

RANDGOLD RESOURCES LTD  
Form 20-F/A  
October 26, 2005

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 20-F/A  
Amendment No. 4

50.0

**BURKINA FASO**

Danfora  
Kiaka

EEP  
EEP

**GHANA**  
AAMCOL

RL

Total Area  
OR

8,6

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 000-49888

**RANDGOLD RESOURCES LIMITED**

(Exact name of Registrant as specified in its charter  
and translation of Registrant's name into English)

**JERSEY, CHANNEL ISLANDS**

(Jurisdiction of incorporation or organization)

La Motte Chambers, La Motte Street, St. Helier, Jersey JE1 1BJ, 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
None	

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

Ordinary Shares, U.S. Dollar ten cent par value per share

(Title of Class)

American Depositary Shares

(Title of Class)

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

#### Overview

In 2004, exploration activities concentrated on the conversion of mineralized material to reserves and the expansion of the amount of mineralized material at both Morila and Loulo. We continued to expand our presence within the most prospective gold belts of West and East Africa and now have operations in six African countries boasting a portfolio of 115 targets on 8,700km<sup>2</sup> of groundholding.

The development of our second mine at Loulo is well underway and exploration continues to add long-term value to the project. Deep drilling on the Yalea orebody confirmed the underground

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potential of the deposit and the geological model of shear-hosted mineralization as well as the identification of numerous high-grade payshoots which do not always crop out at surface, down to vertical depths of 640 meters. The drilling also closed the gap to the P125 satellite deposit forming a continuous 2.7 kilometer zone of mineralization. In addition to the mineralized material conversion work, new conceptual targets are being drilled and reconnaissance work to the south of Yalea highlights a potential for a further two kilometer strike of mineralization.

At Morila mine, a review of the data is leading to the development of a new model, where it is interpreted that the deposit locates within the high-grade metamorphic core of a contact thermal aureole.

In Senegal, a first phase of reconnaissance drilling was completed on two targets. These identified significant mineralized systems and a pipeline of advanced targets is ready for drilling in early 2005.

Exploration recommenced on two permits in Burkina Faso, Danfora and Kiaka, after an absence of four years. We made our first venture into Ghana and are currently focused on building a portfolio in the country.

Tanzania is another important focus outside Mali and Senegal, where we hold the dominant land position in the Musoma greenstone belt one of the most under explored areas in Tanzania. In the Mara belt we have a focused approach exploring for a known style of mineralization beneath recent cover basalts. Drilling has intersected sulfide-bearing rocks and gold assay results are pending. A new concept has been developed to investigate similarities in banded iron formation hosted gold mineralization to those observed in the Southern Lake Victoria goldfields. Generative work continues to develop this concept and identify further exploration opportunities.

Our portfolio of projects in West and East Africa reflects our business strategy of organic growth through exploration and its overriding objective, which is to build sustainable mining projects with significant returns. This strategy is attested to by its discovery and development track record, which includes the Morila mine and the new Loulo mine under construction, both in Mali, and the three million ounce Tongon project, currently in the prefeasibility stage in the Côte d'Ivoire. We hold a well-balanced portfolio of targets across the various levels of the resource triangle.

## Mali

### Loulo

The principal focus this year was the conversion of mineralized material to reserves through drill testing of the underground potential of the Yalea and Loulo 0 orebodies as well as infill drilling on satellite deposits and the development of new targets.

At the Yalea deposit a total of 68 diamond drill holes for 39,590 meters have been completed of which 12,000 meters consisted of deep drilling. Results have been received down to a maximum vertical depth of 640 meters. The deep drilling has confirmed the geological model of shear hosted mineralization and the identification of numerous high-grade payshoots which do not crop out at surface. Drilling also closed the gap with the P125 deposit and confirmed continuous mineralization over a 2.7 kilometer north-south direction. The Yalea orebody is a big mineralized system possessing characteristics similar to multi-million ounce deposits such as Obuasi and Prestea in Ghana. It is still open to depth and along strike.

The new drill data have been incorporated into a new structural study of the orebody and the results show that it is more complex than first thought. A structural contour map has been produced and the grade model superimposed. The results show that:

- The Yalea deeps high-grade zone appears to be related to a change in dip of the orebody;
- In the north of the orebody the mineralization appears to be controlled by an apparent south plunging oreshoot which eventually joins the steep dipping high-grade zone further south. Interestingly, the south-plunging oreshoot corresponds to the line of intersection between the north/south trending Yalea shear zone and the northeast trending Yalea – Baboto thrust;

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- In the south of the orebody, there appears to be a steep plunging oreshoot which corresponds to a gentle left hand flexure. However, this is based on two drill intercepts; and
  - At shallow depths within the Yalea orebody the advanced grade control RC drilling has intersected shallow dipping north plunging oreshoots which correspond to the intersection between the main Yalea shear zone and footwall spays.

Follow-up surface exploration work along the Yalea structure confirmed continuation of the mineralization southwards for a further two kilometers. Reconnaissance diamond holes were drilled to test the structure and returned

encouraging intercepts of 19 meters at 1.4g/t, eight meters at 2.7g/t and five meters at 2.8g/t. Subsequently a detailed dipole – dipole induced polarisation (IP) ground geophysical survey has been completed. Initially six lines over the Yalea orebody were surveyed as an orientation study to geophysically fingerprint the deposit followed by 200 meter spaced lines tested two kilometers to the south. A moderate to good, north-south chargeability anomaly characterizes the Yalea orebody over the six lines surveyed. To the south of the orebody the anomaly disappears but is then seen to redevelop some 600 meters to 800 meters further south for a distance of about one kilometer along a similar north-south trend. This is a prime target for further exploration. One drillhole, YSDH03 drilled in the anomalous area, intersected 1.47g/t over 11 meters from 107 meters and 1.33g/t over 20 meters from 169 meters. The two lines surveyed to the north of P125 do not indicate a continuation to the north-south anomaly, suggesting that the mineralization terminates.

Modeling to the north of Yalea - P125 identified 13 target areas along a 10 kilometer strike length which will be the focus of continued generative work. A diamond hole was completed to test the first of these and intersected multiple zones of mineralization between 85 and 120 meters vertically below surface.

At Loulo 0, an 8-hole diamond drill program completed infill drilling of the Loulo 0 orebody down to vertical depths of 400 meters. Gold mineralization is hosted within a folded and tourmaline altered greywacke. High-grade payshoots of plus 6g/t are associated with brecciated quartz vein stockworks and locate along the axial planes of folds. The orebody is still open at depth and along strike.

In addition to the two main orebodies there are a series of satellite deposits where resources have been defined, namely Loulo 0 West, Loulo 2, Loulo 3, P129 and Baboto, locating within a 12 kilometer radius of the plant site. Definition drilling is required to convert the mineralized material to reserves.

Elsewhere in the Loulo region of western Mali, a heads of agreement has been signed between us and the Cooperative des Orpailleurs de Sitakili. Artisanal gold workings operate over three sub-parallel zones, each measuring three kilometers by 150 meters. Permit applications have been submitted to government authorities, and once these have been approved exploration will start. Gold mineralization is associated with felsic dykes intruding a package of sedimentary rocks along the hinge zone of an antiformal structure. Artisanal gold workings operate over three sub-parallel zones, each measuring three kilometers by 150 meters.

#### Morila exploitation permit

Exploration has concentrated on the identification of additional ore close to the current pit and the conversion of the mineralized material to reserves. Additionally, drilling of conceptual targets has identified hidden mineralization at depth within shallow dipping structures.

On the western margin a program of 48 diamond drill holes has been completed on the orebody extension to the north-west of the pit with the intention of upgrading this mineralized material to a reserve and incorporating this into a mine plan. Multiple flat lying mineralized zones at depths between 40 and 200 meters were intersected.

At the Samacline target, 850 meters west of the current pit, previous drilling intersected 30 meters at 7.22g/t including five meters at 31.54g/t (SAN487) and four meters at 35.99g/t (SAN270). Mineralization locates within a gentle, north to north-northeast trending antiformal hinge within the

main flat lying Morila shear zone. SAM001 the first follow-up hole drilled, confirmed the model and intersected two meters at 18.84g/t (from 283 meters down hole), 10 meters at 3.43g/t (from 482 meters) and seven meters at 4.47g/t (from 485 meters). A further three holes have been completed, (SAM002, SAM003 and SAM007) the results have returned multiple gold intercepts.

#### Morila region

In the Morila region, work to date has not identified an orebody at surface but the presence of in situ gold mineralization, gold anomalism, alteration, prospective host rocks and a structural framework suggests similarities to the setting of Morila.

The Ntiola area locates within the continuation of the Morila – Domba north-west trending structural corridor, while further to the east the Dionkala permit locates in a second sub-parallel north-west trending corridor. At the Ntiola target area 15 RC holes totaling 2,598 meters were drilled. Eleven of these holes were testing IP chargeability anomalies, while the other four tested in situ mineralization. The chargeability anomalies appear to be generated by elevated amounts of pre/syn deformational pyrite and pyrrhotite which lie as plates or needles on the foliation planes within silicified, fine to medium grained clastic sediments and greywackes. The presence of these sulfides may be related to a regional metamorphic event; they are not associated with gold.

The drilling at Ntiola Main confirms the continuation of a mineralized structure of over 600 meters strike length. Intersections in both NTRC3 and NTRC4 indicate the presence of a mineralized structure of up to 40 meters wide. Alteration in this structure appears to be similar to Morila with sulfides on fine biotite filled fractures within heavily silicified medium grained, biotite rich meta-greywackes. These sediments are steeply dipping to the west. Both garnets and andalusite are visible in previously drilled core indicating a high temperature alteration as at Morila. The presence of this structure is highly relevant at a regional scale as it suggests that Morila is not a unique system. Ntiola remains a target for further work.

On the Dionkala permit, structural and geochemical data together with the first vertical derivative magnetic data define a broad dome shaped structure with a potential flat lying core that is within two kilometers of the intrusive contact. Most of the anomalous soil geochemical points appear to plot within a 1 kilometer wide zone parallel to the foliation suggesting anomalism detected to date is focused in a single broad horizon 10 – 12 kilometers long. This together with garnet bearing sediments and patchy fine grained arsenopyrite along biotite rich foliation represents a large system within which a Morila-sized orebody could be present. A program of five RC drill holes totaling 865 meters has been completed to test conceptual targets and confirmed this model but returned weak anomalous gold values.

On the Segala permit, which is part of the OMRD joint venture to the west of Morila, data integration and interpretation have led to the development of a new model for the Nemala target. The target locates in a north-east – south-west structural corridor which deflects around a large granitic intrusion, it is cross cut by north-west and north-south structures and is intruded by dolerites, gabbros and felsic dykes. Mineralization locates in the hinge zone of an anticline with a steep plunge to the northeast. Work is currently focused on defining reconnaissance drill locations.

#### Senegal

The Senegal portfolio includes three permits covering 1,200km<sup>2</sup>, located within the Sabodala volcano – sedimentary belt in the east of the country. Data integration and interpretation have defined four priority targets, in addition to two which have already been drilled, for reconnaissance drilling during the current field season; Sofia, Kaviar, KB main and Makana 2. On the Tomboronkoto permit at the Tombo target drilling has identified low-grade mineralized material. The target is being placed on hold while additional targets within the portfolio are evaluated.

On the Kounemba permit five holes were drilled at Bambaraya to follow up anomalous soil samples as well as 18 meters at 2.92g/t and eight meters at 4.50g/t in trenches (BBTR002 and 003 respectively) over a strike length of plus 1,500 meters. Two holes intersected encouraging results;

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BBDH002 24 meters at 1.75g/t of gold (from 24 meters) including 12 meters at 3.17g/t and BBDH004, 300 meters further south intersected five meters at 1.31g/t. Mineralization is associated with quartz tourmaline veins and vein breccias hosted in sheared andesitic volcanics. The prospect lies within a 020o trending segment, which forms a gentle right hand flexure, within a larger north trending shear corridor.

It is thought that dextral movement within the north trending corridor has resulted in dilational opening along the 020o trending segment. Our next round of drilling will be designed to further test this target.

At the Makana 2 target, exploration work has highlighted that a circular soil anomaly is associated with a silicified dioritic intrusive hosting disseminated sulfides and returning a trench intercept of 29 meters grading 1.1g/t. Mineralization is open eastwards but the silicified hill is concealed beneath a laterite cap rock and will be drill tested in the current field season.

The Mandinka target in the north of the permit locates within the main transcurrent shear zone and has been identified from a regional 1,000 meter by 100 meter soil sampling which returned plus 0.025 ppm gold, N030° trending soil anomaly with dimensions of plus 10 kilometers long (open towards the north beyond the permit boundary) and between 300 meters (in the south) and 1,100 meters (in the north) wide. Detailed soil sampling (200 meter by 50 meter) has been completed. The first results have been received and return two prominent north 30o gold anomalies, the first measures 5,000 meters by 500 (plus 0.05 ppm) and the second 3,600 meters by 400 meters (plus 0.05 ppm). The anomaly occurs mainly in erosional windows with incised valleys draining the area.

The lithologies encountered include volcanic and volcano-sedimentary formations of the Mako supergroup (mainly andesites, rhyolites, tuffs) and sedimentary rocks of the Dialle basin (greywackes, argillites, quartzites and gossans) intruded by granites, gabbros and pegmatites.

On the Kanoumering permit, the Sofia target locates along the Tombo-Sofia structural corridor which can be traced from Tomboronkoto in the south for 35 kilometers to Sabodala in the north. The Sofia target is identified by a N30 trending, plus 3 kilometer soil anomaly (>0.1 ppm) at the sheared contact between ultramafic and a foliated tuffaceous andesitic package. Gold mineralization locates within silicified and foliated andesitic tuffs in contact with an outcropping mylonite - jasper zone. Gold is associated with silica-fuchsite-carbonate-pyrite alteration. Trenching highlights a broad, low-grade (+1g/t) envelope within which higher-grade zones have been outlined.

The major structures in the Sabodala belt which control the gross geologic architecture are generally sub-parallel to the north-east trend of the belt itself and are interpreted to be old thrusts along which terrane accretion has occurred. Gold mineralization is closely related to a far more subtle set of belt discordant structural corridors which trend north-south especially where they have reactivated the belt parallel structures. This intersection leads to structurally favorable sites for fluid focusing and gold deposition. Exploration will be primarily focused at the intersection of these two structural trends to supply a steady stream of targets with the potential to pass our criterion of plus two million ounces.

Tanzania

We have worked hard over the last year to expand our footprint in the major gold belts of Africa. Our efforts have been rewarded in Tanzania and we now hold the dominant land position in the Musoma greenstone belt, one of the most under explored areas in Tanzania, while in the Mara belt we are exploring for a known style of mineralization beneath recent cover basalts.

Within the Mara greenstone belt, where we are in joint venture with Barrick, induced polarization (IP) geophysical surveys were completed on two permits to test for gold mineralization beneath recent cover basalts on extensions to the structures which host the Gokona, Nyabigena and Nyabirama gold deposits currently being exploited by Placer Dome. The results returned coincident resistivity and chargeability anomalies on both grids with similar magnitudes to those over the Placer Dome orebodies. Dipole IP surveys were carried out over these anomalies to provide additional depth information for the anomalies and allow three dimensional modeling and selection of drill targets. A program of 26 drill holes for a total of 2,208 meters of reverse circulation drilling has been completed.

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On the Nyabigena South permit, 11 RC drill holes for 973 meters have been completed over the Mughusi target area, which is the structural extension of Placer Dome's Nyabirama deposit. Two holes tested flat lying reefs hosted by foliated granodiorites; no anomalous gold values were intersected. Four holes tested geophysical targets intersecting granodiorites gneiss and weak finely disseminated pyrite; gold assay results returned no anomalous values. Five holes tested combined geological and geophysical targets intersecting weak anomalous zones (10 meters at 0.07g/t and three meters at 0.91g/t) associated with bands of pyrite, carbonate and silica alteration hosted by granodiorite gneiss. The drilling, albeit very widely spaced, confirmed the geological model and identified a large system of alteration. Results have, however, returned only very weak anomalous values. All the data are being incorporated into a generative study to drive further follow-up programs.

On the Mobrama East permit, 15 RC drill holes for 1,235 meters have been drilled to test two coincident IP resistivity and chargeability anomalies, which locate along the extension to structures hosting Placer Dome's Nyabigena and Gokona deposits. These are conceptual targets due to recent rift basaltic volcanics covering the area. On the eastern anomaly the drill holes intersected moderate amounts of disseminated pyrite (up to 3%) and pyrrhotite (up to 5%) within silicified intermediate intrusives, silicified greywackes and black shales. However, there was no coincident gold mineralization and this program will be completed in the next field season.

In the Musoma belt, early-stage reconnaissance work is underway to understand geological and structural controls on mineralization in order to evaluate and progress targets within the resource triangle. A feature of the most productive belts in Tanzania is their arcuate shape which is especially apparent in the inner and outer arcs which host the Bulyanhulu and Geita deposits respectively. Gold production from Nyabigena, Gokona and Nyabirama in the Mara belt, and Buhemba in the Musoma belt, highlights the prospectivity of this region to host world-class gold deposits. Generative work continues to identify further exploration opportunities.

#### Burkina Faso

We recommenced exploration in Burkina Faso. The completion of regional generative models highlighted the southern part of the country as highly prospective. On the basis of this study two permits were acquired, namely Danfora and Kiaka.

The Danfora permit covers a 45km area and locates along the Banfora greenstone belt in the south-west portion of the country. Exploration has highlighted a plus two kilometer long, gold bearing N40° trending shear zone developed

along the contact between basalt and volcanoclastics. Detailed field mapping has outlined a plus 60 meter wide zone of mineralization hosted within the basalts and associated with carbonate–silica–sericite–graphite alteration containing disseminated pyrite and pyrrhotite. The host rock, alteration and structural setting are very similar to Syama in Mali. Reconnaissance lithosampling returned anomalous grades. A five hole reconnaissance diamond drill program was completed at the Moussobadougou 1 target. The holes confirmed the continuity of a 60 to 80 meter wide zone of shearing and strong alteration at the contact between basalts and volcanoclastics. Within this zone multiple gold intercepts occur.

The Kiaka permit, located in the southeast of the country is at an early stage of exploration. To date mapping and rock sampling have been completed. The host rock consists of strongly foliated biotite rich schists containing disseminated arsenopyrite and pyrite, the rocks are very similar in appearance to the host rocks at Morila, but the foliation is sub-vertical. The mineralized zone presently extends for more than 2.5 kilometers and modeling is underway to prioritize drill locations.

## Ghana

A partnership has been established between us and Inter-Afrique Holdings (a Ghanaian company) to identify and exploit profitable business opportunities in Ghana's gold mining sector.

Our primary focus is to build a quality portfolio of projects within Ghana.

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## Côte d'Ivoire

In Côte d'Ivoire, exploration activities are still suspended pending resolution of the current political impasse. We continue to monitor the situation and hold regular meetings with the government.

Our portfolio in the north of the country includes the Nielle permit which hosts the 3 million ounce Tongon project and complementary satellite targets within a 10 kilometer radius, the Boundiali permit where the advanced target of Tiasso locates and three reconnaissance licenses, which amount to a ground holding of some 2,628km<sup>2</sup>.

## Human Resources Report

We have had a sustainable development and social responsibility strategy since our inception. This strategy forms part of and is fully integrated into our overall business strategy. In common with the business strategy, the sustainable development and social responsibility strategy is regularly updated and has evolved over the years.

Efforts have been maintained during the year to further enhance community relations and to promote and manage the social impact of mining activities on the communities surrounding our operations at Loulo, Morila and elsewhere. Our operations carry out their community development activities in close co-operation with representative local community liaison and development committees set up through consultation and co-operation between the operations and the communities, with input being sought from non-governmental organizations, aid agencies and government departments. During 2004, funds in excess of \$1.2 million were allocated specifically to sustainable community development activities at Loulo, Morila, Syama and at our exploration sites.

The Morila community development trust fund became operational early in 2004.



Prior to the sale of Syama to Resolute Mining during the year, we, in partnership with US AID and the Ministry of Mines in Mali, set up and funded an agricultural scheme costing \$110,000. This involved initiating several micro-agricultural family businesses such as fish farming, and the stocking of some mine dams and other water sources in the area, chicken farms, irrigated vegetable gardens and donkey rearing. In addition, we were involved in initiating a trust fund for villages surrounding Syama which was funded by an arrangement between us and the International Finance Corporation.

In Senegal, we created a special bursary award system for the University of Senegal's faculty of Earth Sciences. In Mali, we participate in a Malian mining industry bursary scheme which has sent four Malian students to South Africa for mining-related degree courses.

Mark Bristow, our chief executive, accepted an invitation to join the President of Senegal's Economic Advisory Committee. Meetings were held with government ministers in Mali, Tanzania, Senegal, Ghana, Burkina Faso and Côte d'Ivoire. The President of Burkina Faso visited our representative office in Johannesburg and Loulo was visited by the Malian Minister of Mines during the year. Such regular liaison with governments of the countries in which we operate form part of our focus on building and maintaining effective relationships.

At a national level in Mali, during calendar year 2004, an amount of \$17 million was paid to the Malian government in payroll taxes, duties, royalties and dividends by our operations and a further amount of approximately \$77 million was paid to Malian businesses for goods and services rendered.

#### Manpower

#### Human capital

As we develop and expand, every effort is being made to employ excellent people. Through leadership, a sense of ownership and interpersonal influence, these people are motivated to do "what needs to be done" to make us grow.

