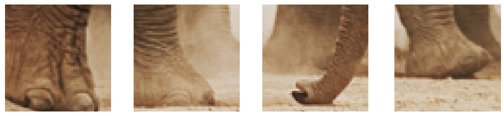

CHIEF EXECUTIVE'S REPORT

At the outset of 2004, we said this would be a year of construction and consolidation, and so it has proved. Through an occasionally Herculean effort by the management team, the substance and structure of Randgold Resources have been significantly strengthened, and we ended the year ahead of our expectations in spite of the sizable hurdles we had to clear along the way.

We recognised at the beginning of the year that our ability to benefit fully from the gold price boom would be constrained by the chronic expansion commissioning and operational problems at Morila. We took a two-pronged approach to this problem: we intervened operationally at Morila, and we decided to bring the development of Loulo forward by six months. In line with our commitment to organic growth, meanwhile, we continued to pursue our African footprint strategy, fortifying and enlarging our presence in the continent's main gold fields.

Looking back over this very busy period, the highlights of 2004 were:

- The fourth-quarter recovery at Morila, when it virtually equalled the preceding nine months' production to post an output of more than 500 000 ounces for the year.
- The rapid conversion of Loulo from an exploration site to a mine that is scheduled to pour its first gold in July this year.
- The continuing expansion of the Loulo resource - already at the 8 million ounce mark - and the growing evidence that this would become a long-life mine.
- The successful sale of Syama, which demonstrated our ability not only to discover, develop and run mines, but also to dispose of them when necessary.
- The acceleration of our exploration and drilling programmes, which at the start of this year were active in five countries, with a sixth under review.
- The final payment on the Morila project loan and the securing, on favourable terms, of US$60 million project finance for Loulo.
- The changes in our shareholder structure which have made Randgold Resources a fully independent company.

Mark Bristow

GETTING MORILA BACK ON TRACK

For the first three quarters of the year Morila was plagued by plant commissioning and maintenance problems related to the incorporation of the expansion facility into the operating plant. Frustrated by the persistence of these problems, which had a severe impact on production, we decided to intervene operationally. We developed a technical action programme and timetable in conjunction with AngloGold Ashanti senior management to resolve the situation as a matter of urgency. The implementation of this programme, which we are continuing to monitor closely, is having the desired effect. In the fourth quarter, mill throughput was close to design capacity and this, coupled with a higher feed grade, produced a significant improvement in output. Gold production for the quarter was 226 679 ounces at a cash cost of US$136/oz, giving a total for the year of 510 485 ounces at US$184 - short of the original target of 535 000 ounces but better than was expected at the third-quarter stage.

Going into 2005, Morila faces a threefold challenge. The first is finally to bed down the expansion project by achieving a consistent throughput of 350 000 tonnes per month, and reaching the target in excess of 600 000 ounces for the year. The second is to work towards a real-time understanding of the business, particularly with regard to costs. The third is to expand the resource, and on this front exploration is continuing on the orebody extensions as well as the nearby Samacline target. The work on the extensions is steadily increasing the reserve and resource ounces, while the multiple gold intersects being returned by Samacline indicate that there is potential for another substantial resource within the lease area.

LOULO CONSTRUCTION IN TOP GEAR

Over at Loulo, meanwhile, mining officially started on 23 December when one of our Caterpillar excavators dug the first bucketload of waste material. Initial operations are focused on constructing the run-of-mine pad with waste material from Loulo 0. In March, the emphasis will shift to the Yalea pit where softer oxide ore will be mined and stockpiled ahead of the commissioning of the plant, scheduled for July. The phased approach we are taking is similar to the one we successfully applied at Morila. Essentially it involves starting with the softer ore materials and phasing in the competent ores once the soft ore production stream has been bedded down.

Most of the mine infrastructure has already been completed - more than 2 500 cubic metres of concrete has been poured to date - and the operational team which will oversee the commissioning and run the mine has already settled in on site. In a demanding logistical exercise taking more than two months, the two ball mills were transported by road convoy from the factory where they were manufactured in South Africa, across country to Richards Bay, then by sea on a specially chartered ship to the port of Dakar in Senegal, followed by an arduous journey by road again across Senegal and Mali to the new mine.

