

5. Following the service of summons, Gold Fields brought two procedural applications concerning the provision of documents and security. Thereafter, R&E, ASI and Gold Fields agreed that the proceedings would be pending until separate proceedings which R&E brought against its former auditor PricewaterhouseCoopers Incorporated (**PwC**), had been finalised which Gold Fields agreed to.
6. Following the PwC matter being settled in June 2014, R&E and ASI required Gold Fields to deliver its response to R&E's and ASI's claims, which it did on 22 April 2015. In its defence Gold Fields denies any liability to R&E and ASI, contending that the conduct of Roger Brett Kebble (**Brett Kebble**), Roger Ainsley Ralph Kebble (**Roger Kebble**), John Chris Lamprecht (**Lamprecht**) and Hendrik Christoffel Buitendag (**Buitendag**), or some or more of them should not be ascribed to Gold Fields. Gold Fields also relies on the Apportionment of Damages Act 34 of 1956 and raises two specific defences, the first that R&E's and ASI's claims have been compromised by the settlements concluded with other wrongdoers, and secondly, that the claim against Gold Fields stands to be reduced by the extent to which R&E and ASI could have recovered from the other wrongdoers with whom settlements have been reached.
7. Gold Fields also served third party notices on JCI, the estates of the late Brett Kebble and Roger Kebble and John Chris Lamprecht (**Lamprecht**) and has joined them to the proceedings. If found to be liable to R&E and ASI, Gold Fields seeks a contribution from the persons it has joined.
8. JCI has also served a third party notice on R&E raising a conditional claim against R&E, contending that if JCI is found to be liable to Gold Fields, the extent of such liability should be reduced having regard to an indemnity provided for in the settlement concluded between R&E and JCI on 20 January 2010.
9. In 2016, following a joint application being made for the appointment of a case manager, Judge Francis was appointed to case manage the matter to trial and directed R&E and ASI to deliver a substantive Pre-Trial Agenda incorporating admissions of fact and of documents as well as a request for trial particulars, which was attended to in June 2016.
10. Gold Fields responded to the Pre-Trial Agenda including admissions, and at the end of the year in turn served a substantial request for trial particulars, which R&E and ASI responded to on 7 August 2017.
11. In October 2017, R&E and ASI amended their claim and in December 2017, Gold Fields delivered its consequentially amended plea.
12. On 11 January 2019, the R&E and ASI served a substantive application asking the Court for permission to adduce the evidence of foreign witnesses (which includes witnesses in the United States, United Kingdom and Australia) at the trial of the action by way of a video-conference link, to be established between the Johannesburg High Court and designated venues in the foreign jurisdictions (**the foreign witness application**). Gold Fields has opposed the foreign witness application on various grounds, which Randgold and ASI have replied to. R&E and ASI have filed their heads of argument in the foreign witness application which is due to be heard at the end of September 2019.
