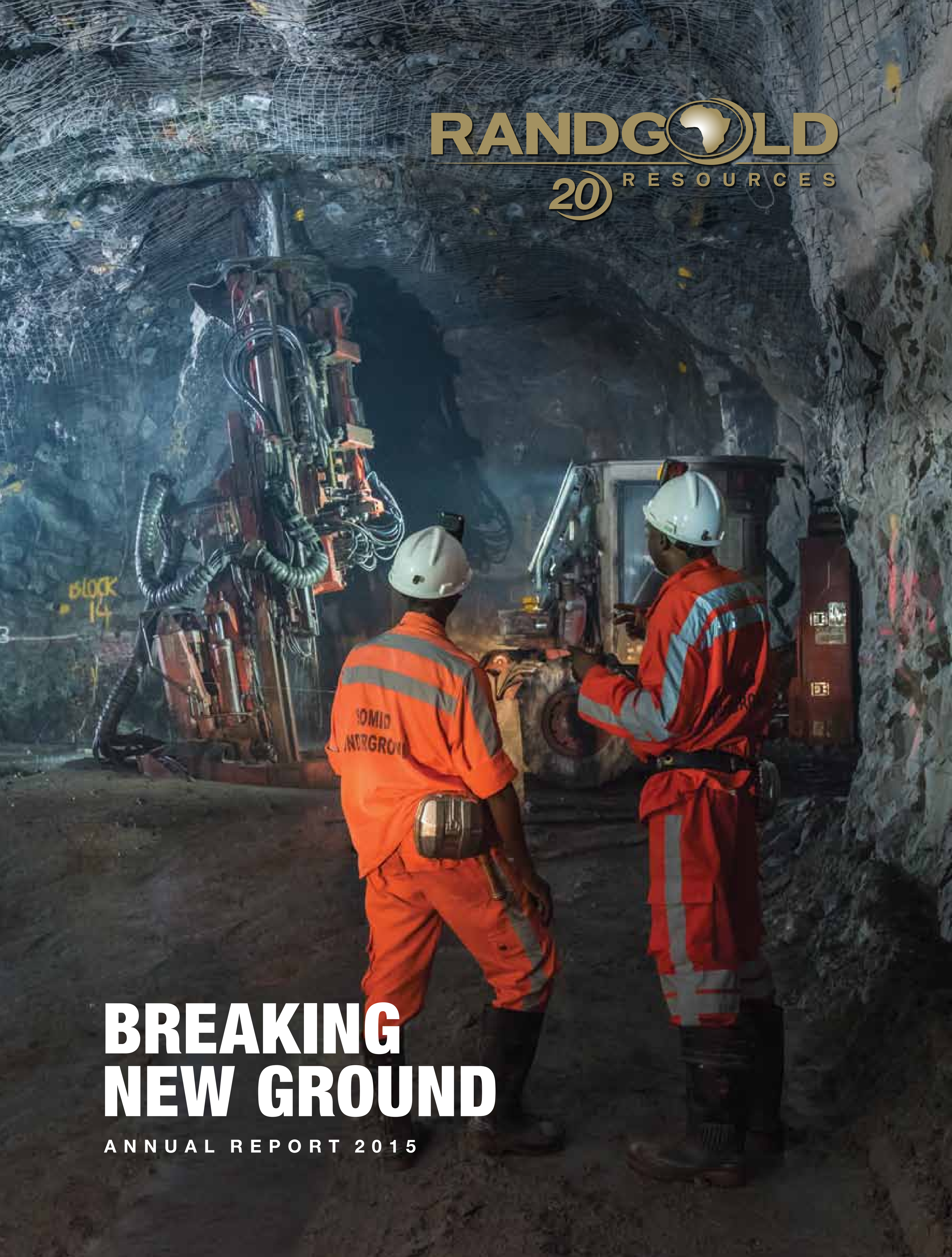
RANDGOLD RESOURCES 20



BREAKING NEW GROUND

ANNUAL REPORT 2015

Randgold Resources Limited is an **Africa focused gold mining and exploration company** with listings on the London Stock Exchange (RRS) and NASDAQ (GOLD).

Major discoveries to date include the 7.5Moz Morila deposit, the 7.2Moz Yalea deposit and the 5.9Moz Gounkoto deposit, in Mali, the 4.9Moz Tongon deposit in Côte d'Ivoire and the 3.7Moz Massawa deposit in eastern Senegal. Randgold Resources Limited (Randgold) financed and built the Morila mine which, since October 2000, has produced more than 6Moz of gold and distributed more than $2 billion to stakeholders. It also financed and built the Loulo operation which started as two open pit mines in November 2005. Since then, two underground mines have been developed at the Yalea and Gara deposits.

The company's Tongon mine in Côte d'Ivoire poured its first gold in November 2010.

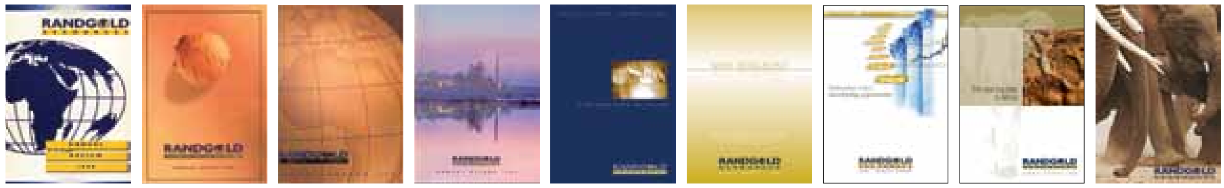
Production from the Gounkoto open pit operation, south of Loulo, began in 2011 and a recently completed feasibility study has confirmed the viability of an underground mine planned to start in 2018.

In 2009, Randgold acquired a 45% interest in the Kibali project in the Democratic Republic of Congo (DRC). Since the acquisition, Randgold's geologists have been instrumental in more than doubling the mine's ore reserves to 11Moz making it one of the largest gold deposits in Africa. The mine was developed and is being operated by Randgold. First gold was poured in the third quarter of 2013.

Randgold also has a major project at Massawa in Senegal and an extensive portfolio of organic growth prospects, supported by intensive exploration programmes in Côte d'Ivoire, DRC, Mali and Senegal.

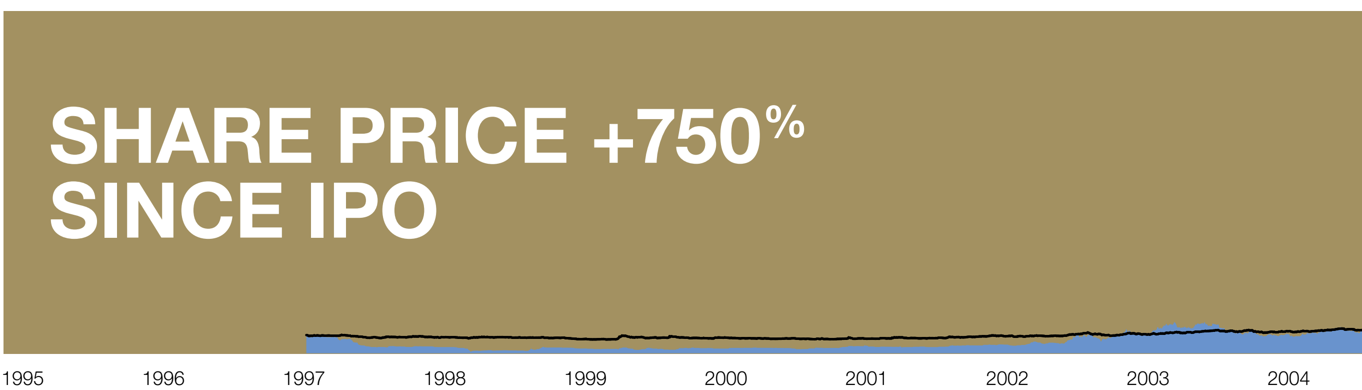
THE COVER: Our pursuit of new discoveries continues unabated. Around our mines, as here at Loulo, we are replenishing the reserves consumed by growing production. Further afield, in Africa's most prospective goldfields, we hunt for our next world-class mine.

TWO DECADES OF DELIVERY

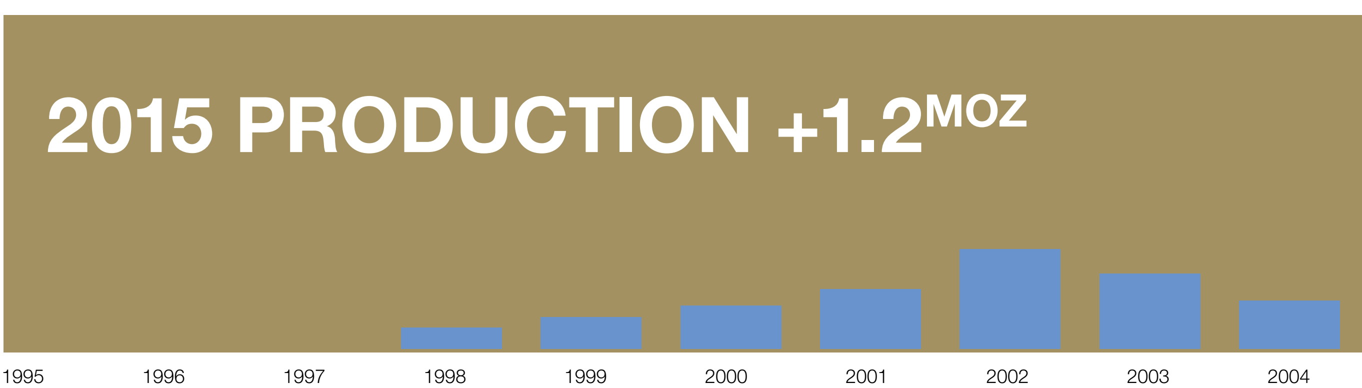


- **95** Randgold Resources Limited incorporated
- **96** BHP Minerals Mali acquired
- **97** Listed on London Stock Exchange; IPO raises US$83m; Market capitalisation of US$335m; Morila and Yalea (Loulo) discovered
- **98** Morila feasibility starts
- **99** Morila construction underway
- **00** 40% of Morila sold for $132m plus 50% of debt; Morila pours first gold
- **01** Shareholders get payout of $81m; Morila ramps up production
- **02** Listed on NASDAQ; Morila produces 1Moz of gold
- **03** Randgold joins FTSE 250 Index; Loulo development approved
- **04** 2 for 1 share split improves tradeability; Loulo mine construction starts

SHARE PRICE VS GOLD PRICE



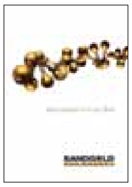
GROUP CONSOLIDATED PRODUCTION



05

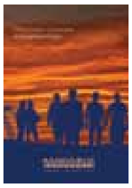
Market cap reaches $1 billion

Loulo pours first gold



06

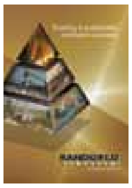
Yalea underground development starts at Loulo



07

Dividend payments Initiated

Massawa discovered



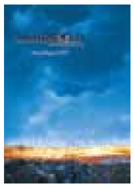
08

Market cap tops $3 billion

Tongon stake increased to 89%, construction starts

Randgold joins FTSE 100 Index

First underground gold from Yalea at Loulo

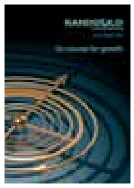


09

Acquisition of 35% of Moto (now Kibali) for $327.8m

Acquisition of further 10% of Moto for $56.8m

Gounkoto discovered



10

Gara underground development starts at Loulo

Tongon pours first gold

Construction of Gounkoto mine begins

11

Record gold production

Market cap reaches US$11 billion

Joins NASDAQ 100 Index

First gold from Gounkoto

Construction of Kibali mine begins

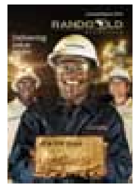
12

Record gold production and profit

Kibali ramps up for production year end 2013

Morila Life of Mine extended

Kilo JV extends DRC footprint



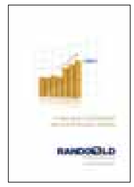
13

Record gold production

Costs down

Loulo-Gounkoto beats production forecast

Kibali pours first gold ahead of schedule

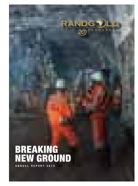


14

Record gold production

LTFR down 18%

Commitment to exploration reinforced



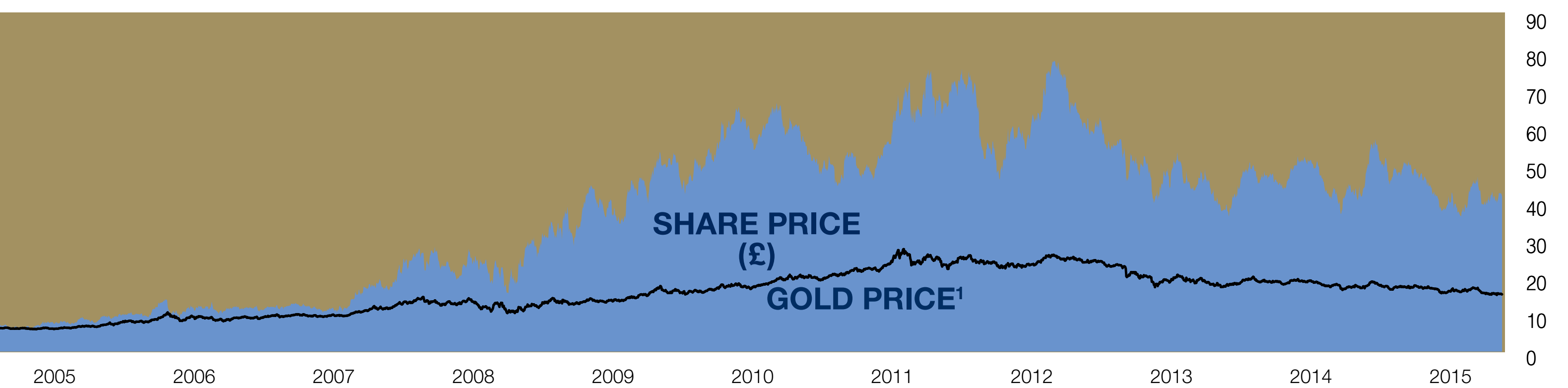
15

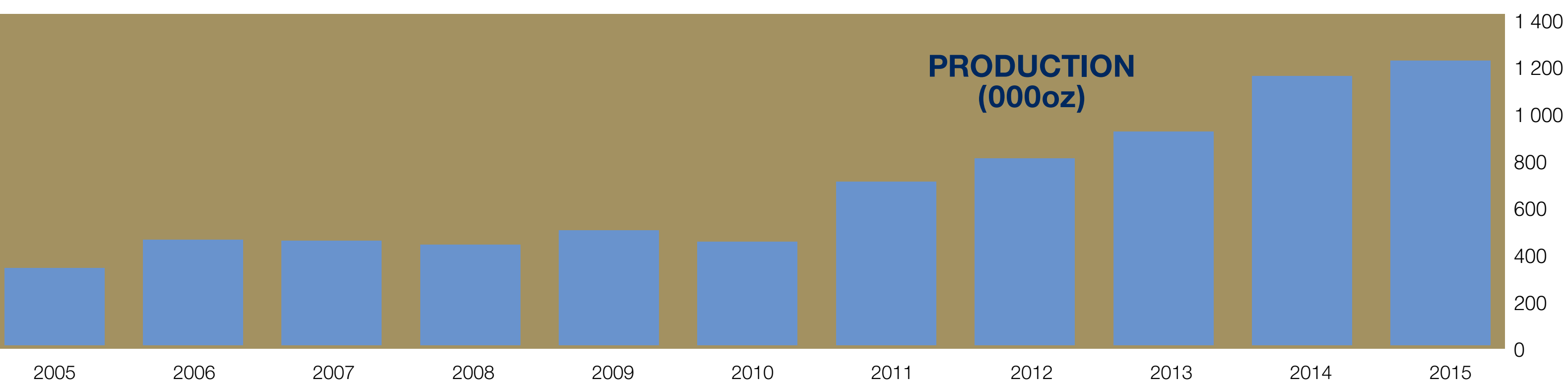
New production record

Costs down

Exploration breaks new ground

[1] *Gold price (spot) rebased at Randgold's share price*





TWO DECADES OF DELIVERY BEHIND US. AHEAD, NEW OPPORTUNITIES WITHIN OUR GRASP.

Since 1995, we have been building a business unlike any other in our industry. A business focused on gold and on Africa, designed to create value for all its stakeholders, in bad times as well as good.

Our core strategy of discovering world-class orebodies and developing them into profitable mines produced Morila, Loulo, Gounkoto and Tongon. Our eye for an opportunity found Moto Goldmines, which we transformed into Kibali. Our business model, long based on a prudent $1 000/oz gold price, shields these operations from the vicissitudes of the commodity price cycle.

And still we look for more. Our exploration teams are breaking new ground across Africa, finding fresh prospects and feeding them into our project pipeline as they search for multi-million ounce deposits. Innovative transactions are yielding potentially profitable partnerships. We also continuously scrutinise the market for further favourable possibilities.

As we enter our third decade, we can confidently forecast a profile of profitable production and decreasing costs into the foreseeable future, based on our existing businesses. Above and beyond that, however, is the promise inherent in our proven expertise, our record of exploration success, and an achievement ability secured by a solid balance sheet.

CONTENTS

OUR AFRICAN FOOTPRINT

MALI

LOULO-GOUNKOTO MINE COMPLEX

630 167 oz[1]

Loulo	Reserves	4.7Moz	Gounkoto	Reserves	3.1Moz
	Resources	9.7Moz		Resources	4.7Moz

SENEGAL

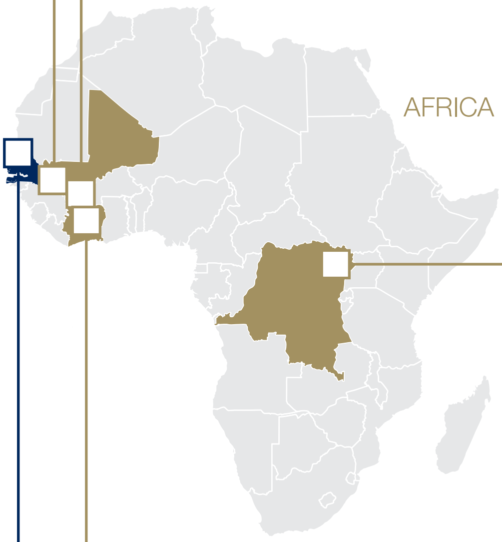
MASSAWA FEASIBILITY PROJECT

Reserves 2.0Moz Resources 4.8Moz

Equity interest
[1] 2015 production
Total reserves and resources as at 31 December 2015. Resources include reserves.

Mission: We create value by finding, developing and operating profitable gold mines for the benefit of all our stakeholders.

MINES AND PROJECTS



MALI

MORILA GOLD MINE

122 374 oz[1]

Reserves 0.3Moz Resources 0.4Moz

DEMOCRATIC REPUBLIC OF CONGO

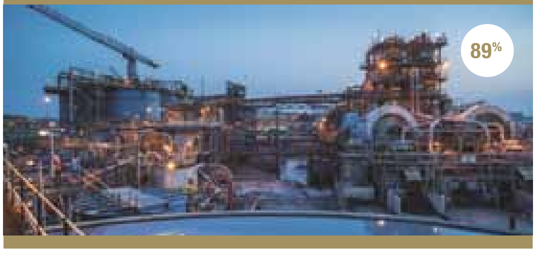
KIBALI GOLD MINE

642 720 oz[1]

Reserves 11Moz Resources 20Moz

CÔTE D'IVOIRE

TONGON GOLD MINE



242 948 oz[1]

Reserves 2.0Moz Resources 3.6Moz

RANDGOLD RESOURCES 20

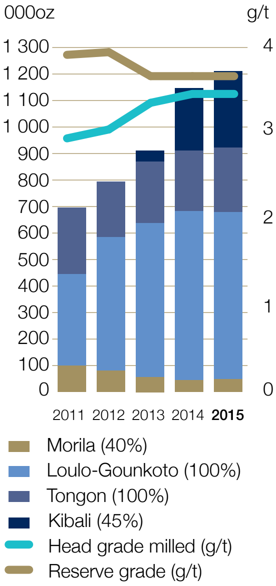
Randgold Resources Limited

*For a glossary of terms visit our website at **www.randgoldresources.com***
Please refer to the disclaimer on page 219 of this annual report.

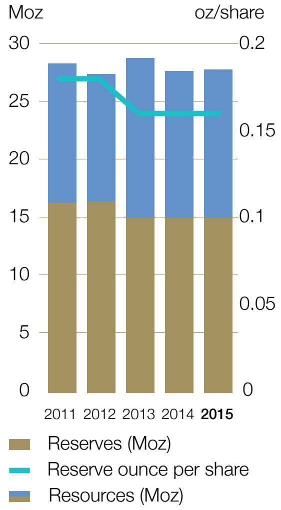
KEY PERFORMANCE INDICATORS

FIVE YEAR OVERVIEW

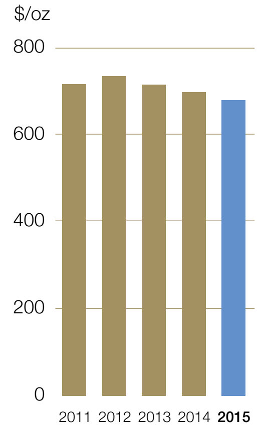
GROUP CONSOLIDATED PRODUCTION[1]



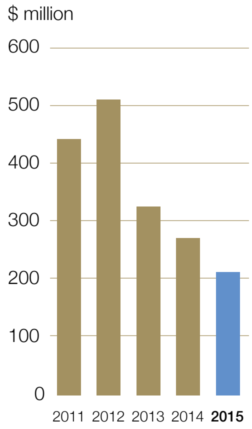
RESOURCES AND RESERVES[2]



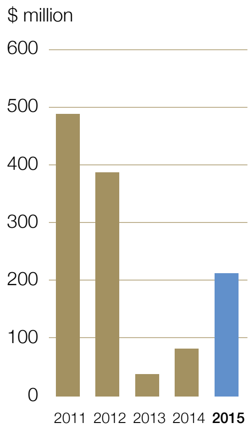
TOTAL CASH COST OF PRODUCTION[1]



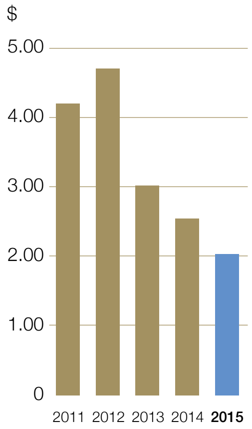
PROFIT



CASH AND CASH EQUIVALENTS



EARNINGS PER SHARE



1 *Including 40% of Morila and 45% of Kibali.*
2 *Attributable at 31 December 2015.*
3 *In respect of the year under review but declared and paid in the following year.*

TARGETED FOR 2016

1.25-1.30 Moz

GROUP CONSOLIDATED PRODUCTION [1]

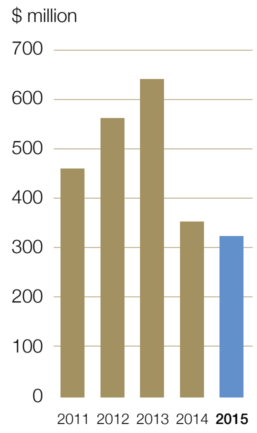
590-630 $/oz

TOTAL CASH COST OF PRODUCTION [1]

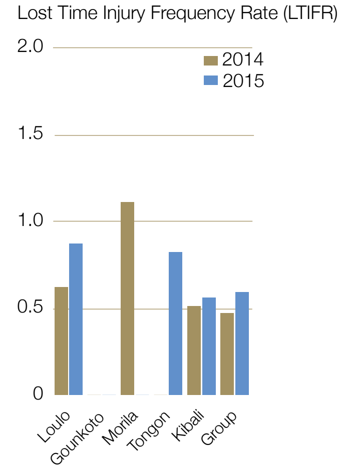
240 $Million

CAPITAL EXPENDITURE [1]

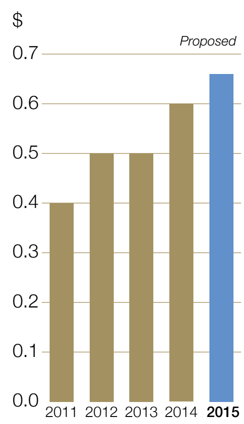
CAPITAL EXPENDITURE[1]



SAFETY



DIVIDEND PER SHARE[3]



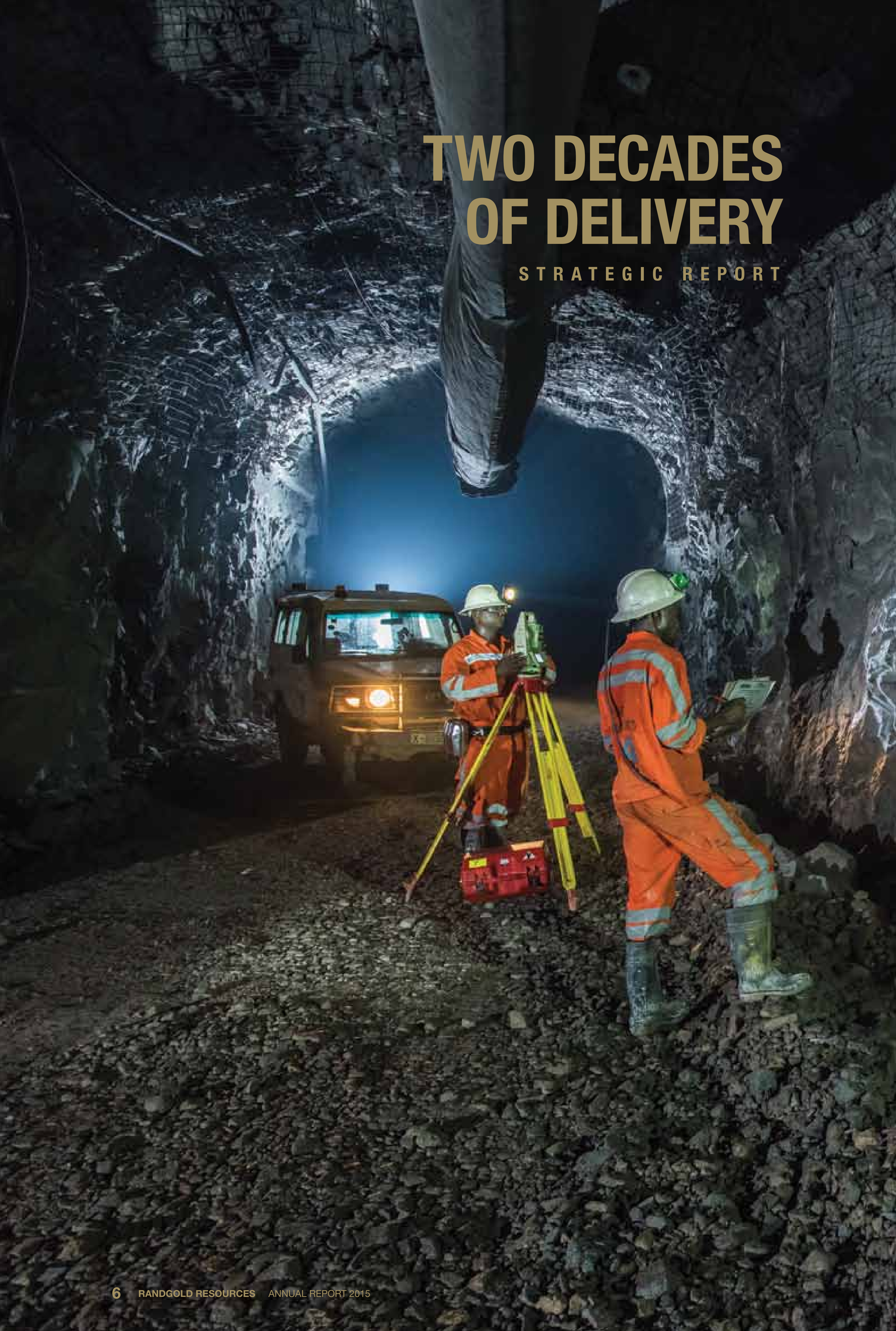
SUMMARISED FINANCIAL INFORMATION

$000	2015	2014
Gold sales[4]	**1 394 889**	1 434 873
Total cash costs[4]	**882 673**	791 756
Profit from mining activity[4]	**572 216**	643 117
Exploration and corporate expenditure	**45 067**	36 765
Profit for the period	**212 775**	271 160
Profit attributable to equity shareholders	**188 677**	234 974
Net cash generated from operations	**396 982**	317 618
Cash and cash equivalents[5]	**213 372**	82 752
Gold on hand at period end[6]	**13 715**	14 956
Group production (oz)	**1 211 288**	1 147 414
Group sales (oz)[4]	**1 210 844**	1 134 941
Group total cash cost per ounce[4] ($)	**679**	698
Group cash operating cost per ounce[4] ($)	**624**	637
Basic earnings per share ($)	**2.03**	2.54

[4] *Refer to explanation of non-GAAP measures provided on page F-34 of this annual report. Randgold consolidates 100% of Loulo, Gounkoto and Tongon, 40% of Morila and 45% of Kibali in the consolidated non-GAAP measures.*

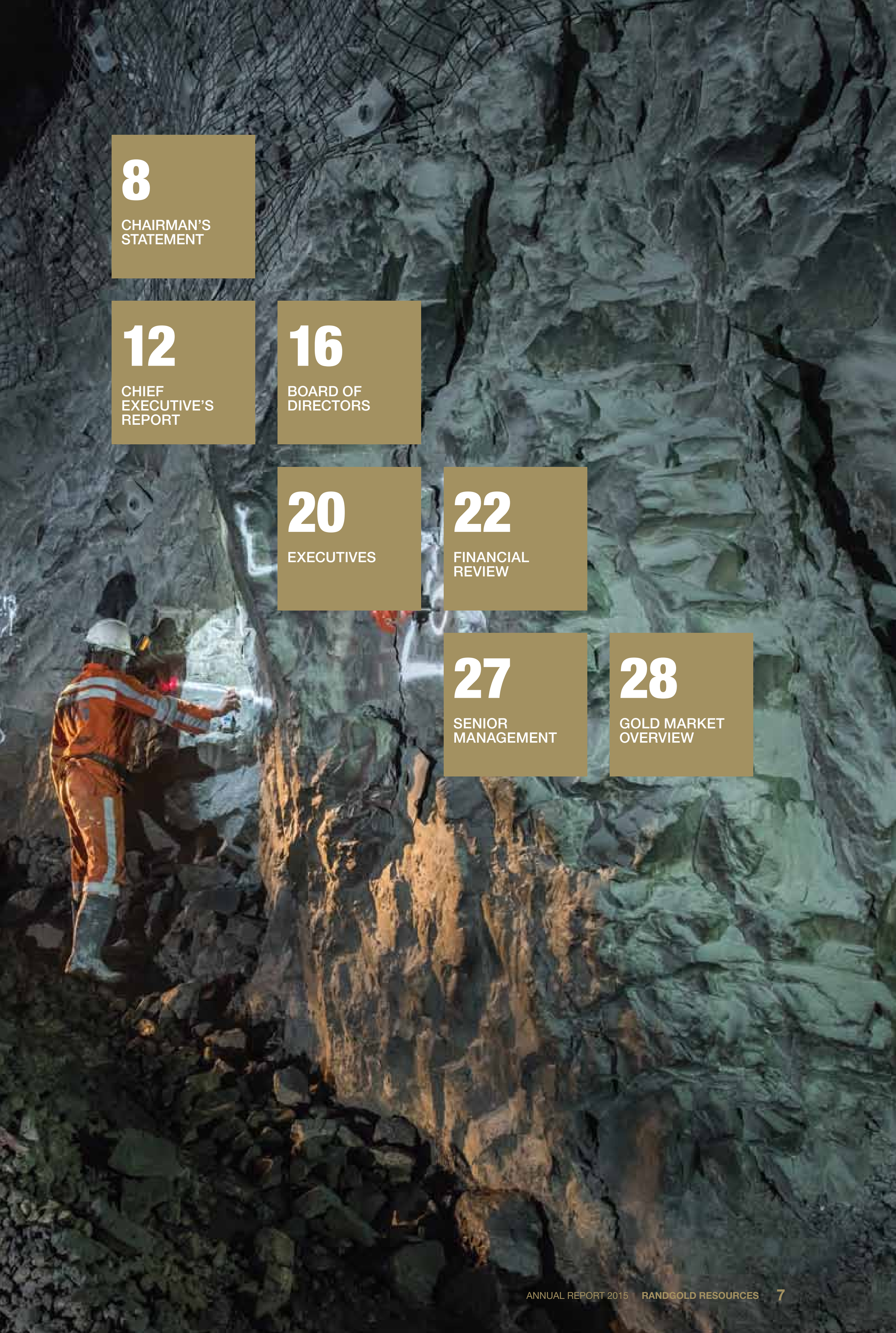
[5] *Cash and cash equivalents excludes $16.9 million at 31 December 2015 ($8.3 million at 31 December 2014) relating to the group's attributable cash held in Morila, Kibali and the group's asset leasing companies which are equity accounted.*

[6] *Gold on hand represents gold in doré at the mines (attributable share) multiplied by the prevailing spot gold price at the end of the period.*



TWO DECADES OF DELIVERY

STRATEGIC REPORT



CHAIRMAN'S STATEMENT

This is Randgold Resources' twentieth annual report and it is a major milestone in the company's remarkable journey over two decades from a small exploration business to the industry leader it is today.

It records a year of significant achievement in the face of considerable challenges. Even at a time of declining gold prices, Randgold has continued on its upward path. Guided by a clear long term strategy, which has been stress-tested over the past three years, the company has met its production and cost targets, setting a new production record in the process. It has successfully adapted its operations to the challenges of the current market, ensuring that they will generate cash flow at gold prices well below the $1 000 per ounce level. By carefully balancing its mining plans, it has secured profitable production and cost profiles that extend over the next 10 years and beyond.

CHRISTOPHER COLEMAN

Randgold's robust performance, and strong cash flows from its mines, have enabled it to continue investing in its future, and its capital programmes remain intact. There has been no need to postpone or downsize growth projects, no write-down or impairments. At the end of the year, the company remained debt-free, with more than $200 million in cash on hand. When Randgold discovers its next world-class gold deposit, it will be able to fund the development of its sixth mine without recourse to the market.

The 2015 average gold price of $1 152/oz was down 9% on the previous year and this inevitably had an impact on the company's profit. The board is nevertheless confident about Randgold's ability to continue delivering value and so it has recommended a 10% increase in the annual dividend, subject to shareholder approval at the annual general meeting. It is worth noting that during the year, the Randgold share price again outperformed the gold index while many gold companies were trading at pre-2005 levels.

IMPACT OF PARTNERSHIPS

Last August Randgold celebrated its twentieth anniversary when I had the pleasure of talking to some of the people – past and present managers, investors, advisors, business associates and other partners – who have played a part in the company's development. I was struck by the impact Randgold's philosophy of partnership has had not only on its business but also on those it has come into contact with – individuals, communities, companies and countries.

The key component of this philosophy is Randgold's belief that the value it creates should benefit all those who are involved in or affected by its activities, broadly described as stakeholders, and not just its shareholders. This is a moral and commercial principle, particularly in Africa, where the company operates in some of the world's poorest countries and in remote regions where subsistence farming has traditionally been the main economic activity.

Randgold has significantly enhanced the quality of life of the communities around its mines by establishing healthcare and education facilities, improving the infrastructure and providing such basics as potable water. It led the mining industry's contribution to the campaign against the Ebola epidemic and continues the fight against malaria and HIV Aids. The social licence it has earned enabled it to successfully navigate the complexities of civil strife, mass resettlements and government negotiations in Africa's ever-dynamic environment.

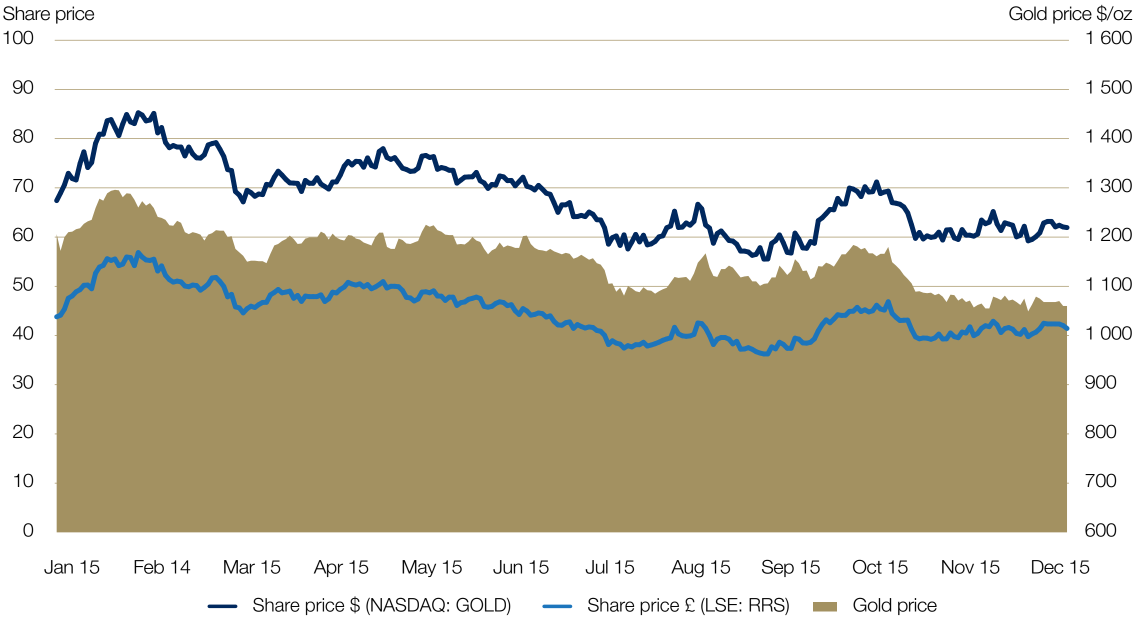
SUSTAINABILITY IS CENTRAL

As detailed in the sustainability report on pages 98 to 157 of this annual report, Randgold's social initiatives extend far beyond the life of its mines. At all its operations, it is developing ambitious legacy projects designed to provide a permanent source of employment and economic opportunity to these communities. Based on agriculture, the primary building block of any developing economy, these range from training and funding would-be commercial farmers to a wide spectrum of agribusiness initiatives, many of which are already supplying local markets. The company is equally mindful of the health and safety of its employees, and it strives constantly to improve an already exemplary record in this regard.

Corporate and social responsibility is often regarded as an onerous obligation. To Randgold, however, sustainability is central to all its activities, and it is significant that, even in the current market environment, it is not reducing its investment in these programmes.

In line with our policy of having at least one board meeting a year at a mine, the directors met at Kibali in February 2016. These meetings provide a regular opportunity for board members to engage with managers and gain a first-hand insight into the operations.

SHARE PRICE PERFORMANCE AND GOLD PRICE



RANDGOLD'S EXCEPTIONALISM

We were very impressed with what is being achieved at Kibali, where one of the world's great gold mines is taking shape. Kibali beat its production target for the year while keeping its underground development ahead of schedule, and its success showcases the qualities which make Randgold exceptional: a long term vision combined with strict commercial criteria; the exploration expertise which doubled the size of the original deposit; the execution of major capital projects on time and budget; and operational efficiency. And even at this early stage, it has significantly advanced its partnership development and sustainability initiatives.

The composition of the board is regularly reviewed to ensure that it has the appropriate balance of international business acumen, industry knowledge and emerging markets experience. The directors' biographies on page 18 and 19 of this annual report, attest to the wide ranging skills that they contribute to the board and the company.

During the year under review Jamil Kassum and Andy Quinn took over as chairmen of the audit committee and remuneration committee respectively in line with our succession planning. They succeeded Karl Voltaire and Norborne Cole, who will be retiring from the board during 2016.

I thank my colleagues on the board for the contribution they made to Randgold's success in 2015, and I commend Mark Bristow and his team for continuing to demonstrate the vision and commitment which continue to deliver superior results.

Christopher Coleman
Chairman

CHIEF EXECUTIVE'S REPORT

There have been many memorable milestones on Randgold Resources' 20-year journey, but 2015 will stand out among them as perhaps the most significant. With much of the industry still struggling in the grip of a bear market, we achieved what was probably our best year yet, for the company as well as the team.

We met our demanding production and cost guidance, passing the 1.2 million ounce target set five years ago on schedule, and demonstrating again that Randgold delivers what it promises. We reviewed all our business plans with a strong focus on real returns and breakeven cash flows. By smoothing out their production profiles, Loulo-Gounkoto and Kibali can now both forecast an annual output of more than 600 000 ounces at a total cash cost of around $600 per ounce, Loulo-Gounkoto for 10 years and Kibali for 12, while Tongon is budgeting for an annual production averaging 300 000 ounces over five years. In the face of tough market conditions, we continued to invest substantially in greenfields as well as brownfields exploration, and we did the same for our sustainability programmes, which we regard as equally core to our future success.

It is easy to achieve when all the stars are aligned, but it is much more difficult in an environment as challenged as this one, which makes our 2015 performance particularly pleasing. These results are the product of an across-the-board effort in which improved throughput, plant feed and grade management; reduced underground mining costs at Loulo following its transition from contract mining to owner mining; lower input costs; and improved efficiencies across all operations played a big part.

MARK
BRISTOW

We achieved another long term objective, and added a further string to our capabilities bow, by successfully taking over the mining and development of our two underground operations at Loulo from the contractors. As was to be expected, the transition process was a testing time for our new underground team, but after assuming full responsibility on 1 November, they were already outperforming the budgeted rate of tonnes hauled and metres advanced by the end of December. Even at this early stage, the transition is paying dividends in the form of less dilution, better grades, improved efficiencies, and of course, no margin payments to contractors.

It is worth noting that it is Randgold's policy to train and empower local nationals to run its operations, with minimal expatriate involvement, at executive as well as operational level. The Loulo underground operations are no exception: they are being managed by a highly skilled all-Malian team we have carefully equipped for this task. The body of competence we are building up in sophisticated, fully mechanised underground mining already ranks among the best in Africa, and will serve us well in the development and operation of Kibali's underground section. It also draws deeper orebodies within our ambit as we search for our next world-class mine.

The continued expansion and strengthening of our intellectual capital remains one of our key priorities through internal and external training programmes across the company. This year, for example, 12 of our executives will be participating in advanced management education programmes at some of the world's leading business schools.

THE OPERATIONS ALL TREND UPWARDS

In spite of contending with the transition to owner-mining and having to compensate for a challenging first quarter, the Loulo-Gounkoto complex had a good year. Production was in line with the previous year and total cash costs were down significantly. Improved plant run time and mill optimisation boosted throughput, while better blending of the different ore types raised the recovery rate. The complex is well set to achieve its 670 000 ounce production target for 2016.

Kibali continued to exceed our expectations, posting an even better performance than the previous year and exceeding its production target by 40 000 ounces. Development of its underground mine remained ahead of schedule and the second of its hydropower stations is expected to be commissioned soon, with work already underway on the third.

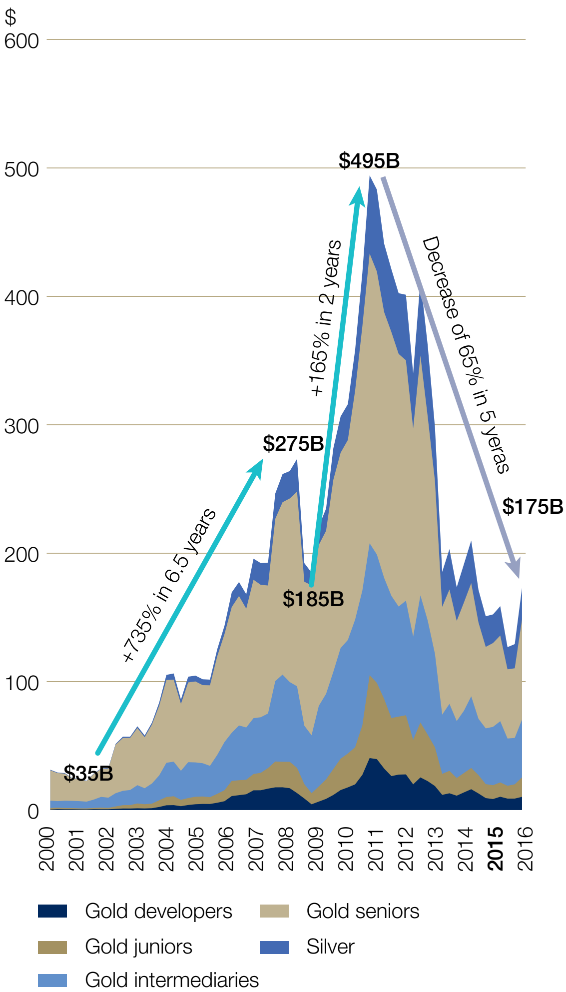
Tongon had a tough year but its team continued to deliver a steady all-round performance improvement. Its expansion and upgrade will be completed this year with the commissioning of a fourth crushing circuit, following which Tongon should be able to achieve its original production and cost targets. In assessing Tongon, one should bear in mind that it has already repaid all its capital and shareholder loans, and has a low sustaining capital requirement going forward. Even though its five year tax holiday has now come to an end, it has been and will remain a robust cash generator for the group.

Morila is moving towards closure in 2019 and it is a tribute to the management of this remarkable operation that it remains profitable while processing waste with a head grade of well under 1.0g/t.

LOOKING FOR THE NEXT BIG ONE

Exploration remains the engine that drives Randgold's growth, and it is our sustained investment in this activity – in contrast to much of the industry – that prepared us to capitalise fully on the supercycle in the gold price and has buffered us against the impact of the end of this cycle. Our activities are detailed in the exploration section on pages 74 to 91 of this annual report.

MARKET CAPITALISATION OF THE PRECIOUS METALS MINING SECTOR



Source: Scotiabank.

In the year under review, our teams again made significant headway both in replacing depleted ounces at our mines as well as in expanding our footprint and finding new targets for our prospect portfolio. Our overall exploration strategy, operation by operation, is reserve replacement at Tongon with a strong greenfields drive into Côte d'Ivoire, while at the Loulo-Gounkoto complex the emphasis is on converting its significant resource inventory and expanding its greenfields portfolio. At Kibali, the focus is on enhancing flexibility by adding to the near mine reserves and at the same time building a framework around the very prospective KCD zone.

As I have noted before, Côte d'Ivoire is our prime greenfields destination, and with much of the rest of the industry cutting back on exploration, we have been able to expand our presence there through the acquisition of new permits as well as joint ventures. The most significant prospect in our pipeline at the moment is the Gbongogo target, where a 400 metre strike more than 100 metres wide and with a grade of between 1.5 and 2.0g/t has been confirmed at surface. It is rather reminiscent of Morila in its early days: we know there is a big system there, but we now need to determine its geometry. Fapoha North is another attractive target and we are using a recent integrated airborne geophysical survey of the Boundiali permit to prioritise the next round of drilling there. In Senegal, feasibility work continues on the Massawa project, including on the high grade potential of the recently discovered Sofia deposit. A drilling programme will establish whether it is capable of lifting Massawa over Randgold's investment threshold.

In the DRC, Kibali's success has spurred us to expand our footprint in that country, and a number of recently concluded joint ventures have expanded our groundholding there to more than 6 500 square kilometres.

The feasibility study on the Gounkoto underground project has been completed, significantly increasing its reserve to more than 1 million ounces, at which level it meets our investment criteria. The study has also raised the option of a superpit operation, which we are currently examining.

MAKING SUSTAINABILITY A PART OF OUR BUSINESS

Randgold's sustainability philosophy is outlined in the chairman's statement and fully detailed in the sustainability report on pages 96 to 157 of this annual report. Our sustainability strategy, which is an integral part of our overall business plan, has three pillars: sharing value with all stakeholders; building strong partnerships; and creating long term economic legacies for our mines' communities.

The latter are based on a wide range of industrial scale agricultural projects, designed to long outlive the mines that developed them. They include an ambitious palm oil project in the DRC, capable of employing as many as 10 000 people, which could have a transformative effect not only on the region but on the Congolese economy. We have completed a feasibility study on the project and identified potential investors, and Kibali is currently discussing the way forward with the DRC government.

While we care for our communities, we also place great emphasis on the safety and welfare of our workers and their families. As our operations have expanded, we have intensified our focus on safety, and last year saw a further drop of 25% in the total injury frequency rate, with two operations – Tongon and Morila – recording zero lost time injuries. Kibali achieved its ISO 14001 accreditation, which means that all our operations now hold this certification, and is working towards the health and safety accreditation already achieved by the others.

STANDING APART IN A SEVERELY STRESSED INDUSTRY

In considering Randgold's performance and prospects, it is worth placing these in the context of the current gold market. The past few years have been a time of extraordinary global turbulence: the growing strife in the Middle East; the stresses within the Eurozone; Russia's involvement in Ukraine and more recently Syria; the stand-off with North Korea; and the Chinese slowdown.

All this should be bullish for gold, yet analysts are in general agreement that production will continue to decline, regardless of any potential increase in the gold price, because there are very few new projects and little investment in exploration. In fact, the gold mining industry is severely incapacitated, with its aggregate debt having increased from $1 billion to a staggering $47 billion over the past 10 years. The issue of paper in pursuit of growth has reduced gold production per share by more than 50%, and the lack of investment in exploration means that the industry has not been able to replace ounces mined since 2000.

Consequently it faces a situation where even a significant rise in the gold price and an injection of fresh investment will at best enable it to clear its debt but will provide little scope for adding any value or reversing the production decline.

What is required are new discoveries, and that needs skills and investment in exploration and development – in other words, the application of Randgold's founding strategy. As our five and 10 year business plans show, we are strongly placed to continue to deliver on the strategy. Even without an increase in the gold price, our operations will generate robust cash flows. We can afford to continue investing in exploration and to grow our dividends, and when we secure a new opportunity, we can afford to fund its development.

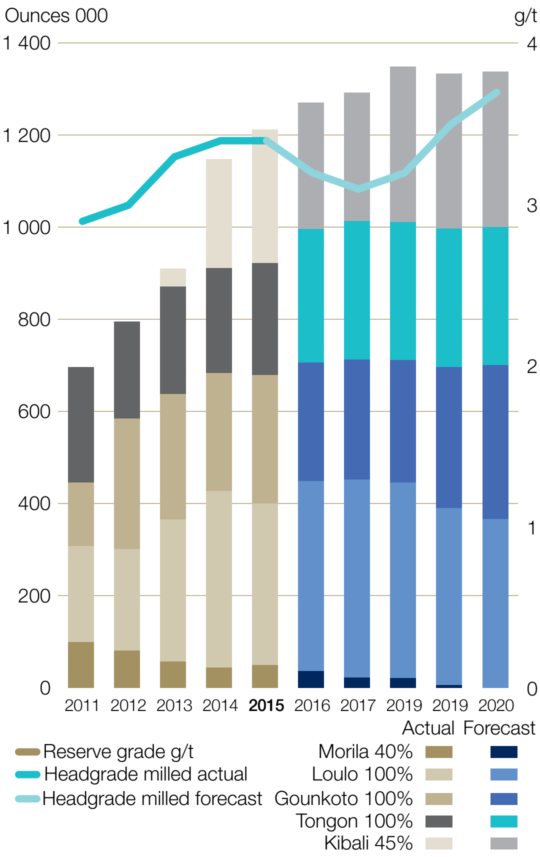
FACING THE FUTURE WITH CONFIDENCE

As we start 2016, we are focused not on surviving but on prospering. While we have much to do in a climate that will remain challenging, we are confident that our businesses are soundly positioned to deliver value to all stakeholders, and that our proven strategy will continue to serve us as well in the bad times as the good.

Our mines have been modelled to generate cash flows at gold prices well below the $1 000 level. Our positive production and cost profiles extend to a 10 year horizon. We have had no impairments or write-downs, and have substantial cash resources. Our exploration teams are not only replacing the ounces we deplete but are making significant progress in the hunt for our next big discovery. In fact, we are in a unique position to continue delivering value to all our stakeholders.

Twenty years on, the Randgold team is still lean and hungry, keen to get up early in the morning for another day of working hard towards our objectives. I thank my fellow workers at our offices, on the mines and in the field for their unyielding commitment to the Randgold ethos of delivering on our promises, whatever it takes. The company's fine performance in 2015 is a tribute to your enterprise and endeavour. I also thank our chairman and the board for their guidance, support and encouragement.

ACTUAL AND FORECAST GROUP CONSOLIDATED PRODUCTION



Randgold consolidates 100% of Loulo, Gounkoto and Tongon, 40% of Morila and 45% of Kibali in the consolidated non-GAAP measures.

I also want to acknowledge the contribution our valued partners have made and continue to make towards our success. From the highest level of government to the local community organisations, our host country stakeholders share our vision of building sustainable gold mining industries, and when there have been differences between us, these have been addressed in a spirit of constructive engagement. Our partners make an important contribution to our business and I would like particularly to thank those contractors and suppliers who worked with us in looking at margins in a year when we placed an even stronger emphasis than usual on cost containment. Together with the Randgold team, I look forward to continuing to build the business with the support of all our stakeholders.

Mark Bristow
Chief executive

Left to right: Standing: Karl Voltaire, Kadri Dagdelen, Mark Bristow, Jamil Kassum, Safiatou Ba-N'Daw and Norborne Cole.
Sitting: Christopher Coleman, Jeanine Mabunda Lioko, Andrew Quinn and Graham Shuttleworth.
Photo: David Woolfall

Christopher L Coleman 47

NON-EXECUTIVE CHAIRMAN

Nationality United Kingdom

Appointment date 3 November 2008

Board committees Chairman of the governance & nomination committee and member of the remuneration committee

Christopher is the head of banking and a director of NM Rothschild & Sons Limited. He is also chairman of Rothschild Bank International in the Channel Islands and serves on a number of other boards and committees of the Rothschild Group, which he joined in 1989. A BSc (Econ) graduate from the London School of Economics, he was a non-executive director of the Merchant Bank of Central Africa from 2001 to 2008. He is a non-executive director of Papa John's International Inc.

Other directorships[1] Papa John's International, Inc (NASDAQ)

Mark Bristow 57

CHIEF EXECUTIVE

Nationality South Africa

Appointment date 11 August 1995

Mark has been the chief executive since the incorporation of Randgold, which was founded on his pioneering exploration work in West Africa. He has subsequently led the company's growth through the discovery and development of world class assets into a major international gold mining business. Mark has also played a significant part in promoting the emergence of a sustainable mining industry in Africa. A geologist with a PhD from Natal University, South Africa, he has held board positions at a number of global mining companies and is currently the non-executive chairman of Rockwell Diamonds Inc.

Other directorships[1] Rockwell Diamonds Inc (TSX)

Graham Shuttleworth 47

FINANCE DIRECTOR AND CHIEF FINANCIAL OFFICER

Nationality South Africa

Appointment date 3 July 2007

Graham joined Randgold as chief financial officer and finance director in July 2007 but has been associated with the company since its inception, initially as part of its management team involved in listing the company on the London Stock Exchange in 1997, and subsequently as an advisor. A chartered accountant, Graham was a managing director and the New York based head of metals and mining for the Americas in the global investment banking division of HSBC before taking up his current position at Randgold. Graham is a graduate of the University of Cape Town, South Africa, with a bachelor of commerce degree and an honours degree from the University of South Africa.

Other directorships[1] None

Norborne P Cole Jr 74

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Nationality USA

Appointment date 3 May 2006

Board committees Member of the remuneration committee and member of the governance & nomination committee

Norb started working for the Coca-Cola Company as a field representative in the USA in 1966 and advanced steadily through the organisation becoming chief executive of Coca-Cola Amatil in Australia in 1994, a position he held until 1998. Under his leadership, Coca-Cola Amatil grew into the second largest Coca-Cola bottler in the world. Now based in San Antonio, Texas, he serves on the boards of a number of US companies including Papa John's International Inc.

Other directorships[1] Papa John's International, Inc. (NASDAQ)

Jemal-ud-din Kassum (Jamil Kassum) 67

INDEPENDENT NON-EXECUTIVE DIRECTOR

Nationality USA

Appointment date 31 January 2014

Board committees Chairman of the audit committee and member of the governance & nomination committee

Jamil is a former World Bank vice president for the East Asia and Pacific region. Before that, he had a 25 year career with the International Finance Corporation. He sits on the board of Thien Minh Group and Khan Bank. Based in the USA, he now provides strategic advice to international financial institutions and governments. He was educated at Oxford University and holds an MBA from Harvard University.

Other directorships[1] None

Kadri Dagdelen 61

INDEPENDENT NON-EXECUTIVE DIRECTOR

Nationality Turkey

Appointment date 29 January 2010

Board committees Member of the governance & nomination committee

A professor and previously the head of the department of mining engineering at the Colorado School of Mines, USA, Kadri began his professional career as a mining engineer at Homestake Mining Co (now Barrick Gold Corporation) and was the technical services manager when he left for academia in 1992. With a PhD in mining engineering and a ME in geostatistics, Kadri has been involved in numerous research and consulting projects worldwide. He also served on the board of directors of the Society of Mining, Exploration and Metallurgy in the USA for six years and has chaired other professional societies that support the mining industry.

Other directorships[1] None

Andrew J Quinn 62

INDEPENDENT NON-EXECUTIVE DIRECTOR

Nationality United Kingdom

Appointment date 1 November 2011

Board committees Chairman of the remuneration committee and member of the audit committee

Andrew retired at the end of 2011 from his position as head of mining investment banking for Europe and Africa at CIBC after 15 years in the role and more than 35 years' experience of the mining industry. With a BSc (Hons) in mineral exploitation (mining engineering) from Cardiff University, Andrew began his career in Anglo American's gold division in 1975, holding various management and technical positions in South Africa, and worked briefly for Greenbushes Tin in Australia before joining The Mining Journal in 1982 as editor of its gold publications. In 1984 he entered the financial services industry joining James Capel (later HSBC Investment Banking) and then joining CIBC in 1996.

Other directorships[1] None

Jeanine Mabunda Lioko 51

INDEPENDENT NON-EXECUTIVE DIRECTOR

Nationality Democratic Republic of Congo

Appointment date 28 January 2013

Board committees Member of the audit committee

Jeanine has spent a number of years working in the Democratic Republic of Congo's finance industry including with Citi Group and as an advisor to the Governor of Banque Centrale du Congo. A former Minister of Portfolio of the DRC, a position which she held for over five years, she is now a serving member of the National Assembly of the Democratic Republic of Congo, representing the Equateur Province. Jeanine is also a special advisor to the DRC government to prevent violence against women and the recruitment of children for war. She was educated in Brussels, Belgium, and holds a law degree from the Catholic University of Louvain and a postgraduate degree in commercial science from the ICHEC Brussels Management School.

Other directorships[1] None

Karl Voltaire 65

INDEPENDENT NON-EXECUTIVE DIRECTOR

Nationality France

Appointment date 3 May 2006

Board committees Member of the audit committee and of the remuneration committee[2]

A graduate in mineral resources engineering from the Ecole des Mines in Paris, Karl holds an MBA and PhD in economics and finance from the University of Chicago. He started his career as a mining engineer in Haiti and subsequently spent 23 years with the World Bank Group in Washington DC, including the International Finance Corporation where his last position was that of director of global financial markets. Thereafter Karl was appointed a director of the Office of President at the African Development Bank. He was CEO of the Nelson Mandela Institution from 2005 to 2009, and is currently a member of the Board of Trustees of the African University of Science and Technology.

Other directorships[1] None

Safiatou F Ba-N'Daw 63

INDEPENDENT NON-EXECUTIVE DIRECTOR

Nationality Côte d'Ivoire

Appointment date 1 March 2015

Board committees Member of the audit committee[3]

A Harvard University MBA graduate, Safiatou spent 12 years with the World Bank as a senior financial specialist for the South Asia region, following which she was appointed Côte d'Ivoire's Minister of Energy, a position she held until 2000. Safiatou was subsequently appointed a director of the United Nation's Development Programme for South-South Cooperation (formerly the Special Unit: Technical Cooperation among Developing Countries) until 2004 when she was appointed deputy chief of staff to the Prime Minister of Côte d'Ivoire. She is a managing partner of Alizes Consultants, an international consulting services firm, and deputy chairperson of Niger Omega, a Nigerian and London based oil and gas services company.

Other directorships[1] None

[1] *Directorship of public listed companies.*
[2] *Dr K Voltaire will retire from the audit committee and the remuneration committee with effect from 3 May 2016.*
[3] *Mrs Ba-N'Daw has been appointed to the audit committee with effect from 2 May 2016.*

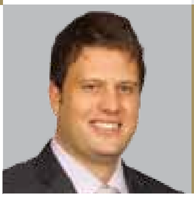
EXECUTIVES

Tahirou Ballo
GM LOULO-GOUNKOTO MINE COMPLEX

A mining economist engineer with 21 years' experience, mainly in Mali. Tahirou started his career as a short term planner with BHP Billiton at the Syama mine and served as mining superintendent from 1999 for Randgold at Syama. Tahirou was appointed to his current position as general manager of the Loulo-Gounkoto complex in 2015.

Chiaka Berthe
GM OPERATIONS WEST AFRICA

With a Master's degree in geological engineering from the Malian National School of Engineering, Chiaka has more than 19 years' experience in the industry. He is a member of the Australian Institute of Mine and Metallurgy and the Geostatistical Association, and was appointed to his current position as general manager operations West Africa in 2015.

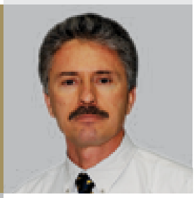


Sebastiaan Bock
GROUP GM FINANCE

Sebastiaan is responsible for the management of the group's operations financial functions and the group's corporate finance management. He's a chartered accountant with 15 years' experience and has been with the group for seven years.

Joel Holliday
GROUP GM EXPLORATION

Joel is a geologist with 19 years' experience on exploration projects in Europe, South America and across Africa. He joined Randgold in 2004 and until recently worked as exploration manager for West Africa following several years as exploration manager for the Loulo district in Mali, during which time the Gounkoto and Loulo 3 deposits were discovered. Joel has a BSc (Hons) Geology.



Luiz Correia
GM TONGON MINE

Luiz is a metallurgist with 30 years' experience in the gold mining industry, and has a BSc Eng as well as a BCom degree. He joined Randgold in 2005 and in 2006 was appointed operations manager at the Loulo mine. He was appointed general manager at the Tongon mine during its construction phase in 2010.

Adama Kone
GM MORILA MINE

Adama joined Randgold in 1996, responsible for grade control at the Syama mine. In 2000, he joined the mineral resources department at the Morila mine, becoming manager of the department in 2006. With a geological degree from the Malian National School of Engineering, he gained early experience as a field geologist for BHP Billiton Minerals Exploration. Adama has been the general manager of the Morila mine since 2011.

Willem Jacobs
GM OPERATIONS CENTRAL AND EAST AFRICA

With a BPL (Hons) and DCom, he has served as a director of listed and private companies in the areas of mining, engineering and manufacturing in Southern, Central and Eastern Africa for the past 20 years. He joined Randgold in 2010.

Mahamadou (Sam) Samaké
GROUP REGIONAL MANAGER WEST AFRICA

Sam was a professor of company law at the University of Mali, and was instrumental in writing the Malian mining legislation. He is the resident executive manager in Mali and is responsible for government liaison in West Africa and is the group's West African legal counsel.

John Steele
TECHNICAL AND CAPITAL PROJECTS EXECUTIVE

John was responsible for the successful construction and commissioning of Randgold's Morila, Loulo, Tongon and Gounkoto mines and led the development and commissioning of the Kibali mine in the DRC. He also continues to provide operational and engineering oversight to the group. John has a BSc (Hons) in Chemical Engineering and MBL (UNISA).

N'golo Sanogo
GM MALI

N'golo has a Master's degree in economics from the National School of Administration of Bamako, Mali, as well as several business qualifications. He joined BHP Billiton Mali in 1995 and was appointed the management accountant at the Syama mine in 2001. In 2004 he joined Randgold as Mali financial controller and was appointed Mali general manager in 2009.

Ted de Villiers

GROUP GM MINING

A mining engineer, Ted has extensive experience in mining operations, mining contracting and consulting. He joined Randgold in 2010, with executive responsibility for the group's rapidly expanding mining operations, tasked with ensuring a consistent production stream. Ted has an HNDP Mining (Metalliferous) and a Mine Manager's Certificate of Competency (South Africa).

Paul Gillot

GROUP METALLURGIST, DEPUTY GM CAPITAL PROJECTS

Paul has 26 years' operational and management experience in the mining industry and moved into the projects arena for the group with the commissioning of the Tongon mine. He obtained his NHD in Extractive Metallurgy from the University of Johannesburg. He is responsible for the group's metallurgical activities.

Tania de Welzim

GROUP FINANCIAL MANAGER

Having served as group financial controller, Tania was appointed to her current position in 2009. A Chartered Accountant with 17 years' financial experience, 15 of these in the mining industry, she is responsible for technical financial reporting and procedures for the group.

Riaan Grobler

GROUP GM COMMERCIAL AND SUPPLY CHAIN

Riaan holds an Honour's degree in finance and has 17 years' experience in the gold mining industry. He was initially appointed financial projects manager East Africa in early 2012 and was involved in the financial management side of the construction of the Kibali mine before his promotion in January 2014 to group general manager commercial and supply chain.

Victor Matfield

GROUP GM CORPORATE FINANCE

A chartered accountant, Victor was appointed corporate finance manager in 2001. Prior to this he served as financial manager of both the Syama and Morila mines.

Philip Pretorius

GROUP HUMAN RESOURCES EXECUTIVE

Philip joined Randgold in 2008. He has 26 years' human resources experience, the last 20 spent exclusively with the gold mining industry in Sub-Saharan Africa. He has a postgraduate diploma in management practice and is responsible for the group's human resources and human capital department.

Lois Wark

GROUP GM CORPORATE COMMUNICATIONS

Lois has been with Randgold since its inception and assumed management of the cartography department in 1995. She is responsible for the coordination of the group's communications and investor relations programmes and holds a diploma in land surveying: cadastral and topographical.

Rod Quick

GROUP GM EVALUATION

A geologist with an MSc Geology and 22 years' experience in the gold mining industry. Rod joined Randgold in 1996, and has been involved in the exploration, evaluation and production phases of all Randgold's projects since Morila. He became responsible for all project development and evaluation for the group in 2009.

Charles Wells

GM KIBALI MINE

Charles has an MSc in environmental biotechnology and 18 years' experience in environmental management. He joined Randgold in March 2012 with responsibility for the group's sustainability programme before being appointed the general manager of the Kibali mine in 2014.

Martin Welsh

GENERAL COUNSEL AND SECRETARY

Martin joined Randgold in 2011 and in 2012 was appointed the group's company secretary and general counsel. He qualified as a solicitor in 1998 and before joining Randgold, worked in London for the city law firms Dickson Minto WS and Linklaters. Martin holds BA (Hons) and LLB degrees and a diploma in legal practice from the University of Strathclyde.

FINANCIAL REVIEW

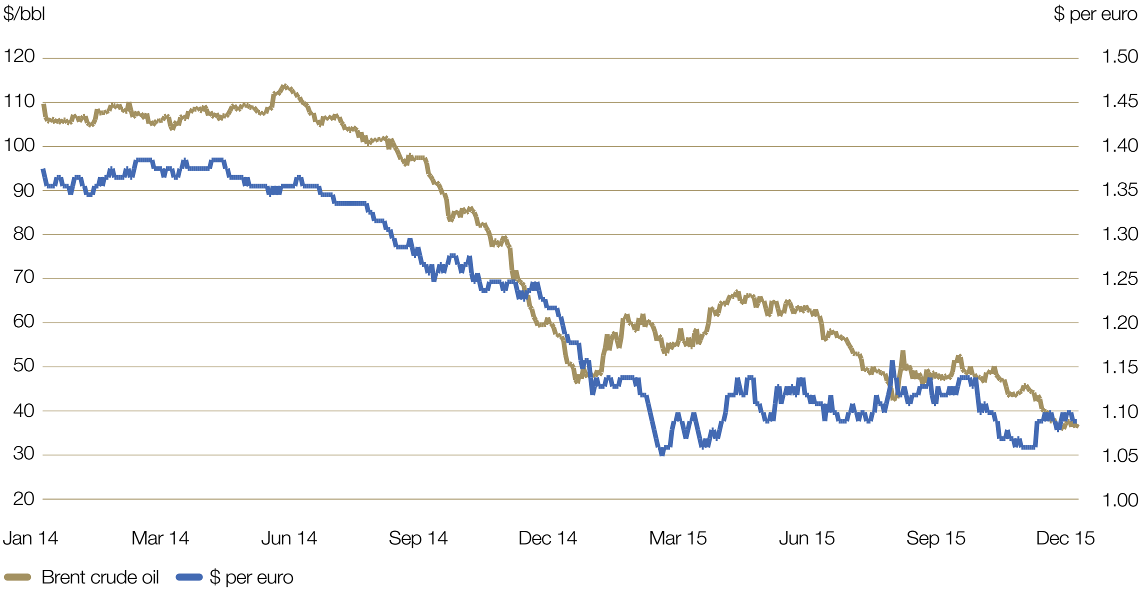
Gold sales for the group of $1.39 billion, including the attributable share of equity accounted joint ventures, were 3% lower than the previous year, reflecting a 9% decrease in the average gold price received of $1 152/oz, partially offset by a 7% rise in ounces sold to 1 210 844oz.

Total cash cost per ounce for the year decreased by 3% from the previous year to $679/oz as a result of higher production from increased plant throughput and improved recoveries, together with good cost control. Revenue of $1.0 billion, which excludes gold sales from joint ventures, was 8% lower than the prior year, reflecting the lower average gold price received but offset by the higher number of ounces sold by the group's subsidiaries.

The increase in the share of profits of equity accounted joint ventures to $77.3 million from $75.9 million in the prior year resulted from an increase in profits from Morila, on the back of increased production and lower cost of production, partially offset by a drop in profits from Kibali, which were lower than the previous year due to increased costs and depreciation charges. The share of profits from the Kibali joint venture is stated after a tax charge of $8.0 million (attributable), including deferred tax calculated at 30% of profit, despite the fact that the mine has an accelerated tax allowance which reduces the cash tax paid in the initial years.

GRAHAM SHUTTLEWORTH

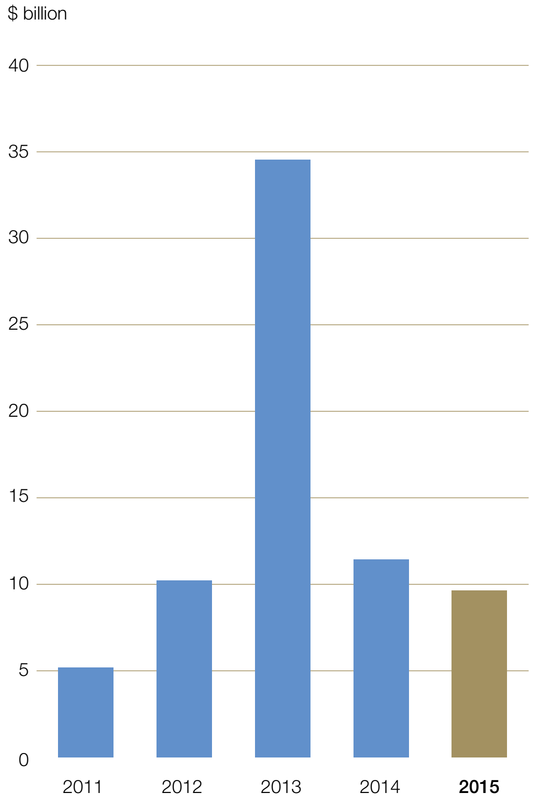
OIL PRICE AND $/EURO EXCHANGE RATE



Mining and processing costs were only slightly higher during the year, due to good cost control, lower fuel costs and a weaker euro/dollar exchange rate, notwithstanding the rise in plant throughput and production. Depreciation and amortisation for the year of $150.9 million increased 3% from the prior year cost of $146.8 million as a result of more assets brought into use at the Loulo-Gounkoto complex and at Tongon in the current year. The group conducted its annual impairments tests at the end of the year and notwithstanding the further drop in the gold price, no impairment to the carrying value of assets was deemed necessary. In stark contrast to the majority of the industry, the group has not impaired assets over the past five years, despite the drop in the gold price.

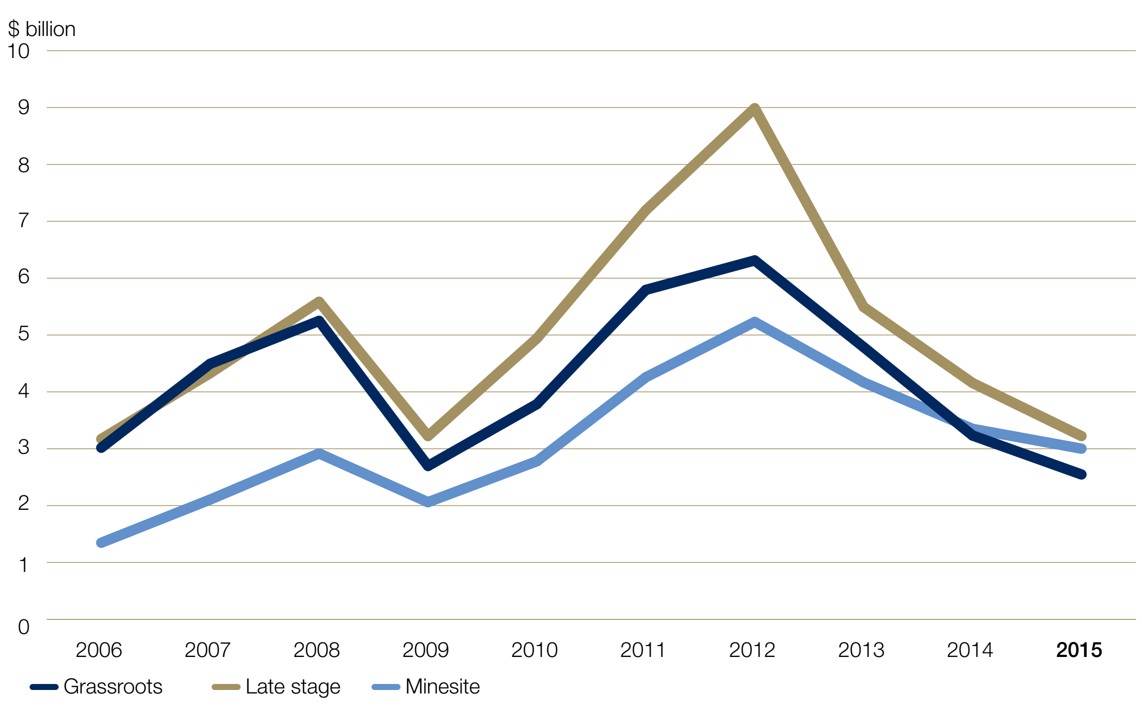
GOLD SECTOR IMPAIRMENTS

Showing impairments of top eight global gold companies, excluding Randgold which has had no impairments throughout this period.



Source: Barclays, Company disclosures, Factset as at 1 March 2016.

WORLDWIDE EXPLORATION BUDGETS



Source: SNL Metals and Mining.

CASH COSTS

Total cash cost per ounce for the group was $679/oz, 3% lower than the prior year, due to the significant 7% increase in ounces sold, on the back of increased throughput and production across the group. Total cash cost per ounce at the Loulo-Gounkoto complex was flat year on year at $675/oz, with the lower average grade of ore milled being offset by increased plant throughput. At Morila, the mine finished processing ore from the pit 4S pushback, resulting in a significant increase in the average ore grade milled and increased production. Together with lower mining costs, this reduced total cash costs by 41% to $674/oz. At Tongon, total cash cost per ounce dropped by 4% to $836/oz due to increased recoveries and throughput delivering higher production. Kibali significantly increased its production following improved plant throughput and recoveries, partially offset by the lower ore grade milled. However, total cash costs still increased to $604/oz due to higher mining costs from underground.

EXPLORATION

Expenditure on exploration and corporate costs increased by $8.3 million to $45.1 million, mainly as a result of increased exploration activities, principally drilling, during the year. Since the company was first listed in 1997, it has discovered approximately 32 million reserve ounces which, when divided by the exploration and corporate costs expensed over this period, equates to less than $20/oz of gold.

TAX

Income tax expense of $48.0 million decreased by 41% year on year, mainly reflecting lower provisions for tax charges at the Loulo-Gounkoto complex, in line with lower profits. Tongon benefited from its exoneration from corporate tax for five years which ended in December 2015.

PROFIT

Profit for the year of $212.8 million represents a decrease of 22% on the previous year's $271.2 million mainly reflecting the 9% drop in the average gold price received. Similarly, basic earnings per share of $2.03 decreased by 20% from the previous year.

CASH, OPERATING AND INVESTING CASH FLOWS

The group's cash position at year-end increased to $213.4 million (2014: $82.8 million) excluding $16.9 million (2014: $8.3 million) held in joint ventures, with no borrowings, notwithstanding the substantial investments made in growth projects during the year, including significant joint venture related expenditure at Kibali.

Property, plant and equipment cost for the year increased by $203.1 million with capital expenditure at the group's subsidiaries of $203.1 million. This is mainly attributable to capital expenditure at the Loulo-Gounkoto complex of $184.4 million. This primarily relates to capital spent on the Yalea and Gara underground development of $154.2 million, including the underground mining fleet, following the mines' transition to owner mining, as well as ongoing capital and exploration expenditure at the complex of $30.2 million. $16.2 million was spent on capital at Tongon during the year, mainly on the metallurgical plant float and crusher circuits' upgrades. In addition, the group invested a further $113.1 million of capital expenditure at Kibali and $4.4 million at Morila during the year. These amounts are included in investments in equity accounted joint ventures.

Net cash generated from operating activities for the year of $397.0 million increased by 25% from the previous year, reflecting the strong operating performance across the group and the increase in dividends received from the Kibali and Morila joint ventures.

The company maintains a $400 million unsecured revolving credit facility with HSBC and a syndicate of banks which matures in December 2018 and is at present undrawn. Based on the company's current cash resources and available facilities, projected operating cash flows and capital expenditure, we are confident Randgold will be able to meet its obligations at the present gold price.

The group's capital commitments (including its share of equity accounted joint ventures) at 31 December 2015 amounted to $47.8 million, most of which relates to the Loulo-Gounkoto complex ($33.4 million) and Kibali ($12.3 million).

INVENTORIES, INVESTMENTS AND RECEIVABLES

The long term ore stockpiles balance of $167.3 million relates to the portion of ore stockpiles at Loulo, Gounkoto and Tongon which are expected to be processed after more than one year, in line with the respective mine plans. The long term ore stockpiles balance decreased by 6% year on year and reflects the decreases in the stockpile values at Loulo and Tongon in line with mine plans.

Current inventories and ore stockpiles of $131.0 million rose by 4% year on year, mainly due to the increase in supplies and insurance spares following the transition to owner mining at the Loulo-Gounkoto complex.

Investments in equity accounted joint ventures reflect the group's share of its equity accounted investments, mainly Kibali as well as Morila and the group's asset leasing joint ventures. Other investments in joint ventures reflect the group's loans advanced to the group's asset leasing joint ventures. The increase year on year of $35.4 million in total investment in joint ventures mainly reflects the group's profit share from equity accounted joint ventures ($77.3 million), offset by dividends received from Kibali ($35.0 million) and Morila ($10.3 million).

Trade and other receivables (including the allocation of a portion to non-current) of $204.7 million were in line with the balances at 31 December 2014. The long term receivable balance of $6.4 million at 31 December 2015 decreased by 76% from the balance at 31 December 2014. This reflects the decrease in the long term portion of the VAT balance forecast to be recovered in over one year through tax offsets, based on the Life of Mine plans.

OUTSTANDING VAT AND TAX CLAIMS

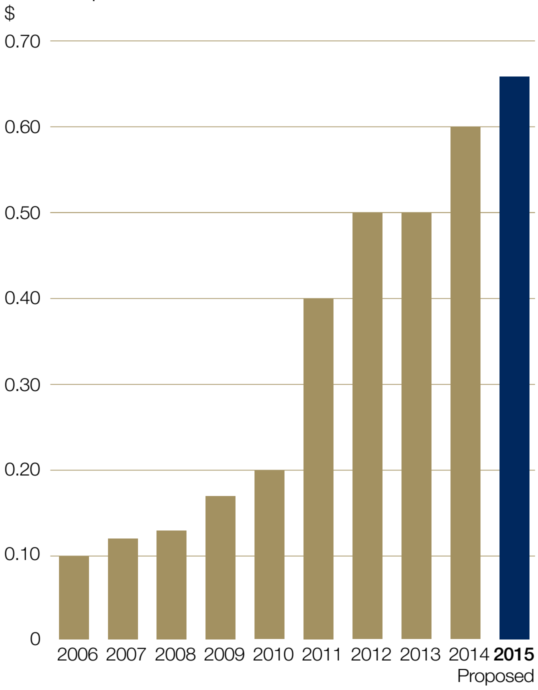
The total outstanding refundable VAT balances in Mali amount to $109.2 million (2014: $116.0 million), including 100% of the Loulo and Gounkoto VAT receivables and the attributable portion of the Morila VAT receivable of $6.3 million (2014: $10.0 million). Morila, Loulo and Gounkoto have the legal right under the terms of their respective mining conventions to offset other taxes payable to the Malian State against these refundable VAT balances. Management continues to pursue the cash settlement of these VAT balances. The group's share of the VAT balance at Kibali amounted to $61.8 million (2014: $50.5 million). The Morila and Kibali VAT balances are included in the investments in equity accounted joint ventures.

The portion of the outstanding VAT balances which is not expected to be recovered within a one year time frame amounts to $6.4 million and is shown in the long term debtors (2014: $26.3 million).

The group had received claims for various taxes from the State of Mali totalling $280.0 million (2014: $313.0 million). Having taken professional advice, the group considers the claims to be without merit or foundation and is strongly defending its position, including following the appropriate legal process for disputes within Mali. Accordingly, no provision has been made for the material claims. Loulo, Gounkoto and Morila have legally binding mining conventions which guarantee fiscal stability, govern the taxes applicable to the companies and allow for international arbitration in the event a dispute cannot be resolved in the country. Management continues to engage with the Malian authorities at the highest level to resolve this issue. In 2014, Loulo submitted a request for arbitration at the International Centre for the Settlement of Investment Disputes against the State of Mali in relation to certain of the disputed tax claims. The arbitration process is ongoing with hearings having taken place in Q1 2015, and the

SUSTAINED DIVIDEND GROWTH

Dividend per share[1]



[1] *In respect of the year under review but declared and paid in the following year*

outcome of this process is expected to be concluded in the first half of 2016.

LIABILITIES AND PROVISIONS

Deferred tax of $35.5 million increased by $5.6 million from the balance at 31 December 2014, mainly due to changes in the Life of Mine units of production depreciation estimates at the Loulo-Gounkoto complex and at Tongon during the year.

Provision for rehabilitation decreased to $47.6 million, 15% lower than the balance held at 31 December 2014, following the completion of updated closure plans at the Loulo-Gounkoto complex and Tongon. The reduction in costs mainly reflects the favourable impact of the agribusiness projects initiated at the mines, as well as an update to estimated cost rates.

Trade and other payables of $139.3 million increased by $29.9 million from the balance of $109.4 million as at 31 December 2014, mainly as a result of the increase in supplier balances at the Loulo-Gounkoto complex due to the timing of payments of invoices.

Current tax payable of $19.8 million decreased from 31 December 2014, due to decreased profits at Loulo and Gounkoto year on year.

LOOKING AHEAD

Looking ahead, the group continues to forecast an increasing production profile, with production for 2016 estimated at between 1.25Moz and 1.30Moz, which represents a 3% to 7% increase over 2015. Production is expected to be relatively consistent through the year, slightly weighted to the second half. Management is targeting a total cash cost per ounce for the group, after royalties, of between $590/oz and $630/oz for the year.

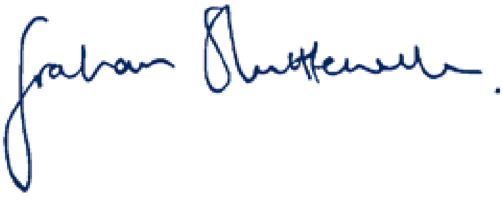
Given Randgold's commitment to growing through discovery and development, the company will continue to commit significant expenditure to exploration, with corporate and exploration expenses of approximately $60 million anticipated in 2016. Total group capital expenditure, including its attributable share of joint ventures, is expected to be approximately $240 million. At Kibali, capital of approximately $80 million (45% of project) is expected, mostly relating to the underground shaft developments and hydropower projects. Ongoing development of the underground mines at Loulo, as well as other projects, are expected to cost $135 million, while Gounkoto is forecasting $6 million, mostly on the underground mine development project. Capital at Tongon, including completion of the crusher expansion, is estimated at $10 million, and $1 million is expected at Morila (40% of project). Continued work on the Massawa feasibility project is forecast to cost approximately $6 million in 2016.

DIVIDEND

Randgold's board has proposed a final dividend of $0.66 per share for the period ending 31 December 2015, a 10% increase on the previous year. An optional scrip dividend alternative will also be put to shareholders at the company's next annual general meeting on 3 May 2016.

Going forward, Randgold intends to continue to pay a progressive ordinary dividend that will increase, or at least be maintained, annually. The board regularly reviews its wider capital requirements in the context of the financial position of the group, the expected cross-cycle cash flows and also its cross-cycle capital requirements.

The company will seek to build up a net cash position of approximately $500 million to provide financing flexibility should a new mine development or other growth opportunities be identified in the future. To the extent that Randgold has surplus capital, the company intends to return such excess to shareholders.

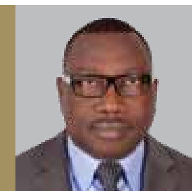


Graham Shuttleworth
Financial director and chief financial officer

SENIOR MANAGEMENT

Roy Bondo
FINANCE AND ADMINISTRATION MANAGER DRC

Abbas Coulibaly
ENGINEERING MANAGER LOULO

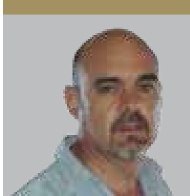


Amourlaye Daouda
OPERATIONS MANAGER TONGON

Daouda Dembele
GROUP FINANCIAL MANAGER LOULO-GOUNKOTO

Ibrahima Diane
HR MANAGER

Hilaire Diarra
GROUP COMMUNITY AND ENVIRONMENTAL OFFICER



Shaun Gillespie
GROUP PLANNING MANAGER

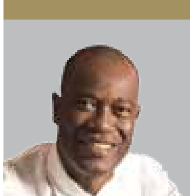
Martin Heunes
GROUP SUPPLY MANAGER

Reinet Harbidge
PRINCIPAL GENERATIVE GEOLOGIST

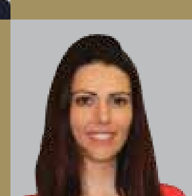
Nico Hoffman
OPERATIONS FINANCE MANAGER

Felix Kiemde
EXPLORATION MANAGER WEST AFRICA

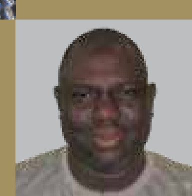
Jonathan Kleynhans
GROUP MINERAL RESOURCE MANAGER



Amadou Konta
GROUP OPEN PIT MINING ENGINEER

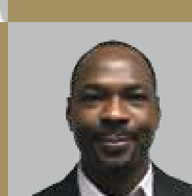


Ashleigh Lawson
GROUP BUSINESS ASSURANCE MANAGER

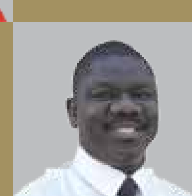


Amadou Maiga
FINANCIAL MANAGER MORILA

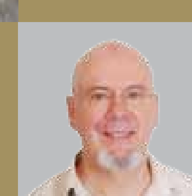
Haladou Manirou
GROUP HEALTH AND SAFETY OFFICER

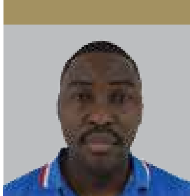


David Mbaye
COUNTRY MANAGER SENEGAL

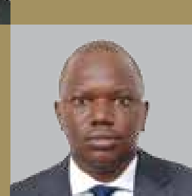


Paul McGehee
GROUP INFORMATION TECHNOLOGY MANAGER





Norton Mukeba
FINANCIAL MANAGER KIBALI

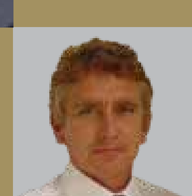


Cyrille Mutombo
COUNTRY MANAGER DRC

Bodiel N’Diaye
COUNTRY MANAGER CÔTE D’IVOIRE

Rachael Sale
TREASURY MANAGER

Mike Skead
GROUP BUSINESS DEVELOPMENT MANAGER



Fabrice Tamane
FINANCIAL MANAGER TONGON

GOLD MARKET OVERVIEW

Gold demand in 2015 was little changed from 2014 as measured by data published by the World Gold Council. While jewellery and technological demand showed declines of 3% and 5% respectively, investment demand growth was 8% and the official sector increased its purchases by 1%.

Gold supply was down 4% on a year earlier, primarily due to decreased contribution from recycling.

The gold price closed the year at $1 062 per ounce, 11% down on a year earlier. The price reached a high of $1 302 in January 2015, but traded in the $1 100 to $1 200 range for most of the year.

Economic and political risks intensified in 2015 with the slow-down in the Chinese economy, plunging oil prices, collapse in commodities prices, escalating conflict across the Middle East and the increased threat of terrorism.

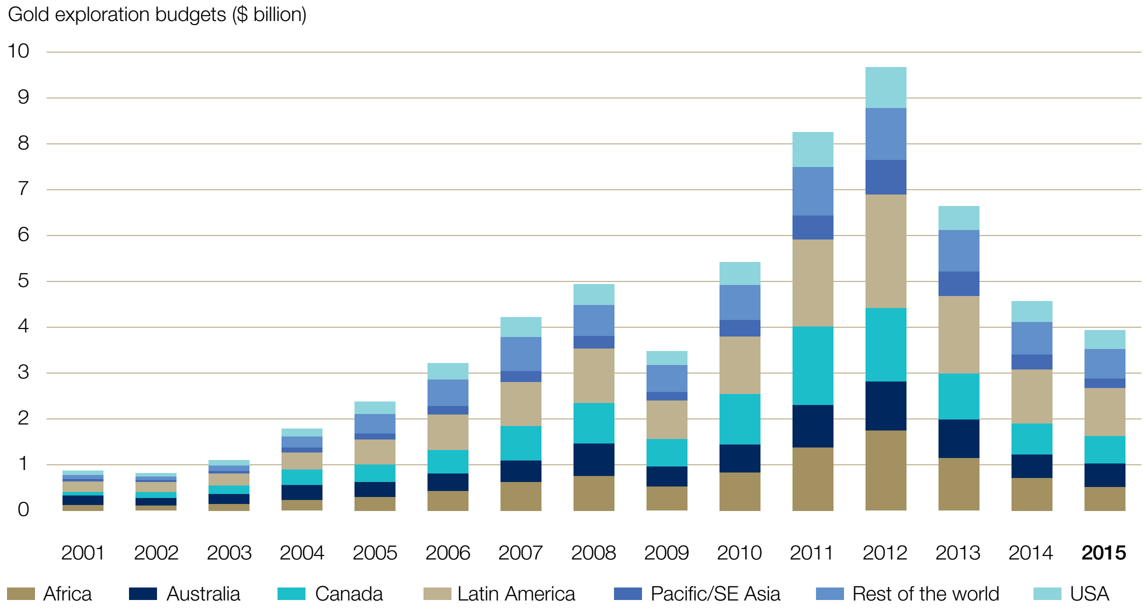
Against this background central banks continued to add to their gold reserves as they maintained a focus on risk management through a diversification of asset portfolios. According to the Word Gold Council's statistics this resulted in the second highest official sector gold demand quantity on record. The most significant development during the year was the announcement by the Chinese Central Bank that it had accumulated more than 600 tonnes of gold during the preceding six years.

DEMAND RESILIENT

Consumer demand remained resilient. Although jewellery demand was down 3% on 2014, the year ended on a strong basis with second half demand being the highest in 11 years. Demand in the two dominant jewellery markets followed divergent paths. In India demand was 5% higher, despite extreme weather conditions and falling rural revenues facing Indian consumers. Chinese demand on the other hand fell by 3% as economic growth slowed and headwinds in the stock market damaged consumer confidence.

Investment demand was 8% higher than 2014, as sentiment moved in favour of gold's risk diversification and wealth-preservation properties. Bar and coin demand showed modest gains. Outflows from gold backed ETFs slowed, particularly as western institutional investors recognised gold as a safe haven amidst financial market volatility, geopolitical unrest and the lack of impetus from the US recovery. However, resistance from a strong US dollar and low inflation environment continued to hamper the turnaround of ETF flows into positive territory.

GOLD EXPLORATION BUDGET TRENDS BY LOCATION



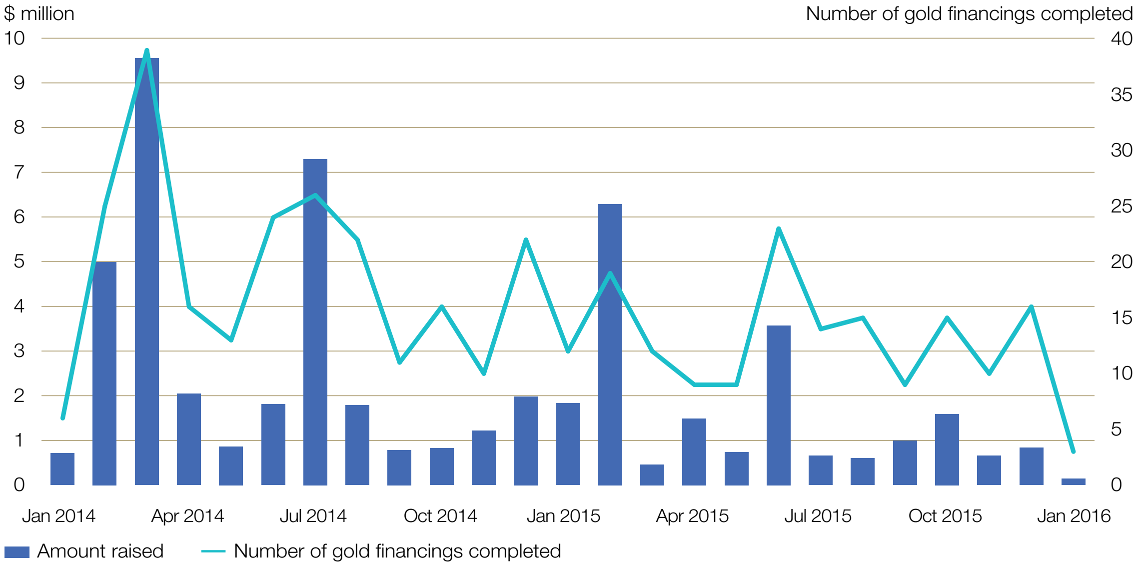
Source: SNL Metals and Mining.

Gold demand in the technology sector remained under pressure from a combination of substitution and slowing final product sales.

SUPPLY DECREASING

Total gold supply fell by 4% in 2015 to its lowest level since 2009. Mine production increased by only 1% year on year, the slowest annual growth rate since 2008. Gold recycling, down 7%, continued its decline in the depressed gold price environment to the lowest level since 2007. Mine output suffered from a combination of reduced exploration budgets and project development as mining companies focused on cost cutting and short term cash generation. The established trend of lower ore grades had a further negative impact on gold supply. Data published by SNL Metals and Mining shows that global commodity exploration budgets have tumbled from more than $20 billion in 2012 to $9 billion in 2015, down 18% on 2014. Although gold-specific budgets were down by 14% in 2015, the precious metal remains the most explored commodity. Exploration budgets are not expected to rebound in the near future. The focus on cost cutting by the majors resulted in smaller exploration departments and a gravitation towards less risky brownfields work, with greenfields projects being placed on hold or sold. Junior explorers were squeezed by poor financing opportunities, which had a further negative impact on greenfields exploration. The predictable result is a slowdown in organic growth which will ultimately impact the gold supply pipeline for a considerable period to come.

GOLD JUNIOR AND INTERMEDIATE COMPANY FINANCINGS COMPLETED



Source: SNL Metals and Mining.

REVIEW OF OPERATIONS

LOULO-GOUNKOTO GOLD MINE COMPLEX

OVERVIEW

OUNCES PRODUCED

630 167
oz

PROFIT FROM MINING ACTIVITY[1]

298.4
$Million

The Loulo-Gounkoto complex comprises two distinct mining permits, Loulo and Gounkoto, and is situated in western Mali, bordering Senegal and adjacent to the Falémé River. Société des Mines de Loulo SA (Loulo) owns the Loulo gold mine and Société des Mines de Gounkoto (Gounkoto) owns the Gounkoto gold mine. Both Loulo and Gounkoto are owned by Randgold (80%) and the State of Mali (20%).

LOULO GOLD MINE

GOUNKOTO GOLD MINE

TOTAL CASH COSTS[1]

675 $/oz

TOTAL RESERVES

7.8 Moz

LOULO-GOUNKOTO COMPLEX KEY RESULTS

12 months ended 31 December	2015	2014
Mining		
Tonnes mined (000)	**31 360**	27 025
Ore tonnes mined (000)	**4 513**	4 539
Milling		
Tonnes processed (000)	**4 543**	4 396
Head grade milled (g/t)	**4.8**	5.0
Recovery (%)	**90.1**	90.2
Ounces produced	**630 167**	639 219
Ounces sold	**630 627**	631 124
Average price received ($/oz)	**1 148**	1 267
Cash operating costs[1] ($/oz)	**606**	597
Total cash costs[1] ($/oz)	**675**	672
Gold on hand at period end[2] ($000)	**8 133**	9 708
Profit from mining activity[1] ($000)	**298 396**	375 293
Gold sales[1] ($000)	**724 167**	799 718

[1] *Refer to explanation of non-GAAP measures provided on page F-34 of this report.*

[2] *Gold on hand represents gold in doré at the mines multiplied by the prevailing spot gold price at the end of the period.*

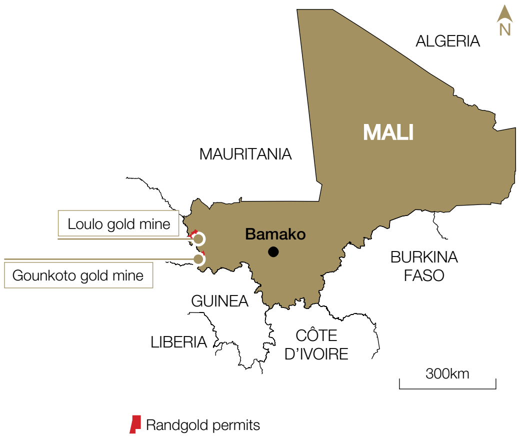
ACHIEVED IN 2015

- Produced 630 167oz at a total cash cost of $675/oz, in line with the prior year
- Increased plant availability and throughput
- Power distribution system stabilised and upgrade project on target for completion in 2017
- Carbon regeneration kiln installed and elution upgrade project on track for Q1 2016
- Completed gravity circuit upgrade
- Successful transition from underground contract mining to owner mining
- Updated Gounkoto underground feasibility and underground reserves increased to +1Moz
- Mineral resources grow net of depletion and ore reserve replacement ongoing
- Updated underground ventilation design completed
- Gounkoto achieves LTI free year
- ISO 14001 environmental and OHSAS 18001 health & safety management systems recertified

TARGETED FOR 2016

- Produce 670 000oz of gold
- Improve throughput to 4.6Mt
- Improve recovery to >91%
- Reduce cash costs per ounce of production
- Commission two additional medium speed generators
- Complete upgrade of elution circuit
- Complete underground refrigeration project
- Replace ore reserves through ongoing exploration
- Complete Gounkoto underground versus superpit trade-off feasibility study
- Maintain ISO 14001 and OHSAS 18001 certification
- Reduce LTIFR at Loulo

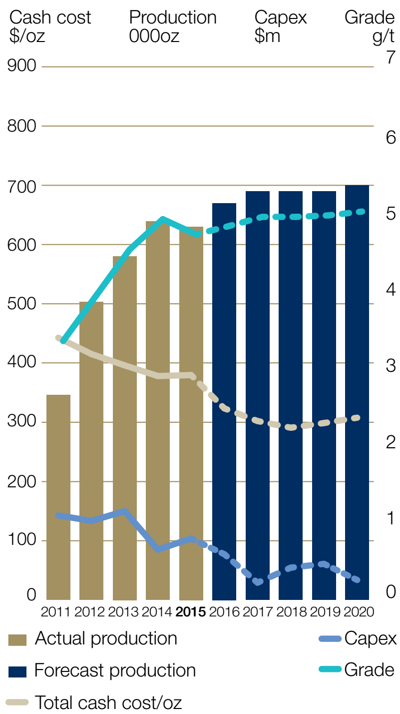
YALEA UNDERGROUND MINING



OPEN PIT MINING AT GOUNKOTO

LOULO METALLURGICAL PLANT

LOULO-GOUNKOTO PRODUCTION AND FIVE YEAR FORECAST



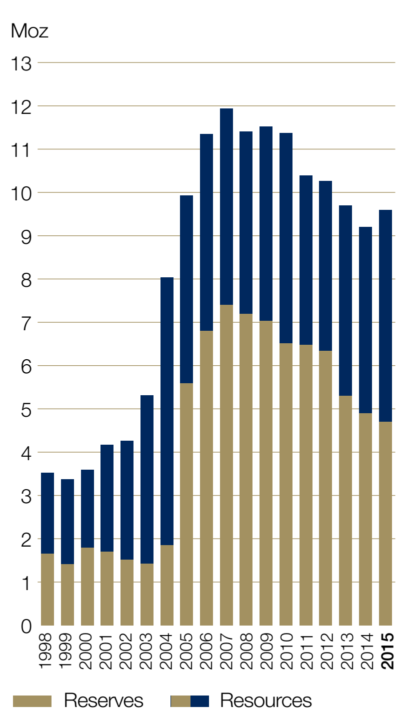
LOULO-GOUNKOTO COMPLEX OPERATIONS

Gold production at the Loulo-Gounkoto complex was 630 167oz, 1% down on the prior year. The small decrease in production was due to a 4% decrease in head grade milled to 4.8g/t, offset by a 3% increase in tonnes processed, while the recoveries were in line with the prior year at 90.1%. Total cash costs per ounce were in line with the prior year at $675/oz and well contained, notwithstanding the lower production and head grade milled, aided by a lower fuel price and favourable euro/dollar exchange rate.

