

THIS INFORMATION UPDATE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

# RANDGOLD

Randgold & Exploration Company Limited

(Incorporated in the Republic of South Africa)  
(Registration number 1992/005642/06)  
Share code: RNG ISIN: ZAE000008819 (suspended)  
("R&E" or "the Company")

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## INFORMATION UPDATE TO R&E SHAREHOLDERS

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This Information Update is intended to update shareholders of R&E with relevant information regarding *inter alia*, the settlement negotiations between R&E and JCI and the conclusion of the MOU (without prejudice to any of the rights enjoyed by R&E under the Mediation Agreement); the updated unaudited NAV of the R&E Group at 31 March 2009 (the previous NAV at 31 March 2008 having been published on 24 July 2008 and 5 December 2008 as well as an unaudited NAV at 31 October 2008 published on 5 December 2008) and an update in regard to R&E's litigation and claims against third parties and of settlements concluded subsequent to R&E's last litigation update which was contained in the Circular published on 5 December 2008.

Shareholders' attention is also drawn to the various annexures and updates contained in the Circular published on 5 December 2008. Shareholders are referred to the Circular and the annexures thereto where no new information is included in this Information Update.

Where applicable, the definitions on page numbers 4 to 8 of this Information Update have been used on this front cover.

**Sponsor and corporate advisor**



**Attorneys to R&E**



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# CORPORATE INFORMATION

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R&E shareholders are informed that certain information contained in previously published Annexures of the Circular as issued by R&E on 5 December 2008 may contain information which may subsequently have changed due to the ongoing forensic investigations. Accordingly, such Annexures should be read in conjunction with the relevant paragraphs as set out in this Information Update.

This document is only available in English and copies thereof may be obtained from the registered office of R&E and are also available on R&E's website [www.randgold.co.za](http://www.randgold.co.za)

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## FORWARD-LOOKING STATEMENT DISCLAIMER FOR R&E

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Certain statements in this Information Update as well as oral statements that may be made by the officers, directors or employees of R&E (and its subsidiaries) contain “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, specifically Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. All statements, other than statements of historical facts, are “forward-looking statements”. These include, without limitation, those statements concerning the R&E Group NAV Statement; the ability of R&E and JCI to successfully conclude a negotiated settlement without prejudice to their rights under the Mediation Agreement which is or may be acceptable to the necessary governmental authorities or, failing that, to successfully complete an arbitration or mediation in a costly manner; statements regarding the frauds and misappropriations that are alleged to have occurred and the time periods affected thereby; the ability of R&E and any of its subsidiaries to recover any misappropriated assets, investments and/or shares and other securities issued for no value; the outcome of any proceedings on behalf of, or against R&E and/or its subsidiaries; the ability of R&E to further the forensic investigation(s) with reference to specific issues and conclude on any aspect of the forensic investigations which have been conducted; the ability of R&E and its subsidiaries to prepare financial statements in accordance with IFRS; the time period for completing the forensic investigation(s) in respect of further specific issues and financial statements in accordance with IFRS; the amount of any claims R&E is or is not able to recover against others, including JCI, and the ultimate impact on the previously released financial statements and results, assets and investments, including the business, operations, economic performance, financial condition, outlook and trading markets of R&E and its subsidiaries, and RRL. Although R&E believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct, particularly in the light of the extent of the alleged frauds and misappropriations uncovered to date. Actual results could differ materially from those implied by or set out in the forward-looking statements.

Among other factors, these include the inherent difficulties and uncertainties in ascertaining the values of the net assets of R&E, particularly in light of the absence of any independent valuations; the existence of any unknown liabilities; the age of the financial information included in this Information Update and the absence of any financial statements in accordance with IFRS or unqualified fairness opinions; the ability of R&E to obtain the necessary regulatory dispensations and the willingness of any governmental authority to sanction any negotiated settlement which may be concluded between R&E and JCI; the extent, magnitude and scope of any fraud and/or misappropriation that may ultimately be determined to have occurred and the time periods and facts related thereto following the furtherance of the forensic investigation(s) in respect of further specific issues and any other investigations that may be commenced and the ultimate outcome of such forensic investigation(s); the ability of R&E to successfully assert any claims it may have against other parties for fraud and/or misappropriation of R&E’s assets or otherwise and the solvency of any such parties; the ability of any alleged perpetrators or any other party which has been sued by R&E and/or its subsidiaries to successfully counter-sue and/or join JCI in any of the litigation in which R&E and/or its subsidiaries are engaged at any stage prior to or following the conclusion of any negotiated settlement which would reduce the value of JCI; the acceptance of any statement and opinion of the Mediators by the shareholders of R&E and JCI; the ability of R&E to successfully defend any counterclaims or proceedings against it; the ability of R&E and its forensic investigators to obtain the necessary information with respect to the transactions, assets, investments, subsidiaries and associated entities of R&E to complete the forensic investigation(s) and prepare financial statements in accordance with IFRS; the willingness and ability of the forensic investigators and auditors to issue any final opinions with respect thereto; the ability of R&E to implement improved systems and to correct its late reporting; the JSE’s willingness to lift its suspension of the trading of R&E’s securities on that exchange; changes in economic and market conditions; fluctuations in commodity prices and exchange rates; the success of any business and operating initiatives, including any prospecting or mining rights; changes in the regulatory environment and other government actions; business and operational risk management; other matters not yet known to R&E or not currently considered material by R&E; and the risks identified in R&E’s press releases and other filings and submissions previously made with the United States Securities and Exchange Commission.

All forward-looking statements attributable to R&E and its subsidiaries, or persons acting on its behalf, are qualified in their entirety by these cautionary statements. R&E and its subsidiaries expressly disclaim any obligation to release publicly any update or revisions to any forward-looking statements to reflect any changes in expectations, or any change in events or circumstances on which those statements are based, unless otherwise required by law.

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## **LACK OF AUDITED FINANCIAL INFORMATION AND LIMITATIONS ON FINANCIAL INFORMATION**

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This Information Update to shareholders does not contain any audited historical financial information that is ordinarily required by the South African and US Securities laws, due to the alleged frauds and misappropriations that have occurred. In addition, and for similar reasons, this Information Update to shareholders contains only an unaudited Group NAV statement for R&E at 31 March 2009, but does not include any historical statement of operations, financial information or any more recent balance sheet information that is ordinarily required by the South African and US Securities laws.

The financial information included in this Information Update to shareholders has been prepared by, and is the responsibility of the present Board of R&E. The directors, comprising the present Board of R&E (subsequent to 24 August 2005 when the R&E Board was reconstituted), have relied on the forensic reports prepared by JLMC and used their respective reasonable endeavours to make available the financial information included in this Information Update to shareholders. Notwithstanding the reasonable endeavours of the directors of R&E as described herein, the attention of shareholders is drawn to the fact that:

- the newly constituted Board of R&E was appointed subsequent to material events and circumstances which had a direct effect on the financial and other affairs of R&E;
- the directors, comprising the present Board of R&E, have no further knowledge of the material circumstances and events which have affected the financial and other affairs of R&E; and
- due to the extent of the alleged frauds and misappropriations referred to herein, there may be other material events and circumstances or liabilities of which the R&E directors are not aware, which may have a material effect on R&E and which may affect the accuracy and completeness of the information reflected in this Information Update, with reference to the financial information and/or may have the effect that the financial information does not reflect a true and complete account of the financial and other affairs of R&E.

Given the inhibiting factors impacting on the preparation of the financial information contained in this Information Update, the unaudited Group NAV statements included in this Information Update to shareholders could not be prepared in accordance with the published guidelines of the JSE or the SEC for the preparation and presentation of financial statements. Accordingly, the financial information contained herein does not include financial statements and financial information disclosures of all information that is required by the guidelines of the JSE and the SEC and may include information those guidelines would exclude.

The unaudited financial information contained in this Information Update to shareholders has not been prepared in accordance with IFRS or US GAAP. This Information Update to shareholders does not contain a reconciliation of financial information to IFRS or US GAAP, and no assurance can be given that such a reconciliation would not reveal material differences. Shareholders must rely upon their own examination of R&E and the R&E Group and the financial information furnished in this Information Update with reference thereto. Shareholders should consult their own professional advisors for an understanding of the differences between this financial information, IFRS and US GAAP and how those differences might affect the financial information contained herein.

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# INTERPRETATIONS AND DEFINITIONS

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Throughout this Information Update, unless the context indicates otherwise, the words in the left hand column below shall have the meaning stated opposite them in the right hand column below. Reference to the singular shall include the plural and *vice versa*, words denoting one gender shall include the other genders, words and expressions denoting natural persons shall include juristic persons and associations of persons:

<b>“ADRs”</b>	American Depositary Receipts, negotiable certificates issued by a U.S bank representing a specified number of shares in a non-U.S. share that is traded on a U.S exchange, each ADR representing 1 R&E share;
<b>“Alease”</b>	The Afrikander Lease Limited (Registration number 1921/006955/06), a company incorporated in South Africa;
<b>“Allan Gray”</b>	Allan Gray Limited (Registration number 2005/002576/06), a company incorporated in South Africa being a major shareholder of both JCI and R&E as more fully set out in paragraph 12 of this Information Update;
<b>“annual financial statements” or “financial statements”</b>	Depending on the context, either a complete set of annual financial statements prepared in accordance with IFRS, or SA GAAP whichever is applicable;
<b>“Blersch”</b>	Johann Blersch, a former director of R&E, he having served on the Board of R&E between 14 August 2006 to 9 March 2007;
<b>“BNC”</b>	BNC Investments (Proprietary) Limited (in liquidation) (Registration number 1996/008143/07), a company incorporated in South Africa;
<b>“Board of R&amp;E” or “the R&amp;E directors” or “the R&amp;E Board”</b>	The Board of directors of R&E as indicated by the context of this Information Update, being either the Board of R&E constituted post 24 August 2005 or the present Board of R&E;
<b>“Boschendal”</b>	Boschendal (Proprietary) Limited (Registration number 2002/023534/07), a company incorporated in South Africa;
<b>“Cents”</b>	South African cents;
<b>“CEO”</b>	Chief Executive Officer;
<b>“certificated R&amp;E shares”</b>	R&E shares which have not been dematerialised and which are evidenced by share certificates or other physical documents of title;
<b>“Circular” or “the R&amp;E Circular”</b>	The Circular to R&E shareholders, dated 5 December 2008, together with the annexures thereto;
<b>“the Company” or “R&amp;E” or “Randgold”</b>	Randgold & Exploration Company Limited (Registration number 1992/005642/06), a company incorporated in South Africa, the shares of which are listed on the JSE, and which are currently suspended;
<b>“Companies Act”</b>	The Companies Act No. 61 of 1973, as amended;
<b>“CSDP”</b>	A Central Securities Depository Participant accepted as a participant in terms of the Securities Services Act;
<b>“Dale”</b>	Thomas Graham Dale, a former director of R&E, he having served on the Board of R&E between 14 August 2006 to 9 March 2007;
<b>“day” or “days”</b>	Any day other than a Saturday, Sunday or an official public holiday in South Africa;
<b>“the defendants”</b>	Tsec, T-sec Holdings, Gray and Steenkamp;
<b>“dematerialised”</b>	The process whereby paper share certificates or other physical documents of title are replaced with electronic records of ownership of shares or securities under Strate, with a duly appointed CSDP or broker;
<b>“documents of title”</b>	Share certificates, certified transfer deeds, balance receipts or any other physical documents of title pertaining to the R&E shares in question acceptable to the Board of R&E;
<b>“de Bruin”</b>	Daniel Izan de Bruin, a current independent non-executive director of the Company, he having been appointed to the Board of R&E on 1 April 2007;
<b>“Du Preez Leger Project”</b>	A project encompassing the farms Du Preez Leger 324, Jonkersrus 72, Milo 639, Rebelkop 456, Tweepan 678 and Vermeulenskraal 223 located in the district of Virginia in the Free State Province;
<b>“First Wesgold”</b>	First Wesgold Mining (Proprietary) Limited (Registration number 1992/004721/07), a company incorporated in South Africa and a wholly owned subsidiary of R&E;

