



**Future strategic paths for mining companies  
in today's new environment...**

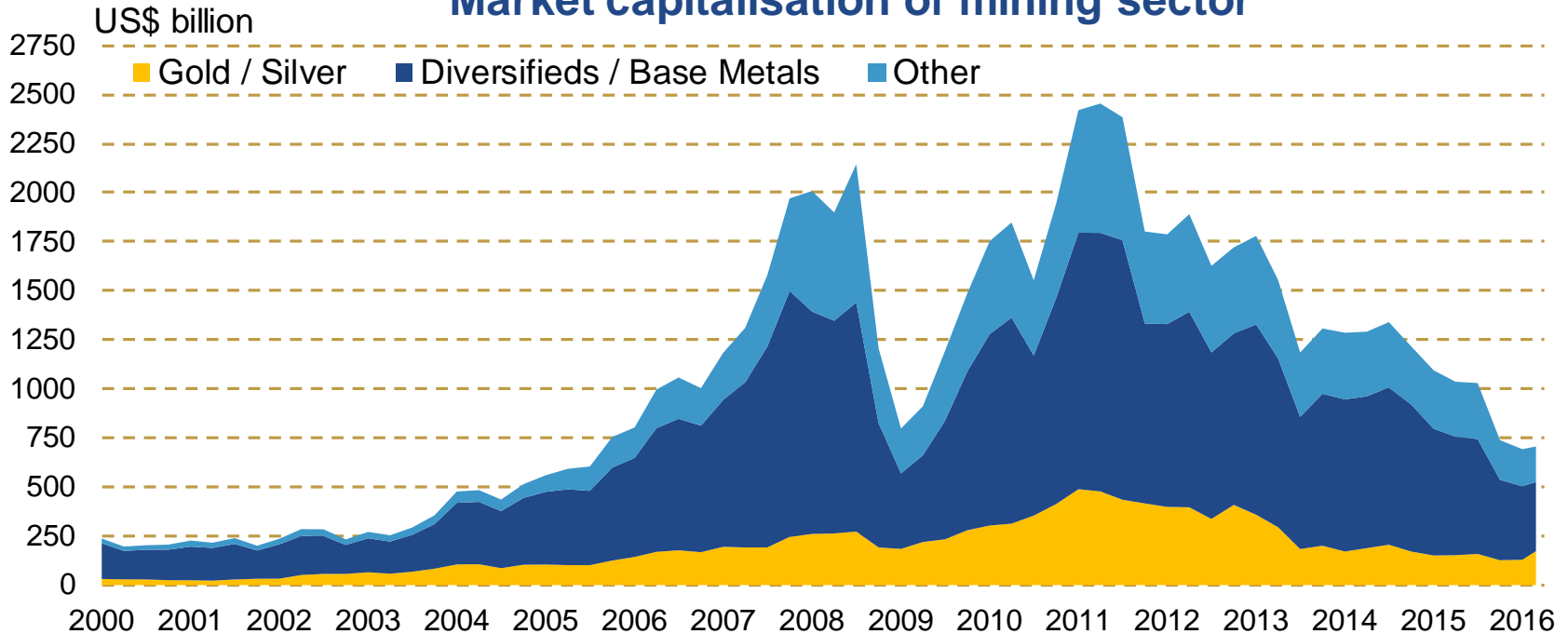


**LSE: RRS NASDAQ: GOLD**

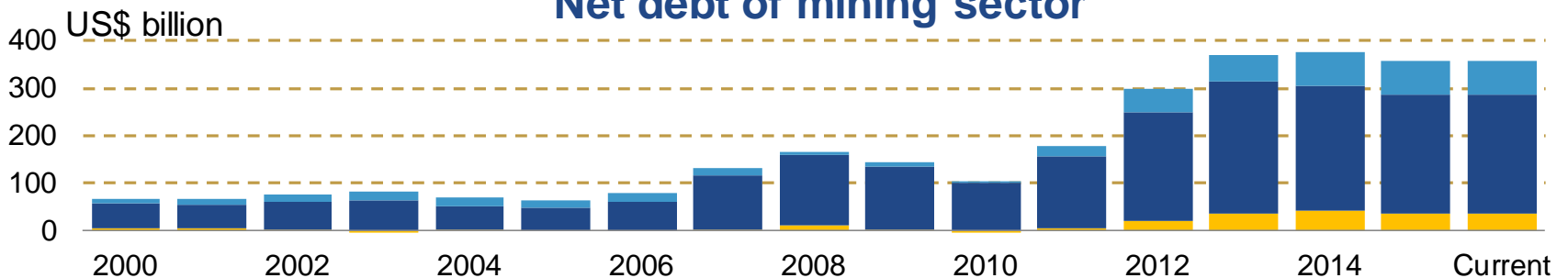
# Collapse of the mining industry and record net debt levels...



## Market capitalisation of mining sector



## Net debt of mining sector



Source: ScotiaBank, CapitalIQ

Note: Excludes steel producers (e.g. Nippon, POSCO, ArcelorMittal, etc.)

