RANDGOLD RESOURCES LTD
Form 20-F
March 31, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 20-F

.. **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013**

OR

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

.. **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report

For the transition period from to

Commission file number: 000-49888

RANDGOLD RESOURCES LIMITED

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

JERSEY, CHANNEL ISLANDS

(Jurisdiction of incorporation or organization)

3rd Floor Unity Chambers, 28 Halkett Street, St. Helier, Jersey JE2 4WJ, Channel Islands

(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	**Name of each exchange on which registered**
Ordinary Shares, par value US $0.05 per Share*	**NASDAQ Global Select Market**

American Depositary Shares each represented by one Ordinary Share

* Not for trading, but only in connection with the listing of American Depositary Shares on the NASDAQ Global Select Market pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the Annual Report.

As of December 31, 2013, the Registrant had outstanding 92,245,531 ordinary shares, par value $0.05 per share.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. x Yes ¨ No

If the report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. ¨ Yes x No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. x Yes ¨ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). x Yes ¨ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x Accelerated filer ¨ Non-accelerated filer ¨

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ¨	International Financial Reporting Standards as issued by the International Accounting Standards Board x	Other ¨

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. ¨ Item 17 ¨ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ¨ Yes x No

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GLOSSARY OF MINING TECHNICAL TERMS

The following explanations are not intended as technical definitions, but rather are intended to assist the reader in understanding some of the terms as used in this annual report ("Annual Report").

Albite:	A mineral within the Feldspar Group which is the sodium rich end member of the Albite-Anorthite Series. It is a common type of hydrothermal alteration.
Alteration:	The chemical change in a rock due to hydrothermal and other fluids.
Archaean:	A geological eon before 2.5 Ga.
Arsenopyrite:	An iron arsenic sulfide mineral.
Assay:	A chemical test performed on a sample of ores or minerals to determine the amount of valuable metals contained.
Banded iron formation:	A bedded deposit of iron minerals.
Basalt:	An extrusive volcanic rock composed primarily of plagioclase, pyroxene and some olivine.
bcm:	A measure of volume representing a cubic meter of in-situ rock.
Birimian:	Geological time era, about 2.1 billion years ago.
Breccia:	A rock in which angular fragments are surrounded by a mass of fine-grained minerals.
Cage:	The conveyance used to transport men and equipment between the surface and the mine levels.
Carbonate:	A mineral salt typically found in quartz veins and as a product of hydrothermal alteration of sedimentary rock.
Cemented Aggregate Fill:	A backfill method for filling open stopes that uses cement and rock aggregate.
Clastic:	Rocks built up of fragments of pre-existing rocks which have been produced by the processes of weathering and erosion.
Concentrate:	A fine, powdery product of the milling process containing a high percentage of valuable metal.
Cut-off grade:	The lowest grade of material that can be mined and processed considering all applicable costs, without incurring a loss or gaining a profit.

Cyanidation:	A method of extracting exposed gold or silver grains from crushed or ground ore by dissolving it in a weak cyanide solution. Carried out in tanks inside a mill or in heaps of ore outside.
Decline:	A sloping underground opening for machine access from level to level or from surface, also called a ramp.
Development:	Underground work carried out for the purpose of opening up a mineral deposit which includes shaft sinking, crosscutting, drifting and raising.
Diamond Drilling ("DDH"):	A rotary type of rock drilling that cuts a core of rock that is recovered in long cylindrical sections, two cm or more in diameter.

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Dilution (mining):	Rock that is, by necessity, removed along with the ore in the mining process, subsequently lowering the grade of the ore.
Dip:	The angle at which a vein, structure or rock bed is inclined from the horizontal as measured at right angles to the strike.
Discordant:	Structurally unconformable.
EEP:	Exclusive EP.
EP:	Exploration permit.
Exploration:	Prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore.
Fault:	A break in the Earth's crust caused by tectonic forces which have moved the rock on one side with respect to the other.
Feasibility Study:	A comprehensive study of a mineral deposit in which all geological, engineering, legal, operating, economic, social, environmental and other relevant factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production.
Felsic:	Term used to describe light-coloured rocks containing feldspar, feldspathoids and silica.
Felsic:	A light colored igneous rock composed of quartz, feldspar and muscovite.
Feldspar:	An alumino-silicate mineral.
Footwall:	The underlying side of a fault, orebody or stope.
g/t:	Grams of gold per metric tonne.
Gabbro:	A dark, coarse-grained igneous rock.
Geophysical survey:	A scientific method of prospecting that measures the physical properties of rock formations. Common properties investigated include magnetism, specific gravity, electrical conductivity and radioactivity.
Gneiss:	A coarse-grained, foliated rock produced by metamorphism.
Gold reserves:	The gold contained within proven and probable reserves on the basis of recoverable material (reported as tonnes we expect to be delivered to the mill and head grade).
Gold sales:	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 which have been rolled forward to match future sales. This adjustment is considered appropriate because no cash is received/paid in respect of such contracts.
Grade:	

The quantity of metal per unit mass of ore expressed as a percentage or, for gold, as grams of gold per tonne of ore.

Granite: A coarse-grained intrusive igneous rock consisting of quartz, feldspar and mica.

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Greenstone belt:	An area underlain by metamorphosed volcanic and sedimentary rocks, usually in a continental shield.
Greywacke:	A dark gray, coarse grained, indurated sedimentary rock consisting essentially of quartz, feldspar, and fragments of other rock types.
Hangingwall:	The rock on the upper side of a vein or ore deposit.
Head grade:	The grade of the ore as delivered to the metallurgical plant.
Hematite:	An oxide of iron, and one of that metal's most common ore minerals
Hydrothermal:	Relating to hot fluids circulating in the earth's crust.
Igneous rocks:	Rocks formed by the solidification of molten material from far below the earth's surface.
In situ:	In place or within unbroken rock or still in the ground.
Kibalian:	A geological time era.
Lode:	A mineral deposit in solid rock.
Logging:	The process of recording geological observations of drill core either on paper or on computer disk.
Lower proterozoic:	Era of geological time between 2.5 billion and 1.8 billion years before the present.
Magnetite:	Black, magnetic iron ore, an iron oxide.
Measures:	Conversion factors from metric units to US units are provided below:

Metric Unit		**US Equivalent**
1 tonne	= 1 t	1.10231 tons
1 gram	= 1 g	0.03215 ounces
1 gram per ton	= 1 g/t	0.02917 ounces per ton
1 kilogram per ton	= 1 kg/t	29.16642 ounces per ton
1 kilometer	= 1 km	0.621371 miles
1 meter	= 1 m	3.28084 feet
1 centimeter	= 1 cm	0.3937 inches
1 millimeter	= 1 mm	0.03937 inches
1 square kilometer	= 1 sq km	0.3861 square miles

Metamorphism:	The process by which the form or structure of rocks is changed by heat and pressure.
	A quantity, expressed in tonnes, of ore delivered to the metallurgical plant.

Mill delivered tonnes:	
Milling/mill:	The comminution of the ore, although the term has come to cover the broad range of machinery inside the treatment plant where the gold is separated from the ore/a revolving drum used for the grinding of ores in preparation for treatment.
Mineable:	That portion of a mineralized deposit for which extraction is technically and economically feasible.

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Mineralization:	The presence of a target mineral in a mass of host rock.
Mineralized material:	A mineralized body which has been delineated by appropriately spaced drilling and/or underground sampling to support a sufficient tonnage and average grade of metals to warrant further exploration. A deposit of mineralized material does not qualify as a reserve until a comprehensive evaluation based upon unit cost, grade, recoveries, and other material factors conclude legal and economic feasibility.
Moz:	Million troy ounces.
Mt:	Million metric tonnes.
Nugget:	A small mass of precious metal, found free in nature.
Open pit:	A mine that is entirely on surface. Also referred to as open-cut or open-cast mine.
Ore:	A mixture of ore minerals and gangue from which at least one of the metals can be extracted at a profit.
Orebody:	A natural concentration of valuable material that can be extracted and sold at a profit.
Ounce:	One troy ounce, which equals 31.10348 grams.
Outcrop:	An exposure of rock or mineral deposit that can be seen on surface that is, not covered by soil or water.
Oxide Ore:	Soft, weathered rock that is oxidized.
Paste Backfill:	A backfill method for filling open stopes that uses cement and tailings material.
Plutonic:	Refers to rocks of igneous origin that have come from great depth.
Porphyry:	Any igneous rock in which relatively large crystals, called phenocrysts, are set in a fine-grained groundmass.
Prefeasibility Study:	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 and includes a financial analysis based on reasonable assumptions of technical, engineering, operating, economic, social and environmental factors and the evaluation of other relevant factors which are sufficient for a qualified person, acting reasonably, to determine if all or part of the mineral resource may be classified as a mineral reserve.
Probable reserves:	Reserves for which quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling; and the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.

Prospect:	An area of land with insufficient data available on the mineralization to determine if it is economically recoverable, but warranting further investigation.
Proven reserves:	Reserves for which quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling; and the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.

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Pyrite:	A yellow iron sulphide mineral, normally of little value. It is sometimes referred to as “fool’s gold”.
Pyrrhotite:	A bronze-colored, magnetic iron sulphide mineral.
Quartz:	A mineral compound of silicon and oxygen.
Quartzite:	Metamorphic rock with interlocking quartz grains displaying a mosaic texture.
Reconnaissance:	A preliminary survey of ground.
Refining:	The final stage of metal production in which final impurities are removed from the molten metal by introducing air and fluxes. The impurities are removed as gases or slag.
Rehabilitation:	The process of restoring mined land to a condition approximating its original state.
Reserve:	That part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination.
RP:	Reconnaissance Permit.
Sampling:	Selecting a fractional but representative sample for analysis.
Satellite deposit:	A smaller subsidiary deposit proximal to a main deposit.
Sedimentary:	Pertaining to or containing sediment. Used in reference to rocks which are derived from weathering and are deposited by natural agents, such as air, water and ice.
Shaft:	A vertical or inclined excavation in rock for the purpose of providing access to an orebody. Usually equipped with a hoist at the top, which lowers and raises a conveyance for handling ore, workers or materials.
Shear zone:	A zone in which shearing has occurred on a large scale.
Silica:	Silicon dioxide. Quartz is a common example.
Slag:	The vitreous mass separated from the fused metals in the smelting process.
Stockpile:	Broken ore heaped on surface, pending treatment.
Stope:	An excavation in a mine from which ore is, or has been, extracted.
Strike length:	The direction and length of a geological plane.
Stripping:	The process of removing overburden to expose ore.
Sulfide:	A mineral characterized by the linkages of sulfur with a metal or semi-metal, such as pyrite or iron sulfide. Also a zone in which sulfide minerals occur.

Sump: An excavation where water accumulates before being pumped to surface.

Tailings: Material rejected from a mill after most of the recoverable valuable minerals have been extracted.

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Tonnage:	Quantities where the ton or tonne is an appropriate unit of measure. Typically used to measure reserves of gold-bearing material in situ or quantities of ore and waste material mined, transported or milled.
Tonne:	One tonne is equal to 1,000 kilograms (also known as a "metric" ton).
Total cash costs:	Total cash costs, as defined in the Gold Institute standard, 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.
Trend:	The direction, in the horizontal plane, of a linear geological feature, such as an ore zone, or a group of orebodies measured from true north.
Ultramafic:	An igneous rock with a very low silica content and rich in iron magnesium minerals.
Vein:	A fissure, fault or crack in a rock filled by minerals that have travelled upwards from some deep source.
Volcaniclastic:	Where volcanic derived material has been transported and reworked through mechanical processes.
Volcanisedimentary:	Where volcanic and sedimentary material have been transported and reworked through mechanical processes.
Waste:	Rock mined with an insufficient gold content to justify processing.
Weathered or weathering:	Rock broken down by erosion.

Statements in this Annual Report concerning our business outlook or future economic performance; anticipated revenues, expenses or other financial items; and statements concerning assumptions made or expectations as to any future events, conditions, performance or other matters, are "forward-looking statements" as that term is defined under the United States federal securities laws. Forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from those stated in such statements. Factors that could cause or contribute to such differences include, but are not limited to, those set forth under "PART I. Item 3. Key Information – D. Risk Factors" in this Annual Report as well as those discussed elsewhere in this Annual Report and in our other filings with the Securities and Exchange Commission.

We are incorporated under the laws of Jersey, Channel Islands with the majority of our operations located in West and Central Africa. Our books of account are maintained in US dollars and our annual and interim financial statements are prepared on a historical cost basis, except as otherwise required under International Financial Reporting Standards as issued by International Accounting Standards Board ("IFRS"), and in accordance with IFRS. IFRS differs in significant respects from generally accepted accounting principles in the United States, or US GAAP. This Annual Report includes our audited consolidated financial statements prepared in accordance with IFRS. The financial information included in this Annual Report has been prepared in accordance with IFRS and, except where otherwise indicated, is

presented in US dollars. For a definition of cash costs and other non-GAAP measures, please see “PART I. Item 3. Key Information – A. Selected Financial Data”.

Unless the context otherwise requires, “us”, “we”, “our”, “company”, “group” or words of similar import, refer to Randgold Resources Limited and its subsidiaries and affiliated companies.

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Part I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. SELECTED FINANCIAL DATA

The following selected historical consolidated financial data has been derived from, and should be read in conjunction with, the more detailed information and financial statements, including our audited consolidated financial statements for the years ended December 31, 2013, 2012 and 2011 and as at December 31, 2013, December 31, 2012 and January 1, 2012, which appear elsewhere in this Annual Report. The comparative information in those audited consolidated financial statements are restated following the adoption of IFRS 11 Joint arrangements in 2013. The historical consolidated financial data as at December 31, 2010 and 2009, and for the years ended December 31, 2010 and 2009 have been derived from our audited consolidated financial statements not included in this Annual Report. The historical financial data in respect of those years is not restated, as explained in the footnote to the table below.

The financial data have been prepared in accordance with IFRS, unless otherwise noted.

$000:	Year Ended December 31, 2013	Year Ended December 31, 2012 (Restated)+	Year Ended December 31, 2011 (Restated)+	Year Ended December 31, 2010	Year Ended December 31, 2009

STATEMENT OF COMPREHENSIVE INCOME DATA:									
Amounts in accordance with IFRS unless otherwise stated									
Revenues	1,137,690	1,183,127	+	970,315	+	484,553		432,780	
Profit from operations#	354,699	505,845	+	429,908	+	136,141		113,764	
Share of profits of equity accounted joint ventures	54, 257	40, 927	+	44,119	+	—		—	
Net profit attributable to owners of the parent	278,382	431,801		383,860		103,501		69,400	
Basic earnings per share ($)	3.02	4.70		4.20		1.14		0.86	
Diluted earnings per share ($)	2.98	4.65		4.16		1.13		0.84	
Weighted average number of shares used in computation of basic earnings per share	92,213,511	91,911,444		91,337,712		90,645,366		81,022,790	
Weighted average number of shares used in computation of fully diluted earnings per share	93,346,109	92,824,926		92,276,517		91,926,912		82,161,851	
Dividends declared per share^	0.50	0.50		0.40		0.20		0.17	
Other data									
Total cash costs ($ per ounce sold)*	715	735		688		681		510	

Profit from operations is calculated as profit before income tax under IFRS, excluding net finance income/(costs) and share of profits of equity accounted joint ventures. Profit from operations all arises from continuing operations.

+ *Following the introduction and adoption of IFRS 11 Joint arrangements, the group changed its accounting policy on joint ventures from January 1, 2013 with prior periods 2011 and 2012 restated accordingly (refer to pages F-8 to F-12 of this Annual Report for further details). IFRS 11 does not require restatement for earlier years, therefore the information extracted from the Statement of Comprehensive Income for 2010 and 2009 and the Statement of Financial Position for those years have not been restated. Note that the consolidated financial statements present a restated consolidated statement of financial position as at January 1, 2012 under IFRS, which is denoted as December 31, 2011 above.*

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^ *Dividend distribution to the company's shareholders is recognized 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.*

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

	At December 31, 2013	**At December 31, 2012 (Restated)+**		**At December 31, 2011 (Restated)+**		**At December 31, 2010**	**At December 31, 2009**
$000:							
STATEMENT OF FINANCIAL POSITION AMOUNTS:							
Amounts in accordance with IFRS							
Total assets	3,376,513	3,008,891	+	2,477 267	+	1,994,340	1,820,168
Share capital	4,612	4,603		4,587		4,555	4,506
Share premium	1,423,513	1,409,144		1,386,939		1,362,320	1,317,771
Retained earnings	1,386,518	1,154,273		759,209		393,570	305,415
Other reserves	64,398	50,994		40,531		31,596	18,793
Equity attributable to the owners of the parent	2,879,041	2,619,014		2,191,266		1,792,041	1,646,485

+ *Following the introduction and adoption of IFRS 11 Joint arrangements, the group changed its accounting policy on joint ventures from January 1, 2013 with prior periods 2011 and 2012 restated accordingly (refer to pages F-8 to F-12 of this Annual Report for further details). IFRS 11 does not require restatement for earlier years, therefore the Statement of Comprehensive Income for 2010 and 2009 and the Statement of Financial Position for those years have not been restated. Note that the consolidated financial statements present a restated consolidated statement of financial position as at January 1, 2012 under IFRS, which is denoted as December 31, 2011 above.*

Non-GAAP Measures

We have identified certain measures that we believe 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 further explained 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 cost per ounce also include our share of our 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 or an indicator of our performance. 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 amortization 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, we believe 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.

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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 cost 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. We currently do 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 lists the costs of producing gold, based on IFRS figures extracted from the financial statements of the Company, and reconciles this measure to total cash costs as defined by the Gold Institute's guidance, as a non-GAAP measure, for each of the periods set forth below:

$000:	**Year Ended December 31, 2013**		**Year Ended December 31, 2012 (Restated)+**		**Year Ended December 31, 2011 (Restated)+**		**Year Ended December 31, 2010**	**Year Ended December 31, 2009**
Gold Sales								
Gold sales per IFRS	1,137,690		1,183,127		970,315		484,553	432,780
Gold sales adjustment for joint ventures	129,022	+	134,703	+	156,771	+	—	—
Gold sales#	1,266,712		1,317,830		1,127,086		484,553	432,780
Costs								
Mine production costs	536,229		438,331	+	337,494	+	247,850	196,318
Depreciation and amortization	130,638		117,991	+	65 562	+	28,127	28,502
Other mining and processing costs	61,319		75,770	+	62,758	+	20,598	19,073
Cash cost adjustment for joint ventures	49,055		50,511	+	69,532	+	—	—

Depreciation and amortization adjustment for joint ventures	19,322	+	13,750	+	16,498	+	—		—
Transport and refinery costs	2,663		2,718	+	2,433	+	1,653		1,594
Royalties	58,415		59,710	+	44,414	+	27,680		25,410
Movement in production inventory and ore stockpiles	(49,730)		(43,716)	+	(21,907)	+	(16,152)		5,741
Total cost of producing gold #	807,911		715,065		576,784		309,756		276,638
Less: Non-cash costs included in total cost of producing gold: Depreciation and amortization under IFRS	(130,638)		(117,991)		(65,562)		(28,127)		(28,502)
Less: Non-cash costs included in total cost of producing gold: Depreciation and amortization for joint ventures	(19,322)		(13,750)		(16,498)		—		—
Total cash costs using the Gold Institute's guidance#	657,951		583,324		494,724		281,629		248,136
Ounces sold*	920,248		793,852		718,762		413,262		486,324
Total cost of producing gold per ounce ($ per ounce)#	878		901		802		750		569
Total cash costs per ounce ($ per ounce)#	715		735		688		681		510

* *40% share of Morila, 45% share of Kibali and 100% share of Loulo, Tongon and Gounkoto*

\+ *Following the introduction and adoption of IFRS 11 Joint arrangements, the group changed its accounting policy on joint ventures from January 1, 2013 with prior periods 2011 and 2012 restated accordingly (refer to pages F-8 to F-12 of this Annual Report for further details). IFRS 11 does not require restatement for earlier years, therefore the information extracted from the Statement of Comprehensive Income for 2010 and 2009 has not been restated.*

\# *Refer to explanation of non-GAAP measures provided. Historically, Randgold consolidated 100% of Loulo, Gounkoto and Tongon, and 40% of Morila and non-GAAP measures remain on this basis and are not affected by the change in accounting policy detailed above. During 2013 Kibali reached commercial production and Randgold has included 45% of Kibali in the consolidated non-GAAP measures. above.*

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B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

D. RISK FACTORS

In addition to the other information included in this Annual Report, you should carefully consider the following factors, which individually or in combination could have a material adverse effect on our business, financial condition and results of operations. There may be additional risks and uncertainties not presently known to us, or that we currently see as immaterial, which may also harm our business. If any of the risks or uncertainties described below or any such additional risks and uncertainties actually occur, our business, results of operations and financial condition could be materially and adversely affected. In this case, the trading price of our ordinary shares and American Depositary Shares, or ADS, could decline and you might lose all or part of your investment.