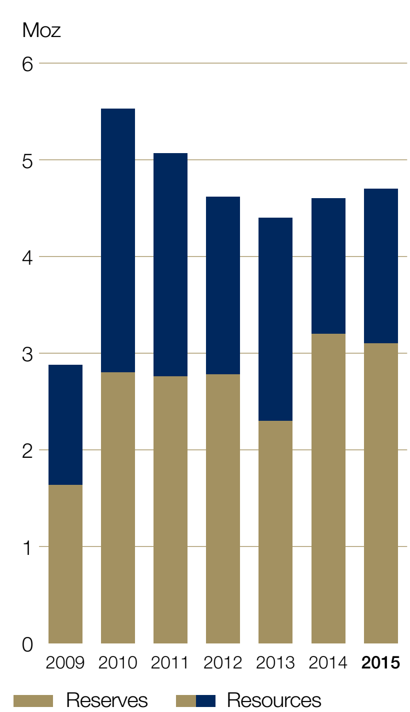
Gold sales of $724.2 million were 9% lower than the previous year due to the 9% drop in the average gold price received. Profit from mining activity (before interest, tax and depreciation) decreased by 20% to $298.4 million due to the lower sales.

Tonnes processed at 4 543kt for the year were 3% above 2014 despite a mill motor failure in Q1, a mill motor replacement in Q3 and the integration of the paste plant with the processing plant. Further modifications in 2016, including the launders installation at the CIL, are expected to boost throughput to 4.6Mtpa.

LOULO TOTAL MINERAL RESOURCES AND ORE RESERVES[1]



GOUNKOTO TOTAL MINERAL RESOURCES AND ORE RESERVES[1]



[1] *Refer to the notes to the annual resources and reserves declaration on page 95 of this annual report.*

LOULO GOLD MINE

LOULO (STANDALONE) KEY RESULTS

12 months ended 31 December	2015	2014
Mining		
Tonnes mined (000)	**2 598**	2 819
Ore tonnes mined (000)	**2 520**	2 699
Milling		
Tonnes processed (000)	**2 570**	2 711
Head grade milled (g/t)	**4.7**	4.9
Recovery (%)	**90.1**	90.1
Ounces produced	**350 604**	382 263
Ounces sold	**352 927**	376 490
Average price received ($/oz)	**1 152**	1 264
Cash operating costs[1] ($/oz)	**670**	637
Total cash costs[1] ($/oz)	**739**	713
Gold on hand at period end[2] ($000)	**3 678**	6 922
Profit from mining activity[1] ($000)	**145 875**	207 496
Gold sales[1] ($000)	**406 643**	475 861

Randgold owns 80% of Loulo and the State of Mali 20%. Randgold has funded the whole investment in Loulo by way of shareholder loans and therefore controls 100% of the cash flows from Loulo until the shareholder loans are repaid.
Randgold consolidates 100% of Loulo and shows the non-controlling interest separately.

1 *Refer to explanation of non-GAAP measures provided on page F-34 of this annual report.*
2 *Gold on hand represents gold in doré at the mines multiplied by the prevailing spot gold price at the end of the period.*

MINERAL RESOURCES AND ORE RESERVES

Mineral resources net of depletion increased on the back of gains from infill grade control drilling. This partially offset mining depletion, together with a significant extension of the Gara underground resource to the south following resource drilling. Small resource gains were also reported at Loulo 3 and Gara West where updates to the models were completed.

Total ore reserves were marginally down year on year due to partial ore reserve replenishment from infill grade control drilling of the principal deposits. The mineral resource gains in 2015 are expected to be converted to ore reserves in 2016 after completion of infill drilling and the necessary design work. Loulo 3 open pit ore reserves increased marginally as a result of the remodelling of the orebody.

OPERATIONS

Gold production at Loulo decreased by 8% to 350 604oz due to a 5% decrease in tonnes processed (2 570kt) and a 4% drop in head grade milled (4.7g/t). Notwithstanding the drop in production, total cash costs were contained at $739/oz, a 4% increase on the prior year. The grade was negatively impacted by a slower build-up in underground mining which delayed access to higher grade areas, in part due to the impact of the flooding in Q3 as well as the transition to owner mining. There was a marked improvement in the latter half of Q4.

Gold sales of $406.6 million were lower than the previous year due to the 9% drop in the average gold price received. Profit from mining activity (before interest, tax and depreciation) decreased to $145.9 million for the year.

Capital expenditure for the year of $181.7 million included the development of Yalea and Gara

LOULO UNDERGROUND

underground mines as well as the acquisition of a new underground mining fleet as part of the transition from contract mining to owner mining. Expenditure also covered the replacement of 10 aging Cat 3512B generators, as well the addition of a carbon regeneration kiln and upgrades to the gravity and elution circuits to increase the gold stripping capacity.

Work continues on the underground refrigeration plants, upgrading of the medium voltage distribution system as well as a new elution column and electrowinning section to expand the gold stripping capacity in the process plant.

Two additional medium speed generators are due to be installed in 2016 to provide the additional power requirements for the two new refrigeration plants at Yalea and Gara.

MINING AND PRODUCTION

During 2015, 16 642 development metres were completed and 2 460kt of ore at 5.57g/t was hoisted to surface. The improved backfill performance during 2015 had a positive impact on the availability of stopes, mining sequence and delivery of ore at both Yalea and Gara.

Loulo successfully transitioned from contract mining to owner mining in the last quarter of 2015. The transition included the implementation of remote control mining technologies at both Yalea and Gara. The automated loading guidance system is expected to reduce loader damage and increase productivity.

As part of its commitment to provide a productive, safe and healthy working environment, Loulo started the construction of two refrigeration and air-cooling plants for both underground mines. Given the hot and at times humid climate in Mali, and with the increasing depth of the mining levels, the refrigeration plants are designed to cool the ambient air to a wet bulb temperature of approximately 28°C at the working face.

PROCESSING, PLANT AND ENGINEERING

Processing

A total of 4 543kt at 4.8g/t, which includes 1 973kt from Gounkoto, was treated and milled at the Loulo plant during the year, compared to 4 396kt at 5.0g/t in 2014. Further modifications in 2016, including the launders installation at the CIL, are expected to expand the throughput capability to 4.6Mtpa.

Overall gold recovery of 90.1% was in line with the prior year, while plant utilisation of 92.3% increased from 91.7% in 2014. Gold recovery of plus 91.0% is being targeted for 2016 on the back of the upgrades to the gravity, elution and regeneration circuits, along with other improvement initiatives, including an upgrade to

LOULO MINERAL RESOURCES AND ORE RESERVES

		Tonnes (Mt)		Grade (g/t)		Gold (Moz)		Attributable gold[3] (Moz)	
at 31 December	Category	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
MINERAL RESOURCES[1]									
■ Stockpiles	Measured	**1.9**	2.2	**1.7**	1.8	**0.1**	0.1	**0.08**	0.1
■ Open pits	Measured	**0.7**	1.0	**2.9**	2.2	**0.07**	0.07	**0.05**	0.06
	Indicated	**11**	7.0	**2.6**	2.3	**0.9**	0.5	**0.7**	0.4
	Inferred	**3.2**	7.0	**3.0**	2.2	**0.3**	0.5	**0.2**	0.4
■ Underground	Measured	**15**	12	**5.0**	4.3	**2.4**	1.7	**1.9**	1.3
	Indicated	**22**	29	**5.1**	5.0	**3.6**	4.7	**2.9**	3.8
	Inferred	**17**	13	**4.1**	3.7	**2.2**	1.6	**1.8**	1.3
TOTAL MINERAL RESOURCES	Measured and indicated	**51**	52	**4.4**	4.3	**7.1**	7.1	**5.7**	5.7
	Inferred	**20**	20	**3.9**	3.2	**2.5**	2.1	**2.0**	1.7
ORE RESERVES[2]									
■ Stockpiles	Proved	**1.9**	2.2	**1.7**	1.8	**0.1**	0.1	**0.08**	0.1
■ Open pits	Probable	**5.3**	4.2	**3.4**	2.5	**0.6**	0.3	**0.5**	0.3
■ Underground	Proved	**6.7**	-	**5.3**	-	**1.1**	-	**0.9**	-
	Probable	**18**	27	**5.0**	5.1	**2.9**	4.4	**2.3**	3.5
TOTAL ORE RESERVES	Proved and probable	**32**	33	**4.6**	4.6	**4.7**	4.9	**3.7**	3.9

[1] *Open pit mineral resources are the insitu mineral resources falling within the $1 500/oz pit shell reported at an average cut-off of 0.7g/t. Underground mineral resources are those insitu mineral resources of the Yalea and Gara deposits that fall below the design pits and are reported at a cut-off of 1.9g/t for Yalea and 1.7g/t for Gara. Mineral resources for Gara and Yalea were generated by Mr Simon Bottoms, an officer of the company and competent person. Mineral resources for Loulo 3, Baboto & Gara West were generated by Mr Mamadou Ly, an officer of the company, under the supervision of Mr Simon Bottoms, an officer of the company and competent person.*

[2] *Open pit ore reserves are reported at a gold price of $1 000/oz and an average cut-off of 1.1g/t and include dilution and ore loss factors. Open pit ore reserves were calculated by Mr Shaun Gillespie, an officer of the company and competent person. Underground ore reserves are reported at a gold price of $1 000/oz and a cut-off of 2.6g/t for Yalea underground and 2.2g/t for Gara underground and includes dilution and ore loss factors. Underground ore reserves were calculated by Mr Andrew Fox, an external consultant and competent person.*

[3] *Attributable gold (Moz) refers to the quantity attributable to Randgold based on its 80% interest in Loulo.*

Mineral resource and ore reserve numbers are reported as per JORC 2012 and as such are reported to the second significant digit. Refer to the notes to the annual resources and reserves declaration on page 95 of this annual report.

the Aachen reactors to increase oxygen availability in the CIL.

Loulo contributed 57% (23% Gara underground; 28% Yalea underground; 4% Yalea OC; 1% Gara OC) and Gounkoto 43% of the ore to the plant, almost in line with the 60:40 plan to balance the mines' respective reserves.

Engineering and power supply

In the metallurgical plant the availability of the mills and crusher was 94.8% (2014: 93.2%) and 87.9% (2014: 88.9%) respectively.

Despite improvement in the mills' runtime, availability was negatively impacted by the premature failure of the primary mill gearbox float bearing, power interruptions in Q1 2015 and Mill 2 motor lube system failures. The crushing plant will be reconfigured in Q2 2016 to add an additional tertiary crusher (currently three tertiary units are in operation) allowing a finer gap setting to deliver a finer crush product which will raise the milling throughput.

The power plant produced a total of 331.6GWh of electricity (2014: 287.7GWh), a 15% increase on the prior year. This reflects the additional underground demand, including increased usage of the paste backfill plants and primary ventilation upgrades.

The mine is currently busy with a power stability upgrade to the medium voltage switching system scheduled for completion by the end of 2016 and designed to enhance the efficiency and reticulation of its power. This will be followed by an advanced power management system upgrade during Q1 2017. Ten medium speed generators, which are more efficient then high speed units, can now run on cheaper heavy fuel oil (HFO) which, together with the lower diesel price during the year, contributed to a significant improvement in power costs of $0.151/kWh against $0.246/kWh in 2014. This trend is expected to continue in 2016 given the favourable oil price and the addition of two HFO medium speed generators.

EXPLORATION

Drilling at Gara has confirmed the southern extension to the mineralised system allowing for the mineral resource increase of 500koz net of depletion for the year. Likewise at Yalea new geologic models and ongoing exploration drilling has demonstrated significant potential in the hanging wall adjacent to the current orebody, as well as potential extensions of the Yalea orebody up to 450m south of the existing block model.

Greenfields activity has refocused the exploration effort with an updated, project-wide geological interpretation utilising all mapping, drilling, geochemical and geophysical datasets. This work has delivered 56 new areas of interest which have been ranked and prioritised. Several targets have been advanced with new geological models, including Baboto North, Yalea Ridge South, and the near surface mineralisation potential at Gara South. Going forward, priority targets along regional scale structures such as the Far West Structure and Yalea Structure will be investigated further in 2016. A detailed summary of the exploration work completed during the year can be found in the exploration section of this annual report.

HEALTH AND SAFETY

Five lost time injury (LTI) cases were recorded during the year, representing a lost time injury frequency rate (LTIFR) of 0.87 per million hours worked compared to 0.62 in the previous year. However, the annual total injury frequency rate (TIFR) decreased from 10.76 per million hours worked in 2014 to 7.28, in 2015. A new safety management software system (Myosh) was installed during the year to assist in the management of the mines safety improvement projects. The mine retained its OHSAS 18001 certification.

A cyanide audit was completed against the Cyanide Management Code, and the mine's compliance improved from the previous year.

1 274 malaria cases were treated during the year, an incidence rate of 44% which is a 32% increase on 2014. The mine is focusing on a programme to reduce the incidence rate in 2016.

Overall, 2 358 Voluntary Counselling and Testing (VCT) cases were seen during the year with an HIV positivity rate of 1.8%. The rise in the number of VCT cases, compared to the previous year, is attributable to increased awareness of the disease following the activities of the local NGO, Soutoura. The organisation partnered with the mine to focus on sensitising employees and the community to the prevention of HIV/AIDS.

Following the declaration of the end of Ebola in West Africa on 29 December 2015, the temperature screening at mine sites has been discontinued, while the hand washing initiative and the infection control protocols have been maintained as best practice. Mali Ebola Private Sector Mobilisation Group (EPSMG) has reviewed its agenda to include occupational health, HIV/AIDS and malaria management and meetings have been rescheduled to take place on a monthly basis.

ENVIRONMENT

The mine retained its environmental management system (EMS) certification for ISO 14001 following the surveillance audit during the year, while management reviews and inspections were also undertaken.

A water balance review was undertaken to assess water reticulation and to explore additional ways to save water as well as recycling opportunities. The TSF water recycling rate decreased to 70% against 78% in 2014. Actions were taken to consume more recycled water and by year end had started showing positive results with above 80% recycled.

During the year the sludge treatment plant at Gara was commissioned and, within one month of commissioning, the total suspended solids level in the discharge dropped from above 300-400mg/l to 16mg/l vs 30mg/l as per the legal requirement.

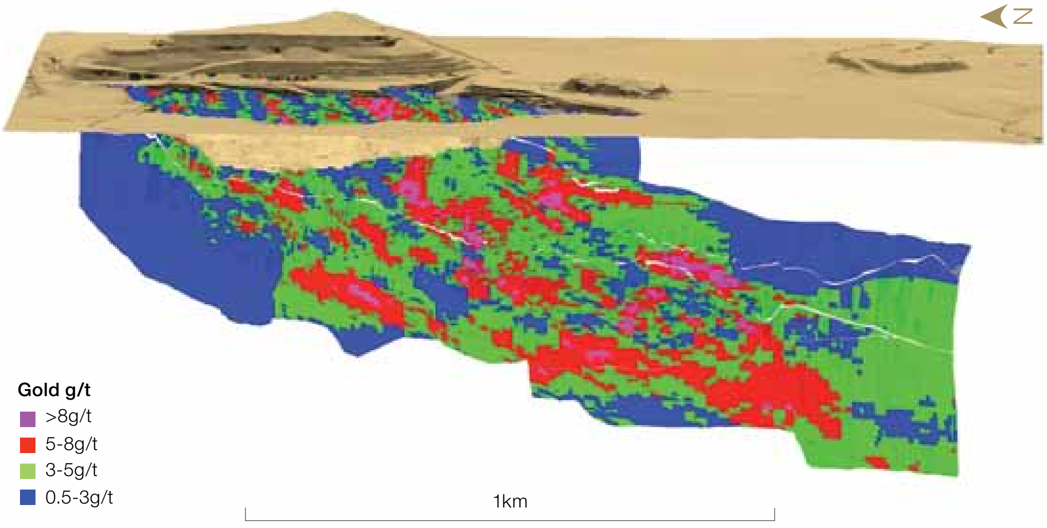
An action plan has been put in place to protect and enhance biodiversity onsite (BAP) of which 90% has been implemented. Fauna and flora awareness has increased and protected fauna species identified. During the year a fishing event was organised in the mine cofferdam with the local community; a total of 27kg of fish was harvested. In 2016, the mine plans to evaluate the opportunity to again assist with the Mali elephant project.

Further details are provided in the sustainability section of this annual report.

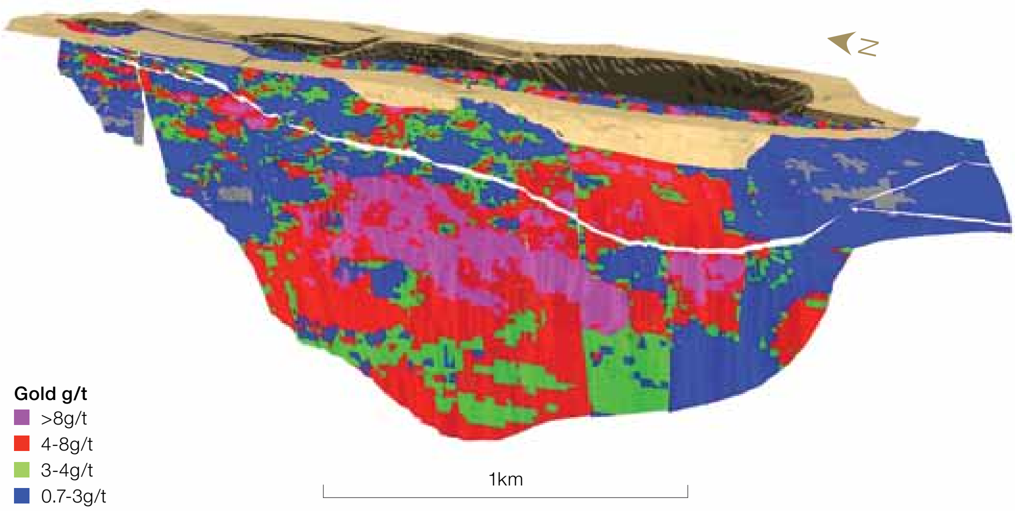
HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The operational labour complement at Loulo comprises 2 896 employees (including personnel employed by contractors and temporary labourers) in line with the prior year, of which 94% are Malians. The mine has

GARA DEPOSIT – GRADE MODEL OF OREBODY



YALEA DEPOSIT – GRADE MODEL OF OREBODY



seen an increase in employees following its transition to underground owner mining and a corresponding decrease in contractors. Notwithstanding this transition, the total number of expatriates at the mine has reduced by a further 7% due to the continuation of the localisation programme designed to promote employment of host country nationals.

Industrial relations were generally stable through most of the year, although a 72 hour strike was undertaken by Union Nationale des travailleurs du Mali (UNTM) affiliated employees in the third quarter of the year. The strike action did not affect production.

Management and the unions have put an excellence bonus scheme in place. Based on departmental goals, it is intended to further incentivise and reward the employees for good performance. Discussions on the implementation of a mine closure fund at Loulo were suspended as the UNTM national union structure entered into negotiations with the Association of Employers (CNPM), at a national level, to increase retrenchment payments and to introduce a social assistance plan for retrenched employees in the National Collective Agreement for mining companies.

A total of 387 employees received formal training during the year in line with the company's development programme.

COMMUNITY

We continue to engage actively with the community through monthly community development committee meetings and ad hoc meetings. The annual sustainability report of the company was presented to the local, regional and national authorities and the community at the beginning of this year. The CEO had constructive meetings with the chiefs of the different villages. It was decided to assist the community in constructing a hotel close to the Senegal-Mali border to provide additional economic activity in the region and to devise a bursary programme for the local students. The mine, together with the community committee and the local authorities, is working to implement these projects this year.

There are a number of mechanisms in place to deal with any grievances that may arise. Although the year ended with no unresolved grievances, there was dissatisfaction with local unemployment resulting in the mine making an extensive assessment of the situation and engaging in dialogue with the community. Investment in economic projects to provide alternative jobs will continue in 2016.

Illegal mining continued to be an issue for the mine and surrounding communities. Through engagement with the community and the government, selected mining corridors for traditional mining were created by the Malian government and handed over to local authorities to reduce the pressure on Randgold's permits. An inter-mine committee chaired by Randgold was established in order to implement and coordinate actions and work with the government in an attempt to address the issue.

The mine, through the education subcommittee, has completed the construction of a school at Dabara and thus achieved its 'one village, one school' policy in its host communities. An action plan, financed by the mine at a cost of $190 000 to improve school access and quality in the local communities, is being implemented by the World Education NGO.

Community health has improved with the work done by NGO Soutoura on HIV/AIDS and STDs. We are looking at expanding the scope of the NGO in 2016 to include sanitation in the communities. The Loulo health centre was formalised through a subcommittee which also coordinated the visit of the NGO Cure to assess the area's health facilities. Medical equipment to the value of approximately $340 000 has been delivered.

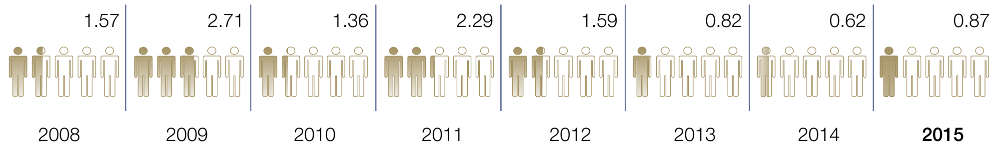
The caterer (FEA) has been encouraged to invest in a number of initiatives to improve local production of gardening produce and to construct an abattoir to ensure the supply of quality meat to the mine. 68 tonnes of fertiliser and seeds have been delivered to the community to boost agricultural production. The management of the seven tractors in the different villages was improved with more than 300ha ploughed with the involvement of the agriculture subcommittee.

The construction of an agricultural college in partnership with Gounkoto mine was completed and inaugurated during the year. A total of 60 students are enrolled at the centre to be trained in agricultural techniques for two years. Four tonnes of broilers and one tonne of vegetables have already been produced and sold.

LOULO MANPOWER

	2015			2014		
at 31 December	**Expats**	**Nationals**	**Total**	Expats	Nationals	Total
Employees	**153**	**1 775**	**1 928**	68	877	945
Contractors	**31**	**937**	**968**	133	1 783	1 916
TOTAL	**184**	**2 712**	**2 896**	201	2 660	2 861

LOULO SAFETY (LTIFR)



GOUNKOTO GOLD MINE

GOUNKOTO (STANDALONE) KEY RESULTS

12 months ended 31 December	2015	2014
Mining		
Tonnes mined (000)	**28 762**	24 206
Ore tonnes mined (000)	**1 992**	1 841
Milling		
Tonnes processed (000)	**1 973**	1 686
Head grade milled (g/t)	**4.9**	5.3
Recovery (%)	**90.1**	90.2
Ounces produced	**279 563**	256 957
Ounces sold	**277 700**	254 634
Average price received ($/oz)	**1 143**	1 272
Cash operating costs[1] ($/oz)	**526**	537
Total cash costs[1] ($/oz)	**594**	613
Gold on hand at period end[2] ($000)	**4 455**	2 786
Profit from mining activity[1] ($000)	**152 521**	167 797
Gold sales[1] ($000)	**317 524**	323 857

Randgold owns 80% of Gounkoto and the State of Mali 20%. Randgold consolidates 100% of Gounkoto and shows the non-controlling interest separately.

1 *Refer to explanation of non-GAAP measures provided on page F-34 of this annual report.*

2 *Gold on hand represents gold in doré at the mine multiplied by the prevailing spot gold price at the end of the period.*

MINERAL RESOURCES AND ORE RESERVES

The Gounkoto resource model was updated to include the additional grade control and resource drilling that was completed during the year. Total mineral resources increased on the back of gains in the underground mineral resource model and partial gains from grade control drilling offsetting depletion within the open pit.

Drilling and updated modelling of the open pit reserves have resulted in the replenishment of reserves depleted during the year, while the update of the Gounkoto underground feasibility study, using the revised mineral resource model, has increased the underground reserve to 4.7Mt at 7.2g/t for 1.1 million probable ore reserve ounces. Total ore reserves for Gounkoto remain above 3Moz.

OPERATIONS

Gounkoto produced 279 563oz of gold, 9% more than in the previous year. Tonnes processed increased to 1 973kt while the head grade milled reduced by 8% to 4.9g/t. With the recovery in line with the prior year at 90.1%, and due to good cost control assisted by a lower fuel price, total cash costs decreased to $594/oz.

Gold sales of $317.5 million were lower than the previous year due to the 10% drop in the average gold price received, resulting in profit from mining activity (before interest, tax and depreciation) of $152.5 million. Capital expenditure totalled $2.7 million, most of which was related to the underground feasibility study and exploration.

During the year, Gounkoto paid a total of $51.9 million in dividends to its shareholders.

GOUNKOTO OPEN PIT MINING

MINING AND PRODUCTION

A total of 28.8Mt was mined, including 2.0Mt of ore at an average grade of 4.9g/t, compared to 24.2Mt including 1.8Mt of ore at 4.4g/t in 2014. The increase in grade reflects the current improved grade profile in the pit.

A total of 1 973kt of ore was fed from Gounkoto to the Loulo plant at an average head grade of 4.9g/t compared to 1 686kt of ore at 5.3g/t in 2014.

The strip ratio was 13.4 in 2015 compared to 12.2 in 2014, slightly higher than the LoM strip ratio of 10.2, although in line with the plan which anticipated higher strip ratios in 2015 and again in 2016.

The Gounkoto main pit is scheduled to be mined until 2024, based on a revised mine plan that focuses on sustainable production over a 10 year period and reducing lock-up of working capital within low grade stockpiles, thus maximising cash flow. The Gounkoto pit will interface with mining from the Faraba satellite pit from 2022 through to 2024.

GOUNKOTO UNDERGROUND PROJECT

The underground feasibility has been updated on the back of a revised resource model which incorporates the drill results from 2015. Work on the portal in the south of the pit is planned to start in 2018 with access to ore anticipated in 2019. A ramp-up to steady state production is scheduled by 2020, as mining in the south of the pit comes to an end. The proposed mining method comprises longhole open stoping with backfill to support a 60 to 70ktpm operation over an eight year period.

An economic assessment on the financial viability of the Gounkoto project underground reserve has been carried out based on the parameters summarised below:

- A flat gold price of $1 000/oz;
- Total ore mined of 4.7Mt containing 1.07Moz of gold at an average grade of 7.2g/t;
- Mining costs average $81/ore tonne delivered to the Gounkoto RoM pad;
- Crushing and haulage costs average $5.90/t ore;
- Mill throughput of an average of 585kt per year to be treated at the Loulo plant over eight years;
- Plant processing costs at an average of $20.60/ore tonne milled;
- G&A cost at $9.27/ore tonne processed over Life of Mine (LoM), including outside engineering costs; and
- LoM capital of $156 million.

A financial model using a $1 000/oz gold price together with a 30% tax rate and a 6% royalty, produced a nine year project with a total after tax cash flow of $210 million and an internal rate of return of 35%. Should a three year tax holiday be approved, on the back of the additional capital investment required to develop the underground mine, this will increase the total cash flow to $256 million with an IRR of 43%.

The Gounkoto underground mine schedule is integrated into that of the Loulo-Gounkoto complex operational schedule which forecasts more than 600 000oz per year until 2025 on current reserves. This excludes further opportunities currently being

GOUNKOTO MINERAL RESOURCES AND ORE RESERVES

		Tonnes (Mt)		Grade (g/t)		Gold (Moz)		Attributable gold[3] (Moz)	
at 31 December	Category	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
MINERAL RESOURCES[1]									
■ Stockpiles	Measured	**1.9**	1.7	**1.9**	1.9	**0.1**	0.1	**0.09**	0.08
■ Open pits	Measured	**3.2**	3.8	**3.4**	4.3	**0.3**	0.5	**0.3**	0.4
	Indicated	**17**	15	**3.9**	3.9	**2.1**	1.9	**1.7**	1.5
	Inferred	**2.2**	3.7	**2.2**	2.6	**0.2**	0.3	**0.1**	0.2
■ Underground	Indicated	**7.5**	7.1	**6.5**	5.7	**1.6**	1.3	**1.3**	1.0
	Inferred	**3.1**	3.8	**3.8**	3.8	**0.4**	0.5	**0.3**	0.4
TOTAL MINERAL RESOURCES	Measured and indicated	**30**	28	**4.4**	4.3	**4.2**	3.8	**3.3**	3.0
	Inferred	**5.3**	7.5	**3.1**	3.2	**0.5**	0.8	**0.4**	0.6
ORE RESERVES[2]									
■ Stockpiles	Proved	**1.9**	1.7	**1.9**	1.9	**0.1**	0.1	**0.09**	0.08
■ Open Pits	Proved	**2.2**	2.7	**4.2**	4.9	**0.3**	0.4	**0.2**	0.3
	Probable	**12**	13	**4.4**	4.0	**1.6**	1.7	**1.3**	1.4
■ Underground	Probable	**4.7**	4.7	**7.2**	6.0	**1.1**	0.9	**0.9**	0.7
TOTAL ORE RESERVES	Proved and probable	**20**	22	**4.8**	4.4	**3.1**	3.2	**2.5**	2.5

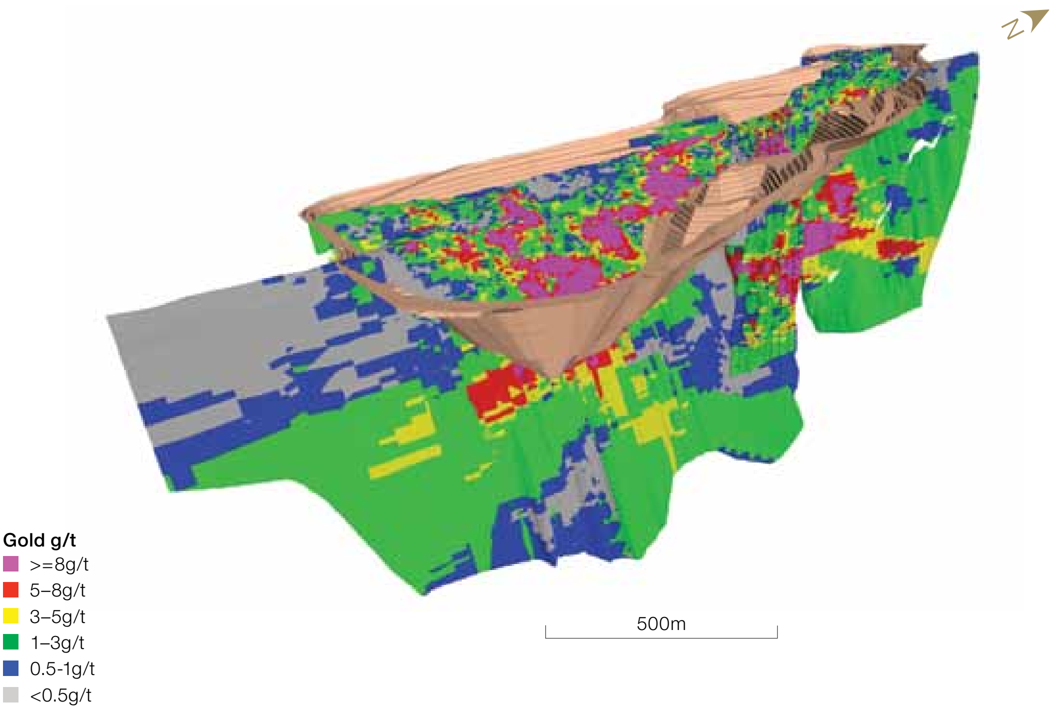
[1] *Open pit mineral resources are the insitu mineral resources falling within the $1 500/oz pit shell reported at an average cut-off of 0.9g/t. Underground mineral resources are those insitu mineral resources below the $1 500/oz pit shell reported at 2.0g/t cut-off. Mineral resources for Gounkoto were generated by Mr Sekou Diallo and Mr Mamadou Ly, both officers of the company, under the supervision of Mr Simon Bottoms, an officer of the company and competent person.*

[2] *Open pit ore reserves are reported at a gold price of $1 000/oz and 1.3g/t cut-off and include dilution and ore loss factors. Open pit ore reserves were calculated by Mr Philemon Frimpong, an officer of the company, under the supervision of Mr Shaun Gillespie, an officer of the company and competent person. Underground ore reserves are reported at a gold price of $1 000/oz and a cut-off of 3.0g/t and include dilution and ore loss factors. Underground ore reserves were calculated by Mr Tim Peters, an external consultant and a competent person.*

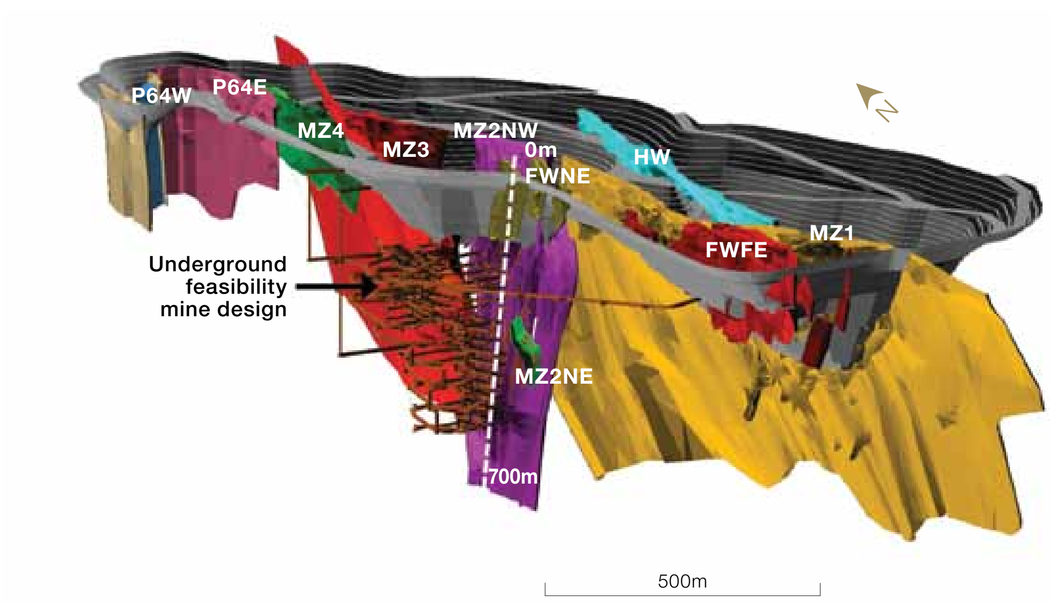
[3] *Attributable gold (Moz) refers to the quantity attributable to Randgold based on its 80% interest in Gounkoto.*

Mineral resource and ore reserve numbers are reported as per JORC 2012 and as such are reported to the second significant digit. Refer to the notes to the annual resources and reserves declaration on page 95 of this annual report.

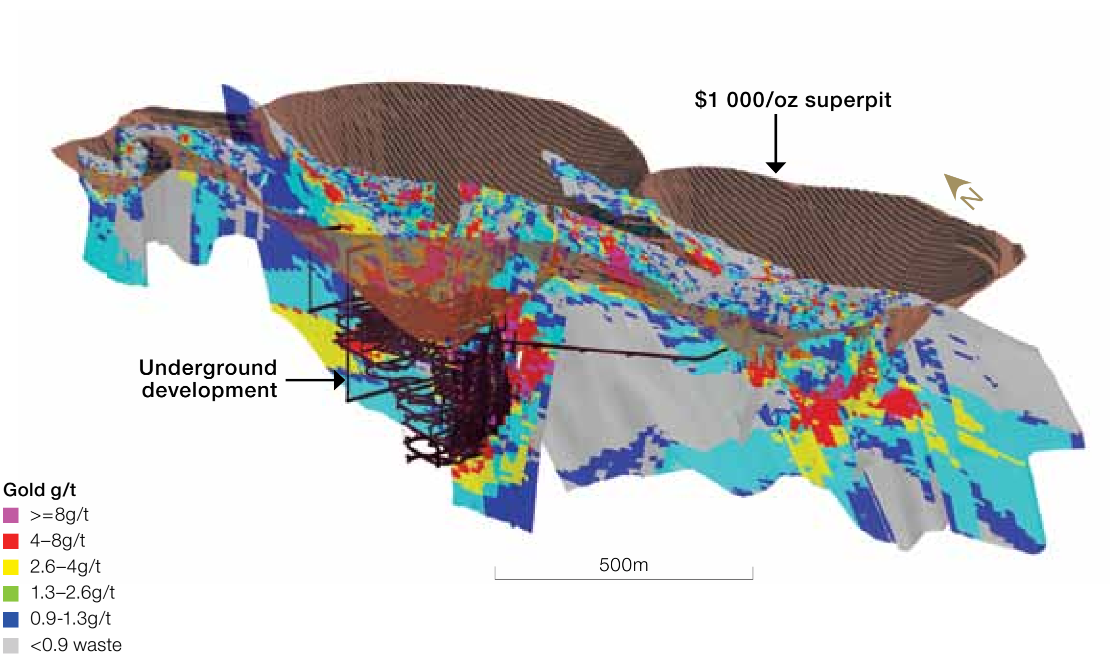
GOUNKOTO BLOCK MODEL OF EACH MINERALISED ZONE ONTO 2015 LOM PIT



GOUNKOTO 3D VIEW OF GEOLOGICAL MODEL, PIT AND UNDERGROUND DESIGN



GOUNKOTO - 3D VIEW OF OPTIONAL SUPERPIT DESIGN ON 2015 BLOCK MODEL



explored to expand the resources at the three principal orebodies of Yalea, Gara and Gounkoto.

UNDERGROUND MINE VERSUS SUPERPIT TRADE-OFF

Given the decrease in mining and processing costs as a result of lower fuel prices and mining contractor efficiency, a superpit option is being considered to optimise the mining of the remaining Gounkoto orebody at the end of the current pit. Preliminary pit optimisation, work indicates a potential in-pit resource of 16.6Mt at 5.15g/t for 2.75Moz, including 14% inferred material. Geotechnical and resource drilling targeting the inferred material between the current pit and underground design level has started and is planned for completion in Q2 2016. A full trade-off between the large open pit option and the current underground project is expected to be completed by the end of 2016.

The larger pit design will be beneficial in extending the life of the open pit to 2023 which brings total cash flow forward and adds operational flexibility. It will also allow for the crown pillar in the underground design to be mined out and still provide an opportunity to mine the remaining underground reserves, accessed from the deeper pit.

EXPLORATION

Newly identified geological controls to high grade mineralisation at P64W have delivered gains to the overall Gounkoto mineral resource which partially offset depletion. At MZ1, underground feasibility drilling showed limited potential for extending the underground target to this portion of the orebody. The potential of the larger open pit potential will be tested in 2016.

As at Loulo, an updated project-wide geological interpretation utilising all datasets has generated 28 new areas of interest, which have been ranked and prioritised. An increased understanding of cover thickness across the permit has been combined with gradient array IP geophysics to identify several blind targets. An assessment of oxide resources at Toronto identified potential of 18koz at around 2g/t in two zones. During the year work at Minan, Toronto South, and Gounkoto NW confirmed the limited ability for these targets to pass our strategic filters, and they were removed from the resource triangle. In 2016, priority targets along the regional scale Gounkoto and Faraba structures will be investigated further. A detailed summary of the exploration work completed during the year can be found in the exploration section of this annual report.

HEALTH AND SAFETY

2015 marked the third consecutive year that the Gounkoto mine has been LTI free, an excellent achievement with the mine recording over 6.6 million LTI free hours. The mine retained its OHSAS 18001 certification.

During the year, a compliance audit was conducted on the safety management system to further enhance the performance of the mine:

- 512 malaria cases were treated during the year representing an incidence of 48%, a 6% decrease from 2014.
- 650 VCTs were conducted during the year with a HIV positivity rate of 0.46%. The increase in the number of VCT cases compared to the previous year was attributable to the activities of the local

NGO, Soutoura, which partnered with the mine to focus on sensitising employees and the community on the prevention of HIV/AIDS.

Best practices of infection control and prevention inherited from the Ebola crisis management were introduced into the health service.

ENVIRONMENT

The mine retained its environmental management system certification to ISO 14001 following the surveillance audit at the beginning of the year and will undergo a recertification audit early in 2016. A management review forum and environmental inspections were undertaken to ensure continued improvement. No major environmental incidents occurred during the year.

The mine water balance was reviewed by an independent consultant, Digby Wells Environmental, to identify gaps to improve the mine water efficiency. The main focus is to reduce the inflow of water from the Falémé River into the pit by establishing an effective dewatering network.

A total of 1 387 trees from 356 plants species are growing in the tree nursery. The opportunity to once again assist in the Mali elephant project is being evaluated.

The environmental permit for the future underground mine was granted by the Ministry of Environment.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Mine employees decreased to 132, excluding contractors, after a rightsizing exercise was undertaken. The total operational complement is now 1 040, including personnel employed by contractors, of which 97% are Malian. Industrial relations were generally stable through most of the year, although a 72 hour strike was undertaken by UNTM affiliated employees in the third quarter of the year. The strike action did not affect the production.

A total of 34 employees received formal training during the year in line with the company's employee development programme.

Management and the unions have put an excellence bonus scheme in place. Based on departmental goals, it is intended to further incentivise and reward the employees for good performance. Discussions on a mine closure fund were also suspended at Gounkoto as the National Association of Employees and the national union structure of the UNTM entered into negotiations regarding the implementation of a post retrenchment social assistance plan and an increase in retrenchment payments. The outcome of these national discussions will determine the nature and requirement for a mine closure fund at Gounkoto.

COMMUNITY

The company's annual sustainability report was presented to the relevant authorities as well as the community, and it continued to engage with the community through monthly development committee meetings. During the year the CEO met with village chiefs to discuss and decide on a number of development projects, including a bursary programme for local students. The mine is working on the implementation of these projects in cooperation with the community committee and the local authorities.

To meet the demand from the community for mine job training, a basic training programme has been agreed with the mining contractor. While there were no unresolved grievances at the end of the year, the riverine communities have expressed concern about dust emissions on the road to Loulo and this is currently being addressed.

A second tractor was handed over to the community during the year. Faraba dam was upgraded to retain water for gardening by the women in the relocated community. The garden has begun and more work will be done on the dam to increase capacity in 2016. Both the Seguelani and Torodinloto villages' women gardens sold their produce to the mine. During the year, an agricultural college for the local community was established in partnership with Loulo mine. Sixty students are enrolled there, and it is already producing and selling broilers and vegetables.

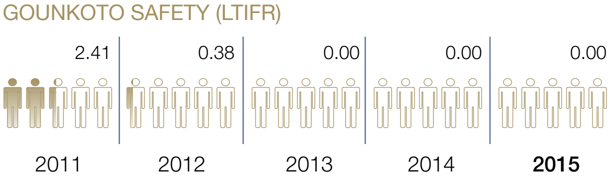
The mine completed the building of a school at Bantakoto. The NGO Soutoura has been brought in to reinforce the community awareness of HIV/AIDS. The scope of the NGO will be extended in 2016 to include sanitation. During the year, the NGO Cure visited the area to assess its health care facilities and delivered medical equipment to the value of about $340 000.

A Randgold-chaired industry committee was established to work with the government in addressing the problem of illegal mining. The government has created special corridors for traditional mining and handed these over to local authorities. The committee continues to cooperate with the government in implementing this plan.

GOUNKOTO MANPOWER

at 31 December	2015 Expats	2015 Nationals	2015 Total	2014 Expats	2014 Nationals	2014 Total
Employees	**4**	**128**	**132**	7	144	151
Contractors	**29**	**879**	**908**	28	834	862
TOTAL	**33**	**1 007**	**1 040**	35	978	1 013

GOUNKOTO SAFETY (LTIFR)



MORILA GOLD MINE

OVERVIEW

OUNCES PRODUCED	PROFIT FROM MINING ACTIVITY[1]
122 374 oz	**60.5** $Million

The Morila gold mine is situated some 280 kilometres south-east of Bamako, the capital of Mali and is owned by Société des Mines de Morila SA (Morila) which is a joint venture company owned by Randgold (40%), AngloGold Ashanti (40%) and the State of Mali (20%). The mine is operated by Randgold.

MORILA GOLD MINE

TOTAL CASH COSTS[1]

674
$/oz

TOTAL RESERVES

0.3
Moz

MORILA KEY RESULTS

12 months ended 31 December	2015	2014
Mining		
Tonnes mined (000)	**3 425**	18 405
Ore tonnes mined (000)	**939**	1 035
Milling		
Tonnes processed (000)	**3 063**	3 242
Head grade milled (g/t)	**1.4**	1.2
Recovery (%)	**91.1**	89.8
Ounces produced	**122 374**	110 272
Ounces sold	**122 374**	110 272
Average price received ($/oz)	**1 168**	1 258
Cash operating costs[1] ($/oz)	**645**	1 109
Total cash costs[1] ($/oz)	**674**	1 143
Profit from mining activity[1] ($000)	**60 487**	12 631
ATTRIBUTABLE (40%)		
Gold sales[1] ($000)	**57 197**	55 489
Ounces produced	**48 950**	44 109
Ounces sold	**48 950**	44 109
Gold on hand at period end[2] ($000)	**-**	-
Profit from mining activity[1] ($000)	**24 195**	5 052

Randgold owns 40% of Morila with the State of Mali and joint venture partner owning 20% and 40% respectively. The group equity accounts for its 40% joint venture holding in Morila.

1 *Refer to explanation of non-GAAP measures provided on page F-34 of this annual report.*

2 *Gold on hand represents gold in doré at the mines multiplied by the prevailing spot gold price at the end of the period.*

ACHIEVED IN 2015

- Produced 122 374oz, exceeding annual target by 11%
- Reduced total cash cost of production substantially to $674/oz
- Successfully completed pit 4S pushback
- Continued profitable processing of mineralised waste
- Workforce appropriately downsized to ensure continued profitability
- Plant recovery rate improved despite lower grades
- Waste de-capping commenced in line with the TSF retreatment plan
- Commercial scale agribusiness projects advanced and potential partners identified
- LTI free year

TARGETED FOR 2016

- Produce 90 000oz of gold
- Maintain low total cash cost/oz of production
- Complete mining and processing of mineralised waste ore
- Mine and process ore from Domba pit
- Start processing TSF material
- Manage downsizing of the operation
- Continue to advance the agribusiness projects and begin handover to partners

MORILA GOLD MINE

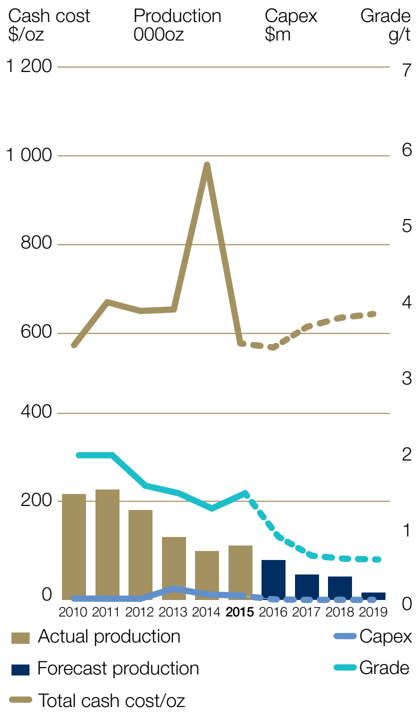
MORILA METALLURGICAL PLANT

MINERAL RESOURCES AND ORE RESERVES

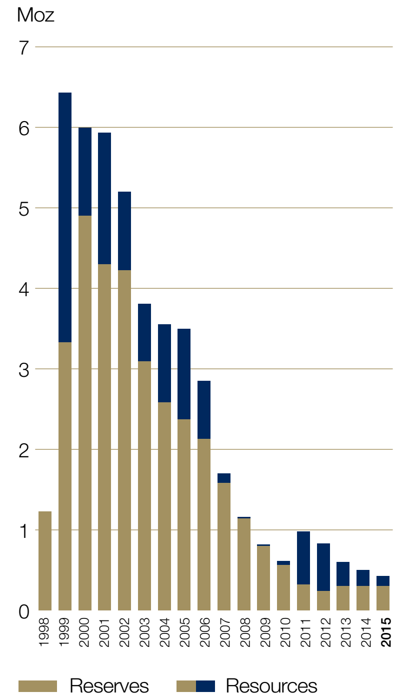
Mineral resources currently consist of mineralised waste material recovered from the waste dumps and old stockpiles, a portion of the tailings storage facility (TSF) and Domba open pit oxide ore.

Only the higher grade portion of the TSF is reported as ore reserves and forms the bulk of the feed for the current LoM plan. Domba contains 454kt at 3.1g/t for 45koz of oxide material currently in the 2016 mine plan but not currently declared as ore reserve while the mine awaits approval from Malian authorities.

MORILA PRODUCTION AND FIVE YEAR FORECAST



MORILA TOTAL MINERAL RESOURCES AND ORE RESERVES[1]



[1] *Refer to the notes to the annual resources and reserves declaration on page 95 of this annual report.*

MINERAL RESOURCES AND ORE RESERVES

at 31 December	Category	Tonnes (Mt) 2015	Tonnes (Mt) 2014	Grade (g/t) 2015	Grade (g/t) 2014	Gold (Moz) 2015	Gold (Moz) 2014	Attributable gold[3] 40% (Moz) 2015	Attributable gold[3] 40% (Moz) 2014
MINERAL RESOURCES[1]									
■ Stockpiles	Measured	**-**	0.02	**-**	4.0	**-**	0.003	**-**	0.001
	Inferred	**0.8**	1.3	**0.7**	0.8	**0.02**	0.03	**0.01**	0.01
■ Open pit	Indicated	**0.5**	0.6	**3.2**	3.0	**0.05**	0.06	**0.02**	0.02
	Inferred	**-**	0.2	**-**	3.7	**-**	0.02	**-**	0.01
■ TSF	Indicated	**23**	14	**0.5**	0.5	**0.4**	0.2	**0.2**	0.09
	Inferred	**0.9**	9.7	**0.5**	0.5	**0.01**	0.2	**0.01**	0.06
TOTAL MINERAL RESOURCES	Measured and indicated	**24**	14	**0.6**	0.6	**0.4**	0.3	**0.2**	0.1
	Inferred	**1.8**	11	**0.6**	0.6	**0.03**	0.2	**0.01**	0.1
ORE RESERVES[2]									
■ Stockpiles	Proved	**-**	0.02	**-**	4.0	**-**	0.003	**-**	0.001
■ Open pit	Probable	**-**	0.6	**-**	3.0	**-**	0.06	**-**	0.02
■ TSF	Probable	**15**	12	**0.6**	0.5	**0.3**	0.2	**0.1**	0.08
TOTAL ORE RESERVES	Proved and probable	**15**	13	**0.6**	0.7	**0.3**	0.3	**0.1**	0.1

[1] *Open pit mineral resources are those located within the $1 500/oz pit shell reported at $1 500/oz cut-off of 0.5g/t. Stockpile mineral resources are also reported at a $1 500/oz gold price and reported at a 0.5g/t cut-off. TSF mineral resources are reported at a $1 500/oz reported at a 0.3g/t cut-off. Open pit and TSF mineral resources were generated by Mr Jonathan Kleynhans, an officer of the company and competent person.*

[2] *TSF ore reserves are reported at a $1 000/oz cut-off grade of 0.5g/t. Ore reserves were calculated by Mr Shaun Gillespie, an officer of the company and competent person.*

[3] *Attributable gold (Moz) refers to the quantity attributed to Randgold based in its 40% interest in Morila.*

Mineral resource and ore reserve numbers are reported as per JORC 2012 and as such reported to the second significant digit. Refer to the notes to the annual resources and reserves declaration on page 95 of this annual report.

OPERATIONS

Morila produced 122 374oz for the year, an 11% improvement on the previous year's production (2014: 110 272oz). The higher grade pit 4S ore was processed in the first half of the year and complemented by additional mineralised waste material from waste dumps deposited earlier in the life of the mine when the highest grades from the pit were being mined. The gold production increase resulted from a 17% rise in the head grade milled, partially offset by slightly lower throughput. Total cash costs were significantly lower at $674/oz, a 41% decrease on the prior year, on the back of the increased production and lower mining costs.

Gold sales, at $143.0 million (100% basis), were 3% higher than the previous year due to the increased production, notwithstanding the 7% drop in the average gold price received. Profit from mining activity (before interest, tax and depreciation) increased to $60.5 million for the year.

Capital expenditure for the year of $11.0 million mainly related to the preparation for the treatment of the TSF. During the year, Morila paid a total of $25.7 million in dividends to its shareholders.

MINING AND PRODUCTION

Mining and processing of pit 4S was successfully completed at the end of March 2015 as planned. Waste was dumped in both pit 4N and pit 5 to reduce the hauling cost. Total tonnes mined in 2015 was 3.4Mt including 939kt of ore at 2.85g/t.

Morila is planning to mine ore from the Domba pit during 2016, subject to agreement with the community and government on relocation of a part of the village. Timeous approval by the Malian authorities should result in first ore from the Domba pit being delivered in Q2 2016, after which the mine is planning to switch to tailings retreatment.

PROCESSING, PLANT AND ENGINEERING

Processing

In 2015, the throughput rate decreased to 372tph from 402tph following the change in the plant configuration to improve efficiency. The milling and crushing circuits were reconfigured along with an upgraded three stage crushing plant which replaced the SAG mill. The oxygenation circuit was also upgraded with an extra 10t PSA to sustain the recovery rate of the future TSF retreatment.

Installation of Aachen reactors to enhance oxygen dispersion in the leach improved the recovery rates and contributed to the reduction in the cyanide consumption.

A carbon incinerator was installed which treated 39.8t of carbon in 2015, contributing 2.5kg to the gold production.

Engineering and power supply

Engineering availability for the year was 84.7% for crushing and 94.8% for milling in line with plan. The crushers are still operating in 'choke feed' mode and the frequency of tertiary crusher relining is being maintained at three weeks. The vertical vibration of the ball mill drive gearbox varies depending on mill load and is closely monitored.

Total power consumption of 106.4GWh was 4% higher than in 2014 and generated at a fuel efficiency of 0.240l/kWh, resulting in a total power cost of $0.170/kWh (2014: $0.303/kWh). The lower generated power cost was due to the reduction in the diesel price through 2015. One high speed generator has been relocated from the power plant to the river station to ensure an adequate power supply to boost the pumping rate required for the TSF retreatment.

The process plant is now ready to receive the TSF material with only the final tie-ins to be completed when the feed is switched over from ore and mineralised waste to slurry from the TSF.

TSF PROJECT

The TSF retreatment model and reclamation schedule were updated during the year and integrated into the LoM. The TSF mining project is being managed by Fraser Alexander Tailings, a specialised TSF retreatment operator.

The 2016 LoM plan includes:

- 36.9Mt of low grade material stripped and pumped directly into the pit from 2016 through to 2020; and
- 15.5Mt of higher grade material (0.55g/t for 275koz) processed through the plant, with the tailings also being deposited in the pit from 2016 through to 2019.

The TSF decapping activity commenced in April 2015 with a total of 3.5Mt of waste discharged directly into the pit during the year.

DOMBA PROJECT

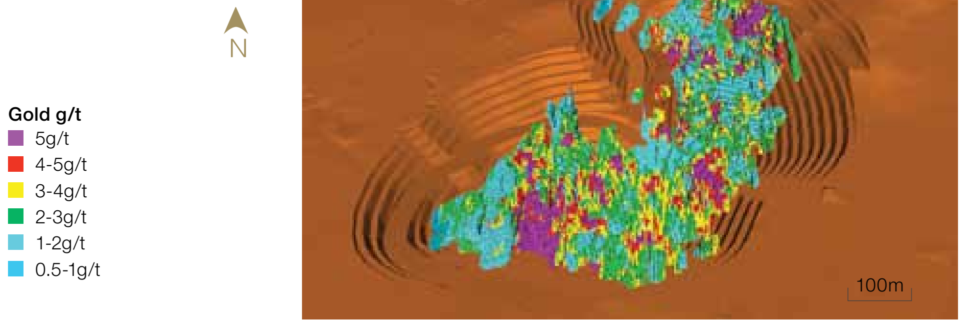
The Domba project consists of a satellite deposit located 6km to the northwest of the main Morila open pit. The mineralisation is very different to that of the Morila orebody, consisting of multiple subparallel lodes along a north south corridor. The lodes vary in width from 1m to 15m and have been delineated in the saprolite to an average depth of 50m. The mineralisation intersected in the fresh rock is narrow, erratic and typically lower grade.

Grade control drilling was completed over the majority of the proposed pit to confirm the mineral content and a feasibility study was completed. This identified 454kt of ore at 3.1g/t for 46koz, within a $1 000/oz pit design, to be mined.

A Malian contractor has been identified to complete the mining and haulage activities over a four month period. Only the oxide portion of the mineral resource is planned to be mined, negating drill and blast requirements. The mining sequence requires that the southern portion of the pit be mined first, followed by the north. This allows for the waste from the north to be backfilled into the southern portion of the pit, reducing the surface impact of the mine. The waste is planned to be used to construct a safety berm between the pit and the village and to be shaped to ensure access to the pit as a surface water source for the community, post mining. Metallurgical recoveries, based on testwork, are good at 91%.

A full environmental and social impact assessment (ESIA) was completed, addressing key community concerns through public consultations, including the Resettlement Action Plan which specifically caters and compensates

DOMBA BLOCK MODEL



for the 26 households, three public infrastructures and 26 fields that will be affected by mining activities. Community development projects targeting farming, water supply, street lighting, the school, the clinic and mosque have been agreed with the community. Final agreement with the community and the government for the project to proceed is awaited.

EXPLORATION

Generative work around the Morila deposit continued during the year with a relogging programme focusing on the key structural and alteration features associated with the Morila mineralisation. However, this work did not lead to the generation of any new targets due to the lack of any visible controls on the features.

At Samacline, a review of the deep zone of mineralisation located to the immediate west of Morila identified open, high grade mineralisation within a wide, low grade envelope of up to 80m in width. The untested area down dip to the west of Samacline is large enough to hold a Morila-type deposit and is now the target of a diamond drillhole being planned to test the model that Samacline could be the eastern edge of a large deposit.

HEALTH AND SAFETY

No LTIs were recorded during the year and the associated LTIFR of zero compared favourably to 1.11 in the previous year. The TIFR also decreased from 4.81 in 2014 to 4.21 per million hours worked in 2015.

A review of the health and safety management system was completed during the year and the scope of the safety policy has been extended to capture the new TSF reclamation activities and ensure the risk assessment of the TSF project is applied to mitigate any safety risks in this new activity.

The malaria incidence rate for the year was 22.5%, a 14% decrease from the previous year.

The mine maintained its OHSAS 18001 certification.

ENVIRONMENT

The mine remains compliant under ISO 14001 and recertification is scheduled for Q1 2016. No major environmental incidents occurred during the year.

The mine closure plan was updated in November 2015 to meet the requirements of the government and the communities and to prevent or minimise any adverse long term environmental and social impacts while creating a self-sustaining natural ecosystem. High risk infrastructure, such as the processing plant and the tailings dam with piping, will be removed and the footprint rehabilitated. Waste rock dumps will be profiled to fit in with the natural landscape and revegetated, and other infrastructure will be left and used to develop an agro industrial centre for the benefit of the communities, former workers and the country (more information is included in the agribusiness section).

Environmental monitoring will continue for five years after the mine closes to ensure compliance with the closure targets.

In 2016, Morila, together with the other Randgold mines in Mali, plans to evaluate the opportunity to once again assist with the Mali elephant project.

Further details are provided in the sustainability section of this annual report.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Total manpower recorded at the end of the year was 781 (including 422 persons employed by contractors) of which 99% are Malian. During the year the industrial relations climate was stable and the mine continued with its downsizing exercise, in line with the cessation of mining activities. Several training and employee capacity building activities took place.

COMMUNITY

During the year, community relations remained good and regular meetings were held with the local development committee (LDC). In conjunction with the LDC, a number of infrastructure development projects were undertaken for the benefit of the community, including:

- Solar pumping system for market gardens;
- Manufacturing and installation of biohazard incinerators at Sanso and Domba medical centres;
- Domba Youth Cultural Centre upgrade with solar power and a borehole;
- Additional boreholes at Fingola; and
- Upgrade of the bridge between the Morila and Sokela villages.

The microfinance project (CAMIDE) has now funded 79 projects with 82% of the amounts advanced having been repaid.

AGRIBUSINESS

In line with the closure plan and strategy, the mine is continuing to establish a viable and sustainable agricentre, with the feasibility study having been completed during the year together with the Ministry of Mines.

Assumptions and salient points:

- Available surface land offered by the centre is 30ha in 2017 and 2018, increasing to 50 ha in 2019 and 2020 and then to 100ha in 2021.

The model has been submitted to potential operators for review and to propose an operational plan.

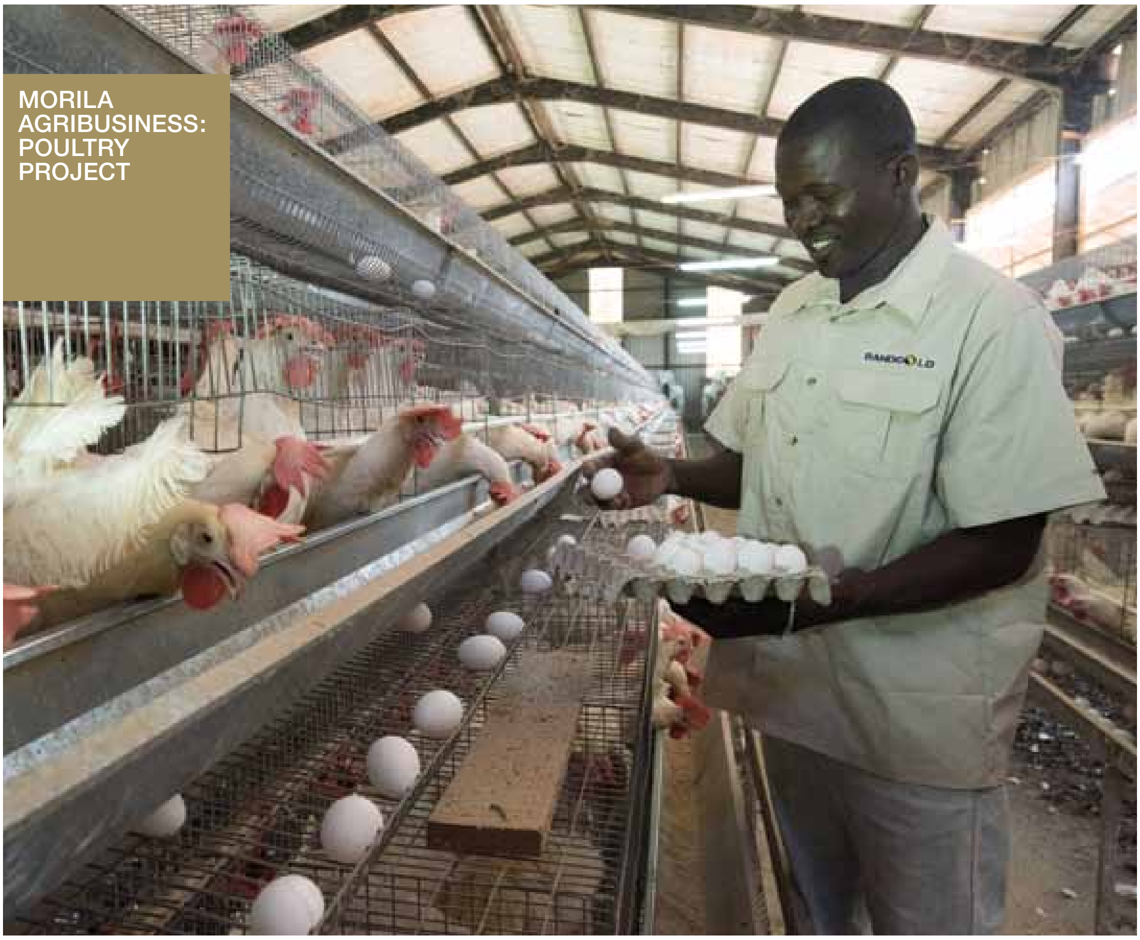
This project aims to:

- Provide an alternative income source to former mineworkers and the surrounding communities;
- Contribute towards ensuring food security in the community and the country;
- Promote local economic development; and
- Improve the community's economic welfare.

The poultry project currently comprises around 10 000 laying chickens and will be extended to 40 000 in 2016. The fish farming project is expected to be in full production from early 2016 and is planned to produce 7.2t per month, with 12 more floating cages to be added in 2016. Existing honey hives are being evaluated and the mine is working to attract Miellerie du Mali onsite to run this project.

MORILA MANPOWER

	2015			2014		
at 31 December	Expats	Nationals	Total	Expats	Nationals	Total
Employees	2	357	359	7	295	302
Contractors	4	418	422	11	967	978
TOTAL	6	775	781	18	1 262	1 280



MORILA AGRIBUSINESS: POULTRY PROJECT

TILAPIA FISH BREEDING PONDS AT MORILA

HARVESTING HONEY AT MORILA GOLD MINE

FIMA sarl is developing a jute outgrower programme across the mine and surrounding villages with some 40ha tried this year. The production of this economic crop will be increased in 2016 and the feasibility of a unit to produce biodegradable bags will be investigated. The mine continues to maintain mango trees with an increase in production expected in the coming year, and will explore the viability of a juice producing unit.

A feasibility plan for ecotourism was submitted by a local partner (GTIM) and a pilot project will be run in 2016.

The mine has also engaged with a number of potential partners and operators for the greater ecocentre project, including the Government of Mali, the World Bank, the IFC, the African Union and local entrepreneurs.

Going forward, the mine intends to expand the capacity of the projects with a focus on selecting operators to partner and assume management of the different projects.

MORILA SAFETY (LTIFR)

2008	2009	2010	2011	2012	2013	2014	**2015**
1.12	0.92	0.55	0.00	0.52	0.49	1.11	0.00

TONGON GOLD MINE

OVERVIEW

OUNCES PRODUCED

242 948 oz

PROFIT FROM MINING ACTIVITY[1]

75.4 $Million

Tongon gold mine is located within the Nielle exploration permit 628 kilometres north of the Côte d'Ivoire port city of Abidjan and 55 kilometres south of the border with Mali. Tongon gold mine is owned by the Ivorian incorporated company, Société des Mines de Tongon SA (Tongon), in which Randgold has an 89% interest, the State of Côte d'Ivoire 10% and 1% is held by a local company.

TOTAL CASH COSTS[1]

836
$/oz

TOTAL RESERVES

2.0
Moz

TONGON KEY RESULTS

12 months ended 31 December	2015	2014
Mining		
Tonnes mined (000)	**28 826**	26 126
Ore tonnes mined (000)	**3 563**	3 566
Milling		
Tonnes processed (000)	**4 018**	3 984
Head grade milled (g/t)	**2.3**	2.3
Recovery (%)	**82.6**	78.0
Ounces produced	**242 948**	227 103
Ounces sold	**241 478**	227 103
Average price received ($/oz)	**1 148**	1 264
Cash operating costs[1] ($/oz)	**801**	834
Total cash costs[1] ($/oz)	**836**	872
Gold on hand at period end[2] ($000)	**1 576**	-
Profit from mining activity[1] ($000)	**75 444**	88 963
Gold sales[1] ($000)	**277 253**	287 026

Randgold owns 89% of Tongon with the State of Côte d'Ivoire and outside shareholders owning 10% and 1% respectively. Randgold funded all the investments in Tongon by way of shareholder loans and therefore controlled 100% of the cash flows from Tongon until the shareholder loans were repaid at the end of Q3 2015.

Randgold consolidates 100% of Tongon and shows the non-controlling interest separately.

1. *Refer to explanation of non-GAAP measures provided on page F-34 of this annual report.*
2. *Gold on hand represents gold in dore at the mine multiplied by the prevailing spot gold price at the end of the period.*

ACHIEVED IN 2015

- 7% increase in gold production to 242 948oz
- 4% reduction in total cash cost to $836/oz due to improved efficiency and cost control
- Recovery and throughput increased
- New rougher flotation circuit completed and commissioned
- Underperforming Vibrocone crushers replaced with Hydrocone crushers
- New 4th stage crushing circuit Phase 1 installed by year end
- Repayment of capital and shareholders loans completed
- 35% of 2015 ounce depletion replaced through in-fill grade control drilling
- OHSAS 18001 and ISO 14001 certifications maintained
- Malaria incidence rate decreased by 16% year on year
- Continued localisation of workforce to over 97% Ivorian
- Received 'Award for Excellence' and recognised as the best mine in the country for the second year running by the President of Côte d'Ivoire

TARGETED FOR 2016

- Produce 290 000oz of gold
- Reduce total cash cost/oz of production
- Optimise the flotation concentrate ultra-fine grinding operation to improve recovery
- Complete and commission Phase 2 installation of the 4th stage crushing circuit
- Maintain OHSAS 18001 and ISO 14001 certification
- Maintain and improve community relations and social development
- Conclude the agribusiness feasibility study in partnership with government
- Continue the localisation of Tongon's management and skills base
- Reduce LTIFR
- Pay dividends

TONGON METALLURGICAL PLANT

TONGON BLAST PREPARATION AT SZ PIT

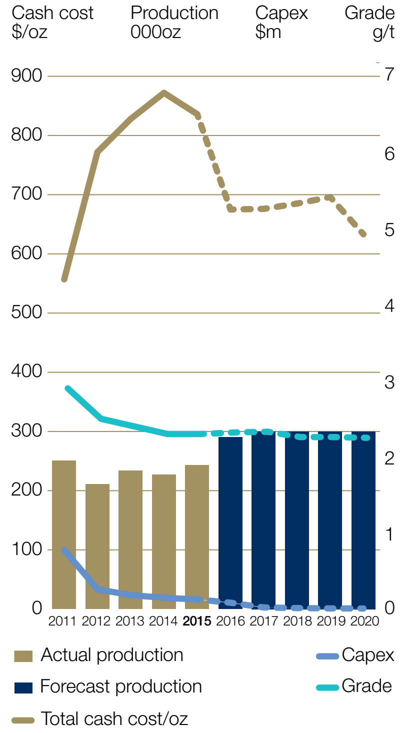
MINERAL RESOURCES AND ORE RESERVES

Both Tongon Southern Zone (SZ) and Northern Zone (NZ) resource models and open pit designs have been updated during the year, using a significant quantity of new data from grade control, advanced grade control and resource drilling.

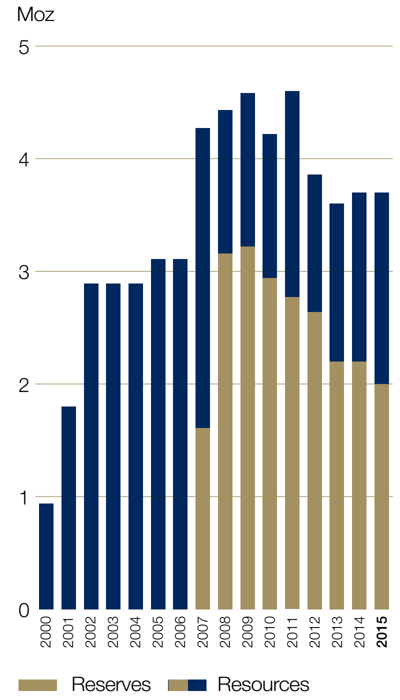
Gains were identified within the SZ open pit resources from grade control drilling which replenished mining depletion for the year, while model changes due to infill resource drilling reduced the mineral resources from the NZ, resulting in a 2% net reduction of declared mineral resources year on year.

Ore reserves were partially replenished in the year, principally from grade control gains within the SZ, while ore reserve reductions were identified in the NZ from mining depletion and model changes. Total ore reserves were thus slightly down year on year. Drilling continues on both the NZ and SZ to test the orebodies below the current pits for possible extensions.

TONGON PRODUCTION AND FIVE YEAR FORECAST



TONGON TOTAL MINERAL RESOURCES AND ORE RESERVES[1]



[1] *Refer to the notes to the annual resources and reserves declaration on page 95 of this annual report.*

TONGON MINERAL RESOURCES AND ORE RESERVES

at 31 December	Category	Tonnes (Mt) 2015	Tonnes (Mt) 2014	Grade (g/t) 2015	Grade (g/t) 2014	Gold (Moz) 2015	Gold (Moz) 2014	Attributable gold[3] (Moz) 2015	Attributable gold[3] (Moz) 2014
MINERAL RESOURCES[1]									
■ Stockpiles	Measured	**2.4**	3.0	**1.3**	1.3	**0.1**	0.1	**0.09**	0.1
■ Open pits	Measured	**6.4**	3.9	**3.3**	3.1	**0.7**	0.4	**0.6**	0.3
	Indicated	**22**	27	**2.6**	2.6	**1.8**	2.2	**1.6**	2.0
	Inferred	**5.7**	4.3	**2.6**	2.5	**0.5**	0.3	**0.4**	0.3
■ Underground	Indicated								
	Inferred	**6.4**	7.5	**2.9**	2.8	**0.6**	0.7	**0.5**	0.6
TOTAL MINERAL RESOURCES	Measured and indicated	**30**	34	**2.6**	2.5	**2.6**	2.7	**2.3**	2.4
	Inferred	**12**	12	**2.8**	2.7	**1.1**	1.0	**1.0**	0.9
ORE RESERVES[2]									
■ Stockpiles	Proved	**2.4**	3.0	**1.3**	1.3	**0.1**	0.1	**0.1**	0.1
■ Open pits	Proved	**5.8**	4.2	**2.7**	2.8	**0.5**	0.4	**0.4**	0.3
	Probable	**18**	23	**2.4**	2.4	**1.4**	1.7	**1.3**	1.5
TOTAL ORE RESERVES	Proved and probable	**26**	30	**2.4**	2.3	**2.0**	2.2	**1.8**	2.0

[1] *Open pit mineral resources are the insitu mineral resources falling within the $1 500/oz pit shell reported at a 0.54g/t cut-off. Underground mineral resources are those insitu mineral resources below the NZ, $1 500/oz pit shell reported at a 2.0g/t cut-off. Mineral resources were generated by Mr Simon Bottoms, an officer of the company and competent person.*

[2] *Open pit ore reserves ore reported at a gold price of $1 000/oz and 0.8g/t cut-off and include dilution and ore loss factors. Open pit ore reserves were calculated by Mr Shaun Gillespie, an officer of the company and competent person.*

[3] *Attributable gold (Moz) refers to the quantity attributed to Randgold based in its 89% interest in Tongon SA.*

Mineral resource and ore reserve numbers are reported as per JORC 2012 and as such reported to the second significant digit. Refer to the notes to the annual resources and reserves declaration on page 95 of this annual report.

OPERATIONS

The mine produced 242 948oz of gold in 2015, a 7% increase year on year as a result of a 6% improvement in recovery and a 1% improvement in mill throughput. The underperforming Vibrocone crushers were replaced with upgraded CH660 Hydrocone crushers in Q4 2014 and their optimisation continued into Q1 2015. An additional new 4th Stage CH440 Hydrocone circuit was designed, fabricated and procured in 2015 for complete installation and commissioning in Q1 2016.

By Q1 2015, the mine had completed the installation of the flotation circuit upgrade, designed to increase recovery into the upper 80s percentile. After commissioning, the mine continued to improve gold recovery by engineering out key processing deficiencies and optimising the rougher flotation circuit, ultrafine grinding VXP2500 mills and treatment of the flotation concentrates in the CIL circuit. Gold recovery improved to 84% by year end. Improvement of the operator skills is key to performance as the mine increases the localisation of its workforce.

The electricity grid supply issues, which had challenged the mine in 2014, resurfaced in Q2 and Q3 2015 necessitating the use of a larger proportion of diesel generated power at a higher cost. The supply issues were resolved at the end of the third quarter, resulting in a 'grid-to-generated' power ratio at the targeted 97:3 in Q4 2015.

Gold sales amounted to $277.3 million at a total cash cost of $836/oz, resulting in a profit from mining activity (before interest, tax and depreciation) of $75.4 million. Capital expenditure for the year totalled $16.2 million, related primarily to the flotation circuit upgrade and the new 4th stage crushing circuit.

MINING AND PRODUCTION

Mining continued in the SZ pit mainly in the pushback of the eastern and southern walls supplying fresh sulphide ore to the plant. Waste mining in the NZ pit was started and ramped up in Q1 and Q2, exposing the ore blocks for Q3 and Q4 ore mining. As in 2015, mining activities in 2016 will focus evenly on both NZ and SZ pits, mining both ore and waste.

The LoM schedule is summarised as follows:

- Mining in the SZ pit started in 2010 and will continue to 2019;
- Mining in the NZ pit, started in 2011, ramped up in Q2 2015, continued during the wet season and ramped up further in Q4 2015. NZ pit ore mining continues in 2016 to 2020; and
- SZ and NZ satellite pits have been included in the mine plan and the SZ oxide pit will be mined from 2020 and NZ east pit from 2020.

Total material mined in 2015 at 28.8Mt was 10% above the prior year. Total ore mined at 3 563kt was in line with the previous year despite the added challenge of mining in the SZ pit cut-back areas, consisting of multiple thin orebody sections, found predominantly in this pit. Ore dilution control in the SZ pit is of paramount importance.

The strip ratio for the year at 7.1 was 13% above the prior year, in line with the LoM plan. SZ pit mining activities centred on cut-back hard rock mining (ore and waste) with an oxide/saprolite pushback which started in Q1 2015 in the northern side of the SZ pit. Mining production started improving from Q1 2015, reduced in Q2 as per plan and picking up once more in Q3 and Q4.

Groundwater and surface water management received continued attention and was well controlled during the year. The SZ pit 260RL stage, installed in Q4 2014, continued to serve as the main pumping station.

The rainy season preparation for 2016 is already in place, with the required deep sumps developed in 2015 below 200RL in the northern and southern parts of the SZ pit. In the NZ pit, eight borehole pumps are permanently pumping on the perimeter of the pit together with a deep sump below 290RL, which will be established in Q1 2016 for the pit dewatering system.

Dewatering remains an integral part of the mining strategy in Tongon as the pit lies in the catchment area of the old river system and is downstream of the water storage dam. Mining schedules and plans are developed with a view to ensuring two low spots (sumps) in the pit at any time ahead of the mining cycle, to allow mining to take place in dry ground while the water is pumped away from the sumps.

PROCESSING, PLANT AND ENGINEERING

Processing

Year on year throughput increased by 1% with 4 018kt of fresh sulphide ore treated in 2015.

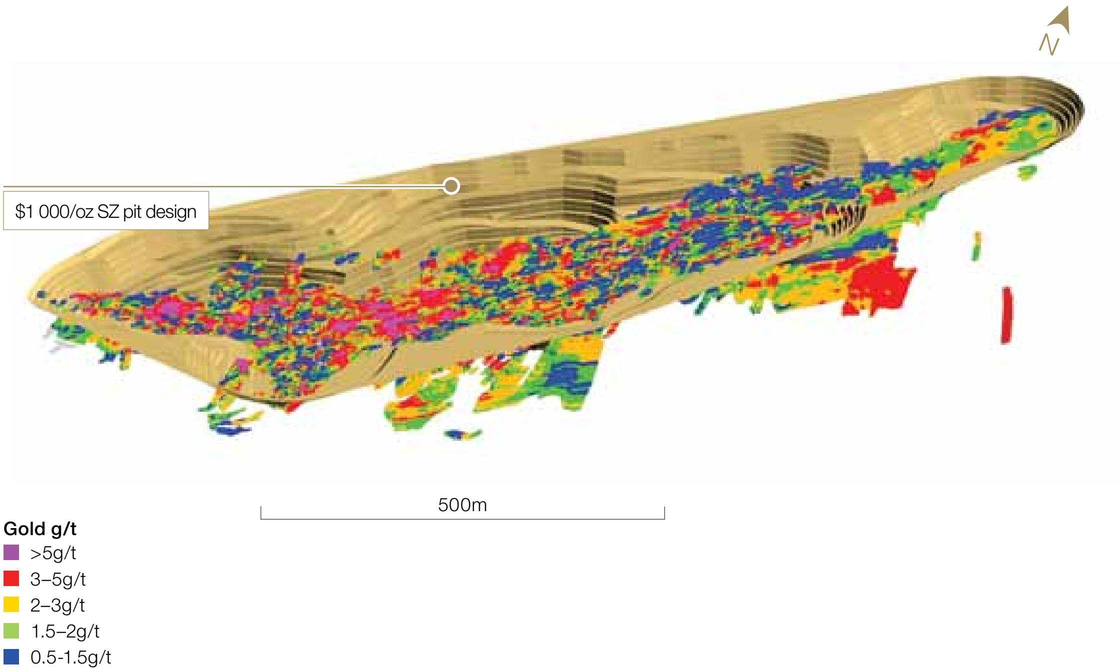
In 2014 the tertiary Hydrocone crushers were replaced with new Vibrocone crushers with a view to crush finer and increase throughput via the ball mills. Although the Vibrocone crushers delivered an improvement in crusher throughput and fineness of crushed product, this improvement could not be sustained due to repeated mechanical failures.

Consequently, it was agreed with the supplier to replace the Vibrocone crushers with upgraded CH660 Hydrocone crushers within a new circuit configuration which was completed in Q4 2014 with optimisation continuing in Q1 2015. Concurrently, an additional new 4th stage CH440 Hydrocone circuit was designed as the final means to crush finer and increase the mill throughput. Fabrication and procurement of the circuit and peripheral services took place in 2015 and the first phase of the installation was completed at the end of the year.

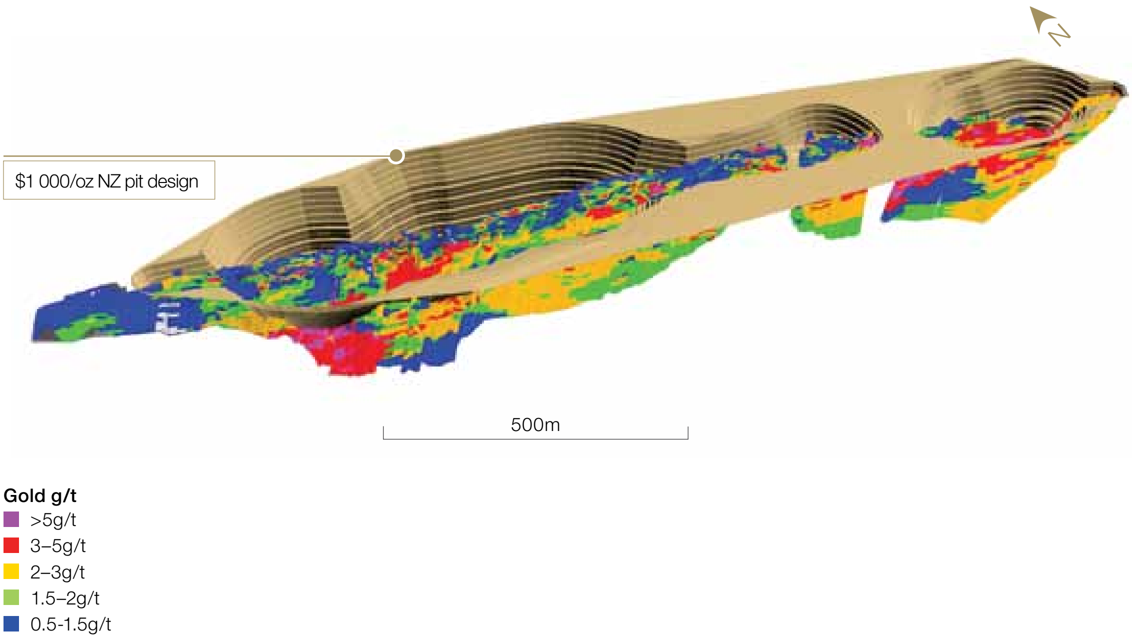
The mine is currently commissioning the second phase of the crushing circuit upgrade with completion scheduled for the end of Q1 2016, and is expecting to ramp up mill tonnage throughput to 4.5mtpa in 2016.

Year on year, gold recovery improved by 6% to 82.6% and by December 2015 had improved to 84%, mainly as a result of improving and sustaining both the flash and rougher flotation concentrate mass pull, the ultrafine grind of the concentrates and its treatment, making it more amenable to leaching in the CIL circuit. Gold production increased 7% year on year to 242 948oz due to higher gold recovery and mill throughput. Further recovery gains are anticipated through optimising the flotation and ultrafine grind circuits to recover all the arsenopyrite associated gold, with the overall recovery target being the original feasibility specification of +86%.

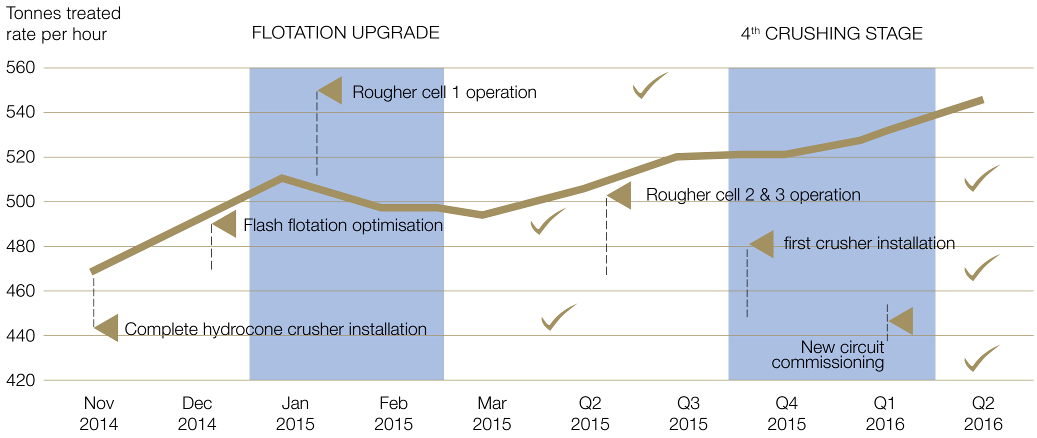
TONGON SOUTHERN ZONE – GRADE MODEL OF OREBODY WITHIN THE $1 000/OZ PIT



TONGON NORTHERN ZONE – GRADE MODEL OF OREBODY WITHIN THE $1 000/OZ PIT



TONGON TIMELINE TO OPERATIONAL EFFICIENCY



Engineering and power supply

Overall mill availability for 2015 was 90.3%, a decrease of 2% compared to 2014, following the production hours lost to replace the total length of the tailings pipeline in Q3 after five years in operation. Mill runtime improved significantly in Q4 due to less downtime stemming from the TSF pipeline constraints, mechanical failures in the milling circuit and improved power management.

Tongon experienced a major shortage of national grid power supply from CIE in Q2 and Q3 as a result of load shedding, due to lower water levels and gas supply, impacting the generating capacity of the national utility. Lower and no grid availability was absorbed by increased usage of diesel generated power. Grid-to-generated power ratio decreased to a 65:35 ratio in Q2 and Q3 and thereafter increased to the targeted 97:3 ratio in Q4. Consequently, the cost of power increased significantly as a result of increased usage of generated power, at \$0.12/kWh for 2015 (\$0.10/kWh for 2014).

Improved cooperation between the CIE national supply authority and Tongon mine has resulted in more effective utilisation and smooth synchronisation during extended power outage periods as well as improved power stability. The completion of the 225kV ring line passing from Leboa to Ferkessedougou is a high priority for 2016. The replacement of the Leboa transformer and power line was completed by the end of 2015 as scheduled.

Power demand consumption from the grid increased from 18.7MW to an average 21.6MW for 2015. Total mine consumption increased in line with the raised operational availability and utilisation, and an increase in the number of process units demanding power as new projects were commissioned during the year.

EXPLORATION

At Tongon the team has continued to pursue the dual strategy of working to replace depletion at the mine with further drilling in and around the Tongon pit while also exploring for a new deposit on the Nielle permit. The work at Tongon has identified a number of high grade structures in the footwall of the deposit which will be further tested in 2016. Infill drilling on existing satellite resources around the pit was also carried out which confirmed their potential to supplement the Tongon ore feed. Further afield, exploration continued on the Nielle permit, focusing on targets along the arsenic-in-soil geochemistry trend which maps the main fluid pathway along the Senefou belt.

A detailed summary of the exploration work completed during the year can be found in the exploration section of the annual report.

HEALTH AND SAFETY

A total of four LTIs were recorded during the year including one fatal incident, resulting in a LTIFR of 0.82 per million hours worked compared to LTIFR of zero for 2014. The fatal accident was fully investigated and corrective and preventive actions implemented.

Attention to safety remains a priority and management, along with the entire Tongon team, continue to conduct risk assessments prior to the commencement of each task.

The continued implementation and maintenance of malaria control programmes resulted in a reduction of the malaria incidence rate from 50.7% in 2014 to 42.2% in 2015.

The mine continued with its Ebola awareness and preparedness campaign together with Randgold's other West African operations as part of an industry-wide private initiative in partnership with state and regional health authorities until the World Health Organization declared Guinea free of Ebola on 29 December 2015. The end of Ebola transmission in Guinea, the last affected country, marked the end of the recent Ebola outbreak transmission in West Africa.

The mine maintained its OHSAS 18001 accreditation.

ENVIRONMENT

Tongon mine has been ISO 14001 recertified for another three years after successfully completing an audit in October 2015. No Class 1 environmental incidents occurred in the year.

A total of 6km of the worn tailings pipeline was replaced with new 450mm TSF pipeline sections in line with the recommendations of Centre Ivorien Antipollution (CIAPOL) on the preventive and corrective measures implemented to close off the class 1 incident that occurred in December 2014.

Tongon mine reviewed its mine closure plan with assistance from international specialist consultants Digby Wells Environmental. Changes made include the reduction of rates due to inflation adjustment, allocation of infrastructure to the mine agribusiness project after closure, an increase in the final angle of waste dump slopes, and the change in the RoM pad rehabilitation techniques to exclude topsoil. The mine's focus in 2016 will be to partially rehabilitate concurrently with mining operations.

Further details are provided in the sustainability section of this annual report.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Tongon's recruitment and localisation strategy is designed to minimise the influx of outsiders into the area and any disruption to community life, while attempting to maximise the benefits of the mine development for the communities surrounding the mine. The principle of employing locally first and spreading recruitment between local villages followed by regionally and then nationally and finally internationally, is fundamentally applied in the mine's recruitment and localisation strategy. This is evident in the percentage of Ivorians employed by the mine which has increased to more than 97%. To date, 79% of the operational labour is from local villages. Overall, the operational labour complement for Tongon comprises 1 767 personnel, including people employed by contractors.

Open and continuous engagement between Tongon's workforce, the union and management ensured that a constructive work environment was maintained. Towards the end of the year, management and the union concluded a review of the Mine Level Agreement (MLA) and, as part of this review, have agreed to adjust the salaries of the workers in the lower categories over a period of three years.

As part of Tongon's succession planning, training workshops were held for 833 workers. These consisted mainly of engineering employees identified for promotion to higher levels of responsibility, and in some cases to replace expatriates.

TONGON MANPOWER

	2015			2014		
at 31 December	Expats	Nationals	Total	Expats	Nationals	Total
Employees	**17**	**573**	**590**	23	426	449
Contractors	**30**	**1 147**	**1 177**	46	1 208	1 254
TOTAL	**47**	**1 720**	**1 767**	69	1 634	1 703

TONGON EXPLORATION

AGRIBUSINESS PLANNING AT TONGON

WATER SECURITY

COMMUNITY

The mine maintained a constructive working relationship with the surrounding communities during the year.

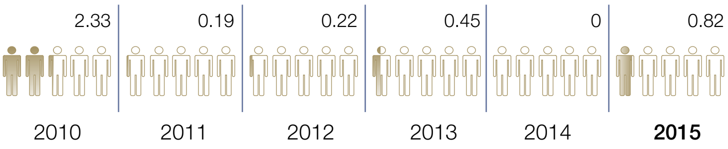
Two health centres and six classrooms were constructed in the surrounding community together with a low capacity dam at Kofiple village and recreational soccer facilities at Tongon village. Kationron village streets were also opened. As part of improving the quality of education in the community, a number of initiatives have been implemented, one of which is rewarding the best performing pupils. This has resulted in our community schools performing better than the national average.

A total of $633 197 was spent directly on community development projects, 17% of which went on education and community training/skill development, 8% on water supply (potable and farming), 17% on food security and local economy development, 17% on health the remaining 41% on road maintenance projects.

Besides the community projects, the mine's focus for 2015 was also on developing sustainable agribusiness activities, helped by the visit of the Prime Minister and a joint government and mine feasibility study. A fish farming project was established to breed and grow fish up to a marketable stage. To date, 15kt of fish are in various stages of growth with the first fish sale having taken place in December 2015. In 2016, we will continue to improve our communities' food production capabilities and their quality of education.

A microfinance project established in the year ended with $85 000 granted to 236 beneficiaries from the community including 132 women (56%). The payback rate is above 98%. The mine will be expanding the microfinance initiative in 2016 by raising the average loan to above $2 000 and intends to invest in more job creating businesses. This will require the mine to increase the initial seed capital of $100 000.

TONGON SAFETY (LTIFR)



TONGON METALLURGICAL PLANT

KIBALI GOLD MINE

OVERVIEW

OUNCES PRODUCED	PROFIT FROM MINING ACTIVITY[1]
642 720 oz	**358.2** $Million

The Kibali gold mine is located in the northeast of the Democratic Republic of Congo (DRC), approximately 560 kilometres north east of the capital of the Orientale province, Kisangani, 150 kilometres west of the Ugandan border town of Arua and 1 800 kilometres from the Kenyan port of Mombasa. The Kibali gold mine is owned by Kibali Goldmines SA (Kibali) which is a joint venture company between Randgold (45%), AngloGold Ashanti (45%) and Société Miniére de Kilo-Moto SA (SOKIMO) (10%). The mine was developed and is operated by Randgold.

TOTAL CASH COSTS[1]

604
$/oz

TOTAL RESERVES

11
Moz

KIBALI KEY RESULTS

12 months ended 31 December	2015	2014
Mining		
Tonnes mined (000)	**31 170**	30 470
Ore tonnes mined (000)	**6 862**	5 632
Milling		
Tonnes processed (000)	**6 833**	5 568
Head grade milled (g/t)	**3.5**	3.7
Recovery (%)	**83.8**	79.3
Ounces produced	**642 720**	526 627
Ounces sold	**643 976**	516 902
Average price received ($/oz)	**1 160**	1 258
Cash operating costs[1] ($/oz)	**557**	528
Total cash costs[1] ($/oz)	**604**	573
Profit from mining activity[1] ($000)	**358 184**	354 220
ATTRIBUTABLE (45%)		
Gold sales[1] ($000)	**336 272**	292 627
Ounces produced	**289 224**	236 982
Ounces sold	**289 789**	232 606
Gold on hand at period end[2] ($000)	**4 006**	5 248
Profit from mining activity[1] ($000)	**161 183**	159 399

Randgold owns 45% of Kibali with the DRC State and joint venture partner owning 10% and 45% respectively. The group equity accounts for its 45% joint venture holding in Kibali.

1 *Refer to explanation of non-GAAP measures provided on page F-34 of this annual report.*

2 *Gold on hand represents gold in doré at the mine multiplied by the prevailing spot gold price at the end of the period.*

ACHIEVED IN 2015

- Produced 642 720oz, 7% above target, at a total cash cost of $604/oz
- Maintained underground decline development on schedule
- Completed shaft sinking ahead of schedule and started with equipping
- Commenced mining from the Mengu Hill open pit
- Commenced preparation for mining of Pakaka open pit
- Underground ore production ramped up on schedule to 100 000t/month by year end
- Backfill plant commissioned on schedule and operating above design specification
- Continued improvement in mill throughput reaching design specification
- Malaria incident rate reduced by 46% year on year
- Recommended for ISO 14001 environmental management system certification
- $2 million direct contribution to community development with $1 million on local economic development projects
- More than $1 billion spent with Congolese suppliers and contractors project to date

TARGETED FOR 2016

- Produce 610 000oz of gold
- Maintain decline development schedule on target
- Maintain shaft equipping and off shaft development on schedule
- Continue to ramp up underground ore production
- Commence mining at Pakaka open pit
- Commission Ambarau hydropower station
- Advance construction of Azambi hydropower station
- Obtain ISO 45001 health and safety certification
- Maintain ISO14001 certification
- Reduce LTIFR
- Commence macro agribusiness project

KIBALI GOLD PLANT

KIBALI UNDERGROUND DEVELOPMENT

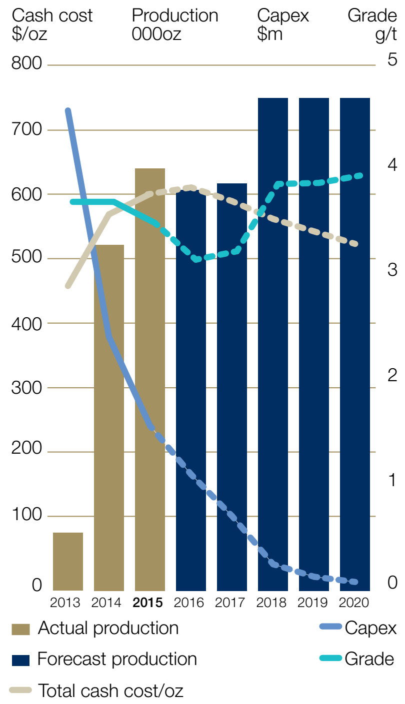
MINERAL RESOURCES AND ORE RESERVES

The KCD, Mengu Hill, Gorumbwa, Megi and Pakaka resource models were updated during the year following additional data, principally from grade control drilling. Total mineral resources decreased this year due to mining depletion and model changes from the additional drilling which identified a thinning and splitting of the 5103 and 5110 lodes. Mineral resource gains were identified at KCD, Gorumbwa and Pakaka.

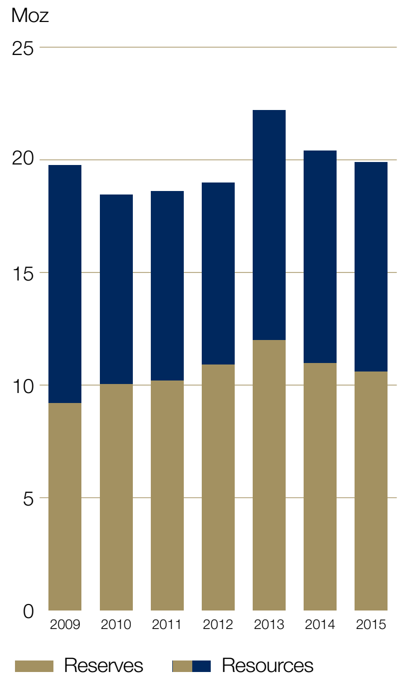
Depletion of ore reserves was partially offset by small gains at Gorumbwa, Pakaka and the KCD underground. Drilling continues to focus on grade control drilling of the deposits in the immediate mine plan of KCD underground, Pakaka and Mengu Hill.

