MAY 2006

REPORT

RANDGOLD RESOURCES

Randgold Resources sustains fast pace in another high-performance quarter

London, 8 May 2006 *- London and Nasdaq listed gold miner Randgold Resources posted a solid net profit of US$13 million for the March quarter on the back of an increase in profit from mining to US$33 million, resulting from its new Loulo gold mine and a higher gold price.*

Reporting its results today, the company said the second phase of the Loulo plant - threatened with derailment by a defaulting contractor - was back on track for completion towards the end of the second quarter. Meanwhile Loulo's Phase 1 throughput, recoveries and costs before additional costs relating to temporary crushing were in line with expectations, and production of 64 677 ounces in the mine's first full quarter of operation was on target.

Planning for the underground developments to complement Loulo's existing open-pit operations progressed with the completion of the detailed design and production scheduling of the Yalea underground section. A contractor will be appointed next month and main decline development is due to start towards the end of 2006, with the first stoping ore likely to be accessed by the end of 2007. The underground development plan for, the Loulo 0 section is receiving its finishing touches as well.

The company's Morila joint venture also put in a good performance, with the plant expansion reaching the designed throughput for the first time. This 11% increase in throughput partially compensated for the expected grade decline and production for the quarter was a satisfactory 135 779 ounces.

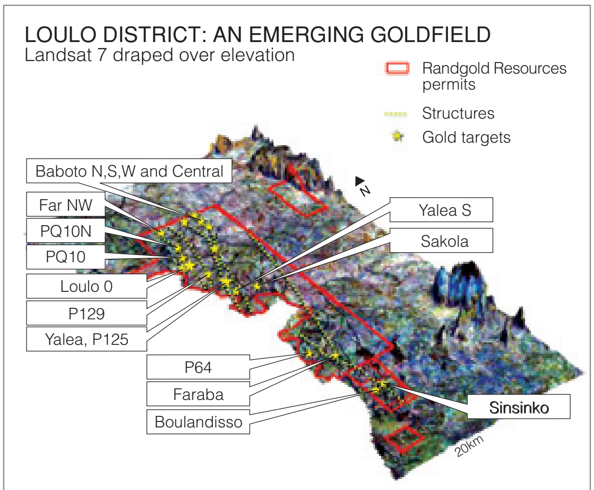
Chief executive Dr Mark Bristow said a particularly significant aspect of what had generally been a challenging but good quarter was the increase to 56% in the reserve-to-resource ratio at Loulo.

"While the discovery of new ounces is important, it's the conversion of these resources to reserves that is really critical in creating value. We have been very successful in converting the Yalea resources to reserves as a result of the deep drilling programme and the completion of the detailed underground mine plan," he said. Exploration within the Loulo region continued to highlight the potential for further extensions to the known orebodies as well as identifying new deposits.

(continued on page 08)

Loulo Region: one of Africa's premier emerging goldfields

The Loulo district is one of the premier emerging goldfields on the African continent, with the potential to produce additional multimillion ounce mines, says exploration manager Paul Harbidge.



"This belt has two things in abundance, proven production and untested potential. Our belief in the potential of the extensive Senegal-Mali regional structure, which incorporates the Loulo mining lease, gave us the confidence to take risk and drill deep at Yalea which so far has continued to deliver more resources and reserves. While we've been drilling deeper we have also been hunting for more targets along the same as well as secondary and tertiary structures along strike. The strike of the Yalea orebody today, is approximately two kilometres and so far the mineralisation has been confirmed to extend to 885 metres below surface," he says.

"Two years ago the Yalea structure was mapped for another two kilometres to the south – today we have traced it for an additional 15 kilometres south to Faraba where recent RC drilling has just returned some of the best results outside of the immediate Loulo area. Combining this with recent work north of Yalea which has found evidence of the same structure several kilometres to the north under cover, one starts to build an appreciation of the scale of this mineralised structure.

"Randgold controls over 45 kilometres of strike in what is arguably some of the most prospective ground on the continent. In an environment where multimillion ounce blind ore shoots sit close to the surface it is knowledge and perseverance that will guide us to the next discovery.

"At Loulo we have an integrated, multi-national team of eight exploration geologists from Mali, Burkina Faso, Côte d'Ivoire, South Africa and Zimbabwe. They are busy evaluating a portfolio of 45 targets, which includes reserve definition on five deposits. The targets are managed in line with the company's strategic objectives, within a well-balanced resource triangle. In addition we are developing a regional A Team to improve our understanding of the Kedougou-Kenieba Inlier, which we see as a big growth area for the future."

RANDGOLD RESOURCES

REPORT FOR THE QUARTER ENDED 31 MARCH 2006

- Solid profits and stronger cashflow on back of increased profit from mining
- Loulo maintains production and progresses with Phase 2 completion
- Loulo underground project on track
- Drilling highlights potential for extensions to Loulo and Yalea as well as new deposits
- Morila delivers on budget and exploration initiative produces first results
- Group initiates return to Tongon and increases groundholding in Côte d'Ivoire
- Group set to drill in seven project areas in five countries

SUMMARISED FINANCIAL INFORMATION

US$000	Quarter ended 31 Mar 2006	Quarter ended 31 Dec 2005 (Restated)+	Quarter ended 31 Mar 2005 (Restated)+	12 months ended 31 Dec 2005 (Restated)+
Gold sales revenue	67 241	60 553	31 986	151 502
Total cash costs*	33 463	29 820+	14 121+	65 939+
Profit from mining activity*	33 778	30 733+	17 865+	85 563+
Profit from operations*	21 127	18 717+	9 446+	49 604+
Net profit	12 767	17 009+	11 276+	47 856+
Net profit (as previously reported)	n/a	12 426	12 120	40 887
Net profit attributable to equity shareholders	11 545	14 660+	11 276+	45 507+
Net cash generated from operations	22 529	13 486	1 317	29 736
Bank and cash	158 139	152 452	69 426	152 452
Attributable production** (ounces)	118 989	126 404	66 908	328 428
Group total cash costs per ounce** * (US$)	281	236+	211+	201+
Group cash operating costs per ounce* (US$)	245	204+	179+	169+

* *Refer to explanation of non-GAAP measures provided.*
** *Randgold Resources consolidates 40% of Morila and 100% of Loulo*
\+ *Restated due to change in accounting policy relating to deferred stripping. See note on accounting policies.*
n/a Not *applicable*

