

Clarification on resignation of David Nurek

The resignation of David Nurek as chairman and director of both JCI Limited and Randgold & Exploration Company Limited was unrelated to allegations in the high court that he and other directors were conflicted.

JCI and R&E CEO, Peter Gray, said today it was completely incorrect to speculate that Nurek's resignation could in any way be associated with the allegations.

"I happen to know that David is personally offended by the suggestion that after 17 years of chairing and directing public companies, he should be accused of allowing himself to become conflicted. He is confident that the courts will reject the allegations."

"The reason for his decision to resign was clearly spelt out in the SENS announcement but some commentators ignore these reasons and prefer to interpret that he has somehow taken fright at the legal process," said Gray. "His letter of resignation received by my office on 28 May spells out his reasons quite clearly. I have the greatest respect for David's integrity and I accept his motivation without question." **(see attached for a copy of the letter (page2 & 3)).**

Gray said he had on numerous occasions said that as CEO of both companies he too would become conflicted if the proposed merger between JCI and Randgold was not approved by shareholders.

"It stands to reason that while the claim by Randgold against JCI is being mediated, there is no harm in having common directors particularly in the light of the fact that any settlement between the companies must be recommended by the independent mediators and approved by the shareholders of both companies in order to become effective. If the merger proposal is not successful it is highly likely and that the companies would then enter into a lengthy arbitration process. Clearly directors who served on both boards under such circumstances would indeed be conflicted," he said.

Note to Editors:

Nurek's letter of resignation sent to Peter Gray on 28 May 2007 read as follows:

"Dear Peter

On the assumption that the merger is going to go ahead, we are going to have to give consideration as to how the Board of Randgold should be reconstituted in the light of the merger.

I do not know whether you have given this matter any thought. I think I need to clarify my position in that regard.

I have given the matter a great deal of thought and have decided that, whatever the outcome of the shareholder votes in respect of the merger, I am going to step down from the Boards of both Randgold and JCI.

I have arrived at this decision in the context of understanding that at the time of the shareholder vote in respect of the merger, I will have completed my mandate in relation to my appointment to the respective Boards.

When I joined the Boards of Randgold and JCI at the request of Stephen Koseff, I understood my mandate at that time to assist and guide the newly appointed management team in relation to:

- (a) stabilizing the extremely precarious financial position in which each of Randgold and JCI found itself at that time;
- (b) preserving and growing the remaining assets of the respective companies;
- (c) resolving a number of outstanding issues effecting each of Randgold and JCI; and
- (d) nursing both Randgold and JCI back to health and determining a way forward for each of them.

I did not at that time foresee a long term role for me in relation to either Randgold or JCI beyond the achievement of these objectives.

In my respectful opinion, we have substantially achieved most (if not all) of these objectives.

The financial position of each of Randgold and JCI has been stabilised. The remaining assets of each of them have adequately preserved and both companies have been restored to a reasonable degree of health. The growth in value of the combined assets of Randgold and JCI from R780m to approximately R2,9bn and the nature of those assets gives the proposed merger entity significant substance and the wherewithal to move forward, either on its own or as part of a larger group.

A vast number of complex issues have been satisfactorily resolved and a way forward will have been determined for JCI and Randgold in the form of the merger.

Accordingly, if the merger is approved by the respective shareholding groups, then I believe that my mandate will have been completed and I frankly do not see any necessity for me having continuing role on the Board of the merged group thereof.

Conversely, if the merger is unsuccessful for any reason, then I see little prospect for a negotiated settlement of the Randgold claims and in the circumstances, I think it would be appropriate for me to step down from both Boards in those circumstances.

Either way, I think it will be appropriate for me to step down from both Boards.

I think that this is relevant information to incorporate into the circular to be distributed to both shareholder groups and may also necessitate some form of announcement. I leave it to you to decide on an appropriate process of how my decision should be disclosed

Insofar as the constitution of the merged Board is concerned, we still need to talk about this as I think it is appropriate to furnish details of the proposed Board in the circular documentation.

Kind regards

David Nurek

Media statement issued on behalf of JCI Limited and Randgold & Exploration Company Limited by Brian Gibson (Contact 011 8801510 or 083 253 5988)