13. With the introduction of a new Commercial Court Practice Directive which came into operation on 3 October 2018, a joint application was submitted to the Deputy Judge President of the Johannesburg High Court in early February 2019 to have the matter classified as a commercial one.
14. On 21 February 2019, the parties were notified that the matter has been assigned to Her Ladyship, the Honourable Judge Ingrid Opperman to case manage and hear the trial.
- (b) The summons against former directors/employees of R&E**
15. In August 2008, R&E, ASI and First Wesgold Mining (Pty) Limited (**First Wesgold**) issued summons out of the Johannesburg High Court against Buitendag, Mr John Stratton (**Stratton**) (a former director of JCI), Mr Charles Henry Delacour Cornwall (a former director of JCI), Mr Lieben Hendrik Swanevelder (the former group accountant of JCI), Mr Lunga Raymond Ncwana (a former director of R&E and a director of Equitant Trading (Pty) Limited) and Lamprecht (a former financial director of R&E and JCI).
16. The summons is comprised of sixteen claims against some or more of such persons. A number of the claims are based on the alleged theft of shares belonging to the R&E Group. The remaining claims are concerned with the void issue and allotment of shares in R&E's issued share capital.
17. R&E, ASI and First Wesgold continue to assess the action from time to time which is defended.
- (c) The summons action against Bookmark Holdings (Pty) Ltd (Bookmark), Sello Rasathaba (Rasathaba) and Lamprecht**
18. On 11 August 2008, R&E and ASI instituted an action out of the Johannesburg High Court against Bookmark Holdings (Pty) Ltd, Sello Rasathaba and Lamprecht.
19. This claim concerns the alleged cover-up of various RRL share thefts and the damages which arose therefrom.
20. The action is also defended by Bookmark, Rasathaba and Lamprecht and is assessed by the board from time to time.
- (d) Summons against Buitendag, Lamprecht and Stratton**
21. During August 2008, R&E also issued a summons against Buitendag, Lamprecht and Stratton.
22. The summons was similarly issued out of the Johannesburg High Court. The summons relates to a trading account ostensibly conducted by R&E at Tlotlisa Securities (Pty) Limited, which is alleged to have been used for the scrip lending/borrowing of shares for the benefit of the JCI Group and others associated with it.
23. The action is defended and is similarly being assessed from time to time.
- (e) The summons against Beale**
24. On 30 October 2008, R&E and ASI issued summons out of the Johannesburg High Court against Beale. The summons extends to seven claims and a number of alternatives to each of the main claims.
25. R&E and ASI are seeking damages from Beale for her role in the unlawful conduct complained of which is defended.