<b>“FSD”</b>	Free State Development and Investment Corporation Limited (Registration number 1944/016931/06), a company incorporated in South Africa, the shareholding of which is held by JCI Gold (44.89%) and by R&E (55.11%);
<b>“Gold Fields”</b>	Gold Fields Limited (Registration number 1968/004880/06), a company incorporated in South Africa, the shares of which are listed on the JSE;
<b>“Gold Fields shares”</b>	Ordinary shares in the issued ordinary share capital of Gold Fields having a par value of 50 Cents per share;
<b>“the Gray action”</b>	The action by R&E and Holdings against <i>inter alia</i> Gray in the South Gauteng High Court (Johannesburg), in terms of which payment of an amount of R80 000 000 is claimed from Gray together with interest thereon as well as costs of suit;
<b>“GFO” or “Western Areas”</b>	Gold Fields Operations Limited, formerly Western Areas Limited (Registration number 1959/003209/06), a company incorporated in South Africa and a wholly-owned subsidiary of Gold Fields;
<b>“Goldridge”</b>	Goldridge Gold Mining company (Proprietary) Limited (Registration number 1974/003333/07), a company incorporated in South Africa. Goldridge is a 100% owned subsidiary of FSD;
<b>“Gray”</b>	Peter Henry Gray, the current CEO of JCI and former CEO of R&E (he having held such office until 11 July 2008), having been appointed as the CEO of JCI and R&E on 24 August 2005;
<b>“g/t”</b>	Grams of gold per tonne;
<b>“Holdings”</b>	African Strategic Investment (Holdings) Limited, formerly Randgold Resources (Holdings) Limited (Registration number 65832), a company incorporated in Jersey, Channel Islands;
<b>“IFRS”</b>	International Financial Reporting Standards of Accounting;
<b>“the Information Update” or “this Information Update”</b>	The Information Update contained in this document, together with the annexures thereto, including an update in regard to <i>inter alia</i> , the settlement negotiations between R&E and JCI and the conclusion of the MOU; an updated unaudited NAV of the R&E Group at 31 March 2009, (the previous unaudited NAV at 31 March 2008 having been published on 23 July 2008 and 5 December 2008 which included an unaudited NAV at 31 October 2008); and an update in regard to R&E’s litigation and claims against third parties and of settlements concluded subsequent to R&E’s last litigation update (which was included as Annexure 11 to the Circular);
<b>“the previous Information Update”</b>	The Information Update issued by the Company on 24 July 2008 to R&E shareholders providing an updated unaudited NAV Statement at 31 March 2008 on the R&E Group, an overview of the R&E claims and an updated forensic report relating to the claims by R&E against third parties and in respect of which settlements had been concluded;
<b>“Income Tax”</b>	Income Tax levied in terms of the Income Tax Act;
<b>“Income Tax Act”</b>	The Income Tax Act No. 58 of 1962, as amended;
<b>“Investec”</b>	Investec Bank Limited (Registration number 1969/004763/06), a company incorporated in South Africa, the shares of which are listed on the JSE;
<b>“Investec Bank UK”</b>	Investec Bank PLC (Registration number 3633621), a company incorporated in England and Wales;
<b>“the Investec loan agreement”</b>	The loan facility made available by Investec to JCIIF, in terms whereof an amount of R460 million was initially loaned to JCIIF and subsequently increased to in excess of R1,1 billion, in consideration for which Investec claims an entitlement to the Investec raising fee;
<b>“the Investec raising fee”</b>	A raising fee equal to the greater of R50 000 000, or an amount equal to 30% of the increase in the value of the assets of JCIIF, together with an additional 10% of the amount representing the increase in the price of approximately 2.218 billion JCI shares;
<b>“Itsuseng Services”</b>	Itsuseng Financial Services (Proprietary) Limited (Registration number 2003/012307/07), a company incorporated in South Africa;
<b>“Itsuseng Strategic”</b>	Itsuseng Strategic Investments (Proprietary) Limited (Registration number 2003/012231/07), a company incorporated in South Africa;
<b>“Jaganda”</b>	Xelexwa Investment Holdings (Proprietary) Limited, formerly Jaganda (Proprietary) Limited (in liquidation) (Registration number 2004/028345/07), a company incorporated in South Africa;
<b>“JCI”</b>	JCI Limited (Registration number 1894/000854/06), a company incorporated in South Africa, the shares of which are listed on the JSE and which are currently suspended;

<b>“JCI Gold”</b>	JCI Gold Limited (Registration number 1998/005215/06), a company incorporated in South Africa and a 100% owned subsidiary of JCI;
<b>“JCI Group”</b>	JCI and its subsidiaries and associated companies;
<b>“JCI Group Net Asset Value Statement”</b>	The JCI Group unaudited NAV Statement at 31 October 2008 published on 15 December 2008;
<b>“JCI scheme” or “scheme of arrangement”</b>	The rejected scheme of arrangement in terms of section 311 of the Companies Act proposed by R&E between JCI and its shareholders (excluding R&E), which was aimed at bringing about a merger of R&E and JCI, as published in the Circular and JCI scheme Circular;
<b>“JCI scheme Circular”</b>	The scheme circular to JCI shareholders, dated 15 December 2008, together with the annexures thereto;
<b>“JCI scheme participants”</b>	Those shareholders of JCI, other than R&E, who were recorded in the register of JCI on the record dates contemplated in the JCI scheme Circular and who were thus entitled to participate in the JCI scheme and to receive the scheme consideration;
<b>“JCI shares”</b>	Ordinary shares of R0,01 (One Cent) each in the issued share capital of JCI;
<b>“JCIIF”</b>	JCI Investment Finance (Proprietary) Limited (Registration number 2005/021440/07), a company incorporated in South Africa and a wholly-owned subsidiary of JCI;
<b>“JLMC”</b>	John Louw & Co (Proprietary) Limited (Registration number 2004/034874/07), a company incorporated in South Africa, formerly known as John Louw McKnight and company (Proprietary) Limited, previously known as Umbono Financial Advisory Services (Proprietary) Limited, being the independent forensic auditors appointed by R&E to investigate the affairs of R&E and the misappropriation of R&E's assets;
<b>“JSE”</b>	JSE Limited (Registration number 2005/022939/06), a company incorporated in South Africa, which is licensed as an exchange under the Securities Services Act;
<b>“Kebble”</b>	The late Roger Brett Kebble, the former CEO of R&E and JCI, who passed away on 27 September 2005;
<b>“the Kebble era”</b>	The era during which Kebble was the former CEO of R&E and JCI, he having served as the CEO of R&E between 24 July 2003 to 24 August 2005 and 1 September 1997 to 24 August 2005, in the case of JCI;
<b>“Kelgran”</b>	Kelgran Limited (Registration number 1975/004595/06), a company incorporated in South Africa;
<b>“Kovarsky”</b>	David Chaim Kovarsky, the current independent non-executive Chairman of the Company, he having been appointed to the Board of R&E on 12 December 2007;
<b>“KPMG”</b>	KPMG Inc. (Registration number 1999/021543/21), the Company's auditors and independent reporting accountants, as referred to in this Information Update;
<b>“KPMG Services”</b>	KPMG Services (Proprietary) Limited (Registration number 1999/012876/07), a company incorporated in South Africa and appointed as JCI's forensic auditors;
<b>“Lamprecht”</b>	John Chris Lamprecht, the former financial director of R&E and JCI, he having served on the Board of R&E between 24 August 2005 and 16 May 2006;
<b>“Letseng Diamonds”</b>	Letseng Diamonds Limited (Guernsey) (Registration number 31750), a company incorporated in Guernsey;
<b>“Madumise”</b>	Motsehoa Brenda Madumise, a current independent non-executive director of R&E;
<b>“Mediation Agreement”</b>	The Mediation/Arbitration Agreement concluded by R&E and JCI on 7 April 2006, as amended, together with the addenda thereto, providing for the determination of <i>inter alia</i> the R&E and JCI claims as defined therein and the appointment of the Mediators;
<b>“mediation”</b>	The mediation and arbitration in which R&E and JCI are currently engaged, pursuant to the Mediation Agreement;
<b>“Mediators”</b>	Advocate SF Burger SC, Professor HE Wainer CA (SA), and Mr C Nupen, appointed in terms of the Mediation Agreement as mediators as contemplated in terms of such agreement;
<b>“merger ratio” or “exchange offer”</b>	The exchange of 1 new R&E share for 95 JCI shares in terms of the scheme of arrangement as contemplated in the Circular;
<b>“MOU”</b>	The Memorandum of Understanding concluded between R&E, JCI and JCIIF on 5 May 2009;
<b>“Moz”</b>	Million ounces;

