Q3 update … 30 September 2018

Loulo

One Lost Time Injury (LTI) was recorded during the quarter with a Lost Time Injury Frequency Rate (LTIFR) of 0.67 per million hours worked versus an LTIFR of 0.66 per million hours worked in the previous quarter. No major environmental incident occurred during the quarter.

On a standalone basis, Loulo produced 106 022oz of gold (Q2 2018: 101 075oz), an increase of 5% on the prior quarter, with total cash cost per ounce down by 10% at $595/oz (Q2 2018: $664/oz). The increase in production was mainly due to the 29% higher head grade milled, partially offset by lower throughput and recovery, which also resulted in the lower total cash cost per ounce.

Profit from mining of $66.2 million was slightly higher than the previous quarter as a result of the higher production at lower cost of production offset by 7% lower average gold price received.

Capital expenditure

Total capital expenditure for Q3 was $22.0 million and mainly related to the underground development ($15.6 million) and ongoing surface and exploration capital ($4.8 million). Ongoing surface and exploration capital included drilling at Yalea, Gara South and Baboto ($2.7 million), the western wall extension on the tailings storage facility (TSF) ($0.7 million) and brownfields exploration capital expenditure ($0.4 million). Underground capital was focused on development at Yalea ($6.3 million) and Gara ($4.0 million) and other capital expenditure at Gara ($4.7 million) including the purchase of mining equipment ($2.9 million) and an expansion on the underground workshop and service area ($1.1 million).

LOULO STANDALONE RESULTS

	Quarter ended 30 Sep 2018	Quarter ended 30 Jun 2018	Quarter ended 30 Sep 2017	**9 months ended 30 Sep 2018**	9 months ended 30 Sep 2017
Mining					
Tonnes mined (000)	**737**	1 132	682	**2 866**	2 003
Ore tonnes mined (000)	**729**	878	674	**2 353**	1 976
Milling					
Tonnes processed (000)	**673**	821	678	**2 133**	1 920
Head grade milled (g/t)	**5.3**	4.1	5.6	**4.5**	6.0
Recovery (%)	**91.9**	92.9	92.2	**92.7**	92.3
Ounces produced	**106 022**	101 075	112 578	**284 395**	341 885
Ounces sold	**108 014**	102 703	111 873	**289 069**	339 039
Average price received ($/oz)	**1 208**	1 304	1 284	**1 275**	1 256
Cash operating costs[1] ($/oz)	**523**	586	457	**573**	441
Total cash costs[1] ($/oz)	**595**	664	534	**650**	516
Gold on hand at period end[2] ($000)	**3 359**	6 028	7 133	**3 359**	7 133
Profit from mining activity[1] ($000)	**66 190**	65 756	83 916	**180 919**	250 686
Gold sales[1] ($000)	**130 489**	133 935	143 610	**368 674**	425 727

Randgold owns 80% of Société des Mines de Loulo SA (Loulo) and the State of Mali owns 20%. Randgold has funded the whole investment in Loulo by way of shareholder loans and therefore controls 100% of the cash flows from Loulo until the shareholder loans are repaid.
Randgold consolidates 100% of Loulo and shows the non-controlling interest separately.
1 Refer to explanation of non-GAAP measures provided.
2 Gold on hand represents gold in doré at the mines multiplied by the prevailing spot gold price at the end of the period.

Loulo underground

Both Yalea and Gara delivered improved tonnages and ounces in the quarter. Ore development has been prioritised during the quarter to maintain plant throughput.

The mine experienced some equipment shortages during the quarter as well as being impacted by unplanned power outages, which have subsequently been resolved.

Development in Yalea South Lower has started, which is expected to improve ongoing flexibility. The development of an underground workshop, to minimise the downtime on breakdowns, has also commenced. The paste bypass hole to Yalea South Lower was completed during the quarter. Reaming of the second ventilation raise, to improve the ventilation conditions in Yalea South Lower, commenced during the quarter.

LOULO UNDERGROUND RESULTS

	Quarter ended 30 Sep 2018	Quarter ended 30 Jun 2018	Quarter ended 30 Sep 2017	**9 months ended 30 Sep 2018**	9 months ended 30 Sep 2017
YALEA					
Ore tonnes mined	**402 592**	371 248	371 972	**1 135 123**	1 119 130
Development metres	**1 359**	1 112	1 381	**3 945**	4 873
GARA					
Ore tonnes mined	**326 650**	276 508	302 030	**886 886**	857 002
Development metres	**1 210**	1 504	1 835	**4 280**	5 718

Loulo 3 scoping study

A preliminary economic estimate was completed on the potential of Loulo 3 into an expanded open pit and underground project. Drilling beneath the Loulo 3 pit has focused on the high grade shoot within the MZ2 structure below the southern portion of the pit. The Loulo 3 open pit pushback forms part of the existing Loulo ore reserves, whilst 32% of the underground mineralisation has been drilled to a level that would support inferred mineral resources. The remaining 68% of the underground mineralisation has been defined by a phase of exploration drilling, confirming the continuity of mineralisation. Resource definition drilling is currently underway targeting conversion of this material to an appropriate level for mineral resources by the end of year. For the purposes of the economic assessment, the unclassified material has been included in the evaluation for scoping purposes. Composite metallurgical samples from 32 drill intersections returned an average leach recovery of 85%.

A preliminary economic assessment has been run on the material within the $1 000/oz whittle pit shell combined with the conceptual underground.

PRELIMINARY ECONOMIC ASSESSMENT

Open pit ore mined	1.6Mt at 5.5g/t for 290koz
Open pit waste tonnes	42Mt
Strip ratio	25:1
Underground ore tonnes	2.1Mt at 7.5g/t for 510koz
Recovery	85%
Recovered ounces	668koz
Open pit mining cost	$3.71/t mined
Underground mining cost	$65/t mined
Processing cost	$19/t milled
G&A cost	$8.40/t
Capital	$31.3 million

A financial model using a range of gold prices from $1 000/oz with a 6% royalty and 30% corporate tax rate demonstrated positive cash flows.

Drilling will continue in 2018 with intention to convert project material to at least inferred resource by year end and then continued infill drill and completion of prefeasibility in 2019.

This scoping study is based on low-level technical and economic assessments, and is insufficient to support estimation of ore reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the scoping study will be realised.