Risks Relating to Our Operations

The profitability of our operations, and the cash flows generated by our operations, are affected by changes in the market price for gold which in the past has fluctuated widely.

Substantially all of our revenue and cash flows have come from the sale of gold. Historically, the market price for gold has fluctuated widely and has been affected by numerous factors, over which we have no control, including:

- the demand for gold for investment purposes including Exchange Traded Funds, industrial uses and for use in jewelry;
- international or regional political and economic trends;

- the strength of the US dollar, the currency in which gold prices generally are quoted, and of other currencies;
- market expectations regarding inflation rates;
- interest rates;
- speculative activities;
- actual or expected purchases and sales of gold bullion holdings by central banks, the International Monetary Fund, or other large gold bullion holders or dealers;
- hedging activities by gold producers; and
- the production and cost levels for gold in major gold-producing nations.

The volatility of gold prices is illustrated in the following table, which shows the approximate annual high, low and average of the afternoon London Bullion Market fixing price of gold in US dollars for the past ten years.

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	Price Per Ounce ($)		
Year	High	Low	Average
2004	454	375	409
2005	537	411	444
2006	725	525	604
2007	841	608	695
2008	1,011	712	871
2009	1,213	810	972
2010	1,421	1,058	1,224
2011	1,895	1,319	1,572
2012	1,792	1,540	1,669
2013	1,694	1,192	1,411
2014 (through February)	1,221	1,339	1,270

The market price of gold has been and continues to be significantly volatile. In 2013, there was a 29% reduction in gold price, the largest annual decline since 1981. If gold prices should fall below and remain below our cost of production for any sustained period we may experience losses, and if gold prices should fall below our cash costs of production we may be forced to re-plan and mine higher grade ore which will have a negative impact on our reserves and life of mine plans. Low gold prices for an extended period could result in us having to curtail or suspend some or all of our mining operations. In addition, we would also have to assess the economic impact of low gold prices on our ability to recover from any losses we may incur during that period and on our ability to maintain adequate reserves. Our total cash cost of production per ounce of gold sold was $715 in the year ended December 31, 2013, $735 in the year ended December 31, 2012 and $688 in the year ended December 31, 2011.

Our mining operations may yield less gold under actual production conditions than indicated by our gold reserve figures, which are estimates based on a number of assumptions, including assumptions as to mining and recovery factors, production costs and the price of gold.

The ore reserve estimates contained in this Annual Report are estimates of the mill delivered quantity and grade of gold in our deposits and stockpiles. They represent the amount of gold that we believe can be mined, processed and sold at prices sufficient to recover our estimated total cash costs of production, remaining investment and anticipated additional capital expenditure. Our ore reserves are estimated based upon many factors, including:

- the results of exploratory drilling and an ongoing sampling of the orebodies;
- past experience with mining properties;
- depletion from past mining;

- mining method and associated dilution and ore loss factors;

- gold price; and

- operating costs.

Because our ore reserve estimates are calculated based on current estimates of future production costs and gold prices, they should not be interpreted as assurances of the economic life of our gold deposits or the profitability of our future operations.

Reserve estimates may require revisions based on actual production experience. Further, a sustained decline in the market price of gold may render the recovery of ore reserves containing relatively lower grades of gold mineralization uneconomical and ultimately result in a restatement of reserves. The failure of the reserves to meet our recovery expectations may have a material adverse effect on our business, financial condition and results of operations.

We are subject *to various political and economic uncertainties associated with operating in Mali that could significantly affect our mines in Mali and our results of operations and financial condition.*

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We are subject to risks associated with operating gold mines in Mali. In 2013, gold produced in Mali represented approximately 70% of our consolidated group gold production, including joint ventures. On March 21, 2012, Mali was subject to an attempted coup d'état that resulted in the suspension of the constitution, the partial closing of the borders and the general disruption of business activities in the country. The supply of consumables to our mines in Mali was temporarily interrupted as a result of the political situation. The borders were reopened shortly after these events and an interim government was installed within a month. In January 2013, following military conflicts with terrorist insurgents, the Malian State requested the assistance of the French Government to assist the Malian army to repel the insurgents who had been occupying parts of the north of the country and beginning to move towards the southern part of the country. During 2013, French and other foreign troops occupied the northern part of the country to assist the Malian State in maintaining control of this region and presidential and parliamentary elections took place during the middle of 2013. The insurgents have now largely been repelled from the north of the country and the French and other foreign troops have commenced demobilizing. Although we have continued to produce and sell gold during the political crisis, there can be no assurance that the political situation will not disrupt our ability to continue gold production, or our ability to sell and ship our gold from our mines in Mali. Furthermore, there can be no assurance that the political situation in Mali will not have a material adverse effect on our operations and financial condition.

Our business and results of operations may be adversely affected if the State of Mali and the DRC state fail to repay Value Added Tax, or TVA, owing to the Morila, Loulo, Gounkoto and Kibali mines.

Our mining companies operating in Mali are exonerated by their Establishment Conventions from paying TVA for the three years following first commercial production. After that, TVA is payable and reimbursable. TVA is only reclaimable insofar as it is expended in the production of income. A key aspect in TVA recovery is managing the completion of the State of Mali's audit of the taxpayer's payments, at which time the State of Mali recognizes a liability.

By December 2007, Morila had successfully concluded a reimbursement protocol with the State of Mali for all TVA reimbursements it was owed up to June 2005. Morila was unable to conclude a second protocol subsequent to December 2007, however, and pursuant to its Establishment Convention, began offsetting TVA reimbursements it was owed against corporate and other taxes payable by Morila to the State of Mali. As a result of the offsets, Morila had recouped all its outstanding TVA as at December 31, 2010, as the State of Mali repaid all outstanding amounts by this date. As of December 31, 2011, December 31, 2012 and December 31, 2013, TVA owed by the State of Mali amounted to $3.9 million (our 40%), $6.4 million (our 40%) and $4.4 million (our 40%) respectively.

During 2011, 2012 and 2013 Loulo has offset TVA reimbursements it was owed against corporate and other taxes payable by Loulo to the State of Mali. At December 31, 2012, TVA owed by the State of Mali to Loulo stood at $72.2 million. This amount has increased to $115.6 million at December 31, 2013.

Included in the TVA owing amounts are amounts which had been extracted from the Morila and Loulo TVA refunds pertaining to disputed tax assessments. As at December 31, 2013 these amounted to $4.7 million (our 40%) owing to Morila and $24.4 million owing to Loulo.

By December 31, 2012 and December 31, 2013, TVA refunds of $10.7 million owing to Gounkoto remained disputed by the State of Mali.

By December 31, 2013, TVA owing to Kibali by the DRC State amounted to $36.4 million (our 45%). Kibali has received TVA refunds during the year, but the process has been slower than set out by law, due to additional administrative requirements imposed by the relevant State departments.

Our business, cash flow and results of operations will be adversely affected to the extent the TVA amounts owing to the group are not paid.

Our business may be adversely affected if we fail to resolve disputed tax claims with the State of Mali.

As at December 31, 2013, the group had received claims for various taxes from the State of Mali totaling $123.1 million, in respect of the Loulo, Gounkoto and Morila mines, together with Kankou Moussa SARL, our Malian gold jewelry sales operation. Having taken professional advice, the group considers the claims to be wholly without merit or foundation and is strongly defending its position, including following the appropriate legal process for such disputes in Mali. Loulo, Gounkoto and Morila have legally binding mining conventions which guarantee fiscal stability, govern the taxes applicable for the companies and allow for international arbitration in the event that a dispute cannot be resolved in the country. Management continues to engage with the Malian authorities at the highest level to resolve this issue. On November 25, 2013, Société des Mines de Loulo SA (“Somilo”) instigated arbitration proceedings against the State of Mali pursuant to the terms of Somilo’s Establishment Convention at the International Center for Settlement of Investment Disputes in respect of US$60.9 million. Management continues to engage with the Malian authorities at the highest level to resolve this issue and the other unresolved tax claims. However, it may be necessary to instigate additional arbitration proceedings to resolve these disputes.

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If for any reason these disputed tax claims become due and payable the results of Morila, together with Kankou Moussa SARL, Gounkoto and Loulo's operations and financial position would be adversely affected, as would their ability to pay dividends to their shareholders. Accordingly, our business, cash flows and financial condition will be adversely affected if anticipated dividends are not paid.

Changes in mining legislation can have significant effects on our operations.

While we have entered into binding mining conventions with the governments of Côte d'Ivoire, Mali and Senegal, changes in mining legislation in the countries in which we operate could have significant adverse effects on our results of operations. In addition, changes in mining legislation may discourage future investments in these jurisdictions, which may have an adverse impact on our ability to develop new mines and reduce future growth opportunities. Among the jurisdictions in which we currently have major operations, there are several proposed or recently adopted changes in mining legislation that could materially affect us. The governments in these jurisdictions may require us to renegotiate our mining conventions. If so, there can be no assurance that the outcome of our negotiations will not have a material adverse impact on our financial condition or operational results.

Our success may depend on our social and environmental performance.

Our ability to operate successfully in communities will likely depend on our ability to develop, operate and close mines in a manner that is consistent with the health, safety and well-being of our employees, the protection of the environment, and the creation of long term economic and social opportunities in the countries in which we operate. Mining companies are required to make a fair contribution and provide benefits to the communities and countries in which they operate, and are subject to extensive environmental, health and safety laws and regulations. As a result of public concern about the real or perceived detrimental effects of economic globalization and global climate impacts, businesses generally and large multinational corporations in natural resources industries, in particular, face increasing public scrutiny of their activities. These businesses are under pressure to demonstrate that, as they seek to generate satisfactory returns on investment to shareholders, other stakeholders, including employees, governments, communities surrounding operations and the countries in which they operate, benefit and will continue to benefit from their commercial activities. Such pressures tend to be particularly focused on companies whose activities relate to non-renewable resources and are perceived to have a high impact on their social and physical environment. The potential consequences of these pressures include reputational damage and legal suits.

Certain non-governmental organizations oppose globalization and resource development and are often vocal critics of the mining industry and its practices. Adverse publicity by such non-governmental agencies could have an adverse effect on our reputation and financial condition and could have an impact on the communities within which we operate.

In addition, our ability to successfully obtain key permits and approvals to explore for, develop and operate mines and to successfully operate in communities around the world will likely depend on our ability to develop, operate and close mines in a manner that is consistent with the creation of social and economic benefits in the surrounding communities, which may or may not be required by law. Mining operations should be designed to minimize the negative impact on such communities and the environment, for example, by modifying mining plans and operations or by relocating those affected to an agreed location. The cost of these measures could increase capital and operating costs and therefore could have an adverse impact upon our financial conditions and operations. We seek to promote improvements in health and safety, environmental performance and community relations. However, our ability to operate could be adversely impacted by accidents or events detrimental (or perceived to be detrimental) to the health, safety and well-being of our employees, the environment or the communities in which we operate.

In July 2009, the Loulo mine experienced some disruption, caused by a small group of disaffected people unable to secure long term employment at the mine. The disruption resulted in some damage to the tailings pipeline as well as to some accommodation units and other property. As a result, all operations at the Loulo mine were suspended for 36 hours, following which all mining and processing operations returned to normal. There can be no assurance that similar events will not happen in the future, or that such events will not adversely affect our results of operations and properties.

In November 2011 and March 2012, the Tongon mine experienced temporary work stoppages during the course of negotiating a mine level agreement with a newly established union. Though we signed the mine level agreement with the union during 2012, there can be no assurance that similar work stoppages will not happen in the future, or that such events will not adversely affect our results of operations.

Any appreciation of the currencies in which we incur costs against the US dollar could adversely affect our results of operations and financial condition.

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While our revenue is derived from the sale of gold in US dollars, a significant portion of our input costs are incurred in currencies other than the dollar, primarily Euro, Communauté Financière Africaine Franc and South African Rand. Accordingly, any appreciation in such other currencies could adversely affect our results of operations.

The profitability of our operations and the cash flows generated by these operations are significantly affected by the fluctuations in the price, cost and supply of fuel and other inputs, and we would be adversely affected by future increases in the prices of fuel and other inputs.

Fuel, power and consumables, including diesel, steel, chemical reagents, explosives and tires, form a relatively large part of our operating costs. The cost of these consumables is impacted to varying degrees by fluctuations in the price of oil, exchange rates and availability of supplies. Such fluctuations have a significant impact upon our operating costs and capital expenditure estimates and, in the absence of other economic fluctuations, could result in significant changes in the total expenditure estimates for mining projects, new and existing, and could even render certain projects non-viable.

Fuel is the primary input utilized in our mining operations, and our results are significantly affected by the price and availability of fuel, which are in turn affected by a number of factors beyond our control. Historically, fuel costs have been subject to wide price fluctuations based on geopolitical factors and supply and demand. Political unrest in certain oil producing countries has in the past led to an increase in the cost of fuel. If there are additional outbreaks of hostilities or other conflicts in oil producing areas or elsewhere, or a reduction in refining capacity (due to weather events, for example), or governmental limits on the production or sale of fuel, or restrictions on the transport of fuel, there could be reductions in the supply of fuel and significant increases in the cost of fuel.

During 2013, the average price of our landed fuel was slightly higher than 2012. In the year ended December 31, 2013, the cost of fuel and other power generation costs comprised approximately 20% of our operating costs (2012: 25%).

While we do not currently anticipate a significant reduction in fuel availability, factors beyond our control make it impossible to predict the future availability of fuel. We are not parties to any agreements that protect us against price increases or guarantee the availability of fuel. Major reductions in the availability of fuel or significant increases in its cost, or a continuation of current high prices for a significant period of time, would adversely affect our results of operations and profitability.

Our underground mines at Loulo and Kibali are subject to all of the risks associated with underground mining.

Development of the underground mine at Yalea (Loulo) commenced in December 2006 and first ore was mined in April 2008. This planned mine, and the subsequent Gara underground mine (Loulo), represented our entry into the business of underground mining, and the commencement of underground mining in Mali by any mining company. In connection with the development of the underground mines, we must build the necessary infrastructure, the costs of which are substantial. The underground mines may experience unexpected problems and delays during their development and construction. Delays in the commencement of gold production could occur and the development costs could be larger than expected, which could affect our results of operations and profitability.

Since the commencement of the underground operations at Yalea, in working with a mining contractor, we have experienced a number of challenges which have led to delays and slower build up of production. These challenges included the availability of the underground fleet, the ability to drill and blast in accordance with the plan and the contractor’s poor safety record.

Following these setbacks experienced during 2009, we terminated the underground mining contract with the contractor. At the beginning of 2010, we appointed a new contractor to develop the Gara underground mine, and subsequently extended their contract at the end of 2010 to include the additional development of the Yalea underground mine. The development and operation of the underground mine has been negatively impacted by these issues and resulting delays, and there can be no assurance that such issues will be fully resolved or that we will not have any further future delays.

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Development of the Kibali mine includes the development of an underground mine, utilizing two separate mining contractors for each of the declines and vertical shaft. During 2012, we commenced the development of the decline shaft system and the vertical shaft platform was completed. In 2013, we continued to progress our underground operations at Kibali, including starting the development of the shaft collar, foundations for the winder house and erection of the winder infrastructure.

The business of underground mining by its nature involves significant risks and hazards. In particular, as the development commences the operation could be subject to:

- rockbursts;
- seismic events;
- underground fires;
- cave-ins or falls of ground;
- discharges of gases or toxic chemicals;
- flooding;
- accidents; and
- other conditions resulting from drilling, blasting and the removal of material from an underground mine.

We are at risk of experiencing any and all of these hazards. The occurrence of any of these hazards could delay the development of the mine, production, increase cash operating costs and result in additional financial liability for us.

Actual cash costs of production, production results, capital expenditure costs and economic returns may differ significantly from those anticipated by our feasibility studies for new development projects.

Feasibility studies and other project evaluation activities necessary to determine the current or future viability of a mining operation are often not economically beneficial. Activities often require substantial expenditure on exploration drilling to determine the extent and grade of mineralized material. It typically takes a number of years from initial feasibility studies of a mining project until development is completed and, during that time, the economic feasibility of production may change. The economic feasibility of development projects is based on many factors, including the accuracy of estimated reserves, metallurgical recoveries, capital and operating costs and future gold prices. The capital expenditure and time required to develop new mines or other projects are considerable, and changes in costs or construction schedules can affect project economics. Thus it is possible that actual costs and economic returns may differ materially from our estimates.

In addition, there are a number of uncertainties inherent in the development and construction of any new mine, including:

- the availability and timing of necessary environmental and governmental permits;
- the timing and cost necessary to construct mining and processing facilities, which can be considerable;
- the availability and cost of skilled labor, power, water and other materials;
- the accessibility of transportation and other infrastructure, particularly in remote locations; and
- the availability of funds to finance construction and development activities.

Kibali completed an optimized feasibility during 2011 and construction of the mine started in 2012. Included in the mine development was the relocation of approximately 20,000 people from the mine site, and the 14 affected villages were relocated to the new model village of Kokiza during 2013. At Kibali, open pit mining started in July 2012 and the mine’s first gold was produced in September 2013. However, there can be no assurance that the mine will not be subject to the risks and uncertainties listed above, all of which could have an adverse material effect on the results of our operations and financial condition. At Massawa (Senegal), a technical and financial study was completed on the open pit enabling us to declare mineral reserves in 2010. In 2012 it was decided to focus on understanding the geological and metallurgical controls of the project. The current plan is to progress the feasibility study through 2014. There can be no assurance that the Massawa project will ultimately result in a new commercial mining operation, or that such new commercial mining operations would be successful.