COMMENTS

- Total attributable production for the quarter was 118 989 ounces at total cash costs of US$281/oz. This compares to 66 908 ounces at total cash costs of US$211/oz in the March 2005 quarter. The increase in production and cash costs is due to the additional ounces from Loulo's first full quarter of production. These results are in accordance with SEC's EITF 04-06 on deferred stripping.
- The results for 2005 have also been restated due to a change in accounting policy relating to discontinuing accounting for deferred stripping (see accounting policies section).
- Gold sales revenue increased by US$35.3 million over the corresponding 2005 quarter as a result of Loulo coming on stream and the increased gold price.
- Total cash costs of US$33.5 million for the quarter ended 31 March 2006 include US$20.9 million in respect of Loulo, which is the main reason for the increase from US$14.1 million for the corresponding quarter in 2005.
- Profit from mining activity for the quarter ended March 2006 is US$15.9 million higher than the corresponding quarter in 2005, mainly as a result of Loulo's profit of US$16.7 million, partially offset by an increase in costs at Morila which is largely due to lower grades processed in line with the mine plan.
- Net profit attributable to equity shareholders is calculated after deducting US$1.2 million attributable to Loulo minority shareholders.
- Total attributable ounces produced were down slightly compared to the 126 404 ounces produced in the December 2005 quarter. The decrease is due to the expected grade decline at Morila as well as the lower grade at Loulo which is part of the revised short term plan relating to the installation of the hard rock crushing circuit. This also pushed up unit costs per ounce.
- Higher gold prices received in the March quarter offset the lower production and resulted in a 10% increase in profit from mining.
- Net profit in the current quarter was US$12.8 million. This is the first full quarter of tax for Morila which ended its tax holiday in November 2005. Net profit for the quarter ended 31 December 2005 was US$17 million (US$12.5 million before restatement).

OPERATIONS

Loulo

The quarter ended 31 March 2006 is the first full quarter of production since the mine became operational on 8 November 2005. Throughput at 722 000 tonnes, represents a significant achievement considering the challenges the management team had to contend with as a result of the delay in completing the Phase 2 crushing circuit.

The higher throughput served to offset the lower head grade at 2.9g/t which is, as per the revised short term feed strategy designed to minimise the impact of a delay in starting the hard rock crushing circuit caused by the defaulting construction contractor. Recovery and production are in line with expectations.

The average gold price received was US$556/oz for the quarter, representing a substantial increase when compared to the quarter ended 31 December 2005.

The significant impact on cost per ounce was the lower grade and additional rehandling and mobile crushing costs resulting from the short term feed strategy. Cash operating and total cash costs for the quarter were nevertheless in line with forecast and are expected to improve after the commissioning of Phase 2 and as the operation settles down.

Production statistics are:

Loulo results	Quarter ended 31 Mar 2006	Quarter ended 31 Dec 2005	Quarter ended 31 Mar 2005	12 months ended 31 Dec 2005
Mining				
Tonnes mined (000)	4 041	4 149	-	12 096
Ore tonnes mined (000)	379	537	-	1 213
Milling				
Tonnes processed (000)	722	551	-	551
Head grade milled (g/t)	2.9	4.5	-	4.5
Recovery (%)	93.2	94.3	-	94.3
Ounces produced	64 677	67 984	-	67 984
Average price received (US$/oz)	556	499	-	499
Cash operating costs* (US$/oz)	288	137	-	137
Total cash costs* (US$/oz)	323	165	-	165
Profit from mining activity* (US$000)	16 725	19 485	-	19 485
Gold revenue (US$000)	37 618	30 688	-	30 688

Randgold Resources owns 80% of Loulo with the Government of Mali owning 20%. Randgold Resources consolidates 100% of Loulo and then adjusts the income statement for the minority interest.

* *Refer to explanation of non-GAAP measures provided.*

The prior period results for Loulo have not been affected by the change in accounting policy relating to deferred stripping as there have been no transfers to deferred stripping since the mine became operational.

As reported last quarter Somilo S.A. continues to believe it is entitled to recover the funds referred to in the note to the balance sheet contained in our financial report for the quarter and year ended 31 December 2005. Recovery of the full amount and other legal claims from MDM Ferroman (Pty) Ltd ("MDM") is dependent on the liquidation process and the successful conclusion of the legal action referred to in the same note, of which there can be no assurance. The court has postponed considering the case for the order of final liquidation of MDM until 20 June 2006.

The mine has had to deal with many unfinished construction items, and with numerous challenges relating to structural construction delays due to required site alterations and repairs caused by inadequacies found in some of the original contractor material. Nevertheless, the Phase 1 circuit of the project is, subject to a few re-design issues relating to the CIL circuit, now substantially complete. All aspects of the plant are now performing well and the completion of Phase 2 on time is the key focus.

The hard ore circuit representing Phase 2 has seen excellent progress despite the disruption caused by taking back the contract from the main contractor. The secondary and tertiary crushers have been installed and the primary crusher is on site awaiting installation once the civil works are finished. These are scheduled for completion in the second quarter.

The tailings return water pipeline has also been installed, allowing for the re-circulation of water back to the plant area.

Although challenging, the schedule still remains on track for the commissioning of Phase 2 towards the end of the second quarter.

Updating of the underground feasibility study allowed the conversion of 3.82 million more resource ounces into reserves.

Loulo Reserves	Category	Tonnes (Mt) 2005	Grade (g/t) 2005	Gold (Mozs) 2005	Attributable gold (80%) (Mozs)
	Proven	13.75	3.48	1.54	
	Probable	24.82	5.07	4.05	
Sub-total	Proven and probable	38.57	4.50	5.59	4.47
Resources					
	Measured and indicated	61.86	4.54	9.03	7.22
	Inferred	9.82	2.87	0.90	0.72

* *Full details of the group's reserves and resources are contained in the annual report for the year ended 31 December 2005.*

Morila

Morila made a good start to the year with plant throughput averaging 349 000 tonnes per month over the first quarter, in line with the design capacity of 350 000 tonnes. This 11% increase in throughput partially made up for the expected decrease in grade, and gold production for the quarter was 135 779 ounces. Costs decreased compared to the previous quarter's which were impacted by non-recurring accounting adjustments. Total cash costs for the quarter were US$231/ounce.

