RANDGOLD RESOURCES LIMITED
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AFRICAN COUNTRIES MAY HARM OWN ECONOMIES BY SEEKING SHORT-TERM GAINS FROM MINING INDUSTRY

Kinshasa, DRC, 16 October 2012 **-** Randgold Resources chief executive Mark Bristow today warned African governments that they risked damage to their economies by trying to squeeze quick returns from the mining companies in their countries. Randgold has gold mines in Mali and Côte d'Ivoire and is currently developing the giant Kibali gold project in the Democratic Republic of Congo.

Speaking at the DRC's Mining and Energy Indaba, Bristow said current moves in a number of African countries to amend mining codes on terms less favourable to the mining companies were dangerously short-sighted as they did not take into account the increased risk this might present to the long-term sustainability of the resources industry and its ability to contribute to job creation and economic development.

Bristow noted that when the Kibali gold mine pours its first gold scheduled for the end of next year, it would rank as one of the largest gold mines in Africa and would be an economic boom to the whole of the DRC.

"To achieve that, we need the support of all our stakeholders in the DRC, including the government, as well as of our international investors," he said.

"Over a projected lifetime of 16 years, it is anticipated that more than 50% of the net pre-tax value generated by the project will be distributed to the State in the form of taxes, royalties and dividends. The DRC state will in fact receive more than the other shareholders who are financing 100% of the project. This figure does not reflect the jobs it will create or the money it will spend with local businesses. What's important to note is that the estimates from our feasibility study are based on the DRC's current mining code and fiscal parameters. Any drastic changes to these will have a negative impact on costs, profits and even the life of the mine."

He said that increasing the tax burden on those who had taken the risk of investing in the DRC would not only damage the country's fledgling mining industry, it would also discourage future investors from developing new operations which would make profits, pay taxes and provide employment. "I need hardly tell you how damaging that would be to the growth of the DRC and its economy," he said.

ENQUIRIES:

Mark Bristow
Kibali chairman & Randgold Resources CEO
+223 6675 0122 / +44 788 071 1386

Willem Jacobs
Randgold GM operations Central & East Africa
+243 991 001 222

Louis Watum
Randgold country manager DRC & GM Kibali Goldmines
+243 994 035 464 / +243 817 153 062

Kathy du Plessis
Randgold investor & media relations
+44 20 7557 7738 / randgoldresources@dpapr.com

Website: www.randgoldresources.com