<b>“Nasdaq”</b>	Nasdaq National Market, an automated inter-dealer quotation system in the United States on which the ADRs were previously quoted before being delisted;
<b>“NAV”</b>	Net asset value;
<b>“Nissen”</b>	Andrew Christoffel Nissen, a former director of R&E and a current director of JCI, he having resigned as a director of R&E on 1 April 2007;
<b>“Nurek”</b>	David Morris Nurek, the former non-executive Chairman of R&E and JCI and an employee of Investec, he having been appointed as the non-executive chairman of R&E on 7 October 2005 and having resigned therefrom on 9 July 2008;
<b>“oz”</b>	Ounces (troy);
<b>“newly constituted Board of R&amp;E”</b>	The Board of R&E as reconstituted on 24 August 2005 to comprise of Messrs. Gray, Lamprecht, Madumise and Nissen and later Nurek (with effect from 7 October 2005);
<b>“the 31st of October Update”</b>	The Litigation Statement dated 31 October 2008, being Annexure 11 to the Circular;
<b>“PAYE”</b>	Pay As You Earn and Site (Standard Income Tax on Employees) falls within the Fourth Schedule of the Income Tax Act and is a withholding tax deducted from an employee’s remuneration; The Fourth Schedule defines remuneration earned from amongst other income, employment and the corresponding tax liabilities to be deducted from the employee termed ‘Site’ and ‘Paye’ whilst the Seventh Schedule of the Act applies to certain fringe benefits derived from employment and the subsequent Paye liability deductions where applicable;
<b>“Phikoloso transaction”</b>	The Phikoloso transaction as referred to in Annexure 1 of the Circular;
<b>“present Board of R&amp;E”</b>	The present Board of directors of R&E as reflected on page 9 of this Information Update;
<b>“PWC”</b>	PricewaterhouseCoopers Inc. (Registration number 1998/012055/21), a company incorporated in South Africa in accordance with the provisions of section 53(b) of the Companies Act, who prior to 8 December 2004 were the former auditors of R&E;
<b>“the proposed merger” or “the proposed transaction”</b>	The proposed (but now failed) merger between R&E and JCI which was to have been implemented by way of the scheme of arrangement;
<b>“the proposal”</b>	The proposal made by the present Board of R&E to JCI on 4 November 2008 and updated on 2 December 2008, in line with the resolutions to the Circular and ratified by the R&E shareholders at the R&E general meeting;
<b>“Rand” or “R”</b>	South African Rand, the unit of currency in use in South Africa;
<b>“R&amp;E claims”</b>	The alleged claims proffered by R&E against JCI, detailed in Annexure 2 to the Circular, none of which have yet been proven;
<b>“R&amp;E general meeting”</b>	The general meeting of R&E shareholders held at 10h00 on Monday, 19 January 2009 at The Hilton, Rivonia Road, Sandton, 2146;
<b>“R&amp;E share(s)”</b>	Ordinary shares of R0,01 (One Cent) each in the issued share capital of R&E;
<b>“Roger”</b>	Roger Ainsley Ralph Kebble, the former Chairman of R&E and JCI;
<b>“RRL”</b>	Randgold Resources Limited (Registration number 62686), a company incorporated in Jersey, Channel Islands, the shares of which are listed on the Nasdaq and the London Stock Exchange;
<b>“R&amp;E Group”</b>	R&E and its subsidiary and associated companies;
<b>“Report of the Mediators” or “Mediators Report”</b>	The report of the Mediators being Annexure 1 to the Circular;
<b>“SA GAAP”</b>	South African Generally Accepted Accounting Practice;
<b>“SARS”</b>	The South African Revenue Services, a division of the government that collects revenue and regulates all forms of tax payable by South African tax payers; SARS relies upon the Income Tax Act for these collections and regulations;
<b>“scheme meeting”</b>	The meeting of JCI scheme members held at The Hilton Hotel, Rivonia Road, Sandton, on Monday, 19 January 2009, together with the adjourned scheme meetings held thereafter, as the context may indicate, to consider and, if thought fit, approve the scheme;
<b>“SEC”</b>	The United States Securities and Exchange Commission, Washington D.C.;
<b>“Securities Exchange Act”</b>	U.S. Securities Exchange Act of 1934, as amended;
<b>“Securities Services Act”</b>	The Securities Services Act No. 36 of 2004, as amended;

<b>“SENS”</b>	The Securities Exchange News Service of the JSE;
<b>“shareholders” or “R&amp;E shareholders”</b>	The certificated, dematerialised and own name dematerialised shareholders of R&E recorded in the shareholders register of the Company as at the date of issue of this Information Update and in the context of the proposed merger, the R&E shareholders contemplated in the Circular;
<b>“Simmer &amp; Jack”</b>	Simmer and Jack Mines Limited (Registration number 1924/007778/06), a company incorporated in South Africa;
<b>“SRP”</b>	The Securities Regulation Panel established in terms of section 440B of the Companies Act;
<b>“South Africa”</b>	The Republic of South Africa;
<b>“South African transfer secretaries”</b>	Computershare Investor Services (Proprietary) Limited (Registration number 2004/003647/07), a company incorporated in South Africa being the South African transfer secretaries of R&E;
<b>“Steenkamp”</b>	Leonard Dewald Steenkamp, the former CEO of T-sec;
<b>“Strate”</b>	Strate Limited (Registration number 1998/022242/06), a company incorporated in South Africa, being a registered Central Securities Depository in terms of the Securities Services Act;
<b>“Steyn”</b>	Marais Steyn, the current acting CEO of R&E, he having been appointed as a director of R&E on 13 December 2006;
<b>“Subsidiary”</b>	A subsidiary company as defined in section 1(3) of the Companies Act;
<b>“the Tlotlisa action”</b>	The action instituted by R&E and Holdings against the defendants in the South Gauteng High Court (Johannesburg), in terms of which, payment is claimed from the defendants of an aggregate amount of R648 083 359.06 together with interest thereon as well as costs of suit;
<b>“T-sec”</b>	Tlotlisa Securities (Proprietary) Limited (Registration number 1998/011701/07), a company incorporated in South Africa;
<b>“T-sec Holdings”</b>	Tlotlisa Holdings Limited (Registration number 1964/001296/07), a company incorporated in South Africa;
<b>“United Kingdom registrars”</b>	Capita Registrars Limited (Registration number 02605568), a company incorporated in England, Wales and the United Kingdom;
<b>“United States” or “US”</b>	The United States of America;
<b>“United States Depository”</b>	The Bank of New York whose details appear in the Corporate Information section of the Information Update;
<b>“US GAAP”</b>	Generally Accepted Accounting Principles in the United States;
<b>“VAT”</b>	Value Added Tax levied in terms of the VAT Act, being a form of indirect taxation imposed on the value of goods and services supplied by vendors (being persons who are required to register for VAT), the current rate of which is 14%;
<b>“VAT Act”</b>	The Value Added Tax Act, No.89 of 1991, as amended; and
<b>“VWAP”</b>	The volume weighted average traded price on the JSE.



## Randgold & Exploration Company Limited

(Incorporated in the Republic of South Africa)

(Registration number 1992/005642/06)

Share code: RNG ISIN: ZAE000008819 (suspended)

ADR ticker symbol: RNG

("R&E" or "the Company")

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### Directors of R&E:

DC Kovarsky (Non-executive Chairman)  
M Steyn (CEO) (Executive)  
DI de Bruin (Independent Non-executive)  
MB Madumise (Independent Non-executive)

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## UPDATE TO SHAREHOLDERS

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### 1. INTRODUCTION

- 1.1 R&E has and continues to find itself unable to produce meaningful annual financial statements, due to the frauds and misappropriations which allegedly occurred during the Kebble era. In the main, the assets in the possession of the Company currently consist of investments in listed equities, cash, prospecting rights and various claims (including the R&E claims against JCI). Given the Company's inability to produce annual financial statements, the Board of R&E deems the regular publication of R&E's NAV together with other relevant information, as an appropriate means of updating shareholders.
- 1.2 R&E alleges that it was the victim of widespread frauds and thefts, unprecedented in South African commercial history. As a result hereof, the Company has proceeded with various claims against third parties, aimed at achieving recoveries for R&E and securing settlements where it is considered commercially beneficial for the Company. One such claim is the R&E claims against JCI, which comprise some 19 separate claims.

### 2. PROGRESS IN RESOLVING THE JCI DISPUTE

- 2.1 On 23 April 2007, R&E and JCI announced on SENS, that pursuant to the recommendation of the Mediators, R&E intended to propose a scheme of arrangement between JCI and its shareholders (excluding R&E) which, if implemented, would result in R&E becoming the owner of the entire issued share capital of JCI.
- 2.2 In the previous Information Update (dated 24 July 2008), shareholders were informed that as a result of delays in concluding the proposed merger, R&E and JCI had been engaged in negotiations regarding a settlement and on 21 July 2008 had signed a Memorandum of Understanding, with a view to a possible settlement agreement being concluded between the companies within 21 days thereof.
- 2.3 On 26 August 2008, R&E announced on SENS that the companies had not been able to achieve the settlement agreement as envisaged therein and furthermore, had not been able to execute the proposed merger as contemplated in the joint SENS announcement dated 23 April 2007. R&E announced further that the merger having failed, the disputes between the companies would be referred to arbitration. In the same announcement R&E cited various parties against which it had proceeded with legal action in an attempt to recover damages arising from assets which it alleges were misappropriated from it during the Kebble era. (It should be noted that the Mediation Agreement provides *inter alia* that should the merger fail for any reason whatsoever, the disputes between the companies would be referred to arbitration.)
- 2.4 On 27 August 2008, JCI published a SENS announcement in which it announced that in its view, there was no reason why the merger should be aborted and that JCI intended engaging with R&E in regard to the issues raised in R&E's announcement.
- 2.5 Following the SENS announcement of 26 August 2008, certain of R&E's major shareholders approached the present Board of R&E and requested that R&E revisit a possible merger with JCI as an alternative to immediate arbitration.
- 2.6 Having obtained various regulatory dispensations and rulings from the JSE and SRP regarding the formal disclosure requirements applicable to a merger, on 4 November 2008, the present Board of R&E made the proposal to JCI.

- 2.7 The proposed transaction required R&E shareholders to approve the requisite resolutions set out in the notice of the R&E general meeting attached to the Circular, to enable R&E to proceed with the proposed merger, and in so doing to ratify the proposal.
- 2.8 On 19 January 2009, R&E's shareholders approved of the requisite special and ordinary resolutions tabled in respect of the proposed merger with JCI, with 95% of eligible votes in favour of the R&E Board's proposal.