Morila results	Quarter ended 31 Mar 2006	Quarter ended 31 Dec 2005 (Restated)+	Quarter ended 31 Mar 2005 (Restated)+	12 months ended 31 Dec 2005 (Restated)+
Mining				
Tonnes mined (000)	6 059	6 798	7 815	24 554
Ore tonnes mined (000)	1 478	2 199	1 646	7 041
Milling				
Tonnes processed (000)	1 048	946	857	3 763
Head grade milled (g/t)	4.4	5.2	6.6	5.9
Recovery (%)	92.1	90.8	92.4	91.7
Ounces produced	135 779	146 049	167 272	651 110
Average price received (US$/oz)	560	485	428	449
Cash operating costs* (US$/oz)	193	282+	179+	178+
Total cash costs* (US$/oz)	231	319+	211+	210+
Profit from mining activity* (US$000)	42 630	28 120+	44 663+	158 185+
Attributable (40% proportionately consolidated)				
Gold revenue (US$000)	29 624	29 865	31 986	120 814
Ounces produced	54 312	58 420	66 908	260 444
Profit from mining activity (US$000)	17 052	11 248+	17 865+	66 078+

* *Refer to explanation of non-GAAP measures provided.*

\+ *Restated due to change in accounting policy related to deferred stripping. See note on accounting policies.*

As indicated in the previous quarter, much of the depletion of the resource which occurred in 2005 from mining activities was replaced by year end as a result of infill drilling. This reflects in the ore reserve statement as at end 2005, based on the current orebody model.

Morila Reserves	Category	Tonnes (Mt) 2005	Grade (g/t) 2005	Gold (Mozs) 2005	Attributable gold (40%) (Mozs)
	Proven	15.95	3.21	1.65	
	Probable	6.19	3.63	0.72	
Sub-total	Proven and probable	22.14	3.33	2.37	0.95
Resources					
	Measured and indicated	34.07	2.84	3.11	1.24
	Indicated	3.78	3.19	0.39	0.16

* *Full details of the group's reserves and resources are contained in the annual report for the year ended 31 December 2005.*

The gold price at which pit optimisation has been run, has increased from US$375/ounce to US$400/ounce, but this has been offset by increases in input costs such as diesel, transport and steel balls.

The success of the infill and resource extension drilling has led to the identification of an additional 510 000 ounces of reserves, partially replacing the 715 000 ounces delivered to the mill during 2005.

Higher density drilling has also led to the proportion of reserves in the higher confidence proven category increasing from 50% to 70%.

It is currently estimated that mining activities will cease during 2008 subject to no additional reserves being added to the mine plan, with processing of stockpiles continuing until 2013. Over the period 2006-2008 it is expected that production will be in excess of 500 000 ounces per year. At current gold prices, it is possible that additional existing mineral resources could be converted to mining reserves, thereby impacting positively on production and/or mine life.

As discussed last quarter, resource extension drilling in the south of the pit was responsible for a significant part of the additional mineral resource identified during the year. A detailed follow-up drilling programme has continued and has yielded a number of significant results which suggest continuity of the Morila orezone beyond the tonalite intrusion.

The 40 000 metre regional drilling programme has made good progress this quarter with a focus on the south westerly extension of the high grade axis identified in the pit. Low grade anomalous values have been returned for several of the drillholes and REG003, which is situated one kilometre south west along strike of the high grade zone, returned a value of 34.89g/t over 4.43 metres from a depth of 400 metres below surface. Follow up drilling on this target will involve close spaced drilling as well as a programme designed to connect the tonalite extension of the orebody with the intersection in REG003.

PROJECTS AND EVALUATION

Loulo Gold Mine – Underground development

Further progress has been made during the quarter on finalising plans for the development of the Yalea underground mine:

- A detailed mine design and production scheduling has been completed.
- A twin decline system for underground access (4.5 metres high by 4.5 metres wide) has replaced the previous single decline access. One decline will be equipped with a conveyor belt for rock transport and the other decline will be used for vehicle access. This design is expected to bring about advantages in safety, ventilation and timing of the project.
- The mine ventilation design has been completed.
- The boxcut and portal design is in the process of being completed and portal construction for the conveyor decline is expected to start in the third quarter of 2006.
- The conveyor decline development will start in the fourth quarter of 2006 and accessing of first development ore is expected in 2007. First stoping ore is expected by the end of 2007.
- The heavy vehicle fleet for Yalea has been finalised and a delivery schedule set for 2006 and 2007.
- The selection process to appoint a suitable development contractor for Yalea is in progress and the contract is expected to be awarded during June.

The underground development plan for Loulo 0 is also currently being revised. Work is in progress to further review the plan to integrate ore tonnages from the opencast and underground sources. This will form the basis of a decision to increase plant capacity to 300 000 tonnes per month from the current nameplate design of 200 000 tonnes per month.

Tongon Project

Interaction with the mines ministry and other relevant parties in Côte d'Ivoire has continued in advance of re-starting work on the project. By the end of the quarter the new project team was on site preparing the field camp and local offices for the commencement of a 10 drillhole, 2 000 metre programme designed to fill in gaps in the northern zone and extend coverage in depth at the southern zone. A drilling contract has been finalised and drilling is expected to start during June and be complete by the onset of the rainy season. This tactical programme will be used to design a further 27 000 metre drilling programme which will form the basis of the final feasibility study for the project.

Given a satisfactory outcome to the planned elections in October, the company aims to complete the feasibility study within two years.

EXPLORATION ACTIVITIES

Exploration within the Loulo region continued to highlight the potential for further extensions to the known orebodies as well as identifying new deposits.

Drilling at Yalea concentrated on delineating the high grade zone as well as testing the northern and southern extensions of the orebody. Borehole YDH256 at 4.15 metres at 6.48g/t confirmed the presence of economic mineralisation below and to the north of our existing scheduled levels. At Loulo 0 an exploration programme to test the strike extensions of the orebody was successful, with hole L0CP66 returning 22.6 metres at 8.2g/t located 600 metres south of the existing wireframe. Two rigs have been mobilised to Loulo 0 to further test high grade extensions to the orebody at depth.

On the Loulo permit at the Faraba target, 26 RC holes for 3 385 metres completed the first phase of reconnaissance drilling and confirmed bedrock mineralisation over a 2.7 kilometre strike length. Results received during the quarter include: FARC002 – 39 metres at 2.15g/t including 3 metres at 7.8g/t; FARC008 – 51 metres at 2.26g/t including 3 metres at 12g/t; FARC010 – 109 metres at 0.77g/t; FARC030 – 49 metres at 1.27g/t; FARC031 – 25 metres at 1.46g/t including 4 metres at 3.7g/t; and FARC032 – 27 metres at 1.25g/t including 2 metres at 6.28g/t. Mineralisation is developed within a north-south shear zone associated with tourmaline-iron carbonate-silica alteration, and disseminated pyrite and arsenopyrite. A four hole diamond drill programme is underway as a preliminary follow-up to the RC drilling. The first hole (FDH04) drilled in the north of Faraba below FARC030 and FARC031 returned 12.6 metres at 4.03g/t from 225.3 metres.

