

Randgold & Exploration Company Limited

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**ANNUAL REPORT  
2022**

2022

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The board of Randgold & Exploration Company Limited (R&E) remains focused on the recovery of claims relating to assets allegedly misappropriated from it and frauds perpetrated against R&E, while simultaneously safeguarding the company's existing asset base.

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# Contents

<b>Corporate information</b>	2
<b>Forward-looking statements</b>	4
<b>Group structure</b>	5
<b>Report of the chairman and the chief executive officer</b>	6
<b>Report of the financial director</b>	8
<b>Corporate Governance Report</b>	10
<b>Curricula vitae</b>	33
<b>Legal Report</b>	35
<b>Prospecting rights</b>	39
<b>Annual financial statements – group</b>	40
<b>Annual financial statements – company</b>	81
<b>Shareholder analysis tables</b>	94
<b>Notice of annual general meeting</b>	96
<b>Form of proxy</b>	103

# Corporate information

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## **RANDGOLD & EXPLORATION COMPANY LIMITED (“R&E”)**

(Registration number 1992/005642/06)

Share code: RNG

ISIN: ZAE000008819

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## **COMPANY SECRETARY**

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Foreshore

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# Forward-looking statements

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Certain statements in this document as well as oral statements that may be made by the officers, directors or employees of Randgold & Exploration Company Limited (“R&E” or “the company” or “Randgold”) acting on its behalf relating to the information herein, contain “forward-looking statements” within the meaning of the US Private Securities Litigation Reform Act of 1995, specifically section 27A of the US Securities Act of 1933 and section 21E of the US 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 frauds and misappropriations that are alleged to have been perpetrated against R&E and/or any of its subsidiaries (the “R&E group” or “the group”) and the periods affected thereby; the ability of the R&E group to recover any assets and/or investments allegedly misappropriated from the R&E group and/or damages arising therefrom; the outcome of any proceedings on behalf of, or against the R&E group; the time for completing any forensic investigation(s) and any claim(s); the amount of any claim(s) R&E is or is not able to recover against others and the ultimate impact on the previously released financial statements and results, assets and investments of the R&E group including the business, operations, economic performance, financial condition, outlook and trading markets of R&E and/or any of the companies in which R&E has invested. 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 light of the extent of the frauds and misappropriations allegedly perpetrated against the R&E group and/ or 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 extent, magnitude and scope of any fraud and misappropriation that may ultimately be determined to have occurred and the time periods, and facts related thereto, following any further investigation and the ultimate outcome of its forensic and other investigations to date; the ability of R&E to successfully assert any claim(s) it may have against any person for alleged fraud and/or misappropriation of the R&E group’s assets or otherwise and the solvency of any of such parties; the ability of any alleged perpetrators or any other party that has been sued by the R&E group to successfully countersue R&E in any of the litigation in which the R&E group is engaged at any stage; the acceptance of any statement and opinion by the shareholders of R&E; the ability of R&E to successfully defend any counterclaim(s) or proceedings against the R&E group; the ability of R&E and/or the forensic investigators to obtain and establish the necessary information with respect to the transactions, assets, investments, subsidiaries and associated entities of R&E in the context of the forensic investigations or any aspect thereof or that may require further investigation; the willingness and ability of the forensic investigators to issue any final opinions with respect thereto; the ability of R&E to implement improved systems; 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, the R&E group and persons acting on its behalf, are qualified in their entirety by these cautionary statements. R&E expressly disclaims 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.

# Group structure

RANDGOLD & EXPLORATION COMPANY LIMITED

100%

African Strategic Investment Holdings Limited

First Wesgold Mining Proprietary Limited

Refraction Investments Proprietary Limited

Free State Development and Investment Corporation Limited

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# Report of the chairman and the chief executive officer



Dear shareholder

During the financial year ended 31 December 2022, your board worked towards its objective of making recoveries from third parties while safeguarding the asset base of the company.

The group's net asset value ("NAV") decreased by 16.2% in the 2022 financial year (2021: 7.8%). The 2022 results include R1.4m fair value gains on the group's reserves in securities and funds, which is a lower performance compared to the fair value gains of R4.3m in 2021. R&E's total assets consist primarily of cash reserves held in share portfolios and funds. In 2020, to mitigate any further risks, the board moved a significant portion of the funds to a more conservatively managed money market fund with lower volatility than the general equity market.

The company's current agenda is restricted to:

- Pursuing legal claims as described in the Legal Report included in this annual report, while continuously assessing the commercial prudence of each action; and
- Limiting operational costs.

The challenge for 2023 is to continue to make good progress with the claims litigation process.

NAV statement as at 31 January 2023:

	January 2023 R'000	January 2022 R'000
<b>ASSETS</b>	<b>98 645</b>	114 295
Equipment	69	8
Other receivables	435	517
Investment in unlisted securities	95 753	113 259
Cash and cash equivalents	2 388	511
<b>LIABILITIES</b>	<b>12 066</b>	10 652
Post-retirement medical benefit obligation	9 890	9 935
Other payables	2 176	717
Net asset value (R'000)	<b>86 579</b>	103 643
Shares (net)	<b>71 585 172</b>	71 585 172
Rand/share	<b>R1.21</b>	R1.45

**Patrick Burton**

Independent Non-executive Chairman

**Marais Steyn**

Chief Executive Officer and  
Financial Director

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# Report of the financial director

During the financial year ended 31 December 2022, the R&E finance team focused on managing operating costs and the pursuit of legal claims against third parties to recover losses arising from the alleged misappropriation of the company's assets and frauds perpetrated against it.

The key tasks included instructing attorneys and legal counsel while overseeing the preparation of forensic evidence relating to various civil claims and managing the logistics associated with court proceedings. R&E continues to fund its operations from settlements and investment income. Refer to page 35 of this document for the Legal Report containing an update relating to the claims which the R&E group is engaged in.

### STATEMENT OF COMPREHENSIVE INCOME

The 2022 group results reflected a loss for the year of R17.0 million (2021: R8.8 million). During 2022, income was derived primarily from finance income of R5.5 million (2021: R4.5 million) earned on investments in securities and money market funds. The group did not earn any income from recoveries in 2022 or 2021. The company spent R9.2 million (2021: R8.4 million) on personnel costs, R9.6 million (2021: R5.7 million) on legal and forensic fees and other operational costs totalled R4.6 million (2021: R3.9 million).

### STATEMENT OF FINANCIAL POSITION

The major assets of the R&E group as at 31 December 2022 consisted of funds held in securities of R98.2 million (2021: R114.5 million). The board has adopted a low-risk approach to protect the group's investments in securities and funds, which are monitored daily in conjunction with a specialist treasury firm to maintain optimal returns with minimal associated risks.

The post-retirement medical benefit obligation of R9.9 million (2021: R9.9 million) is unfunded and the company continues to fulfil its medical aid scheme obligations. The R&E group had calculated tax losses as at 31 December 2022, but no deferred tax assets were raised as it is improbable that there will be future taxable profits against which to offset the tax losses.

### CASH FLOW

The group's net cash outflow of R930,223 (2021: inflow of R694,169) was the net result of interest and dividends earned together with the proceeds from the disposal and liquidation of investments in unlisted securities, less cash utilised to fund its operations during the year.

### OUTLOOK

The outlook for 2023 is largely dependent on the progress and outcome of current legal matters. Expenditure on litigation is expected to be at a similar level as 2022. Until the claims in which the company is engaged have been finalised, this pattern of expenditure is likely to prevail.

**Marais Steyn**  
Chief Executive Officer and Financial Director

# Corporate Governance Report

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## INTRODUCTION

R&E and its directors are committed to the principles of good corporate governance and to applying ethical standards in conducting the business affairs of the R&E group.

The group further endorses the principles of transparency, integrity, fairness and accountability as advocated by the King IV Report on Corporate Governance™ for South Africa, 2016 (“King IV™”). The directors believe that corporate governance should be appropriate to the size of the company, its complexity and structure, and the risks affecting it, providing a framework through which objectives are regularly set and monitored. During the 2022 financial year, the company applied the principles contained in King IV™ in a practical manner and to the extent possible.

## CONTINUAL IMPROVEMENTS IN THE IMPLEMENTATION OF GOOD GOVERNANCE PRACTICES

The company constantly strives within its limitations to develop and improve existing corporate governance structures and practices to ensure continued compliance with the recommendations of King IV™ and other good governance practices.

## CODE OF ETHICS

All the directors and employees subscribe to the core values of integrity, honesty and transparency. The company’s Code of Ethics and Business Conduct articulates the group’s policy with respect to conflicts of interest, confidentiality, whistle-blowing, fair dealing as well as the protection and proper use of company assets.

## BOARD OF DIRECTORS

The positions of chairman and chief executive officer are separately held, with a clear division of duties.

After a formal evaluation of the chairman, who has served in an independent capacity for more than nine years, it was concluded by the board that the chairman still exercises objective judgement and that there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making. The evaluation of the independence of the chairman will be addressed annually. Due to the size and limited operations of the company, an independent non-executive member of the board has not been appointed as the lead independent director. In the event that the current chairman does not have the capacity to discharge his duties effectively, the appointment of a lead independent director will be considered.

The notice period according to the chief executive officer’s employment contract is 3 months’ written notice. There are no other contractual conditions relating to the termination of the chief executive officer. The chief executive officer has a number of other professional commitments and serves as a director on a number of boards not related to the company. The board has completed a formal evaluation of the chief executive officer, measuring his performance against a list detailing his duties and obligations to the company. The board is satisfied that the chief executive officer has discharged his duties effectively and that his other professional commitments and membership of governing bodies outside the organisation does not affect his performance as chief executive officer of the company. A succession plan is in place for the chief executive officer.

The independent non-executive directors have a wide range of diverse expertise, including financial and commercial experience that enables them to bring independent judgment to board deliberations and decisions. The board has carried out a formal self-evaluation and is satisfied that the composition of the board reflects the appropriate mix of knowledge, skills, experience and independence. The independence of the non-executive directors is formally assessed annually. Independent directors are considered to be independent in accordance with guidance indicated by the Companies Act, No. 71 of 2008, as amended ("the Act") and King IV™.

The board meets at least bi-annually or when necessary. The board's effectiveness, both individually per director and collectively per committee, is constantly monitored, reviewed and discussed. This is an ongoing process scrutinised by the executive directors. In addition, the performance of the board is evaluated annually. This is a formal process conducted by the board members. At this stage, due to the size of the organisation, no external facilitators were utilised for the evaluation process. The performance of the board as a committee was measured against their duties as set out formally in their terms of reference. The board is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period and no remedial action is deemed necessary. The board is also of the opinion that the evaluation process is improving its performance and enabling the board to fulfil its duties effectively.