"What needs to be done" is defined by consultative strategic planning, which is refreshed at regular intervals and results in its strategy being owned by all our employees. This strategy provides

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the foundation for the long-term plan (including manpower plans), the fundamental principles of our business, the framework for effective decision making and the action required from our people, the initiating of change and improvements and, most importantly, a rallying point. It enables us to organize our resources and optimize the application of our human capital.

In 2004, there were two significant changes in our leadership structure. Firstly, the exploration and evaluation functions were merged under the leadership of Adrian Reynolds, general manager exploration and evaluation. The new team includes exploration management, managing a very busy exploration program across six countries.

The second major change concerns the building of a top-class operational team for the Loulo mine currently being constructed. Most of the key appointments have been made ahead of the start of operations at Loulo, scheduled for 2005. Amadou Konta has been appointed general manager, becoming the first Malian to head a large gold mine in Mali.

Through involving employees in the business, motivating them and empowering them we have maintained enviable safety, health and low voluntary turnover records at its operations. Our operations have won national safety awards at Syama and Morila, have reduced the incidence of diseases such as malaria in the areas in which they operate and have maintained voluntary turnover of less than 1% per annum.

#### Corporate

During 2004 we employed 12 persons based in Africa and Europe.

#### Operational Center

Our operational center is situated in Bamako and has 15 employees that provide financial, accounting, legal and logistical services to exploration projects and mining operations in Mali and the West African region.

#### Exploration

Exploration had a total complement of 38 permanent and 71 fixed-term contract employees at December 2004. This number was reduced during the year with the transfer of the Mali West exploration team to the Loulo mine.

#### Loulo

Loulo currently employs 32 persons on a full-time basis and 119 fixed-term contractor staff, employed for the duration of the construction project, through the Malian labor broking company UPS.

#### Morila

While the number of permanent employees of Morila SA was stable during the year, the number of contractor employees was significantly reduced with the completion of the processing plant extension project.

#### Seven Bridges Trading 14 (Pty) Limited

We opened a small support subsidiary company in Johannesburg during the year to take over the administrative support services previously supplied by Randgold & Exploration. Seven Bridges employs 15 persons.

#### Personnel Administration

Standard performance management, job evaluation and housing procedures and systems are operating successfully. Refresher courses have been undertaken to ensure these are fully comprehended by the workforce.

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#### Training and Development

This year the focus has been on management skills, slimes dam design, ore evaluation, induction and safety training.

#### Regulatory and Environmental Matters

Our business is subject to extensive government and environment-related controls and regulations, including the regulation of the discharge of pollutants into the environment, disturbance of and threats to endangered species and other environmental matters. Generally, compliance with these regulations requires us to obtain permits issued by government agencies. Some permits require periodic renewal or review of their conditions. We cannot predict whether we will be able to renew those permits or whether material changes in permit conditions will be imposed. To the extent that the countries in which we have exploration and mining permits have no established environmental laws, we are currently working to ensure that our operations are in compliance with environmental standards set by the World Bank in relation to air emissions and water discharges. In accordance with our stated policy, we accrue estimated environmental rehabilitation costs based on the net present value of future rehabilitation cost estimates which are recognized and provided for in the financial statements and capitalized to mining assets on initial recognition. The present value of additional environmental disturbances created are capitalized to mining assets against an increase in rehabilitation provision.

#### Mineral Rights

Although we believe that our exploration permits will be renewed when they expire, based on the current applicable laws in the respective countries in which we have obtained permits, we cannot assure you that those permits will be renewed on the same or similar terms, or at all. In addition, although the mining laws of Mali, Côte d'Ivoire, Senegal, Burkina Faso, Ghana and Tanzania provide a right to mine should an economic orebody be discovered on a property held under an exploration permit, we cannot assure you that the relevant government will issue a permit that would allow us to mine. All mineral rights within the countries in which we are currently prospecting are state-owned. Our interests effectively grant us the right to develop and participate in any mine development on the permit areas.

#### Environmental Matters

The major liabilities for environmental rehabilitation relate to the Morila mine in Mali. Although limited environmental rehabilitation regulations exist in Mali, management has adopted a responsible rehabilitation program following the standards set by the World Bank.

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, 2004, the Registrant had outstanding 59,226,694 ordinary shares, par value \$0.05 per share.

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.

Yes                      No

Indicate by check mark which financial statement item the registrant has elected to follow.

Item 17                  Item 18

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by a checkmark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes                      No

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This Amendment on Form 20-F/A is being filed in order to amend Randgold Resources Limited's Annual Report on Form 20-F for the fiscal year ended December 31, 2004, as originally filed with the Securities and Exchange Commission on June 29, 2005 and as amended on September 23, 2005, October 12, 2005 and October 19, 2005. This Amendment is being filed for the purpose of providing additional details to our disclosures in the financial statements attached to the original report, pursuant to comments received from the Staff of the U.S. Securities and Exchange Commission in connection with its review of our Registration Statement on Form F-3, originally filed on August 19, 2005 and amended on September 23, 2005, October 12, 2005 and October 19, 2005.

#### Marketing

We derive the majority of our income from the sale of gold produced by Morila in the form of dore, which we sell under an agreement with the Rand Refinery (Pty) Ltd. Under the agreement, we receive the ruling gold price on the day after dispatch, less refining and freight costs, for the gold content of the dore gold. We have only one customer with whom we have an agreement to purchase all of our gold production. The "customer" is chosen annually on a tender basis from a selected pool of accredited refineries and international banks to ensure competitive refining and freight costs. Unlike other precious metal producers, gold mines do not compete to sell their product given that the price is not controlled by the producers.

For the convenience of the reader, this Amendment includes the complete text of all Items of the Form 20-F, as amended. However, other than the amendments described above, no changes have been made to these or any other Items to the Form 20-F/A filed on October 19, 2005. This Amendment continues to speak as of the date of the original filing of the Form 20-F and, except as described above, does not purport to amend or update the information contained in the Form 20-F filed on June 29, 2005, or reflect any events that have occurred after the Form 20-F was filed.

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Glossary Of Mining Technical Terms

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Item 1.                      Identity of Directors, Senior Management and Advisers  
Item 2.                      Offer Statistics and Expected Timetable  
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Item 3.:0pt; margin: 0pt;  
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Our operational mining area is comprised of Morila operations of 200 square kilometers and the Loulo mining permit of 372 square kilometers. Our exploration permits are detailed above.

Effective on October 1, 1997, we entered into a service agreement with Randgold & Exploration. Under the terms of the service agreement, Randgold & Exploration provides office accommodations,

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payroll administration and other services from their base for our staff. On February 2, 2003, we entered into a new services agreement with Randgold & Exploration. The cost of the services under the services agreement is approximately \$55,000 per month, subject to review and negotiation on a quarterly basis.

Reimbursements for fiscal 2003 amounted to \$0.6 million.

We also lease offices in London, Dakar, Abidjan,

Bamako, Ouagadougou,  
Mwanza, Accra and Jersey.

The service agreement between us and Randgold & Exploration was terminated by mutual agreement effective from the first of April 2004.

In order to continue to source certain services from South Africa, Seven Bridges Trading 14 (Proprietary) Limited, or Seven Bridges, a wholly owned subsidiary of ours was created.

We have entered into a service agreement with Seven Bridges whereby Seven Bridges will provide certain administrative services to us.

Seven Bridges charges us a monthly fee based on the total employment cost plus 50 percent.

#### Legal Proceedings

The dispute with Rolls-Royce relating to the failure of the Syama power plant, which it acquired on a 10 year finance lease agreement dated February 25, 2000 was settled out of court in December 2002. In terms of the settlement reached, Syama agreed to pay Rolls-Royce \$5.3 million for the balance of the plant and Rolls-Royce has withdrawn all claims and litigation against Syama, us and Randgold & Exploration. Syama had paid an amount of \$4

million to Rolls-Royce on December 31, 2003. Resolute assumed the outstanding balance of this settlement when it acquired the Syama mine.

We are not a party to any material legal or arbitration proceedings, nor is any of our property the subject of pending material legal proceedings.

#### Health and Safety Regulations

Morila has an Hygiene and Security Committee made up of elected labor and specialist management representatives, as outlined in the respective labor code. A similar structure is being implemented for Loulo. This committee designates, from its members, a consultative technical sub-committee charged with the elaboration and application of a concerted policy of improvement of health and security conditions at work. Its composition, attributions and operational modalities are determined by legal provisions and regulations.

The chairman of this committee coordinates monthly committee meetings, sets the agendas with his secretariat, monitors resolutions and signs off on committee determinations.

The committee's secretariat ensures under the

supervision of the chairman  
that:

- follow-up activities such as action resulting from the regular surveys and inspections are carried out; and
- health and safety manuals and updates are distributed, posters are posted on notice boards and safety committee minutes and reports are distributed.

Morila's medical officer  
sits on the Hygiene and  
Security Committee and  
advises on the following:

- working conditions improvements;
- general hygiene on the operation;
- ergonomics;
- protection of workers safety in the workplace; and
- medical checks and eye and ear testing.

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The Hygiene and Security  
Committee forms, from  
within its membership, two  
consultative commissions,  
the Commission of Inquiry  
and the Educational  
Commission. The  
Commission of Inquiry:

- investigates accidents and makes recommendations to avoid repetitions;
- ensures plant, machinery and equipment have adequate protection to avoid injury; and
- updates and revises safety and health manuals.

The Educational  
Commission:

- provides information and training on safe practices and potential risks;
- provides first aid training;
- administers and promotes the safety suggestion scheme; and
- explains, where necessary, the contents of the safety and health manual.

All employees are covered  
by the state's social security  
scheme and our medical  
reimbursement scheme,  
that reimburses a large  
portion of expenses related  
to medical treatment and  
medicines. Dental and



optical expenses are also covered to 50%.

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## A. ORGANIZATIONAL STRUCTURE

The following chart identifies our subsidiaries and our percentage ownership in each subsidiary:

Item 4.	Information on the Company
Item 5.	Operating and Financial Review and Prospects
Item 6.	Directors, Senior Management and Employees
Item 7.	Major Shareholders and Related Party Transactions
Item 8.	Financial Information
Item 9.	The Offer and Listing
Item 10.	Additional Information

Item 11.	Quantitative and Qualitative Disclosures About Market Risk
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Item 12.	Description of Securities Other Than Equity Securities
Item 13.	Defaults, Dividend Arrearages and Delinquencies Material Modification to the Rights of Security Holders and Use of Proceeds
Item 14.	Use of Proceeds
Impact of Favorable Tax Treaties	Controls and Procedures

We are a Jersey incorporated company and are not subject to income taxes in Jersey.

In Mali, Morila SA is subject to a five year tax exemption which expires on November 14, 2005. Once the tax exemption expires, Morila SA will be taxed at the greater of 35% of taxable income or 0.75% of gross revenue. The benefit of this exemption was to increase our net income by \$11.7 million, \$22.5 million and \$31.7 million for the years ended December 31, 2004, 2003 and 2002, respectively. Somilo SA also benefits from a five year tax exemption which will expire on the fifth anniversary of the first commercial production.

## Revenues

Substantially all of our revenues are derived from the sale of gold. As a result, our operating results are directly related to the price of gold. Historically, the price of gold has fluctuated widely. The gold price is affected by numerous factors over which we have no control. See "Item 3. Key Information – Risk factors – 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."

We follow a hedging strategy the aim of which is to secure a floor price which is sufficient to protect us in periods of capital expenditure and debt finance, while at the same time allowing significant exposure to the

spot gold price. Accordingly, we have made use of hedging arrangements. In addition, in terms of the Morila project loan, we were required to hedge fifty percent of approximately thirty six percent of Morila's first five years of production. These hedges were closed out during the year.

Our financing arrangements for the development of Loulo includes provisions for gold price protection. At March 31, 2005, 365,000 ounces had b" valign="bottom" colspan="3">Item 15.

Item 16.

Reserved

Significant changes in the price of our production, which could have a

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**Our Realized Gold Price**

The following table sets out the average price of gold and our average U.S. dollar price of gold in 2002.

Average

Item  
16A.

Item 16B.

High

Item 17.

Item 18.

Item 19.

ii

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GLOSSARY OF MINING TECHN

The following explanations are not  
reader in understanding some of th

Birimian:  
Carbonate:

Carbon-In-Leach (CIL):  
Low  
Average realized gold price<sup>(1)</sup>

Chalcopyrite:  
Clastic:

Craton:

Cut-off grade:

Development:

Dilution:

Disseminated:

Dyke:

(1)Our average realized gold price  
achieved on the Morila hedge b  
Costs

Our operations currently comprise  
undertaken by the mine. Total cash  
of total costs and comprised mainly  
Consumable stores costs include di  
costs, with diesel and reagent costs  
approximately 11% of total cash c  
Information".

The price of diesel acquired for the  
31, 2004 which impacted negativel  
impact significantly on total cash c

power and to run the mining fleet. during 2004. This was exacerbated reported US dollar costs.

The remainder of our total costs consist of interest expense and general and administrative

The three-year duty exemption period in accordance with the Malian duty reduction have the effect of increasing the cost on total costs. Furthermore, costs vary

#### Critical Accounting Policies

Our significant accounting policies are disclosed in our financial statements. Some of our accounting policies in selecting the appropriate assumptions are subject to an inherent degree of judgment. contracts, management's view on transactions

Management believes the following accounting judgments and estimates used in the preparation potentially impact our financial results

Our significant accounting policies are disclosed in our financial statements

#### Joint Venture Accounting

We account for our investment in joint ventures under IFRS, which involves the incorporation of

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ventures' assets, liabilities, income, and expenses. appropriate headings. Should this not be the case, a joint venture would need to be equated to a liability on a separate line, of our share of the joint venture would be carried on the balance sheet of the joint venture.

EEP:

EP: Exploration permit.  
Exploration: Activities associated with ascertaining the existence, location, extent or quality of mineralized material, including economic and technical evaluations of mineralized material.  
Fault: A fracture or a zone of fractures within a body of rock.  
Feldspar: An alumino-silicate mineral.

Fold: A flexure of planar structures within the rocks.  
Foliation: A term used to describe planar arrangements of minerals or mineral bands within rocks.  
Footwall: The underlying side of a fault, orebody or stope.

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Fragmentation: The breakage of rock during blasting in which explosive energy fractures the solid mass into pieces; the distribution of rock particle sizes after blasting.

g/t: This would Gram of gold per metric tonne.

result in a presentation of our balance sheet and income statement that differs significantly from the current presentation, but would have no impact on our net income or our net asset value.

Amortization of Mining Assets

Amortization charges are calculated using the units of production method and are based on tonnes processed through the plant as a percentage of



total  
expected  
tonnes to be  
processed  
over the lives  
of our mines.  
A unit is  
considered to  
be produced  
at the time it  
is physically  
removed  
from the  
mine. The  
lives of the  
mines are  
based on  
proven and  
probable  
reserves as  
determined  
in  
accordance  
with SEC  
industry  
guide  
number 7.  
The estimate  
of the total  
expected  
future lives  
of our mines  
and therefore  
the  
amortization  
charge to  
operations,  
could be  
materially  
different  
from the  
actual  
amount of  
gold mined  
in the future  
and the  
actual lives  
of the mines  
due to  
changes in  
the factors

used in determining our mineral reserves. These factors could include: (i) an expansion of proven and probable reserves through exploration activities; (ii) differences between estimated and actual cash costs of mining, due to differences in grade, metal recovery rates and foreign currency exchange rates; and (iii) differences between actual gold prices and gold price assumptions used in the estimation of reserves. Such changes in reserves could similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives

are limited to the life of the mine, which in turn is limited to the life of the proven and probable reserves.

Gold reserves:

The gold contained within proven and probable reserves on the basis of recoverable material (reported as mill delivered tonnes and head grade).

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.

Valuation of Long-Lived Assets

A field term used to describe any slightly metamorphosed rock.

Management annually reviews the carrying value of our long-lived assets to determine whether their carrying values, as recorded in our consolidated financial statements, are appropriate. In determining if the asset can be recovered, we compare the value in use amount to the carrying amount. If the carrying amount exceeds the value in use amount, we will record an impairment

charge in the income statement to write down the asset to the value in use amount. To determine the value in use amount, management makes its best estimate of the future cash inflows that will be obtained each year over the life of the mine and discounts the cash flow by a rate that is based on the time value of money adjusted for the risk associated with the applicable project. In estimating future cash flows, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of future cash flows from other asset groups. With the exception of other

mine-related exploration potential and, all assets at a particular operation are considered together for purposes of estimating future cash flows.

These reviews are based on projections of anticipated future cash flows to be generated by utilizing the long-lived assets. While management believes that these estimates of future cash flows are reasonable, different assumptions regarding projected gold prices and production costs as discussed above under amortization of mining assets could materially affect the anticipated cash flows to be generated by the long-lived assets. The ability to

achieve the estimated quantities of recoverable minerals from exploration stage mineral interests involves further risks in addition to those factors applicable to mineral interests where proven and probable reserves have been identified, due to the lower level of confidence that the identified mineralized material can ultimately be mined economically.

Greenstone:

Greywacke:

Head grade:

Hydrothermal:

Igneous:

Type of sedimentary rock.

The grade of the ore as delivered to the metallurgical plant.

Pertaining to the action of hot aqueous solutions on rocks.

Hedging and

Financial

Derivatives

We account for our

hedging and

financial

derivatives in

accordance with

International

Accounting

Standard No. 39

Financial

Instruments:

Recognition and

Measurement, or

IAS 39. The  
determination

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of the fair value of  
hedging  
instruments and  
financial  
derivatives, when  
marked-to-market,  
takes into account  
estimates such as  
projected interest  
rates

unt;padding-top:  
12pt;  
background-color:  
#cceedd;"  
align="left"  
valign="top"  
colspan="3">A  
rock or mineral  
that solidified from  
molten or partially  
molten material.

In situ: In place or within unbroken rock or still in the ground.  
 Intrusive: A rock produced by the emplacement and subsequent  
 solidification of hot magma in pre-existing rock.  
 Kriging: An interpolation method that minimizes the estimation error in  
 the determination of reserves.  
 Landsat: Spectral images of the Earth's surface.  
 Leaching: Dissolution of gold from the crushed and milled material,  
 including reclaimed slime, for absorption and concentration on to  
 the activated carbon.  
 Lower proterozoic: Era of geological time between 2.5 billion and 1.8 billion years  
 before the present.  
 Measures: Conversion factors from metric units to U.S. units are provided  
 below:

Metric Unit		U.S. Equivalent
1 tonne	= 1 t	= 1.10231 tons
1 gram	= 1 g	= 0.03215 ounces = 0.02917 ounces per
1 gram per tonne	= 1 g/t = 1 kg/t	ton

1 kilogram per tonne		= 29.16642 ounces per ton
1 kilometer	= 1km	= 0.621371 miles
1 meter	= 1m	= 3.28084 feet
1 centimeter	= 1cm	= 3.937 inches
1 millimeter	= 1mm	= 0.03937 inches
1 square kilometer	= 1 sq km	= 0.3861 miles

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These estimates may differ materially from actual gold prices, interest rates and foreign currency exchange rates prevailing at the maturity dates of the hedging and financial derivatives and, therefore, may materially influence the values assigned to the hedging and financial derivatives, which may result in a charge to or an increase in our earnings at the maturity date of the hedging and financial derivatives. In addition, certain hedging and financial derivatives are accounted for as cash flow hedges, whereby the effective portion of changes in fair market value of these instruments are deferred in other reserves and will be recognized in the statements of consolidated operations when the underlying production designated as the hedged item is sold. All derivative contracts qualifying for hedge accounting are designated against the applicable portion of future production from proven and probable reserves, where management believes the forecasted transaction is probable of occurring. To the extent that management determines that such future production is no longer probable of occurring due to changes in the factors impacting the determination of reserves, as discussed above under amortization of mining assets, gains and losses deferred in other reserves would be reclassified to the statements of consolidated operations immediately.

#### Environmental Rehabilitation Costs

We provide for environmental rehabilitation costs and related liabilities based on our interpretations of current environmental and regulatory standards with reference to World Bank guidelines. In addition, final environmental rehabilitation obligations are estimated based on these interpretations and in line with responsible programs undertaken by similar operations elsewhere in the world, with provisions made over the expected lives of our mines. While management believes that the environmental rehabilitation provisions made are adequate and that the interpretations applied are appropriate, the amounts estimated for the future liabilities may differ materially from the costs that will actually be incurred to rehabilitate our mine sites in the future.

If management determines that an insufficient rehabilitation provision has been created, earnings will be adjusted as appropriate in the period that the determination is made.

#### Deferred Stripping

In general, mining costs are allocated to production costs, inventories and ore stockpiles, and are charged to mine production costs when gold is sold. However, at our open pit mines, which have diverse grades and waste-to-ore ratios over the mine, we defer the costs of waste stripping in excess of the expected pit life average stripping ratio. These mining costs, which are commonly referred to as "deferred stripping" costs, are incurred in mining activities that are generally associated with the removal of waste rock. The deferred stripping method is generally accepted in the mining industry where mining operations have diverse grades and waste-to-ore ratios; however industry practice does vary. Stripping costs (including any adjustment through the deferred stripping asset) is treated as a production cost and included in its valuation of inventory.

The expected pit life stripping ratios are recalculated annually in light of additional knowledge and changes in estimates. These ratios are calculated as the ratio of the total of waste tonnes deferred at the calculation date and future



anticipated waste to be mined, to anticipated future ore to be mined. Changes in the mine plan, which will include changes in future ore and waste tonne to be mined, will therefore result in a change of the expected pit life average stripping ratio, which will impact prospectively on amounts deferred or written back.