At P64, additional results have been received from the first phase of drilling and include: P64RC03 – 7 metres at 1.47g/t and 4 metres at 1.03g/t; P64RC04 – 29 metres at 1.03g/t including 2 metres at 8.80g/t and 5 metres at 4.18g/t; and P64RC07 – 5 metres at 2.31g/t. Diamond drilling is currently in progress.

At Selou to the South of Loulo, the Boulandissou target is returning positive trench results (BNT02: 28 metres at 3.31g/t) along an eight kilometre anomalous shear corridor. While at Sinsinko a broad low grade mineralised envelope has been defined over a 1.3 kilometre strike length (trench BET05 returned 76 metres at 0.83g/t). Reconnaissance diamond drilling is planned during the next quarter.

At Sitakily, eight diamond holes for 1 407 metres were drilled, testing three sub-parallel corridors of porphyry dykes. The results, in general, returned narrow low grade (less than 1g/t) gold intercepts, apart from SDDH002 which returned 6.60 metres at 115.50g/t associated with visible gold in a 1 centimetre quartz vein. RC drilling is planned to follow-up this intersection.

At Morila, the 40 000 metre regional drilling programme commenced and has initially concentrated on the extension of the high grade axis approximately one kilometre to the southwest of the pit. Mine infrastructure including waste dumps limits closer access. Results return a broad halo anomalous in gold similar to the footprint around the Morila orebody within which locate higher grade intercepts including REG003: 4.43 metres at 34.89g/t. The style of mineralisation, alteration and structural setting are similar to the main deposit. The drilling is currently widely spaced ~250 metres by 500 metres.

In South Mali, a 3 000 metre regional diamond drilling programme has been approved to cover permits in the Morila region and test a range of targets, while providing essential structural information across the area. In particular the holes will test areas where there are either shallow dipping foliated sediments or broad open folds. In addition a 3 000 metre aircore drilling programme is underway testing 11 targets on the Diamou and Seriba-Sobara permits which are part of the OMRD Diamou joint venture agreement. The company is speeding up the evaluation of targets in Senegal, which currently stand at 34. A 6 000 metre RAB contract has been signed and is due to commence shortly, testing seven targets. Diamond drill motivations are being prepared to further test Bambaraya, where 800 metres of bedrock mineralisation have been defined by trenching, and Sofia, a plus three kilometre anomalous structure, as well as new targets: Mansa, Deliya, Matiba and additional targets which are currently being defined.

In Burkina Faso, trenching on the Kiaka North target has defined a very broad, low grade envelope of bedrock mineralisation over a one kilometre strike length. Trench results include: KAT03 – 36 metres at 0.94g/t (including 20 metres at 1.25g/t), 88 metres at 0.86g/t (including 10 metres at 1.92g/t), 20 metres at 4.89g/t (including 10 metres at 9.07g/t) and 10 metres at 0.97g/t; and KAT04 – 56 metres at 0.82g/t (including eight metres at 1.12g/t) and 52 metres at 1.14g/t (including eight metres at 2.63g/t).

Early stage exploration has commenced on the newly acquired portfolio of permits in Ghana. On the Central Goldfields permit, a stream sediment sampling programme has returned anomalous gold values along a seven kilometre segment of a regional shear, developed at the contact between sedimentary and volcanic rocks.

In the Côte d'Ivoire a team is on the ground in Korhogo and at the Tongon project site, preparing for a 2 000 metre diamond drill programme. A rig has been sourced and drilling is planned to start in early June. The team is currently supervising maintenance on the Korhogo office and Tongon field camp and drill platforms are being prepared. Elsewhere in the Côte d'Ivoire, two new permits in the south of the country have been granted and early phase reconnaissance exploration work has commenced. The Apouasso permit (1 000 km^2) locates on the extension of the Sefwi Belt from Ghana, along strike from Newmont's Ahafo project. The Dignago permit (1 000 km^2) locates in southwest Côte d'Ivoire on a major regional structure at the contact between basement gneisses and Birimian volcanics.

A four hole reconnaissance diamond drill programme has been completed at Kiabakari in Tanzania. This programme provided detailed information on bedrock geology, structure, alteration and mineralisation to enable a better understanding of the Kiabakari system. The drilling indicates a wide zone of heterogeneous deformation in gabbro and along more discreet mylonite zones in mafic volcanic units. The sulphide alteration and deformed zones observed in the core indicates a large hydrothermal system. A best intercept of 12 metres at 3.29g/t was returned. In addition, two new zones were identified north of the known mineralisation.

CONSOLIDATED INCOME STATEMENT

US$000	Quarter ended 31 Mar 2006	Quarter ended 31 Dec 2005 (Restated)+	Quarter ended 31 Mar 2005 (Restated)+	12 months ended 31 Dec 2005 (Restated)+
REVENUES				
Gold sales	67 241	60 553	31 986	151 502
OTHER INCOME				
Interest income	2 049	1 067	325	2 064
Exchange gains	2 056	25	365	413
Other income	16	194	1 602	1 303
Total other income	4 121	1 286	2 292	3 780
Total revenue	71 362	61 839	34 278	155 282
COSTS AND EXPENSES				
Mine production costs	27 411	26 822	15 860	66 612
Movement in production inventory and ore stockpiles	(1 296)	(3 882)+	(5 410)+	(18 744)+
Transfer from/(to) deferred stripping	-	-+	-+	-+
Depreciation and amortisation	4 964	4 733	2 595	11 910
General and administration expenses	2 874	2 724	1 442	7 438
Mining and processing costs	33 953	30 397+	14 487+	67 216+
Transport and refinery costs	153	162	67	360
Royalties	4 321	3 994	2 162	10 273
Exploration and corporate expenditure	7 687	7 283	5 824	24 049
Loss/(gain) on forward gold sales§	3 227	-	-	(45)
Exchange losses	1 896	416	-	2 487
Other expenses	-	1 536	-	801
Unwind of discount on provisions for rehabilitation	84	(125)	117	254
Interest expense	1 619	997	345	1 861
Profit before income tax	18 422	17 179+	11 276+	48 026+
Income tax expense	(5 655)	(170)+	-	(170)+
Net profit	12 767	17 009+	11 276+	47 856+
Attributable to:				
Equity shareholders	11 545	14 660+	11 276+	45 507+
Minority shareholders	1 222	2 349	-	2 349
	12 767	17 009+	11 276+	47 856+
Basic earnings per share (US$)	0.17	0.22+	0.19+	0.74+
Fully diluted earnings per share (US$)	0.16	0.22+	0.18+	0.71+
Average shares in issue (000)	68 131	65 311	59 394	61 702

The results have been prepared in accordance with International Financial Reporting Standards (IFRS).