There is a balance of power and authority at the board level to ensure that no one director has unfettered powers of decision-making. The board continually strives to give strategic direction to the company for the benefit of its shareholders. A formal agenda is prepared for consideration at all meetings. The board has in place a delegation of authority framework and is satisfied that it contributes to role clarity and the effective exercise of authority and responsibilities. A board charter, setting out its mission, role, duties and responsibilities has been adopted and is updated annually as required.

The board recognises its responsibility to retain full and effective control over the company. The board also deliberates on all material matters, which are reserved for its consideration. The board further reviews practices for the mentoring of senior management and the board will continue to review the terms of reference for the various sub-committees of the board.

## TERMS OF EMPLOYMENT OF DIRECTORS

No non-executive director has an employment contract with the company.

Directors have an obligation to attend and actively participate in meetings of the board and board committees on which they serve and to discharge their duties and responsibilities with due care. They are also expected to attend the annual general meeting of shareholders.

Please refer to the Remuneration Committee Report for details of directors' remuneration.

## RETIREMENT BY ROTATION

Clause 26.3 of the company's memorandum of incorporation requires one-third of the non-executive directors to retire by rotation and to offer themselves for re-election by shareholders at the annual general meeting.

Accordingly, Mr JM Kesler and Mr PE Burton will retire by rotation and have offered themselves for re-election. Abridged curriculum vitae of Mr Kesler and Mr Burton are provided on page 34 of this report.

## NEW APPOINTMENTS

New appointments to the board of directors are formal and transparent and are considered by the board as a whole, assisted by the Nomination Committee where appropriate.

The procedures for the appointment of directors include the review of curricula vitae and interviews conducted by directors.

There were no changes in directorships during the 2022 financial year.

On 16 January 2019, the Issuer Regulation Division of the JSE Limited granted dispensation to allow Mr M Steyn to fulfil the dual role as chief executive officer and financial director of the company permanently.

While there is no formal induction programme for new directors due to the low number of appointments and resignations, any new director will be afforded a personal orientation and induction process when required.

### **COMPANY SECRETARY**

The board is responsible for the selection and appointment of the company secretary who must be a suitably qualified person as contemplated in section 86(2)(a) of the Act.

The company secretary is responsible for the duties set out in section 88(2) of the Act and for ensuring compliance with the Listings Requirements of the JSE Limited ("JSE Listings Requirements").

Statucor (Pty) Ltd is the appointed company secretary of R&E represented by Mr Alun Rich.

The board has satisfied itself that they have the required competence, qualifications, expertise and capacity to carry out this function. The company has taken additional measures by appointing Outsourced CFO (Pty) Ltd represented by Ms Marizanne Nel PA (SA) and appointing an internal audit firm to independently review compliance and corporate governance.

Directors have access to the services and advice of the company secretary.

Where necessary, external experts are consulted to ensure compliance with relevant legislation and rules pertaining to the group's operations.

The company secretary has access to professional corporate governance external services and the board believes the arrangements currently in place are effective to enable all to fulfil their duties effectively.

The declaration by the company secretary required to be signed in terms of section 88(2)(e) of the Act appears on page 48 of this report.

### **STAKEHOLDER COMMUNICATION**

The group aims, in all communication with stakeholders, to present a clear understandable assessment of the group's position. Consequently, in its financial reporting, formal announcements, media releases, annual meetings and dialogue with shareholders, the group's objectives are transparent and clear.

Engagement with material stakeholders is encouraged by the board and delegated and executed accordingly.

During the reporting period, the company focused on measuring all communication with stakeholders against the above objectives. The board believes that it has achieved its objectives as set out.

In future, the company will continue to engage its stakeholders on multiple levels. This will allow the effective and timely management of stakeholder queries or potential concerns.

## AUDIT AND RISK COMMITTEE

The Audit and Risk Committee Terms of Reference were originally approved and adopted on 24 March 2004. A revised Terms of Reference to take account of the changes in company law, the JSE Listings Requirements and King IV™, was approved and adopted by the Audit and Risk Committee on 8 March 2018. The Terms of Reference are reviewed annually and updated when required. The Audit and Risk Committee comprises all the independent non-executive directors. Due to the size and limited operations of the company, the chairman of the board is currently a member of the Audit and Risk Committee. Meetings are normally attended by the company secretary as secretary to the Audit and Risk Committee, the external auditors, the internal auditors and, by invitation, the chief executive officer, who currently fulfils the dual role of chief executive officer and finance director.

The Audit and Risk Committee's terms of reference and responsibilities include, amongst others:

- The appointment and/or termination of the external auditors, including assessing their independence and objectivity;
- Determining the audit fee of the external auditors;
- Determining, in conjunction with the external auditors, the nature and scope of the audit;
- Evaluating the effectiveness of the external audit;
- Evaluating the effectiveness of internal controls, overseeing the internal audit function and assisting the board by overseeing the effectiveness of the enterprise-wide risk management process;
- Ensure that appropriate financial reporting procedures exist and are working;
- Ensure that the appointment of the auditor is presented and included as a resolution at the upcoming annual general meeting;
- Considering its responsibilities pursuant to paragraph 22.15(h) of the JSE Listings Requirements;
- Considering the appropriateness of the expertise and experience of the financial director;
- Reviewing and approving the accounting policies and practices and any proposed changes thereto;
- Assisting the directors in fulfilling their responsibilities;
- Ensuring that published financial reports are objective, complete and accurate; and
- Receiving and dealing with complaints related to accounting matters or any other improprieties.

The Audit and Risk Committee also meets with the external and internal auditors outside of formal committee meetings as frequently as is necessary.

Refer to page 42 of this document for the report from the Audit and Risk Committee and to page 18 of this report for the Risk Management Report. The Audit and Risk Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

## NOMINATIONS COMMITTEE

The Nomination Committee mandate was originally approved and adopted on 24 March 2004. A revised Terms of Reference, to take account of the changes in company law, the JSE Listings Requirements and King IV™, was approved and adopted by the Nomination Committee on 8 March 2018. The document is reviewed annually and updated as required. It sets out the Nomination Committee's terms of reference, including objectives, duties, proceedings at meetings and membership.



The objectives of the Nomination Committee, as set out in its terms of reference, include the following – to assist the board to ensure that:

- The board has the appropriate composition for it to execute its duties effectively;
- Directors are appointed through a formal process; and
- Induction and ongoing training and development of directors take place.
- Formal succession plans for the board, chief executive officer and senior management appointments are in place.

The duties of the Nomination Committee, as set out in its terms of reference, include the following:

- Recommend the appointment of new executive, non-executive and independent non-executive directors (including recommending the general composition of the board and the balance between the executive, non-executive and independent non-directors appointed to the board);
- Regularly review the board structure, size and composition and make recommendations with regard to any adjustments that are deemed necessary;
- Identify and nominate candidates to fill board vacancies as and when they arise, as well as put in place plans for their succession;
- Recommend directors that are retiring by rotation, or re-election; and
- Report to shareholders as required.

In addition to the duties as set out in the committee's terms of reference and in line with the amended paragraph 3.84(i) of the JSE Listing Requirements, the Committee formally approved and adopted a new broader diversity policy. The newly adopted policy was followed for the new board appointments in the past financial period and will be followed when any future decisions regarding new appointments to the board are made. The Board is satisfied with the current composition of the Board.

The Nomination Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

## **REMUNERATION COMMITTEE REPORT**

The Remuneration Committee mandate was approved and adopted with effect from 24 March 2004. A revised Terms of Reference to take account of the changes brought by the Act, the JSE Listings Requirements and King IV™ has been reviewed by the Remuneration Committee and was approved by the board on 8 March 2018. The document is reviewed annually and updated as required.

No remuneration consultants have been used during the reporting period.

The Remuneration Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

The Remuneration Committee will continue to implement the policy as approved by shareholders effectively in order to comply with all requirements and discharge their duties.

The group's remuneration policy, which is set out in part I of this report, and the implementation report, which is set out in part II of this report, will be proposed to shareholders for non-binding advisory votes at the upcoming annual general meeting on 8 May 2023.

The Remuneration Committee comprises of the following members:

- Patrick Ernest Burton (Chairman);
- Tembani Samuel Dube
- Roderick John Fehrsen; and
- Joel Martin Kesler.

The board has considered Mr Burton's role as a member and chairman of the remuneration committee, whilst being the chairman of the board, and is satisfied that the applicable principles of King IV™ are complied with, bearing in mind, inter alia, that the majority of members are independent.

## PART I: REMUNERATION POLICY

The group's remuneration philosophy is based on the following principles:

- Aligning executive remuneration with company performance and shareholder interests;
- Setting remuneration standards which attract, retain and motivate a competent executive team;
- Linking individual pay with operational and company performance in relation to strategic objectives; and
- Evaluating compensation of executives including approval of salary, equity and incentive-based awards.

In applying these principles to remuneration practices, management aims to be market competitive and ensures that good governance is observed in relation to all remuneration practices. In applying these principles, the Remuneration Committee aims to be transparent and achieve fair and responsible remuneration for management.

No benchmark is currently used to determine remuneration. The Remuneration Committee determines the remuneration of executive directors and other senior executive managers. The basic "cost to company" package consists of a basic salary. These packages are linked to the expertise and knowledge required in the position. Basic "cost to company" is fixed for a period of 12 months and is subject to an annual review. Executive directors' increases are proposed by the chairman of the board, but are subject to prior review by the Remuneration Committee and final approval of the board. There is no restraint of trade in place for either of the executive directors. Changes to the remuneration of independent non-executive directors are approved by shareholders.

Please refer to our website [www.randgoldexp.co.za](http://www.randgoldexp.co.za) where the remuneration policy is stored for public access.

### Executive directors' remuneration

Randgold's executive remuneration structure currently comprises only guaranteed remuneration. No variable recurring bonus arrangement is currently in place. There is no variable pay and directors are, due to company size and complexity and activities not rewarded for individual performance. As a result, it is not deemed necessary to provide an illustration of the potential impact on the total remuneration for executive management, on a single, total figure basis, of applying the remuneration policy under the minimum, on-target and maximum performance outcomes.

The remuneration paid to executive directors is disclosed on page 17 of this report.

### Guaranteed remuneration

Executive directors receive guaranteed packages. These guaranteed packages are reviewed annually in March. Salaries are set in relation to the scope and nature of an individual's role, experience and performance, to ensure market competitiveness and sustainable performance. The board approved a 5% salary increase for the executive directors for the 2022 financial year (2021: 5%).