(f) Action against Brett Kebble

26. In March 2009, R&E and First Wesgold, issued summons out of the High Court of South Africa, Western Cape Division, Cape Town, against Brett Kebble's estate.
27. The action is one for damages in respect of further claims enjoyed by R&E and First Wesgold in addition to the claims which have previously been established by R&E against Brett Kebble.
28. The action is from time to time assessed by R&E.

CLAIMS BROUGHT AGAINST THE R&E GROUP

(a) The minority shareholders application

29. On 29 March 2011, David John Smyth, Patrick Charles Smyth, Anglorand Securities Limited, James George Gubb, Elizabeth Anne Gubb, Milkwood Investments Limited and Jag Investments (Pty) Limited (collectively **the main applicants**), brought an application in the High Court of South Africa, Gauteng Division, Pretoria, against Investec Bank Limited (**Investec**) and R&E (**the main application**).
30. The main application requested an order declaring that the settlement agreement entered into between R&E, JCI Limited (JCI) and JCI Investment Finance (Pty) Limited (**JCIIF**) on 20 January 2010 (**the Settlement Agreement**) constitutes or involves an act or omission which is unfairly prejudicial, unjust, or inequitable having regard to certain provisions of the 1973 Companies Act. This complaint also extends to an agreement concluded between R&E, ASI, JCI, JCIIF, Investec, Investec Bank PLC, Letseng Diamonds Limited and others at the same time (**the Litigation Settlement Agreement**). In consequence, the main applicants required Investec, but not R&E, to purchase the main applicants' shares in R&E at a price of R288.56 per share (or such other sum as the Court may determine), plus the ruling share price of an R&E share at the time of such purchase. No monetary relief is claimed against R&E.
31. R&E denies that the Settlement Agreement and the Litigation Settlement Agreement resulted in oppressive conduct. R&E has opposed the application. Investec is also opposing the application.
32. In 2014, the parties to the main application at that stage, agreed to have the legal standing of the main applicants to sue determined in advance of all other matters. This resulted in the conclusion of an agreement to separate which provided that the right of Standard Bank Nominees (Transvaal) (Pty) Limited, Shap-Aaron Nominees (Pty) Limited (**Shap-Aaron**) and BNS Nominees (Pty) Limited (as registered shareholders of certain of the main applicants' shares) (**the nominee applicants**) to intervene in and to be joined in the main application as well as the right of forty further intervening applicants (**the forty intervening parties**) to be joined in the main application also be determined before all other issues in the main application.
33. In June and November 2014, these preliminary issues were argued before Judge Rabie, and judgment on the separated issues was handed down on 17 September 2015. The judgment included the following orders:
 - 33.1. the application of the main applicants is refused, and they are to be removed as applicants from the main application, which is to proceed without them;
 - 33.2. the main applicants are to pay the costs of Investec relating to the main application, including the costs of the *locus standi* objection;
 - 33.3. the intervention applications of twenty seven of the forty intervening parties are dismissed with costs;
 - 33.4. the intervention applications of six of the forty intervening parties are withdrawn (and to the extent that they have not been withdrawn are dismissed), with costs;
 - 33.5. the intervention applications of seven of the forty intervening parties are granted, however they are required to pay Investec's costs until 2 May 2014;
 - 33.6. the intervention applications of the nominee applicants are granted in respect of the parties on whose behalf the nominee applicants hold shares in R&E, with Investec and R&E required to pay the costs of the intervention applications of the nominee applicants, jointly and severally;
- (the 2015 judgment).**
34. On 23 July 2016 the minority shareholders were granted leave to appeal the 2015 judgment to the Supreme Court of Appeal (**SCA**). The appeal was argued before the SCA on 13 September 2017 which dismissed the appeal to it with costs on 26 October 2017 and upheld the 2015 judgment.
35. On 11 June 2018, the applicants delivered an interlocutory application asking the Court to remove Shap-Aron as the second Applicant and substituting it for twenty-three applicants who claim to have caused shares formerly registered in the name of Shap-Aron on their behalf to be registered in their own names (**the substitution application**).
36. R&E has not opposed the substitution application, however has instituted a counter-application asking the Court's permission to deliver to Court its further affidavit dated 7 September 2016 in answer to the replying affidavit served in the main application, which affidavit was served on the applicants' and Investec's attorneys on 14 October 2016. Investec is opposing the substitution application, and has brought a counter-application thereto.
37. **On 2 November 2018, the applicants delivered their replying affidavit to R&E's further affidavit.**
38. **In February 2019 Investec made application to the Deputy Judge President of the Gauteng Division of the High Court, Pretoria, to have the main application classified as a commercial matter. Following the High Court having classified the matter as a commercial one, the allocation of a Judge to hear the application and to regulate the future conduct of the matter is awaited.**

(b) Certification application for permission to institute a class action against various companies, including R&E, brought by mineworkers/their dependants arising from silicosis and/or tuberculosis allegedly contracted on gold mines in South Africa –