\+ *Restated due to change in accounting policy relating to deferred stripping. See note on accounting policies.*

§ *During the quarter, 36 666 ounces of the Loulo forward sales were rolled out longer-dated. Although the revenue was received at the spot price, because we have changed the initial delivery date, these contracts are now deemed speculative. This gives rise to a non-cash charge to the income statement calculated as the difference between the spot price and the strike price of the contract.*

CONSOLIDATED BALANCE SHEET

US$000	At 31 Mar 2006	At 31 Dec 2005 (Restated)+	At 31 Mar 2005
Assets			
Non-current assets			
Property, plant and equipment	214 716	202 636	148 375
Cost	253 375	236 331	172 755
Accumulated depreciation and amortisation	(38 659)	(33 695)	(24 380)
Deferred stripping costs	-+	-+	-+
Deferred taxation	2 866	2 957+	-
Long-term ore stockpiles	24 710	22 176+	16 606+
Total non-current assets	242 292	227 769+	164 981+
Current assets			
Deferred stripping costs	-	-+	-+
Inventories and stockpiles	30 495	34 210+	7 856+
Receivables	49 907	47 918	33 549
Cash and cash equivalents	158 139	152 452	69 426
Total current assets	238 541	234 580+	110 831+
Total assets	480 833	462 349+	275 812+
Shareholders' equity	294 049	301 822+	190 086+
Minority interest	2 617	1 395	(954)
Total equity	296 666	303 217+	189 132+
Non-current liabilities			
Long-term borrowings	48 786	49 538	55 798
Loans from minority shareholders in subsidiaries	2 533	2 483	2 452
Financial liabilities – forward gold sales	48 710	34 151	13 583
Provision for rehabilitation	9 571	9 480	3 829
Total non-current liabilities	109 600	95 652+	75 662
Current liabilities			
Financial liabilities – forward gold sales	18 158	8 939	395
Current portion of long-term borrowings	23 504	22 991	1 171
Accounts payable and accrued liabilities	28 500	28 813	9 452
Taxation payable	4 405	2 737	-
Total current liabilities	74 567	63 480	11 018
Total equity and liabilities	480 833	462 349+	275 812+

\+ *Restated due to change in accounting policy relating to deferred stripping. See note on accounting policies.*

Main balance sheet movements for the quarter ended 31 March 2006 were as follows:

- An increase in property, plant and equipment due to the development of Phase 2 at Loulo, including work on the crushing plant.
- The increase in financial liabilities relating to forward gold sales reflects an increase in the negative marked-to-market valuation of contracts held at 31 March 2006. The impact is due to the sharp rise in the gold price, which was US$582 at 31 March 2006.
- The increase in taxation payable relates to income taxes at Morila following the end of the five year tax holiday in November 2005.

CONSOLIDATED CASHFLOW STATEMENT

US$000	3 months ended 31 Mar 2006	3 months ended 31 Mar 2005 (Restated)+	12 months ended 31 Dec 2005 (Restated)+
Profit before income tax	18 422	11 276+	48 026+
Adjustment for non-cash items	8 969	3 220	25 564
Working capital changes	(4 862)	(13 179)+	(43 854)+
Net cash generated from operations	22 529	1 317	29 736
Additions to property, plant and equipment	(17 044)	(21 116)	(73 217)
Financing of contractors	(156)	(4 534)	(11 276)
Net cash utilised in investing activities	(17 200)	(25 650)	(84 493)
Ordinary shares issued	548	547	105 248
(Decrease)/increase in long-term borrowings	(190)	14 972	23 721
Net cash generated by financing activities	358	15 519	128 969
Net increase/(decrease) in cash and cash equivalents	5 687	(8 814)	74 212
Cash and cash equivalents at beginning of period	152 452	78 240	78 240
Cash and cash equivalents at end of period	158 139	69 426	152 452

\+ *Restated due to change in accounting policy relating to deferred stripping. See note on accounting policies.*

NON-GAAP MEASURES

Total cash costs and cash cost per ounce are non-GAAP measures. Total cash costs and total cash costs per ounce are calculated using guidance issued by the Gold Institute. The Gold Institute was a non profit industry association comprised of leading gold producers, refiners, bullion suppliers and manufactures. 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. Under the company's revised accounting policies, there are no transfers to and from deferred stripping.

Total cash costs per ounce are calculated by dividing total cash costs, as determined using the Gold Institute guidance, by gold ounces produced for the periods presented.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Number of ordinary shares	Share capital US$000	Share premium US$000	Other reserves US$000	Accumu-lated profits US$000	Total attributable to equity shareholders	Minority Interest US$000	Total equity US$000
Balance – 31 Dec 2004 (as previously reported)	59 226 694	2 961	102 342	(14 347)§	100 213§	191 169	(954)	190 215
Change in accounting policy	-	-	-	-	(14 884)+	(14 884)+	-	(14 884)+
Balance – 31 Dec 2004	59 226 694	2 961	102 342	(14 347)	85 329+	176 285+	(954)	175 331+
March 2005 Net income	-	-	-	-	11 276+	11 276+	-	11 276+
Movement on cash flow hedges	-	-	-	1 690	-	1 690	-	1 690
Total recognised income	-	-	-	1 690	11 276+	12 966+	-	12 966+
Share-based payments	-	-	-	288	-	288	-	288
Share options exercised	176 800	9	538	-	-	547	-	547
Balance – 31 Mar 2005	59 403 494	2 970	102 880	(12 369)	96 605+	190 086+	(954)	189 132+
Balance – 31 Dec 2005 (as previously reported)	68 072 864	3 404	208 582	(41 000)	138 751	309 737	1 395	311 132
Change in accounting policy – deferred stripping cost	-	-	-	-	(7 915)+	(7 915)+	-	(7 915)+
Balance – 31 Dec 2005	68 072 864	3 404	208 582	(41 000)	130 836+	301 822+	1 395	303 217+
March 2006 Net income	-	-	-	-	11 545	11 545	1 222	12 767
Movement on cash flow hedges								
- realised	-	-	-	3 227	-	3 227	-	3 227
- unrealised	-	-	-	(23 778)	-	(23 778)	-	(23 778)
Total recognised income	-	-	-	(20 551)	11 545	(9 006)	1 222	(7 784)
Share-based payments	-	-	-	685	-	685	-	685
Share options exercised	168 700	8	540	-	-	548	-	548
Shares vested#	6 830	-	108	(108)	-	-	-	-
Balance – 31 Mar 2006	68 248 394	3 412	209 230	(60 974)	142 381	294 049	2 617	296 666