### **3. THE LAPSING OF THE SCHEME OF ARRANGEMENT**

- 3.1 The scheme meeting of the JCI scheme participants which was held at 14h00 on 19 January 2009 in terms of section 311 of the Companies Act, was, at the bequest of certain JCI scheme participants represented by Monty Koppel and Dennis Daly adjourned to 2 February 2009. The purpose of the adjournment was to enable JCI to negotiate a settlement with Investec regarding the Investec raising fee, to the extent possible.
- 3.2 At the resumed scheme meeting of the JCI scheme participants held on 2 February 2009, a further adjournment was requested by certain JCI scheme participants which request was declined by the Chairman of the meeting. JCI's management presented an agreement entered into with Investec limiting, *inter alia*, the Investec raising fee to R275 million. For its implementation the agreement required the irrevocable support from JCI shareholders and R&E to waive its claims against Investec and Investec Bank UK. R&E's management indicated at the meeting that R&E was prepared to accept the terms of the agreement, subject to the proposed merger being implemented.
- 3.3 Following upon the meeting of 2 February 2009, certain shareholders of JCI approached the High Court of South Africa (South, Gauteng High Court (Johannesburg)) in consequence of which and by way of an Order of Court dated 11 February 2009 it was ordered that:
- 3.3.1 the proceedings of the scheme meeting held at 14h00 on Monday, 2 February 2009 as well as the vote and the outcome of the vote conducted at such meeting were set aside;
  - 3.3.2 the scheme meeting was reconvened to take place on Monday, 9 March 2009;
  - 3.3.3 notice of the reconvened scheme meeting be given to JCI scheme participants by an appropriate announcement on SENS and by publication in two national daily newspapers; and
  - 3.3.4 the date on which the results of the scheme meeting would be reported to the Court was postponed until 10h00 on Tuesday, 17 March 2009 or so soon thereafter as Counsel may be heard.
- 3.4 At the re-convened scheme meeting of 9 March 2009, the scheme meeting was again adjourned to Wednesday, 29 April 2009 at 14h00 subject to JCI being able to convene the scheme meeting on an earlier date, following the giving of 14 days notice. In consequence of the further adjournment, R&E and JCI were required to give due consideration to extending the fulfilment date of the conditions precedent to the scheme of arrangement to a date not beyond 29 June 2009.
- 3.5 On 31 March 2009, R&E and JCI announced that they had by way of agreement dated 30 March 2009, agreed to an extension of the date for the fulfilment of the relevant conditions precedent, to 15 May 2009.
- 3.6 The directors of JCI resolved to bring the adjourned scheme meeting forward, having announced on 24 March 2009 that the scheme meeting would be held at 09h00 on Thursday 9 April 2009.
- 3.7 On 9 April 2009, JCI announced that at the reconvened scheme meeting of JCI scheme participants, the scheme of arrangement in terms of section 311 of the Companies Act was not approved by the requisite majority of scheme members present and voting in person or by proxy and that as a result, the scheme of arrangement could not be effected, and the proposed merger between R&E and JCI had lapsed.

### **4. ALTERNATIVE POSSIBLE NEGOTIATED SETTLEMENT WITH JCI**

- 4.1 In consequence of the failed proposed merger, R&E is of the view that it and JCI remain bound by the Mediation Agreement and that the R&E claims against JCI remain of full force and effect.
- 4.2 The failure of the proposed merger means that the claims enjoyed by R&E against JCI ought now to be referred by the Board of R&E to arbitration.

- 4.3 The Board of R&E is confident that it will ultimately prevail in its claims against JCI. The Board of R&E remains mindful however of the costs associated with pursuing a protracted arbitration with JCI at this stage and of its obligation to R&E to seek an expedient solution to the impasse with JCI, to the extent achievable and without prejudice to any of its rights under the Mediation Agreement. (R&E shareholders are reminded that the process of arbitration is likely to be costly, diversionary and very protracted, and dependent for its enforcement upon the constraints of JCI's NAV).
- 4.4 The Board of R&E persists with the view that the proposed merger presented the most efficient mechanism to resolve the impasse between R&E and JCI.
- 4.5 For these reasons the Board of R&E is desirous of seeking to attain a solution for the shareholders of R&E akin to that which the proposed merger would have brought about and is hopeful given the apparent commitment of JCI hereto that a settlement can now be achieved.
- 4.6 In the light hereof, the Board of R&E believes, entirely without prejudice to R&E's rights to proceed with the arbitration against JCI, that before invoking its rights under the Mediation Agreement and referring the disputes between the companies to arbitration, it would be in the best interests of R&E to seek to achieve a negotiated settlement with JCI on similar commercial terms to those of the failed proposed merger.
- 4.7 The Board of R&E is in the process of pursuing such a possible negotiated settlement with JCI (as announced on SENS on 17 April 2009), to the extent possible.

## **5. THE CONCLUSION OF THE MOU**

- 5.1 On 5 May 2009, following the failure of the scheme of arrangement (as announced on 9 April 2009), JCI, JCIIF and R&E concluded the MOU.
- 5.2 The MOU contemplated the conclusion of a settlement agreement between JCI, JCIIF and R&E on terms acceptable to them on or before 31 May 2009. The MOU stipulated that no binding agreement would come into being until such time as the settlement agreement had been signed and the settlement agreement would only become effective once it becomes unconditional in accordance with its terms. The MOU was concluded without prejudice to R&E's rights under the Mediation Agreement.
- 5.3 The MOU contemplated that the implementation of the settlement agreement would bring about a full and final settlement of all of R&E's claims against JCI and *vice-versa*.
- 5.4 The settlement agreement would be subject to a number of suspensive conditions one of which is that a suitable agreement would be concluded with Investec, limiting the Investec raising fee to R275 000 000 and that the relevant assets held by Investec as security in respect of the Investec loan agreement be released by Investec.
- 5.5 Subject to the fulfilment of the suspensive conditions to be provided for in the settlement agreement (inclusive of the requisite regulatory approvals), the MOU contemplated that:
  - 5.5.1 JCI and JCIIF would cause 6 051 632 Gold Fields shares to be registered in the name of R&E;
  - 5.5.2 JCI would cause 8 305 427 R&E shares which are registered in the name of JCI, to be registered in the name of R&E;
  - 5.5.3 R&E would cause 305 186 049 JCI shares which are registered in the name of R&E to be registered in the name of JCI;
  - 5.5.4 JCI and JCIIF would transfer 50% of their direct and indirect claims and/or economic benefits of 357 374 000 preference shares in Jaganda to R&E;
  - 5.5.5 JCI would cause the transfer of 50% of the JCI group's direct and/or indirect interest, claims and/or economic benefits in Boschendal to R&E.
- 5.6. The MOU envisaged the inclusion in the settlement agreement of provisions regarding *inter alia*, the sharing of information, the regulation of the litigation in which JCI and JCIIF are involved against Jaganda and suitable indemnities in the event of the joinder of either JCI or R&E, having regard to actions instituted against third parties.

- 5.7 Whilst the companies have been negotiating in good faith to conclude a binding settlement agreement by 31 May 2009, as at the date of this Information Update they have not done so. The Board of R&E is hopeful that a settlement agreement will still be concluded however it is assessing all options available to R&E, including the alternative of arbitration which remains a distinct possibility.
- 5.8 Should a settlement agreement be concluded, it will constitute an alternative to the proposed merger and contemplates a similar financial outcome to that of the proposed merger for the shareholders of both companies.
- 5.9 The terms of any settlement agreement will be detailed in a circular to R&E's shareholders to be furnished to them in due course and will be presented to both of the shareholders of R&E and JCI for approval and/or ratification in general meeting.

## **6. THE CONSTRAINTS UPON R&E IN PRODUCING MEANINGFUL ANNUAL FINANCIAL STATEMENTS AND THE IMPACT THEREON BY THE LAPSING OF THE PROPOSED MERGER**

- 6.1 During the Keble era, the uncertainty surrounding the asset position of R&E led to R&E's inability to produce annual financial statements, the last of which were published for the financial year ended 31 December 2003. R&E's inability to publish same led to the suspension of R&E from the JSE and to its delisting from the Nasdaq. Moreover, the annual financial statements prepared by R&E for the financial year ended 31 December 2003 were found, during the forensic investigations performed, to suffer from substantial shortcomings, requiring restatement.
- 6.2 On 31 March 2006, R&E's provisional unaudited results for the two years ended 31 December 2004 and 31 December 2005 and the restated provisional results for the financial year ended 31 December 2003 were published.
- 6.3 In the commentary provided to these results, R&E's shareholders were furnished with a broad overview of the affairs of R&E and the findings of JLMC prior thereto.
- 6.4 On 30 June 2006, R&E convened a general meeting of its shareholders, which meeting was purposed at informing shareholders of certain seminal events relating to *inter alia* the suspension of R&E from the JSE; its delisting from the Nasdaq; the circumstances which had given rise to the restructuring of the Board of R&E; the circumstances which had given rise to the resignation of R&E's erstwhile auditors (Charles Orbach); details of the forensic investigations in respect of the preliminary findings; the steps which R&E had undertaken in order to recover certain of its misappropriated assets and what processes R&E would employ in an endeavour to recover its losses against those who had harmed it; and details surrounding the Mediation Agreement.
- 6.5 Having prepared the unaudited results, the Board of R&E was initially optimistic that it would be in a position to finalise its financial statements for the years ended 31 December 2005 and 31 December 2004 prior to the end of September 2006. The Board of R&E soon realised however that this expectation was unrealistic.
- 6.6 On the assumption that it could produce financial statements, R&E publicly announced that it would hold its Annual General Meeting on 28 September 2006.
- 6.7 The initial belief of elevating the unaudited results (through supplementation), into financial statements in accordance with IFRS, was soon overtaken when the mediation process brought complex legal and accounting issues to the fore. In the wake of these realisations, it became further apparent that the likelihood of the finalisation of financial statements in accordance with IFRS by 28 September 2006 was unattainable. It became apparent to the Board of R&E that even if financial statements could be prepared, such financial statements would be disclaimed by management and consequently an opinion would also have been disclaimed by R&E's auditors and therefore be meaningless to shareholders. The absence of certainty in regard to whether or not R&E would succeed in any claim against JCI, would have rendered the expression of an opinion in respect of a process which was at that stage far from complete and likely to be premature, valueless.
- 6.8 Following the appointment of Blersch and Dale to the Board of R&E in August 2006, they were also appointed to the Audit Committee of R&E, Blersch having served as the Chairman thereof. The Audit Committee was tasked with taking all steps necessary to bring about the publication of R&E's annual financial statements as soon as possible. Given the constraints which operated against the possibility of producing meaningful financial statements, the Audit Committee was not able to bring about the finalisation of the financial statements.
- 6.9 With the appointment of Steyn as R&E's financial director with effect from 13 December 2006, he identified new accounting issues which it was felt warranted substantial investigation before R&E's annual financial statements could be prepared.
- 6.10 Given unresolved questions surrounding the status of assets which appeared to be in the possession of R&E and JCI in respect of which neither company could assert ownership with any degree of conviction, any financial statements which were to be prepared, would be completely meaningless. For R&E to produce financial statements capable of being audited indicating a historical ownership of certain investments, given the legacy of the Keble era, would result in financial statements being disclaimed to such an extent as to be of little or no value to R&E's shareholders.