KIBALI OPEN PIT MINING

KIBALI PRODUCTION AND FIVE YEAR FORECAST



KIBALI TOTAL MINERAL RESOURCES AND ORE RESERVES[1]



[1] Refer to the notes to the annual resources and reserves declaration on page 95 of this annual report.

KIBALI MINERAL RESOURCES AND ORE RESERVES

		Tonnes (Mt)		Grade (g/t)		Gold (Moz)		Attributable gold[3] (Moz)	
at 31 December	Category	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
MINERAL RESOURCES[1]									
Stockpiles	Measured	**3.8**	3.8	**1.7**	1.4	**0.2**	0.2	**0.1**	0.1
Open pits	Measured	**6.5**	4.4	**2.4**	2.4	**0.5**	0.3	**0.2**	0.1
	Indicated	**56**	63	**2.1**	2.1	**3.8**	4.3	**1.7**	1.9
	Inferred	**18**	21	**1.8**	1.8	**1.0**	1.2	**0.5**	0.6
Underground	Indicated	**68**	68	**5.2**	5.4	**11**	12	**5.1**	5.2
	Inferred	**29**	32	**3.0**	3.1	**2.8**	3.2	**1.3**	1.4
TOTAL MINERAL RESOURCES	Measured and indicated	**134**	139	**3.7**	3.7	**16**	16	**7.2**	7.4
	Inferred	**47**	53	**2.5**	2.6	**3.9**	4.4	**1.7**	2.0
ORE RESERVES[2]									
Stockpiles	Proved	**3.8**	3.8	**1.7**	1.4	**0.2**	0.2	**0.1**	0.08
Open pits	Proved	**0.2**	1.6	**3.7**	2.6	**0.03**	0.1	**0.01**	0.06
	Probable	**30**	33	**2.2**	2.4	**2.2**	2.5	**1.0**	1.1
Underground	Probable	**45**	44	**5.6**	5.7	**8.2**	8.2	**3.7**	3.7
TOTAL ORE RESERVES	Proved and probable	**80**	83	**4.1**	4.1	**11**	11	**4.8**	4.9

[1] *Open pit mineral resources are the insitu mineral resources falling within the $1 500/oz pit shell reported at a cut-off of 0.5g/t. Underground mineral resources are those insitu mineral resources at the KCD deposit that fall below the 5 685 metre RL elevation, reported at a cut-off of 1.5g/t. Mineral resources were generated by Mr Ernest Doh an officer of the company and competent person and Mr Mamadou Ly an officer of the company; under the supervision of Mr Jonathan Kleynhans an officer of the company and competent persons.*

[2] *Open pit ore reserves are reported at a gold price of $1 000/oz and an average cut-off of 0.88g/t and include dilution and ore loss factors. Open pit ore reserves were calculated by Mr Nicholas Coomson, an officer of the company and a competent person. Underground ore reserves are reported at a gold price of $1 000/oz and a cut-off of 2.5g/t and include dilution and ore loss factors. Underground ore reserves were calculated by Mr Tim Peters, an external consultant and a competent person.*

[3] *Attributable gold (Moz) refers to the quantity attributable to Randgold based on its 45% interest in the Kibali gold mine.*

Mineral resource and ore reserves are quoted as per JORC 2012 guidelines and thus reported to the second significant digit. Refer to the notes to the annual resources and reserves declaration on page 95 of this annual report.

OPERATIONS

The Kibali mine is being developed in two phases. Phase 1, which includes the KCD open pit operation and processing plant, the mine infrastructure (including a 36 unit high speed thermal power station) and the first of three hydropower stations, was completed in December 2014. Phase 2 comprises the underground mine development, including the vertical shaft which is scheduled for commissioning in 2017, and two additional hydropower stations which are planned for commissioning in 2016 and 2018, along with further satellite pits. The mine is expected to produce an average of 600koz of gold per annum over the first 12 years of its life, which currently extends to 2031.

Open pit mining started in July 2012 and commissioning of the oxide circuit began in Q3 2013. Kibali poured its first gold in September 2013, ahead of plan, and started commercial production in Q4 2013. Commissioning of the sulphide circuit started at the end of Q1 2014 and production has steadily ramped up since then, with the mine now processing around 600 000t/month.

In 2015, Kibali produced 642 720oz of gold at a total cash cost of $604/oz. Gold sales amounted to $742.3 million (100% basis) resulting in a profit from mining activity (before interest, tax and depreciation) of $358.2 million.

The capital estimate for the project (phase 1 and 2) remains in line with previous estimates at $1.83 billion, excluding mining preproduction expenses.

In 2015, capital expenditure totalled $251.2 million, which related principally to the Ambarau hydropower station, underground decline and shaft development, CTSF Phase 2, backfill plant and other surface infrastructure.

During the year, Kibali repaid a portion of its shareholder loans made available to it by the Kibali Joint Venture (KJV, the effective owner of the 90% interest in Kibali) to fund the development of the mine which allowed the KJV to pay $70 million in dividends to its shareholders (Randgold and AngloGold Ashanti).

MINING AND PRODUCTION

Open pit mining

A total volume of 12.4 million BCMs was mined from the open pits, exceeding the plan, and ore tonnes mined of 6.1Mt were in line with plan.

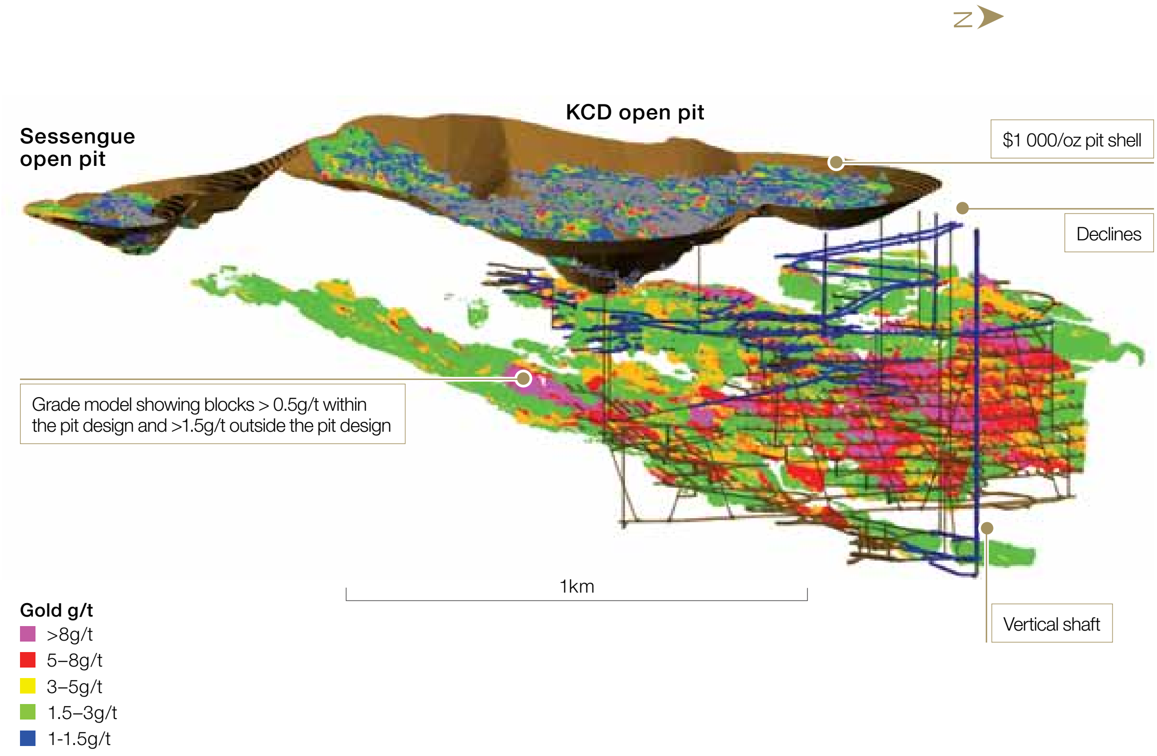
Mining of the first open pit satellite deposit, Mofu, was completed during the year and mining started at the second, Mengu Hill. The KCD main pit and the push back 2 north were mined out during the year, with the push back 2 south scheduled for completion in Q1 2016. Push back 3 (Durba Hill) is planned for later in the mine life during 2025. Bush clearing and dewatering has started in preparation for mining of the Pakaka pit which is scheduled to begin in Q1 2016.

Underground mining

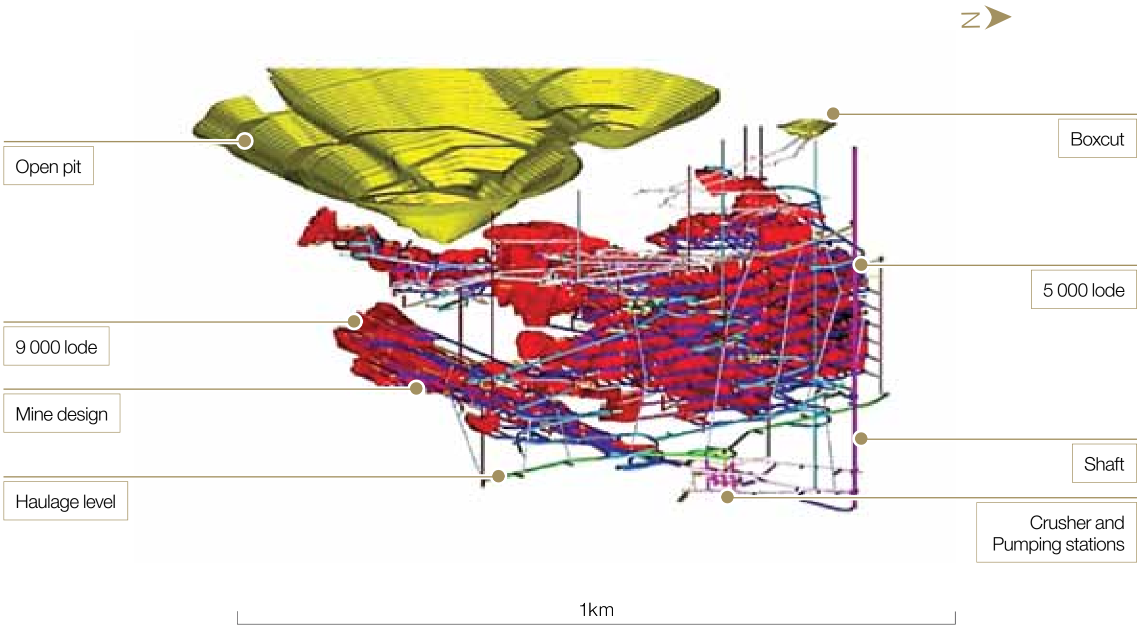
During 2015, 804kt of ore was mined from underground of which stoping contributed 72%

TRUCK UNLOADS ORE INTO CRUSHER AT KIBALI

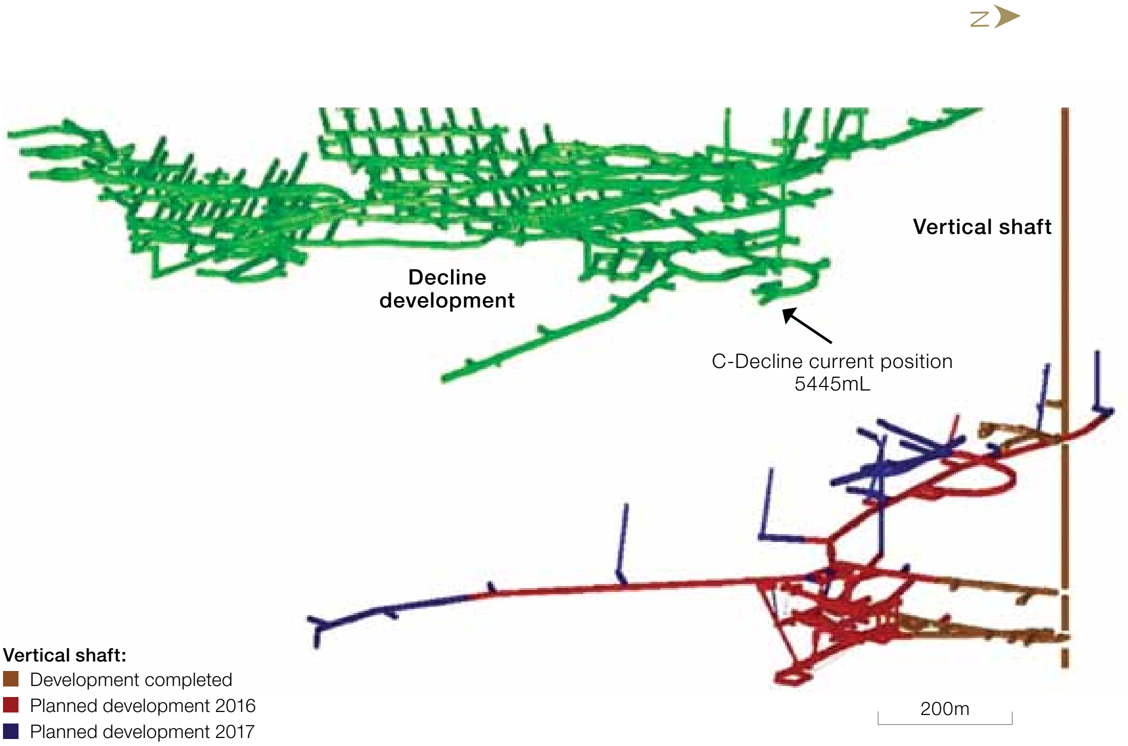
KIBALI – KCD OREBODY WITH UNDERGROUND DESIGN



A FULLY INTEGRATED MINE DESIGN



KIBALI SHAFT DEVELOPMENT PROGRESS



With the 'owner's team' in charge, Kibali achieved a sinking rate for the vertical shaft 50% higher than the industry norm, reaching the bottom at 751 metres three months ahead of schedule.

with the remaining coming from development ore. As forecast, production increased through the year, culminating in 296kt in Q4.

Stoping is expected to continue to ramp up during 2016, with underground production scheduled to produce 1.3Mt of ore for the year.

PROCESSING, PLANT AND ENGINEERING

Processing

The processing plant continued to make steady progress, with 6 833kt treated during 2015, 23% up on the prior year. The feed comprised both oxide and sulphide material at an average grade of 3.5g/t. The average recovery for the year was 83.8%, an improvement from the 79.3% average in 2014. Optimisation of the processing facility is expected to increase this to around 85% during 2016.

Plant enhancements in 2015 included the construction and commissioning of an additional kiln, providing greater carbon regeneration capacity and facilitating improved carbon management, as well as a de-sliming cyclone circuit, planned to relieve the pressure on ultra-fine grind throughput and allow for an increase in sulphide concentrate handling. The second phase of the lined tailings facility (CTSF) was also completed, providing additional storage capacity for CIL tailings.

Engineering and power supply

With a continued focus on planned maintenance, plant availability again increased throughout the year, reaching 94% in December.

At the end of 2014, the Nzoro hydropower station was supplying 16.8MW of power with a 55/45% split between hydropower and thermal power. Further optimisation of the hydropower and synchronisation of power produced from Nzoro II with the diesel power plant via a power management system (PMS), resulted in Nzoro II running at its full 22MW capacity and a 70/30% split between hydropower and thermal power by the fourth quarter. This is the maximum hydropower proportion anticipated with the current capacity but with the completion of Ambarau expected in Q2 2016 and Azambi in mid-2018, the hydropower share of the blend should continue to increase.

The commissioning of Nzoro II reduced the cost of power from $0.46/kWh to $0.21/kWh. With the increase in the contribution of hydropower in 2015, assisted by lower diesel prices, power cost dropped to $0.12/kWh by December, with an average cost for the year of $0.15kWh.

CONSTRUCTION AND UNDERGROUND MINE DEVELOPMENT

The backfill plant was completed and commissioned during the year in line with plan and is operating above design capacity (190m^3/h). Six stopes have been backfilled and the first secondary stope blasted without any delay in the schedule.

Construction of Ambarau, the second 11MW hydropower station was negatively impacted when the earth coffer dam wall failed during high river flows in November 2015. This resulted in the power house flooding as well as damage to the carpi membrane on the wall. The additional repair and rehabilitation work has delayed the completion and commissioning of the station, with first power now expected in Q2 2016. As the previously planned commissioning was scheduled for the start of the dry season, the potential power available until March/April would have been significantly lower and thus the impact of the delay on the hydro/thermal blend is not significant and, as mentioned above, has been offset to an extent by the lower fuel price.

DECLINE DEVELOPMENT

The mining team consistently achieved decline and underground development targets during 2015 and at a better advance rate than planned in the feasibility. An average of 300m/month per jumbo was reached in development with the decline contractor continuing at the 900m/month reached towards the end of the previous year.

To date, a total of 22.7km has been developed including 10.6km in 2015.

VERTICAL SHAFT SYSTEM

Led by Randgold's team, the main contractor completed the shaft sinking in the second quarter of the year, ahead of schedule, reaching the shaft bottom of 751m in July 2015. Lateral development for the production and crusher levels also progressed ahead of target. Equipping of the shaft and headgear change-over also progressed ahead of the programme, with the planned re-opening of the shaft to continue off-shaft development scheduled for Q1 2016.

KIBALI VERTICAL SHAFT RESULTS

12 months ended 31 December	2015	2014
Vertical metres	45	525
Off shaft development	735	531

KIBALI UNDERGROUND DECLINE RESULTS

12 months ended 31 December	2015	2014
Ore tonnes mined	803 879	90 839
Development metres	10 599	8 142

EXPLORATION

Exploration focused on confirming controls on mineralisation to update geological models and defining potential exploration upside. Phased drilling to validate models and test upside is planned for 2016. Extensive data compilation and relogging programmes at KCD and satellite deposits formed the base for superpit conceptual models and optimisation studies which are expected to be concluded early 2016.

Activities on seven priority targets developed from the analysis of mineralisation and distribution of existing work along the KZ trend elevated the prospectivity of two targets.

Trench results at Tete Bakangwe identified three NE plunging mineralised lenses in BIF and metaconglomerate with down dip potential. Results include 13m @ 15.06g/t.

At Sessenge, SW trenches highlighted four higher grade NE plunging mineralised lenses in BIF and metaconglomerate with down dip potential. Results include 28m @ 3.18g/t (9008 lode) and 40.5m @ 3.76g/t (9003 lode).

A detailed summary of the exploration work completed during 2015 can be found in the exploration section of this annual report.

HEALTH AND SAFETY

Kibali had 5 LTIs during the year, as in 2014. However, due to the lower workforce numbers as the capital teams demobilised, the LTIFR deteriorated slightly from 0.51 in 2014 to 0.56 in 2015. The TIFR decreased from 10.60 in 2014 to 6.11 per million hours worked in 2015. There were no fatalities at Kibali during the year.

A concerted effort was made during the year to address the high levels of malaria, with a commendable 46% reduction in the malaria incidence rate.

576 VCT cases were conducted during the year, with a HIV positivity rate of 7.29% compared to 11.26 % the previous year.

ENVIRONMENT

Environmental awareness and control improved at Kibali during the year as the mine settled into stable operations, resulting in no major environmental incidents being recorded. An increased focus on water management improved processing water recycling and the water quality guidelines were not exceeded at any time during the year.

The biodiversity action plan was enhanced in 2015 with extensive surveys of the aquatic habitats to identify biodiversity hotspots and develop an appropriate management measure for these sites. Camera trapping has also been implemented to monitor movement of the larger animal species occurring within the fence. Kibali again contributed over $250 000 to the African Parks Network as part of the continued biodiversity offset strategy and agreement to help combat poaching in the Garamba National Park. This included the funding for collaring of the threatened Kordofan sub-species of giraffe found in the park as well as financial support for pilots to enable aerial counts and patrols.

Kibali was recommended for ISO 14001 certification during the year under review.

Further details are provided in the sustainability section of this annual report.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Although the majority of construction labourers were demobilised during 2014, there was further downsizing of the workforce in 2015 with the number of employees, including contractors, totalling 4 161 by year end. The employee ratios are in line with Randgold's policy of recruitment prioritisation, sourcing primarily from local villages, then regional, followed by national and lastly looking for candidates outside the country. 87% of Kibali employees are Congolese nationals and the intention is to continue localising the work force during 2016.

Key appointments to the underground mining team were made during 2015 in line with the increase in underground production.

Constructive labour relations were maintained directly with employees and with the union, without any industrial action taking place during the year. Agreement was reached on the excellence bonus and employee mine closure fund during the year.

COMMUNITY

In 2015, there was an improvement in the mine and community relationship on the back of more structured, inclusive and informed engagements. The year ended with all grievances resolved except for a few related to field compensation following the change in the plan to mine a satellite pit. These have subsequently been estimated and agreed with the community.

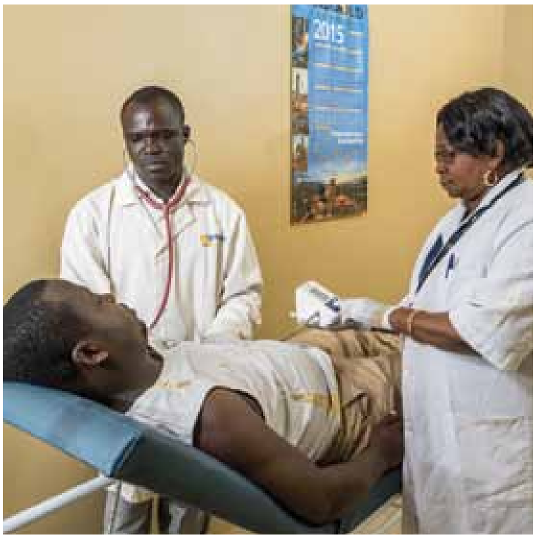
A small relocation action programme, comprising 10 households and limited agricultural fields, was undertaken for the Ambarau hydro project. This was completed during 2015 without issue.

Kibali's contribution to Congolese suppliers and contractors has exceeded $1 billion for the project to date, with more than 80% of this going to provincial vendors (Province Orientale, which includes the new Haut Uélé province).

Kibali's direct community development support during 2015 was in excess of $2 million. With the focus now moving to sustainable projects, $1 million of this was allocated to local economic development (LED). This included the establishment of a soap factory in Durba, funding of a mini supermarket, the first local TV station, the establishment of Kokiza women micro-finance and agri-business micro-finance fund as well as agricultural projects. In addition, the mine funded the development of a community centre, including sports facilities and an information service.

There is still a focus on establishing large scale agriculture in the region, with an 82ha maize crop cultivated during 2015 to trial different varieties and test market opportunities. The results of the trial will be used to develop a prospectus for the commercial maize project planned in 2016. For the palm oil project, the bankable feasibility study was completed and the Bilanga Palm Oil Company was incorporated and registered. The project is now awaiting final government approval of the investment framework. Following this approval it is intended to secure the initial investments and, on closure, include Congolese interests and commence with planting as well as developing the processing plants and refinery.

The new Roman Catholic church built in the model village of Kokiza.



KIBALI CLINIC

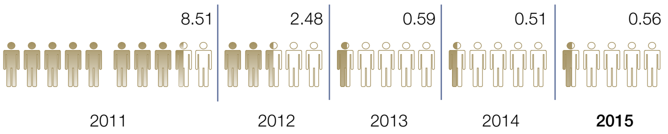
EMPOWERING SELF-SUFFICIENCY IN THE COMMUNITY

STIMULATING THE LOCAL ECONOMY

KIBALI MANPOWER

	2015			2014		
at 31 December	Expats	Nationals	Total	Expats	Nationals	Total
Employees	96	609	705	95	606	701
Contractors	448	3 008	3 456	651	3 392	4 043
TOTAL	544	3 617	4 161	746	3 998	4 744

KIBALI SAFETY (LTIFR)



EXPLORATION REVIEW

MINES	Morila – Mali Loulo – Mali Tongon – Côte d'Ivoire Gounkoto – Mali Kibali – DRC
FEASIBILITY PROJECTS	Massawa – Senegal Gounkoto underground – Mali Gorumbwa – DRC

RESOURCE TRIANGLE

11 Reserve definition

10 Indicated & measured resources

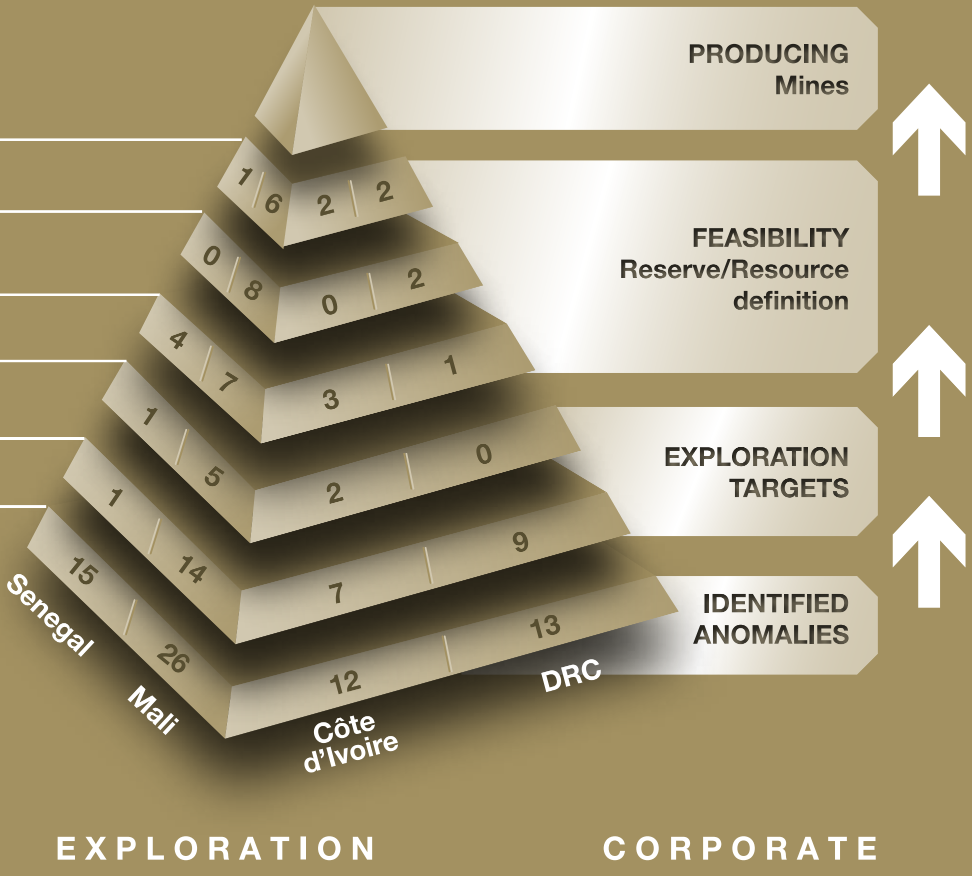
15 Inferred resources

8 Advanced targets

31 Follow-up targets

66 Identified targets

141 Total



A busy year in the field delivered good returns in both greenfields and brownfields work. Significant momentum on a number of projects has laid the foundation for 2016 when our priority remains to find a new world-class deposit and replace mining depletion across the group.

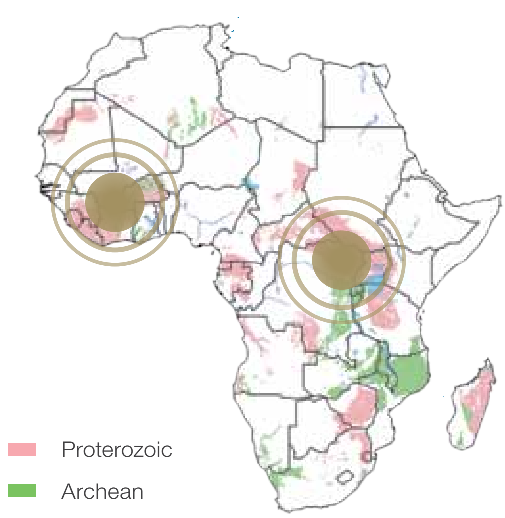
2015 ACHIEVEMENTS

- Group resources increase year on year (after depletion) with reserves down slightly
- Inferred ounces added at Gara replaced depletion at Loulo and highlighted the potential for further addition
- High grade extensions and potential confirmed at Yalea
- Massawa feasibility study makes progress
- Confirmed high grade extensions at Sofia highlights potential for significant resource growth
- Increased footprint in DRC and Mali through JVs
- Large mineralised systems delineated in Côte d'Ivoire at Fapoha, Mankono and Boundiali
- Progressed four permits through new system in Côte d'Ivoire
- Domba grade control programme at Morila delivered a resource upgrade
- Identified potential at Tete Bakangwe and Sessengue SW at Kibali

2016 TARGETS

- Extend footprint in key regional structures
- Progress Massawa feasibility study and bring Sofia to account
- Progress WAXI data interpretation to update interpretations and prospectivity analysis for Loulo district, Kedougou Kenieba Inlier and West African Craton
- Complete detailed orebody audits on Yalea and Kibali
- Complete NE DRC isotope and geochronology study
- Start work on new DRC portfolio in the Moto and Ngayu belts
- Advance Bakolobi and other key targets along Senegal-Mali Shear
- Continue to add ounces at Gara and Yalea
- Generate and test targets on Boundiali permit using updated information from VTEM survey
- Start work on new Côte d'Ivoire permit portfolio
- Drill test and define potential on Mankono and Fapoha permits
- Move Tongon satellites and depth extensions into reserves
- Deliver Kibali brownfields targets by converting to reserves
- Continue to generate targets and explore potential along the KZ trend

AREAS OF EXPLORATION INTEREST IN AFRICA



Exploration has always been an integral part of Randgold's strategy of creating value through the discovery and development of world-class gold mines as well as replacing the ounces produced through ongoing exploration around existing mines.

WEST AFRICAN GROUNDHOLDING[1]

[1] *As at 14 March 2016*

The team continued its drive to replace mining depletion and find deposits which pass Randgold's strategic filters: an IRR of 20% and the potential for 3 million minable ounces at a long term gold price of $1 000/oz. Work during the year discovered a number of interesting targets and added resources which more than replaced the 1.4Moz depleted by mining.

The focus was sustained on the priority areas: the MTZ in Senegal, the Senegal-Mali Shear in Mali, the Boundiali and Senefou belts in Côte d'Ivoire and the KZ Structure in NE DRC, a portfolio which contains 141 targets. During 2015 Randgold also developed new business functions to ensure an equal balance between greenfields and brownfields work. By the end of the year three joint venture agreements had been concluded in the DRC, giving Randgold control over the Ngayu Archean greenstone belt and increasing its groundholding in the country to over 6 500km^2, and its permit portfolio in Africa to 13 912km^2 with a further 4 299km^2 under application. Joint venture agreements on properties in western Mali have also been signed and a number of other negotiations were in progress at year end.

SENEGAL

MASSAWA

At Massawa, the feasibility study was progressed, producing strong intersections from the Sofia target, located 10km to the west of the main Northern Zone and Central Zone (CZ) deposits.

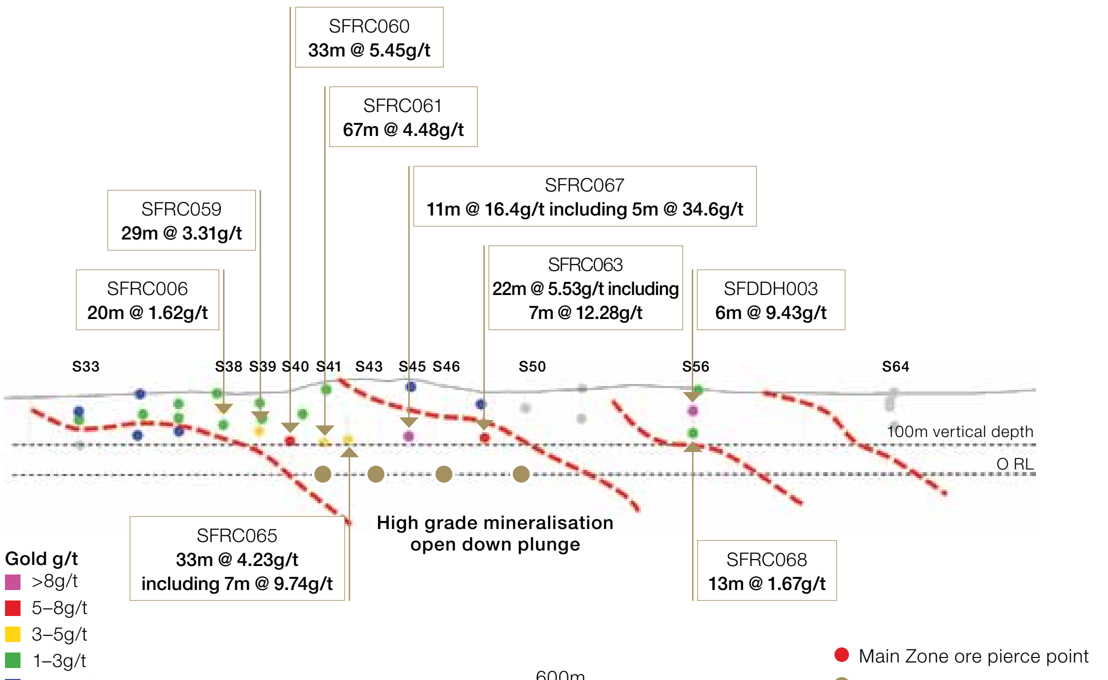
Several large diameter, close spaced drilling programmes were completed to further improve the mineralisation model and provide further samples for the large amount of testwork required by the feasibility study. Both shallow and deep RC and diamond drilling programmes were completed in the more complex CZ, leading to a significant modification of the geological model which includes an early, broad, low grade phase of refractory, arsenic-rich mineralisation, overprinted by a later, narrow and complex set of structures containing visible gold, quartz, antimony and arsenic. Testwork on these high grade structures towards the end of the year confirmed a high percentage of gravity recoverable (up to 68%) and leachable gold which will improve the economics of the CZ ore, previously thought to be largely refractory.

The Massawa deposit does not currently pass the company's strategic filters due to the high cost associated with processing refractory ore, and the feasibility study is focused on reducing tonnes and increasing grade and recovery to pass the 20% IRR hurdle. Reserves at Massawa are currently 20.73Mt @ 2.1g/t for 2.2Moz. The feasibility study is due to be completed in 2016.

SENEGAL – MASSAWA AND SATELLITE TARGETS

SOFIA TARGET – GOLD INTERSECTIONS

Long section looking NW with recent RC drill results



In 2014, the Sofia target had an inferred resource of 736koz @ 1.7g/t, a strip ratio of 3.3:1 and gold recoveries of 92%. Of the 4km long Sophia orebody, a 200m long section contained shallow, higher grade drill intersections and was targeted by drilling in 2015 to confirm whether the higher grades within this zone were related to supergene enrichment at the redox boundary.

During the second half of the year, six deeper RC holes over 600m of strike length confirmed the zone of high grade mineralisation, returning an average weighted (true width) intersection of 30m @ 5.18g/t at 100m vertical depth for the main zone sulphide ore and confirming a hypogene source for the high grade mineralisation. The holes also confirmed the existing hangingwall and footwall lodes. The main orezone is located immediately beneath a mylonitic structure, and is hosted in strongly sheared gabbro and felsic intrusive units with silica flooding and carbonate-sericite alteration. These results further highlight the potential for Sofia to provide over 1Moz of high grade, non-refractory, ore to the Massawa project and at year end the Sofia resource had increased to 850koz @ 2.44g/t. The high grade mineralisation is believed to plunge to the north and further drilling programmes are being planned to test this open potential in 2016.

The target is located on the Sofia-Sabodala structure which hosts a number of the Sabodala orebodies along strike to the north and marks the western limit of the volcanic domain in the Mako belt. Historical work on a number of targets around Sofia has returned strongly anomalous results from near surface which form a portfolio of priority targets for follow-up work in 2016.

Bambadji joint venture

Work on the Bambadji permit in Senegal was placed on hold in 2015 as Randgold renegotiated the terms under the joint venture with Iamgold Corporation and the government. Work is expected to restart in 2016.

MALI

LOULO

Brownfields

At Gara, the 2015 brownfields programme was highly successful, delivering an inferred resource increase (before depletion) of 713koz @ 3.93g/t, largely generated by 18 drill holes through the folded quartz-tourmaline target to the immediate south of the existing block model and seven holes through the deep central part of the orebody. This programme confirmed the extension of the Gara system to the south, with an average true width of 7.68m which remains open down-plunge. Work will infill on this resource during 2016 to convert it to the indicated category while exploration work will focus on the down-plunge extension to the south.

At Yalea, the southern extension to the Purple Patch was tested by a number of deep drill holes with some significant results. YADH19 returned a high grade intercept at the edge of the block model (11.3m @ 12.1g/t from 711.9m) where a footwall structure is interpreted to intersect the main shear, producing a plunging rod of high grade, Purple Patch type mineralisation. 300m down-plunge from this intersection, YDH277 returned two zones of high grade mineralisation: Zone 1 - 13.40m @ 6.50g/t, including 6.60m @ 11.06g/t; and Zone 2 - 11.86m @ 4.43g/t, including 3.66m @ 7.50g/t. Silica-carbonate alteration and breccia textures suggest this hole pierced the plunge extension of the target tested by YaDH19 and highlights the considerable potential at Yalea to locate further zones of high grade, Purple Patch type ore. To date, scout exploration drilling in the south of Yalea, in the form of four drill holes, outlines the potential for 420koz @ 4.06g/t beyond the limits of the current block model. Work is focused on locating zones of +6g/t material with sufficient size to support the capital expenditure on a separate shaft for a new, high grade supply of ore to the plant.

Greenfields

A number of existing satellites were reviewed (P125-Loulo 3 Gap, Baboto North and South, Loulo 2 South, Loulo 3 and Loulo 1). Exploration work focused on the advancement of the Yalea Ridge South and Gara South targets which are not currently in resource.

At Yalea Ridge South, RC drill results confirmed the small nature of the oxide potential (1 925oz @ 4.25g/t), with a further 680oz @ 1.52g/t hosted in the transition zone. At Gara South, a new geological model of a sinistrally folded quartz-tourmaline unit was confirmed by diamond drilling, with the best result of 6.08m @ 4.0g/t (205.44m) from L0CP213. The new model increases the economics of the target by structurally repeating the orezone close to surface, with additional potential for shallowly plunging high grade shoots in the fold hinges amenable to open pit mining. Further work on this target will be carried out in 2016.

Further generative work was completed across the Loulo permit with the aim of better understanding and targeting the large structures which have acted as strain and fluid conduits across the permit. Further structural mapping and interpretation was completed and highlighted five principal structures which run N-S to NE-SW across the permit and form the basis of target generation and prioritisation work with priority targets located along two of these structures, Far West, around Iron Hill and the Yalea structure.

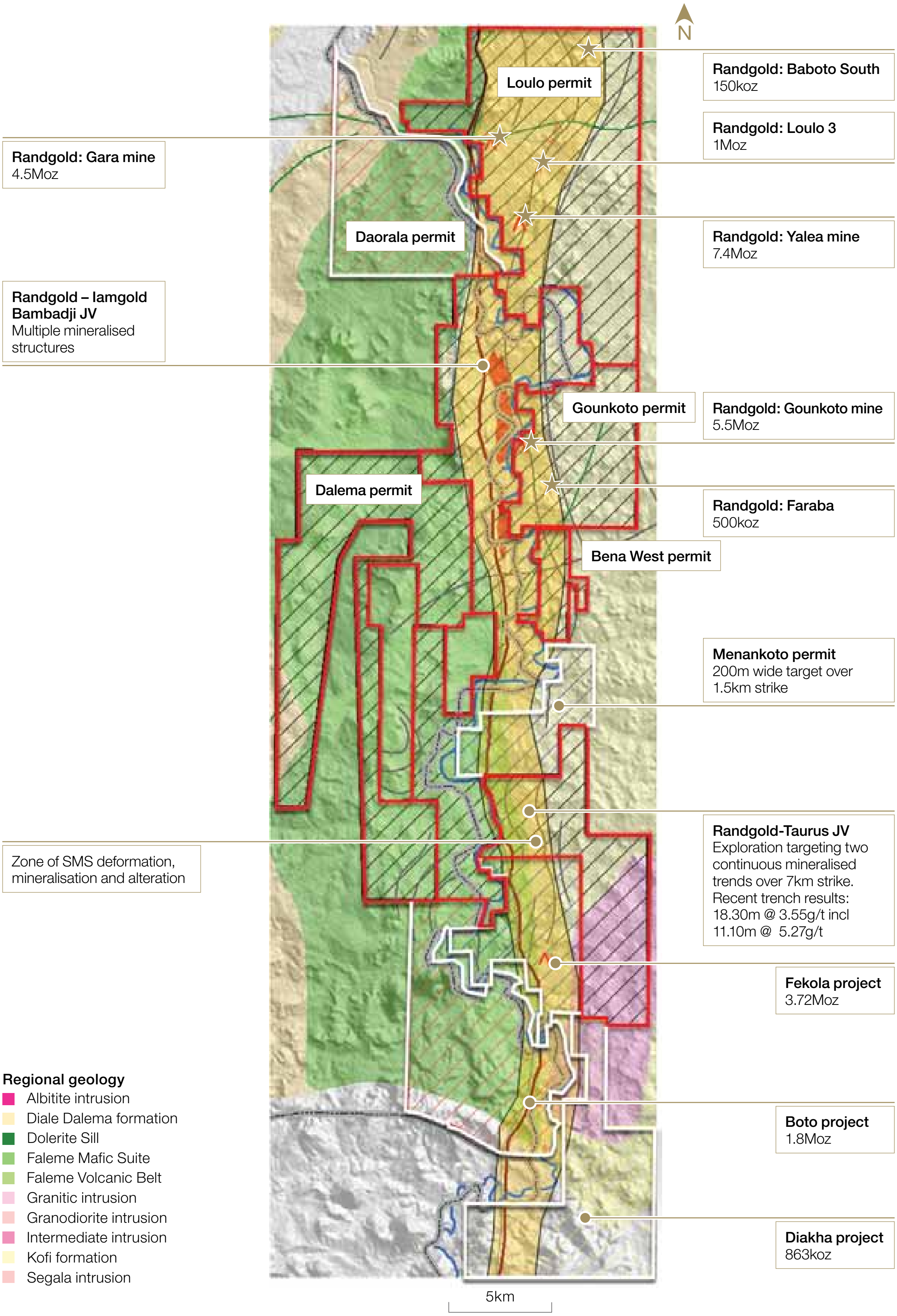
GOUNKOTO

Brownfields

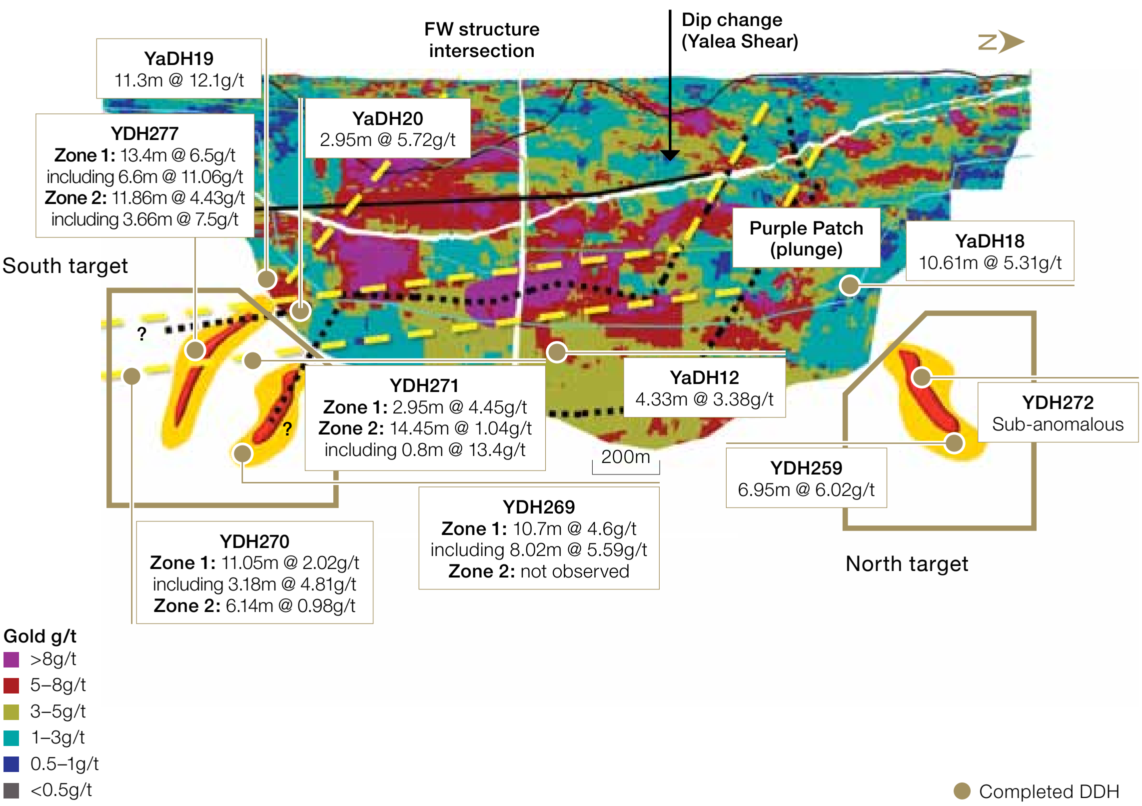
At Gounkoto, five drill holes were completed beneath the $1 000/oz pit shell, testing narrow, high grade plunging lodes in MZ1 which form at the intersection of differently oriented footwall and hangingwall structures. All holes intersected the target structure as modelled, but results were weak, showing that the three higher grade shoots targeted have limited down-plunge continuity at depth. The weak results returned from this programme downgraded the MZ1 underground target.

In MZ3 in the north of the deposit, drillhole GKDH432 returned 10.8m @ 1.02g/t down-plunge to the north of the Jog Zone underground project confirming it to be open. Northerly plunging mineralised shoots are controlled by the intersection between a brecciated structure in HW quartzite with silica-albite-sericite alteration, and a FW shear consisting of albite

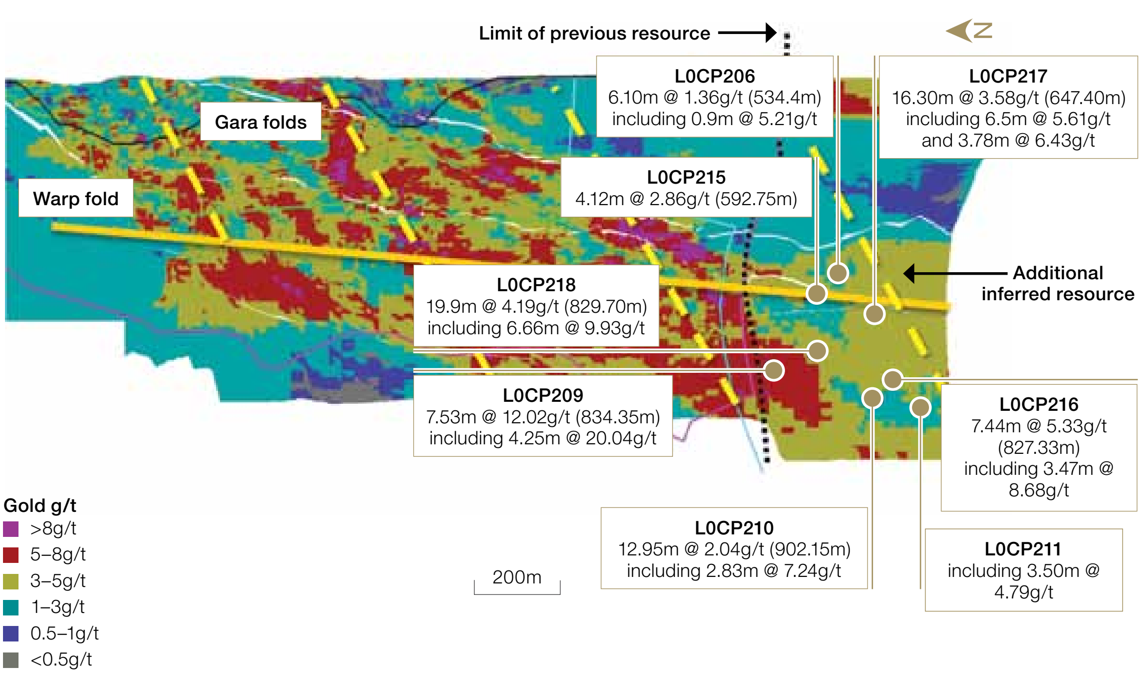
LOULO – A WORLD CLASS GOLD DISTRICT



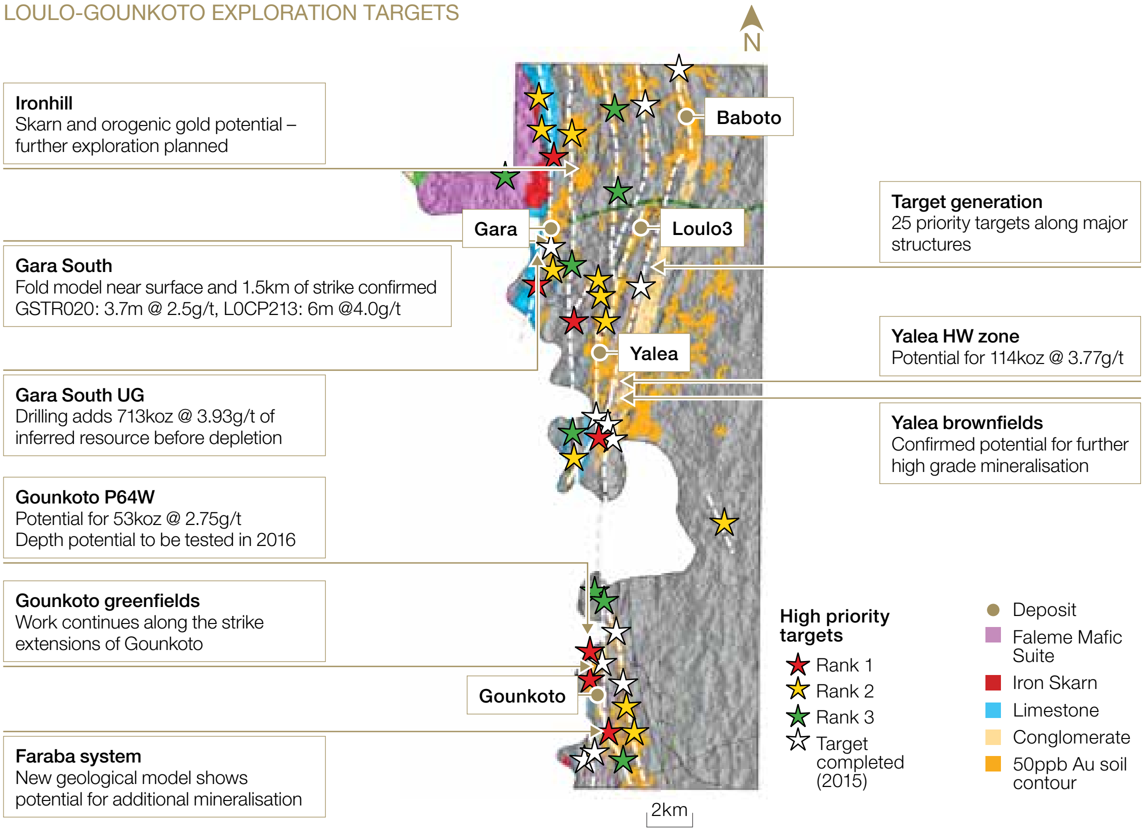
YALEA - HUNT FOR NEXT PURPLE PATCH



GARA ADDS +700KOZ INFERRED RESOURCES AND 4 YEARS LOM

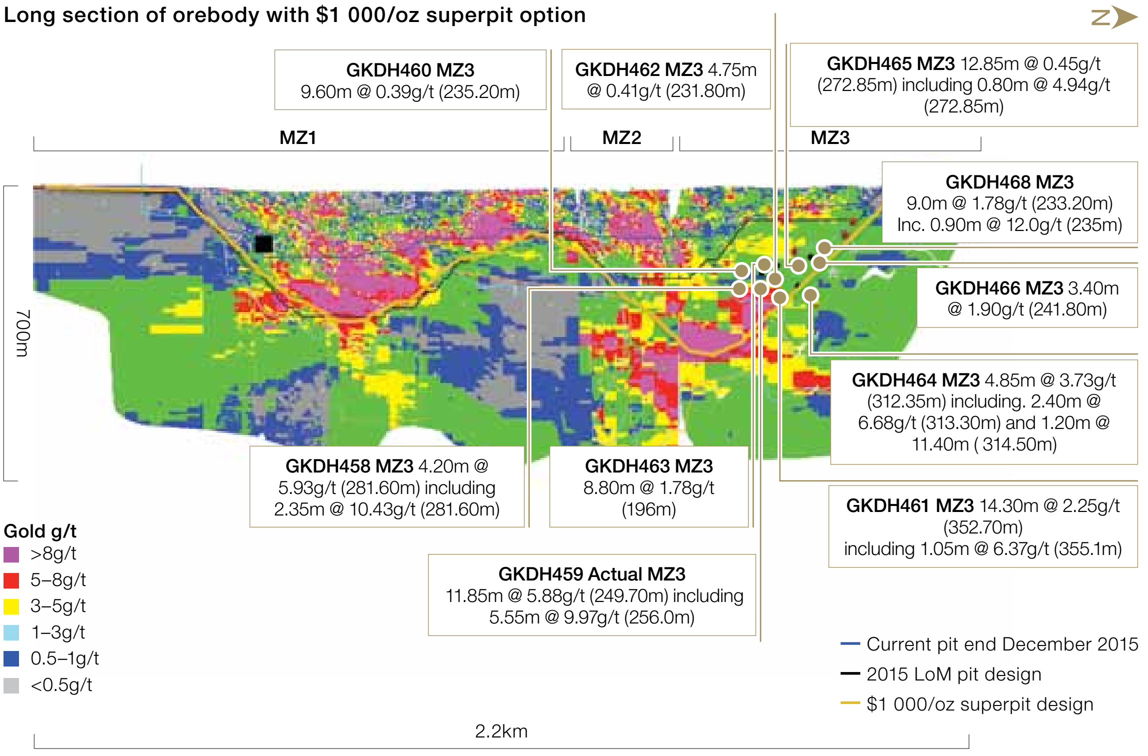


LOULO-GOUNKOTO EXPLORATION TARGETS



GOUNKOTO – DRILL RESULTS ON AUGUST 2015 BLOCK MODEL

Long section of orebody with $1 000/oz superpit option



with overprinting chlorite and hematite alteration. A potential of 61koz @ 4.52g/t for 423kt (sectional) has been identified to the north of a brittle fault that intersects the shoots at depth and which marks the limit of the current underground resource. Further work on this target is pending an evaluation of a new superpit concept at Gounkoto which would extract a large part of the high grade underground resource.

Exploration work around Gounkoto confirmed the P64 orebody to be a NE striking dilation zone between two reactivating north-south structures. Further studies were carried out with the aim of updating the geological model on which a revised resource estimate will be based. This work constrained new mineralisation wireframes to sandstone with subordinate limestone and silica-albite breccia host rocks that are variably altered with tourmaline, magnetite and chlorite. This resulted in a potential of 53koz @ 2.75g/t (0.60Mt), with a decrease of 47% in tonnes and an increase in grade of 29%, compared to the previous model. Additionally, the work confirmed open, high grade shoots below the base of the pit which will be tested in 2016.

RC drilling during the year on the Toronto target to test oxide potential at intersections of the Faraba structure with cross cutting NE chlorite-sericite shears, confirmed limited shear zone hosted oxide potential of 18koz @ 1.8g/t in two separate, sub-parallel zones.

Greenfields

At Toronto South, one diamond hole was drilled to test the structural model of higher grade at depth within the central portion of a sinistral jog, in a zone of maximum dilation that was not tested by previous drilling. TSDH001 intersected two weakly anomalous zones, a wide hangingwall zone with 41.5m @ 0.16g/t from 526.35m and a second zone of 8.3m @ 0.42g/t from 574.3m. Consequently the target was removed from the resource triangle.

Investigation of the strike extents of the Gounkoto domain boundary (a key structure controlling mineralisation in the Gounkoto orebody) continued in the north of the project area at Gounkoto North as well as in the south at Faraba West and South West. Initial results confirmed the prospectivity of the NNW extension of this structure with strongly silica-albite-tourmaline altered heterolithic breccia that returned strong results (8.8g/t and 22.8g/t) from the banks of the Falémé River to the north of P64. Follow-up trenching returned an intercept of 3.7m @ 1.44g/t, including 1.2m @ 3.94g/t (GNWTR02) from the same breccia with silica-carbonate veinlets, which was then confirmed in trenching 100m to the south in trench GNWTR04 (6.8m @ 0.64g/t, including 1.7m @ 1.29g/t). This structure will be further tested in 2016. At Faraba West and South West pitting and trenching programmes confirmed the extension of the domain boundary but failed to intersect significant mineralisation and work is ongoing along this target.

Minan is a blind target that was identified from project wide integrated mapping and target generation work. Trenching on the target in Q2 intersected a discrete 3m wide ferruginous mineralised shear which graded up to 5.5g/t beneath transported alluvial material. RC drilling on the target confirmed the presence of disseminated sulphides in bedrock which are weak but within a system which appeared to be dilating to the south. However, only sub-anomalous grades were returned (12m @ 1.12g/t from 40m (GSWRC11), 28m @ 0.82g/t from 152m, including 2m @ 4.61g/t (GSWRC03) and 4m @ 1.59g/t from 248m (GSWRC13). The low grades are interpreted to be due to the absence of early silica-albite and tourmaline alteration that prepares the host rocks for subsequent mineralisation during brittle-ductile deformation. Encouragingly, the work on the target confirms the efficacy of the target generation system described above, which has also highlighted a number of other targets across the Gounkoto system and further afield, beneath transported material at Bena and Bakolobi.

REGIONAL

Randgold controls a portfolio of 627km^2 along the Senegal Malian Shear (SMS) structure in western Mali. The SMS is a key regional control on gold mineralisation and is proximal to the Sadiola (AGA/IAG), Loulo (RRS) and Fekola (B2G) ore systems.

Bakolobi (Taurus joint venture)

At Bakolobi, between Gounkoto and Fekola, a first phase of trenching across key targets on the permit was completed. Nine trenches in total were excavated over zones of bedrock mineralisation, identified through the initial reconnaissance RC drill programme. Results from these trenches included: BKTR006 - 20.13m @ 1.59g/t; BKTR004 - 23.70m @ 0.61g/t; BKTR009 - 24.60m @ 0.23g/t; and BKTR005 - 14.96m @ 3.83g/t including 6.25m @ 7.71g/t and 11.45m @ 1.94g/t (88.60m) including 3.50m @ 5.39g/t. The trenching confirmed that the mineralised structures dip uniformly to the west and that the highest grades are associated with the intersections of NW and NNE-NS striking structures.

Follow-up pitting confirmed the southern extension, beneath transported alluvial material, of the Koliguinda target with anomalous pits returning values up to 0.4g/t over a 50m wide structural corridor. The Koliguinda target is interesting as it features a left hand flexure which would be dilatational in a largely sinistral system such as the SMS and is the target which has, to date, returned the strongest results from trenching (shown above). It is also in an area which is intersected by a major NW structure interpreted to be a transverse fault in the original belt architecture. It also happens to be the area where transported gravels are thickest.

The other targets in the permit are still thought to be prospective with widths at surface averaging approximately 20m with grades of between 1g/t and 2g/t. Follow-up work on the permit was carried out including the completion of a new interpretation over the ground following a review of all existing data. Pitting is now in progress over targets which are not covered by the thick alluvial material, a problem across much of the permit. A drilling programme which aims to test key parts of the two main mineralised trends is being prepared for 2016.

Legend joint venture

On the Legend Gold joint venture to the south of Sadiola, work continues along the SMS which strikes over 18km within the permit area. Both trenching and pitting have been ongoing through the year on targets close to the Kofi formation boundary, in the area of influence of the SMS, and have focused on the anomalous contacts of carbonate and siliciclatic rocks which provide a key chemical and rheological contrast in this district. This work has tested a number of targets, but many of them have been removed from the resource triangle during the year as they have shown no potential beyond the weakly anomalous results.

At Woyanda, groove results returned 5.60m @ 0.30g/t, 8m @ 0.37g/t, and 4m @ 0.39g/t (95.40m). However, no significant results were returned from five lines of exploration pits testing the strike extensions of the target, which was consequently downgraded.

The Sourokoto East target, located at the lithological contact between volcano-sedimentary units (pyroclastic, brecciated tourmaline greywacke) in the east and volcanics (mostly andesites) to the west, returned an encouraging pit result in early work of 2.99g/t, 1.8km along strike from a zone of in-situ saprolite mineralisation grading up to 0.89g/t. Follow-up pitting confirmed the continuity over 600m strike length of in-situ gold anomalism within a 30m wide alteration zone with values of 0.16g/t to 11.3g/t in sheared greywackes with silica-carbonate-hematite alteration. A trench over the alteration zone (SRTE001) returned 8.85m @ 0.28g/t and confirmed that the higher grades are related to millimetric oxidised quartz veinlets within the greywacke, an observation which downgrades the potential of the target.

Trenching is currently in progress on the Sebesounkoto South target, where previous work defined silica-carbonate-tourmaline and chlorite alteration within a gossanous structure over 1km strike, and lithosample values up to 1.6g/t.

Bena

The Bena project is located to the immediate south of the Gounkoto permit. At Boulandissou, a 3km strike length target was previously generated which incorporated a number of historical mineralised intersections and samples and this target was the sole focus of work on the project at the beginning of the year. Historical results from the target include 26m @ 3.53g/t from trench BNT02 in the north and 13m @ 1.57g/t from RC drill BORC02 in the south. A phase 1 programme of three trenches and one groove was carried out over the target with the trench over RC hole BORC02 returning 12.87m @ 2.04g/t, confirming the west-dipping nature of the mineralised structure. Groove BGV010 returned 12.6m @ 1.84g/t to the immediate east of the main target structure but the other excavations along the target returned no significant intersections restricting the known mineralisation to limited strike extents. Because of this, and due to uncertainties over the geological interpretation for the permit, an updated interpretation was carried out in parallel with the Bakolobi and Gounkoto work, (both permits lie along strike from Bena) and a new portfolio of targets was generated. Field work on these targets is in progress. The Bena permit is less affected by the difficult transported regolith in the Bakolobi permit and therefore more conventional surface exploration work can be done.

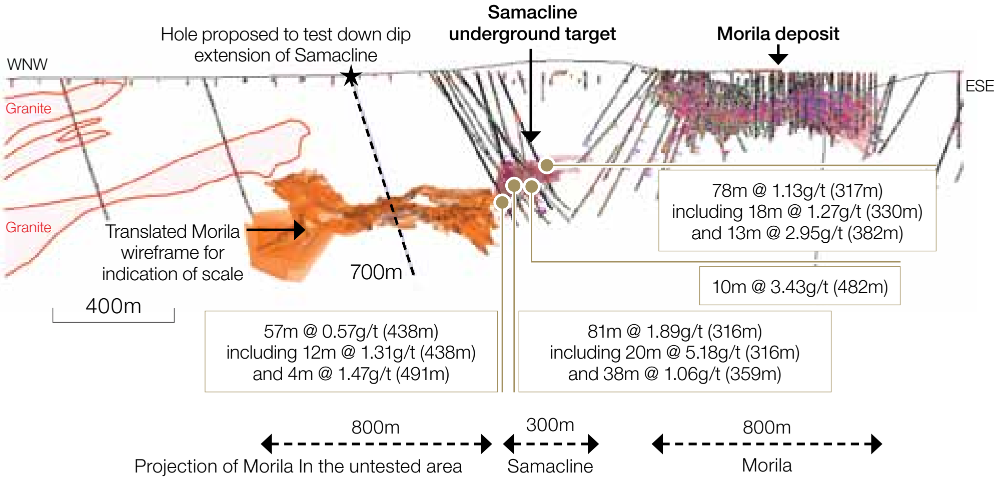
MORILA

Work on the near mine conceptual targets at Morila continued through the first half of the year with the team relogging holes across the SE of the permit where coincident features associated with the Morila deposit such as flat foliation, high temperature leucosome/quartz plagioclase veins, tonalite intrusives, MG rich biotite and arsenopyrite mineralisation were identified. The distribution of these features was mapped but the team was unable to generate any targets for drill testing due to the lack of any visible control.

Following the completion of the Domba grade control drilling programme, the exploration team undertook a relog of the Samacline deposit which is located at 300m depth to the immediate west of Morila.

The updated interpretation for the target has identified open, high grade mineralisation within a wide, low

MORILA – SAMACLINE UNTESTED DEEP TARGET TO THE WEST



grade envelope of up to 80m in width. The untested area down dip to the west of Samacline is large enough to hold a Morila-type deposit and is the target of a diamond hole being planned to test the model that Samacline could be the eastern edge of a large deposit.

CÔTE D'IVOIRE

Randgold holds, in its own name or through joint ventures, 5 589km^2 of ground in Côte d'Ivoire (11 permits) which includes four permits which have passed the inter-ministerial commission in 2015. Additionally, nine applications (3 592km^2) through joint ventures are pending.

NIELLE

At Tongon, a full relog of the deposit's core and the modelling of the skarn system enabled the team to project and identify a number of targets at the base of the $1 000/oz pit shell where infill drilling indicated the potential to increase the grade, or the number of mineralised structures in the model. The reduced strip ratio as a result of positive results could enable the pit to access deeper ore. To test the updated model, a programme of 10 diamond holes was undertaken at Tongon with five holes in the southern pit; two in the oxide pit and three beneath the Northern Zone pit. Results from the Northern Zone failed to extend the existing block model with intersections from three holes being either narrower or lower grade than predicted. In the Southern Zone the holes intersected several zones of mineralisation outside the existing block model but failed to intersect mineralisation in a wide area of internal waste, which is limiting pit depth in current optimisations.

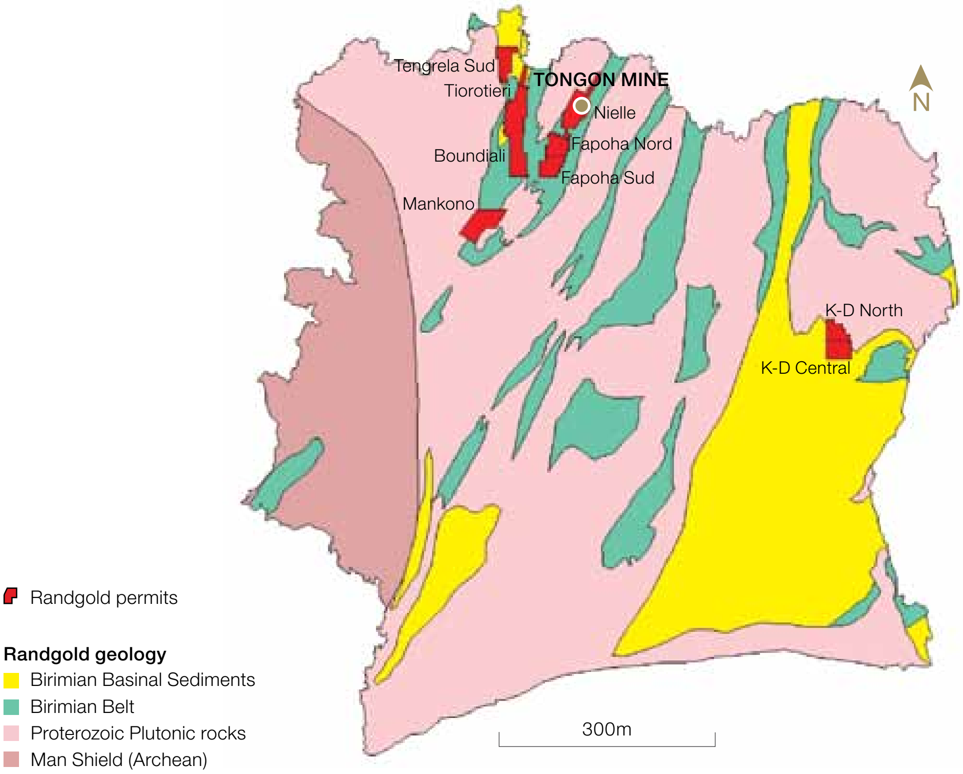
Towards the end of the year infill drilling programmes were carried out on two nearby satellite deposits. Tongon has the ability to make money from low grade satellites and current resources in the two targets (Sekala and Seydou) have the potential to supplement the orefeed, extend Life of Mine and protect the resource in a low gold price environment. At the time of writing, most results from these programmes were still pending.

In greenfields exploration, the Yvette West target was prioritised within the 20km Bladonon corridor target in the SW of the Nielle permit and mapping and sampling during the year identified silicified volcaniclastics/tuffs, sheared and locally folded argillites and carbonaceous shales with lithosamples returning significant values up to 9.63g/t from silicified tuffs. Work will continue on this mineralised trend in 2016.

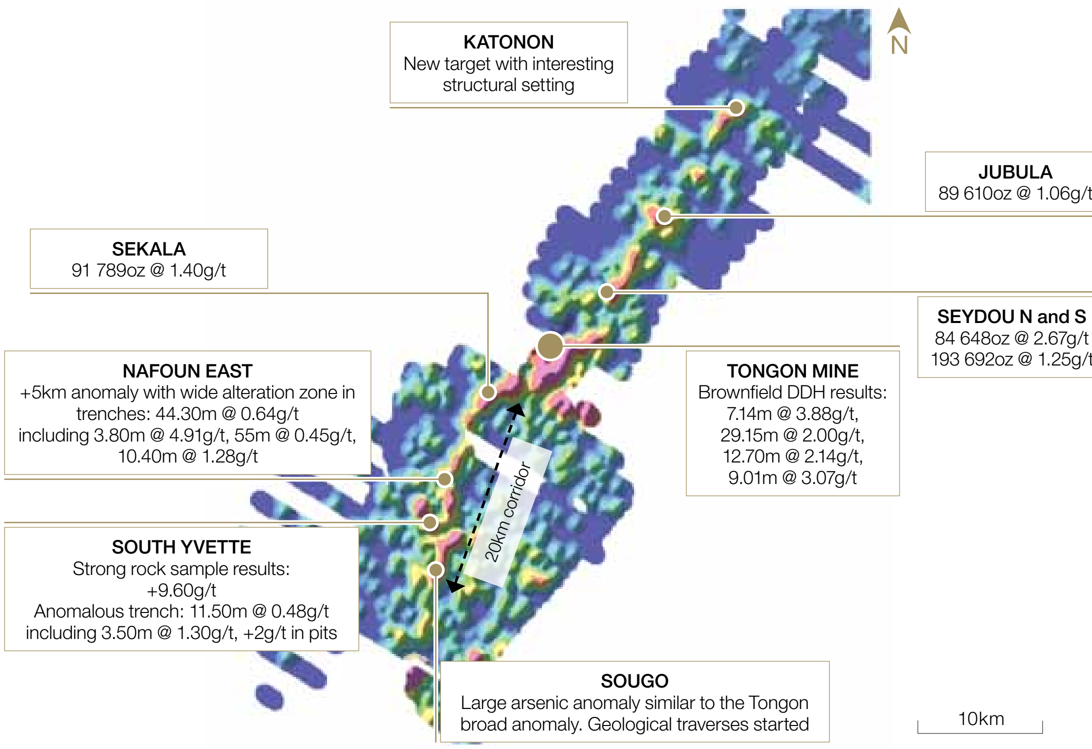
MANKONO

On the Mankono permit to the SW of Fapoha, where the Senefou belt and the Boundiali belt structures intersect, the team discovered two styles of mineralisation on the Gbongogo target. Trenching throughout the year confirmed 400m strike of wide,

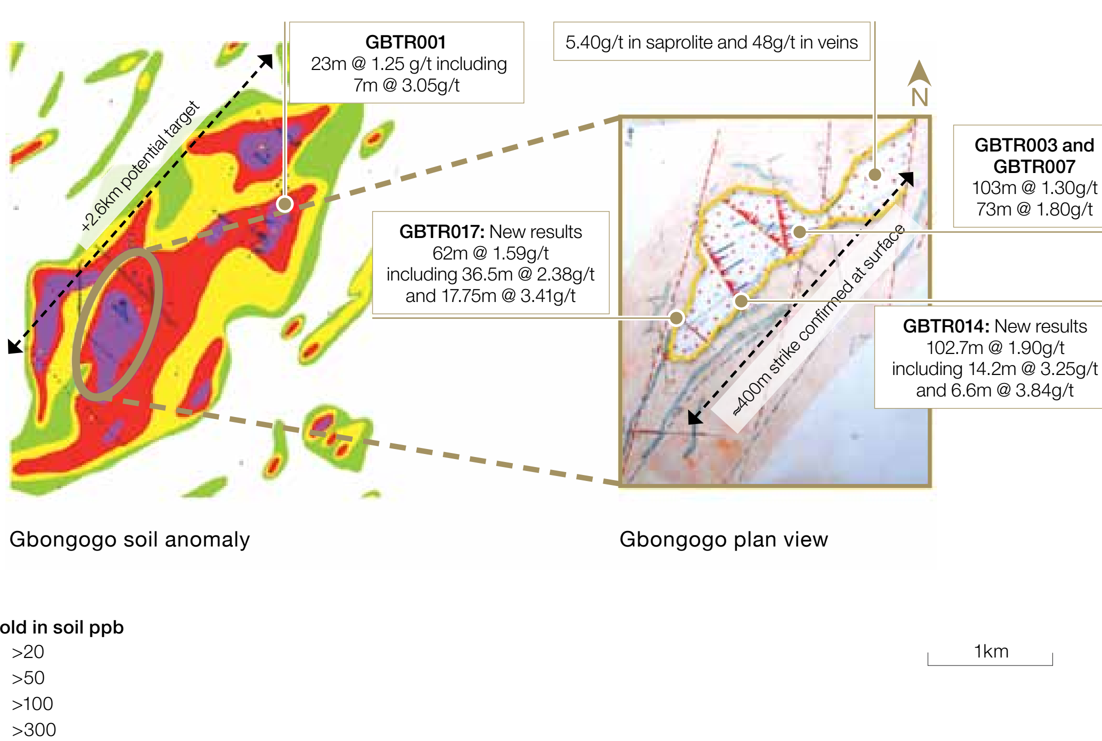
CÔTE D'IVOIRE PERMITS



NIELLE PERMIT PLAN SHOWING ARSENIC ANOMALY AND GOLD TARGETS



MANKONO PERMIT – GBONGOGO TARGET



low grade ore which may be amenable to bulk mining. Trench results this year include: GBTR003 - 103m @ 1.30g/t; GBTR007 - 73m @ 1.80g/t; GBTR014 - 102.70m @ 1.90g/t including 73.60m @ 2.36g/t, 14.20m @ 3.25g/t and 6.60m @ 3.84g/t; and GBTR017 - 62m @ 1.59g/t including 36.50m @ 2.38g/t and 17.75m @ 3.41g/t. The mineralisation is hosted in a quartz tourmaline stockwork in a silica-sericite altered coarse grained rock. The presence of strong silicification and sericite with associated boxworks after sulphides are indications of the higher grade mineralisation. The mineralised system is interpreted to be related in some way to the core of a fold hinge which plunges to the NE and its potential is to be tested by drilling in 2016. Lower grades were intersected in GBTR015: 59m @ 0.46g/t and 28.50m @ 0.33g/t and in trench GBTR016: 10.60m @ 0.32g/t. A strong soil anomaly extends from these trenches over a strike of 2.6km and work is ongoing to define the continuation of the stockwork system.

Located 800m to the NE of the Gbongogo fold hinge target, the second style of mineralisation is controlled by discrete dextral NS shears with moderate silicification and strong magnetite and coarse grained pyrite, located on the eastern limb of the regional fold. The best intersection to date is 23m @ 1.25g/t including 7m @ 3.05g/t with weaker intersections along strike, including 10.10m @ 0.36g/t.

BOUNDIALI

At Fonondara South, the target was progressed from a soil anomaly to a drill programme as a result of strong results from trenching and pitting along the target. The mineralised shear zone, which dips steeply to the east, locates on the eastern margin of a massive andesite where it is in contact with interbedded tuffs and argillites.

Trenching and pitting exposed a wide zone of alteration (up to 57m) including 13m @ 1.56g/t and 6m @ 2.10g/t (open to the west) from FSTR011 in the south and 14m @ 1.00g/t and 23m @ 1.28g/t from FSTR012 in the centre of the target. Follow-up work of a 2014 trench (FSTR008) which intersected 16m @ 2.5g/t (including 11m @ 3.49g/t) in the north of the target revealed that a flat structure appears to have placed barren material on top of a significant, steeply dipping mineralised zone which is up to 30m wide and which returned consistent high grade mineralisation up to 16g/t. Further pitting 60m south of FSTR008 confirmed the flat structure and the high grade mineralisation beneath it. Intersections from contiguous pits at 5m spacing across the target zone beneath the flat structure returned: FP442 - 6m @ 5.36g/t (open at depth); FP423 - 7m @ 4.68g/t (open at depth); FP424 - 7m @ 7.24g/t (open at depth); FP425 - 7m @ 3g/t (open at depth); FP428 - 4m @ 4.51g/t (open at depth); and FP434 - 6.70m @ 8.71g/t (open at depth).

This surface work at Fonondara South defined a system which averaged 16m @ 2.96g/t at surface over 1.5km strike at the margin of the Boundiali volcanic belt. To test this structure at depth, six diamond drill holes were drilled at 300m spacing along the full strike of the target and all intersected mineralisation approximately 100m beneath the trenches. Best results were received from hole FSDH003 which returned 16.53m @ 3.83g/t from 148.14m, including 7.40m @ 5.88g/t in the main zone, and 8.83m @ 28.62g/t from 188.07m including 4.10m @ 61.05g/t from the first of two footwall structures. Other holes intersected more moderate grades up to 1.5g/t over similar widths within a large low grade carbonate/sericite alteration system which contains a phase of late quartz veining and extensive visible gold in a sequence of volcaniclastic rocks and carbonaceous shales. Pyrite, pyrrhotite and arsenopyrite are present in all mineralised zones.

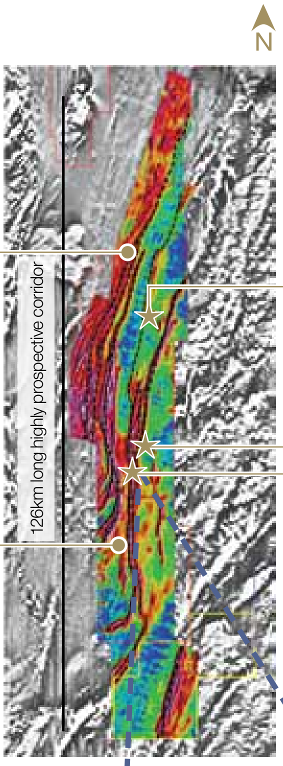
Initial metallurgical test work shows the sulphides at Fonondara to be moderately refractory. However, flotation has been shown to improve the recoveries in the problematic shale ore to 81% from 40% through direct cyanidation. Direct cyanidation recovers 85% of the gold in the volcanic ore and 98% of the gold in quartz ore.

Nine kilometres along strike to the north of Fonondara, three additional diamond holes (750m) were drilled at the 3.5km long Sani target to test the wide alteration system intersected in previous trenching which returned best results of 12m @ 3.90g/t, 6m @ 6.27g/t and 10m @ 4.12g/t. This drilling confirmed a wide and consistent low grade system with best results received from SNDH003: 54.41m @ 1.21g/t (from 132.84m) including 9.45m @ 3.28g/t within a +200m wide anomalous zone. Mineralisation is linked to coarse grained pyrite and chalcopyrite and initial metallurgical tests conducted on the fresh material returned an average recovery of 87%. The problematic shale ore seen at Fonondara is not present at Sani.

BOUNDIALI TARGETS

Syama and subsidiary structures traced over 50km in the Boundiali permit. Structures coincide with several +10km untested soil anomalies. VTEM highlight numerous opportunities for greenfield work.

The Fonondara structure is largely open to the south over 20km. New opportunities will be generated to extend the Fonondara mineralisation.



Kassere
1.2km mineralised corridor. Significant intersections from trenching and old RC drilling. Mineralisation is open along strike and at depth and new trenching is progressing the target.

Sani
3.5km soil anomaly with significant intersections from trenches. Diamond drilling confirmed mineralisation at depth but lower grades. Interesting potential for high grade oxides.

Fonondara
Strong hydrothermal alteration over 2.2km corridor averaging 2.9g/t in oxides. Diamond drilling extended mineralisation at depth with 16.53m @ 3.83g/t including 7.40m @ 5.88g/t and 8.83m @ 28.62g/t. The target highlights the prospectivity of the Boundiali belt margin.

FONONDARA-SANI MAP FOLLOWING RECENT GAIP

☐ Previous results

Contours soil (ppb)
- 50–100
- 100–300
- >300

Geology
- Greywacke
- Fine sediment (Argillite)
- Carbonaceous shale
- Volcanisediment
- Andesite
- Indifferentiated fine sediment
- Intrusive

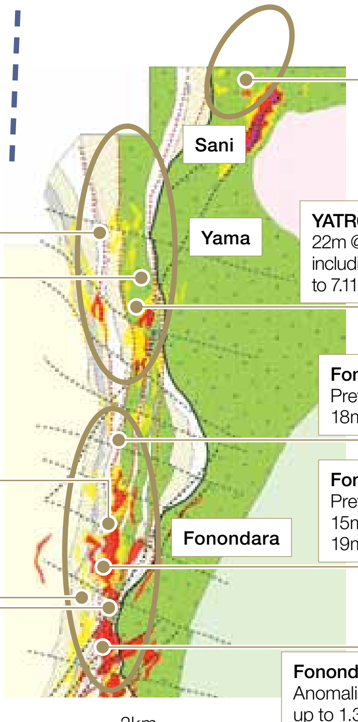
Pits returned up to 2.34g/t at intersection of structures

Pits along strike testing continuity of the alteration seen in trench returned 11.8g/t at 750m to the north

Fonondara North
Pit results: 5.94g/t and 4.05g/t on NE structures with silica alteration

Fonondara South
New pit results: several anomalous pits on NE structures with 0.31g/t; 0.34g/t; 0.56g/t

Fonondara South
DDH results include: 24.90m @ 4.34g/t; including 7.30m @ 10.80g/t; 16.53m @ 8.83m @ 28.62g/t including 4.10m @ 61.05g/t



SNDDH003
54.41m @ 1.21g/t including 9.45m @ 3.28g/t

YATR001
22m @ 0.20g/t; 15.40m @ 0.81g/t including 4m @ 2.32g/t with values up to 7.11g/t in a 4km potential corridor

Fonondara South
Previous AC on NS structures: 18m @ 0.65g/t; 18m @ 0.50g/t

Fonondara South
Previous AC on NE structures: 15m @ 1.05g/t; 15m @ 1g/t; 19m @ 0.90g/t incl 3m @ 3.30g/t

Fonondara South
Anomalisms and alteration in saprolite up to 1.30g/t on NE structure

At Fonondara North, pit results graded up to 5.96g/t from in-situ sheared saprolite, while fieldwork carried out during the year at Yama, (to the north of Fonondara) identified a 750m long mineralised structure through trenching and pitting with sheared and altered samples returning 15.40m @ 0.81g/t including 4m @ 2.32g/t, with values up to 7.11g/t in a trench and up to 11.80g/t in pits. This structure is part of a corridor that could extend over 4km.

A number of +10km soil anomalies with confirmed bedrock mineralisation at Yama, Sani, Fonondara and Kassere, all along strike and all located along the Boundiali belt margin, highlight the significance of the structure as a large scale mineralised system with the potential to host world class deposits. Given these positive results and the scale and prospectivity of the Boundiali belt margin, a VTEM (helicopter EM, Mag and radiometric) survey over the Boundiali, Nafoun and Mankono permits was completed at the end of the year to improve the understanding of the regional setting of the Boundiali-Bagoe Belt, generate new targets and facilitate the reprioritisation of existing targets. An earlier IP survey completed during the wet season over the 20km Fonondara-Sani corridor showed that there is significant potential to change the existing interpretation of the key structures and identify new targets with additional remote data.

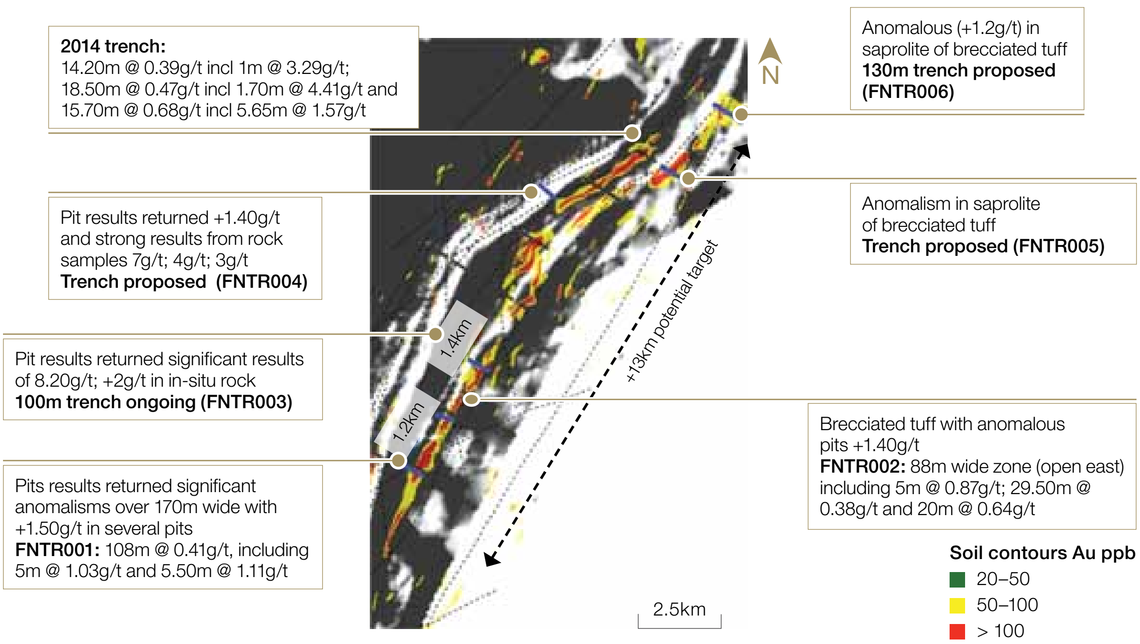
At year end, the survey was nearing completion and is clearly confirming the extension of regional structures, including the southern extension of the Syama and subsidiary structures, through the permit and highlighting new areas of interest along the Fonondara structure.

FAPOHA

At Fapoha, work progressed on the two main target areas, in the north of the permit and in the south, with both featuring multi kilometre long gold-in-soil anomalies at the sediment-volcanic lithological contact. At Ouboulo in the south, trenching over the 12km target returned best results of 27m @ 1.20g/t including 6m @ 2.36g/t and 5m @ 2.87g/t from a brittle vein system in volcaniclastics in contact with massive andesites and a quartz-diorite intrusion. Structures are generally a thin fracture network associated with narrow shear bands developed at the margin of the quartz-diorite and the target was downgraded.

At Fapoha North, a 13km +50ppb soil anomaly in a right hand flexure of the target structure was further investigated at the end of the year by pitting. The pits returned consistently anomalous grade, with values up to 8g/t in saprolite over the full width and strike of the target, which is up to 170m wide. Three trenches were excavated at year end at a spacing between 1.2km and 1.4km, all sited over existing anomalous pits. Results from two of these trenches were received at the time of writing. Trench YOTR001 returned a wide mineralised zone of 108m @ 0.40g/t, including 5m @ 1.03g/t and 5.50m @ 1.11g/t, whereas FTR002 yielded a low grade anomalous zone of 88m wide (open to the east) including 5m @ 0.87g/t; 29.50m @ 0.38g/t and 20m @ 0.64g/t. Zones of mineralisation in both trenches are hosted in a brecciated tuff in contact with a quartz diorite intrusion. Despite the low grades from initial trenches, the target is showing geological continuity between trenches and is confirmed as a wide, low grade mineralised system. Trenching will continue in 2016 to properly test the corridor along strike to the north and to potentially identify zones of dilation and higher grade mineralisation in the structure.

FAPOHA NORTH TARGET – 13KM WIDE BEDROCK TREND



DRC

KIBALI

The Kibali project is located in the Archean Moto volcanic belt of NE DRC where Randgold holds ground over 35km strike of the KZ structure, a regional mineralised trend which has a global inferred resource of over 22Moz and which hosts the giant 17Moz KCD deposit.

Brownfields

Megi

Scoping resource estimation work at Megi within a $1 500/oz pit shell produced 5.63Mt @ 1.72g/t for 311koz of which approximately 67% or 208koz remains in the inferred category. The Q4 scoping model shows an 18% reduction in tonnes, a 5% increase in grade and 14% drop in ounces respectively when compared to the Q1 resource estimate of 6.8Mt @ 1.64g/t for 361koz. The changes are attributed to a more robust revised geological model, which indicates that mineralisation remains open down-plunge to the NE, providing exploration upside. A commercial review comparing mining costs and benefits at Megi against other satellite deposits will drive the timing of infill conversion drilling.

The brownfields team completed the rebuilding of lithological, alteration and mineralisation wireframes to enable the evaluation of a potential superpit option at Pakaka, Pamao and Bakangwe Aval for the Pakaka pit, while Kombokolo, Sessenge, Gorumbwa and Durba Hill were remodelled and combined for the KCD pit. Optimisations are in progress and results will guide further infill drilling around both pits.

Durba Hill

At Durba Hill, trenching returned anomalous intersections of 14m at 1.99g/t and 10.80m at 1.26g/t (both DBTR0004) and 10m at 3.03g/t (DBTR0003) all hosted in brecciated chert and siliciclastic BIF in the hangingwall of the dolerite above the KCD pit. Two holes were drilled on top of Durba Hill (between KCD and Gorumbwa) to test beneath the trench. Results returned (DHDD0001) 23.46m at 2.98g/t from 105.54m (including 5.16m at 8.30g/t from 105.54m) associated with silica carbonate alteration with pyrite, and is interpreted as being a plunging rod of mineralisation. A second deeper hole intersected a broad 40m zone of weak alteration with thin intervals of strong silica carbonate alteration containing 15m @ 0.15g/t from 113.7m (including 1m at 1.1g/t from 123m). It is interpreted that the follow-up hole clipped the edge of the mineralised rod which remains open down-plunge. Further drilling is planned for 2016.

Greenfields

KZ Structure

Understanding of the deformational history of the Kibali area, and more specifically the mineralised KZ structure, was advanced. The team focused on the key criteria used to identify targets along the structure and re-ranked them after field validation of information, based on the potential to host a new multi-million ounce standalone deposit or an economic satellite. The analysis and ranking exercise generated a portfolio of 28 targets. A ranking of the portfolio identified Kanga Sud (1), Ikamva-Kalimva (2), Sessenge SW (3), Oere-Libala (4), Tete Bakangwe (5), Megi (6) and Mengu Hill W (7) as the areas with highest potential of delivering a new multi-million ounce orebody.

In the KCD area work progressed on mapping the continuity of the folded F1 structure which marks the contact between clastic siliceous rocks with carbonaceous/ferruginous units in the KCD pit. The ore lodes of the KCD deposit occur close to this faulted contact around the hinges of a recumbent F2 fold which has been over printed by a second fold event, both of which have NE plunging hinges, thought to control the distinctive rod-like nature of the mineralised lodes at Kibali. These recumbent folds may be a more regional feature and are likely to be blind and a number of conceptual targets exist where fold hinges are interpreted to locate.

Tete Bakangwe

At Tete-Bakangwe, which is an old artisanal pit 4km from the plant, trenching returned significant results including 11.3m (true) at 2.04g/t, 37.35m (true) at 4.1g/t and 24.68m (true) at 1.59 g/t containing at least four higher grade mineralised lenses in BIF and metaconglomerate which plunge to the NE, with potential to provide mine schedule flexibility through high grade oxide resources. The lenses are associated with folded ironstone units cut by NE trending structures, creating a 150m wide corridor of deformation and low grade mineralisation where strong rotation of the regional foliation from the NW trend to the SW creates dilation. Down-plunge opportunities exist as does the potential for repeated mineralised lenses to the southwest towards the historic Agbarabo open pit.

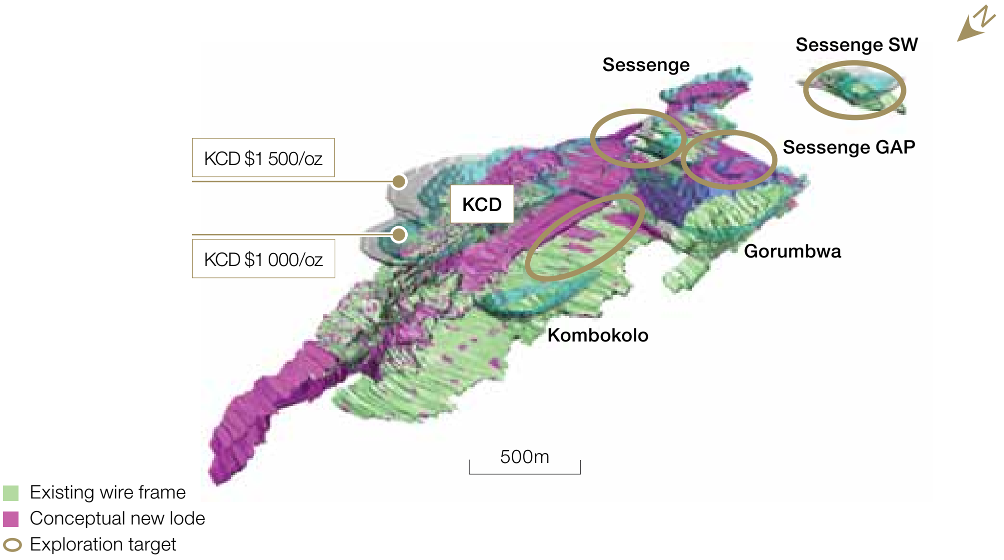
An estimation based on old drill holes and new trench results gives an oxide potential of 30koz at 4.5g/t in a conceptual $1 500/oz pit shell which will be drill tested in 2016.

Sessenge SW

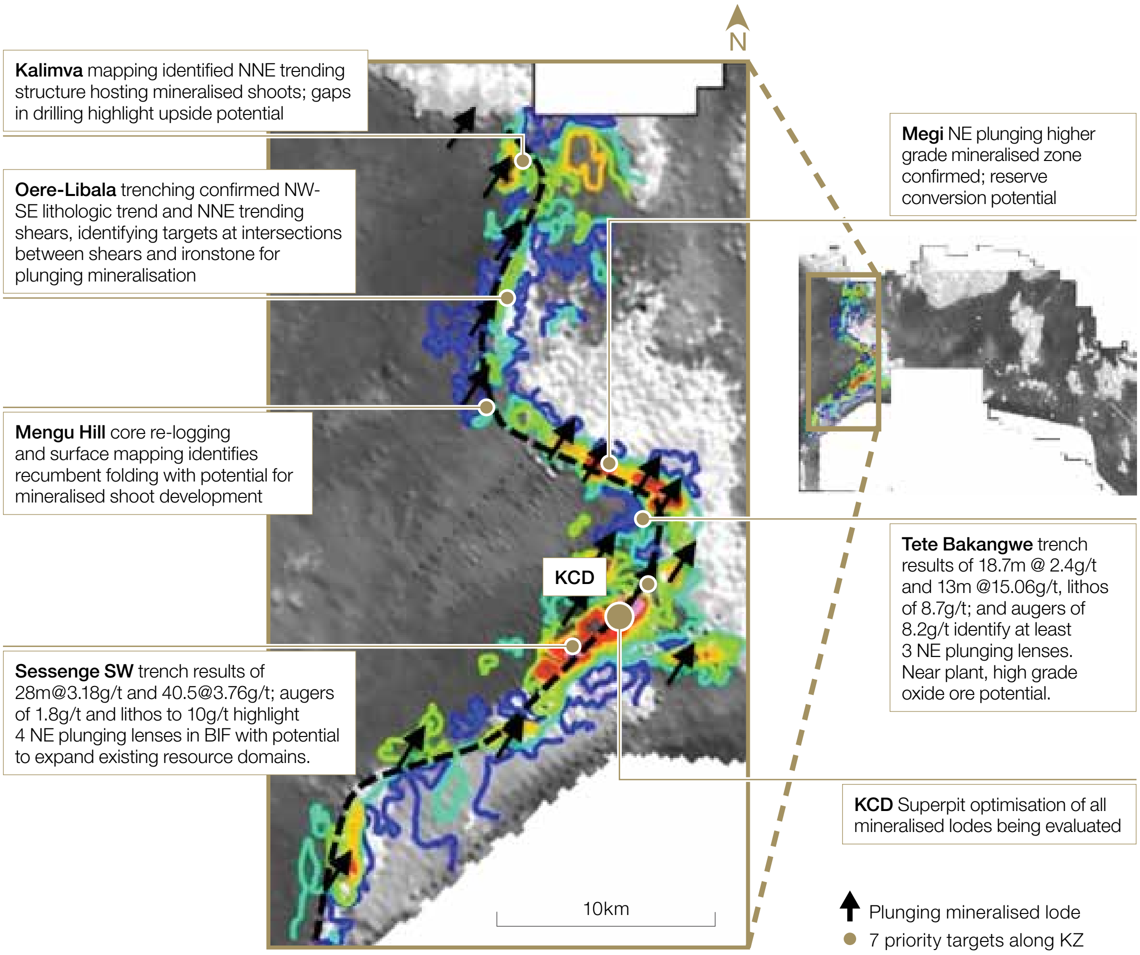
The Sessenge SW target is located 350m south of the Sessenge pit where folded ironstones with lithosamples to 10.7g/t are located. Historical drill results from the target area include 22m at 1.95g/t and 8m at 1.9g/t. In 2015 results received from trenches excavated across targets returned intersections of 22m @ 4.01g/t including 12m at 6.36g/t (STR0002) and 12m at 1.5g/t, 28m at 3.18g/t and 40.5m @ 3.76g/t on ironstone units in the targets area.

These trench intersections, combined with results from an auger programme and a ground magnetics survey across the target, helped define four areas with the potential to host at least four higher grade mineralised lenses in banded ironstone and metaconglomerate which plunge to the NE. The target area has not been adequately tested by deep drilling, and upside opportunities clearly exist for subsurface continuation of the lenses which may lead to the discovery of new 9000 lode style mineralised systems.

KCD SUPERPIT - SCOPING CONFIRMS POTENTIAL FOR INCREASED OUNCES AND REDUCED STRIP RATIO



KZ TREND - WORK CONTINUES TO HIGHLIGHT POTENTIAL, PROVIDE BROWNFIELDS FLEXIBILITY



Ikamva Kalimva

Ikamva is considered to be one of the more prospective parts of the KZ Structure with structural similarities to KCD. Eight trenches were excavated during the year to investigate the extent of mineralisation and geological controls in the priority Zone 1 target area. Trenches mostly returned thin intervals of mineralisation associated with ironstones, with one trench (IVTR0003) returning significant mineralisation of 9.1m at 3.24g/t from 72.9m and 11m at 3.87g/t from 88m, 18m at 1.51g/t from 122m and 16m at 1.18g/t from 142m. Drilling beneath this trench failed to confirm the continuity of mineralisation but did highlight the potential at Ikamva, where there are several small Belgian pits. Further work planned on the target includes field mapping to upgrade the interpretation and to identify key controls on high grade mineralisation.