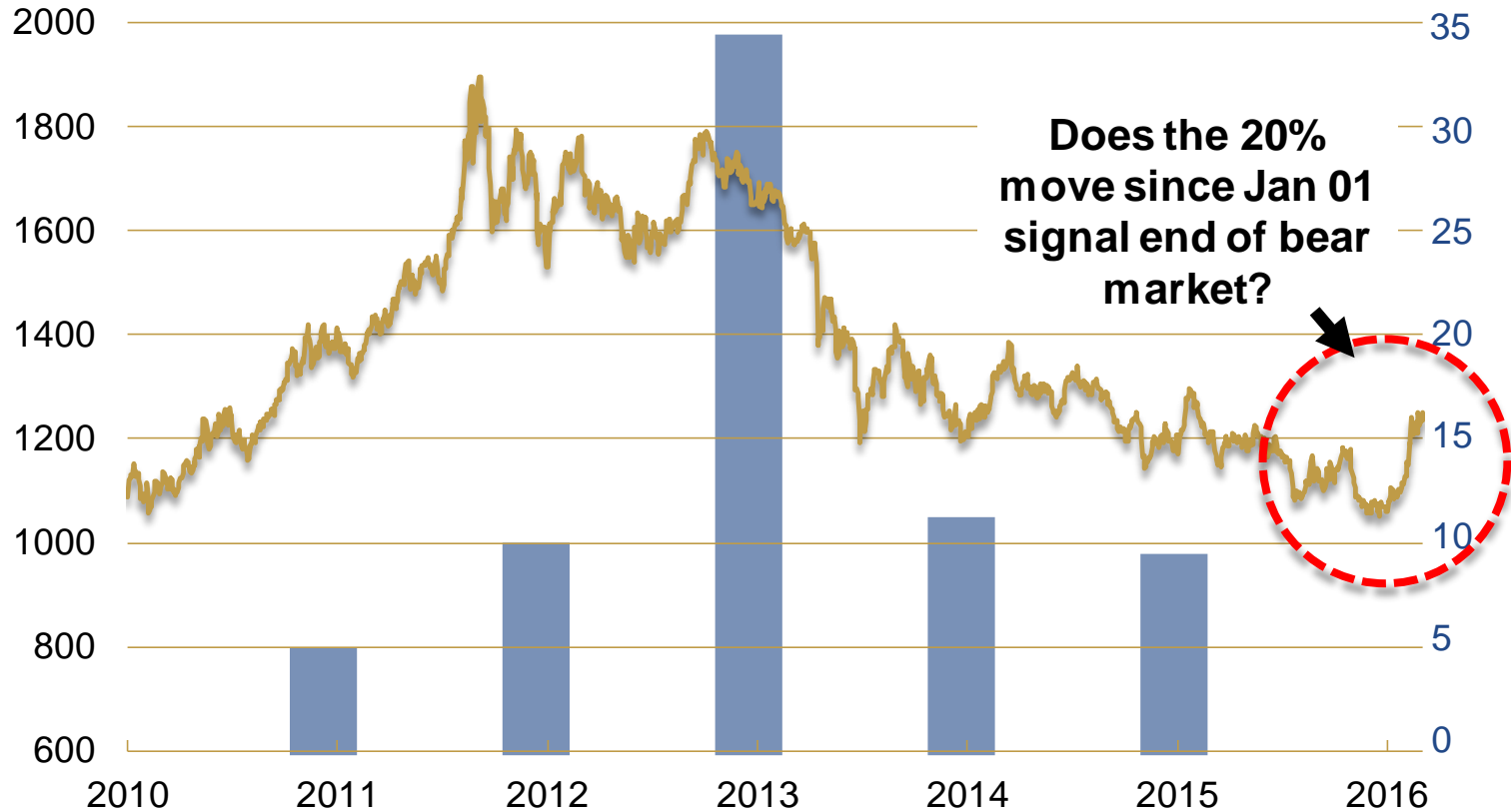
(1) "Other" includes PGMs, uranium, lithium, coal, iron ore, diamonds and royalty companies

# Does the move up to \$1200/oz save us?...



### Gold price 2010 to 2016

US\$/oz



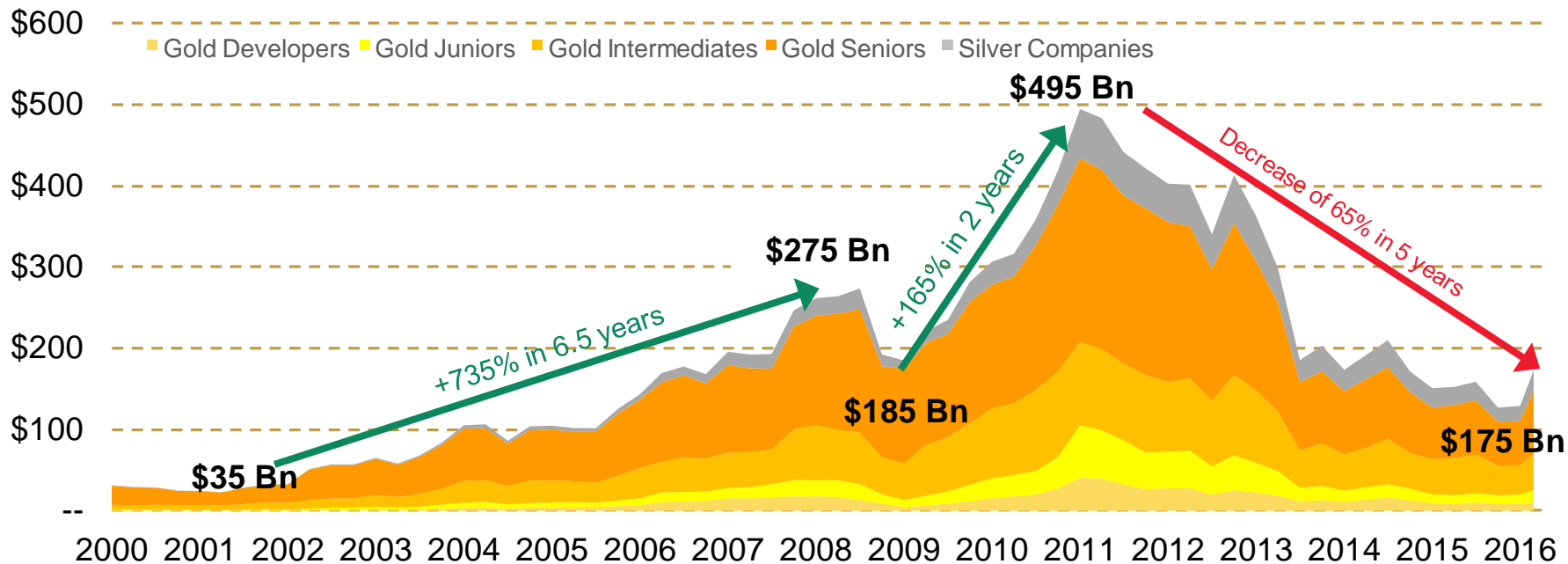
\*Top 8 global gold companies excluding Randgold Resources who have no impairments throughout this period

Source: Barclays, Company disclosures, Factset as of 01-Mar-2016

# Precious metals valuation back to start of the “super cycle levels” ...



## Market capitalisation of precious metals mining sector



### Since Peak in gold price (Mar 2011)

Senior gold producers	↓	(66%)
Intermediate gold producers	↓	(59%)
Junior gold producers	↓	(61%)

# The mining business is cyclical...



The mining industry is cyclical over time  
Market focus shifts between growth and survival