By advancing the target for gold production, we imposed on ourselves a tight schedule with little margin for error. With all the components of the project on a critical path, we are currently at the high-tension stage, but barring the unforeseen, we are confident that Loulo will pour its first gold as planned.

When Loulo first got the green light, we described it as the most exciting undeveloped gold asset in Africa. The claims we had made earlier for Morila proved to be no exaggeration and, similarly, we believe Loulo will more than live up to its billing. We nurtured it painstakingly to the point where the open-pit operation now being brought into production was in the bank, and from that solid base we are now exploring its steadily increasing potential. Deep drilling at the Yalea and Loulo 0 orebodies has had a major impact on the dynamics of the project, adding real long-term value to what is already a major asset. After completion of a prefeasibility study which confirmed the potential for a long-life underground operation, we commissioned SRK consulting to complete an underground development study. A base case will be completed with data available at end March and the results will be available in the second quarter of the year. However the results from the ongoing deep drilling programme are such that we envisage further updates to the study during the rest of the year.

EXPANDING OUR AFRICAN FOOTPRINT

The best way to create value is through discovery, as our record shows. The key component of our growth strategy is therefore an aggressive exploration programme, designed to discover profitable ounces and build a well-balanced portfolio. This process constantly feeds in fresh prospects at the base of our Resource Triangle and evaluates these to produce a layer of targets from which we select our feasibility projects.

Over the past year, we again delivered on our promise to expand our country exposure and project portfolio throughout the major gold belts of east and west Africa. We now have a groundholding of 8 700km^2 and 115 targets in six countries, in five of which exploration and drilling programmes are currently under way. Aside from the work being done at and around Morila and Loulo in Mali, we are active in Tanzania, Senegal, Burkina Faso and Ghana.

We are consolidating our holdings in the major growth node of Tanzania, where we are already the dominant presence in the Musoma greenstone belt - one of the most underexplored areas in that country - with 19 permits covering more than 1 000km^2. In the Mara belt, we have taken a focused approach, exploring for a known style of mineralisation beneath recent cover basalts. We now believe the two belts may form part of a single large arcuate belt similar to those in the Lake Victoria gold fields, and we are doing generative work to develop and test this concept.

In Senegal, drilling has started on four targets and surface exploration continues to evaluate additional targets for future drilling, while in Burkina Faso our ground teams are fast-tracking projects for drill-testing. We have concluded that the potential in the Adansi Asaasi permit next to the Obuasi mine is not sufficiently attractive to lead us to do a deep drilling programme. However, additional opportunities are being thoroughly assessed by a combination of regional scale modelling and on the ground investigation.

Our Tongon project in the Côte d'Ivoire has been on hold since the outbreak of civil unrest in that country, but it is worth noting that, like Morila and Loulo, Tongon is an asset which any gold company would be delighted to own. A great deal of international effort, led by South African president Thabo Mbeki, is currently being brought to bear on the stabilisation of the Côte d'Ivoire and in anticipation of an eventual return to normality, we are currently updating our Tongon feasibility study.

During the year we consolidated our exploration and evaluation functions following an organisational development review. This has integrated a highly motivated, experienced and well-balanced team and focused their considerable intellectual capital on the business of cost-effectively exploring, assessing and developing ore deposits.

THE SALE OF SYAMA

In the course of the year we concluded the sale of our 80% interest in the dormant Syama mine in Mali to Resolute Mining of Australia for US$6 million plus agreed liabilities and royalties. Syama had been on care and maintenance since 2002, when the collapse of the gold price made it unprofitable.

We took over Syama when we acquired BHP Mali in 1996 and it was a key plank in the platform from which we listed Randgold Resources on the London Stock Exchange in 1997. When it became clear that the mine could not hold its own at the low gold price levels of 2002, we made the difficult decision to place it on care and maintenance while we considered the best way forward. The solution we found is, I believe, commercially sensible as well as socially responsible: a significant national asset has been preserved for Mali and we have managed to realise some value from it.