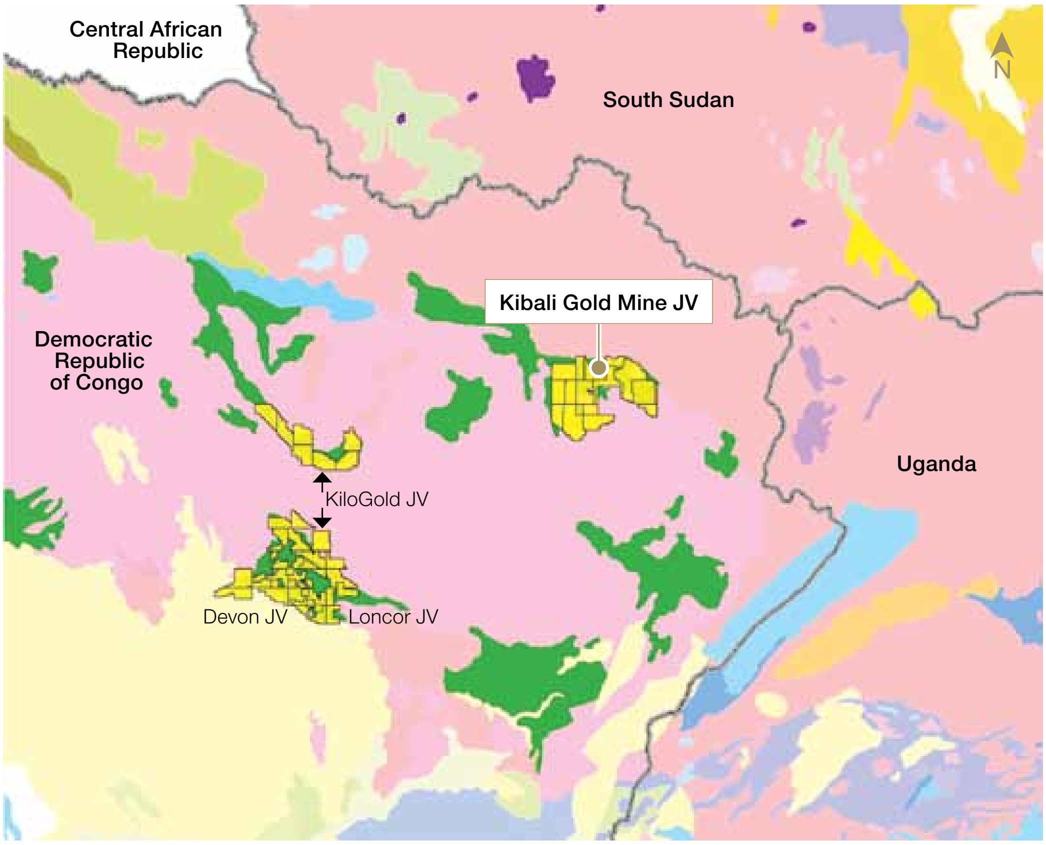
Prospect scale mapping and sampling at Kalimva, an old Belgian mine, confirmed the NNE trending shear corridor hosting rod/augen shaped mineralised alteration zones plunging at 30 degrees to the NNE. The down-plunge extension of mineralisation in the old pits was tested by previous diamond drilling programmes with mixed results but structural and lithological observations in 2015 suggest a vertical system, rather than the east dipping model tested previously, indicating exploration upside to be tested in 2016.

REGIONAL

In the past year, two joint venture agreements were concluded in the DRC: Loncor Resources, and Devon Resources, which both hold permits over the Ngayu Archean greenstone belt, some 200km to the SW of the Kibali project. The Ngayu belt hosts a multitude of exploration opportunities and despite limited historical exploration work hosts resources of nearly 3Moz. The agreements give Randgold exclusive exploration rights over the majority of the Ngayu belt where it already holds 752km^2 under the KGL Isiro joint venture. The new agreements cover a total land area of over 2 200km^2. Randgold has negotiated the right to earn up to 65% of each of the projects through the satisfactory completion of prefeasibility studies.

The newly signed joint venture agreements bring Randgold's total groundholding in NE DRC to 6 000km^2 (including Kibali) and is a significant expansion to its footprint in an area it believes to be one of the most prospective on the continent. This work paves the way for regional sampling programmes across the area in 2016 designed to collect detailed geochemical and geochronological data which will be used to define the most prospective belts and structures on this part of the craton.

EASTERN DRC GROUNDHOLDING[1]



[1] *As at 14 March 2016*

RESOURCES AND RESERVES

94
RESOURCE AND RESERVE DECLARATION

95
SCHEDULE OF MINERAL RIGHTS

ANNUAL RESOURCE AND RESERVE DECLARATION

at 31 December

		Tonnes (Mt)		Grade (g/t)		Gold (Moz)		Attributable gold (Moz)	
Mine/project	Category	2015	2014	2015	2014	2015	2014	2015	2014
MINERAL RESOURCES									
Kibali								**45%**	45%
	Measured	**10**	8.1	**2.2**	1.9	**0.7**	0.5	**0.3**	0.2
	Indicated	**124**	130	**3.8**	3.8	**15**	16	**6.8**	7.2
Sub total	Measured and indicated	**134**	139	**3.7**	3.7	**16**	16	**7.2**	7.4
	Inferred	**47**	53	**2.5**	2.6	**3.9**	4.4	**1.7**	2.0
Loulo								**80%**	80%
	Measured	**18**	15	**4.5**	3.8	**2.6**	1.9	**2.1**	1.5
	Indicated	**33**	36	**4.3**	4.5	**4.5**	5.2	**3.6**	4.2
Sub total	Measured and indicated	**51**	52	**4.4**	4.3	**7.1**	7.1	**5.7**	5.7
	Inferred	**20**	20	**3.9**	3.2	**2.5**	2.1	**2.0**	1.7
Gounkoto								**80%**	80%
	Measured	**5.0**	5.5	**2.9**	3.6	**0.5**	0.6	**0.4**	0.5
	Indicated	**25**	22	**4.7**	4.4	**3.7**	3.2	**3.0**	2.5
Sub total	Measured and indicated	**30**	28	**4.4**	4.3	**4.2**	3.8	**3.3**	3.0
	Inferred	**5.3**	7.5	**3.1**	3.2	**0.5**	0.8	**0.4**	0.6
Morila								**40%**	40%
	Measured	**-**	0.02	**-**	4.0	**-**	0.003	**-**	0.001
	Indicated	**23**	14	**0.5**	0.6	**0.4**	0.3	**0.2**	0.1
Sub total	Measured and indicated	**23**	14	**0.5**	0.6	**0.4**	0.3	**0.2**	0.1
	Inferred	**1.8**	11	**0.6**	0.6	**0.03**	0.2	**0.01**	0.1
Tongon								**89%**	89%
	Measured	**8.8**	6.8	**2.7**	2.3	**0.8**	0.5	**0.7**	0.5
	Indicated	**22**	27	**2.6**	2.6	**1.8**	2.2	**1.6**	2.0
Sub total	Measured and indicated	**30**	34	**2.6**	2.5	**2.6**	2.7	**2.3**	2.4
	Inferred	**12**	12	**2.8**	2.7	**1.1**	1.0	**1.0**	0.9
Massawa								**83%**	83%
	Measured	**0.2**	0.2	**5.1**	5.1	**0.03**	0.03	**0.03**	0.03
	Indicated	**35**	35	**2.6**	2.6	**2.9**	2.9	**2.4**	2.4
Sub total	Measured and indicated	**35**	35	**2.6**	2.6	**3.0**	3.0	**2.5**	2.5
	Inferred	**23**	24	**2.5**	2.1	**1.8**	1.7	**1.5**	1.4
TOTAL MINERAL RESOURCES	Measured and indicated	**304**	301	**3.4**	3.4	**33**	33	**21**	21
	Inferred	**110**	128	**2.8**	2.5	**10**	10	**6.7**	6.6
ORE RESERVES									
Kibali								**45%**	45%
	Proved	**4.0**	5.4	**1.8**	1.8	**0.2**	0.3	**0.1**	0.1
	Probable	**76**	78	**4.3**	4.3	**10**	11	**4.7**	4.8
Sub total	Proved and probable	**80**	83	**4.1**	4.1	**11**	11	**4.8**	4.9
Loulo								**80%**	80%
	Proved	**8.6**	2.2	**4.5**	1.8	**1.2**	0.1	**1.0**	0.1
	Probable	**23**	31	**4.7**	4.8	**3.4**	4.7	**2.7**	3.8
Sub total	Proved and probable	**32**	33	**4.6**	4.6	**4.7**	4.9	**3.7**	3.9
Gounkoto								**80%**	80%
	Proved	**4.1**	4.4	**3.1**	3.8	**0.4**	0.5	**0.3**	0.4
	Probable	**16**	18	**5.2**	4.6	**2.7**	2.6	**2.2**	2.1
Sub total	Proved and probable	**20**	22	**4.8**	4.4	**3.1**	3.2	**2.5**	2.5
Morila								**40%**	40%
	Proved	**-**	0.02	**-**	4.0	**-**	0.003	**-**	0.001
	Probable	**15**	13	**0.6**	0.7	**0.3**	0.3	**0.1**	0.1
Sub total	Proved and probable	**15**	13	**0.6**	0.7	**0.3**	0.3	**0.1**	0.1
Tongon								**89%**	89%
	Proved	**8.2**	7.1	**2.3**	2.2	**0.6**	0.5	**0.5**	0.4
	Probable	**18**	23	**2.4**	2.4	**1.4**	1.7	**1.3**	1.5
Sub total	Proved and probable	**26**	30	**2.4**	2.3	**2.0**	2.2	**1.8**	2.0
Massawa								**83%**	83%
	Proved								
	Probable	**21**	21	**3.1**	3.1	**2.0**	2.0	**1.7**	1.7
Sub total	Proved and probable	**21**	21	**3.1**	3.1	**2.0**	2.0	**1.7**	1.7
TOTAL ORE RESERVES	Proved and probable	**194**	201	**3.6**	3.6	**23**	24	**15**	15

See facing page for notes to the annual resource and reserve declaration.

SCHEDULE OF MINERAL RIGHTS

at 15 March 2016

Country/permit	Type[1]	Area (km^2)	Equity (%)
MALI			
Loulo	EP	263	80.0
Gounkoto	EP	100	80.0
Morila	EP	200	40.0
Bena West	EEP	22	90.0
Bakolobi[2]	EEP	120	Earn in minimum 51%
Djelimangara[2]	EEP	55	Earn in minimum 51%
Djelimangara West[2]	EEP	48	Earn in minimum 51%
Sebesounkoto[2]	EEP	29	Earn in minimum 51%
Sebesounkoto Sud[2]	EEP	28	Earn in minimum 51%
Djidian	EEP	325	90.0
Kobokoto Est[2]	EEP	100	65.0
Koussikoto[2]	EEP	37	65.0
CÔTE D'IVOIRE			
Nielle	EP	751	89.0
Boundiali	EEP	1 320	81.0
Mankono	EEP	704	81.0
Tiorotieri[2]	EEP	86	89.0
Kouassi Datekro N	EEP	350	89.0
Kouassi Datekro C	EEP	396	89.0
Fapoha North[2]	EEP	387	81.0
Fapoha South[2]	EEP	398	81.0
Tengrela South	EEP	400	81.0
SENEGAL			
Kanoumba	EEP	506	90.0
Miko	EEP	61	90.0
Dalema	EEP	301	90.0
Tomboronkoto	EEP	225	90.0
Bambadji[2]	EEP	236	Earn in minimum 51%

Country/permit	Type[1]	Area (km^2)	Equity (%)
DEMOCRATIC REPUBLIC OF CONGO			
Moto Belt[2]			
11447	EP	227	45.0
11467	EP	249	45.0
11468	EP	46	45.0
11469	EP	92	45.0
11470	EP	31	45.0
11471	EP	113	45.0
11472	EP	85	45.0
5052	EP	302	45.0
5073	EP	399	45.0
5088	EP	292	45.0
Ngayu Belt[2]			
1796	EEP	97	Earn in minimum 65%
1793	EEP	196	Earn in minimum 65%
1794	EEP	198	Earn in minimum 65%
1797	EEP	157	Earn in minimum 65%
1798	EEP	185	Earn in minimum 65%
1800	EEP	168	Earn in minimum 65%
1801	EEP	167	Earn in minimum 65%
1802	EEP	163	Earn in minimum 65%
1803	EEP	147	Earn in minimum 65%
1804	EEP	124	Earn in minimum 65%
1805	EEP	175	Earn in minimum 65%
1806	EEP	86	Earn in minimum 65%
1807	EEP	119	Earn in minimum 65%
2226	EEP	137	Earn in minimum 51%
2227	EEP	137	Earn in minimum 51%
2229	EEP	126	Earn in minimum 51%
2230	EEP	155	Earn in minimum 51%
2231	EEP	197	Earn in minimum 51%
12976	EEP	71	Earn in minimum 65%
12984	EEP	20	Earn in minimum 65%
12988	EEP	70	Earn in minimum 65%
12982	EEP	7	Earn in minimum 65%
12975	EEP	6	Earn in minimum 65%
12986	EEP	111	Earn in minimum 65%
12990	EEP	11	Earn in minimum 65%
Isiro Belt[2]			
2285	EEP	197	Earn in minimum 51%
2286	EEP	185	Earn in minimum 51%
2287	EEP	183	Earn in minimum 51%
2288	EEP	173	Earn in minimum 51%
2289	EEP	195	Earn in minimum 51%
2290	EEP	189	Earn in minimum 51%
2291	EEP	191	Earn in minimum 51%
TOTAL AREA		12 307	

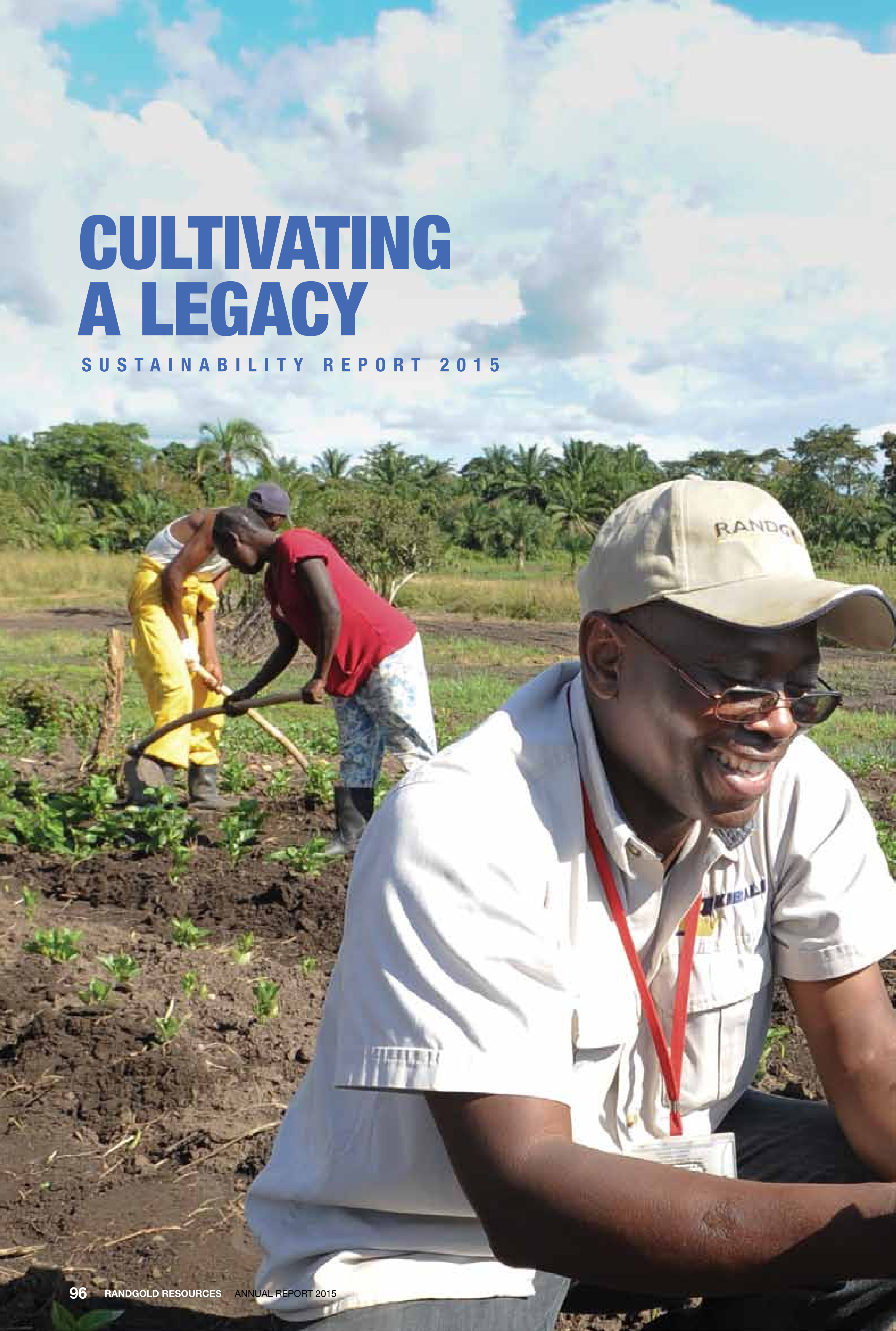
1 *EP Exploration permit*
EEP Exclusive exploration permit
2 *Subject to a joint venture agreement.*

NOTES TO THE ANNUAL RESOURCE AND RESERVE DECLARATION

Randgold reports its mineral resources and ore reserves in accordance with the JORC 2012 code and as such numbers are reported to the second significant digit.
Reporting standards are equivalent to National Instrument 43-101.
The reporting of mineral resources is based on a gold price of $1 500/oz. The reporting of ore reserves is also in accordance with SEC Industry Guide 7. Reserve pit optimisations are carried out at a gold price of $1 000/oz for all pits.
Underground ore reserves are also based on a gold price of $1 000/oz. Dilution and ore loss are incorporated into the calculation of reserves.
Cautionary note to US investors: The United States Securities and Exchange Commission (the 'SEC') permits mining companies, in their filings with the SEC, to disclose only proven and probable ore reserves. Randgold uses certain terms in this annual report such as 'resources', that the SEC does not recognise and strictly prohibits the company from including in its filings with the SEC. Investors are cautioned not to assume that all or any parts of the company's resources will ever be converted into reserves which qualify as 'proven and probable reserves' for the purposes of the SEC's Industry Guide number 7.
*See glossary of terms on website at **www.randgoldresources.com**.*

CULTIVATING A LEGACY

SUSTAINABILITY REPORT 2015




RANDGOLD

CULTIVATING A LEGACY

MARK
BRISTOW

It is 20 years since Randgold was first incorporated as an Africa focused gold mining and exploration business with a vision to create long term value for all stakeholders.

MAKING A DIFFERENCE

In those two decades we have created over 20 000 jobs either directly or in partnership with sub-contractors, contributed more than $2.2 billion to host country governments in taxes, royalties and dividends, constructed or upgraded over 60 schools in host communities and supported a wide variety of local businesses from mechanics to mobile kitchens, construction to cattle farming, hospitals to hotels.

We can see our impact in issues like malaria in Mali. When we took on our Morila mine in 2000, malaria was rife with a local incidence rate of 192%. Now, as our Morila mine approaches closure, it is down to almost 20% and falling.

EXPLORING SUSTAINABILITY TO CREATE VALUE FOR ALL

The same spirit of exploration which has helped us find five world-class gold deposits on geological anomalies, also drives us to explore the most sustainable solutions to the challenges our business faces.

This year, for example, we have introduced industry-leading safety training, partnered with NGOs to dramatically improve community education and health outcomes, and invested in major hydropower facilities in the DRC. Our investments in agribusinesses, to leave a thriving economic legacy for our host communities, are also progressing at pace.

The year has not been without its challenges. We've seen disappointing increases in areas such as our lost time injury frequency rate, water and energy use. And most tragically we suffered a fatality, a reminder of the need to learn and strive for excellence every day.

A CORE FOUNDATION

Despite the tough global commodity market we will continue to invest in sustainability. It is not something we pay lip service to, but a core foundation of our business and vital to success in emerging Africa. The reality of building strong relations with our host countries and communities is that there is no room for complacency. We need to work every day to build mutual trust and understanding; and the same is true of our efforts in areas such as occupational health and safety, environmental management, infrastructure and industrial relations.

Looking ahead, we will continue to explore how best our business can continue to benefit all stakeholders in a sustainable way over the long term. In the next 20 years, that will ultimately be how the success of our company should be judged.

Mark Bristow
Chief executive

SUSTAINABILITY SNAPSHOT: HIGHLIGHTS AND ACHIEVEMENTS IN 2015

Kibali mine in DRC total

+$1bn

spending on local contractors

Community investment across all host communities up

↑136%

to

$6.27m

↓45%

decrease in significant environmental incidents

$1.4m

New community health and agribusiness centre opened in Mali for the local communities

Group malaria incidence down

↓22%

Significantly below baseline in all host communities

Microfinance facilities established at all mines

+310

local entrepreneurs supported by end of 2015

$700m

invested in host country infrastructure since 2011 – equivalent to building

19

Eiffel Towers at today's costs

↑38%

increase in number of voluntary tests for HIV, indicating success in our awareness-raising efforts

↓33%

reduction in HIV prevalence

CHALLENGES AND DISAPPOINTMENTS IN 2015

- One fatality in 2015 and slight rise in Lost Time Injury Frequency Rate
- Continued presence of illegal artisanal mining on two mine sites
- Despite relative success of anti-malaria campaign still much work to do to achieve our ambitious target to eradicate malaria from all our mine sites
- Our electricity use rose this year and we have an ongoing challenge to reduce greenhouse gas emissions and maximise energy use alongside the rapid development of our mining
- Levels of water recycling dropped to 61% this year, below our 75% target
- Finding a new world-class deposit that meets all our sustainability and investment criteria.

92%

operational workforce host country nationals

600

local student *stagiaires* receive practical training and 80 recruited after graduation

$1bn

total economic value distributed in 2015

0

Lost Time Injuries recorded by 2 mines

EXPLORING SUSTAINABILITY TO CREATE VALUE FOR ALL

Safety

Innovations such as our $1 million underground driving simulator are helping improve safety and productivity.

Health

In 2015, clinics in our mine sites and host communities held over 80 000 medical consultations for employees and local community members.

Environment

Investment in clean hydropower in DRC will meet 90% of the energy needs of our Kibali mine and its local communities.

Agribusiness

Major investment in agribusinesses including a $1.4 million centre in Mali, fish farms and mango plantations are helping to leave a sustainable economic legacy for our host communities.

OUR HOST COUNTRIES[1]

MALI

Mali is the eighth largest country in Africa and has a population of approximately 16 million people. Randgold operates three mines in Mali – Morila, Loulo and Gounkoto. Despite a thriving and entrepreneurial culture more than half the population lives below the $1.25/day income poverty line.

Population:

15.8 million

Life expectancy at birth:	58 years
Gross national income per head:	$1 583
Adult literacy rate:	33.6%
Population with at least some secondary education:	10.9%
Population living below the $1.25/day income poverty line:	50.6%
Human development index ranking:	179

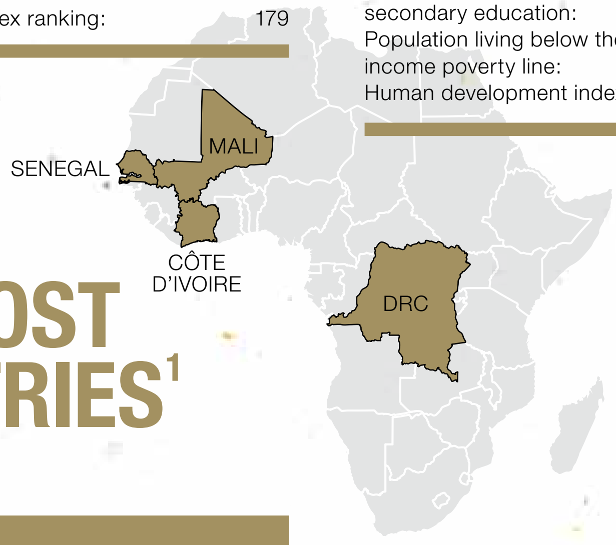
CÔTE D'IVOIRE

Randgold has one mine in Côte d'Ivoire – Tongon – which is located in a remote area about 50km south of the border with Mali. Côte d'Ivoire is enjoying a sustained period of peaceful economic growth and development after a number of years of civil war in the early 2000s. It has the highest gross national income of our four countries of operation though still faces a number of development challenges including a relatively low life expectancy.

Population:

20.8 million

Life expectancy at birth:	51.5 years
Gross national income per head:	$3 171
Adult literacy rate:	41%
Population with at least some secondary education:	22%
Population living below the $1.25/day income poverty line:	35%
Human development index ranking:	172



DEMOCRATIC REPUBLIC OF CONGO (DRC)

The DRC is Randgold's newest country of operation. DRC has enormous mineral wealth and huge economic potential. Yet it currently has the lowest gross national income per head of all our countries of operation and nearly 88% of the population are reported to live below the $1.25/day income poverty line. Encouragingly the country has a relatively high adult literacy rate and its ranking on the World Bank's ease of doing business survey and the UN's Human Development Index are improving year on year.

Population:

69.4 million

Life expectancy at birth:	58.7 years
Gross national income per head:	$680
Adult literacy rate:	61.2%
Population with at least some secondary education:	22%
Population living below the $1.25/day income poverty line:	88%
Human development index ranking:	176

SENEGAL

Randgold does not currently have any operational mines in Senegal but our Massawa exploration project, which is at feasibility stage, is located there. Senegal has a rich history of trading and commerce and has the highest ranking of our countries on the UN's human development index. Like all countries in the region in still faces significant development challenges.

Population:

14.5 million

Life expectancy at birth:	66.5 years
Gross national income per head:	$2 188
Adult literacy rate:	52.1%
Population with at least some secondary education:	11%
Population living below the $1.25/day income poverty line:	34%
Human development index ranking:	170

[1] *All data from UNDP Human Development Index report 2015.*

OUR KEY PERFORMANCE INDICATORS AND TARGETS FOR 2016

FOCUS	KEY PERFORMANCE INDICATORS	2013	2014	2015
Economic development	Gold sales[1]	$1 267m	$1 435m	**$1 395m**
	Payments to suppliers in countries of operation[3]	$653	$364m	**$473m**
	Total economic value distributed	$910	$985m	**$992m**
Community	Total spend by community development committees	$1.62m	$2.65m	**$6.27m**
	Percentage of host country nationals in workforce	86%	91%	**92%**
	Proportion of grievances resolved	99%	99%	**91%[2]**
	Malaria Incidence rate	52.7%	49.9%	**38.9%**
	Amount of Voluntary Counselling and Testing (VCTs) for HIV	2 908	3 207	**4 427**
Human capital	Lost Time Injury Frequency Rate (LTIFR) at operational mines	0.57	0.47	**0.59**
	Number of workplace fatalities	1	1	**1**
	Number of mines certified to OHSAS	4	4	**4**
	Number of employees receiving formal training	-	210	**302**
Environment	Number of class 1 (major) or 2 (medium) environmental incidents	0 - Class 1 13 - Class 2	1 - Class 1 20 - Class 2	**0 - Class 1 11 - Class 2**
	Emission intensity	50.47 CO_2-e/kt milled	42.43 CO_2-e/kt milled	**57.02 CO_2-e/kt milled**
	Total water recycled	85%	75%	**61%**
	Number of water discharge quality tests that do not conform with national or IFC standards	0	1	**0**
	Number of environmental or health incidents related to cyanide	0	1	**1**
	ISO 14001 certification	4	4	**5**
	Develop and implement site specific biodiversity action plans (BAPs) for all our operations	4	5	**5**

[1] Total attributable gold sales including equity accounted joint ventures.
[2] At year end 77% of grievances had been resolved with a batch of grievance claims on temporary pause for resolution. The reporting date for this figure is 1 March 2016.
[3] Includes 100% of payments by mines.

TREND	TARGETS
✗	Our production target for 2016 is 1.25-1.30Moz
✓	Our target is for 80% of locally available items to be procured by mines
✓	Our target is to increase economic value distributed in line with production
✓	Our target is to increase health, education and economic development outcomes for communities
✓	Our target is to maintain the number of nationals in our workforce above 80%
✗	Our target is to resolve 100% of grievances registered through our grievance mechanism
✓	Our target is to eradicate malaria from all our mine sites
✓	Our target is to raise awareness of HIV across the group, measured as number of VCTs
✓	Our target is to remain below 1.0
✗	Our target is for zero fatalities
–	Our target is to have all fully-operational mines to be OHSAS 18001/ISO 45001 compliant
✓	Our target is to provide enough formal training at leading institutions in addition to on-site training to ensure we continue to have the full range of skills required to run a world-class gold mining company
✓	Our target is for zero class 1
✗	Our target is to reduce GHG emissions to 23.45 tonnes CO_2-e/kt milled by 2020
✗	Our target is for 85% of water to be reused each year
✗	Our target is for zero non-compliance with relevant national and IFC standards
–	Our target is for zero environmental or health incidents related to cyanide
✓	Our target is to have all fully-operational mines certified to the ISO 14001 standard
–	Our target is to introduce BAPs at all fully operational mines

EXTERNAL RECOGNITION OF OUR WORK ON SUSTAINABILITY

- Included in internationally-respected FTSE4GOOD Index for second consecutive year.
- Mark Bristow ranked in world's Top 50 CEOs by Harvard Business Review, in part due to introduction of environmental, social and governance (ESG) scoring.
- Randgold named best performer in Occupational Health & Safety at and CEO Mark Bristow awarded Best Achiever Award, DRC Mining Industry awards.
- Morila agribusiness projects studied by World Bank and Mali's Rural Development Ministry.
- Tongon mine awarded the President Prize of best mine of the year in Côte d'Ivoire.

SCOPE AND BOUNDARY OF THIS REPORT

The aim of this report is to represent a balanced and reasonable view of our company's sustainability performance. The data on environmental, safety and economic impacts presented covers all six of our operational and development sites situated in Mali, Côte d'Ivoire, Democratic Republic of Congo and Senegal. With the exception of GHG emissions, it excludes our in-country offices and guesthouses. The scope and measurement methods have not changed if compared to Randgold's sustainability report published in March 2015. The data used to populate this document is collated on a monthly basis and reviewed by management. Data for previous years is provided in certain instances for comparative purposes. A selection of the sustainability information has been assured by an independent assurance provider, Environmental and Sustainability Solutions (ESS). The complete assurance statement as well as the GRI Content Index in accordance with the G4 Guidelines are attached as appendices to the standalone sustainability report on our website ***www.randgoldresources.com***.

We welcome feedback on this sustainability report and the activities described within.

OUR GOVERNANCE OF SUSTAINABILITY

"Sustainability has become central to our success. It's part of our DNA. It has helped shape every decision we have made in the last 20 years and will continue to do so in the decades to come."

Mark Bristow, CEO

We have a wide range of policies, processes and people in place to ensure we identify and manage the risks and opportunities that sustainability factors present to our business, and to ensure we engage effectively and transparently with all our stakeholders.

Our sustainability governance starts at the top and it is our board who holds ultimate responsibility for our performance in this area. Key to this is the board's environmental and social oversight committee, which meets quarterly and is chaired by our CEO. Sustainability considerations play a key part in all our decisions, for example in 2015 our verdict not to proceed with a potential investment opportunity was made, in part, because we did not feel the project met our sustainability criteria.

As shown in the organogram below, we also have three high level executives who drive our work on community relations, health and safety, environmental management and sustainability reporting. Two of these are West African nationals, in keeping with our ambition to have host country nationals involved at the highest levels of management in our company. To avoid a hierarchical structure these executives report directly to our chief operating officers (who sit above the mine general managers). This helps provide an important layer of independent sustainability oversight. It also helps to integrate sustainability into the DNA of our company, ensuring that it is not reliant on one person or one department.

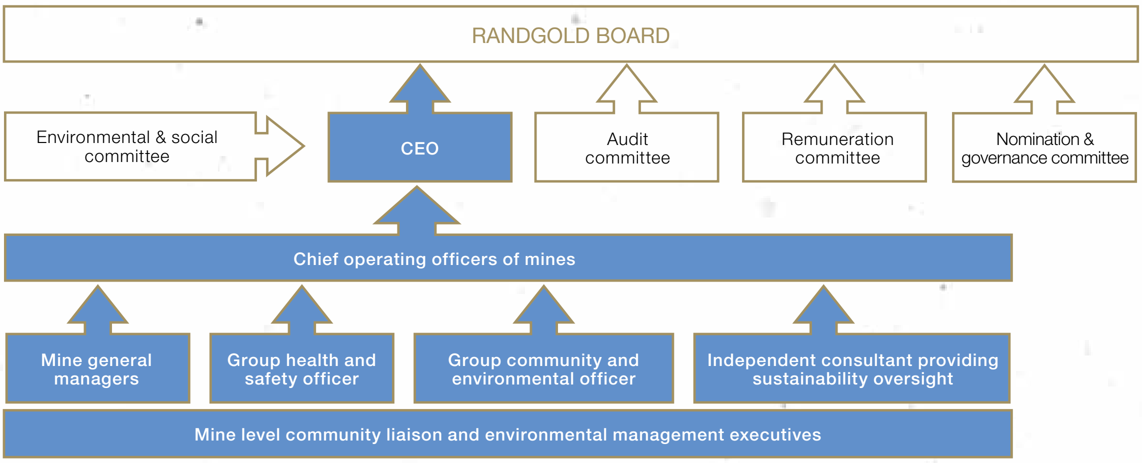
AN EAR TO THE GROUND

While responsibility sits at the top, our management of environmental and social issues also flows from the ground upwards. Hence our extensive stakeholder engagement programme (see following section) and the participation of our CEO in regular mass meetings with employees and local unions, and open forums with community chiefs and other local representatives. Such meetings are a lively, vigorous and important part of our governance of sustainability.

Where appropriate, we also include achievement of sustainability targets as a component of bonus based remuneration packages. For example, part of both our CEO's and CFO's annual bonus payments are dependent on the group achieving a Lost Time Injury Frequency Rate of below 1.0. From 2016, the maximum bonus is only payable if the LTIFR is zero. Similarly, part of the CEO's and CFO's bonuses are linked to achieving the target of zero class 1 environmental incidents.

For more details on Randgold's corporate governance please see the detailed corporate governance report in our annual report on page 160.

OUR CORPORATE STRUCTURE FOR SUSTAINABILITY



KEY CORPORATE POLICIES

Our sustainability related policies are drafted both to comply with host country legislation and (where it is stronger) to follow the lead of international standards and best practices such as the IFC Performance Standards, World Bank Operational Guidelines, the OECD Convention on Combating Bribery and the Voluntary Principles on Security and Human Rights.

The core policies that enshrine our approach to sustainability include our overall Code of Conduct, Anti-Corruption Compliance Policy and our site-specific environmental and safety polices, which are designed to align with the expectations of the internationally recognised ISO 14001 and OHSAS 18001/ISO 45001 standards respectively.

Our Code of Conduct, which is available on our website, clearly sets out our policies on issues such as whistleblowing, record keeping, fraud, interactions with governments and sustainable development. Being familiar with and understanding our Code of Conduct forms a vital part of induction training for all employees and any contravention leads to disciplinary action and potential termination of employment.

Our anti-corruption compliance policy, also available on our website, explains our zero tolerance approach to bribery and corruption, including termination of employment for accepting any bribes or facilitation payments. The policy includes commitments to undertake due diligence on all parties we do business with. We also include stringent anti-bribery and corruption clauses into our sub-contractor agreements. All personnel are trained in anti-bribery and corruption measures.

In 2015 the board approved a new Gift, Travel and Entertainment Policy which is designed to ensure that the group operates according to the highest standards of integrity and ethics and complies with all applicable anti-corruption and anti-bribery laws, rules and regulations.

This report provides further details of these policies and how they have been monitored and managed throughout 2015.

EXTERNAL ACKNOWLEDGEMENT FROM LEADING ETHICAL BUSINESS INDEX

For the second year running, 2015 saw Randgold named as a constituent of the FTSE4Good Index, an influential index designed to help socially responsible investors find appropriate stocks to invest in. Only those companies judged to have strong environmental, social and governance practices in place are included in this index.

Randgold was included in the upper brackets of scoring in 2015 for its management of issues including water use, corporate governance, community, health and safety, climate change, human rights and risk management.

Each index constituent or company is categorised in accordance with the Industry Classification Benchmark (ICB), the global standard for industry sector analysis. Randgold received an overall ICB supersector rating of 84, which places us within the top 16% of the industry.

We believe that our continued inclusion in the FTSE4Good Index, and the high industry rating we achieved is a tribute to the effectiveness with which our team handles sustainability risks from energy to employment, developing communities or tackling corruption and demonstrates the extent to which these have been prioritised in our group and operational strategies.

FTSE4Good

STAKEHOLDER ENGAGEMENT

Our stakeholder engagement programme is an integral part of our governance of sustainability and vital to ensuring our business creates value for all stakeholders. We classify our stakeholders into eight groups, and believe that keeping open and ongoing two way dialogue with each of these diverse constituencies is critical to the success of our business.

OUR STAKEHOLDER GROUPS

We engage with our stakeholders in a variety of ways including our annual Materiality Assessment (see next section), and through both formal and informal meetings and mechanisms, including correspondence, roadshows, open forums and local consultations. For example, at Kibali we present the quarterly results to our local stakeholders and in 2016 we are looking to expand this practice across all our operational mines. We also present our annual report and this sustainability report to our host communities each year.

The table alongside details some of the ways we engaged with our different stakeholders in 2015, what some of the main issues they raised with us were, and how we have responded to their feedback.

Our aim is to be receptive and flexible to the feedback we receive through our stakeholder engagement programme. For example at Kibali in the DRC in 2015, based on input from government authorities, village chiefs, community representatives, local businessmen, civil society and the local Roman Catholic Church, we drafted and signed a formal Memorandum of Understanding (MOU) with the local community. This acts as a social contract of peace and is the first time we have done this with a local community.

MEETING WITH LOCAL CHIEFS

One of the more unique parts of our stakeholder engagement programme are the formal dinners held between our CEO Mark Bristow and local community chiefs, which are held every six months on each of our mines (as well as on an ad hoc basis). The dinners provide local chiefs with a regular opportunity to discuss any issues with and to get first hand answers to questions from our CEO. They have proven to be a solid platform for constructive dialogue with our communities.

For example, at a CEO/chiefs dinner with the chiefs local to our Tongon mine in Côte d'Ivoire in April 2015, issues such as water, local education and economic development were discussed. A discussion with the chief of the Korokara community at this dinner led directly to the start of a project to help local cashew nut producers form a cooperative and could lead to the installation of a cashew nut processing unit, with potential support from Randgold.

CEO Mark Bristow meeting with local chiefs at Loulo.

STAKEHOLDER ENGAGEMENT IN 2015

STAKEHOLDER	Ways we engaged	Key sustainability issues raised in 2015	How we responded
Shareholders	■ Briefings on sustainability included in investor roadshows and other forums. ■ Private meetings and calls including with the CEO. ■ Open days and site visits. ■ Materiality Assessment process. ■ Our AGM, which took place on 3 May 2015. ■ Responded to sustainability questionnaires aimed at supporting socially responsible investment eg the Carbon Disclosure Project (CDP).	■ The highest priority issue for our shareholders was safety, with other important issues raised including management of environmental incidents, legal compliance, anti-corruption and security force training to protect human rights.	■ This sustainability report contains detailed accounts of how we analyse and deal with all sustainability risks raised by our shareholders. As explored in this sustainability report, we are committed to best practice on safety at all our mines and projects. We include details of our approach to ensuring human rights protection and look at our management of environmental incidents. ■ We have a zero tolerance approach to corruption and our anti-corruption compliance policy is enforced across our group and applied to all contractors.
Employees	■ Mass employee meetings with the CEO and general managers. ■ Information sharing and input via unions. ■ Performance reviews and daily discussions on health and safety. ■ Training programmes. ■ Materiality Assessment process.	■ Discussions about salary levels and transparency on how pay is calculated. ■ Levels of employment given to local communities and nationals. ■ Maintaining the highest levels of safety and occupational health.	■ We ran an extensive communication campaign in 2015 to detail revenue flows and the financial situation of each mine, so that all employees received a clear and truthful account of how each department's budget is calculated. ■ As detailed in this report, we put a high priority on maximising levels of local employment and achieving our target to maintain the number of nationals in our workforce above 80%. ■ As detailed in the safety section of this report, we strive to maintain the highest levels of safety.
Governments	■ Formal meetings and correspondence. ■ Materiality Assessment process. ■ Interactions at conference and speaking engagements.	■ Highest priority concerns raised by all host country governments included progress on: local economic development, cyanide management and management of artisanal mining. ■ The drafting of new mining codes. ■ Closure planning of each mine.	■ As detailed in this report, we have invested extensively in local economic and community development and worked in partnership with government and other stakeholders to meet the challenge of illegal mining communities. We explain in detail our alignment with international best practice on the production, transportation, storage and use of cyanide. ■ Randgold was consulted on the Mining Code of Côte d'Ivoire last year which has now been put in place, and this year we engaged with the governments of Senegal, Mali and DRC to help draft their new Mining Codes. ■ We have engaged extensively with the Malian government around closure planning for Morila, including visits to agribusiness projects by delegations from the Ministries of Rural Development, Land Affairs and Mines, as well as the African Union and representatives of the World Bank.

Randgold meets local entrepreneurs from the Kibali district.

STAKEHOLDER ENGAGEMENT IN 2015 (CONTINUED)

STAKEHOLDER	Ways we engaged	Key sustainability issues raised in 2015	How we responded
Locally-affected communities	■ Via community development committees and local forums. ■ Formal meetings between local chiefs and the CEO. ■ Regular meetings between local chiefs and mine GMs. ■ Via grievance mechanisms. ■ Consultations, PPPs and local events. ■ Local media including radio. ■ Training programmes. ■ Environmental and Social Impact Assessments. ■ Materiality Assessment process.	■ Every local village has its own specific issues that we manage at community level. In general key concerns across all communities in 2015 include levels of employment, management of water and approaches to education. ■ Inquiries in DRC about drawing up formal agreements to ensure community related approaches and development projects. ■ Discussions around future projects such as potential expansion at Gounkoto (Mali).	■ The community development section of this report includes details of these including actions taken to maximise local employment and improve education alongside community development committees. Our actions on water management issues can be found in this sustainability report. ■ In 2015 we signed an MOU with the Kibali community in DRC, to act as a social contract between the company and communities. ■ A feasibility report was undertaken and environmental permit received for further potential underground deposits at Gounkoto and submitted to local community leaders. Community consultation was also undertaken as part of a formal public participation process (PPP).
NGOs	■ Specialist partnerships. ■ Formal meetings, correspondence and events. ■ Materiality Assessment process.	■ Each NGO tends to be concerned with a specific theme or local issue. In general key concerns raised include issues of environmental management and health – especially HIV/AIDS and occupational health.	■ We have strong working relationships with both local and international NGOs such as Soutoura (Mali), World Education, USAID and UNDP and these are explained in more detail in the section 'Taking a partnership approach to improve outcomes'. At Kibali in 2015 we engaged extensively with local youth focused NGOs to upgrade and repair local roads. ■ We also responded to several international NGOs such as Carbon Disclosure Project (CDP) to provide sustainability related data and information.

STAKEHOLDER ENGAGEMENT IN 2015 (CONTINUED)

STAKEHOLDER	Ways we engaged	Key sustainability issues raised in 2015	How we responded
Unions	■ Union representatives participate on our mine board meetings and as observers in overall strategy meetings Monthly and mass employee meetings. ■ Formal meetings, correspondence and events. ■ Union attendance at monthly cost review meetings. ■ Materiality Assessment process.	■ Discussions about salary levels and transparency on how pay is calculated. ■ Concerns around closure planning, especially at Morila. ■ Levels of employment given to local communities and nationals. ■ Maintaining the highest levels of safety and occupational health remained a key point.	■ We ran an extensive communication campaign in 2015 to detail revenue flows and the financial situation of our mines, so that all employees received a clear and accurate account of how each department's budget is calculated. We also created three salary premiums related to exposure to dirt, dust and danger. This is detailed further in the industrial relations section of this report. ■ Details of our extensive investment in closure planning for Morila and all our mines are reported in the closure planning section of this report. ■ As detailed in this report, we place high priority on maximising levels of local employment and achieved our target to maintain the number of nationals in our workforce above 80%. ■ As detailed in the safety section of this report, we strive to maintain the highest levels of safety and work to continuously improve safety standards.
Suppliers and contractors	■ Procurement team account management relationships. ■ Tender documents. ■ Meetings with local business forums including with Randgold CEO. ■ Materiality Assessment process.	■ Key concerns raised by contractors included provision of adequate safety measures, environmental management and employment opportunities/skills training. ■ Suppliers requested more details of business opportunities.	■ Randgold has an open and accessible tendering system and a procurement policy that both prioritises and facilitates training for, locally based companies where possible. This report includes full details of our approach to safety and environmental management and skills training. The section raising local standards in the supply chain includes details of how these standards are built into our contracts with all suppliers. ■ We strive to create business opportunities for local entrepreneurs and regularly meet local business to facilitate this. In 2015 this included a meeting at Kibali between our CEO, local businessmen and the Congolese business forum. In its mine life to date Kibali has already spent more than $1 billion on local contractors.
Media	■ Publications and online information. ■ Press releases and market statements on sustainability. ■ Interviews. ■ Site visits. ■ Materiality Assessment process.	■ Our media stakeholders include local, national and international press across several geographies, who raise a wide range of sustainability issues.	■ We have released several sustainability related press releases and market announcements in 2015 which can be found on the company's website at ***www.randgoldresources.com***. Our CEO and other representatives of the company have also discussed environmental, social and governance issues in media appearances and briefings throughout the year. ■ This sustainability report is publicly available and released to national and international media.

CASE STUDY

SHOWING LEADERSHIP AS PART OF AN AFRICAN PARTNERSHIP

Forming genuine partnerships with our host countries and communities is a crucial part of Randgold's governance of sustainability, and sometimes this requires us to take an active leadership role and drive positive change. Our work in Mali to tackle both the Ebola outbreak and the issue of artisanal miners are good examples of this.

Mobilising against Ebola

The outbreak of Ebola in West Africa in 2014 was the most widespread epidemic of this virus in history and included several cases in our host country Mali. To support the fight against this threat we helped form a sub-committee of the Ebola Private Sector Mobilisation Group (EPSMG), comprising medical practitioners from several mining companies and suppliers in Mali and led by our chief medical officer. The EPSMG sub-committee has provided ongoing technical and financial support to host countries and among other achievements has:

- Helped contain the outbreak by training over 80 frontline workers and providing sanitary cordon equipment at border posts.
- Delivered training, information and awareness plans to communities to prevent the spread of the epidemic and ensure business continuity.
- Raised money to provide supplies such as bleach, medical gloves, hand washing kits and infra-red thermometers.

TRAINING SESSION: Randgold's own medical staff as well as the personnel from the local health centres have been fully trained in the identification and treatment of suspected Ebola cases, should they arise.

PRECAUTIONARY MEASURES: Checking temperatures of workers arriving at Randgold's mines in West Africa during the Ebola outbreak.

Randgold has also donated supplies and personal protective equipment to Kayes Hospital where Mali's first Ebola case was experienced and in 2015 oversaw the $180 000 production of a public awareness film about Ebola containment.

Leading a unified response to illegal mining

As explained in more detail later in this report, the presence of illegal artisanal mining on some our permits remains an ongoing challenge for Randgold, posing risks to health, the environment and community cohesion. It is a complex problem, ultimately linked to unemployment and poverty and finding a viable long-term solution requires close partnership with local and national authorities.

To help catalyse positive change in 2015, Randgold has helped bring together government partners, representatives of the ASM community and other mining companies in Mali to form the Mali Mining Industry Committee of Artisanal Mining (MMC) which held its first meeting in June 2015. The aim of the MMC is to support and assist the Malian government with the implementation of its national action plan to combat illegal mining.

The committee is chaired by Randgold group community and environment officer Hilaire Diarra (who is also a Malian national) and has created new momentum to:

- Invest in the provision of alternative jobs for illegal miners.
- Provide suitable land to be used as safe mining corridors for artisanal mining and developing infrastructure in those corridors.
- Improve awareness of sustainability issues and communication with different stakeholders including the leadership of the ASM community.

From a governance point of view, we believe that our response to the challenges of Ebola and illegal mining shows the ability of our sustainability governance system to both show leadership within close stakeholder partnerships.

MATERIALITY ASSESSMENT – WHAT MATTERS MOST TO OUR STAKEHOLDERS?

An important element of both our stakeholder engagement and risk management approach is a strategic prioritisation of sustainability issues which we undertake each year.

This is undertaken in line with guidance set by the Global Reporting Initiative's (GRI) G4 Standard for sustainability reporting. The Materiality Assessment sees us survey both internal and external stakeholders to ask what they perceive our most critical sustainability risks to be.

Full details of the methodology and process for this can be found in the appendix to this report.

Our findings

Results of 2015 Materiality Assessment

As shown below, this year's Materiality Assessment identified 19 priority sustainability issues for 2016, of which seven were categorised as highest priority.

Issues in the top ranking cut across a range of themes including environmental, human capital, social and governance factors. Safety, cyanide management, water pollution and community engagement were all identified as highest priority issues in both this year's and 2014's Materiality Assessment – and this report discusses in depth how Randgold has approached each of these challenges. This year's Materiality Assessment also produced an additional three top priority issues: closure planning, revenue transparency and community development and investment. In this report we discuss our strategy, policy, performance and plans in all these areas.

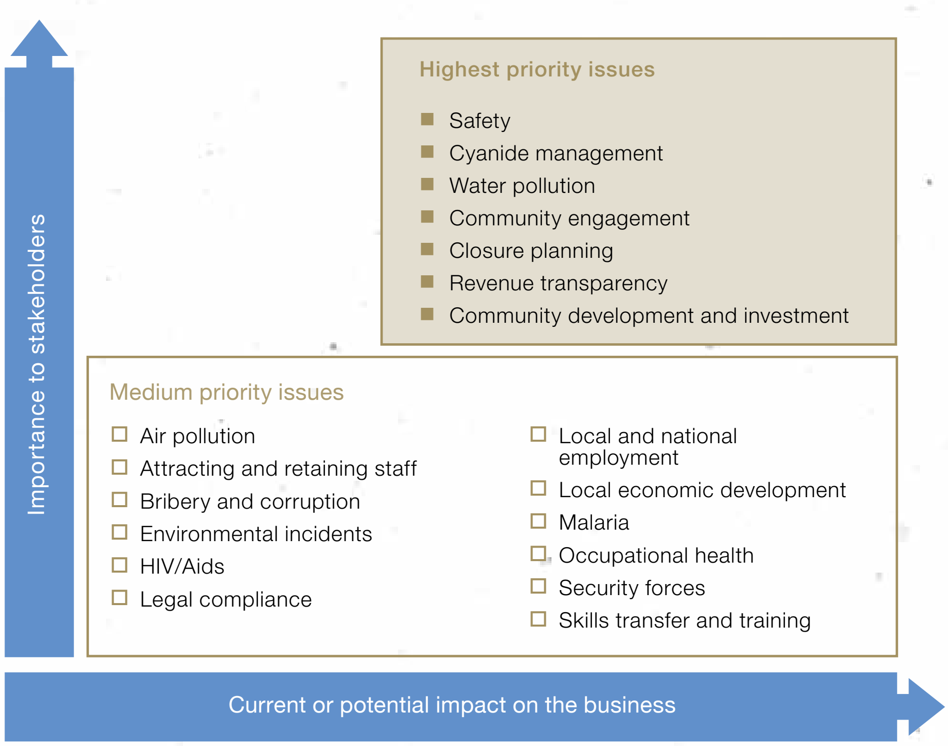
The results also introduced three new issues within the medium priority category compared to 2014. These are: occupational health, attracting and retaining staff and security forces. Five issues dropped below the medium priority line compared to last year: artisanal mining, community grievance mechanism, corporate governance, indigenous populations and waste management, although we will continue to monitor, manage and report on all of these.

Comparative priorities

One of the most useful outcomes of the Materiality Assessment exercise is that it helps the Randgold team to identify where gaps in perception exist between internal and external stakeholders, thus helping ensure we understand all our stakeholders' needs and maximise the benefits we bring to them.

This year's assessment showed a reasonably high level of convergence on the issues that both internal and external stakeholders view as highest priority. For example safety, occupational health, skills transfer and training and water pollution all featured in the top third of priorities for both groups.

Beyond this there were also seven issues where comparative rankings showed a notable difference in perception (ie a difference of more than 15 places in how each group ranked them). These included issues such as legal compliance, bribery and corruption and local economic development. The Randgold team will work to understand why these gaps exist in 2016 and ensure that the issues of importance to each group are adequately attended to. The fastest rising issues among external stakeholders in 2015 were bribery and corruption, climate change and ecology.



MATERIALITY ASSESSMENT – DEFINITIONS

TOPIC	Issue	Description
Health and safety	Safety	Managing and monitoring workplace hazards to ensure the safety of employees and contractors; including both incidents and near misses. Establishing a safety culture and promoting safe behaviour.
	Malaria	Impact of malaria on the workforce and local community in locations of operation; access to/provision of treatment programmes for workforce/ local communities.
	HIV/AIDS	Impact of HIV/AIDS on workforce and local community in locations of operation; access to/provision of treatment programmes for workforce/ local communities.
	Occupational health	Protecting employees and contractors from occupational hazards; managing incidence of occupational disease arising from past exposures.
	Cyanide management	Ensuring highest standards of production, transportation, storage and use. Managing and monitoring impact of incidents and spills and cyanide levels in tailings storage facility pools.
Economic	Closure planning	Rehabilitation in line with closure plans and relevant agreements/ regulation to reduce impact on the community and manage financial liabilities.
	Local economic development	Increase in local business and value of local economy and number of indirect jobs.
Environment	Air pollution	Managing, monitoring and minimising impacts on local communities, environment and wildlife from releases to air, such as dust and emissions. Adequate management and contingency/crisis planning for spills/disasters at operations.
	Water pollution	Managing and monitoring water quality and minimising impacts on local communities, environment and wildlife from releases into water. Adequate management and contingency/crisis planning for spills/ disasters at operations.
	Environmental incidents	Management and contingency planning for incidents such as spills of tailings, hydrocarbons or other significant process materials, unauthorised land clearing, etc.
Community	Community engagement	Constructive and transparent community dialogue regarding operations in order to generate trust and a social license to operate.
	Community development and investment	Investment in public services, health, education, and enterprise development in areas of operation and their outcomes.
Human rights	Security forces	Maintaining the security of operations and employees while respecting the rights of local populations; ensuring security actions (directly employed and contracted) are lawful.
Labour	Attracting and retaining staff	Human resources planning matching company development plans; attracting suitably educated/skilled workers; retaining high potential employees; succession planning for key roles.
	Staff training and skills transfer	Employee training and development to meet the needs of the organisation and provide career progression, including nationals taking over roles previously held by non-nationals.
	Local and national employment	Prioritising employment of host country nationals and specifically people from local communities.
Governance	Bribery and corruption	Compliance with regulations; ethical standards, codes, procedures and clear compliance process; bribery and corruption allegations/ prosecutions.
	Legal compliance	Compliance with all laws and regulations in all areas of operation, including competition law, anti-trust, money laundering etc, risk of fines and sanctions.
	Revenue transparency	Transparency of taxes and royalties from mining paid to governments.

HUMAN CAPITAL: PROTECTING OUR MOST IMPORTANT ASSETS

HUMAN CAPITAL IN NUMBERS

92%

OF ALL EMPLOYEES AND CONTRACTORS ARE HOST COUNTRY NATIONALS

100% MALIAN SENIOR MANAGEMENT TEAMS AT LOULO, MORILA AND GOUNKOTO

ALL

MINES ACCREDITED TO OHSAS 18001 INTERNATIONAL SAFETY STANDARD, EXCEPT FOR KIBALI, WHICH WILL BE ASSESSED AGAINST THE NEW ISO 45001 SYSTEM IN 2016

1

FATALITY, 0.12 RISE IN GROUP LTIFR TO 0.59

↓25%

DECREASE IN TOTAL INJURY FREQUENCY RATE, ZERO LOST TIME INJURIES AT GOUNKOTO AND MORILA

+$1.3 million

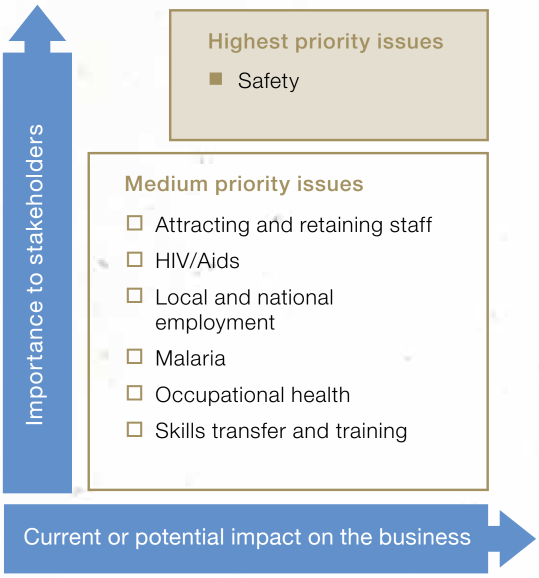
SPENT ON FORMAL TRAINING

Underground driving

TELE-REMOTE SIMULATOR INTRODUCED AT LOULO

This chapter explains our approach to safety, the number one concern of both internal and external stakeholders in our Materiality Assessment, and our policies and performance in areas such as maximising local talent, skills training, industrial relations, occupational and community health.

Turning a world-class ore deposit into a world-class mine requires the talents and dedication of a highly skilled, motivated workforce, and the creation of a healthy and safe working environment.



SAFETY

STRATEGY AND POLICIES

Safety is a top priority for Randgold and we are determined to create an injury and fatality free working environment. It is vital that our employees can come to work every day knowing they will be in a safe environment, and contribute to the wellbeing of their colleagues.

We have robust safety systems in place at all mines and use the internationally recognised OHSAS 18001/ISO 45001 safety standard to guide and inform our practices. For example, we use a hierarchy of control to help manage our safety risks. We first seek to eliminate known hazards, where hazards cannot be eliminated we look to technology and mechanisation of processes to reduce exposure to risk and finally where exposure to risk cannot be removed we ensure we manage those risks with careful administration and monitoring, including the compulsory use of personal protective equipment. Our policies also include assessments of specific safety risks for each part of the mine, holding daily toolbox safety briefings in each department and having detailed procedures and training modules in place for areas such as chemical hazards.

Each site has an emergency response team, including a mine rescue team where we have underground operations. All our underground operations have a number of refuge chambers where workers can seek shelter in the event of rock fall or cave in, this includes 13 such refuge chambers at our Loulo mine which we believe is the largest number for any mine in West Africa.

The core of our approach to safety is to ensure each individual takes responsibility for the safety of themselves and those around them. To create this safety culture we include safety training as a critical part of induction for every employee and contractor, we hold regular audits to check employees' understanding of safety behaviours, and all staff are encouraged to think proactively about safety risks. For example we encourage a right to refuse ie to challenge supervisors if they feel that appropriate equipment or other safety measures are not in place before doing a job.

If an incident occurs, the safety, health and environment (SHE) department on each mine analyses the incident and works to ensure appropriate remedial actions are taken. They also ensure that illiterate employees are fully briefed on the meanings of written procedures and signs in their native language, an important consideration in some of the underdeveloped areas in which we operate.

We also have a zero tolerance policy towards drug or alcohol abuse and unsafe behaviour on site.

OUR PERFORMANCE

Unfortunately we suffered one fatality in 2015. The incident occurred at our Tongon mine in January where Adama Kone, a foreman in the contract mining team, was the victim of a tractor crash in the pit. An in-depth investigation into the incident has been conducted and remedial actions implemented to prevent such an accident occurring again have included a prohibition of the use of tractors in the pit, defensive driving sessions for all operators on to how to respond in extreme situations, and reminder sessions on the importance of conducting thorough mechanical checks on relevant equipment.

Safety briefing before starting a shift at Tongon mine.

After achieving a record decline in our group's Lost Time Injury Frequency Rate (LTIFR) in 2014, to 0.47 per million hours worked, we saw the rate rise to 0.59 per million hours worked in 2015 – the first increase in LTIFR since 2010.

Although this is a disappointing increase, the LTIFR rate still remains low – and is more than 50% below the average rate from the last five years. The rise can be partially attributed to an increase in the number of Lost Time Injuries at our Tongon mine in particular (from zero to four), some of which were related to contractors at the facility.

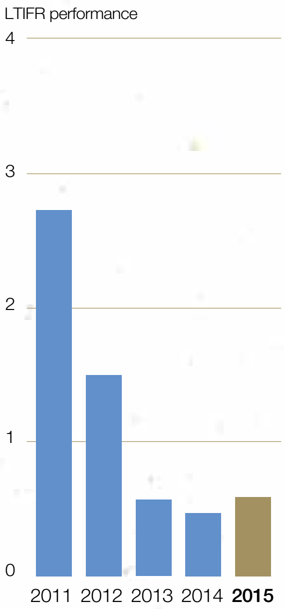
We are determined to bring the rate down again in 2016 and measures to improve safety will include looking at additional training and the introduction of new disciplinary measures which increase the accountability of employees and contractors for unsafe behaviour.

To further improve safety we also began piloting the safety software, MyOSH, at our Loulo operation in 2015. MyOSH allows us to record all safety information for each employee. This means we are notified when pre-safety checks are not carried out or when refresher training is required, thus providing a useful additional tool to our management. We plan to expand the trial of MyOSH to Gounkoto in early 2016, and across all our other sites if the trial is successful.

GROUP LOST TIME INJURY FREQUENCY RATE

We are pleased to report that both our Morila and Gounkoto mines recorded zero lost time injuries during 2015, the second year in a row Gounkoto has achieved this milestone. Another significant achievement was a 25% drop in the Total Injury Frequency Rate (LTIFR) across the group in 2015, thanks largely to a 34% decrease in medical treatment injuries (MTIs).

We were also encouraged by a rise in near misses in 2015. These are incidents where no personal injury or property damage was sustained and reporting them triggers remedial actions that can prevent future accidents. Perhaps counter-intuitively, we see a rise in near misses as part of a positive trend towards encouraging a culture of incident awareness and increased reporting of incidents.



GROUP SAFETY PERFORMANCE

	2015	2014	2013
Total labour[1]	**11 348**	12 341	15 373
Person hours	**25 518 122**	27 583 588	35 246 260
LTIs[2]	**15**	13	20
LTIFR[3]	**0.59**	0.47	0.57
Fatalities	**1**	1	1
TIFR[4]	**6.90**	9.26	8.37
Near misses	**211**	189	128

1 *Including persons employed by our contractors calculated as an average over the year.*
2 *Defined as injuries that occur in the execution of duties which prevent our workers from performing those duties for at least one day.*
3 *Number of LTIs per million person hours worked.*
4 *Number of LTIs plus medical treatment injuries (MTIs) per million man-hours worked.*

INDIVIDUAL MINE LEVEL SAFETY PERFORMANCE

	Loulo		Gounkoto		Morila		Tongon		Kibali	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Person hours	**5 769 169**	6 410 729	**2 117 943**	2 152 358	**2 138 655**	2 697 840	**4 849 840**	4 628 717	**10 642 515**	11 693 944
LTIS	**5**	4	**0**	0	**0**	3	**4**	0	**6**	6
LTIFRs	**0.87**	0.62	**0**	0	**0**	1.11	**0.82**	0	**0.56**	0.51
Fatalities	**0**	0	**0**	0	**0**	0	**1**	0	**0**	1
Near misses[1]	**52**	29	**45**	36	**4**	6	**41**	34	**69**	85

1 *Restated as value reported previously was the number of property damages.*

CASE STUDY

USING SIMULATOR TECHNOLOGY TO DRIVE SAFETY IMPROVEMENTS

The majority of vehicles used for mining tend to be large, heavy and capable of moving at relatively high speeds. This makes them both challenging and dangerous to operate – particularly in the dark confines of an underground mine. Therefore, ensuring all operators are well trained is a paramount concern for us.

To help improve our underground vehicle operator training we have invested over $1 million on driving simulators and presimulators from Fifth Dimension Technologies. These state of the art machines recreate exact replicas of the operating controls of our vehicles, which mean trainees learn to operate machines and become familiar with processes in an environment that is safe both for the trainee and the trainer.

Not only do the simulators provide trainees with a safe way to learn how to operate our heavy machinery, they also have smart technology that tells our instructors how a trainee is developing and when a trainee is, for example, over using the brakes or over revving an engine. That means we can also teach trainees to be efficient drivers avoiding unnecessary wear and tear on machines. For example, over revving an engine can lead to the loss of a $400 000 transmission and take the machine out of use for a few days.

Prior to the introduction of simulator training we were losing nearly one transmission a month. However since the simulator training began, the frequency of lost transmissions has decreased, helping the simulators pay for themselves in repair savings in just a few months. The simulators also mean we no longer need to divert machines away from production for training. Most importantly the simulators are helping ensure that when a driver gets behind the controls of a real machine they are completely familiar and proficient with how to handle it in all situations.

Simulator training has also allowed us to significantly decrease the time needed for training. Previously training a competent and confident driver could take up to a month, however, we have found by using simulators we are able to train a driver to world-class standards in approximately 10 days.

DISCOVERING AND DEVELOPING LOCAL TALENT

STRATEGY AND POLICIES

A central tenet of our employment strategy is to attract the best candidates from our host countries and communities providing them with world-class training and genuine opportunity to progress. It is a strategy that enables us to benefit from an efficient and effective workforce, at a relatively low cost base compared to other peers, while also playing an important role in building strong community relations and a secure environment for our mines.

It also provides us with a loyal workforce and we take pride in our staff retention rates.

Our policy to prioritise host country nationals means that for every role we seek to place someone with the right level of skills from first the local region, then the host country, then sub-Saharan Africa and beyond. We have a target to maintain the number of nationals in our workforce above 80% and we place a high priority and considerable resources into nurturing talent and skills for long term development.

During recruitment we use a variety of tools such as psychometric and other tests to assess the skills and competencies of all candidates and to match the best ones with the right roles. We then use a combination of both formal and informal training to progress careers and employee excellence. Informal training includes skills shadowing, mentoring and on the job training which most employees engage in to a large extent. We also have several formal training partnership arrangements in place with the Universities of Pretoria, Cape Town and Abidjan.

We also run a *stagiaire* industry placement programme giving students from host country colleges opportunities to work on our mine sites for up to 12 months. This helps us to both identify and recruit some of the most talented individuals from our countries of operation and provides essential work experience to graduates.

OUR PERFORMANCE

As shown in the table below, we had a total workforce of 10 905 in 2015, of which 92% of operational staff were host country nationals. We continue to have high retention rates. For example, at mines such as Loulo and Morila that have been in operation for over a decade, over 85% of employees have been with us longer than 10 years.

One of our key targets is the development and progression of host country nationals into management positions and as of 2015 the entire management teams at Morila, Loulo and Gounkoto consisted completely of Malian nationals. A total of 17 senior management roles were transferred from expatriates to host country nationals this year.

Owner mining

As part of our commitment to invest in host country nationals we also introduced a shift to owner mining at Loulo's underground mines in 2015. While underground mining activities have always been under management control, owner mining means that rather than relying on outsourced labour and contract staff (who are usually expats) to fulfil the underground mining function, work is now completed by our own employees. This process has required the short term hire of over 90 international experts (down from 131 before owner mining) on rolling contracts but ultimately will lead to a more highly skilled local workforce and then a subsequent reduction in the number of expatriates on underground operations.

Beyond the benefits of increased employment opportunities and knowledge transfer for our local communities, owner mining also makes good sense for us as a business. It allows us to eliminate any duplication of functions on site and to reduce our reliance on more expensive expatriate labour. We anticipate the cost reductions of the shift to owner mining to be about 10 to 15% on relevant costs.

Training the future

We spent more than $1.3 million on formal training for 302 employees in 2015 with rising stars gaining certification in areas such as rock mechanics, arc welding, pump installation and maintenance, waste management and the finance for non-financial managers programme run by University of Cape Town's Graduate School of Business (see case study on the following page). We continue to build good relations with universities in our host countries and established a partnership with the Ferke technical institute at the University of Abidjan in Côte d'Ivoire in 2015.

More than 600 *stagiaires* have attended practical training sessions across all our operations in the last two years with a total of 80 being recruited after graduation, either with the operation itself or by our subcontractor companies.

On the executive development side, a number of senior group executives as well as senior operational managers are scheduled to attend management development programmes and executive development programmes at the University of Cape Town, Stellenbosch University as well as the Harvard School of Business.

This year also saw the introduction of a $1 million state of the art underground vehicle training simulators at Loulo (see earlier case study).

WORKFORCE NUMBERS

AT 31 DECEMBER 2015	Group	Loulo		Gounkoto		Morila		Tongon		Kibali	
		Expats	Nats	Expats	Nats	Expats	Nats	Expats	Nats	Expats	Nats
Employees	3 714	153	1 775	4	128	2	357	17	573	96	609
Contractors	6 931	31	937	29	879	4	418	30	1147	448	3 008
Combined total workforce	10 905[1]	2 896		1 040		781		1 767		4 161	

[1] *Includes 260 employees in corporate offices and exploration team.*

CASE STUDY

FINANCE FOR NON-FINANCIAL MANAGERS

In partnership with the Graduate Business School of the University of Cape Town, Randgold provides a finance for non-financial managers training course for the first three management tiers of each department on our mines.

Finance for non-financial managers demystifies financial language and introduces key financial concepts such as financial statements, understanding operating performance and translating time into value of money. This knowledge means that our managers gain a more holistic view of the business, giving them important insights to make better decisions and progress their careers.

In 2015, we ran the course twice, once at our Loulo mine for 35 managers from all our Mali based mines, and again at Kibali for 35 managers from the Kibali and Tongon mines. The course will be offered again in 2016.

Drissa Arama, Morila's metallurgical manager receives his Finance for Non-Financial Managers certificate from Randgold chief executive Mark Bristow and Morila GM, Adama Kone. The course, comprising two sessions and run in conjunction with the University of Cape Town's Graduate School of Business, saw 52 Randgold employees attending in line with Randgold's life-long learning philosophy.

GENDER DIVERSITY

We are an equal opportunity employer, with transparent non-discrimination policies in place. However one of the challenges we face in this area is that within our countries of operation gender norms, cultural traditions and legislative barriers can all work against attracting women to work in the extractives sector.

In 2015, a total of 5.5% of our total workforce were women – with the highest numbers of women employed at our Kibali and Tongon mines. To help ensure local women also benefit from our presence in the community, we also support activities targeted at supporting and developing employment opportunities for local women. In 2015 these included the creation of women's market gardens around all our mines and the provision of training women on the use of grain mills as well as soap and jam making. This has provided many local women with a steady source of income. We hope that over the medium term some of the community initiatives we support that help empower women in the community may help meet this challenge.

Randgold strives for gender diversity and 5.5% of its workforce is women.

CASE STUDY

LOCAL VILLAGER TAKES ROAD FROM CONSTRUCTION WORKER TO CRUSHING SUPERVISOR

Fode Bengaly Sissoko is a 44 year old who grew up in the village of Sitakily around 20km from our Loulo mine in Mali. He has worked for Randgold for more than 11 years, having initially joined during construction of the mine.

Fode (pictured on the right) explains: "Until the mine the opportunities for work here were not good. I had done some work as a driver and also a bit of artisanal mining, but the money was not good and the work I was doing was risky. When Youssouf (Randgold community liason officer Youssouf Ongoiba) came to Sitakily, I decided to apply. I was one of 147 applicants – Randgold asked 12 of us to come for testing and four of us were given jobs."

Fode began his Randgold career as a labourer during construction, helping to build the mill foundations at the plant. During that time he proved himself to be a motivated and highly capable worker. So when operations began he was trained and employed in the plant. From there he has gone from strength to strength and 18 months ago was promoted to the role of crushing supervisor with responsibility for a team of 15 others.

"When I first began I didn't know anything about how a big mine worked," he says. "The first thing Randgold did was to send me to Morila for 45 days to learn how it worked and to get some training. Going to Morila was the furthest I had ever travelled. Since then I have had a lot more training and it has helped me to grow and become better. The last training I had was about people management and how to motivate and manage my team. One day I would like to become processing manager and I believe I can, because if you work hard Randgold will help you succeed."

He continues: "My life before is not comparable to how it is now. There are more jobs and more schools. I had seven years of school, but my four children I hope they will go to University.
My job means I can provide everything they need no problem, this wasn't always the way. The mine has helped local communities and Mali. The roads are good – there are some journeys I can do on my motorbike in 20 minutes that used to take a day, this opens us up to the world."

INDUCING STABLE INDUSTRIAL RELATIONS

STRATEGY AND POLICIES

We see our employees as key partners in our business, and this is the foundation of our industrial relations approach.

All employees are free to join trade unions and all our host countries have the right to freedom of association enshrined in law. We recognise all groups that legitimately speak for our workers and meet with union representatives at each mine site on a monthly basis. Union representatives also attend monthly management cost reviews, quarterly board meetings, participate in regular dialogues with each mine's general manager and sit in on strategic planning sessions.

Further to this our senior management have an open door policy for staff, who are encouraged to make contact by email with any concerns they have. Our CEO Mark Bristow also holds mass meetings twice a year at each mine. All staff are invited to attend these public forums and they provide an important opportunity for staff to raise issues or ask any questions they feel important directly with the CEO.

Each mine has a Mine Level Agreement (MLA) agreed between the local unions and management which sets out mutually agreed rules for each mine on detailed items such as salary increments or the parameters of acceptable behaviour in a strike situation. MLAs are reviewed every three years.

OUR PERFORMANCE

For the most part industrial relations across all our sites have been calm and productive in 2015.

In total there were three days of work lost to strike action over the course of the year, all coming from a strike at the Loulo-Gounkoto complex in June 2015. The biggest factor behind this strike was a combination of misinformation about the financial position of the mine – which led to some calls for unreasonable salary increases – and competition between two unions to help shore up membership.

Key to our resolution of this strike action, and an important foundation for avoiding a repetition, was the introduction of an extensive communication campaign at all mines to give specific and honest information about the revenue and profitability of the mine to all employees (rather than allowing such information to be disintermediated by union representatives). The agreement signed with the unions as part of the resolution also saw us introduce three new salary premiums to those employees with exposure to dirt, dust and danger.

HEALTH MANAGEMENT IN THE WORKPLACE AND BEYOND

HEALTH PERFORMANCE IN NUMBERS

80 758

MEDICAL CONSULTATIONS FOR EMPLOYEES AND COMMUNITY MEMBERS IN 2015

↓22%

DECREASE IN MALARIA INCIDENCE ACROSS GROUP

4 427

VOLUNTARY HIV TESTS CONDUCTED IN 2015

38% UP ON 2014

↓16%

REDUCTION IN CONSULTATIONS FOR DIARRHOEA ACROSS MINES IN MALI, A BENEFIT FROM OUR RESPONSE TO EBOLA

STRATEGY AND POLICIES

In order to perform to the best of their abilities our workforce needs to be healthy, and more than this they need to be free from worry about the health and wellbeing of their families and communities. This provides a compelling business case for us to invest in much needed local healthcare facilities and initiatives when it comes to both occupational and community health.

Our health policy is to provide free basic healthcare to employees, their immediate family and community members within a 10km radius of each mine. In order to achieve this we build a number of health clinics on each mine and in surrounding communities – with the aim being to pass control and responsibility for the community clinics over to local authorities once they are established.

Our clinics work to prevent and treat both occupational health hazards, such as dust inhalation and noise exposure, and priority community health issues. The latter are defined by the independent baseline study that we commission at the feasibility stage of our projects and include standalone programmes to combat malaria and HIV/AIDS. In the last year we have also worked in partnership with local authorities and international organisations to combat the threat of Ebola in our host regions.

In order to ensure a continual quality improvement of our health care delivery, our senior medical officers, under the supervision of our chief medical officer, reviewed the health service provision of our operations. This looked at aspects such as strategic planning, infection control, patient care and emergency preparedness.

OUR PERFORMANCE

During 2015 our clinics conducted over 80 000 medical consultations for employees and individuals in our host communities. About 31% of these were received by local community members or employees' family members, reinforcing the value of our health investments to our host communities as well as to our workforce. The bulk of consultations were for malaria, diarrhoea linked diseases and respiratory conditions.

TOTAL MEDICAL CONSULTATIONS

	2015
Total number of medical consultations	80 758
Employees	69%
Employee dependents	18%
Local community	13%

CASE STUDY

WASHING AWAY PREVENTABLE DISEASE

The Ebola epidemic in West Africa was one of the biggest international news stories and public health crises of the last two years. Ebola is highly contagious and can be passed on through contact with contaminated body fluids. Therefore one of the strategies we introduced at our West African mines to help prevent and protect our workforce from the outbreak was to introduce compulsory hand washing at the gates of each mine.

At sites where handwashing measures were introduced we noticed there was a radical drop in the number of employees seeking medical attention for diarrhoea. Confirmed cases of diarrhoea in the six months post implementation of hand washing measures dropped on average by 22% at our Loulo and Gounkoto in Mali and over 30% at our Morila mine.

Globally it is estimated that nearly five billion work days are lost every year to diarrhoea, and it is linked to 1.5 million deaths each year according to the World Health Organisation, most of which occur in sub-Saharan Africa.

Therefore a drop in diarrhoea rates is not only good for the individuals and the community it is also good for business. It reduces absenteeism and improves productivity.

Regular handwashing has now been introduced across all our sites and we are also working to raise awareness in our communities of the important impact this simple step can have.

BREAKING THE FEVER: THE FIGHT AGAINST MALARIA

Malaria poses a significant threat to all our operations' communities, with the DRC thought to have the second highest rate of malaria in the world. However, it is a preventable disease and simple steps can help to reduce its prevalence within our communities and workforce.

Those suffering from malaria often have to take considerable time off work. In 2015 the equivalent of 4 943 person days of sick leave approximately 32% of all sick leave was attributable to malaria. Therefore it is in our best business interests to tackle the disease head on, and reducing and ultimately eradicating the scourge of malaria from our communities of operation is one of our key health goals.

In 2015, our anti-malaria programme saw us distribute over 11 500 treated mosquito nets, undertake extensive spraying campaigns at all our sites and surrounding villages and showcase awareness raising and information programmes. We also conducted entomological surveys to help us better understand the effectiveness of the chemicals we use during spraying campaigns, enabling us to tailor them to ensure maximum efficacy.

We reviewed and assessed our malaria prevention programmes in 2015. Reinforcing measures such as increased repellents and protection for night shift workers, as we found that this group tended to have a higher malaria incidence rate than their daytime counterparts. Other new efforts have included a widening of the spraying coverage at our Kibali mine, which has helped lead to a year on year drop in malaria incidence of 45% in 2015. Last year we also worked with the Malian National Malaria Prevention Programme (PNLP), using World Health Organisation (WHO) guidelines to ensure our spraying programme meets best practice; and introduced further training for sprayers as a result. All spraying is now supervised by a member of our medical staff to ensure it is appropriately conducted.

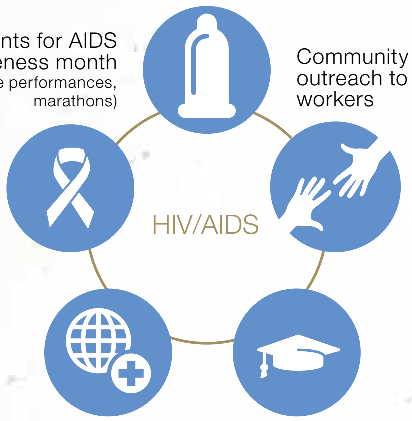
Looking forward, in late 2015 we also organised a malaria workshop in Mali which brought together scientists, institutions such as USAID, the National Malaria Prevention Programme (PNLP) and the Malian Malaria Research and Training Center (MRTC) and encouraged them to investigate innovative methods to help eradicate malaria in our communities.

MALARIA INCIDENCE

%	Baseline	**2015**	2014	2013
Morila	192.0 (2000)	**22.5**	26.3	23.5
Loulo	51.1 (2005)	**44.2**	33.6	34.0
Gounkoto	74.0 (2011)	**48.4**	51.3	55.2
Kibali	113.1 (2011)	**35.7**	65.7	61.1
Tongon	132.7 (2010)	**42.2**	50.7	61.1
Group		**38.9**	49.9	52.7

Spraying against malaria.

HOW WE TACKLE HIV/AIDS



RAISING AWARENESS OF THE HIV RISK

Our host countries are some of the many nations in sub-Saharan Africa that suffer from a high prevalence of HIV/AIDS. The DRC and in particular the Orientale province where our Kibali mine is located have

Particularly high prevalence rates. To help combat this scourge, we run HIV programmes at all our mines and through the local communities with an overall aim of achieving no new infections among our employees.

As illustrated alongside, our HIV programme encourages safe sex practices, distributes condoms, supports community education and awareness raising programmes and provides free voluntary testing and counselling.

Over the course of 2015 our HIV programme has:

- Seen an overall drop in HIV prevalence of 33%.
- Distributed 422 046 condoms, more than double the number distributed in 2014.
- Provided 4 427 free voluntary HIV tests and counselling to workers and local communities. A 38% increase and over 1 000 more tests than last year.
- Trained 106 peer educators for counselling.

The increase in the numbers of voluntary tests for HIV suggests a measure of success in our awareness raising efforts. Much of the increase is due to a pilot partnership we have undertaken with the HIV/AIDS specialist NGO, Soutoura, at our Loulo mine (see section 'Taking a partnership approach to improve outcomes'). We are very encouraged by the huge leap in the number of voluntary tests undertaken this year and the positive impact of the partnership with Soutoura and plan to expand this model to our other operations, particularly Kibali in the DRC.

HIV PREVALENCE ACROSS OUR MINES

%	Baseline	2015	2014	2013
Morila	0.6 (2000)	**0.2**	0.6	1.4
Loulo	0.7-1.3 (2005)	**1.8**	1.1	1
Gounkoto	0.7 (2011)	**0.5**	0.3	1
Tongon	3.2 (2011)	**0.0**[1]	0.8	2.7
Kibali	17.7 -37.6 (2010)	**7.3**	11.3	12.8
Group		**2.3**	3.4	3.3

[1] *Zero incidence rate at Tongon in 2015 is perhaps attributable to a low number of VCTs conducted at Tongon during the year.*

OCCUPATIONAL HEALTH

Gold mining has a number of inherent occupational health risks. Processes at the plants and in the pits and underground are noisy and there can be exposure to dust and hazardous chemicals. These exposures can build-up over time into significant health risks for our employees and therefore need to be constantly and carefully monitored and managed.

We take a number of steps to prevent these risks, including regular site risk assessments and prework and periodic medical checks for employees. The annual medical checks monitor employees for any signs of afflictions such as hearing loss, respiratory issues, heavy metals in the blood, silicosis and tuberculosis. Staff who are regularly exposed to chemicals and other hazards also receive biological and radiation testing. Our assessments of safe exposure levels are based on internationally recognised monitoring standards, including the American Conference of Governmental Industrial Hygienists (ACGIH), while our health and safety management systems are set up to comply with OHSAS 18001 requirements.

As detailed in the earlier safety section of this report we use a detailed hierarchy of control to minimise exposure to hazards across the workplace. This also includes regular training and checks to ensure that the materials and equipment to deal with traumatic, toxic and cardiovascular emergencies are in place and functioning well. All employees must pass minimum standards of fitness in order for their job to be performed safely and a zero tolerance approach is taken to those who fail to use their personal protective equipment (PPE).

Wherever possible we also look to use advances in equipment and technology to help reduce or eliminate occupational health risks.

Two cases of tuberculosis were reported at our Kibali mine during 2015. The patients were promptly treated and quarantined to prevent further spread of the disease, in line with our policies. No other occupational health issues were reported during 2015.

CASE STUDY

ADJUSTING WORKERS HOURS AND ENVIRONMENT TO ENSURE SAFETY AT WORK

Fatigue is one of the leading causes of accidents in open pit mining. As a responsible employer, Randgold has therefore taken steps to adjust workers hours so that safety and general wellbeing at work are paramount. For example, we ensure that all our haulage employees take compulsory short breaks at regular intervals. This approach allows our employees to return to work refreshed and alert which in turn leads to a safer working environment.

A good example of this is the fatigue management programme introduced by the Kibali safety, health and environment team at our mine in the DRC. This programme has put in a place a new shift schedule that allows all our workers to benefit from time off and gives them the opportunity to rest when required.

In addition, we also provide our workers with advice and guidance so that they can come to work rested and benefit from a good night's sleep after they have finished work.

Reducing hearing loss

We also look through a safety lens when it comes to noise in the workplace. Noise induced hearing loss is a health issue for the mining industry especially for those who work with drilling or blasting equipment and like most occupational diseases, there is no visible evidence of noise induced hearing loss so we have to remain vigilant and put in place processes to proactively address this issue.

In order to try and minimise noise induced hearing loss, we have taken steps to control exposure of our employees by applying engineering controls at the source of the noise and by performing regular maintenance to prevent additional unnecessary noise. Our employees also benefit from regular hearing checks and are asked to take regular breaks in quiet areas on a day-to-day basis. We also regularly rotate shifts to ensure the same people aren't always working during the noisiest times and compliance to wearing ear protection and the appropriate PPEs is compulsory.

PLANS AND PRIORITIES FOR 2016

Safety will remain our top priority in 2016 and we plan to undertake several measures to keep improving our performance in this area.

Our mines at Morila, Tongon and Gounkoto have all previously recorded years with zero Lost Time Injuries so we know our target of achieving zero Lost Time Injuries across the group is achievable. We will be operating with increased vigilance and care through 2016 and to take learnings from both Morila and Gounkoto in particular to see if their success can be followed and achieved across the board.

A key message from our industrial relations management this year was the need for transparent, formal financial information to be available directly to all workers and we will continue to provide this to the entire workforce on a regular basis in 2016.

Looking ahead, much of our health focus will be on making bigger inroads in our fight against malaria. During 2015, we reviewed our malaria programme and decided to make our target not one of a 25% incident rate reduction year on year, but to eradicate the disease from our operations and the surrounding communities. We have already held a number of workshops to identify ways of achieving this and an

Randgold believes that its spend on the battle against malaria is one of its best investments.

initiative in 2016 will identify and work with a specialist malaria focused NGO to extend our community outreach programme. We are also investigating the possibility of sourcing external funding to help us scale our malaria programme to a regional scale to increase its impact.

Following the success of our partnership with the specialist HIV NGO, Soutoura, we are looking to expand the programme to our other sites and have identified Kibali as a top priority site for such a programme due the higher HIV prevalence rates suffered in the DRC.

Improving our occupational health detection and prevention programmes is also a priority for 2016. Our aim here is to incorporate individual trend monitoring to supplement the annual medical checks; this will act as an early warning system for any potential signs of longer term issues. This will involve greater analysis of individual annual check-up results to detect changes year on year to better identify deterioration over time.

Similarly our chief medical officer, Dr Haladou M Manirou, will oversee the completion and implementation of action plans at all sites to take forward the results of our internal strategic audit on health service provision.

NATIONAL ECONOMIC AND COMMUNITY DEVELOPMENT

NATIONAL ECONOMIC DEVELOPMENT IN NUMBERS

$1 billion

TOTAL ECONOMIC VALUE DISTRIBUTED TO HOST COUNTRIES AND OTHER STAKEHOLDERS IN 2015

$473 million

SPENT ON HOST COUNTRY SUPPLIERS IN 2015, AN ANNUAL INCREASE OF

+30%

622

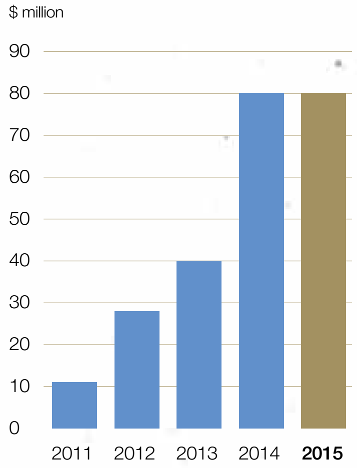
LOCAL COMPANIES SUPPORTED THROUGH OUR PROCUREMENT PRACTICES

$700 million

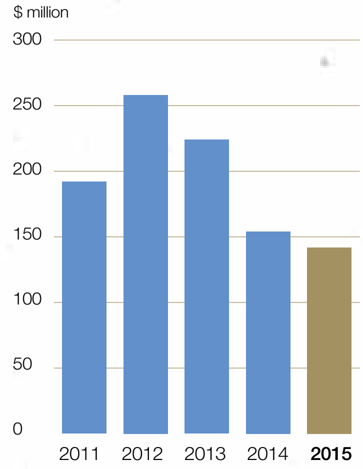
INVESTED IN INFRASTRUCTURE PROJECTS ACROSS OUR HOST COUNTRIES SINCE 2011

TOTAL TAXES AND DIVIDENDS TO HOST COUNTRIES

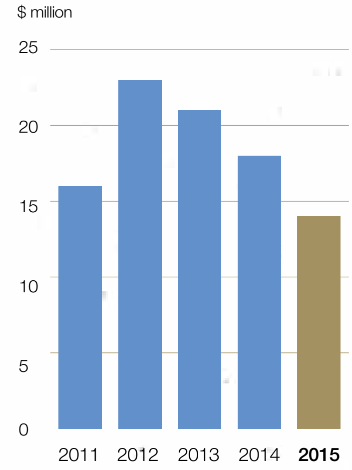
Democratic Republic of Congo



Mali



Côte d'Ivoire



Our mines are based in some of the most economically challenged and remote corners of the world. But there is no rule that says our host regions must stay like that. We believe mining companies such as ourselves can and should have a transformative role in harnessing their abundance of potential from human talent to clean energy and arable land. At a national level we contribute in a number of ways including paying taxes, dividends and royalties, joint ownership of the mines with our host countries, the building of vital infrastructure and by support for local supply chains and local skills.

The same philosophy applies at community level where we seek to help empower our host communities to build thriving local economies, viable over the long term.

Issues such as economic development, community development and investment and skills transfer and training all appear as priority items on our Materiality Assessment and this section explores in more detail how we manage these issues.

CONTRIBUTING TO THE GROWTH OF EMERGING AFRICA

STRATEGY AND POLICY

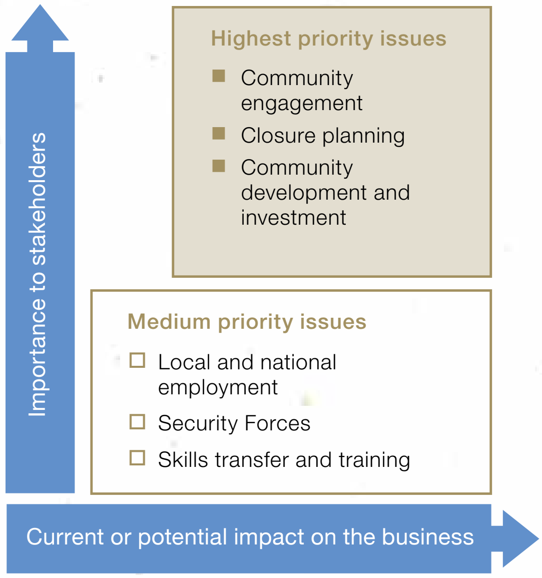
Our strategy for supporting national economic development is a simple one. We recognise our responsibilities and seek to create shared economic value for all stakeholders. As well as paying all relevant taxes, we include the governments of our host countries as part owners on all our mines (the states of Mali, Côte d'Ivoire and the DRC all have stakes of at least 10% in our respective mines) so we also contribute to national treasuries through dividends and royalties. We are fully transparent about all payments and sign long term agreements within mining code obligations that include commitments to leave behind a thriving legacy after a mine's closure.

OUR PERFORMANCE

As shown in the table alongside, our contributions to host countries in 2015 have been significant. This year's payments bring Randgold's total contributions to host countries via taxes, royalties and dividends to over $2.2 billion (equivalent to the entire GDP of Mali).

Most of our host country economies are heavily dependent on natural resources and we also work with these governments to support them in their efforts to diversify their economies, for example by facilitating foreign investment. In 2015 this has included our investments in agribusiness (see closure planning section of this report) and support for small and medium sized enterprises through our preferential procurement system (see on page 133) and business mentoring.

As well as being fully transparent about our revenues and economic footprint, we strive to encourage high standards of corporate governance and transparency



The new Doko-Aru road, which Randgold built, has reduced travel time for the route from several days to just a few hours.

in our countries of operation, with the aim of helping them attract other world-class companies to invest there. We are pleased that as of July 2014 all our countries hosting operational mines – Mali, Côte d'Ivoire and DRC – have been compliant with the Extractive Industries Transparency Initiative (EITI).

Further to this, we were encouraged to see all our host countries improved their ranking in the 2015 World Bank Ease of Doing Business survey. This sends a powerful message to international investors that the business environment in our host countries continues to improve and welcomes world-class businesses.

INVESTING IN INFRASTRUCTURE

One of our most critical contributions to the economic development of our host countries is our investment in vital infrastructure which both makes our mines viable and lays the foundations for future growth in the regions in which we operate. We have invested approximately $700 million in host country infrastructure during the last five years, from bridges to broadband, new roads networks to new power networks.

Examples of vital infrastructure include a $40 million project during the construction of our Tongon mine to introduce overhead power lines to connect the Tongon region to the national electricity grid, a venture which both helped us reduce our reliance

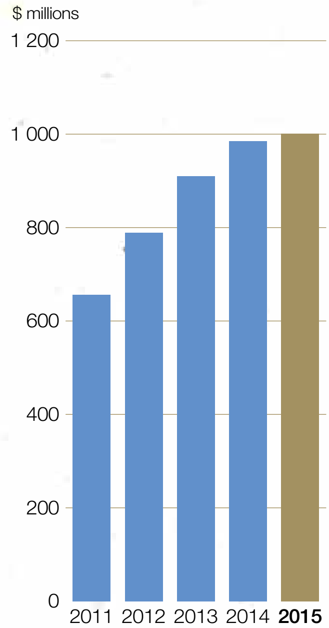
Infrastructure investments include new roads and bridges.

on expensive thermal energy and diesel generators and succeeded in lighting up an isolated region of Côte d'Ivoire. In the DRC, we are investing in the construction of three hydropower stations which will power up to 90% of our Kibali mine and leave a community legacy that outlasts the mine. 2015 also saw us complete the construction of a new customs house on the Senegalese-Malian border, one of the vital routes to our Loulo-Gounkoto complex (see case study).

ECONOMIC VALUE STATEMENT

FOR THE YEAR END 31 DECEMBER ($000)	2015	2014	2013
Economic value generated			
Gold sales[3]	**1 394 889**	1 434 872	1 266 712
Finance income[3]	**4 222**	2 769	10 452
Sundry income (net)[3]	**2 042**	9 760	4 394
Government portion of Morila[1]	**2 564**	-	4 500
Total economic value generated	**1 403 717**	1 447 491	1 286 058
Economic value distributed or to be distributed			
Operating costs[2]	**620 962**	592 956	459 137
Finance costs[3]	**1 229**	7 848	11 885
Employee salaries, wages and other benefits before taxes	**77 588**	75 772	74 100
Dividend payments to providers of capital	**55 744**	46 274	46 137
Payments to governments (including corporate taxes, custom duties, dividends etc)	**182 602**	214 966	243 321
Exploration and corporate expenditure[3]	**48 885**	40 869	51 858
Community investment[4]	**5 486**	6 742	23 590
Total economic value distributed or to be distributed	**992 496**	985 427	910 028
Economic value retained and re-invested	**411 221**	461 974	376 030

ECONOMIC VALUE DISTRIBUTED OR TO BE DISTRIBUTED



The information in this economic value statement is extracted from the financial statements, underlying accounting records and other financial data. This non-GAAP information is, however, intended to summarise the overall contribution of the group to its stakeholders and is not intended to replace or provide an alternative to the audited IFRS financial statements.

1 *This amount represents 50% of the dividends paid to the State of Mali, and is also included in 'Payments to governments'. The State of Mali's attributable portion of the Morila operation is not included in the Randgold financial statements.*

2 *Total cash costs excluding royalties, salaries, employment taxes and custom duties.*

3 *Refer to page F-29 of the financial statements for further information on this figure. This figure represents Randgold's total equity stake in community investment.*

4 *Total spend on community development, including advantageous infrastructure development and philanthropy.*

CASE STUDY

NEW CUSTOMS HOUSE SAVES COSTS AND HELPS PUT COMMUNITIES ON THE MAP

Many of the materials required by the Loulo-Gounkoto complex in Mali are transported overland from Dakar in Senegal. In 2013 we worked with the Malian and Senegalese governments and other stakeholders to help fund a new border crossing at Koundan, about 30km from the mine. However, the border was without an official customs house which meant goods still had to be transported the long way round through Kayes before coming to the mines, meaning additional transport costs and time.

In 2015, in order to make the border completely operational, Randgold invested over $650 000 to build the Mahinamine customs office. The impressive new offices were officially opened in the last quarter of 2015 with a ceremony attended by a number of dignatories including the Malian Minister of Training, the National Director of Customs for Mali and the Mayor of Kenieba.

Having a fully operational border close to the mine has not just improved transport times and brought costs down for Randgold, it has also brought economic benefit for the local community. Local businesses now enjoy more efficient supply lines and a number of new businesses have sprung up along the road near the border, transforming Koudan into a thriving urban centre. Randgold and the local community development committee are currently investigating the feasibility of constructing a hotel to create a further economic boost to the town.

The new Mahinamine customs office is officially opened.

RAISING LOCAL STANDARDS IN THE SUPPLY CHAIN

STRATEGY AND POLICY

Beyond our own tax payments and investments, we also recognise that our supply chain is an enormous source of potential economic development for our host countries.

We have established a preferential procurement policy that commits us to procuring goods and services from local sources where they meet our minimum safety, quality and cost requirements.

Where local capacity does not exist, we try to build it over the long term through training and mentoring.

This policy provides us with a loyal, robust and cost effective supply chain that tangibly helps us deliver value for all stakeholders.

Our preferential procurement policy means we aim to source all low impact, high volume items (ie items we have a high and predictable demand for, but that will have limited impact on the operation of the mine if supply is delayed) from our local communities. These include items such as grinding and cutting discs, medicines, welding equipment and food and drink. Many of our more strategic supplies such as diesel are also sourced through local suppliers.

Where we are unable to find a local supplier in the immediate community, we assess supply options in broadening circles starting with the region, then the country, neighbouring countries and so forth. If possible we also seek to up-skill local businesses and develop manufacturing capacity to fill the gap in the future.

OUR PERFORMANCE

We paid $473 million to suppliers in our countries of operation in 2015, an increase of over 30% on the $364 million spent in 2014. This meant that we achieved our target for 80% of locally available items being procured by mines.

At Kibali we passed a landmark of spending over $1 billion on local contractors in its mine life so far. This has included local success stories such as Le Coq, a construction company employing over 65 people built by an illegal artisanal miner turned entrepreneur, and a project at Kibali to connect local tailors with North Security, a leading supplier of our PPE equipment (see case study).

Similar growth stories such as that of Groupe EGTF (see case study) also exemplify our work to support local individuals' and companies' growth into building quality, robust businesses that can thrive after our mines close.

We build in the management of high quality sustainability standards as part of fulfilling the terms of all relevant contractor agreements and we are seeing a general improvement in culture when it comes to areas such as safety or waste management. This is hard to measure in quantitative terms but it is something we notice throughout our host communities. For example in the DRC, our contractors' equipment maintenance is significantly better than it was several years ago, and in 2015 we also noticed that independent road labourers in the region had begun wearing reflective gloves and other personal protective equipment, which had not been the case just a few years ago.

"Randgold's philosophy has always been to help grow and build local business, this makes them one of the most credible and respected companies in Mali."

Ben Coulibaly, Founder, Ben & Co, Mali

CASE STUDIES

LOCAL TAILORING PARTNERSHIPS ARE SEWN UP

Local procurement is a vital part of our economic development efforts. However, sourcing items in the remote areas we operate in can prove difficult. So when the local community does not have the right level of expertise or scale to meet our needs, we try to facilitate training and mentoring to enable local businesses to meet our requirements.

A good example of this has been work at Kibali and Loulo in 2015 to connect local cooperatives of tailors with industry leading personal protective equipment provider North Safety.

Both mines require a lot of safety vests and overalls and we found that while local tailors had the skills necessary to produce these items, they struggled to access the materials needed at a competitive price and scale.

We have therefore facilitated a partnership with North Safety. This provides the tailors with a sewing room and materials such as zips, studs and reflective bands and sees the tailors then produce the safety suits for North Safety, who pay them and charge us. At Kibali, the agreement is for the tailors to provide 70% of the safety suits required by mine workers in 2016, and 100% thereafter. The suits are cobranded as North Safety and the local cooperative.