**Bull Market = Growth in Production Focus**

**Bear Market = Survival Focus**

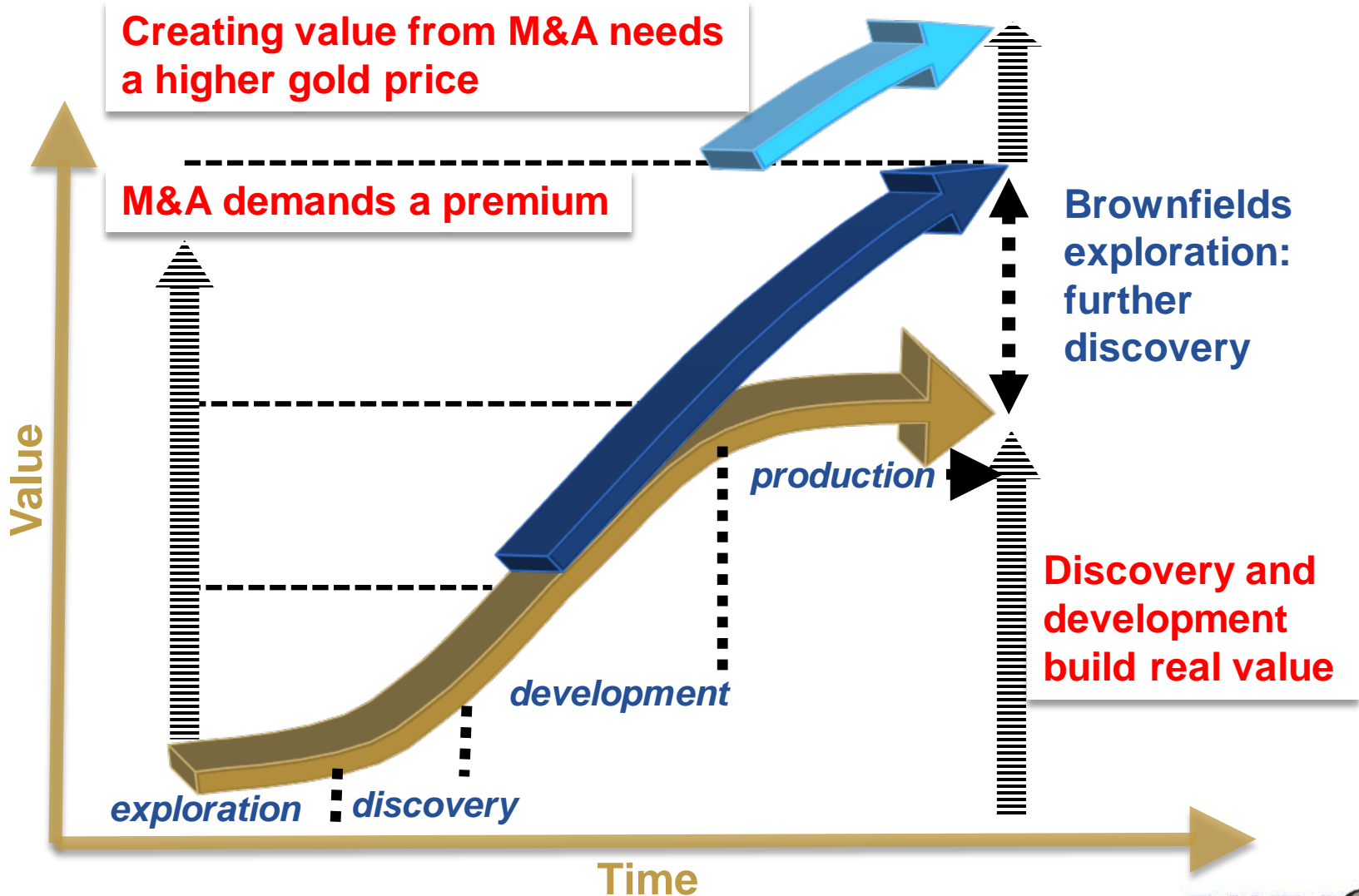
Over the past 4+ years the gold sector has largely been in a broad bear market

- Significant underperformance across all gold equities with valuations at multi-year lows
- Cost-cutting, project delays, write-downs, management turnover / lay-offs and asset sales
- Investor focus on free cash flow and shareholder returns, not growth

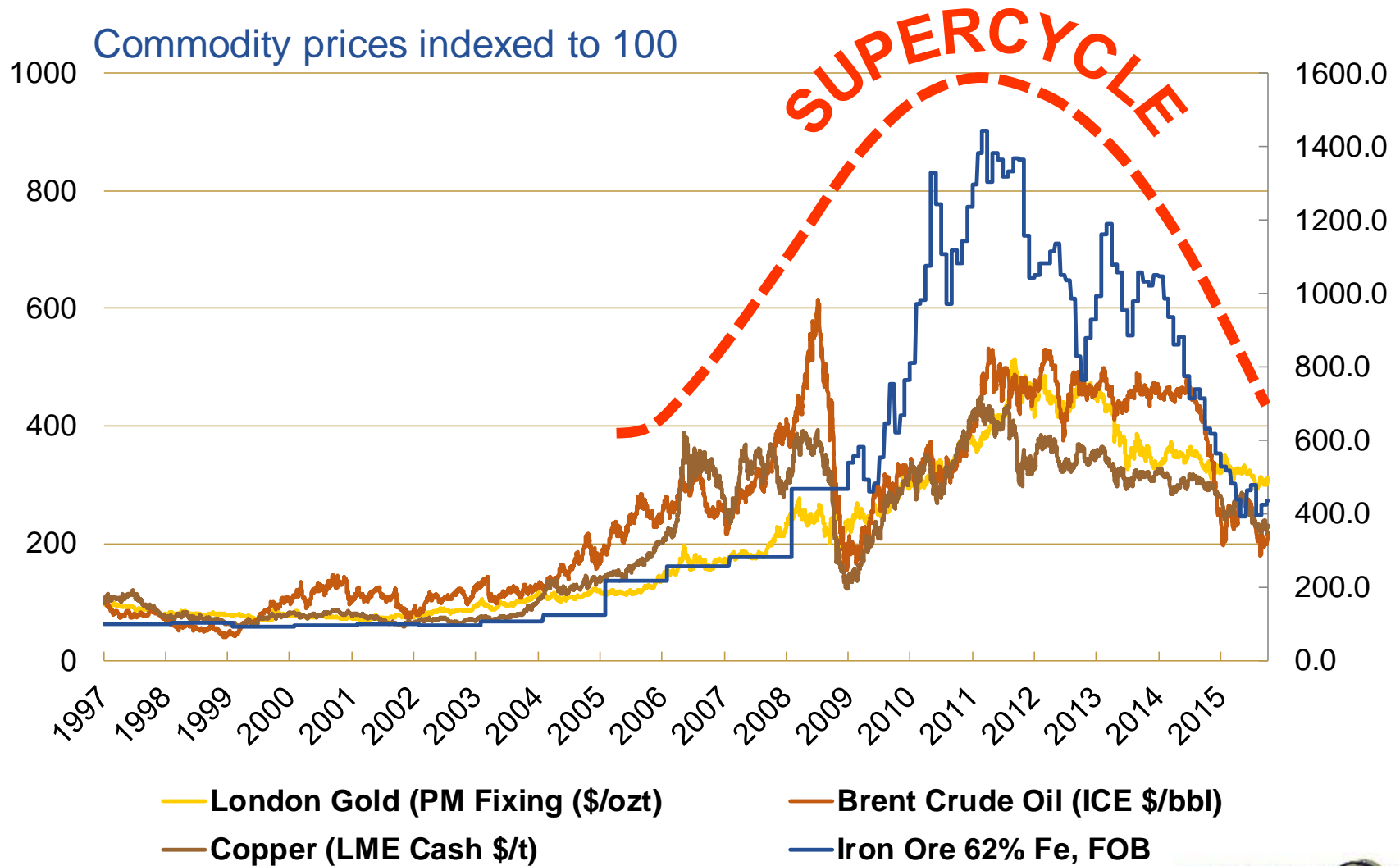
# Gold price and the hedging crises... 1990 to 2005