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We conduct mining, development and exploration activities in countries with developing economies and are subject to the risks of political and economic instability associated with these countries.

We currently conduct mining, development and exploration activities in countries with developing economies. These countries and other emerging markets in which we may conduct operations have, from time to time, experienced economic or political instability. It is difficult to predict the future political, social and economic direction of the countries in which we operate, and the impact government decisions may have on our business. Any political or economic instability in the countries in which we currently operate could have a material adverse effect on our business and results of operations.

The countries of Mali, Senegal, Democratic Republic of Congo ("DRC") and Côte d'Ivoire have, since independence, experienced some form of political upheaval with varying forms of changes of government taking place.

Goods are supplied to our operations in Mali primarily by road through Senegal and Côte d'Ivoire, which at times have been disrupted by geopolitical issues. Any present or future policy changes in the countries in which we operate, or through which we are supplied, may in some way have a significant effect on our operations and interests.

The mining laws of Mali, Côte d'Ivoire, Senegal and DRC stipulate that, should an economic orebody be discovered on a property subject to an EP, a permit that allows processing operations to be undertaken must be issued to the holder. Legislation in certain countries currently provides for the relevant government to acquire a free ownership interest in any mining project. The requirements of the various governments as to the foreign ownership and control of mining companies may change in a manner which adversely affects us.

In addition, unforeseen events, including war, terrorism and other international conflicts could disrupt our operations and disrupt the operations of our suppliers. Such events could make if difficult or impossible for us to conduct our mining operations, including delivering our products and receiving materials from suppliers.

We are subject to various political and economic uncertainties associated with operating in the DRC, and the success of the Kibali mine will depend in large part on our ability to overcome significant challenges.

We are subject to risks associated with operating the Kibali mine in the DRC. The Kibali mine is located in the north-east region of the DRC and is subject to various levels of political, economic and other risks and uncertainties associated with operating in the DRC. Some of these risks include political and economic instability, high rates of inflation, severely limited infrastructure, lack of law enforcement, labor unrest, and war and civil conflict. In addition,

the Kibali mine is subject to the risks inherent in operating in any foreign jurisdiction including changes in government policy, restrictions on foreign exchange, changes in taxation policies, and renegotiation or nullification of existing concessions, licenses, permits and contracts.

The DRC is an impoverished country with physical and institutional infrastructure that is in a debilitated condition. It is in transition from a largely state-controlled economy to one based on free market principles, and from a non-democratic political system with a centralized ethnic power base to one based on more democratic principles. There can be no assurance that these changes will be effected or that the achievement of these objectives will not have material adverse consequences for the Kibali mine.

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Any changes in mining or investment policies or shifts in political attitude in the DRC may adversely affect operations and/or profitability of the Kibali mine. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. These changes may impact the profitability and viability of the Kibali mine.

Furthermore, the Kibali mine is located in a remote area of the DRC, which lacks basic infrastructure, including adequate roads and other transport, sources of power, water, housing, food and transport. In order to develop any of the mineral interests, facilities and material necessary to support operations in the remote locations in which they are situated must be established. The remoteness of the mineral interests would affect the potential viability of mining operations, as we would also need to establish substantially greater sources of power, water, physical plant, roads and other transport infrastructure than are currently present in the area. It is planned that hydropower stations will be utilized at Kibali, which will necessarily involve reconfiguring, refurbishing and maintaining existing stations and building new hydropower stations and also obtaining certain government licenses relating to their operation.

Moreover, the north-east region of the DRC has undergone civil unrest and instability that could have an impact on political, social or economic conditions in the DRC generally. There has been recent turmoil in the Eastern DRC, to the south of Kibali, following the defeat of the M23 rebel group in late 2013. A sufficient level of stability must be maintained in order for us to continue to operate the Kibali mine. The impact of unrest and instability on political, social or economic conditions in the DRC could result in the impairment of the exploration, development and operations at the Kibali mine.

We are subject to various political and economic uncertainties associated with operating in Côte d'Ivoire, that could significantly affect the success of the Tongon mine.

We have been subject to risks associated with operating the Tongon mine in Côte d'Ivoire. Côte d'Ivoire has experienced several years of political disruptions, including an attempted coup d'état and civil war. A dispute over the Côte d'Ivoire presidential election in November 2010 resulted in the establishment of two rival governments and the imposition of targeted sanctions. The political impasse, however, was resolved during 2011, and while the Tongon mine continued to operate throughout the crisis, at times we were unable to ship and sell our Tongon gold production, which resulted in a timing discrepancy between our gold produced and the recognition of revenue from gold sales. While all our gold production was subsequently sold and the country reverted to normality, there can be no assurance that similar events may not occur in the future which would have a material adverse effect on our gold production and financial results. Our operations and financial conditions could be impacted by future political and economic instabilities.

Certain factors may affect our ability to support the carrying value of our property, plant and equipment, and other assets on our consolidated statement of financial position.

We review and test the carrying amount of our assets on an annual basis when events or changes in circumstances suggest that the net book value may not be recoverable. If there are indications that impairment may have occurred, we prepare estimates of expected future discounted cash flows for each group of assets. Assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units) for purposes of assessing impairment. Expected future cash flows are inherently uncertain, and could materially change over time. Such cash flows are significantly affected by reserve and production estimates, together with economic factors such as spot and forward gold prices, discount rates, currency exchange rates, estimates of costs to produce reserves and future capital expenditure to extract reserves under the approved life of mine plan.

We may incur losses or lose opportunities for gains as a result of any future use of derivative instruments to protect us against low gold prices.

We have from time to time used derivative instruments to protect the selling price of some of our anticipated gold production. The intended effect of our derivative transactions was to lock in a fixed sale price for some of our future gold production to provide some protection against a subsequent fall in gold prices. Although we currently do not use derivative instruments to protect us against low gold prices at our operations, we may in the future determine to implement the use of derivatives in connection with a portion of our anticipated gold production.

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Derivative transactions can result in a reduction in revenue if the instrument price is less than the market price at the time the hedged sales are recognized. Moreover, our decision to enter into a given instrument would be based upon market assumptions. If these assumptions are not ultimately met, significant losses or lost opportunities for significant gains may result. In all, the use of these instruments may result in significant losses which would prevent us from realizing the positive impact of any subsequent increase in the price of gold on the portion of production covered by the instrument.

Under our joint venture agreements with AngloGold Ashanti Limited, or AngloGold Ashanti, we operate the Morila mine and the Kibali mine by means of a joint venture committee, and any disputes with AngloGold Ashanti over the management of the Morila mine or the Kibali mine could adversely affect our business.

We jointly control Société des Mines de Morila SA ("Morila SA"), the owner of the Morila mine, and Kibali Goldmines SPRL, the owner of the Kibali mine, with AngloGold Ashanti under joint venture agreements. We are responsible for the day-to-day operations of Morila and Kibali, subject to the overall management control of Morila SA and Kibali Goldmines SPRL boards, respectively. Substantially all major management decisions, including approval of a budget for the Morila mine and the Kibali mine, must be approved by the Morila SA and Kibali Goldmines SPRL boards, respectively. We and AngloGold Ashanti retain equal representation on the boards, with neither party holding a deciding vote. If a dispute arises between us and AngloGold Ashanti with respect to the management of Morila SA or Kibali Goldmines SPRL, and we are unable to amicably resolve the dispute, we may have to participate in arbitration or other proceedings to resolve the dispute, which could materially and adversely affect our business.

The Kibali project development plan was approved by the board of Kibali Goldmines SPRL in May 2012. However, there can be no assurance that Kibali will ultimately receive all the required approvals of all stakeholders or that disputes between the joint venture partners will not disrupt the development of the mine.

Our mines and projects face many risks related to their present or future operations that may impact cash flows and profitability.

Our mines and projects are subject to all of the operating hazards and risks normally incident to exploring for, developing and operating mineral properties and mines, such as:

- encountering unusual or unexpected formations;
- environmental pollution;

- mechanical breakdowns;
- safety-related stoppages;
- work stoppages or other disruptions in labor force;
- electrical power and fuel supply interruptions;
- unanticipated ground conditions; and
- personal injury and flooding.

During 2011, Tongon's operations were negatively impacted by flooding as a result of the rainy season and by problems encountered during the change-over from diesel generated power to Côte d'Ivoire's national grid. Also, in November 2011, the Tongon mine suffered a major failure of the barring gear at its No 1 mill. As a result, management also shut down Tongon's No 2 mill as well in the interests of personal safety and to protect the No 2 mill from a similar failure. In November 2011 and March 2012, the Tongon mine experienced temporary work stoppages during the course of negotiating a mine level agreement with a newly established union. During 2012 the Tongon mine was plagued by a series of operational challenges, including underperformance in the mining of the open pit as the mine struggled to manage the transition from softer oxide material to fresh rock. Also, the mine experienced frequent outages of grid power which disrupted the processing plant. Additionally, during December 2012 there was a fire in the milling circuits which resulted in both mills being offline for one week followed by lower throughput and recoveries. These issues led to gold production at Tongon missing its target by 26%. The plant was restored to full production by the end of January 2013 and the power problems were addressed during 2013. However the recovery problems are still being addressed and contributed to Tongon missing its target by 17% in 2013.

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During 2011, the Gounkoto's mine operations were disrupted by flooding following unusually heavy rains. In July 2009, the Loulo mine experienced some disruption, caused by a small group of disaffected people unable to secure long term employment at the mine. The disruption resulted in some damage to the tailings pipeline as well as to some accommodation units and other property. All operations were suspended for 36 hours, following which all mining and processing operations were restored and operating back at normal capacity.

There can be no assurance that similar operational issues will not happen in the future, or that such events will not adversely affect our results of operations.

The use of mining contractors at certain of our operations may expose it to delays or suspensions in mining activities.

Mining contractors are used at Tongon, Loulo, Gounkoto, Kibali and Morila to mine and deliver ore to processing plants and at Loulo and Kibali to develop the underground mine. These mining contractors rely on third-party vendors to supply them with required mining equipment, some of which have been adversely affected by the global economic slowdown. Consequently, at these mines, we do not own all of the mining equipment and may face disruption of operations and incur costs and liabilities in the event that any of the mining contractors at these mines, or any of the vendors that supply them, have financial difficulties, or should there be a dispute in renegotiating a mining contract, or a delay in replacing an existing contractor.

Since the commencement of the underground operations at Yalea, in working with a mining contractor, we experienced a number of challenges which have led to delays and slower build up of production. These challenges included the availability of the underground fleet, the ability to drill and blast up holes and the contractor's poor safety record. Following these setbacks experienced during 2009, we terminated the underground mining contract with the contractor and have assumed responsibility for underground mining at Loulo. At the beginning of 2010, we appointed a new contractor to develop the Gara underground mine, and subsequently extended their contract at the end of 2010 to include the development of the Yalea underground mine. The development and operation of the underground mine were negatively impacted by these issues. Significant improvement has occurred in 2012 and again in 2013, however, there can be no assurance that we will not have future issues or delays.

Mining operations and projects are vulnerable to supply chain disruption and our operations could be adversely affected by shortages of, as well as lead times to deliver fuel, strategic spares, critical consumables, mining equipment or metallurgical plant.

Our operations could be adversely affected by both shortages and long lead times to deliver fuel, strategic spares, critical consumables, mining equipment and metallurgical plant. We have limited influence over suppliers and manufacturers of these items. In certain cases there are a limited number of suppliers for fuel, certain strategic spares,

critical consumables, mining equipment or metallurgical plant who command superior bargaining power relative to us. We could at times face limited supply or increased lead time in the delivery of such items. There can be no assurance that such limited supply or increased lead time in the delivery of items will not happen in the future, or that such events will not adversely affect our results of operations.

Failure to comply with the U.S. Foreign Corrupt Practices Act, Corruption (Jersey) Law and the UK Bribery Act could subject us to penalties and other adverse consequences. We could suffer losses from corrupt or fraudulent business practices.

We abide by the provisions of the US Foreign Corrupt Practices Act, Corruption (Jersey) Law and the UK Bribery Act, which generally prohibit companies and their intermediaries from making improper payments to officials for the purpose of obtaining or retaining business. In addition, we are required to maintain records that represent our transactions and have an adequate system of internal accounting controls. The compliance mechanisms and monitoring programs that we have in place may not adequately prevent or detect possible violations under applicable anti-bribery and corruption legislation. There can be no assurance that our internal control policies and procedures always will protect us from recklessness, fraudulent behavior, dishonesty or other inappropriate acts committed by our affiliates, employees or agents. As such, our corporate policies and processes may not prevent all potential breaches of law or other governance practices. Failure to comply with such legislation may result in severe criminal or civil sanctions, and we may be subject to other liabilities, including fines, prosecution, potential debarment from public procurement and reputational damage, all of which could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition. In addition, investigations by governmental authorities could have a material adverse effect on our business,

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consolidated results of operations, and consolidated financial condition. We are also subject to the risks that our employees, joint venture partners, and agents may fail to comply with other applicable laws.

We may be required to seek funding from the global credit and capital markets to develop our properties, and the recent weaknesses in those markets could adversely affect our ability to obtain financing and capital resources.

We require substantial funding to develop our properties, and may be required to seek funding from the credit and capital markets to finance these activities. Our ability to obtain outside financing will depend upon the price of gold and the market's perception of its future price, and other factors outside of our control. We may not be able to obtain funding on acceptable terms when required, or at all.

The credit and capital markets experienced serious deterioration in 2008, including the failure of significant and established financial institutions in the US and abroad, which continued throughout 2013 and may continue in 2014 and beyond, and the conditions in these markets have continued to be difficult since then and may continue to be difficult in the future, which could have an impact on the availability and terms of credit and capital in the near term. The deteriorating financial condition of certain government authorities has significantly increased the potential for sovereign defaults in a number of jurisdictions, including within the European Union. If uncertainties in these markets continue, or these markets deteriorate further, it could have a material adverse effect on our ability to raise capital. Failure to raise capital when needed or on reasonable terms may have a material adverse effect on our business, financial condition and results of operations. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, inflation, fuel and energy costs, lack of available credit, the state of the financial markets, interest rates and tax rates may affect our growth and profitability.

To ensure additional liquidity, we entered into a $200.0 million unsecured revolving credit facility with HSBC and a syndicate of three other banks. If any of the lenders are unable to fulfill their future commitments, our liquidity could be impacted, which could have a material unfavorable impact on our results of operations and financial condition.

O*ur indebtedness could adversely impact our business*.

Under the terms of the credit facility we entered into in 2013 we are obligated to meet certain financial and other covenants. Our ability to meet these covenants and to service our debt (should the credit facility be drawn down) will depend on our future financial performance which will be affected by our operating performance as well as by financial and other factors, some of which are beyond our control.

Our operations are located in countries where tax laws and policies may change rapidly and unpredictably and such changes and policies may adversely affect our financial condition and results of operations.

Our failure to adapt to changes in tax regimes and regulations in the countries in which we operate may result in fines, financial losses and have a negative impact on our corporate reputation. In addition, if we fail to react to tax notifications from authorities, we could incur financial losses or the seizure of our assets. If we are unable to enforce existing tax legislation or incorrectly applied tax legislation, we may pursue arbitration or other proceedings to resolve the matter, all of which could materially and adversely affect our business.

The failure of any bank in which we deposit our funds could reduce the amount of cash we have available for operations.

Most of our cash deposited with banks is not insured and would be subject to the risk of bank failure. If any of the banking institutions in which we have deposited funds ultimately fails, we may lose our deposits. The loss of our deposits would reduce the amount of cash we have available for operations and additional investments in our business, and would have a material adverse effect on our financial condition.

The SEC has adopted rules that may affect mining operations in the DRC.

The SEC adopted final rules pursuant to the Dodd Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") regarding disclosure on potential conflict minerals that are necessary to the functionality or production of a product manufactured by a company that files reports with the SEC. Under the final rules, an issuer that mines conflict minerals, such as Randgold, is not deemed to be manufacturing or contracting to manufacture those minerals, unless the issuer also engages in manufacturing, whether directly or indirectly through contract.

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Though we are not subject to the disclosure requirements of the final rules, we may be called upon by other entities we contract with to provide information to them for their own supply-chain due diligence investigations. This may result in the increased cost of demonstrating compliance in connection with the sale of gold emanating from the DRC and its neighbors. The complexities of the gold supply chain, especially as they relate to 'scrap' or recycled gold, and the fragmented and often unregulated supply of artisanal and small-scale mined gold are such that there may be significant uncertainties at each stage in the chain as to the origin of the gold, and as a result of uncertainties in the process, the costs of due diligence and audit, or the reputational risks of defining their product or a constituent part as containing a 'conflict mineral' may be too burdensome for the buyers of our gold. Accordingly, they may decide to switch supply sources. This could have a material negative impact on the gold industry, our relationship with the buyers of our gold, and our financial results.

Inflation may have a material adverse effect on our operations.

Some of our operations are located in countries that have and may continue to experience high rates of inflation during certain periods. It is possible that significantly higher future inflation in countries in which we operate may result in increased future operational costs in local currencies. This could have a material adverse effect upon our operations and financial conditions.

Regulations and pending legislation governing issues involving climate change could result in increased operating costs which could have a material adverse effect on our business.

A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to various climate change interest groups and the potential impact of climate change. Legislation and increased regulation regarding climate change could impose significant costs on us, our venture partners and our suppliers, including increased energy, capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Any adopted future climate change regulations could also negatively impact our ability to compete with companies situated in areas not subject to such limitations. Given the political significance and uncertainty around the impacts of climate change and how it should be dealt with, we cannot predict how legislation and regulation will affect our financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by us or other companies in our industry could harm our reputation. The potential physical impacts of climate change on our operations are highly uncertain, and would be particular to the geographic circumstances in areas in which we operate. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. These impacts may adversely impact the cost, production and financial performance of our operations.

Some of our operations are carried out in geographical areas which lack adequate infrastructure.

Mining, processing, development and exploration activities depend, in some part, on adequate infrastructure. Reliable roads, power sources and water supply are important factors which affect our operating costs. A lack of infrastructure or varying weather phenomena, sabotage, terrorism or other interferences in the maintenance or provision of such infrastructure could affect our operations and financial conditions.

We may not pay dividends to shareholders in the future.

We paid our seventh dividend to ordinary shareholders in 2013. It is our policy to pay dividends if profits and funds are available for that purpose. Whether or not funds are available depends on a variety of factors, including capital expenditure. We cannot guarantee that dividends will be paid in the future.

If we are unable to attract and retain key personnel our business may be harmed.

Our ability to bring additional mineral properties into production and explore our extensive portfolio of mineral rights will depend, in large part, upon the skills and efforts of a small group of management and technical personnel, including D. Mark Bristow, our Chief Executive Officer. If we are not successful in retaining, developing or attracting highly qualified individuals in key management positions our business may be harmed. The loss of any of our key personnel could adversely impact our ability to execute our business plan.

Our insurance *coverage may prove inadequate to satisfy future claims against us.*

We may become subject to liabilities, including liabilities for pollution or other hazards, against which we have not insured adequately or at all, or cannot insure. Our insurance policies contain exclusions and limitations on coverage. Our current insurance policies provide worldwide indemnity of $100.0 million in relation to legal liability incurred as a result of death, injury, disease of persons and/or loss of or damage to property. Main exclusions under

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this insurance policy, which relates to our industry, include war, nuclear risks, silicosis, asbestosis or other fibrosis of the lungs or diseases of the respiratory system with regard to employees, and gradual pollution. In addition, our insurance policies may not continue to be available at economically acceptable premiums. As a result, in the future our insurance coverage may not cover the extent of claims against us.