\# *Restricted shares were issued to directors as remuneration. The transfer between "other reserves" and "share premium" in respect of the shares vested represents the cost calculated in accordance with IFRS 2.*

§ *Reflects adoption of IFRS 2: Share-based payment.*

\+ *Restated due to change in accounting policy relating to deferred stripping. See note on accounting policies.*

Total cash costs and total cash costs per ounce are calculated on a consistent basis for the periods presented. Total cash costs and total cash costs 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 or US GAAP measures or as an indicator of our performance. The data does not have a meaning prescribed by IFRS or US GAAP 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, amortisation and share-based payments would be included in a measure of total costs of producing gold under IFRS and US GAAP, 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 costs 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 Resources believe that total cash costs per ounce are useful indicators 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 costs per ounce are calculated by dividing cash operating costs by gold ounces produced for the period presented.

Profit from mining activity is calculated by subtracting total cash costs from gold sales revenue for all periods presented.

Profit from operations is calculated by subtracting depreciation and amortisation charges and exploration and corporate expenditure, as well as share-based payment from profit from mining activity.

The following table reconciles total cash costs, as a non-GAAP measure, to the information provided in the income statement, determined in accordance with IFRS, for each of the periods set out below:

US$000	Quarter ended 31 Mar 2006	Quarter ended 31 Dec 2005 (Restated)+	Quarter ended 31 Mar 2005 (Restated)+	12 months ended 31 Dec 2005 (Restated)+
Gold sales revenue	67 241	60 553	31 986	151 502
Mine production costs	27 411	26 822	15 860	66 612
Movement in production inventory and ore stock piles	(1 296)	(3 882)+	(5 410)+	(18 744)+
Transfer from deferred stripping	-	-+	-+	-+
Transport and refinery costs	153	162	67	360
Royalties	4 321	3 994	2 162	10 273
General and administration expenses	2 874	2 724	1 442	7 438
Total cash costs	33 463	29 820+	14 121+	65 939+
Profit from mining activity	33 778	30 733+	17 865+	85 563+
Depreciation and amortisation	4 964	4 733	2 595	11 910
Exploration and corporate expenditure	7 687	7 283	5 824	24 049
Profit from operations	21 127	18 717+	9 446+	49 604+

\+ *Restated due to change in accounting policy relating to deferred stripping. See note on accounting policies.*

ACCOUNTING POLICIES

The financial information in this report has been prepared in accordance with the group's accounting policies, which comply with IFRS and are consistent with the prior period, except as noted below.

Joint ventures are those investments in which the group has joint control and are accounted for under the proportional consolidation method. Under this method, the proportion of assets, liabilities, income and expenses and cash flows of each joint venture attributable to the group are incorporated in the consolidated financial statements under appropriate headings. Inter-company accounts and transactions are eliminated on consolidation.

The directors have changed the group's accounting policy on deferred stripping costs, under both IFRS and US GAAP in the current period. Previously, costs of production stage waste stripping in excess of the expected pit life average stripping ratio were deferred and then charged to production when the actual stripping ratio was below the expected pit life average stripping ratio. Under the revised accounting policy, all stripping costs incurred during the production phase of a mine are treated as variable production costs and as a result are included in the cost of the inventory produced during the period that the stripping costs are incurred.

Under US GAAP, EITF 04-06 'Accounting for Stripping Costs Incurred during Production in the Mining Industry' is effective for reporting periods beginning after 15 December 2005. The consensus does not permit the deferral of any waste stripping costs during the production phase of a mine, but requires instead that they should be treated as variable production costs. The directors have decided to adopt the same treatment under IFRS which will ensure that the accounting policies applied under IFRS and US GAAP remain in line. With regard to the conclusions reached by the EITF, the directors believe the revised policy will mean that the financial statements provide reliable and more relevant information about the group's financial position and its financial performance. In accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', the change in the IFRS policy has been applied retrospectively and hence the 2004 comparatives have been restated.

The change in the IFRS accounting policy has resulted in the following adjustments to the amounts reported under IFRS:

US$000	31 March 2006	31 March 2005	31 Dec 2005
Decrease in deferred stripping costs	2 300	14 675	3 687
Decrease in ore stockpiles	8 625	268	8 342
Decrease in gold in process	29	785	51
Decrease in deferred taxation liability	-	-	1 227
(Decrease)/increase in deferred taxation asset	(91)	-	2 938
Decrease in opening retained earnings	7 915	14 884	14 884

US$000	Quarter ended 31 March 2006	Quarter ended 31 March 2005	Year ended 31 Dec 2005	Quarter ended 31 Dec 2005
Increase/(decrease) in net profit	1 034	(844)	6 969	4 583
Increase/(decrease) in basic earnings per share (cents per share)	2	(1)	12	7
Increase in fully diluted earnings per share (cents per share)	1	(2)	11	7

FORWARD COMMODITY CONTRACTS

The group's hedging position which all relates to the Loulo project financing, was as follows at 31 March 2006:

Maturity date	Forward sales ounces	Forward sales average US$/oz
Year ended 2006	83 498	434
Year ended 2007	116 004	438
Year ended 2008	80 498	431
Year ended 2009	85 000	437
Total	365 000	435

This represents approximately 37% of planned open pit production at Loulo for the period that the project finance is in place. In the current gold price environment, it is the company's intention to take advantage of current spot prices and roll out longer dated forward sales contracts at the appropriate times.

Morila's production is completely exposed to spot gold prices.

GENERAL

The company continues to evaluate various opportunities both at corporate and project levels, however it remains focused on generating its own opportunities through an aggressive exploration and generative programme, concentrating on Africa's key gold belts.

A busy second quarter of 2006 is planned with drilling expected in five African countries (Mali, Senegal, Burkina Faso, Côte d'Ivoire and Tanzania).

The timetable to commission Phase 2 of the Loulo project is challenging but achievable. Randgold Resources is currently maintaining its guidance for the results for the year, as published last quarter.

D M Bristow
Chief Executive

R A Williams
Financial Director

8 May 2006

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New challenges require fresh approach from gold industry

The gold industry is becoming a challengingly intricate business, where traditional cost and production issues are being complicated by the emergence of new risk and technology factors, and this trend demands a fresh approach from gold companies, says Randgold Resources chief executive Dr Mark Bristow.