- 6.11 Furthermore, in order for R&E to prepare such financial statements, it would be necessary for R&E to make a number of assumptions. In order for there to be any certainty in respect of such assets, it would have been necessary for the disputes between R&E and JCI to be adjudicated upon before the management of R&E could responsibly conclude in respect of the ownership thereof and consequently account for such assets.
- 6.12 The problem facing the Board of R&E in the possible preparation of financial statements, is confounded by the fact that various transactions appear at face value to have binding effect, whereas the investigations of the forensic investigators have established that many of these transactions were not intended to create legally enforceable and binding obligations, but rather were utilised as a facade to conceal various misappropriations.
- 6.13 The failure of the proposed merger brings with it a perpetuation of the same problems that were experienced by R&E in producing audited financial statements. R&E remains in the same position as it was before the failure of the proposed merger, concerning the preparation of audited financial statements.
- 6.14 So inconclusive is the accounting evidence in respect of various of the assets of R&E, that it is not possible for R&E to publish audited financial statements.
- 6.15 R&E is not in a position to produce financial statements in accordance with IFRS and will not without a resolution of the matter, either through a settlement, a merger or arbitration, be able to do so.

## 7. OVERVIEW OF THE NAV

- 7.1 The NAV of the Company at 31 March 2009 is estimated at R7.93 per share or R570 million, compared to a value of R8.36 per share or R600 million at 31 March 2008. The estimated NAV excludes any provision for claims which R&E might enjoy against JCI and any other parties.
- 7.2 On the assumption that a negotiated settlement were to be concluded between R&E and JCI, incorporating terms and conditions acceptable to R&E (and in line with the MOU), the NAV of R&E is estimated at R20.33 per share or R1.461 billion at 31 March 2009. The NAV values referred to have been determined by having regard to the value of listed equities at 31 March 2009, including the Gold Fields value per share of R113.2. There is however no guarantee that a binding settlement agreement will be signed between R&E and JCI.
- 7.3 The 5.1% or R30.8 million decrease in the NAV of the Company from 31 March 2008 to 2009 is mainly as a result of the following salient net changes.
- 7.4 Primarily, falling equity prices have impacted negatively on the NAV of R&E. The Gold Fields VWAP at the end of March 2008 was R123.5 per share compared to the R113.2 per share at the end of March 2009, resulting in a decrease in NAV of approximately R21 million. No other material changes occurred in the assets of R&E. R&E's tax liabilities, comprising of Income Tax payable and deferred taxation decreased by R10.8 million. No other material changes occurred in the liabilities of R&E.
- 7.5 During the period under review, R&E, through the settlement of claims, made capital recoveries amounting to R20.4 million. (Shareholders are referred to paragraph 8 below.)
- 7.6 The salient operating costs of the Company are listed below:

	<b>12 months ended</b>	12 months ended
	<b>31 March 2009</b>	31 March 2008
	<b>R million</b>	R million
Capital recoveries/settlements	<b>20.4</b>	12.7
Net finance income	<b>20.8</b>	2.2
Dividends and other income	<b>7.3</b>	2.6
Directors' remuneration	<b>(8.7)</b>	(6.4)
Salaries	<b>(4.4)</b>	(3.6)
Legal expenses	<b>(19.7)</b>	(12.3)
Auditors' fees	<b>(3.6)</b>	(3.3)
Forensic costs	<b>(5.0)</b>	(2.6)
Consulting fees	<b>(4.9)</b>	(1.8)
Insurance premium	<b>(3.3)</b>	(7.9)
Sponsor & JSE	<b>(4.7)</b>	(1.1)
Administrative expenses	<b>(2.5)</b>	(2.3)

It is necessary for R&E to continue to retain the services of both its legal and forensic advisors. The cost to the Company of these services for the period under review amounted to R24.7 million, inclusive of legal costs incurred by the Company in pursuing the below mentioned extra-territorial litigation. Remuneration paid to Directors is detailed in paragraph 9 below. Insurance expenses relate to Directors' and Officers' insurance cover for the year ending 31 December 2009. The main differences between the salient operating costs for the 12 months ended on 31 March 2009 and 31 March 2008, respectively, are *inter alia* attributable to: other income which increased from R2.6 million to R7.3 million, as a result of higher dividend and management fees received; increases in salaries which increased slightly as a result of inflation and the payment of bonuses; legal, audit, forensic, consulting fees, the pursuit of extra-territorial litigation (most notably in the United Kingdom) and the support services required in respect of such litigation; the slight rise in administrative expenditure due to the increase of prospecting related costs; insurance premiums (which decreased by R4.6 million), and the increase in fees payable to the Company's sponsor and to the JSE due to increased corporate activity arising from the pursuit of the proposed merger.

#### 7.7 Abridged net asset value statement

	<sup>(1)</sup> Unaudited 31 March 2009 (R'000)	<sup>(2)</sup> 31 March 2008 (R'000)
<b>ASSETS</b>		
<b>Listed Investments</b>	<b>299 413</b>	329 074
Gold Fields	229 566	250 556
JCI	69 847	78 123
Other listed investments	–	395
Other prospecting rights	76 764	76 764
<b>Other assets</b>	<b>285 211</b>	283 448
Loans receivable	128 321	73 969
Payment under settlement agreement	10 207	4 000
Cash and cash equivalents	146 683	205 479
<b>Total assets</b>	<b>661 388</b>	689 286
<b>LIABILITIES</b>		
<b>Other liabilities</b>	<b>(91 321)</b>	(88 404)
Provision for post-retirement medical benefit obligation	(34 571)	(32 984)
Income tax payable	(11 963)	(17 889)
Deferred taxation	(23 489)	(28 328)
Trade and other payables	(21 298)	(9 203)
<b>Total liabilities</b>	<b>(91 321)</b>	(88 404)
<b>NET ASSETS</b>	<b>570 067</b>	600 882
<b>ISSUED SHARES</b>	<b>Number of shares</b>	<b>Number of shares</b>
Number of shares in issue	74 813 128	74 813 128
Shares identified for possible cancellation	(2 943 087)	(2 943 087)
Net shares in issue	71 870 041	71 870 041
Net asset value per share – Rand	7.9319	8.3607

<sup>(1)</sup> Although R&E's financial year end is 31 December, the Group NAV statement has been prepared at 31 March to allow for comparison to JCI's NAV, JCI having a 31 March financial year end.

<sup>(2)</sup> Reported on in terms of a limited assurance report issued by KPMG, the independent auditor of R&E, as included in Annexure 5b of the Circular published on 5 December 2008.

## **8. STATUS OF LITIGATION AND UPDATE IN REGARD TO SETTLEMENTS CONCLUDED**

- 8.1 Further to the 31st of October Update, R&E and those subsidiaries cited as alternative plaintiffs to it, continue to pursue the various claims in which they are involved, against third parties.
- 8.2 Such claims are at various stages and are being pursued in the courts.

### **Actions instituted subsequent to the 31st of October Update**

#### *Summons against Kebble*

- 8.3 On Friday 27 March 2009, summons was issued by R&E and First Wesgold out of the Western Cape High Court (Cape Town) against the trustees of Kebble's estate.
- 8.4 The summons introduces four further claims against Kebble's estate, in respect of 94 million Alease shares, 40 million Simmer & Jack shares, 12 574 836 JCI shares and 28 000 Western Areas shares, in respect of which R&E seeks damages from Kebble's estate in consequence of the role played by Kebble in the alleged misappropriation of these shares. (It will be recalled that R&E has already proved claims in Kebble's estate amounting to R2.67 billion.)
- 8.5 Shareholders are further informed that SARS and the trustees of Kebble's estate have recently concluded an Agreement of Settlement (subject to certain conditions being fulfilled), in terms whereof it has been agreed that following the agreement becoming unconditional, Kebble's estate will make payment of an amount of R50 million to SARS in full and final settlement of the claims enjoyed by SARS against Kebble's estate.

#### *Summons against Investec Bank UK*

- 8.6 On 18 December 2008, Holdings and R&E issued a claim out of the High Court of Justice, Chancery Division, London against Investec Bank UK and Investec, which claim was served on Investec Bank UK on 18 December 2008 and on Investec on 29 April 2009.
- 8.7 The claim by Holdings and R&E relates to a transaction concluded between Investec Bank UK and JCI in March/April 2004 and concerns 5 460 000 shares in the issued share capital of RRL.
- 8.8 Holdings and R&E are claiming an order *inter alia*, that:
  - 8.8.1 Investec Bank UK deliver up to Holdings all those parcels of shares in RRL or the ADRs representing such shares, including or comprising parcels amounting to 5 460 000 RRL shares or ADRs;
  - 8.8.2 an account be given for the said shares, ADRs and proceeds thereof by Investec Bank UK and Investec;
  - 8.8.3 payment be made to Holdings and R&E of all proceeds received by Investec Bank UK and/or Investec;
  - 8.8.4 payment of damages or compensation at law or in equity for all losses suffered by Holdings and R&E be made;("the claim").
- 8.9 An extension to file their defence to the claim until 3 August 2009 has been requested by Investec Bank UK, which has been agreed to and Investec has made a similar request.

#### **Settlement with T-sec and others**

- 8.11 Shareholders will recall that on 22 August 2008, R&E and Holdings issued summons out of the South Gauteng High Court (Johannesburg) against T-sec, T-sec Holdings, Gray and Steenkamp.
- 8.12 The action comprised of two claims, namely:
  - 8.12.1 the Tlotlisa action, in terms of which, payment from the defendants was claimed of an aggregate amount of R648 083 359.06, together with interest thereon as well as costs of suit;
  - 8.12.2 the Gray action, in terms of which, payment of an amount of R80 million was claimed from Gray, together with interest thereon as well as costs of suit.