It may be difficult for you to effect service of process and enforce legal judgments against us or our affiliates.

We are incorporated in Jersey, Channel Islands and a majority of our directors and senior executives are not residents of the United States. Virtually all of our assets and the assets of those persons are located outside the United States. As a result, it may not be possible for you to effect service of process within the United States upon those persons or us. Furthermore, the United States and Jersey currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Consequently, it may not be possible for you to enforce a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon United States Federal securities laws against those persons or us.

In order to enforce any judgment rendered by any Federal or state court in the United States in Jersey, proceedings must be initiated by way of common law action before a court of competent jurisdiction in Jersey. The entry of an enforcement order by a court in Jersey is conditional upon the following:

- that the court which pronounced the judgment has jurisdiction to entertain the case according to the principles recognized by Jersey law with reference to the jurisdiction of the foreign courts;
- that the judgment is final and conclusive – it cannot be altered by the courts which pronounced it;
- that there is payable, pursuant to a judgment, a sum of money not being a sum payable in respect of tax or other charges of a like nature or in respect of a fine or other penalty;
- that the judgment has not been prescribed;
- that the courts of the foreign country have jurisdiction in the circumstances of the case;
- that the judgment was not obtained by fraud; and

- that the recognition and enforcement of the judgment is not contrary to public policy in Jersey, including observance of the rules of natural justice which require that documents in the United States proceeding were properly served on the defendant and that the defendant was given the right to be heard and represented by counsel in a free and fair trial before an impartial tribunal.

Furthermore, it is doubtful whether you could bring an original action based on United States Federal securities laws in a Jersey court.

We are *subject to significant corporate regulation as a public company and failure to comply with all applicable regulations could subject us to liability or negatively affect our share price.*

As a publicly traded company we are subject to a significant body of regulation. While we have developed and instituted a corporate compliance program based on what we believe are the current best practices in corporate governance and continue to update this program in response to newly implemented or changing regulatory requirements, there can be no assurance that we are or will be in compliance with all potentially applicable corporate regulations. For example, there can be no assurance that in the future our management will not find a material weakness in connection with its annual review of our internal control over financial reporting pursuant to Section 404 of the US Sarbanes-Oxley Act of 2002. If we fail to comply with any of these regulations, we could be subject to a range of regulatory actions, fines or other sanctions or litigation. If we must disclose any material weakness in our internal control over financial reporting, our share price could decline.

Risks Relating to Our Industry

The exploration of mineral properties is highly speculative in nature, involves substantial expenditures, and is frequently unproductive.

We must continually seek to replace our ore reserves depleted by production to maintain production levels over the long term. Ore reserves can be replaced by expanding known orebodies or exploring for new deposits. Exploration for gold is highly speculative in nature. Our future growth and profitability will depend, in part, on our ability to identify and acquire additional mineral rights, and on the costs and results of our continued exploration and development programs. Many exploration programs, including some of ours, do not result in the discovery of mineralization and any mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Our mineral exploration rights may not contain commercially exploitable reserves of gold. Uncertainties as to the metallurgical recovery of any gold discovered may not warrant mining on the basis of available technology.

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If we discover a viable deposit, it usually takes several years from the initial phases of exploration until production is possible. During this time, the economic feasibility of production may change.

Moreover, we will use the evaluation work of professional geologists, geophysicists, and engineers for estimates in determining whether to commence or continue mining. These estimates generally rely on scientific and economic assumptions, which in some instances may not be correct, and could result in the expenditure of substantial amounts of money on a deposit before it can be determined whether or not the deposit contains economically recoverable mineralization. As a result of these uncertainties, we may not successfully acquire additional mineral rights, or identify new proven and probable reserves in sufficient quantities to justify commercial operations in any of our properties.

If management determines that capitalized costs associated with any of our gold interests are not likely to be recovered, we would recognize an impairment provision against the amounts capitalized for that interest. All of these factors may result in losses in relation to amounts spent which are found not to be recoverable.

Title to our mineral properties may be challenged which may prevent or severely curtail our use of the affected properties.

Title to our properties may be challenged or impugned, and title insurance is generally not available. Each sovereign state is the sole authority able to grant mineral property rights, and our ability to ensure that we have obtained secure title to individual mineral properties or mining concessions may be severely constrained. Our mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, we may be unable to operate our properties as permitted or to enforce our rights with respect to our properties.

Our ability to obtain *desirable mineral exploration projects in the future may be adversely affected by competition from other exploration companies.*

We compete with other mining companies in connection with the search for and acquisition of properties producing or possessing the potential to produce gold. Existing or future competition in the mining industry could materially and adversely affect our prospects for mineral exploration and success in the future.

Artisanal mining can disrupt our business and expose us to liability.

Artisanal miners are active on, or adjacent to, many of our properties. Artisanal mining is associated with a number of negative impacts, including environmental degradation, human rights abuse and funding of conflict. We do not purchase any gold from artisanal miners. There is a misconception that artisanally-mined gold is channeled through large-scale mining operators and such misconceptions have a negative impact on the reputation of the mining industry. The activities of illegal miners could cause damage to our properties, including pollution, underground fires, or personal injury or death. We could potentially be held responsible. Illegal mining and theft could result in lost gold reserves, mine stoppages, and have a material adverse effect on our operations and financial condition.

Our operations are subject to extensive governmental and environmental regulations, which could cause us to incur costs that adversely affect our results of operations.

Our mining facilities and operations are subject to substantial government laws and regulations, concerning mine safety, land use and environmental protection. We must comply with requirements regarding exploration operations, public safety, employee health and safety, use of explosives, air quality, water pollution, noxious odor, noise and dust controls, reclamation, solid waste, hazardous waste and wildlife as well as laws protecting the rights of other property owners and the public.

Any failure on our part to be in compliance with these laws, regulations, and requirements with respect to our properties could result in us being subject to substantial penalties, fees and expenses, significant delays in our operations or even the complete shutdown of our operations. We provide for estimated environmental rehabilitation costs when the related environmental disturbance takes place. Estimates of rehabilitation costs are subject to revision as a result of future changes in regulations and cost estimates. The costs associated with compliance with government regulations may ultimately be material and adversely affect our results of operations and financial condition.

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If our environmental and other governmental permits are not renewed or additional conditions are imposed on our permits*, our financial condition and results of operations may be adversely affected.*

Generally, compliance with environmental and other government regulations requires us to obtain permits issued by governmental agencies. Some permits require periodic renewal or review of their conditions. We cannot predict whether we will be able to renew these permits or whether material changes in permit conditions will be imposed. Non-renewal of a permit may cause us to discontinue the operations requiring the permit, and the imposition of additional conditions on a permit may cause us to incur additional compliance costs, either of which could have a material adverse effect on our financial condition and results of operations.

Labor disruptions could have an adverse effect on our operating results and financial condition.

Our operations are highly unionized, and strikes are legal in the countries in which we operate. Therefore, our operations are at risk of having work interrupted for indefinite periods due to industrial action, such as strikes by employee collectives. Should long disruptions take place on our operations, the results from our operations and their financial condition could be materially and adversely affected.

AIDS and tropical disease outbreaks pose risks to us in terms of productivity and costs.

The incidence of AIDS in the DRC, Mali, Côte d'Ivoire and Senegal, which has been forecast to increase over the next decade, poses risks to us in terms of potentially reduced productivity and increased medical and insurance costs. The exact extent to which our workforce is infected is not known at present. The prevalence of AIDS in the countries in which we operate and among our workforce could become significant. Significant increases in the incidence of AIDS infection and AIDS-related diseases among members of our workforce in the future could adversely impact our operations and financial condition.

Malaria and other tropical diseases pose significant health risks at all of our operations in West Africa and Central Africa where such diseases may assume epidemic proportions. Malaria is a major cause of death and also gives rise to absenteeism in employees and contractors. Consequently, if uncontrolled, the disease could adversely impact our operations and financial condition.

Item 4. Information on the Company

A. HISTORY AND DEVELOPMENT OF THE COMPANY

Randgold Resources Limited was incorporated under the laws of Jersey, Channel Islands in August 1995, to engage in the exploration and development of gold deposits in Sub-Saharan Africa. Our principal executive offices are located at 3rd Floor Unity Chambers, 28 Halkett Street, St. Helier, Jersey, JE2 4WJ Channel Islands and our telephone number is (011 44) 1534 735-333. Our agent in the United States is CT Corporation System, 111 Eighth Avenue, New York, New York 10011.

We discovered the Morila deposit during December 1996 and we subsequently financed, built and commissioned the Morila mine.

During July 2000, we concluded the sale of 50% of our interest in Morila Limited (and also a shareholder loan made by us to Morila Limited) to AngloGold Ashanti for $132.0 million in cash.

We have an 80% controlling interest in Société des Mines de Loulo SA, or Somilo, through a series of transactions culminating in April 2001. In February 2004, we announced that we would develop a new mine at Loulo in western Mali. The Loulo mine commenced operations in October 2005 and mines the Gara (formerly Loulo 0) and Yalea deposits. In addition, the board agreed to proceed with the development of the underground mine and, after the award of the development contract, work commenced with the construction of the boxcut at the Yalea mine in August 2006. We accessed first ore at Yalea in April 2008 with full production beginning in 2010. We commenced development of Loulo’s second underground mine, Gara, and started mining in 2011. We discovered the Yalea deposit in 1997.

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We have an 80% controlling interest in Société des Mines de Gounkoto SA, or Gounkoto. The Gounkoto mine commenced mining in January 2011 and processes its ore by way of a toll treatment agreement with the Loulo mine, in June 2011.

We have an 89% controlling interest in Société des Mines de Tongon SA, or Tongon. The Tongon mine commenced mining in April 2010 and first gold was produced in 2010.

We conduct our mining operations through:

- a 50% joint venture interest in Morila Limited (which in turn owns an 80% interest in the Morila mine);
- an 80% interest in Somilo;
- an 80% interest in Gounkoto;
- an 89% interest in Tongon; and
- a 50% joint venture interest in Kibali (Jersey) Limited (which in turn indirectly owns a 90% interest in the Kibali mine).

In April 2004, Resolute Mining Limited, or Resolute, acquired the Syama mine from us. The agreement entered into in June 2004 between the parties provides for the payment of a production royalty by Resolute to us relating to Syama's production equal to $10/oz on the first million ounces produced by Syama and $5/oz on the next 3Moz produced by Syama. This royalty payment is capped at $25.0 million. We received our first royalties in 2009. During 2013, quarterly royalty payments were received from Resolute throughout the year.

Effective on June 11, 2004, we undertook a split of our ordinary shares, which increased our issued share capital from 29,263,385 to 58,526,770 ordinary shares. In connection with this share split, our ordinary shareholders of record on June 11, 2004 received two $0.05 ordinary shares for every one $0.10 ordinary share they held. Following the share split, each shareholder held the same percentage interest in us; however, the trading price of each share was adjusted to reflect the share split. ADS holders were affected the same way as shareholders and the ADS ratio remains one ADS to one ordinary share.

On October 15, 2009, we completed the acquisition of 50% of Moto Goldmines Limited ("Moto Goldmines"), in conjunction with AngloGold Ashanti, which resulted in a 50:50 joint venture control of the Kibali mine in the DRC. On December 22, 2009 we completed a further acquisition of a 20% interest, on behalf of the joint venture, from Société des Mines d'Or de Kilo-Moto ("Sokimo"), the parastatal mining company of the DRC, resulting in an effective interest in the Kibali mine of 45%.

During November 2009, we completed the sale of our Kiaka gold project to Volta Resources Inc., for CAD$4.0 million in cash and 20 million Volta Resources Inc. shares. During 2010, we sold 15.5 million Volta Resources Inc. shares for a net profit of $19.3 million. We had received CAD$4.0 million in full by the end of 2011.

Effective December 19, 2013, Volta Resources Inc. and B2 Gold Corp completed a Canadian law combination which resulted in Volta Resources Inc. becoming a wholly-owned subsidiary of B2 Gold Corp. As a result of this combination we have received 898,003 shares in B2 Gold Corp in exchange for our Volta Resources Inc. shares.

Principal Capital Expenditure

Capital expenditure incurred for the year ended December 31, 2013 totaled $303.1 million compared to $272.2 (as restated) million for the year ended December 31, 2012, and $351.9 (as restated) million for the year ended December 31, 2011. Significant capital expenditure will be incurred during 2014 to support the planned continued growth production, especially at Kibali, of approximately US$310.0 million (100% of project), and the ongoing development of the underground mines at Loulo, including the paste backfill plant, where total capital at the Loulo-Gounkoto complex is forecast at US$140.0 million. Project and sustaining capital at Tongon, including the flotation circuit expansion, is estimated at US$25.0 million, and US$20.0 million will be spent at Morila (100% of the project), including US$10.0 million of preproduction costs in respect of the Pit 4S pushback. Total group capital expenditure for 2014 is expected to be approximately US$340.0 million (attributable portion). The capital expenditure is projected to be financed out of internal funds and available credit facilities.

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Recent Developments

The Kibali gold mine in the DRC poured its first gold on September 24, 2013, ahead of the originally forecasted date for the fourth quarter of 2013 and the mine moved into commercial production on one mill stream during October 2013. Only the secondary crushing, flotation and concentrate handling circuits remain to be commissioned in the first quarter of 2014.

B. BUSINESS OVERVIEW

OVERVIEW

We engage in gold mining, exploration and related activities. Our activities are focused on West and Central Africa, some of the most promising areas for gold discovery in the world. In Mali, we have an 80% controlling interest in the Loulo mine through Somilo. The Loulo mine is currently mining from one large open pit, several smaller satellite pits and two underground mines. We also have an 80% controlling interest in the Gounkoto mine through Société des Mines de Gounkoto S.A. We own 50% of Morila Limited, which in turn owns 80% of Morila SA, the owner of the Morila mine in Mali. In addition, we own an effective 89% controlling interest in the Tongon mine located in the neighboring country of Côte d'Ivoire, which was commissioned in November 2010. We also own an effective 83.25% controlling interest in the Massawa project in Senegal where we completed a technical and financial study in December 2009. In 2009, we acquired a 45% interest in the Kibali mine, which is located in the DRC. Since that time we have updated the feasibility study and constructed the mine such that we commissioned the first mill stream in September 2013, and expect to commission the second mill stream in March 2014. We also have exploration permits and licenses covering substantial areas in Côte d'Ivoire, DRC, Mali, and Senegal. At December 31, 2013, we declared proven and probable reserves of 15Moz attributable to our percentage ownership interests in Loulo, Morila, Tongon, Gounkoto, Massawa and Kibali.

Our strategy is to create value for all our stakeholders by finding, developing and operating profitable gold mines. We seek to discover significant gold deposits, either from our own phased exploration programs or the acquisition of early stage to mature exploration programs. We actively manage both our portfolio of exploration and development properties and our risk exposure to any particular geographical area. We also routinely review opportunities to acquire development projects and existing mining operations and companies.

Loulo

In February 2004, we announced that we would develop a new mine at Loulo in western Mali. In 2005, we commenced open pit mining operations at the Gara and Yalea pits. In 2010, an application was made to split the Loulo and Gounkoto permits. In 2011 mining ceased in the Gara open pit. In 2013, its eighth year of production, the Loulo mine produced 308,420oz of gold at a total cash cost of $776/oz. We currently anticipate that mining at Loulo will continue through 2028.

We commenced development of the Yalea underground mine in August 2006, where first ore was accessed in April 2008. We commenced development of Loulo's second underground mine, Gara, in 2010 with first ore being intersected during the second quarter of 2011 and stoping began in November 2011. From June 2011, ore from Gounkoto was processed through the Loulo processing plant following the conclusion of a toll-treatment agreement between the two mines. The commencement of the toll-treatment of ore from Gounkoto resulted in a reduction of ore processing with respect to the Loulo mine. Mining of the Yalea South pushback pit was completed in 2013. In 2013, Cemented Aggregate Fill (CAF) came into full production at both Yalea and Gara and the Gara underground conveyor and crushing system was commissioned.

The focus of exploration at Loulo is to continue to explore and discover additional orebodies within the Loulo permit.

Gounkoto

The Gounkoto mine is located approximately 25km south of Loulo's plant. Following the completion of the feasibility study in 2010, construction of the mine commenced in late 2010.

In January 2011, mining commenced at Gounkoto. In June 2011, the Loulo plant started to treat Gounkoto ore. 2012 represented the first full year of production for Gounkoto. During 2013 a total of 2.0Mt of Gounkoto ore at a grade of 4.7g/t was fed to the Loulo plant and 271,943oz were produced at a total cash cost of $622/oz. We currently anticipate that mining at Gounkoto will continue through 2025.

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The focus of exploration at Gounkoto is to continue to explore and discover additional orebodies within the Gounkoto permit. The viability of an enlarged pit or an underground project beneath the current pit in the Jog Zone is currently being investigated.

Morila

In 1996, we discovered the Morila deposit, which we financed and developed and was our major gold producing asset through 2009. Morila's total production for 2013 was 141,822oz at a cash cost of $763/oz. Consistent with the mine plan, Morila ceased open pit mining in April 2009 and is currently processing lower grade stockpiles. During 2010 a study of the reprocessing of the Morila Tailings Storage Facility ("TSF") was completed and in 2011 a feasibility study on the viability of treating the TSF material, marginal ore and mineralized waste stockpiles was completed and approved by the board in January 2012. During 2012, a feasibility study on the viability of the Pit 4S pushback was completed, and approved by the board in January 2013. Closure of the operation was originally scheduled for 2013, but, together with the Pit 4S pushback and the tailings treatment projects, processing of the marginal ore and mineralized waste should extend its life to 2017.

Tongon

The Tongon mine is located within the Nielle exploitation permit in the north of Côte d'Ivoire, approximately 55km south of the border with Mali.

We commenced construction of the Tongon mine at the end of 2008, and commissioned the first stream in the fourth quarter of 2010, with first gold production being recorded. We completed and commissioned the second stream including secondary and tertiary crushing circuit and the sulfide circuit of the processing plant in 2011. Tongon has two main pits, South Zone ("SZ") and the smaller North Zone ("NZ"). In 2013, we produced 233,591oz at a total cash cost of $828/oz. The Tongon mine has a remaining mine life of 7 years (to 2020) but has the potential to extend this with nearby discoveries and satellite pits.

The focus of exploration at Tongon is to evaluate near-mine targets with a 15km radius and Greenfield programs beyond the near-mine 15km radius.

Kibali

Our interest in the Kibali mine was acquired following the acquisition of Moto Goldmines, in conjunction with AngloGold Ashanti, and the further acquisition of a 20% interest from Sokimo on behalf of the joint venture. The Kibali mine is located approximately 560km northeast of the city of Kisangani and 180km west of the Ugandan border town of Arua in the northeast of the DRC. We are managing the development and operation of the Kibali mine.

First gold production at the Kibali mine was recorded in the third quarter of 2013. In 2013, we produced 88,200oz (first three months production) at a total cash cost of $464/oz.