39. On 20 August 2013, the High Court of South Africa, Gauteng Division, Johannesburg, granted an order consolidating an application by various former mineworkers, alternatively dependants of former mineworkers (who sought permission to proceed with a class action against several mining companies), with three further applications where similar relief was being claimed (**the certification application**). The mining companies include Anglo American, Gold Fields, AngloGold Ashanti, Harmony Gold, Sibanye Gold, Durban Roodepoort Deep and R&E, amongst others.
40. In broad terms, the certification application asked the Court for permission to certify two classes, namely a **silicosis class** and a **tuberculosis class**.
41. In addition, the Court was requested, to declare amongst others, that the applicants have standing to represent the classes, and certifying that the applicants' legal representatives may be class representatives. The balance of the relief requested was aimed at securing a court order regulating the further conduct of the class action.
42. R&E delivered its answering affidavit to the certification application on 30 May 2014 and on 12 September 2014 the applicants filed their replying affidavit. The applicants in addition brought an application to join R&E as a respondent in respect of the tuberculosis class (which R&E did not oppose) however filed papers in opposition to the certification of the tuberculosis class.
43. The certification application was argued in the Johannesburg High Court in October 2015. R&E decided to abide the outcome of the certification hearing without prejudice to its rights and on 13 May 2016, the Johannesburg High Court handed down its judgment, in favour of the applicants.
44. In essence, the Court found that sufficient common issues existed to certify two industry wide classes, being a silicosis class and a tuberculosis class. The Court ordered a two-stage process which entails firstly, the resolution of common issues and affording the affected persons the option to opt out and secondly, to allow the affected persons to opt in to the classes concerned, to make claims against the respondents. The Court also ordered that claims for general damages may be transmitted from the estate of a deceased mine worker who dies after the date of the certification application.
45. On 21 September 2016, the SCA granted the respondents permission to appeal against all aspects of the class certification judgment handed down on 13 May 2016.
46. The appeal was due to be heard at the end of March 2018, however in January 2018 it was postponed by agreement between the parties, on the basis that there may be scope for concluding an overall settlement to such litigation.
47. On 3 May 2018, the applicants and Harmony Gold, Gold Fields, African Rainbow Minerals, Sibanye-Stillwater, AngloGold Ashanti and Anglo American concluded a holistic settlement of the certification application, in which these mining companies agreed to establish a fund of approximately R5 billion, aimed at compensating current and former mineworkers and their dependants who qualify for compensation payments. The parties to the settlement are at present engaged in Court proceedings of a procedural nature to have the settlement agreement approved by the Court.
48. R&E initially participated in the settlement discussions with these parties, however ultimately decided that in relation to the period that it is alleged to have controlled and/or managed the mines (being 1993 to 1996 – which R&E denies), the terms of the settlement were not favourable to it. It remains to be seen whether in view of the settlement reached with the larger mining companies referred to above the certification application will proceed further.
49. R&E will continue to evaluate its position in regard to the certification application.

GENERAL

50. The Board of R&E continues to assess the matters in which it and the R&E group remain engaged and to evaluate the commercial and other practicalities associated with such matters.

Directors: DC Kovarsky (Chairman)**, M Steyn (Joint Chief Executive Officer and Financial Director)*, V Botha***, P Burton**, JH Scholes** (* Executive, ** Independent non-executive, *** Non-executive)

Company secretary: Statucor (Pty) Ltd

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

Announcement date
23 August 2019



SUMMARISED GROUP UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

www.randgoldexp.co.za

RANDGOLD & EXPLORATION COMPANY LIMITED
Incorporated in the Republic of South Africa
Registration number 1992/005642/06
Share code: RNG ISIN: ZAE00008819
("R&E" or "the company" or "the group")

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 an operating loss of R16.5 million for the period compared to an operating loss of R14.5 million for the corresponding period last year. The increase in loss was mainly as a result of an increase in legal and consulting fees.

Financial position

R&E is liquid with no interest-bearing debt. R&E's total assets consist primarily of funds held in unit trusts. The share portfolio is conservatively managed with lower volatility than the general equity market. Investments in listed securities are held in the Investec High Income Fund and Nedgroup Investments Core Income Fund. These funds are mostly term deposits and hold a spread of high-grade fixed income instruments, predominantly of a floating rate nature.

R&E had a net asset value of R2.04 per share at 30 June 2019 (R2.19 per share at 31 December 2018). The decrease in net asset value was due to the loss incurred during the period.

Cash flow

The company's cash outflow of R33,996 was the net result of interest earned on cash received less cash utilised to fund operations during the period.

