

LOULO-GOUNKOTO GOLD MINE COMPLEX

OVERVIEW

OUNCES PRODUCED

630 167
oz

PROFIT FROM MINING ACTIVITY¹

298.4
\$Million



The Loulo-Gouankoto complex comprises two distinct mining permits, Loulo and Gouankoto, 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 Gouankoto (Gouankoto) owns the Gouankoto gold mine. Both Loulo and Gouankoto are owned by Randgold (80%) and the State of Mali (20%).



TOTAL CASH COSTS¹

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 Goukoto underground feasibility and underground reserves increased to +1Moz
- Mineral resources grow net of depletion and ore reserve replacement ongoing
- Updated underground ventilation design completed
- Goukoto 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 Goukoto underground versus superpit trade-off feasibility study
- Maintain ISO 14001 and OHSAS 18001 certification
- Reduce LTIFR at Loulo



YALEA UNDERGROUND MINING

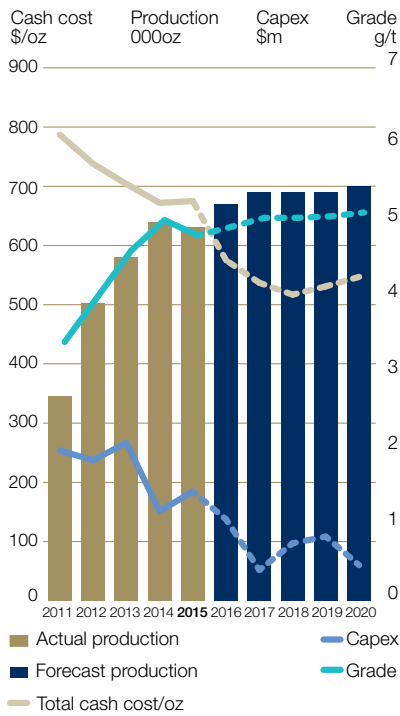


OPEN PIT MINING AT GOUNKOTO



LOULO METALLURGICAL PLANT

LOULO-GOUNKOTO PRODUCTION AND FIVE YEAR FORECAST



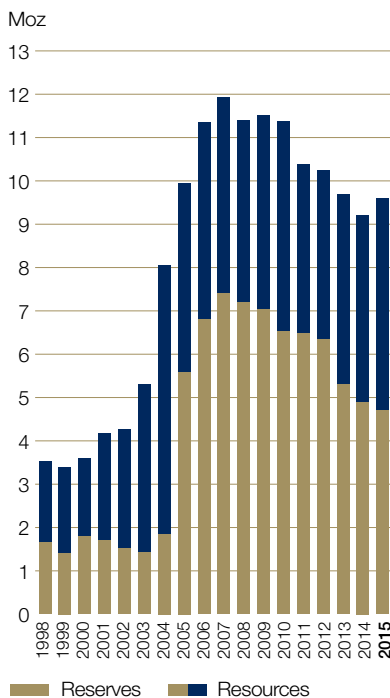
LOULO-GOUNKOTO COMPLEX OPERATIONS

Gold production at the Loulo-Goukoto 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.

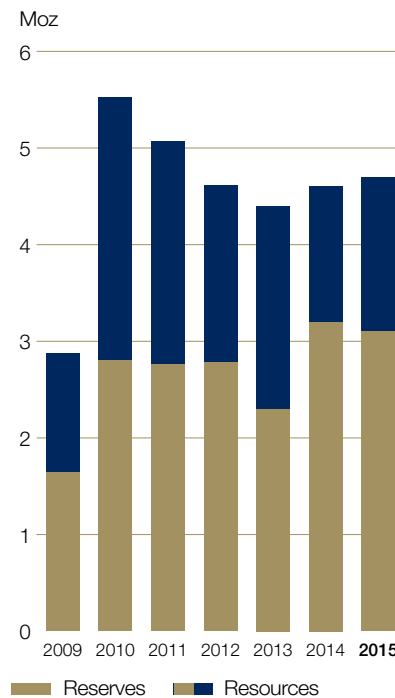
Gold sales of \$724.2 million were 9% lower than the previous year due to the 9% drop in the average gold price received. Profit from mining activity (before interest, tax and depreciation) decreased by 20% to \$298.4 million due to the lower sales.