If the expected pit life average stripping ratio is revised upwards, relatively lower stripping costs will, in the future, be deferred in each period, or a relatively higher amount of charges will be written back, thus impacting negatively upon earnings. The opposite is true when the expected pit life average stripping ratio is revised downwards, resulting in more costs being deferred and a positive impact on earnings during the period of cost deferral. Any costs deferred will be expensed in future periods over the life of the Morila mine, resulting in lower earnings in future periods. If we were to expense stripping costs as incurred, there might be greater volatility in our results of operations.

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During 2004, a committee of the Emerging Issues Task Force ("EITF") began discussing the accounting treatment for stripping costs incurred during the production phase of a mine under U.S. GAAP. In March 2005, the EITF reached a consensus (ratified by the Financial Accounting Standards Board) that stripping costs incurred during the production phase of a mine are variable production costs that should be included in the costs of inventory produced during the period that the stripping costs are incurred. The EITF consensus is effective for the first reporting period in fiscal years beginning after December 15, 2005, with early adoption permitted. The Company will therefore adopt the consensus of the EITF for US GAAP purposes on January 1, 2006, and anticipates recording a cumulative effect of a change in accounting principle on that date. The cumulat

Metamorphism:

Metallurgical plant:

				18,793
	2004	2003	2002	
	Metallurgy:	In the context of this document, the science of extracting metals from ores and preparing them for sale.		
Net income as reported				
Mill delivered tonnes:	A quantity, expressed in tonnes, of ore delivered to the metallurgical			

Alter  
heat,  
perio  
A pro  
conta

Milling/mill:	<p>plant. 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.</p>
Mineable:	<p>That portion of a mineralized deposit for which extraction is technically and economically feasible.</p>
Mineralization:	<p>The presence of a target mineral in a mass of host rock.</p>
Mineralized material:	<p>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.</p>

Moz:	Million troy ounces.
Mt:	Million metric tonnes.
Open pit:	Mining in which the ore is extracted from a pit. The geometry of the pit may vary with the characteristics of the orebody.
Orebody:	A continuous, well-defined mass of material containing sufficient minerals of economic value to make extraction economically feasible.
Orogenic:	Of or related to mountain building, such as when a belt of the Earth's crust is compressed by lateral forces to form a chain of mountains.
Ounce:	One troy ounce, which equals 31.1035 grams.
Oxide:	Soft, weathered rock.
Payshoot:	A defined zone of economically viable mineralization.

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Probable reserves: Reserves for which quantity and grade and/or quality are computed from information similar to that used for proven reserves, but the sites for inspection, sampling,

	and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation.
Prospect:	An area of land with insufficient data available on the mineralization to determine if it is economically recoverable, but warranting further investigation.
Prospecting license or permits:	An area for which permission to explore has been granted.
PL:	Prospecting License.
PLR:	Prospecting License (reconnaissance).
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.
Pyrite:	A brassy-colored mineral of iron sulphide (compound of iron and sulfur).
Pyrrhotite:	A mineral compound of iron and sulphide.
Quartz:	A mineral compound of silicon and oxygen.
Quartzite:	Metamorphic rock with interlocking quartz grains displaying a mosaic texture.
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.
Regolith:	Weathered products of fresh rock, such as soil, alluvium, colluvium, sands, and hardened oxidized materials.
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.
Reverse circulation (RC) drilling:	A drilling method.
Rotary Air Blast (RAB) drilling:	A drilling method.
Sampling:	Taking small pieces of rock at intervals along exposed mineralization for assay (to determine the mineral content).

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Sedimentary:	Sourced from erosion of other rocks.
Shear zone:	An elongated area of structural deformation.
Silica:	A naturally occurring dioxide of silicon.

Stope:  
Adjustment to income as a result of not deferring stripping costs

Net income  
Stripping:  
Stripping ratio:

Sulphide:

Tailings:

Tectonic:  
Tonalite:  
Tonnage:

Tonne:  
  
17,726

The p  
Rati  
move  
A mi  
metal  
Also  
Finel  
been  
Defo  
A typ  
Quan  
of me  
gold-  
waste  
One t  
"metr  
45,90

See "Item 5 – Operating and Financial Review and Prospects – Recent Accounting Pronouncements".

Recent Accounting Pronouncements

IFRS

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 and royalties. Trenching: Making elongated open-air excavations for the purposes of mapping and sampling. Trend: The arrangement of a group of ore deposits or a geological feature or zone of similar grade occurring in a linear pattern. Waste: Rock mined with an insufficient gold content to justify processing. Weathered: 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 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 Africa. Our books of account are maintained in U.S. dollars and our annual and interim financial statements are prepared on a historical cost basis in accordance with International Financial Reporting Standards, or IFRS. IFRS differs in significant respects from generally accepted accounting principles in the United States, or U.S. GAAP. This Annual Report includes a discussion of the relevant differences between IFRS and U.S. GAAP, and Note 24 to our consolidated financial statements included in this Annual Report sets forth a reconciliation from IFRS to U.S. GAAP of net income and shareholders' equity. We have also included in this Annual Report the audited financial information for the years ended December 31, 2004 and 2003 and 2002 of Société des Mines de Morila SA, or Morila SA. The financial information included in this Annual Report has been prepared in accordance with IFRS, and except where otherwise indicated, is presented in U.S. dollars. For a definition of cash costs, please see Item 3. Key Information—A. Selected Financial Data.

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

## PART 1

### 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 have 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, 2004, 2003, and 2002 and as at December 31, 2004 and 2003 which appear elsewhere in this Annual Report. The historical consolidated financial data as at December 31, 2001 and 2000 have been derived from our audited consolidated financial statements not included in this Annual Report.

The financial data, other than total cash costs and total cash cost per ounce, have been prepared in accordance with IFRS unless otherwise noted. Total cash costs and total cash cost per ounce are non-GAAP financial measures. For further information, refer to footnote 1 on page 3. In Note 24 to our audited consolidated financial statements, we present the principal differences between IFRS and U.S. GAAP and a reconciliation of our net income and shareholders' equity to U.S. GAAP.

Year Ended  
December 31,  
2004

IFRS 3 – Busin

All business combinations within the scope of IFRS 3. The pooling of interests method is prohibited. Costs of an entity's (or the acquirer's) activities must be treated as an expense unless the entity has a pre-existing liability for restructuring its activities. A liability for a business combination must be recognized as assets separately if the liability is an asset, are either separable or arise from contractual arrangements. Identifiable intangible assets must be measured reliably. Identifiable assets acquired, and liabilities assumed, must be initially measured at fair value. The use of indefinite useful lives is prohibited. Instead they are amortized over a finite period frequently if events or changes in circumstances indicate that the

Effective for the year be

IFRS 5 – Non-current Assets Held

IFRS 5 requires assets that are expected to be sold or disposed of within 12 months of carrying amount and fair value less costs to sell. These assets are presented separately in the balance sheet. It also requires that an area of geographical operations to be classified as held for sale. These requirements are classified as held for sale. These requirements are consistent with the classification of discontinued operations are substantially different from U.S. GAAP. The type of operation that can be classified as held for sale is GA

GA

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Effective for the year be

Other develop

14 IAS standards were improved (1, 2, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19) and withdrawn. The changes have removed accounting requirements that were not consistent with IAS. New guidelines and significantly enhanced disclosures are required. Also made to IAS 1, 2, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

The improvements and amendments are effective for periods beginning on or after 1 January 2005. Earlier adoption is permitted.

All changes to each individual standard must be applied retrospectively, unless prohibited.

IFRIC Interpretation 1 – Changes in Existing De

This Interpretation addresses how the effect of the  
existing decommissioning, restoration or

- a) a change in the estimated outflow of resources  
required to settle the obligation;
- b) a change in the current market-based discount rate  
includes changes in the time value of money;
- c) an increase that reflects the passage of time.

Effective for the year be

U.S. C

In December 2004, the Financial Accounting Sta  
Financial Accounting Standards No. 123R "Share-  
Statement of Financial Accounting Standards No. 1  
supersedes Accounting Principles Board Opinion N  
and its related implementation guidance. FAS 123R  
statements the costs of employee services received  
on the grant-date fair value of the award, recogn  
required to provide service in exchange for such av  
January 1, 2006 and anticipate using the modified p  
expense will be recognized for all newly granted aw  
after July 1, 2005. Compensation costs for the unvest  
1, 2005 to be recognized ratably over the remaini  
unvested portion of awards will be based on the fair  
disclosure under FAS 123. The effect on net incom  
adoption of FAS 123R are expected to be consist  
except that estimated forfeitures will be considere  
FAS 123R. Additionally, the actual effect on net i  
upon the number and fair value of options

In November 2004, the FASB issued Statement of F  
Costs – an amendment of ARB NO. 43, Chapter 4,"  
of idle facility expense, freight, handli

5

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period costs. It also requires that allocations of fixed  
based on the normal capacity of the production f  
incurred in the first fiscal year beginning after June  
on our financial position a



During 2004, a committee of the EITF began discussing the accounting treatment of stripping costs incurred during the production phase of a mine. In 2004, the EITF reached a consensus (endorsed by the FASB) that stripping costs incurred during the production phase of a mine should be included in the costs of inventory. The EITF consensus is effective for the period beginning on December 15, 2005, with early adoption permitted. The EITF consensus does not affect the financial position and results of operations.

December 15, 2005, with early adoption permitted. The EITF consensus does not affect the financial position and results of operations.

#### A. OPERATING RESULTS

Our operating and financial review and prospectus, including our financial statements, accompanying notes thereto, and other information, are included in our Annual Report on Form 20-F for the year ended December 31, 2004.

Years Ended December 31,

Revenue

Total revenues decreased by \$32.8 million, or 28.1%, from \$116.5 million for the year ended December 31, 2003 to \$83.7 million for the year ended December 31, 2004.

#### STATEMENT OF OPERATIONS DATA:

##### Product Sales

From the year ended December 31, 2003 to the year ended December 31, 2004, gold sales revenues decreased by \$36.2 million, or 33.1%, from \$109.6 million to \$73.3 million. This was mainly due to 114,897 less ounces available for sale as a result of a drop in head grade from 8.33g/t to 5.20 g/t compounded by a decrease of 3.1% in recoveries, partially offset by an increase in throughput of 7.5% and an improved average gold price

per ounce of \$382 for 2004 compared to \$345 for 2003.

#### Interest Income

Interest income amounts consist primarily of interest received on cash held at banks. Interest income of \$1 million for the year ended December 31, 2004, is consistent with the interest income of \$1 million for the year ended December 31, 2003.

#### Exchange Gains

The exchange gain for the year ended December 31, 2004 of \$1.0 million is lower than the exchange gain of \$3.8 million, for the year ended December 31, 2003 as the prior year figure includes realized

-10pt;padding-top: 0pt; background-color: #ffffff;" align="left" valign="bottom" colspan="3">**Amounts in accordance with IFRS**  
Revenues

\$ 83,743

Operating income	35,850
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Net income	2004
	Ounces
Morila (40% share)	204,194 18,793**

From the year ended December 31, 2003 to the year ended December 31, 2004, our total cash cost per ounce increased \$84 per ounce, or 84%, from \$100 per ounce to \$184 per ounce, as a result of decreased production ounces and increases in diesel and mining contractor costs.

### Transfer to Deferred Stripping Costs

The increase in the transfer to deferred stripping costs of \$0.5 million or approximately 15% from \$3.5 million for the year ended December 31, 2003 to \$4.0 million for the year ended December 31, 2004, was due to the relative waste stripped being more in the year ended December 31, 2004. The charge in 2004 is therefore comparable with the charge in 2003.

### Depreciation and Amortization

Depreciation and amortization charges decreased by \$1.6 million, or 16% from \$10.3 million for the year ended December 31, 2003 to \$8.7 million for the year ended December 31, 2004. The decrease was mainly due to the reclassification of assets which took place in 2003. The charge in 2004 is therefore comparable with the charge in 2003.

24,361 Basic earnings/(loss) per share (\$) 0.32\*\* 0.83\* 1.31\* **Interest Expense**

Interest expense for the year ended December 31, 2004 was \$1.6 million and \$1.9 million for the year ended December 31, 2003 and comprised mainly interest on our attributable share of the Morila project financing facility. The decrease is due to the loan being fully repaid in June 2004.

### (Gain)/loss on Derivative Financial Instruments

The gain on derivative financial instruments of \$2.2 million for the year ended December 31, 2004 and the loss on financial instruments of \$1.7 million for the year ended December 31, 2003, represents the change in the fair value between December 31, 2004 and 2003, for those derivative financial instruments that did not qualify for hedge accounting.

The Loulo instruments were previously deemed speculative for accounting purposes and any marked-to-market movements had to be accounted for through the income statement. With the completion of the final mining schedules and feasibility study, as well as credit approval of the project financing, the hedged ounces were rolled out and

matched to future production. This means that the marked-to-market valuation is now accounted for in equity. The Morila hedge book was fully utilized in 2004.

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### **Royalties**

Royalties decreased by \$2.3 million, or 31%, from \$7.6 million for the year ended December 31, 2003 to \$5.3 million for the year ended December 31, 2004. The decreased royalties reflect decreased gold sales.

### **General and Administrative Expenses**

General and administrative costs comprise various expenses associated with providing administration support services to the Morila mine. These charges increased to \$6.8 million for the year ended December 31, 2004 from \$6.1 million for the year ended December 31, 2003 reflecting the payment of custom duties since November 2003, and an increase in site administration and environmental expenditure.

### **Exploration and Corporate Expenditure**

Exploration and corporate expenditures were \$15.5 million for the year ended December 31, 2004 and \$17 million for the year ended December 31, 2003. The expenditure for both years reflects largely activities which are focused on the defining of additional mineralized materials and converting them to reserve ounces, in particular for the Loulo Project, and additional drilling programs in Senegal, the Morila region and more recently Tanzania, Burkina Faso and Ghana. The decrease in expenditure of \$1.5 million from the prior year, is the result of savings in exploration related staff expenditure.

### **Exchange Losses**

The exchange losses for the year ended December 31, 2004 of \$1.4 million and \$1.9 million for the year ended December 31, 2003 relate primarily to Morila and result from the weakening of the U.S. dollar against other currencies in which goods and services are denominated.

### **Other Expenses**

Other expenses of \$1.1 million for the year ended December 31, 2004 consist mainly of costs associated with the care and maintenance of Syama for the period ending March 2004 and insurance costs. Other expenses of \$4.9 million for the year ended December 31, 2003 comprise operational and other costs associated with the care and maintenance of Syama, insurance costs and tax penalties paid.

### **Minority Interests**

The minority interest for the years ended December 31, 2003 represents the net of the 20% minority share of the losses in the Syama mine and the 20% minority share of losses on the Loulo Project. No minority interest was booked in 2004, as all costs directly related to the construction of the Loulo mine were capitalized and the Syama mine was sold in April 2004.

Share – Based Payments

Shared-based expenses are as a result of our adopting IFRS 2 from January 1, 2005, in accordance with the standards provisions. The standard requires an entity to recognize share-based payment transactions in its financial statements. The effect of the change is a charge of \$1.3 million for the year ended December 31, 2004. No share options were granted from November 7, 2002 to December #000000; font-weight: normal; font-style: normal;background-color: #ffffff;"> 0.29\* 0.37\* Fully diluted earnings per share (\$) 0.31\*\* Years Ended December 31, 2003 and 2002

#### Revenues

Total revenues decreased by \$18.2 million, or 13.5%, from \$134.7 million for the year ended December 31, 2002 to \$116.5 million for the year ended December 31, 2003.

#### Product Sales

From the year ended December 31, 2002 to the year ended December 31, 2003, gold sales revenues decreased by \$21.8 million, or 16.6%, from \$131.4 million to \$109.6 million. The effect of the lower grades, partially offset by an improved average sales price of gold per ounce of \$345 compared to \$308 for 2002, resulted in the reduction in revenue from gold sales.

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#### Interest Income

Interest income amounts consist primarily of interest received on cash held at banks. Interest income of \$1 million for the year ended December 31, 2003, compared to \$0.2 million for the year ended December 31, 2002, reflected interest earned on our higher cash balances during the year.

#### Exchange Gains

The exchange gain for the year ended December 31, 2003 of \$3.8 million is higher than the exchange gain of \$2.4 million, for the year ended December 31, 2002 as it includes an unrealized exchange gain of \$0.9 million and a real" valign="bottom" colspan="1" nowrap="nowrap">0.83\* 1.30\* 0.29\* 0.37\* Weighted average number of shares used in computation of basic earnings per share (3) 58,870,632 **Other Income**

Other income of \$2.1 million for the year ended December 31, 2003 consists mainly of option fees receivable of \$0.7 million, reversal of the doubtful debts provision of \$0.5 million and recoveries of \$0.9 million, compared to \$0.5 million for the year ended December 31, 2002.

#### Costs and Expenses

##### Total Cash Costs

The following table sets out our total ounces produced and total cash cost per ounce for the years ended December 31, 2003 and 2002 (for a definition of cash costs, please see "Item 3. Key Information – A. Selected financial data"):

57,441,360

	Year Ended December 31,			
	2003	*	2002	
	Ounces			
Weighted average number of shares used in computation of fully diluted earnings per share (3)	59,996,257	57,603,364*	50,817,466*	61,523,810
<b>Amounts in accordance with U.S. GAAP (2)</b>				
Revenues	—	—	—	16,720
Loss from operations before joint venture	(8,274)	(24,621)	(31,081)	(16,700)
Morila (40% share)	317,597	100	421,126	700

From the year ended December 31, 2002 to the year ended December 31, 2003, our total cash cost per ounce increased \$26 per ounce, or 35%, from \$74 per ounce to \$100 per ounce, as a result of decreased production and increases in diesel and mining contractor costs.

### Transfer to Deferred Stripping Costs

The decrease in the transfer to deferred stripping costs of \$1.5 million or approximately 30% from \$5 million for the year ended December 31, 2002 to \$3.5 million for the year ended December 31, 2003, was due to the actual waste stripped being less in the year ended December 31, 2003 than in the year ended December 31, 2002 but still in excess of the life of the mine estimated stripping ratio.

### Depreciation and Amortization

Depreciation and amortization charges increased by \$1.5 million, or 17% from \$8.8 million for the year ended December 31, 2002 to \$10.3 million for the year ended December 31, 2003. The increase was mainly due to the reclassification of assets in the fixed asset register into various categories. Previously, all assets were amortized over the life of the mine. Depreciation and amortization in both years were largely related to Morila assets. There was no depreciation and amortization charge for the Syama mine as all assets had been impaired in previous years.

### Interest Expense

Interest expense for the year ended December 31, 2003 was \$1.9 million and comprised mainly interest on our attributable share of the Morila project financing facility.

(15,179) Equity income of Morila joint venture 25,162 67,230 Interest expense for the year ended December 31, 2002 was \$3.7 million and comprised interest on our attributable share of the Morila project financing facility as well as the \$35 million syndicated loan and revolving credit facility, which was repaid during the year.

### Loss on Derivative Financial Instruments

The loss on derivative financial instruments of \$1.7 million for the year ended December 31, 2003 and \$0.3 million for the year ended 2002, represents the change in the mark-to-market, between December 31, 2002 and 2003, for those financial instruments that did not qualify for hedge accounting.

The loss on financial instruments at December 31, 2003 mainly results from the mark-to-market valuation of the forward sales and forward rate agreements taken out as part of the Loulo Project financing. These have been taken out at the corporate level and are currently classified as speculative and are therefore accounted for through the profit and loss statement.

Morila has style="font-family: serif; font-size: 8pt; color: #000000; font-weight: normal; font-style: normal;background-color: #cceeef;"> 90,522 32,482 **Royalties**

Royalties decreased by \$1.6 million, or 17%, from \$9.2 million for the year ended December 31, 2002 to \$7.6 million for the year ended December 31, 2003. The decreased royalties reflect decreased gold sales.

### **General and Administrative Expenses**

General and administrative costs comprise various expenses associated with providing administration support services to the Morila mine. These charges increased to \$6.1 million for the year ended December 31, 2003 from \$4.1 million for the year ended December 31, 2002 reflecting an increase in site administration, environmental expenditure and head office charges.

### **Exploration and Corporate Expenditure**

Exploration and corporate expenditures were \$17 million for the year ended December 31, 2003 and are consistent with \$16.7 million for the year ended December 31, 2002. The expenditure for both years reflects largely activities which are focused on the defining of additional mineralized materials and converting them to reserve ounces, in particular for the Loulo Project, and additional drilling programs in Senegal, the Morila region and Tanzania.

### **Exchange Losses**

The exchange losses for the year ended December 31, 2003 of \$1.9 million and \$1.9 million for the year ended December 31, 2002 relate primarily to Morila and result from the weakening of the U.S. dollar against other currencies in which goods and services are denominated.

7,908 Net income 16,888 42,960 59,661 **Other Expenses**

Other expenses of \$4.9 million for the year ended December 31, 2003 and for the year ended December 31, 2002 of \$5.7 million comprise operational and other costs associated with the care and maintenance of Syama, insurance costs and tax penalties paid.

### **Minority Interests**

The minority interest for the years ended December 31, 2003 and 2002 represents the net of the 20% and 26% respectively minority share of the losses in the Syama mine and the 20% minority share of losses on the Loulo Project.