For the tailors this removes the burden of stock control, logistics and finding the working capital to meet our demand (all borne by North Safety) but still allows the tailors to supply the mine, learn the skills required to meet industry standards and become manufacturers of a larger scale.

GROUPE EGTF - FROM MASONS TO MINERS

Groupe EGTF is Mali's leading construction company in the mining industry, with an annual turnover in excess of $13 million, over 600 employees, 60 vehicles and operations across six West African countries. Yet when he started out, company founder and former labourer, Diakaridia Traore, (pictured right) was making little more than $20 a week and his team had just one motorbike between them.

Traore credits much of his company's success and growth to working with Randgold and even jokingly refers to Randgold as the father of his business. He explains: "We first worked with Randgold in 1996 at the Syama mine. When construction started at Morila we saved up to buy a car so we could go and work on the construction there. They liked our work so went to Loulo, then Tongon and then Gounkoto, every year they open new doors for us."

While Randgold currently accounts for about 80% of EGTF's contracts, the company also works with a number of other mining companies throughout West Africa, as well as with the government of Mali. It recently won a $15 million contract for the construction of houses for the government of Niger.

Traore continues, "But more important than the repeat business is the extra skills and expertise we've gained from working with Randgold. They share their knowledge and so, for example, working on the construction of the dam on the Falémé River at Loulo, we gained expertise in concrete construction and since then have built many other dams including for a German company here in Mali. Randgold still continue to share their knowledge and help us, this year they've helped us to diversify into mining and we are going to become the only Malian owned mining company!"

EGTF have also adopted many of Randgold's policies for local economic development in the communities in which they operate, aiming to train and employ a few locals at every site and to help other contractors gain new skills. "The way Randgold works with the local businesses, is a good way to work and helps the country to grow, so we are trying to do the same," says Traore.

CLOSURE PLANNING – MINING NEW OPPORTUNITIES

STRATEGY AND POLICY

We believe that the successful closure of a mine is as important to our host countries and communities as the successful operation of one. That's why from before the operational life of a mine, we also establish a comprehensive closure plan.

Our closure planning is guided by each host country's legislative requirements, as well as the IFC guidelines. Each individual closure plan comprises several core elements including robust plans to ensure all health and safety requirements are met, actions to ensure a healthy ecosystem with as much of the original biodiversity as possible restored, and the establishment of economic and land use plans – developed in full consultation with local communities and the national government.

The aim of all our closure plans is not just to leave behind a safe environment but to also generate a legacy of vibrant economic activity and opportunity for our host communities.

OUR PERFORMANCE

All our mines have detailed and ongoing closure plans in place and we continued to refine these throughout 2015.

The closure plan most sharply in focus is that of our Morila mine in Mali, which is due to cease operational life in 2019. From a peak of 2 000 staff, Morila now has between 800 and 900 staff, and this is set to halve again by the middle of 2016 when rock crushing is due to cease.

Our plan for Morila is to use the power, water and other infrastructure on the Morila site to develop a number of agribusinesses, which will help create employment and enhance food security for the community and the wider region. The agribusinesses created have included the establishment of fish farms, mango plantations, egg and broiler chicken farms and honey production, and we are working with the Malian government and potential investors to transform Morila and the nearby region into Mali's first agricultural manufacturing hub.

After some initial struggles the agribusinesses at Morila really began to thrive in 2015 and we welcomed delegates from the World Bank, the African Union, the Ministry of Mines and the Rural Development Ministry to view progress. This year saw the poultry business generate $137 500 total income from 1.5 million eggs, with plans in place to expand to 10 million eggs and introduce broiler chickens. The fish farms produced over 3 600kg of Tilapia, which we currently sell to ETAM, a Malian supplier, for around $3/kg and have the capacity to expand production to 64 000kg and generate revenue of $5 million over five years.

Closure planning on all other sites also progressed in 2015 although they all have many years until mine operations cease. These include the fostering on Tongon of fish farms and jute, a high field fibre used in the manufacture of bags and garden twine, and the creation of an agribusiness training centre near the Loulo-Gounkoto complex (see case study). At Kibali we are in discussion with the DRC government about an investment framework for a sustainable palm oil project – which would provide employment opportunities for four times as many people as the Kibali mine – and have engaged with potential investors. The first phase of a maize farming pilot project has also been completed, with 82 hectares currently being harvested.

The infographic overleaf illustrates some of these agribusiness developments.

“If successful, Morila will be one of the best examples of a mining closure project.”

The Hon Mrs Fatima Haram Acyl,
Commissioner for Trade and Industry,
African Union

OUR MINES DON'T JUST HARVEST GOLD

To help combat food insecurity and as part of our plans to help diversify local economies and leave a sustainable economic legacy, we have invested heavily in a number of agribusiness projects in our communities of operation.

1 Mango and pineapple plantations

- 3 600 mango trees at Morila.
- 1 343 boxes of mango sold to Monte Carlo in 2015.
- 100 community members trained on how to select mango for export in 2015.
- 2 000 pineapple plants planted at Morila in 2015.

2 Fish farming

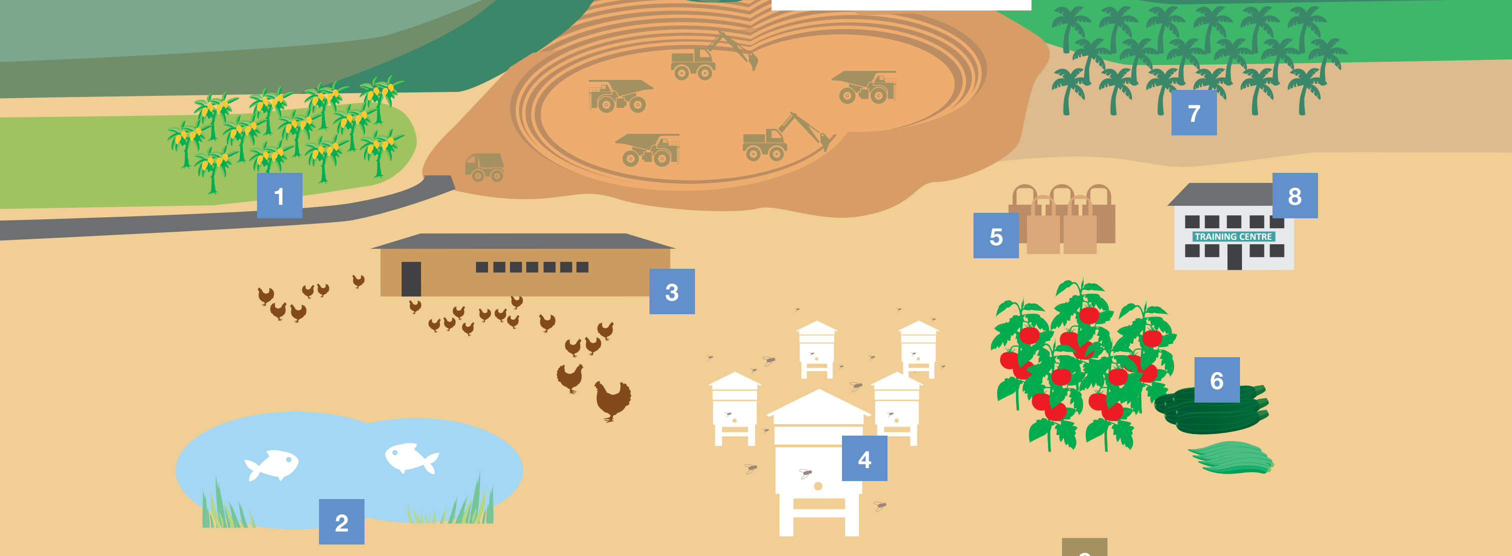
- 10 fish cages built at Tongon in 2015, expected to produce 9 tonnes of fish per month.
- 12 fish cases and 6 ponds at Morila, producing 7 tonnes of tilapia per month. Tilapia sold for $3/kg, generating $21 000 revenue every month.
- 12 additional cages to be built at Morila in 2016.

3 Poultry farming

- 6 000 laying hens at Morila, producing 4 200 eggs/day. Generating $137 500 total income in 2015.
- Additional $12 500 revenue from sale of spent hens.
- 30 000 layers to be added in 2016, estimated production 38 500 eggs/day and nearly $1 million revenue.
- 4 tonnes of broiler chicken produced every 60 days at Loulo-Gounkoto. Sold to mine caterers FEA.
- Plans to scale up production to supply other local mines.

4 Apiary

- 700 beehives placed in villages around Morila and 96 on site.
- Produced 196 litres of honey in 2015.
- Honey sold to local community and in Bamako for $2.90/litre. Generating nearly $600 in 2015.



5 Jute plantations

- 11.75 hectares of jute planted around 3 villages at Tongon in Côte d'Ivoire.
- Jute is high capacity production crop and capable of producing between 20–40 tonnes per hectare. Jute produced will be used to produce biodegradable bags and sacks for sale in Abidjan and beyond.

6 Vegetables

- 82 hectares of maize planted in conjunction with local farmers near Kibali in 2015.
- 17 types of vegetables grown at Loulo-Gounkoto including courgette, tomato, okra, beans and potatoes. Produce sold to the mine catering company, FEA. Additional produce sold in nearby markets. Aim is to also supply other local mines.

7 Palm oil

- Feasibility study for the creation of a large scale sustainable palm plantation at Kibali completed.
- Government of DRC has established an inter-ministerial committee to help establish the project. Potential funders and investors identified.
- Palm oil project will employ 4 times more people than Kibali mine.
- Advice also being sought on establishment of sugar cane plantations near Kibali.

8 Agricultural training centre

- Over $1 million invested in establishment of agricultural training centre near Loulo-Gounkoto complex.
- Up to 100 local community members a year to receive training on all aspects of agriculture – from cattle to crops to compost.
- 67 community members currently receiving training.
- Produce sold to, FEA, and at nearby markets.
- Finance available for top graduates to establish own farms or to improve market access.

COMMUNITY DEVELOPMENT

STRATEGY AND POLICIES

All our mines need the support and goodwill of the communities in which they are based to be able to operate successfully. We aim to build strong and transparent relationships and view each community as a partner who can provide us with talented employees, a secure environment and local knowledge and who can use us to build better local health and education facilities and more prosperous local economies.

Our guiding policy in this area is to empower each community through the creation of community development committees (CDCs). Each CDC consists of a representative mix of local leaders, women and youth delegates and others and is empowered to decide how best to spend an annual community investment budget within the five broad sustainable development categories of education, primary health, food security, potable water and local economic development. The process is depicted on the following page.

Similarly, where we invest in a new facility such as a school, health clinic or fresh water well we also work closely with the CDCs or local authorities to ensure that it can be maintained after the mine has closed.

OUR PERFORMANCE

The amount invested through community development committees increased by over $3.6 million in 2015, a rise of 136% on the previous year. This has led to a range of vital investments in health, education, local economic development, food security and drinking water projects across all our host communities.

Some highlights for each mine's surrounding communities in 2015 include:

- **Tongon (Côte d'Ivoire)** – Included over $100 000 on health projects, over $60 000 spent to construct new classrooms and $30 000 on new computer facilities in schools. The Tongon community was honoured by the visit of the President of Côte d'Ivoire and the Minister of Agriculture in 2015 who observed progress at the agribusiness development projects.
- **Gountoko (Mali)** – Included a $1.4 million investment to develop an agribusiness college, around $50 000 to build a new school in Batankoto village, $14 000 for a tractor for community use and improvements to roads and local water supply.
- **Loulo (Mali)** – Examples of projects include over 18 water boreholes drilled or rehabilitated, $50 000 to construct three classrooms in Dabara, over $23 000 on medical supplies for the community and a major infrastructure investment to improve the customs offices at the nearby Senegalese border.
- **Kibali (DRC)** – Included major constructions such as a new livestock training centre and community complex housing sporting facilities. Over $30 000 for a maternity centre and ultrasound room in Watsa Hospital, 19 drinking water projects, major repairs and renovations to several schools and an investment of over $500 000 to establish long term microfinance facilities. The focus is also shifting at Kibali to viable business projects, with a total of $1 million spent on local economic development initiatives.
- **Morila (Mali)** – An increase of over $1 million in investment in this community helped cover the growth of agribusiness projects and additional community electrification initiatives such as the installation of a solar powered water pumping system at a women's market garden and electrification of the new youth centre. Investments also included over $30 000 on new borehole construction, improvements to waste management at local hospitals and contributions to community radio and local soccer facilities.

EDUCATIONAL ACHIEVEMENT

In 2015 we have also seen a particular focus on education in many of host communities. Part of this has been physical outputs such as the new schools, but we've also been encouraged by the achievement of greater educational outcomes too. For example at Loulo, the NGO World Education has trained school teachers and administrators as part of an action plan to improve the quality of education in the community, Loulo-Gounkoto and Kibali are developing bursary schemes to fund high performing students and we are starting to see real lifts in pass rates and school attendance in the schools around Tongon in Côte d'Ivoire (see case study).

As shown below, there has also been real progress in reducing average class sizes in the schools around our mines, a commonly held international indicator of educational opportunity. Class sizes at our communities' schools are now well below the national average in both Côte d'Ivoire and the DRC. There was also improvement in the number of schools with access to electricity and water.

ANNUAL CDC PERFORMANCE

$	2015	2014	2013
Loulo	**901 510**	238 068	435 211
Gounkoto	**1 418 431**	735 838	406 198
Morila	**1 307 054**	182 862	147 872
Tongon	**642 509**	587 690	343 459
Kibali[1]	**2 000 000**	909 047	284 826
Group	**6 269 506**	2 653 505	1 617 564

[1] *This figure excludes the RAP cost of $1.7 million.*

+$6 MILLION OF COMMUNITY INVESTMENT IN 2015

Community development committees

Education

Investment in construction and repair of schools, computer rooms, bursaries and help with teachers' salaries. Includes almost $50 000 to build a new school in Batankoto, Mali.

Primary healthcare

Investment in new and improved health clinics, over $30 000 for a maternity centre and ultrasound room in DRC, medical and dental equipment and awareness campaigns inc Ebola.

Food security

Over $150 000 invested across all communities in equipment such as tractors and sprinkler systems, creation of a livestock training centre (DRC) and purchasing of seeds and livestock.

Local economic development

Investment in new and repaired local infrastructure such as roads, bridges and a dam in Côte d'Ivoire. Major investments of over $2 million in various agribusiness projects training and development and creation of a community complex in DRC.

Potable water

Construction and rehabilitation of over 35 boreholes, maintenance training and signage and installation of a solar-powered water pumping system in Mali.

CASE STUDY

IMPROVING EDUCATION AT TONGON

Since Tongon began operations in 2010 it has spent almost $650 000 on the building and equipping of schools in eight community villages. Both Randgold's community team and the Tongon community development committee have been determined to ensure that this type of capital investment is the start not the end of a journey – with the aim to create transformational change in the educational opportunities open to children in the region.

With this in mind, 2015 has been a significant year because Tongon saw not only the opening of new facilities but improving pass rates and other positive educational outcomes.

Starting with bricks and mortar

The first part of catalysing educational excellence around Tongon has been the creation of new facilities. Since Tongon began operations this has included:

- The creation of five new schools in the Ivorian villages of Tongon, Kationron, Katonon and Mbengue, each housing about 300 new pupils each year.
- The separate creation and equipping of 44 classrooms or other academic related buildings for at least 3 000 pupils. Also the creation of three computer rooms.
- The building or renovation of 13 new houses for teachers, helping attract high quality teachers to the area.
- The electrification of the Tongon and Poungbe schools.

Focusing on educational attainment

To help drive up standards, Randgold has also encouraged the creation of a reward scheme for the three best pupils by grade and school in certain local districts. The scheme has been piloted in the last two years with our CEO Mark Bristow chairing the ceremony and handing out the awards to pupils.

In total the scheme has seen over 150 pupils rewarded each year with useful items such as stationery. 2015 saw a particularly encouraging impact of these efforts in the Mbengue district, with pass rates in the national exams for ages 11 to 13 reaching a record rate of 97.26% for the district, well above the national success rate of 82%.

MEASURING LOCAL EDUCATIONAL OUTCOMES

	National average[1]	Schools newly constructed by our mines in 2015
Average size of classes in primary schools (number of pupils)		
Côte d'Ivoire	46	**37**
DRC	75	**39**
Mali	52 (2011)	**62**
Percentage of primary schools with access to electricity		
Côte d'Ivoire	25% (2009)	**43%**
DRC	9% (2011)	**4%**
Mali	8%	**28%**
Percentage of primary schools with access to potable water		
Côte d'Ivoire	51% (2009)	**29%[2]**
DRC	35% (2010)	**17%[2]**
Mali	43%	**61%[2]**

[1] *Source: UNESCO data (2012 unless stated).*
[2] *All Randgold-supported schools have access to potable water at nearest community site, this indicator refers to schools with their own borehole/water source.*

TAKING A PARTNERSHIP APPROACH TO IMPROVE OUTCOMES

Partnership is a crucial part of what we do. On this page we provide three examples of collaborations we've undertaken with non-profit organisations in 2015 to help bring in expertise in areas such as education, development finance and health provision and so help us to achieve our sustainability goals.

PARTNERING WITH EXPERT NGO SOUTOURA TO FIGHT HIV/AIDS

Soutoura is a specialist HIV/AIDS NGO based in the Malian capital Bamako. They work to raise awareness about prevention techniques, provide HIV counselling and testing and to improve knowledge of other sexually transmitted infections (STIs). Throughout 2015 we partnered with Soutoura to strengthen our HIV/AIDS awareness programme for the community around our Loulo mine in Mali.

Based at the community clinic on the edge of the Loulo mine, Soutoura staff have actively sought to raise HIV awareness among local sex workers. They visit local bars and brothels to discuss how HIV is transmitted, advocating safe sex (including distributing condoms) and explaining how to identify other STIs.

Sex workers are encouraged to visit the Soutoura clinic for monthly STI checks, quarterly HIV tests and to access free condoms.

NGO Soutoura promotes HIV awareness at schools.

By working with a specialist NGO we have been able to significantly scale-up and improve the impact of our anti-HIV programme. In 2015 this has included educating over 850 sex workers and 1 805 community members on HIV transmission and prevention methods, training 40 peer educators and managing 500 Voluntary Counselling and Testing (VCT) sessions.

As a result of Soutoura's outreach work many brothel owners now require their staff to undergo regular STI and HIV testing. Soutoura also provides counselling during and after testing, and helps HIV positive people to access the necessary anti-retroviral medication to help them manage symptoms and lead a normal life.

WORKING WITH WORLD EDUCATION TO MAKE THE GRADE

A successful school is more than bricks and mortar. As well as good facilities it needs strong leadership, committed teachers and the support of its community.

To help us to better understand the educational outcomes for the students in schools near our Loulo-Gounkoto complex in Mali, we began working with internationally recognised NGO World Education and asked them to conduct a study into the state of education in the communities near Loulo-Gounkoto. The study identified several factors that hold the key to raising educational outcomes throughout the area including improving the quality of teacher training and greater engagement from the community for the administration of the school.

The findings of this study were presented to local authorities and partners in 2014, and an action plan developed to close the gap. With assistance from Randgold, World Education is working with the regional ministry of education (CAP) – who have just nine staff supervising 300 schools – to improve teacher training and ensure regular school inspections take place.

Since June 2015, World Education has provided training for CAP staff and more than 40 teachers and headmasters from 13 schools on techniques to improve student engagement in learning, the national programmes in maths and reading and school management. The aim is to train over 100 teachers in 2016.

A number of positive impacts have already been seen as a result of World Education's interventions. For example, stricter recruitment policies have been implemented – meaning only trained teachers are recruited. Many teachers are now organising their own communities of learning during weekends to mentor each other and share knowledge on best practice teaching methods.

There has also been 10% improvement in academic performance in reading and writing among students in the Kenieba district in Mali.

BIG IMPACTS FROM MICROFINANCE

Microfinance can be a transformative development tool and in 2015 we provided Malian microfinance institution Nyesigiso with encouragement and seed capital to establish an office near our Loulo-Gounkoto mine complex.

Established in 1990, Bamako based Nyesigiso has over 70 offices throughout Mali and a strong track record of helping urban and rural populations access the finance necessary to expand their businesses and improve their standard of living. Nyesigiso uses a cooperative structure for membership, meaning in order to access a loan one must first join Nyesigiso with a deposit of 13 000CFA (about $26). Just over half of the deposit is put into a membership guarantee fund.

In just three months of operation in Djidian near our mine, Nyesigiso had already attracted more than 130 members. It distributed its first loans in January 2016, providing about $20 000 in loans to 10 entrepreneurs in its first week of lending, with a further $54 000 of loan applications being assessed. Nyesigiso aims to provide at least 100 million CFA (about $200 000) in loans to the local communities by the end of 2016. Further to microfinance loans and savings, Nyesigiso also provides money management training and advice and hopes to run a number of programmes to help community members better manage their finances and understand how to invest. A second Nyesigiso office in another nearby village is planned for 2016.

Randgold is working with NGO World Education to improve education in the communities around the Loulo-Gounkoto mining complex.

MICROFINANCE

Microfinance is widely regarded as a vital part of rural development, providing previously unbanked communities with the access to the loans and capital necessary to help grow and build businesses. This is especially important in many of our remote host communities where there have historically been no banking facilities and only loan sharks should a local entrepreneur seek initial venture capital.

We have therefore supported the establishment of accredited microfinance institutions (MFIs) in each of our host communities. In 2015, we passed the significant milestone of now having viable microfinance institutions in operation in all our host communities. These are CAMIDE in Morila, PAMF-CI at Tongon, Nyesigiso around Loulo-Gounkoto (see case study) and Uele Coopec at Kibali. We have also commissioned an independent audit of Tongon's MFI in 2015 with a view to increasing seed funding next year.

By the end of 2015, these institutions have provided micro-loans to over 310 local entrepreneurs to start a wide diversity of projects from cattle breeding to a sewing room and a battery charging service. We encourage all institutions to coordinate their activities with the community development committee.

NOS VIES EN PARTAGE FOUNDATION

Nos Vies en Partage foundation
SHARING PROSPERITY

The charity established by Randgold, Nos Vies en Partage Foundation (which translates as sharing prosperity), enjoyed its second full year of operation in 2015.

The aim of the Nos Vies en Partage Foundation (NVEPF) is to further share the benefits of development beyond Randgold's communities of operation, particularly with women and children who tend to benefit least from economic growth.

Thus far the foundation has supported projects across 11 sub-Saharan countries including Benin, Cameroon, the Republic of Congo, Nigeria and Togo.

During 2015 the foundation provided assistance and donations worth nearly $500 000 to 36 different causes. Just some examples of the projects and charities supported by the NVEPF during 2015 include:

- **Goedgedacht** – a charity working to develop pathways out of poverty for disadvantaged rural children in South Africa.
- **Mercy Foundation** – who provide trade training opportunities for street children in Ghana.
- **INPP (Institut National de Ottparation Professionelle)** – which operates in both Bunia and Aru in the DRC to provide women and child victims of the civil war with training to help them to join the workforce.

Other causes supported include a number of orphanages throughout sub-Saharan Africa, including one for children with disabilities and HIV/AIDS, a centre for physically and mentally disabled children, projects to provide educational facilities for disadvantaged children, and a project to improve water quality for a number of communities in the Kaduna state of Nigeria.

The NVEPF is chaired by Randgold's former chairman, Philippe Liétard, and is partly funded through money raised by a sponsored motorbike tour from Abidjan in Côte d'Ivoire to Cape Town in South Africa which was completed by Randgold CEO Mark Bristow, his son Craig and some of their friends in 2014. Another sponsored motorbike ride from Mombasa in Kenya to the mouth of the mighty Congo River in the DRC, aims to raise a further $3 million for the foundation in 2016.

Facing page: Freedom of movement and not having to rely on public transport to work –A motorcycle finance programme at Kibali has resulted in a substantial increase in motorbike ownership among employees.

ARTISANAL MINING

STRATEGY AND POLICY

Artisanal and small scale mining (ASM) is a form of subsistence mining providing a direct or indirect livelihood for approximately 100 million people in the developing world, and we have an ASM presence on two of our mine complexes, Kibali and Loulo-Gountoko.

The presence of ASM miners (or orpailleurs) can pose challenges for our sites and our host communities as they often have poor environmental, health and safety practices – such as use of child labour or allowing hazardous chemicals such as cyanide to enter the water system.

We have a no conflict and no invasions policy in regard to artisanal mining communities present on or adjacent to our sites. Our policies are formed with reference to both International Council on Mining and Metals (ICMM) and IFC guidance and state that wherever possible we offer alternative livelihoods for orpailleurs including work on our mines or in new economic sectors such as agriculture. Our policy is to work in partnership with host communities and regional and national governments to find long term strategies that are mutually beneficial. We recognise that the existence of the ASM community is linked to unemployment, inequality and poverty and ultimately only partnerships with governments and other international institutions are likely to provide a viable long term solution.

Where orpailleurs refuse or are not interested in alternative employment we seek to work with the local authorities to offer a designated site where ASMs can be relocated to work without causing harm to others and where the potential for other employment can be gently introduced.

OUR PERFORMANCE

We had an ASM presence at both Kibali and on the Loulo-Gounkoto complex in 2015.

At Kibali, our alternative livelihood restoration programme was instigated as part of the early days of the resettlement action plan and this helped approximately 2 000 artisanal miners (who had an average income of around $30 a month) to move off the exclusion zone and find different, more sustainable employment including farming, aggregate making programmes, stone pitching, bricks and construction. Today many former artisanal miners have established businesses offering services to the mine and the community.

However, illegal artisanal mining is still an issue within Kibali's full permit zone, an area too big to fence off, and by late 2015 we had identified and were monitoring up to 40 known illegal mining sites within our permit with upwards of 100 individuals at each site. We have been interacting with these individuals and local authorities throughout 2015 to encourage them to find alternative employment.

At the Loulo-Gounkoto complex there is a sizeable presence of orpailleurs, located mainly in a site off the Gounkoto haul road. In 2015 we established the Mali Mining Industry Committee on Artisanal Mining which helped bring together government partners, other Mali based mining companies, local authorities and representatives from the ASM community itself to implement the Malian government's agreed action plan to combat illegal mining. The MMC is chaired by Randgold group community and environment officer Hilaire Diarra.

The MMC is focused on directing investment in economic development activities to provide alternative jobs for illegal miners and providing suitable land that can be used as safe mining corridors for the orpailleurs. It is also putting resources into improving awareness of sustainability issues with the leadership of the ASM community.

GRIEVANCE MECHANISM

STRATEGY AND POLICIES

We put considerable effort and resources into running a fair and accessible grievance mechanism at all sites, in line with international criteria such as the IFC Performance Standards as well as national regulations. We don't do this because we have to, but because we find it a very valuable two way channel of communication with local communities. Our local communities are important stakeholders and we want them to feel free to lodge a complaint if they feel they have been unfairly treated or discriminated against in a non-work related disagreement. We commit to responding to all grievances within one week and aim to resolve 100% of grievances registered to the satisfaction of all parties.

Our policy is to set up a grievance mechanism at the earliest stage of any project (exploration stage), create as many access points as feasible and to advertise it widely using local radio, posters and local notice boards.

OUR PERFORMANCE

As shown on the next page, 178 grievances were received during 2015, of which 91% were resolved. The lower volume of grievances made (down from 490 in 2014) is largely due to the fact that the grievance mechanism is the main channel by which resettlement compensation is managed and the number of people involved in resettlement action plans in 2015 was much lower than in previous years.

The 91% resolution rate is slightly lower than our usual performance (it has been between 94 to 99% over the last five years) and this is in part due to some ongoing unresolved compensation claims related to new mining plans at Kibali which require a temporary hold on crop growing and await participation of the regional attorney general in the process. A large batch of these claims were resolved as this report went to press in March 2016 and hence this year's

GRIEVANCES REGISTERED AND RESOLVED

AT 1 MARCH 2016	Grievances registered 2015	Grievances resolved 2015	Grievances resolved 2014	Grievances resolved 2013
Loulo	2	2	2 (100%)	8 (100%)
Gounkoto	-	-	1 (50%)	1 (100%)
Kibali	174	158	479 (99%)	1 130 (99%)
Morila	-	-	-	2 (100%)
Tongon	2	2	2 (40%)	22 (100%)
Group	178	162 (91%)	484 (98.7%)	1 163 (99%)

reporting date was moved from the usual date of 31 December, to 1 March.

Examples of grievances resolved in 2015 include compensation requests for land and property affected, for example, by the laying of the electrical line for the new Azambi hydropower station near Kibali.

A good example of how our grievance mechanism performs as a good communication tool occurred at Loulo this year. At one point we received requests from the community for more local employment opportunities at the mine. In response to these grievances we undertook a thorough and transparent review of our employment figures and recruitment procedures around the Loulo-Gounkoto complex, sharing the results with the community. This reduced the calls for more jobs at the mine, and instead led to increased interest and request for jobs and opportunities in economic development projects – something we are highly encouraged by and wish to support in all our communities of operation.

PROTECTING HUMAN RIGHTS IN EVERYTHING WE DO

STRATEGY AND POLICIES

Randgold is committed to upholding fundamental human rights with everything we do, and wherever we operate. We have never been subject to any allegations of serious human rights abuses or breaches of humanitarian law throughout our 20 years of operation.

We have a detailed Human Rights Policy and Conflict Free Gold Policy, both available on our website at ***www.randgoldresources.com***, that cover all aspects of our business including, but not limited to, areas of employment, resettlement, engagement of private security forces and our work with suppliers. These policies are a part of induction for all relevant staff and ensure that our mines do not provide benefits to any armed groups who have committed or been credibly accused of human rights abuses.

We track any human rights infringements through our grievance mechanism, and none of the 178 grievances registered this year were human rights related.

We also recognise that we do not operate in a bubble, but as part of an economic value chain where we can have influence. Therefore we also try to proactively encourage respect for human rights by including human rights clauses within all our supplier contracts – putting a legal duty on contractors both large and small to comply with our zero tolerance policy in areas such as bribery or child labour. We monitor compliance with these clauses, alongside all our terms and conditions, as part of our annual inspections of suppliers. There were no infringements recorded in 2015.

It is Randgold's policy not to arm any security forces on our mines. Across the group we do utilise some private security services to protect our mines, while relying on governmental forces for security of tenure and law enforcement in the surrounding communities. We have four ways to ensure security forces implement our human rights policy which include:

- Strict due diligence procedures prior to recruitment (including a requirement to be accredited according to relevant UN agencies).
- Contractual requirements including our human rights clause.
- Compulsory training for all security providers in the UN Voluntary Principles on Business and Human Rights and.
- A formal disciplinary procedure should any personnel be subject to credible allegations of serious human rights abuse.

The crux of our security however is the strong bonds and real partnerships that we have built with our host communities. Ultimately it is these relationships that keep our mines secure.

In total, 589 security staff members received human rights training in 2015, including agents at all mines.

RESETTLEMENT

We consider the resettlement of individuals or communities as a last resort, and only undertake a resettlement process where it is absolutely essential to our mining activities.

We had only a very minor number of resettlements in 2015 – just 25 households in total.

Our resettlement policies put the individual, family or community being resettled at the core of the process and all the resettlement action plans (RAPs) that we prepare are guided by national legislation and by the IFC Performance Standards on Land Acquisition and Involuntary Resettlement.

Every reasonable effort is made to ensure that the standard of living of those being resettled is improved or at the very least restored, that the physical and economic impacts of moving are fairly compensated, and that the integrity of communities is maintained.

For further detail on our approach to resettlement please see previous sustainability reports, including in-depth descriptions of our management of the resettlement into the new town of Kokiza in the DRC.

The resettlements that occurred in 2015 were all undertaken around our Kibali mine.

Planning is currently underway for a larger number of resettlements in 2016 due to potential expansions to new deposits in both the DRC and Mali.

PLANS AND PRIORITIES FOR 2016

Maintaining and building our national economic and community development efforts will remain one of our highest priorities for 2016.

With the end of the operating life of Morila inching closer, an important focus will be to continue to bring our agribusiness efforts there to fruition. This will include reaching out to potential partners and investors to help develop the existing mine infrastructure into an agricultural manufacturing hub. We will also continue to progress our agribusiness and economic diversity initiatives across the rest of the group including the progression of major palm oil and maize industries at Kibali.

We have potentially two significant resettlement programmes to form and implement in 2016, which could entail the resettlement of over 1 500 households in total at Kibali in DRC and through mining at Domba near Morila. We have already been liaising extensively with the communities on these potential actions.

We are hopeful that the new Mali Mine Industry Committee of Artisanal Mining (MMC) will also help us to catalyse action to find alternative employment for some of the orpailleurs active on our sites in 2016.

On a national level we will continue to engage with the governments of Senegal, Mali and DRC to hopefully achieve fair and far reaching mining codes, while more locally we have plans to help maximise local procurement in the DRC where we plan to establish a more detailed register of local suppliers. This will allow us to better understand both the skill level of nearby suppliers, what is already available locally and where we can help to develop suppliers.

RESETTLEMENT FIGURES

	Projected for 2016	2015	2014	2013
Number of households resettled	1 535	**25**	29	4 216
RAP expenditure	$13 million	**$1.7 million**	$0.4 million	$92.4 million

ENVIRONMENTAL MANAGEMENT

ENVIRONMENTAL MANAGEMENT IN NUMBERS

All mines[1]

NOW CERTIFIED TO ISO 14001 STANDARD

↓45%

DECREASE IN SIGNIFICANT ENVIRONMENTAL INCIDENTS, WITH ZERO CLASS 1 (MAJOR) INCIDENTS

↑33%

OF ENERGY USED ACROSS ALL OUR MINES DRAWN FROM CLEAN ENERGY SOURCES, UP FROM 30% IN 2014.
ELECTRICITY AND WATER ABSTRACTION UP

↓61%

OF WATER RECYCLED

All sites

NOW IMPLEMENTING BIODIVERSITY ACTION PLANS, WITH ALMOST $500 000 TO PROTECT ONE OF DRC'S NATURAL WORLD HERITAGE SITES

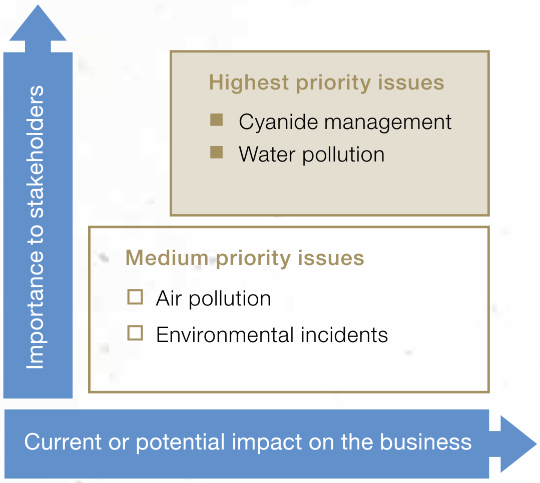
↑40%

IMPROVEMENT IN CLIMATE CHANGE DISCLOSURE SCORE FROM CDP

[1] *Kibali mine passed its stage 1 audit in September 2015 and was recommended for ISO 14001 certification on 14 January 2016. The mine was officially certified on 17 February 2016.*

The ore we extract, the water and energy we use, and the climate we operate in, are all dependent on a thriving natural environment. Being careful environmental stewards is therefore a crucial building block of our business. On top of this, by maximising energy efficiency and recycling water and waste we help keep our costs down.

The importance of strong environmental management was reflected in our 2015 Materiality Assessment (see on the next page) with issues of cyanide management and water pollution ranked as highest priority issues, and air pollution and environmental incidents also ranking high in importance among both internal and external stakeholders.



We have clear policies in place to monitor and minimise all our negative environmental impacts at every stage of the mining lifecycle. We conduct environmental and social impact assessments (ESIAs) during the feasibility stage of all our projects, and once a mine is operational we put in place an environmental management system (EMS) to manage all identified risks in accordance with both national regulations and international standards such the IFC Performance Standards on Environmental and Social Sustainability. We use the global best practice standard ISO 14001 to help set the criteria for each EMS and as of 2015 all our operations are now certified to the ISO 14001 standard with Kibali granted certification for the first time. We also conduct independent external audits to ensure our compliance.

We are committed to transparent reporting of our environmental impact and as well as offering details publicly in this report we provide environmental data to the Carbon Disclosure Project (CDP) each year. The climate change score awarded to Randgold by CDP for our disclosure of environmental data rose by 40% from 64/100 in 2014, to 90/100 in 2015.

In this chapter we report on five key areas of environmental management performance: environmental incidents, energy and climate change, water and air quality, waste management and biodiversity.

ENVIRONMENTAL INCIDENTS

One of our key performance indicators in this area is the number of environmental incidents at each site. As shown below we record three types of environmental incidents and in 2015 had zero Class 1 incidents (ie major incidents resulting in significant injury, damage or death); 11 Class 2 (ie medium) incidents and 85 Class 3 incidents.

The lack of major incidents and 45% reduction in Class 2 incidents is encouraging and reflects a renewed focus on daily environmental management in 2015. An example of a Class 2 incident in 2015 included the overflow of a detoxification pond at Loulo's tailings dam after very high rainfall. The incident was quickly rectified and water quality tests taken downstream immediately after the incident to check there had been no contamination. As reported in last year's sustainability report, our only Class 1 environmental incident during the last five years occurred in December 2014 at our Tongon mine in Côte d'Ivoire. The incident involved a burst tailings pipeline, and significant focus in early 2015 was placed on ensuring this incident was comprehensively dealt with. Remedial activities in 2015 have included the implementation of an action plan in conjunction with the Ivorian government's anti-pollution body, CIAPOL. A full sign off from CIAPOL to show that all damage has been rectified is anticipated in the first quarter of 2016.

Class 3 incidents refer to minor events such as a small leak in a pipe within site boundaries. High numbers of Class 3 incident reports are not necessarily a bad thing as they indicate increased employee awareness of environmental impact and we use them as an early warning reporting system which, when appropriately and promptly attended to, can help to prevent more serious incidents from occurring.

No significant environmental fines or non-monetary sanctions were imposed on any of our operations during 2015.

ENVIRONMENTAL INCIDENTS

AT 31 DECEMBER 2015	Number of Class 1 incidents[1]			Number of Class 2 incidents[2]			Number of Class 3 incidents[3]		
	2015	2014	2013	**2015**	2014	2013	**2015**	2014	2013
Morila	**0**	0	0	**0**	0	0	**0**	1	2
Loulo	**0**	0	0	**5**	10	8	**40**	47	61
Gounkoto	**0**	0	0	**0**	0	0	**9**	21	22
Tongon	**0**	1	0	**1**	1	4	**16**	10	18
Kibali	**0**	0	0	**5**	9	5	**20**	17	24
Group	**0**	1	0	**11**	20	17	**85**	96	128

[1] *Major incident resulting in death or injury of people or destruction of community property or husbandry.*
[2] *Medium incident involving material disruption to production or uncontrolled release of contaminated effluent outside the boundary fence of the operation.*
[3] *Minor incident involving controlled or uncontrolled release of effluent or pollutants within the boundary of the operation.*

ENERGY AND EMISSIONS

Our gold mines rely on a secure and plentiful supply of energy in order to manage everyday operations, creating a significant cost to our business. Thus, our policy to continuously improve energy efficiency and increase access to clean energy sources helps us create tangible business value. By reducing our greenhouse gas emissions these efforts also help future proof our mines as the world transitions towards a low-carbon economy, a move we were pleased to see catalysed by the global climate agreement in Paris in late 2015.

Since 2010 we have been implementing a five year energy strategy which has included elements such as:

- Improving the amount of hydropower in our energy mix with the creation of three hydropower plants at Kibali (see case study), collectively capable of producing 90% of the energy needed by the mine and its surrounding communities.
- Connecting our Tongon mine to the Ivorian national grid (which is largely hydroelectric and natural gas powered), reducing the mine's reliance on thermally-generated energy to about 10%.
- Introducing lower revving generators, better spinning reserve management and other specific power efficiency measures at Loulo in Mali.
- Running energy saving awareness initiatives on all sites such as our switching off switches campaign.
- Exploring other renewable energy sources and energy efficiency measures. For example, working with the Malian government and IFC to examine the feasibility of a solar project to help connect the Loulo-Gounkoto complex and surrounding areas to the Malian national grid.

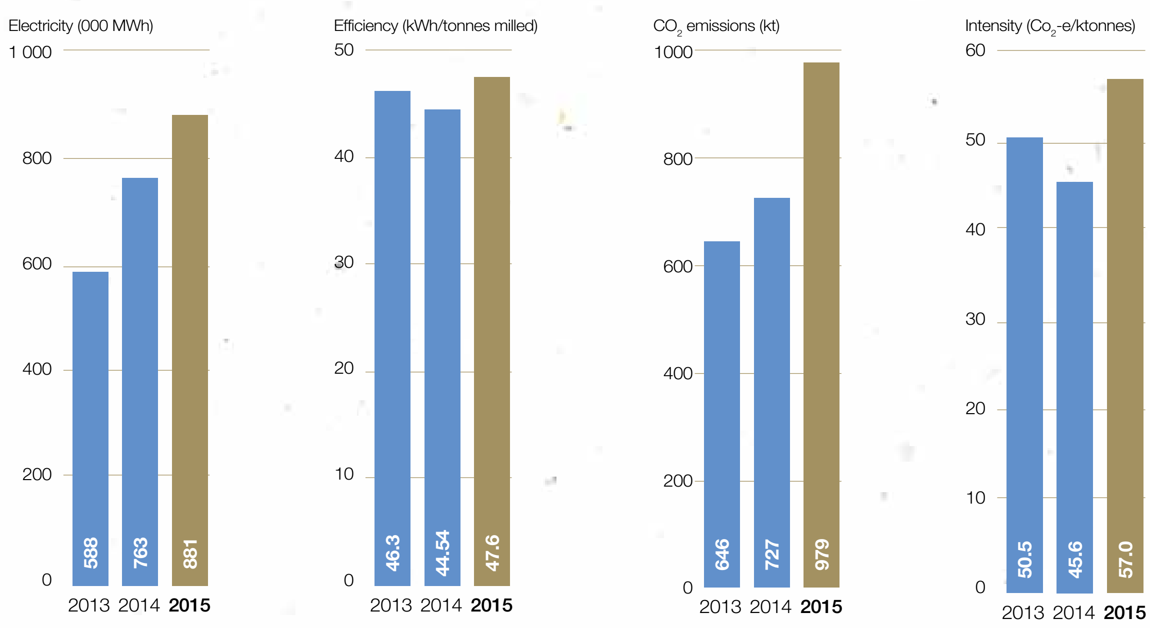
In 2015 many of these investments came to fruition with the Nzoro II hydropower plant in DRC reaching full capacity and the national grid connection at Tongon significantly improved with 75% of energy in Q3 coming from this source. In total 33% of all energy used across our five mines in 2015 came from clean energy sources, an increase from 30% in 2014.

One of the ambitious targets we set in 2010 was to reduce all greenhouse gas emissions by 47% in absolute terms (23.45 CO_2-e/ktons milled) by 2015[1]. Unfortunately this ambition has not been achieved. This is in part due to the rapid expansion of our mines and their associated infrastructure in this half decade, particularly at Kibali (which had high diesel consumption during its first years of operation) and through the development of energy intensive underground mining at Loulo and Kibali. Initial problems with grid availability at Tongon and the lack of viable large scale clean energy solutions at Loulo have also been factors.

These factors also contributed to the increases in 2015 of both overall electricity use across the group – from around 763 000MWh in 2014 to 881 000MWh in 2015 – and the reduced power efficiency from 44.5kWh for each tonne of ore milled in 2014, to 47.6kWh for each tonne of ore milled in 2015. Similarly, CO_2 emissions and our emission intensity both rose this year. Improving these figures, in part through additional power efficiency measures, will be a major challenge for our energy management teams in 2016.

[1] *Specifically Scope 1 and 2 emissions from the 2009 baseline of 44.25 metric tonnes CO_2e/tonne of ore processed.*

ENERGY INDICATORS[1]



CASE STUDY

HYDROPOWER TO THE PEOPLE

According to the World Bank, the DRC has the third largest potential for hydropower in the world, especially in rainy North Eastern DRC, where our Kibali mine is based. Yet very few people in this region have access to a reliable energy source.

No energy generation method is flawless, but hydropower is certainly one of the best options. It can create significant levels of energy without causing air or water pollution, and it does not leave any toxic waste behind. It's relatively inexpensive too, and unlike fossil fuel based generation, costs tend to remain generally constant and controlled.

This is why Randgold has invested heavily in using hydropower to run our Kibali mine in the DRC. Development that has been transformative for the remote local communities around the mine who are not connected to the DRC's national grid.

Going with the flow

By the end of 2016 we estimate that 90% of the energy requirements of Kibali and its surrounding communities will be met by our hydropower investments. These include three stations that together can produce over 42MW of energy, enough to power approximately 40 000 homes.

The biggest of our hydropower stations, Nzoro II, has been online since mid-2014 and on its own is capable of providing 70% of the mine's energy demands. The final two stations, both two turbine stations producing up to 10MW of power, are currently under construction and at least one is due to be completed by the end of 2016.

We estimate that the energy generated by Nzoro II alone will save Randgold around $7 million a month in diesel costs, paying for the cost of all our hydropower installation in DRC within two years.

Forming the dams and laying the lines for these hydropower stations has not required any major resettlement programmes, and wide consultations have been undertaken with local communities as part of the construction process.

A legacy of power and skills

The energy flowing to the local communities around Kibali has already had a massive impact on the local economy. It has powered the growth of Durba into a thriving market town with banks, telecommunications and other infrastructure, and it has encouraged businessmen to start farming and industrial projects across the local region.

The construction of these hydropower stations has been carried out in close consultation with the DRC government and its national reconstruction plans. The project has also involved the training and use of as many Congolese engineers as possible in order to leave a legacy of local skilled tradesmen to maintain the stations and to encourage further investment in hydropower in the region.

When the mine closes, our hydrostations will be handed over to the local government to help drive economic growth for future generations.

Nzoro II at Kibali has been on line since mid-2014.

WATER AND AIR QUALITY

Whether for industrial use, drinking or irrigation, water management is essential to our business and to our host communities. We recognise that water management is not just a technical debate around levels of abstraction and quantitative data – it is an issue that our key stakeholders feel passionate about.

We operate both in areas where water can be scarce (such as Mali and Côte d'Ivoire) and where high rainfall can create flooding risks (DRC). Most of our mines are also located next to large rivers and the amount of water we take from freshwater sources such as these is governed by permit restrictions set by the relevant governing authority.

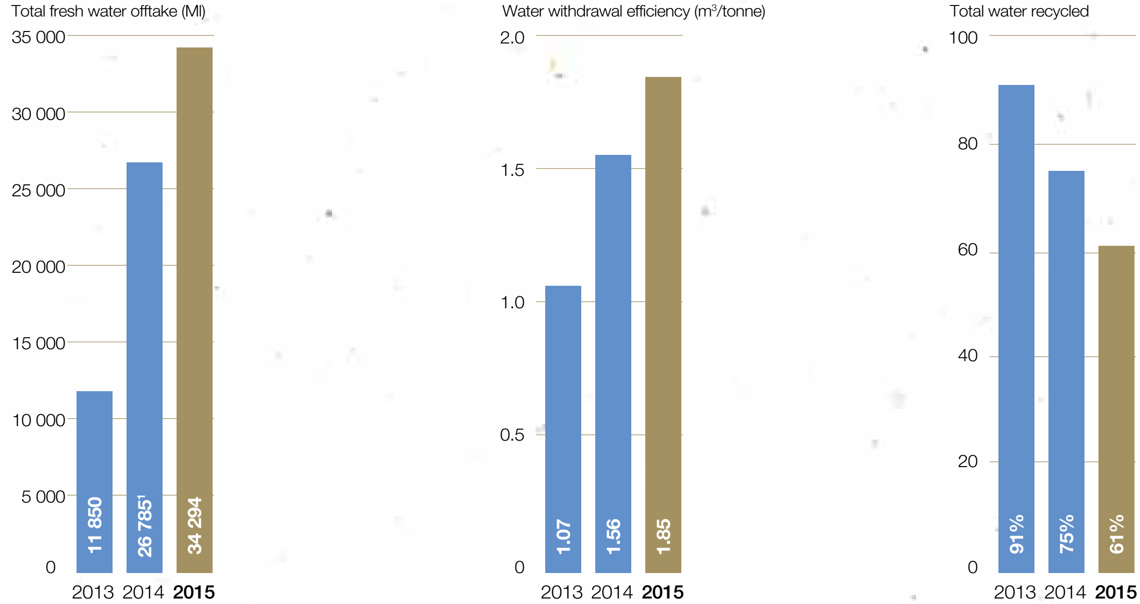
One of the most important elements of our water management policy is to maximise the amount of process water we recycle. This helps to reduce energy use from pumping, ensures security of supply in drought prone areas and mitigates the potential of environmental incidents. Thus we have an ambitious group target to recycle 85% of process water.

In 2015, over 61% of process water was recycled. This is ultimately a disappointing rate as it both misses our corporate target and shows a decline from the reported rate of 75% recycled in 2014. It is worth noting however, that one of the factors behind this relatively low figure was a decision to adjust how we calculated water recycling at Tongon in 2015. This calculation had previously included both the storm water dam and the return water but for consistency and standardisation across the group and to ensure the reported water recycling rate is accurate, we removed flows from the storm water dam from the calculation this year.

Water abstraction also rose in 2015, with a notable increase of over 7 500 cubic metres in the amount of fresh water we abstracted from sources such as local rivers. A major factor behind this was the start of TSF processing at Morila which involves blasting the tailing with water at high pressure. This was also a factor in our water efficiency.

Unfortunately, our water efficiency (which we define as the amount of fresh water extracted per tonne of ore milled) increased from 1.56m³/tonne in 2014, to 1.85m³/tonne in 2015 due to Morila and Kibali registering a positive water balance. Our water reviews at year end revealed opportunities of improving efficiency which we will be exploring in 2016.

WATER USE[1]



[1] *Restated from 2014*

WATER QUALITY

We closely monitor water quality to ensure local water sources and biodiversity are not damaged by our processes and, in line with international best practice, test regularly for contaminants such as iron, cyanide, manganese and sulphates both in boreholes and downstream of the mine. We have a target of zero non-compliances each year against national or IFC standards and achieved this target in 2015.

To help manage water quality in 2015 we also engaged in ecological practices such as the planting of fast growing trees, like the Eucalyptus, at seepage areas around the tailings dam and have plans for the creation of wetland systems to remove sediments and pollutants such as nitrates from the water.

AIR QUALITY

Just as we take care to guard against water pollution, we also regularly monitor air quality to ensure levels of dust particles do not cause undue irritation and damage to humans and livestock. This is particularly important in the dry seasons in Mali and Côte d'Ivoire.

As stipulated by IFC guidelines we have monitoring stations to measure airborne dust both on site and in local communities with the aim of ensuring levels of airborne particulates remain below 500mg/m^2/day. Dust suppression activities which we undertake include regular road wetting (with priority given to heavily used roads and those in the community), speed awareness programmes, use of dust suppressants such as molasses and planting vegetation on exposed dirt and rock.

New measures taken in this area in 2015 have included the introduction of speed bumps on the Loulo-Gounkoto haul road. Trials of different dust suppression products have confirmed a bitumen based product as the most effective and we are now working to apply this product to the Loulo-Gounkoto haul road and potentially other tracks. We have also handed responsibility for local road wetting to the communities, enabling them to act quickly to suppress dust when they notice it is becoming a problem.

CASE STUDY

NEW WATER CLARIFIER HELPS RECYCLED WATER STRIKE GOLD

The use of water in mining has the potential to adversely affect the quality of drinking water in local communities and groundwater, therefore it is very important that we closely monitor and manage the quality of water discharged from our mine sites. We also seek to minimise the amount of water we draw from nearby freshwater sources such as rivers.

Our investment in an innovative water clarifier at our Loulo site in Mali in 2015 has enabled us to do both of these more effectively, while also giving us access to a new source of gold from the processed mud.

Industry leading technology

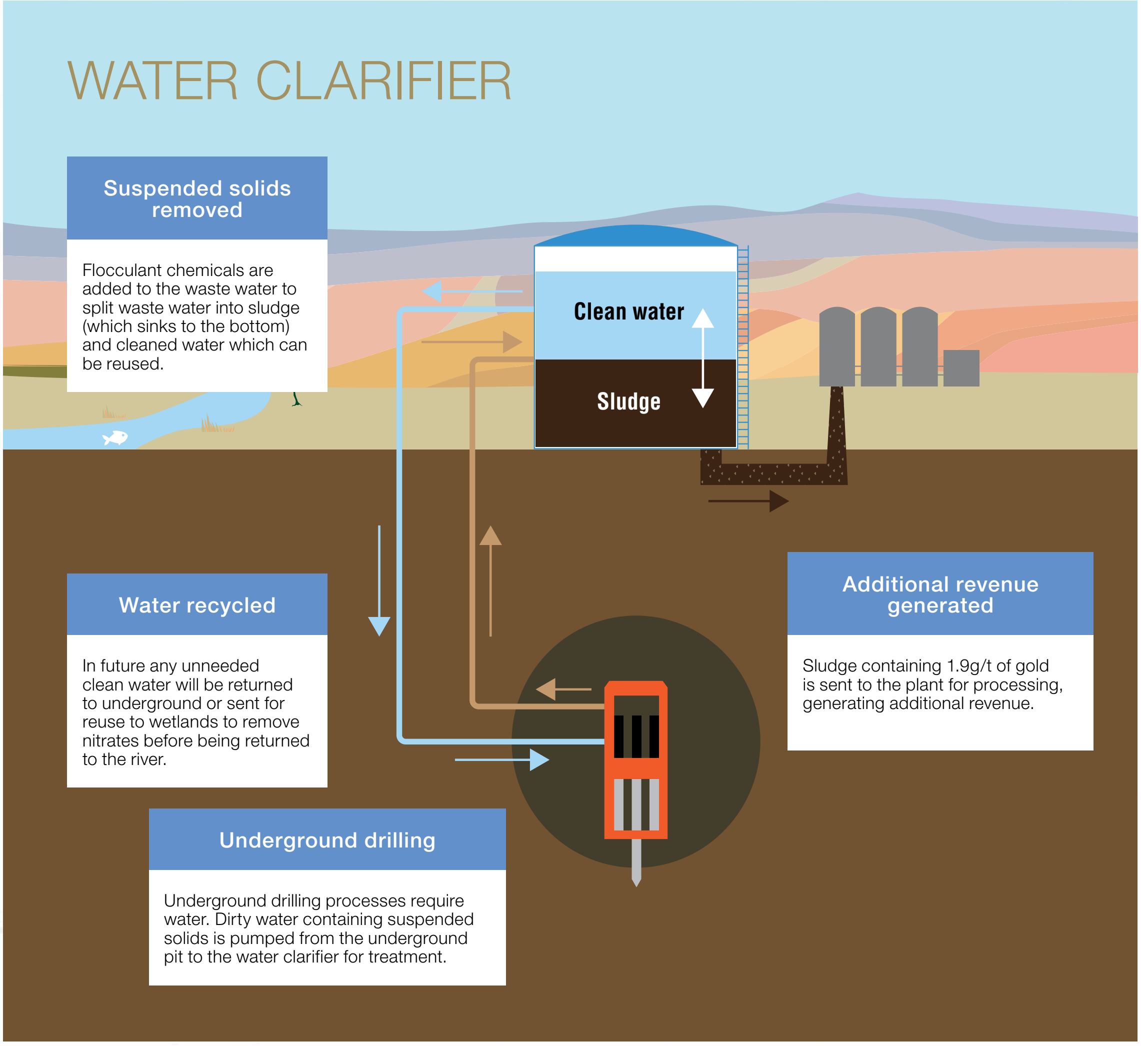
Goldminers tend to use settling ponds in order to separate suspended solids from the process water and water for discharge or reuse. However at Loulo's Gara underground mine, we invested around $1.5 million to build a water treatment plant that does this job more effectively.

The water clarifier uses two settlers reinforced with sedimentation towers and a highly technical sludge treatment plant. As illustrated this removes the sludge and sends it for processing, while the cleaned water is sent back underground to be used again. This has meant a significant reduction in the amount of water we draw from local rivers and other freshwater sources.

We have also extracted around 1.9g of gold/tonne of recovered sludge, meaning that the water clarifier paid for its initial capital costs within three months of operation.

Other innovative solutions we are pursuing around water management include Loulo mine's $700 000 investment to design and build a constructed wetland to create an ecological method for reducing the levels of nitrates in the discharge water.

This work is helping to ensure that the river upstream and downstream remains a reliable water source for irrigation, fishing, transportation and the communities that live along its banks.



WASTE MANAGEMENT

The gold mining process produces a significant amount of waste. This consists of both hazardous waste, where it is paramount that we leave nothing to chance, and general (non-hazardous) waste where we take proactive steps to ensure safe and environmentally responsible disposal. We have site-specific waste management plans that track the clearance of all substances aligned with national regulation and best practices laid out in IFC Performance Standards.

HAZARDOUS WASTE

Our hazardous waste includes toxic substances such as cyanide, acids, used oil and chemicals. One of the most important parts of our waste management is the handling of cyanide, an issue that has proved one of our highest priority issues in the last two Materiality Assessments.

We introduced a new internal cyanide code in 2013 to ensure we are aligned with international best practice with regard to its production, transportation, storage and use. Actions to implement this policy include regular tests on any water facilities accessible by birds or wildlife (such as tailings storage facilities or solution ponds) to ensure levels of cyanide are below the levels recommended by the IFC and International Cyanide Management Institute (ICMI), annual cyanide audits at each site and increased training and supervision for those transporting cyanide and burning cyanide related waste.

Cyanide code audits were carried out at all our mines in 2015 and all met the compliance levels recommended by ICMI, with the exception of Kibali which dipped slightly below these levels in Q3 of 2015. Steps have been taken to correct this non-compliance and in 2016 we will conduct an independent review of our cyanide processes to see if there are any gaps that need to be closed.

There was one environmental incident related to cyanide in 2015. This occurred at Loulo when a very heavy rainfall (above 70mm) occurred during the servicing of an intensive cyanide leaching unit. The rainfall caused an overflow of the pollution control dam which contained spill from the unit. The contaminated water was however contained within the site and the incident was classified as a Class 2 (medium) incident.

We pay just as close attention to other types of hazardous waste such as battery waste, chemical and solvent waste, fluorescent lighting and hydrocarbons. For example, we hire reputable service providers and trained local businesses (see case study) to dispose of used oil from our sites.

No waste deemed hazardous under the Basel Convention is transported, exported, imported, treated or shipped internationally by Randgold.

NON-HAZARDOUS WASTE

We produced more than 64Mt of waste rock in 2015, our most significant waste product by volume. This waste rock and overburden is stored in rock dumps and we shape and measure the slopes of these dumps to ensure they are safe and in line with international best practice. We also use topsoil indigenous grasses and trees to cover some dumps helping with erosion control and dust levels. At the end of mine life these dumps will be recontoured and vegetated.

Other non-hazardous wastes include scrap metal and organic waste and our levels of general waste also increased in 2015 to over 11 000t. We dispose of each material appropriately and also see waste management as an opportunity to partner with local communities to develop self-sustaining, profit generating waste management companies (see case study). In both DRC and Mali we have also encouraged the creation of local NGOs to recycle and sell scrap metal generated by the mine.

WASTE GENERATED

TONNES	2015	2014	2013
Tailings	**18 497 138**	17 174 516	12 749 069
Waste rock	**64 382 913**	86 209 131	79 546 766
Hazardous	**7 294**	6 313[1]	8 090
General[2]	**11 379**	5 065	5 763

[1] *Restated from last year.*
[2] *Both organic and inorganic.*

Tailings storage facilities

The management of tailings storage facilities (TSFs) has been an issue that commanded media attention in 2015 and we have clear policies and management procedures in place to ensure best practices are implemented for proper construction, operation, maintenance, monitoring and eventual closure of our TSFs.

All our tailing dams are water-retained dams with engineered structures not dry walls, and we minimise volumes to avoid the build-up of pressure on these walls. Our TSFs are also subject to regular checks and reinforcements at all sites and an independent auditor, Epoch Resources, checks the management of these facilities every quarter.

CASE STUDY

LOCAL OIL RECYCLING TURNS WASTE INTO WEALTH

Oil is one of the auxiliary materials that support our mining and processing operations and we endeavour to recycle waste oil wherever possible.

In Côte d'Ivoire, this saw the Tongon mine invite Ivorian company, Nouvelle Lubtech, to treat and condition the waste oil and turn it into new oil ready for reuse.

Based in the Ivorian capital Abidjan, Nouvelle Lubtech removed over 400 000 litres of waste oil from the Tongon site in 2015, transforming around 55% of this into good oil which can be reused. This is the equivalent of creating over 1 350 barrels of new oil.

Tongon also encourages local dealers to collect other waste such as plastic bags and steel drums. In 2015 over 29 000kg of plastic bags were removed to be reused in processes such as manufacturing of cloth washing material, and 38 860kg of steel ball drums were removed by dealers for artisanal activities.

In Mali, we send scrap metals to IMAFER, a local company that recycles these waste materials into construction materials.

BIODIVERSITY MANAGEMENT

Our mines sit within functioning ecosystems that provide us with clean air, fresh water, fertile soil and other natural services vital to our business. So protecting these ecosystems has to be a key part of our job.

We take a dynamic approach to land and biodiversity management through the entire life of a Randgold mine. Biodiversity elements are compiled and integrated into the environmental impact assessments that are required at all of our operations prior to their construction. We then use satellite imagery to monitor changes in vegetation cover over each year of operation and have a policy of constant rehabilitation of flora and fauna while a mine is operational.

Each mine has a biodiversity action plan (BAP) which monitors the implementation of rehabilitation plans so that on closure as much of the original ecosystem is restored as possible. Our BAPs set out details such as which plant and animal species are native to each part of a site. The implementation of plans are evaluated each quarter and reported to the board's environmental and social committee. We also discuss these with local communities.

In 2015 we rehabilitated approximately 20 hectares of land including the planting of over 12 200 trees from local species and the introduction of a pair of gazelles within a protected part of the Morila mine. We also rehabilitated part of the tailings dam wall at Loulo with indigenous plants, donated seedlings to Kenieba Forest in Mali and oversaw the creation of a more detailed database of the wildlife and their terrestrial habitats across each site using studies of animal droppings.

At our Kibali mine in the DRC we recognise that parts of the land cannot be rehabilitated to the optimal level, and therefore have created a biodiversity offset scheme, based on guidance from the International Union for Conservation of Nature (IUCN). This project sees us support vital conservation work at the nearby Garamba National Park (see case study) that in turn enables our Kibali mine to achieve a net biodiversity gain. We believe this project is not only important from a biodiversity point of view – but also in terms of regional development, as it is helping the National Park develop its potential for tourism, in turn diversifying the regional economy and improving security.

None of Randgold's mines is located within the boundaries of any natural World Heritage Sites nor do our mines affect the habitats of any endangered species.

TOTAL LAND REHABILITATED AND DISTURBED

	2015	2014	2013
Total hectares rehabilitated	**20**	16	6
Total hectares disturbed	**53**	682	1 063

CASE STUDY

PROTECTING OUTSTANDING NATURAL VALUE

In the DRC we have been part of an exciting collaboration to form a biodiversity offset project with the Garamba National Park, one of Africa's oldest national parks and a designated UNESCO World Heritage Site that is situated about 100km from Kibali.

Natural World Heritage sites are rightly recognised by the international community for their outstanding universal value. They contain flora and fauna that can be traced back millions of years and we all have a responsibility to conserve and protect that value for the benefit of current and future generations.

We believe this project is not only important from a biodiversity point of view but also in terms of regional development, as it is helping the National Park develop its potential for tourism, in turn diversifying the regional economy and improving security.

Achievements so far

Our work with Garamba entered its second year in 2015. During the course of 2014, our assistance focused on a $240 000 project to monitor elephants using remote collars and aerial surveys. In 2015 the focus was broadened to help track the dwindling Kordofan giraffe population. Garamba's giraffes are the last wild giraffe population in the DRC and are in extreme danger due to poaching.

The giraffe population was thought to number around 350 in 1976 and is now estimated, shockingly, to be down to just 30 animals. Without action it is likely that they will follow the sad path of the northern white rhino and become extinct in this part of Africa. This in turn could threaten Garamba's existence, as one of the reasons it was declared a natural World Heritage Site in 1980 was due to this giraffe population.

Kibali has helped fund a dedicated giraffe team to monitor the movements and behaviour of the giraffe daily in the field and to use radio frequency identification (RFID) tags on some giraffes to assist in locating the animals as well as to record movement data. Our partners at Garamba supply outcomes such as monthly data against a giraffe protection plan, records of community activities (including park visits and environmental education lessons) and accounts of the park's contribution to the local economy.

In total, funding for these projects has totalled almost $250 000 in 2015, bringing our total support for Garamba to almost half a million dollars. In addition to all the practical benefits of this investment, we are pleased to report that our continued support has provided a significant confidence boost to the rangers on the ground.

Randgold's partnership with Garamba National Park is helping to protect the critically endangered giraffe population.

PLANS AND PRIORITIES FOR 2016

Much of our environmental management focus in 2016 will be on the continued installation of more power efficiency measures and clean energy.

At Kibali the construction of two new hydropower stations will be underway, at Loulo we will start plans to install medium voltage reticulation for more efficient generation and at Morila we will explore the possibility of connecting the site to a West African grid.

Alongside the World Bank, we are also exploring the potential for developing a large power generation capacity for the mines and communities in the remote West African region (eg solar and grid), and will continue to reinforce energy saving awareness and initiatives on the different sites.

We are reviewing our water footprint and will implement measures to improve our water management and bring total recycled water rates back up to 85%. This will include the installation of a second water clarifier at our Kibali mine in DRC. In 2016 we will also reinforce our cyanide management by independently reviewing all information and ensuring we close any gaps that are identified.

Other initiatives planned for 2016 include the construction of a $700 000 wetland at Loulo to provide an ecological means of removing nitrate effluents from water discharge.

As part of our biodiversity action plan at Kibali, we are also hoping to bring some larger wildlife species to the site from the Garamba National Park, including white rhino, buffalo and water buck. This will be part of the creation of a new conservation area within the permit. While, in Mali our Loulo, Morila and Gounkoto mines will be exploring the opportunity to aid in the protection of Mali's elephant communities.

APPENDIX: MATERIALITY ASSESSMENT PURPOSE AND METHODOLOGY

Randgold's materiality assessment process (see earlier chapter on 'governance of sustainability) serves three distinct purposes. It helps us to prioritise sustainability reporting topics, informs our risk management and strategic planning and it helps us engage with stakeholders to understand their concerns and requirements.

We use the Global Reporting Initiative's (GRI) definition of materiality in the context of a sustainability report which is information that, *'Reflects the organisation's significant economic, environmental, and social impacts or substantively influence the assessments and decisions of stakeholders'.*

Our Materiality Assessment was instigated in line with guidance set out by the GRI G4 guidelines and helped shape this report to be In Accordance – Core with the GRI G4 standard.

Methodology

For the 2015 report, we undertook a formal materiality analysis with internal and external stakeholders. The process included:

- **Identification phase** – Our sustainability team, working with the support of external consultants, drafted a long list of 42 potential sustainability issues that could be deemed material to our business both inside and outside the boundaries of our mines. These issues were selected from those listed in the GRI G4 Metals and mining supplement, based on our own experience and a review of extractives sustainability issues in the media over the last year. Both internal and external stakeholders were asked to score the potential impact to Randgold's business of each of these issues.
- **Prioritisation phase** – The long list survey was sent to internal and external stakeholders including representatives of each of our eight stakeholder groups (with the exception of the media), and we received 47 responses. For investors, we approached our 10 largest shareholders. Internal stakeholders included heads of relevant departments and the members of the executive management team.
- **Validation phase** – A contextual analysis and aggregation of findings was produced and agreed internally by Randgold senior management to ensure it provided balanced coverage of the company's most material issues wherever they occur in the value chain.
- **Identifying our priority issues** – In order to draw a threshold for our reporting, we set boundaries to identify our highest priority and medium priority issues. We define highest priority issues as being the top three issues of internal and external stakeholders and the issues that appear in both internal and external stakeholders' top 10 most important issues. Medium priority issues are defined as those appearing in the top third of either internal or external stakeholder lists.

DIRECTORS' REPORTS

CORPORATE GOVERNANCE REPORT

"The board believes that a strong system of governance throughout the company is essential and that this aids effective decision making and supports the company's strategic objectives."

Christopher Coleman
CHAIRMAN

Dear shareholders

I am pleased to set out the company's corporate governance report for 2015.

The board believes that a strong system of governance throughout the company is essential in ensuring the business runs smoothly. A good governance framework aids effective decision making and supports the achievement of the company's objectives and strategy for the benefit of shareholders and stakeholders alike.

BOARD EVALUATION & IMPROVEMENT

The board continuously reviews how it can improve and develop. At this year's formal board and director evaluation review, which I chaired, the directors analysed their own performance and the performance and effectiveness of the board and its committees. As well as looking at the balance of skills, experience, independence and knowledge of the board, we also focused on scenario planning surrounding key risks and the company's strategy.

AUDIT COMMITTEE

The audit committee ensures the company's risk management procedures are kept under review and provides oversight of the company's financial controls and financial reporting. This is highlighted further on page 171 of this annual report.

REMUNERATION COMMITTEE

The remuneration committee's primary areas of focus were to review the executive directors' base salaries and share incentive schemes, to ensure appropriate pay for performance and to review the performance measures to ensure these remained appropriate. The remuneration report is set out on page 188 of this annual report.

GOVERNANCE & NOMINATION COMMITTEE

The governance & nomination committee continued to focus on board succession and for the fourth successive year the board appointed a new director. In March 2015 Safiatou Ba N'Daw joined the company as a non-executive director. The governance & nomination committee report is set out on page 215 of this annual report.

During the year Karl Voltaire stepped down as chairman of the audit committee, and Norb Cole Jr stepped down as chairman of the remuneration committee. Both have remained members of those committees during the year as part of the company's succession planning. Karl Voltaire is to retire from the board following the AGM in May 2016 after 10 years as a non-executive director. Norb Cole Jr intends to retire from the board in November 2016, also after 10 years as a non-executive director. We owe both Karl and Norb a huge debt of gratitude for the considerable contribution they have made to the company over those years.

Randgold Resources is committed to good governance not only at board level but throughout the company and the enclosed report sets out the details of the company's approach to corporate governance.

GOVERNANCE AT RANDGOLD

Randgold Resources Limited is incorporated in Jersey, Channel Islands. The company complies with the United Kingdom's Corporate Governance Code.

> The company has been in compliance with the UK Corporate Governance Code published in September 2014 throughout the year ended 31 December 2015 and up to the date of this annual report. The Code can be viewed on the website of the United Kingdom's Financial Reporting Council, at ***www.frc.org.uk***, and also on the company's website ***www.randgoldresources.com.***

The UK Corporate Governance Code published in September 2014 (the Code) sets out key corporate governance recommendations for companies, like Randgold, that have a premium listing of their equity shares on the main market of the London Stock Exchange. It consists of broad principles and specific provisions of good governance in the following areas: relations with shareholders; remuneration; leadership; effectiveness; and accountability.

This corporate governance report is arranged around those main principles and, together with the audit committee report (on pages 171 to 187 of this annual report), the remuneration report (on pages 188 to 214) and the governance & nomination committee report (on pages 215 to 219), sets out how the company has applied the main principles of the Code during 2015.

RELATIONS WITH SHAREHOLDERS

Dialogue with our shareholders

The board is responsible for maintaining an effective dialogue with shareholders and for ensuring that its members develop an understanding of the views of the company's major shareholders. To assist with this, the CEO, the corporate communications manager and the company's investor relations consultants prepare a quarterly report for the board, detailing the activities and presentations given to shareholders. The company also employs international market intelligence experts to provide a global shareholder identification service which enhances the board's understanding of the company's shareholder base.

While general corporate communication with shareholders is conducted by the CEO and the CFO, the chairman and other non-executive directors participate in dialogue with shareholders and other stakeholders throughout the year. The company's investor relations team also responded to a wide range of shareholder queries throughout the year.

At the market presentations of the company's quarterly results, the CEO, CFO and members of the executive team make themselves available to meet with shareholders and other stakeholders before and after each presentation. Additionally, the CEO hosts a conference call each quarter, which affords an opportunity for interested shareholders, stakeholders and international media to engage directly with the CEO and the CFO when the company's quarterly results are announced.

Members of the remuneration committee hold annual meetings with the company's major shareholders and voting guidance agencies where the company's remuneration policies are discussed. Issues and observations raised at those meetings are then considered by the remuneration committee and reported to the board. In 2015 members of the remuneration committee held meetings with shareholders and voting guidance agencies in Boston, New York and London.

During their visit to the Tongon gold mine in January 2015, the full board had the opportunity to interact with shareholders and fund managers who were also visiting the site at the time. In February 2015, the chairman, together with one of the non-executive directors, attended the Mining Indaba Conference in Cape Town, South Africa, where they had an opportunity to interact with various investors, fund managers and members of our host country governments.

INVESTOR ROADSHOWS

It is the company's policy that at least every second year a series of roadshows is conducted by the CEO, CFO and various members of the executive team, during which the company's major institutional shareholders are briefed on the company's activities. Shareholders and fund managers at those investor meetings are encouraged to interact with the executive management team. The company held investor days in New York, Toronto and London during 2014 and, in light of their success and positive feedback, will hold further such investor days in 2016.

MINING CONFERENCES

During 2015, the CEO and other members of the executive team also attended the following international mining conferences and investor forums, where they met with shareholders and other stakeholders.

MINING CONFERENCES ATTENDED IN 2015

See overleaf for details

MINING CONFERENCES ATTENDED IN 2015

1	Mining Indaba, Cape Town, South Africa
2	Mine Africa, London, United Kingdom
3	Mines and Money, London, United Kingdom
4	Denver Gold Forum, Denver, United States
5	BMO Global Metals and Mining Conference, Hollywood, Florida, United States
6	Infrastructure Partnerships for African Development, Kinshasa, Democratic Republic of Congo
7	Prospectus and Developers Association of Canada, Toronto, Canada
8	BOAML Global Metals, Mining and Steel Conference, Barcelona, Spain
9	RBC Gold Conference, London, United Kingdom

ANNUAL GENERAL MEETING

The board welcomes shareholders' attendance and participation at the annual general meeting (AGM). At the AGM all resolutions put to the meeting are decided on a poll, which the board believes is a more equitable method of voting, enabling voting to be more reflective of the company's shareholder base. The number of proxies received is disclosed to shareholders in attendance at each AGM.

At the 2015 AGM, the chairman and all other directors were present and available to address queries raised by shareholders. Results of the AGM are published on the day of the meeting to inform shareholders not present of the results of the voting. The company welcomes the increasing trend of institutional shareholders exercising their rights to vote at the AGM. At the 2015 AGM all the resolutions were passed by shareholders. The percentage of votes cast in favour of each resolution ranged from 97.90% to 99.99%.

The 2016 AGM will be held at The Royal Yacht Hotel, Weighbridge, St Helier, Jersey, on Tuesday 3 May 2016 at 9:00 am. The notice of meeting sets out the resolutions which shareholders will be able to vote on. A copy of the notice of meeting is available on the company's website at ***www.randgoldresources.com.***

As noted in the chairman's statement on page 8 of this annual report, the board has recommended that shareholders approve at the AGM a dividend of $0.66 per share, which is a 10 per cent increase from last year.

REMUNERATION

The board has established a remuneration committee which is responsible for determining and agreeing the company's remuneration policy with the board. The company's remuneration policy is designed to deliver sustainable shareholder value by attracting and retaining high calibre directors and employees. The remuneration policy applies to the remuneration of the chairman, the executive directors, the non-executive directors and the senior management of the company. The remuneration committee regularly reviews directors' and senior management's remuneration. No director participates in the determination of or in any resolution on his or her own remuneration.

For further details of the company's remuneration policies and practices, and the remuneration paid to the directors, please refer to the remuneration report on pages 188 to 214 of this annual report.

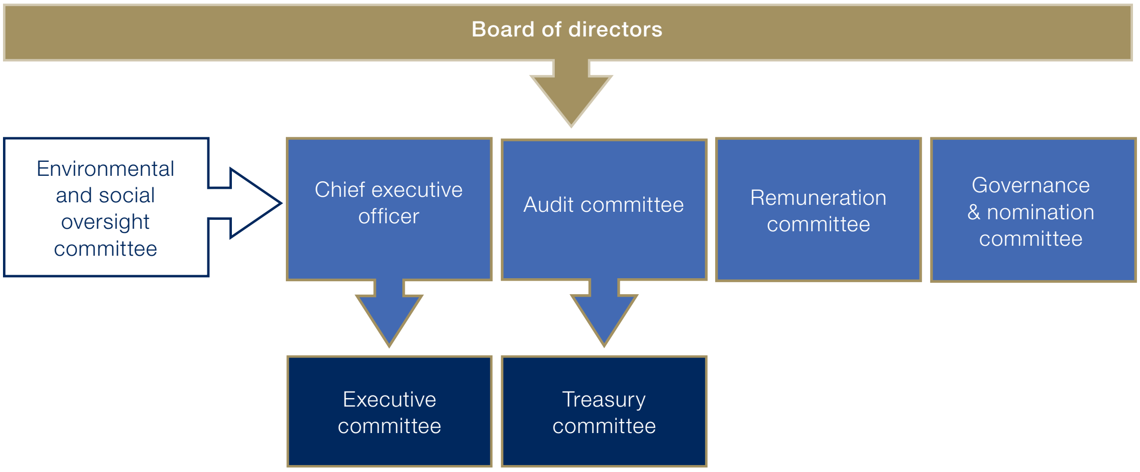
LEADERSHIP

The role of the board

The role of the board is to organise and direct the affairs of the company in a manner that seeks to maximise the value of the company for the benefit of its shareholders as a whole, while complying with relevant regulatory requirements, the company's articles of association, and relevant international corporate governance standards applicable to the company. The board guides the strategic development of the company and supports the principle of collective responsibility for its success.

The board determines the company's objectives, culture and strategy and then ensures that the necessary financial and human resources are in place to allow those objectives to be achieved and that the necessary corporate and management structures are in place for the strategy to be implemented.

RANDGOLD RESOURCES GOVERNANCE FRAMEWORK



Board membership

The board currently comprises ten members, two executive and eight non-executive directors.

The board acknowledges that for Randgold to continue to be a successful gold mining company, it must be led by an effective board, with appropriate skills, experience, independence and knowledge of the activities of the company, its environment and its industry. As detailed below, all of the non-executive directors are considered to be independent both in terms of character and judgement. The board also considers all of the company's directors have the necessary balance of skills, experience and knowledge to discharge their duties as directors of the company pursuant to the terms of the Code. The board keeps the optimal balance of skills and experience under constant review, as well as ensuring there is diversity, including gender and nationality, among its members.

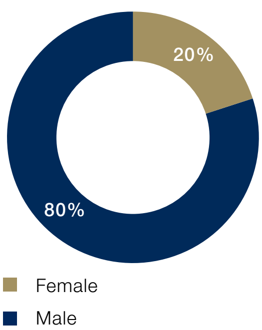
The governance & nomination committee is charged by the board to identify suitable candidates to fulfil the role of director of the company. On 1 March 2015, following a selection process led by the governance & nomination committee and following that committee's recommendation, the board appointed Mrs Ba-N'Daw to the board as a non-executive director. The board determined that Mrs Ba-N'Daw's skills and experience, as detailed in her biography on page 19 of this annual report, would be advantageous to the role of non-executive director on the company's board and that her appointment would be beneficial to the company.

The governance & nomination committee considers potential candidates for appointment to the company's board who maintain the highest standards of corporate governance and have sufficient time to commit to the role, including the time to attend site visits at the company's operations. The committee considers potential candidates who possess the expertise to help develop the strategy of a major international mining company along with the ability to debate issues and provide constructive challenge. While not intended to be a comprehensive list, potential candidates should also demonstrate the attributes set out below:

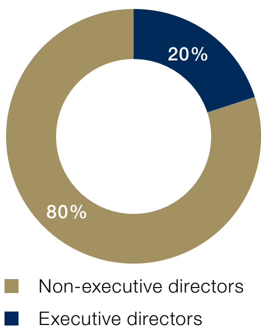
DIRECTOR PROFILE

- Honesty and integrity
- Strong independent perspective
- Sound judgement
- Ability to share a cohesive vision of the company's strategy
- International business experience
- Regulatory and government policy experience
- Understanding the countries and the industry in which the company operates

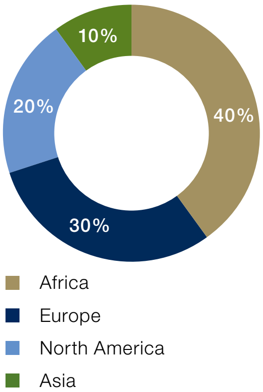
GENDER SPLIT OF DIRECTORS



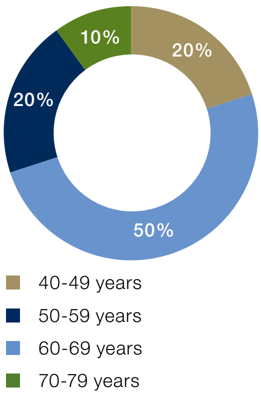
BALANCE OF EXECUTIVE AND NON-EXECUTIVE DIRECTORS



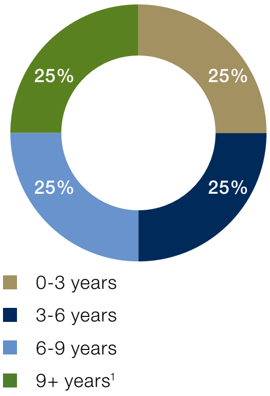
NATIONALITY OF DIRECTORS



BOARD OF DIRECTORS AGES



LENGTH OF TENURE OF NON-EXECUTIVE DIRECTORS



[1] *Dr Voltaire will retire from the board with effect from the end of the annual general meeting on 3 May 2016. Mr Cole Jr will retire from the board in November 2016.*

Chairman

The chairman is Christopher Coleman, who was appointed to the board in November 2008 and as chairman in May 2014. The chairman leads the board, including chairing the formal board meetings, and ensures sufficient time is devoted to its discussions.

The chairman is also responsible for ensuring effective communication between the executive and non-executive directors. He, in conjunction with the company secretary and the CEO, sets the agenda for each board meeting and makes certain that sufficient time is allocated for discussion, including discussion of key strategic and operational issues. Mr Coleman's skills and experience are detailed in his biography on page 18 of this annual report.

Senior independent director

Norb Cole Jr is the senior independent director of the company, a role in which he has served since May 2009. Mr Cole Jr makes himself available to discuss any concerns shareholders may have which cannot be raised with the chairman or the CEO. The senior independent director also acts as a sounding board for the chairman and the CEO. Mr Cole Jr's skills and experience are detailed in his biography on page 18 of this annual report. The board is currently considering succession plans for the role of senior independent director given Mr Cole Jr's intention to retire from the board in November 2016.

Chief executive officer (CEO)

Mark Bristow is the chief executive officer.

The CEO has delegated authority from the board to manage the day to day administration of the company and to take decisions and actions which create sustainable shareholder value. The CEO's role and duties are detailed in the board charter. The board charter sets out those powers which are reserved solely for the board's discretion and consideration, while listing separately those issues for which the chairman and the CEO are respectively accountable. The CEO remains accountable to the board and for the performance of the company. During the year, the CEO escalated certain matters to the board which required, under the board charter, deliberation by the board.

The CEO has established an executive committee to support him in managing the company's business. The executive committee consists of the CEO, who chairs the executive committee meetings, the CFO and the senior managers. The executive committee is an effective management tool as it allows senior management to debate on a weekly basis the company's business and operations together with any other issues that may arise. The executive committee has also proved a vital forum for sharing information concerning the company among the management team. When the need arises, the executive committee establishes sub-committees to deal with a specific scope of work, which are then tasked with reporting back to the executive committee.

In addition, the CEO chairs the company's environmental and social oversight committee, details of which can be found in the sustainability report on pages 96 to 157 of this annual report.

Biographical details of the senior managers who participate in the executive committee are set out on pages 20 and 21. Dr Bristow's skills and experience are set out in his biography on page 18 of this annual report.

Company secretary

The company secretary is Martin Welsh. He is secretary to the board and its committees, and reports to the chairman and the CEO on corporate governance matters. The company secretary ensures there is an effective flow of information between the board, its committees and the management of the company. The company secretary is also responsible for ensuring statutory and regulatory compliance and that decisions of the board and its committees are carried out. Mr Welsh's biography is set out on page 21 of this annual report.

The board's responsibilities

The board's responsibilities are set out in its board charter which is available on the company's website ***www.randgoldresources.com***. These responsibilities cover a wide range of corporate governance matters. The board has reserved certain matters to itself for decision and delegated other matters to the board's audit, remuneration and governance & nomination committees. As referred to above, the board has also delegated authority for other matters to the CEO.

A summary of the key matters which the board has expressly reserved for its approval are set out in the table below:

BOARD RESERVED MATTERS

Strategy

- Company objectives, strategy and structure

Risk

- Approving procedures for the detection of fraud and the prevention of bribery
- Internal controls, and risk management
- Fiscal policies including treasury and hedging policies
- Approval of risk strategy, appetite and tolerance and approval of all financial, legal, social, environmental and ethical controls of the company

Performance

- Allocation of capital, operating and capital expenditure budgets
- Financial reporting
- Significant mergers and acquisitions and other material transactions; approval of all significant mining developments

Succession planning

- Appointment and removal of the chairman, CEO, CFO, non-executive directors, and company secretary, and approval of their roles and responsibilities, and succession planning

Finance

- Dividends, dividend policy, changes to capital and the listing or de-listing of securities including debt instruments
- Approval of any significant change in the accounting policies and practices

The board has the authority to amend the matters which are reserved for its decision, subject to the company's articles of association and to the law and regulations applicable to the company.

The board keeps its board charter under regular review. During the year the board's charter was reviewed by the board, in particular at the board meeting in August 2015 when certain minor changes were made, together with other amendments to reflect changes to the Code. The board also reviewed the board charter at its February 2016 board meeting and determined that no amendments were required.

The board is of the view that the composition and structure of the board, in conjunction with the activities of its committees, are sufficient to allow it to effectively assess the performance of management in achieving the set goals and objectives.

Board culture

The company's directors provide a wide variety of skills, experience and knowledge to the board. Biographical details of the company's board of directors are given on pages 18 and 19 of this annual report. This mix of skills allows for a balanced perspective to be provided on the company's business and its strategy, and ensures the company's entrepreneurial approach to business is maintained.

An atmosphere of open, constructive debate exists at the company's board meetings, allowing directors to engage with executive management on key aspects of policy and performance. The chairman encourages all directors to participate in the board's discussions and debates, thereby fostering a collegiate and collaborative approach which underpins the board's decision making processes.

Maintaining the company's culture and strategy and having alignment throughout the company is a key priority for the board. To achieve this, a number of strategy meetings involving the company's senior management, and separate meetings with mine management, take place throughout the year, with each meeting regarded as an opportunity to affirm and develop the company's strategy. All aspects of the company's business are discussed at its strategy meetings, which typically last for several days. During the strategy meetings in 2015 the following areas, among others, were considered:

2015 STRATEGY MEETINGS

- Company performance and strategy
- Company's values
- Scenario planning
- Developing the company's employees

Board attendance

The company requires all directors to attend its board meetings wherever possible in person or by conference call, and to devote sufficient time to discharge their duties effectively. The directors' attendance at the company's board meetings in 2015 are shown in the following table:

BOARD ATTENDANCE

DIRECTOR	Number of meetings eligible to attend	Attended
CL Coleman	7	7
DM Bristow	7	7
GP Shuttleworth	7	7
NP Cole Jr	7	7
S Ba-N'Daw[1]	5	5
K Dagdelen	7	7
J Kassum	7	7
J Mabunda Lioko[2]	7	6
AJ Quinn	7	7
K Voltaire	7	7

[1] *Mrs Ba-N'Daw was appointed to the board on 1 March 2015.*
[2] *Mrs Mabunda Lioko was unable to attend one meeting of the board which was organised at short notice, due to a prior commitment.*

Where a director is unable to attend a board meeting, the chairman will ensure the director receives the papers in advance and he will seek to canvas that director's views prior to the meeting in order for all directors' opinions to be considered at the meeting.

During 2015, seven board meetings were held. Four were scheduled quarterly board meetings and three were called in relation to specific events. Quarterly board meetings typically take place over a two day period, with the first day allocated to the board committee meetings and the second day allocated to the board meeting. The intervening evening allows the board members to engage in informal discussions among themselves on the activities of the company and the group's strategy.

The chairman and the non-executive directors met several times during the year in the absence of the executive directors. The non-executive directors find these sessions useful in supporting their assessment and management of the internal controls, and it is their intention to have further sessions without the executive directors being present over the course of 2016. A meeting of the non-executive directors, chaired by the senior independent director, was also held to appraise the chairman's performance.

Reappointment

In accordance with the Code, all the directors have offered themselves for re-election at the AGM, other than Dr Voltaire who will retire as a director of the company following the AGM. In accordance with the company's articles of association, a director may be removed from office by the board or by shareholders. In addition the articles of association require any newly appointed director to stand for election by shareholders after his/her appointment by the board.

Board committees

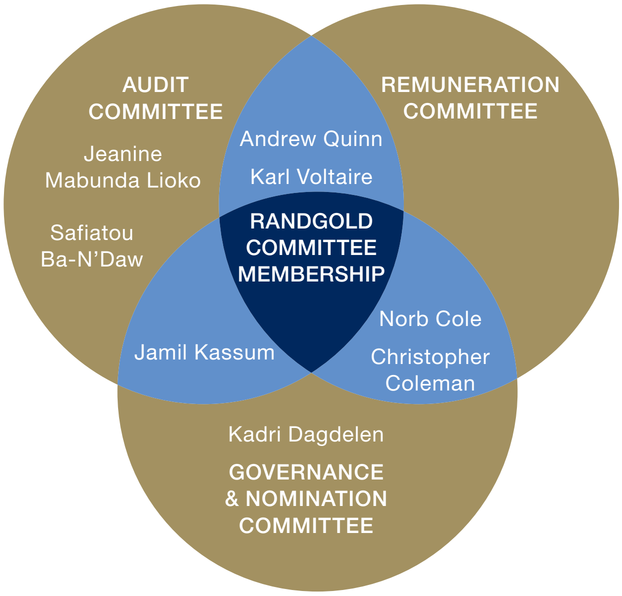
In order to facilitate its supervision of the company and to effectively assess the performance of management in achieving set goals and objectives, the board has established three board committees:

the audit committee, the remuneration committee and the governance & nomination committee, and has delegated certain powers to each. Details of the terms of reference of each committee and the members of each committee are available on the company's website ***www.randgoldresources.com***. The members of the committees are set out in the diagram below and in the respective committee reports in this annual report.

The board ensures that each of its committees has sufficient resources to fulfil its responsibilities. The board and each committee also have the ability to rely on the services of the company secretary, and to seek other professional advice should it choose. Each committee reports to the board after its meetings through the committee chairman and through the circulation of meeting minutes and written resolutions.

All committee members may attend a committee meeting and the chairman of a committee may invite others to attend. No executive director is a member of any of the board's committees.

MEMBERSHIP OF THE BOARD'S COMMITTEES



Succession planning

Ensuring effective succession plans are in place, taking into account the company's strategic plans, is a key responsibility for the board. The company's succession planning is integral to its strategic plans. The board, in conjunction with the governance & nomination committee, regularly reviews the company's succession plans which involve not only board members but also senior management. In particular, the board has succession plans in place for the chairman, CEO, CFO and for senior management. The board is currently considering the succession plans for senior independent director, given Mr Cole Jr's intention to retire from the board in November 2016.

EFFECTIVENESS

Directors' independence

The board considers that all the non-executive directors are independent and that the chairman was independent on appointment.

Having given the matter careful consideration, the board is satisfied that both Dr Voltaire and Mr Cole Jr remain independent in character and judgement, notwithstanding that the tenth anniversary of their appointment to the board will fall in May 2016, shortly before the 2016 AGM which is to be held on 3 May 2016. The board believes that both Dr Voltaire and Mr Cole Jr continue to act independently in the best interests of the company. In determining its view the board considered Mr Cole Jr's position as a non-executive director of Papa John's International Inc, the NASDAQ listed company of which Christopher Coleman is also a non-executive director, and concluded that Mr Cole Jr's independence is not affected by this position.

As indicated in last year's annual report and as announced by the company in February 2016, Dr Voltaire will retire from the board with effect from the end of the 2016 AGM. During the year Dr Voltaire stepped down as chairman of the audit committee and was replaced by Mr Kassum.

With respect to Mr Cole Jr, the board is of the view that he continues to make a valuable contribution through his role as senior independent director as well as to the work of the board more broadly. Mr Cole Jr's international business experience adds significantly to the skills and expertise of the board. As indicated in last year's annual report, Mr Cole Jr intends to retire from the board in November 2016. He intends to remain in office until then in order to maintain continuity, ensure a smooth handover of board and committee experience and knowledge, and help to integrate more recently appointed non-executive directors. During the year Mr Cole Jr stepped down as chairman of the remuneration committee but remains a member of the committee. Mr Quinn replaced Mr Cole Jr as chairman of the remuneration committee.

The board continually evaluates its composition, the independence of its members, and its succession plans to ensure board members continue to bring objectivity and independent judgment to their roles and that a plan is in place for their succession.

Managing conflicts of interests

The directors have a duty to avoid conflicts of interests. Where conflicts arise the company's articles of association require directors to notify the company. All potential conflicts of interest are recorded by the company secretary in accordance with the Companies (Jersey) Law 1991 and are reviewed by the non-conflicted directors at each quarterly board meeting. The directors have a continuing responsibility to inform the board of any changes to their appointments. Before being appointed to the board the interests of potential candidates are considered by the governance & nomination committee in the first instance and then by the board in order for any potential conflicts to be identified and addressed. The board's procedure to regularly review conflicts of interest as they arise operated effectively in 2015. No current director, whether executive or non-executive, is a director of another FTSE 100 company. However as can be seen on page 18 of this annual report, Messrs Cole Jr and Coleman are also non-executive directors of Papa John's International Inc, and Dr Bristow is a non-executive director and chairman of Rockwell Diamonds Inc, the Johannesburg Stock Exchange and Toronto Stock Exchange listed company.

As at the date of this annual report there are no interests that have been disclosed that are considered to impinge on a director's independence.

The company's articles of association are available at the company's website ***www.randgoldresources.com***.

Director induction and development

The board believes in the continuous training and development of its members. The chairman ensures that upon appointment each director undertakes a comprehensive programme of induction which is developed by the company secretary in conjunction with the company's legal and financial advisors. Induction materials are also made available to each new director. The chairman encourages each existing director to attend further training to ensure their skills remain effective. The board is also provided with training on an ad hoc basis in consultation with the chairman and the company secretary to keep abreast of topical corporate governance issues. Additionally, throughout the year, the company secretary furnishes the board with information on corporate governance procedures and practice.

In 2015 the board attended a workshop on the duties and responsibilities of directors of a listed company, and an industry update on US securities law and the US Foreign Corrupt Practices Act. The workshop was developed by the company secretary in conjunction with the governance & nomination committee and was hosted by the company's legal advisors. Members of the audit committee also attended a workshop on the trends in audit committee reporting, extractive industry reporting and governance, organised by the company's auditors.

Also in 2015, the board visited the Tongon gold mine where its first board meeting of the year was held. It is the company's policy that the board visits at least one of the company's operations each year. While at the Tongon gold mine the board attended tours of the mine and the processing plant, and the directors had an opportunity to discuss the mine's progress, and its social programmes with senior management, employees and local stakeholders. The board derives considerable value from engagement with the operational management teams and from the presentations provided by management which further board members' knowledge and develop their understanding of day-to-day operational challenges.

In addition each board committee makes its agenda and discussion papers available to the full board (rather than limiting those materials to committee members). This allows all board members to be aware of the work of each committee. All directors receive a copy of the committees' minutes and the resolutions passed by a board committee, at the board's subsequent meeting.

As in previous years, Dr Dagdelen has worked with the company's mining, exploration and mineral resources departments to facilitate mine optimisation and geological knowledge as well as providing mining induction training to newly appointed directors of the company.

Board evaluation

In accordance with the Code the board's effectiveness is evaluated annually and every third year an independent evaluation is conducted by an external facilitator. The board, led by the chairman, evaluated its performance for 2015 and also the performance of the chairman and the board's committees. Each director completed a detailed questionnaire concerning the operation of the board and the committees, followed by a round table discussion on the questionnaires' results and individual performance of each board member. The review of the performance of the chairman was led by the senior independent director and this concluded that the chairman continues to perform at a high level and provides the necessary leadership to the board to allow it to function effectively. During the year the remuneration committee was provided with a written appraisal of the CEO's and the CFO's strategic outputs performance.

As well as looking at the balance of skills, experience, independence and knowledge of the board, the evaluation review also focused on scenario planning surrounding political risk, volatility of input costs and commodity prices from which the company's future strategies were debated.

Following its evaluation the board determined that no areas of weakness in any individual director's performance were identified. The board will continue with its succession planning for board members and senior management, and also continue its review of the board's balance of skills and experience.

The board undertook an evaluation conducted by an external facilitator in 2014, as detailed in the 2014 annual report, and intends to undertake a further evaluation with an external facilitator in respect of its 2017 financial year end.

SUMMARY OF MAIN ACTIVITIES OF THE BOARD 2015

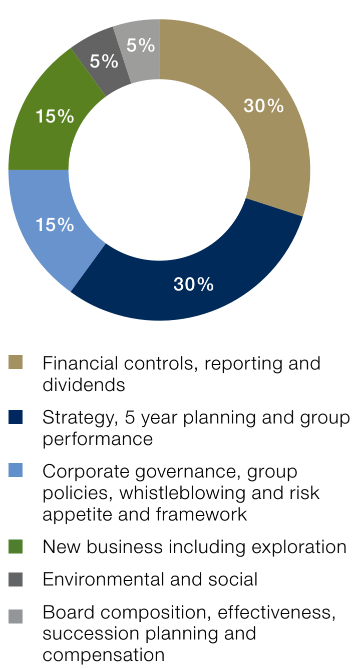
MONTH	Summary of main activities of the board in 2015
January	■ Considered a potential investment into the Obuasi gold mine, Ghana
February	■ Reviewed the results for the year ended 31 December 2014 and the preliminary announcement ■ Reviewed the performance of the operations ■ Approved the 2014 final dividend ■ Approved the 2015 budget and considered the 5 year business plan ■ Approved changes to the board's committees ■ Reviewed and approved the treasury policy ■ Considered the performance metrics for the executive directors' remuneration and share incentive arrangements ■ Confirmed the 1 year remuneration policy ■ Set the location and meeting time for the 2015 annual general meeting ■ Approved the company's country ranking ■ Reviewed and approved the company's board charter and board committees' terms of reference ■ Considered the quarterly litigation and arbitration report ■ Evaluated the effectiveness of the board and the board's committees
March (early)	■ Appointed Mrs Ba-N'Daw to the board
March (mid)	■ Approved the audited results for the year ended 31 December 2014 and the 2014 annual report and financial statements ■ Approved the notice of meeting for the annual general meeting ■ Approved the annual resources and reserves declaration
March (late)	■ Approved the audited annual report on Form 20-F
May	■ Reviewed the quarter 1, 2015 results and approved the corresponding announcement ■ Reviewed the performance of the operations ■ Considered the 5 year business plan ■ Approved the allotment of shares in relation to the scrip dividend scheme ■ Approved the allotment and issue of shares to the non-executive directors ■ Declared and paid the 2014 final dividend ■ Approved executive directors' performance metrics for the remuneration and share incentive arrangements ■ Considered the quarterly litigation and arbitration report
August	■ Reviewed the quarter 2, 2015 results and approved the corresponding announcement ■ Reviewed the performance of the operations ■ Considered the 5 year business plan ■ Approved the company's country report ■ Considered the share incentive arrangements for employees ■ Considered a potential joint venture transaction involving the Obuasi gold mine, Ghana ■ Approved the treasury policy ■ Considered the quarterly litigation and arbitration report ■ Reviewed the board charter
September	■ Approved documents in relation to the Obuasi gold mine, Ghana, transaction
November	■ Reviewed the quarter 3, 2015 results and approved the corresponding announcement ■ Reviewed the performance of the operations ■ Considered the 5 year business plan ■ Considered the share incentive arrangements for employees ■ Considered the quarterly litigation and arbitration report
December (early)	■ Considered the Obuasi gold mine, Ghana, transaction ■ Considered the status of the group's arbitration disputes
December (late)	■ Special committee of the board approved the termination of the Obuasi gold mine, Ghana, transaction

At each quarterly board meeting, the minutes and/or resolutions of the previous meetings are reviewed and approved by the board. The board also reviews minutes of the previous meetings of the three board committees. An agenda for each board meeting is prepared in advance which is reviewed by the chairman and the CEO. The company secretary then prepares a detailed briefing pack of documents which cover the operations and business of the company and includes reports from each mine, major project and other activities, along with sections covering health and safety, financial, legal, technical, human resources, treasury, tax, environmental, sustainability and investor relations activities.

