RANDGOLD RESOURCES LTD
Form 20-F/A
August 31, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 20-F/A

(Amendment No. 1)

¨ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011**

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

¨ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report

For the transition period from to

Commission file number: 000-49888

RANDGOLD RESOURCES LIMITED

(Exact name of Registrant as specified in its charter)

Not Applicable
(Translation of Registrant s name into English)

JERSEY, CHANNEL ISLANDS
(Jurisdiction of incorporation or organization)

3rd Floor Unity Chambers, 28 Halkett Street, St. Helier, Jersey JE2 4WJ, Channel Islands
(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
Ordinary Shares, par value US $0.05 per Share*	Nasdaq Global Select Market
American Depositary Shares each represented by one Ordinary Share	

* Not for trading, but only in connection with the listing of American Depositary Shares on the Nasdaq Global Select Market pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the period covered by the Annual Report.

As of December 31, 2011, the Registrant had outstanding 91,723,870 ordinary shares, par value $0.05 per share.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. x Yes ¨ No

If the report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. ¨ Yes x No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. x Yes ¨ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ¨ Yes ¨ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x	Accelerated filer ¨	Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ¨	International Financial Reporting Standards as issued by the International Accounting Standards Board x	Other ¨

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. ¨ Item 17 x Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ¨ Yes x No

Explanatory Note:

We are filing this Amendment No. 1 (the Amendment No. 1) to our Annual Report on Form 20-F for the fiscal year ended December 31, 2011 (the Original Form 20-F), as filed with the Securities and Exchange Commission (the Commission) on March 30, 2012. This Amendment No. 1 is being filed for the purpose of clarifying our disclosures in the Business Overview section of Item 4 Information on the Company of Part I of the Original Form 20-F, pursuant to comments received from the Staff of the Commission. This Amendment No. 1 amends and restates Item 4. Information on the Company B. Business Overview of Part I of the Original Form 20-F.

Except for the revisions to Item 4. Information on the Company B. Business Overview , no other changes have been made to the Original Form 20-F. The other information in the Original Form 20-F continues to speak as of the date of the Original Form 20-F, and we have not updated the disclosures contained therein to reflect any events which occurred at a date subsequent to the filing of the Original Form 20-F. Accordingly, this Amendment No. 1 should be read in conjunction with our filings with the Commission that are subsequent to the filing of the Original Form 20-F.

Part I

Item 4. Information on the Company
B. BUSINESS OVERVIEW

OVERVIEW

We engage in gold mining, exploration and related activities. Our activities are focused on West and Central Africa, some of the most promising areas for gold discovery in the world. In Mali, we have an 80% controlling interest in the Loulo mine through Somilo SA. The Loulo mine is currently mining from one large open pit, several smaller satellite pits and two underground mines. We also have an 80% controlling interest in the Gounkoto mine through Société des Mines de Gounkoto S.A. We own 50% of Morila Limited, which in turn owns 80% of Morila SA, the owner of the Morila mine in Mali. In addition, we own an effective 89% controlling interest in the Tongon mine located in the neighboring country of Côte d Ivoire, which was commissioned in November 2010. We also own an effective 83.25% controlling interest in the Massawa project in Senegal where we completed a prefeasibility study in December 2009. In 2009, we acquired a 45% interest in the Kibali project, which is located in the DRC. We also have exploration permits and licenses covering substantial areas in Burkina Faso, Côte d Ivoire, DRC, Mali, and Senegal. At December 31, 2011, we declared proven and probable reserves of 16.28 million ounces attributable to our percentage ownership interests in Loulo, Morila, Tongon, Gounkoto, Massawa and Kibali.

Our strategy is to create value for all our stakeholders by finding, developing and operating profitable gold mines. We seek to discover significant gold deposits, either from our own phased exploration programs or the acquisition of early stage to mature exploration programs. We actively manage both our portfolio of exploration and development properties and our risk exposure to any particular geographical area. We also routinely review opportunities to acquire development projects and existing mining operations and companies.

Loulo

In February 2004, we announced that we would develop a new mine at Loulo in western Mali. In 2005, we commenced open pit mining operations at the Gara and Yalea pits. In 2010, an application was made to split the Loulo and Gounkoto permits. In 2011, its sixth year of production, the Loulo mine produced 208,424 ounces of gold at a total cash cost of $1,009 per ounce. In 2011 mining ceased in the Gara open pit. We currently anticipate that mining at Loulo will continue through 2029.