# Exploration success is the only real way to create value...



# Gold and commodity prices... the past 20 years

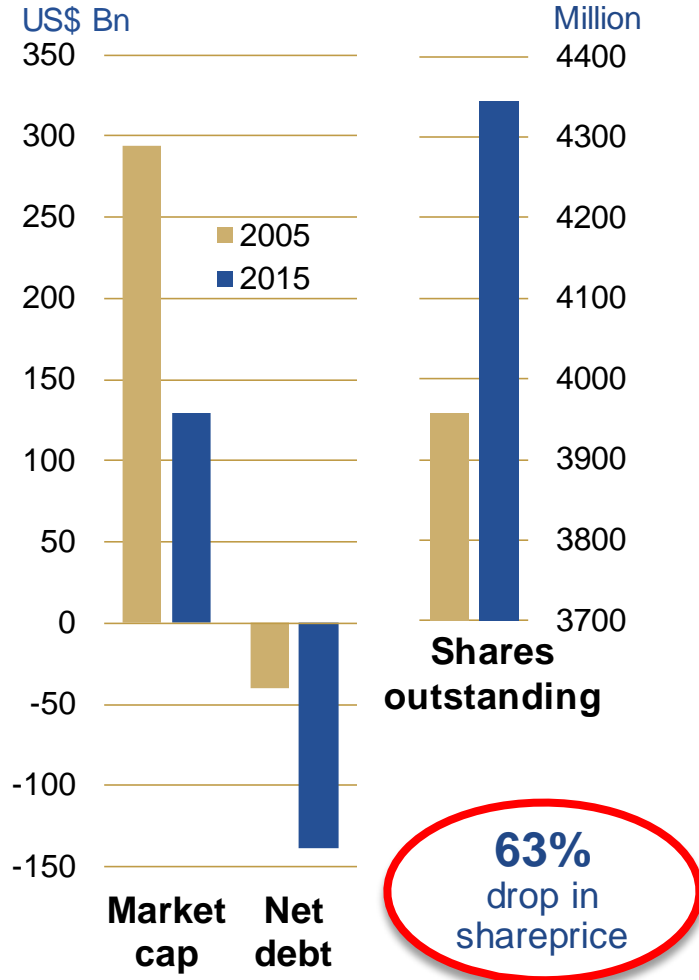




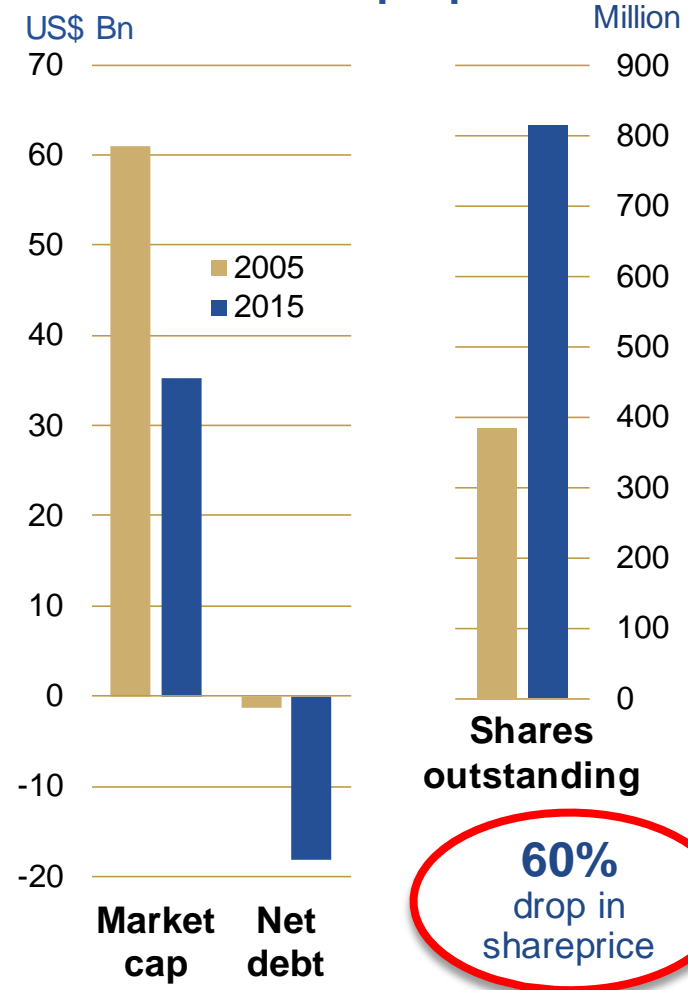
# Then and Now... the Global Mining Landscape



## Global Mining – top 5 producers



## Global Gold – top 5 producers



Source: Company information, FactSet as of 26 January 2016.

