



HUMAN RESOURCES REPORT

Randgold Resources Limited has had a sustainable development and social responsibility strategy since its inception. This strategy forms part of and is fully integrated into the company's 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 Randgold Resources' 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 organisations, aid agencies and government departments. During 2004, funds in excess of US\$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, Randgold Resources, in partnership with US AID and the Ministry of Mines in Mali, set up and funded an agricultural scheme costing US\$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, the company was involved in initiating a trust fund for villages surrounding Syama which was funded by an arrangement between Randgold Resources Limited and the International Finance Corporation.

In Senegal, a special bursary award system was set up by Randgold Resources for the University of Senegal's faculty of Earth Sciences. In Mali, the company participates 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 US\$17 million was paid to the Malian government in payroll taxes, duties, royalties and dividends by Randgold Resources operations and a further amount of approximately US\$77 million was paid to Malian businesses for goods and services rendered.

INDUSTRIAL RELATIONS

Offices and exploration projects

Good industrial relations across the group and our annual climate survey results continue to reflect the success of Randgold Resources' pact with labour. No industrial relations problems, nor lost time due to industrial action, were experienced during the year. Randgold Resources' employees in Mali, ignored a call from the mining section of the Malian United Workers Union (SECNAMI) for a national three-day stoppage in the Malian mining industry and worked as normal. Randgold Resources is unique among the large mining companies operating in Mali in that its employees have never responded to calls for national strikes, of which there have been three in the last three years.

MANPOWER

Human capital

As the company develops and expands, every effort is 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 Randgold Resources 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 its employees. This strategy provides the foundation for the long-term plan (including manpower plans), the fundamental principles of its business, the framework for effective decisionmaking and the action required from its people, the initiating of change and improvements and, most importantly, a rallying point. It enables the business to organise its resources and optimise the application of its human capital.

In 2004, there were two significant changes in the company's 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 programme across six countries, which is being overseen by Paul Harbidge, while responsibility for the generative side of the function has been given to Greg Cameron, whose role is to ensure that geology drives the exploration projects. Rodney Quick, who has been responsible for Randgold Resources' mineral resource evaluation function, has moved across to Loulo as the new mine's mineral resource manager, in order to gain production experience, and in the short term will be replaced by Babacar Diouf, who is currently a member of the Senegal exploration team and who will be given career developmental exposure in the evaluation section.



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. Amadou Konta has played a key role in the pre-construction phase of development of the Loulo project as Randgold Resources' construction and mining manager in Mali, using his skills as a qualified civil engineer. Prior to this he was manager mining at the Syama mine and for the last three years has also undertaken mining engineering consultancy work on behalf of the company in addition to his construction responsibilities. At Loulo, Amadou Konta will lead a highly skilled and experienced operational team, which includes Marcel Damen, mining operations manager, Rodney Quick, mineral resources manager, Amadou Maiga, management accountant, Abdoulaye Cisse, plant superintendent, Lamine Sarre, human resources co-ordinator, Dr Meme Togola, environmental manager, Onno Ten Brinke, chief mine planner, Emmanuel Badini, exploration manager, Les Heads, safety manager and Lindsay Earl, chief engineer. This team is strong and well-balanced, blending local and expatriate talent.

Through involving employees in the business, motivating them and empowering them the company has maintained enviable safety, health and low voluntary turnover records at its operations. Randgold Resources 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 Randgold Resources had a corporate complement of 12 employees based in Africa and Europe.

Operational centre

The company's operational centre 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.

Joel Holiday, a senior exploration geologist, joined the Mali South exploration team in September 2004 to replace a senior geologist who resigned. Tony Thomas, senior geologist, moved from Mali West to Ghana during the third quarter of 2004, to re-establish and manage the company's new exploration drive there. Felix Kiemde moved from Mali West to set up and manage the company's exploration function in Burkina Faso, following the decision to re-enter that country.

Loulo

Loulo currently has a complement of 32 permanent Randgold Resources employees and 119 fixed-term contractor staff, employed for the duration of the construction project, through the Malian labour broking company UPS.

John Steele, general manager: capital projects, who managed the construction of Morila, is directing the construction of the Loulo mine and is being assisted by Richard Quarmby, metallurgical engineering manager. All major contractors, including construction, mining, explosives and power contractors are on site and are being assisted with personnel issues by Randgold Resources' human resources staff.

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

The company opened a small support subsidiary company in Johannesburg during the year to take over the administrative support services previously supplied by Randgold & Exploration Company Limited. Seven Bridges has a complement of 15 people.

Personnel administration

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

Training and development

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

Five employees are studying for MBAs, two for a Chartered Institute of Management Accountants qualification, one for a Chartered Institute of Financial Analysts qualification, 40 employees attended short management courses, 20 attended a series of TSF courses, 10 employees attended ore-evaluation related courses, the Loulo safety manager attended the British Safety Council annual conference and all employees at Loulo, including contractor employees, have attended the Loulo induction and safety course.

The company continued to support the Malian Mining Industry University scholarship scheme during the year. This scheme sent four Malian students to South African universities to study for undergraduate degrees.

The company also has assisted the Universities of Mali and Senegal by providing off-campus training to students at its exploration projects in Mali and Senegal.

Randgold Resources set up an annual scholarship award scheme at the University of Senegal in 2004. Arrangements have been made during the year for students from the University of Mali to obtain vacation employment at Loulo during 2005.