We commenced development of the Yalea underground mine in August 2006, where first ore was accessed in April 2008. We commenced development of Loulo s second underground mine, Gara, in 2010 with first ore being intersected during the second quarter of 2011 and stoping began in November 2011. During 2011, ore from Gounkoto was processed through the Loulo processing plant following the conclusion of a toll-treatment agreement concluded between the two mines. The commencement of the toll-treatment of ore from Gounkoto resulted in a reduction of ore processing with respect to the Loulo mine.

The focus of exploration at Loulo is to continue to explore and discover additional orebodies within the Loulo permit.

Gounkoto

Gounkoto is located approximately 25 kilometers south of Loulo s plant. Following the completion of the feasibility study in 2010, construction of the mine commenced in late 2010.

In January 2011, mining commenced at Gounkoto. In June 2011, the Loulo plant started to treat Gounkoto ore. A total of 949,000 tonnes of ore at a grade of 5.1g/t was processed during the year and 137,755 ounces were produced at a total cash cost of $536 per ounce.

The focus of exploration at Gounkoto is to continue to explore and discover additional orebodies within the Gounkoto permit.

We estimate that the Loulo-Gounkoto complex will produce approximately 500,000 ounces in 2012.

Morila

In 1996, we discovered the Morila deposit, which we financed and developed and was our major gold producing asset through 2009. Since production began in October 2000, Morila has produced more than 6 million ounces of gold at a total average cash cost of $239 per ounce. Morila s total production for 2011 was 248,635 ounces at a cash cost of $782 per ounce. Consistent with the mine plan, Morila ceased pit mining in April 2009 and is currently processing lower grade stockpiles. During 2010 a study of the reprocessing of the Morila Tailings Storage Facility (TSF) was completed and in 2011 a full feasibility study on the viability of treating the TSF material, marginal ore and mineralized waste stockpiles was completed and approved by our board in January 2012. We now expect the operation to continue up to 2021.

Tongon

The Tongon project is located within the Nielle exploitation permit in the north of Côte d Ivoire, 55 kilometers south of the border with Mali.

We commenced construction of the Tongon gold mine at the end of 2008, and commissioned the first stream in the fourth quarter of 2010, with first gold production being recorded. We completed and commissioned the second stream including secondary and tertiary crushing circuit and the sulfide circuit of the processing plant in 2011. In 2011, we produced 250,390 ounces at a total cash cost of $557 per ounce. Gold production is estimated at 285,000 ounces in 2012. The Tongon mine has an initial mine life of 10 years but has the potential to extend this with nearby discoveries and satellite pits.

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The focus of exploration at Tongon is to evaluate near-mine targets with a 15 kilometer radius and Greenfield programs beyond the near-mine 15 kilometer radius.

Kibali

Our interest in the Kibali project was acquired following the acquisition of Moto Goldmines, in conjunction with AngloGold Ashanti, and the further acquisition of a 20% interest from Sokimo on behalf of the joint venture. The Kibali project is located approximately 560 kilometers northeast of the city of Kisangani and 180 kilometers west of the Ugandan border town of Arua in the northeast of the DRC.

The program to complete the initial investment phase to establish gold production at Kibali is estimated to take two years, with first gold expected at the end of 2013.

The exploration team completed the analysis of the Karagba Chauffeur Durba (KCD) deposit, resulting in a new geological model. Continuity of mineralization was confirmed between the Sessengue and KCD deposits and remains open down plunge. In 2011, drilling confirmed the continuity of mineralization a further 450 meters down plunge from the limits of the current block model.

Massawa

Our Massawa project consists of a greenfields exploration find located in eastern Senegal during 2008. The Massawa target was first identified in 2007 and is located approximately 60 kilometers west of the Malian border. A successful scoping study was completed for Massawa in the first quarter of 2009 which met all of our investment criteria and we advanced the project to prefeasibility. The prefeasibility study was completed at the end of 2009 which highlighted the complex nature of the ore, which requires pressure oxidation of the sulfides to liberate the gold. During 2010 significantly more work was conducted in this regard to improve the geochemical and metallurgical understanding of the ore. All studies point towards the Massawa deposit requiring high levels of energy to recover the gold and a decision was therefore taken during the year to delay the finalization of the feasibility study and to focus instead on two key aspects of enhancing the project s economics, namely, the refractory nature of the ore and the power consumption and costs.