(1) As of 31 December 2005 and 26 January 2016 (2) For 2005 and 2015E Consensus; (3) Net debt as of year end 2005 and 2015E Consensus. (4) listed in 2011 - share price as of 31.12.2011.

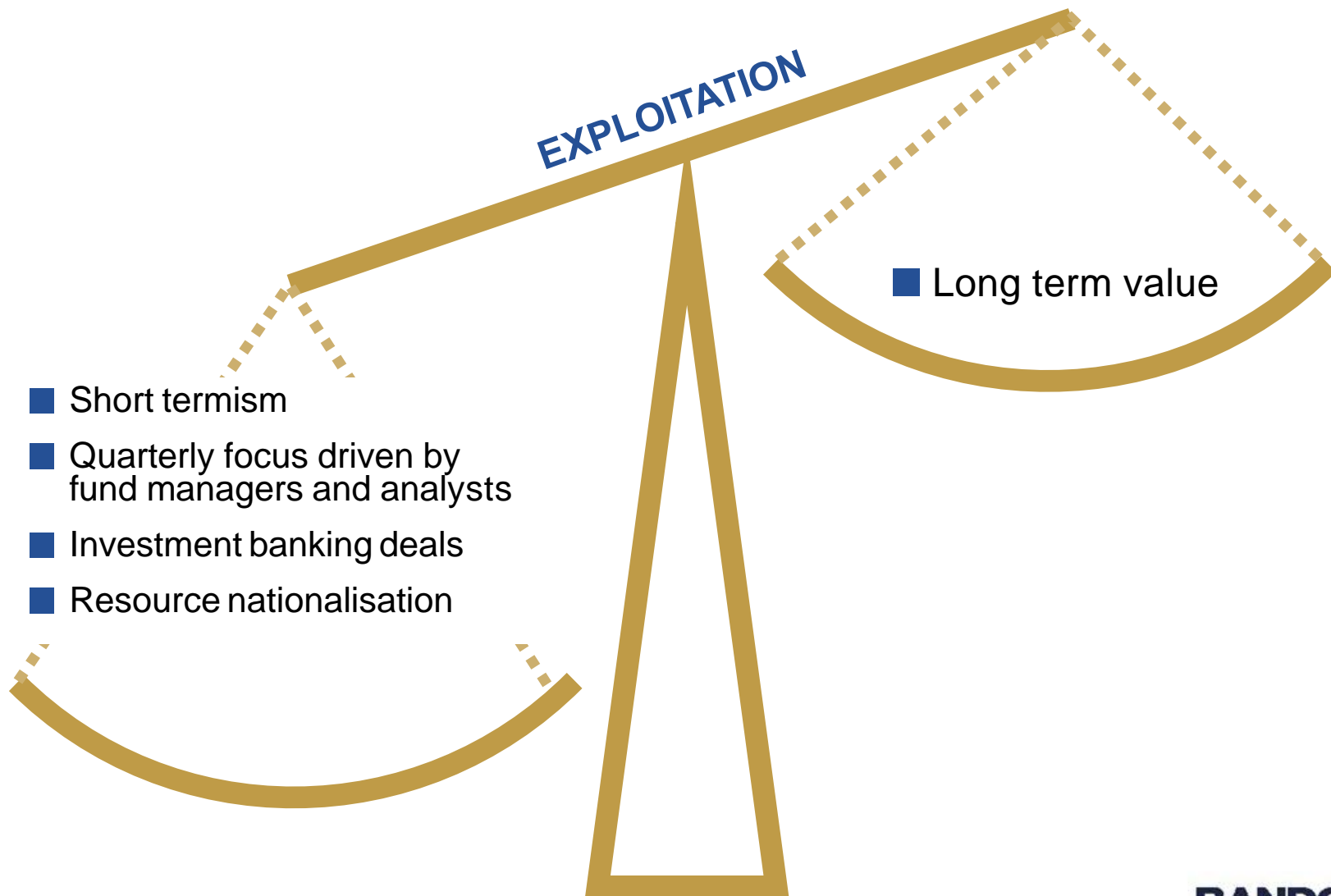
# Mining industry is focussed on survival rather than investing for the next cycle...



- Selling assets at a fraction of purchase price
- Financing at almost any cost
- Cutting capital and exploration
- Selling its future to survive!