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 RESERVES¹



GOUNKOTO TOTAL MINERAL RESOURCES AND ORE RESERVES¹



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

at 31 December	Category	Tonnes (Mt)		Grade (g/t)		Gold (Moz)		Attributable gold ³ (Moz)	
		2015	2014	2015	2014	2015	2014	2015	2014
MINERAL RESOURCES¹									
■ 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 RESERVES²									
■ 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 in situ 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 in situ 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 than 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.

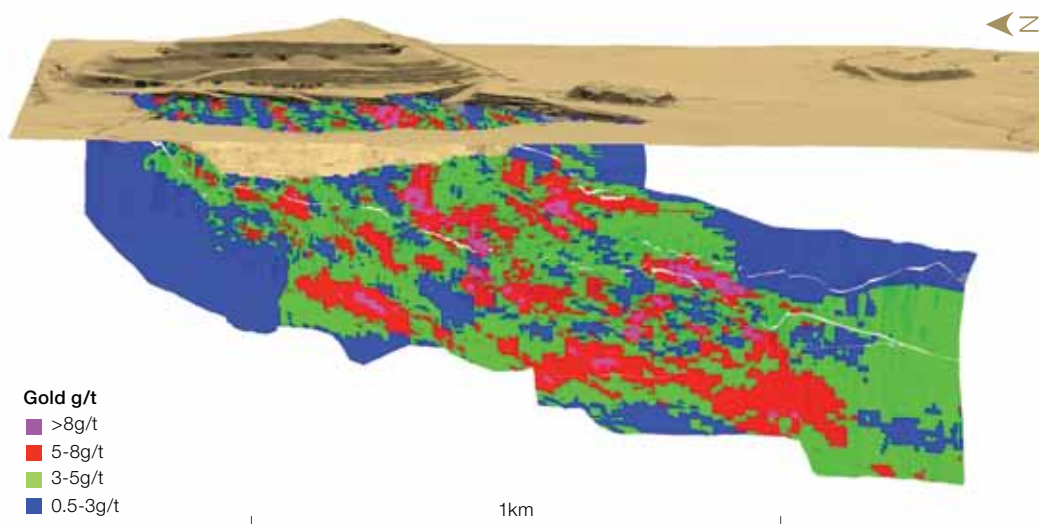
An action plan has been put in place to protect and enhance biodiversity onsite (BAP) of which 90% has been implemented. Fauna and flora awareness has increased and protected fauna species identified. During the year a fishing event was organised in the mine cofferdam with the local community; a total 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.

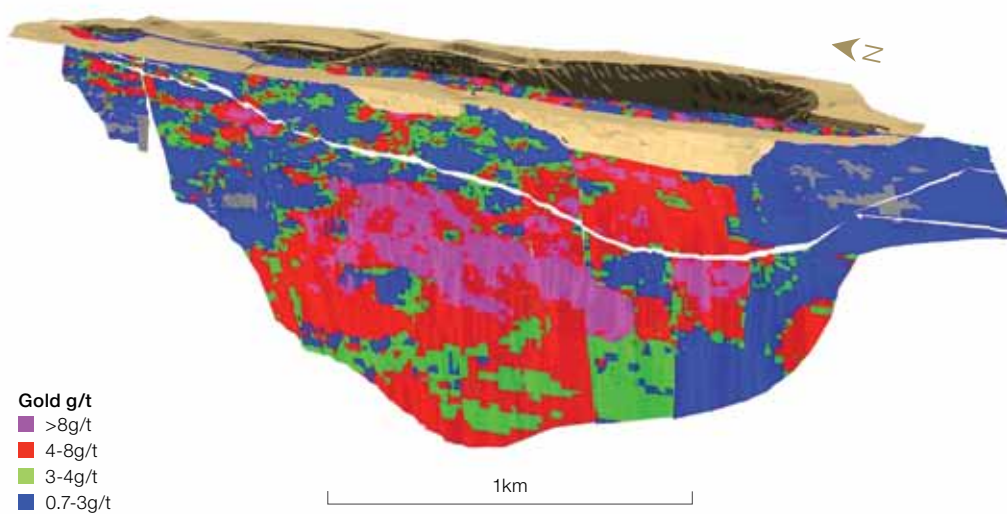
HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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 Goukoto 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

at 31 December	2015			2014		
	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)