### **Variable remuneration**

Not applicable.

### **Executive service conditions**

There are no fixed-term service conditions.

There are no obligations in executive employment contracts which give rise to payments on termination of employment or office.

### **Non-executive directors' fees**

Non-executive directors receive fees for serving on the board and board committees. No non-executive director has an employment contract with the company and no consulting fees were paid to directors during the year.

The proposed fees for the 2023 financial year, which are subject to approval by shareholders at the forthcoming annual general meeting in May 2023, are included in the notice of the annual general meeting on page 99 of this report.

### **Remuneration governance**

The Remuneration Committee operates under formal board-approved terms of reference. Their duties include but are not limited to the following:

Duties:

- To consider the remuneration policy and to set strategic objectives for remuneration management within the company's operations;
- To make all determinations and take any action that is reasonably appropriate or necessary in the course of establishing the compensation of the company's executives;
- To review and approve corporate goals and objectives relevant to the compensation of the chief executive officer, evaluate the performance of the chief executive officer in light of these goals and objectives, and set the compensation level of the chief executive officer based on this evaluation;
- To review, and make recommendations to the board where necessary, all new employment, consulting, retirement and severance agreements and arrangements proposed for the company's executives. The Remuneration Committee periodically evaluate existing agreements with the company's executives for continuing appropriateness;
- To determine specific remuneration packages for each executive director and executive officer of the company, including fringe benefits, and to review these annually; and
- To consider other matters relating to the remuneration of or terms of employment applicable to the executive directors and executive officers that may be referred to the Remuneration Committee by the board.

## PART II: IMPLEMENTATION OF REMUNERATION POLICY

### Director's remuneration

Directors	Basic salary/fees		Bonus		Total	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000	2022 R'000	2021 R'000
<b>Executive</b>						
M Steyn	3 019	2 875	–	–	3 019	2 875
H Gischen	3 100	2 730	–	–	3 100	2 730
<b>Non-executive</b>						
DC Kovarsky <sup>1</sup>	–	173	–	–	–	173
JM Kesler <sup>2</sup>	382	201	–	–	382	201
PE Burton	608	518	–	–	608	518
RJ Fehrsen <sup>2</sup>	382	201	–	–	382	201
TS Dube	382	368	–	–	382	368
	7 873	7 066	–	–	7 873	7 066

(All amounts stated above are exclusive of VAT, where applicable.)

<sup>1</sup> Resigned from the board on 19 April 2021.

<sup>2</sup> Appointed as non-executive director to the board on 15 June 2021.

No payments were made during the reporting period on termination of employment or office.

### Shareholder approval

The remuneration policy and implementation report set out above are proposed to shareholders in separate non-binding advisory votes in terms of the notice of the annual general meeting. In the event that either the remuneration policy or the implementation report, or both, are voted against by 25% or more of the votes exercised at the annual general meeting, the board of directors will engage with such shareholders in order to clarify the nature of and evaluate the validity of such objections and legitimate and reasonable concerns and will, where possible and prudent, given the objectives of the remuneration policy, take those objections and concerns into consideration when formulating any amendments to the company's remuneration policy.

### Voting at the 2022 annual general meeting

At the annual general meeting on 27 May 2022, the shareholders endorsed the remuneration policy and the implementation report of the company by way of separate non-binding advisory votes of 98.60% and 98.60% in favour respectively. As the non-binding advisory votes were passed by the requisite majorities, no further engagement with shareholders was required.

The Remuneration Committee believes that they applied the remuneration policy effectively and complied with all requirements.

## **RISK MANAGEMENT REPORT**

The board recognises the importance of effective risk management and acknowledges that it is accountable and responsible for ensuring that adequate procedures and processes are in place to identify, assess, manage and monitor key business risks.

### **Risk management**

The Risk Register, which is currently in place, is reviewed at least annually, updated continuously and utilised as a working document in the risk management process. This is in line with the strategy adopted by the directors, included in the risk policy and management plan.

### **Risk appetite and tolerance**

The board considers itself to be risk-averse. The board is satisfied that no member of management has exceeded his or her authority or acted contrary to the board's stated risk policy and that the group has not been exposed to unnecessary risk.

### **Current and imminent risks**

The company's operational activities are limited and the key risks inherent to the organisation and their management relate only to the current basic function of the company. The top five inherent risks on the risk register as at December 2022 were:

Material risks:

- Key knowledge resides in key people, which may result in key knowledge being lost should those members of staff leave the company or the company changes legal representatives or service providers. This relates to the day-to-day operations of the company as well as the historic litigation knowledge by the legal representatives. The board are committed to retain key knowledge and regularly reviews the operational functions and the legal representatives involved to ensure that key knowledge is retained or carried over where changes do occur.
- Key electronic data may be lost, specifically company and historic litigation records. The operational data are held on secure cloud servers managed by third parties and the safe-keeping of litigation records are actively managed by the legal representatives.
- The legal representatives of the company may not fulfil their mandate appropriately. The executive directors are actively monitoring the legal representatives on a day-to-day basis. The executive team has significant litigation experience to fulfill this role.
- Not adhering to all applicable JSE Listings Requirements, resulting in fines. The company has recruited the services of an independent party as a JSE Sponsor.
- Unauthorised access to key data. The operational staff and the legal representatives are tasked with ensuring all access to key data is authorized.

The Audit and Risk Committee and the board are satisfied that the risks, as stated above, are currently being appropriately mitigated by management and that the residual risk is well below the level that is considered to be acceptable. The company is therefore not exposed to any undue risk. In future, the company will continue to monitor any changes in inherent key risks and address these changes accordingly.

## SOCIAL AND ETHICS COMMITTEE

A Social and Ethics Committee Terms of Reference were adopted at a meeting of the board on 2 August 2011. The Terms of Reference are reviewed annually and updated as and when required. The Social and Ethics Committee is a formal sub-committee of the board.

The Social and Ethics Committee comprises of the following members:

- Patrick Ernest Burton (Chairman);
- Joel Martin Kesler;
- Roderick John Fehrsen;
- Tembani Samuel Dube;
- Marais Steyn; and
- Hilton Gisichen.

Members of the Social and Ethics Committee are appointed by the board and membership must include at least one independent non-executive director. The responsibility of the Social and Ethics Committee as set out by the Terms of Reference to monitor the company's activities with regard to the relevant legislation and codes of best practice in respect of:

Social and economic development, including the company's standing in respect of:

- The 10 principles set out in the United Nations Global Compact;
- The Organisation for Economic Co-operation and Development ("OECD") recommendations regarding corruption;
- The Employment Equity Act; and
- The Broad-Based Black Economic Empowerment Act.

Good corporate citizenship, including:

- The promotion of equality, prevention of unfair discrimination and reduction of corruption;
- Contribution to the development of the communities in which it operates; and
- Sponsorship, donations and charitable giving.

Environment, health and public safety, including the impact of the company's activities and its products or services.

Consumer relationships, including advertising, public relations and compliance with consumer protection laws.

- Labour and employment, including the company's standing in terms of the International Labor Organisation Protocol on Decent Work and Working Conditions.

During the reporting period, the company continued to adhere to its responsibility to model good corporate citizenship and take into account all factors (workplace, economy, society and environment) when making decisions. As the company operates as an investment company in the mining industry and does not have any active mining operations of its own, its potential impact on society and the environment is limited. The company continues to fulfil its obligations under the post-retirement medical benefit scheme. During 2022, R&E supported the Aitsa! After Care Centre situated in Stellenbosch. The centre provides food, educational stimulation, fun, sport and life skills programs for over 200 disadvantaged children. In future, the company will continue to focus on these areas and to pursue the values of being a good corporate citizen.

The committee has fulfilled its mandate as prescribed by the Companies Regulations to the Companies Act, and there were no instances of material non-compliance to disclose.

The Social and Ethics Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

## ATTENDANCE

Attendance of meetings was as follows:

<b>BOARD Directors</b>		<b>16 March 2022</b>	<b>17 August 2022</b>
PE Burton	Independent Non-executive Chairman	P	P
M Steyn	Chief Executive Officer and Financial Director	P	P
H Gischen	Executive Director	P	P
TS Dube	Independent Non-executive Director	P	–
RJ Fehrsen	Independent Non-executive Director	P	P
JM Kesler	Non-executive Director	P	P

  

<b>AUDIT AND RISK COMMITTEE Members</b>		<b>16 March 2022</b>	<b>17 August 2022</b>
RJ Fehrsen	Independent Non-executive Chairman of the Audit and Risk Committee	P	P
PE Burton	Independent Non-executive Chairman of the Board	P	P
TS Dube	Independent Non-executive Director	P	–

  

<b>NOMINATION COMMITTEE Members</b>		<b>16 March 2022</b>	<b>17 August 2022</b>
PE Burton	Independent Non-executive Chairman of the Nomination Committee	P	P
JM Kesler	Non-executive Director	P	P
RJ Fehrsen	Independent Non-executive Director	P	P
TS Dube	Independent Non-executive Director	P	–
M Steyn	Chief Executive Officer and Financial Director	P	P
H Gischen	Executive Director	P	P



<b>REMUNERATION COMMITTEE</b>		<b>16 March</b>	<b>17 August</b>
<b>Members</b>		<b>2022</b>	<b>2022</b>
PE Burton	Independent Non-executive Chairman of the Remuneration Committee	P	P
JM Kesler	Non-executive Director	P	P
RJ Fehrsen	Independent Non-executive Director	P	P
TS Dube	Independent Non-executive Director	P	–

<b>SOCIAL AND ETHICS COMMITTEE</b>		<b>16 March</b>	<b>17 August</b>
<b>Members</b>		<b>2022</b>	<b>2022</b>
PE Burton	Independent Non-executive Chairman of the Social and Ethics Committee	P	P
JM Kesler	Non-executive Director	P	P
RJ Fehrsen	Independent Non-executive Director	P	P
M Steyn	Chief Executive Officer and Financial Director	P	P
H Gisken	Executive Director	P	P
TS Dube	Independent Non-executive Director	P	–

*P – Indicates present*

## DEALING IN SECURITIES

The company has adopted a “closed period” policy, which complies with the JSE Listings Requirements. During this time, the directors, prescribed officers, company secretary and designated employees are prohibited from dealing in the company’s securities, either directly or indirectly, on the basis of unpublished price-sensitive information about the business. Identified employees are advised to that effect. A closed period arises automatically from the end of a financial reporting period until the publication of financial results, complying with the JSE Listings Requirements for that period. Additional closed periods may be declared from time to time if circumstances so warrant. Dealings in securities by directors and officers of the company require prior approval by the chairman or chief executive officer, depending on the person dealing in the securities. Any share dealings by directors, prescribed officers and the company secretary of the company are notified to the JSE for publication via the stock exchange news service of the JSE Limited (“SENS”).