# Why can't the industry get it right?...

living for today instead of planning for tomorrow

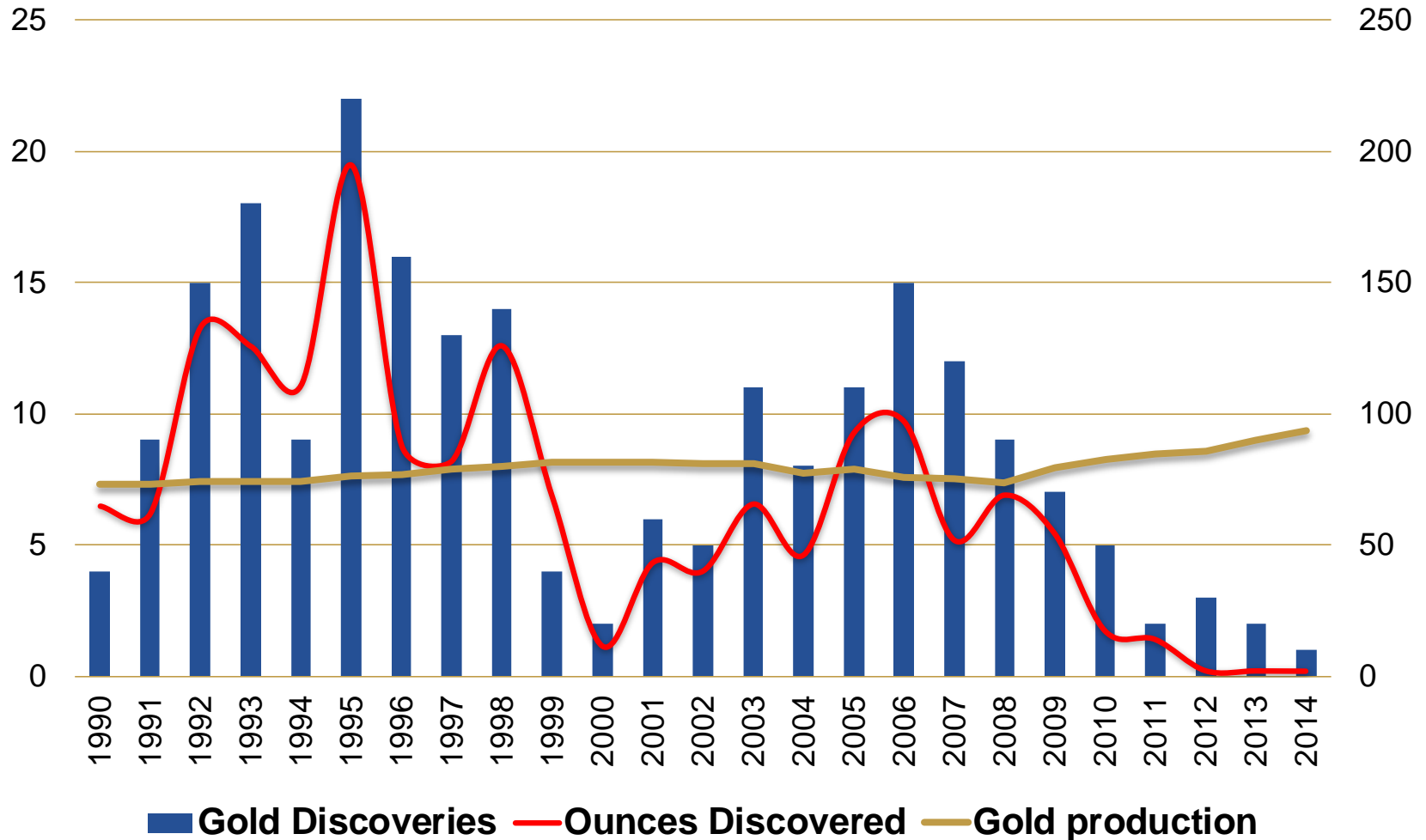


# To maintain the quality of our resource base... we need to replace what we mine through discovery and development



Number of gold discoveries by year

Gold discovered Moz



Source: SNL Metals and Mining

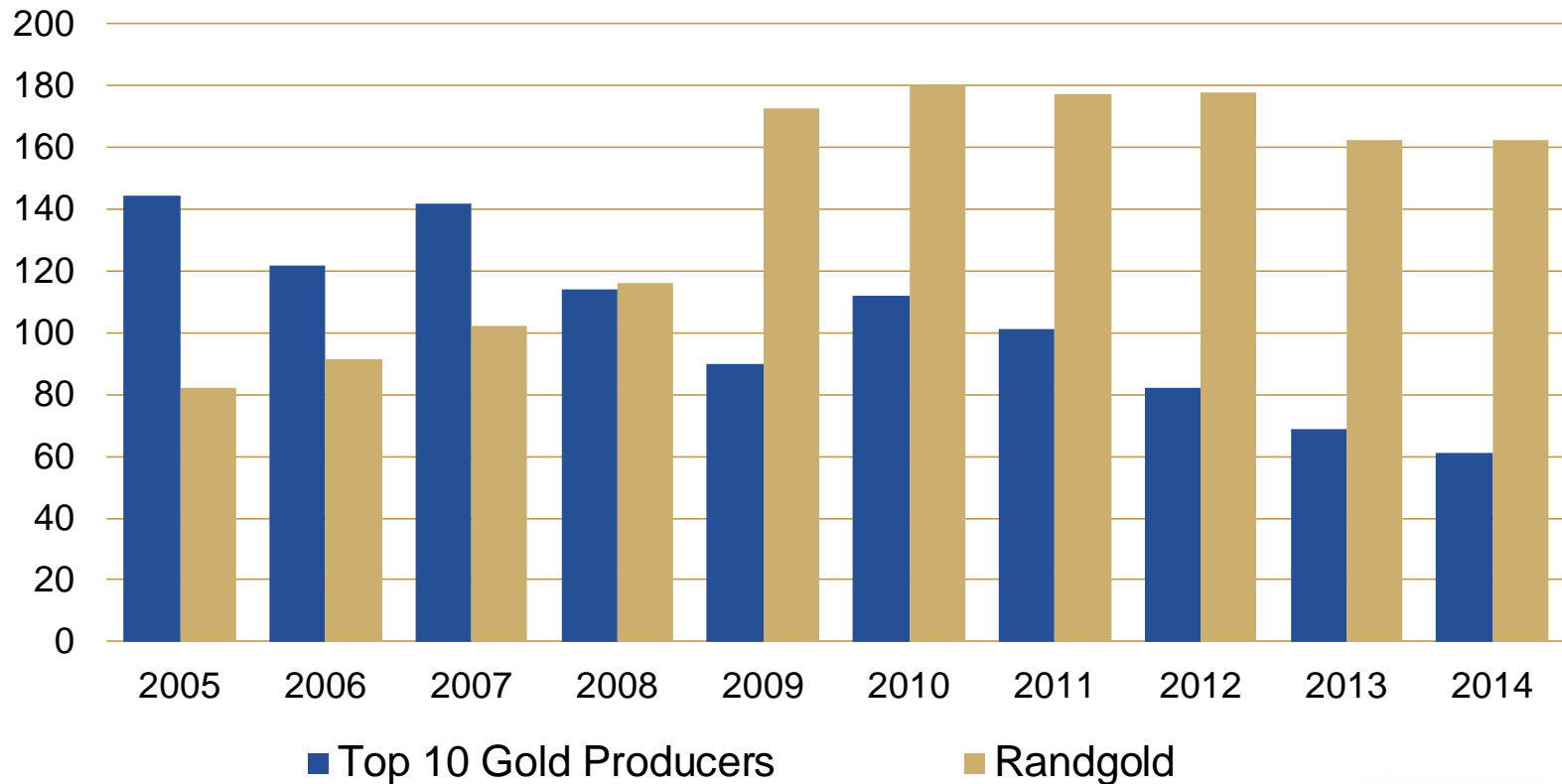
# Future prospects for the gold industry...