The exploration team has focused its efforts in 2011 on the evaluation of a large number of satellite targets to discover additional non-refractory mineralization that could add value to the project.

Exploration

We have an extensive portfolio of exploration projects in both West and Central Africa. In 2011, we concentrated our exploration activities on defining the satellite ounces in proximity to the Loulo plant site. The combined open pit mineralized material from all satellite deposits has been calculated at 4.48Mt at 1.88g/t. At Gounkoto, exploration concentrated on better defining the underground potential in the Jog Zone while over in Senegal exploration has concentrated on the evaluation of satellite deposits to provide non-refractory material to supplement the ore feed from Massawa. With the commissioning of the Tongon mine, the exploration focus shifted to the evaluation of satellite targets and the discovery of potential stand-alone targets within the company s extensive permit portfolio countrywide. At Kibali, exploration has significantly advanced the geological understanding of the project. A well-balanced resource triangle has been developed on the back of a robust geological model with targets being progressed at all levels. During 2011 a strategic decision was made to restructure the exploration department to create dedicated brownfields and greenfields exploration teams, ensuring that while the feasibility work and testing of extensions to known deposits continues, the prospectivity of the greater permit area is also being evaluated, thus providing the opportunity for the discovery of further world class gold deposits in the region. Mineralization has been confirmed a further 450 meters down plunge of the main KCD deposit and remains open to the west towards Gorumbwa.

We are exploring in five African countries with a portfolio of 302 targets on 13,892 square kilometers of ground holding. We target profitable gold deposits that have the potential to host mineable gold reserves. Our business strategy of organic growth through exploration has been validated by our discovery and development track record, including the Morila mine, Loulo mines, Gounkoto mine and Tongon mine, the Kibali project and the Massawa discovery.

OWNERSHIP OF MINES AND SUBSIDIARIES

Morila is owned by a Malian company, Société des Mines de Morila SA (Morila), which in turn is owned 80% by Morila Limited and 20% by the State of Mali. Morila Limited is jointly owned by ourselves and AngloGold Ashanti Limited and the mine is controlled by a 50:50 joint venture management committee. Responsibility for the day-to-day operations rests with us.

Loulo is owned by a Malian company, Société des Mines de Loulo SA (Somilo), which is owned 80% by ourselves and 20% by the State of Mali.

Gounkoto is owned by a Malian company, Société des Mines de Gounkoto S.A., which is owned 80% by ourselves and 20% by the State of Mali.

Tongon is owned by an Ivorian company, Société des Mines de Tongon SA, in which we have an 89% interest, the State of Côte d Ivoire 10% and 1% is held by a local Ivorian company.

The Kibali project is controlled by a 50:50 joint venture, between ourselves and AngloGold Ashanti Limited, which holds an effective 90% interest in Kibali Goldmines SPRL. The remaining 10% of the shares are held by Sokimo, the parastatal mining company of the Democratic Republic of Congo. We thus have an effective 45% interest in the Kibali project. Our interest in this project was acquired following the acquisition of Moto Goldmines Limited, in conjunction with AngloGold Ashanti, and the further acquisition of a 20% interest from Sokimo on behalf of the joint venture.

We hold an effective 83.25% interest in the Massawa project. The government of Senegal retains a 10% carried interest in the project, with the balance held by our Senegalese joint venture partner.

GEOLOGY

West Africa is one of the more geologically prospective regions for gold deposits in the world. Lower Proterozoic rocks are known to contain significant gold occurrences and exist in West Africa in abundance. The Birimian greenstone belts, part of the Lower Proterozoic, which are younger than the Archaean greenstones of Canada, Australia and South Africa, contain similar types of ore deposits and are located in Ghana, Côte d Ivoire, Burkina Faso, Guinea, Mali, Senegal and Niger. Although a significant amount of geological information has been collected by government and quasi-government agencies in West Africa, the region has largely been under-explored by mining and exploration companies using modern day technology. Most of our exploration properties are situated within the Birimian Formation, a series of Lower Proterozoic volcanic and sedimentary rocks. The West African Birimian sequences host a number of world class gold deposits and producing gold mines.