- 8.13 On 6 February 2009, R&E, Holdings, T-sec, Tlotlisa Holdings, Gray and Steenkamp concluded an Agreement of Settlement in terms whereof, subject to and following upon payment by T-sec of an amount of R14 000 000 to R&E, *inter alia*:
- 8.13.1 the Tlotlisa action would be regarded as settled;
  - 8.13.2 the Gray action would remain of full force and effect;
  - 8.13.3 save for the Gray action and any other action instituted separately against Gray, R&E and Holdings would enjoy no further claims against the defendants and the defendants would have no claims against R&E and/or Holdings.
- 8.14 Payment of all amounts due to R&E under the Settlement Agreement have been made.

#### Application by BNC

- 8.15 In January 2009, the liquidators of BNC served a subpoena on Roger to attend an enquiry into the trade dealings and affairs of BNC at the beginning of February 2009.
- 8.16 In consequence thereof, Roger launched an application to set aside the subpoena, citing R&E as a Respondent to the application.
- 8.17 R&E did not oppose the application, agreeing to abide the decision of the court. It did however file an affidavit to address some aspects of the application which in its view warranted clarification.
- 8.18 In March 2009, judgment was handed down in the South Gauteng High Court (Johannesburg), dismissing Roger's application with costs.

#### Recovery against Itsuseng

- 8.19 R&E's shareholders will recall that by way of Annexure 3 to the previous Information Update it informed shareholders that a Memorandum of Agreement had been concluded between it and Itsuseng Strategic and Itsuseng Services on 16 March 2006, pursuant to which Itsuseng Strategic and Itsuseng Services remained indebted to R&E in the amount of *inter alia* R3 199 333.75, which R&E had demanded payment of.
- 8.20 On 9 January 2009, R&E received payment of R2 386 334.86 towards such indebtedness, the balance remaining outstanding.

Other than the proceedings in which R&E is presently engaged and save for the arbitration contemplated in terms of the Mediation Agreement, there are no other proceedings (including pending or threatened proceedings) of which R&E is aware which may have or have had a material effect on the R&E Group financial position during the 12 months preceding this Information Update.

## 9. DIRECTORS EMOLUMENTS, REMUNERATION AND INCENTIVES

#### Directors' remuneration

The following remuneration was paid to the directors of R&E for the period commencing 1 March 2008 to 28 February 2009 or part thereof:

Director	Salary/Fees R	Bonus R	Retrenchment R	Directors' fees R	TOTAL R
Nurek <sup>o</sup>	–	–	–	125 000	125 000
Gray*	1 061 023	1 000 000	–	–	2 061 023
Steyn	2 150 000	5 000 000	–	–	7 150 000
Madumise	–	–	–	150 000	150 000
De Bruin <sup>†</sup>	320 000	–	–	150 000	470 000
Kovarsky	–	–	–	200 000	200 000

<sup>o</sup> Resigned effective 9 July 2008

\* Resigned effective 11 July 2008

<sup>†</sup> R&E has appointed Xenium Securities (Proprietary) Limited, a company which is 100% owned by Mr. D I de Bruin, as consultants on a temporary basis to administer and manage the prospecting rights allocated to the R&E Group. A monthly fee of R40 000 is being paid to Xenium Securities (Proprietary) Limited.

## 10. R&E AND ITS DIRECTORS' INTERESTS AND DEALINGS

### *Directors' interests in R&E shares*

As at the date of this Information Update, no directors held any beneficial or non-beneficial interests, whether directly or indirectly in R&E shares.

### *Directors' interests in transactions*

None of the R&E directors have any material direct or indirect beneficial interests in any transactions which were effected by R&E during:

- the current or immediately preceding financial year; or
- an earlier financial year and which remain in any respect outstanding or unperformed.

## 11. THE CHANGES TO THE DIRECTORATE OF R&E SINCE 1 APRIL 2008

The below table reflects the changes that have occurred to the Board of R&E since 1 April 2008:

Name	Designation	Date appointed	Date resigned
M B Madumise	Independent Non-Executive Director	24/07/2005	Current
P H Gray	Chief Executive Officer	24/08/2005	11/07/2008
D M Nurek	Non-Executive Chairman	07/10/2005	09/07/2008
M Steyn	CEO and Financial Director	13/12/2006	Current
D I de Bruin	Independent Non-Executive Director	01/04/2007	Current
D C Kovarsky	Independent Non-Executive Chairman	05/12/2007	Current

## 12. MAJOR SHAREHOLDERS

As at 24 April 2009, being the most recent share register date of R&E, the following R&E shareholders beneficially held, directly or indirectly, an interest of 5% or more of the 74 813 128 ordinary R&E shares currently in issue:

R&E shareholders	Number of R&E shares	Percentage holding of R&E shares
Investec Bank Limited	16 974 246	22.69%
Allan Gray <sup>1</sup>	9 274 817	12.40%
Bank of New York (ADRs)	7 078 680	9.46%
JCIIF	5 789 318	7.74%

### **Notes:**

1. As at 24 April 2009, Allan Gray in their capacity as fund managers had under their control (inclusive of their beneficial holding in R&E of 12.40%), 17 366 033 ordinary R&E shares comprising 23.21% of the issued share capital of R&E.

## 13. DE-REGISTRATION OF U.S. SECURITIES

- 13.1 On 24 March 2008, pursuant to the conclusion of a settlement between it and R&E, the SEC issued an order under section 12(j) of the Securities Exchange Act.
- 13.2 In terms of that order, the registration of R&E's ordinary shares and ADRs in the United States was revoked. In consequence of the issue of this order by the SEC, no member of a national securities exchange, broker, or dealer may make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce the purchase or sale of R&E's ordinary shares and ADRs in the US. The effect of this is to prohibit trading in R&E's shares and ADRs in the United States.
- 13.3 The revocation of the registration of R&E's ordinary shares and ADR's in the United States was announced by R&E on SENS on 25 March 2008.

## 14. R&E'S FUTURE STRATEGY

R&E's current strategy is to recover capital lost as a result of the frauds and misappropriations which allegedly occurred under the Kebble era. The immediate and unresolved dispute revolves around JCI's denial of liability towards R&E of the R&E claims. The lapsed merger would have resulted in a resolution of the impasse between the companies. As has already been indicated, the Board of R&E is desirous of attempting to achieve a negotiated settlement with JCI, prior to R&E referring the disputes between it and JCI to arbitration in terms of the Mediation Agreement. Shareholders will be advised of any possible settlement. Should the MOU, as published on 5 May 2009, result in a settlement it would place R&E in a significantly stronger position to restore value to its shareholders.

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## UNAUDITED GROUP NET ASSET VALUE STATEMENT

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(Incorporated in the Republic of South Africa)  
(Registration number 1992/005642/06)  
Share code: RNG ISIN: ZAE000008819 (suspended)  
("R&E" or "the Company")

### **DIRECTORS' RESPONSIBILITY STATEMENT**

The R&E directors are responsible for the preparation and presentation of the Group NAV Statement of R&E, at 31 March 2009 and accompanying Notes thereto.

The Group NAV Statement has been prepared in accordance with the basis of preparation set out in the accompanying Notes, for the purpose of providing the shareholders with financial information at 31 March 2009. The Group NAV Statement has not been prepared in accordance with IFRS or other generally accepted accounting principles.

The R&E directors' responsibility includes determining that the basis of preparation is an acceptable basis for preparing and presenting the Group NAV Statement and accompanying Notes, and making accounting estimates, which, in the opinion of the R&E directors, are reasonable in the circumstances.

The Group Net Asset Value Statement at 31 March 2009 has not been reviewed or reported on by the independent auditor of R&E.

#### *Approval of the Group Net Asset Value Statement*

The Group NAV Statement at 31 March 2009 and accompanying Notes were approved by the R&E Board on 1 June 2009 and are signed on its behalf by:

**David Kovarsky**  
*Chairman*

**Marais Steyn**  
*Chief Executive Officer*

## RANDGOLD & EXPLORATION COMPANY LIMITED

### Group net asset value statement at 31 March

		Unaudited 31 March 2009 (R'000)	*31 March 2008 (R'000)
<b>ASSETS</b>			
<b>Listed Investments</b>	3	299 413	329 074
Gold Fields		229 566	250 556
JCI		69 847	78 123
Other listed investments		-	395
Other prospecting rights	4	76 764	76 764
<b>Other assets</b>		285 211	283 448
Loans receivable	5	128 321	73 969
Payment under settlement agreement	6	10 207	4 000
Cash and cash equivalents	7	146 683	205 479
<b>Total assets</b>		661 388	689 286
<b>LIABILITIES</b>			
<b>Other liabilities</b>		(91 321)	(88 404)
Provision for post-retirement medical benefit obligation	8	(34 571)	(32 984)
Income tax payable	9	(11 963)	(17 889)
Deferred taxation	10	(23 489)	(28 328)
Trade and other payables	11	(21 298)	(9 203)
<b>Total liabilities</b>		(91 321)	(88 404)
<b>NET ASSETS</b>		570 067	600 882
<b>ISSUED SHARES</b>			
Number of shares in issue	12	74 813 128	74 813 128
Shares identified for possible cancellation		(2 943 087)	(2 943 087)
Net shares in issue		71 870 041	71 870 041
Net asset value per share – Rand		7.9319	8.3607

\*Reported on in terms of a limited assurance report issued by KPMG, the independent auditor of R&E as included in Annexure 5b of the Circular published on 5 December 2008.

## NOTES TO THE GROUP NET ASSET VALUE STATEMENT

### 1. PURPOSE OF THE GROUP NET ASSET VALUE STATEMENT

On 31 March 2006, R&E published provisional unaudited financial results for the financial years ended 31 December 2005 and 2004, and restated provisional results for the year ended 31 December 2003.

In the accompanying commentary to these provisional results, the R&E directors indicated, *inter alia*, that due to the extent of the alleged misappropriations, for which details were included in the commentary, there may be other material events and circumstances of which the R&E directors were not aware of and which may have a material effect on R&E. These may affect the completeness and accuracy of the information reflected in the provisional results and/or may have the effect that the provisional results do not reflect a true and complete account of the financial and other affairs of R&E. In these circumstances the R&E directors disclaimed any liability in respect of the accuracy, correctness and/or completeness of the information reflected in the provisional results. This is still the position.

KPMG was appointed as the independent auditor of R&E during October 2005. In view of the uncertainties relating to the provisional results and the disclaimer by the R&E directors, they were unable to, and did not, express an audit or review opinion on the provisional results. This is still the position.