Mr Gisken and Mr Kesler are indirectly entitled to call for repayment of R6,017,500 either in cash or in R&E shares at an effective rate of R1.383 per share (4,350,000 shares). This claim would be against an independent third party. There has been no change since the 2021 financial year.

No other director held any shares, directly or indirectly, in the company during 2021 or 2022 and up to the date of this report.

## COMPLIANCE

Management as a whole takes responsibility for keeping abreast of all legal and regulatory changes that could affect the group. Through constant communication with the company’s legal and tax advisors, as well as its close relationship with its corporate sponsor, the company ensures that it operates within all applicable laws, regulations and frameworks. In future, the company will stay committed to the process of compliance and will continue to focus on complying with all applicable laws, regulations and frameworks by working closely with legal and tax advisors.

The Randgold directors have confirmed that, to the best of their knowledge, Randgold (i) complied with the provisions of the Companies Act of South Africa, and (ii) operated in accordance with its memorandum of incorporation, during the year under review.

## **TECHNOLOGY AND INFORMATION GOVERNANCE**

The board has delegated overseeing the governance of information technology ("IT") to the Audit and Risk Committee, while still remaining ultimately accountable. Management remains responsible for the day to day management of IT within the governance framework established by the board. Given the current size and scope of the company and the limited operations the company is engaged in, the board believes IT is aligned to the complexity of the current operations and considers it to be appropriate at this time.

During the reporting period, there were no significant changes in policy, significant acquisitions or any major incidents to report. In future management will continue to address IT matters in accordance with the governance framework and will evaluate the risk it presents to the operations of the company on a continual basis.

## **ENVIRONMENTAL IMPACT**

The company does not currently have any active mining operations and its impact on the environment is minimal. When new projects are assessed, a "triple bottom line" approach will be adopted.

## **SUSTAINABILITY**

Sustainability can be defined as the ability of an organisation to survive and grow for the foreseeable future without adversely impacting on its environment or stakeholders.

The directors perform a comprehensive risk assessment annually, examining the opportunities, risks and all factors inherent in managing the company. The directors have ascertained that, in line with the strategy adopted, the company has sufficient funds and resources to follow the strategy in 2023. However, it is important to record that pending the outcome of the outstanding legal matters, the company's commercial activities remain curtailed and restricted.

The strategy contained the following key outcomes:

- The continued progression of the litigation in which the company is engaged to recover funds where the most realistic prospect of recovery may exist;
- Retention of the listing of the company's shares on the JSE;
- Ongoing review of the company's cost base related to the adopted strategy; and
- Reviewing and investigating any opportunities to expand and maximise wealth creation for R&E's stakeholders.

The conditions and factors pertaining to the sustainability of the company are regularly reviewed by the board of directors.

## **DIRECTOR AND OFFICER LIABILITY INSURANCE**

The company has directors' and officers' liability insurance, which provides cover against legal action by third parties.

## KING IV APPLICATION REGISTER

Herewith the Governance Report as it relates to the application of the 16 (applicable) principles as per part 5 of the King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV™").

	PRINCIPLE	APPLICATION/EXPLANATION
<b>LEADERSHIP</b>		
1.	<b>The governing body should lead ethically and effectively.</b>	<p><i>Ethics</i></p> <p>The board of directors of Randgold constitutes the governing body and the directors hold one another accountable for decision making and ethical behaviour.</p> <p>The board has adopted a code of ethics.</p> <p>The board's responsibility for setting the tone for an ethical organisational culture is discharged by the company and corporate level governance, monitoring and reporting systems and structures are in place, as detailed in the Corporate Governance Report, to give effect hereto.</p> <p>Board members are under a legal duty to prevent conflicts of interest with the company and are obliged to make full disclosure of any areas or potential areas of conflict prior to any consideration or discussion by the board of such items, and do not take part in any discussions on such matters, being obliged to recuse themselves from any board meeting while such discussions are in progress. Disclosures of other directorships are tabled at the start of each board meeting and this is a standard agenda item.</p> <p><i>Effectiveness</i></p> <p>To ensure that the company's leadership is effective; board, committee or senior executive appointments are proposed to the board to ensure an appropriate mix of skills and independence of thought. Board members collectively possess a wide range of financial, commercial and technical knowledge, together with experience in the industry within which the company operates.</p> <p>Annual performance evaluations of the board, the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee are undertaken. The results thereof are communicated to the board and/or committees and addressed as needed.</p> <p>Due to the relative simplicity of the company's operations, hands-on induction of new directors is performed by the chief executive officer, who currently fulfils the dual role of chief executive officer and finance director.</p>

	PRINCIPLE	APPLICATION/EXPLANATION
<b>ORGANISATIONAL ETHICS</b>		
2.	<b>The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</b>	<p>The ultimate responsibility for the governance of ethics rests with the board. The board serves as the focal point and custodian of corporate governance for the company.</p> <p>The board commits to the Constitution of the Republic of South Africa (including the Bill of Rights) and accepts the principles of fairness, accountability, integrity and transparency. The board strives, as a minimum, to ensure compliance with all applicable legislation and regulations, leading standards and with its own code of ethics.</p> <p>The board is assisted in governing the ethics of the organisation by the Social and Ethics Committee.</p> <p>The board, assisted by its committees, is committed to maintaining an ethical culture, on transformation within the company, on fair, transparent and responsible remuneration and on the continued development and training of its employees.</p> <p>The board has adopted a zero-tolerance approach to fraud and the appropriate remedial action is taken should there be found to be any substance to the matter reported.</p> <p>The code of ethics adopted by the board commits the company and its employees to the highest ethical standards of conduct.</p> <p>Through the Social and Ethics Committee, the board adopted the principles of the United Nations Global Compact in the areas of human rights, labour, the environment and anti-corruption, as well as promoting the economic and social well-being of people.</p> <p>The policy on price-sensitive information was renewed and the declarations of interest policy, as set out in the board charter, allows for the governing of conflicts of interest.</p> <p>Planned areas of future focus will include the continued training of employees to ensure that the company embeds a culture of ethical behaviour in all of its operations and at all levels.</p>

	PRINCIPLE	APPLICATION/EXPLANATION
<b>RESPONSIBLE CORPORATE CITIZENSHIP</b>		
3.	<b>The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.</b>	<p>It is the responsibility of the board to ensure that the consequences of the company's activities do not adversely affect its status as a responsible corporate citizen in the areas of the workplace and the economies of the geographical areas within which it operates, with due regard to social and environmental issues.</p> <p>The Social and Ethics Committee is tasked with monitoring the company's activities in respect of good corporate citizenship. Their tasks include:</p> <ul style="list-style-type: none"> <li>• Promotion of equality, prevention of unfair discrimination and reduction of corruption;</li> <li>• Contribution to the development of the communities in which it is predominantly involved; and</li> <li>• Record of sponsorship, donations and charitable giving.</li> </ul> <p>During the period under review, there were no fines or penalties incurred.</p> <p>The company will continue to consider its responsibilities in the areas of the workplace, the economy, society in general and the environment; all being key interrelated factors in ensuring the sustainability of the company's businesses.</p> <p>Also, refer to the Social and Ethics Committee's report in the corporate governance section.</p>
<b>STRATEGY AND PERFORMANCE</b>		
4.	<b>The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.</b>	<p>The directors individually and collectively work to achieve the company's strategic objectives, to manage the risks and opportunities that could threaten or enhance the company's ability to provide sustainable long-term growth to stakeholders, to maintain and enhance efficiencies within the company's businesses and to support the people who rely on its businesses. The sustainability of the company's businesses is a key consideration and sustainability is evaluated at each board meeting. Formal policies governing environmental, corporate social investment, ethical and remuneration matters, form key components of the value creation process and are effective in ensuring the long-term sustainability of the company.</p> <p>Management has the responsibility of formulating and developing the strategy for the company. Budgets are presented to the board as well as strategic plans, and any risks and opportunities are identified and considered as part of this process within which the company operates.</p>

	PRINCIPLE	APPLICATION/EXPLANATION
<b>RESPONSIBLE CORPORATE CITIZENSHIP</b>		
5.	<b>The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.</b>	<p>The board assumes responsibility for the integrity and transparency of the company's reporting and, assisted by the Audit and Risk Committee and the external auditor, oversees the issue of the company's annual financial statements and annual reports.</p> <p>The annual report provides stakeholders with information relating to the company's performance.</p> <p>Information is also made available to stakeholders via SENS and announcements which are also available on the company's website at <a href="http://www.randgoldexp.co.za">www.randgoldexp.co.za</a>.</p> <p>The publication of external reports and press releases, including SENS announcements, requires the prior approval of the company's chief executive officer, who currently fulfils the dual role of chief executive officer and finance director or as may be otherwise instructed.</p>
<b>PRIMARY ROLE AND RESPONSIBILITIES OF THE GOVERNING BODY</b>		
6.	<b>The governing body should serve as the focal point and custodian of corporate governance in the organisation.</b>	<p>The board charter documents the board's role and responsibilities, including the focal role of setting the strategic direction of the company, approving policies and plans to give effect thereto, oversight and monitoring of the implementation of policies and plans by management together with reporting and disclosure. All policies are subject to compliance with the overarching policies set at board level. The board is supported by the committees and management reporting structures detailed in the Corporate Governance Report but remains ultimately responsible for corporate governance in the company and for the appropriate and transparent reporting of corporate governance.</p>

