

Randgold Resources Ltd.
Unity Chambers
28 Halkett Street
St Helier
Jersey JE2 4WJ
United Kingdom

September 26, 2016

The Honorable Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, N.E. Washington, D.C. 20549-1090

Re: Release Number 33-10098; File No. S7-10-16 (the "Release"),
Modernization of Property Disclosures for Mining Registrants

Dear Mr. Fields:

Randgold Resources Ltd. appreciates the opportunity to comment on the Securities and Exchange Commission's ("SEC" or the "Commission") Proposed Rule: Modernization of Property Disclosures for Mining Registrants (the "Proposed Rule"). We are generally supportive of the proposed amendments to modernize disclosures for mining registrants to align them with current global practices. However, we have some concerns about certain inconsistencies in public disclosures, compared to other reporting regimes, that would result from the application of the Proposed Rule. The remainder of this letter provides general and specific comments on the Proposed Rule from our perspective as an exploration and mining company operating in Africa.

CRIRSCO Reporting Template

As the Commission alludes to, the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) has developed an International Minerals Reporting Code Template, through the participation of the bulk of the industry working together since 1994. The benefit to the mining industry of the proposed rule changes will be dependent on their similarity to the CRIRSCO Template. Therefore we request that the Commission not deviate from international accepted practices embodied within the CRIRSCO Template. Each material departure from the CRIRSCO-based standard weakens the Commission's stated objective to "modernize the Commission's disclosure requirements and policies for mining properties by aligning them with the current industry and global regulatory practices and standards." The adoption of the CRIRSCO standards would also be the most cost effective approach for companies to ensure compliance since they are international accepted standards that have already been

introduced. Significant departures from this code will result in higher compliance costs for companies affected.

The three main leading principles governing the application of the CRIRSCO Template are **transparency, materiality and competence** and should be adhered to.

- **Transparency** requires that a Public Report provide sufficient information, the presentation of which is clear and unambiguous, so as to be understandable and not misleading.
- **Materiality** requires that a Public Report contains all the relevant information, which investors and their professional advisers would reasonably require and/or expect to find in a Public Report, for the purpose of making a reasoned and balanced judgement regarding the Exploration Results, Mineral Resources and Mineral Reserves being reported.

Competence requires that the Public Report be based on work that is the responsibility of suitably qualified and experienced persons who are subject to an enforceable professional code of ethics and rules of conduct.

Technical report summary requirement (Requests for Comment 22, 31, 90, 109, 115)

We note the Commission's proposal to adopt the requirement of a Technical Report Summary similar to the Canadian standards for reporting on Exploration Results, Mineral Resources and Mineral Reserves, contained in the statute NI43-101. The statute is by definition very prescriptive in nature and has in our opinion become dominated by third-party service providers over time, resulting in reports becoming unnecessarily bulky and technical. The result is a report that far exceeds the principal purpose to clearly and succinctly inform the investor and their professional advisors. No material disclosures can be found in the 43-101 reporting format that are not presented in the Table 1 guideline proposed by CRIRSCO. We propose that the Commission follow the JORC and SAMREC guidance which entails completion of Table 1 for disclosure of Resource and Reserve reporting as opposed to the 43-101 requirement of a technical report.

Exclusion of Inferred Resources from PEA (Requests for Comment 56, 112)

We believe that the exclusion of Inferred Resources from initial economic analysis can be detrimental to the understanding of the value of a property. Inferred Resources have the potential to add significant value in the future once upgraded to Indicated and/or Measured Resources and this potential value should be considered by investors and potential investors. The CRIRSCO Template allows for the consideration of all categories of Mineral Resources in a Scoping Study, which is a technical and economic study of the potential of Mineral Resources. Consideration of Inferred Resources is also allowed in a Preliminary Economic Assessment (PEA), provided that the impact of the PEA and the included Inferred Resources are stated. Likewise, the

inclusion of inferred resources in the ongoing life of mine planning is an important part of the optimisation process. It is the Competent Person or Qualified Person's (CP/QP) responsibility to decide if the amount of Inferred Resources in the mine plan is material and in that case to comply with the transparency principle and disclose the amount of Inferred Resources included in the optimisation and estimation of the Mineral Reserve. Naturally, this material cannot be published as a Mineral Reserve due to its inherent uncertainty.