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	Marais Steyn
Chairman	Joint Chief Executive Officer and Financial Director
Johannesburg	
23 August 2019	

SUMMARISED GROUP INTERIM STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended	
	30 June 2019 Unaudited R'000	30 June 2018 Unaudited R'000
	Notes	
Dividends received – Investments in listed securities	121	93
Profit/(Loss) on disposal of listed securities	10	(172)
Other income	–	542
Other operating expenses	(16 573)	(15 002)
Loss from operating activities	(16 442)	(14 539)
Finance income	6 081	6 057
Loss before taxation	(10 361)	(8 482)
Taxation	–	–
Loss for the period	(10 361)	(8 482)
Other comprehensive income		
Items of other comprehensive income that will not be subsequently reclassified to profit or loss		
Actuarial gains	67	559
Taxation	–	–
Total comprehensive loss for the period	(10 294)	(7 923)

Loss attributable to:

Owners of the company	(10 361)	(8 482)
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Total comprehensive loss attributable to:

Owners of the company	(10 294)	(7 923)
Basic and diluted loss per share (cents)	6	(11.85)

SUMMARISED GROUP INTERIM STATEMENT OF CHANGES IN EQUITY

	For the six months ended	
	30 June 2019 Unaudited R'000	30 June 2018 Unaudited R'000
Attributable to equity holders of the company		
Ordinary share capital	716	716
Retained earnings	145 526	144 078
Balance at the beginning of the period	155 820	152 001
Loss and total comprehensive loss for the period	(10 294)	(7 923)

SUMMARISED GROUP INTERIM STATEMENT OF FINANCIAL POSITION

	As at	
	30 June 2019 Unaudited R'000	31 December 2018 Audited R'000
Assets		
Non-current assets		
Equipment	9	12
Current assets	158 912	169 284
Trade and other receivables	959	1 085
Investment in listed securities	157 668	167 881
Cash and cash equivalents	285	318
Total assets	158 921	169 296

Equity and liabilities

Shareholders' equity	146 242	156 536
Ordinary share capital	716	716
Retained earnings	145 526	155 820

Liabilities

Non-current liabilities		
Post-retirement medical benefit obligation	10 151	10 496

Current liabilities

Trade and other payables	2 528	2 264
Total equity and liabilities	158 921	169 296

SUMMARISED GROUP INTERIM STATEMENT OF CASH FLOWS

	For the six months ended	
	30 June 2019 Unaudited R'000	30 June 2018 Unaudited R'000
Loss before taxation	(10 361)	(8 482)
Adjusted for:		
(Loss)/profit on disposal of listed equity securities	(10)	172
Post-retirement medical benefit obligation – interest cost	428	442
Depreciation	3	3
Change in fair value of investments of listed securities	(855)	(1 271)
Interest received	(6 081)	(6 057)
Dividends received	(121)	(93)
Working capital changes	390	(1 177)
Cash utilised in operating activities	(16 607)	(16 463)
Interest received	6 081	6 057
Post-retirement medical benefit obligation – benefits paid	(705)	(713)
Cash flows from financing activities	(11 231)	(11 119)
Dividends received	121	93
Proceeds on disposal of investments in listed securities	11 789	10 903
Acquisition of investments in listed securities	(712)	(998)
Cash flow from investing activities	11 198	9 998
Cash flow from financing activities	–	–
Decrease in cash and cash equivalents	(33)	(1 121)
Cash and cash equivalents at the beginning of the period	318	1 675
Cash and cash equivalents at the end of the period	285	554

NOTES TO THE SUMMARISED GROUP INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2019**1. Reporting entity**

R&E is a company domiciled and incorporated in the Republic of South Africa. The summarised group interim financial statements for the six months ended 30 June 2019 include the company and its subsidiaries.

2. Statement of compliance

The summarised group interim financial statements are prepared and presented in accordance with International Financial Reporting Standards (IFRS), which include International Accounting Standard ("IAS") 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Accountants Council, the requirements of the Companies Act of South Africa (Act 71 of 2008), as amended, and the Listings Requirements of the JSE Limited. These summarised group interim financial statements were approved by the board of directors on 20 August 2019.

Mr Marais Steyn CA(SA), Financial Director, is responsible for these annual financial statements and has supervised the preparation thereof in conjunction with Mr Rayner van Wyk CA(SA) representing Outsourced CFO (Pty) Ltd (Group Financial Manager).