In a keynote address at the annual convention of the Prospectors & Developers Association of Canada (PDAC) in Toronto, Bristow told delegates that factors such as the declining gold supply; the shrinking of the industry through mergers and acquisitions; the shift of production to remote regions with higher costs and greater risks; and the swing back to underground mining were all having a substantial impact.

"Less gold is being mined by fewer producers," he said. "In fact, a significant proportion of current production is coming from mines that didn't even exist 10 years ago. Mines are now not only being found in new regions, they also have much shorter lives. New developments therefore have to be considered in a completely different perspective to those great mines of the past that paid off their capital in their infancy and then continued to provide what was virtually an annuity income to generations of shareholders," he said.

"We need new technology and thinking - and, most importantly, smart people - to find more ounces in the mature goldfields as well as new projects in the emerging regions. And with the major gold companies wanting to get even bigger, they are going to have to bank more of their new projects upfront to demonstrate their materiality."

Bristow noted that despite the spectacular gold price rise, the industry's profit margins remained relatively modest, reflecting the damage done by the slump in the Nineties and inflationary pressures intensified by the higher costs of operating in emerging regions with their severe limitations on infrastructure and skills.

"Is the industry actually even profitable at present? A calculation done by a major bank shows that if the value of equity raisings is excluded, cash outflows actually exceeded cash generated over the period from 2001 to the third quarter of 2005. In spite of the high dollar gold price, the industry is not making money from its operations. In fact, it is barely in balance," he said.

"Where do we go from here? For gold mining, it's a new world out there in every sense of that expression, and a new world requires not just a new but a new-world approach. That approach should be well-balanced and holistic, concentrated not solely on the operational aspect on the business but giving equal weight to commercial and social considerations. We as an industry also need to invest more in our intellectual base to attract highly skilled technicians to help us discover new deposits and process the more complex ores more reliably and with less risk to the environment. Above all, we should be striving for sustainability, which I believe calls for a stronger partnership between the industry and its host countries.

"The big challenge at this point is for both investors and managements to make the correct choices. Investors need to make a clear distinction between short-term trading opportunities and long-term growth and value prospects. The gold companies need to understand that there's a difference between a good idea and a carefully considered plan, that the good times never last and that they will eventually be expected to deliver on their promises."

Robust balance sheet combined with quality operations and exploration programme will drive next growth phase

A robust balance sheet, backed by an extremely prospective project pipeline and healthy cash flows from its Morila and Loulo operations, place Randgold Resources in a strong position to implement its growth plans and pursue new opportunities, chief executive Mark Bristow says in the company's 2005 annual report.

The company more than doubled its net profit for the year to US$41 million on the back of a 54% increase in attributable production to 314 831 ounces, and had cash resources of some US$152 million at the year-end. Attributable reserves increased by 115% to 5.42 million ounces and attributable resources by 16% to 11.67 million ounces, improving the reserve:resource ratio from 25% to 46% year on year.

Bristow says Randgold Resources' short term focus is on completing the plant at its new Loulo mine which started commercial production in November and delivered 68 000 ounces of gold for the last quarter of 2005.

"The team have done a great job in commissioning the metallurgical plant and building throughput up to over 200 000 tpm. Given the issues relating to the contractor, MDM, they have had to work hard to get Phase 1 complete and to ensure that Phase 2, which involves the hard rock crushing circuit, is completed timeously. Since taking back the contract from MDM, the project is now substantially complete, with the remainder due to be wrapped up in the second quarter," Bristow said.

At the same time, Bristow said, the company was pressing ahead with the development of an underground mine to complement and expand Loulo's existing open-pit operation. It was also continuing to build the resource base at Loulo, which it had grown to just under 10 million ounces at the year-end despite the depletion by mining. Drilling is underway on the extensions of both the Loulo 0 and Yalea deposits and new targets are being evaluated within a 10 kilometre radius of the plant as well as in the Faraba region to the south of the lease.

Randgold Resources is planning to advance the feasibility study towards a development decision on its three million ounce Tongon project in the Côte d'Ivoire, while its exploration teams are finding and evaluating targets in six African countries. The company's portfolio currently holds 159 quality targets and its land position covers a total area of more than 20 000km^2 in the most prospective gold belts of West and East Africa.

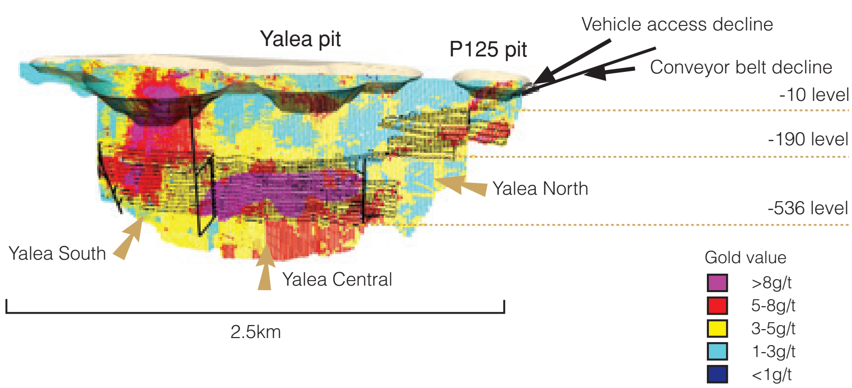
"While Randgold Resources is primarily committed to organic growth, we have shown in the past that we are not averse to the right kind of corporate transaction, and we shall continue to consider acquisition, merger and joint venture possibilities in Africa and elsewhere," Bristow says.

Also in the annual report, chairman Philippe Liétard says 2006 is expected to be another good year for Randgold Resources, with the Morila joint venture continuing to be a healthy cash generator and Loulo weighing in with a substantial contribution.

"The Morila deposit was found by the Randgold Resources exploration team and the fact that this mine has to date produced more than three million ounces of gold and paid out some US$430 million to its shareholders shows the soundness of the company's creed that value is created by discovery and development. It is in pursuit of this belief that it has maintained an intensive exploration programme throughout its existence, at a time when the industry generally cut back on exploration," says Liétard.

The 2005 Annual Report is now available and has been mailed to shareholders. An electronic copy can be downloaded from the company website. If you wish to receive a printed copy please contact Kathy du Plessis at randgoldresources@dpapr.com.

YALEA: PROPOSED UNDERGROUND MINE DEVELOPMENT



Capital projects team moves underground

Capital projects general manager John Steele has teamed up with underground manager Thinus Strydom and general manager exploration and evaluation Adrian Reynolds to effect a seamless transition from the imminent completion of the Loulo plant's second phase to the underground development at Yalea.