- Shareholders now face a more uncertain future over the long term view of the gold industry...a positive implication for the gold price

## Reserves per share slowly decreasing

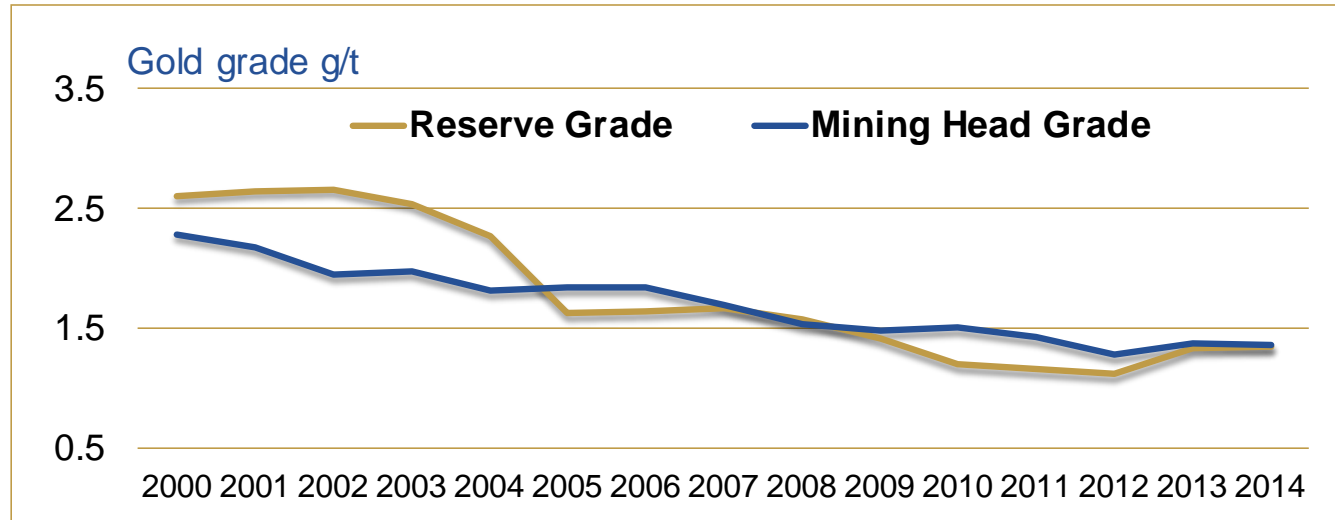
Oz / 000 shares



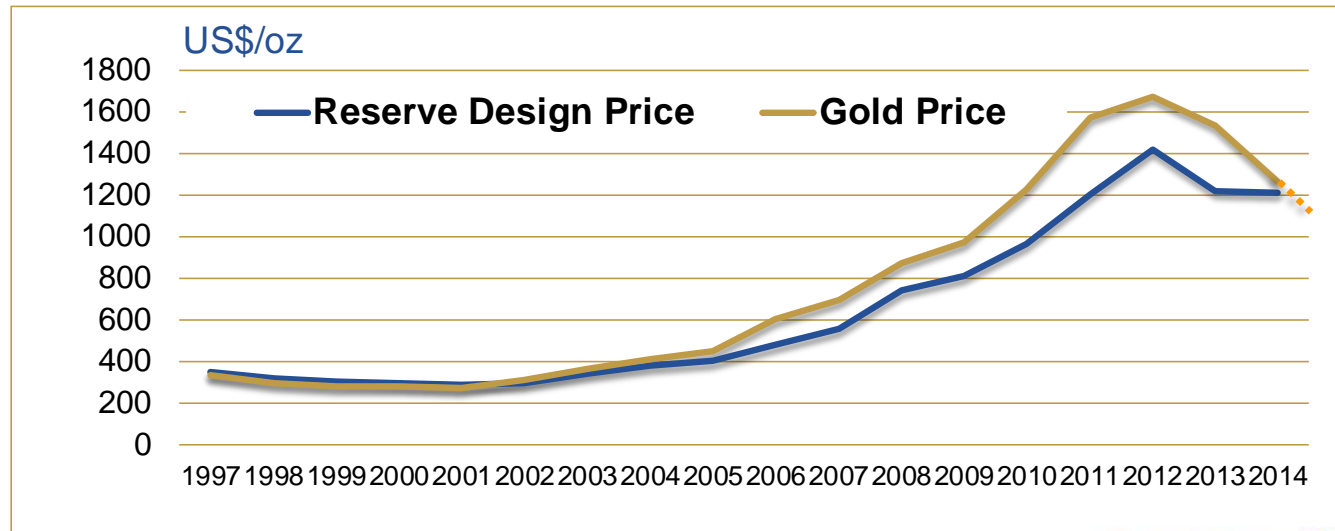
# Why no growth in gold production?... decline in ore grade