On 9 April 2009, the proposed merger failed as the scheme of agreement was not approved by the requisite majority of JCI scheme participants at the JCI scheme meeting.

The Board of R&E is in the process of endeavouring to conclude a negotiated settlement of the impasse between it and JCI on the basis and rationale contained in the Information Update to R&E's shareholders, accompanying this Group NAV Statement. As expressed therein the Board of R&E believes (without prejudice to any of its rights to proceed to arbitration under the Mediation Agreement) that a settlement with JCI may provide a more beneficial outcome than the alternative of arbitration, which it is believed will be protracted, arduous and extremely costly to both R&E and JCI, constrained at all times by the extent of the NAV of JCI.

Due to the R&E directors' ongoing inability to prepare a complete set of financial statements for the years ended 31 December 2004 to 2008, in accordance with IFRS, the R&E directors have prepared a Group NAV Statement, on the basis set out in Note 2. The R&E directors consider the Group NAV Statement, including the accompanying Notes, suitable in the circumstances for the purpose of providing its shareholders with financial information relevant to the resolution of the disputes with JCI.

### 2. BASIS OF PREPARATION

The Group NAV Statement has been prepared from information available to the R&E directors and may not be complete for the reasons provided in Note 1 above. In particular, the Group NAV Statement excludes all claims and counter claims between the R&E Group and the JCI Group.

Except for these claims, the Group NAV Statement includes all known significant assets and liabilities of R&E, its subsidiaries and a proportionate share of the assets and liabilities of FSD and its subsidiaries on a line by line basis. (FSD is a 55.11% subsidiary of R&E.)

The Group NAV Statement has been prepared in Rand. All financial information presented in Rand has been rounded to the nearest thousand.

The Group NAV Statement required the R&E directors to make judgements, estimates and assumptions that affect the basis of preparation and the reported amounts of assets and liabilities. Actual results may differ from these estimates.

Intra-group balances are eliminated in the preparation of the Group Net Asset Value Statement.

The Group NAV Statement has not been prepared in terms of IFRS, but on the basis discussed under each heading below.

#### 2.1 Listed investments

The Group's listed investments, except for the investment in JCI, are based on the VWAP for 31 March 2009 comprising 22 trading days (2008: VWAP for March 2008 comprising 19 trading days).

The 2008 value of the JCI investment is based on the NAV per share of JCI at 31 March 2008 which is based on the amount disclosed in the JCI Group NAV Statement published on 13 December 2007 and is adjusted to reflect the proposed merger ratio of 95 to 1, as was announced on 23 April 2007. The 2009 value of the JCI investment is based on the NAV per JCI share at 31 October 2008, as published by JCI's management on 15 December 2008. The JCI value is accordingly adjusted to reflect the estimated financial impact at 31 March 2009 of the proposed settlement between R&E and JCI, as was announced on 5 May 2009, which will, if binding, result in a settlement on similar commercial terms to the abovementioned proposed merger. Other than adjusting for the JCI value, the Group NAV has not been adjusted to reflect the estimated financial impact of the contemplated settlement. In the event of arbitration, it is not possible for the R&E directors to estimate the value of the JCI shares due to the uncertainties surrounding arbitration.

R&E has accounted for all listed investments under its control and in its possession.

## **NOTES TO THE GROUP NET ASSET VALUE STATEMENT** *(continued)*

### **2.2 Prospecting rights**

Where an agreement has been signed to sell prospecting rights as of the date of approval of the Group NAV Statement, the value is based on the consideration in the relevant agreement.

Where no such agreements are in place, but sufficient data and value exists, the R&E directors have determined a value which they believe is reasonable based on valuations performed by independent valuation experts using comparable transactions. All other prospecting rights have been impaired and are disclosed at zero value.

### **2.3 Other assets**

Other assets include loans receivable, a payment under settlement agreement and cash and cash equivalents.

#### **2.3.1 *Loans receivable***

The values of the loans receivable are based on current recoverability supported by signed loan certificates.

#### **2.3.2 *Payment under settlement agreement***

The value of the outstanding settlement is based on the amount recovered subsequent to 31 March 2009 (2008: subsequent to 31 March 2008).

#### **2.3.3 *Cash and cash equivalents***

Cash and cash equivalents comprises cash and cash deposits with banking institutions. The carrying amount of cash and cash deposits with banking institutions approximates fair value.

### **2.4 Provision for post-retirement medical benefit obligation**

The provision for the post-retirement medical benefit obligation represents the present value of the estimated future cash outflows resulting from employees' services provided.

The Projected Unit Credit Method is used to determine the present value of the defined benefit obligation. An independent actuarial valuation was conducted.

### **2.5. Taxation**

#### **2.5.1 *Income tax payable***

Income tax payable comprises taxation payable, calculated on the basis of the expected taxable income, using the tax rates enacted or substantively enacted at the reporting date, and any adjustment of income tax payable for previous years.

Income tax payable has been calculated based on the best information currently available to management regarding taxable income (including prior year assessments and management's interpretation of current tax law) given the circumstances detailed in note 1 above.

#### **2.5.2 *Deferred taxation***

Deferred taxation is provided based on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities reported in the Group NAV Statement and their tax base.

The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

A deferred taxation asset is recognised only to the extent that it is probable that future taxable profits will be available, against which the associated unused tax losses, unredeemed capital expenditure and deductible temporary differences can be utilised. Deferred taxation assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## NOTES TO THE GROUP NET ASSET VALUE STATEMENT (continued)

### 2.6 Trade and other payables

Trade and other payables include accruals and other amounts payable based on management's best estimate at the reporting date.

### 2.7 Contingent assets

Contingent assets are disclosed when it is probable that they will be realised and are best estimates expected to be recovered. No contingent assets have been included in the Group NAV Statement as the recoverability cannot be reasonably assured.

## 3. LISTED INVESTMENTS

	Notes	Number of shares	Value per share (R')	Unaudited at 31 March 2009 (R'000)
<b>31 March 2009</b>				
Gold Fields		2 028 684	113.1599	229 566
JCI	3.1	305 186 049	0.2289	69 847
<b>Total</b>				<b>299 413</b>

The value of the investment in Gold Fields is based on the VWAP for March 2009 comprising 22 trading days. The investment in Kelgran of 2 324 830 shares has been fully impaired as Kelgran was delisted from the JSE.

- 3.1 The value of the JCI investment is based on the NAV per JCI share at 31 October 2008, as published by JCI's management on 15 December 2008. The JCI value is accordingly adjusted to reflect the estimated financial impact at 31 March 2009 of the proposed settlement between R&E and JCI, as was announced on 5 May 2009, which will, if binding, result in a settlement on similar commercial terms to the proposed merger, as was announced on 23 April 2007.

	JCI Adjusted (R')
Net Asset Value per share – as presented by JCI's management (and adjusted)	0.7654
Net Asset Value per share – adjusted to reflect the contemplated settlement	0.2289

	Notes	Number of shares	Value per share (R')	At 31 March 2008 (R'000)
<b>31 March 2008</b>				
Gold Fields		2 028 684	123.5069	250 556
JCI	3.2	265 935 854	0.2938	78 123
Other listed investments				395
Kelgran		2 324 830	0.1700	395
<b>Total</b>				<b>329 074</b>

The value of listed investments, except for the investment in JCI (currently suspended on the JSE), is based on the VWAP for March 2008 comprising 19 trading days. The investment in Kelgran is shown at the suspended value of 17 cents per share (the company having been suspended on the JSE on 3 September 2008 and subsequently delisted).

## NOTES TO THE GROUP NET ASSET VALUE STATEMENT (continued)

### 3. LISTED INVESTMENTS (CONTINUED)

- 3.2 The value of the JCI investment is based on the NAV per JCI share at 31 March 2008 which is disclosed in the JCI Group NAV Statement at 31 March 2008, published on 13 December 2007. The JCI value is adjusted to reflect the estimated financial impact of the proposed merger ratio of 95 to 1, as was announced on 23 April 2007.

	JCI At 31 March 2008 (R')
Net Asset Value per share – JCI Group Net Asset Value Statement	0.9883
Net Asset Value per share – adjusted to reflect the proposed merger ratio	0.2983

### 4. OTHER PROSPECTING RIGHTS

R&E's share of new order prospecting rights held by FSD

Unaudited at 31 March	
2009 (R'000)	2008 (R'000)
76 764	76 764

For further details, refer to note 13.1

### 5. LOANS RECEIVABLE

R&E's share of FSD's loans receivable

128 321	73 969
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For further details, refer to note 13.2.

### 6. PAYMENT UNDER SETTLEMENT AGREEMENT

Roger

T-sec and related parties

–	4 000
10 207	–

On 1 October 2006, R&E concluded a settlement agreement with Roger. The settlement amount of R30 million payable by Roger to R&E, was to be repaid in monthly instalments with effect from November 2006 to January 2008. At 31 March 2007, an amount of R19.2 million was owing to R&E in terms of the settlement agreement. A payment of R8.7 million was received under the settlement agreement between April and July 2007.

With effect from August 2007, further payments under the settlement agreement ceased. As a consequence, R&E cancelled the settlement agreement on 6 November 2007.

On 28 February 2008, R&E, JCI and Roger, concluded an agreement, the effect of which was to re-commence the settlement agreement concluded between the parties on 1 October 2006, subject to certain modifications. In terms thereof, Roger was obliged to pay a further R4 million to R&E which was due at 31 March 2008 and was subsequently collected in May 2008.

On 6 February 2009, R&E, African Strategic Investments (Holdings) Limited, Tlotlisa Securities (Proprietary) Limited, Tlotlisa Holdings Limited, Peter Gray and Leonard Steenkamp concluded an Agreement of Settlement in settlement of the claims enjoyed by R&E and Holdings against the defendants and *vice versa*, with the exception of the claim against Peter Gray, for R80 million plus interest and costs. The Settlement Agreement provided for payment to R&E of R14 million together with ancillary amounts. R&E received payment of R4 million on 26 February 2009 and R10.2 million on 15 April 2009 (which included interest of approximately R200 000).