	PRINCIPLE	APPLICATION/EXPLANATION
<b>COMPOSITION OF THE GOVERNING BODY</b>		
7.	<b>The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</b>	<p>The names of the board members during the review period, together with details of their age, qualifications, knowledge, skills and experience, are disclosed in the annual report.</p> <p>King IV™ requires that the majority of directors shall be non-executive directors, the majority of whom shall qualify as independent and this requirement has been met. The independence of the non-executive directors is reviewed on an annual basis by the board against the criteria stipulated in King IV™.</p> <p>A chief executive officer has been appointed to the board. The chief executive officer fulfils the dual role of both chief executive officer and financial director.</p> <p>The arrangements for periodic, staggered rotation of non-executive directors are contained within the company's memorandum of incorporation and are duly applied.</p> <p>The process for nomination, election and appointment of board members is formal and transparent, as outlined in the Corporate Governance Report.</p> <p>The board as a whole considers and, if appropriate, approves recommendations, subject to shareholder approval.</p> <p>Due to the relative simplicity of the company's operations, hands-on induction of new directors is performed by the chief executive officer, who currently fulfils the dual role of chief executive officer and finance director.</p> <p>The board has carried out a formal self-evaluation and is satisfied that the composition of the board reflects the appropriate mix of knowledge, skills, experience, diversity and independence.</p>
<b>COMMITTEES OF THE GOVERNING BODY</b>		
8.	<b>The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.</b>	<p>Standing board committees have been established, underwritten with approved terms of reference, in accordance with statutory requirements. These committees assist the board to effectively discharge its duties. The composition of these standing committees ensures that there is an appropriate balance of power and that an independent perspective is brought to board deliberations and that no single director has unfettered powers.</p> <p>The standing committees of the board, which are reported on more fully in the Corporate Governance Report, are the:</p> <ul style="list-style-type: none"> <li>• Audit and Risk Committee;</li> <li>• Social and Ethics Committee;</li> <li>• Remuneration Committee; and</li> <li>• Nomination Committee.</li> </ul>



	PRINCIPLE	APPLICATION/EXPLANATION
<b>EVALUATIONS OF THE PERFORMANCE OF THE GOVERNING BODY</b>		
9.	<b>The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.</b>	<p>The board, the Audit and Risk Committee, the Social and Ethics Committee, the Nomination Committee and the Remuneration Committee conduct annual assessments as disclosed in the Corporate Governance Report. Items identified for improvement are discussed and followed up to ensure the implementation of recommended actions.</p> <p>An assessment of the suitability and effectiveness of the chief financial officer is conducted annually by the Audit and Risk Committee and is confirmed in the Audit and Risk Committee's report in the annual financial statements.</p> <p>The suitability and effectiveness of the company secretary are reviewed by the board on an annual basis.</p> <p>The appointment of the chairman is reviewed by the board on an annual basis.</p>
<b>APPOINT AND DELEGATION TO MANAGEMENT</b>		
10.	<b>The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.</b>	<p>The chief executive officer has a clearly defined role and is responsible for the implementation and execution of the board's strategy, policies and proposals presented to and approved by the board.</p> <p>To provide continuity of executive leadership, succession planning is in place for the chief executive officer and chairman. Succession plans are regularly reviewed to provide for succession in both emergency situations and over the longer term.</p> <p>The chief executive officer of R&amp;E operates under clearly defined guidelines.</p> <p>The chief executive officer fulfils the dual role of both chief executive officer and financial director.</p> <p>Statucor Proprietary Limited is the appointed Company Secretary of R&amp;E represented by Mr Alun Rich. The Board has satisfied itself that they have the required competence, qualifications, expertise and capacity to carry out this function. The company has taken additional measures by appointing Outsourced CFO Proprietary Limited, represented by Ms Marizanne Nel and appointing an internal audit firm to independently review compliance and corporate governance as it relates to financial controls.</p>

	PRINCIPLE	APPLICATION/EXPLANATION
<b>APPOINT AND DELEGATION TO MANAGEMENT</b> <i>continued</i>		
10.	<b>The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.</b> <i>continued</i>	<p>The performance and independence of the company secretary are evaluated by the board on an annual basis and the board has satisfied itself as to the appropriateness.</p> <p>The company secretary reports to the board on all statutory, regulatory and governance matters concerning the company and to the chief executive officer on all other duties and administrative matters.</p> <p>In instances where delegation has taken place to management or committees, preapproved materiality levels and terms of references apply, respectively.</p> <p>Although the board has delegated certain powers and authorities to executive management and to board committees, the ultimate responsibility for retaining full and effective control of the company rests with the board. Decisions on strategy and other material matters are reserved for the board and there is a clear delineation of power between the board and management at all times.</p>
<b>RISK GOVERNANCE</b>		
11.	<b>The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives</b>	<p>The board assumes responsibility for the governance of risk by setting the direction for how risk is to be approached and addressed by the company in order to achieve its strategic group objectives. Without derogating from its overall responsibility for risk management the board delegates the implementation and execution of effective risk management to management.</p> <p>The board receives risk reports from management, which considers the risks that could impact the organisation. The risk reports, which are updated as and when needed, categorise the estimated impact and the likelihood of the risks identified, differentiating between residual risks and inherent risks, and advising the board of the controls established/remedial action taken to mitigate the risk identified.</p> <p>Responsibility for effective risk management is spread across the company's management and parties to whom specific control functions have been outsourced to.</p> <p>The Audit and Risk Committee plays an integral oversight role in ensuring the ongoing effectiveness of these processes. The Audit and Risk Committee assists the board by providing an independent and objective view on the company's financial, accounting and control mechanisms and policies, information systems and internal controls, the going concern status of the company and compliance with all relevant statutory and regulatory requirements. The chief executive officer is responsible for the management of risk.</p> <p>The Audit and Risk Committee receives an annual report from the internal audit function, providing feedback against the financial risks included in the risk register.</p>

	PRINCIPLE	APPLICATION/EXPLANATION
<b>TECHNOLOGY AND INFORMATION GOVERNANCE</b>		
12.	<b>The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</b>	Given the current size and scope of the company and the limited operations the company is engaged in, the board believes IT is aligned to the complexity of the current operations and considers it to be appropriate at this time.
<b>COMPLIANCE GOVERNANCE</b>		
13.	<b>The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.</b>	<p>Responsibility for the implementation and execution of effective compliance management is delegated by the board to management. The board, however, retains ultimate responsibility for compliance with applicable laws, adopted non-binding rules, codes and standards.</p> <p>Through its board, committee and reporting structures, the board, the Audit and Risk Committee and the Social and Ethics Committee will be apprised of any incidences of non-compliance with legislative and regulatory requirements and/or internal compliance benchmarks set by the company. Management is required to highlight any areas of non-compliance with the legislative or regulatory requirements applicable to the activities of the company which need to be addressed. Any material incidences of non-compliance and/or significant fines or penalties incurred are reported to the board and/or the Audit and Risk Committee and/or the Social and Ethics Committee of the board to ensure that appropriate remedial action is taken.</p> <p>Key applicable legal and regulatory matters are periodically brought to the board's attention as and when updates and/ or changes occur.</p> <p>Should any material or repeated regulatory penalties, sanctions or fines for non-compliance with the company's statutory obligations be incurred, or should the company face criminal sanction or prosecution in respect thereof, details will be disclosed in the company's annual report.</p> <p>During the review period, there were no material findings of non-compliance with applicable legislation or regulations and there were no criminal sanctions or prosecutions. The company continues to operate as a responsible corporate citizen.</p>

	PRINCIPLE	APPLICATION/EXPLANATION
<b>REMUNERATION GOVERNANCE</b>		
14.	<b>The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</b>	<p>The board assumes responsibility for the governance of remuneration and sets the direction for remuneration in the company.</p> <p>The board has appointed a Remuneration Committee to ensure that the company's executives and managers are fairly rewarded for their individual and joint contributions to the company's performance and that the company remunerates fairly, responsibly and transparently in the context of overall remuneration in the company to enable the company to achieve its strategic objectives and to secure positive outcomes in the short, medium and long term. To this end, the board has approved a remuneration policy. The main provisions of this policy are disclosed in the company's annual report, together with a background statement and an implementation report.</p> <p>At the annual general meeting on 26 May 2022, the shareholders endorsed the remuneration policy and the implementation report of the company by way of separate non-binding advisory votes of 98.60% and 98.60% in favour respectively. Voting at annual general meetings on the remuneration policy and implementation report and any required actions following from the exercise by shareholders of their votes was conducted in compliance with the requirements of the Companies Act of South Africa ("the Act"), the Listings Requirements of the JSE Limited and King IV™.</p> <p>Directors' remuneration has been disclosed comprehensively in the company's annual financial statements.</p>
<b>ASSURANCE</b>		
15.	<b>The governing body should ensure that assurance services and functions enable an effective control environment and that these support the integrity of information for internal decision-making and of the organisation's external reports.</b>	<p>The board sets the direction for assurance services and functions but the responsibility for overseeing such arrangements is delegated to the Audit and Risk Committee, which is charged with supporting the integrity of information for internal decision-making use and for external reports.</p> <p>A combined assurance model has been developed and formally implemented by the company to effectively cover the company's significant risks and material matters. The model includes but is not limited to the company's established risk management and compliance functions and the external auditors, together with such other external assurance providers as may be appropriate or deemed necessary from time to time, including the company secretary, which provides assurance on aspects of corporate governance and a JSE sponsor which advises on the JSE Listings Requirements.</p> <p>The Audit and Risk Committee has satisfied itself as to the independence of the external auditor as well as the effectiveness of the chief audit executive (internal audit) and the internal audit function.</p>

	PRINCIPLE	APPLICATION/EXPLANATION
<b>STAKEHOLDERS</b>		
16.	<b>In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.</b>	<p>The board determines the stakeholder engagement strategy and delegates to management the responsibility for implementation and execution thereof.</p> <p>Stakeholders are kept apprised of the company's performance by the publication of the annual report, the interim and year-end results announcements and, should these be required, trading updates.</p>

# Curricula vitae

AS AT 31 DECEMBER 2022

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**Patrick Ernest Burton  
(70) ("Patrick")**

*Independent  
Non-executive Director  
Chairman*

BComm (Hons) Financial  
Management, Post Graduate  
Diploma in Tax Law

Date of appointment:  
23 May 2013

Patrick was one of the founding members of Siphumelele Investments Limited, a black economic empowerment company, established in 1995, with a shareholder base representing in excess of 150 000 previously disadvantaged individuals. His experience as a director includes non-executive positions in fishing, food and financial services.

Patrick is a member of the audit, risk, remuneration and nominations committees of PSG Konsult Limited. He is also a member of the audit committee of PSG Life Limited, as well as a member of the audit committee and remuneration committee of Telviva (Pty) Limited.

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**Marais Steyn (51)  
("Marais")**

*Chief Executive Officer  
and Financial Director*

BComm (Hons), CA(SA)

Date of appointment:  
13 December 2006

After qualifying as a chartered accountant, Marais was appointed as a manager in the audit and management consulting departments at KPMG. Subsequently, he managed and founded an auditing and corporate advisory firm serving the needs of various major corporations and parastatals. Prior to his appointment to the board of R&E, he served as financial director of Afilease Limited, a JSE-listed gold and uranium mining company.