The Yalea underground orebody will be developed by means of a twin decline system, one equipped with a conveyor and the other for heavy vehicle access. A capital expenditure programme of US$20 million has been budgeted for 2006 and will cover the portal construction for the conveyor decline due to begin in the third quarter and the start of the main decline development, in the last quarter of this year.

A number of leading contractors have been invited to tender and the development contract is likely to be awarded during June. In the meantime, the possibility of fast-tracking the project through the sinking of a vertical shaft at the same time as the development of the declines, allowing bi-directional access to the orebody, is being investigated.

Tongon team starts work on drilling project

Randgold Resources estimates that it could start developing its third mine at Tongon in the Côte d'Ivoire around 2008/9, provided that country achieves political stability through its upcoming general elections, which will enable the company to complete the feasibility study.

Chief executive Mark Bristow says the prefeasibility-stage Tongon project is located in Africa's most prospective underexplored Birimian terrain, underlain by the same geological structures that have produced significant gold discoveries in Ghana, Guinea and Mali. In addition, Côte d'Ivoire has one of the best infrastructures in Africa, with good roads, reliable power supplies and plenty of water.

In anticipation of the country's return to normality, the company has moved a team into Tongon to work on plans for a 10-borehole project, scheduled for completion before the start of the rainy season in July. This will create a broad framework for the final feasibility drilling programme, due to start after scheduled elections in October, which will take about 24 months to complete.

Reserve-to-resource ratio more than doubles as drilling successes and new mine development plan kick in

Randgold Resources' total attributable reserves now stand at 5.42 million ounces, a 115% increase on the 2004 figure of 2.51 million ounces.

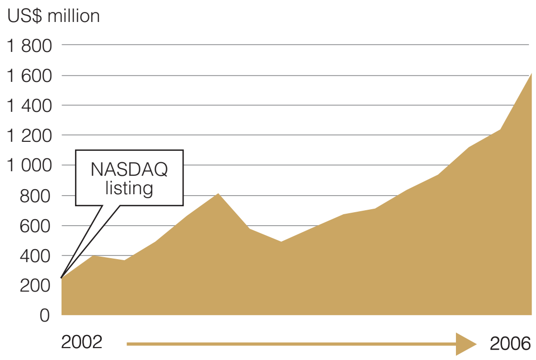
"Our strategy has always been to create value through discovery but while discovery of new resource ounces in the ground is important, it's the conversion of these resources to reserves that is really critical in adding value. We have been very successful this past year in the conversion of Yalea resources to reserves as a result of our deep drilling programme and the completion of a detailed underground mine plan, and reserve replacement also took place at Morila, confirming our belief in the further prospectivity of this area," says Adrian Reynolds, general manager exploration and evaluation.

"We believe that when building a business in the resource industry, adding value through discovery must form the basis of the strategy, followed by conversion of the discovered resources to mineable reserves. This requires the integration of technical and financial factors pertaining to the business; the development of geological prospectivity models to guide the search; the selection of countries with good geological potential and enabling political and fiscal regimes; and, the identification of geological belts with a favourable gold endowment and the establishment of significant footprints on those areas.

"We use the resource triangle to guide our exploration and development, constantly reviewing the potential value added by moving projects up the triangle but being cognisant of the investment risks in doing so. We also believe in committing to substantial investment in people, exploration and development ahead of the cycle. That is why we decided to develop the Morila mine when the gold price was less than US$300/oz and the total reserve then defined was only 3.3 million ounces. Continuing investment in exploration at Morila has led to a further definition of reserves and despite depletion to date of 3.78 million ounces, an additional 3.49 million ounces of resources remain making the orebody 7 million ounces plus.

"We aim to add to our reserve base in the coming year with drilling at Loulo and Yalea expected to yield significant results. Given a satisfactory outcome to elections in Côte d'Ivoire, we believe we could rapidly convert a major part of Tongon's three million ounce resource to reserve. With the rapid increase in the gold price, additional resource can be converted to mineable reserves though our policy is to be conservative in our gold price assumptions going forward."

INCREASE IN MARKET CAPITALISATION



(continued from page 01)

Fast pace sustained in another high-performance quarter

Reserve replacement was also achieved at Morila, where an infill and resource extension drilling programme has produced an additional 510 000 ounces of reserves and has increased the proportion of reserves in the higher-confidence proven category from 50% to 70%. Bristow noted that much of the depletion of the resource through mining in 2005 had been replaced by the year-end and said the positive results from the Morila exploration initiative had confirmed the company's belief in the further prospectivity of this area.

The prefeasibility-stage Tongon project in the Côte d'Ivoire, which has the potential to become Randgold Resources' third mine, is being revived in anticipation of that country's return to political stability following the general elections scheduled for later this year. A Randgold Resources team has moved onto site to finalise plans for a 10-borehole tactical drilling project which will form the basis for planning the final feasibility drilling programme. If the outcome to the elections is satisfactory, the company plans to complete the final feasibility study within two years. In the meantime it has been granted two new permits in the south of the country and has started early-stage reconnaissance work there.

Maintaining its strong focus on exploration, Randgold Resources is set to drill in seven project areas in five countries. In addition to the continuing hunt for new ounces at and around Loulo and Morila, and the tactical programme at Tongon, several additional targets have been lined up for drilling in Senegal while a four-hole drilling programme has been completed at Kiabakari in Tanzania. The company is also progressing early stage exploration programmes in Burkina Faso and Ghana.

Investing for the future: the numbers tell our story

When Randgold Resources listed on Nasdaq in 2002, its share price stood at US$3.25. Today, less than four years later, it is trading above the US$20 level.

Between 2000 and 2005 Randgold Resources made profits of more than US$200 million, much of which has been reinvested in growth opportunities. The balance sheet in its latest annual report shows total assets of US$471 million at the end of 2005, representing the capital that has been invested in the development of the Morila and Loulo mines. The Loulo underground project currently underway will cost a further US$100 million over the next five years and the Tongon feasibility project will have an estimated initial capital cost of US$111 million.

Exploration is the engine that has driven Randgold Resources' growth, and it has been fuelled by the expenditure of some US$140 million since the company's establishment, over a period when the rest of the gold mining industry cut back on or halted the search for new ounces. The company's foresight in continuing to invest in exploration, even during the hard times, has been rewarded by its major discoveries.

The company and its shareholders have not been the only beneficiaries of its policy of reinvestment. Randgold Resources has contributed more than US$1 billion to the economies of the African countries in which it operates through taxes, payrolls and payments to local suppliers. This has enabled it to forge productive partnerships with the governments and people of those countries - the key to sustainability in this industry.