Reserve grade  
vs  
Mining head grade

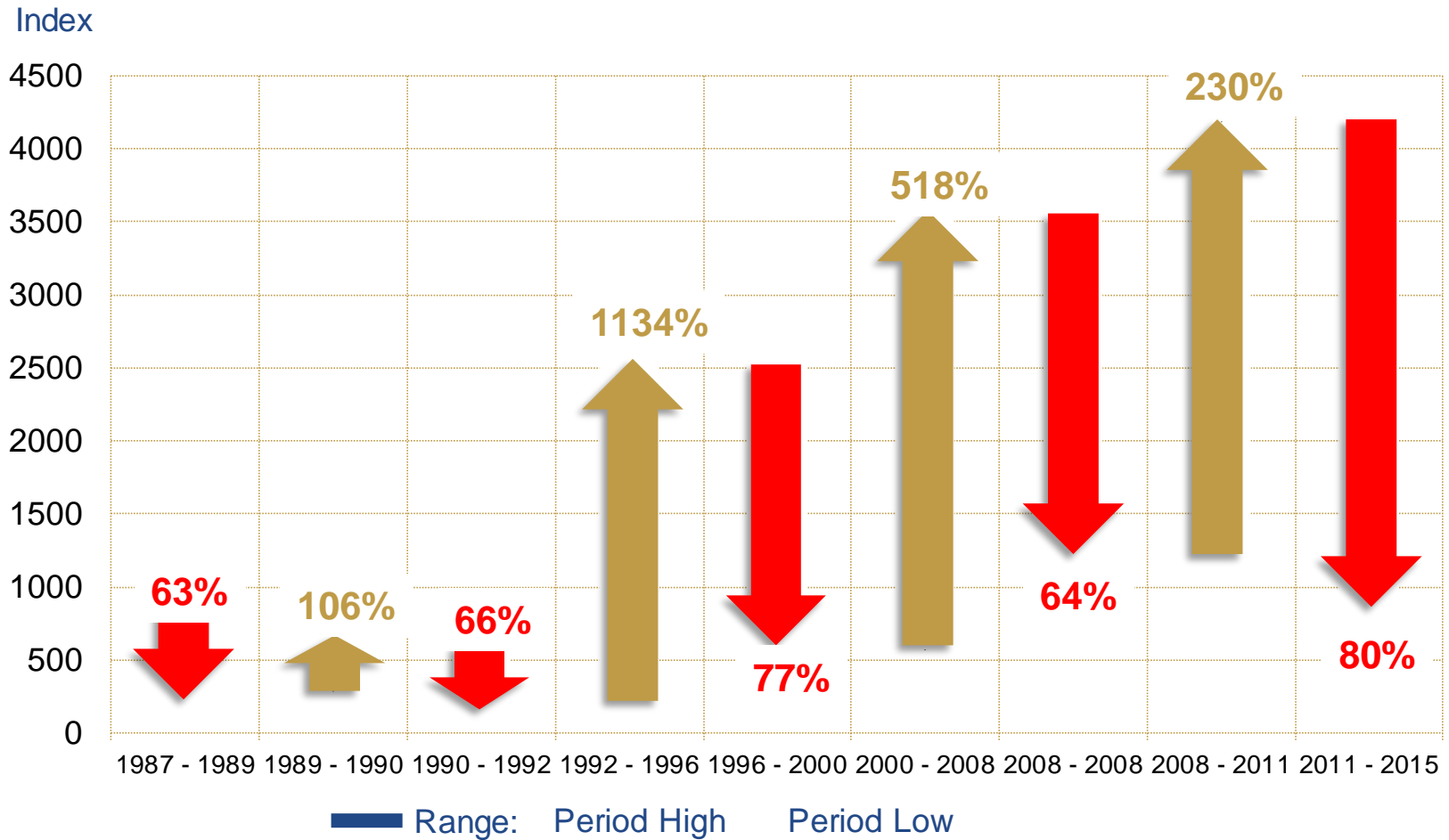


Reserve  
design price  
vs  
Gold price



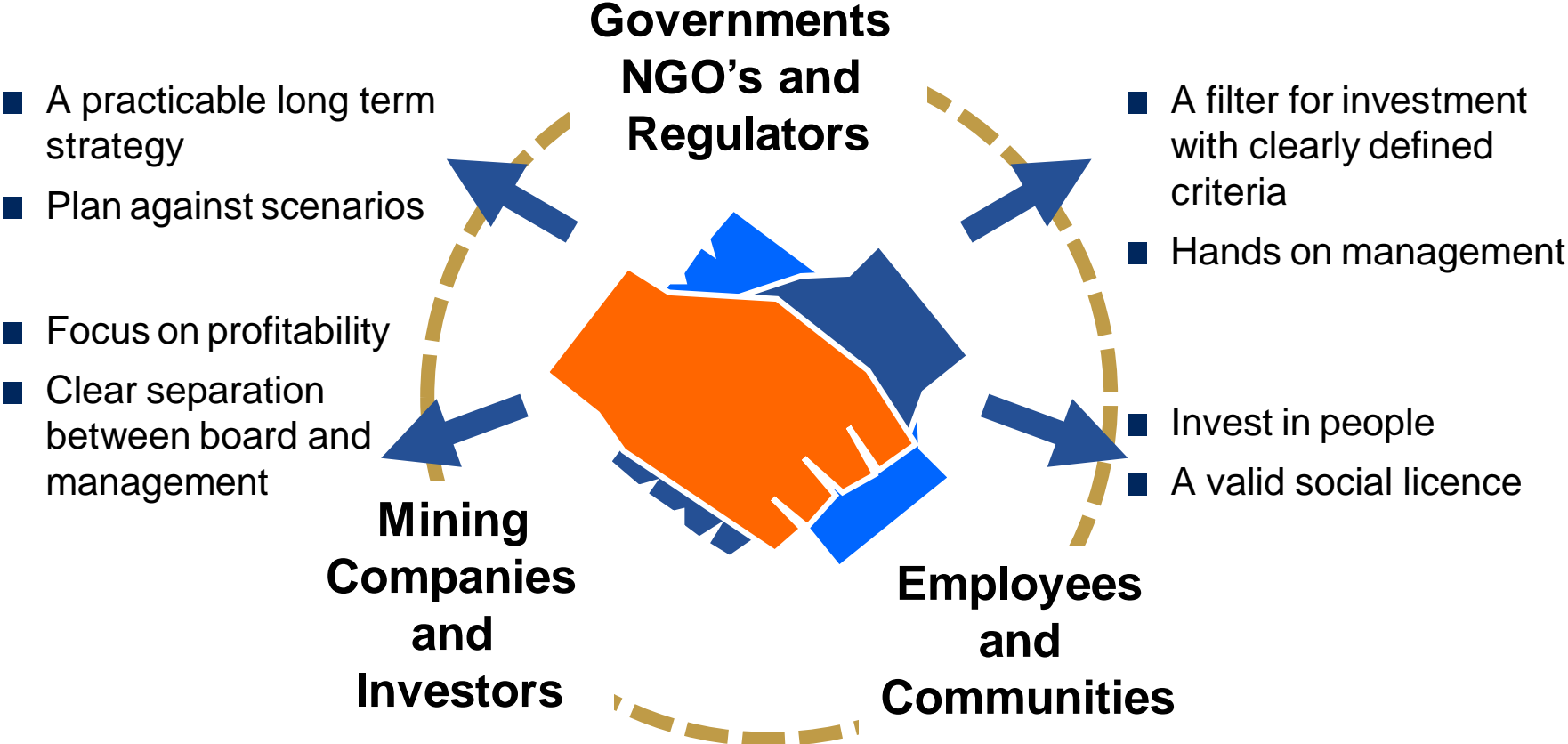
# What a lost opportunity!...

## FT Gold Mines Index



Source: Bloomberg

# To sustain our industry, we need to work in partnership to deliver long term value...





# Disclaimer...



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Randgold reports its mineral resources and mineral reserves in accordance with the JORC 2012 code. As such numbers are reported to the second significant digit. They are equivalent to National Instrument 43-101. Mineral resources are reported at a cut-off grade based on a gold price of US\$1 500/oz.

The reporting of mineral reserves is also in accordance with Industry Guide 7. Pit optimisations are carried out at a gold price of US\$1 000/oz, except for Morila which is reported at US\$1 300/oz. Mineral reserves are reported at a cut-off grade based on US\$1 000/oz gold price within the pit designs. Underground reserves are also based on a gold price of US\$1 000/oz. Dilution and ore loss are incorporated into the calculation of reserves.

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