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**Hilton Gischen (69)  
("Hilton")**

*Executive Director*

BProc

Date of appointment:  
15 November 2019

Hilton was admitted as an attorney of the High Court of South Africa in 1978. He practised as a commercial attorney from 1979 to 2003 at Mallinck Ress Richman & Closenbergs attorneys, specialising in litigation and insolvency and ending his time at the firm as Senior Partner. He has since held various commercial positions, focusing on litigation, mergers and acquisitions and commercial legal matters pertaining to JSE listings. He joined Pan African Group of Companies (a Black Economic Empowerment corporation) for a number of years, providing him with valuable insight into the mining industry. He has also held various roles in consortiums tasked in mergers and acquisitions of listed entities and has co-founded a number of private entities. Hilton was appointed to the board of R&E as a non-executive director on 15 November 2019. He has subsequently taken up the role as an executive director to the board. The change in directorship came into effect on 29 January 2020.

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**Tembani Samuel Dube (79) (“Sam”)***Independent  
Non-executive Director*Date of appointment:  
18 November 2020

Sam is a successful businessman with over 45 years of experience in the public and private sectors. He was a co-founder of Jubelie Project Management, a property development company with numerous successful housing projects for municipalities, provincial and national government. Prior to establishing Jubelie, he served as the black economic empowerment partner for the Power group of companies as well as a director of the Small Business Development Corporation (now known as Business Partners).

**Roderick John Fehrson (73) (“Rod”)***Independent  
Non-executive Director*Date of appointment:  
15 June 2021

Rod, a qualified Accountant, has a long business career. He served in various positions in the Anglovaal Industries Group of Companies. He also served for about 13 years as CEO of Plate Glass and Shatterprufe Industries’ South African glass interests. Mr Fehrson was also part of the listing of a multi-faceted marketing services group, Billboard Holdings, and further spent some time as a private entrepreneur. He joined Ethos Technology Fund in 2002 as a partner, where he spent about 6 years.

**Joel Martin Kesler (50) (“Joel”)***Non-executive Director*Date of appointment:  
15 June 2021

Joel is a qualified Attorney, with degrees in Commerce and Law (Cum Laude) from the University of Cape Town. He has 25 years of experience in global merger and acquisitions, advisory, corporate finance and business development. From 2004 onwards, he has held a senior international executive board position with Atlatsa Resources Corporation, a public company previously listed on the NYSE (AMEX), TSX and JSE. He is a co-founder and principal of the Tomahawk Group, a multi-family office that holds a diversified private equity portfolio, including direct investments in mining and metals, oil and gas, industrials, technology, as well as speciality consumer products.



# Legal Report

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This legal report provides an update on the legal proceedings which the R&E Group is currently engaged in. It addresses claims against the R&E Group as well as claims instituted by the R&E Group.

It should be read in conjunction with the company's previous reports, SENS announcements, updates, circulars and annual reports. Further detail and background to the legal proceedings in which the R&E Group has been involved since 2006 may be found on the company's website at [www.randgoldexp.co.za](http://www.randgoldexp.co.za).

## 1. CLAIMS PURSUED BY THE R&E GROUP

### 1. The action against Gold Fields Operations Limited (formerly Western Areas Limited) – High Court of South Africa, Gauteng Local Division, Johannesburg under case number 27627/2008

1. R&E and African Strategic Investment (Holdings) Limited (**ASI**), as plaintiffs, continue to progress their action under case number 27627/2008 against Gold Fields Operations Limited (**Gold Fields**), as defendant. This remains the primary action in which R&E and ASI are engaged in.
2. The action comprises of five claims. Claims 1 to 4 concern the theft of shares in Randgold Resources Limited (**RRL**). (RRL merged with a Barrick Gold Corporation on 1 January 2019, in a share-for-share merger). For convenience, '**RRL shares**' are referred to throughout this report. Claim 5 relates to the alleged theft by Gold Fields of 94 million shares in Alease Limited (**Alease**).
3. Broadly stated, R&E and ASI claim that the directing and controlling wills and minds of each of JCI and Gold Fields conspired to misappropriate the RRL and Alease shares to:
  1. raise funds to provide JCI, its subsidiaries and Gold Fields with working capital to sustain their ongoing operations, to settle their liabilities and maintain their financial stability; and
  2. to reward the persons constituting the directing and controlling wills and minds of each of JCI and Gold Fields.
4. In its plea (which followed an agreed stay of the action for some time), Gold Fields denies that it is liable to the plaintiffs. It raises two specific defences under the Apportionment of Damages Act 34 of 1956, namely:
  1. It argues that due to settlements concluded with other wrongdoers the claims have been compromised; and
  2. That if upheld, the claims should be reduced by the extent to which the plaintiffs could have recovered from the other wrongdoers with whom the R&E Group settled.
5. Gold Fields contends further that R&E ought to have put controls in place to detect the unlawful conduct complained of.

## 1. CLAIMS PURSUED BY THE R&E GROUP (CONTINUED)

### 1. The action against Gold Fields Operations Limited (formerly Western Areas Limited) – High Court of South Africa, Gauteng Local Division, Johannesburg under case number 27627/2008 (continued)

6. Gold Fields has joined JCI, the estate late Brett Kebble, Chris Lamprecht and Roger Kebble (since deceased) to the action by way of Third-Party claims. It seeks a contribution from them if it is found liable.
7. Mr Lamprecht and JCI have defended the Third-Party claims and deny that they are liable to Gold Fields. They contend firstly that Gold Fields' right to join them has prescribed and secondly, that Gold Fields' right to claim from them has lapsed. Neither the estate of Brett Kebble nor the estate of Roger Kebble are defending the proceedings.
8. Following its joinder, JCI served a Third-Party notice on R&E, claiming that if it is liable to Gold Fields, Gold Fields' liability to R&E and ASI should be reduced in terms of an indemnity provided by R&E to JCI in the settlement agreement concluded between them on 20 January 2010 ("**the R&E and JCI settlement agreement**").
9. Following a first case manager being appointed in 2016 to case manage the action to trial, requests for admissions of both facts and documents were exchanged between the parties and amendments to both the claims and defences were effected.
10. In February 2019, the action was classified as a commercial court matter and Madam Justice Ingrid Opperman (**Judge Opperman**) was appointed to case manage the action, determine interlocutory applications and hear the trial in due course.
11. In January 2019, R&E and ASI served an interlocutory application, seeking the leave of the Court to adduce the evidence of certain foreign witnesses at the trial by way of a video-conference link to be established between the High Court and a venue in each of the foreign jurisdictions. The purpose of the application was an attempt to limit the costs of the trial, alleviating the necessity of bringing the foreign witnesses to South Africa and to replace their physical presence with a video link.
12. The foreign witness application was opposed by Gold Fields on various grounds and argued before Judge Opperman in September 2019. Judge Opperman handed down judgment on 28 November 2019, dismissing the application with costs.
13. In August 2020, Gold Fields served an extensive request for additional discovery on R&E seeking a wide array of documents. R&E's response was delivered in December 2020.
14. On 24 August 2021, Gold Fields amended its plea by contending that:
  1. The R&E and JCI settlement agreement stipulates that in respect of any amount or contribution that JCI may be required to pay arising from a Third-Party award granted in favour of R&E, R&E shall not enforce the full extent of the Third-Party award but only such amount as equates to the difference between the Third-Party award and the JCI contribution;
  2. Accordingly, R&E may not enforce the full award as may be granted against Gold Fields, but only the maximum of such amount as equates to the difference between the amount for which Gold Fields is adjudged to be liable and the JCI contribution, alternatively directing that Gold Field's liability is to be reduced pro tanto having regard to the terms of the R&E and JCI settlement agreement.
15. R&E continues to progress the matter to trial.

## 1. CLAIMS PURSUED BY THE R&E GROUP (CONTINUED)

### 2. Other actions by way of summonses were instituted out of the Johannesburg High Court, in 2008 by the R&E Group:

1. sixteen claims against one or more of the following defendants: Hendrik Buitendag, John Stratton (a former director of JCI), Charles Cornwall (a former director of JCI), Lieben Swanevelder (the former group accountant of JCI), Lunga Ncwana (a former director of R&E and a director of Equitant Trading (Pty) Limited) and Chris Lamprecht (a former financial director of R&E, JCI and Gold Fields) based on the alleged theft of shares belonging to the R&E Group; alternatively, the void issue and allotment of shares in R&E's issued share capital for no value. The action is defended, and its status remains unchanged since R&E's previous legal report.
2. claims against Bookmark Holdings (Pty) Ltd, Sello Rasathaba and Chris Lamprecht relating to the alleged cover-up of various RRL share thefts and the damages which flowed therefrom. The action is defended, and its status remains unchanged since R&E's previous legal report.
3. claims against Hendrik Buitendag, Chris Lamprecht and John Stratton relating to a trading account ostensibly conducted by R&E at a firm of stockbrokers known as Tlotlisa Securities (Pty) Limited, which is alleged to have been used for the scrip lending/borrowing of shares for the benefit of the JCI Group and others associated with it. The action is defended, and its status remains unchanged since R&E's previous legal report.
4. claims against Patricia Beale, a former company secretary of JCI, comprising of seven claims. The action is defended, and its status remains unchanged since R&E's previous legal report.
5. In March 2009, R&E and its subsidiary, First Wesgold Mining (Pty) Ltd issued summons out of the Western Cape Division of the High Court, Cape Town, against Brett Kebble's estate. Due to the insolvency of the estate there was no prospect of any recovery and the matter is closed.

## 2 CLAIMS BROUGHT AGAINST THE R&E GROUP

### 1. The minority shareholders' application:

1. On 29 March 2011, David John Smyth, Patrick Charles Smyth, Anglorand Securities Limited, James George Gubb, Elizabeth Anne Gubb, Milkwood Investments Limited and Jag Investments (Pty) Limited, as applicants, issued an application in the High Court of South Africa, Gauteng Division, Pretoria, against Investec Bank Limited (Investec) and R&E (the main application) as first and second respondents.
2. In terms of the main application the primary relief sought was to:
  1. Declare that the settlement agreement entered into between R&E, JCI Limited (JCI) and JCI Investment Finance (Pty) Limited (JCIF) on 20 January 2010 (the Settlement Agreement), and the settlement agreement entered into between R&E, ASI, JCI, JCIF, Investec, Investec Bank PLC, Letseng Diamonds Limited and others on 20 January 2010 (the Litigation Settlement Agreement), both comprised an act or omission which is unfairly prejudicial, unjust, or inequitable within the meaning of section 252 of the 1973 Companies Act.
  2. Ordering that Investec (but not R&E), purchase the main applicants' shares in R&E at a price of R288.56 per share (or such other sum as the Court may determine), plus the ruling share price of an R&E share at the time of such purchase.
3. No monetary relief was claimed against R&E.
4. Both R&E and Investec opposed the main application and denied that the Settlement Agreement and/or the Litigation Settlement Agreement resulted in oppressive conduct.