## **B. LIQUIDITY AND CAPITAL RESOURCES**

Cash Resources

Operations



16,435 24,323 Basic earnings per share (\$) 0.29 0.75\* 1.19\* 0.27\* 0.37\* Fully diluted earnings per share (\$)  
 Net cash provided by operations was \$4.3 million for the year ended December 31, 2004 and \$51.2 million for the year ended December 31, 2003. The \$46.9 million decrease was mainly the result of lower grades and lower production at Morila, compared to the previous year.

Net cash provided by operations was \$51.2 million for the year ended December 31, 2003 and \$70.6 million for the year ended December 31, 2002. The \$19.4 million decrease was the result of lower grades and lower production at Morila, compared to the previous year.

#### Investing

0.29 0.74\* 1.17\* 0.27\* 0.37\* Weighted average number of shares used in computation of basic earnings per share  
 (3) 58,870,632 57,441,360\* 50,295,640\* 61,035,295\* 66,124,418\* Weighted average number of shares used in computation of fully diluted earnings per share  
 (3) 59,996,257 57,603,364\* 50,817,466\* 61,523,810\* 66,588,904\* **Non-GAAP measures** Investing activities for the year ended December 31, 2004 utilized \$57 million compared to \$6 million utilized for the year ended December 31, 2003. This was due to development expenditure incurred in 2004 in the construction of the Loulo Mine.

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Investing activities for the year ended December 31, 2003 utilized \$6 million as compared to \$5.5 million utilized for the year ended December 31, 2002. Both years represent ongoing capital expenditure at Morila.

#### Financing

Financing activities for the year ended December 31, 2004 generated net cash of \$25.5 million compared to net cash generated of \$0.6 million for the year ended December 31, 2003. The net cash generated in the year ended December 31, 2004 related mainly to the first draw down of \$35 million on the Loulo Project loan in December 2004, partially offset by repayment of the Morila project loan.

#### Credit and Loan Facilities

Total cash costs (\$ per ounce) (1) 184 100 74 153 260

\*Reflects adjustments resulting from the sub-division of shares

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

	At December 31, 2004	At December 31, 2003
<b>BALANCE SHEET AMOUNTS IN ACCORDANCE WITH IFRS</b>		
Total assets	\$ 268,461	\$ 224,534

On April 7, 2000, we completed a loan agreement with Citibank, N.A. and Citicorp International Bank, Inc. (collectively, Citibank) for the development of the Loulo Project. The loan is secured by the Loulo Project and is carried interest at U.S. prime rate plus 1.5%. The interest rate on this loan was 3.29%.

been made on June 30, 2004, and our interest in Morila Limited. The value of Morila and related assets is being reported in addition to the periodic payments made at periodic intervals. The loan is

During the year ended December 31, 2004, generators under the terms of the loan are repayable over ten years. The value of the loan on December 31, 2004 was \$5.8 million. The loan is guaranteed by AngloGold Ashanti, we have

Somisy and Randgold Resources Limited. The franc denominated, uncommitted facility with the Developpement du Mali is repayable until 2003. The Somisy facility is

On August 28, 2002, the loan was made by NM Rothschild. On that date, the loan from NM Rothschild comprised of \$10 million. The loan premium, NM Rothschild is required to repay the loan monthly at an interest rate of interbank rate plus 3%, which was fully paid by the end of

Morila also has a finance lease agreement payable over 10 years commencing on December 31, 2004. The value of the

Somilo SA also has a \$0.5 million loan which bears interest at the base rate. The loan is repayable from cash flow. As of December 31, 2004, the interest rate on the

The \$60 million Loulo Project is being financed by & Investment Banking, which is repayable between June 2004 and

A first installment of \$35 million is being collateralized over the assets of

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Randgold Resources (Somilo) has pledged our interest in Somilo. The loan is guaranteed by us until

before December 31, 2000, no dividend or other distribution of assets, including any capital program, or at any time after the fourth anniversary of the date of the offering thereafter 2.25%. The we

Under the term of this loan agreement, 1,000,000 ounces of gold have been sold at a price of \$432 per ounce. The fa

Various debt covenants a

\$

- Limitations on r
- Restrictions wit
- Somilo;
- Maintain insura
- Establish a Deb

the aggregate price  
premium accruing  
commencing on  
• Limitations on a  
• Certain financial

Corporate, Exploration, I

Our expenditures on corp  
years are as follows:

				Area Africa Burkina Faso
Long-term loans		40,718		6,832
Share capital		2,961		2,926
Mali		4,767		7,597
	2,766		2,246	3,307
Additional paid-in capital	Tanzania		3,343	1,756
Côte d'Ivoire		949		1,603
Senegal		3,932		2,749
Merger transaction costs		—		102,342
Accumulated profit/(loss)		100,213		(18,580)
Ghana		(131,834)		(149,593)
Other reserves		(14,347)		(7,403)
Shareholders' equity		191,169		177,187
AMOUNTS IN ACCORDANCE WITH U.S. GAAP (2)				
Total assets		245,026		193,458
Total exploration and corporate expenditure		15,529		17,007
Long-term debt			16,686	

None of the above-mentioned expenditures have been capitalized.

The main focus of exploration work is on our advanced projects in Mali West, around Morila and in Senegal and more recently Tanzania, Burkina Faso and Ghana.

The Tongon project in Côte d'Ivoire is at an earlier stage of feasibility, where the data currently available is less accurate but of a sufficient level of detail for preliminary economic analysis to be

40,718 6,832 19,307 57,147 44,071 Shareholders' equity 187,253 177,187 118,771 undertaken. As a result of the political situation in Côte d'Ivoire, which started in September 2002, no further exploration activity has been possible on the project.

#### Contractual Obligations and Commercial Commitments

Our contractual obligations and commercial commitments consist primarily of credit facilities, as described above. The related obligations as at December 31, 2004 are set out below:

	30,359	93,903			After 5	Total	(dollar thousa
	Contractual Obligations		1 Year	1-5 Years	Years		
Long-term debt	—	—	35,042	—	—	35,042	
Short-term borrowings	—	—	—	—	—	—	
Capital lease obligations	1,156	—	4,392	1,284	—	6,832	

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The following table lists the costs of producing gold, determined in accordance with IFRS, and reconciles this GAAP 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:

	Year Ended December 31, 2004	Year Ended December 31, 2003	Year Ended December 31, 2002	Year Ended December 31, 2001	Year End December 2000
Costs					
Mine production costs	37,468	26,195	22,706	37,349	43,000
Depreciation and amortization	8,738	10,269	8,765	7,097	12,000
General and administration expenses	6,986	7,098	4,128	11,262	
Unconditional purchase obligations	17,119	—	—	17,119	
Total contractual cash obligations	18,275	39,434		9,332	
Transport and refinery costs	233	408	588	547	
Royalties	5,304	7,648	9,185	5,801	3,000
Movement in production inventory and ore stockpiles	(8,512)	(6,229)	(145)	1,284	58,993
	(813)	537	15,131		5,153

Other long-term obligations				
Transfer to deferred stripping costs	(3,999)	(3,484)	(5,043)	(1,991)
Total cost of producing gold determined in accordance with IFRS	3,701	19,369		
		46,218	41,905	

#### Working Capital

Management believes that our working capital resources, by way of internal sources and banking facilities, are sufficient to fund our currently foreseeable future business requirements.

#### C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.

We are not involved in any research and development and have no registered patents or licenses.

#### D. TREND INFORMATION

Our financial results are subject to the movement in gold prices. In the past fiscal year, the general trend has been upwards and this has had an impact on revenues. However it should be noted that fluctuations in the price of gold remain a distinct risk to us.

#### Gold Market

The gold market is relatively liquid compared with many other commodity markets, with the price of gold generally quoted in U.S. dollars. The physical demand for gold is primarily for fabrication purposes, and gold is traded on a world-wide basis. Fabricated gold has a variety of uses, including jewelry (which accounts for 85% of fabricated demand), electronics, dentistry, decorations, medals and official coins. In addition, central banks, financial institutions and private individuals buy, sell and hold gold bullion as an investment and as a store of value.

Historically, gold has been used as a store of value because it tends to retain its value in relative terms against basic goods in times of inflation and monetary crisis. Therefore, large quantities of gold in relation to annual mine production are held for this purpose. This has meant that, historically, the potential total supply of gold has been far greater than annual demand. Thus, while current supply and demand plays some part in determining the price of gold, this does not occur to the same extent as for other commodities.

Instead, gold prices have been significantly affected, from time to time, by macro-economic factors such as expectations of inflation, interest rates, exchange rates, changes in reserve policy by central banks, and global or regional political and economic crises. In times of inflation and currency devaluation, gold has traditionally been seen as refuge, leading to increased purchases of gold and a support for the price of gold.

Interest rates affect the price of gold on several levels. High real interest rates increase the cost of holding gold, and discourage physical buying in developed economies. High U.S. dollar interest rates

also make hedging of forward selling attractive because of the higher contango premiums (differential between LIBOR and gold lease rates) obtained in the forward prices. Increased forward selling in turn has an impact on the spot price at the time of sale.

Changes in reserve policies of central banks have affected the gold market and gold price on two levels. On the physical level, a decision by a central bank to decrease or to increase the percentage of gold in bank reserves-color: #ffffff;white-space:nowrap;" align="left" valign="bottom"> 40,184 59,252 74,104 Less: Non-cash costs included in total cost of producing gold:

depreciation and amortization (8,738) The volatility of gold prices is illustrated in the following table, which shows the annual high, low and average of the afternoon London Bullion Market fixing price of gold in U.S. dollars for the past ten years. On December 31, 2004, the morning fixing price of gold on the London Bullion Market was \$438 per ounce.

Year	High
1995	
Total cash costs using the Gold Institute's guidance	
1996	
1997	
1998	
1999	
2000	61,896
Ounces produced (our share)	2
2001	
Total production cost per ounce under IFRS	
2002	
2003	
Total cash cost per ounce using Gold Institute's guidance	184

\*These figures include costs for Syama at 100%. Our attributable share (including 75% of cash costs associated with Syama) amounted to \$153 per ounce in 2001 and \$260 in 2002.

1. Total cash cost and total cash cost per ounce are non-GAAP measures. We have calculated total cash costs and total cash costs per ounce using guidance issued by the Gold Institute. The Gold Institute was a non profit industry association comprised of leading gold producers, refiners, bullion suppliers and manufactures. This institute has now been incorporated into the National Mining Association. The guidance was first issued in 1996 and revised in November 1999. Total cash costs, as defined in the Gold Institute's guidance, include mine production, transport and refinery costs, general and administrative costs, movement in production inventories and ore stockpiles, transfers to and from deferred stripping, and royalties. The transfer to and from deferred stripping is calculated based on the actual historical waste stripping costs, as applied to a life of mine estimated stripping ratio. The costs of waste stripping in excess of the life of mine estimated stripping ratio, are deferred, and charged to production, at the average historical cost of mining the deferred waste, when the actual stripping ratio is below the life of mine stripping ratio. The net effect is to include a proportional share of total estimated stripping costs for the life of the mine, based on the current period ore mined. Total cash costs per ounce are calculated by dividing total cash costs, as determined using the Gold Institute guidance, by gold ounces produced for the periods presented. We have calculated total cash costs and total cash costs per ounce on a consistent basis for the periods presented. Total cash costs and total cash costs per ounce should not be considered by investors as an alternative to operating profit or net profit attributable to shareholders, as an alternative to other IFRS or U.S. GAAP measures or an indicator of our performance. The data does not have a

meaning prescribed by IFRS or US GAAP and therefore amounts presented may not be comparable to data presented by gold producers who do not follow the guidance provided by the Gold Institute. In particular depreciation and amortization would be included in a measure of total costs of producing gold under IFRS and U.S GAAP, but is not included in total cash costs under the guidance provided by the Gold Institute. The total cost of producing gold calculated in accordance with IFRS and U.S. GAAP would provide investors with an indication of earnings before interest expense and taxes, when compared to the average realized price. The Company has therefore provided an IFRS measure of total cash cost and total cash per ounce as required by securities regulations that govern non-GAAP performance

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measures. Furthermore, while the Gold Institute has provided a definition for the calculation of total cash costs and total cash costs per ounce, the calculation of these numbers may vary from company to company and may not be comparable to other similarly titled measures of other companies. However, we believe that total cash costs per ounce are useful indicators to investors and management of a mining company's performance as it provides an indication of a company's profitability and efficiency, the trends in cash costs as the company's operations mature, and a benchmark of performance to allow for comparison against other companies. Within this annual report, the Company's discussion and analysis is focused on the "total cash cost" measure as defined by the Gold Institute.

2. Under IFRS, we account for our interest in Morila Limited using the proportionate consolidation method, whereby our proportionate share of Morila Limited's assets, liabilities, income, expenses and cash flows are incorporated in our consolidated financial statements under the appropriate headings. Under U.S. GAAP, we equity account for our interest in Morila Limited. This requires that we recognize our share of Morila Limited's net income as a separate line item in the statement of operations, equity income of Morila joint venture. In the balance sheet, we reflect as an investment our share of Morila Limited's net assets. While this results in significantly different financial statement presentation between IFRS and U.S. GAAP, it has no impact on our net income or our net asset value except for any difference between IFRS and U.S. GAAP which relates to Morila.

3. Effective June 11, 2004, we undertook a split of our ordinary shares, which increased our issued share capital from 29,273,685 to 58,547,370 ordinary shares. In connection with this share split our ordinary shareholders of record on June 11, 2004 received two (2) \$0.05 ordinary shares for every one (1) \$0.10 ordinary share they held. See Item 4. Information on the Company – A. History and Development of the Company.

#### 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.



Risks Relating to Our Business

Because we depend upon Société des Mines de Morila SA, and our interest in Morila Limited, for substantially all of our revenues and cash flow, our business will be harmed if Morila's revenues or its ability to pay dividends are adversely impacted.

We hold our ownership interest in Morila through our 50% ownership interest in Morila Limited, which in turn owns 80% of Société des Mines de Morila SA, the direct owner of Morila, or the Morila mine. During 2004, substantially all of our revenues and cash flows were derived solely from sales of gold mined at Morila, and we expect that this mine will continue to provide substantially all of our operating revenue and cash flows for at least the next twelve months. As a result, our results of operations, cash flows and financial condition could be materially and adversely affected by any of the following factors:

- fluctuations in the price of gold realized by Morila;
- the failure of Morila to produce expected amounts of gold; and
- any disputes which may arise between us and AngloGold Ashanti Limited, or AngloGold Ashanti, with respect to the management of Morila Limited.

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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 revenues 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 industrial uses and for use in jewelry;
- international or regional political and economic trends;
- the strength of the U.S. dollar, the currency in which gold prices generally are quoted, and of other currencies;
- 416

320 363

financial  
market  
expectations  
regarding the  
rate of  
inflation;

- interest rates;
- speculative activities;
- actual or expected purchases and sales of gold bullion holdings by central banks or other large gold bullion holders or dealers;
- 2004

454 375 409

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Item 6. Directors, Senior Management and Employees

A. DIRECTORS AND SENIOR MANAGEMENT

Our Articles of Association provide that the board must consist of no less than two and no more than 20 directors at any time. The board currently consists of 7 directors.

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 quarterly high, low and average of the afternoon London Bullion Market fixing price of gold in U.S. dollars for the past two years and the first quarter of 2005.

Year  
2005

Our Articles of Association provide that any new director should be reelected by the shareholders at an annual general meeting following the date of the director's appointment. Furthermore, each director is subject to reelection on a rotation basis for a term of three years as required by our Articles of Association and the Companies Act (Jersey) Law, 1991. Dr. D.M. Williams and Mr. R.A. Williams' positions as executive directors were the subject of an ordinary resolution at the annual general meeting held on April 14, 2005, as requested by our Articles of Association.

According to the Articles of Association, the board meets at intervals determined by the board from time to time.

The address : serif; font-size: 12pt; color: #000000; font-weight: normal; font-style: normal;background-color: #cceedd;">First Quarter

2004

Amadou Konta (47) General Manager – Loulo. Amadou has a degree in civil engineering as well as several management and project management qualifications. He was appointed mine foreman and superintendent at Syama mine and served as mine manager from 1997. In 2001 he was promoted as our construction manager in Mali and was appointed Loulo general manager on October 1, 2004.

Victor Matfield (40) Manager - Corporate Finance. Mr. Matfield is a chartered accountant with 12 years experience in the mining industry. He was appointed corporate finance manager in August 2001, prior to that he served as financial manager of the Syama mine and of the Morila capital project. He is a director of Seven Bridges Trading 14 (Pty) Limited.

Chris Prinsloo (54) Group Commercial and Financial Manager. Mr. Prinsloo became Group Financial Manager in January 2002. He has 32 years of experience in the mining industry. He is a director of Somilo SA and Morila SA.

Richard Quarmby (45) Technical Manager. Mr. Quarmby is a qualified chemical engineer with extensive experience in the mining industry. He joined our metallurgical team in 1997, playing a pivotal role in the development and implementation on site of the Syama and Morila metallurgical plant designs. His responsibilities include metallurgical development through liaising with partner consultants and evaluating all technical and economic implications with the aid of both proprietary and in-house developed software.

Adrian J. Reynolds (50) General Manager — Exploration and Evaluation. Mr. Reynolds has 24 years experience in the exploration and mining industries and was part of the team that developed our original strategy. He leads the exploration team and manages the evaluation of early stage and development projects. He is responsible for the Morila technical oversight and for compilation of our technical audits, due diligences and feasibility studies. He is a director of Morila Limited and Somilo SA.

Mahamadou Samake (57) General Manager — Randgold Resources Mali. Mr. Samake is the general manager of the Bamako office and is a director of our Malian subsidiaries. He is also a professor of company law at the University of Mali.

John Steele (44) General Manager — Capital Projects. Mr. Steele has overseen the capital expansion program at the Syama mine and at the beginning of July 1998, assumed the position of general manager capital projects for the Randgold Resources Group, overseeing the construction of Morila. He is a director of Somilo SA and Morila Limited and is currently leading the Loulo construction project.

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Our Articles of Association provide that the longest serving one-third of directors retire from office at each annual general meeting. Retiring directors normally make themselves available for re-election and are re-elected at the annual general meeting on which they retire. Our officers who are also directors retire as directors in terms of the Articles of Association, but their service as officers is regulated by standard industry employment agreements.

The date of appointment, date of expiration and length of service for each of our directors is set forth in the table below:

Director	Date of Appointment	Date of Expiration of Term
Executive		
D.M. Bristow	8/11/95	5/31/08
R.A. Williams	5/01/02 Fourth Quarter	5/31/0c="spacer.gif" height="1" width="2"> 454.20

	Third Quarter	415.65	
	Second Quarter		
Non-Executive	427.25		375
B.H. Asher	6/12/97	5/05/06	
J.A. Cramer	6/12/97	5/05/06	
R.I. Israel	6/12/97	5/05/07	
P. Liétard	2/11/98	5/05/07	
A.L. Paverd	7/29/95	5/05/06	393.27
	First Quarter	425.50	
	408.44		
2003			

None of our directors and executive officers was selected under any arrangements or understandings between that director or executive officer and any other person. All of our non-Executive directors, are considered independent directors.

#### B. COMPENSATION

Our objective is to provide senior management, including executive directors, with a competitive remuneration package which will attract and retain executives of the highest caliber and will encourage and reward superior performance.

Fourth Quarter  
 Third Quarter  
 Second Quarter  
 First Quarter

In addition, the current demand for, and supply of, gold affects the price of gold, but not necessarily in the same manner as current demand and supply affect the prices of other commodities. Historically, gold has tended to retain its value in relative terms against basic goods in times of inflation and monetary crisis. As a result, central banks, financial institutions, and individuals hold large amounts of gold as a store of value, and production in any given year constitutes a very small portion of the total potential supply of gold. Since the potential supply of gold is large relative to mine production in any given year, normal variations in current production will not necessarily have a significant effect on the supply of gold or its price.

If gold prices should fall below and remain below our cost of production for any sustained period, we may experience losses and may be forced 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 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 \$184 in the year ended December 31, 2004, \$100 in the year ended December 31, 2003, and \$74 in the year ended December 31, 2002. We expect that Morila's total cash costs will rise as the life of the mine advances, which will adversely affect our profitability in the absence of any mitigating factors.

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

We use derivative instruments to protect the selling price of some of our anticipated gold production at Loulo. The intended effect of our derivative transactions is to lock in a minimum sale price for future gold production at the time of the transactions, reducing the impact on us of a future fall in gold prices. No such protection is in place for our production at Morila.

To the extent these instruments protect us against low gold prices, they will only do so for a limited period of time. If the instrument cannot be sustained, the protection will be lost. Derivative transactions can even result in a reduction in possible revenue if the instrument price is less than the market price at the time of settlement. Moreover, our decision to enter into a given instrument is based upon market assumptions. If these assumptions are not met, significant losses or lost opportunities for significant gains may result. In all, the use of these instruments may result in significant losses or 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.

Because we depend upon Morila, and our interest in Morila Limited, for substantially all our revenues and cash flow, our business may be harmed if the Government of Mali fails to repay fuel duties.

Morila is responsible for paying to diesel suppliers the customs duties which are then paid to the Government of Mali. Morila can claim reimbursement of these duties from the Government of Mali on presentation of a certificate from Société Généralé de Surveillance. During the third quarter 2003, the Government of Mali began to reduce payments to all the mines in Mali due to irregularities involving certain small exploration companies. The Government of Mali has commenced repayment and during the first quarter 2005 the amount owing Morila was reduced from e;tard, all the directors hold shares equal to the value of the general annual retainer.