The focus of exploration at Kibali is to evaluate extension to the known deposits, especially KCD where mineralization has been confirmed.

Exploration

We are exploring in four African countries (Mali, Senegal, Côte d'Ivoire and the DRC) with a portfolio of 160 targets on 12,995km^2 of ground holding, of these 81 are satellite targets located near existing operations while 79 are potential stand-alone operations. We target profitable gold deposits that have the potential to host mineable gold reserves. Our business strategy of organic growth through exploration has been validated by our discovery and development track record, including the Morila mine, Loulo mine, Gounkoto mine, Tongon mine and the Kibali mine and the Massawa discovery.

OWNERSHIP OF MINES AND SUBSIDIARIES

Morila is owned by Morila SA, which in turn is owned 80% by Morila Limited and 20% by the State of Mali. Morila Limited is jointly owned by us and AngloGold Ashanti and the mine is controlled by a 50:50 joint venture management committee. Responsibility for the day-to-day operations rests with us.

Loulo is owned by a Malian Company, Somilo, which is owned 80% by us and 20% by the State of Mali.

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Gounkoto is owned by a Malian company, Société des Mines de Gounkoto SA, which is owned 80% by us and 20% by the State of Mali.

Tongon is owned by an Ivorian company, Société des Mines de Tongon SA, in which we have an 89% interest, the State of Côte d'Ivoire 10% and 1% is held by a local Ivorian company.

The Kibali mine is controlled by a 50:50 joint venture, between ourselves and AngloGold Ashanti, which holds an effective 90% interest in Kibali Goldmines SPRL. The remaining 10% of the shares are held by Sokimo, the parastatal mining company of the Democratic Republic of Congo. We thus have an effective 45% interest in the Kibali mine. Our interest in this project was acquired following the acquisition of Moto Goldmines, in conjunction with AngloGold Ashanti, and the further acquisition of a 20% interest from Sokimo on behalf of the joint venture.

We hold an effective 83.25% interest in the Massawa project. The government of Senegal retains a 10% carried interest in the project, with the balance held by our Senegalese joint venture partner.

GEOLOGY

West Africa is one of the more geologically prospective regions for gold deposits in the world. Lower Proterozoic rocks are known to contain significant gold occurrences and exist in West Africa in abundance. The Birimian greenstone belts, part of the Lower Proterozoic, which are younger than the Archaean greenstones of Canada, Australia and South Africa, contain similar types of ore deposits and are located in Ghana, Côte d'Ivoire, Burkina Faso, Guinea, Mali, Senegal and Niger. Although a significant amount of geological information has been collected by government and quasi-government agencies in West Africa, the region has largely been under-explored by mining and exploration companies using modern day technology. Most of our exploration properties are situated within the Birimian Formation, a series of Lower Proterozoic volcanic and sedimentary rocks. The West African Birimian sequences host a number of world class gold deposits and producing gold mines.

The Central African gold belts have a long history of gold production, particularly during the colonial era but due to regional instability they have seen little modern exploration. The Kibalian greenstone belts of northeastern DRC are comprised of Archaean Kibalian (Upper and Lower) volcanisedimentary rocks and ironstone-chert horizons metamorphosed to greenschist facies. They are cut by regional-scale north, east, northeast and northwest trending faults and are bounded to the north by the Middle Achaean West Nile granite-gneiss complex and cut to the south by the Upper Congo granitic complex. Our Kibali mine is located within the Moto greenstone.

Our strategy was initiated before the current entry of our competitors into West Africa and we believe that this enabled us to secure promising exploration permits in the countries of Côte d'Ivoire, Mali, Burkina Faso, and Senegal at relatively low entry costs.

ORE RESERVES

Only those reserves which qualify as proven and probable reserves for purposes of the SEC's Industry Guide Number 7 are presented. Pit optimization is carried out at a gold price of $1,000/oz, except for Morila which is reported at $1,300/oz. Underground reserves are also based on a gold price of $1,000/oz.

The Morila, Loulo, Gounkoto, Tongon and Massawa open pit mineral reserves were calculated by Mr. Shaun Gillespie, an officer of the company and competent person. The Kibali open pit mineral reserves were calculated by Mr. Nicholas Coomson, an officer of the company and competent person, while the underground mineral reserves were calculated by Mr. Tim Peters, an independent consultant and competent person. The Loulo underground mineral reserves were calculated by Mr. Andrew Fox, an independent consultant and competent person. All reserves were verified and approved by Mr. Rodney Quick, our Group General Manager of Evaluation and Lead Competent Person. Total reserves as of December 31, 2013 amounted to 205Mt at an average grade of 3.6g/t, for 24Moz of gold of which 15Moz are attributable to us.

In calculating proven and probable reserves, current industry standard estimation methods are used. The geological estimates were calculated using classical geostatistical techniques, following geological modeling of the borehole information. The sampling and assaying is done to internationally acceptable standards and routine quality control procedures are in place.

All reserves are based on technical and financial studies. Factors such as grade distribution of the orebody, planned production rates, forecast working costs, dilution and mining recovery factors, geotechnical parameters and metallurgical factors as well as current forecast gold price are all used to determine a cut-off grade from which a life of mine plan is developed in order to optimize the profitability of the operation.

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The following table summarizes the declared reserves at our mines as of December 31, 2013:

	Proven Reserves			Probable Reserves			Total Reserves		
Operation/Project++	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)
Morila +	-	-	-	14	0.7	0.3	14	0.7	0.3
Loulo +	2.2	1.9	0.1	31	5.1	5.1	34	4.9	5.3
Tongon +	3.3	1.4	0.2	28	2.3	2.1	31	2.2	2.2
Gounkoto +	1.9	2.5	0.1	15	4.5	2.1	17	4.3	2.3
Massawa +	-	-	-	21	3.1	2.0	21	3.1	2.0
Kibali+	5.5	2.3	0.4	84	4.1	11	89	4.0	12
Total	13	2.0	0.8	192	3.7	23	205	3.6	24

\+ *Our attributable share of Morila is 40%, Loulo 80%, Gounkoto 80%, Tongon 89%, Massawa 83.25% and Kibali 45%. The figures stated above represent the 100% values.*

++ *The reporting of mineral reserves is in accordance with SEC Industry Guide 7. Open pit reserves are calculated at a weighted average cut off of 0.96g/t and within an 1,000/oz open pit designs except for Morila which are reported within a $1,300/oz pit design. Underground reserves are reported at a weighted average cutoff of 2.42g/t, calculated at 1,000/oz gold price. Dilution and ore loss are incorporated into the calculation of reserves. Addition of individual line items may not sum to sub totals because numbers are reported to the second significant digit.*

At Loulo, Gounkoto, Kibali and Massawa open pit reserves, a 10% mining dilution at zero grade and an ore loss of 3% has been incorporated into the estimates of reserves and are reported as mill delivered tonnes and head grades. At the Tongon project a dilution of 15% at zero grade and an ore loss of 2% has been modeled for the Southern Zone and 10% dilution and 3% oreloss for the Northern Zone. Kibali underground dilution varies between 1% and 6.7% depending on stope design and ore loss of 3%. Metallurgical recovery factors have not been applied to the reserve figures since these are the estimates of the material to be delivered to the mill. Operating costs, metallurgical recovery, royalties, dilution and ore loss factors are used to determine the cut off grade at which to report mineral reserves. The weighted average metallurgical recovery factors used are 60.5% for the Morila mine, 93.5% for the Loulo open pit material and 91.8% for Loulo underground material, 88% for the Tongon project, 92% for the Gounkoto project, 89% for the Massawa project and 88.1% for Kibali material.

MINING OPERATIONS

Loulo-Gounkoto Mine Complex

The Loulo and Gounkoto mines, known as the Loulo-Gounkoto complex, are located in the west of Mali, bordering Senegal, adjacent to the Falémé River. The complex lies within the Kedougou-Kéniéba inlier of Birimian rocks which hosts a number of major gold deposits in Mali, including Gara, Yalea and Gounkoto, Sadiola, Segala and Tabakoto as well as Sabodala across the border in Senegal. The Loulo mine officially opened in November 2005 with the approval for an underground feasibility study in the same year and underground mine development started in 2006. Gounkoto was discovered in 2009. Open pit mining commenced in January 2011 and first ore was delivered to Loulo plant, under a toll treating agreement in June 2011.

The complex is effectively owned 80% by us and 20% by the State of Mali. In 2010, an application was made to split the Loulo and Gounkoto permits, and a separate company was created for Gounkoto in December 2010 with the same corporate structure and shareholding as Loulo. A new mining convention, which dictates the fiscal and regulatory environment applicable to the mine, was negotiated with the State of Mali and signed in March 2012. The convention includes an initial two year corporate tax holiday starting from the date of first production, and a further tax holiday, up to a maximum of five years in total, in the event of further investment such as an underground mine. It also includes royalties of 6% of revenues and a 10% priority dividend payment for the State of Mali.

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In 2013, gold sales totaled $808.3 million for the year. Total royalties paid to the state amounted to $48.6 million and cash operating costs totaled $365.1 million, resulting in profit from mining activities of $394.6 million. Gounkoto's corporate tax holiday ended in June 2013, which contributed to the group's overall tax charge of $76.7 million compared to $37.1 million in 2012.

Capital expenditure amounted to $256.3 million at the Loulo-Gounkoto complex spent primarily on the underground development, backfill project, the plant upgrade (including four CIL tanks), the power plant expansion and the completion of the Gounkoto infrastructure together with work undertaken on the underground feasibility study.

Production results for the 12 months ended December 31,	**2013**	**2012**
MINING		
Tonnes mined (000)	33,188	38,531
Ore tonnes mined (000)	5,165	4,456
MILLING		
Tonnes processed (000)	4,463	4,354
Head grade milled (g/t)	4.6	4.0
Recovery (%)	88.4	89.2
Ounces produced	580,364	503,224
Ounces sold	587,550	502,451
Average price received ($/oz)	1,376	1,657
Cash operating costs* ($/oz)	621	640
Total cash costs* ($/oz)	704	738
Gold on hand at period end# ($000)	–	11,961
Profit from mining activity* ($000)	394,633	461,700
Gold sales* ($000)	808,311	832,350

* *Refer to explanation of non-GAAP measures provided in the section "Non-GAAP Measures" above.*

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

LOULO

Mining and Operations

Loulo's gold production increased by 40% from 219,745oz to 308,420oz for the year due to the underground operations achieving their ore tonnage and grade targets, as both operations focused on reducing mining dilution and Yalea started to access the higher grade Purple Patch zone of mineralization. Recoveries also increased from the second quarter of 2013 as the operation ceased feeding the copper rich Yalea South pushback ore and the processing plant completed plant upgrades which improved CIL residence time and produced other efficiency improvements. As a result of these improvements, total cash cost decreased by 1% and Loulo mining operations contributed 55% of the ore tonnes fed to the mill, which was in accordance with the plan to increase its contribution to approximately 60% of the mill feed.

Gold sales amounted to US$436.9 million at a total cash cost of US$776/oz resulting in a profit from mining activities of US$194.2 million. Capital expenditure was US$245.2 million, the majority of which was for underground development and construction of the paste backfill plant.

During 2013, Loulo underground continued to improve its production profile as a result of a solid development and backfill strategy. A total of 2,185,067 ore tonnes at 4.9g/t was hoisted to surface and 21,669 meters developed.

Yalea reached steady state production during the year while Gara continued to improve.

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CAF came into full production at both Yalea and Gara and the Gara underground conveyor and crushing system was commissioned. Waste filling has also been implemented in back areas, which reduces hauling costs.

Ventilation in the underground mine was considerably enhanced with the completion of two primary ventilation fans during the year.

Mining of the Yalea South pushback pit was completed in 2013 and 357,197 ore tonnes at 4.7g/t were mined at a strip ratio of 4.2. During the year, 302kt at 5.0g/t was fed to the plant while 55kt at 4.6g/t was added to the stockpile.

Production results for the 12 months ended December 31,	**2013**	**2012**
MINING		
Tonnes mined (000)	4,251	9,825
Ore tonnes mined (000)	2,541	1,964
MILLING		
Tonnes processed (000)	2,432	1,837
Head grade milled (g/t)	4.5	4.2
Recovery (%)	88.0	88.6
Ounces produced	308,420	219,745
Ounces sold	312,748	214,739
Average price received ($/oz)	1,397	1,664
Cash operating costs* ($/oz)	692	684
Total cash costs* ($/oz)	776	781
Gold on hand at period end# ($000)	–	7,212
Profit from mining activity* ($000)	194,190	189,588
Gold sales* ($000)	436,950	357,224

We own 80% of Loulo with the State of Mali *owning 20%. The State's share is not a free carried interest. We have funded the State portion of the investment in Loulo by way of shareholder loans and therefore control 100% of the cash flows from Loulo until the shareholder loans are repaid. We consolidate 100% of Loulo and show the non-controlling interest separately.*

* *Refer to explanation of non-GAAP measures provided in the section "Non-GAAP Measures" above.*

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

Ore Reserves

		Tonnes		Grade		Gold		Attributable gold**	
at December 31	Category	(Mt) 2013	(Mt) 2012	(g/t) 2013	(g/t) 2012	(Moz) 2013	(Moz) 2012	(Moz) (80%) 2013	(Moz) (80%) 2012
Mineral reserves*									
¨ Stockpiles	Proven	2.2	1.9	1.9	1.7	0.1	0.1	0.1	0.08
¨ Open pits	Proven	–	0.3	–	4.2	–	0.05	–	0.04
	Probable	2.9	1.9	2.9	2.4	0.3	0.2	0.2	0.1
¨ Underground	Probable	29	36	5.3	5.2	4.9	6.0	3.9	4.8
TOTAL MINERAL RESERVES	Proven and probable	34	40	4.9	4.9	5.3	6.3	4.2	5.1

** Open pit mineral 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 mineral reserves were calculated by Mr. Shaun Gillespie, an officer of the company and competent person. Underground mineral reserves are reported at a gold price of $1,000/oz and a cut-off of 2.5g/t for Yalea underground and 2.4g/t for Gara underground, and include dilution and ore loss factors. Underground mineral reserves were calculated by Mr. Andrew Fox, an independent consultant and competent person. Addition of individual line items may not sum to sub totals because of numbers being reported to second significant digit.*

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** *Attributable gold (Moz) refers to the quantity attributable to ourselves based on our 80% interest in Loulo.*

Processing Plant and Engineering

During 2013, 4.5Mt of ore was milled at a reconciled head grade of 4.6g/t of which 2.0Mt (46%) at 4.7g/t was from Gounkoto. The plant feed material was derived from multiple sources: the Yalea South pit, Gounkoto pit and the Yalea and Gara underground operations. The commissioning of the additional 10tpd oxygen plant in the early part of 2013 increased the oxygen production and this, together with the installation of four additional CIL tanks during the third quarter of 2013, improved the overall recovery to 92.7% in the fourth quarter of 2013 (88.4% for the year). The commissioning of the pebble crusher within the crushing circuit eliminated the generation of a significant amount of scats and reduced the cost related to rehandling while also improving the overall reconciliation of the feed to the plant.

Gold production of 580,364oz was positively impacted by the higher plant throughput and higher grade, partially offset by the lower overall recovery which was mainly due to the high copper content of the Yalea South ore which was processed in the first quarter.

In the metallurgical plant, the availability of the mills and crusher was 93.9% (2012: 95.1%) and 89.3% (2012: 87.7%), respectively. Mill availability was impacted by various repairs on power lines and cables, the majority of which were upgraded during the year with some work to be completed in 2014. However, crusher availability improved steadily during the year due to the improved monitoring of key parameters and the hot vulcanising of conveyor belts.

The power plant produced a total of 258.3GWh of electricity (2012: 215.0GWh) in 2013, a 20% increase mainly reflecting the increased underground development and requirements for increased ventilation, pumping and extraction. Power stability and management systems are planned to be implemented over the next three years to manage the load and capacity increases. The power plant efficiency improved from 0.234l/kWh in 2012 to 0.232l/kWh in 2013. The eight medium speed generators were converted to heay fuel oil towards the end of the year contributing significantly to an improvement in efficiency, as well as reducing the cost of power during the last quarter of 2013.

GOUNKOTO

Mining at Gounkoto started in January 2011, although first ore was fed to the Loulo plant in June 2011 and 2012 represented the first full year of production from the mine. Total material mined during 2013 was 28.9Mt compared to 28.7Mt in 2012.

Production results for the 12 months ended December 31,	**2013**	**2012**
MINING		
Tonnes mined (000)	28,936	28,706
Ore tonnes mined (000)	2,624	2,492
MILLING		
Tonnes processed (000)	2,032	2,518
Head grade milled (g/t)	4.7	3.9
Recovery (%)	88.8	89.7
Ounces produced	271,943	283,479
Ounces sold	274,802	287,712
Average price received ($/oz)	1,351	1,651
Cash operating costs* ($/oz)	541	607
Total cash costs* ($/oz)	622	706
Gold on hand at period end# ($000)	–	4,749
Profit from mining activity* ($000)	200,444	272,112

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Production results for the 12 months ended December 31,	**2013**	**2012**
Gold sales* ($000)	371,361	475,126

We own 80% of Gounkoto with the State of Mali owning 20%. We consolidate 100% of Gounkoto and show the non-controlling interest separately.

* *Refer to explanation of non-GAAP measures provided in the section "Non-GAAP Measures" above.*

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

Mining and Operations

Gounkoto produced 271,943oz during 2013, slightly less than in 2012, but this was achieved through lower tonnes processed at higher grades, resulting in lower total cash costs. The lower tonnes processed was in accordance with the plan to increase production from Loulo.

In 2013, gold sales amounted to $371.4 million at a total cash cost of $622/oz resulting in a profit from mining activities of $200.4 million. Capital expenditure was US$11.1 million, the majority of which was for the underground prefeasibility study and exploration. During 2013, Gounkoto paid a total of US$136.4 million in dividends to its shareholders. During 2013, a total of 28.9Mt were mined including 2.6Mt of ore at an average grade of 4.7g/t, compared to 28.7Mt including 2.5Mt of ore at 3.9g/t in 2012. The increase in grade reflects the natural grade profile of the pit at depth. In 2013, the strip ratio for the pit was 10.0 compared to 10.5 in 2012, in accordance with the LOM strip ratio of 10.2. A total of 2.0Mt of ore was fed to the Loulo plant at an average head grade of 4.7g/t compared to 2.5Mt at 3.9g/t in 2012, a decrease in tonnes but increase in grade. In 2013, 592kt of ore at 3.6g/t was added to the stockpile, compared to 23kt ore at 3.9g/t depleted in 2012.

Gounkoto Underground Project

The viability of an underground project beneath the current open pit in the Jog Zone is currently being investigated. Drilling during 2013 has identified this zone as being structurally and geologically complex and additional drilling is required in 2014 before we can generate reserves. The preliminary mine design consists of a single decline from a portal on the western side of the pit and a central spiral decline. Ore accesses will be located central to the orebody at 20 meter vertical intervals. Where the orebody is thin, less than 15 meters, ore drives will be single and where the orebody is greater than 15 meters, footwall and hangingwall ore drives will be developed. A Mining Rock Mass

Model (MRMM) has been constructed from the geotechnical logging. This has been used to determine the critical geotechnical parameters such as the Q-rating and rock mass rating to determine first pass estimates for mining methods, stope geometry and ground support.