The Central African gold belts have a long history of gold production, particularly during the colonial era but due to regional instability they have seen little modern exploration. The Kibalian greenstone belts of northeastern DRC are comprised of Archaean Kibalian (Upper and Lower) volcanisedimentary rocks and ironstone-chert horizons metamorphosed to greenschist facies. They are cut by regional-scale north, east, northeast and northwest trending faults and are bounded to the north by the Middle Achaean West Nile granite-gneiss complex and cut to the south by the Upper Congo granitic complex. Our Kibali gold project is located within the Moto greenstone.

Our strategy was initiated before the current entry of our competitors into West Africa and we believe that this enabled us to secure promising exploration permits in the countries of Côte d Ivoire, Mali, Burkina Faso, and Senegal at relatively low entry costs.

ORE RESERVES

Only those reserves which qualify as proven and probable reserves for purposes of the SEC s Industry Guide Number 7 are presented. Pit optimization and open pit designs are carried out at a gold price of $1,000 per ounce, except for the Tongon Northern Zone open pit which was designed on $900/oz since the profitability drops as the size of the pit increases when designed at $1,000 per ounce. Underground reserves are also based on a gold price of $1,000 per ounce.

Morila reserves have been calculated by Mr. Stephen Ndede, an officer of the company and competent person. The Loulo and Gounkoto open cast mineral reserves were calculated by Mr. Shaun Gillespie, an external consultant and competent person. The Loulo underground mineral reserves were calculated by Mr. Juan Mitchell, an officer of the company and reviewed by Mr. Mark Odell, an independent consultant and competent person. The Tongon open pit Northern Zone mineral reserves were calculated by Mr. Samuel

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Baffoe, an officer of the company under the supervision of Mr. Onno ten Brinke, at the time an officer of the company and competent person. The Tongon open pit Southern Zone mineral reserves were calculated by Mr. Nick Kingaby an external consultant and competent person. The Kibali project open pit mineral reserves were estimated by Mr. Onno ten Brinke and Mr. Nicholas Coomson, both officers of the company and competent persons, while the Kibali project underground mineral reserves were calculated by Mr. Daniel Donald and Mr. Tim Peters, both independent consultants and competent persons. The Massawa open pit mineral reserves were estimated by Mr. Onno ten Brinke, as an independent consultant and reviewed and verified by Mr. Rodney Quick, an officer of the company and competent person. All reserves were verified and approved by Mr. Rodney Quick, our General Manager: Evaluation and competent person.

Total reserves as of December 31, 2011 amounted to 199.25 million tonnes at an average grade of 3.84g/t, for 24.58 million ounces of gold of which 16.28 million ounces are attributable to us.

In calculating proven and probable reserves, current industry standard estimation methods are used. The geological estimates were calculated using classical geostatistical techniques, following geological modeling of the borehole information. The sampling and assaying is done to internationally acceptable standards and routine quality control procedures are in place.

All reserves are based on feasibility or prefeasibility level studies. Factors such as grade distribution of the orebody, planned production rates, forecast working costs, dilution and mining recovery factors, geotechnical parameters and metallurgical factors as well as current forecast gold price are all used to determine a cut-off grade from which a life of mine plan is developed in order to optimize the profitability of the operation.

The following table summarizes the declared reserves at our mines as of December 31, 2011:

	Proven Reserves			**Probable Reserves**			**Total Reserves**		
Operation/Project++	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (Moz)**	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (Moz)**	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (Moz)**
Morila +	1.44	1.71	0.08	6.68	1.14	0.24	8.12	1.24	0.32
Loulo +	2.83	2.58	0.23	38.88	5.00	6.24	41.71	4.83	6.48
Tongon +	0.89	1.68	0.05	32.21	2.63	2.72	33.10	2.60	2.77
Gounkoto +	0.77	2.19	0.05	16.19	5.19	2.70	16.96	5.06	2.76
Massawa +				20.73	3.07	2.05	20.73	3.07	2.05
Kibali+				78.62	4.04	10.21	78.62	4.04	10.21
Total	5.93	2.15	0.41	193.31	3.89	24.16	199.25	3.84	24.58

\+ *Our attributable share of Morila is 40%, Loulo 80%, Gounkoto is 80%, Tongon 89%, Massawa 83.25% and Kibali 45%.*
++ *Our open pit reserves are calculated at a weighted average cut off grade of 1.12g/t.*
Our stockpile reserves are calculated at a cut off grade of 0.88g/t at Morila.