Non-executive directors have been granted options to purchase our ordinary shares. Details of the options held by the non-executive directors are shown below.

On May 11, 2005 the \$30,000 award was allocated to each of the non-executive directors for the purpose of acquiring restricted stock. The price of the restricted stock calculation was the Nasdaq National Market closing price on May 10, 2005, being \$12.78. In terms of the policy, 783 shares were issued directly to each non-executive director and 1,565 shares would be held as restricted stock'. Non-executive directors would be entitled to the second tranche, subject to agreed conditions, on January 1, 2006 and the final balance on January 1, 2007.

During the year ended December 31, 2004, the aggregate compensation paid or payable to our directors and executive officers as a group was approximately \$5.8 million, of which \$5.35 million was payable to directors.

The following table sets forth the aggregate compensation for each of the directors:

	Basic Salary/Fees		Bonus/Service
	December 31, 2004	2003	Contract December 31, 2004
	(\$)	(\$)	(\$)
Executive			<p>If Morila is unable to recover these amounts, its ability to pay dividends to its shareholders is affected. Our business, cash flows and financial condition will be materially and adversely affected if anticipated dividends are not paid.</p> <p>Under our joint venture agreement with AngloGold Ashanti, we jointly manage Morila Limited. Disputes with AngloGold Ashanti over the management of Morila Limited could adversely affect our business.</p> <p>We jointly manage Morila Limited with AngloGold Ashanti under a joint venture agreement. Under the joint venture agreement, AngloGold Ashanti is responsible for the day-to-day operations of Morila Limited, subject to the overall management control of the Morila Limited board. Substantially all management decisions, including approval of a budget for Morila, must be approved by the Morila Limited board. We and AngloGold Ashanti retain equal control over the board, with each holding a deciding vote. If a dispute arises between us and AngloGold Ashanti with respect to the management of Morila Limited and we are unable to amicably resolve the dispute, we will participate in an arbitration or other proceeding to resolve the dispute, which could materially and adversely affect our business.</p> <p>Our mining project at Loulo, or Loulo Project, is subject to all of the risks of a start-up</p>

In connection with the development of the Loulo Project, we must build the necessary facilities, the costs of which are substantial. As a new mining operation, Loulo may experience unexpected problems and delays during development, construction and mine-start-up. Such problems and delays in the commencement of mineral production could occur, which could affect our results of operations and profitability.

Our mining operations may yield less gold under actual production conditions than indicated by our reserve figures, which are estimates based on a number of assumptions, including assumptions regarding 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 delivery and grade of gold in our deposits and stockpiles. They represent the amount of gold that

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believe can be mined, processed and sold at prices sufficient to recover our estimated production, remaining investment and anticipated additional capital expenditures. Our estimates are estimated based upon many factors, including:

- the results of exploratory drilling and an ongoing sampling of the orebodies;
- past experience with mining properties; and
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Because our ore reserve estimates are calculated based on current estimates of 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 background-color: #cceeff;"> R. A. R. Kebble<sup>(1)</sup> 343,750 We may be required to seek funding from third parties or enter into joint development arrangements to finance the development of our properties and the timely exploration of our mineral rights, which funding or development arrangements may not be available on acceptable terms, or at all.

We require substantial funding to develop our properties. For example, if we ultimately determine that our Tongon project would sustain profitable mining operations, our ability to build a mine at this site would be dependent upon the availability of sufficient funding. In some countries, if we do not conduct any mineral exploration on our mineral holdings or make the required payments in lieu of completing mineral exploration, these mineral holdings will lapse and we will lose all interest that we have in these mineral rights.

We may be required to seek funding from third parties to finance these activities. Our ability to obtain outside financing will depend upon the price of gold and the industry'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. Cash constraints and strategic considerations may also lead us to dispose of all or part of our interests in some of our projects or mineral rights or to seek out third parties to jointly develop one or more projects.

We conduct mining, development and weight: normal; font-style: normal; background-color: #ffffff;"> 375,000 1,118,022 We currently conduct mining, development and exploration activities in countries with



developing economies, including Côte d'Ivoire, Mali, Senegal, Burkina Faso, Ghana and Tanzania. These countries and other emerging markets in which we may conduct operations have, from time to time, experienced economic or political instability, in the form of:

- war and civil disturbance;
- expropriation or nationalization;
- changing regulatory and fiscal regimes;
- fluctuations in currency exchange rates;
- high rates of inflation;
- underdeveloped industrial and economic infrastructure; and
- unenforceability of contractual rights.

1,000,500 1,093,750 -2,555,522 1,375,500 Any political or economic instability in the West African countries in which we currently operate could have a material and adverse effect on our business and results of operations.

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The countries of Mali, Senegal, Burkina Faso and Côte d'Ivoire were French colonies and Tanzania and Ghana were British colonies until their independence in the early 1960's. Each country has, since its independence, experienced its own form of political upheavals with varying forms of changes of government taking place, including violent coup d'etats. However, Côte d'Ivoire, the leading economic power in the region, and once considered one of the most stable countries in Sub-Saharan Africa, has experienced several years of political instability. D. M. Bristow<sup>(2)</sup> 530,156 462,000 1,118,022 1,062,500 The conflict in Côte d'Ivoire resulted in us suspending work in the country pending a peaceful solution. As a result, the progress of the Tongon feasibility study has been delayed. We anticipate starting the next phase of the project after the elections in October 2005.

Goods are supplied to Mali through Ghana, Burkina Faso and Senegal. Other supply routes to Mali are, however, functioning. Our operations at Morila have been affected only to the extent of making the supply of diesel more expensive since it now has to be delivered via Togo, which adds additional transportation costs to allow for greater delivery distances.

Also, any present or future policy changes in the countries in which we operate may in some way have a significant effect on our operations and interests. The mining laws of Mali, Côte d'Ivoire, Senegal, Burkina Faso, Ghana and Tanzania stipulate that should an economic orebody be discovered on a property subject to an exploration permit, a permit that allows processing operations to be undertaken must be issued to the holder.

535,250 -2,183,428 1,524,500 R. A. Williams 239,040 187,000 372,674 491,500 -611,714 678,500 Sub-total 1,112,946 1,024,000 2,608,718 2,554,500 Except for Tanzania, legislation in these countries currently provides for the relevant government to acquire a free ownership interest, normally of at least 10%, in any mining project. For example, the Malian government holds a 20% interest in Morila SA, and cannot be diluted below 10%, as a result of this type of legislation. 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.

If we are required to change how we account for our interest in Morila Limited in the future to the equity method, any resulting confusion in the investor community could cause persons not to invest in our securities.

Our financial statements have been prepared in accordance with IFRS since our inception as an international company, under which we employ joint venture accounting and proportionately consolidate our interest in Morila Limited's assets, liabilities, income, expenses and cash flows. If we are not permitted to utilize joint venture accounting under IFRS in the future, we would be required to utilize the equity method to account for our interest in Morila Limited, which could cause confusion in the investor community and adversely affect a prospective investor's willingness to invest in our securities. The most likely circumstance under which we would be prohibited from using proportionate consolidation would be if existing accounting policies under IFRS were changed to prohibit proportionate consolidation for joint ventures of this type. Under the equity method of accounting, which is mandatory under U.S. GAAP, we would recognize our share of the company's net income as a separate line item in our income statement and would reflect as an investment our share of Morila Limited's net assets on our balance sheet.

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 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.

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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 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 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 affect 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:

- 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;
- the judgment is final and conclusive—it cannot be altered by the courts which pronounced it;
- 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;
- the judgment has not been prescribed;
- the courts of the foreign country have jurisdiction in the circumstances of the case;
- the judgment was not obtained by fraud; and

1,629,000 —5,350,6

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	Basic Salary/Fees		Bonus/Service Contract		Other Payments		Total	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Non-Executive								
•								
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.

#### Risks Relating to Our Industry

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

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,

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B. H. Asher 115,000 115,000 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. Our operations are subject to all of the operating hazards and risks normally incident to exploring for and developing mineral properties, such as:

- encountering unusual or unexpected formations;
- environmental pollution;
- personal injury and flooding; and

• decrease  
in  
reserves  
due to a  
lower  
gold  
price.

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 incur a write-down on our investment in that interest. All of these factors may result in losses in relation to amounts spent which are not 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.

—115,000 115,000 J-A. Cramer 85,000 97,500 Our ability to obtain desirable mineral exploration projects in the future will be adversely affected by competition from other exploration companies.

In conducting our exploration activities, 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.

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,

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significant delays in our operations or even the complete shutdown of our operations. We accrue estimated environmental rehabilitation costs over the operating life of a mine. Estimates of ultimate rehabilitation 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 business.

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.

All Malian national employees are members of the Union Nationale des Travailleurs du Mali, or UNTM. Due to the number of employees that belong to UNTM, we are at risk of having Morila and Somilo's mining and exploration operations stopped for indefinite periods due to strikes and other labor disputes. Should any labor disruptions occur, our results of operations and financial condition could be materially and adversely affected.

AIDS poses risks to us in terms of productivity and costs.

———The incidence of AIDS in Mali, which has been forecasted 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 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.

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#### 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 La Motte Chambers, La Motte Street, St. Helier, Jersey, JE1 1BJ, 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 a shareholder loan made by us to Morila Limited to AngloGold Ashanti for \$132 million in cash.

In April 2001, we acquired an additional 29% of Société des Mines de Loulo, or Somilo, under a sale of shares and loan claims agreement with Normandy LaSource SAS for a purchase price of \$2 million, which brought our share of Somilo to 80%. Also under this agreement, we acquired loan claims regarding cash advanced to Somilo by Normandy LaSource to fund exploration activities.

We nowfont> 85,000 97,500 R. I.  
Israel 68,000 66,000

- a 50% interest in Morila Limited; and
    - a controlling interest in Somilo, which conducts exploration and mine development activities
- ovffff;">  
 ——68,000 66,000 P. Liétard 102,500 97,500 ——102,500 97,500 F. Lips<sup>(3)</sup> 15,000 65,000

In July 2002, we completed an initial public offering of 5,000,000 of our ordinary shares, including American Depositary Shares, or ADSs, resulting in gross proceeds to us of \$32.5 million. These proceeds were used to repay a syndicated term loan and revolving credit facility in November 2002 and for feasibility studies and development activities. In connection with this offering, we listed our ADSs on the Nasdaq National Market.

In September 2002, we completed an exchange offer in which we exchanged substantially all of our outstanding GDSs for ADSs representing a like number of our ordinary shares.

On March 10, 2003, we changed our ADR ratio from two ordinary shares to one ADR, to one ordinary share to one ADR.

On April 16, 2003 we entered into a heads of agreement with Resolute Mining Limited, or Resolute. Under this agreement we gave Resolute a 12 month option to acquire our entire interest in our wholly-owned subsidiary, Randgold Resources (Somisy) Limited, or RRL Somisy, for \$6 million, plus a quarterly royalty payment based on the gold price. RRL Somisy owns 80% of Somisy which owns the Syama mine. In addition, Resolute would accept \$7.0 million of Syama's liabilities. During the option period, Resolute paid us option fees of \$75,000 per month.

On June 13, 2003, Randgold & Exploration sold 1 million of our ordinary shares reducing its percentage ownership in us to approximately 43% as of that date. Randgold & Exploration's current ownership is described under "Item 7 – Major Shareholders and Related Party Transactions – Major Shareholders."

#### Recent Developments

In February 2004 we announced that we would develop a new mine at Loulo in western Mali. Construction continued through 2004 and into 2005 and it remains anticipated that the new mine would commence production from open-pit operations during the third quarter of 2005. In addition, the development study on the underground potential to extend the life of the proposed Loulo operation was extended to July 2005 to accommodate the positive drilling results which were obtained from the underground drilling. Our board agreed to increase the drilling budget by \$7 million to progress the development study.

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In April 2004, Resolute exercised their option to acquire the Syama mine. Resolute has subsequently paid us \$6 million in cash and has assumed liabilities of \$7 million, of which \$4 million owing to ourselves has been settled. The agreement entered into in June 2004 between the parties makes provision for the payment of a royalty by Resolute. At a gold price of more than \$350 per ounce, we would receive a royalty on Syama's production of \$10 per ounce on the first million of ounces attributable to Resolute and \$5 per ounce on the next three million of attributable ounces entered. This royalty payment is capped at \$25 million. The Syama mine is still under care and maintenance while Resolute carry out a feasibility study. Accordingly, we did not receive any royalties during the year ended December 31, 2004.

The Companies (Jersey) Law, 1991, or the 1991 Law, places restrictions on our ability to pay dividends. Because of accumulated losses, we have not been able, under the 1991 Law, to make dividend payments. At our annual general meeting, held on April 26, 2004, our shareholders approved a resolution to reduce our share premium account by \$100 million. This enabled us to re-organize our balance sheet and has placed us in a position to have the option to pay dividends from our future trading profits. On April 27, 2004, the Royal Court in Jersey, Channel Islands, sanctioned the capital reduction which has now become effective. No capital was returned to shareholders in connection with this adjustment. As a result of the Court approval, accumulated losses of \$75 million have been cancelled from our profit and loss account and an amount of \$25 million has been transferred to a special reserve which shall be treated as our realized profit and will be available for distribution to our shareholders by way of dividend, return of capital or otherwise and/or for transfer to our profit and loss account to the extent of any accrued losses thereon at any time.

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 (2) additional \$0.05 ordinary shares for every one (1) \$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 will be adjusted to reflect the share split. ADR holders will be affected the same way as shareholders and the ADR ratio remains 1 ADR to 1 ordinary share.

#### Principal Capital Expenditures

Capital expenditures incurred for the year ended December 31, 2004 totaled \$69.4 million compared to \$6.7 million for the year ended December 31, 2003. As of December 31, 2004, our capital commitments amounted to \$25 million, principally for the Loulo Project. This relates to capital expenditures which had been committed and contracted of \$17 million and committed but not yet contracted of \$8 million. The capital expenditures will be financed out of internal funds and a \$60 million project finance loan from a consortium of banks.

## B. BUSINESS OVERVIEW

### Overview

We engage in gold mining, exploration and related activities. Our activities are focused on West and East Africa, some of the most promising areas for gold discovery in the world. In Mali, we own one half of Morila Limited, which in turn owns 80% of Morila SA, the owner of the Morila mine. We also have a mine in the construction phase in Mali, the Loulo mine, and a feasibility stage project in the neighboring country of Côte d'Ivoire, as well as exploration permits covering additional areas in Mali, Côte d'Ivoire, Burkina Faso, Ghana and Senegal and exploration licenses in Tanzania. As of December 31, 2004, we had declared proven and probable reserves of approximately 2.51 million ounces attributable to our percentage ownership interest in our assets.

Our strategy is to achieve superior returns on equity through the discovery, management and exploitation of resource opportunities, focusing on gold. We seek to discover bulk tonnage shallow 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.

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The focus of Morila SA's exploration activities is on extending the existing orebody and discovering new deposits which can be processed using the Morila plant. Several areas around the current pit with the potential to yield



continuous flat lying mineralization have been targeted for further drilling.

Outside of Morila SA, we hold exploration permits covering 3,000 square kilometers in the Morila region, where we are engaged in early stage exploration work.

In February 2004 we announced that we would develop a new mine at Loulo in western Mali. Construction is in progress and it is anticipated that the new mine would commence open-pit operations in the third quarter of 2005. In addition, a development study has commenced on the underground potential to extend the life of the proposed new Loulo operation. It is anticipated that the underground development study will be completed by July 2005.

——The focus of exploration at Loulo is to continue to explore and discover additional mineralized material from the 372 square kilometer permit.

We also own an advanced-stage development project at Tongon, located in Côte d'Ivoire. We have not yet committed to constructing a mine at Tongon. However, our work to date, together with the current gold price environment, indicates that a profitable mine could, subject to the political climate in Côte d'Ivoire, potentially be developed.

15,000 65,000 A. L. Paverd 85,000 97,500 ——Ownership of Mines and Subsidiaries

The Morila mine is owned by a Malian company, Morila SA,. The mine is controlled by a 50/50 joint venture management committee with day-to-day operations being the responsibility of a Malian subsidiary of AngloGold Ashanti.

Under a joint venture agreement between us, we are each entitled to appoint four directors to the board of directors of Morila Limited. AngloGold Ashanti is entitled to appoint one of its four directors as chairman, which position does not possess an additional vote. A quorum of the board for any meeting may only be achieved if at least two directors appointed by each of us are present. We have further agreed that all major decisions involving Morila Limited must be decided upon at the board level on a consensus basis, though under an operating agreement we have agreed to delegate responsibility for and authority regarding the day-to-day operation of Morila to a subsidiary of AngloGold Ashanti. Under the joint venture agreement, if either party wishes to sell its interest in Morila Limited, the other has a right of first refusal regarding that interest.

At March 31, 2005, Morila had been in production for 54 months and in that time had produced approximately 3.3 million ounces at a total cash cost of less than \$110 per ounce.

The Loulo Project is owned by a Malian company, Somilo SA, which in turn is owned 80% by Randgold Resources (Somilo) Limited, our wholly-owned subsidiary, and 20% by the State of Mali. Randgold Resources is the operator of the Loulo mine and is managing the construction project.

## Geology

We target bulk tonnage gold deposits that have the potential to host mineable gold reserves of two million ounces or more.

West Africa is one of the more geologically prospective regions in the World. Lower Proterozoic rocks are known to contain significant gold occurrences and occur in West Africa in abundance. The Birrimian 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 along with Birrimian greenstone belts that are located in Ghana, Côte d'Ivoire, Burkina Faso, Guinea, Mali, Senegal and Niger. A significant amount of geological information has been collected by government and quasi-government agencies in West Africa. The region has consequently largely been under-explored by mining and exploration companies using modern day technology. Most of our exploration properties are situated

within the Birrimian Formation, a series of Lower Proterozoic volcanic and sedimentary rocks. The West African Birrimian sequences host a number of world class gold deposits and producing gold mines.

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

#### Reserves

Only those reserves which qualify as proven and probable reserves for purposes of the SEC's industry guide number 7 are presented in this Annual Report. The reserves are calculated at an average gold price of \$375 per ounce over the life of the mine or project.

Morila reserves have been estimated by our joint venture partner, AngloGold Ashanti. The Loulo Project reserves were estimated by us in conjunction with Steffen, Robertson and Kirsten, our independent mining engineers.

Total reserves as of December 31, 2004, amounted to 40.97 million tonnes at an average grade of 3.36 g/t, giving 4.42 million ounces of gold of which 2.51 million ounces are attributable to us. In calculating proven and probable reserves, current industry standard estimation methods are used. The reserves 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.

The preferred technique used for estimation was ordinary kriging, and the resources have been converted to reserves by the application of all the necessary economic, mining and metallurgical parameters into a pit optimization algorithm. All reserves are based on a normal distribution of the orebody. —Factors such as grade distribution of the orebody, planned production rates, forecast working costs 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.

The following table summarizes our declared reserves as of December 31, 2004:

TOTAL Operation/ Project	85,000	97,500		Proven Reserves			Probable Reserves	
	Tonnes (Mt)	Grade (G/T)	Gold (Moz)	Tonnes (Mt)	Grade (G/T)	Gold (Moz)		
Morila mine	11.92	3.39	1.30	13.87	1,622,500			
						2,554,500	2,554,500	1,
	5,821,164	4,117,000						

(1) In November 2004, Mr. R.A.R. Kebble, following the signature of a termination agreement, resigned from the board. The terms of the Mr. Kebble's agreement provided for:

- Payment of all monies due in terms of his existing contract of employment, which was due to run until May 31, 2006, amounting to \$593,750;
- All unexercised share options at the date of the agreement, amounting to 133,400 options at a strike price of \$3.25, were to be unrestricted and to vest with immediate effect;
- An additional payment of \$500,000; and
- Payment of any bonus that Mr. Kebble would have been entitled to in accordance with the terms of his employment contract had he not resigned with effect from November 3, 2004.

(2) Other payments comprise the grant of restricted shares to Dr. D.M. Bristow.

(3) Mr. F. Lips retired from the board on February 19, 2004.

The executive directors do not receive any benefits in kind and the only long-term incentive scheme is the Share Option Scheme.

The bonus is calculated on the movement in our share price based on a calendar year to March 31. The 2004 bonuses, as shown above reflect the amounts paid in April 2004 based on the movement in the share price from April 1, 2003 to March 31, 2004, being \$6.625 to \$9.827.

Share options exercised by the directors during 2004 and up to April 30, 2005 are detailed below:

Name	Number of Options Exercised	Average Exercised Price (\$)	Our share	
R. Williams	4.44	0.22	80%	3.14
D. M. Bristow	12.14	3.78	1.47	

Included in proven reserves are Morila stockpiled tonnage of 7.58 million tonnes at 2.08 g/t.

166,700	3.25
R A R Kebble	133,400
A L Paverd	1. A 10% mining dilution zero gra and a g loss of 3 have be incorpo into the estimate reserves

are reported  
as million  
delivered  
tonnes and  
head grade  
Metallurgical  
recovery  
factors have  
not been  
applied  
reserve  
figures.  
approximately  
metallurgical  
recovery  
factors would  
be 91.5%  
the Morila  
mine and  
89.6% for  
Loulo plant

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Results of Operations

The following chart details the operating and production results from operations for the years ended December 31, 2004, 2003 and 2002:

	Morila Attributable 40%	Morila Total
<b>2004</b>		1.65

The high and low share prices for our ordinary shares for the year on the London Stock Exchange were (pounds sterling) 7.81 and (pounds sterling) 4.29, respectively and our high and low price for our ADRs on the Nasdaq National Market were \$14.23 and \$7.76 respectively. The ordinary share price on the London Stock Exchange and the price of an ADR on the Nasdaq National Market at December 31, 2004 was (pounds sterling) 5.93 and \$11.36 respectively.