STRATEGY AND CYCLES

Elsewhere in this report there is a graph which tracks the landmarks of our history against the 10-year trend of the gold price. This hindsight shows that we generally made the right decisions at what eventually proved to be the right times. It also illustrates the importance of long-term thinking in this industry: you cannot build a business if your vision is limited to the next quarter.

At the incorporation of Randgold Resources, we stated our mission: to achieve superior returns on equity through the discovery, management and exploitation of resource opportunities, focusing on gold. Ten years on, that is still our quest.

We have persevered through the bad times because we have faith in our value creation strategy, a faith supported by the tangible results it has already produced. This is why as the graph shows, we carried on with our exploration programmes - and made major discoveries - when the gold price was down at the US$250/oz level and the big companies cut their exploration to the bone.

But there is much more to our strategy than just this search. It is the strong foundation on which all our planning is based and the framework for our decision-making. It determines the allocation of our resources and provides us with the criteria for our target areas, the filters for our prospects and the hurdle rates for our projects. It structures the carefully considered, methodical development process we applied at Morila and are now using again at Loulo. It supplies the discipline for tough choices, such as the closure of Syama. At the corporate level, it sets clear objectives and delineates the means of achieving them. Thus, for example, we significantly broadened our investor base and improved our liquidity through the Nasdaq listing in 2002 and last year's share split.

A TOP TEAM, OPERATING AT HIGH EFFICIENCY

At the heart of our strategy is the understanding that an excellent business requires excellent people, operating at optimum levels of efficiency and effectiveness.

The Randgold Resources executive team, most of whom have been with the group since its inception, have repeatedly proven their exceptional competence and commitment. Each is an expert in a specialist field. All share a common vision and value system. Together they constitute what I believe is one of the most versatile, dynamic and accomplished managements in the gold industry, combining exploration and operational expertise with a considerable degree of finesse in handling complex corporate issues.

Our principle of employing talented people also extends into the countries where we operate, and where we have had significant success in developing and empowering local managers. The general manager of our new operation at Loulo, for example, is Amadou Konta, the first Malian to head a large gold mine in that country. His compatriot Mahamadou Samaké is our general manager for Mali. Both are members of the Randgold Resources executive committee. This local-development policy has not only provided us with strong regional managements but has also ensured that our culture and goals are understood and accepted throughout our geographically diversified business.

The Randgold Resources of today is a tribute to the efforts of its core team and its regional support teams. These people also represent the firm foundation on which our plans for the future are built. I thank them for their boundless passion for this business and I look forward to their company on the road ahead. On behalf of management, I should also like to express our appreciation to the board for the invaluable guidance and support they provide.

STRONG ORGANIC GROWTH AHEAD

Our priority for 2005 is to bring the Loulo mine in on budget and on time. At the same time, we are continuing to expand the resource there through deep drilling, and we are progressing the economic study to the point where we can make a thoroughly informed decision about the development of an underground operation to extend the open-pit mine currently being completed.

We will keep up the pressure at Morila to ensure that the recent recovery is sustained and that the mine meets its production targets. And in our well-entrenched positions in Africa's major gold belts, we will continue the hunt for more plus 2 million ounce deposits.

As the chairman indicated in his report, we remain alert to corporate opportunities and we have completed due diligences on a number of these during the past year. However, Randgold Resources does not need to do deals to prosper or survive. We are forecasting strong organic growth for 2005, with Morila scheduled to exceed 600 000 ounces at a cost target of US$200/oz and Loulo contributing 100 000 ounces at around US$230/oz, if everything continues to go according to plan.

The theme of this year's annual report is The Voyage Continues. Its message is that after a decade of delivery on its value-creation commitment, Randgold Resources is more strongly positioned than ever before to realise the rich prospects that are within its reach.

Mark Bristow
Chief executive