A combination of three mining methods is likely to be used for underground mining in the Jog Zone:

- overhand cut-and-fill;
- longitudinal open stoping with backfill; and
- transverse open stoping with backfill.

Backfill is likely to be a combination of cemented rockfill and cemented aggregate fill. The option of transporting paste material back on the ore haulage trucks, currently running between Gounkoto and Loulo, will also be reviewed in the feasibility stage. A preliminary schedule has been completed which produces 5.8Mt at 6.4g/t for 1.2Moz over a 13-year period. The schedule envisions an average of 643,000tpa over the first full seven production years.

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Ore Reserves

		Tonnes		Grade		Gold		Attributable gold**	
at December 31	Category	(Mt) 2013	(Mt) 2012	(g/t) 2013	(g/t) 2012	(Moz) 2013	(Moz) 2012	(Moz) (80%) 2013	(Moz) (80%) 2012
Mineral reserves*									
¨ Stockpiles	Proven	1.5	0.9	2.4	2.1	0.1	0.06	0.09	0.05
¨ Open pits	Proven	0.4	0.9	2.5	2.7	0.03	0.08	0.03	0.06
	Probable	15	17	4.5	5.0	2.1	2.6	1.7	2.1
TOTAL MINERAL RESERVES*	Proven and Probable	17	18	4.3	4.7	2.3	2.8	1.8	2.2

* *Open pit mineral reserves are reported at a gold price of $1,000/oz and 1.38g/t cut-off and include dilution and ore loss factors. Open pit mineral reserves were calculated by Mr. Shaun Gillespie, an officer of the company and competent person. Addition of individual line items may not sum to sub totals because of reporting to the second significant digit.*

*** Attributable gold (Moz) refers to the quantity attributable to ourselves based on our 80% interest in Gounkoto.*

Health, safety and the environment

Loulo

The Lost Time Injury Frequency Rate (“LTIFR”) during 2013 was 0.82 against 1.59 for 2012. Two million hours Lost Time Injury (“LTI”) free events were achieved during the year. No fatalities were recorded for the fourth consecutive year. The safety management system was implemented as per the OHSAS 18001 requirement and the surveillance audit to maintain the certification was successfully completed. The malaria incidence rate was 34.0%, a 41.3% decrease compared to 2012. The HIV/AIDS awareness was intensified with 1186 VCT tests conducted, showing an HIV rate of 1.85%. Community health treated 13,020 patients while first-aid, evacuation, family planning, HIV counseling and voluntary testing free of charge were ongoing at the mine village. In addition, a widened immunization program was carried out in association with the Kenieba reference health center.

The mine’s ISO 14001 certification was retained after a successful surveillance audit during 2013. No category 1 (major) incidents occurred while there were four tanker fuel spills (same as 2012). Return water uptake increased to

78.6% from 67% in 2012 (on track to reach the 80% target by 2015). An energy saving committee was established during 2013 and a number of initiatives were developed and implemented, including a 30% reduction in fuel consumption in mining (32l/ore mined against 46l/ore mined in 2012). A computer-based biodiversity management tool was installed and implementation of the biodiversity action plan (BAP) was initiated.

Gounkoto

No LTIs were recorded during the year; consequently the LTIFR decreased from 0.38 in 2012 to 0 in 2013. Three million hour LTI free events were achieved during 2013. In the process of implementing OHSAS 18001, a baseline risk assessment was completed for the entire mine and the certification audit was successfully conducted during 2013. The malaria incidence rate decreased from 78% in 2012 to 55%, following an active awareness and spraying campaign. The Gounkoto mine has been certified ISO 14001 compliant. Pursuant to our environmental policy, a computer-based biodiversity management tool was developed and installed at the mine. No major environmental incidents occurred during the year.

Human Resources

Loulo

Manpower working at Loulo increased from 2,866 in December 2012 to 3,233 in December 2013.

Gounkoto

Manpower working at Gounkoto increased from 1,271 in December 2012 to 1,244 in December 2013.

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At December 31	2013			2012		
	Expats	Nationals	Total	Expats	Nationals	Total
Loulo						
Employees	82	865	947	68	532	600
Contractors	158	2,128	2,286	209	2,057	2,266
Total Loulo	240	2,993	3,233	277	2,589	2,866
Gounkoto						
Employees	6	157	163	5	48	53
Contractors	24	1,057	1,081	21	1,197	1,218
Total Gounkoto	30	1,214	1,244	26	1,245	1,271

Exploration

At Loulo, work during 2013 concentrated on generating new targets as well as follow-up programs on identified targets, most notably at Gara South and Yalea Ridge South. Drill programs confirmed that high grade mineralization extends beyond the limits of the current ore body models for both Yalea and Gara.

At Gounkoto, exploration continued to evaluate the potential for an underground mine with further drilling in the Jog Zone testing the MZ2 and MZ3 lodes of mineralization. A new high grade lode of mineralization (MZ4) was identified in the footwall of MZ3 and significant mineralization was also identified in west dipping footwall structures of MZ1. A 270 meter zone of high grade mineralization was also defined in the hangingwall of the deposit.

MORILA

The Morila mine is situated 280km south-east of Bamako, the capital of Mali. Morila is owned by a Malian company, Société des Mines de Morila SA (Morila), which in turn is owned 80% by Morila Limited and 20% by the Malian government. Morila Limited is jointly owned by ourselves and AngloGold Ashanti Limited and the mine is controlled by a 50:50 joint venture management committee. Responsibility for the day-to-day operations rests with us. Under its stewardship the mine was successfully converted from open pit mining to a stockpile treatment operation during 2009.

Closure of operations at Morila was originally scheduled for 2013 but, together with the Pit 4S pushback and the tailings treatment projects, processing of the marginal ore and mineralized waste should extend its life to 2017.

Operations

2013 gold production at 141,822oz was 10% higher than the target set at the start of the year but 30% down compared to 2012, due to lower grade and throughput. The better performance was attributable to efficient management, slightly better than forecast head grade and a higher than planned recovery rate. Despite the lower throughput, which was due to the rationalization of the milling and crushing circuit and taking the SAG mill offline, total cash cost per ounce was well contained at $763/oz.

Gold sales for the year of US$199.7 million were down compared to 2012 as a result of the drop in production and lower average gold price received. The profit from mining activity was US$91.4 million, while capital expenditure amounted to US$32.6 million, mostly in respect of the Pit 4S pushback.

Production results for the 12 months ended December 31,	**2013**	**2012**
Mining		
Tonnes mined (000)	6,803	—
Ore tonnes mined (000)	—	—
Milling		

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Production results for the 12 months ended December 31,	**2013**	**2012**
Tonnes processed (000)	3,576	4,453
Head grade milled (g/t)	1.4	1.5
Recovery (%)	91.3	91.6
Ounces produced	141,822	202,513
Ounces sold	141,822	202,513
Average price received ($/oz)	1,408	1,663
Cash operating costs* ($/oz)	679	659
Total cash costs* ($/oz)	763	759
Profit from mining activity* ($000)	91,418	183,035
Stockpile adjustment# ($/oz)	—	130
Attributable (40%)		
Gold sales* ($000)	79,870	134,702
Ounces produced	56,729	81,005
Ounces sold	56,729	81,005
Gold on hand at period end** ($000)	—	—
Profit from mining activity* ($000)	36,567	73,214

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. As previously reported, following the introduction and adoption of IFRS 11 Joint arrangements, the group changed its accounting policy on joint ventures from January 1, 2013 with prior periods restated accordingly.

 # The stockpile adjustment per ounce reflects the charge expensed in respect of stockpile movements during the period divided by the number of ounces sold. The total cash cost per ounce includes non-cash stockpile adjustments.

** Refer to explanation of non-GAAP measures provided in the section "Non-GAAP Measures" above.*

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

Ore Reserves

Marginal stockpiles and open pit material along with the higher grade portion of the TSF are reported in mineral reserves and form the bulk of the feed for the current life of mine plan.

	Tonnes		**Grade**		**Gold**		**Attributable gold****	
	(Mt)	**(Mt)**	**(g/t)**	**(g/t)**	**(Moz)**	**(Moz)**	**(Moz) 40%**	**(Moz) 40%**

at December 31	Category	2013	2012	2013	2012	2013	2012	2013	2012
Mineral reserves*									
¨ Stockpiles	Probable	0.6	3.9	1.0	1.1	0.02	0.1	0.01	0.06
¨ TSF	Probable	13	—	0.5	—	0.2	—	0.09	—
¨ Open pit	Probable	0.9	1.0	2.9	2.9	0.08	0.1	0.03	0.04
TOTAL MINERAL RESERVES	Proven and probable	14	4.9	0.7	1.5	0.3	0.2	0.1	0.09

* *Open pit mineral reserves are located within the US$1,300/oz pit shell, but reported at US$1,000/oz cut-off grade of 0.87g/t. Stockpile mineral reserves are reported at a US$1,000/oz cut-off grade of 0.85g/t. TSF mineral reserves are reported at a US$1,000/oz cut-off grade of 0.50g/t. Mineral reserves were calculated by Mr. Shaun Gillespie, an officer of the company and competent person.*

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** *Attributable gold (Moz) refers to the quantity attributable to ourselves based on our 40% interest in the Morila gold mine.*

Processing

In 2013, the throughput rate decreased to 436tph from 559tph in 2012. The SAG mill was taken off-line in July 2013, and the milling and crushing circuit reconfigured along with an upgraded three-stage crushing plant. In addition, the plant's oxygen system was also upgraded with the installation of a new oxygen unit designed to improve the recovery rates as well as cyanide consumption. Additional Archen reactors are due to be installed in early 2014 to further enhance oxygenation of the pulp.

Engineering

Engineering availability of 95.1% was 2.0% higher than 2012, primarily due to the decommissioning of the SAG mill which was the cause of considerable downtime during the previous year. A new secondary crusher was installed and the old secondary crushers were converted to tertiaries as part of the mill and crusher circuit rationalization following the removal of the SAG mill. The mine experienced several failures of the primary crusher's inner and eccentric bushing in September and October 2013 however management successfully repaired the necessary parts on site to address these issues ensuring the production target for the year was exceeded. A new 10tpd oxygen plant was installed and commissioned. The mine generates its own power through a diesel electrical generating station equipped with five Allen 5000 engines (6MW each). Three are producing power and two are on maintenance and standby. Consumption at 122.3GWh in 2013 was 17% lower than 2012 (139.6GWh) following the stoppage of the SAG mill, which reduced total power costs. The cost of generating electricity during the year was $0.284/kWh.

Pit 4S pushback project

This project started in May 2013 with preproduction waste stripping and the establishment of access roads to haul and dump waste in both Pit 4N and Pit 5 (in-pit dumping areas). A new fleet was mobilized to the site, commissioned and put into production during the year. 6.8Mt of waste material was stripped during 2013. Pit dewatering was identified as critical to the mining performance and a strategy was put in place to address this. Waste stripping is expected to continue through 2014, with mining and feeding of ore planned for the second quarter of 2014.

TSF Project

During 2013, the TSF resource model and feasibility study were updated to reflect a selective mining approach. A mining schedule, using a gold price of $1,000/oz, was produced by Fraser Alexander, the specialist TSF contractors, and it is currently envisioned that the mining and processing of the TSF will start in January 2015 continuing to the third quarter of 2017.

The plan includes:

- 44.1Mt at 0.24g/t of very low grade material stripped and pumped directly into the pit as waste; and
- 14.2Mt at 0.53g/t (241koz) of higher grade material mined and processed through the plant, with the tails also being deposited in the pit.

It is envisioned that all the TSF material will ultimately be reclaimed and deposited in the pit. The long term environmental impact and liability of depositing the material in the pit is substantially less than leaving the TSF in situ.

Agribusiness

Morila continues to implement a post-mine commercial agribusiness strategy to utilize the mine's infrastructure and provide sustainable economic activity to the local community via an agrivillage concept. The first phase of commercialization of the agribusiness pilot projects was implemented during the fourth quarter with the installation of the necessary equipment. The poultry project has almost 5,000 layer chickens in a facility which has the capacity to house 10,000 and the focus is now on researching and developing additional markets. Six fish ponds, with a production potential of 34 tonnes of fish per year have been established to breed tilapia and a feasibility study is planned to explore the possibility of 12 floating cages in the Morila fresh water dam. Additional projects include honey production, the export of mangoes and producing mango related products.

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Health, safety and the environment

During 2013, Morila had one LTI, the same number as in 2012. The year to date LTIFR was 0.49 compared to 0.52 in 2012. The mine maintained its OHSAS 18001 safety certification. The malaria incidence rate decreased to 23% compared to 31% in 2012. A larviciding program was implemented and two rounds of indoor spraying took place during the year. The mine's environmental management system has successfully completed its ISO 14001 annual surveillance assessment. The mine closure plan was updated in December 2013 to meet the requirements of the government and the community and prevent or minimize the adverse long-term environmental impact and to create a self-sustaining natural ecosystem.

Human resources

During 2013, the mine's social climate was maintained and several training and employee capacity building programs were conducted. The total number of people working at the mine at the end of 2013 was 1,168, including 771 contractors supplying services to the mine.

	2013			2012		
At December 31	**Expats**	**Nationals**	**Total**	**Expats**	**Nationals**	**Total**
Employees	10	387	397	9	406	415
Contractors	11	760	771	6	411	417
Total	21	1,147	1,168	15	817	832

Tongon

The Tongon mine is located within the Nielle exploration permit in the north of Côte d'lvoire, 55km south of the border with Mali. Tongon SA is owned by an Ivorian company, Société des Mines de Tongon SA, of which Randgold has an 89% interest, the government of Côte d'lvoire 10% and 1% is held by a local company. Tongon is an open pit mining operation and employs the four standard mining practices of drill, blast, load and haul.

Operations

Performance improved significantly from 2012. Gold production of 233,591oz was up 11% as a result of the implementation of throughput and efficiency improvement projects, engineering out key process deficiencies and an overall improvement of operator skills and plant maintenance.

Electricity grid supply issues were resolved in the first half of 2013 with the third quarter seeing the targeted grid-to-generated power ratio of 98/2 being achieved for the first time. Tonnage throughput related projects were undertaken throughout the plant during the year and only the fourth key Vibrocone crusher installation remained outstanding by year end, the delay resulting from the supplier engineering-out a number of mechanical deficiencies in their design and application. Recovery related projects were also completed in 2013, including additional residence in the intensive cyanidation pumpcell section, installation of two gravity Knelson concentrators and a Gekko Intensive Leach Reactor (ILR). In addition, extensive work was done on stabilizing and effectively operating the flash flotation and fine grind Deswik milling and CIL circuits. While production at Tongon has increased, recovery improvement and efficiency initiatives completed to date have fallen short of the targeted upper 80% target. Flotation testwork and gold deportment studies completed in the fourth quarter of 2013 indicated that a rougher flotation circuit, in addition to the existing flash flotation, is necessary to achieve the targeted recoveries and a decision was taken in January 2014 to expand the float section of the plant.

Gold sales amounted to US$329.5 million with a total cash cost per ounce of US$828/oz, resulting in a profit from mining activity of US$133.9 million. Capital expenditure for the year totaled US$23.5 million, principally on projects related to tonnage and recovery improvement.

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Mining and production

During 2013, mining took place in SZ pit where development was based mostly on hard ore mining to supply the plant. In 2014, mining will focus mainly on the SZ pit and development of the NZ pit, mostly waste stripping.

The LOM schedule is broadly categorized as follows:

- Mining in SZ pit, which started in 2010, will continue to 2019 to the final pit bottom;
- The NZ pit, where mining began in 2011, will only start mining again in the second quarter of 2014 mainly in the form of waste stripping and partly ore mining. Ore mining will continue from 2015 to 2020; and
- SZ and NZ satellite pits have been introduced into the plan and the SZ oxide pit will be mined from 2016 and the NZ east pit from 2019.

Total material mined in 2013 was 27.2Mt, 34% above 2012 and total ore mined of 4.1Mt, was 11% below the prior year but was in accordance with the plan to feed more run of mine material and reduce stockpiled material. The 2013 strip ratio of 5.7 increased significantly on the previous year's 3.4, consistent with the LOM plan. SZ activities were essentially hard rock mining (ore and waste) with a cut back in oxide/saprolite which started in the hanging wall in the third quarter of 2013. Mining production improved in the second quarter of 2013 and progressed steadily throughout the year. The wet season action plan proved effective, allowing mining to continue without production stoppage during the rainy third quarter.

Groundwater and surface water management has received continued attention and was well controlled during the year. The SZ pit 260RL stage pumping installation, inclusive of pipes and tanks, is scheduled to be completed by the end of the first quarter of 2014. In the NZ pit, pumping has commenced with one pump and will continue throughout the year. Dewatering forms an integral part of the mining strategy at Tongon due to the pit lying in the catchment area of an old river system and downstream of the Water Storage Dam. Mining schedules and plans are developed ensuring two low spots or sumps in the pit at any time in the cycle allowing mining to take place in dry ground while the water is pumped away. Water is also pumped away from the NZ & SZ pits through perimeter boreholes.

Production results for the 12 months ended December 31,	**2013**	**2012**
Mining		
Tonnes mined (000)	27,237	20,380

Ore tonnes mined (000)	4,081	4,592
Milling		
Tonnes processed (000)	3,866	3,432
Head grade milled (g/t)	2.4	2.5
Recovery (%)	77.0	77.4
Ounces produced	223,591	210,615
Ounces sold	236,279	210,396
Average price received ($/oz)	1,394	1,672
Cash operating costs* ($/oz)	786	722
Total cash costs* ($/oz)	828	772
Gold on hand at period end#	-	3,268
Profit from mining activity* ($000)	133,907	189,313
Gold sales* ($000)	329,448	351,805

We own 89% of Tongon with the State of Côte d'lvoire and outside shareholders owning 10% and 1% respectively. We funded all the investments in Tongon by way of shareholder loans and therefore control 100% of the cash flows from Tongon until the shareholder loans are repaid. We consolidate 100% of Tongon and show the non-controlling interest separately.

* *Refer to explanation of non-GAAP measures provided in the section "Non-GAAP Measures" above.*

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

Ore Reserves

at December 31	Category	Tonnes (Mt) 2013	Tonnes (Mt) 2012	Grade (g/t) 2013	Grade (g/t) 2012	Gold (Moz) 2013	Gold (Moz) 2012	Attributable gold** (Moz) (89%) 2013	Attributable gold** (Moz) (89%) 2012
Mineral reserves*									
¨ Stockpiles	Proven	3.3	2.5	1.4	1.4	0.2	0.1	0.1	0.1
¨ Open pits	Probable	28	31	2.3	2.5	2.1	2.5	1.8	2.2
TOTAL MINERAL RESERVES	Proven and probable	31	34	2.2	2.4	2.2	2.6	2.0	2.4

* *Open pit mineral reserves are reported at a gold price of $1,000/oz and 0.84g/t cut-off and include dilution and ore loss factors. Open pit mineral reserves were calculated by Mr. Shaun Gillespie, an officer of the Company and competent person. Addition of individual line items may not sum to sub totals because of reporting to second significant digit.*

** *Attributable gold (Moz) refers to the quantity attributable to ourselves based on our 89% interest in Tongon.*

Processing

During 2013, both mill availability and mill throughput increased by 13% compared to 2012, with 3,866kt of fresh ore being treated. Mill improvement projects included the upgrade of the mill cyclone pump circuits and the replacement of the tertiary Hydrocone crushers with higher throughput. Installation of finer product Vibrocone crushers was progressed during the year, with the final fourth Vibrocone crusher remaining to be done. Despite the increase in throughput, the delay in the installation of the Vibrocone crushers as a result of moving to engineer out basic manufacturer mechanical deficiencies, impacted on the mine's ability to achieve more throughput. The installation of the fourth crusher and overall optimization of the crusher circuit should see the mill tonnage throughput continue to improve towards the targeted 4.4Mtpa rate.

