

Randgold Sets Sights On Three New Projects In Next Five Years

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London, 3 November 2016 - A strong third quarter performance kept Randgold Resources on track to meet its 2016 guidance. Forecast cash flows generated from operations are expected to support funding for the three new projects the company has set as a goal to establish over the next five years as well as increasing dividends.

Results for the quarter, published today, show profit of \$77.3 million, up 32% on the previous quarter and 58% on Q3 2015, while earnings per share increased by 35% quarter on quarter and 17% on 2015. Production of 301 163 ounces was up 7% quarter on quarter and in line with the previous year, and total cash cost per ounce of \$663 was 9% lower quarter on quarter and 5% down on the prior year's corresponding quarter. With net cash generated by the operations increasing by 18% quarter on quarter, cash grew to \$361.1 million.

Chief executive Mark Bristow said Kibali and Tongon had bounced back well from the technical issues that had plagued them in the first half of the year while the flagship Loulo-Gounkoto complex continued on its steady course. He said it was worth noting that despite the high level of activity, there had been zero lost-time injuries across the group during the quarter.

'Tongon got its mills back up at the end of June and Kibali ramped up production, boosting group throughput by 13%. Unit costs were also better, with decreased processing costs supported by lower strip ratios at Tongon and Kibali. The higher gold price also contributed to the significant increase in profit,' Bristow said.

'If the gold price stays above \$1 250 per ounce, and we deliver on our forecasts, we should get close to a \$500 million net cash position at the year end.'

Turning to exploration, Bristow described the company's strategy as 'Three in Five' - the defining or securing of three new projects in the next five years, be they from the company's exploration portfolio or from new business initiatives. Current priorities were to fast-track the development of the Boundiali structures with the aim of making a world-class discovery; to establish whether Massawa or Gbongogo could replace Tongon; to define mineable satellites around Tongon while replacing depletion at the other mines; and to continue driving generative programmes to feed the company's resource portfolio.

The Gounkoto Super Pit feasibility study is nearing completion and if, as expected, the project goes ahead, it will significantly enhance the Loulo-Gounkoto complex's production and cost profiles. In the meantime, new targets at Loulo's Yalea and Gara operations are being investigated in a programme which has already delivered 600 000 additional resource ounces at Gara.

'Loulo-Gounkoto and Kibali are both strongly placed to produce in excess of 600 000 ounces per year for the next 10 years, and Tongon's life of mine continues for at least another five years. In the meantime, the prospects for our next mine or mines are taking increasingly tangible shape. Considering that we have a business that is designed to be profitable at a gold price of \$1 000 per ounce, I believe that Randgold still stands alone in terms of its ability to create and deliver real value,' Bristow said.

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