In 2015, all of the board's meetings were held in Jersey, Channel Islands other than the February quarterly board meeting which was held at the Tongon gold mine, Côte d'Ivoire.

At the board's February 2016 meeting, which was held at the Kibali gold mine, Democratic Republic of Congo, the board approved the form of the notice for the annual general meeting and the form of directors' reports for the 2015 annual report. The board also recommended that shareholders approve a final dividend to shareholders of $0.66 per share, a 10 per cent increase from last year.

ALLOCATION OF BOARD TIME



ACCOUNTABILITY

The board has overall responsibility for setting and managing the company's risk management and financial controls. Throughout the year under review the board monitored the group's risk management and financial control systems and reviewed their effectiveness in accordance with the Code. Following that review the board confirms that it is satisfied that risk management and internal controls remain effective and up-to-date, and that the company is meeting the required standards. Further details of the company's risk management and financial control systems are set out in the audit committee report on page 171 of this annual report.

In formulating this view the board considered the regular audit reports from the head of internal audit, the company's compliance with the US Sarbanes-Oxley Act and the effectiveness of the internal control system. Additionally, the board, relying on the detailed assessments undertaken by the audit committee, scrutinised reports from the external auditor and its comments on control matters, significant risks and corporate governance matters. In 2015, as part of its regular review, the board also considered the risks facing the business and their appropriateness for inclusion in the company's risk register, the process of identifying risk, and the group's appetite for risk.

The audit committee assists the board in determining the effectiveness of the company's financial controls and the effectiveness of the internal and external auditors. The responsibilities and activities of the audit committee are set out in the audit committee report on pages 171 to 187 of this annual report.

On behalf of the board of directors

Christopher Coleman

Christopher Coleman
Chairman
Randgold Resources Limited

VIABILITY STATEMENT

VIABILITY STATEMENT

In accordance with provision C.2.2 of the UK Corporate Governance Code published in September 2014 (Code), the directors have assessed the viability of the group and have selected a period of five years for this assessment. While the group maintains a full business model based predominantly on the life of mine plans for each of its significant business units, the group also operates a detailed rolling five year strategic plan which is scrutinised by the board on a quarterly basis.

The plan is used as the basis to undertake the viability assessment on an annual basis. The assessment conducted considered the group's operating profit, revenue, EBITDA, cash flows, capital investment requirements, dividend cover and other relevant key financial assumptions over the five year period. These metrics were subjected to downside stress and sensitivity analysis over the assessment period, taking account of the group's current position, the group's experience of managing adverse conditions in the past and the impact of a number of severe yet plausible scenarios, based on the principal risks and uncertainties set out on pages 181 to 184 of this annual report. Although the review considered all the principal risks identified by the group, the following were focused on for enhanced stress testing: gold price, production profile, recovered grade, capital investment, exchange rate, oil price, other mining costs, health and safety, and political environment. The stress testing considered the principal risks assessed both individually and in combination.

The chairman's statement, the chief executive's review, finance review, along with the key performance indicators on pages 8, 12, 22 and 4 and 5 respectively of this annual report, set out details of the group's financial performance, operational performance, capital management, business environment and outlook.

The group's business model has proven to be strong and defensive in the long term and the group has consistently demonstrated its ability to manage costs whilst retaining solid capital investment in future operations during challenging market conditions. During 2015 cash generated from operations was \$397.0 million and for the past five years the cash generated from operations has never been less than \$317.6 million per annum and has averaged \$451.6 million with a peak of \$582.0 million in 2011. Cash and cash equivalents at 31 December 2015 were \$213.4 million and the group has access to an unsecured revolving credit facility of \$400.0 million which matures in December 2018 and at the date of this annual report remained undrawn.

During 2015 cash costs per ounce were \$679/oz and from 2011 the cash cost per ounce has never been more than \$735/oz and has averaged \$701/oz.

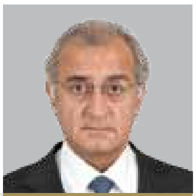
The group operates in dynamic geographical markets and derives all of its revenues from the production and sale of gold and therefore is subject to the risks associated with commodity price fluctuations. The group's viability depends on the global economy and markets continuing to function. The directors believe that the group would remain viable even in the event of the current depressed gold price being sustained as it would be able to continue to operate based on its current business model which is predominately based on a gold price of \$1 000/oz. However, long term significant devaluation of the gold price and long-term cost inflation would cause a threat to the group (please refer to the gold market overview on page 28 of this annual report).

The group has a robust risk control framework which has the objectives of reducing the likelihood and impact of: poor judgement in decision making; risk-taking that exceeds the levels agreed by the board; human error; or control processes being deliberately circumvented which enhances its viability.

During 2015 and in making this statement, the company's board of directors carried out a robust assessment of the principal risks and uncertainties facing the group, including those that would threaten the group's business model, future performance, solvency or liquidity. The board confirmed that its assessment of the principal risks facing the company was vigorous and remains appropriate. While this review does not consider all the risks that the group may face, having taken into account the current economic outlook and the inherent uncertainty involved, the company's directors believe that the group is well positioned to manage its business risks successfully. Taking into account the company's current position, principal risks, and the analysis outlined above, the directors have a reasonable expectation that the company will be able to continue in operation and meet its liabilities over the five year period.

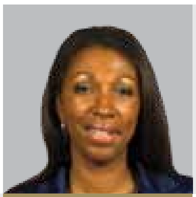
AUDIT COMMITTEE REPORT

"The audit committee continued its oversight of financial controls and risk management and also focused on its responsibilities in relation to financial reporting and external audit effectiveness, as required under the UK Corporate Governance Code, to ensure the continued integrity of the company's financial statements."

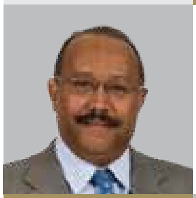


Jamil Kassum[1]

CHAIRMAN

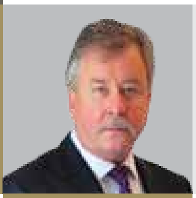


Jeanine Mabunda Lioko



Karl Voltaire[2]

Safiatou Ba-N'Daw[3]



Andrew Quinn

[1] *Mr Kassum was appointed chairman of the audit committee with effect from 4 May 2015.*

[2] *Dr Voltaire retired as chairman of the audit committee with effect from 4 May 2015 but has remained a member of the audit committee. Dr Voltaire will retire from the audit committee with effect from 2 May 2016.*

[3] *Mrs Ba-N'Daw has been appointed to the audit committee with effect from 2 May 2016.*

Dear shareholders

I am pleased to present the audit committee's report for the year ended 31 December 2015.

The principal purpose of the audit committee is to assist the board to fulfil its corporate governance and oversight responsibilities to ensure the integrity of the company's financial and corporate reporting while ensuring robust systems of internal control and risk management are in place and are operating effectively.

COMMITTEE RESPONSIBILITIES

The audit committee's duties, roles and responsibilities are described in its terms of reference (available on the company's website ***www.randgoldresources.com***) and include the responsibilities in the table alongside:

MEMBERSHIP AND MEETING ATTENDANCE

The audit committee oversees the group's financial reporting and internal controls and provides a formal link with the group's external auditors. It performs its duties by maintaining effective working relationships with the board, management and internal and external auditors. Under the governance of the chairman, the audit committee met six times during the year to discharge its duties and responsibilities.

Attendance of members of the audit committee during 2015 is shown in the table below.

COMMITTEE EXPERTISE AND INDEPENDENCE

Each of the members of the audit committee is an independent non-executive director.

The audit committee members have been selected to provide the wide range of financial, commercial and industry expertise necessary to fulfil the committee's duties and responsibilities. The audit committee members have extensive experience in relation to financial matters, as detailed in the biographies on pages 18 to 19 of this annual report, and the board believes that this level of experience continues to be sufficient to meet the standards set by the Code. In the event that any issues arise which are deemed outside the areas of expertise of the members of the audit committee, independent professional advice is always sought. In relation to tax and value added tax (TVA) disputes as well as general tax matters, management has sought the expertise of external advisors during the year, which has been provided to the audit committee to help support its assessment of these matters.

DUTIES, ROLES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

- Monitoring the integrity of the financial statements and formal announcements relating to the group's financial performance and reviewing significant financial and other reporting judgements.
- Reviewing and challenging, where necessary, the consistency and appropriateness of accounting principles, policies and practices which have been adopted by the group in the preparation of the annual financial statements, financial reporting issues and disclosures in the financial reports.
- Reviewing and monitoring the effectiveness of the group's internal control and risk management systems, including reviewing the process for identifying, assessing and reporting key risks and control activities.
- Approving the internal audit plan and reviewing regular reports from the head of internal audit on the effectiveness of the internal control system.
- Making recommendations to the board on the appointment, re-appointment or change of the group's external auditors and approving the remuneration and terms of engagement of the group's external auditors.
- Overseeing the board's relationship with the external auditors and ensuring the group's external auditors' independence and objectivity and the effectiveness of the audit process is monitored and reviewed.
- Developing, implementing and maintaining a policy on the engagement of the group's external auditors for the supply of non-audit services.
- Reporting to the board any matters which the committee has identified as needing to be considered, actioned or improved upon.
- Monitoring the group's compliance with legal and regulatory requirements including ensuring that effective procedures are in place relating to the group's whistleblowing and anti-corruption policies.
- Assessing whether the annual report, considered in its entirety, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy, and then subsequently recommending its approval to the board.

COMMITTEE MEETING ATTENDANCE

MEMBER	Date appointed to the audit committee	5 February 2015[1]	11 March 2015[1]	26 March 2015[1]	4 May 2015[1]	2 August 2015[2]	1 November 2015[2]
J Kassum	3 May 2014	✓	✓	✓	✓	✓	✓
J Mabunda Lioko	3 May 2014	✓	✓	✓	✓	✓	✓
A Quinn	1 November 2011	✓	✓	✓	✓	✓	✓
K Voltaire	1 August 2006	✓	✓	✓	✓	✓	✓

1 *Dr Voltaire chaired the meeting of the audit committee.*
2 *Mr Kassum chaired the meeting of the audit committee.*

COMMITTEE'S REMUNERATION

In accordance with the terms of the directors' remuneration policy (for more details of the company's remuneration policy please see page 190 of this annual report) members of the audit committee received the following fees as set out in the table below. These fees were paid in addition to the other fees and an award of shares made to each non-executive director as detailed on page 196 of this annual report.

FEES PAID

MEMBER	Fees
J Kassum	Received a fee of $48 333 for the 2015 financial year for being a member and the chairman of the audit committee.
J Mabunda Lioko	Received a fee of $35 000 for the 2015 financial year for services provided to the audit committee.
A Quinn	Received a fee of $35 000 for the 2015 financial year for services provided to the audit committee.
K Voltaire	Received a fee of $41 666 for the 2015 financial year for services provided to the audit committee.
S Ba-N'Daw	Mrs S Ba-N'Daw has been appointed to the audit committee with effect from 2 May 2016. Consequently, no fees were received by Mrs Ba-N'Daw during 2015.

FINANCIAL REPORTING

The primary role of the audit committee in relation to financial reporting is the review with key management and the external auditors, as applicable, of the annual report, Form 20-F, quarterly financial reports and other published information to ensure statutory and regulatory compliance. The committee's views are reported to the board to assist in its review and the approval of results announcements, the annual report and annual report on Form 20-F.

The audit committee considered the 2015 annual report and financial statements and advised the board that, taken as a whole, it is fair, balanced and understandable, and provides the information necessary for shareholders to assess the group's position and performance, business model and strategy.

The audit committee makes its recommendation based on a comprehensive review conducted by the executive directors and the senior management who commence the first review of the annual report in early December at which point key areas for improvement are discussed and amendments recommended. Guidance is issued to the contributors at the beginning and throughout the preparation process and reports on actions and significant areas of judgement are made to the audit committee as appropriate. The audit committee closely oversees the work of senior management who are responsible for ensuring the accuracy of the information submitted in the annual report and assessing whether the narrative section of the annual report is consistent with the accounting information.

SIGNIFICANT ISSUES CONSIDERED BY THE COMMITTEE

In planning the year-end audit and at the conclusion of the audit of the financial statements, the audit committee considered with management and the external auditors the key areas of focus for the audit and their significance to the group's reporting of results and the degree of judgement involved in their evaluation. The significant areas of consideration or judgement deliberated by the audit committee in 2015, through assessment of management reports to the audit committee and presentations by the external auditors, in respect of the annual report and financial statements are set out in the table below:

SIGNIFICANT ISSUES AND JUDGEMENTS DURING 2015	How the committee addressed these significant issues and judgements
The tax disputes in which the group is currently engaged As detailed in notes 3 and 19 on pages F-16 and F-33 respectively, the group is subject to a range of tax claims and related legal action in the jurisdictions in which it operates that have arisen in the ordinary course of business. The material claims being from the Malian tax authorities totalling $280.0 million, including the Loulo tax claim. Certain of the claims from the Malian tax authorities are currently under arbitration with the World Bank Group's International Centre for Settlement of Investment Disputes. No new tax claims were made by the State of Mali in the year.	The audit committee received management's report on the position of current tax claims and a review of the arbitration status and the legal foundation for the dispute of tax claims. The audit committee also sought, through management, external expert advice in relation to these matters. The audit committee, with management, reviewed in detail the reports and correspondence relating to the tax claims and arbitration case. Management presented its view of the disclosure of tax claims and provisioning to the audit committee for scrutiny. As taxation claims represented a higher audit risk BDO LLP (BDO) also considered this issue, as discussed in their report on pages F-3 to F-5, and the audit committee received detailed reporting from BDO on these matters. The audit committee discussed and considered their assessment on this matter, including their assessment of management's judgements that the material tax claims are without foundation, as well as the appropriateness of the financial statement disclosures in respect of each area. The audit committee is satisfied that the evidence produced, both from internal assessment and from external legal and tax advice, supports the view that the material claims are wholly without merit or foundation in the context of the tax laws of the countries in which it operates. Accordingly, losses associated with the material claims are considered to be remote under IFRS.

SIGNIFICANT ISSUES AND JUDGEMENTS DURING 2015	How the committee addressed these significant issues and judgements
The assessment of the carrying value of mining assets, ore stockpiles and investments in joint ventures The group's mining assets, ore stockpiles and investments in joint ventures represent the most significant group assets as well as having commercial significance to the various projects and the long term plans of the group. The future viability and recoverability of these balances are underpinned by the group's Life of Mine (LoM) plans. The LoM plans and associated impairment models are supported by a number of variables which are subject to various significant judgements and estimates, including the gold price, oil prices, production volumes, ore reserves, expenditure and inflation and discount rates used. A significant variable factor in the group's LoMs is the gold price and during the year the gold price has ranged between a low of \$1 055/oz and a high of \$1 295/oz. This continued to represent a significant area of focus for the audit committee, including the judgements in relation to the assumptions underlying the assessment of the carrying value, primarily being the sustainability of the long term business plans and the potential volatility in the gold price. In addition, the carrying value of mining assets, ore stockpiles and investments in joint ventures is impacted by the group's unit of production depreciation charge, which involves a number of key judgements including the allocation of assets to relevant reserves. As the group's depreciation policy is one based on a unit of production methodology it relies upon determining the ore reserves attributable to each key asset category which requires management to exercise a degree of judgement upon this decision. Management is also responsible for determining the date at which key assets are commissioned and thus when depreciation may commence. The carrying value of ore stockpiles requires judgemental input from management in relation to determining the point at which each stockpile shall be processed in the future. Management determines this based on LoM plans, forecast gold prices and cost of production.	The audit committee considered and scrutinised management's detailed assessment of the carrying value of mining assets, ore stockpiles and investments in joint ventures, and the underlying assumptions used in the impairment testing of the group's assets in support of their carrying value, including key judgements and estimates, LoM plans and the analysis of assumptions used. Key judgements and estimates undergo extensive internal review and challenge prior to submission to the audit committee. For example the gold price utilised is reviewed against average prices, the current forward gold curve, consensus pricing and long term inflation. Management calculated the discount rate based on the Weighted-Average Cost of Capital method and assessed this against current available cost of borrowing for the company. The audit committee made detailed enquiry of management's assessment prior to concluding it was appropriate and robust. This review included challenge over the gold price used, discount rates, LoM plans and operational assumptions and sensitivities. The audit committee also critically challenged management's assessment of the underlying economic models to satisfy themselves of the integrity of the impairment tests and the key estimates and judgements contained therein. As detailed in their report on pages F-3 to F-5, BDO considered this matter. As this is a recurring area of judgement, BDO provided detailed reporting on these matters to the audit committee including its own assessment of key judgements and estimates made by management along with sensitivity testing and analysis. Having critically assessed the key assumptions, such as future gold prices, which is reported to the audit committee each quarter, the audit committee concluded no reasonable sensitivities would give rise to impairment reflecting the group's strategic planning and the proven and probable reserves being determined at a \$1 000/oz cut-off. The audit committee was satisfied that the carrying value of mining assets, ore stockpiles and investments in joint ventures is appropriate. The audit committee reviewed and scrutinised the group's depreciation policy and its application, including the judgmental factors such as the application of asset commissioning and the determination of ore reserves attributable to key asset categories in the use of a units of production depreciation policy. Following the assessment, the audit committee is satisfied as to the continued appropriateness of the depreciation policy and its associated estimates.

SIGNIFICANT ISSUES AND JUDGEMENTS DURING 2015	How the committee addressed these significant issues and judgements
The carrying value and the recoverability of TVA As detailed in notes 3, 7 and 17 to the financial statements on pages F-16, F-19 and F-30, the group is carrying significant TVA receivable balances and the assessment of the carrying value and the recoverability of the TVA receivables held by the group represents a significant area of focus for the audit committee. The committee focuses on any indicators of underlying impairment associated with disputes, as well as considering the likely timing of recovery.	Management presented an assessment of the recoverability of the group's TVA receivables to the audit committee including the estimated timing for the recovery of amounts outstanding and, where appropriate, whether balances could be offset against future taxes payable in accordance with the group's legally binding mining conventions. The audit committee interrogated management's assessment of the recoverability of the TVA receivables along with the expected timing. The material nature of the TVA balances and the recoverability of TVA balances are areas of higher audit risk and accordingly the audit committee received detailed reporting from BDO on these matters. As detailed on pages F-3 to F-5, BDO reported on the results of the testing performed in respect of TVA, including their critical assessment of the recoverability of TVA receivables in Mali and the Democratic Republic of Congo (DRC), as well as the appropriateness of the financial statement disclosures in respect of each area. Subsequent to their detailed review of the recoverability of TVA balances and the timing associated with the recoverability the audit committee was satisfied that the carrying values are recoverable and management's assessment is appropriate. This conclusion was based on the future corporate tax payment profile at Loulo, Gounkoto and Morila, the history of cash receipts and the absence of disputed TVA receivables at Kibali.
Capital expenditure, related controls and areas of estimation During 2015 the group continued to make significant investment in its mines and projects through capital expenditure, in particular at the Loulo and Kibali mines. The magnitude and commercial significance of capital expenditure, along with the related capital expenditure controls, allocation of costs and, where applicable, areas of estimation, continued to represent a key area of focus for the audit committee.	The audit committee received detailed reports on material capital expenditure during the period and challenged management's assessment of areas of estimation such as depreciation, asset commissioning dates, production phase, opencast stripping cost policy application and allocation of costs between operational and capital expenditure. The audit committee reviewed the group's capitalisation policies and challenged management's review of the allocation of costs amongst operating expenditure, capital expenditure and ore stockpiles. The audit committee sought to assure itself through the review of the assessment from internal audit over the capital expenditure procedures and controls, including controls around authorisation, capital cost allocation and the application of the group's accounting policies, that controls in place were sufficient. As detailed on pages F-3 to F-5 BDO considered this matter and reported to the audit committee on their testing performed on the capital expenditure related controls and areas of estimation. Through their critical assessment and review of material capital expenditure, cost allocation methodology, areas of estimation and the related controls, the audit committee were satisfied that management's assessment, accounting and disclosure of these matters is appropriate.

MAIN ACTIVITIES IN 2015

The committee assisted the board in carrying out its responsibilities in relation to financial reporting requirements, risk management and the assessment of internal controls. During the year, it also reviewed the effectiveness of the group's internal audit function and managed the group's relationship with the external auditors.

The committee also considered the viability statement requirement for the annual report pursuant to the Code.

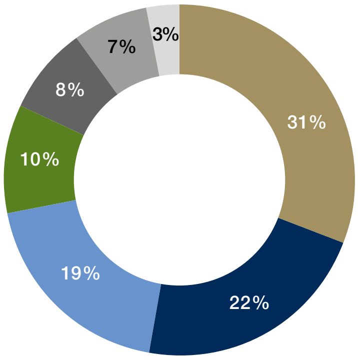
During the six meetings in the year, the committee focused on and considered the following main activities as detailed in the table on the following page:

MEETING DATE	Main activities
5 February 2015	■ Reviewed the group's fourth quarter preliminary announcement, draft report and accounts for 2014 and the group's assessment of going concern. ■ Considered a dividend in light of the financial results for 2014 and subsequently proposed the declaration of a final dividend. ■ Reviewed accounting policies and recent accounting pronouncements. ■ Reviewed key accounting estimates and judgements for the 2014 financial statements, as well as significant issues including tax claims; recoverability of TVA balance; capital expenditure and related estimations; and carrying value of mining assets, ore stockpiles and investments in joint ventures. ■ Reviewed and scrutinised group's impairment testing and carrying values of mining assets, ore stockpiles and investments in joint ventures. ■ Considered reports from the external auditors on its audit and its review of the 2014 accounts including accounting policies and areas of judgement, and its comments on control matters, significant risks and corporate governance matters. ■ Assessed the independence of the external auditors for 2014. ■ Met with the external auditors without management being present. ■ Reviewed and approved the group's non-audit services policy. ■ Approved the audit committee's terms of reference. ■ Considered reports from management relating to tax, TVA, risk factors, litigation and treasury. ■ Reviewed reports from internal audit on the effectiveness of internal controls and Sarbanes-Oxley Act 2002 (SOX) compliance. ■ Reviewed the performance of internal audit and approved the internal audit strategy and plan for 2015. ■ Met with internal audit without management being present ■ Reviewed the group's insurance update. ■ Reviewed the group's treasury policy.
11 March 2015	■ Reviewed and approved the annual financial statements for the year ended 31 December 2014, including discussion with the external auditors and detailed evaluation of that report. ■ Reviewed and approved the notice of annual general meeting of shareholders 2015.
26 March 2015	■ Reviewed and approved the annual report on Form 20-F for the year ended 31 December 2014, including discussion with the external auditors and lawyers, and detailed evaluation of that report.
4 May 2015	■ Reviewed the group's interim management statement for the first quarter 2015. ■ Considered reports from management relating to tax, TVA, litigation and treasury. ■ Reviewed reports from internal audit on the effectiveness of internal controls and SOX compliance.
2 August 2015	■ Reviewed the group's interim management statement for the second quarter 2015. ■ Considered reports from management relating to tax, TVA, risk factors, litigation and treasury. ■ Reviewed reports from internal audit on the effectiveness of internal controls and SOX compliance. ■ Considered the risk management update and risk review for the year, including considerations on risks facing the business. ■ Met with internal audit without management being present. ■ Considered a report on cyber security from internal audit. ■ Reviewed the group's treasury policy. ■ Reviewed the group's whistleblowing policy. ■ Received an update from the external auditors on accounting, reporting and governance developments.

MEETING DATE	Main activities
1 November 2015	■ Reviewed the group's interim management statement for the third quarter of 2015. ■ Considered and approved the group annual insurance renewal. Approved the proposed external audit scope and fees for 2015. ■ Considered reports from management relating to tax, TVA, litigation and treasury. ■ Reviewed reports from internal audit on the effectiveness of internal controls and SOX compliance. ■ Reviewed reports from internal audit on IT governance and controls. ■ Considered the performance of the external auditors, assessed their independence, qualification, expertise and resources, the effectiveness of the audit process and partner rotation; considered the appointment of BDO for 2015 and recommended its appointment to the board. ■ Received an update from the external auditors on accounting, reporting and governance developments.

The audit committee is regularly updated on proposed and new legislation and best practice. To assist management in providing the information to allow the audit committee to discharge its responsibilities, the group's CFO, external auditors and the head of internal audit, regularly attend audit committee meetings. The audit committee and the board derive considerable value from engagement with the operational management teams and discussing first hand with management the core control, risk identification and risk mitigation processes in place at the operations. In February 2015, the board visited the Tongon gold mine in Côte d'Ivoire and in February 2016 the Kibali gold mine in the DRC, during which time they inspected the operations and engaged with the on-site group management.

AUDIT COMMITTEE
ALLOCATION OF AGENDA TIME



- Internal controls including financial reporting control framework and financial reporting developments
- Risk management and risk reporting
- Financial statements and accounting policies
- Internal audit
- Regulatory and governance
- External audit, auditor engagement and policy
- Group insurance

RESPONSIBILITIES

The committee considers the going concern basis of preparation for the financial statements to be appropriate having reviewed cash flow forecasts prepared by management and challenged the assumptions used in such forecasts. Refer to page F-11 of this annual report for further details.

VIABILITY STATEMENT

Following the recent amendments to the Code, the committee considered the company's viability over a five year period to 31 December 2020 and recommended to the board that the viability statement set out on page 170 of this annual report be approved.

COMMITTEE'S TERMS OF REFERENCE

The board reviewed its board charter and committees' terms of reference at the August 2015 board meeting and following the review the board made certain minor changes to the audit committee's terms of reference. A copy of the audit committee's terms of reference is available in the corporate governance section of the company's website at ***www.randgoldresources.com***.

EXTERNAL AUDIT

The group's external auditors are BDO. BDO undertake their audits at all the group's significant operations including any joint venture operations as well as at the group's corporate offices. The audit committee monitors the external auditors' independence and objectivity taking into account relevant professional and regulatory requirements. Both the board and the external auditors have safeguards in place to avoid the possibility that the auditors' objectivity and independence could be compromised. The external auditors' independence is reviewed on at least an annual basis by the committee. This review includes confirming that the external auditors are, in their judgement, independent of the group, and reviewing the economic importance of the group to the external auditors.

The audit committee is committed to maintaining the highest standards of audit quality. The audit committee monitors the external auditors' performance and the effectiveness of the audit process. This is undertaken within the framework of the detailed terms of engagement and agreed audit scope and approach. Management receives regular feedback from the business on the audit process and the audit committee uses this feedback, along with other formal and informal processes, to assess the effectiveness of the external audit process. The audit committee assesses the effectiveness of the external audit by reviewing the quality and scope of the audit planning process and its reaction to changes in the company's business and environment, by considering the auditors' methodology, sector experience, their ability to challenge management on significant areas of judgement and their demonstration of robust challenge around key areas.

BDO rotates the audit engagement partner every five years; as at 31 December 2015 the current audit partner has acted as the BDO audit engagement partner to the group for four years.

The audit committee makes recommendations to the board in relation to the appointment, reappointment and any changes to the external auditors. BDO were appointed in 2007 following a formal review and tendering process. The board has since established a formal policy relating to the periodic review of the external auditors, which stipulates that the external audit shall be put out to formal tender every five years with the next planned tender following the 2016 financial year. During the tender process, the audit committee will review the credentials of other providers of external audit services as well as the incumbent auditors, along with other pertinent information, and conclude on their capability to conduct the audit while delivering a high quality and cost effective audit service.

Taking into account the output of the audit committee's review of the group's external auditors' independence and objectivity, and the effectiveness of the audit process, together with other relevant review processes conducted throughout the year, the audit committee is satisfied to recommend that the board proposes to shareholders that BDO be reappointed as external auditors to the group to hold office until conclusion of the company's 2017 annual general meeting. Their reappointment will be recommended to shareholders at the company's AGM in May 2016. There are no contractual restrictions on the board's ability to appoint alternative external auditors.

The external auditors are regularly invited to attend and participate in audit committee meetings to report on their activities. The audit committee met with the external auditors, without the executive directors or management being present. Such meetings took place in February 2015, November 2015 and February 2016. Details of the fees paid to the external auditors are shown below.

NON-AUDIT SERVICES

The audit committee is responsible for monitoring and reviewing the objectivity and independence of the external audit which is supported by a policy which stipulates that the external auditors are prohibited from providing non-audit services to the group. In line with the audit committee's policy during the year no non-audit services were provided by BDO. On 4 February 2016, the audit committee reaffirmed the group's non-audit services policy.

EXTERNAL AUDIT FEES

The audit committee approved the auditors' fees for 2016 after reviewing the audit plan, level and nature of work to be performed as detailed in the audit scope and after being satisfied that the fees were appropriate for the work required.

AUDITORS' FEES (£)	**2015**	2014
Audit services[1]	**713 870**	718 500
Non-audit services	**n/a**	n/a

[1] *Including the group's attributable share of audits of joint ventures operated by the group.*

INTERNAL AUDIT

Internal audit independently reviews the risks and control processes operated by management. It carries out independent audits in accordance with an internal audit plan which is reviewed and agreed with the audit committee at the beginning of each financial year. The internal audit plan agenda is driven by the group's assessment of its key risks and uncertainties, which are contained on pages 181 to 184 of this annual report.

The head of internal audit has responsibility to the audit committee and has direct access to members of the audit committee, the chairman of the audit committee and the chairman of the board. The head of internal audit attended five audit committee meetings during the year. At these meetings, the audit committee considered and discussed various committee reports, internal audit plans, SOX and internal audit reports and internal audit findings.

During the year, the audit committee held discussions with the head of internal audit without the presence of management as well as outside the formal committee processes. The head of internal audit works across the group with responsibility for reviewing, evaluating, developing and providing assurance on the adequacy of the internal control environment, operating efficiency and risk identification and management across all of the group's operations while reporting back to the audit committee on findings. The audit committee is also responsible for the oversight of the group's compliance activities in relation to Section 404 of SOX, under which internal audit report to the committee in relation to each quarterly period.

The audit committee assessed the effectiveness of the group's internal audit function during the year, finding that sufficient work had been undertaken to provide effective assurance around financial processes and controls in relation to the SOX work performed in the year and that the internal audit function has had full access to all areas of the group. The board notes that no cost effective system can preclude all errors and irregularities and therefore the group's system of internal controls provides reasonable, but not absolute, assurance against material misstatement or loss.

ANTICORRUPTION AND BUSINESS INTEGRITY

The group prohibits bribery and corruption in all forms throughout its business and those of its contractors and suppliers. The group's code of conduct and its general conditions of contract assist its business and employees in countering bribery, corruption and unethical behaviour. The group considers and addresses bribery and corruption risks as part of its ongoing risk management process, which includes performing appropriate due diligence when engaging third parties, entering into partnerships and joint ventures and updating that due diligence periodically during the relationship.

As in previous years, the group continued with its whistleblowing programme at all its operations and sites. This programme allows all staff and contractors to raise any concerns about the group's business practices, confidentially. The programme is monitored by the audit committee and ensures that the group's general counsel's contact details are widely distributed among its operations and sites, and highlighted periodically to staff and contractors, to allow any person who has information regarding unethical practice within the group to contact the group's general counsel.

All reports received by the general counsel are treated in confidence and are either investigated by the general counsel or referred to an appropriate line manager or the internal audit function for investigation and resolution, depending on the seriousness of the information received. The general counsel has sole discretion as to how to conduct any investigation and which external advisers to utilise.

The audit committee considers the whistleblowing procedures in place to be appropriate for the group. However, these procedures are periodically reviewed by the audit committee to ensure that appropriate safeguards to protect whistle blowers are in place and maintained. In the event of any suspected fraud this would be investigated by internal audit and the general counsel, and reported on directly to the audit committee.

The audit committee reviews the outcomes of such investigations and has done so in the past year in line with its responsibilities, in order to assure itself that such instances are appropriately addressed and controls in place are effective.

The company has adopted policies pursuant to the United States' Foreign Corrupt Practices Act of 1977, United States' Dodd Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd Frank Act), the United Kingdom's Bribery Act 2010, and the Corruption (Jersey) Law 2006. All the group's operations and sites, key employees, customers, major suppliers, managers and other key stakeholders have been briefed, through written notification and where possible through workshops with management, concerning the implication of the policies and the company's obligations under that legislation. The company continues to work with its external legal counsel regarding the effects of the Dodd Frank Act and any applicable regulations which have been published.

CONTROL ENVIRONMENT

The audit committee has assessed the group's control environment including controls around fraud prevention and detection such as whistleblowing procedures. This assessment, which included assessment of reports by the internal and external auditors, enabled the committee to be satisfied that risks of management override of controls or material fraud were suitably mitigated.

The group maintains a sound system of internal control which is embedded at all its operations and sites, as part of the board's commitment to the long term success of the company and the protection of the value of its reputation and assets in order to safeguard the interests of its shareholders.

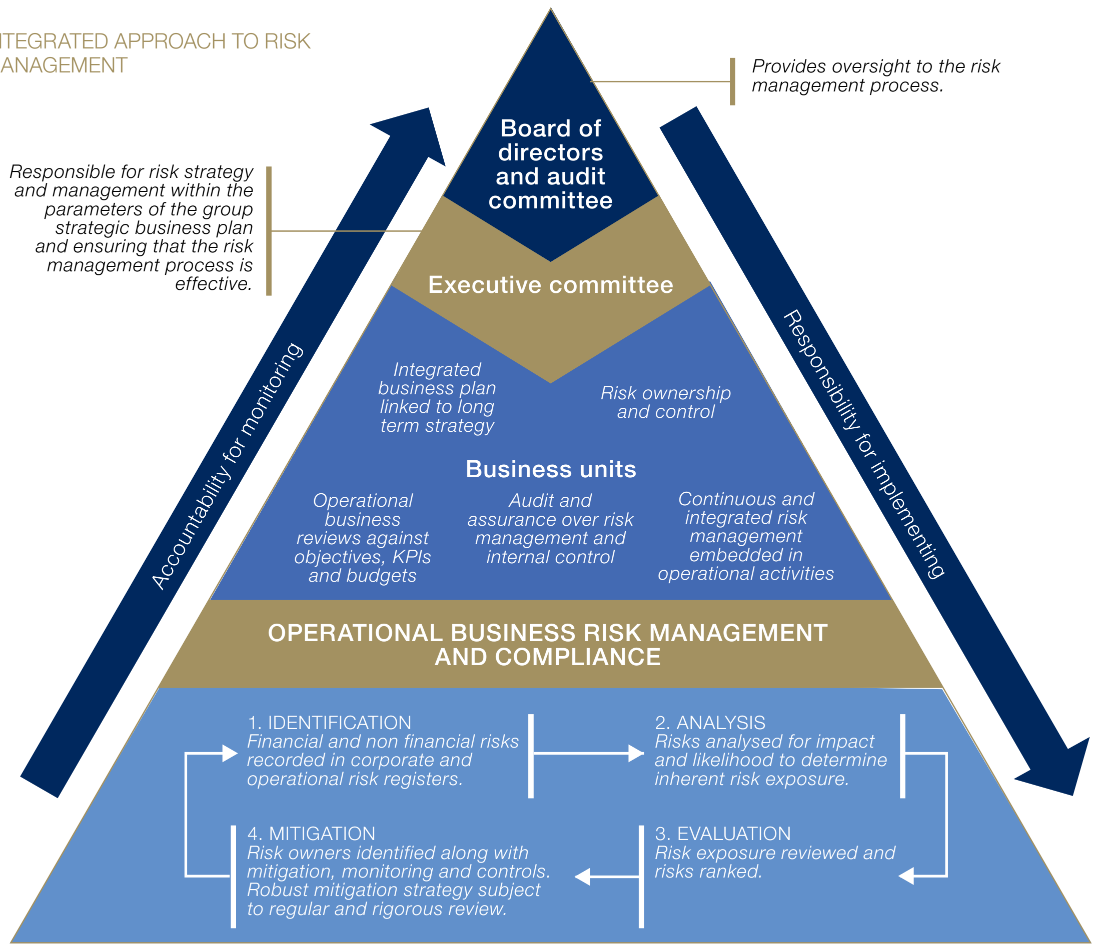
An effective system of operational and financial controls, including the maintenance of qualitative financial records, is an important element of the group's internal control. The system of internal control provides reasonable rather than absolute assurance that the group's business objectives will be achieved within the risk tolerance levels defined by the board.

The board has ultimate responsibility for the group's system of internal control and risk management and discharges its duties through determining the risk appetite of the business and its risk tolerance, as detailed in the risk management section on page 181 of this annual report, as well as overseeing the risk management strategy and ensuring that management is responsible for maintaining the established control environment. The group's executive committee develops and monitors the internal control environment and also oversees risk management including the identification of risks and development and implementation of risk mitigation plans. The executive committee has established a strategic planning, budgeting and forecasting system against which it monitors monthly financial and operational information along with trading results and cash flow information. On a quarterly basis, the executive management reviews performance against budget and forecast along with financial and operational reviews and analysis of material variances at local mine board meetings and also reports performance and findings to the board.

The audit committee reviews the internal control process, including quarterly financial reporting, and its effectiveness on an annual basis to ensure it remains robust in identifying control weaknesses as well as to comply with SOX and internal audit requirements. The group is focused on maintaining a sound system of internal control, based on the group's policies, procedures and guidelines, in all operations.

This review includes quarterly reports from the head of internal audit in respect of findings from internal control reviews and testing, assurances obtained in relation to the certifications required under SOX necessary for the company's NASDAQ listing and other assurances from regular management reviews as appropriate.

INTEGRATED APPROACH TO RISK MANAGEMENT



The group carried out an assessment of its internal control over consolidated financial reporting pursuant to Section 404 of SOX and the United States' Disclosure Rules and Transparency Rules. The management of the company, which is responsible under SOX for establishing and maintaining an adequate system of internal controls over consolidated financial reporting, evaluated the effectiveness of that system using the Committee of Sponsoring Organisations of the Treadway Commission (COSO) framework (2013). Based on that evaluation, the management of the company concludes in its annual report on Form 20-F filed with the United States' Securities and Exchange Commission (SEC) that the system of internal control over consolidated financial reporting was effective as at 31 December 2015.

RISK MANAGEMENT

The board is responsible for determining the nature and extent of the significant risks the group has to manage in order to achieve its strategic objectives. The board believes in the maintenance of sound risk management and internal control systems.

Throughout the year the board monitored the group's risk management and internal control systems, adopting an integrated approach to risk management which covers all material financial, operational, compliance, reputational and sustainable development risks.

The board in conjunction with the audit committee regularly considered the group's principal risks. The board's review focused on the effectiveness of the group's risk management and internal control systems, assisted by the assessments undertaken by the audit committee. These assessments, which occurred both during the year and at the year end, evaluated the group's principal risks, taking into account the strength of the group's control systems and its appetite for risk.

The board delegates responsibility for day to day risk management to the CEO who in turn relies on the executive committee to identify, evaluate, mitigate and monitor the key risks facing the group and to implement the group's integrated risk management processes and controls. For further details of the executive committee please see page 20 of this annual report.

The group's integrated approach to risk management is outlined in the risk management triangle set out above. The group's businesses are responsible for maintaining an effective risk management and internal control environment. These are embedded throughout the group and in the day to day operations of the mines under the direction of the executive committee. This includes the implementation and regular monitoring of processes and controls which are designed to ensure adherence with the board's appetite for risk and group policies and procedures.

The group's business functions monitor adherence to these processes and controls and provide guidance to the business on their implementation and application. This includes ongoing reviews by key functions within the group. The group's management team is actively involved in all the group's operations throughout the year, including numerous visits to the group's sites and operations, attending monthly meetings with general managers and participating in weekly meetings with other senior members of staff, in each case to discuss critical issues affecting the operations, all of which are undertaken to assist in reducing the group's risk exposure.

A comprehensive risk register is maintained and presented annually to the audit committee. The audit committee reviews the risk register and the risk management framework which the board and senior management uses to identify and scrutinise key risks facing the group, and consider whether those risks are appropriately managed. The risk register and framework use the company's existing risk matrix and universal risk prioritisation, and rating scale, which grade and prioritise perceived and known risks. The risk register assists management in identifying and assessing the key risks facing the business.

The audit committee acknowledges there are many risks inherent to a mining business that exist and the challenge is to effectively manage those risks. By its nature, the risk register is a dynamic document subject to change. However, it is used by management to perform their duties while at the same time allowing the internal audit function to review and evaluate the activities of management in their efforts to control issues of risk and assess whether these activities are sufficient for the mitigation and management of risk.

Assurance over the group's risk management, internal control and governance processes is provided by the group's internal audit function.

As part of the preparation of the company's annual report on Form 20-F, which is filed with the SEC, the substantial risk factors are again identified and set out, highlighting to the market those aspects which could have a material effect on the company's business.

The board carried out an assessment of the principal risk factors and uncertainties which it considers either individually or in combination as having the potential to have a material adverse effect on the group's business, including those that would threaten the company's business model, future performance, solvency or liquidity.

The group's strategy takes into account known risks but there may be additional risks unknown to the group and other risks, currently believed to be immaterial, which could develop into material risks. Full details relating to the group's industry generally can be found in the annual report on Form 20-F filed with the SEC, a copy of which is available on the company's website at ***www.randgoldresources.com***.

From its assessment the board has itemised several key risks, including the Key Performance Indicators (KPIs) and how these are being managed.

KEY RISKS AND UNCERTAINTIES

KPI	Impact	Policies and systems	Mitigation
External risks			
Risk: gold price volatility Realised gold price	Earnings and cash flow volatility from sudden or significant declines in the gold price or reserves downgrades as a result of changes in the gold price.	Long term financial strategy and monitoring. Treasury policies.	The group constantly monitors the market in which it operates. The internal treasury committee's responsibilities include monitoring and discussing the gold price which is reported to the executive committees and the board on an ongoing basis. Forecasting and budgeting assumptions relating to commodities are prudent and monitored by the board and executive committee.
Risk: country risk Total shareholder return performance	Inadequate monitoring of in-country political instability and changes to political environment may impact the ability to sustain operations.	Policies to ensure that the group is meeting the terms of its agreed and signed licences and conventions. In-country monitoring and stakeholder management policies.	Successful relationships with governments, senior in-country officials and other key external stakeholders are built and maintained. This includes delivering on and adhering to agreements. The group actively monitors regulatory and political developments as well as the country risk ratings on a continuous basis.

KPI	Impact	Policies and systems	Mitigation
Risk: corporate, social and environmental responsibility Total shareholder return performance	Poor management of stakeholder, community and government expectations and a lack of corporate and social responsibility may lead to the inability to sustain operations in the area and impact on the group's ability to expand into other regions.	Social and environmental policies. Commitment to improvement of communities. Regular communication with stakeholders.	Attention is placed on maintaining sound relations with local communities and working with these groups to enhance these relationships. The group's environmental committee, under the chairmanship of the CEO, continues to address these issues and reports quarterly to the board. Review of stakeholder relations at executive committee meetings. Regular dialogue with the affected communities by senior executives.
Risk: supply routes Total shareholder return performance	Due to the remote location of the group's operations the disruption of supply routes may cause delays with construction and ongoing mine activities.	Stock cover policies with minimum levels set for operations. Commitment to local and regional partnerships from executive level.	Utilisation of local partners and knowledge of the region. Buffer stocks maintained including strategic spares. Alternative supply routes tested and utilised.
Financial risks			
Risk: production and capital cost control Cash cost per ounce Capital expenditure and cost management targets Return on capital employed	Failure to control cash costs per ounce will result in reduced profits. Failure or inability to monitor capital expenditure and progress of capital projects resulting in financial losses and overspend on projects.	Budgeting and reporting processes. Project approval process. Capital expenditure policy.	Comprehensive budgeting process encompassing all expenditure approved by the board. Executive approval for all major expenditure and capital expenditures. Commitment and expenditure incurred made with approved budgets only. Review of expenditure against budget on regular basis and reporting to the board and executive committee.
Risk: Insufficient liquidity, inappropriate financial strategy and inability to access funding from global credit and capital markets Liquidity profile	The group may be required to seek funding from the global credit and capital markets to develop its operations and projects. The recent weaknesses in those markets could adversely affect the group's ability to obtain financing and capital resources required by the business.	Financial strategy, cash forecasting and management. Capital forecasting and monitoring.	The board closely monitors the group's operational performance and cash flows against plan, along with a five-year forecast. This assists the board in understanding the variety of risks facing the group and the likelihood that future external funding might be required. This advanced understanding of the cash requirements of the group allows the board to manage the risks of sourcing funding in difficult market conditions. The group limits exposure on liquid funds through a treasury policy of minimum counterparty credit ratings, counterparty settlement limits and exposure diversification.

KPI	Impact	Policies and systems	Mitigation
Risk: in-country tax regimes Taxation related fines or penalties	Failure to adapt to changes in tax regimes and regulations may result in fines, financial losses and corporate reputational damage. Failure to react to tax notifications from authorities could result in financial losses or the seizure of assets. Inability to enforce legislation over tax or incorrectly applied legislation could result in lengthy arbitration and loss of profits or company assets.	Use of experts to review changes in legislation and tax regulations. Regular meetings with government officials. Review of regulatory filings to ensure compliance	The board regularly monitors tax positions and changes in conjunction with management and where necessary engages experts. The CEO and CFO, along with in-country executives, regularly engage with tax authorities and governments to address the impact of any proposed changes to taxation or fiscal regimes. Where necessary the company will seek resolution through arbitration.
Operational risks			
Risk: sustained resource and exploration failure Resources and reserves	The group's mining operations may yield less gold under actual production conditions than indicated by its gold reserves figures, which are estimates based on a number of assumptions, including mining and recovery factors, production costs and gold price.	Resources and reserves committee. Resources and reserves policy. Adherence to industry standards.	The group publishes its reserve calculations based on gold prices which are lower than the current market prices. Review at committee and board level of the gold price during the year as well as any changes to the cost of production. Close monitoring and reconciliation of resource to mined ore on a continuous basis.
Risk: environmental, health, safety and security incident No significant incidents Lost Time Injury Frequency Rates	Failure to maintain environmental and/or health and safety standards resulting in a significant environmental or safety incident or deterioration in safety incident rates or deterioration in safety performance standards resulting in loss of life or significant loss of time and disruption or damage to operations. A lack of preparedness and safe-guarding in relation to the outbreak of significant health threats such as Ebola in the countries and the local communities within which the group operates could result in disruption to operations.	Environmental, health, safety and security policies. Environmental, health, safety and security team. Monitoring system of incidents. Health and safety crisis committee. Key health threat monitoring.	Formal safety system in place. Recording and certification of training. Reporting procedures in place with breaches reported to the executive committee if necessary on a weekly basis and quarterly reporting to the board. Leadership accountability for incidents throughout the group by setting of environmental, health and safety performance targets. Use of external experts in respect of environmental, health, safety and security matters. A dedicated health and safety crisis committee is in place actively monitoring developments in relation to the current health threats in areas of operation.

KPI	Impact	Policies and systems	Mitigation
Risk: risks associated with underground mining Ore tonnes produced Cost per tonne.	The group's underground projects at the Loulo gold mine in Mali and at the Kibali gold mine in the Democratic Republic of Congo are subject to the risks associated with underground mining which may affect the profitability of the group. The Loulo gold mine in Mali transitioned from contractor to owner mining in 2015, and therefore the group may be subject to the risks associated with this change. The changeover to owner mining will include significant capital requirements and may affect the production levels and profitability of the operation. The owner mining model may not yield the same performance and efficiencies as has historically been achieved.	Annual business plan. Monthly reporting. Annual strategic review. Dedicated owner mining team in place at operations. Performance of owner mining project measured and monitored continuously by executive management.	Transition to owner mining at Loulo gold mine managed by project team including involvement of industry experts. Assistance with the underground operations from a third party mining contractor at Kibali. Close management by executive team and monthly review of performance against budget. Board review of actual performance against plan on a continuous basis. Established owner mining team at the Loulo gold mine. Comprehensive underground mining business and operational plans in place.
Strategic risks			
Risk: lack of identification of new exploration targets Resources and reserves statement	Lack of identification of new exploration targets may lead to a loss of revenue and an inability to grow and meet strategic objectives. Exploration and development are costly activities with no guarantee of success, but are necessary for future growth of the group.	Exploration project pipeline and evaluation policies. Long term business strategy and investment in exploration activities.	Continuous management, review and monitoring of the exploration targets by management and board including use of the resource triangle which identifies the number of exploration targets and the stage of development of an asset. Regular review of exploration activities by executive committee. Board review of exploration targets on a quarterly basis.
Risk: failure to attract and retain key staff and poor succession planning Staff turnover	The loss of key staff, the lack of internal succession planning and the failure to attract appropriate staff may cause short term disruption to the business and operations.	Succession planning. HR policies, training and development of staff.	Executive team conducts formal 360 degree reviews of teams against performance measures. Communication mechanisms in place to ensure grievances are reported and resolved. Executive and employee incentive schemes in place. Board review of manpower situation on a continuous basis, which includes review of market trends and skills analysis, as well as approval from board for action to be taken where gaps have been identified.

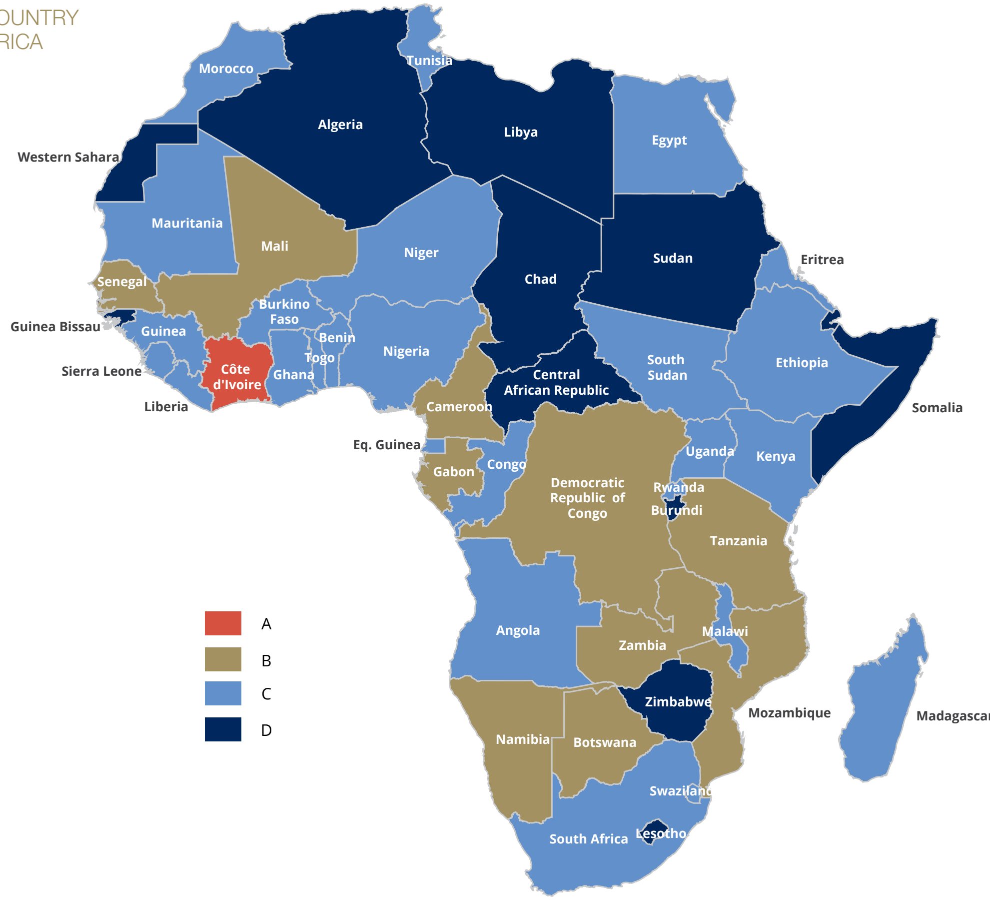
COUNTRY RANKING SYSTEM

As part of the risk management process and in fulfilment of its risk management responsibilities, management regularly undertakes a detailed analysis of all countries in Africa based on the following formula, which is presented and agreed with the audit committee and the board on an annual basis, as outlined on page 180 of this annual report.

Ranking is dependent on a qualitative assessment combining each of the following on an equal weighting basis:

- Geological opportunity
- Economic and fiscal regime
- Political stability
- Infrastructure

RANDGOLD'S COUNTRY RANKING OF AFRICA



GEOLOGICAL OPPORTUNITY			Economic and fiscal regime
A	■ Potential for reserves of +3Moz ■ Known gold potential ■ Extensive mineralised sequences of: □ Archaean or □ Lower Proterozoic or □ Cenozoic to recent in accreted terraines/island arcs ■ Readily available geoscientific data	**A**	■ Clearly defined and implemented minerals policy where the State shares in, but does not control, the mineral industry ■ Acceptable mining and tax legislation including reasonable royalties and free carried rides which, if higher, are offset by tax holidays ■ Security of tenure and guaranteed right-to-mine ■ Acceptable foreign exchange regulations ■ Ability to move management and technical skills in and out of the country ■ Close adherence to World Bank principles ■ Availability of foreign investment insurance
B	■ Gold potential of +3Moz ■ No significant new projects in the pipeline ■ Some known gold potential	**B**	■ State participation required in mining industry but investors still control their business ■ Economy stable with moderate inflation ■ Bribery generally not prevalent in country
C	■ Geology is sufficiently known or understood	**C**	■ Major state control of mining industry ■ Economy unstable with excessive inflation ■ Bribery common in all areas of business
D	■ Little prospective geology	**D**	■ No set rules or regulation ■ Major state interference and control of all aspects of the official economy ■ Bribery very common in all areas of business

	POLITICAL STABILITY		Infrastructure
A	■ Multiparty politics established and functioning – accepted by general population and world bodies ■ No serious underlying ethnic conflicts ■ Low crime risk ■ Freedom of press ■ Functioning civil service	A	■ Good access and telecommunications links and GPRS mobile ■ Terrain easily traversable ■ Access to grid power and/or hydropower ■ Perennial water
B	■ Recent multiparty politics to 'benevolent' non-representative government ■ General population acceptance of government ■ Low level of political unrest	B	■ Reasonably easy access ■ Fairly good telecommunications ■ Pipeline and dam required for water ■ Potential for grid power and hydro sites or infrastructure good enough to support own thermal power stations
C	■ Dissatisfaction with non-representative government ■ Some political unrest and/or sporadic rebellion ■ Totalitarian government	C	■ No maintained infrastructure ■ Telecommunications uncertain and slow ■ Access to remote areas made difficult by desert or tropical rain forest
D	■ General unrest, severe repression, civil war ■ No centralised controlling government	D	■ Access only practical by air ■ Communications only possible by radio/ satellite links ■ No power

	OVERALL RANKING
A	■ Country actively targeted for exploration and development opportunities ■ Randgold will invest in grassroots projects ■ Will establish an office and acquire goods
B	■ Will invest in existing projects where the potential for deposits that meet Randgold's criteria have been demonstrated ■ Early risk must be taken out of exploration ■ Opportunity for joint venture to reduce risk exposure
C	■ Country in state of change ■ Country to be monitored if geology ranks 'A' for improvement in the other three criteria
D	■ No investment to be made ■ The possibility of change considered to be long term

TREASURY MANAGEMENT

Cash management is a key focus for the group.

The role of group treasury is to manage and monitor the group's external and internal funding requirements as well as financial risks to support the group's strategic objectives. Treasury activities are governed by policies and procedures approved by the audit committee and where necessary by the board.

The audit committee reviewed the group's treasury policy in February 2016 and concluded it remained appropriate.

The company has put in place a treasury committee, chaired by the company's CFO, which meets on a monthly basis to review the group's treasury activities. Its members receive management information relating to the group's treasury activities. The committee recommends group policy, relating to all aspects of funding, management of interest rate and foreign exchange exposures, hedging and other financial risk management, to the audit committee at least every six months for approval. It also coordinates relationships with banks, rating agencies and other financial institutions. The committee monitors all significant treasury activities undertaken by the group companies and ensures compliance with the group's treasury policy.

The overall objective of the treasury committee is to effectively manage credit risk, financial risk, liquidity risk, foreign currency risks and other market risks in accordance with the group's strategy. Other responsibilities of the treasury committee include safeguarding and managing the group's cash resources and funding programmes, approval of counterparties and relevant transaction limits, ensuring an appropriate return on surplus cash resources, and the monitoring of all significant treasury activities undertaken by the group. The group uses conventional financial instruments to manage these risks.

In 2015, the focus of the treasury committee was to manage counterparty risk with banks and other financial institutions where the group places cash deposits, as well as ensuring the group's cash resources were appropriately managed to meet the substantial capital expenditure requirements, given the lower average received gold price.

The treasury committee also oversees the group's compliance with its $400 million unsecured revolving credit facility (Revolving Credit Facility) which it put in place in December 2014. As at the date of this annual report, the Revolving Credit Facility remained undrawn.

Unless specific dispensation is obtained from the audit committee, the group treasury policy ensures surplus cash is placed with institutions with credit ratings of:

- 'A' and higher, on strict terms concerning placement duration (maximum three months) with no more than 5% or $12.5 million (whichever is the higher) being placed with any one institution noting that no investment can exceed $25 million; or
- 'AA-' and higher, on strict terms concerning placement duration (maximum three months) with no more than 20% or $50 million (whichever is the higher) being placed with any one institution noting that no investment can exceed $100 million.

Credit ratings and market information are continually reviewed by the group's treasurer to ensure the treasury committee is kept aware of all necessary information pertinent to ensuring effective management of the group's cash resources. The group also uses a Fiduciary Deposit Service provided by Rothschild Bank International.

DIRECTOR DEVELOPMENT

As part of the company's commitment to ongoing director training, in August 2015 members of the audit committee attended a workshop hosted by the company's auditors on trends in audit committee reporting, extractive industry reporting and governance.

ACTION PLAN FOR 2016

In the year ahead the committee will continue overseeing financial controls and risk management together with focusing on the committee's responsibilities in relation to financial reporting and external audit effectiveness, as required under the Code, to ensure the continued integrity of the company's financial statements.

COMMITTEE PERFORMANCE AND EFFECTIVENESS

The audit committee conducts, in conjunction with the board, a formal review of its effectiveness on an annual basis.

At the committee's review of its performance for 2015, it concluded that its performance during 2015 was effective in carrying out its duties in accordance with the Code. Details of the board and committee evaluation process may be found on page 219 of this annual report.

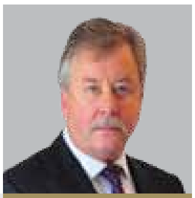
On behalf of the audit committee

Jamil Kassum

Jamil Kassum
Chairman
Audit committee

REMUNERATION COMMITTEE REPORT

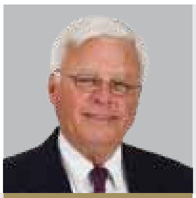
"Randgold has delivered higher production, significant profits and increased dividends to its shareholders against a challenging market background which evidences the success of the company's long term strategy."



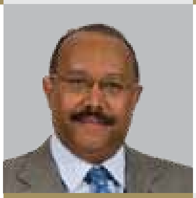
Andrew Quinn

CHAIRMAN

Christopher Coleman



Norborne Cole Jr[1]



Karl Voltaire[2]

Dear shareholders

In 2015, Randgold exceeded its 1.2Moz production target which it set out to achieve five years ago. The achievement of this important milestone, together with a focus on management of capital investment and reduced production cost per ounce, once again allowed the company to deliver significant profits and increased dividends to its shareholders. This profitability was in contrast to much of the gold mining industry which has seen significant losses and asset impairment.

Randgold's continued growth evidences the success of the company's long term strategy. Randgold outperformed the Euromoney Global Gold Index by 17% during 2015, outperformed its peers (as set out in the graph on page 189 of this annual report), and outperformed the Euromoney Global Gold Index by 166% over the last five years.

While the company has significantly outperformed the market, we continue to look to the future, growing capacity and maintaining the qualities that deliver our required internal rate of return and long term value to shareholders. The successful commissioning and ramp-up of Kibali, given its size and remote location, was an outstanding achievement and remains instrumental in supporting current and planned future production growth. The company's future growth is expected to be self-funded through its strong cash flow and it continues to focus on replacing the reserves depleted through mining with sustained exploration efforts.

1 Mr Cole Jr will retire from the remuneration committee after the committee's meeting on 31 October 2016.

2 Dr Voltaire will retire from the remuneration committee with effect from 2 May 2016.

The company's strong performance against 2015 objectives resulted in outcomes under the annual bonus plan for the CEO and CFO of 60% and 77% of maximum respectively. Over the longer term, against the backdrop of market headwinds and commodity price volatility, performance results under the Restricted Share Scheme did not result in any vesting for the relevant tranches of the 2012 and 2013 awards, although partial vesting under the 2011 awards was achieved. However, Randgold's relative performance over the long-term has been consistently above that of our peers and the wider gold mining industry resulting in maximum vesting under the Co-Investment Plan for the three year performance period ending in 2015. The variation in vesting of our variable pay plans reflects the complexity of the business and commodity market in which it operates and the committee is satisfied that the outcomes represent a fair result for executives and shareholders and endorses Randgold's remuneration principles, policy and incentive designs.

Randgold was again very pleased to receive strong support from its shareholders for last year's separate vote on the directors' remuneration policy, with 98% of shareholders voting in favour. As discussed with shareholders and stated in Randgold's remuneration principles, the board continues to maintain a one year remuneration policy period and have two votes for shareholders each year: one in respect of the policy section, and one in respect of the annual report on remuneration, each proposed for approval by ordinary resolution. This is different to the standard UK approach but we believe it provides greater transparency and allows for less discretion and the ongoing engagement and involvement of our shareholders with the company's remuneration principles, policies, and practices. Consequently, this report has three separate sections: this annual statement by the remuneration committee chairman, our 2016 directors' remuneration policy and a remuneration report covering the 2015 financial year. The report and policy will each be submitted for shareholder approval at the company's AGM on 3 May 2016.

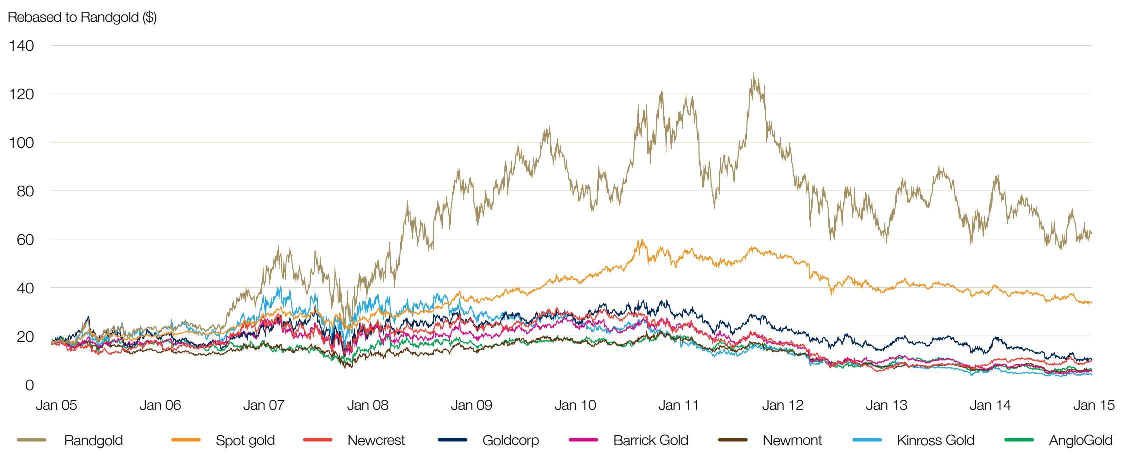
The remuneration policy is not only aligned to the company's remuneration principles but also to its culture, philosophy and long term success, allowing it to build sustainable value for all its stakeholders. In formulating its policy, Randgold has followed international best practice and good corporate governance and regularly engages with shareholders on its structure and implementation. The remuneration policy provides for stretching performance targets for the delivery of performance-based, variable short term and long term incentive plans for Randgold's executive directors.

In 2014, Randgold made some changes to its incentive plans to simplify the plans and further manage risk. In particular, we added 'malus' to the Annual Bonus Plan and three-year clawback provisions to the Restricted Share Scheme and the Co-Investment Plan. We also highlighted our intention to review the operation of the incentive plans and the performance metrics. Following extensive shareholder consultation by the remuneration committee, additional changes were made in 2015 to simplify the performance criteria for the Restricted Share Scheme and reducing the threshold vesting percentage, increasing the participation under the Co-Investment Plan and extending the time horizon to 4 years and adding an environmental KPI to the annual bonus metrics.

Following these changes, and feedback from shareholders during the remuneration committee's annual consultation process, the committee determined that no changes are necessary to the incentive plans for 2016.

As a company incorporated in Jersey, voting on the directors' remuneration policy and on the directors' remuneration report will be advisory and the policy section will become effective from 3 May 2016, being the date of the company's AGM. The board will give due and careful consideration to shareholder feedback and will operate in line with the approved policy. We welcome dialogue with our shareholders on the remuneration of our executive directors and appreciate our shareholders' continued support.

SHARE PRICE PERFORMANCE GRAPH



DIRECTORS' REMUNERATION POLICY

EXECUTIVE REMUNERATION PRINCIPLES AND PHILOSOPHY

Randgold operates in a variety of international markets and jurisdictions. In formulating its principles, the regulatory requirements of Jersey, the United Kingdom and the United States were taken into account and the company has followed international best practice and good corporate governance. The company's executive remuneration principles provide the underlying standards on which the remuneration policies and goals are based.
The remuneration principles are applied across the group and the remuneration policy is applied to the executive and non-executive directors. The principles are reviewed annually by the remuneration committee and at such other times as the remuneration committee considers necessary.

Randgold's business strategy for success is enduring, consistent, sustainable and long established, as is the people strategy and the remuneration objective and principles that have been developed to support its business and its corporate culture. Randgold is a unique entrepreneurial company, focused on Africa and growing value through discovery and development that has at its heart the creation of value for all stakeholders including its host countries and local communities where the company operates.

Randgold's alignment with shareholder value creation encourages empowerment, energy, ownership and responsibility, as well as a results-based growth culture. Randgold's remuneration plans support this through encouraging investment and ownership in the business, as well as setting stretching performance targets for the delivery of reward-based variable short term and long term incentive plans for its executive directors and senior management.

Objective

To ensure Randgold's principles on directors' remuneration encourage, reinforce and reward the delivery of sustainable value to the company's shareholders and its other stakeholders in the host countries where the company operates.

REMUNERATION PRINCIPLES

Long term success
Building sustainable long term value for shareholders and other stakeholders is the key overriding objective. Accordingly a significant proportion of our remuneration is aligned to the long term success of the company through both shares and performance-related awards. In addition, to support the alignment with shareholders and the desired corporate culture of the company, senior executives are encouraged to invest in and hold shares in the company.

Randgold's people
Randgold's belief is that a key part of that value creation strategy is ensuring the company has the right people in the right places to deliver this value with the appropriate balance and alignment between the interests of shareholders and an attractive and appropriate reward package for its people.
Randgold's people are highly motivated and have energy and tenacity to achieve and succeed in delivering Randgold's long term vision. Randgold believes in rewarding highly for delivering value, showing flexibility and mobility, as well as demonstrating a proactive entrepreneurial approach.
Randgold rewards high performance and alignment with Randgold's culture when it is consistently delivered, and consequently value to Randgold and its shareholders is seen as increasing from an individual's contribution.

Executive directors
Competitive total remuneration is used to attract and retain high-calibre executive directors, who have the personal attributes, skills and experience necessary to deliver the company's strategy in the environment within which it operates.
Randgold operates in the international mining industry and, specifically, the international gold mining industry. Reward packages need to be commensurate with its comparator groups to attract and retain high calibre people with exceptional industry ability in mining and in Africa. As well as being appropriately reflective of the industry, Randgold's pay philosophy is to ensure its entrepreneurial culture and principles are maintained by ensuring leverage through its variable pay plans.

Performance-related pay
Randgold's strategy of delivering value in Africa through its partnerships with other companies (international and local), governments, Randgold's people and the people of Randgold's host countries in Africa is clear and this flows through to Randgold's performance in terms of its KPIs.
A significant proportion of total remuneration should vary with performance, aligning the executive directors' interests with the interests of the company's shareholders and stakeholders. Randgold's only material element of fixed remuneration will be base pay, supplemented by performance-related short term and long term remuneration. A high level of performance, measured with reference to predetermined objective criteria, will be rewarded with higher levels of remuneration.

REMUNERATION PRINCIPLES

Performance measures

Financial and non-financial KPIs are Randgold's measurement of success and are reflected in its remuneration plans.

Randgold believes sustainable long term growth is a fundamental strength of its strategy, its people and its way of working. Consequently, its long term incentive plans reward sustained and exceptional stretching performance over a three to five year period (including the required holding period).

The use of stretching performance measures and key performance indicators are crucial to benchmark performance. In terms of comparative performance, Randgold will use relevant comparator groups.

Individual executive directors' performance, pay and performance metrics and ranges will be reviewed annually to ensure alignment with Randgold's business plans and its overriding objectives.

Risk

In addition to the delivery of sustainable value, remuneration arrangements should be aligned with Randgold's approach to sustainability and business risk management which takes into account the company's environmental, social and governance responsibilities.

Expenses and benefits

Our culture is to deliver value for shareholders as entrepreneurs. Accordingly, we reduce long term fixed elements of pay and as such there are no company-funded pension plans within the company and, while we provide access to a company-facilitated medical insurance policy, the company does not fund the contributions. However, as a responsible employer, we support our workforce and executives in delivering social benefits related to workplace events or events whilst at work such as ill health and disability. Any expenses incurred in the course of work are reimbursed.

Shareholding

Ownership of shares in the company is encouraged and executive directors are required to build a material shareholding in the company which over time will form a meaningful portion of reward and will align executive directors' interests to shareholders' interests. Randgold will require each executive director to have a minimum shareholding in the company.

Recruitment

The company will not offer any more than is necessary to attract and retain executive directors of the right calibre and experience. The company may compensate a new executive director for forfeiture of salary and other remuneration from a previous employer on a comparable basis taking into account performance achieved or likely to be achieved and aligning this new executive director with other executive directors as far as possible.

Service contracts and letters of appointment

Executive directors' service contracts and non-executive directors' letters of appointment will be clear, transparent, and will be drafted by reference to 'best practice'. Where governance principles vary or conflict across relevant jurisdictions, the board will adopt what it considers to be the appropriate standards that reflect the overriding objective.

Termination payments

On determining loss of office payments, consideration will be given to any contractual provisions, the circumstances under which an executive director leaves and the executive director's performance. Whether a loss of office payment is made is at the discretion of the remuneration committee.

Non-executive chairman and directors

To attract and retain a high calibre non-executive chairman and non-executive directors who have the necessary skills, experience and commitment, the company will offer competitive remuneration which recognises the time commitment and work required for the roles of non-executive chairman and non-executive directors.

Engaging with shareholders

The non-executive directors will maintain an open transparent dialogue with shareholders and regularly seek their views on the company's remuneration practices and policies.

Remuneration policy, practices and outcomes will be clearly explained in the context of performance, to the extent not commercially sensitive, and shareholders will be given the opportunity to vote (by way of ordinary resolution) on Randgold's remuneration policies and practices at least once a year. Approval will be sought in relation to the directors' remuneration report at each annual general meeting.[1]

Fairness and judgement

Appropriate judgement will be applied by the remuneration committee in determining remuneration with consideration given to the conditions affecting the company, including the countries where the company operates, and where the executive directors are required to spend their time.

[1] *As the company is incorporated in Jersey, this approval will be on an advisory rather than on a binding basis. In line with the company's commitment to follow international best practice and good corporate governance, it is the board's intention to operate in line with the remuneration policy and the board will give careful consideration to shareholder feedback on this policy.*

Remuneration structure summary

The group's total remuneration, together with each individual element, is benchmarked against a comparator group of FTSE 100, FTSE mining and comparable international gold mining companies. Further details on the company's remuneration policy and remuneration arrangements are contained in this remuneration report. For 2016, the remuneration of the executive directors will comprise of the following:

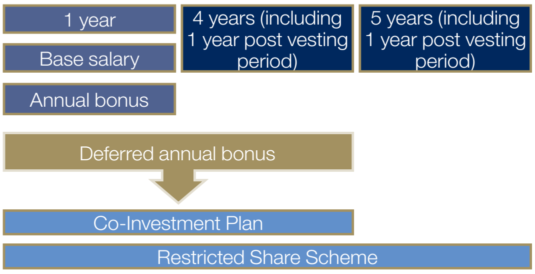
- Base salary.
- Annual bonus with mandatory deferral of one third of any annual bonus earned into the Co-Investment Plan.
- A Co-Investment Plan rewarding relative performance over three years subject to investment by the executive director, and with a further one-year post-vesting retention period.
- A Restricted Share Scheme rewarding operational performance over four years with a further one-year post-vesting retention period.

Remuneration policy

The remuneration policy is based on the remuneration principles set out on pages 190 to 191 of this annual report and remains unchanged from 2015, except as detailed in the policy table below.

Any commitment made before an executive becomes a director will be honoured even if inconsistent with this or any future policy.

POLICY ON REMUNERATION PAYMENTS



	Purpose	Operation	Maximum opportunity/ performance metrics/changes
Overall	■ To ensure that the company's executive remuneration policy encourages, reinforces and rewards the delivery of sustainable shareholder value. ■ To ensure that pay arrangements are fully aligned with the company's approach to risk management and take into account our obligations in respect of environmental, social and governance policies.	■ The remuneration committee reviews the structure of the executive directors' arrangements every year. ■ Total remuneration and each element of remuneration is benchmarked periodically against a comparator group of FTSE 100, FTSE mining and comparable international gold mining companies.	■ Maximum opportunity levels for individual pay elements are set out below. ■ Page 197 of this annual report sets out the total opportunity levels for executive directors under different performance scenarios.
Base salary	■ Competitive base salaries to attract and retain high calibre executives, based on personal performance and relevant experience. ■ Base salary is the only material element of fixed remuneration. ■ The company does not fund any pension contributions.	■ Base pay levels are reviewed annually by the remuneration committee (with effect from 1 January each year), taking account of company performance, individual performance, changes in responsibility and levels of increase for the broader employee population. ■ Reference is also made to median levels within FTSE 100, FTSE mining and comparable international gold mining companies, as mentioned above. ■ The remuneration committee considers the impact of any base salary increase on the total remuneration package.	■ The CEO's base salary was increased from $1 638 000 to $1 687 140 with effect from 1 January 2016 – an increase of 3% in line with the market and the average increase for employees at the corporate centre. ■ The CFO's base salary was increased from £525 336 to £541 096 with effect from 1 January 2016 – an increase of 3% in line with the market and the average increase for employees at the corporate centre. ■ Under normal circumstances, there will be no base salary increases during the one year policy period. In exceptional circumstances, the remuneration committee reserves the right to make adjustments to the executives' remuneration to recognise, for example, development in role, change in responsibility and/or specific retention issues.

	Purpose	Operation	Maximum opportunity/ performance metrics/changes
Annual bonus	■ Designed to encourage and reward superior performance on an annual basis.	■ Target and maximum annual incentives are determined as a percentage of base salary. ■ One third of the annual bonus is compulsorily deferred into the Co-Investment Plan. ■ Subject to 'malus' provision to allow reduced payment at the discretion of the remuneration committee based on the overall performance of the company. ■ Subject to clawback for a three year period from the date of payment in the event of a material misstatement of the company's annual report and accounts on which they were based.	■ The annual bonus payable to the CEO for achieving target performance is 150% of base salary. The maximum bonus payable to the CEO for achieving outperformance is 300% of base salary. ■ The annual bonus payable to the CFO for achieving target performance is 100% of base salary. The maximum bonus payable to the CFO for achieving outperformance is 200% of base salary. ■ The performance metrics used to determine the annual bonus cover the same categories for both the executive directors, weighted as follows: ■ Financial measures (30%). ■ Role-specific operational/ financial performance targets (25%). ■ Role specific strategic/non-financial targets (30%). ■ Safety and environment (15%).
Deferred bonus	■ The deferral of annual bonus encourages executive share ownership and provides longer term alignment with shareholder interests.	■ One third of any annual bonus is compulsorily deferred into shares under the Co-Investment Plan and paid in shares after three years. ■ Subject to clawback for a three-year period from the date of payment in the event of a material misstatement of the company's annual report and accounts on which the award was based.	■ Deferred bonuses are compulsorily deferred into the Co-Investment Plan and if certain metrics and targets are satisfied, are paid in matched shares after 3 years.
Co-Investment Plan	■ To reward sustained performance relative to global peers. ■ Each year, when considering new awards under the plan, the remuneration committee will review and may make adjustments to the metrics and targets to which the vesting of new matching awards granted under the plan will be subject, before the grant of such awards, taking into account the strategic objectives of the company for the relevant periods.	■ Each year an executive director may choose to commit shares into the Co-Investment Plan in addition to the compulsorily deferred bonus. ■ Committed shares must be retained for four years (which includes an additional one year holding period post-vesting) and may be matched, depending on relative Total Shareholder Return (TSR) performance against the Euromoney Global Gold Index (formerly the HSBC Global Gold Index) over three years. ■ Matched shares are subject to a 'malus' provision to allow reduced vesting at the discretion of the remuneration committee based on the overall performance of the company. ■ Matched shares are subject to clawback for a three year period from the date of vesting in the event of a material misstatement of the company's annual report and accounts on which the award was based.	■ The maximum commitment opportunity to be offered under the Co-Investment Plan is 250% of base salary by the CEO and 125% of base salary by the CFO. ■ The extent to which the shares are matched depends on the performance of the company's TSR compared with the Euromoney Global Gold Index over three years. ■ The match is 0.3 shares for each share committed for performance equalling the performance of the Euromoney Global Gold Index. For performance at 10% above the index the match is 1:1 with stepped changes in between.

	Purpose	Operation	Maximum opportunity/ performance metrics/changes

Restricted Share Scheme	■ Rewards sustainable long term performance.
	■ Focus on operational and financial performance measures and rewards absolute delivery of key strategic imperatives to build the company for the future.
	■ Four-year performance period supports sustainability of growth.
	■ One year post-vesting retention period further supports long term sustainability.
	■ Each year, when considering new awards under the scheme, the remuneration committee will review and may make adjustments to the metrics and targets to which the vesting of new awards granted under the Restricted Share Scheme will be subject, before the grant of such awards, taking into account the strategic objectives of the company for the relevant periods. Any adjustments are to ensure stretching performance targets are set.
		■ Awards of shares are made annually under the Restricted Share Scheme, determined as a percentage of base salary.
		■ Awards vest after 4 years subject to the achievement of stretching operational and financial targets.
		■ Subject to 'malus' provision to allow reduced vesting at the discretion of the remuneration committee based on the overall performance of the company.
		■ Subject to clawback for a three year period from the date of vesting in the event of a material misstatement of the company's annual report and accounts on which they were based.
			■ The remuneration committee has determined that the maximum annual award of shares is 200% of salary for the CEO and 100% of salary for the CFO.
			■ Three separate measures of business growth, each weighted one third:
			  ■ Additional reserves including reserve replacement.
			  ■ Relative TSR vs a tailored peer group.
			  ■ Total cash cost per oz.
			■ The threshold vesting level is 30% and is aligned with the Co-Investment Plan.

Pension	■ Funded entirely by the executive directors from their base salary.	■ Executive directors can elect to allocate up to 20% of their base salary to contribute to a defined contribution provident fund. The company does not make any further contributions to the fund.	■ Not applicable.
Other benefits	■ Main benefits funded from base salary by executive directors.	■ Executive directors can elect to participate in a medical aid scheme funded out of the executive's base salary. ■ Where appropriate, executive directors may be provided with benefits while travelling for work. ■ Life assurance cover is provided by the company through the group life assurance scheme which also provides cover for the company's senior management.	■ Set at a level that the remuneration committee resolves to be required for the executive director to carry out their role.

	Purpose	Operation	Maximum opportunity/ performance metrics/changes
Other commitments. Recruitment and promotion arrangements	■ To secure the appointment and promotion of high calibre executives.	■ For external appointments the remuneration committee may offer additional cash/ share-based elements where they consider it is in the best interests of the company (and therefore shareholders). Such payments would take account of remuneration forfeited when leaving the former employer and would reflect the nature, time horizons and performance requirements attaching to that remuneration. Full details on any such payments would be announced to shareholders on appointment. ■ For appointment of an internal candidate, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms, adjusted as relevant to take account of appointment. In addition, any on-going remuneration obligations existing before appointment may continue in place, to the extent they are inconsistent with the policy outlined above, provided that they are put to shareholders for approval at the earliest opportunity. ■ For both external and internal appointments, the remuneration committee may agree that the company will meet certain relocation expenses as appropriate.	■ Maximum value is determined by reference to the policy in relation to each element of pay outlined above (for executive directors) and below (for non-executive directors). ■ In unforeseen and exceptional circumstances, in order to attract the right talent at an executive level, and after consultation with major shareholders, the remuneration committee may make compensatory one-off payments on recruitment which might not otherwise be covered by the remuneration policy, but in all cases the value of such arrangement would be within the financial limit of the policy for that element of remuneration.
Chairman's fees	■ To attract and retain a high calibre chairman by offering a market competitive fee. ■ The company's policy on the chairman's fees takes into account the need to attract and retain an individual of the right calibre and experience, their responsibilities and time commitment.	■ The decisions on the chairman's arrangements are made by the remuneration committee in consultation with the CEO. ■ The chairman is paid an annual retainer fee, a chairman fee and receives an annual award of shares which is fully vested upon grant. ■ The shares are seen as an important element of the company's approach to remuneration policy in relation to the chairman. They encourage share ownership and are provided in lieu of cash. ■ The chairman fee arrangements are periodically reviewed by the remuneration committee in consultation with the CEO.	■ The chairman receives a retainer fee of $60 000 pa. ■ The chairman also receives the chairman fee of $225 000 (which is inclusive of committee membership fees but exclusive of the committee chairman fee). ■ The chairman, subject to shareholder approval, will receive an annual award of: 2 500 shares. ■ The chairman is required to retain and maintain from his vested shares a number of shares in the company at least equal in value (as at the beginning of the financial year) to an amount equivalent to 200% of the annual retainer fee.

	Purpose	Operation	Maximum opportunity/ performance metrics/changes
Non-executive directors' fees	■ To attract and retain a high calibre of non-executive director by offering market competitive fees. ■ The company's policy on the non-executive directors' fees takes into account the need to attract and retain individuals of the right calibre and experience, their responsibilities and time commitment.	■ The decisions on the arrangements of the non-executive directors are the responsibility of the board taking into account the fundamental principle of corporate governance that no individual is involved in the determination of their own remuneration. The chairman, the CEO and the CFO make the decisions on the non-executive directors' fees. ■ The chairmen of the board committees and the senior independent director are paid an additional fee to reflect their extra responsibilities. ■ The non-executives are paid an annual retainer fee, a committee membership fee, and subject to shareholder approval, receive an annual award of shares which is fully vested upon grant. ■ The shares are seen as an important element of the company's approach to remuneration policy in relation to non-executive directors. They encourage share ownership and are provided in lieu of cash. ■ Non-executive directors' fees are reviewed periodically by the chairman and executive directors.	■ Each non-executive director receives a retainer fee of $60 000 pa. ■ Each non-executive director, subject to shareholder approval, will receive an annual award of 1 500 shares (2 000 for the senior independent director and 2 500 for the chairman). ■ Non-executive directors are required to retain and maintain from their vested shares a number of shares in the company at least equal in value (as at the beginning of the financial year) to an amount equivalent to 200% of the annual retainer fee. ■ The senior independent director receives a fee of $85 000 pa. This fee is payable in addition to other committee fees to reflect the role's increased workload. ■ Each committee chairman receives an additional fee of $20 000 pa. ■ Each member of a board committee receives the following fee: ■ Audit: $35 000 pa ■ Remuneration: $25 000 pa ■ Governance & nomination: $10 000 pa.

WHY PERFORMANCE MEASURES WERE CHOSEN AND HOW TARGETS ARE SET

Performance measures are selected by the remuneration committee on the basis of their alignment to the remuneration principles and the company's strategy, and to ensure the measures remain fundamental to the operational management of the business. Measures are reviewed annually by the remuneration committee, taking into account business performance and priorities.

ANNUAL BONUS

The performance metrics for the annual bonus are set annually and are based on the business priorities and strategic objectives. The remuneration committee is of the view that the specific metrics for the annual bonus are commercially sensitive and it would be detrimental to the company to disclose them in advance of or during the relevant performance period. The remuneration committee will disclose those metrics at the end of the relevant performance period when they are no longer commercially sensitive in the appropriate year's annual report. Please see page 202 of this annual report for the performance metrics for 2015.

CO-INVESTMENT PLAN

The gold mining industry is capital intensive, cyclical and long term. Outstanding performance comes from finding and accessing high quality resources, successfully developing new projects, managing production costs, and maintaining efficient and safe operations.

The remuneration committee believes that, in this context, success can best be measured by the company's total shareholder return (TSR) performance against the Euromoney Global Gold Index. The Euromoney Global Gold Index is a capitalisation-weighted index calculated in US dollars, representing more than 50 mining companies from around 20 countries. The company's performance against its peers is set out in the graph on page 189 of this annual report.

RESTRICTED SHARE SCHEME

The performance metrics for the Restricted Share Scheme have been selected on the basis that they are among the company's key performance indicators and drive shareholder value.

The remuneration committee further believes that the performance necessary for awards to vest towards the upper end of the performance ranges is stretching. They should not, therefore, be interpreted as providing guidance on the company's expected performance over the relevant periods.

For awards made in 2015, following a review of performance measures, the remuneration committee determined that, in order to improve the robustness of performance measurement, the following three measures would apply, each weighted one third:

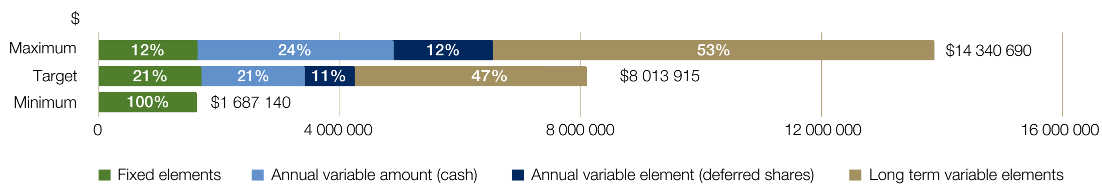
- Additional reserves including reserve replacement
- Total cash cost per ounce
- Relative TSR (versus industry peers)

For 2016, the remuneration committee has determined that the measures remain appropriate and there is no change to performance measures for the year. These measures provide an equal balance between asset sustainability, profitability and relative shareholder returns, taking into account the current economic and gold price volatility. Awards vest on a straight-line sliding scale for performance between the minimum and maximum performance range for the relevant performance metric.

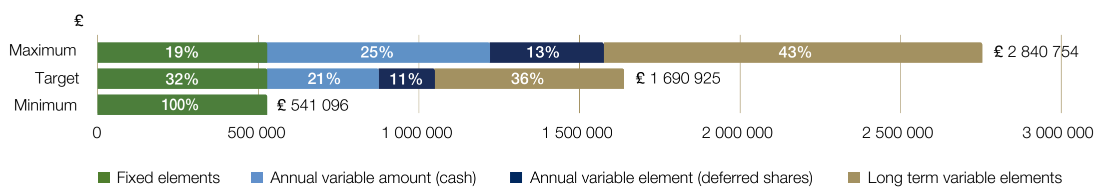
The remuneration committee will review the performance metrics of the Restricted Share Scheme in the event that the company issues a material number of shares.

INDICATIVE TOTAL OPPORTUNITY LEVELS FOR 2016

CEO



CFO



As a result of the company's remuneration policy, a significant portion of the rewards available to the executive directors is dependent on the performance of the company. The tables above illustrate how the total pay opportunities for the CEO and the CFO vary under three different performance scenarios; maximum, target and minimum. These charts are indicative only as share price movements and dividend accrual have been excluded. The tables are based on the following assumptions:

- Fixed elements comprise of base salary.
- Target performance consists of base salary and incentive awards at 50% of maximum.
- Maximum performance consists of base salary and incentive awards at 100% of maximum.
- The value of the Co-Investment Plan award assumes a maximum investment from the respective executive director.

SERVICE AGREEMENT PROVISIONS RELATING TO SALARY AND BENEFITS

The executive directors' service agreements are available for inspection at the company's registered office and at each annual general meeting of the company. The information below provides a summary of the provisions in the executive directors' service contracts that could give rise to a remuneration or loss of office payment.

Any pension benefit due from contributions made by the executive directors to the company's provident fund will also be paid out on termination or at such other time as the executive director chooses. The company does not contribute to the provident fund.

TERMS OF SERVICE AGREEMENTS

Salary and benefit	The CEO will be paid a salary of $1 500 000 per annum[1] and the CFO will be paid a salary of £390 000 per annum[2] or, in both cases, such other rate as may be agreed between an executive director and the company. The salary will be reviewed by the board annually with no obligation to award an increase. The service agreements provide that the executive directors are entitled to participate in such pension funds as may be nominated by the executive director and participate in the company's medical aid scheme, in both cases funded entirely by the executive director from their base salary. The company will provide life assurance against death and disability for each of the CEO and CFO.
Annual bonus	The executive directors will be eligible to participate in the Annual Bonus Plan subject to the rules of the plan as amended from time to time. The board consults with each of the executive directors with respect to the setting of performance metrics. The service agreements note that under the rules of the Annual Bonus Plan, where a participant ceases employment as a 'good leaver' or there is a change of control event, a participant will be entitled to an award based on the extent to which the performance conditions have been satisfied and pro-rated to reflect the shortened performance period.
Incentive schemes	The executive directors are eligible to participate in the Co-Investment Plan and the Restricted Share Scheme subject to the rules of the plans as amended from time to time. The service agreements note that under the rules of the plan and scheme, where the participant is a 'good leaver' or there is a change of control event, a participant will be entitled to an award based on the extent to which the relevant performance conditions have been satisfied and pro-rated to reflect the shortened performance period. The board consults with each of the executive directors with respect to the setting of performance metrics.

[1] *As at 31 December 2015, the annual base salary of the CEO was $1 638 000. The base salary of the CEO was increased to $1 687 140 with effect from 1 January 2016.*
[2] *As at 31 December 2015, the base salary of the CFO was £525 336. The base salary of the CFO was increased to £541 096 with effect from 1 January 2016.*

TERMINATION POLICY

Both Dr DM Bristow and Mr GP Shuttleworth agreed updated service agreements in June 2011 (as amended on 28 January 2013) under which the company and each executive director can terminate their respective service agreement by giving six months' notice in writing.

The employment relationship can be ended immediately by the company making a payment in lieu of notice, equivalent to the base salary payable for the notice period. The executive directors' duty to mitigate will be taken into account on termination.

The provisions contained in the executive directors' service agreements, as summarised in the above table, reflect Randgold's termination policy including in respect of notice periods, the principles for calculating each element of a termination payment, and whether circumstances of termination are taken into account.

CONSIDERATION OF CONDITIONS ELSEWHERE IN THE COMPANY IN DEVELOPING POLICY

Given the geographic spread of the company's workforce, the remuneration committee does not consider that consulting directly with employees on the remuneration policy for executive directors is the most appropriate use of resources, although executive directors' pay is carefully considered in the context of pay and conditions across the company as a whole.

The remuneration committee has oversight of remuneration policies for senior management below the board, and applies the principles of transparency, clarity and alignment of reward with performance.

To support the alignment of interests with those of shareholders, in 2009 the company extended a form of the Restricted Share Scheme to senior management below board level. Awards under the Restricted Share Scheme are not made annually, but on an ad hoc basis determined by key events or when new senior managers are recruited. Vesting of restricted share awards for senior managers is conditional on satisfactory individual performance.

Further, the board extended the Co-Investment Plan to senior management below board level, in line with the existing rules of the plan, with effect from 1 January 2013. This further enhances the link between pay and long-term value creation and recognises the significant value the senior management team as a whole has created over the years.

CONSIDERATION OF SHAREHOLDER VIEWS IN DEVELOPING POLICY

As in previous years, the remuneration committee has engaged extensively during the year with its larger institutional shareholders and the voting guidance services on remuneration. The remuneration committee acknowledges and listens to the views of the company's shareholders and has taken account of their opinions in formulating the remuneration principles, the remuneration policy and this remuneration report.

PAYMENTS ALREADY AGREED

Where unforeseen or exceptional circumstances arise, after consultation with major shareholders, the remuneration committee may make payments outside of the structures envisaged by the remuneration policy. However, the value of any such element would be limited to the usual financial limit for the element of remuneration to which the arrangement relates. Any such event and resultant payments will be announced on a timely basis to shareholders in the usual way via the stock exchange information service and on the company's website. The remuneration committee will continue to honour all existing arrangements under existing contracts and any payments already agreed with shareholders.

ANNUAL REPORT ON REMUNERATION

EXECUTIVE DIRECTORS' REMUNERATION – SINGLE FIGURE

The figures contained in the table below reflect the base salary and annual bonuses actually paid during the period and the value of awards that vested under the Restricted Share Scheme and the Co-Investment Plan where the performance period ended in the year under review (with such value determined by reference to the market price of the vested award shares on the relevant vesting date, in accordance with the United Kingdom's Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the UK Regulations)). As a Jersey incorporated company, the company is not required to follow the UK Regulations but does so in the interest of disclosure to its shareholders.

Where a share award or part of a share award has vested on 1 January 2015, it has been included in the 2014 figure and where a share award has vested on 1 January 2016, it has been included in 2015.

Fixed remuneration comprises only base salary. No pension contributions are funded by the company. In 2016, fixed remuneration represents less than 21% for the CEO and less than 32% for the CFO of the total remuneration package (based on target performance).

EXECUTIVE DIRECTORS' REMUNERATION – SINGLE FIGURE

DIRECTOR ($)	Year	Total salary	Benefits	Pension	Total fixed pay	Bonus[1]	LTI award value	Total variable pay	Total
DM Bristow	**2015**	**1 638 000**	**n/a**	**n/a**	**1 638 000**	**2 946 754**	**3 098 458**	**6 045 212**	**7 683 212**
	2014	1 575 000	n/a	n/a	1 575 000	2 866 579	4 183 887	7 050 466	8 625 466
GP Shuttleworth	**2015**	**802 324**[2]	**n/a**	**n/a**	**802 324**	**1 149 604**[3]	**563 274**	**1 712 878**	**2 515 202**
	2014	816 551	n/a	n/a	816 551	1 150 008	481 223	1 631 232	2 447 782

1 *For detail of the portion of bonus deferred and performance measures met, see pages 203 and 204 of this annual report.*
2 *Mr GP Shuttleworth's salary was paid in pounds but converted to dollars at the average rate for the year of £1:$1.53.*
3 *Mr GP Shuttleworth's bonus will be paid in pounds in March 2016 but has been converted to dollars at the rate of £1:$1.41.*

EXECUTIVE DIRECTORS' REMUNERATION – ACCOUNTING CHARGE

DIRECTOR ($)	Base salary 2015	Base salary 2014	Annual bonus[1] 2015	Annual bonus[1] 2014	Other payments[4] 2015	Other payments[4] 2014	Total 2015	Total 2014
DM Bristow	**1 638 000**	1 575 000	**2 946 754**	2 866 579	**3 454 250**	3 217 825	**8 039 004**	7 659 404
GP Shuttleworth	**802 324**[2]	816 551	**1 149 604**[3]	1 150 008	**540 770**	442 494	**2 492 698**	2 409 053
Total	**2 440 324**	2 391 551	**4 096 358**	4 016 587	**3 995 020**	3 660 319	**10 531 702**	10 068 457

1 *For detail of the portion of bonus deferred and performance measures met, see pages 203 and 204 of this annual report.*
2 *Mr GP Shuttleworth's salary was paid in pounds but converted to dollars at the average rate for the year of £1:$1.53.*
3 *Mr GP Shuttleworth's bonus will be paid in pounds in March 2016 but has been converted to dollars at the rate of £1:$1.41.*
4 *Other payments include expenses for restricted share awards performance share awards and Co-Investment Plan awards which are costed in accordance with IFRS 2, based on the valuation at the date of grant rather than the value of the awards that vested in the year. Vesting is subject to a number of vesting conditions which may or may not be achieved.*

Base salary

The CEO's and CFO's base salaries are determined by the remuneration committee, taking into account the performance of the individual. The company also benchmarks each element of it remuneration and the total remuneration package in comparison to FTSE 100, FTSE mining and comparable international gold mining companies.

When setting base salaries, the remuneration committee also takes into consideration the requirement for extensive travel and time spent at the company's operations in Africa. This is considered critical to the effective management of the company's business.

At 31 December 2015, the annual base salaries of the executive directors were as follows:

- CEO: Dr DM Bristow $1 638 000
- CFO: Mr GP Shuttleworth £525 336

Following a review of all aspects of the remuneration packages of the executive directors, it has been decided that the CEO's base salary be increased from $1 638 000 to $1 687 140 and the CFO's base salary be increased from £525 336 to £541 096 with effect from 1 January 2016, which represent an increase of 3%. The CEO's and CFO's base salary increases are in line with wider increases across the group.

As is the remuneration committee's usual practice, it sought the views of our larger institutional shareholders and voting guidance services before deciding on these increases.

During the year the remuneration committee was provided with information detailing salaries of the broader Randgold employee population. The remuneration committee has an oversight of the review of the employees' salaries and any increases made are also taken into account when considering the base salary increases for the CEO and CFO. The increases for the employees took effect in October 2015 and ranged from 0% to 7.5%. The average increase in employee salaries was approximately 3.7%.

Retirement benefits

Executive directors can elect to sacrifice up to 20% of their base salary to contribute to a defined contribution provident fund. The provident fund is offered to all senior management within the company. The company does not make any contribution to the provident fund.

Other benefits

Executive directors can elect to receive other benefits, including medical aid, funded out of their base salary. Where appropriate, executive directors may be provided with benefits while travelling for work and the cost of membership of professional associations. Life assurance cover is provided to the executive directors by the company through the group life assurance scheme which is also made available to the company's senior management.

Variable remuneration

Variable remuneration represents the major proportion of each executive director's remuneration package.

In 2015, variable remuneration of the executive directors comprised:

- An annual bonus opportunity, coupled with the requirement to defer a third of annual bonus earned into the Co-Investment Plan.
- Participation in the Co-Investment Plan rewarding performance over three years, with a further one year post-vesting retention requirement of the vested award.
- Performance shares awarded under the Restricted Share Scheme, rewarding performance over four years, with a further one year post-vesting retention requirement of the vested award.

2015 Annual bonus

The annual bonus encourages and rewards superior performance on an annual basis. Executive directors are eligible to receive an annual bonus, subject to the achievement of stretching performance criteria. The performance metrics are intended to reward the achievement of challenging strategic and financial targets that contribute to the creation of sustainable shareholder value. Each year, the remuneration committee reviews and may make adjustments to the criteria used for measuring performance, taking into account the strategic objectives of the company for the year, before the metrics and targets are agreed for the annual remuneration cycle.