Commodity Price used in Reporting (Requests for Comment 68, 69, 79, 80)

We believe that a company's long term view on commodities should be considered when looking at the commodity price used in reporting. Provided the pricing logic is reasonable and clearly articulated, there should be no confusion or lack of transparency. Under CRIRSCO reporting standards, mineral resources are reported separately from mineral reserves, and inferred resources are reported separately from measured and indicated resources.

We believe that these traditional presentation formats are helpful to investors in understanding the different risk levels and assumptions underlying the estimates of these categories. We believe that companies should be allowed to use different commodity prices for Mineral Resources and Mineral Reserves. The global industry standard has been for companies to use a higher price for Mineral Resource reporting to determine upside potential in a cyclical commodity market. The markets make use of the upside potential represented by the Mineral Resource to gauge potential upside value of assets. Mining companies also use this as a tool to optimally evaluate the asset in a market that by nature fluctuates month to month and year to year. Large long life assets may require a more conservative price to ensure the project is viable over an extended period to cover large upfront capital while a small short-lived asset can accommodate a price more closely associated with current spot price to leverage on short term variations in the commodity cycle. The higher resource reporting price is also used by companies to ensure that no permanent infrastructure is constructed that could potentially sterilise future Mineral Reserves in a higher price environment. The crux of the argument here is the Mineral Reserves and Mineral Resources are different and need to be separated and reported as such.

Definition of a Mineral Reserve (Requests for Comment 77, 85, 86)

We propose that the definition of Mineral Reserve should be consistent to that in the CRIRSCO Template to avoid different definitions across jurisdictions which will lead to confusion for investors and the industry. We recommend that reserves be based on at least a pre-feasibility level study since this ensures suitable investigation into the modifying factors used. A mineral reserve should be defined to include diluting materials and ore loss since these are critical internationally accepted modifying factors that need to be addressed in converting a mineral resource to a mineral reserve. Depending on the mining method and geotechnical properties of the deposit, excessive dilution and ore loss can reduce the commerciality of a project and thus need to be estimated and reported to demonstrate that extraction of the reserve is economically

viable. Pre-feasibility and feasibility outline and define the risks associated with the project. As per the transparency principle these risks need to be disclosed as part of reserve declaration and should for be included in the Table 1 guideline proposed by CRIRSCO.

Disclosure of three categories of Mineral Resource and Reserve (Request for Comment 83, 101)

We support the use of the CRIRSCO framework for classification of Mineral Resources and Reserves, however, we do not support the requirement to disclose resource and reserves into three separate categories of Insitu, Delivered to Mill and Saleable components. The CRIRSCO Template requires that the reference point at which Resources and Reserves are defined is clearly stated and the reader is fully informed. Having three separate reportable reserve and resource categories will likely lead to confusion for investors and their advisors. It is recommended that Resource estimates should only be expressed on an in situ basis to avoid confusion. The CP/QP must report the recovery and dilution conditions that were used to assess reasonable prospect for eventual economic extraction.

Reserve statements should only include plant or mill feed for tonnage, grade and contained metal for metallic deposits. Where it is customary to sell a beneficiated product, as in some coal and industrial minerals deposits, a marketable or saleable product in terms of tonnages and grade or quality can be stated.

Disclaimers of Responsibility (Request for Comment 114)

We understand that under the Proposed Rule, qualified persons would not be permitted to disclaim responsibility for reports, opinions or statements of other experts in preparing the technical report summary. We believe this limitation will have a chilling effect on the willingness of qualified and talented individuals to serve as qualified persons, as such individuals will become subject to some of the same liabilities to which officers and directors are exposed. We request that the Proposed Rule be modified to allow such individuals to certify the entire report, while disclaiming responsibility for specific reports, opinions or statements not provided by such individuals.

Requirements for Internal Controls Disclosure (Requests for Comment 119, 120, 121, 122)

Whilst supporting the modernization of disclosures for SEC registrant mining companies, we are of the opinion that the modernization should not place further burden or duplication of effort on companies who have been compliant with the widely accepted CRIRSCO based standards. We believe that there should be a global alignment of minimum reporting requirements for all registrants, which has been the objective of

CRIRSCO and we see no reason to require greater disclosure from registrants disclosing under a CRIRSCO aligned code such as JORC or SAMREC to those disclosing under NI 43-101 or any other code.

We appreciate the opportunity to submit our comments on the Proposed Rule changes. If you have any questions regarding our comments, please contact Rodney Quick, [REDACTED].

Sincerely yours,

/s/ Randgold Resources Ltd.