Our underground reserves are calculated at a weighted average cut off grade of 2.1g/t at Kibali and Loulo.

At Loulo, a 10% mining dilution at zero grade and an ore loss of 3% has been incorporated into the estimates of reserves and are reported as mill delivered tonnes and head grades. At the Tongon project a dilution of 8% at zero grade and an ore loss of 2% has been modeled. At Gounkoto and Massawa a dilution of 10% at zero grade and an ore loss of 3% has been used. At Kibali a dilution of 10% and ore loss of 3% has been used on the open pits while underground dilution varies between 1% and 6.7% depending on stope design and ore loss of 3%. Metallurgical recovery factors have not been applied to the reserve figures since these are the estimates of the material to be delivered to the mill. Operating costs, metallurgical recovery, royalties, dilution and ore loss factors are used to determine the cut off grade at which to report mineral reserves. The average metallurgical recovery factors used are 89% for the Morila mine, 93.5% for the Loulo open pit material and 90.5% for Loulo underground material, 90.8% for the Tongon project, 92% for the Gounkoto project, 89% for the Massawa project and 87.3% for Kibali material.

MINING OPERATIONS

Loulo-Gounkoto Mine Complex

The Loulo and Gounkoto mines, known as the Loulo-Gounkoto complex, are located in the west of Mali, bordering Senegal, adjacent to the Falémé River. The complex lies within the Kedougou-Kéniéba inlier of Birimian rocks which hosts a number of major gold deposits in Mali, including Gara, Yalea and Gounkoto, Sadiola, Segala and Tabakoto as well as Sabodala across the border in Senegal.

The complex is effectively owned 80% by us and 20% by the State of Mali. In 2010, an application was made to split the Loulo and Gounkoto permits, and a separate company was created for Gounkoto in December 2010 with the same corporate structure and shareholding as Loulo. A new mining convention, which dictates the fiscal and regulatory environment applicable to the mine, was negotiated with the State of Mali and signed in March 2012. The convention includes an initial two year corporate tax holiday starting from the date of first production, and a further tax holiday, up to a maximum of five years in total, in the event of further investment such as an underground mine. It also includes royalties of 6% of revenues and a 10% priority dividend payment for the State of Mali.

The 2011 year was notable for its achievements, most important of which was the start of production at the new Gounkoto mine, from which ore was successfully toll treated through the Loulo plant ahead of schedule in June. At the same time, Loulo advanced the development of the Yalea and Gara underground mines after a full review of the underground mining strategy had been completed by mid-year. Loulo also successfully completed the expansion of the front end of the processing plant, as well as the tailings pipeline upgrade, significantly improving the throughput of the plant and started commissioning of the third mill by year end, as part of the plan to further increase production.

Gold sales totaled $549.6 million for the year and were positively impacted by the higher gold price received and the increase in ounces produced. Total royalties paid amounted to $31.6 million and cash operating costs totaled $253.9 million, resulting in profit from mining activities of $264.2 million. The total cash costs of gold sold increased to $822/oz, mainly as a result of reduced recoveries, higher input costs, especially diesel, and the adverse change in the euro/dollar exchange rate.

Capital expenditure amounted to $164.1 million at Loulo spent primarily on the underground development, the plant upgrade (including the third mill) and the power plant expansion. At Gounkoto, capital expenditure on the mine development was $89.8 million, principally in respect of site establishment, crushing facilities, road development and water management.

For 2012, gold production for the complex is estimated at 500,000 ounces with the ore sourced from the Gounkoto pit, the Yalea and Gara underground mines and the Yalea South pit. Milling is planned to increase to an annualized rate of 4.0 Mt from the middle of the year. Other satellite pits are currently being assessed and could provide additional flexibility to the operation.