CEO

The annual bonus payable to the CEO for achieving 'target' performance in 2015 was 150% of base salary. The maximum bonus payable to the CEO for achieving outperformance in 2015 was 300% of base salary. The annual bonus for the CEO for 2015 was based on the achievement of the following performance metrics:

CEO

PERFORMANCE CRITERIA	Measurement	Proportion
Financial performance (Part A)	EPS growth	15%
Financial performance (Part B)	Total cash cost per ounce of gold	15%
Operational (Part C)	Growth in absolute reserves	12.5%
Operational (Part D)	Production of gold ounces	12.5%
Strategic outputs (Part E)	Individual strategic outputs (as agreed with the remuneration committee)	30%
Safety (Part F)	LTIFR	10%
Environment (Part G)	Class 1 incidents	5%

CFO

The annual bonus payable to the CFO for achieving 'target' performance in 2015 was 100% of base salary. The maximum bonus payable to the CFO for achieving outperformance in 2015 was 200% of base salary. The annual bonus for the CFO for 2015 was based on the achievement of the following performance metrics:

CFO

PERFORMANCE CRITERIA	Measurement	Proportion
Financial performance (Part A)	EPS growth	15%
Financial performance (Part B)	Total cash cost per ounce of gold	15%
Operational (Part C)	Capital expenditure control	12.5%
Operational (Part D)	Inventory control	12.5%
Strategic outputs (Part E)	Individual strategic outputs (as agreed with the remuneration committee)	30%
Safety (Part F)	LTIFR	10%
Environment (Part G)	Class 1 incidents	5%

Individual strategic outputs for the CEO and CFO, and the rest of the executive management team and senior managers, are determined through the company's annual strategic planning process, whereby the management team identifies the key objectives and deliverables which collectively the company needs to achieve in order for the business to be successful as a whole. The process includes a combination of scenario planning, SWOT analysis and other strategic discussions. The company's key strategic outputs are then allocated to the appropriate executives responsible for their delivery, including the CEO and CFO, as their individual strategic outputs. These outputs are then reviewed with the individual teams and business units throughout the group, to ensure that the executive strategic outputs and the overall strategy of the group are clearly articulated and understood throughout the organisation.

Each of the executive directors and the senior management team below board level typically receive 20-30 individual strategic objectives for the year. These consist of a range of outputs that are specific to their individual role such as, for example, building/maintaining relationships with key partners and stakeholders such as host governments, shareholders, suppliers and the local communities at the mine sites; developing specific aspects of the business and implementing strategic decisions or key operational improvements; and managing key projects within certain parameters and timelines. These personal objectives are assessed at the end of the year including 360 degree feedback. The individual strategic outputs are directly related to the key business objectives and consequently their achievement is an appropriate measure of performance and is complementary to the various financial metrics included in the bonus calculation.

The individual strategic outputs for the CEO and CFO are approved by the remuneration committee. No bonus is payable to executive directors in respect of individual strategic outputs for a level of achievement below 70%.

2015 Annual bonus outcomes

Based on performance achieved against targets during the 2015 financial year, the remuneration committee determined, based on the performance metrics, that Dr DM Bristow and Mr GP Shuttleworth receive bonus payments of $2 946 754 and $1 149 604 respectively, which amount to 37% and 46% of total accounting charge for remuneration respectively.

CEO

The determination of the bonus for the CEO for 2015 took account of the following performance metrics:

PERFORMANCE CRITERIA	Outcome	Achievement
Financial performance (Part A)	EPS for the year was $2.03, a decrease on the prior year of 20%. The bonus range was $2.54 to $2.79.	0% out of 15%
Financial performance (Part B)	Total cash cost per ounce of gold was $679, a decrease of 3%. The bonus range was $740/oz to $640/oz.	9.2% out of 15%
Operational (Part C)	Growth in reserves at the end of the year, after depletion, was 2% negative. The bonus range was negative 1% to positive 3%.	0% out of 12.5%
Operational (Part D)	Production of gold ounces was 1 211 288oz an increase of 5.6%. The bonus range was 1.090Moz to 1.290Moz	7.6% out of 12.5%
Strategic outputs (Part E)	Individual strategic outputs (as agreed with the remuneration committee) achievement of 91%. The bonus range was 70% to 90%.	30% out of 30%
Safety (Part F)	The LTIFR was 0.59. The bonus range was 1.0 to 0.5.	8.2% out of 10%
Environment (Part G)	No Class 1 incidents at the end of the year. The target bonus outcome was 0.	5% out of 5%
Total		60% out of 100%

CFO

The determination of the bonus for the CFO for 2015 took account of the following performance metrics:

PERFORMANCE CRITERIA	Outcome	Achievement
Financial performance (Part A)	EPS for the year was $2.03, a decrease on the prior year of 20%. The bonus range was $2.54 to $2.79.	0% out of 15%
Financial performance (Part B)	Total cash cost per ounce of gold was $679, a decrease of 3%. The bonus range was $740/oz to $640/oz.	9.2% out of 15%
Operational (Part C)	Capital expenditure was less than budgeted level. The bonus range was 10% to 0% more than budget.	12.5% out of 12.5%
Operational (Part D)	Total inventory reduced by 10%. The bonus range was 0% to 10%.	12.5% out of 12.5%
Strategic outputs (Part E)	Individual strategic outputs (as agreed with the remuneration committee) achievement of 90%. The bonus range was 70% to 90%.	30% out of 30%
Safety (Part F)	The LTIFR was 0.59. The range for the bonus was 1.0 to 0.5.	8.2% out of 10%
Environment (Part G)	No Class 1 incidents at the end of the year. The target bonus outcome was 0.	5% out of 5%
Total		77.4% out of 100%

Deferred annual bonuses

The deferral of annual bonus encourages and rewards superior performance on a sustained basis. One third of any annual bonus earned is compulsorily deferred and paid in shares after three years. Deferred bonuses may be matched under the Co-Investment Plan.

The annual bonus amounts that were deferred for 2015 are $982 153 for the CEO and $383 163 for the CFO.

Deferred bonuses are subject to clawback in the event of a material misstatement of the company's annual report and accounts on which they were based.

LONG TERM INCENTIVE OUTCOMES FOR 2015

The company focuses on longer term value and long term incentives for executive directors which comprise, on an annual basis:

- Participation in the Co-Investment Plan rewarding performance over three years, with a further one year post-vesting retention requirement for the vested award.
- Performance shares awarded under the Restricted Share Scheme, rewarding performance over four years, with a further one year post-vesting retention requirement for the vested award.

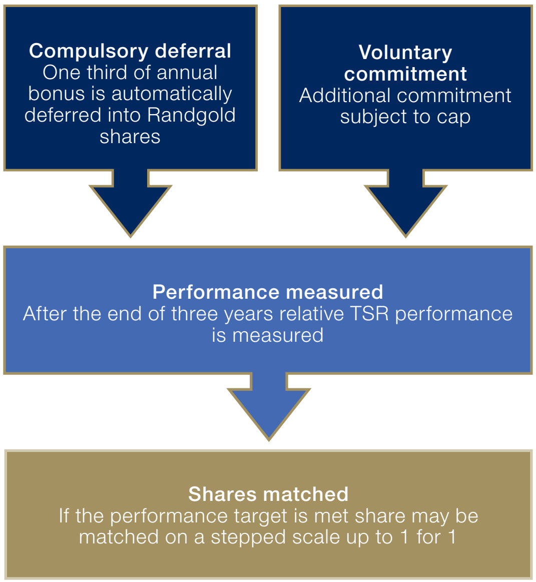
Awards outstanding under the Co-Investment Plan and the Restricted Share Scheme are detailed in the tables on pages 207 and 208 of this annual report.

Co-Investment Plan

The Co-Investment Plan rewards sustained performance relative to peers over a three-year period.

Each year, one third of any annual bonus earned is compulsorily deferred and an executive director may also choose to commit further shares to the Co-Investment Plan. For 2015 the maximum commitment opportunity offered under the Co-Investment Plan was 250% of base salary by the CEO and 125% of base salary by the CFO. Committed shares must be retained for three years and may be matched, depending on relative TSR performance over three years against the Euromoney Global Gold Index.

In 2015, the CEO committed 55 774 shares, and was granted an equal matching award under the Co-Investment Plan. The CFO committed 13 952 shares, and was granted an equal matching award under the Co- Investment Plan.



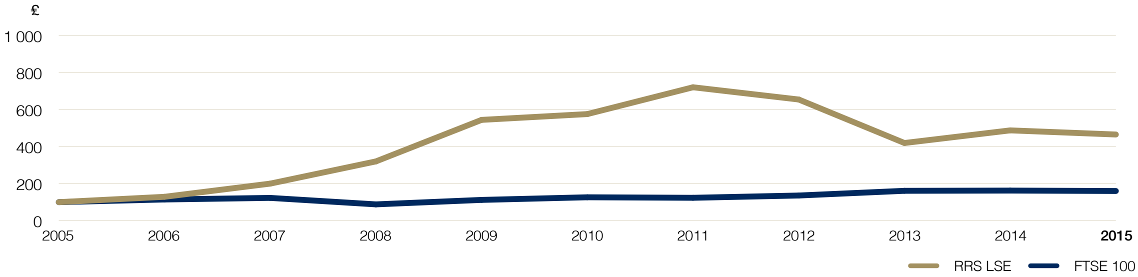
If, after three years, the TSR performance of the company equals or exceeds the performance of the Euromoney Global Gold Index, then the committed shares may be matched on a stepped scale, as shown in the next table. The maximum level of matching is one for one and is awarded for TSR performance of 10% per year (compounded) above the Euromoney Global Gold Index. This is considered to be a stretching level of performance and the remuneration committee considers this target to be challenging in the context of the company's historical sustained outperformance of the market.

The company's performance compared with the performance of the Euromoney Global Gold Index and the FTSE 100 Index over the last five years and ten years respectively is displayed below.

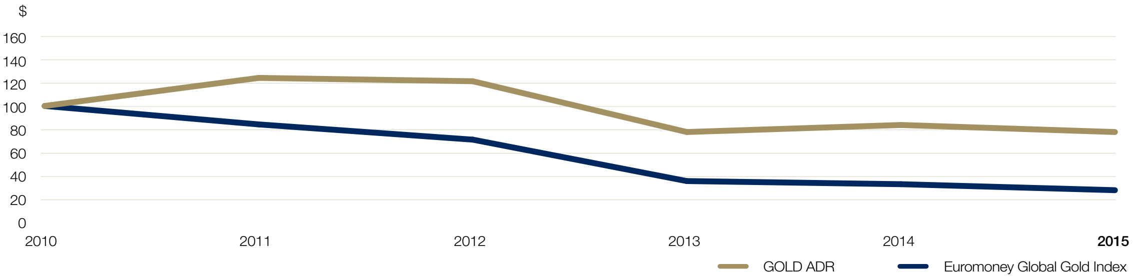
THREE YEAR TSR (PERFORMANCE PER ANNUM)

COMPOUND GROWTH (PER ANNUM)	Level of matching on committed shares
Below the index	-
Equal to the index	0.3 for 1
Index +2%	0.44 for 1
Index +4%	0.58 for 1
Index +6%	0.72 for 1
Index +8%	0.86 for 1
Index +10% or higher	1 for 1

VALUE OF HYPOTHETICAL £100 HOLDING OF ORDINARY SHARES IN RANDGOLD COMPARED AGAINST THE FTSE 100 (AT 31 DECEMBER)



VALUE OF HYPOTHETICAL $100 HOLDING OF AMERICAN DEPOSITARY RECEIPTS IN RANDGOLD COMPARED AGAINST THE EUROMONEY GLOBAL GOLD INDEX (AT 31 DECEMBER)



Restricted Share Scheme

Awards are made under the Restricted Share Scheme (approved by shareholders in July 2008) on an annual basis.

Awards are determined as a percentage of base salary, with the maximum annual award in 2015 being 200% of base salary for the CEO and 100% of base salary by the CFO.

For awards granted in 2015, following a review of performance measures, the remuneration committee determined that, in order to improve the robustness of performance measurement and desensitise outcomes to volatility in the gold price, the following three measures will apply, each weighted one third:

- Total cash cost per ounce – measured over four consecutive one year periods, with vesting at the end of four years. The overall vesting will be the average annual outcome against market guidance weighted by annual production in ounces. Threshold will equal the maximum cost per ounce each year and maximum vesting at the minimum cost per ounce as set by the board and communicated to the market in February each year.
- Relative TSR – TSR is measured over the three months before the start and the three months before the end of any four year performance period and compared to the TSR, calculated in the same way, of a defined comparator group of international listed gold mining companies. Vesting is based on the relative TSR outcome over the four year period. Threshold vesting occurs at median and maximum at upper quartile. The defined comparator group for 2015 (subject to the remuneration committee discretion to add or amend the group from time to time) is:
    - Agnico Eagle Mines Limited; AngloGold Ashanti Limited; Barrick Gold Corporation; Eldorado Gold Corporation; B2 Gold Corporation; Gold Fields Limited; Goldcorp Incorporated; Kinross Gold Corporation; Newcrest Mining Limited; Newmont Mining Corporation; Yamana Gold Incorporated; Buenaventura Mining Company Incorporated; and New Gold Incorporated.
- Reserve replacement ratio is calculated as a ratio of the cumulative four year reserves added compared with the cumulative four year reserves mined. Threshold vesting will occur if this ratio is at least 75% with maximum vesting occurring if the ratio is 110%.

Performance targets of Restricted Share Scheme awards granted in 2015

LEVEL OF VESTING	Year 4
Reserve replacement ratio: cumulative over 4 years	
Nil	Less than 75%
30%	75%
Pro-rata 30% - 100% on a straight line basis	More than 75% and less than 110%
100%	110%
Total cash cost per oz: Average of four years weighted by annual production in ounces	
Nil	More than the higher end of costs guidance range
30%	Equal to the higher end of the costs guidance range
Pro-rata 30% - 100% on a straight line basis	Between the higher and lowers costs guidance range
100%	Equal to or lower than the lowest end of the costs guidance range
Relative TSR: Four year TSR v comparator group	
Nil	Less than 50th percentile
30%	50th percentile
Pro-rata 30% - 100% on a straight line basis	More than 50th percentile and less than 75th percentile
100%	75th percentile

Performance targets for 2016 Restricted Share Scheme awards

For 2016, the remuneration committee has determined that the measures remain appropriate and there is no change to performance measures for the year, as follows:

LEVEL OF VESTING	Year 4
Reserve replacement ratio: cumulative over 4 years	
Nil	Less than 75%
30%	75%
Pro-rata 30% - 100% on a straight line basis	More than 75% and less than 110%
100%	110%
Total cash cost per oz: Average of 4 years weighted by annual production in ounces	
Nil	More than the higher end of costs guidance range
30%	Equal to the higher end of the costs guidance range
Pro-rata 30% - 100% on a straight line basis	Between the higher and lower costs guidance range
100%	Equal to or lower than the lowest end of the costs guidance range
Relative TSR: 4 year TSR v comparator group	
Nil	Less than 50th percentile
30%	50th percentile
Pro-rata 30% - 100% on a straight line basis	More than 50th percentile and less than 75th percentile
100%	75th percentile

The remuneration committee will review these performance targets in the event that the company issues a material number of new shares.

CEO performance shares

At the company's annual general meeting in 2013, shareholders approved a one-off award of performance shares to the CEO.

The vesting of the performance shares is subject to the achievement of the conditions set out below and the CEO continuing to hold office or employment with the company during the period of three years from 29 April 2013, the date of grant of the award of performance shares.

Subject to the CEO's continued employment over the vesting period the achievement of each of the following conditions, which reflect the value enhancement and focus on establishing and operating the Kibali gold mine, will result in the vesting of one-fifth of the shares subject to the award:

- the first gold pour occurs at the Kibali gold mine;
- the cumulative production at the Kibali gold mine in aggregate equals or exceeds 500 000oz of gold;
- gold production of the Randgold group in aggregate equals or exceeds 1Moz per annum, for any financial year of the company;
- the vertical shaft at the Kibali gold mine is completed and signed-off by the contractor of the vertical shaft and by the representative of the Kibali gold mine; and
- the Nzoro II hydroelectric power station provides electricity to the Kibali gold mine.

Vesting of each one-fifth of the award is to occur on the later of expiry of the third anniversary after the date of grant and the date on which a condition is achieved, provided the CEO holds office or employment as at the date of achievement of the condition. The award is subject to clawback (up to a maximum value of $4 000 000) at the discretion of the remuneration committee where a material misstatement is found contained in the annual report and accounts of the company on which vesting of the award (or any part thereof) is or is to be based. The CEO will not be permitted to transfer or dispose of the shares acquired on vesting of the award and will be required to retain them until cessation of his office or employment with the company.

At 31 December 2015, four out of five of the performance conditions have been met. Details of the shares that are now scheduled to vest on 29 April 2016 are provided below.

Vesting of share plan awards for the performance period ending in 2015

The following awards, set out in the table below, granted to the CEO and CFO, vested (or were capable of vesting) or lapsed in respect of a performance period ending in 2015:

CEO

CO-INVESTMENT PLAN

DATE OF GRANT	Award of shares	Expiry of performance period	Number of award shares vested
18 Mar 2013	36 724	31 Dec 2015	36 724

RESTRICTED SHARE SCHEME

DATE OF GRANT	Award of shares	Date of vesting	Number of award shares vested
13 Jun 2011	38 456	13 Jun 2016	3 205 (3rd tranche)
16 Mar 2012	28 843	16 Mar 2016	0 (2nd tranche)
18 Mar 2013	36 724	18 Mar 2016	0 (1st tranche)[1]

PERFORMANCE SHARE AWARD

DATE OF GRANT	Award of shares	Date of vesting	Number of award shares vested
29 Apr 2013	50 031	29 Apr 2016	40 024

CFO

CO-INVESTMENT PLAN

DATE OF GRANT	Award of shares	Expiry of performance period	Number of award shares vested
18 Mar 2013	8 401	31 Dec 2015	8 401

RESTRICTED SHARE SCHEME

DATE OF GRANT	Award of shares	Date of vesting	Number of award shares vested
13 Jun 2011	8 121	13 Jun 2016	677 (3rd tranche)
16 Mar 2012	6 462	16 Mar 2016	0 (2nd tranche)[1]
18 Mar 2013	8 401	18 Mar 2016	0 (1st tranche)[1]

[1] *Where a Restricted Share Award has not vested in respect of any shares, the relevant tranche of the Restricted Share Award will lapse.*

Co-Investment Plan

The vesting of the Co-Investment Plan awards granted in 2013 to the CEO and the CFO were subject to a performance condition which measures the company's Total Shareholder Return (TSR) performance against the Euromoney Global Gold Index. As the company's TSR performance exceeded the index by over 10% compound per year, the performance condition was met in full in respect of each of the awards and accordingly, the awards vested in full on the dates set out in the above tables representing a value of $2 278 724 and $521 282 for the CEO and CFO respectively, at a closing share price on the day preceding 31 December 2015 of $62.05.

Restricted Share Scheme

The vesting of the above restricted share scheme awards for the CEO and CFO, were subject to the achievement of operational and financial targets. Four separate measures of business growth were used, each weighted 25%, with tranches of awards vesting after three, four and five years as follows:

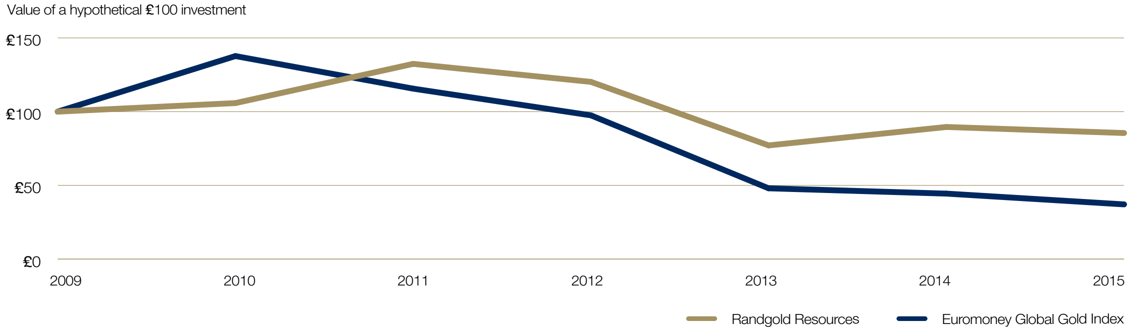
- Additional reserves including reserve replacement
- Absolute reserves excluding reserve replacement
- EPS growth
- Absolute TSR

None of the performance conditions were met in respect of 2012 and 2013 awards, and accordingly no shares were awarded.

In respect of the 2011 award none of the threshold targets were met except the EPS performance metric. The EPS performance condition was met in full resulting in 25% vesting of one-third of the tranche of shares awarded in 2011. Using a share price of $62.05 on the day preceding the end of the 2015 performance period, the value of that award is $198 850 and $41 992, respectively for the CEO and CFO.

The graph below compares Randgold's TSR performance to that of the same investment in the Euromoney Global Gold Index as the chosen comparator for the TSR performance measure. TSR is the measure of the returns that a company has provided for its shareholders, reflecting share price movements and assuming reinvestment of dividends. Data is based on a one month average of trading day values.

CEO TOTAL PAY AND TSR PERFORMANCE OVER SIX YEARS



CEO SIX YEAR TOTAL REMUNERATION

	2009	2010	2011	2012	2013	2014	**2015**
Total remuneration (single figure) ($)	10 577 200	6 000 000	7 483 769	5 423 276	7 365 655	8 625 466	**7 683 212**
Annual variable pay (% of maximum)	100%	100%	69%	57%	54%	61%	**60%**
Long term variable pay (% of maximum)	100%	0%	100%	100%	100%	76%	**61%**
Change in annual TSR	101%	(15%)	16%	(4%)	(35%)	(2%)	**(3%)**
Change in remuneration	-	(43%)	25%	(28%)	36%	17%	**(11%)**

NON-EXECUTIVE DIRECTORS' REMUNERATION – SINGLE FIGURE

The figures contained in the table below reflect the fees actually paid during the period and the value of share shares issued and allotted to the non-executive directors during the period (with such value determined by reference to the market price of the vested award shares on the relevant vesting date).

NON-EXECUTIVE DIRECTORS' REMUNERATION – SINGLE FIGURE

	Total fees		Benefits[1]		Share award value[3]		Remuneration total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
CL Coleman	**305 000**	206 668	**n/a**	n/a	**190 375**	96 876	**495 375**	303 544
S Ba-N'Daw[2]	**50 000**	n/a	**n/a**	n/a	**114 225**	n/a	**164 225**	n/a
NP Cole Jr	**186 667**	135 000	**n/a**	n/a	**152 300**	96 876	**338 967**	231 876
K Dagdelen	**70 000**	60 000	**n/a**	n/a	**114 225**	96 876	**184 225**	156 876
J Kassum	**118 333**	75 833	**n/a**	n/a	**114 225**	96 876	**232 558**	172 709
J Mabunda Lioko	**95 000**	73 333	**n/a**	n/a	**114 225**	96 876	**209 225**	170 209
AJ Quinn	**133 333**	101 667	**n/a**	n/a	**114 225**	96 876	**247 558**	198 543
K Voltaire	**126 667**	125 000	**n/a**	n/a	**114 225**	96 876	**240 892**	221 876

1 *No benefits are provided to the non-executive directors.*
2 *Mrs S Ba-N'Daw was appointed to the board with effect from 1 March 2015.*
3 *NASDAQ Global Select Market closing price on the day preceding the date of grant or if a public holiday, the next trading day.*

NON-EXECUTIVE DIRECTORS' REMUNERATION – ACCOUNTING CHARGE

	Fees		Other payments[1]		Total	
DIRECTOR ($)	**2015**	2014	**2015**	2014	**2015**	2014
CL Coleman	**305 000**	206 668	**190 375**	97 128	**495 375**	303 796
S Ba-N'Daw[2]	**50 000**	n/a	**114 225**	n/a	**164 225**	n/a
NP Cole Jr	**186 667**	135 000	**152 300**	97 128	**338 967**	232 128
K Dagdelen	**70 000**	60 000	**114 225**	97 128	**184 225**	157 128
J Kassum	**118 333**	75 833	**114 225**	97 128	**232 558**	172 961
J Mabunda Lioko	**95 000**	73 333	**114 225**	97 128	**209 225**	170 461
AJ Quinn	**133 333**	101 667	**114 225**	97 128	**247 558**	198 795
K Voltaire	**126 667**	125 000	**114 225**	97 128	**240 892**	222 128
Total	**1 085 000**	860 834	**1 028 025**	777 024	**2 113 025**	1 637 858

1 *Other payments consisted only of the annual award of shares to each non-executive director approved at the AGM (NASDAQ Global Select Market closing price on day preceding date of grant or if a public holiday, the next trading day – 2015: $76.15 per share; 2014: $80.94 per share).*
2 *Mrs S Ba-N'Daw was appointed to the board with effect from 1 March 2015.*

DIRECTORS' SHAREHOLDINGS

	At 31 Dec 2015	At 31 Dec 2014	Beneficial/non-beneficial
DM Bristow	**733 991**	728 929	Beneficial
GP Shuttleworth	**78 651**	76 156	Beneficial
CL Coleman	**12 300**	9 800	Beneficial
S Ba-N'Daw[1]	**1 500**	n/a	Beneficial
NP Cole Jr	**12 527**	10 527	Beneficial
K Dagdelen	**7 500**	6 000	Beneficial
J Kassum	**2 700**	1 200	Beneficial
J Mabunda Lioko	**3 900**	2 400	Beneficial
AJ Quinn	**6 328**	4 828	Beneficial
K Voltaire	**12 027**	10 527	Beneficial
Total	**871 424**	850 367	

1 *Mrs S Ba-N'Daw was appointed to the board with effect from 1 March 2015.*

Implementation of policy for 2016

The company uses a one year policy period in order to fully disclose the parameters for directors' remuneration on an annual basis. However, it is not the intention to make changes to the policy on an annual basis and as such there are no changes proposed to the policy for 2016. Performance measures, relative weightings and targets to which executive awards and remuneration will be subject to are disclosed on page 192 of this annual report.

Shareholding policy

The shareholding requirement ensures that the interests of directors are aligned with shareholders. Executive directors are required to build up a holding in shares in the company at least equal in value to four times base salary for the CEO and two times base salary for the CFO from the value of vested long term incentive awards. As at 31 December 2015, Dr DM Bristow and Mr GP Shuttleworth each exceeded their respective shareholding requirements.

New directors have three years in which to acquire the required shareholding and this period could be extended at the discretion of the remuneration committee.

Non-executive directors are required to build up and hold shares at least equal in value to 200% of the annual retainer fee of $60 000, from the value of vested awards. All non-executive directors met this requirement as at 31 December 2015 with the exception of Mrs S Ba-N'Daw who was appointed to the board on 1 March 2015.

Distribution statement

The following table demonstrates the relative importance of remuneration spend, and shows year-on-year percentage change in each of (1) profit, (2) dividends, and (3) overall spend on pay.

Payments to past directors and loss of office payments

There were no payments to past directors or loss of office payments in 2015.

Percentage change in CEO remuneration

In 2015, the CEO's salary was increased by 4% and his total remuneration decreased by 11%. This compares to an average increase in salaries across the group of 3.7%.

Senior management remuneration

During the year the remuneration committee reviewed and considered changes and promotions to the composition of the senior management team, together with their respective salary and benefit packages. The remuneration committee's oversight is an integral part of the company's succession and overall strategic planning process. For details on succession planning of the senior managers please refer to the governance & nomination committee report on page 215 of this annual report. A key responsibility of the remuneration committee is to have oversight of the salary of employees below board level. In November 2015 the remuneration committee reviewed the pay of 17 members of the senior management.

DISTRIBUTION STATEMENT

	2015	2014
Underlying group profits		
$ million	**212.8**	271.2
% (decrease)	**(22%)**	(17%)
Dividends paid during the year (group)		
$ million	**55.7**	46.3
% increase	**21%**	0%
Employee numbers (group)[1]	**3 714**	2 764
% increase/ (decrease)	**34%**	(7%)
Payroll costs for employees[1] (including taxes)		
$ million	**113.1**	88.1
% increase	**28%**	0.5%

[1] *Excludes people employed by contractors and inclusive of joint venture employees.*

REMUNERATION COMMITTEE

The remuneration committee is committed to the principles of accountability and transparency and to ensuring that remuneration arrangements align reward with performance.

COMMITTEE RESPONSIBILITIES

The remuneration committee's responsibilities are set out in its terms of reference, which can be found on the company's website ***www.randgoldresources.com.***

DUTIES, ROLES AND RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

Remuneration policy and its specific application to the executive directors, as well as its general application to the senior executives below the board.

- The determination of levels of reward for the executive directors.
- Providing guidance on evaluating the performance of the CEO, management development plans and succession planning.
- Awards made under the Restricted Share Scheme and the Co-Investment Plan.
- Communication with shareholders on the remuneration policy and the remuneration committee's work on behalf of the board.

MEMBERSHIP AND MEETING ATTENDANCE

During 2015, the members of the remuneration committee were AJ Quinn (chairman), Mr NP Cole Jr, Mr CL Coleman, and Dr K Voltaire.

The current members of the remuneration committee are independent non-executive directors in line with the independence requirements of the Code.

The remuneration committee met four times during 2015, and attendance is set out below. At the invitation of the remuneration committee chairman, the CEO attended all four meetings. The chairman, the Senior Independent Director and the CEO were not in attendance when decisions taken on their own remuneration were considered.

COMMITTEE MEETING ATTENDANCE

MEMBER	Date appointed to the committee	5 February 2015	4 May 2015	2 August 2015	1 November 2015
AJ Quinn	3 May 2014	✓	✓	✓	✓
NP Cole Jr	1 August 2006	✓	✓	✓	✓
CL Coleman	2 February 2009	✓	✓	✓	✓
K Voltaire	29 April 2006	✓	✓	✓	✓

Advisors

During the year, the remuneration committee also received independent external advice from two separate advisors (see the independent external advisors table on the following page). During the year, the remuneration committee also received independent external advice from two separate advisors (see the independent external advisors table on the following page).

Willis Towers Watson is a member of the Remuneration Consultants' Group (which oversees the voluntary code of conduct in relation to executive remuneration consulting in the United Kingdom) and the remuneration committee is satisfied that the advice provided on executive remuneration is objective and independent and that no conflict of interest arises as a result of other services.

Other information

Share usage and dilution

The company issues new shares to satisfy the vesting of awards granted under the Restricted Share Scheme and matching awards granted under the Co-Investment Plan. An employee benefit trust is also in operation for use with executive directors' share incentive arrangements.

The table opposite sets out the dilutive effect on the share capital if all share options under the share option scheme, outstanding awards granted under the Restricted Share Scheme and matching awards granted under the Co-Investment Plan capable of vesting did vest.

For completeness, this table also sets out the dilutive effect on the share capital if all outstanding options granted under the company's Share Option Scheme (in which executive directors and the non-executive directors do not participate) were capable of being exercised. No new share options were issued under the Share Option Scheme during the year. Both the Restricted Share Scheme and the Co-Investment Plan contain a dilution limit of 10% in any 10 year period for all plans, and as at 31 December 2015, the company had 4.4% available under this limit. The company's share option scheme contains a dilution limit of 15% in ten years for all plans but the company has, for several years, and expects to continue to operate within a dilution limit of 10% in ten years for all plans.

31 DECEMBER 2015	Number of shares
Total issued share capital	**93 284 408**
Outstanding share options under the Share Option Scheme capable of being exercised	**125 277**
Outstanding share awards under the Restricted Share Scheme and Co-Investment Plan capable of vesting	**1 191 425**
Enlarged issued share capital	**94 601 110**
Maximum percentage of share capital issued to satisfy vestings	**1.4%**

VOTING AT THE 2015 ANNUAL GENERAL MEETING

RESOLUTION	For	% For	Against	Withheld
Directors' remuneration report	77 316 166	98	1 655 617	62 093
Directors' remuneration policy	76 990 141	98	1 520 619	523 116

EXTERNAL DIRECTORSHIPS

Executive directors may accept external appointments as non-executive directors of other companies, subject to the board's consent, and would normally retain any fees received. In 2015, Dr DM Bristow received fees of C$35 000 (2014: C$32 667) in relation to his role as non-executive director of Rockwell Diamonds Inc.

INDEPENDENT EXTERNAL ADVISORS

ADVISOR	Details of appointment	Other services provided to the company	Fees for services provided to the remuneration committee
Allen & Overy LLP	Appointed by the company, with the agreement of the remuneration committee, to provide English legal advice on executive and non-executive remuneration and employee share plans.	English legal advice on corporate matters	£66 831
Willis Towers Watson	Appointed by the remuneration committee to advise on executive remuneration and service contracts	IFRS2 valuation	£90 000

ACTION PLAN FOR 2016

In the year ahead the remuneration committee will ensure the company's remuneration policy remains aligned to its remuneration principles and that the company continues to focus on its long term success by building sustainable value for all our stakeholders. The committee intends, once again to offer the company's key shareholders an opportunity to meet with members of the remuneration committee during the committee's annual shareholder meetings later in the year.

COMMITTEE PERFORMANCE AND EFFECTIVENESS

The remuneration committee conducts a formal review of its effectiveness on an annual basis in conjunction with the board.

The committee concluded that during 2015 it effectively carried out its duties in accordance with the Code. Details of the board and committee evaluation process may be found on page 219 of this annual report.

DIRECTORS' SHARE AWARDS

CO-INVESTMENT PLAN

	Date of award	Market price at date of award ($)[1]	At 1 Jan 2015	Awarded in the year	Vested in the year[2]	Market price at date vested ($)	Lapsed in the year	At 31 Dec 2015	Expiry of performance period
DM Bristow									31 Dec
	16 Mar 12	101.49	28 843	-	28 843	67.41	-	-	2014
	18 Mar 13	82.37	36 724	-	-	-	-	36 724	2015
	21 Mar 14	79.48	39 004	-	-	-	-	39 004	2016
	12 May 15	73.42	-	55 774	-	-	-	55 774	2017
GP Shuttleworth									
	16 Mar 12	101.49	6 462	-	6 462	67.41	-	-	2014
	18 Mar 13	82.37	8 401	-	-	-	-	8 401	2015
	21 Mar 14	79.48	10 170	-	-	-	-	10 170	2016
	12 May 15	73.42	-	13 952	-	-	-	13 952	2017

[1] *NASDAQ Global Select Market closing price on day preceding date of grant or if a public holiday, the next trading day.*
[2] *Vesting of awards is subject to the satisfaction of performance conditions.*

CEO PERFORMANCE SHARES

	Date of award	Market price at date of award ($)[1]	At 1 Jan 2015	Awarded in the year	Vested in the year[2]	Market price at date vested ($)	Lapsed in the year	At 31 Dec 2015	Vesting[3]
DM Bristow	29 Apr 13	79.95	50 031	-	-	-	-	50 031	Each 1/5 of the award vests on the fulfilment of the relevant performance condition, provided the CEO remains in office or employment by the company until 29 April 2016

1 *NASDAQ Global Select Market closing price on day preceding date of grant or if a public holiday, the next trading day.*
2 *Vesting is subject to performance conditions.*
3 *The first performance condition in respect of 10 006 shares was met on 24 September 2013, and during 2014 three additional performance conditions in respect of a further 30 018 shares were met. The final performance condition in respect of 10 006 shares was outstanding as at 31 December 2015. These shares will only be transferred to the CEO provided the CEO remains in office or employment by the company until 29 April 2016.*

RESTRICTED SHARE SCHEME

	Date of award	Market price at date of award ($)[1]	At 1 Jan 2015	Awarded in the year	Vested in the year[2]	Market price at date vested ($)	Lapsed in the year	At 31 Dec 2015	Vesting
DM Bristow	13 Jun 11	76.53	25 637	-	3 205	71.47	9 614	12 818	1/3 vested 13 Jun 15 1/3 vests 13 Jun 16
	16 Mar 12	101.49	28 843	-	-	-	9 614	19 229	1/3 vested 16 Mar 15 1/3 vests 16 Mar 16 1/3 vests 16 Mar 17
	18 Mar 13	82.37	36 724	-	-	-	-	36 724	1/3 vests 18 Mar 16 1/3 vests 18 Mar 17 1/3 vests 18 Mar 18
	21 Mar 14	79.48	39 004	-	-	-	-	39 004	1/3 vests 21 Mar 17 1/3 vests 21 Mar 18 1/3 vests 21 Mar 19
	12 May 15	73.42	-	44 619	-	-	-	44 619	Vests 1 Jan 19
GP Shuttleworth	13 Jun 11	76.53	5 414	-	677	71.47	2 030	2 707	1/3 vested 13 Jun 15 1/3 vests 13 Jun 16
	16 Mar 12	101.49	6 462	-	-	-	2 154	4 308	1/3 vested 16 Mar 15 1/3 vests 16 Mar 16 1/3 vests 16 Mar 17
	18 Mar 13	82.37	8 401	-	-	-	-	8 401	1/3 vests 18 Mar 16 1/3 vests 18 Mar 17 1/3 vests 18 Mar 18
	21 Mar 14	79.48	10 170	-	-	-	-	10 170	1/3 vests 21 Mar 17 1/3 vests 21 Mar 18 1/3 vests 21 Mar 19
	12 May 15	73.42	-	11 162	-	-	-	11 162	Vests 1 Jan 19

1 *NASDAQ Global Select Market closing price on day preceding date of grant or if a public holiday, the next trading day.*
2 *Vesting of the executive directors' awards is subject to performance conditions.*

NON-EXECUTIVE DIRECTORS' SHARE AWARDS GRANTED AT THE COMPANY'S 2014 AND 2015 ANNUAL GENERAL MEETINGS

DIRECTOR	Date of vesting	Number of shares awarded	Market price at date of vesting ($)[1]
CL Coleman	6 May 2014	1 200	80.94
	5 May 2015	2 500	76.15
S Ba-N'Daw[2]	n/a	n/a	n/a
	5 May 2015	1 500	76.15
NP Cole Jr	6 May 2014	1 200	80.94
	5 May 2015	2 000	76.15
K Dagdelen	6 May 2014	1 200	80.94
	5 May 2015	1 500	76.15
J Kassum	6 May 2014	1 200	80.94
	5 May 2015	1 500	76.15
J Mabunda Lioko	6 May 2014	1 200	80.94
	5 May 2015	1 500	76.15
AJ Quinn	6 May 2014	1 200	80.94
	5 May 2015	1 500	76.15
K Voltaire	6 May 2014	1 200	80.94
	5 May 2015	1 500	76.15

[1] *NASDAQ Global Select Market closing price on day preceding date of grant or if a public holiday, the next trading day.*
[2] *Mrs S Ba-N'Daw was appointed to the board with effect from 1 March 2015.*

On behalf of the remuneration committee

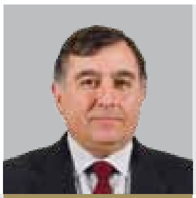
Andrew Quinn
Chairman
Remuneration committee

GOVERNANCE & NOMINATION COMMITTEE REPORT

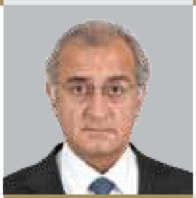
"This year the governance & nomination committee recommended Safiatou Ba-N'Daw's appointment to the board which is the fourth year in succession that Randgold has refreshed its board of directors."

Christopher Coleman
CHAIRMAN

Norborne Cole Jr[1]



Kadri Dagdelen



Jamil Kassum

Dear shareholders

As chairman of the governance & nomination committee, I am pleased to present the 2015 governance & nomination committee report.

The principal role of the governance & nomination committee is to ensure the board has the necessary balance of skills, knowledge, independence and experience to enable it to be effective in discharging its responsibilities and to recommend any changes to the board's composition. The committee also has oversight of all matters relating to corporate governance.

[1] *Mr Cole Jr will retire from the governance & nomination committee in November 2016.*

COMMITTEE RESPONSIBILITIES

The governance & nomination committee's responsibilities are set out in its terms of reference which are available on the company's website at ***www.randgoldresources.com***. The table below highlights the committee's primary roles and responsibilities.

DUTIES, ROLES AND RESPONSIBILITIES OF THE GOVERNANCE & NOMINATION COMMITTEE

- Developing and monitoring a process for evaluating the board's effectiveness and overseeing the company's code of conduct (which can be found in the corporate governance section on the company's website).
- Regularly reviewing and evaluating the structure, size and composition of the board and making recommendations to the board with regard to any changes.
- Identifying, evaluating and recommending, against objective criteria, candidates to fill board vacancies as and when they arise, for board approval.
- Making recommendations to the board with regard to membership of the audit committee and remuneration committee and any other of the board's committees in consultation with the chairmen of those committees.
- Making recommendations on the constitution of the board to ensure there is an appropriate balance in terms of skills, knowledge, independence and experience.
- Succession planning for directors and other senior managers of the company.
- Assessing a director's potential conflict of interest and making recommendations to the board.
- Making recommendations to the board concerning the role of senior independent director.

MEMBERSHIP AND MEETING ATTENDANCE

The committee met four times during the year ended 31 December 2015. The members of the governance & nomination committee and details of their respective attendance during the year are shown in the table below. The committee regularly invites other directors of the company and the company's advisors to attend its meetings where the committee considers it appropriate.

COMMITTEE MEETING ATTENDANCE

MEMBER	Date appointed to committee	5 February 2015	4 May 2015	2 August 2015	1 November 2015
CL Coleman *Chairman*	3 November 2008	✓	✓	✓	✓
NP Cole Jr	27 October 2007	✓	✓	✓	✓
K Dagdelen	30 October 2011	✓	✓	✓	✓
J Kassum	3 May 2014	✓	✓	✓	✓

COMMITTEE'S REMUNERATION

In accordance with the company's remuneration policy (for more details please see page 190 of this annual report) members of the governance & nomination committee received the fees set out in the table below in 2015. These fees were paid in addition to the other fees paid and an award of shares made to each non-executive director as detailed on page 196 of this annual report.

FEES PAID

MEMBER	Fees
C Coleman *Chairman*	Received a fee of $20 000 for the 2015 financial year for being the chairman of the governance & nomination committee
NP Cole Jr	Received a fee of $10 000 for the 2015 financial year for services provided to the governance & nomination committee
K Dagdelen	Received a fee of $10 000 for the 2015 financial year for services provided to the governance & nomination committee
J Kassum	Received a fee of $10 000 for the 2015 financial year for services provided to the governance & nomination committee

MAIN ACTIVITIES IN 2015

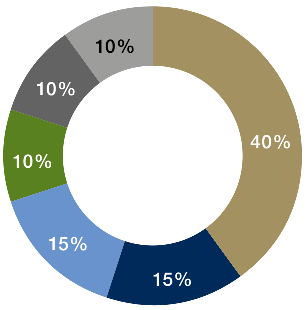
As mentioned, the committee met four times during the year and, in addition to overseeing the appointment process leading to the recommendation and appointment of Safiatou Ba-N'Daw as a non-executive director, which is the fourth year in succession that the company has refreshed the board of directors, the committee's principal activities included considering executive and non-executive succession planning and the annual board effectiveness review.

The governance & nomination committee reviewed the company's key policies during the year (including the gift, travel and entertainment policy, the anti-corruption compliance policy and the code of conduct) and made recommendations for certain amendments to be made to those policies to reflect market practice and changes to applicable legislation. Also in 2015 the committee reviewed the board's charter along with the terms of reference for each of the board committees, and where necessary, minor amendments were made. The company's key policies, the board's charter and the terms of reference for the board's committees are published in the corporate governance section of the company's website at ***www.randgoldresources.com***.

During the year, the committee received updates from the company secretary on new corporate governance developments and legislative changes, and reporting in the UK and US. The committee also reviewed the independence of the non-executive directors and considered potential conflicts of interest.

The governance & nomination committee kept the board's succession planning and personal development of key senior managers across the group under review during 2015 (please see pages 118 to 120 of this annual report for more information on the key senior managers development programme). The committee receives regular reports on the training and development of employees across the group and in particular in relation to the senior managers.

GOVERNANCE & NOMINATION COMMITTEE: ALLOCATION OF COMMITTEE TIME IN 2015



BOARD AND COMMITTEE APPOINTMENTS

Mrs Ba-N'Daw was appointed as a non-executive director of the company with effect from 1 March 2015. Information relating to the appointment process for Mrs Ba-N'Daw and her induction programme was given in last year's annual report.

The committee is responsible for nominating appropriate individuals for membership of the board's committees to ensure that each committee has individuals with the necessary skills, knowledge and experience. In February 2016, on the committee's recommendation, the board approved the appointment of Mrs Ba-N'Daw as a member of the audit committee with effect from 2 May 2016. Mr Quinn was appointed chairman of the remuneration committee with effect from 4 May 2015 and Mr Kassum was appointed chairman of the audit committee with effect from 4 May 2015.

The governance & nomination committee has developed an in depth knowledge of the necessary attributes a candidate should possess to be a director of the company. When considering recommendations for appointments to the board, the committee is mindful of the necessary skills, knowledge and experience members of the board should have, to support the strategic plans and the development of the business, together with the necessary time to visit the company's operations in West and Central Africa during the year. The committee also takes into account as part of its deliberations the objective of achieving and maintaining diversity on the board.

Candidates are sought who demonstrate the necessary independence and experience together with knowledge of the countries where the company operates. Considering these criteria, the governance & nomination committee leads the process of identifying potential candidates who meet these requirements. As a result, during the year the governance & nomination committee did not require the services of an external search agency or undertake open advertising in search of potential board candidates including in relation to Mrs Ba-N'Daw's appointment.

DIRECTORS' INDEPENDENCE

Following an evaluation of the performance of each director over the course of 2015, the board has confirmed that each of the non-executive directors in office as at the date of this report continues to demonstrate their independence in character and judgment and in carrying out their role in an objective manner. As set out on page 163 of this annual report, Dr Voltaire and Mr Cole Jr will have each served on the board for ten years as of 1 May 2016. Dr Voltaire will retire from the board with effect from 3 May 2016 and Mr Cole Jr intends to retire from the board in November 2016.

BOARD INDUCTION AND DIRECTOR DEVELOPMENT

Any new director joining the board attends the company's induction and training programme which is developed by the company secretary in consultation with the company's legal and other professional advisers. In addition, in order to enhance the existing directors' skills and to ensure they are kept abreast of topical governance issues, the board is provided with other training on an *ad hoc* basis as the need arises, in consultation with the chairman and the company secretary. In August 2015 the directors attended a workshop on directors' duties and responsibilities of a listed company, and an industry update on US securities law and the US Foreign Corrupt Practices Act hosted by the company's legal advisers. The audit committee members also attended a workshop on trends in audit committee reporting, extractive industry reporting and governance organised by the company's auditors. The company recognises the importance of ongoing director training and therefore ensures the necessary resources are available for this.

RANDGOLD'S APPROACH TO DIVERSITY

The governance & nomination committee believes in the benefits of diversity, including the need for diversity in order to effectively represent shareholders' interests. This diversity is not restricted to gender but also includes geographic location, nationality, skills, background, knowledge and experience in the mining industry. The board's policy remains that selection should be based on the best person for the role.

The board currently consists of two executive directors and eight non-executive directors, with two of the eight non-executive directors being female.

The diverse nature of the employees of the group is reflected by the board of the company which comprises seven nationalities covering four separate continents.

The board recognises that diversity extends beyond the boardroom and supports management in their efforts to build a diverse and well trained organisation. The board supports the company's policy to recruit and advance women to positions of senior management and elsewhere in the group's operations. The company has a number of women in key executive and senior managerial positions including within the company's mine management teams.

LOCAL JOBS

The company's localisation policy (which extends to the company's contractors) operates at all of its mines in West and Central Africa and is centred firstly on recruitment from the local community in the host countries in which the company operates, followed by recruitment regionally then nationally. Only if the skills cannot be sourced in this way does the company recruit expatriates. An active programme of mentoring helps recruits to develop in their roles. The company continues its policy of recruitment based on ability and talent.

In addition, the company continues its successful drive to develop local national managers and executives. Across the operating mines, 87% of senior management positions (heads of department and above) were held by host country nationals.

LOCAL TRAINING AND DEVELOPMENT

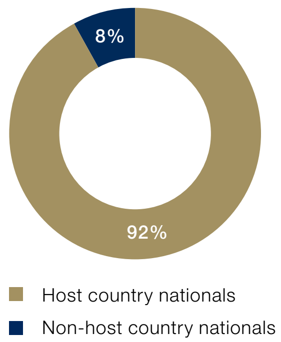
Randgold is an equal opportunity employer focused on developing local skills through on-the-job practical training and in certain circumstances funding particular university and other training courses at higher education establishments. In addition, the company's existing mines are used as training and development grounds for new staff joining other operations.

The company also partners with local businesses to assist with the training requirements of the company's contractors. The company has implemented training programmes which develop many of its employees' understanding of its business and this alignment has benefited both the employees and the business.

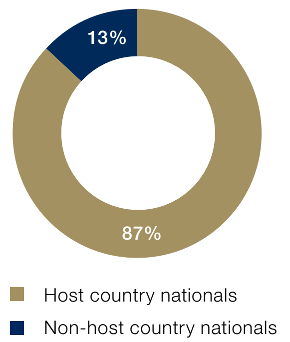
SUCCESSION PLANNING

The governance & nomination committee periodically reviews the company's succession planning. During the year (as in previous years) the committee held discussions with the executive directors about succession planning for their own positions. The committee considered the job description of the CEO and the CFO and considered the natural resources market, analysing where external candidates could be sourced. The committee, together with the executive directors, considered which members of the company's senior management had the necessary expertise to fulfil the roles of the executive

ALL EMPLOYEES GEOGRAPHICAL MIX



SENIOR MANAGEMENT (INCLUDING HEADS OF DEPARTMENTS) GEOGRAPHICAL MIX



directors whether on a short or long term basis. The committee also considered succession planning for the non-executive directors, including the senior independent director.

The committee continued to look at succession planning for senior management and in this regard the CEO presented the committee with his current succession plans for the company's key senior managers, indicating where successors to key positions could be sourced and in most instances succession was available internally.

The board has an opportunity to meet with senior management and see them operate on site when they visit the group's operations. The board encourages such site visits which are undertaken at least once every year as they allow board members to interact with site management, broadening their understanding of the activities of the company. During 2015 the board visited the Tongon gold mine in Côte d'Ivoire and in February 2016 the board and its committees held their quarterly meetings at the Kibali gold mine in the Democratic Republic of Congo.

ACTION PLAN FOR 2016

In the year ahead the committee will focus on the board's and committee's composition and will continue to monitor developments in corporate governance to ensure the company remains at the forefront of good governance practices. The committee intends to continue its overview of the company's succession planning for directors and its senior management.

BOARD AND COMMITTEE EVALUATION

The performance of the board and the committees during 2015 was evaluated and the results were presented and debated at the board's February 2016 board meeting. The evaluation process considered the strengths and weaknesses of the directors, their skills, knowledge, independence and experience and how effectively the board and the board's committees are working. The overall aim of the 2015 annual board evaluation exercise was to ensure the board works well and that the business continues to be managed effectively. As a result of the 2015 evaluation there were no areas where significant change or improvement was felt necessary and the board and the committees were found to be operating effectively.

On behalf of the governance & nomination committee

Christopher Coleman

Christopher Coleman
Chairman
Governance & nomination committee

Disclaimer

This annual report has been prepared for, and only for the members of the company (as defined in article 25(2) of the Companies (Jersey) Law 1991), as a body, and no other persons. The company, its directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed. By their nature, the statements concerning the risks and uncertainties facing the Randgold Resources Limited group (Randgold) in this annual report involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated.

The forward-looking statements reflect knowledge and information available at the date of preparation of this annual report and the company undertakes no obligation to update these forward-looking statements. In particular, except for the historical information contained herein, the matters discussed in this annual report are forward-looking statements within the meaning of Section 27A of the US Securities Act of 1933 and Section 21E of the US Securities Exchange Act of 1934, and applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold, the estimation of mineral reserves and resources, the realisation of mineral reserve estimates, the timing and amount of estimated future production, costs of production, reserve determination and reserve conversion rates. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as 'will', 'plans', 'expects' or 'does not expect', 'is expected', 'budget', 'scheduled', 'estimates', 'forecasts', 'intends', 'anticipates' or 'does not anticipate', or 'believes', or variations of such words and phrases or state that certain actions, events or results 'may', 'could', 'would', 'might' or 'will be taken', 'occur' or 'be achieved'. Assumptions upon which such forward-looking statements are based are in turn based on factors and events that are not within the control of Randgold and there is no assurance they will prove to be correct. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Randgold to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to mining operations, including political risks and instability and risks related to international operations, actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, as well as those factors discussed in Randgold's filings with the US Securities and Exchange Commission (SEC). Although Randgold has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Randgold does not undertake to update any forward-looking statements herein, except in accordance with applicable securities laws.

Nothing in this annual report should be construed as a profit forecast.

Cautionary note to US investors
The SEC permits companies, in their filings with the SEC, to disclose only proven and probable ore reserves. We use certain terms in this annual report, such as 'resources', that the SEC does not recognise and strictly prohibits us from including in our filings with the SEC. Investors are cautioned not to assume that all or any parts of our resources will ever be converted into reserves which qualify as 'proven and probable reserves' for the purposes of the SEC's Industry Guide number 7.

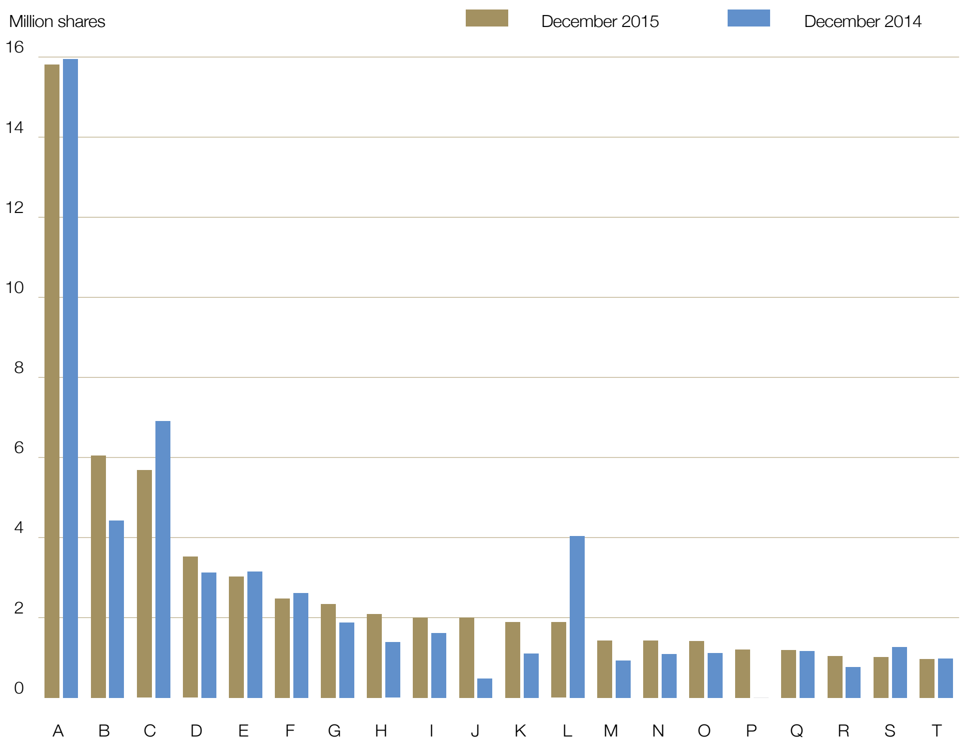
SHAREHOLDERS' INFORMATION

ANALYSIS OF SHAREHOLDING

at 31 December 2015

TOP 20 INSTITUTIONAL SHAREHOLDERS BY SUPERGROUP[1]

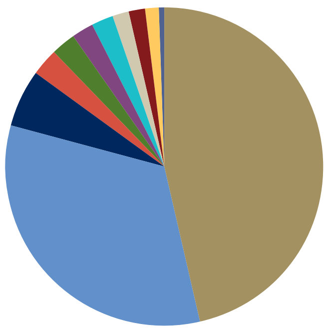
	Investor	Number of shares December 2015	% shares in Issue	% change in number of shares	Number of shares December 2014
A	BlackRock Inc	15 814 947	17.0	-0.8	15 947 696
B	Vontobel Group	6 049 367	6.5	36.5	4 431 697
C	Van Eck Inc	5 681 169	6.1	-17.8	6 913 784
D	Fidelity Mgt & Research	3 520 930	3.8	12.5	3 128 877
E	Legal & General Group	3 028 403	3.2	-4.1	3 157 430
F	State Street Corporation	2 481 262	2.7	-5.0	2 612 121
G	Vanguard Group	2 336 016	2.5	24.3	1 879 883
H	T Rowe Price Associates	2 096 570	2.2	51.3	1 385 822
I	Prudential Group	2 009 561	2.2	23.9	1 622 418
J	Government of Singapore	2 004 466	2.1	322.1	474 832
K	ABP (Algemen Burgerlijk PSF)	1 886 769	2.0	69.9	1 110 724
L	Wells Fargo & Company	1 885 319	2.0	-53.3	4 041 153
M	First Eagle Investment Mgt	1 430 280	1.5	54.6	925 168
N	GAMCO Investors	1 429 400	1.5	30.4	1 096 400
O	Aberdeen Group	1 413 189	1.5	26.6	1 116 300
P	Tocqueville Asset Mgt	1 205 180	1.3	38 776.8	3 100
Q	Government of China	1 194 905	1.3	2.7	1 163 707
R	Deutsche Bank	1 041 971	1.1	36.1	765 747
S	Prudential Financial	1 019 460	1.1	-19.5	1 265 976
T	UBS	968 241	1.0	-0.8	960 251



[1] See page 223 of this annual report for details of underlying fundholders.

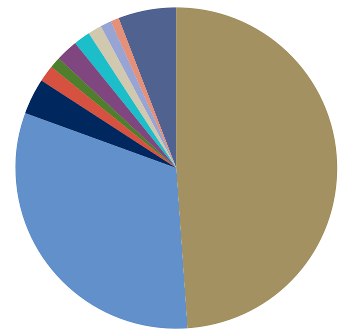
GEOGRAPHICAL DISTRIBUTION OF COMBINED INSTITUTIONAL SHARES IDENTIFIED

2015



United States	46.4%	Switzerland	2.2%
United Kingdom	32.9%	France	1.7%
Canada	5.7%	Japan	1.5%
Netherlands	2.8%	China	1.4%
Germany	2.6%	Other	0.5%
Singapore	2.3%		

2014



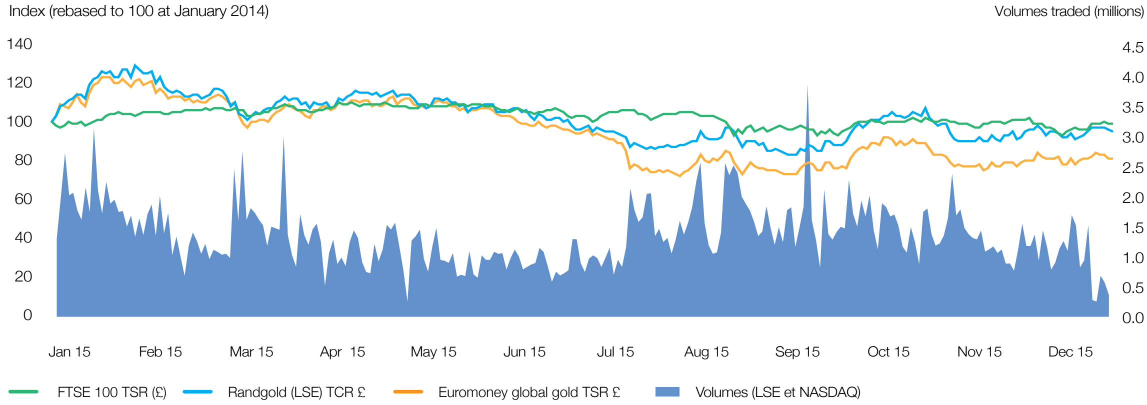
United States	49.0%	France	1.6%
United Kingdom	31.6%	Japan	1.3%
Canada	3.6%	South Africa	1.1%
Netherlands	1.8%	Norway	1.0%
Germany	1.2%	Other	5.6%
Switzerland	2.2%		

TOP 20 SUPERGROUP INVESTORS – UNDERLYING FUNDHOLDERS[1]

BlackRock Inc: BlackRock Investment Mgt (London), BlackRock Investment Mgt - Index (San Francisco), BlackRock Investment Mgt - Index (London), BlackRock Investment Mgt - Index (Tokyo), BlackRock Investment Mgt - Index (Munich), BlackRock Investment Mgt (Princeton), BlackRock Investment Mgt (Australia) - Index (Sydney), BlackRock Investment Mgt (Hong Kong)
Vontobel Group: Vontobel Asset Mgt (New York), Bank Vontobel (Zurich), Vontobel Asset Mgt (Zurich)
Van Eck Inc: Van Eck Global (New York)
Fidelity Mgt & Research: Pyramis Global Advisors (Smithfield), Fidelity Mgt & Research (Boston), Fidelity Mgt & Research (Toronto)
Legal & General Group: Legal & General Investment Mgt (London)
State Street Corporation: State Street Global Advisors (London), State Street Global Advisors (Boston), State Street Global Advisors (Tokyo), State Street Global Advisors (Sydney), State Street Global Advisors Asia (Hong Kong), State Street Global Advisors (Paris), State Street Global Advisors (Dublin), State Street Global Advisors (Montreal), State Street Global Advisors (Singapore), State Street Transition Mgt (London)
Vanguard Group: Vanguard Group (Philadelphia), Vanguard Investments UK (London), Vanguard Investments Australia (Melbourne)
T Rowe Price Associates: T Rowe Price (Baltimore), T Rowe Price International (London)
Prudential Group: M&G Investment Mgt (London)
Government of Singapore: GIC (Singapore)
ABP (Algemen Burgerlijk PSF): APG Asset Mgt (Amsterdam)
Wells Fargo & Company: Wells Capital Mgt (San Francisco), Wells Fargo Securities (St Louis)
First Eagle Investment Mgt: First Eagle Investment Mgt (New York)
GAMCO Investors: GAMCO Asset Mgt (Rye)
Aberdeen Group: Aberdeen Asset Mgt (SWIP) (Edinburgh), Aberdeen Asset Mgt (Edinburgh), Aberdeen Asset Mgt (Singapore), Aberdeen Asset Mgt (London)
Tocqueville Asset Mgt: Tocqueville Asset Mgt (New York)
Government of China: Safe Investment Company (Hong Kong), China Investment Corporation (Beijing)
Deutsche Bank: Deutsche Asset & Wealth Mgt Investment (Frankfurt), Deutsche Asset & Wealth Mgt Americas (New York), Deutsche Asset & Wealth Mgt International (Frankfurt), Sal. Oppenheim jr. & Cie (Cologne), Deutsche Bank (London)
Prudential Financial: Jennison Associates (New York), Quantitative Mgt Associates (Newark)
UBS: UBS Global Asset Mgt (London), UBS Global Asset Mgt (Zurich), UBS (Zurich), UBS AG - Private Banking (Zurich), UBS Global Asset Mgt (Chicago), UBS Securities (Stamford), UBS Securities (London), UBS Global Asset Mgt (Singapore), UBS Global Asset Mgt (Sydney)

[1] *Refer to page 222 of this annual report.*

SHARE PERFORMANCE VS EUROMONEY GOLD INDEX FTSE 100 INDICES GRAPH



OPERATIONS AND OFFICES

JERSEY

Randgold Resources Limited
3rd Floor, Unity Chambers
28 Halkett Street, St. Helier
Jersey, JE2 4WJ
Channel Islands
Tel: +44 1534 735 333
Fax: +44 1534 735 444

CÔTE D'IVOIRE

Randgold Resources Côte d'Ivoire SARL
22 Rue des Hortensias
L125 Boulevard Latrille
Cocody Ambassades
01 BP 1216
Abidjan 01
Côte d'Ivoire
Tel: +225 22 48 23 60
+225 22 40 09 30

Tongon gold mine
Tel: +44 20 3005 3100

DEMOCRATIC REPUBLIC OF CONGO

Kibali Goldmines SA
4239, Avenue Tombal Baye
3eme Etage de l'Immeuble Le Prestige
Commune de la Gombe
Ville de Kinshasa
Democratic Republic of Congo
Tel: +243 812 532 441

Kibali gold mine
Tel: +243 812 532 441

MALI

Randgold Resources Mali SARL
Faladié, 6448 Avenue de l'OUA
BP E1160, Bamako
Mali
Tel: +223 20 20 38 58
+223 20 20 20 06

Morila gold mine
Tel: +223 66 75 04 30

Loulo gold mine
Tel: +223 21 51 30 00

Gounkoto gold mine
Tel: +223 66 75 01 28

SENEGAL

Randgold Resources (Senegal) Limited
67 Ave André Peytavin
BP 887, Dakar
Senegal
Tel: +221 33 849 17 80

SOUTH AFRICA

Seven Bridges Trading 14 (Pty) Limited
Level 0, Wilds View, Isle of Houghton
Carse O'Gowrie Road, Houghton Estate
Johannesburg, 2198
PO Box 3011, Houghton, 2041
South Africa
Tel: +27 11 481 72 00

UGANDA

Border Energy East Africa (Pty) Limited
Alice Reef Road, Plot 110
Entebbe
Uganda
Tel: +256 414 258 552

UNITED KINGDOM

Randgold Resources (UK) Limited
1st Floor, 2 Savoy Court, Strand
London, WC2R 0EZ
United Kingdom
Tel: +44 207 557 77 30

LISTING

Randgold Resources Limited was listed on the London Stock Exchange on 1 July 1997 (trading symbol: RRS) and began trading on the NASDAQ Stock Market on 11 July 2002 (trading symbol: GOLD).

Our website at **www.randgoldresources.com** is regularly updated with the latest information on Randgold Resources Limited.

DIRECTORY

REGISTERED OFFICE

Randgold Resources Limited
3rd Floor Unity Chambers
28 Halkett Street, St Helier
Jersey JE2 4WJ
Channel Islands
Tel: +44 1534 735 333
Web: www.randgoldresources.com

PROFESSIONAL ADVISORS

Auditor

BDO LLP
55 Baker Street
London W1U 7EU
United Kingdom

Brokers

Barclays Bank plc
73 Russell Square
London WC1B 5BG
United Kingdom

BMO Capital Markets Limited
95 Queen Victoria Street
London EC4V 4HG
United Kingdom

Financial advisor

HSBC Bank plc
8 Canada Square Canary Wharf
London E14 5HQ
United Kingdom

Legal advisors

UNITED STATES OF AMERICA

Norton Rose Fulbright LLP
666 Fifth Avenue
New York
NY 10103-3198
United States of America

UNITED KINGDOM

Norton Rose Fulbright LLP
3 More London Riverside
London SE1 2AQ
United Kingdom

Allen & Overy LLP
One Bishop Square
London E1 6AD
United Kingdom

JERSEY

Ogier
44 Esplanade St Helier
Jersey JE4 9WG
Channel Islands

Registrars

Computershare Investor Services (Jersey) Limited
Queensway House Hilgrove Street
St Helier Jersey JE1 1ES
Channel Islands

United States depositary

The Bank of New York Mellon
Shareholders Relations Department
101 Barclay Street
New York, NY 10286
United States of America

INVESTOR AND MEDIA RELATIONS

To obtain additional information about the company or to be placed on the company's distribution list, contact:

Randgold Investor and Media Relations
3rd Floor, Unity Chambers
28 Halkett Street, St Helier
Jersey JE2 4WJ, Channel Islands
Tel: +44 20 7557 7738
Email: randgold@dpapr.com

Randgold Resources Limited
Incorporated in Jersey, Channel Islands
Registration number 62686
www.randgoldresources.com

RANDGOLD RESOURCES 20

Designed and produced by du Plessis Associates

GROUP COMPANIES

at 31 December 2015

Countries incorporated	% effective ownership
JERSEY	
Isiro (Jersey) Limited	51
KAS 1 Limited	25
Kibali (Jersey) Limited	50
Kibali 2 (Jersey) Limited	50
Kibali Services Limited	50
Mining Investments (Jersey) Limited	100
Morila Limited	50
Moto (Jersey) 1 Limited	50
Moto (Jersey) 2 Limited	50
RAL 1 Limited	50.1
RAL 2 Limited	50.1
Randgold Resources (Burkina) Limited	100
Randgold Resources (Côte d'Ivoire) Limited	100
Randgold Resources (DRC) Limited	100
Randgold Resources (Ghana) Limited	100
Randgold Resources (Gounkoto) Limited	100
Randgold Resources (Kibali) Limited	100
Randgold Resources Limited	-
Randgold Resources (Mali) Limited	100
Randgold Resources (Secretaries) Limited	100
Randgold Resources (Senegal) Limited	100
Randgold Resources (Somilo) Limited	100
Randgold Resources T1 Limited	100
Randgold Resources T2 Limited	100
AUSTRALIA	
Border Energy (Pty) Limited	50
Border Resources NL	50
Moto Goldmines Australia (Pty) Limited	50
Westmount Resources NL	50

Countries incorporated	% effective ownership
BURKINA FASO	
Randgold Resources Burkina Faso SARL	100
CANADA	
0858065 BC Limited	50
Moto Goldmines Limited	50
CÔTE D'IVOIRE	
Randgold Resources (Côte d'Ivoire) SARL	100
Société des Mines de Tongon SA	89
DEMOCRATIC REPUBLIC OF CONGO	
KGL Isiro SARL	51
Kibali Goldmines SA	45
Randgold Resources Congo SARL	100
MALI	
Kankou Moussa SARL	75
Randgold Resources Mali SARL	100
Société des Mines de Gounkoto SA	80
Société des Mines de Loulo SA	80
Société des Mines de Morila SA	40
SOUTH AFRICA	
Seven Bridges Trading 14 (Pty) Limited	100
TANZANIA	
Randgold Resources Tanzania (T) Limited	100
THE NETHERLANDS	
Kibali Cooperatief UA	50
UGANDA	
Border Energy East Africa Pty Limited	50
UNITED KINGDOM	
Randgold Resources (UK) Limited	100

SHAREHOLDERS' DIARY

Financial year end	31 December
Ex-dividend date	Thursday 17 March 2016
Final dividend record date	Friday 18 March 2016
Payment of final year dividend subject to declaration at the AGM	Friday 27 May 2016
Annual general meeting	Tuesday 3 May 2016
First quarter 2016 results announcement	Wednesday 4 May 2016
Second quarter 2016 results announcement	Thursday 4 August 2016
Third quarter 2016 results announcement	Thursday 3 November 2016

The above dates may be subject to change, please refer to our website for our latest financial calendar.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

RANDGOLD RESOURCES 20

STATEMENT OF DIRECTORS' RESPONSIBILITIES AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The directors are responsible for preparing the annual report and the annual financial statements in accordance with the Companies (Jersey) Law 1991.

The directors are also required to prepare financial statements for the group in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The directors have chosen to prepare financial statements for the company in accordance with IFRS. The directors have also chosen to prepare the financial statements for the group in accordance with IFRS as issued by the International Accounting Standards Board (IASB).

The directors are responsible for the maintenance of proper accounting records and the preparation, integrity and fair presentation of the financial statements of Randgold Resources Limited (the company) and its subsidiaries and joint ventures (the group).

The directors also prepared the other information included in the annual report and are responsible for both its accuracy and its consistency with the financial statements.

The directors also have general responsibility for selecting suitable accounting policies and applying them consistently, for making judgements and estimates that are reasonable and prudent, and for taking such steps as are reasonably open to them to safeguard the assets of the group and prevent and detect fraud and other irregularities. The directors are responsible for implementing appropriate controls to ensure that the financial statements are free from material misstatement whether due to fraud or error. The directors are required to comply with the requirements of rule 9.8.7 and 9.8.7A of the Listing Rules of the United Kingdom's Financial Conduct Authority in preparing this annual report. After reviewing the group's and the company's budget for the next financial year and other longer term plans, the directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements. The directors have no reason to believe that the group and company will not be a going concern in the foreseeable future based on forecasts, available cash resources and funding facilities. The viability of the company and the group is supported by the financial statements. The company's viability statement is presented on page 170 of this annual report.

The financial statements have been audited by the independent audit firm, BDO LLP, which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate. BDO LLP's audit report is presented on pages F-3 to F-5 of this annual report.

In accordance with articles 113B and 113C of the Companies (Jersey) Law 1991, the directors acknowledge the auditors' right of access at all times to the company's records and acknowledge that it is an offence for anyone to recklessly or knowingly supply information to the auditors that is false or misleading and to fail to promptly provide information requested.

The maintenance and integrity of the company's website is the responsibility of the directors. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the report since it was initially presented on the website. Legislation in Jersey and the United Kingdom governing the preparation and dissemination of the financial information may differ from other jurisdictions. The directors consider that the annual report and financial statements, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders to assess the group's performance, business model and strategy.

Directors' responsibility statement pursuant to DTR4

The directors confirm that, to the best of their knowledge:

- The financial statements, presented on pages F-6 to F-10, have been prepared in accordance with IFRS, Article 4 of the IAS Regulation and the requirements of the Companies (Jersey) Law 1991 and give a true and fair view of the profit of the group for the year ended 31 December 2015 and of the assets, liabilities and financial position of the group and parent company as at 31 December 2015.
- The annual report includes a fair review of the development and performance of the business and the financial position of the group and the parent company; together with a description of the principal risks and uncertainties that they face.

The financial statements were approved by the board of directors on 15 March 2016 and are signed on its behalf by:

Mark Bristow
Chief executive

Christopher Coleman
Chairman

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RANDGOLD RESOURCES LIMITED

Our unmodified opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

We have audited the accompanying financial statements of Randgold Resources Limited (the 'company') which comprise the consolidated statement of financial position of the company and its subsidiaries and joint ventures (the 'group') as at 31 December 2015 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and the related notes, together with the statement of financial position of the parent company as at 31 December 2015 and the statement of changes in equity and statement of cash flows of the parent company for the year then ended and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the company financial statements, as applied in accordance with the provisions of the Companies (Jersey) Law 1991, as explained in note 2.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 2 to the consolidated financial statements, the company, in addition to complying with its obligation to prepare consolidated financial statements in accordance with IFRSs as adopted by the European Union, has also complied with IFRSs as issued by the International Accounting Standards Board (IASB) in respect of the preparation of the consolidated financial statements.

In our opinion, the consolidated financial statements comply with IFRSs as issued by the IASB.

An overview of the scope of our audit

Our group audit scope focused on the group's principal operating locations being Loulo and Gounkoto in Mali, Tongon in Côte d'Ivoire and Kibali in the Democratic Republic of Congo (DRC), each of which was subject to a full scope audit. The four principal operating locations include one joint venture (Kibali). Together with the parent company and its group consolidation, which were also subject to a full scope audit, these locations represent the principal business units of the group and account for 100% of the group's revenue, approximately 96% of the group's profit before income tax and approximately 99% of the group's total assets.

Whilst materiality for the financial statements as a whole was $19.0 million, each component of the group was audited to a lower level of materiality.

Audits of these components were performed at a materiality level calculated by reference to a proportion of group materiality appropriate to the relative scale of the business concerned. The audits of each of these components were principally performed in Mali (Loulo and Gounkoto mines), the DRC (Kibali mine) and Côte d'Ivoire (Tongon mine), as well as the audit of corporate accounting functions in Jersey and South Africa. All of the audits were conducted by BDO LLP.

As part of our audit strategy, the Responsible Individual or senior members of the audit team visit each of the four principal operating locations each year.

The remaining components of the group include the Morila joint venture and non-significant holding companies and these components were principally subject to analytical review procedures, together with additional substantive testing at Morila over certain audit risk areas.

Our assessment of and response to risks of material misstatement

There have been no significant changes in the group's operations, and while our assessment of materiality has decreased (see below for further details), the assessed risks of material misstatement described below, which are those that had the greatest impact on our audit strategy and scope, are substantially the same as in the prior year. We have set out below how we addressed these risks:

RISK IDENTIFIED	AUDIT RESPONSE
Taxation claims As detailed in notes 3 and 19, the group's Malian operations are subject to historic taxation claims by the State of Mali totalling $280.0 million. No new claims were made by the State of Mali in the year. The group has taken professional advice with regards to the claims and commenced international arbitration proceedings during 2013 against the State of Mali, which remain ongoing, disputing the validity of certain of the claims. Given the material nature of the claims and ongoing nature of the disputes and international arbitration proceedings, the recognition and presentation of any liabilities or contingent liabilities arising as a result of the taxation claims represent key judgements and was a risk for our audit.	We critically reviewed the group's mining conventions, arbitration submissions for the relevant claims and correspondence with the State of Mali to consider the extent to which the directors' assessment that any contingent liabilities associated with the material previously existing taxation claims are remote remains appropriate. We verified the completeness and accuracy of the claim values to the group's tax correspondence. We have discussed and critically assessed management's assessment of the status of each significant element of the claims with the group's local and international tax advisors. We have obtained confirmations from local and international legal and tax advisors which supported the directors' assessment that the material claims were without legal merit and assessed as remote under IFRS. In relying upon the assessments made by such experts, we evaluated the competence and objectivity of professional advisors relied upon by management.

RISK IDENTIFIED	AUDIT RESPONSE
TVA recoverability As detailed in notes 3, 7 and 17, the group is carrying value added tax (TVA) receivables totalling $109.2 million, substantially in respect of its Loulo and Gounkoto operations. In addition, the equity accounted Kibali joint venture based in the Democratic Republic of Congo holds a further $137.3 million of TVA receivables of which, given the group's 45% joint venture interest, $61.8 million is attributable to the group. The group has experienced significant delays obtaining refunds for the amounts due from the State of Mali. As a result, the group continues to offset the TVA receivables against corporate taxes and royalties payable, which is permitted under the terms of its Mining Convention. In addition, while a number of cash refunds have been received during the year from the DRC government, in respect of TVA receivable at the Kibali joint venture; these have not been received on a timely basis and recovery remains slow. Given the delays in recovering the amounts receivable; the carrying value and presentation of TVA receivables represents key judgements and was considered to be a risk for our audit.	We obtained and considered the group's correspondence with tax authorities in respect of TVA for indicators that such taxes were irrecoverable under local tax rules or subject to dispute. We verified that the TVA claimed during the year had been approved by the relevant tax authority and/or was not subject to a formal dispute. We verified the cash receipts and amounts offset to tax submissions in Mali during the year and, at Kibali, verified the receipt of funds against TVA receivables and assessed the allocation of such receipts against TVA due. We considered and challenged management's assessment of the carrying value and presentation of the receivables, together with the appropriateness of the assumptions made in reaching those conclusions. In particular, this included consideration by us of the payment history, arrangements for future settlement, the nature of ongoing correspondence, ongoing taxation disputes (refer to the above taxation risk), terms of the mining conventions in Mali that confer rights to offset such taxes claimed against other taxes due, and challenging the appropriateness of assumptions and estimates made regarding the value and timing of eligible future taxes available for offset under the terms of such conventions.
Carrying value of property, plant and equipment, ore stockpiles and investments in joint ventures Gold prices have fallen from $1 295/oz to lows of $1 055/oz during the year and remain depressed at the year end. As a result, there is continued market focus on the appropriateness of assumptions used in Life of Mine (LoM) planning and impairment models within the industry. As detailed in note 3, the assessment of the group's LoM plans and any related impairment to the carrying value of mining assets and investments in joint ventures requires significant estimation by management, including estimates relating to key assumptions included in the impairment models. The key assumptions include future gold prices, oil prices, ore reserves and future production volumes, future production costs and appropriate discount and inflation rates. The carrying value of ore stockpiles is an area of judgment by management, as detailed in note [x], including determining the timing of future processing based on life of mine plans, estimates of forecast gold prices, processing costs and discount rates. As part of the carrying value of mining assets, depreciation represents an area of judgement within the financial statements as detailed in note []. The group applies a unit of production depreciation policy, which involves judgement in determining the appropriate ore reserves attributable to key asset categories within the mines. In addition, judgement is required regarding the date at which depreciation commences and the application of the unit of production accounting policy during the continued commissioning of further assets at the Kibali underground mine.	We evaluated management's impairment models for the mines against LoM plans and our understanding of the operations, and critically challenged the key estimates and assumptions used by management in each discounted cash flow model. Our testing included comparison of the gold price forecasts to forward gold price data, market consensus information and trends. We performed recalculation of discount rates for the assets using our internal valuation specialists and critically reviewed the forecast cost and production profiles against approved mine plans and empirical performance. The impairment models and sensitivity analysis prepared by management indicated that no impairment charges were required and that each cash generating unit had headroom. We challenged management's sensitivity assessments and performed our own sensitivity calculations in respect of short and long term gold prices, discount rates, inflation rates and operational performance, along with considering the appropriateness of related disclosures given in note 3. In respect of ore stockpile valuations, we considered the appropriateness of the group's accounting policy and its application. We verified the consistency of the various forecast estimates to the mine impairment models as detailed above, and considered the timing of ore processing against the LoM plans and the group's strategy. We performed sensitivity analysis regarding key inputs and considered the appropriateness of disclosure. In respect of the group's depreciation calculations, we updated our assessment of the group's depreciation policy and its application. As part of this, we verified the inputs to the calculations, critically assessed management's allocation of ore reserves to specific depreciable asset categories and verified the ore reserves to the reserves statement. As part of this review, we met with operational management to assess the asset and reserve allocations and assessed the competence and objectivity of the group's Competent Person. We undertook a detailed assessment of the asset registers at Kibali, assessing the commissioning dates and associated start date for depreciation against capital project reports and our understanding of the mine's activities in the year.
Capital expenditure judgements at Loulo and Kibali The group has incurred substantial capital expenditure during the year at Loulo and Kibali and capital expenditure included a number of areas with significant judgment and estimation that represented a risk for our audit. In particular, the appropriateness of the allocation of costs between operating and capital expenditure at Loulo following the transition to owner mining represented a key focus for our audit to ensure that the cost allocations were reflective of the underlying activity. At Kibali, the appropriateness of cost allocation focused on underground mining operations, given the increases in ore production from the underground development in the year which required management to exercise judgment in allocating costs between development and production activity. These judgements added to the risk for our audit.	We performed tests of controls and substantive procedures to obtain assurance as to the authorisation, accuracy and completeness of the recording and classification of capital expenditure. We also undertook verification testing on expenditure to supporting documentation such as invoices and contracts. We critically assessed management's capitalisation policies and management's allocation of costs between operating expenditure, ore stockpiles and capital expenditure to assess the allocation of such costs based on the nature of the underlying activity, supported by sample based verification, meetings with the mine planning departments and tests of controls.

The report of the audit committee describes the audit committee's assessment of each of these risks.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

We determined materiality for the financial statements as a whole to be $19.0 million, which equated to 7.3% of profit before income tax and represents less than 0.1% of equity. We consider profit before income tax to be the most significant determinant of the group's financial performance used by shareholders and other users and therefore consider this an appropriate basis for materiality. Our materiality is lower than the level we set for the year ended 31 December 2014 ($26.0 million) due to the lower profits of the group.

We agreed with the audit committee that we would report to the committee all individual audit differences identified during the course of our audit in excess of $0.7 million (2014: $0.8 million). We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:
Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- proper accounting records have not been kept by the company, or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- the company's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the company acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's and company's performance, business model and strategy and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

Under the Listing Rules we are required to review the part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Statement regarding the directors' assessment of principal risks, going concern and longer term viability of the company

As required under ISAs (UK and Ireland) we have nothing material to add or to draw attention to in relation to:

- the directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures in the annual report that describe those risks and explain how they are being managed or mitigated;
- the directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; or
- the directors' explanation in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the Companies (Jersey) Law 1991 and for being satisfied that they give a true and fair view. The directors are responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are required to comply with the requirements of rules 9.8.7 and 9.8.7A of the Listing Rules of the UK Financial Conduct Authority in preparing this annual report.

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

S. McNaughton

Scott McNaughton (Responsible Individual)
For and on behalf of BDO LLP
Chartered accountants and recognised auditors
London
15 March 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2015

		GROUP	
$000	NOTE	**31 Dec 2015**	31 Dec 2014
Revenue			
Gold sales on spot		**1 001 420**	1 086 756
Total revenue		**1 001 420**	1 086 756
Share of profits of equity accounted joint ventures	10	**77 303**	75 942
Other income	21	**15 616**	5 508
Total income		**1 094 339**	1 168 206
Cost and expenses			
Mining and processing costs	21	**726 797**	712 768
Royalties		**51 673**	56 490
Exploration and corporate expenditure	22	**45 067**	36 765
Other expenses	21	**5 725**	4 974
Total costs		**829 262**	810 997
Finance income	23	**112**	71
Finance costs	23	**(4 411)**	(4 235)
Finance costs – net	23	**(4 299)**	(4 164)
Profit before income tax		**260 778**	353 045
Income tax expense	4	**(48 003)**	(81 885)
Profit for the period		**212 775**	271 160
Other comprehensive expense			
Loss on available-for-sale financial assets		**(561)**	(363)
Share of other comprehensive income/(expense) of equity accounted joint ventures	10	**1 572**	(36)
Total other comprehensive income/ (expense)		**1 011**	(399)
Total comprehensive income		**213 786**	270 761
Profit attributable to:			
Owners of the parent		**188 677**	234 974
Non-controlling interests		**24 098**	36 186
		212 775	271 160
Total comprehensive income attributable to:			
Owners of the parent		**189 688**	234 575
Non-controlling interests		**24 098**	36 186
		213 786	270 761
Basic earnings per share ($)	6	**2.03**	2.54
Diluted earnings per share ($)	6	**2.01**	2.51
Average shares in issue (000)		**93 094**	92 603

The notes on pages F-11 to F-35 are an integral part of these consolidated financial statements.

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION

at 31 December 2015

		GROUP		COMPANY	
$000	NOTE	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Assets					
Non-current assets					
Property, plant and equipment	9	**1 546 767**	1 494 530	**28 274**	26 581
Deferred tax	11	**-**	398	**-**	-
Trade and other receivables	7	**6 417**	26 277	**-**	-
Long term ore stockpiles	8	**167 337**	178 314	**-**	-
Investments in joint ventures and subsidiaries	10	**-**	-	**1 292 212**	1 292 212
Loans to subsidiaries and joint ventures	10	**-**	-	**663 623**	660 422
Investment in equity accounted joint ventures	10	**1 427 316**	1 394 042	**-**	-
Other investments in joint ventures	10	**45 940**	43 854	**-**	-
Total investments in joint ventures	10	**1 473 256**	1 437 896	**-**	-
Total non-current assets		**3 193 777**	3 137 415	**1 984 109**	1 979 215
Current assets					
Inventories and ore stockpiles	8	**130 973**	126 216	**-**	-
Trade and other receivables	7	**198 292**	185 233	**1 529**	1 949
Available-for-sale financial assets	12	**906**	1 467	**906**	1 467
Cash and cash equivalents		**213 372**	82 752	**132 351**	58 494
Total current assets		**543 543**	395 668	**134 786**	61 910
Total assets		**3 737 320**	3 533 083	**2 118 895**	2 041 125
Equity and liabilities					
Share capital	5	**4 662**	4 634	**4 662**	4 634
Share premium	5	**1 493 781**	1 450 984	**1 493 781**	1 450 984
Retained earnings		**1 708 151**	1 575 218	**533 709**	506 228
Other reserves		**67 005**	67 254	**65 618**	67 439
Equity attributable to owners of the parent		**3 273 599**	3 098 090	**2 097 770**	2 029 285
Non-controlling interests		**218 706**	204 864	**-**	-
Total equity		**3 492 305**	3 302 954	**2 097 770**	2 029 285
Non-current liabilities					
Loans from minority shareholders		**2 765**	2 766	**-**	-
Deferred tax	11	**35 548**	29 915	**-**	-
Provision for rehabilitation	14	**47 581**	55 904	**-**	-
Loans from subsidiaries and joint ventures	10	**-**	-	**6 621**	2 705
Total non-current liabilities		**85 894**	88 585	**6 621**	2 705
Current liabilities					
Trade and other payables	13	**139 321**	109 354	**14 504**	9 135
Current tax payable		**19 800**	32 190	**-**	-
Total current liabilities		**159 121**	141 544	**14 504**	9 135
Total equity and liabilities		**3 737 320**	3 533 083	**2 118 895**	2 041 125

The notes on pages F-11 to F-35 of this annual report are an integral part of these consolidated financial statements. The financial statements were approved and authorised for issue by the board on 15 March 2016.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2015

	Number of ordinary shares	Share capital $000	Share premium $000	Other reserves[1] $000	Retained earnings $000	Total equity attributable to owners of parent $000	Non-controlling interests $000	Total equity $000
Balance - 31 Dec 2013	**92 245 531**	**4 612**	**1 423 513**	**64 398**	**1 386 518**	**2 879 041**	**178 813**	**3 057 854**
Share of other comprehensive loss of joint ventures[1]	-	-	-	(36)	-	(36)	-	(36)
Fair value movement on available-for-sale financial assets[1]	-	-	-	(363)	-	(363)	-	(363)
Total other comprehensive expense	-	-	-	(399)	-	(399)	-	(399)
Net profit for the period	-	-	-	-	234 974	234 974	36 186	271 160
Total comprehensive income/ (expense) for the period	-	-	-	(399)	234 974	234 575	36 186	270 761
Share-based payments	-	-	-	23 697	-	23 697	-	23 697
Share options exercised	108 300	6	2 029	-	-	2 035	-	2 035
Reserves transfer on exercise of options previously expensed under IFRS 2	-	-	756	(756)	-	-	-	-
Shares vested[2]	283 888	14	21 698	(19 686)	-	2 026	-	2 026
Dividend relating to 2013	36 366	2	2 988	-	(46 274)	(43 284)	-	(43 284)
Non-controlling interest share of Gounkoto dividend	-	-	-	-	-	-	(10 135)	(10 135)
Balance - 31 Dec 2014	**92 674 085**	**4 634**	**1 450 984**	**67 254**	**1 575 218**	**3 098 090**	**204 864**	**3 302 954**
Share of other comprehensive income of joint ventures[1]	**-**	**-**	**-**	**1 572**	**-**	**1 572**	**-**	**1 572**
Fair value movement on available-for-sale financial assets[1]	**-**	**-**	**-**	**(561)**	**-**	**(561)**	**-**	**(561)**
Total other comprehensive income	**-**	**-**	**-**	**1 011**	**-**	**1 011**	**-**	**1 011**
Net profit for the period	**-**	**-**	**-**	**-**	**188 677**	**188 677**	**24 098**	**212 775**
Total comprehensive income for the period	**-**	**-**	**-**	**1 011**	**188 677**	**189 688**	**24 098**	**213 786**
Share-based payments	**-**	**-**	**-**	**21 915**	**-**	**21 915**	**-**	**21 915**
Share options exercised	**12 000**	**1**	**288**	**-**	**-**	**289**	**-**	**289**
Reserves transfer on exercise of options previously expensed under IFRS 2	**-**	**-**	**77**	**(77)**	**-**	**-**	**-**	**-**
Shares vested[2]	**296 200**	**15**	**25 300**	**(23 098)**	**-**	**2 217**	**-**	**2 217**
Dividend relating to 2014	**250 635**	**12**	**17 132**	**-**	**(55 744)**	**(38 600)**	**-**	**(38 600)**
Non-controlling interest share of Gounkoto dividend	**-**	**-**	**-**	**-**	**-**	**-**	**(10 256)**	**(10 256)**
Balance - 31 Dec 2015	**93 232 920**	**4 662**	**1 493 781**	**67 005**	**1 708 151**	**3 273 599**	**218 706**	**3 492 305**

[1] *Share of other comprehensive expense of joint ventures and fair value movement on available for-sale assets may be recycled through the income statement in the future if certain future conditions arise. During the year the share of other comprehensive income of joint ventures included a recycling of losses through the income statement.*

[2] *Restricted shares and Co-Investment Plan (CIP) awards were issued as remuneration to executive directors, non-executive directors and senior management. Shares were also issued to executive directors following approval of their 2015 and 2014 annual bonuses and to non-executive directors as fees. The transfer between 'other reserves' and 'share premium' in respect of the shares vested represents the cost calculated in accordance with IFRS 2.*

Share capital

The share capital comprises the issued ordinary shares of the company at par.

Share premium

The share premium comprises the excess value recognised from the issue of ordinary shares at par and amounts transferred from other reserves on the exercise of share options and vesting of share awards.

Retained earnings

Retained earnings comprise the group's cumulative accounting profits and losses since inception less dividends.

Other reserves

Other reserves comprise the cumulative charge recognised under IFRS 2 in respect of share-based payment awards (net of amounts transferred to share capital and share premium), as well as cumulative fair value movements in available-for-sale financial assets. At 31 December 2015, the balance of the share-based payment reserve amounted to $67.2 million (2014: $68.4 million).

The foreign currency translation reserve was $1.4 million at 31 December 2015 (2014: $1.4 million) and the cumulative net losses in available-for-sale financial assets amounted to $1.6 million at 31 December 2015 (2014: cumulative net loss of $2.5 million). Refer to note 12 for further details of available-for-sale financial assets.

Non-controlling interests

Non-controlling interests comprise the non-controlling interests' share of cumulative profits and losses in the group, less their share of dividends paid.

COMPANY STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2015

	Number of ordinary shares	Share capital $000	Share premium $000	Retained earnings $000	Other reserves $000	Total $000
Balance - 31 Dec 2013	92 245 531	4 612	1 423 513	390 030	64 547	1 882 702
Fair value movement on available-for-sale financial assets[1]	-	-	-	-	(363)	(363)
Total other comprehensive expense	-	-	-	-	(363)	(363)
Net profit for the period	-	-	-	162 472	-	162 472
Total comprehensive income/(expense) for the period	-	-	-	162 472	(363)	162 109
Share-based payments	-	-	-	-	23 697	23 697
Share options exercised	108 300	6	2 029	-	-	2 035
Shares vested[2]	283 888	14	21 698	-	(19 686)	2 026
Reserves transfer on exercise of options previously expensed under IFRS 2	-	-	756	-	(756)	-
Dividend relating to 2013	36 366	2	2 988	(46 274)	-	(43 284)
Balance - 31 Dec 2014	92 674 085	4 634	1 450 984	506 228	67 439	2 029 285
Fair value movement on available-for-sale financial assets[1]	**-**	**-**	**-**	**-**	**(561)**	**(561)**
Total other comprehensive expense	**-**	**-**	**-**	**-**	**(561)**	**(561)**
Net profit for the period	**-**	**-**	**-**	**83 225**	**-**	**83 225**
Total comprehensive income/(expense) for the period	**-**	**-**	**-**	**83 225**	**(561)**	**82 664**
Share-based payments	**-**	**-**	**-**	**-**	**21 915**	**21 915**
Share options exercised	**12 000**	**1**	**288**	**-**	**-**	**289**
Shares vested[2]	**296 200**	**15**	**25 300**	**-**	**(23 098)**	**2 217**
Reserves transfer on exercise of options previously expensed under IFRS 2	**-**	**-**	**77**	**-**	**(77)**	**-**
Dividend relating to 2014	**250 635**	**12**	**17 132**	**(55 744)**	**-**	**(38 600)**
Balance - 31 Dec 2015	**93 232 920**	**4 662**	**1 493 781**	**533 709**	**65 618**	**2 097 770**

[1] *Fair value movement on available-for-sale assets may be recycled through the income statement in the future if certain future conditions arise.*

[2] *Restricted shares and Co-Investment Plan (CIP) awards were issued as remuneration to executive directors, non-executive directors and senior management. Shares were also issued to executive directors following approval of their 2015 and 2014 annual bonuses. The transfer between other reserves' and share premium' in respect of the shares vested represents the cumulative charge calculated in accordance with IFRS 2.*

Share capital
The share capital comprises the issued ordinary shares of the company at par.

Share premium
The share premium comprises the excess value recognised from the issue of ordinary shares at par and amounts transferred from other reserves on the exercise of share options and vesting of share awards.

Retained earnings
Retained earnings comprise the group's cumulative accounting profits and losses since inception less dividends.

Other reserves
Other reserves comprise the cumulative charge recognised under IFRS 2 in respect of share-based payment awards (net of amounts transferred to share capital and share premium), as well as cumulative fair value movements in available-for-sale financial assets. At 31 December 2015, the balance of the share-based payment reserve amounted to $67.2 million (2014: $68.4 million). The cumulative net losses in available-for-sale financial assets amounted to $1.6 million at 31 December 2015 (2014: cumulative net loss of $1.0 million). Refer to note 12 for further details of available-for-sale financial assets.

STATEMENTS OF CONSOLIDATED AND COMPANY CASH FLOWS

for the year ended 31 December 2015

	GROUP		COMPANY	
$000	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Cash flow from operating activities				
Profit after tax	**212 775**	271 160	**83 225**	166 569
Income tax expense	**48 003**	81 885	**-**	-
Profit before income tax	**260 778**	353 045	**83 225**	166 569
Share of profits of equity accounted joint ventures	**(77 303)**	(75 942)	**-**	-
Net finance cost	**2 902**	2 935	**373**	2 712
Unwind of discount on provisions for environmental rehabilitation	**1 397**	1 229	**-**	-
Depreciation and amortisation	**150 902**	146 762	**848**	899
Share-based payments	**22 943**	24 475	**22 943**	24 475
Share-based payments related to operations	**-**	-	**(15 598)**	(18 060)
Non-cash adjustment on royalties	**36 855**	28 101	**-**	-
	398 474	480 605	**91 791**	176 595
Effects of changes in operating working capital items				
Receivables	**(22 399)**	(3 637)	**420**	267
Inventories and ore stockpiles	**6 220**	17 895	**-**	-
Trade and other payables	**28 137**	(81 216)	**9 018**	(3 542)
Cash generated from operations before interest and tax	**410 432**	413 647	**101 229**	173 320
Interest received	**112**	71	**46**	30
Interest paid	**(3 014)**	(3 006)	**(419)**	(2 742)
Dividends received from equity accounted joint ventures	**45 272**	565	**-**	-
Income tax paid	**(55 820)**	(93 659)	**-**	-
Net cash generated by operating activities	**396 982**	317 618	**100 856**	170 608
Additions to property, plant and equipment	**(216 038)**	(179 313)	**(2 541)**	(3 007)
Increases in inter-company loans of subsidiaries and joint ventures	**-**	-	**(80 584)**	(122 263)
Decreases in inter-company loans of subsidiaries and joint ventures	**-**	-	**94 437**	50 712
Funds invested in equity accounted joint ventures	**(2 829)**	(51 462)	**-**	-
Loans repaid by equity accounted joint ventures	**1 072**	9 142	**-**	-
Net cash used in investing activities	**(217 795)**	(221 633)	**11 312**	(74 558)
Proceeds from issue of ordinary shares	**289**	2 035	**289**	2 035
Dividends paid to company's shareholders	**(38 600)**	(43 284)	**(38 600)**	(43 284)
Dividends paid to non-controlling interests	**(10 256)**	(10 135)	**-**	-
Proceeds from borrowings	**-**	50 000	**-**	50 000
Repayment of borrowings	**-**	(50 000)	**-**	(50 000)
Net cash used by financing activities	**(48 567)**	(51 384)	**(38 311)**	(41 249)
Net increase in cash and equivalents	**130 620**	44 601	**73 857**	54 801
Cash and equivalents at beginning of year	**82 752**	38 151	**58 494**	3 693
Cash and cash equivalents at end of year	**213 372**	82 752	**132 351**	58 494

The effective interest rate on cash and cash equivalents was 0.10% (2014: 0.05%). These funds have an average maturity of less than 90 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ending 31 December 2015

1. Nature of operations

The company and its subsidiaries together with its joint ventures (the group) carry out exploration and gold mining activities. The group currently has five operating mines. There are three operating mines in Mali, West Africa: the Morila gold mine (equity accounted joint venture), which started production in October 2000, the Loulo gold mine (subsidiary), which commenced production in November 2005 and the Gounkoto gold mine (subsidiary), which began production in June 2011. The group also operates a fourth gold mine in Côte d'Ivoire, Tongon (subsidiary), which started production in December 2010 and a fifth in the Democratic Republic of Congo (DRC), Kibali (equity accounted joint venture) which started production in October 2013. Randgold is the operator of all of its mines.

The interests of the group in its operating mines are held through Société des Mines de Morila SA (Morila) which owns the Morila mine, Société des Mines de Loulo SA (Loulo) which owns the Loulo mine, Société des Mines de Tongon SA (Tongon) which owns the Tongon mine, Société des Mines de Gounkoto SA (Gounkoto) which owns the Gounkoto mine and Kibali Goldmines SA (Kibali), which owns the Kibali mine. Randgold holds an effective 40% interest in Morila in conjunction with AngloGold Ashanti Limited (AngloGold Ashanti) (40%) and the State of Mali (20%). Management of Morila Limited, the 80% shareholder of Morila, is effected through a joint venture committee, with Randgold and AngloGold Ashanti each appointing one-half of the members of the committee. The group also holds an effective 45% interest in the Kibali gold mine (equity accounted joint venture) in the Democratic Republic of Congo (DRC) in conjunction with AngloGold Ashanti (45%) and Société Miniére de Kilo-Moto SA UNISARL (SOKIMO) (10%). Management of Kibali (Jersey) Limited, the effective 90% shareholder of Kibali, is effected through a joint venture committee, with Randgold and AngloGold Ashanti each appointing one-half of the members of the committee. Randgold holds an effective 80% interest in both Loulo and Gounkoto. The remaining 20% interest is held by the State of Mali. Randgold holds an effective 89% interest in Tongon, 10% is held by the State of Côte d'Ivoire while the remaining 1% is held by a local Ivorian company.