3. Significant accounting policies

The accounting policies applied by the group in these summarised group interim financial statements in accordance with IFRS are the same as those applied by the group in its group financial statements for the year ended 31 December 2018.

4. No independent review by the auditor

The company's auditor has not reviewed or audited the summarised group interim financial statements of R&E for the six months ended 30 June 2019.

5. Segment reporting

The group operates in a single operating segment as an investment holding company.

6. Loss per share

	For the six months ended	
	30 June 2019 Unaudited	30 June 2018 Unaudited
Basic and diluted loss per ordinary share		
Basic and diluted loss for the period (R'000)	(10 361)	(8 482)
Weighted average number of ordinary shares in issue (R'000)	71 585	71 585
Loss per share (cents)	(14.47)	(11.85)

Headline and diluted headline loss per ordinary share

Headline and diluted headline loss for the period (R'000)	(10 361)	(8 482)
Weighted average number of ordinary shares in issue (R'000)	71 585	71 585
Headline loss per share (cents)	(14.47)	(11.85)

7. Net asset and tangible net asset value per share

The net asset value per share is calculated using the following variables:

	30 June 2019	
	Unaudited	30 June 2018 Unaudited
Net asset value (R'000)	146 242	144 794
Ordinary shares outstanding (R'000)	71 585	71 585
Net asset value per share (cents)	204.29	202.2
Net tangible asset value per share (cents)	204.29	202.2

The number of shares outstanding at 30 June 2018 and 30 June 2019 has been adjusted for the 2 999 893 treasury shares held.

8. Material changes

No material changes occurred during the period.

9. Related party transactions

There were no related party transactions during the period under review other than in the normal course of business, i.e. key management remuneration.

JH Scholes, a director of R&E, is also a director of Malan Scholes Attorneys, which provides legal prospecting right consulting services to R&E on an ad hoc basis.

No services were rendered during the period under review (June 2018 – R1 408).

10. Events after reporting date

There were no significant events between the reporting date and the approval date of these results.

11. Legal update

This legal update addresses the legal proceedings in which the R&E Group is involved. It focuses on both claims instituted by R&E and certain of its subsidiaries against third parties and proceedings initiated against R&E. Additional detail and background to the claims may be found on R&E's website at www.randgoldexp.co.za.

CLAIMS INSTITUTED BY THE R&E GROUP**(a) The High Court action against Gold Fields Operations Limited (formerly Western Areas Limited)**

1. On 20 August 2008, R&E and its subsidiary Randgold Resources (Holdings) Limited (now known as African Strategic Investment (Holdings) Limited) (**ASI**), proceeded with summons against Gold Fields Operations Limited (**Gold Fields**) out of the High Court of South Africa, Gauteng Division, Johannesburg (the **Johannesburg High Court**), under case number 27627/2008.

2. The summons is comprised of five claims, as follows:

2.1. Claims 1 to 4 relate to the alleged theft of shares in Randgold Resources Limited, a Jersey company formerly listed on the London Stock Exchange (**RRL**) previously owned by ASI, alternatively, R&E. (With effect from 1 January 2019, in a share-for-share merger, RRL merged with Barrick Gold Corporation, a public company incorporated under the laws of Ontario, Canada, in a share-for-share merger).

2.2. Claim 5 relates to the alleged theft of 94 million shares in Afl ease Limited (**Afl ease**).

3. Broadly stated, R&E and ASI contend that the directing and controlling wills and minds of each of JCI and Gold Fields decided to misappropriate the RRL and Afl ease shares in order to raise funds to provide JCI, its subsidiaries and Gold Fields with working capital to fund their ongoing operations, commitments and liabilities, to provide them with sufficient funds to maintain their ongoing financial stability and to reward the persons constituting the directing and controlling wills and minds of each of JCI and Gold Fields amongst others.

4. Each of the claims have alternatives and require payment of interest and dividends (where applicable).