## 2 CLAIMS BROUGHT AGAINST THE R&E GROUP (CONTINUED)

### 1. The minority shareholders' application: (continued)

5. Judge Basson handed down judgment on 2 September 2021, in favour of Investec and R&E, dismissing the main application with costs, including the costs of three counsel.
  6. In the judgment that spanned some 143 pages, Judge Basson stated that:

“[347] in as far as section 252 finds application, I am not persuaded that the applicants have proven that the decisions taken by the board and which led to the settlement agreements constitute “unfair prejudice” as contemplated by this section. In the event the application is dismissed.”
  7. The applicants applied for leave to appeal, which both R&E and Investec opposed. Notwithstanding, on 2 February 2022, Judge Basson granted the applicants leave to appeal the judgment to the Supreme Court of Appeal.
  8. On 10 June 2022, R&E, Investec and the applicants concluded a written Settlement Agreement, the effect of which was to fully and finally settle all issues between the parties.
  9. On 14 June 2022, the applicants served the required notices withdrawing the main application and the appeal to the SCA. R&E incurred no liability arising from the settlement.
- 2. Certification application for permission to institute a class action against various companies, including R&E, brought by mineworkers/their dependants arising from silicosis and/or tuberculosis allegedly contracted on gold mines in South Africa:**

The status of this matter remains unchanged since R&E's previous legal report.

## 3. GENERAL

1. For further information in regard to all of the claims and proceedings in which the R&E Group has been involved, refer to R&E's website at [www.randgoldexp.co.za](http://www.randgoldexp.co.za).
2. Other than as disclosed elsewhere in this annual report, no formal legal proceedings were instituted against the company and its subsidiaries out of a court or by way of arbitration in respect of the period 1 January to 31 December 2022, which have had or may have a material effect on the R&E group's financial position.
3. The Board of R&E continues to assess the matters in which it and the R&E group remain engaged and to evaluate the commercial and other practicalities associated with such matters.

# Prospecting rights

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## **PROSPECTING RIGHTS**

All prospecting rights were sold during previous financial years.

R&E does not own any prospecting rights.

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# Annual Financial Statements

# Contents

Audit and Risk Committee Report	42
Directors' responsibility statement	46
Declaration by the Chief Executive Officer and Financial Director	47
Declaration by the company secretary	48
Directors' report	49
Independent auditor's report	52
Randgold & Exploration Company Limited – group	56
Group statement of profit or loss and other comprehensive income	56
Group statement of financial position	57
Group statement of changes in equity	58
Group statement of cash flows	59
Accounting Policies	60
Notes to the group financial statements	67
Randgold & Exploration Company Limited – company	81
Company statement of profit or loss and other comprehensive income	82
Company statement of financial position	83
Company statement of changes in equity	84
Company statement of cash flows	85
Notes to the company financial statements	86
<i>The following supplementary information does not form part of the financial statements.</i>	
Shareholder analysis tables	94
Notice of annual general meeting	96
Form of proxy	103

## Preparation of these annual financial statements

Mr Marais Steyn CA(SA), Financial Director, is responsible for these annual financial statements and has supervised the preparation thereof in conjunction with Ms Marizanne Nel PA(SA) representing Outsourced CFO (Pty) Ltd. These annual financial statements have been audited in terms of the Companies Act of South Africa.

# Audit and Risk Committee Report

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## COMPANIES ACT COMPLIANCE

The company has complied with section 94 of the Companies Act (Act No. 71 of 2008, as amended) ("the Companies Act") and the King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV"). In addition, the board is of the opinion that the requirements of regulation 42 of the Companies Regulations, 2011, which requires at least one-third of the members of a company's audit committee to have academic qualifications, or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management, have been met.

## COMPOSITION OF THE COMMITTEE

The Audit and Risk Committee comprises of the following members:

- Roderick John Fehrsen (Chairman);
- Patrick Ernest Burton; and
- Tembani Samuel Dube.

## FUNCTIONING OF THE COMMITTEE

The Audit and Risk Committee operates within formal terms of reference approved by the board. The committee is satisfied that it has met its responsibilities as stipulated in the terms of reference.

The committee is also satisfied that it has complied with its legal, regulatory and other responsibilities.

The committee discharges its responsibilities by meeting formally at least twice a year to review the group's interim and annual results before publication, to receive and review internal audit reports and reports from the external auditor. They also meet with management to review their progress on key issues relating to financial controls and risks and deal with other matters falling within its terms of reference. Committee members review company trading statements on an ad hoc basis. The findings and recommendations of the committee are reported to the board at the following board meeting.

The committee meets informally on an ad hoc basis with the internal auditor, the external auditor and management to address key issues as the need arises, specifically to consider risk assessment and management, review the audit plans of the external and internal auditors and to review accounting, auditing, financial reporting, corporate governance, and compliance matters. The internal audit plan and internal audit conclusions are similarly reviewed and approved by the committee.

The committee discharges all audit and risk committee responsibilities of all the subsidiaries within the group. The external and internal auditors have unrestricted access to the committee.

The committee is responsible for overseeing the internal audit function.

## EXTERNAL AUDITOR APPOINTMENT AND INDEPENDENCE

The Audit and Risk Committee has satisfied itself that the external auditor is independent of the company, as set out in section 94(8) of the Companies Act, which includes considering previous appointments of the auditor, the extent of other work undertaken for the company and compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors. Requisite assurance was sought and provided by the auditor that internal governance processes within the audit firm support and demonstrate its claim to independence.



The committee ensured that the appointment of the auditor complied with the Companies Act and any other legislation relating to the appointment of auditors. There is a formal procedure that governs the process whereby the auditor is considered for non-audit services. In general, the auditor is not engaged for non-attest services, unless, in the opinion of the committee, the extent of the service is not significant. No non-audit services were provided by the external auditor during the current reporting period.

The committee has agreed to the audit fee for the 2022 financial year. The fee is considered appropriate for the work foreseen at the time.

The committee has reviewed the engagement partner's quality reports and has considered the performance and quality to be satisfactory.

The Audit and Risk Committee has satisfied itself that the audit firm and designated auditor are accredited on the JSE list of auditors and their advisors.

The committee has satisfied itself that the external auditor is independent of R&E, as set out in section 94(8) of the Companies Act.

The external audit firm is due for rotation in terms of the JSE listing requirements at the end of the 2023 financial year, while 2022 is the last year (i.e. 5th year) in which the current designated audit partner may sign the audit report. Accordingly the audit and risk committee is recommending a new external auditor and has ensured that the appointment of the external auditor is presented and included as a resolution at the annual general meeting pursuant to section 61(8) of the Companies Act.

### KEY AUDIT MATTER

The Audit and Risk Committee notes the key audit matter raised by the external auditors and set out in their independent auditor's report. The committee has considered and evaluated this matter and is satisfied that it has been addressed correctly.

### FINANCIAL STATEMENTS AND ACCOUNTING PRACTICES

The Audit and Risk Committee has reviewed the accounting policies and the financial statements of the company and is satisfied that they are appropriate and comply with International Financial Reporting Standards. The committee has reviewed the annual financial statements and recommended them to the board for approval.

The Audit and Risk Committee has ensured that appropriate financial reporting procedures exist and are working, as contemplated in paragraph 3.84(g)(ii) of the JSE Listings Requirements.

### INTERNAL FINANCIAL CONTROLS

In considering the integrity of the company's financial information and the effectiveness of internal financial controls, the committee relies on the work performed by the internal auditor, representations by management and the external auditor's management report. In particular, in accordance with the King Report on Corporate Governance for South Africa, the internal audit function performed a formal, documented review of the design, implementation and effectiveness of the company's system of internal financial controls during the year. No exceptions were noted.

Based on these interactions, nothing has come to the attention of the committee that would lead it to believe that an adequate and appropriate system of internal control is not in place. The committee has advised the board accordingly.

## **INTEGRATED REPORTING AND COMBINED ASSURANCE**

The Audit and Risk Committee has considered the company's sustainability information and has assessed its consistency with operational and other information known to the committee members, and for consistency with the annual financial statements. Nothing has come to the committee's attention that would lead to the conclusion that the sustainability information is not reliable.

The sustainability strategy of Randgold contains the following key points:

1. A continuation of the litigation program to recover funds where there is the most realistic prospect of recovery.
2. Retain the listing of the company's shares on the JSE.
3. Continue to review the company's cost base in view of the adopted strategy.
4. Review and investigate any opportunities to expand and maximize wealth creation for Randgold's stakeholders.

The company's risk register (as mentioned in the risk management report) forms the basis when evaluating combined assurance. The board has delegated the responsibility for implementing combined assurance to Management; the Audit and Risk Committee fulfils an oversight function and, in consultation with management, establishes the level of assurance necessary on each risk, as contained in the risk register when engaging with service providers. The committee is satisfied that the combined assurance model implemented by the company is effective to address significant risks and material matters.

The committee has however decided that, due to the limited operations of the company, an integrated report is onerous at this stage and the committee has recommended to the board that annual financial statements be compiled excluding an integrated report. The committee has reviewed the annual financial statements and recommended them to the board for approval.

## **GOING CONCERN**

The Audit and Risk Committee has considered the going concern status of the company and of the group and has made recommendations in this regard. The board's statement on the going concern status of the company and of the group is supported by the Audit and Risk Committee.

## **GOVERNANCE OF RISK**

The role of the committee is to assist the board to ensure that the company has implemented an effective policy and plan for risk management that will enhance the company's ability to achieve its strategic objectives; and that the disclosure regarding risk is comprehensive, timely and relevant. The committee believes that the organisation has an effective risk management process that is appropriate to its size and limited scope of operations.

## **EVALUATION OF THE EXPERTISE AND EXPERIENCE OF FINANCIAL DIRECTOR AND FINANCE FUNCTION**

In accordance with the JSE Listings Requirements, as well as the recommended practices of King IV, the Audit and Risk Committee must on an annual basis consider and be satisfied with the appropriateness of the expertise and experience of the financial director. The committee has satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements that the financial director of the company, Mr Marais Steyn, as well as the finance function of the company, has the appropriate expertise and experience.