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Mined tonnes (million tonnes) 10.64 26.6 O style="padding-left: 0pt;" align="left">

Share options outstanding at April 30, 2005 and held by directors and executive officers were as follows:

Name	Options to Purchase Ordinary Shares	Expiration Date	Exercise Price (\$)
Executive Directors			&re tonnes mined (million tonnes) 2.12 5.3
Gold grade (g/t)	4.32	4.3	
Ore tonnes milled (million tonnes)	1.4	3.5	
Head grade (g/t)			
5.2 5.2 Ounces production (oz)	204,194 510,485 <b>2003</b>	D.M. Bristow 166,700 7/11/12	Mined tonnes (million tonnes) 9.39 3.25
tonnes) 1.62 3.03 66,700 4.05	Gold grade (g/t) 7/11/12 3.25	125,000 double #ffffff;"> 6.77 6.77	Ore tonnes milled (million tonnes) 8/05/14 8.05
production (oz) 317,597 793,992 <b>2002</b>	Mined tonnes (million tonnes) 10.53	26.32 Ore tonnes milled (million tonnes) 1.09 2.74	Head grade (g/t) 8.33 8.33 Ounces production (oz) 421,126 1,052,816
tonnes) 1.29	3.23 Gold grade (g/t) 15.59 15.59	Ore tonnes milled (million tonnes) 1.09 2.74	Head grade (g/t) 13.39 13.39

## Mining Operations - Morila

### Introduction

The Morila mine struggled for much of the year before the commissioning of the plant expansion in September 2004 but completed the year with a very good fourth quarter.

In the first three quarters of the year, gold production decreased due to expected lower grades and the failure to increase tonnage throughput as a result of the delay in commissioning the plant expansion project. Despite this delay, the mine still produced 510,485 ounces at a total cash cost of \$184 per ounce. Profit margins decreased from 2003 as a result of increased costs and the production difficulties, but by year-end substantial profits were again being made as higher grade was being accessed in the pit and the plant was functioning to design specification.

We were forced to intervene to assist the operator to identify the problems hampering production and, with our joint venture partner, developed a technical action plan. The implementation of this plan was closely monitored and by the end of the third quarter was starting to achieve the return to design production levels. Following our ongoing dissatisfaction with the way the mine was being operated, a management change was agreed to by the partners whereby the mine would in future be under the direct day-to-day management of a jointly appointed, independent managing director.

During the final quarter of the year, the mine's production exceeded the milestone of 3 million ounces of gold produced since inception and by year-end the mine had produced 3.13 million ounces of gold at a total cash cost of \$105 per ounce.

Total cash profit for the year was \$89.6 million and dividends of \$2.8 million to shareholders were made. The total distribution by Morila to us, including the repayment of our shareholder loans during

the year, amounted to \$11 million. The remaining project debt was paid back during the year to the consortium of lending banks as were the remaining shareholder loans. The original gold hedge financial instruments taken out as a funding requirement was also finally delivered into and Morila's production is now totally unhedged and will benefit fully from the gold spot price. At year-end there was an outstanding amount of some \$30.9 million to be recovered from the State of Mali in the form of value-added tax repayments and reimbursable fuel duties of which \$12.4 million is attributable to ourselves.

A summary of the salient production and financial statistics as well as a comparison with the previous year's results follows:

Morila production and financial statistics	Year Ended December 31,			
	2004	2003		2002
Mined tonnes (million tonnes)				
B.H. Asher	24,500	1/28/11		1.65
J-A. Cramer	24,500	26.6	23.5	
Ore tonnes (million tonnes)	5.3	4.1		3.2
	1/28/11			
	Mined gold grade (g/t)			
R.I. Israel		4.3	6.8	
P. Liétard	15.6			
Ore tonnes milled (million tonnes)	3.5	3.3		2.7
Head grade (g/t)	5.2	8.3		13.4
Recovery (%)	87.9	91.0		89.3
Ounces produced (oz)	510,485	793,992		1,052,816
Average gold price received (\$/oz)	\$ 382	24,500	1/28/11	
Officers				
D.J. Haddon	56,000	7/11/12		3.25
	75,000	8/05/14		8.05
W.R.A. Houston	31,400	7/11/12		3.25
	75,000	8/05/14		8.05
A. Konta	7,400	3/24/09		1.75
	60,000	8/05/14		8.05
V. Matfield	53,400	7/11/12		3.25
	\$345	\$ 308		
Cash operating cost (excluding royalty) (\$/oz)	\$ 158		75,000	
C.J. Prinsloo	26,700	7/11/12		\$ 52
Total cash cost (\$/oz) <sup>(1)</sup>	\$ 184	\$ 100		\$ 74
Cash profit (\$ million) <sup>(2)</sup>	\$ 89.8	3.25		
	75,000	8/05/14		\$ 194.8

<sup>(1)</sup>For a definition of cash costs, please see "Item 3. key information – A. Selected Financial Data."

<sup>(2)</sup>Cash profit is defined as gold sales less total cash costs, as follows:

8.05 R. Quarmby 13,400

	Six Months			
	Ended June			
	30,			
Costs	2005	7/11/12		3.25
	60,000			
Year Ended				
December 31,				
2004 Year Ended				
December 31,				
2003 8/05/14	8.05 A.J. Reynolds	41,400	7/11/12	Year Ended
December 31,				
2002 (In thousands)	Gold sales	\$59,949	3.25	\$27,474 \$73,330 \$109,573 \$131,440
costs	24,915 16,083 37,480 30,646 31,419		Cash profit	35,034 11,391 35,850 78,927 100,021

During the year ended December 31, 2004, an amount of some \$17 million was paid to the Malian government in payroll taxes, duties, royalties and dividends and a further amount of approximately \$76 million was paid to Malian businesses for goods and services rendered.

Location and access

The Morila mine is situated 180 km south east of Bamako, the capital city of Mali. Access to the property is by road or by charter aircraft. Gold doré is transported by air from the site.

Geology, exploration and orebody definition

The Morila permit is situated in the northern portion of the West African craton and is underlain by lower proterozoic (birrimian) meta-sedimentary sequences and large granitoid intrusions. The mining permit covers an area of 200km<sup>2</sup> and remains in force until the year 2029, provided that mining is still taking place. The deposit is located west of a major regional structure known as the Banifin shear zone. The gold mineralization is hydrothermal in origin, is contained within metamorphosed sediments close to a contact with an intrusive tonalite and is hosted within a shallow dipping shear zone referred to as the Morila shear zone (MSZ). The alteration envelope is dominantly characterized by silica-feldspar flooding and the sulfide mineralization consists of arsenopyrite, pyrrhotite, pyrite and trace chalcopyrite. Coarse gold is common.

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The following map indicates the location of Morila within Mali:

Exploration efforts at Morila to further define the orebody as well as find new mineralized zones were concentrated in several areas this year:

- Exploration of the area peripheral to the north west of the existing pit (MSZ West);
- Drilling of the Samacline target;
- Infill drilling of fringe areas; and

M. Samake

75,000 8/05/14  
13,400

A significant expansion of the mineralized material base was achieved. As a result of the success of the drilling program in the MSZ West area, mineralized material increased by some 750,000 ounces.

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A summary of exploration work carried out on the Morila mine is set out below:

Type	Hole Identification	Number of holes	Meters	Notes
Diamond	75,000	8/05/14	8.05	
J. Steele Trench	Mor001 – Mor007	7	1,927	
	MTR001 – MR 0016	26,700	16	3,609
	STR001-STR006	6	620	Trenching to Saprolite
RC	RC001 – RC 00104	125	7/11/12	6.50
	85,000	6,053	drilled	
Diamond	San001-San167	173	8/05/14	8.05

### C. BOARD PRACTICES

#### Directors' Terms of Employment

Service contracts have been concluded with two executive directors. Mr. R.A. Williams current agreement runs until May 31, 2006. Given our size and management team, the board considers periods of employment in excess of one year appropriate. The board has agreed to a rolling three year contract for Dr. D.M. Bristow and this has been approved based on the importance attributed to his contlor: #cceedf;" align="center" valign="bottom" colspan="3">32,170In terms of the new service contract entered into with Dr. D.M. Bristow, the board on the recommendation of the remuneration committee has awarded the CEO restricted stock amounting to 150,000 shares. The award was subject to agreed performance criteria set for the 2004 financial year. Since Dr. D.M. Bristow has met these criteria, one third of the shares has become due by December 31, 2004 and the remaining two thirds from the



end of the next two financial years. On May 11, 2005

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the award of 150,000 restricted shares was granted to Dr. D.M. Bristow. The price of the restricted stock calculation was the Nasdaq National Market closing price on May 10, 2005 being \$12.78. Having met the performance criteria, Dr. D.M. Bristow was issued 50,000 ordinary shares and the remaining two thirds are held as restricted stock. Dr. D.M. Bristow would be entitled to the second tranche on January 1, 2006 and the balance on January 1, 2007.

On August 16, 2004, the board approved a resolution awarding Mr. R.A. Williams 125,000 share options in accordance with the rules of the current share option scheme. The options were awarded at a price of \$8.05, being the trading price of the company on August 5, 2004, Mr. R.A. Williams would be entitled to exercise the options in three annual tranches commencing August 6, 2006.

Includes "twin" holesDiamond San168 –San178 1 1,983 Due diligence drillingDiamond San179-San181 3 599 Due Diligence DrillingDiamond San182-San222 41 8,163 Infill Drilling 2002RC RCX001-113 105 9,164 Infill Drilling 2002Diamond San222-San253 31 6,999 Infill Drilling 2002RC Various 286 Routine Infill RC 2002Diamond San278-San288 10 1,555 Infill drilling 2003Diamond San331-San361 28 4,062 Infill 2003RC RCX115-RCX306 105 11,176 Infill 2003RC Various 1261 Routine RC 2003Old Exp RC C246/167-C272/181 37 3,617 Sterilisation 2000 taken with 200404 ModelOld GC RC We currently do not have service agreements with our non-executive directors. However, each director is subject to reelection by our shareholders in accordance with our Articles of Association.

#### Board of Directors Committees

In order to ensure good corporate governance, the board has formed an audit committee and a remuneration committee. The audit and remuneration committees are comprised of a majority of non-executive directors. It is the board's view that because of our size and range of activities, the board is best suited to act as a nomination committee in its entirety.

#### Audit Committee

Our audit charter, which defines the terms of reference for the audit committee members, sets out the framework through which the audit committee reviews our annual results, the effectiveness of its systems of internal control, internal audit procedures and legal and regulatory compliance and the cost effectiveness of the services provided by the internal and external auditors. The audit committee also reviews the scope of work carried out by our external and internal auditors and holds discussions with the external auditors at least once a year. The audit committee is comprised of three independent non-executive directors. The members of the audit committee are Messrs. Asher (Chairman), Cramer and Dr. Paverd. Mr. Liétard stood down as a member of the audit committee on November 3, 2004, the date of his appointment as non-executive chairman.

#### Remuneration Committee

The remuneration committee reviews the remuneration of directors and senior management and determines the structure and content of the senior executives' remuneration packages by reference to a number of factors including current business practice and our prevailing business conditions and the mining and exploration industry. The members of the remuneration committee are Messrs. Israel (Chairman) and Asher. Mr. Liétard stood down as a

member of the audit committee on November 3, 2004, the date of his appointment as our non-executive chairman.

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D. EMPLOYEES

At the end of each of the past three years, the breakdown of employees, including our subsidiaries but excluding Morila SA, by main categories of activity was as follows:

Old ExpDiamond	Various (NWD,NEW,SAN, SEX, SIP)	96	26,383	1985-2000-2002-2003 EM, WFZ,SWE Drilling taken with 200404 Interim Model
RC	Various	989	20,293	Routine Infill Drilling 2003- 2004 (200404 Interim Model)
RC	RCX307-RCX629 (Various)	109	7,822	Advance Grade Control 2004 (200404 Interim Model)
RC	RCX335-RCX659 (Various)	130	8,913	Advance Grade Control 2004 (200410)
RC	Various	984	17,980	Routine 2004 (200410)
Diamond	San 364 – San 505 (Various),SAM001, MND001, SED001	142	25,214	WFZ, PIT1, PIT2, MOR_N, SE_EXT, SAMCLINE (2004100)

Category of Activity December 31,

2002 December 31,  
2003 December 31,  
2004 Mining and related engineering <sup>(1)</sup> Grade control

A sophisticated grade control and management system is in use to ensure effective selective mining, minimum ore losses and the attainment of the desired feed grade.

Close-spaced reverse circulation (RC) drilling programs have replaced the use of blast hole sampling for grade control wherever possible. The initial RC drill spacing is 20 meters by 20 meters closing up to a grid of 10 meters by 10 meters in areas where ore grade is highly variable.

In order to increase mining efficiencies the grade control and mine planning departments have worked more closely with the mining contractor and have been able to increase mining efficiencies, thus reducing costs.

Ore is selectively stockpiled near the crusher and the planned ore feed grade to the plant is achieved by blending the stockpile ore with directly tipped ore ex-pit.

#### Mine planning and reserves

10 8 The 2003 mine plan was updated during the year. During the first half of the year the Phase 2 pit, which had been developed to optimally exploit the high-grade payshoot to the north-east, was

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completed and mining carried on exclusively on the Phase 3 pit. Considerable effort was put into mining this pit as quickly as possible to access the high-grade zone which was achieved by the fourth quarter.

Phase 4 pit development has commenced with waste stripdouble #ffffff; padding-left: 0pt; text-indent: 0pt; padding-top: 0pt;background-color: #cceedd;" align="right" valign="bottom" colspan="1" nowrap="nowrap">9 Processing and related engineering 10 7 8 Management and technical 12 14 12 Exploration (2) 62 54 53 Administration (3) 26 21 28

(1) In addition to the 9 permanent employees, we employed 114 fixed-term contractors at December 31, 2004 on the Loulo construction project.

(2) In addition to the permanent employees outlined above, we employed 36 fixed term exploration employees in Senegal and 12 fixed term exploration employees Tanzania, 5 at Loulo, 16 at Mali South, 2 in Ghana and 3 in Burkina Faso.

(3) Includes environmental, finance, human resources, purchasing, stores and general administration employees. Two temporary employees were employed in Administration at December 31, 2004 and are not included in the 28 figure shown above.

Estimated mineable reserves amount to 25.79 million tonnes at a grade of 3.11g/t containing 2.58 million ounces of gold as tabulated below:

Morila Ore Reserves	
	2004
Proven	11.92
Probable	13.87





Sub-total 25.79

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As of May 12, 2005, our issued share capital consisted of 59,573,229 ordin

- All of our executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Ordinary shares issuable pursuant to options, to the extent the options are currently exercisable or convertible within 60 days of April 30, 2005, are treated as outstanding for computing the percentage of the person holding these securities but are not treated as outstanding for computing the percentage of any other person. Unless otherwise noted, each person or group identified possesses sole voting and investment power with respect to the shares, subject to community property laws where applicable. Unless indicated otherwise, the business address of the beneficial owners is: Randgold Resources Limited, La Motte Chambers, La Motte Street, St Helier, Jersey, JE1 1BJ, Channel Islands.

	Shares Beneficially Owned	Percentage
	1.03	
D.M. Bristow	773,400	1.30
R.A. Williams	194,520	0.33
B.H. Asher	41,703	0.07
J.-A. Cramer	37,749	

- Reserves are reported at a gold price of \$375/oz (2003: \$350/oz).
- Dilution of 10% and ore loss of 5% are incorporated into the calculation of reserves.
- Cut-off grade of 1.4g/t.
- Included in proven reserves are Morila stockpiled tonnage of 7.58 million tonnes at 2.08g/t.
- Stripping ratio is 3.7:1. Approximate metallurgical recovery is 91.5%.

While the gold price at which pit optimization has been run has increased from \$350/oz to \$375/oz, this has been offset by substantial increases in costs mainly related to increased transport, power and mining costs.

The orebody model has changed as a result of additional drilling in fringe areas and changes in interpretation/methodology. New mineralized material outlined in the MSZ West extension has 0.06 R.I. Israel 37,749 Based on the current reserves it is estimated that mining activities will cease during 2008 with processing of stockpiles continuing until 2011.

## Mining

Mining operations are carried out under contract by Somadex, which is a subsidiary of DTP Terrassement, the mining arm of the French construction company Bouygues. Following the negotiation of a partnership agreement which incorporates the principle of sharing the potential savings achieved by the contractor using agreed productivity assumptions and allowing for an agreed return, the mine management played a more direct role in the management of the open pit operation. After a settling down period this partnership started to take effect and by the second half of the year productivities had improved substantially and started to approach what we consider acceptable.

During the year additional fleet comprising 9 CAT 769 35-tonne trucks were brought to site as well as additional excavation equipment in order to assist with waste stripping requirements.

0.06 P. Liétard 25,283 -left:0pt; padding-right:0pt; padding-bottom: 0pt; margin: 0pt; text-indent: 20pt; background-color: #ffffff">Again following previous attempts, further attention has been given to the optimization of blasting with a view to improving the blast fragmentation and therefore the "mine to mill" project continued with the powder factor being optimized and leading to better fragmentation. The emphasis in mining will now turn to improvements to be made in blast patterns and blast initiation.

Ore processing and metallurgy

The performance of the Morila metallurgical plant was very disappointing in 2004. Not only was the commissioning of the plant expansion delayed until the fourth quarter, but other operational inefficiencies were also not dealt with in a timely manner.

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Issues that impacted on production were:

- Unstable milling performance which led to coarser than planned grind;
- CIL tank downtime which shortened residence times leading to lower recoveries;
- Poor plant availability caused by unscheduled shut-downs of the pre-CIL circuit;

0.04

A.L. Paverd 38,649  
Merrill Lynch  
Investment Mgrs.  
Ltd. (UK)  
33 King Williams  
Street  
London

0.06

- Downtime related to tie-ins of the new sections of the plant with the old sections; and
- Poor maintenance.

After intervention by us and by AngloGold Ashanti's senior management, a technical action plan was developed along with a timetable to correct the operational inefficiencies and return the mine to planned performance levels. This plan was implemented by the mine management and closely monitored by the partners resulting in daily tonnages and grades reaching design levels by the end of the third quarter. Completion testing was carried out at the beginning of October with a target rate of more than 500 tonnes per hour at 91% gold recovery. At the end of a nine-day continuous period the plant had successfully achieved an 81.4% grind passing 75 microns at a throughput rate of 516 tonnes per hour and a plant recovery of 92%.



The average milling rate per month for the fourth quarter was 337,000 tonnes per month which is just short of design capacity of the expanded plant. Total tonnage milled in 2004 therefore exceeded that for 2003.

#### Plant expansion

The plant expansion project commenced in the first quarter of 2003 and was designed to increase the plant throughput from its original nameplate 250,000 tonnes per month to as much as 350,000 tonnes per month with the intention of allowing the processing of lower grade ore through reduced costs as a result of economies of scale. This is aimed at ameliorating the increase in unit costs resulting from the forecast grade drop in the later years of the mine life.

After an initial delay in the original planned completion, the project was originally expected to be completed in the first quarter of 2004. However difficulties encountered in the management of the contractor, as well as contributory tie-in problems with the existing plant delayed completion of the project until the third quarter of the year.

The new facilities include a secondary crusher circuit, which allows optimum control of the mill feed size in order to maximize mill circuit throughput. Other facilities to cater for the increase in production include four additional leach tanks, each with 2,500m<sup>3</sup> capacity which provide the necessary residence time for maintaining the current high gold recovery levels.

A new cyclone cluster is also being installed to ensure adequate classification at the higher production levels.

The tailings stream is being passed through a new thickener which will reduce discharge cyanide levels.

#### Infrastructure

Mine infrastructure consisting of processing plant, workshops, roads, electrical reticulation, pipelines, offices and accommodation are maintained in good order. Power is supplied by on-site diesel generating sets and water is obtained via a 30km water pipeline.

#### Human resources

Manning levels related to permanent and temporary Morila and contractor employees on the mine are as follows:

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Morila Employees		
National permanent	406	
Temporary	44	
Expatriate	50	
Total	500	
EC4R 9AS	4,878,916	8.19
Randgold Resources (Holdings) Limited		
La Motte Chambers		
La Motte Street		
St. Helier		
Jersey JE1 1BJ		

Contractor employees

Contractor employees numbers increased during the year with the start of the plant expansion project in March 2003. The recruitment of labor for the project was controlled for the contractor by the mine using a Malian labor broker. The community development committee assisted with recruitment to ensure access to job opportunities created (195) for local villagers and a fair distribution between villages. The major contractors on the mine are the mining contractor (Somadex), construction contractor (MDM), security contractors (AMM) and catering contractors (ESS).

Morila Contractor Employees

Nationals

Channel Islands	4,000,000	6.72 850
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Expatriates	87	
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Total	(2)	
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BNY (Nominees) Limited		937
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Personnel administration

Performance management, job evaluation and housing systems are operating successfully following implementation. Training courses have been undertaken to ensure these are fully comprehended by the workforce.

Training and development

The Malianization program is now fully integrated with the manpower plan and training and development strategy. The program was enhanced by the introduction of a university scholarship scheme during the year. This scheme is designed to send four Malian students to South African universities to study for undergraduate degrees. Assistance in selecting students to be awarded scholarships was provided by the Ministry of Education and the University of Mali. Three members of staff attended a management development program and three attended the intermediate management development program held in South Africa.

