

SUMMARISED GROUP UNAUDITED INTERIM FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

COMMENTARY TO SUMMARISED GROUP INTERIM FINANCIAL STATEMENTS

Income

The majority of income recognised in the period under review was derived from interest earned on cash investments and third party recoveries. The company recorded a net loss of R10.8 million for the period compared to a net loss of R6.2 million for the corresponding period last year. This was mainly as a result of an increase in legal fees.

Financial position

R&E is liquid with no interest-bearing debt. R&E's total assets consist primarily of cash and cash equivalents. R&E had a net asset value of R2.08 per share at 30 June 2017 (R2.23 per share at 31 December 2016). The decrease in net asset value is due to the loss incurred during the period.

Cash flow

R&E started the period under review with a cash and cash equivalent balance of R170 million. The company's cash outflow of R11.4 million was the net result of interest earned on cash and recoveries received less cash utilised to fund its operations during the period. R&E remains in a healthy cash position with R158.6 million in cash and cash equivalents at 30 June 2017.

Outlook

The outlook for the balance of the year is largely dependent on the progress and outcome of current legal matters. Expenditure on litigation for the balance of the year is expected to be at a similar level as in the first half. Until the legal claims initiated by the company have been finalised, this pattern of expenditure is likely to prevail.

David Kovarsky

Chairman

Johannesburg

7 August 2017

Marais Steyn

Chief Executive Officer

THE SUMMARISED GROUP UNAUDITED INTERIM FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED 30 JUNE 2017 ARE AS FOLLOWS:

	For the six months ended		
	30 June 2017 Unaudited	30 June 2016 Unaudited	% Change
Basic and diluted loss per ordinary share			
Basic and diluted loss for the period (R'000)	(10 832)	(6 206)	(74.54%)
Weighted average number of ordinary shares in issue ('000)	71 585	71 585	
Loss per share (cents)	(15.13)	(8.67)	(74.51%)
Headline and diluted headline loss per ordinary share			
Headline and diluted headline loss for the period (R'000)	(10 832)	(6 206)	(74.54%)
Weighted average number of ordinary shares in issue ('000)	71 585	71 585	
Headline loss per share (cents)	(15.13)	(8.67)	(74.51%)
Net asset and tangible net asset value per share			
The net asset value per share is calculated using the following variables:			
Net asset value (R'000)	148 729	162 343	(8.39%)
Ordinary shares outstanding ('000)	71 585	71 585	
Net asset value per share (cents)	207.8	226.8	(8.38%)
Net tangible asset value per share (cents)	207.8	226.8	(8.38%)
Loss from operating activities	(17 591)	(13 615)	(29.20%)

Notice to shareholders

This announcement contains only a summary of the information contained in the full announcement made on SENS on Thursday, 10 August 2017 (Full Announcement). Please refer to the Full Announcement for additional information. The Full Announcement is available for viewing on R&E's website at www.randgoldexp.co.za or may be requested and obtained in person, at no charge, at the registered office of the company or the company's sponsor during office hours. Any investment decisions by investors and/or shareholders should be based on consideration of the Full Announcement made on SENS. This short-form announcement is the responsibility of the R&E board of directors.

Directors: DC Kovarsky (Chairman)***, M Steyn (CEO)*, V Botha*, P Burton**, JH Scholes** (* Executive, ** Independent non-executive)

Company secretary and financial director: V Botha CA(SA)

Transfer secretaries: Computershare Investor Services (Pty) Ltd (Registration number 2004/003647/07), Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

Sponsor: PSG Capital (Pty) Ltd (Registration number 2006/015817/07), First Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, 7600