Gold recovery remained on a par with the previous year's performance at 77.0%. Gold production improved by 12% to 233,591oz compared to 2012, due to the 13% increase in mill throughput. Despite an increase in gold production,

recovery remained below target primarily as a result of not floating and hence not fully recovering the fine gold associated with arsenopyrite. An additional 2% gold recovery should be achievable by optimizing the existing recovery circuit but raising the recovery rate to the targeted upper 80%, will require an expansion of the flotation circuit to capture most of the sulphide in the ore.

Gold and arsenopyrite deportment studies of the Tongon plant feed have confirmed the need for a rougher flotation to effectively recover arsenopyrite associated gold. Tongon's standard CIL circuit is not recovering that portion of the gold associated with arsenopyrite which is bypassing the existing flash flotation cells. The original metallurgical testwork indicated that the bulk of the Tongon ore is amenable to cyanidation, with flash flotation in the mill circuit recovering the gold associated with arsenopyrite. In practice, this process is not recovering enough of the fine gold. The expansion of the flotation circuit is expected to address this issue by capturing the full spectrum of sulphides. An initial estimate of the cost of expanding the float circuit amounts to US$12.0 million and completion is targeted by the end of 2014, with a payback period of eight to ten months.

Engineering and power generation

Overall mill availability was 90.2% for 2013, showing a steady improvement throughout the year and resulting in a 12.8% improvement over 2012. During the fourth quarter of 2013, grid power supply interruptions, described below, impacted the plant availability negatively, followed by extended downtime to replace and reroute the final tails pipeline in the plant. Continued engineering improvements and uplifting of local workforce skills contributed positively to the overall increase in engineering mechanical availability and subsequent improvement in mill availability.

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Power plant

The power plant's overall mechanical and electrical availability in 2013 was 96%. Utilization of diesel generated power significantly decreased from 92.3% in 2011 to 21.2% in 2012 and 10.5% in 2013. The balance of the mine's power demand for the year was supplied from the national grid, which has been the primary source of electrical power since December 2011. Power consumption from the grid increased to an average of 18.7MW in 2013 as a direct result of an increase in operational availability and utilization, and an increase in the number of process units consuming power as new projects were completed during the year. Average cost of power was US$0.13/kWh in 2013 compared to US$0.19/kWh in 2012.

The capacitor bank installation in March 2013 and high level interaction with the Ivorian power utility (CIE) by Tongon management, significantly reduced the frequency of grid power outages during the year. By the end of the third quarter of 2013, a grid-to-generated power ratio of 98% had been achieved, significantly reducing powerhouse fuel consumption and operating costs. During the fourth quarter of 2013, a CIE transformer feeding the mine substation failed which led to some grid power instability being experienced during December. Generated power was increased to make up the deficit in the grid supply while the transformer was repaired and returned to service during January 2014.

Health, safety and the environment

During 2013, the mine achieved 207 days without an LTI, equivalent to 2,549,726 LTI free hours. The LTIFR increased, however, from 0.22 in 2012 to 0.45 in 2013. After achieving an ISO 14001 environmental accreditation in 2012, the mine also received an OHSAS 18001 safety accreditation in 2013, while maintaining its ISO 14001 certification. No class 1 or class 2 environmental incidents occurred in 2013.

Human resources

The operational labor complement for Tongon is 533, of which 93% are Ivorians. To date, 75% of the operational labor is from local villages.

	2013			2012		
At December 31	**Expats**	**Nationals**	**Total**	**Expats**	**Nationals**	**Total**

Employees	39	494	533	28	382	410
Contractors	56	1,168	1,224	47	1,108	1,155
Total	95	1,662	1,757	75	1,490	1,565

Exploration

Exploration in the Nielle permit this year comprised reconnaissance drilling on near-mine targets and early stage field work, including soil geochemistry to generate new opportunities. A new skarn type model has been developed for the Tongon deposits to drive the future exploration in the permit.

Kibali

The Kibali mine is a gold development property which covers an area of 1,836km^2 on the Moto Goldfields in the north east of the Democratic Republic of Congo ("DRC"). It is located some 560km north east of the city of Kisangani and 150km west of the Ugandan border town of Arua. Kibali is a joint venture between Randgold (45%), AngloGold Ashanti (45%) and a Congolese parastatal, Sokimo (10%).

The mine is being operated by Randgold. The mine comprises an integrated open pit and underground operation with the core capital program scheduled to run until early 2016. It is planned that the mine will ultimately be supplied by four hydropower stations supported by a thermal power station for low rainfall periods and back-up.

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The Kibali mine is being developed in two phases. Phase 1 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 four hydropower stations. Phase 2 comprises the underground mine development and the remaining three hydropower stations. Once complete, the integrated open pit and underground operation is expected to produce an average of 600,000 ounces of gold per annum over the first twelve years of its life which currently extends to 2031.

Open pit mining started in July 2012 and commissioning of the oxide circuit began in the third quarter of 2013. Kibali poured its first gold in September 2013, ahead of plan, and started commercial production in the fourth quarter of 2013.

Operations

Kibali completed the commissioning of the oxide milling and metallurgical circuit at the start of October 2013 and produced and sold 88,200oz at a total cash cost of US$464/oz. Gold production exceeded the mine's guidance, as set out at the start of the year, as a result of the early commissioning producing a higher throughput. Total cash cost per ounce were consistent with the plan. The mine made a profit from mining activity (before interest, tax and depreciation) of US$68.3 million in the fourth quarter of 2013, and also made a bottom line profit in its first quarter of operations.

In 2013, the mine spent US$742.9 million on capital expenditure. The capital estimate for Phases 1 and 2 of the project was updated at the end of the year and is currently estimated at US$1.77 billion, excluding mining preproduction expenses, escalation and contingencies.

Open pit mining

Open pit mining showed a steady increase in both total tonnes and ore tonnes mined. In spite of the high rainfall and ground water, the mining team completed the year ahead of budget, delivering the required plant feed for production and increasing stockpile reserves. At the end of the year the total stockpile content included 1.6Mt of ore at 3.4g/t on medium and high grade stockpiles and 1.9Mt of low grade ore at 1.0g/t.

Only oxide and transition ore was mined during the period, with sulphide ore exposed at year end. The stripping ratio at the end of 2013 was 4.7. Dewatering of the KCD pit started during the third quarter of 2012 and resulted in uninterrupted open pit mining during the period under review. Twelve pumps were operating at year end with a dewatering rate of 71l/sec.

Processing

The plant treated 808kt of oxide material at 3.7g/t. Recoveries at 91.3% were consistent with expectations for processing the oxide material. Following the commissioning of the first oxide stream at the end of the third quarter of 2013, the second mill and feed circuit belonging to the second (sulphide) stream was commissioned and started milling oxide ore in the fourth quarter of 2013, adding to throughput. The second elution and electrowinning circuit was also commissioned and is now in operation. Only the secondary crushing, flotation and concentrate handling circuits remain to be commissioned in the first quarter of 2014, in order to complete the full sulphide recovery circuit, prior to commissioning this circuit on sulphide ore.

Engineering and power generation

The plant was commissioned using the 36 high speed thermal (diesel) generators which had been installed to meet the power needs of the mine during lower rainfall periods.

Construction and underground mine development

The project team made excellent progress during 2013 focusing on defined areas to enable construction of the first oxide stream of the metallurgical plant to be completed by the end of the third quarter of 2013, to enable the earlier than scheduled gold production.

Construction highlights achieved during 2013 include:

- oxide circuit, first and second elution circuits commissioned;
- carbon regeneration area completed;

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- first and second gold room electrowinning bank commissioned and operational;
- oxide and sulphide mill installation commissioned;
- reagents stores completed;
- Nzoro 2 hydropower generating equipment placed in position;
- Nzoro 2 penstock piping more than 50% complete;
- first and second CIL tailings pump train, valve train and pipeline commissioned;
- 24 diesel generators installed and commissioned;
- construction of supporting mining infrastructure including substations, explosive magazines, completed on schedule; and
- started demobilizing contractors from site as projects completed.

Vertical shaft system

During 2013, the main sink commenced and by year end was 195 vertical meters deep. The sinking contractor, under the leadership of the mine owner's team, achieved an advance rate of 2.3 meters per 30 hour cycle at the end of the fourth quarter, consistent with contractual undertakings and the plan. Following the slower start and mobilization of equipment and personnel, we currently anticipate a normal main sink operation until shaft completion, with ground conditions proving to be favorable and water ingress below forecast.

Decline development

At the end of December 2013, the twin decline section of the development had been completed. Both declines intersected the ore body in accordance with the geological model and mine plan. Total decline development reached a distance of 3,948 meters by December 31, 2013, including east decline 1,408 meters; west decline 1,399 meters; north decline 165 meters and south decline 107 meters. The first access level to the critical 5000 lode has also been started.

Work at the Nzoro 2 hydrofacility, the first of four hydropower stations, is on track for commissioning in the first quarter of 2014, at the start of the rainy season when peak hydropower will be available. This should significantly reduce the cost of power and processing at the mine, partially offset by the increased power demands of the crushing and milling circuit when processing the sulphide ore (fresh hard rock).

Production results for the 12 months ended December 31,	**2013**	**2012**
Mining		
Tonnes mined (000)	25,004	5,516

Ore tonnes mined (000)	4,335	97
Milling		
Tonnes processed (000)	808	–
Head grade milled (g/t)	3.7	–
Recovery (%)	91.3	–
Ounces produced	88,200	–
Ounces sold	88,200	–
Average price received ($/oz)	1,238	–
Cash operating costs* ($/oz)	433	–
Total cash costs* ($/oz)	464	–
Profit from mining activity* ($000)	68,282	–
Attributable (45%)		
Gold sales* ($000)	49,153	–
Ounces produced	39,690	–
Ounces sold	39,690	–
Profit from mining activity* ($000)	30,727	–

We own 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. As previously reported, following the introduction and adoption of IFRS 11 Joint Arrangements, the group changed its accounting policy on joint ventures from January 1, 2013 with prior periods restated accordingly.

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* *Refer to explanation of non-GAAP measures provided in the section "Non-GAAP Measures" above.*

Ore Reserves

		Tonnes		**Grade**		**Gold**		**Attributable Gold****	
at December 31	**Category**	**(Mt) 2013**	**(Mt) 2012**	**(g/t) 2013**	**(g/t) 2012**	**(Moz) 2013**	**(Moz) 2012**	**(Moz) (45%) 2013**	**(Moz) (45%) 2012**
Mineral reserves*									
¨ Stockpiles	Proven	3.6	0.07	2.2	2.2	0.2	0.01	0.1	0.002
¨ Open pit	Proven	1.9	3.5	2.5	3.3	0.2	0.4	0.07	0.2
	Probable	40	41	2.5	2.5	3.2	3.3	1.4	1.5
¨ Underground	Probable	44	39	5.7	5.8	8.0	7.2	3.6	3.2
TOTAL MINERAL RESERVES*	Proven and Probable	89	83	4.0	4.1	12	11	5.2	4.9

* *Open pit mineral reserves are reported at a gold price of $1,000/oz and an average cut-off of 0.88g/t cut-off and include dilution and ore loss factors. Open pit mineral reserves were calculated by Mr. Nicholas Coomson, an officer of the company and competent person. Underground mineral reserves were reported at a gold price of $1,000/oz and a cut-off of 2.4g/t and include dilution and ore loss factors. Underground mineral reserves are calculated by Mr. Tim Peters, an independent consultant and competent person. Addition of individual line items may not sum to sub totals because of reporting to two significant digits.*

** *Attributable gold (Moz) refers to the quantity attributable to ourselves based on our 45% interest in the Kibali gold mine.*

Health, safety and environment

The LTIFR rate decreased materially in 2013, from 2.48 in 2012 to 0.59 in 2013 following sustained efforts to increase safety awareness. In addition a material decrease in the malaria incidence rate from 70.3% in 2012 to 61.1% in 2013 showed a marked improvement in Kibali's health. The Environmental and Social Impact Assessment (ESIA) was undertaken according to IFC performance standards and the Equator Principles before construction began. In accordance with DRC legislation the environmental management plan (EMP) was successfully subjected to an annual independent audit.

Human resources

The size of the workforce employed in the construction process of Kibali has grown from 4,485 in 2012 to 7,401 employees at the end of 2013, the bulk of which are employed in the construction activity by contractors. A key development during the year was the successful negotiation and finalization of the Mine Level Agreement (MLA) in October. This agreement clarifies and elaborates on many aspects of the Labor Law and effectively establishes the rules of the management and union partnership, for the production phase of the mine.

At December 31	**2013**			**2012**		
	Expats	**Nationals**	**Total**	**Expats**	**Nationals**	**Total**
Employees	54	462	516	22	159	181
Contractors	1,561	5,324	6,885	423	3,881	4,304
Total	1,615	5,786	7,401	445	4,040	4,485

Exploration

Exploration continued to focus on extensions to the known deposits, especially KCD where mineralization has been confirmed a further 450 meters down plunge of the current orebody model, while the up plunge continuity of the 5000 lode into Durba Hill offers additional open pit ore. Follow-up work on early stage targets close to the mine continued to return encouraging results especially at Mofu where additional high grade oxide material was identified.

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EXPLORATION REVIEW

We have a portfolio of projects within some of the most prospective gold belts of both West and Central Africa. We have exploration projects in five African countries hosting 160 targets on 12,995km^2 of groundholding. Of these, 81 are satellite targets located near existing operations while 79 are potential stand-alone operations.

Mali

Loulo

Work during 2013 concentrated at all levels within the resource triangle: generating new targets, follow-up programs on identified targets and evaluating extensions to the main deposits of Yalea and Gara.

Deep drilling at Gara and Yalea deposits

Deep drilling programs below the current ore models at both the Gara and Yalea deposits have highlighted the potential for extensions to high grade mineralization. Intersections include Gara: 8.8 meters at 4.75g/t from 1,082.2 meters, and Yalea: 10.7 meters at 4.67g/t from 1,310.1 meters. These targets provide the mining operations with additional opportunities. A trade off study will determine whether follow-up work on these targets should be completed from underground or surface. Further infill drilling at depth in Gara as well as in the higher grade Purple Patch at Yalea are upgrading the model ahead of mining.

Baboto

The Baboto target extends over a strike length of 3.5 kilometers and currently hosts three deposits: Baboto North, Baboto Central and Baboto South. RC drilling was completed with 14 RC holes for 1,099 meters. Much of this work was infill drilling confirming extensions to mineralization at both the southern and northern limits of the southern zone deposit. One hole drilled at Baboto North has highlighted the potential of a short strike length lode of high grade mineralization with an intersection of 99.0 meters at 4.08g/t from 7.0 meters, including 12.0 meters at 17.84g/t from 29.0 meters.

Yalea Ridge South

The Yalea Ridge South target is located at the southern end of the Yalea Ridge structure. The target was identified through lithosampling and mapping along the larger structure in 2012. Follow-up trenching and reconnaissance drilling have returned encouraging results: YRSRC006 - 13.0 meters at 6.38g/t from 20.0 meters and 44.0 meters at 1.54g/t from 80.0 meters; YRST4 - 2.9 meters at 5.96g/t; YRST04A - 36.0 meters at 3.07g/t; YRST04B - 6.6 meters at 6.80g/t; and YRST04C - 4.2 meters at 3.20g/t. There are two generations of folds, an overturned set verging towards the southeast and plunging towards the southwest and a set of upright isoclinal folds plunging towards the south. The model at Yalea Ridge South is of a set of stacked, gently south dipping mineralized sedimentary units with high grade mineralization forming plunging shoots along the axes of fold hinges. This model will be further evaluated during 2014.

Sansamba West

This target is located 1.5 kilometers to the north of Yalea Ridge South on the Yalea Ridge Structure and has a coincident gold in soil anomaly and ground geophysical induced polarization (IP) anomaly. Eleven rock samples returned an average grade of 7.36g/t. A recently completed trench has returned two intersections: 21.5 meters at 3.36g/t and 10.4 meters at 2.51g/t associated with altered sediments. Two previous RC holes returned encouraging intersections: YRSRC01 - 14.0 meters at 1.48g/t and 23.0 meters at 1.39g/t; and YSRC02 - 19.0 meters at 1.31g/t. Follow-up work including trenching and drilling is planned for 2014.

Gara South

The Gara South target is located immediately south and along strike from the Gara deposit. It is structurally complex and underlain by tightly folded limestones and clastic sediments which have been intruded by a number of intrusive rocks from mafic to felsic in composition. The target area is covered by transported alluvial gravels from the adjacent Falémé River which not only masks the underlying geology but also the surface geochemical response from mineralization. Ferruginous shears have returned encouraging mineralized intersections in trenches: GST01 - 15.0 meters at 5.46g/t; and GST02 - 17.9 meters at 2.91g/t including 10.2 meters at 4.55g/t. Subsequent RC drilling beneath the trench and along strike, over 800 meters, returned weaker results than anticipated with a best gold intersection of 15.0 meters at 1.32g/t. Detailed logging has revealed a complex pattern of shears and folds, with fold hinges plunging to the southwest at 30 degrees. Mineralization identified to date is associated with brecciated and altered sediments as well as porphyry intrusions. Further exploration will be undertaken in 2014 to determine the potential economic viability of the target.

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Loulo underground

Exploration and infill grade control drilling continued at both Yalea and Gara underground mines with a total of 124 holes for 21,413.5 meters drilled, including three holes drilled from surface targeting gaps within the resource model to the north of the inferred boundary at Gara. The drill programs were designed to infill the resource model prior to mining as well as to improve the confidence limit and reduce the risk south of Gara.

At Yalea, 45 holes for 9,155 meters were drilled to infill blocks ahead of scheduled mining during the year, test low grade blocks within the model and explore the strike and down dip extensions of the Purple Patch. Drilling confirmed the geology, structure and alteration characteristic of the Purple Patch and the gold tenure where mineralization is associated with shearing and brecciation of a sedimentary host rock and massive sulphide. The following work was undertaken:

- 23 holes were drilled to close the gaps inside the Purple Patch confirming the model and returned a weighted average intersection of 7.5 meters at 7.15g/t compared to 8.9 meters at 5.65g/t in the block model.

- Three holes (YUDH347, 348 and 349) targeted the lower fringes of the Purple Patch to investigate the possible down dip of the high grade mineralization. However, gold assay results did not confirm an extension and the lower boundary remains as currently modeled.

- Other holes targeted the medium grade system plunging south, but grades were much lower than the block model prediction. Mineralized intersections include: YUDH326 - 1.5 meters at 0.8g/t; YUDH327 - 7.7 meters at 3.13g/t; YUD H328 - 37.0 meters at 0.83g/t; YUDH280 – the weighted average width/grade being 6.3 meters at 1.62g/t versus 10.2 meters at 3.63g/t of the reserve model.