Four expatriate posts were Malianized during 2003 and we are encouraging the mine to accelerate this process as competency based training and development courses are completed.

US AID assisted the mine with a series of cultural diversity courses attended by over 100 employees.

Community relations

Continued support has been given to schools and clinics in the area, the well-established HIV/AIDS awareness and mosquito control campaigns have been enhanced and the irrigated gardens set up in the villages have been added to by the start-up of a rice-growing project at Morila and Fingola villages.

The Morila community development trust fund of \$500,000 became operational; padding-top: 8pt;background-color: #ffffff;" align="right" valign="top" colspan="1" nowrap="nowrap"> 30 Cannon Street London EC4M XH 44,128,777 74.07 Industrial relations

During 2004 negotiations took place between Morila management and the Morila union, assisted by the national union, on a demand from the union related to a productivity bonus (Prime de

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Rendement). While management was willing to implement a bonus scheme based on commercial and productivity criteria, the union's demand was viewed by management as unrelated to productivity and excessive to the point of being unrealistic. The negotiations led to a settlement of the issue in November 2004. Although negotiations were difficult and one three-day work stoppage, called by the national union, was experienced in June 2004, they took place in a calm atmosphere and good relations between the union and management were maintained throughout the year.

Negotiations on a mine level agreement to enhance understanding and regulate industrial relations on the mine have restarted at Morila following the settlement of the Prime de Rendement dispute. This agreement is designed to complement and clarify many of the "Rights" and "Interests" outlined in the existing National Mining Industry Collective Agreement that was written in 1985.

#### Development Projects — Loulo Project

##### Introduction

The Loulo mine project is situated in western Mali adjacent to the Falémé River which forms the frontier with Senegal. It is located 350 kilometers west of Bamako and 220 kilometers south of Kayes. It is accessed by road from Bamako or Kayes or by charter aircraft from Bamako. Gold will be transported from the mine by air. Geologically Loulo falls within the Birrimian sequence of tnd-color: #cceeef;white-space:nowrap;" align="left" valign="top"> Van Eck Associates Corporation. The following map shows the location of the Loulo development project:

We own 80% of Société des Mines de Loulo SA (Somilo) and the other 20% is held by the State of Mali. Following an updated feasibility study on the Loulo project in 2003 and a rise in the gold

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price, our board and the board of Somilo SA approved the development of Loulo. Construction started in May 2004. The early completion of the bulk civil works ahead of the 2004 wet season and the maintenance of the access to site during the rains has facilitated the fast-track development approach to support early gold production in the third quarter of 2005.

##### Geology and mineralization

The permit is located within the Kenieba erosional inlier which is underlain by Lower Proterozoic (2.1Ga) Birrimian metasedimentary-volcanic sequences. It is predominately underlain by the Kofi formation of greywacke, sandstone, argillaceous sandstone, calcareous sandstone and tourmalinised sandstone units.

There exists a strong spatial relationship between gold mineralization, regional structures, transgressing lower order structures, lithologies with rheological contrasts and intrusive bodies. These regional structures strike for over 50km north to northeast across the permit area. The main alteration types associated with mineralisation include quartz

tourmaline, sulphidation, albite, silicification, hematization and carbonate (including the remobilisation of carbonate). The Loulo 0 orebody is located in the near vicinity of the Senegal-Malian shear and is characterised by brittle deformation of competent host lithologies within gold related reverse faults or thrusts. The Yalea deposit is situated along the Yalea structure where it was locally reactivated and is shear zone hosted within a brecciated sequence of limestone, quartzite and polymictic breccia.

Set out below is a schedule of exploration work completed at the Loulo mine:

99 Park Avenue

FUNCTION	Unit	Nov-96	Jan-00	Oct-00	Oct-01	Jul-04	TOTAL
		to Jan-00	to Jul-00	to Jul-01	to Jul-04	to Jul-05	
<b>GEOLOGICAL MAPPING</b>							
New York, NY 10016-1601	3,287,200	5.52					
All directors and executive officers <sup>(1)</sup>	1,432,755	2.41					
Regional mapping (1:50 000)	km2						

<sup>(1)</sup>No executive officer beneficially owns in excess of 1% of the outstanding ordinary shares. Save for Dr. D.M. Bristow who owns 1.3%.

<sup>(2)</sup>This amount is based upon our analyses of our shareholder base and other information. Randgold Resources (Holdings) Limited filed a Schedule 13G/A on February 14, 2005 which reported beneficial ownership of 18,358,000 of our ordinary shares, or 31.00% of our total outstanding ordinary shares. We have asked Randgold Resources (Holdings) Limited for documentation supporting its claimed holdings, which to date has not been provided.

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As of April 30, 2005, there were three record holders of our ordinary shares in the United States, holding an aggregate of 702,464 ordinary shares or 1.18%.

As of April 30, 2005, there were three record holders of our ADRs in the United States, holding an aggregate of 44,128,777 ADRs or 74.07%.

## B. RELATED PARTY TRANSACTIONS

<sup>2</sup> 300 None of our directors, officers or major shareholders or, to our knowledge, their families, had any interest, direct or indirect, in any transaction during the last fiscal year or in any proposed transaction which has affected or will materially affect us or our investment interests or subsidiaries, other than as stated below.

### Services Agreement

In order to source certain services from South Africa, Seven Bridges Trading 14 (Proprietary) Limited, or Seven Bridges, a 100 percent subsidiary of ours, was created. A service agreement has been entered into between us and

Seven Bridges whereby Seven Bridges will provide certain administrative services to us. Seven Bridges will derive its income from the services it will provide to us for which it will charge a monthly fee. The services to be provided include administrative and secretarial, accounting, information technology, geophysics consultancy and company secretarial.

The Randgold Name

Under an agreement dated June 26, 1997, Randgold & Exploration Group has licensed us to carry on business under the name "Randgold". The license has been provided to us on a royalty free perpetual basis. The UK Trademark Registry granted a registration certificate to us for "Randgold" on February 16, 2001.

6 C. INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

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Item 8. Financial Information

See Item 18.

Item 9. The Offer and Listing

A. OFFER AND LISTING DETAILS

The following table sets forth, for the periods indicated, the high and low sales prices of our ordinary shares, as reported by the London Stock Exchange, and of our ADRs, as reported by the Nasdaq National Market. Effective March 10, 2003, we changed the ratio of ordinary shares to ADSs from two ordinary shares per ADS to one ordinary share per ADS, so that each ADS now represents one ordinary share. In March, 2003 we changed the currency in which the price of our ordinary shares that are traded on the London Stock Exchange are quoted. The ordinary shares are now quoted in pound sterling and not in U.S. dollars. The ADRs continue to be quoted on the London Stock Exchange and the Nasdaq Stock Market in U.S. dollars.

		0				
		0		306		
Project (1:10 000)	km <sup>2</sup>	85	53	49		6.5
Detailed (1:2 500)	km <sup>2</sup>	33	9	16.7		2.7
		Price Per Ordinary Share		Price Per ADR		
	Financial Period Ended	High (£)	Low (£)	High (\$)	Low (\$)	
	December 31, 2004	7.82				

**GEOCHEMISTRY**

December 31, 2003	16.65	6.20	28.51	10.13	4.29
		High			
		(\$)	(Low)(\$)		
December 31, 2002	14.50	4.75	15.27		
Soil samples	5.83				
December 31, 2001	5.00		21669	2.69	
December 31, 2000	4.14	2.48		6999	551
Rock samples		2541	462	1685	464
Trench/pit samples		6448	261	1381	6482
Core assays		17478	988		—

Calendar Period	Price Per Ordinary Share		Price Per ADR		
	High (£)	Low (£)	High (\$)	Low (\$)	
<b>2005</b>		1956	18838	4825	4408
RC assays					
Fourth Quarter	10542		1798	7.24	5.3
<b>2004</b>		18409			
RAB assays					
Fourth Quarter	6.99	5.45	13.24		11999
Third Quarter	5.55		9.94		
Second Quarter	6.10	4.38	11.02	8.12	9.8
First Quarter	15.63	9.85	28.10		
<b>TRENCHING/PITTING</b>	17.77	2003	High (\$)	Low (\$)	Fourth
Quarter	16.60	12.80	28.51	21.75	Third Quarter
Quarter	12.82	7.95	19.87	6517	198
Quarter	6.13	4.75	—	2281	9172
				485	18653
				9172	485
				18653	Pits sampled
				279	213
				12.70	First
					Quarter

Calendar Month	Price Per Ordinary Share		High (\$)	Low (\$)
	High (£)	Low (£)		
<b>2004</b>				
May		10.10	8.74	
RAB sterilisation		m	14460	
April		12.20	9.36	22.
March		11.11		
February		12.40	10.39	23.
January		25168	22,199	396.
RAB exploration		15.63	11.90	28.
RC Yalea		m	8996	
<b>2003</b>				
December			12488	

RC P125	16.60	14.35	28.51
			1414
270	0	2466	
72			

**B. PLAN OF DISTRIBUTION**

Not applicable.

**C. MARKETS**

Our ordinary shares are listed on the LSE, which currently constitutes the principal non-United States market for our shares. The following table sets forth certain information regarding the listing of our shares on the LSE:

RC P125	16.60	14.35	28.51
			1414
270	0	2466	
72			

**D. SELLING SHAREHOLDERS**

Not applicable.

**E. DILUTION**

Not applicable.

**F. EXPENSES OF THE ISSUE**

Not applicable.

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**Item 10. Additional Information**

**A. SHARE CAPITAL**

Not applicable.

**B. MEMORANDUM AND ARTICLES OF ASSOCIATION**

**General**

We are a company organized with limited liability under the laws of Jersey, Channel Islands. Our registered number is 62686.

The authorized share capital is \$4,000,000 divided into 80,000,000 ordinary shares of \$0.05 each, of which 59,573,229 were issued as of May 12, 2005 and 20,426,771 were available for issue. At the annual general meeting held on April 26, 2004, shareholders approved a resolution which authorized a share split which amended our authorized share capital from \$4,000,000 divided into 40,000,000 ordinary shares of \$0.10 each to \$4,000,000 divided into 80,000,000 ordinary shares of \$0.05 each. The issued share capital therefore increased from 29,263,385 to 58,526,770 ordinary shares with effect from June 11, 2004. None of our shares have any redemption rights.

#### Memorandum of Association

Clause 2 of our Memorandum of Association provides that we shall have all the powers of a natural person including but not limited to the power to carry on mining, exploration or prospecting.

#### Changes in Capital or Objects and Powers

Subject to the 1991 Law and our Articles of Association, we may by special resolution at a general meeting:

- increase our authorized or paid up share capital;
- consolidate and divide all or any part of our shares into shares of a larger amount;
- sub-divide all or any part of our shares having a par value;
- convert any of our issued or unissued shares into shares of another class;
- convert any of our paid-up shares into stock, and reconvert any stock into any number of paid-up shares of any denomination;

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convert any  
of our  
issued  
shares into  
redeemable  
shares  
which can  
be  
redeemed;

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- cancel shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of the authorized share capital by the amount of the shares so cancelled;
- reduce the authorized share capital;
- reduce our issued share capital; or
- alter our Memorandum or Articles of Association.

#### Articles of Association

We adopted our Articles of Association by special resolution passed on June 24, 1997. Our Articles of Association include provisions to the following effect:

#### General Meeting of Shareholders

We may at any time convene general meetings of shareholders. We hold an annual general meeting for each fiscal year within nine months of the end of each fiscal year. No more than eighteen months may elapse between the date of one annual general meeting and the next.



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Annual general meetings and meetings calling for the passing of a special resolution require twenty-one days' notice of the place, day and time of the meeting in writing to our shareholders. Any other general meeting requires no less than fourteen days' notice in writing. Our business may be transacted at a general meeting only when a quorum of shareholders is present. Two persons entitled to attend and to vote on the business to be transacted, each being a member or a proxy for a member or a duly authorized representative of a corporation which is a member, constitute a quorum. Nasdaq's marketplace rules, which apply to all companies listed on the Nasdaq Stock Market, state in Rule 4350(f) that the minimum quorum for any meeting of holders of a company's common stock is 33 1/3% of the outstanding shares. As a result, we requested, and Nasdaq granted to us, an exemption from compliance with the Rule 4350(f) requirement.

The annual general meetings deal with and dispose of all matters prescribed by our Articles of Association and by the 1991 Law including:

- the consideration of our annual financial statements and report of our independent accountants;
- the election of directors; and
- the appointment of independent auditors.

#### Voting Rights

Subject to any special terms as to voting on which any shares may have been issued or may from time to time be held, at a general meeting, every shareholder who is present in person (including any corporation present by its duly authorized representative) shall on a show of hands have one vote and every shareholder present in person or by proxy shall on a poll have one vote for each share of which he is a holder. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

Unless we otherwise determine, no shareholder is entitled to vote at a general meeting or at a separate meeting of the holders of any class of shares, either in person or by proxy, or to exercise any other right or privilege as a shareholder in respect of any share held by him unless all calls presently payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses, if any, have been paid to us.

#### Dividends

Subject to the provisions of the 1991 Law and of the Articles of Association, we may, by ordinary resolution, declare dividends to be paid to shareholders according to their respective rights and interests in our profits. However, no dividend shall exceed the amount recommended by us. Subject to the provisions of the 1991 Law, we may declare and pay an interim dividend, including a dividend payable at a fixed rate, if an interim dividend appears to us to be justified by our profits available for distribution.

Except as otherwise provided by the rights attached to any shares, all dividends shall be declared and paid according to the amounts paid up, otherwise than in advance of calls, on the shares on which the dividend is paid. All dividends unclaimed for a period of 12 years after having been declared or become due for payment shall, if we so resolve, be forfeited and shall cease to remain owing by us.

We may, with the authority of an ordinary resolution, direct that payment of any dividend declared may be satisfied

wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of those ways.

We may also with the prior authority of an ordinary resolution, and subject to such conditions as we may determine, offer to holders of shares the right to elect to receive shares, credited as fully paid, instead of the whole, or some part, to be determined by us, of any dividend specified by the ordinary resolution.

m 491 0 491 RC Faraba 303 303Ownership Limitations

Our Articles of Association and the 1991 Law do not contain limits on the number of shares that a shareholder may own.

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#### Distribution of Assets on a Winding-Up

If we are wound up, the liquidator may, with the sanction of a special resolution and any other sanction required by law, divide among the shareholders in specie the whole or any part of our assets and may, for that purpose, value any assets and determine how the dividend shall be carried out as between the shareholders or vest the whole or any part of the assets in trustees on such trusts for the benefit of the shareholders as he with the like sanction shall determine but no shareholder shall be compelled to accept any assets on which there is a liability.

#### Transfer of Shares

Every shareholder may transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by us. The instrument must be executed by or on behalf of the transferor and, in the case of a transfer of a share which is not fully paid up, by or on behalf of the transferee. The transferor is deemed to remain the holder until the transferee's name is entered in the register of shareholders.

We may, in our absolute discretion and without giving any reason, refuse to register any transfer of a share or renunciation of a renounceable letter of allotment unless:

- it is in respect of a share which is fully paid up;
- it is in respect of only one class of shares;
- it is in favor of a single transferee or not more than four joint transferees;
- it is duly stamped, if so required; and
- it is delivered for registration to our registered office for the time being or another place that we may from time to time determine accompanied by the certificate for the shares to which it relates and any other evidence as we may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so; provided that we shall not refuse to register any transfer of partly paid shares which are listed on the grounds they are partly paid shares in circumstances where our refusal would prevent dealings in those shares from taking place on an open and proper basis.

### Variation of Rights

If at any time our share capital is divided into shares of different classes, any of the rights for the time being attached to any share or class of shares may be varied or abrogated in the manner, if any, that is provided by the rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the class or with the sanction of a resolution passed by the holders of not less than three-quarters in nominal value of the issued shares of that class at a separate general meeting of the holders of shares of the class. The quorum at that meeting shall be not less than two persons holding or representing by proxy at least one-third of the nominal amount paid up on the issued shares of the class in question and at an adjourned meeting not less than one person holding shares of the class in question or his proxy.

Subject to the terms of issue of or rights attached to any shares, the rights or privileges attached to any class of shares shall be deemed not to be varied or abrogated by the creation or issue of any new shares ranking equally in all respects, except as to the date from which those new shares shall rank for dividend, with or subsequent to those already issued or by the reduction of the capital paid up on those shares or by the purchase or redemption by us of our own shares in accordance with the provisions of the 1991 Law and the Articles.

### Capital Calls

Subject to the terms of allotment of shares, we may from time to time make calls on the members in respect of any monies unpaid on the shares, whether in respect of nominal value or premium, and

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not payable on a fixed date. A member must receive fourteen days' notice of any call and any call is deemed to be made when the resolution of the board authorizing such call was passed.

If any call is not paid on or before the date appointed for payment, the person liable to pay that call shall pay all costs, charges and expenses of ours in connection with the non-payment, including interest on the unpaid amount, if requested by us.

Unless we otherwise determine, no member shall be entitled to receive any dividend or to be present and vote at any general meeting, or be included in a quorum, or to exercise any other right or privilege as a shareholder unless and until any outstanding calls in respect of his shares are paid.

### Borrowing Powers

We may exercise all of our powers to borrow money and to mortgage or charge all or any part of our undertaking, property and assets, present and future, and uncalled capital and, subject to the provisions of the 1991 Law, to create and issue debenture and other loan stock and other securities, whether outright or as collateral security for any debt, liability or obligation of ours or of any third party.

### Issue of Shares and Preemptive Rights

Subject to the provisions of the 1991 Law and to any special rights attached to any shares, we may allot or issue shares with those preferred, deferred or other special rights or restrictions regarding dividends, voting, transfer, return of capital or other matters as we may from time to time determine by ordinary resolution, or if no ordinary resolution has

been passed or an ordinary resolution does not make specific provision, as we may determine. We may issue shares that are redeemable or are liable to be redeemed at our option or the option of the holder in accordance with our Articles of Association. Subject to the provisions of the 1991 Law the unissued shares at the date of adoption of the Articles of Association and shares created thereafter shall be at our disposal. We cannot issue shares at a discount.

There are no pre-emptive rights for the transfer of our shares either within the 1991 Law or our Articles of Association.

#### Meetings of the Board of Directors

Any director may, and the secretary at the request of a director shall, call a board meeting at any time on reasonable notice. A director may waive this notice requirement.

Subject to our Articles of Association our board of directors may meet for the conducting of business, adjourn and otherwise regulate its proceedings as it sees fit. The quorum necessary for the transaction of business may be determined by the board of directors and unless otherwise determined shall be two persons, each being a director or an alternate director. A duly convened meeting of the board of directors at which a quorum is present is necessary to exercise all or any of the board's authorities, powers and discretions.

Unless otherwise determined, two persons, each being a director or an alternate director constitutes a quorum.

Our board of directors may delegate or entrust to and confer on any director holding an executive office any of its powers, authorities and discretions for such time, on such terms and subject to such conditions as it sees fit. Our board of directors may also delegate any of its powers, authorities and discretions for such time and on such terms and subject to such conditions as it sees fit to any committee consisting of one or more directors and one or more other persons, provided that a majority of the members of the committee should be directors.

#### Remuneration of Directors

Our directors (other than alternate directors) shall be entitled to receive by way of fees for their services as directors any sum that we may from time to time determine, not exceeding in aggregate

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Unit

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\$300,000 per annum or any other sum as we, by ordinary resolu

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### Pensions and Gratuities for Directors

We may exercise all of our powers to provide and maintain pensions, other retirement or superannuation benefits, death or disability benefits or other allowances or gratuities for persons who are or were directors of any company in our group and their relatives or dependants.

### Directors' Interests in Contracts

Subject to the provisions of the 1991 Law and provided that his interest is disclosed as soon as practicable after a director becomes aware of the circumstances which gave rise to his duty to disclose in accordance with the Articles of Association, a director, notwithstanding his office, may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with us, or in which we are otherwise interested, may hold any other office or place of profit under us (except that of auditor of, or of a subsidiary of ours) in conjunction with the office of director and may act by himself or through his firm in a professional capacity for us, and in any such case on such terms as to remuneration and otherwise as we may arrange, and may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by us or in which we are otherwise interested and shall not be liable to account to us for any profit, remuneration or other benefit realized by any such office, employment, contract, arrangement, transaction or proposal.

No such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.

### Restrictions on Directors' Voting

Except as provided in our Articles of Association, a director shall not vote on, or be counted in the quorum in relation to, any resolution of the board or of a committee of the board concerning any contract, arrangement, transaction or any other proposal whatsoever to which we are or will be a party and in which he has an interest which (together with an interest of any person connected with him) is to his knowledge a material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through us, unless the resolution concerns any of the following matters:

- the giving of any guarantee, security, or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of us or any of our subsidiary undertakings;

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• the giving of any guarantee, security or indemnity in respect of a debt or obligation of ours or any of our subsidiary undertakings for which he himself has assumed responsibility in whole or part under

guarantee of  
indemnity of  
by the giving  
of security;

- any proposal concerning an offer of shares or debentures or other securities of or by us or any of our subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- any proposal concerning any other body corporate in which he (together with persons connected with him) does not to his knowledge have an interest in one per cent or more of the issued equity share capital of any class of that body corporate or of the voting rights available to shareholders of that body corporate;

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M 1301.5 • any proposal relating to an arrangement for the benefit of our employees or the employees of any of our subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom the arrangement relates; or

0 1301.5

**METALLURGICAL SAMPLES**

A director shall not vote or be counted in the quorum for any resolution of the board or committee of the board concerning his own appointment (including fixing or varying the terms of his appointment or termination) as the holder of any office or place of profit with us or any company in which we are interested.

