

### SUMMARISED GROUP UNAUDITED INTERIM FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

#### 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. The company recorded a net loss of R8.4 million for the period compared to a net loss of R10.8 million for the corresponding period last year. The decrease in loss was mainly as a result of a decrease in legal and consulting 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 R2.02 per share at 30 June 2018 (R2.13 per share at 31 December 2017). The decrease in net asset value was 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 R160.1 million. The company's cash outflow of R8.8 million was the net result of interest earned on cash received less cash utilised to fund operations during the period. R&E remains in a healthy cash position with R151.3 million in cash and cash equivalents at 30 June 2018.

##### 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. This level of litigation expenditure is likely to prevail until the claims brought against and instituted by the company have been finalised.

##### David Kovarsky

Chairman

Johannesburg

24 August 2018

##### Marais Steyn

Chief Executive Officer

#### THE SUMMARISED GROUP UNAUDITED INTERIM FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED 30 JUNE 2018 ARE AS FOLLOWS:

	For the six months ended		
	30 June 2018 Unaudited	30 June 2017 Unaudited	% Change
<b>Basic and diluted loss per ordinary share</b>			
Basic and diluted loss for the period (R'000)	(8 482)	(10 832)	21.69%
Weighted average number of ordinary shares in issue ('000)	71 585	71 585	
Loss per share (cents)	(11.85)	(15.13)	21.68%
<b>Headline and diluted headline loss per ordinary share</b>			
Headline and diluted headline loss for the period (R'000)	(8 482)	(10 832)	21.69%
Weighted average number of ordinary shares in issue ('000)	71 585	71 585	
Headline loss per share (cents)	(11.85)	(15.13)	21.68%
<b>Net asset and tangible net asset value per share</b>			
The net asset value per share is calculated using the following variables:			
Net asset value (R'000)	144 794	148 729	(2.65%)
Ordinary shares outstanding ('000)	71 585	71 585	
Net asset value per share (cents)	202.2	207.8	(2.69%)
Net tangible asset value per share (cents)	202.2	207.8	(2.69%)
Loss from operating activities	(14 539)	(17 591)	17.35%

##### Notice to shareholders

This announcement contains only a summary of the information contained in the full announcement made on SENS on Tuesday, 28 August 2018 (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](http://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