



Operations and projects

The Tongon project is located in northern Côte d'Ivoire, 628 kilometres north of Abidjan within the 671km² Nielle permit. The total resource base exceeds 3 million ounces.

TONGON PROJECT

A prefeasibility Type 2 study was completed in June 2002 which demonstrated that the Tongon project could meet the company's criteria for investment and a Type 3 feasibility study was initiated. After an initial 16 drillhole programme, further drilling and on-site feasibility study work was put on hold due to the political conflict in the Côte d'Ivoire.

In 2005 all aspects of the Tongon project were reviewed, the financial parameters used in the June 2002 prefeasibility study were updated to reflect December 2005 market conditions. The total resource base was confirmed at more than 3 million ounces.

UPDATED PARAMETERS

- Potentially mineable material of 13.05 million tonnes at a grade of 3.54g/t for only the southern zone, assuming dilution of 15% and ore loss of 2%.
- Strip ratio of 4.38:1 and cost of US\$1.51/tonne mined over the LOM.
- Recoveries of 97.4% for oxides and 82.1% for sulphides.
- Production rates of 240 000 tonnes per month in oxides and 200 000 tonnes per month in sulphides.
- LOM unit cost of approximately US\$22/tonne milled and US\$260/oz cash cost.
- Total LOM capital costs of US\$111 million.
- Gold price of US\$400/oz flat.
- Côte d'Ivoire royalty of 3% on gold sales.
- Five year tax holiday.

On the basis of this updated economic assessment and even taking into account the recent inflation pressures in the industry, the project continues to meet the company's hurdle rates for further investment.

The project had been stalled at feasibility stage for the past couple of years while the country has been dealing with political instability and conflict, but with the relative calm that has returned, the team has recommenced its work programme.

Randgold Resources believes that the peace process in the country is now on track. Presidential elections scheduled for October 2006 have been postponed due to a delay in preparation until October 2007, after an agreement was reached among the rival parties. Officials of both the government ministries and the opposition have shown commitment to making the project work.



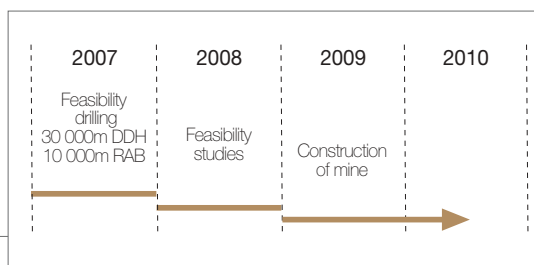
TONGON: MINERAL RESOURCES	Tonnes		Grade		Gold		Attributable gold
	(Mt) 2006	(Mt) 2005	(g/t) 2006	(g/t) 2005	(Moz) 2006	(Moz) 2005	(75%) (Moz)
□ Inferred	35.96	35.96	2.68	2.68	3.11	3.11	2.33

* See glossary of terms on website at www.randgoldresources.com.

During 2006, an eight hole 1 992 metre tactical diamond drilling programme was carried out and the results were used to plan a 30 000 metre feasibility drilling programme scheduled for the first half of 2007. The drilling programme was designed to allow the completion of a final feasibility study and for a production decision within two years of full recommencement of drilling activities.

The next phase of drilling will help the company understand the relatively complex geology of the southern zone, as well as add additional resources to the northern zone. The biggest risk seen by Randgold Resources in the project is timing – the company is confident the people and governing structures of Côte d'Ivoire are committed to peace. The completion of a successful final feasibility study would allow a production decision and financing arrangements to be made.

Subject to a positive outcome of the bankable feasibility and the current political process, the company believes development of the Tongon deposit is likely as the Côte d'Ivoire has favourable infrastructure to support a mining venture. Power, water and road access are available close to the site. The Tongon project will also allow Randgold Resources to maintain and expand its production profile, as the Loulo mine grows and production at its Morila mine tails off.



TONGON PROSPECT: BANKABLE FEASIBILITY KICKS OFF WITH A 30 000 METRE DRILLING PROGRAMME

Southern Zone
 Length: 1.6km
 +76DDH: 15 500m, 50mx50m
 Average depth below surface: 200m

Northern Zone
 Length: 2.1km
 34 DDH: 4 050m, 50mx100m
 38 DDH: 3 700m, 50mx50m
 Average depth below surface: 150m