Number of Directors

Unless and until otherwise determined by a special resolution, the number of directors shall be not less than two or more than 20.

Directors' Appointment and Retirement by Rotation

Directors may be appointed by ordinary resolution or by the board. If appointed by ordinary resolution, a director holds office only until the next annual general meeting and shall not be taken into account in determining the number of directors who are to retire by rotation. A director shall not be required to hold any of our shares.

At each annual general meeting, one-third of the directors who are subject to retirement by rotation will retire by rotation and be eligible for re-election. Subject to the provisions of the 1991 Law and to the Articles, the directors to retire will, first, be any director who wishes to retire and not offer himself for re-election and secondly, will be those who have been longest in office since their last appointment or re-appointment, but as between those who have been in office an equal length of time, those to retire shall (unless they otherwise agree) be determined by lot. There is no age limit imposed upon directors.

Untraced Shareholders

Subject to the Articles, we may sell any of our shares registered in the name of a shareholder remaining untraced for 12 years who fails to communicate with us following advertisement of an intention to make such a disposal. Until we can account to the shareholder, the net proceeds of sale will be available for use in our business or for investment, in either case at our discretion. The proceeds will not carry interest.

## Crest

The Companies (Amendment No. 4) (Jersey) Law 1998 and the Companies (Uncertificated Securities) (Jersey) Order 1999 allow the holding and transfer of shares under CREST, the electronic system for settlement of securities in the United Kingdom. Our Articles of Association already provide for our shares to be held in uncertificated form under the CREST system.

## Purchase of Shares

Subject to the provisions of the 1991 Law, we may purchase any of our own shares of any class. The 1991 Law provides that we may, by special resolution approve the acquisition of our own shares provided that the source of funds used to finance any repurchase is in accordance with the 1991 Law. The 1991 Law limits the type of funds available to govern the repurchase of the nominal value and the share premium attributed to any share.

## Non-Jersey Shareholders

There are no limitations imposed by Jersey law or by our Articles of Association on the rights of non-Jersey shareholders to hold or vote on our ordinary shares or securities convertible into our ordinary shares.

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## Rights of Minority Shareholders and Fiduciary Duties

Majority shareholders of Jersey companies have no fiduciary obligations under Jersey law to minority shareholders. However, under the 1991 Law, a shareholder may, under some circumstances, seek relief from the court if he has been unfairly prejudiced by us. The provisions of the 1991 Law are designed to provide relief from oppressed shareholders without necessarily overriding the majority's decision. There may also be common law personal actions available to our shareholders.

## Jersey Law and Our Memorandum and Articles of Association

The content of our Memorandum and Articles of Association is largely derived from an established body of corporate law and therefore they mirror the 1991 Law. Jersey company law draws very heavily from company law in England and there are various similarities between the 1991 Law and the English Companies Act 1985 (as amended). However, the 1991 Law is considerably shorter in content than the English Companies Act 1985 and there are some notable differences between English and Jersey company law. There are, for example, no provisions under Jersey law (as there are under English law):

- controlling possible conflicts of interests between us and our directors, such as loans by us or directors, and contracts between us and our directors other than a duty on directors to disclose an interest in any transaction to be entered into by us or any of our subsidiaries which to a material extent conflicts with our interest;
- specifically requiring particulars to be shown in our accounts of the amount of loans to officers or directors' emoluments and pensions, although these would probably be required to be shown in our accounts in conformity to the requirement that accounts must be prepared in accordance with generally accepted accounting principles;

- requiring us to file details of charges other than charges of Jersey realty; or
- as regards statutory preemption provisions in relation to further issues of shares.

Under Article 143 of the 1991 Law, the court may make an order giving relief, including regulation of our affairs requiring us to refrain from doing or continuing to do an act complained of, authorizing civil proceedings and providing for the purchase of shares by any of our other shareholders.

The court has wide powers within its inherent jurisdiction and a shareholder could successfully bring an action in a variety of circumstances. Although there is no statutory definition of unfairly prejudicial conduct, authority suggests that it includes oppression and discrimination and that the test is objective.

There are no provisions in our Memorandum or Articles of Association concerning changes of capital where these provisions would be considered more restrictive than that required by the 1991 Law.

### C. MATERIAL CONTRACTS

1. Share and Debt Sale Deed, dated June 1, 2004, between Randgold Resources Limited and Resolute Mining Limited.

Under this agreement, Resolute acquired our entire interest in RRL Somisy which owned 80% of the Syama mine, for \$6 million in cash and the assumption of \$7 million in liabilities.

2. Shareholder Loan Agreement dated August 1, 2004, between Randgold Resources Limited and Randgold Resources (Somilo) Limited

We entered into this agreement to loan Randgold Resources (Somilo) Limited funds to assist with the construction of the Loulo Mine in western Mali.

3. Deed of Guarantee and Indemnity, dated September 6, 2004, between Randgold Resources Limited and N.M.Rothschild & Sons Limited

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We entered into this agreement as security and pledge for the discharge and obligations in respect of the \$60,000,000 Project Term Loan Facility.

4. \$60,000,000 Project Term Loan Facility Agreement, dated September 6, 2004, between Société des Mines de Loulo S.A., Randgold Resources Limited, Randgold Resources (Somilo) Limited, Various Banks and Other Financial Institutions, N.M.Rothschild & Sons Limited, Absa Bank Limited and Bayerische Hypo- Und Vereinsbank AG

We entered into the Project Term Loan Facility Agreement to borrow \$60,000,000 for the purpose of constructing the Loulo Mine in western Mali.

5. Deed of Subordination and Pledge, dated September 6, 2004, between Société des Mines de Loulo S.A., Randgold Resources Limited, Randgold Resources (Somilo) Limited and N.M.Rothschild & Sons Limited

Under this agreement, we subordinated our shareholder loans made to Société des Mines de Loulo S.A. for the fulfillment of its obligations in terms of the \$60,000,000 Project Term Loan Facility.

6.



Termination Agreement, dated November 9, 2004, between Randgold Resources Limited and Mr. R.A.R.Kebble

We entered into this agreement with our former chairman in connection with the termination of his service.

**7. Amended and Restated Debenture, between Randgold Resources Limited and N.M.Rothschild & Sons Limited**

Under this agreement, we amended the charges made in terms of the original debenture dated September 6, 2004, which formed part of the security required for the \$60,000,000 Project Term Loan Facility.

**8. Deed of Assignment, dated December 20, 2004, between Randgold Resources Limited and Société des Mines de Loulo S.A.**

Under this agreement we assigned all rights, title, benefit and interest present and future arising out of or in, to or under the Required Risk Management Agreements to Société des Mines de Loulo S.A.

**9. Amendment to Shareholders' Loan Agreement ("Amendment") between Randgold Resources Limited and Randgold Resources (Somilo) Limited**

We entered into an agreement to amend the amount of the original shareholder loan to Randgold Resources (Somilo) Limited.

**10. International Swap Dealers Association Inc. Master Agreement, dated December 21, 2004, between Randgold Resources Limited and Absa Bank Limited**

We entered into this agreement to cover the derivative instruments required as security for the \$60,000,000 Project Term Loan Facility Agreement.

#### D. EXCHANGE CONTROLS

There are currently no Jersey or United Kingdom foreign exchange control restrictions on the payment of dividends on our ordinary shares or on the conduct of our operations. Jersey is in a monetary union with the United Kingdom. There are currently no limitations under Jersey law or our Articles of Association prohibiting persons who are not residents or nationals of United Kingdom from freely holding, voting or transferring our ordinary shares in the same manner as United Kingdom residents or nationals.

#### E. TAXATION

##### Material Jersey Tax Consequences

##### General

The following summary of the anticipated tax treatment in Jersey in relation to the payments on the ordinary shares and ADSs is based on the taxation law and practice in force at the date of this Annual

the receipt of interest and distributions, whether or not on a winding-up, with respect to the ordinary shares or ADSs under the laws of the jurisdictions in which they may be taxed.

We are an "exempt company" within the meaning of Article 123A of the Income Tax (Jersey) Law, 1961, as amended, for the calendar year ending December 31, 2004. We are required to pay an annual exempt company charge, which is currently (pounds sterling) 600, in respect of each subsequent calendar year during which we wish to continue to have "exempt company" status. The retention of "exempt company" status is conditional upon the Controller of Income Tax being satisfied that no Jersey resident has a beneficial interest in us, except as permitted by published concessions granted by the Controller from time to time. By concession, the holding of ordinary shares or ADSs by a Jersey resident in an exempt company, the shares of which are traded on a recognized stock exchange, is not regarded as a beneficial interest, provided that the holding is de minimis or clearance has been obtained from the Controller.

The Controller of Income Tax has indicated that a holding by Jersey residents of less than 10% of the share capital of a company shall be treated as de minimis.

As an "exempt company", we will not be liable for Jersey income tax other than on Jersey source income, except by concession bank deposit interest on Jersey bank accounts. For so long as we are an "exempt company", payments in respect of the ordinary shares and ADSs will not be subject to any taxation in Jersey, unless the shareholder is resident in Jersey, and no withholding in respect of taxation will be required on those payments to any holder of the ordinary shares or ADSs.

Currently, there is no double tax treaty or similar convention between the U.S. and Jersey.

#### Taxation of Dividends

Dividends are declared and paid gross in U.S. dollars. Under existing Jersey law, provided that the ordinary shares and ADSs are not held by, or for the account of, persons resident in Jersey for income tax purposes, payments in respect of the ordinary shares and ADSs, whether by dividend or other distribution, will not be subject to any taxation in Jersey and no withholding in respect of taxation will be required on those payments to any holder of our ordinary shares or ADSs.

#### Taxation of Capital Gains and Estate and Gift Tax

Under current Jersey law, there are no death or estate duties, capital gains, gift, wealth, inheritance or capital transfer taxes. No stamp duty is levied in Jersey on the issue or transfer of ordinary shares or ADSs. In the event of the death of an individual sole shareholder, duty at rates of up to 0.75% of the value of the ordinary shares or ADSs held may be payable on the registration of Jersey probate or letters of administration which may be required in order to transfer or otherwise deal with ordinary shares or ADSs held by the deceased individual sole shareholder.

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#### Material United States Federal Income Tax Consequences

The following summary describes the material U.S. Federal income tax consequences to U.S. holders (as defined below) arising from the purchase, ownership and disposition of our ordinary shares or ADSs. This summary is based on the provisions of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, final, temporary and proposed U.S. Treasury Regulations promulgated under the Code, and administrative and judicial interpretations

of the Code and the U.S. Treasury Regulations, all as in effect as of the date of this summary, and all of which are subject to change, possibly with retroactive effect.

This summary has no binding effect or official status of any kind; we cannot assure holders that the conclusions reached below would be sustained by a court if challenged by the Internal Revenue Service.

For purposes of this discussion, a "U.S. holder" is a holder of our ordinary shares or ADSs that is:

- a U.S. citizen;
- an individual resident in the United States for U.S. Federal income tax purposes;
- a domestic corporation, or other entity taxable as a corporation, organized under the laws of the United States or of any U.S. state or the District of Columbia;
- an estate the income of which is includible in its gross income for U.S. Federal income tax purposes without regard to its source; or
- a trust, if either: a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all the substantial decisions of the trust, or the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

This summary does not deal with all aspects of U.S. Federal income taxation that may be relevant to particular U.S. holders in light of their particular circumstances, or to U.S. holders subject to special rules, including, without limitation:

- some retirement plans;
- insurance companies;
- U.S. holders of ordinary shares or ADSs held as part of a "straddle," "synthetic security," "hedge," "conversion transaction" or other integrated investment;
- persons that enter into "constructive sales" involving our ordinary shares or ADSs or substantially identical property with other investments;
- U.S. holders whose functional currency is not the U.S. Dollar;
- some expatriates or former long-term residents of the United States;
- financial institutions;
- broker-dealers;
- tax-exempt organizations;
- U.S. holders who own, directly, indirectly or through attribution, 10% or more of our outstanding voting stock;
- Persons subject to the alternative minimum tax;
- Regulated investment companies;
- Traders in securities who elect to apply a mark-to market method of accounting; and
- Person who acquired their shares or ADSs pursuant to the exercise of employee stock options or otherwise as compensation.

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In addition, this summary does not address the effect of any applicable U.S. state, local or non-U.S. tax laws, does not consider the tax treatment of persons who own our ordinary shares or ADSs through a partnership or other pass-through entity, and deals only with ordinary shares or ADSs held by U.S. holders as "capital assets" as defined in

Section 1221 of the Code. If a partnership (including for this purpose, any entity treated as a partnership for U.S. Federal income tax purposes) holds shares or ADSs, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. If a U.S. holder is a partner in a partnership that holds shares or ADSs, the holder is urged to consult its own tax advisor regarding the specific tax consequences of the ownership and disposition of the shares or ADSs.

We encourage U.S. holders of our ordinary shares or ADSs to consult with their own tax advisors with respect to the U.S. Federal, state and local tax consequences, as well as the tax consequences in other jurisdictions, of the purchase, ownership and disposition of our ordinary shares or ADSs applicable in their particular tax situations.

#### Ownership of Ordinary Shares or ADSs

For purposes of the Code, U.S. holders of ADSs will be treated for U.S. Federal income tax purposes as the owner of the ordinary shares represented by those ADSs. Exchanges of ordinary shares for ADSs and ADSs for ordinary shares generally will not be subject to U.S. Federal income tax.

For U.S. Federal income tax purposes, distributions with respect to our ordinary shares or ADSs, other than distributions in liquidation and distributions in redemption of stock that are treated as exchanges, will be taxed to U.S. holders as ordinary dividend income to the extent that the distributions do not exceed our current and accumulated earnings and profits as determined for federal income tax purposes.

Distributions, if any, in excess of our current and accumulated earnings and profits will constitute a non-taxable return of capital and will be applied against and reduce the holder's basis in our ordinary shares or ADSs. To the extent that these distributions exceed the U.S. holder's tax basis in our ordinary shares or ADSs, as applicable, the excess generally will be treated as capital gain, subject to the discussion below under the heading "Our Status as Passive Foreign Investment Company."

Dividend income derived with respect to our ordinary shares or ADSs will constitute "portfolio income" for purposes of the limitation on the use of passive activity losses and, therefore, generally may not be offset by passive activity losses, and as "investment income" for purposes of the limitation on the deduction of investment interest expense. Such dividends will not be eligible for the dividends received deduction generally allowed to a U.S. corporation under Section 243 of the Code.

Under 2003 U.S. tax legislation, some U.S. holders (including individuals) of ADSs are eligible for reduced rates of U.S. Federal income tax (currently a maximum of 15 percent) in respect of "qualified dividend income" received in taxable years beginning after December 31, 2002 and beginning before January 1, 2009. For this purpose, qualified dividend income generally includes dividends paid by non-US corporations if, among other things, certain minimum holding periods are met and either (i) the ordinary shares (or ADSs) with respect to which the dividend has been paid are readily tradable on an established securities market in the United States, or (ii) the non-US corporation is eligible for the benefits of a comprehensive U.S. income tax treaty which provides for the exchange of information. RRL currently believes that dividends paid with respect to our ADSs will constitute qualified dividend income for U.S. federal income tax purposes, provided the individual U.S. holders of our shares and ADSs meet certain requirements. However, if we are or become a passive foreign investment company, as discussed below under the heading "Our Status as Passive Foreign Investment Company," the dividends paid with respect to our ADSs may not constitute qualified dividend income. US holders are urged to consult their own tax advisors regarding the classification of any distributions from us as qualified dividend income.

#### Sale or Other Disposition of Ordinary Shares or ADSs

If a U.S. holder sells or otherwise disposes of its ordinary shares or ADSs in a taxable transaction, it will generally recognize gain or loss for U.S. Federal income tax purposes in an amount

equal to the difference between the amount realized on the sale or other taxable disposition and its tax basis in the ordinary shares or ADSs. Subject to the discussion below under "Our Status as a Passive Foreign Investment Company," that gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the U.S. holder has held the ordinary shares or ADSs for more than one year at the time of the sale or other taxable disposition. In general, any gain that U.S. holders recognize on the sale or other taxable disposition of ordinary shares or ADSs will be U.S. source income for purposes of the foreign tax credit limitation; losses will generally be allocated against U.S. source income. Deduction of capital losses is subject to limitations under the Code.

#### Our Status as a Passive Foreign Investment Company

A special and adverse set of U.S. Federal income tax rules apply to a U.S. holder that holds stock in a passive foreign investment company, or PFIC. In general, we will be a PFIC if 75% or more of our gross income in a taxable year is passive income. Alternatively, we will be considered to be a PFIC if at least 50% of our assets in a taxable year, averaged over the year and determined based on fair market value, are held for the production of, or produce, passive income.

Although the matter is not free from doubt, we believe that we currently are not a PFIC and do not expect to become a PFIC in the near future. There is significant uncertainty in the application of the PFIC rules to mining enterprises such as ourselves as a result of the interplay of several sets of tax rules. In addition, because the tests for determining PFIC status are applied as of the end of each taxable year and are dependent upon a number of factors, some of which are beyond our control, including the value of our assets, based on the market price of our ordinary shares, and the amount and type of our gross income, we cannot assure you that we will not become a PFIC in the future or that the U.S. Internal Revenue Service will agree with our conclusion regarding our current PFIC status.

If we are a PFIC for U.S. Federal income tax purposes for any year during a U.S. holder's holding period of our ADSs or ordinary shares and the U.S. holder does not make a QEF Election or a "mark-to-market" election, both as described below:

- any gain recognized by a U.S. holder upon the sale of ADSs or ordinary shares, or the receipt of some types of distributions, would be treated as ordinary income;
- this income generally would be allocated ratably over a U.S. holder's holding period with respect to our ADSs or ordinary shares; and
- the amount allocated to prior years, with certain exceptions, will be subject to tax at the highest tax rate in effect for those years and an interest charge would be imposed on the amount of deferred tax on the income allocated to the prior taxable years.

# 113 < 20pt; background-color: #ffffff">Although we generally will be treated as a PFIC as to any U.S. holder if we are a PFIC for any year during a U.S. holder's holding period, if we cease to satisfy the requirements for PFIC classification, the U.S. holder may avoid PFIC classification for subsequent years if he, she or it elects to recognize gain based on the unrealized appreciation in the ADSs or ordinary shares through the close of the tax year in which we cease to be a PFIC. Additionally, if we are a PFIC, a U.S. holder who acquires ADSs or ordinary shares from a decedent would be denied the normally available step-up in tax basis for our ADSs or ordinary shares to fair market value at the date of death and instead would have a tax basis equal to the lower of the fair market value or the decedent's tax basis.

A U.S. holder who beneficially owns stock in a PFIC must file Form 8621 (Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) with the Internal Revenue Service for each tax year such U.S. holder holds stock in a PFIC. This form describes any distributions received with respect to such stock and any gain realized upon the disposition of such stock.

For any tax year in which we are determined to be a PFIC, a U.S. holder may make a QEF Election, which is an election to treat his, her or its ADSs or ordinary shares as an interest in a qualified electing fund. If a U.S. holder makes a QEF Election, the U.S. holder would be required to

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include in income currently his, her or its proportionate share of our earnings and profits in years in which we are a PFIC regardless of whether distributions of these earnings and profits are actually distributed to that U.S. holder and be required to comply with specified information reporting requirements. Any gain subsequently recognized upon the sale by that U.S. holder of his, her or its ADSs or ordinary shares generally would be taxed as capital gain and the denial of the basis step-up at death described above would not apply.

As an alternative to a QEF Election, a U.S. holder generally may be able to avoid the imposition of the special tax and interest charge described above by electing to mark his, her or its ADSs or ordinary shares to market annually, and, therefore, recognize for each taxable year, subject to certain limitations, ordinary income or loss equal to the difference, as of the close of taxable year, between the fair market value of his, her or its ADSs or ordinary shares and the adjusted tax basis of his or its ADSs or ordinary shares. Losses would be allowed only to the extent of the net mark-to-market gain previously included by the U.S. holder under the election in prior taxable years. If a mark-to-market election with respect to ADSs or ordinary shares is in effect on the date of a U.S. holder's death, the tax basis of the ADSs or ordinary shares in the hands of a U.S. holder who acquired them from a decedent will be the lesser of the decedent's tax basis or the fair market value of the ADSs or ordinary shares.

Rules relating to a PFIC are very complex. U.S. holders are encouraged to consult their own tax advisors regarding the application of PFIC rules to their investments in our ADSs or our ordinary shares.

#### Backup Withholding and Information Reporting

Payments to U.S. holders in respect of our ordinary shares or ADSs may be subject to information reporting to the U.S. Internal Revenue Service and to backup withholding tax imposed at a rate of 28 percent.

However, backup withholding and information reporting will not apply to a U.S. holder that is a corporation or comes within an exempt category, and demonstrates the fact when so required, or furnishes a correct taxpayer identification number and makes any other required certification.

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules will be allowed as a refund or credit against a U.S. holder's U.S. Federal income tax liability, provided that the required procedures are followed.

#### United Kingdom Tax Considerations

#### Dividends

A person having an interest in ADSs or ordinary shares who is not a resident in the U.K. will not be subject to tax in the UK on dividends paid on our ordinary shares, unless that person carries on business in the UK through a branch or agency, to which the ordinary shares or ADSs in question are attributable.