The group has a portfolio of exploration permits and projects, with various exploration programmes, ranging from early stage exploration to prefeasiblity studies being undertaken. These are underway in the DRC, Mali, Senegal and Côte d'Ivoire.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and company financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements of Randgold Resources Limited and its subsidiaries and joint ventures have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively (IFRS)) issued by the International Accounting Standards Board (IASB) as adopted by the European Union and in accordance with Article 105 of the Companies (Jersey) Law of 1991. In accordance with the Companies (Jersey) Law 1991, there is no requirement to include any company statements in the group annual report, however the company balance sheet, statement of changes in equity, statement of cash flow and related notes have been included.

The consolidated financial statements also comply with IFRS as issued by the IASB, as is required as a result of our listing on NASDAQ in the US. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

After reviewing the group's and company's budget for the next financial year, and other longer term plans, the directors are satisfied, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements. The directors have no reason to believe that the group and company will not be a going concern in the foreseeable future based on forecasts and available cash resources and available facilities.

New standards and interpretations applied

The IASB has issued the following new standards, amendments to published standards and interpretations to existing standards with effective dates on or prior to 1 January 2015 which have been adopted by the group for the first time this year.

	IFRS as issued by IASB	IFRS as issued by EU	
	Effective period commencing on or after		Impact on group
Annual improvements to IFRSs 2010-2012 cycle (effective 1 July 2014); and Annual improvements to IFRSs 2011- 2013 cycle	1 July 2014	1 Feb 2015	No material impact
Annual Improvements to IFRSs 2011-2013 Cycle	1 July 2014	1 Jan 2015	No material impact
IAS 19 Amendment – Defined benefit plans: employee contributions	1 July 2014	1 Feb 2015	No material impact

Standards effective in future period

Certain new standards, amendments and interpretations to existing standards have been published that are relevant to the group's activities and are mandatory for the group's accounting periods beginning after 1 January 2015 or later periods and which the group has decided not to adopt early.

		Effective period commencing on or after
IFRS 9[1]	Financial instruments	1 Jan 2018
IFRS 11	Amendment – Accounting for acquisition of interests in joint operations	1 Jan 2016
IAS 16 & IAS 38	Amendments – Clarification of acceptable methods of depreciation and amortisation	1 Jan 2016
IFRS 15[1]	Revenue from contracts with customers	1 Jan 2018
IFRS 16[1]	Leases	1 Jan 2019
IAS 27	Amendment – Equity method in separate financial statements	1 Jan 2016
IFRS 10 & IAS 28	Amendment – Sale or contribution of assets between an investor and its associate or joint venture	1 Jan 2016
IAS 1	Amendment – Disclosure initiative	1 Jan 2016
	Annual improvements to IFRSs (2012 – 2014 cycle)	1 Jan 2016

[1] *Not yet adopted by the European Union.*

The group is currently assessing the impact of these standards on the financial statements.

Consolidation

The consolidated financial information includes the financial statements of the company, its subsidiaries and the company's equity accounted joint ventures using uniform accounting policies for similar transactions and other events in similar circumstances.

Subsidiaries

Subsidiaries are entities over which the group has power, exposure, or rights, to variable returns from its involvement and the ability to use its power over the investee to affect the amount of the group's returns; generally accompanying an interest of more than one-half of the voting rights.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Acquisition costs are expensed. Identifiable assets acquired (including mineral property interests or other identifiable intangible assets) and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Joint ventures and associates

The group holds interests in a number of joint ventures. In a joint venture the parties that have joint control of the arrangement (the joint venturers) have a right to the net assets of the arrangement. This right is accounted for in the consolidated financial statements using the equity method. Joint control is considered to exist when there is contractual joint control; control being the power to govern the financial and operating policies of an entity so as to obtain benefits from the activities and the ability to use its power over the investee to affect the amounts of the group's returns by the joint venturers.

Acquisitions

Except for initial recognition under IFRS 11 transition rules, further investments in additional joint venture companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on joint ventures represents the excess of the cost of acquisition of the joint venture over the group's share of the fair value of the identifiable net assets of the joint venture and is included in the carrying amount of the investments.

Joint ventures are accounted for using the equity method of accounting. In applying the equity method of accounting, both for existing joint ventures subsequent to the transition date and for any newly acquired joint ventures, the group's share of its joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the joint venture companies are adjusted against the carrying amount of the investments. When the group's share of losses in a joint venture company equals or exceeds its interest in the joint venture company, including any other unsecured non-current receivables, the group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the joint venture company. Unrealised gains on transactions between the group and its joint venture companies are eliminated to the extent of the group's interest in the joint venture companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Trading receivables and payables with joint venture companies are classified within trade and other receivables and payables. The accounting policies of joint venture companies have been changed where necessary to ensure consistency with the accounting policies adopted by the group.

Dividends received are classified as operating cash flows in the consolidated cash flow statement.

Investments in subsidiaries and joint ventures

Investment in subsidiaries and joint ventures are stated at cost less any provisions for impairment in the individual financial statements of the company. Dividends are accounted for when the company becomes entitled to receive them. On the disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

Segmental reporting

An operating segment is a group of assets and operations engaged in performing mining or advanced exploration that are subject to risks and returns that are different from those of other segments. Other parts of the business are aggregated and treated as part of a 'corporate and exploration' segment. The group provides segmental information using the same categories of information the group's chief operating decision maker utilises. The group's chief operating decision maker is considered by management to be the board of directors.

The group has only one business segment, that of gold mining. Segment analysis is based on individual mining operations and exploration projects that have a significant amount of capitalised expenditure or other fixed assets.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in US dollars, which is also the functional currency of the company and its significant subsidiaries and joint ventures.

Transactions and balances

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income in other income and other expenses.

Property, plant and equipment

Long-lived assets and mine development costs

Long-lived assets including development costs and mine plant facilities (such as processing plants, tailings facilities, raw water dams and power stations) are initially recorded at cost. Development of orebodies includes the development costs of shaft systems and waste rock removal that allows access to reserves that are economically recoverable in the future. Costs associated with underground development are capitalised when the works provide access to the ore body, whereas costs associated with ore extraction from operating ore body sections are treated as operating costs. Where relevant the estimated cost of dismantling the asset and remediating the site is included in the cost of property, plant and equipment, subsequently they are measured at cost less accumulated amortisation and impairment.

Development costs consist primarily of direct expenditure incurred to establish or expand productive capacity.

Costs are capitalised during the construction of a new mine until commercial levels of production are achieved (refer to 'commercial production' below), after which the relevant costs are amortised. Costs are capitalised provided that the project is considered to be commercially, technically and economically viable. Such viability is deemed to be achieved when the group is confident that the project will provide a satisfactory return relative to its perceived risks and is sufficiently certain of economic production. Costs which are necessarily incurred while commissioning new assets, in the period before they are capable of operating in the manner intended by management, are capitalised under 'Long-lived assets and mine development costs'.

Development costs incurred after the commencement of production are capitalised to the extent they are expected to give rise to a future economic benefit.

Commercial production

The group assesses the stage of each mine construction project to determine when a mine moves into the production stage. The criteria used to assess the start date are determined by the unique nature of each mine construction project and include factors such as the complexity of a plant and its location. The group considers various relevant criteria to assess when the mine construction project is substantially complete and ready for its intended use and moves into the production stage. Some of the criteria would include but are not limited to the following:

- The level of capital expenditure compared to construction cost estimates;
- Completion of a reasonable period of testing of the mine plant and equipment;
- The ability to produce gold in saleable form; and
- The ability to sustain commercial levels of gold production.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and subsequent costs are either regarded as inventory or expensed, except for capitalisable costs related to subsequent mining asset additions or improvements, open cast stripping, underground mine development or ore reserve development.

The commissioning of an underground mine typically occurs in phases, with sections brought into production whilst deeper levels remain under construction. The shared infrastructures, such as declines or shafts, are assessed to determine whether they contribute to the production areas. Where they contribute to production, the attributable costs are transferred to production assets and start to be depreciated. The costs transferred comprise costs directly attributable to producing zones or, where applicable, estimates of the portion of shared infrastructure that are attributed to the producing zones.

Development expenditure approval

Development activities commence after project sanctioning by the appropriate level of management. Judgement is applied by management in determining when a project has reached a stage at which economically recoverable reserves exist such that development may be sanctioned. In exercising this judgement, management is required to make certain estimates and assumptions similar to those described below for capitalised exploration and evaluation expenditure. Any such estimates and assumptions may change as new information becomes available.

Stripping costs

In surface mining operations, the group may find it necessary to remove waste materials to gain access to mineral ore deposits prior to and after production commences. This waste removal activity is known as 'stripping'. Prior to production commencing from a pit, stripping costs are measured internally and capitalised until the point where the overburden has been removed and access to the ore commences. Subsequent to production, waste stripping continues, either as part of ore extraction as a run of mine activity or due to strategic decisions such as pit push-back campaigns. There are two benefits accruing to the group from stripping activity during the production phase: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. Economic ore extracted during this period and subsequently is accounted for as inventory. The production stripping costs relating to improved access to further quantities in future periods are capitalised as a stripping activity asset, if and only if, all of the following are met:

- It is probable that the future economic benefit (improved access to the orebody) associated with the stripping activity will flow to the group;
- The group can identify the component of the orebody for which access has been improved; and
- The costs relating to the stripping activity associated with that component or components can be measured reliably.

In determining the relevant component of the orebody for which access is improved, the group componentises each of its mines into geographically distinct orebody sections or phases to which the stripping activities being undertaken within that component are allocated. Such phases are determined based on assessment of factors such as geology and mine planning.

Once determined that any portion of the production stripping costs should be capitalised, the group typically uses the average stripping ratio of the component or phase of the mine to which the production stripping cost related to determine the amount of the production stripping costs that should be capitalised.

The group depreciates the deferred costs capitalised as stripping assets on a unit of production method, with reference to the ex-pit ore treated from the relevant ore body component or phase.

Short-lived assets

Short-lived assets including non-mining assets are shown at cost less accumulated depreciation and impairment.

Depreciation and amortisation

Long-lived assets include mining properties, such as metallurgical plant, tailings and raw water dams, power plant and mine infrastructure, as well as mine development costs, are depreciated on a unit of production basis.

Depreciation and amortisation are charged over the life of the mine (or over the remaining useful life of the asset, if shorter) based on estimated ore tonnes contained in proven and probable reserves to be extracted using the relevant asset. As an example, underground assets are depreciated over underground proven and probable reserves and tonnes milled from those orebodies. No future capital expenditure is included in the depreciable value. Proven and probable ore reserves reflect estimated quantities of economically recoverable reserves, which can be recovered in the future from known mineral deposits. Only proven and probable reserves are used in the tonnes milled units of production depreciation calculation. Any changes to the expected life of the mine (or asset) are applied prospectively in calculating depreciation and amortisation charges.

Depreciation of construction and development costs for new mines commences when commercial production is achieved, as detailed above. Underground development costs that are attributable to the commissioned sections of an underground mine are depreciated from the date the development provides access to operational areas and ore extraction begins from those areas. Other assets under construction, such as plant improvement projects, are depreciated from the date they are commissioned, based on assessment by the group's engineers.

Short-lived assets which include motor vehicles, office equipment and computer equipment are depreciated over estimated useful lives of between two to five years but limited to the remaining mine life. Residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. Changes to the estimated residual values or useful lives are accounted for prospectively. Depreciation starts when the assets are ready and available for use.

Impairment

The carrying amount of the property, plant and equipment and investments in joint ventures of the group is compared to the recoverable amount of the assets whenever events or changes in circumstances indicate that the net book value may not be recoverable. The recoverable amount is the higher of value in use and the fair value less cost to sell. In assessing the value in use, the expected future cash flows from the assets is determined by applying a discount rate to the anticipated risk adjusted future cash flows. The discount rate used is the group's weighted average cost of capital adjusted for asset specific factors when applicable. An impairment is recognised in the income statement to the extent that the carrying amount exceeds the assets' recoverable amount. Only proven and probable reserves are used in the calculations and the models use the approved mine plans and exclude capital expenditure which enhance the assets or extractable ore tonnes outside of such approved mine plans. The revised carrying amounts are amortised in line with group accounting policies.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a reversal of the conditions that originally resulted in the impairment. This reversal is recognised in the income statement and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in prior years. Assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units) for purposes of assessing impairment. The estimates of future discounted cash flows are subject to risks and uncertainties including the future gold price. It is therefore reasonably possible that changes could occur which may affect the recoverability of property, plant and equipment investments in joint ventures.

Inventories

Inventories include ore stockpiles, gold in process and dóre supplies, stores and materials, and are stated at the lower of cost or net realisable value. The cost of ore stockpiles and gold produced is determined principally by the weighted average cost method using related production costs.

Cost of stockpiles include costs incurred up to the point of stockpiling, such as mining and grade control costs, but exclude future costs of production. Ore extracted is allocated to stockpiles based on estimated grade, with grades below defined cut-off levels treated as waste and expensed. While held in physically separate stockpiles, the group blends the ore from each stockpile at an individual mine when feeding the processing plant to achieve the resultant gold content. In such circumstances, lower and higher grade ore stockpiles each represent a raw material, used in conjunction with each other, to deliver overall gold production, as supported by the relevant feed plan.

Morila's full grade ore stockpile was depleted in 2015. At Loulo, full grade open pit stockpile material is above 3.0g/t for Loulo and 1.58g/t for Gara, while Yalea is above 0.7g/t. No Yalea or Gara underground material is on the stockpile since all ore mined is fed to the mill. At Gounkoto, the full grade ore stockpile is above 2.85g/t and marginal ore above 1.36g/t. Tongon's, full grade ore stockpile is above 1.34g/t and marginal ore above 0.74g/t, while Kibali's high and medium grade ore stockpile is above 1.52g/t with a marginal ore cut-off grade of 0.88g/t.

The processing of ore in stockpiles occurs in accordance with the Life of Mine (LoM) processing plan that has been optimised based on the known mineral reserves, current plant capacity and mine design. Ore tonnes contained in the stockpile which exceed the annual tonnes to be milled as per the mine plan in the following year, are classified as non-current in the statement of financial position.

Net realisable value of ore stockpiles is determined with reference to estimated contained gold and market gold prices applicable. Ore stockpiles which are blended together or with future ore mined when fed to the plant are assessed as an input to the gold production process to ensure the combined stockpiles are carried at the lower of cost and net realisable value. Ore stockpiles which are not blended in production are assessed separately to ensure they are carried at the lower of cost and net realisable value, although no such stockpiles are currently held.

Costs of gold inventories include all costs incurred up until production of an ounce of gold such as milling costs, mining costs and directly attributable mine general and administration costs but exclude transport costs, refining costs and royalties. Net realisable value is determined with reference to estimated contained gold and market gold prices.

Stores and materials consist of consumable stores and are valued at weighted average cost after appropriate impairment of redundant and slow moving items. Consumable stock for which the group has substantially all the risks and rewards of ownership are brought onto the statement of financial position as current assets.

Interest/borrowing costs

Interest is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity. Borrowing costs are expensed as incurred except to the extent that it relates directly to the construction of property, plant and equipment during the time that is required to complete and prepare the asset for its intended use, when it is capitalised as part of property, plant and equipment. Borrowing costs are capitalised as part of the cost of the asset where it is probable that the asset will result in economic benefit and where the borrowing cost can be measured reliably. No interest or borrowing costs have been capitalised during the year.

Royalties

Royalty arrangements based on mineral production are in place at each operating mine. The primary type of royalty is a net smelter return royalty. Under this type of royalty the group pays the holder an amount calculated as the royalty percentage multiplied by the value of gold production at market gold prices less selling costs. A royalty expense is recorded when revenue from the sale of gold is recognised.

Financial instruments

Financial instruments are measured as set out below. Financial instruments carried on the statement of financial position include cash and cash equivalents, trade and other receivables, trade and other payables, available for sale financial assets, loans to and from subsidiaries and joint ventures and loans to minorities.

Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short term highly liquid investments with a maturity of three months or less at the date of purchase and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. There is a rebuttable presumption that the transaction price is fair value unless this could be refuted by reference to market indicators. Subsequently, trade and other receivables are measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable may be impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in mining and processing costs in the statement of comprehensive income.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale financial assets are designated on acquisition. They are normally included in current assets and are carried at fair value. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is recognised in the statement of comprehensive income within other expenses, other movements in fair value are recognised in other reserves within equity.

Borrowings (including bank borrowings when applicable, loans from subsidiaries, joint ventures and minorities)

Borrowings are recognised initially at fair value, which equates to the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Trade and other payables

Accounts payable and other short term monetary liabilities, are initially recognised at fair value, which equates to the transaction price, and subsequently carried at amortised cost using the effective interest method.

Rehabilitation costs

The net present value of estimated future rehabilitation costs is provided for in the financial statements and capitalised within property, plant and equipment on initial recognition. Rehabilitation will generally occur on closure or after closure of a mine. Initial recognition is at the time of the construction or disturbance occurring and thereafter as and when additional construction or disturbances take place. The estimates are reviewed annually to take into account the effects of inflation and changes in estimated risk adjusted rehabilitation works cost and are discounted using rates that reflect the time value of money. Annual increases in the provision due to the unwinding of the discount are recognised in the statement of comprehensive income as a finance cost. The present value of additional disturbances and changes in the estimate of the rehabilitation liability are recorded to mining assets against an increase/decrease in the rehabilitation provision. The rehabilitation asset is amortised as noted previously. Rehabilitation projects undertaken, included in the estimates, are charged to the provision as incurred. Environmental liabilities, other than rehabilitation costs, which relate to liabilities arising from specific events, are expensed when they are known, probable and may be reasonably estimated.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Current tax

Current tax is the tax expected to be payable on the taxable income for the year calculated using rates (and laws) that have been enacted or substantively enacted by the statement of financial position date. It includes adjustments for tax expected to be payable or recoverable in respect of previous periods.

Taxation paid in the consolidated statement of cash flows relates to corporate tax liability payments. In Mali, the State is not reimbursing value added tax (TVA) due to the group as required under the legally binding mining convention. The group has an existing legal right under its mining convention to offset the TVA against corporate tax as it falls due. As a result, payments made under the TVA taxation system are being made in the knowledge that such payments first represent payments on account for corporate tax. The group records such payments as ‘taxation paid’ in the consolidated statement of cash flows as this is considered to present a more appropriate reflection of the group’s corporate tax contribution by management. Once corporate tax liabilities are met, the remaining payments under the TVA system represent normal recoverable TVA and are not reflected in the consolidated statement of cash flows as ‘taxation paid’.

Deferred taxation

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the temporary difference arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not recognised. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the temporary differences reverses. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is provided on temporary differences arising on investments in subsidiaries and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Accounting for Gounkoto non-controlling interest priority dividends

Under the statutory requirements of the 1999 Malian Mining Code (the ‘Code’), the State of Mali is entitled to advanced payment of dividends. The advanced payment entitlement is calculated based on 10% of profits after certain deductions. The advanced dividends paid are deducted from the ordinary dividends that the government receives under its 20% equity interest in Gounkoto. Given the statute, a liability is recognised at each balance sheet date based on 10% of the accrued profit measure. The liability is extinguished upon the subsequent payment of the advanced dividend. An ‘other receivables’ asset is recorded as the advanced dividend automatically entitles Gounkoto to reduce future cash flows paid to the State of Mali and creates economic benefit. The carrying value of the asset is reviewed for impairment. Ordinary dividends are recorded as a reduction in non-controlling interest once declared.

Contingent liabilities

The group discloses contingent liabilities when possible obligations exist as a result of past events, unless the possible outflows of economic benefits are considered remote. By their nature, contingencies will often only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events. In certain circumstances, to provide transparency, the group voluntarily elects to disclose information regarding claims for which any outflow of economic benefit is considered remote.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

Employee benefits

Pension obligations

The group has defined contribution plans. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. For defined contribution plans, the group pays contributions to publicly or privately administered provident funds on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after statement of financial position date are discounted to present value.

Profit-sharing and bonus plans

The group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Share-based payments

The fair value of the employee services received in exchange for the grant of options, restricted shares or participation in the group’s Co-Investment Plan is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options or shares awards determined at the grant date:

- Including any market performance conditions (for example, the correlation used between the Euromoney Global Gold Index (formerly the HSBC Global Gold Index) and the company TSR); and
- Excluding the impact of any service and non-market performance vesting conditions (for example, profitability, reserve growth targets and remaining an employee of the entity over a specified time period).

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable or the number of shares that the employee will ultimately receive. This estimate is revised at each statement of financial position date and the difference is charged or credited to the statement of comprehensive income, with a corresponding adjustment to equity. Market performance conditions are included in the fair value assumptions on the grant date with no subsequent adjustment. The proceeds received on exercise of the options net of any directly attributable transaction costs are credited to equity. When the options are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. Transfers are made between other reserves and share premium when options are exercised and shares vest for the cumulative share based expense.

Leases

Determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys a right to use the asset. Leases of plant and equipment where the group assumes a significant portion of risks and rewards of ownership are classified as a finance lease. Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and the finance charges to achieve a constant rate on the finance balance outstanding. The interest portion of the finance payment is charged to the statement of comprehensive income over the lease period. The plant and equipment acquired under the finance lease are depreciated over the useful lives of the assets, or over the lease term if shorter.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Revenue recognition

The company enters into contracts for the sale of gold. Revenue arising from gold sales under these contracts is recognised when the price is determinable, the product has been delivered in accordance with the terms of the contract, the significant risks and rewards of ownership have been transferred to the customer and collection of the sales price is reasonably assured. These criteria are met when the gold leaves the mines' smelt houses. As sales from gold contracts are subject to customer survey adjustment, sales are initially recorded on a provisional basis using the group's best estimate of the contained metal. Subsequent adjustments are recorded in revenue to take into account final assay and weight certificates from the refinery, if different from the initial certificates. The differences between the estimated and actual contained gold have historically not been significant.

Exploration and evaluation costs

The group expenses all exploration and evaluation expenditures until the directors conclude that a future economic benefit is more likely than not of being realised, ie 'probable'. While the criteria for concluding that an expenditure should be capitalised is always probable, the information that the directors use to make that determination depends on the level of exploration.

Exploration and evaluation expenditure on brownfield sites, being those adjacent to mineral deposits which are already being mined or developed, is expensed as incurred until the directors are able to demonstrate that future economic benefits are probable through the completion of a prefeasibility study, after which the expenditure is capitalised as a mine development cost. A 'prefeasibility study' consists of a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and which, if an effective method of mineral processing has been determined, includes a financial analysis based on reasonable assumptions of technical, engineering, operating economic factors and the evaluation of other relevant factors. The prefeasibility study, when combined with existing knowledge of the mineral property that is adjacent to mineral deposits that are already being mined or developed, allow the directors to conclude that it is more likely than not that the group will obtain future economic benefit from the expenditures.

Exploration and evaluation expenditure on greenfield sites, being those where the group does not have any mineral deposits which are already being mined or developed, is expensed until such time as the directors have sufficient information to determine that future economic benefits are probable, after which the expenditure is capitalised as a mine development cost. The information required by directors is typically a final feasibility study however a prefeasibility study may be deemed to be sufficient where the additional work required to prepare a final feasibility study is not significant or the work done at prefeasibility level clearly demonstrates an economic asset. Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralisation of such mineral deposits, is capitalised as a mine development cost following the completion of an economic evaluation equivalent to a prefeasibility study. This economic evaluation is distinguished from a prefeasibility study in that some of the information that would normally be determined in a prefeasibility study is instead obtained from the existing mine or development. This information when combined with existing knowledge of the mineral property already being mined or developed allow the directors to conclude that more likely than not the group will obtain future economic benefit from the expenditures. Costs relating to property acquisitions are capitalised within development costs.

Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the board of directors and declared to shareholders.

Earnings per share

Earnings per share are computed by dividing net income by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share

Diluted earnings per share are presented when the inclusion of potential ordinary shares has a dilutive effect on earnings per share.

3. Key accounting estimates and judgements

Some of the accounting policies require the application of significant judgement by management in selecting the appropriate assumptions for calculating financial estimates or determining the appropriate accounting treatment for a transaction.

By their nature, these judgements are subject to an inherent degree of uncertainty and are based on historical experience, terms of existing contracts, management's view on trends in the gold mining industry and information from outside sources. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

TVA (value added tax)

Included in trade and other receivables are TVA receivables of $102.9 million (2014: $106.8 million) ($96.5 million current and $6.4 million non-current) (2014: $80.5 million current and $26.3 million non-current) consisting primarily of recoverable TVA balances owing by the fiscal authorities in Mali. In Mali the TVA owing is being offset against other tax owing to the State, in accordance with the legal right of offset under the relevant mining conventions. A further $61.8 million (2014: $50.5 million) (at 45% attributable share) is included in the underlying statement of financial position of the Kibali joint venture.

Profit forecasts for the mine, using approved budgets and mine plans, supports recovery of the balance through such offsetting by 2017 (2014: 2017), although the recovery and timing is subject to estimates of factors such as gold price and production. The gold price is consistent with that used in the group's impairment tests detailed below. We are also continuing to engage with authorities in Mali to pursue the cash settlement of the outstanding TVA balances. The group continues to seek recovery of TVA in the DRC, in line with the Mining Code and the carrying value of the receivable has been assessed considering factors such as the level of receipts in the period and to date, relationships and communications with government officials and the tax authority and the limited quantum of disputed submissions. Judgement exists in assessing recovery of these receivables.

Corporation tax claims

The group is in receipt of claims for various taxes from the State of Mali totalling $280.0 million (2014: $313.0 million), in respect of its Malian operations. Having taken professional advice, the group considers the material claims to be without foundation and is strongly defending its position, including following the appropriate legal process for disputes within Mali. Accordingly, no provision has been made for the material claims and the likelihood of a material outflow of economic benefits in respect of such claims is considered remote under IFRS.

Loulo, Gounkoto and Morila have legally binding mining conventions which guarantee fiscal stability, govern the taxes applicable to the companies and allow for international arbitration in the event a dispute cannot be resolved in the country. Management continues to engage with the Malian authorities at the highest level to resolve this issue. During the prior year, Loulo submitted a request for arbitration at the International Centre for the Settlement of Investment Disputes against the State of Mali in relation to certain of the disputed tax claims. The arbitration process is ongoing, with hearings having taken place in Q1 2015, and the outcome of this process is expected to be concluded in the first half of 2016.

Carrying values of property, plant and equipment and joint venture investments

The group assesses at each reporting period whether there is any indication that these assets may be impaired. If such indication exists, the group estimates the recoverable amount of the asset. The recoverable amount is assessed by reference to the higher of 'value in use' (being the net present value of expected future cash flows of the relevant cash generating unit) and 'fair value less cost to sell'.

The estimates used for impairment reviews are based on detailed approved mine plans and operating plans. Future cash flows are based on estimates of:

- The quantities of the proven and probable reserves being those for which there is a high degree of confidence in economic extraction;
- Future production levels;

- Future commodity prices, including oil forecast at $60bbl (2014: $100bbl)
- Future cash cost of production and capital expenditure associated with extraction of the proven and probable reserves in the approved mine plan;
- Future gold prices – a gold price curve was used for the impairment calculations starting at a $1 150/oz gold price (2014: $1 250/oz) and increasing at an average of 1.5% per annum (2014: 3%). The gold price curve was determined after consideration of a range of forecast techniques and data sources;
- A discount rate of 7.9% pre-tax (2014: 7.3%); and
- An inflation rate of 1.5% (2014: 2.0%).

The impairment tests did not indicate impairment and head room existed at each mine. Given the significance of gold prices and the longevity of mine plans, the directors consider gold price and discount rate sensitivities to be relevant.

A reduction in forward gold prices in excess of 10% is required to give rise to an impairment at any of the mines. The discount rate would need to increase to 13.2% to give rise to an impairment at any of the mines with the greatest discount rate sensitivity being at Loulo.

However, having considered such scenarios, the directors remain satisfied that no impairment is appropriate. The models are considered suitably conservative with proven and probable reserves determined based on $1 000/oz gold price (2014: $1 000/oz) as shown below.

Capitalisation and depreciation

There are several methods for calculating depreciation, ie the straight line method, the production method using ounces produced and the production method using tonnes milled. The directors believe that the tonnes milled method is the best indication of plant and infrastructure usage. Refer to note 2 for the depreciation policy. Estimates are required regarding the allocation of assets to relevant proven and probable reserves in the unit of production calculations, with assessments involving the group's mining, capital and geology departments. Proven and probable reserves are used in each depreciation calculation, which is considered to be a suitably conservative measure of the future ore extractable using existing assets. Expenditure incurred to date in underground infrastructure development, is depreciated over the remaining proven and probable reserves of the underground mine, as the infrastructure provides access to the future mining areas.

The group applies judgement in allocating costs between operating and capital items in respect of underground mining and in determining the date depreciation commences. Costs are capitalised when the activity provides access to future ore bodies and are expensed as operating costs when the works involve extraction of ore from operational sections of the orebody. The nature of activity is assessed based on information provided by contractors, together with inspections by the group's mining teams where contractor mining is used. The nature of activity is assessed by the group's mining teams where owner mining applies. Direct labour, materials and other costs are specifically allocated based on the activity performed. Indirect costs that are attributable to underground works are allocated between capital and operating expenses based on factors such as development versus operating metres.

Judgement is required in determining the point at which assets under construction at Kibali began commercial production and should be depreciated. Depreciation start dates are determined considering the factors detailed in note 2 and during the year Kibali underground mine assets attributable to production started to be depreciated. Judgement was applied in identifying the costs considered attributable to production. Additionally, given ongoing mine construction and development, judgement was required in allocating costs between operating costs, ore stockpiles and ongoing capital works. Costs have been allocated based on the underlying activity and economic benefits.

Gold price assumptions

The following gold prices were used in the mineral reserves optimisation calculations:

$/oz	2015	2014
Morila	1 000	1 000
Loulo: open pit	1 000	1 000
Loulo: underground	1 000	1 000
Tongon	1 000	1 000
Kibali	1 000	1 000
Massawa	1 000	1 000
Gounkoto	1 000	1 000

Changes in the gold price used could result in changes in the mineral reserve optimisation calculations which impact LoM plans. Mine modelling is a complex process and hence it is not feasible to perform sensitivities on gold price assumptions in respect of ore reserves.

Determination of ore reserves

The group estimates its ore reserves and mineral resources based on information compiled by Competent Persons as defined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves of December 2004 (the JORC code). Reserves determined in this way are used in the calculation of depreciation and amortisation, as well as the assessment of the carrying value of property, plant and equipment and joint ventures and timing of mine closure obligations. There are numerous uncertainties inherent in estimating ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. For further information refer to the 'exploration review' in this annual report on page 74.

Future rehabilitation obligations

The net present value of current rehabilitation estimates have been discounted to their present value at 2.25% per annum (2014: 2.0%) being the prevailing risk free interest rates. Expenditure is generally expected to be incurred at the end of the respective mine lives. The group undertakes regular assessments by external experts of its mine closure plans, together with assessments by internal staff in the intervening periods, to determine the required rehabilitation works, cost of works and timing of such works. Judgement is required in determining the appropriate costs, timing of costs, discount rates and inflation. For further information, including the carrying amounts of the liabilities, refer to note 14. A 1% change in the discount rate on the group's rehabilitation estimates would result in an impact of $5.3 million (2014: $7.0 million) on the provision for environmental rehabilitation, and an impact of $0.6 million (2014: $0.5 million) on the statement of comprehensive income.

Stockpiles, gold in process and product inventories

Costs that are incurred in or benefit the productive process are accumulated as stockpiles, gold in process and product inventories. Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on contained gold and metals prices, less estimated costs to complete production and bring the product to sale. Judgement is required in assessing whether stockpiles of different grades should be tested individually, or tested as inputs to the gold production process, as detailed in the group's accounting policy. In the current year, the stockpiles were tested for each individual mine, reflecting the planned blended feed of such stockpiles to the mill on the basis that they are blended together and with future ore mined.

Stockpile quantities are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated recovery percentage based on the expected processing method. Stockpile tonnages are verified by periodic surveys. The forecast gold prices and cost escalators were those used in the impairment test detailed above.

Post production open cast mine stripping

The group capitalises costs, associated with stripping activity, to expose the orebody, within mining assets. Judgement is required in determining the relevant section or phase of the orebody to which stripping activity relates, based on assessment of factors such as mine planning, geology of the open cast pits and strategic board decisions such as the pushback campaigns. The group subsequently depreciates relevant stripping assets as that section of the orebody is mined. This similarly requires judgement over the eligible costs and the relevant section of the orebody for depreciation.

Exploration and evaluation expenditure

The group has to apply judgement in determining whether exploration and evaluation expenditure should be capitalised or expensed. Management exercises this judgement based on the results of economic evaluations, prefeasibility or feasibility studies. Costs are capitalised where those studies conclude that more likely than not the group will obtain future economic benefit from the expenditures.

Share-based payments

Refer to note 15 for the key assumptions used in determining the value of share-based payments.

4. Income taxes

$000	NOTE	GROUP 31 Dec 2015	31 Dec 2014
Current taxation		**41 972**	79 532
Deferred taxation	11	**6 031**	2 353
		48 003	81 885
The tax on the group's profit before tax differs from the theoretical amount that would arise using the statutory tax rate applicable to the group's operations.			
Profit before tax		**260 778**	353 045
Tax calculated at effective tax rate of 30%		**78 233**	105 914
Reconciling items:			
Income taxed at 0%		**(8 483)**	(14 359)
Expenses deductible at 0%		**7 528**	9 611
Côte d'Ivoire tax holiday permanent differences		**(7 868)**	(7 994)
Net capital allowances not deductible		**6 031**	2 353
Share of equity accounted joint venture profits		**(23 191)**	(22 783)
Other permanent differences		**(4 247)**	9 143
Taxation charge		**48 003**	81 885

The company is subject to an income tax rate in Jersey at 0%. Tongon benefited from a five year tax holiday in Côte d'Ivoire from the commencement of production in December 2010 until the tax exoneration period expired in December 2015. Gounkoto benefited from a two year tax holiday until the tax exoneration expired on 1 June 2013. It has a further tax holiday, up to a maximum of five years in total, in the event of further capital investment, such as an underground mine. The benefit of the tax holidays to the group was to increase its net profit by $7.9 million (2014: $8.0 million). Accordingly, had the group not benefited from the tax holidays in Mali and Côte d'Ivoire, earnings per share would have been reduced by $0.09 for the year ended 31 December 2015 (2014: $0.09). Under Malian tax law, income tax is based on the greater of 30% of taxable income or 0.75% of gross revenue. Under Ivorian tax law, income tax is based on the greater of 25% of taxable income or 0.5% of gross revenue. The Loulo, Gounkoto and Tongon operations have no assessable capital expenditure carry forwards for assessable tax losses, at 31 December 2015 and 2014 respectively, for deduction against future mining income. The group's share of profits from equity accounted joint ventures is stated net of $11.0 million (2014: $20.9 million) of current and deferred tax charges primarily in respect of Morila and Kibali.

5. Share capital and premium

The total authorised number of ordinary shares is 120 million (2014: 120 million) of $0.05 (2014: $0.05). All issued shares are fully paid. The total number of issued shares at 31 December 2015 was 93 232 920 shares (2014: 92 674 085 shares). Refer to the statement of changes in equity on page F-8 and F-9 of this annual report for more detail on the annual movement of the number of ordinary shares, share capital and share premium, including the movement arising from the issue of restricted shares, exercise of share options and vesting of share awards and the scrip dividends.

6. Earnings and dividends per share

	GROUP		
	Income (numerator) $000	Shares (denominator)	Per share amount $
For the year ended 31 December 2015			
Basic earnings per share			
Shares outstanding at 1 January 2015		**92 674 085**	
Weighted number of shares issued		**419 607**	
Income available to shareholders	**188 677**	**93 093 692**	**2.03**
Effect of dilutive securities			
Share options		**77 227**	
Restricted shares		**922 884**	
Diluted earnings per share	**188 677**	**94 093 803**	**2.01**
For the year ended 31 December 2014			
Basic earnings per share			
Shares outstanding at 1 January 2014		92 245 531	
Weighted number of shares issued		357 660	
Income available to shareholders	234 974	92 603 191	2.54
Effect of dilutive securities			
Share options		103 398	
Restricted shares		807 072	
Diluted earnings per share	234 974	93 513 661	2.51

Refer to note 15 for details on share options and share awards issued. $55.7 million ($0.60 per share) was paid as dividends in 2015 (2014: $46.3 million/$0.50 per share) of which $38.6 million was paid in cash and $17.1 million was paid as scrip dividends. On 5 February 2016, the board of directors proposed an annual dividend of $0.66 per share which, if approved, will result in an aggregate dividend payment of $61.5 million and is expected to be paid in May 2016. The proposed dividend in respect of 2015 is subject to shareholder approval at the annual general meeting to be held on 3 May 2016. An optional scrip dividend has been proposed whereby shareholders can elect to receive new ordinary shares in the company.

470 212 restricted share awards were also antidilutive at 31 December 2015 (2014: 584 199). The total number of potentially issuable shares at 31 December 2015 was 1 766 813 (2014: 1 712 651).

7. Trade and other receivables

		GROUP		COMPANY	
$000	NOTE	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Trade receivables		9 239	23 503	-	-
Advances to contractors		8 419	9 130	-	-
Taxation debtors	7.1	110 038	107 434	-	-
Prepayments and other receivables		67 713	60 318	1 529	1 949
Gounkoto advance dividend	7.2	9 300	11 125	-	-
Total		204 709	211 510	1 529	1 949
Less: current portion		(198 292)	(185 233)	(1 529)	(1 949)
Non-current portion	7.1	6 417	26 277	-	-

7.1 The taxation debtors primarily relate to indirect taxes owing to the group by the State of Mali, including TVA balances at Loulo of $85.7 million (2014: $91.3 million) and Gounkoto of $17.2 million (2014: $14.5 million). The taxation debtor further included a corporate tax prepayment of $9.0 million at Loulo (2014: nil). Non-current receivables consist of TVA balances at Loulo expected to be recovered through offsets of TVA with future taxes payable in accordance with the legally binding mining convention after one year.
7.2 Refer to note 2 for details of the Gounkoto dividend.

The classes within trade and other receivables do not contain impaired assets. The carrying values are considered to approximate fair values.

The credit quality of receivables that are not past due or impaired is considered high. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The group does not hold any collateral as security although it has the legally binding right to offset TVA balances with other taxation payable in Mali, and exercises this right. Refer to note 17 for further information on the concentration of credit risk.

The terms of payment of trade receivables are less than seven days, advances to contractors 30 days and taxation debtors are six months.

8. Inventories and ore stockpiles

	GROUP	
$000	31 Dec 2015	31 Dec 2014
Consumable stores	101 829	90 778
Stockpiles	182 699	191 398
Gold in process	13 782	22 354
Total inventories and ore stockpiles	298 310	304 530
Less: current portion	(130 973)	(126 216)
Non-current portion	167 337	178 314

All inventory and ore stockpiles are stated at the lower of cost or net realisable value.
Non-current ore stockpiles reflect ore tonnes not planned to be processed within the next 12 months.

9. Property, plant and equipment

	GROUP		COMPANY	
$000	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Mine properties, mine development costs and mine plant facilities and equipment cost				
At the beginning of year	2 069 846	1 886 054	28 230	25 223
Additions	203 139	183 792	2 541	3 007
	2 272 985	2 069 846	30 771	28 230
Accumulated depreciation and amortisation				
At beginning of year	575 316	428 554	1 649	750
Charge for the year	150 902	146 762	848	899
	726 218	575 316	2 497	1 649
Net book value	1 546 767	1 494 530	28 274	26 581

Long-lived assets
Included in property, plant and equipment are long-lived assets which are amortised on a unit of production basis as detailed in note 2 and comprise the metallurgical plants, tailings and raw water dams, power plants and mine infrastructure and development costs. The net book value of these assets was $1 535.4 million at 31 December 2015 (2014: $1 467.1 million).

Short-lived assets
Included in property, plant and equipment are short-lived assets which are amortised over their useful lives and are comprised of motor vehicles and other equipment. The net book value of these assets was $7.7 million at 31 December 2015 (2014: $14.5 million).

Undeveloped property
Included in property, plant and equipment are undeveloped property costs of $1.7 million (2014: $2.0 million).

Post production stripping
Property, plant and equipment include capitalised stripping costs, related to the production phase of opencast mining. The net book value at 31 December 2015 was $2.0 million (2014: $10.9 million).

Company

The figures in the 2015 and 2014 company column mainly relate to costs which have been capitalised on the Massawa project.

	GROUP	
	31 Dec 2015	31 Dec 2014
The remaining maximum estimated useful lives in respect of proven and probable reserves for each mine included above is as follows:		
Loulo	13 years	14 years
Gounkoto	10 years	11 years
Tongon	6 years	7 years

10. Investments and loans in subsidiaries and joint ventures

	COMPANY	
$000	31 Dec 2015	31 Dec 2014
Investments in subsidiaries and joint ventures		
Investment in Société des Mines de Tongon SA[1]	12 000	12 000
Investment in Randgold Resources Mali SARL	2	2
Investment in Kibali (Jersey) Ltd[2]	1 279 068	1 279 068
Investment in RAL 2 Ltd[4]	1 122	1 122
Investment in Isiro (Jersey) Ltd	20	20
Total investments in subsidiaries and joint ventures	1 292 212	1 292 212
Loans to subsidiaries and joint ventures		
Loan – Randgold Resources Mali SARL	15 844	15 917
Loan – Randgold Resources (Somilo) Ltd[1]	592 661	518 670
Loan – Randgold Resources (UK) Ltd	1 601	2 318
Loan – Société des Mines de Tongon SA[1]	-	-
Loan – Kibali Goldmines SA[2]	273	705
Loan – Kibali 2 (Jersey) Ltd[2]	1 489	1 486
Loan – RAL 1 Ltd[3]	-	1 792
Loan – RAL 2 Ltd[4]	36 416	40 402
Loan – Randgold Resources (Secretaries) Ltd	-	4 123
Loan – Société des Mines de Gounkoto SA[1]	890	-
Loan – Randgold Resources (Gounkoto) Ltd[1]	211	281
Loan – Mining Investments (Jersey) Ltd[1]	-	51 428
Loan – Société des Mines de Loulo SA[1]	687	15 818
Loan – KGL Isiro SARL	4 369	603
Loan - Kibali (Jersey) Ltd[2]	39	-
Loan – Isiro (Jersey) Ltd	705	705
Loan – Randgold Resources Congo SARL	502	-
Loan – Randgold Resources (Côte d'Ivoire) Limited[2]	7 936	6 174
Total loans to subsidiaries and joint ventures	663 623	660 422
Loans from subsidiaries and joint ventures		
Loan – Kibali (Jersey) Ltd[2]	-	(137)
Loan – Seven Bridges Trading 14 (Pty) Ltd	(1 792)	(1 777)
Loan – Société des Mines de Gounkoto SA[1]	-	(791)
Loan - Mining Investments (Jersey) Ltd	(4 521)	
Loan – RAL 1 Ltd[3]	(308)	-
Total loans from subsidiaries and joint ventures	(6 621)	(2 705)
Total investments and loans in subsidiaries and joint ventures	1 949 214	1 949 929

1 Randgold owns 80% of Société des Mines de Loulo SA and Société des Mines de Gounkoto SA through the intermediary holding companies Randgold Resources (Somilo) Ltd and Randgold Resources (Gounkoto) Ltd respectively, with the State of Mali owning 20%. Randgold owns 89% of Société des Mines de Tongon SA through the intermediary holding company Randgold Resources (Côte d'Ivoire) Limited, with the State of Côte d'Ivoire and another outside shareholder owning 10% and 1% respectively. Randgold has funded these investments by means of shareholder loans including through Mining Investments (Jersey) Ltd, and therefore controls 100% of the cash flows from these mines until the shareholder loans are repaid. These subsidiaries include material non-controlling interests. Details of the nature of the operations is provided in note 1, details of the Gounkoto dividend on page F-15 of this annual report and note 2, with summarised financial information provided in note 16. The cumulative non-controlling interest in Société des Mines de Loulo SA is $97.7 million (2014: $94.6 million) with its non-controlling interest share of profit of $3.1 million, Société des Mines de Gounkoto SA is $141.8 million (2014: $66.9 million) with its non-controlling interest share of profit of $18.5 million and Société des Mines de Tongon SA is $47.0 million (2014: $44.6 million) with its non-controlling interest share of profit of $2.4 million.

2 Randgold and AngloGold Ashanti are the joint shareholders of Kibali (Jersey) Ltd group which in turn owns an effective 90% interest in Kibali Goldmines SA, giving an effective 45% interest in Kibali Goldmines SA.

3 Randgold and DTP SA (DTP) are the joint shareholders of RAL 1 Ltd.

4 Randgold and West Africa Mining Fleet Financing Ltd (WAMFF) are the joint shareholders of RAL 2 Ltd.

*For the jurisdiction of incorporation of the group companies refer to the list of group companies on page 226 **of this annual report.***

The joint venture agreements and structures for Kibali and Morila, together with the asset leasing joint ventures (KAS 1 Limited, RAL 1 Limited and RAL 2 Limited) provide the group with interests in the net assets of those companies, rather than interests in underlying assets and obligations. Accordingly, under IFRS 11, the group's share of joint ventures has been accounted for using the equity method.

The following tables represent the group's share of the assets and liabilities of the respective joint venture which are included in the consolidated balance sheet and statement of comprehensive income within the total investments in joint ventures, share of profits of equity accounted joint ventures and share of equity accounted joint ventures' other comprehensive expenses.

Investment in joint ventures

The movements in total investments in joint ventures are as follows:

	GROUP	
$000	31 Dec 2015	31 Dec 2014
Beginning of year		
Investments in equity accounted joint ventures	1 394 042	1 267 776
Other investments in joint venture	43 854	52 459
Total investments in joint ventures	1 437 896	1 320 235
Funds invested in equity accounted joint ventures	2 829	51 462
Loans repaid by equity accounted joint ventures	(1 072)	(9 142)
Share of profits of equity accounted joint ventures	77 303	75 942
Dividends received	(45 272)	(565)
Share of other comprehensive income/(expenses) of joint ventures	1 572	(36)
End of year		
Investments in equity accounted joint ventures	1 427 316	1 394 042
Other investments in joint ventures	45 940	43 854
Total investments in joint ventures	1 473 256	1 437 896

Kibali (Jersey) Limited

Set out below are the summarised financial information for Kibali (Jersey) Limited which is accounted for using the equity method (amounts stated at 100% before intercompany eliminations).

	GROUP	
$000	31 Dec 2015	31 Dec 2014
Summarised statement of financial position		
Current		
Cash and cash equivalents	21 373	20 908
Other current assets (excluding cash)	259 367	231 136
Total current assets	280 740	252 044
Financial liabilities (excluding trade payables)	(9 808)	(7 999)
Other current liabilities (including trade payables)	(124 566)	(118 192)
Total current liabilities	(134 374)	(126 191)
Non-current		
Assets	2 754 022	2 697 139
Financial liabilities	(51 746)	(55 133)
Other liabilities	(57 459)	(47 804)
Total non-current liabilities	(109 205)	(102 937)
Net assets	2 791 183	2 720 055

	GROUP	
$000	31 Dec 2015	31 Dec 2014
Summarised statement of comprehensive income		
Revenue	747 272	650 283
Depreciation and amortisation	(192 509)	(139 698)
Interest income	4 818	4 349
Interest expense	(5 376)	(4 955)
Profit before tax	155 826	204 788
Income tax	(17 840)	(45 048)
Post-tax profit	137 986	159 740
Other comprehensive expense – gain/(loss) on available for sale financial asset	3 142	(72)
Total comprehensive income	141 128	159 668

	GROUP	
$000	31 Dec 2015	31 Dec 2014
Reconciliation of the group's summarised financial information presented to the carrying amount of the group's interest in the Kibali joint venture		
Opening net assets 1 January	2 720 055	2 457 463
Profit for the period	137 986	159 740
Recycling of permanent losses on available-for-sale financial asset	3 173	-
Loss on available-for-sale financial asset	(29)	(72)
Other comprehensive income/(loss)	3 142	(72)
Funding advanced	-	102 924
Dividends received	(70 000)	-
Closing net assets	2 791 183	2 720 055
Interest in joint venture at 50%	1 395 592	1 360 028
Mineral property at acquisition	28 778	31 360
Adjustment to reflect attributable interest	(520)	(4 566)
Carrying value	1 423 850	1 386 822

The segmental report in note 16 presents information based on the group's effective 45% interest in the underlying Kibali gold mine as reported internally. As such, that differs to the 50% interest in the Kibali (Jersey) Limited group.

The group's effective interest in Kibali is 45%. The group holds a 50% joint venture interest in Kibali (Jersey) Limited with AngloGold Ashanti. Joint control is provided through shareholdings and the joint venture agreement. Kibali (Jersey) Limited holds an effective 90% interest in Kibali Goldmines SA thereby giving the group an effective 45% interest in that mine. Refer to note 1 for details.

Note that the KAS 1 Limited asset leasing joint venture in which the group has an effective 25.01% interest is included within the Kibali joint venture as Kibali (Jersey) Limited is the joint venture partner with DTP.

Morila

Set out below is the summarised financial information for Morila which is accounted for using the equity method (amounts stated at 100% before intercompany eliminations).

	GROUP	
$000	31 Dec 2015	31 Dec 2014
Summarised statement of financial position		
Current		
Cash and cash equivalents	14 246	5 054
Other current assets (excluding cash)	53 350	75 212
Total current assets	67 596	80 266
Financial liabilities (excluding trade payables)	-	-
Other current liabilities (including trade payables)	(54 358)	(62 358)
Total current liabilities	(54 358)	(62 358)
Non-current		
Assets	25 579	26 835
Financial liabilities	-	-
Other liabilities	(25 951)	(23 598)
Total non-current liabilities	(25 951)	(23 598)
Net assets	12 866	21 145
Summarised statement of comprehensive income		
Revenue	142 992	138 722
Depreciation and amortisation	(23 337)	(19 378)
Interest income	2	50
Interest expense	(999)	(517)
Profit/(loss) before tax	24 856	(1 275)
Income tax	(7 455)	(1 663)
Post-tax profit/(loss)	17 401	(2 938)
Other comprehensive income	-	-
Total comprehensive (expense)/income	17 401	(2 938)
Dividends received from joint venture	25 680	-

$000	GROUP 31 Dec 2015	31 Dec 2014
Reconciliation of the summarised financial information presented to the carrying amount of the group's interest in the Morila joint venture		
Opening net assets 1 January	**21 145**	24 083
Profit for the period	**17 401**	(2 938)
Other comprehensive income	**-**	-
Dividends received	**(25 680)**	-
Funding advanced	**-**	-
Closing net assets	**12 866**	21 145
Interest in joint venture at 40%	**5 146**	8 458
Carrying value	**5 146**	8 458

Refer to note 1 for the nature of operations, country of incorporation and the ownership interest in Morila. Joint control exists through the joint venture agreement with AngloGold Ashanti.

RAL 1 Limited

Set out below is the summarised financial information for RAL 1 Limited which is accounted for using the equity method (amounts stated at 100% before intercompany eliminations).

$000	GROUP 31 Dec 2015	31 Dec 2014
Summarised statement of financial position		
Current		
Cash and cash equivalents	**1 295**	731
Other current assets (excluding cash)	**1 605**	302
Total current assets	**2 900**	1 033
Financial liabilities (excluding trade payables)	**-**	-
Other current liabilities (including trade payables)	**(6 740)**	(660)
Total current liabilities	**(6 741)**	(660)
Non-current		
Assets	**11 552**	8 423
Financial liabilities	**(7 225)**	(8 510)
Other liabilities	**-**	-
Total non-current liabilities	**(7 225)**	(8 510)
Net assets	**487**	286
Summarised statement of comprehensive income		
Revenue	**1 463**	24 866
Depreciation and amortisation	**(779)**	(16 386)
Interest income	**1**	2
Interest expense	**(354)**	(4 560)
Profit before tax	**201**	1 967
Income tax	**-**	-
Post-tax profit	**201**	1 967
Other comprehensive income	**-**	-
Total comprehensive income	**201**	1 967
Dividends received from joint venture	**-**	1 052
Reconciliation of the summarised financial information presented to the carrying amount of the group's interest in the RAL 1 joint venture		
Opening net assets 1 January	**286**	419
Profit for the period	**201**	1 967
Other comprehensive income	**-**	-
Dividends received	**-**	(2 100)
Funding advanced	**-**	-
Closing net assets	**487**	286
Interest in joint venture at 50.1%	**244**	143
Funding classified as long term debt by joint venture in 'other investments in joint ventures'	**4 146**	2 317
Carrying value	**4 390**	2 460

RAL 1 Limited is an asset leasing joint venture in which the group has a 50.1% interest with DTP being the joint venture partner. The joint venture operates in Mali and Côte d'Ivoire and is incorporated in Jersey.
Refer to note 19 for details of joint venture capital commitments.

RAL 2 Limited

Set out below is the summarised financial information for RAL 2 Limited which are accounted for using the equity method (amounts stated at 100% before intercompany eliminations). The group has a 50.1% interest with WAMFF Ltd being the joint venture partner.

	GROUP	
$000	**31 Dec 2015**	31 Dec 2014
Summarised statement of financial position		
Current		
Cash and cash equivalents	**2 686**	-
Other current assets (excluding cash)	**1 884**	2 292
Total current assets	**4 570**	2 292
Financial liabilities (excluding trade payables)	**-**	-
Other current liabilities (including trade payables)	**(1 155)**	(575)
Total current liabilities	**(1 155)**	(575)
Non-current		
Assets	**63 616**	80 906
Financial liabilities	**(66 419)**	(82 466)
Other liabilities	**-**	-
Total non-current liabilities	**(66 419)**	(82 466)
Net assets	**612**	157
Summarised statement of comprehensive income		
Revenue	**23 840**	3 887
Depreciation and amortisation	**(17 290)**	(2 990)
Interest income	**-**	-
Interest expense	**(3 718)**	(349)
Profit before tax	**455**	157
Income tax	**-**	-
Post-tax profit	**455**	157
Other comprehensive income	**-**	-
Total comprehensive income	**455**	157
Dividends received from joint venture	**-**	-
Reconciliation of the summarised financial information presented to the carrying amount of the group's interest in the RAL 2 joint venture		
Opening net assets 1 January	**157**	-
Profit for the period	**455**	157
Other comprehensive income	**-**	-
Loans repaid	**-**	-
Funding advanced	**-**	-
Closing net assets	**612**	157
Interest in joint venture at 50.1%	**307**	79
Funding classified as long term debt by joint venture in 'other investments in joint ventures'	**41 243**	41 315
Carrying value	**41 550**	41 394

Refer to note 19 for details of joint venture capital commitments.

KGL Isiro SARL

KGL Isiro SARL is an exploration company in which the group has a 51% interest with Kilo Goldmines Ltd being the joint venture partner. The total exploration expenses incurred in 2015 amounted to $0.9 million (2014: $2.4 million), of which $0.4 million (2014: $1.2 million) is the group's share. The net loss and net assets are immaterial.

11. Deferred taxation

		GROUP	
$000	NOTE	**31 Dec 2015**	31 Dec 2014
Deferred tax is calculated on temporary differences under the liability method using a tax rate of 30% in respect of the Malian operations and 25% in respect of the Ivorian operations.			
The movement on deferred taxation is as follows:			
At the beginning of the year		**29 517**	27 164
Statement of comprehensive income charge	4	**6 031**	2 353
At the end of the year		**35 548**	29 517
Deferred taxation assets and liabilities comprise the following:			
Decelerated tax depreciation		**34 948**	26 631
Deferred stripping		**600**	3 284
Deferred taxation liability		**35 548**	29 915
Accelerated tax depreciation		**-**	(398)
Deferred taxation asset		**-**	(398)
Net deferred tax liability		**35 548**	29 517

There is no deferred tax on other comprehensive income items. There are no unrecognised deferred tax liabilities in respect of undistributed profits.

12. Available for sale financial assets

$000	GROUP 31 Dec 2015	GROUP 31 Dec 2014	COMPANY 31 Dec 2015	COMPANY 31 Dec 2014
At 1 January	**1 467**	1 831	**1 467**	1 830
Fair value movement recognised in other comprehensive income	**(561)**	(363)	**(561)**	(363)
Exchange differences	**-**	(1)	**-**	-
At 31 December	**906**	1 467	**906**	1 467

13. Trade and other payables

$000	NOTE	GROUP 31 Dec 2015	GROUP 31 Dec 2014	COMPANY 31 Dec 2015	COMPANY 31 Dec 2014
Trade payables		**34 443**	14 226	**-**	-
Payroll and other compensation		**13 302**	9 390	**10 192**	7 323
Accruals and other payables		**82 276**	74 613	**4 312**	1 812
Gounkoto priority dividend	2	**9 300**	11 125	**-**	-
		139 321	109 354	**14 504**	9 135

14. Provision for environmental rehabilitation

$000	GROUP 31 Dec 2015	GROUP 31 Dec 2014
Opening balance	**55 904**	49 177
Unwinding of discount	**1 397**	1 229
Change in estimates	**(9 720)**	5 498
At 31 December	**47 581**	55 904

As at 31 December 2015, $22.3 million of the provision relates to Loulo (31 December 2014: $28.2 million), $18.8 million (2014: $21.0 million) of the provision relates to Tongon, while $6.5 million relates to Gounkoto (2014: $6.7 million). The provisions for rehabilitation costs include estimates for the effect of inflation and changes in estimates and have been discounted to their present value at 2.25% (2014: 2.0%) per annum, being an estimate equivalent to the risk free rate determined with reference to US government bonds with maturity dates comparable to the estimated rehabilitation of the mines. Rehabilitation cash flows are risk adjusted. Limited environmental rehabilitation regulations currently exist in Mali and Côte d'Ivoire to govern the mines, so the directors have based the provisions for environmental rehabilitation on standards set by the World Bank, which require an environmental management plan, an annual environmental report, a closure plan, an up-to-date register of plans of the facility, preservation of public safety on closure, carrying out rehabilitation works and ensuring sufficient funds exist for the closure works. However, it is reasonably possible that the group's estimate of its ultimate rehabilitation liabilities could change as a result of changes in regulations or cost estimates. The group is committed to rehabilitation of its mines. It makes use of independent environmental consultants for advice and it also uses past experience in similar situations to ensure that the provisions for rehabilitation are adequate. Current LoM plans envisage the expected outflow to occur at the end of the LoM which is 2028 for Loulo, 2021 for Tongon and 2025 for Gounkoto.

15. Employment cost

The group contributes to several defined contribution provident funds. The provident funds are funded on the 'money accumulative basis' with the members and company having been fixed in the constitutions of the funds. All the group's employees, other than those directly employed by West African subsidiary companies, are entitled to be covered by the above mentioned retirement benefit plans. Retirement benefits for employees employed by West African subsidiary companies are provided by the state social security system to which the company and employees contribute a fixed percentage of payroll costs each month.

$000	GROUP 31 Dec 2015	GROUP 31 Dec 2014
Total employee benefit cost was as follows:		
Short term benefits	**50 199**	43 855
Pension contributions	**5 104**	5 051
Share-based payments	**22 943**	24 475
Total	**78 246**	73 381

Share-based payments

Share options, restricted shares and participation in Co-Investment Plan share awards are granted to directors and employees in exchange for services rendered.

Share-based payments – share options

The fair value of employee services received as consideration for share options (equity settled) of the company is calculated using the Black-Scholes option pricing model. Options vest after two, three and four years and lapse after a maximum term of 10 years. No new options were granted during the year and therefore no inputs to the option model, etc are provided for the current year. 12 000 share options vested during 2015 and no options lapsed during the year.

The following table summarises the information about the options outstanding, including options that are not yet exercisable:

	GROUP		
Range of exercise price ($)	**Number of options outstanding**	**Weighted average remaining contractual life (years)**	**Weighted average exercise price ($)**
At 31 December 2015			
22.19 – 22.19	**78 277**	**1.64**	**22.19**
26.26 – 46.34	**31 000**	**2.80**	**30.69**
56.99 – 56.99	**16 000**	**3.67**	**56.99**
	125 277	**2.19**	**28.74**
At 31 December 2014			
22.19 – 22.19	89 277	2.64	22.19
26.26 – 46.34	32 000	3.79	31.15
56.99 – 56.99	16 000	4.67	56.99
	137 277	3.14	28.33

The following table summarises information about options that are exercisable as at 31 December 2015 and 2014:

Range of exercise price ($)	**Number of exercisable options**	**Weighted average exercise price ($)**
At 31 December 2015		
22.19 – 22.19	**78 277**	**22.19**
26.26 – 46.34	**31 000**	**30.69**
56.99 – 56.99	**16 000**	**56.99**
	125 277	**28.74**
At 31 December 2014		
22.19 – 22.19	89 277	22.19
26.26 – 46.34	32 000	31.15
56.99 – 56.99	16 000	56.99
	137 277	28.33

Share-based payments – restricted shares and participation in Co-Investment Plan

The company operates restricted share schemes for directors and employees, as well as participation in a Co-Investment Plan for directors and senior management.

Restricted shares issued to employees

Restricted shares issued to employees are subject to a satisfactory performance level being achieved during the 12 month period prior to the exercise date of each tranche of shares. The minimum performance level to be achieved is defined as level 3 on the company's performance management system. All employees to whom restricted shares have been granted are expected to meet this level of performance. The performance period is typically up to five years where the employee must remain in employment for the shares to vest. There are no market based vesting conditions on the share awards.

The fair value of the restricted shares issued in 2015 and 2014 are detailed below and the share-based payment charge is charged to profit evenly between the grant and vesting dates. The restriction on the shares (no dividends received during the vesting period) had a minimal impact on the fair value estimate at the grant date. The restricted shares have an exercise price of nil.

The fair value of the restricted shares issued in 2015 was calculated using the Black-Scholes pricing model. The key assumptions used in this model for shares granted during the year ending 31 December 2015 were as follows:

		GROUP	
	NOTE	**January 2015**	**August 2015**
Quantity of shares issued		**191 000**	**95 300**
Fair value of shares issued		**$15.6 million**	**$5.5 million**
Performance period		**3, 4 and 5 years**	**3, 4 and 5 years**
Volatility	15.1	**35.2%, 35.6% and 33.7%**	**24.3%, 24.3% and 24.3%**
Risk-free interest rate		**0.9%, 1.4% and 1.4%**	**0.9%, 1.6% and 1.6%**
Dividend yield		**0.62%**	**0.98%**
Weighted average share price on grant and valuation date	15.2	**$83.8**	**$60.37**
Weighted average exercise price		**-**	**-**

15.1 Volatility is based on the three year historical volatility of the company's shares on each grant date.
15.2 Weighted average share price for the valuation is calculated taking into account the market price on all grant dates.

In 2014, there were 497 600 awards: 383 700 awards in January 2014 and 113 900 awards in August 2014. The market price at the award dates was $68.4 and $85.9 respectively and vested over three, four and five years in equal tranches. The volatility, risk free rate and dividend yield had no significant impact on fair value but were consistent with those above. The total fair value of the awards was $35.0 million over the vesting periods.

Restricted shares issued to executive directors in 2009 and 2010

The restricted shares issued to executive directors in 2009 and 2010 were subject to directors remaining employed, as well as being subject to a market performance condition, being the company's relative TSR performance over three years against the HSBC Global Gold Index (since renamed the Euromoney Global Gold Index). This was assessed and had a minimal impact on the fair value estimate at the grant date. The fair value of the restricted shares was based on the share price on the grant date and the share-based payment charge is charged to profit evenly between the grant and vesting dates. The restriction on the shares (no dividends received during the vesting period) had a minimal impact on the fair value estimate at the grant date. The restricted shares have an exercise price of nil. Details of the awards that vested and lapsed in the year are shown on page 212 to 213 of this annual report, together with details of the award dates and market prices at award and vesting dates.

Restricted share awards granted to executive directors in 2011, 2012, 2013, 2014 and 2015

The Restricted Share Scheme for 2011, 2012 and 2013 operates with conditional share awards, where the awards will vest in three equal one-third tranches subject to the fulfilment of performance conditions measured on an annual basis. Shares awarded in 2015 and 2014 are subject to one four-year performance period of assessment. If the performance conditions are met, awards vest at the end of each performance period. The 2011, 2012 and 2013 awards are subject to four performance conditions: absolute TSR (market based), EPS growth, additional reserves and absolute reserves. The 2014 awards are subject to three performance conditions: absolute TSR (market based), EPS growth and additional reserves. The 2015 awards are subject to three performance conditions: absolute TSR (market based), total cash cost per ounce and additional reserves. Grant date fair value was calculated using the market-based measure. No dividends are attributable during the vesting period. Refer to the remuneration report on pages 188 to 214 of this annual report for more detail.

The fair value of the restricted shares issued to executive directors in 2015 and 2014 was calculated using a Monte Carlo simulation model. The key assumptions used in this model for shares awarded during the years ending 31 December 2015 and 2014 were as follows:

		GROUP	
	NOTE	**March 2015**	March 2014
Quantity of shares issued		**55 782**	49 174
Fair value of shares awarded		**$2.0 million**	$2.1 million
Performance period		**4 years and a 1 year post vesting retention requirement**	4 years and a 1 year post vesting retention requirement
Risk free interest rate		**1.45%**	1.32%
Volatility	15.1	**35%**	40%
Euromoney Global Gold Index volatility		**35%**	34%
Correlation used between the Euromoney Global Gold Index and the company TSR		**85%**	80%
Weighted average share price on grant and valuation date	15.2	**$67.41**	$79.75

15.1 Volatility is based on the three year historical volatility of the company's shares over the relevant vesting periods.
15.2 Weighted average share price for the valuation is calculated taking into account the market price on all grant dates.

CEO performance shares

At the company's annual general meeting in 2013, shareholders approved a one-off award of performance shares to the CEO. The vesting of the performance shares is subject to the achievement of the conditions set out on page 207 of this annual report and the CEO continuing to hold office or employment with the company during the period of three years from 29 April 2013, the date of grant of the award of performance shares. The fair value was determined at $4.0 million.

At 31 December 2015, four out of five of the performance conditions have been met. Accordingly, the performance condition in respect of 10 006 shares was met at a value of $71.54 per share in 2013 and the performance conditions in respect of 30 018 shares, comprising three tranches each of 10 006 shares, were met at a value of $67.41 per share in 2014. In aggregate 40 024 shares will be transferred to the CEO provided the CEO holds office or employment with the company as at 29 April 2016.

Restricted shares issued to directors and management (excluding Co-Investment Plan)

Movements in the number of restricted shares outstanding and their issue prices are as follows:

	Weighted market price at award date $ 2015	Weighted market price at award date $ 2014	Shares 2015	Shares 2014	Weighted average remaining contractual life (years) 2015	Weighted average remaining contractual life (years) 2014
Shares granted to executive directors						
At 1 January	**84.54**	85.54	**160 655**	127 007		
Awarded	**73.42**	79.48	**55 781**	49 174		
Vested	**76.53**	77.29	**(3 882)**	(3 882)		
Lapsed	**89.08**	77.29	**(23 412)**	(11 644)		
At 31 December	**80.88**	84.54	**189 142**	160 655	**2.42**	2.85
Shares awarded to non-executive Directors						
At 1 January	**76.15**	80.03	**-**	3 600		
Awarded	**76.15**	80.94	**13 500**	9 600		
Vested	**76.15**	80.69	**(13 500)**	(13 200)		
Lapsed	**-**	-	**-**	-		
At 31 December	**-**	-	**-**	-	**-**	-
Shares awarded to employees						
At 1 January	**84.36**	90.76	**1 248 800**	1 157 500		
Awarded	**75.99**	72.36	**286 300**	497 600		
Vested	**89.08**	85.94	**(222 300)**	(204 500)		
Lapsed	**84.66**	89.86	**(123 500)**	(201 800)		
At 31 December	**81.36**	84.36	**1 189 300**	1 248 800	**2.75**	2.90

Participation in Co-Investment Plan by executive directors in 2015 and 2014

One third of any annual bonus earned is compulsorily deferred and an executive director may also choose to commit further shares into a Co-Investment Plan. The maximum commitment which may be made is 250% and 200% of base salary by the CEO and 125% and 100% of base salary by the CFO for 2015 and 2014 respectively. Committed shares must be retained for three years and may be matched, depending on relative TSR performance over three years against the Euromoney Global Gold Index. If after three years the TSR performance of the company equals or exceeds the performance of the Euromoney Global Gold Index, then the committed shares may be matched on a stepped scale. Refer to the 'Compensation' section of the annual report for further details. The maximum level of matching is one-for-one. The vesting of the award is dependent on the company's TSR performance relative to the Euromoney Global Gold Index.

The fair value of awards made under the Co-Investment Plan in 2015 and 2014 was calculated using a Monte Carlo simulation model.

The key assumptions used in this model for awards made under the Co-Investment Plan during the years ending 31 December 2015 and 2014 were as follows:

	NOTE	GROUP March 2015	GROUP March 2014
Quantity of shares committed		**69 726**	49 174
Fair value		**$2.6 million**	$2.0 million
Performance period		**3 years**	3 years
Risk free interest rate		**0.89%**	0.80%
Volatility	15.1	**35%**	40%
Euromoney Global Gold Index volatility		**35%**	34%
Correlation used between the Euromoney Global Gold Index and the company TSR		**85%**	80%
Weighted average share price on grant and valuation date	15.2	**$74.0**	$79.75

15.1 Volatility is based on the three year historical volatility of the company's shares over the relevant vesting periods.
15.2 Weighted average share price for the valuation is calculated taking into account the market price on all grant dates.

Participation in Co-Investment Plan by senior management in 2015 and 2014

Senior management had the opportunity to participate in Randgold's Senior Management Co-Investment Plan in 2015 and 2014. The maximum commitment which may be made in the Co-Investment Plan is 100% of base salary. Committed shares must be retained for three years and may be matched, depending on the relative TSR performance over three years against the Euromoney Global Gold Index. If after three years the TSR performance of the company equals or exceeds the performance of the Euromoney Global Gold Index, then the committed shares may be matched on a stepped scale. The maximum level of matching is one-for-one. The vesting of the award is dependent on the company's TSR performance relative to the Euromoney Global Gold Index.

The fair value of awards made under the Co-Investment Plan in 2015 and 2014 was calculated using a Monte Carlo simulation model. The key assumptions used in this model for awards made under the Co-Investment Plan during the years ending 31 December 2015 and 2014 were as follows:

	NOTE	GROUP March 2015	GROUP March 2014
Quantity of shares committed		**20 730**	16 354
Fair value		**$0.8 million**	$0.7 million
Performance period		**3 years**	3 years
Risk free interest rate		**0.95%**	0.80%
Volatility	15.1	**35%**	40%
Euromoney Global Gold Index volatility		**35%**	34%
Correlation used between the Euromoney Global Gold Index and the company TSR		**85%**	80%
Weighted average share price on grant and valuation date	15.2	**$73.38**	$79.75

15.1 Volatility is based on the three year historical volatility of the company's shares over the relevant vesting periods.
15.2 Weighted average share price for the valuation is calculated taking into account the market price on all grant dates.

16. Segmental information

Operating segments have been identified on the basis of internal reports about components of the group that are regularly reviewed by the group's chief operating decision maker. The operating segments included in internal reports are determined on the basis of their significance to the group. In particular, operating mines are reported as separate segments and exploration projects that have significant capitalised expenditure or other fixed assets are also reported separately. The Kibali and Morila joint ventures are included on a line by line basis, reflecting internal reporting. Other parts of the group, including the RAL 1 Limited, RAL 2 Limited and KAS 1 Limited joint ventures, are included with corporate and exploration. The group's chief operating decision maker is considered by management to be the board of directors. An analysis of the group's business segments, excluding intergroup transactions, is set out below. Major customers are not identifiable because all gold is sold to an agent.

Country of operation	Mali			Côte d'Ivoire	DRC	Jersey				
$000	Group's 40% share of Morila	Loulo	Gounkoto	Tongon	Group's effective 45% share of Kibali	Corporate and exploration	Inter-company eliminations	Sub-total	Joint venture adjustments	Total
YEAR ENDED 31 DECEMBER 2015										
Total revenue	**57 197**	**406 643**	**317 524**	**277 253**	**336 272**	**-**	**-**	**1 394 889**	**(393 469)**	**1 001 420**
Mining and processing costs excluding depreciation	**(31 583)**	**(236 439)**	**(145 952)**	**(193 504)**	**(161 191)**	**12 677**	**-**	**(755 992)**	**180 097**	**(575 895)**
Depreciation and amortisation	**(9 335)**	**(98 761)**	**(6 705)**	**(44 362)**	**(87 275)**	**(10 141)**		**(256 579)**	**105 677**	**(150 902)**
Mining and processing costs	**(40 918)**	**(335 200)**	**(152 657)**	**(237 866)**	**(248 466)**	**2 536**	**-**	**(1 012 571)**	**285 774**	**(726 797)**
Transport and refining costs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Royalties	**(1 419)**	**(24 329)**	**(19 052)**	**(8 292)**	**(13 588)**	**-**	**-**	**(66 680)**	**15 007**	**(51 673)**
Exploration and corporate expenditure	**-**	**(2 079)**	**(1 064)**	**(1 206)**	**(3 390)**	**(41 146)**	**-**	**(48 885)**	**3 818**	**(45 067)**
Other (expenses)/income	**(4 520)**	**(9 727)**	**(12 533)**	**(2 487)**	**(1 290)**	**32 599**	**-**	**2 042**	**7 849**	**9 891**
Finance costs	**(399)**	**(13 428)**	**(171)**	**(1 734)**	**4 839**	**(3 544)**	**13 208**	**(1 229)**	**(3 182)**	**(4 411)**
Finance income	**1**	**17**	**3**	**10**	**4 108**	**13 291**	**(13 208)**	**4 222**	**(4 110)**	**112**
Share of profits of equity accounted joint ventures	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**77 303**	**77 303**
Profit before income tax	**9 942**	**21 897**	**132 050**	**25 678**	**78 485**	**3 736**	**-**	**271 788**	**(11 010)**	**260 778**
Income tax expense	**(2 982)**	**(4 013)**	**(39 615)**	**(4 342)**	**(8 028)**	**(33)**	**-**	**(59 013)**	**11 010**	**(48 003)**
Net profit	**6 960**	**17 884**	**92 435**	**21 336**	**70 457**	**3 703**	**-**	**212 775**	**-**	**212 775**
Capital expenditure	**(2 924)**	**(192 271)**	**(3 087)**	**(18 573)**	**(123 728)**	**(4 107)**	**-**	**(344 690)**	**128 652**	**(216 038)**
Total assets	**37 370**	**1 409 986**	**196 388**	**472 724**	**1 517 381**	**1 620 700**	**-**	**5 254 549**	**(1 517 229)**	**3 737 320**
Total external liabilities	**(32 124)**	**(126 380)**	**(33 850)**	**(43 514)**	**(121 790)**	**(52 051)**	**-**	**(409 709)**	**167 459**	**(242 250)**
YEAR ENDED 31 DECEMBER 2014										
Total revenue	55 489	475 861	323 857	287 026	292 627	-	12	1 434 872	(348 116)	1 086 756
Mining and processing costs excluding depreciation	(48 927)	(239 895)	(136 629)	(189 471)	(122 735)	14 405	(12)	(723 264)	157 258	(566 006)
Depreciation and amortisation	(7 751)	(83 565)	(9 031)	(52 830)	(68 725)	(11 043)	-	(232 945)	86 183	(146 762)
Mining and processing costs	(56 678)	(323 460)	(145 660)	(242 301)	(191 460)	3 362	(12)	(956 209)	243 441	(712 768)
Royalties	(1 510)	(28 470)	(19 431)	(8 588)	(10 494)	-	-	(68 493)	12 003	(56 490)
Exploration and corporate expenditure	-	(2 315)	(900)	(1 587)	(2 867)	(33 200)	-	(40 869)	4 104	(36 765)
Other (expenses)/income	2 376	(26 522)	(14 631)	(7 364)	9 224	46 677	-	9 760	(9 226)	534
Finance costs	(207)	(761)	(140)	(551)	(2 230)	(17 922)	13 963	(7 848)	3 613	(4 235)
Finance income	20	27	2	12	2 677	13 994	(13 963)	2 769	(2 698)	71
Share of profits of equity accounted joint ventures	-	-	-	-	-	-	-	-	75 942	75 942
Profit before income tax	(510)	94 360	143 097	26 647	97 477	12 911	-	373 982	(20 937)	353 045
Income tax expense	(665)	(28 207)	(42 916)	(1 632)	(20 272)	(9 130)	-	(102 822)	20 937	(81 885)
Net profit	(1 175)	66 153	100 181	25 015	77 205	(3 781)	-	271 160	-	271 160
Capital expenditure	(15 660)	(141 816)	(9 666)	(22 067)	(204 420)	(5 764)	-	(399 393)	220 080	(179 313)
Total assets	38 513	1 302 716	204 566	499 638	1 497 267	1 570 078	-	5 112 778	1 579 695	3 533 083
Total external liabilities	(24 252)	(111 394)	(33 439)	(41 979)	102 121	(65 876)	-	(379 061)	151 698	(227 363)

17. Financial risk management

In the normal course of its operations, the group is exposed to gold price, currency, interest rate, liquidity and credit risks. In order to manage these risks, the group may enter into transactions which make use of on-balance sheet derivatives. The group does not acquire, hold or issue derivatives for trading purposes. The group has developed a risk management process to facilitate, control and monitor these risks. The board has approved and monitors this risk management process, inclusive of documented treasury policies, counterpart limits, controlling and reporting structures.

Controlling risk in the group

The treasury committee is responsible for treasury financial risk management activities within the group. The treasury committee reviews and recommends to the board all treasury counterparties, limits, instruments and any hedge strategies. At least two members of the treasury committee need to be present for a decision to be made, one of whom needs to be an executive director. Unless specific dispensation is obtained from the audit committee, the treasury committee is permitted to invest up to $50.0 million or 20% of the total funds (whichever is the higher) with each approved institution with an investment rating of AA- or higher noting that no institution can exceed $100.0 million. The treasury committee is also permitted to invest up to $12.5 million or 5% of the total funds (whichever is the higher) with each approved institution with an investment rating above A but below AA-, provided that no investment exceeds $25 million. Approximately one third of the cash for the group was held with the group's principal bankers at year end with the remainder held with eight other financial institutions, in line with the treasury policy. The treasury committee is responsible for managing investment, gold price, currency, liquidity and credit risk. The treasury committee monitors adherence to treasury risk management policy and counterparty limits and provides regular reports to the board.

The financial risk management objectives of the group are defined as follows:

- Safeguarding the group core earnings stream from its major assets through the effective control and management of gold price risk, foreign exchange risk, interest rate risk and credit risk;
- Effective and efficient usage of credit facilities in both the short and long term through the adoption of reliable liquidity management planning and procedures;
- Ensuring that investment and any hedging transactions are undertaken with creditworthy counterparties; and
- Ensuring that all contracts and agreements related to risk management activities are coordinated consistently throughout the group and comply where necessary with all relevant regulatory and statutory requirements.

The group continues to hold material TVA receivable balances in Mali. While management continue to pursue recovery of the TVA in cash, it is recognised that in practice given the continued absence of payment, the TVA may only be recovered through the tax offset mechanism set out in the mining convention. Management reports the TVA position and movements on a quarterly basis to the audit committee.

Refer to 'Key risks and uncertainties' on page 181 to 184 of the annual report for details on the group's risk factors.

Foreign currency and commodity price risk

In the normal course of business, the group enters into transactions denominated in foreign currencies (primarily euro, South African rand and Communauté Financière Africaine franc). As a result, the group is subject to exposure from fluctuations in foreign currency exchange rates. In general, the group does not enter into any material derivatives to manage these currency risks and no significant positions were held in 2015 and 2014. Generally, the group does not hedge its exposure to gold price fluctuation risk and gold was sold at market spot prices in 2014 and 2015. Gold sales are made in US dollars and do not expose the group to any currency fluctuation risk. However, during periods of capital expenditure or loan finance, the company may use forward contracts or options to reduce the exposure to price movements, while maintaining significant exposure to spot prices. These derivatives may establish a fixed price for a portion of future production while the group maintains the ability to benefit from increases in the spot gold price for the majority of future gold production. The group is also exposed to fluctuations in the price of consumables, such as fuel, steel, rubber, cyanide and lime, mainly due to changes in the price of oil, as well as fluctuations in exchange rates.

Level of exposure of foreign currency risk

	GROUP		COMPANY	
$000	**31 Dec 2015**	31 Dec 2014	**31 Dec 2015**	31 Dec 2014
Carrying value of foreign currency balances				
Cash and cash equivalents includes balances denominated in:				
■ Communauté Financière Africaine franc (CFA)	**751**	1 550	**-**	287
■ Euro (EUR)	**32**	1 198	**1**	446
■ South African rand (ZAR)	**1 118**	1 065	**872**	768
■ British pound (GBP)	**69**	225	**69**	218
Trade and other receivables includes balances dominated in:				
■ Communauté Financière Africaine franc (CFA)	**83 432**	142 013	**-**	-
■ South African rand (ZAR)	**8 827**	1 375	**307**	10
■ Euro (EUR)	**22 389**	101	**47**	-
■ British pound (GBP)	**526**	235	**442**	-
Trade and other payables includes balances dominated in:				
■ Communauté Financière Africaine franc (CFA)	**(42 440)**	(40 355)	**(129)**	-
■ Euro (EUR)	**(9 703)**	(9 845)	**-**	-
■ South African rand (ZAR)	**-**	(1 720)	**-**	(25)
■ British pound (GBP)	**(29)**	(636)	**-**	(147)

The group's exposure to foreign currency arises where a company holds monetary assets and liabilities denominated in a currency different to the functional currency of the holder of the instrument which is the US dollar. The following table shows the impact of a 10% change in the US dollar on profit and equity arising as a result of the revaluation of the group's foreign currency financial instruments

	GROUP		COMPANY
	Closing exchange rate	Effect of 10% strengthening of $ on net earnings and equity $000	Effect of 10% strengthening of $ on net earnings and equity $000
At 31 December 2015			
Euro (EUR)	0.9168	1 272	5
Communauté Financiére Africaine franc (CFA)	600.91	4 174	-
South African rand (ZAR)	15.53	995	118
British pound (GBP)	0.68	57	51
At 31 December 2014			
Euro (EUR)	0.8226	(855)	45
Communauté Financiére Africaine franc (CFA)	539.63	10 321	29
South African rand (ZAR)	11.60	72	75
British pound (GBP)	0.64	(18)	7

The sensitivities are based on financial assets and liabilities held at 31 December where balances were not denominated in the functional currency of the group. The sensitivities do not take into account the group's sales and costs and the results of the sensitivities could change due to other factors such as changes in the value of financial assets and liabilities as a result of non-foreign exchange influenced factors.

Interest rate and liquidity risk

Fluctuations in interest rates impact on the value of short term cash investments and interest payable on financing activities (including long term loans), giving rise to interest rate risk. In the ordinary course of business, the group receives cash from its operations and is required to fund working capital and capital expenditure requirements.

The group generally enters into variable interest bearing borrowings. This cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimising risks. The group has in the past been able to actively source financing through public offerings, shareholder loans and third party loans.

The company maintains a $400.0 million unsecured revolving credit facility with HSBC and a syndicate of banks which matures in December 2018 and is at present undrawn. Based on the company's current cash resources and available facilities, projected operating cash flows and capital expenditure, we are confident the company will be able to meet its obligations at the present gold price.

The facility, if drawn, bears interest at LIBOR plus 1.5%, at the lower end of the leverage grid and includes financial covenants in respect of EBIT, EBITDA, net finance charges, tangible net worth, total debt, debt cover and interest cover.

	GROUP		COMPANY	
Maturity date	Amount $000	Effective rate for the year %	Amount $000	Effective rate for the year %
Cash and cash equivalents:				
All less than 90 days	213 372	0.10%	132 347	0.13%

The other financial instruments of the group that are not included in the tables above are non-interest bearing and are therefore not subject to interest rate risk.

Concentration of credit risk

The group's cash balances do not give rise to a concentration of credit risk because it deals with a variety of major financial institutions. Its receivables and loans are regularly monitored and assessed. Receivables are impaired when it is probable that amounts outstanding are not recoverable as set out in the accounting policy note for receivables. Gold bullion, the group's principal product, is produced in Mali and Côte d'Ivoire (and in the case of its joint ventures in DRC and Mali). The gold produced is sold to the largest accredited gold refinery in the world. Credit risk is further managed by regularly reviewing the financial statements of the refinery. The group is further not exposed to significant credit risk on gold sales, as cash is received within a few days of the sale taking place. While not financial assets under IFRS 7, included in receivables is $102.9 million (2014: $106.8 million) (refer to note 7) relating to indirect taxes owing to Loulo, Gounkoto and Tongon by the State of Mali, which are denominated in FCFA, which holds some credit risk for the group. The legally binding mining conventions in Mali permit offsetting of other corporate taxes against approved unpaid TVA. A further $61.8 million (2014: $50.5 million) is held within the underlying statement of financial position of the equity accounted Kibali joint venture which is considered recoverable given the receipts obtained during the year and absence of significant disputed items, albeit receipts, remain slow.

Capital risk management

The group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, buyback shares, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt (net cash) divided by total capital. Net debt is calculated as total borrowings (including borrowings and trade and other payables, as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated statement of financial position, plus net debt (net cash).

$000	GROUP 31 Dec 2015	GROUP 31 Dec 2014
Capital risk management		
Trade and other payables	**(139 321)**	(109 354)
Less: cash and cash equivalents	**213 372**	82 752
Net position	**74 051**	(26 602)
Total equity	**3 492 305**	3 302 954
Total capital	**3 418 254**	3 329 556
Gearing ratio	**0%**	0.8%

Maturity analysis

The following table analyses the group's financial liabilities into the relevant maturity groupings based on the remaining period from the statement of financial position to the contractual maturity date. As the amounts disclosed in the table are the contractual undiscounted cash flows, these balances will not necessarily correspond with the amounts disclosed in the statement of financial position.

	GROUP			COMPANY	
$000	Trade and other payables	Borrowings	Other financial liabilities	Trade and other payables	Loan from subsidiaries
At 31 December 2015					
Financial liabilities					
Within 1 year on demand	**124 421**	**-**	**-**	**14 504**	**-**
Later than 1 year and no later than 5 years	**-**	**-**	**-**	**-**	**-**
After 5 years	**-**	**-**	**2 765**	**-**	**6 621**
Total	**124 421**	**-**	**2 765**	**14 504**	**6 621**
At 31 December 2014					
Financial liabilities					
Within 1 year on demand	82 354	-	-	9 135	-
Later than 1 year and no later than 5 years	-	-	-	-	-
After 5 years	-	-	2 766	-	2 705
Total	82 354	-	2 766	9 135	2 705

18. Fair value of financial instruments

The following table shows the carrying amounts and fair values of the group's financial instruments outstanding at 31 December 2015 and 2014. The fair value of a financial instrument is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

	GROUP					COMPANY			
$000	Categories of financial instruments	Carrying amount 31 Dec 2015	Fair value 31 Dec 2015	Carrying amount 31 Dec 2014	Fair value 31 Dec 2014	Carrying amount 31 Dec 2015	Fair value 31 Dec 2015	Carrying amount 31 Dec 2014	Fair value 31 Dec 2014
Available-for-sale financial assets categorised as level 1		**906**	**906**	1 467	1 467	**906**	**906**	1 467	1 467

The table above shows the level of the fair value valuation hierarchy applied to financial instruments carried at fair value. The total financial assets valued using level 1 is $0.9 million (2014: $1.5 million) – company: $0.9 million (2014: $1.5 million). There have been no transfers between the levels of fair value hierarchy during the current or prior year. Randgold does not hold any financial instruments that are fair valued using a level 2 or level 3 valuation. No material derivative financial instruments currently exist. All other financial instrument carrying values approximate fair value.

Estimation of fair values

Trade and other receivables, trade and other payables, cash and cash equivalents, loans to and from subsidiaries and joint ventures

The carrying amounts are a reasonable estimate of the fair values because of the short maturity of such instruments or their interest bearing nature.

Gold price contracts

The group is fully exposed to the spot gold price on gold sales

19. Commitments and contingent liabilities

$000	GROUP 31 Dec 2015	GROUP 31 Dec 2014
Capital expenditure contracted for at statement of financial position date but not yet incurred is:		
Property plant and equipment – subsidiaries	**35 361**	9 573
Commitments of joint ventures (attributable share)		
Kibali	**12 323**	16 142
Morila	**136**	1 946
	12 459	18 088
Total commitments of joint ventures (attributable share)	**47 820**	27 661

Under the Kibali Joint Venture Agreement (JVA) the obligation of the parties (Randgold Resources (Kibali) Ltd and AngloGold Ashanti Holdings plc) in respect of the future funding (including but not limited to operating costs capital costs and other costs) of the company Kibali Goldmines SA and/or the Kibali project shall be pro-rata in proportion to their respective percentage interests in Kibali at the time any such future funding is required. In accordance with the Kibali JVA, Kibali will be funded via intercompany loans, however Kibali Goldmines SA became self-funding in 2015 and repaid $70 million to shareholders in 2015. The approved capital expenditure plan for 2016 is $177.3 million (2015: $280 million) and is expected to be self-funded by operating cash flows.

Operating lease commitments

The lease relates to the oxygen plant at Loulo leased from Maligaz. The duration of the contract is 10 years and the contract is renewable for additional periods of 5 years thereafter. The future aggregate minimum lease payments1 under operating leases are as follows:

No later than 1 year	**2 646**	3 108
Later than 1 year and no later than 5 years	**10 584**	12 432
Later than 5 years	**7 938**	9 324
	21 168	24 864

1 These payments also include payments for non-lease elements in the arrangement.

As discussed more fully in note 3 the group has received claims for various taxes in respect of subsidiaries and joint ventures from the State of Mali totalling $280.0 million. The group considers the material claims to be without merit or foundation.

20. Related party transactions

$000	GROUP 31 Dec 2015	GROUP 31 Dec 2014	COMPANY 31 Dec 2015	COMPANY 31 Dec 2014
Management fee received from Rockwell Diamonds Inc	**37**	41	**37**	41
Net income from Loulo	**-**	-	**29 450**	32 984
Net income from Tongon	**-**	-	**9 207**	10 235
Net income from Morila	**14 259**	5 058	**14 259**	4 944
Net income from Gounkoto	**-**	-	**48 939**	46 404
Net income from Kibali	**47 555**	11 475	**47 196**	11 475
Net income from RAL 1	**3 049**	3 641	**3 049**	3 641
Net income from RAL 2	**335**	364	**335**	364

Net income refers to interest, management fees, recharges and dividends.

In terms of the operator agreement with Morila, a management fee calculated as 1% of the total sales of Morila and is payable to Randgold (through Mining Investment (Jersey) Ltd). Randgold (through Randgold Resources (Somilo) Ltd) is the operator of Loulo gold mine, the Tongon gold mine (through Mining Investment (Jersey) Ltd) as well as the Gounkoto gold mine (through Randgold Resources (Gounkoto) Ltd). Seven Bridges Trading 14 (Pty) Ltd provided administration services to Rockwell Diamonds Inc (Rockwell). Dr DM Bristow is a non-executive director of Rockwell. The balances outstanding at year end related to Rockwell were negligible (2014: nil). Refer to note 10 for details of the company's investments in and loans to subsidiaries and joint ventures within the group together with its relevant share of income and expense.

$000	GROUP 31 Dec 2015	GROUP 31 Dec 2014
Key management remuneration		
Short term employee benefits	**12 642**	12 917
Share-based payments	**10 287**	9 966
Total	**22 929**	22 883

This includes compensation for 2 executive directors (2014: 2), 8 non-executive directors (2014: 7) and 20 executive management personnel (2014: 21). Refer to directors' and executives' profiles on pages 16 and 17 and 20 and 21 of the annual report for detail of their roles and responsibilities.

21. Mining and processing costs and other disclosable items

$000	GROUP 31 Dec 2015	31 Dec 2014
Mine production costs	**498 779**	525 909
Movement in production inventory and ore stockpiles	**17 109**	(24 665)
Depreciation and amortisation	**150 902**	146 762
Other mining and processing costs	**60 007**	64 762
	726 797	712 768

- Other income primarily includes foreign exchange gains and management fees receivable.
- Other expenses primarily include foreign exchange losses.

22. Exploration and corporate expenditure

$000	GROUP 31 Dec 2015	31 Dec 2014
Exploration and corporate expenditure comprise:		
Exploration expenditure	**17 322**	12 762
Corporate expenditure	**27 745**	24 003
	45 067	36 765

23. Finance income and costs

$000	GROUP 31 Dec 2015	31 Dec 2014
Finance income – interest income	**112**	71
Finance income	**112**	71
Interest expense – borrowings	**(1 147)**	(2 965)
Finance costs – net foreign exchange loss on financing activities	**(1 867)**	(41)
Unwind of discount on provisions for environmental rehabilitation	**(1 397)**	(1 229)
Finance costs	**(4 411)**	(4 235)
Finance (costs)/income – net	**(4 299)**	(4 164)

Interest income arises on cash and cash equivalents.
Interest expenses arise on borrowings measured at amortised cost.

24. Non-GAAP information

Randgold has identified certain measures that it believes will assist understanding of the performance of the business. As the measures are not defined under IFRS they may not be directly comparable with other companies' adjusted measures. The non-GAAP measures are not intended to be a substitute for, or superior to, any IFRS measures of performance but management has included them as these are considered to be important comparables and key measures used within the business for assessing performance.

These measures are explained further below:

Total cash costs and cash cost per ounce are non-GAAP measures. Total cash costs and total cash cost per ounce are calculated using guidance issued by the Gold Institute. The Gold Institute was a non-profit industry association comprising leading gold producers, refiners, bullion suppliers and manufacturers. This institute has now been incorporated into the National Mining Association. The guidance was first issued in 1996 and revised in November 1999. Total cash costs, as defined in the Gold Institute's guidance, include mine production, transport and refinery costs, general and administrative costs, movement in production inventories and ore stockpiles, transfers to and from deferred stripping where relevant and royalties. Total cash costs and cash per ounce also include the company's share of equity accounted joint ventures' total cash costs and cash cost per ounce.

Total cash cost per ounce is calculated by dividing total cash costs, as determined using the Gold Institute guidance, by gold ounces sold for the periods presented. Total cash costs and total cash cost per ounce are calculated on a consistent basis for the periods presented. Total cash costs and total cash cost per ounce should not be considered by investors as an alternative to operating profit or net profit attributable to shareholders, as an alternative to other IFRS measures. The data does not have a meaning prescribed by IFRS and therefore amounts presented may not be comparable to data presented by gold producers who do not follow the guidance provided by the Gold Institute. In particular depreciation and amortisation would be included in a measure of total costs of producing gold under IFRS, but are not included in total cash costs under the guidance provided by the Gold Institute. Furthermore, while the Gold Institute has provided a definition for the calculation of total cash costs and total cash cost per ounce, the calculation of these numbers may vary from company to company and may not be comparable to other similarly titled measures of other companies. However, Randgold believes that total cash cost per ounce is a useful indicator to investors and management of a mining company's performance as it provides an indication of a company's profitability and efficiency, the trends in cash costs as the company's operations mature, and a benchmark of performance to allow for comparison against other companies.

Cash operating costs and cash operating cost per ounce are calculated by deducting royalties from total cash costs. Cash operating cost per ounce is calculated by dividing cash operating costs by gold ounces sold for the periods presented. Total cash operating costs and cash operating cost per ounce include our share of joint ventures' total operating cash costs and operating cash cost per ounce.

Gold sales is a non-GAAP measure. It represents the sales of gold at spot and the gains/losses on hedge contracts which have been delivered into at the designated maturity date. It excludes gains/losses on hedge contracts which have been rolled forward to match future sales. This adjustment is considered appropriate because no cash is received/paid in respect of these contracts. Randgold currently does not have any hedge positions. Gold sales include our share of our equity accounted joint ventures' gold sales.

Profit from mining activity is calculated by subtracting total cash costs from gold sales for all periods presented. Profit from mining includes our share of our equity accounted joint ventures.

Gold on hand represents gold in doré at the mines multiplied by the prevailing spot gold price at the end of the period. Gold on hand includes our share of our equity accounted joint ventures' gold on hand.

The following table reconciles total cash costs and profit from mining activity as non-GAAP measures, to the information provided in the statement of comprehensive income, determined in accordance with IFRS, for each of the periods set out below.

	GROUP	
$000	**31 Dec 2015**	31 Dec 2014
Gold sales per IFRS	**1 001 420**	1 086 756
Gold sales adjustments for joint ventures	**393 469**	348 117
Gold sales	**1 394 889**	1 434 873
Mine production costs	**498 779**	525 909
Movement in production inventory and ore stockpiles	**17 109**	(24 665)
Royalties	**66 680**	68 493
Royalty adjustment for joint ventures	**(15 007)**	(12 003)
Total royalties	**51 673**	56 490
Other mining and processing costs	**60 007**	64 762
Cash cost adjustments for joint ventures	**195 105**	169 260
Total cash costs	**822 673**	791 756
Profit from mining activity	**572 216**	643 117
Share of profits of equity accounted joint ventures, excluding adjustments to sales and cash costs	**(121 061)**	(102 915)
Depreciation and amortisation	**(150 902)**	(146 762)
Exploration and corporate expenditure	**(45 067)**	(36 765)
Finance income	**112**	71
Other income	**15 616**	5 508
Finance costs	**(4 411)**	(4 235)
Other expenses	**(5 725)**	(4 974)
Profit before income tax	**260 778**	353 045
Ounces sold (oz)	**1 210 844**	1 134 941
Total cash cost per ounce ($/oz)	**679**	698
Cash operating cost per ounce ($/oz)	**624**	637

25. Subsequent events

No significant subsequent events requiring disclosure adjustment occurred.

Disclaimer

This annual report has been prepared for, and only for the members of the company (as defined in article 25(2) of the Companies (Jersey) Law 1991, as a body, and no other persons. The company, its directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed. By their nature, the statements concerning the risks and uncertainties facing the Randgold Resources Limited group (Randgold) in this annual report involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated.

The forward-looking statements reflect knowledge and information available at the date of preparation of this annual report and the company undertakes no obligation to update these forward-looking statements. In particular, except for the historical information contained herein, the matters discussed in this annual report are forward-looking statements within the meaning of Section 27A of the US Securities Act of 1933 and Section 21E of the US Securities Exchange Act of 1934, and applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold, the estimation of mineral reserves and resources, the realisation of mineral reserve estimates, the timing and amount of estimated future production, costs of production, reserve determination and reserve conversion rates. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as 'will', 'plans', 'expects' or 'does not expect', 'is expected', 'budget', 'scheduled', 'estimates', 'forecasts', 'intends', 'anticipates' or 'does not anticipate', or 'believes', or variations of such words and phrases or state that certain actions, events or results 'may', 'could', 'would', 'might' or 'will be taken', 'occur' or 'be achieved'. Assumptions upon which such forward-looking statements are based are in turn based on factors and events that are not within the control of Randgold and there is no assurance they will prove to be correct. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Randgold to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to mining operations, including political risks and instability and risks related to international operations, actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, as well as those factors discussed in Randgold's filings with the US Securities and Exchange Commission (SEC). Although Randgold has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Randgold does not undertake to update any forward-looking statements herein, except in accordance with applicable securities laws.

Nothing in this annual report should be construed as a profit forecast.

Cautionary note to US investors

The SEC permits companies, in their filings with the SEC, to disclose only proven and probable ore reserves. We use certain terms in this annual report, such as 'resources', that the SEC does not recognise and strictly prohibits us from including in our filings with the SEC. Investors are cautioned not to assume that all or any parts of our resources will ever be converted into reserves which qualify as 'proven and probable reserves' for the purposes of the SEC's Industry Guide number 7.

RANDGOLD RESOURCES LIMITED
Incorporated in Jersey, Channel Islands
Registration number 62686

www.randgoldresources.com

RANDGOLD RESOURCES

www.randgoldresources.com