## NOTES TO THE GROUP NET ASSET VALUE STATEMENT (continued)

	Unaudited at 31 March	
	2009 (R'000)	2008 (R'000)
<b>7. CASH AND CASH EQUIVALENTS</b>		
Cash and cash deposits	842	9 225
R&E's share of FSD's cash and cash equivalents	145 841	196 254
	<b>146 683</b>	<b>205 479</b>
For further details, refer to note 13.		
<b>8. PROVISION FOR POST-RETIREMENT MEDICAL BENEFIT OBLIGATION</b>		
Obligation at 31 March	<b>(34 571)</b>	<b>(32 984)</b>
A valuation of this obligation was performed by independent actuaries at 31 March 2009 and 2008, respectively.		
<b>9. INCOME TAX PAYABLE</b>		
South African normal tax	<b>(11 963)</b>	<b>(17 889)</b>
<i>Attributable to:</i>		
R&E and its subsidiaries (excluding FSD group)	<b>(417)</b>	<b>(2 702)</b>
FSD group	<b>(11 546)</b>	<b>(15 187)</b>
	<b>(11 963)</b>	<b>(17 889)</b>

This amount includes income tax payable calculated by management for the R&E Group and includes any related penalties, except as noted in the next paragraph, and interest that may be due.

Income tax payable does not include any additional penalties that may become leviable upon assessment of outstanding returns by SARS as management believes that the R&E Group did not act in such a way so as to warrant incurring such additional penalties. Based on ongoing negotiations with SARS, management believes that the penalties and interest calculated is sufficient and that no further penalties will be levied by SARS.

R&E's calculations reflect that R&E had no taxable income from 2002 to the reporting date. SARS has, however, queried R&E's tax calculations from 1998 to 2001 and have subsequently recalculated that an amount of R50 million (2008: R44 million) in taxes is payable. R&E has and will continue to contest these queries. Given that such queries are under dispute, and management believes that the amount is not payable, no liability for this amount has been raised.

	Unaudited at 31 March	
	2009 (R'000)	2008 (R'000)
<b>10. DEFERRED TAXATION</b>		
<b>Unrealised</b>		
Deferred taxation arising on listed investments at 14% (2008: 14%)	<b>(2 003)</b>	<b>(6 842)</b>
Deferred taxation arising on other prospecting rights at 28% (2008: 28%)	<b>(21 486)</b>	<b>(21 486)</b>
<b>Total</b>	<b>(23 489)</b>	<b>(28 328)</b>

The deferred taxation balance comprises temporary differences on listed investments and prospecting rights.

No deferred taxation assets were raised on the post retirement medical benefit obligation and assessed losses of the R&E Group as it is not probable that future taxable profits will be available to utilise the assessed losses or when the related deductible temporary differences are expected to reverse.

## NOTES TO THE GROUP NET ASSET VALUE STATEMENT (continued)

### 11. TRADE AND OTHER PAYABLES

Trade and other payables		(3 098)	(6 066)
Short term loan	11.1	(14 793)	–
VAT payable	11.2	(3 407)	(3 137)
		<u>(21 298)</u>	<u>(9 203)</u>

#### 11.1 Short term loan payable

Please refer to Note 13.2

#### 11.2 VAT payable

R&E engaged independent tax advisors who completed a VAT audit and determined the VAT payable, excluding penalties and interest thereon. Management added penalties and interest to the VAT payable. The penalties calculated by management excluded however the 200% section 60 VAT penalty as defined in the VAT Act, as R&E believes that such an amount is not payable. The report of the independent tax advisors has been submitted to SARS. R&E has had various meetings with SARS but still awaits their final decision regarding settlement.

### 12. ISSUED AND AUTHORISED SHARES

In consequence of the resolutions as set out in the Notice of the R&E General Meeting attached to the Circular (dated 5 December 2008) having been approved by R&E's shareholders on 19 January 2009, R&E's authorised share capital was increased from 75 000 000 to 105 000 000 for the purpose of allotting such shares to JCI scheme participants as contemplated in terms of the scheme of arrangement as published in the Circular. On 9 April 2009 at the JCI scheme meeting, the scheme of arrangement was not approved by the requisite majority of JCI scheme participants present and therefore the proposed merger between R&E and JCI lapsed. R&E intends approaching the Registrar of Companies for permission to retain the increase in its authorised share capital, subject to the undertaking that such authorised shares shall not be issued and allotted to any party in the absence of the approval of R&E's shareholders in general meeting being obtained.

For the purpose of calculating the net shares in issue, the total number of shares in issue of R&E (issued share capital) has been notionally reduced by 2 943 087 R&E shares.

In regard to such notional reduction, subsequent to 31 March 2009, JCI returned 3 000 000 R&E shares to R&E which it is taking steps to cancel. These shares were purportedly issued and allotted on account of the Phikoloso transaction in respect of which R&E asserted a claim against JCI, on the basis that such shares are alleged to have been issued for no value received.

### 13. FSD'S NET ASSET VALUE

		Unaudited at 31 March	
		2009	2008
		(R'000)	(R'000)
	Notes		
<b>R&amp;E's 55.11% proportionate share</b>			
<b>ASSETS</b>			
Other prospecting rights	13.1	76 764	76 764
Loans receivable	13.2	146 482	73 969
Cash and cash equivalents		145 841	196 254
<b>Total assets</b>		<u>369 087</u>	<u>346 987</u>
<b>LIABILITIES</b>			
Income tax payable		(11 546)	(15 187)
Deferred taxation		(21 486)	(21 486)
<b>Total liabilities</b>		<u>(33 032)</u>	<u>(36 673)</u>
<b>Net assets</b>		<u>336 055</u>	<u>310 314</u>

R&E's proportionate share (equating to 55.11%) of FSD's NAV was included in the applicable line items of the Group NAV Statement. FSD's NAV includes the NAV of FSD and its subsidiaries and has been prepared on a basis consistent with that of R&E.

## NOTES TO THE GROUP NET ASSET VALUE STATEMENT (continued)

### 13.1 Prospecting rights

R&E is the beneficial owner of various prospecting rights held through its 55.11% shareholding in the issued share capital of FSD.

The prospecting rights comprise primarily of the Du Preez Leger project. The Du Preez Leger Project comprises four exploration areas in the Free State Province, namely the Du Preez Leger/Jonkersrust 72 area, the Vermeulenskraal area, the Rebelkop area and the Tweepan area. The project area is located in the Free State goldfield of the Witwatersrand Basin. The areas of interest are located on exploration rights which are held by FSD.

During November 2008, management commissioned an independent third party valuation expert to compile an Independent Techno-Economic Valuation report, in the form of a Competent Persons Report ("CPR") on the mineral assets of the Du Preez Leger project.

The inferred resource was valued based on the following information:

	<i>In Situ</i> Grade g/t	Gold Content Moz	Area Hectare	Value per ounce US Dollar	US Dollar million	Rand/ US Dollar	Rand million	Value per hectare Rand
<b>Resource Area</b>								
Du Preez Leger/ Jonkersrust	5.17	4.99	1 131	2.10	10.470	8.20	85.858	75 909
Vermeulenskraal	4.99	4.30	914	2.10	9.028	8.20	74.030	81 040
Millo/Tweepan	3.86	0.85	355	2.10	1.775	8.20	14.555	40 999
<b>Total/Average</b>	<b>4.95</b>	<b>10.14</b>	<b>2 400</b>	<b>2.10</b>	<b>21.273</b>	<b>8.20</b>	<b>174.443</b>	<b>66 104</b>

The Rebelkop area does not have any estimated mineral resources, and was valued using a value per hectare of R20 000, as determined relative to other areas, as detailed below:

	Area Hectare	Value per hectare Rand	Rand million
<b>Resource Area</b>			
Rebelkop	690	20 000	13.791

Using comparable transactions, the prospecting rights were valued at R188 million at 31 March 2008.

	R'000
Du Preez Leger/Jonkersrust 72	85 858
Vermeulenskraal	74 030
Tweepan	14 555
Rebelkop	13 791
Valuation per CPR	188 234
Adjusted for BEE dilution	48 941 <sup>(1)</sup>
After BEE dilution	139 293
R&E's 55.11% proportionate share	76 764

In the opinion of the directors, there have been no circumstances or events that have changed the value of the prospecting rights from 31 March 2008 to 31 March 2009.

<sup>(1)</sup> Management has adjusted the value of these prospecting rights on the basis that 26% thereof will be diluted in terms of the Black Economic Empowerment requirements of the Minerals and Petroleum Resources Development Act No. 28 of 2002.

## NOTES TO THE GROUP NET ASSET VALUE STATEMENT (continued)

		Unaudited at 31 March	
		2009	2008
		(R'000)	(R'000)
<b>13.2</b>	<b>Loans receivable</b>		
	FSD loan to the JCI Group	51 176	51 176
	Goldridge loan to the JCI Group	77 145	22 793
	Goldridge loan to the R&E Group	18 161	–
		<b>146 482</b>	<b>73 969</b>

FSD has a loan receivable from the JCI Group to the value indicated above. The R&E Board believes that this amount is fully recoverable from the JCI Group. The loan is secured by a pledge of 79 million JCI shares, bearing interest at the bank prime lending rate and is further secured by a suretyship from JCI. The loan is repayable by 30 June 2009.

Goldridge, a 100% subsidiary of FSD, has a loan receivable from the JCI Group to the value indicated above. The R&E Board believes that this amount is fully recoverable from the JCI Group. The loan is secured by a pledge of 1.666 million Gold Fields shares, 1.6 million R&E shares and suretyships by JCI and JCIIF, and bears interest at the bank prime lending rate and the loan is repayable by 30 June 2009.

Goldridge has a loan receivable from Randgold. The loan is secured by a pledge of Gold Fields shares on a 1 to 1 basis and is repayable by 30 June 2009. The loan bears interest at the bank prime lending rate and is repayable by 30 June 2009.

## 14. CONTINGENT ASSETS – CLAIMS AGAINST THIRD PARTIES (EXCLUDING THE JCI GROUP)

R&E has identified various claims against third parties in respect of which R&E is proceeding. Such claims could be substantial, although there is no guarantee that such claims will result in awards being granted in favour of R&E or for that matter that R&E will be able to make successful recoveries in respect thereof.

## 15. ENCUMBRANCES

No significant assets have been encumbered or pledged other than as indicated herein.

## 16. POST BALANCE SHEET EVENTS

On the 17th of April 2009 the R&E Group advanced R60.5 million to the JCI group which was raised from the FSD group of which JCI holds 44.89%. This will have no effect on the NAV as the movement occurs within two asset classes being Loans receivable and Cash and Cash Equivalents. The loan is secured by JCI's 44.89% shares in the FSD group which is pledged to R&E by JCI Gold. The loan bears interest at the bank prime lending rate and is repayable by 30 June 2009.