Production results for the 12 months ended December 31,	2011	2010
MINING		
Tonnes mined (000)	40,265	38,932
Ore tonnes mined (000)	4,087	4,597
MILLING		
Tonnes processed (000)	3,619	3,158
Head grade milled (g/t)	3.4	3.4
Recovery (%)	88.1	92.5
Ounces produced	346,179	316,539
Ounces sold	347,386	313,121
Average price received+ ($/oz)	1,582	1,162
Cash operating costs* ($/oz)	731	647
Total cash costs* ($/oz)	822	712
Gold on hand at period end# ($000)	10,096	7,818
Profit from mining activity*($000)	264,155	140,715
Gold sales* ($000)	549,569	363,715

\+ *Includes the effect of 41,748 ounces delivered at $500/oz in the year ended December 31, 2010. There is no impact of hedge positions on the group during the current year as it is now fully exposed to the spot gold price on all gold sales following the completion of the Loulo hedge program in the fourth quarter of 2010.*

* *Refer to explanation of non-GAAP measures provided on pages 7-8 of this report.*

\# *Gold on hand represents gold in doré at the complex multiplied by the prevailing spot gold price at the end of the period.*

Loulo

Mining and Production

The Yalea and Gara underground operations are being mined below the existing open pits by means of a Sub Level Open Stoping method. The operation is planned to produce 100,000 tonnes and 90,000 tonnes from Yalea and Gara respectively, once at steady state, which is expected by the end of 2012. The development and majority of the stoping have been outsourced to a mining contractor but the intention is to build the mine s own skills base in order for it to take over the stoping operation in two year s time. The open pits are mined by separate contractors with the mining departments on each mine supplying the direction in terms of strategy, design, planning, geology and grade control.

Production results for the 12 months ended December 31,	2011	2010
MINING		
Tonnes mined (000)	18,865	38,932
Ore tonnes mined (000)	2,385	4,597
MILLING		
Tonnes processed (000)	2,670	3,158
Head grade milled (g/t)	2.8	3.4
Recovery (%)	87.7	92.5
Ounces produced	208,424	316,539
Ounces sold	209,631	313,121
Average price received+ ($/oz)	1,532	1,162
Cash operating costs* ($/oz)	924	647
Total cash costs* ($/oz)	1,009	712
Gold on hand at period end# ($000)	10,096	7,818
Profit from mining activity*($000)	109,608	140,715
Gold sales* ($000)	321,199	363,715

We own 80% of Loulo with the State of Mali owning 20%. The State s share is not a free carried interest. We have funded the State portion of the investment in Loulo by way of shareholder loans and therefore control 100% of the cash flows from Loulo until the shareholder loans are repaid. We consolidate 100% of Loulo and shows the non-controlling interest separately.

\+ *Includes the effect of 41,748 ounces delivered at $500/oz in the year ended December 31, 2010. There is no impact of hedge positions on the group during the current year as it is now fully exposed to the spot gold price on all gold sales following the completion of the Loulo hedge program in the fourth quarter of 2010.*

* *Refer to explanation of non-GAAP measures provided on pages 7-8 of this report.*

\# *Gold on hand represents gold in doré at the complex multiplied by the prevailing spot gold price at the end of the period.*

Mining of the Gara pit was completed during the year. Mining of the Yalea pit recommenced in the fourth quarter by way of a pushback in the southern portion, in order to access the remaining mineralized material, anticipated in the second half of 2012, while evaluation work continues on the Loulo 3 deposit.

In the second quarter of the year, a new underground mining strategy was implemented involving increased footwall development to allow for greater mining flexibility with primary and secondary stopes. Backfill is planned to be implemented by mid-2013 which will allow for the mining of the secondary stopes, 100% extraction of the ore in the high grade areas of the mine and enhanced ground stability and safety. Once backfill is in place the development rate can be reduced substantially with the possibility of eliminating the footwall drive development on every second level.

Ore Reserves

Total ore reserves for the years ended December 31, 2011 and 2010 are inclusive of depletions due to mining.

						Attributable gold**
			Tonnes	**Grade**	**Gold (Moz)**	**(Moz)**
		(MT)	**(Mt)**	**(g/t)**		
at 31 December	**Category**	**2011**	**2010**	**2011**		