At Gara, 79 holes for 12,258.5 meters were drilled of which three holes for 1,942 meters were drilled from surface to reduce the drill spacing at the north of the inferred zone and also reduce the risk in this part of the deposit.

Work included:

- The three holes drilled from surface confirm the geology model and resource model with a weighted average intersection of 9.4 meters at 6.53g/t.

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18 diamond holes for 1,845 meters were drilled from CD3 to test large but low grade zones within the resource model to the north of the deposit. The holes confirmed the steeply dipping geometry of the orebody, but returned narrower higher grade intersections than currently modeled. The weighted average grade was 8.4 meters at 6.26g/t compared to 12.7 meters at 4.94g/t for the resource model. However four holes (GUDH 273 to 276) drilled showed a low grade zone emerging within the higher grade ore that requires further definition drilling.

- Of the holes drilled to the south, five returned low grades, but the rest compared well with the resource model. Lenses of internal waste, mainly greywacke, were also encountered in some of the boreholes.

- A total of 21 diamond holes for 4,140 meters were drilled from 140L stockpile to close the gaps and also investigate lower grade blocks adjacent to high grade zones within the resource model. All holes confirmed the modeled geology and alteration. The weighted average actual grade for those holes was 9.4 meters at 3.85g/t compared to 8.1 meters at 4.42g/t from the resource model, showing an increase in width but drop in grade.

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Gounkoto

During 2013 a total of 39 diamond drill holes for 19,293 meters were completed to upgrade the geological confidence in the deposit as well as to test new target areas for additional ounces in the Jog Zone, hangingwall and southern iron structure.

Initial work at the beginning of the year focused on the conversion of inferred resources to the indicated category at depth in the Jog Zone. Gold assay results, while confirming the geological model, continue to highlight the variable nature of the grade distribution in this area. Highlights of this program include two holes which intersected significant mineralization in a west dipping footwall structure to MZ2: GKD398 - 24.6 meters at 8.02g/t; and GKD399, drilled 25 meters to the north, returned 11.2 meters at 1.64g/t. In MZ3: GKDH383 returned 24.6 meters at 15.25g/t, including 14.9 meters at 20.62g/t; and GKDH400 - 26.6 meters at 10.52g/t confirm a shallow plunge to mineralization which is open to the north, representing a further opportunity to follow-up in 2014.

Drilling has also intersected a new high grade lode of mineralization (DSGT07 - 25.7 meters at 9g/t, from 65.0 meters, including 8.0 meters at 20.96g/t) in the footwall of MZ3 which has been named MZ4. This was subsequently followed up by four RC holes for 576 meters which returned some significant results: MZ4RC01 - 21.0 meters at 5.61g/t from 113.0 meters; MZ4RC03 - 15.0 meters at 6.83g/t from 122.0 meters including 3.0 meters at 22.93g/t; and MZ4RC04 - 5.0 meters at 3.20g/t from 39.0 meters including 1.0 meter at 10.50g/t. More recently four diamond holes for 961 meters were drilled with the best result coming from hole MZ4DH04 - 42.3 meters at 4.71g/t from 53.1 meters. To date mineralization has been confirmed over a strike length of 160 meters and to vertical depths of 150 meters. The current model for MZ4 is of a NNW striking, west dipping lens of high-grade mineralization located within the Gounkoto mine corridor sequence of deformed and altered sediments. It locates to the immediate east of the unaltered greywacke ridge which hosts the P64 eastern zone mineralization, separated by a major ductile shear. A program of five trenches has been completed to the north of MZ4 and confirmed the continuation of the mineralized structure for an additional 300 meters with a weighted average intersection of 3.6 meters at 2.30g/t. Follow-up work on these results will continue during the 2014 field season.

Recent advanced grade control drilling has also intersected significant mineralization in the footwall of MZ1 which dips to the west as opposed to the easterly dipping main zone of mineralization and extends outside of the limits of the current pit design. Results include: GKAGCRC771 - 48.0 meters at 7.96g/t; GKAGCRC811 - 35.0 meters at 5.60g/t; GKAGCRC817 - 17.0 meters at 4.19g/t and 30.0 meters at 1.76g/t; GKAGCRC825 - 55.0 meters at 3.96g/t; and GKAGCRC831 - 41.0 meters at 8.55g/t. This new data has been incorporated in a new geological model which will produce an updated resource estimate and pit design.

The hangingwall mineralization at Gounkoto locates 200 meters above and to the east of the main deposit lodes and extends the full length of the orebody. The most prospective part of this structure occurs over a 500 meter length where the main zone of Gounkoto (MZ1) is at its narrowest, in the pinch zone. Work including drilling and relogging

of core has updated the geological model for the hangingwall mineralization. Drilling has subsequently concentrated on a 270 meter segment of this structure which has returned the following results: GKDH043 - 9.4 meters at 5.60g/t from 147.6 meters; GKDH052 - 22.6 meters at 8.23g/t from 112.4 meters; GKDH219 - 12.3 meters at 4.92g/t from 153 meters; GKDH333 - 11.0 meters at 6.90g/t from 190.6 meters; GKDH393 - 14.2 meters at 1.54g/t from 212.8 meters; and GTDH17E - 53.4 meters at 4.97g/t from 114 meters. A program of advanced grade control drilling has been completed as further follow-up within the limits of the US$1,000/oz pit shell. The results have confirmed continuity of mineralization with a weighted average intersection of 14.06 meters at 3.52g/t from 31 holes. The results also indicate a southerly plunge to high grade mineralization.

One diamond hole was drilled to test the possible extension of high grade mineralization intersected during a program of advanced grade control drilling on the iron structure in the south of the deposit: GKAGCRC771 - 37 meters at 8.87g/t. Hole 401 intersected the structure but mineralization was weaker returning 28.2 meters at 1g/t, however it does indicate the structure continues and alteration and mineralization are open to the south, requiring a follow up study.

Gounkoto region

There are 10 early stage targets which locate adjacent to major structural discontinuities on the Gounkoto permit. The results of an Induced Polarisation (IP) ground geophysical survey has enabled three targets to be prioritized for follow-up work: Sahnou, Djiguibah and Findogoleh. By year end work had started at Sahnou.

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Sahnou target

Sahnou is located 600 meters to the west of Faraba W target and extends over an 800 meter strike on the southern continuity of north-south Toronto South structure (Silica-Carbonate-Albite), with a coincident one kilometer long soil anomaly.

The structural setting is similar to the Gounkoto wrench zone where north-northwest structures intersect north-south iron bearing structures resulting in dilation and preferential sites for gold mineralization. The favorable host rock is an argillaceous quartzite with hematite, albite, chlorite, sericite alteration and local magnetite.

Previous work over the target area included one trench (FT42 - 10 meters at 1.19g/t), one diamond hole (FADH016 - 12 meters at 1.54g/t from 84 meters and 3.85 meters at 4.22g/t from 135.5 meters), one RC hole (FARC037 - 2 meters at 3.56g/t from 88 meters) and one RAB hole (FWRAB046 - 27 meters at 1.32g/t from 15 meters).

Trench 42 was extended and returned an encouraging intersection of 13.6 meters at 6.98g/t including 5.4 meters at 15.83g/t associated with a strongly altered (Si-Ca-Alb) north-south orientated east dipping shear with a chlorite-haematite overprint. Additional trenching prior to reconnaissance drilling will be completed in 2014.

Western Mali

Bakolobi (Taurus Gold joint venture)

As part of our long term growth strategy in western Mali, we have signed a joint venture agreement with Taurus Gold on the Bakolobi permit which is along strike to the north of Papillon’s Fekola project and to the south of Gounkoto. Randgold is to fund all costs up to and including the completion of a pre-feasibility study for the project and will make minimum annual work commitments to acquire 51% of the project. Thereafter Randgold may earn up to 65% in the joint venture by funding the preparation of a feasibility study, if Taurus elects not to or fails to fund its proportionate share of the cost. Following the completion of the feasibility study, each party will be required to fund its proportionate share of all development and mining costs, failing which its participating interest will be subject to dilution.

In summary, the area of interest at Bakolobi is a north-south trending corridor of altered sediments, anomalous in gold, which locates between large albite altered diorites to the west and a large granodiorite to the east. This area of interest, in common with the environs of the Falémé River to the north and south, is covered by paleo-alluvial deposits which can be up to 30 meters thick.

A ground geophysical gradient array IP survey has been completed and this data together with field mapping, rock sampling and gold in soil geochemistry is defining drill targets for the 2014 field program.

Bambadji (Iamgold joint venture)

The Bambadji project, although in Senegal, is located within the Loulo-Gounkoto district. It has been a difficult year for the project, with a long wet season stopping field work for a large part of 2013. Despite that, work has progressed on the permit with mapping, lithosampling, pitting and trenching programs eliminating the Coward, Bandiasse and North Kolgold targets due to a lack of potential. During the year, 11 new targets were generated from further analysis of the regional data where there are gaps in the historical work.

Other fieldwork during the year focused on three targets: Mid Kebewest and Cowson, which are on the same structure close to the contact between the Kofi formation and the Falémé volcanic belt, and Zonze which is located in the center of the Bambadji permit and will be the focus of exploration programs in 2014.

SENEGAL

During 2013, exploration in Senegal concentrated on the Massawa deposit with the completion of an orientation grade control study on a portion of the Central Zone deposit, where there are two phases of gold mineralization: an early disseminated phase and a later quartz antinomy vein system. A similar study was also completed on the high grade North 2 zone of mineralization. Due to the refractory nature of the Massawa deposit, exploration has also been evaluating targets with the potential to deliver 2Moz of non-refractory ore to supplement the ore feed.

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Massawa

The Massawa gold project locates within the Kounemba permit in eastern Senegal which geologically lies within the 150 kilometer long Mako greenstone belt. The Mako greenstone belt comprises mafic-ultramafic and felsic volcanic rocks intruded by granitoids. A regional crustal scale shear zone, the Main Transcurrent Shear Zone (MTZ) with a northeast-southwest trend, exploits the lithological contact between the Mako and the Dialé-Daléma supergroups and is the host structure to mineralization at Massawa. Randgold controls the groundholding over more than 50% of the strike extent of this very prospective belt.

A total strike length of 8.5 kilometers has been drilled, but only a four kilometer portion of this has been evaluated for the present mineral resource modeling and has been drill tested to a 50 by 50 meter spacing to vertical depths of 640 meters. There are two main zones of mineralization, Northern and Central. They are part of the same northeast trending mineralized structure, which has been offset by north-south belt discordant structures. The mineralized system occurs at a volcanic/ sedimentary contact, where a prominent and continuous lapilli tuff unit acts as a marker horizon. The host sequences have been intruded by felsic dykes, gabbros and granitic bodies, particularly in the Central Zone. Mineralization is hosted in a variety of rocks including greywackes, volcaniclastics and both mafic (gabbros) and felsic intrusives. The mineralized system is however structurally controlled and deformation is essentially brittle-ductile. The alteration assemblage is composed of sericite, silica, carbonate, pyrite and arsenopyrite.

Gold mineralization formed in two phases: an early phase was composed of fine disseminated pyrite and arsenopyrite while the later stage is a shallow level gold system where quartz-stibnite and a large range of antimony-bearing minerals host coarse native gold.

A 5 by 5 meter grade control orientation program was completed on the Central Zone of the Massawa deposit over a strike length of 140 meters, to better understand the grade distribution and controls to mineralization. The results identified seven mineralized lodes and three main quartz antinomy structures, compared to two structures in the previous model, and two low grade mineralized lodes.

Following geological and statistical analysis of the mineralized lodes defined by the drilling, the grades and widths of the new lodes are:

- Ore 1: 6.42 meters at 2.21g/t
- Ore 2: 6.46 meters at 3.21g/t
- Ore 3: 6.95 meters at 3.66g/t
- Ore 4: 5.91 meters at 3.87g/t

- Ore 5: 11.63 meters at 7.16g/t
- Ore 6: 3.52 meters at 5.15g/t
- Ore 7: 2.59 meters at 2.56g/t

This drilling, which covers just 10% of the strike of the Central Zone, has significantly upgraded our understanding of the high grade mineralization. The opportunity is that the selective mining of these units provides a high-grade, low tonnage, gravity-recoverable ore which is a requirement of the larger, refractory Massawa orebody. Additionally these grades could support underground mining and the size of the Massawa system provides good potential for the hosting of additional zones of this material. Further drilling is required to delineate this mineralization due to its high variability.

A similar grade control orientation study was completed over a 150 meter segment of the high grade North 2 orebody. The results confirm the consistent grade with no high nugget values and a weighted average intersection of 9.78 meters at 7.94g/t was returned. A second (eastern) zone of mineralization was confirmed through the grid and represents a gain compared to the old model. This zone returned a weighted intersection of 2.5 meters at 3.5g/t. Mineralization at North 2 is hosted by a sedimentary package of rocks and is bounded in both the hangingwall and the footwall by carbonaceous schists, as well as the presence of a footwall gabbro.

Work continued on metallurgical studies. Drilling collected 30t of samples which were sent to Hazan Laboratories in Denver, USA for geochemical analysis as well as pilot plant test work.

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Satellite targets

Exploration work to date has highlighted the potential mineable mineralization from six satellite deposits around Massawa: Sofia, Bambaraya, Delya, Kawsara, Tina and Tombo. Preliminary metallurgical bottle roll testwork returned good recoveries in the range of 75% to 97%, apart from Delya which returned 40% and has a similar refractory nature to Massawa. While the grade is low the results support the prospectivity of the region. However, no drilling was completed on these deposits during 2013.

Regional potential

An updated target generation exercise has been completed whereby data layers were integrated and new layers were added: Geology maps and soil geochemistry data (As, Mo, Ag, Sb and W) drill, trench and pit data and the new geophysical layers (Mako belt airborne magnetics and ground surveys). Ten targets have been added to the resource triangle for evaluation in 2014.

Sangola (Goldstone joint venture)

Randgold entered into a joint venture agreement with Goldstone Resources on their wholly owned Sangola project in Senegal during 2013. Subsequent exploration work which included the completion of 156 RC holes for 10,155 meters evaluating four defined targets: Thiabedji, Baraboye, Thiobo and Ibel. Gold assay results, while confirming a bedrock source to the surface anomalism, have not identified a significant hydrothermal system capable of hosting a deposit capable of meeting Randgold's strategic filters.

Côte d'Ivoire

During 2013 exploration work has been focusing on the evaluation of satellite targets to the Tongon mine and the discovery of potential stand-alone deposits within the company's extensive permit portfolio countrywide.

At Tongon, Phase 1 drilling programs on targets close to the mine failed to return results warranting follow-up work and have been removed from the resource triangle. Mapping and sampling continue on the next set of targets to identify further drill opportunities. The southern part of the permit remains underexplored (except for the Koulivogo area), despite the high soil anomalies. Priority areas in this part are: Oleo North, Oleo South, Koulivogo East, Sougo

and Nafoun East. As well as the anomalous soil results, the targets also offer intersecting structures and rheological contrasts in the geology. Towards the northern end of the permit, Soloni East and Soloni South will be investigated as the southern extension of the Natogo corridor in the Diaouala permit.

A new ore genesis model for the Tongon deposits has been developed. The deposit has skarnlike calc-silicate alteration assemblages. The zonation is typical of many skarns, with more garnet than pyroxene at proximal locations to the granodiorite intrusion and pyroxene greater than garnet at distal locations. The reduced nature indicated by the presence of lollingite, pyrrhotite and arsenopyrite is consistent with gold only skarns. The alteration has been mapped over an area that extends across as much as 100km^2 and the implications on gold mineralization and exploration models continues to be investigated, including the intrusions which were responsible for driving the hydrothermal system.

Diouala

The Diouala permit is located between the Nielle permit to the north and Gryphon's Banfora project in Burkina Faso. Exploration over the permit has mapped and sampled numerous mineralized structures but surface sampling and drilling to date have generally only obtained narrow low-grade intersections which have little economic potential. Work has since focused on the +7 kilometer Soundou-Natogo prospective corridor, characterized by strong hydrothermally altered and brecciated rocks hosted by two shear zones which return high grades (+5g/t) from chip sampling. These two shear zone segments and their immediate surrounding areas are the most prospective parts of the Diaouala permit from a structural perspective. The two right hand bends may be part of an incipient east-northeast-trending transfer zone within the Senoufo Belt, similar to the much more extensive and penetrative transfer feature which cuts the belt in the Tongon area.

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At Natogo, a total of 225 samples were taken and 100 of them returned values ranging from 0.1 to 5.4g/t from highly hydrothermally brecciated, silicified and strongly oxidized rocks with boxworks and local fresh sulphides. Of these samples, 65 returned a weighted average grade of 1.5g/t. This has delineated a northeast trending corridor 400 meters long and up to 50 meters wide which is currently being evaluated with a program of surface trenches.

Boundiali

At Boundiali, a first phase of reconnaissance aircore drilling (362 holes for 17,695 meters) was completed to test the Fonondara and Katiali targets. Gold assay results have returned wide low grade anomalous envelopes which do not meet Randgold's investment filters to support further work. The next level of targets, which includes the Baya-Kassere corridor and Sani, is being tested with field mapping, pitting and trenching. This will also cover the priority targets which remain untested along the volcanic belt/sedimentary basin.

Mankono

The Mankono permit is located 160 kilometers to the southwest of Tongon and to the south of the Boundiali permit and is centered where the Boundiali and Senoufo greenstone belts merge.

The geology is composed of Birimian volcano-sedimentary units of basaltic to andesitic volcanics and sediments consisting of argillite, greywacke and conglomerates. This sequence is bordered to the east and to the west by granitic gneiss. Numerous mafic and ultramafic plutonic rocks intrude the geological units throughout the permit.

The key target is a 21 kilometer long regional gold in soil anomaly which displays all the required parameters of an attractive target, such as a lithological anomaly (contrast between andesite, volcaniclastics and intrusives), geophysical anomaly, major shear zones, a large regional fold and significant soil signature. Infill soil sampling, accompanied by rock sampling and geological mapping, has started over the anomaly to delineate the target better.

Fapoha

Gold in soil geochemistry and field mapping have identified 11 targets, four of which have been prioritized for follow-up work including one which has a similar geological and structural setting to Tongon with anomalism on the margin of a granodiorite intrusion.

Regional geological work and future permitting.

Côte d'Ivoire is a mineral-rich country of over 322,000km^2 that is almost entirely underlain by the same prospective gold-rich Archean and Lower Proterozoic (Birimian) formations that extend into Ghana, Mali, Burkina Faso and Liberia. It is only in recent years that exploration has produced growth in gold reserves and mines have been developed. In 2013 there were three mines in operation producing in excess of 13 tonnes of gold.

The country's economy has been driven by agriculture: it is the world's largest cocoa producer. With little past focus on the mining sector there is a paucity of geological data and at present it is up to the mining companies to collect the basic information.

With the development of the Tongon project, a key strategic initiative was to consolidate an exploration footprint in northern Côte d'Ivoire adjacent to the mine. This has been achieved, and we are busy testing a portfolio of targets there. We have also embarked on a project to evaluate the rest of the country in terms of geological prospectivity to prioritize areas for future permitting.

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