The committee is satisfied that in respect of the financial year and to the date of this report:

- Financial reporting risks have been identified and mitigated;
- A satisfactory system of internal financial controls is in place;
- Fraud risks relating to financial reporting have been considered and mitigated; and
- IT risks relating to financial reporting have been considered and mitigated.

No material weaknesses in financial controls that resulted in material financial loss, fraud or errors were identified during the year under review.

On 9 November 2018, the Audit and Risk Committee made a request to the JSE for dispensation regarding the role of a full-time financial director as contemplated in paragraph 3.84(f) of the JSE Listings Requirements and to allow for a joint financial director and chief executive officer. The Audit and Risk Committee proposed to appoint the current chief executive officer, Mr Marais Steyn, to the dual role of chief executive officer and financial director on the basis that R&E has limited operations. On 16 January 2019, the JSE granted dispensation from the requirements of paragraph 3.84(f) of the JSE Listings Requirements to allow for a joint financial director and chief executive officer as requested.

## INTERNAL AUDIT

The board appointed an outsourced independent service provider, Moore Risk Services, to provide internal audit services with effect from 23 August 2013.

The Audit and Risk Committee is responsible for ensuring that the company's internal audit function is independent and has the necessary resources, standing and authority within the company to enable it to discharge its duties. Furthermore, the committee oversees cooperation between the internal and external auditors and serves as a link between the board of directors and these functions.

The committee considered and recommended the internal audit Terms of Reference for approval by the board.

The Terms of Reference governs the authority and responsibilities of the various role-players. The engagement partner of the outsourced service provider has been appointed as the chief audit executive in terms of the Terms of Reference and reports directly to the committee.

In 2013 the committee approved a three-year risk-based audit programme in terms of which the outsourced service provider will address those risks and controls identified by the committee as being key to financial reporting, sustainability and stakeholder reporting. The three-year contract was evaluated and extended until 31 December 2018. The contract has since been reviewed annually, with the last review done in March 2023.

The chief audit executive appointed performs his duties effectively and diligently.

# Directors' responsibility statement

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors have the pleasure in presenting their report for the year ended 31 December 2022.

The directors are responsible for the preparation and fair presentation of the group annual financial statements and company annual financial statements of Randgold & Exploration Company Limited, comprising the statements of financial position at 31 December 2022 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended; and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. In addition, the directors are responsible for preparing the directors' report.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the company and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the group financial statements and company financial statements are fairly presented in accordance with the applicable financial reporting framework.

## **APPROVAL OF GROUP ANNUAL FINANCIAL STATEMENTS AND COMPANY ANNUAL FINANCIAL STATEMENTS**

The group annual financial statements and company annual financial statements of Randgold & Exploration Company Limited, as identified in the first paragraph, were approved by the board of directors on 20 March 2023 and signed by:

**Patrick Burton**

*Independent Non-executive Chairman*

29 March 2023

Johannesburg, South Africa

# Declaration by the Chief Executive Officer and Financial Director

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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The director, whose name is stated below, hereby confirm that:

- a) the annual financial statements set out on pages 56 to 93, fairly present in all material respects the financial position, financial performance and cash flows of R&E in terms of International Financial Reporting Standards ("IFRS");
- b) to the best of my knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- c) internal financial controls have been put in place to ensure that material information relating to R&E and its consolidated subsidiaries have been provided to effectively prepare the financial statements of R&E;
- d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, with having fulfilled my role and function within the combined assurance model pursuant to principle 15 of King IV. Where I am not satisfied, I have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls, and have remediated the deficiencies or taken steps to remedy the deficiencies: and
- e) I am not aware of any fraud involving directors.

**Marais Steyn**

*Chief Executive Officer and Financial Director*

29 March 2023

Johannesburg, South Africa

# Declaration by the company secretary

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I hereby certify that, to the best of my knowledge, in terms of section 88(2)(e) of the Companies Act 71 of 2008, the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns appear true, correct and up to date in respect of the financial period reported on.

**Statucor (Pty) Ltd**

*Company Secretary*

*Per Alun Rich*

29 March 2023

Johannesburg, South Africa

# Directors' report

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The directors have pleasure in presenting their report for the year ended 31 December 2022.

## NATURE OF BUSINESS

Randgold & Exploration Company Limited ("R&E" or "the company") is a company incorporated in the Republic of South Africa. The company's registered office during the year under review was located at Suite 25, Third floor, Katherine & West Building, 114 West Street, Sandown, Sandton, 2196. The group annual financial statements for the year ended 31 December 2022 comprise the company and its subsidiary companies (together referred to as "the group" and individually as "group entities"). R&E is a company that invests its cash reserves and currently pursues legal claims.

R&E was incorporated in South Africa as a public company on 29 September 1992 to take over the gold interests of Rand Mines Limited, being South Africa's oldest mining house.

R&E contends that it was the victim of widespread frauds and thefts of its assets, in the period 1999 to 2005, which resulted in the company being deprived of the majority of its assets. On 1 August 2005 R&E was suspended on the JSE as a result of it not being able to produce audited financial statements for the financial year ended 31 December 2004, as required under the JSE Listings Requirements. Following its suspension, R&E appointed forensic auditors to determine (amongst other matters) the whereabouts of R&E's substantial investment in Randgold Resources Limited (which comprised the majority of R&E's asset base).

Based on the forensic investigations, legal assessments and the opinion of counsel, R&E embarked on a process of attempting to recover damages in respect of the alleged misappropriation of its assets and frauds perpetrated against it. Some significant recoveries have been made to date.

Following the publication of audited financial results for the financial years ended 31 December 2007, 2008 and 2009, the board of R&E sought a re-listing of its ordinary shares on the JSE, thereby allowing shareholders to trade their ordinary shares in R&E.

The JSE subsequently approved the relisting of R&E effective 4 June 2010 under the abbreviated name "Randgold" and share code "RNG".

The board of R&E remains focused on the recovery of claims relating to assets allegedly misappropriated from it and frauds perpetrated against R&E, while simultaneously safeguarding the company's existing asset base.

## FINANCIAL YEAR ENDED 31 DECEMBER 2022

### Recoveries made from third parties

During 2022, R&E earned no revenue from any settlements with third parties (2021: Rnil). R&E continued working towards recoveries from third parties while safeguarding the asset base of the company. Refer to the Legal Report contained on page 35 of this annual report for an update on the recovery from third party matters.

## SHARE CAPITAL

Full details of the company's ordinary share capital are set out in note 11 to the group financial statements.

### Material resolutions

Special resolutions passed at the annual general meeting held 27 May 2022:

1. Authorise company to remunerate non-executive directors for services as recommended by the remuneration committee; and
2. Authorise the board of the company to provide financial assistance to related or inter-related companies.

Ordinary resolutions passed at the annual general meeting held 27 May 2022:

1. Re-election of Mr TS Dube as a director;
2. Confirm appointment of Mr RJ Fehrsen as a director;
3. Confirm appointment of Mr JM Kesler as a director;
4. Appointment of Mr RJ Fehrsen as a member of the Audit and Risk Committee;
5. To re-appoint Mr PE Burton as member of the audit and risk committee;
6. To re-appoint Mr TS Dube as member of the audit and risk committee;
7. To re-appoint KPMG Inc. as the auditor of the Company;
8. To pass a non-binding advisory vote on the Company's implementation report on the remuneration policy ;

Corporate resolutions passed at the directors' meeting held 16 March 2022:

1. Authorisation granted to the company secretary to sign the annual compliance certificate as required by the JSE Listings Requirements;
2. Approval of the annual financial statements of R&E for the year ended 31 December 2021;
3. Authorisation granted to Mr PE Burton to sign the annual financial statements of R&E for the year ended 31 December 2021; and
4. Authorise R&E to provide financial support to its subsidiaries.

## EXTERNAL AUDITORS REPORT OF THE SUBSIDIARIES

None of the subsidiaries subject to independent reviews have any modified conclusions in the independent review reports for the year ended 31 December 2022.

## DIVIDENDS

No dividends were declared during the year (2021: Rnil).

## SUBSIDIARIES

Particulars of the subsidiaries of the R&E group are given on page 94. The attributable interest of the group in the income and losses of its subsidiaries for the years ended 31 December 2022 is:

	2022 R'000	2021 R'000
Aggregate amount of profit after taxation	246	1 425
Aggregate amount of losses after taxation	(53)	(115)



## DIRECTORATE

Directors in office for the year at the date of this report are:

Name	Designation
PE Burton	Independent Non-executive Chairman
M Steyn	Chief Executive Officer and Financial Director
H Gischen	Executive
TS Dube	Independent Non-executive
RJ Fehrsen	Independent Non-executive
JM Kesler	Non-executive

On 16 January 2019, the Issuer Regulation Division of the JSE Limited granted dispensation to allow Mr Marais Steyn to fulfil the dual role as chief executive officer and financial director of the company on a permanent basis.

## DIRECTORS' INTEREST

Mr Gischen and Mr Kesler are indirectly entitled to call for repayment of R6,017,500 either in cash or in R&E shares at an effective rate of R1.383 per share (4,350,000 shares). This claim would be against an independent third party. There has been no change since the 2021 financial year.

No other director held any shares in the group, directly or indirectly, for the 2022 or 2021 financial years and up to the date of this report.

## COMPANY SECRETARY

The company secretary in office at the date of this report was Statucor (Pty) Ltd represented by Alun Rich.

## PUBLIC OFFICER AND FINANCIAL DIRECTOR

Mr M Steyn CA(SA) is the present incumbent who was appointed as Public Officer on 27 February 2019.

## AUDITORS

This is the last year that KPMG Inc. is in office as auditors for the company and its subsidiaries in accordance with section 90 of the Companies Act of South Africa.

## EVENTS AFTER THE REPORTING PERIOD

There were no material events subsequent to the reporting date and up to the date of this report.

## GOING CONCERN

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the group and the company will not be a going concern in the foreseeable future based on forecast and available short-term funds within its investments in unlisted securities and cash resources. These financials support the viability of the group and the company.

The group made a total comprehensive loss for the year ended 31 December 2022 of R170 million (2021: R8.8 million) and as of that date the total assets exceeded its total liabilities by R87.5 million (2021: R104.4 million).

# Independent Auditor's Report

## TO THE SHAREHOLDERS OF RANDGOLD & EXPLORATION COMPANY LIMITED

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### Report on the audit of the consolidated and separate financial statements

#### *Opinion*

We have audited the consolidated and separate financial statements of Randgold & Exploration Company Limited (the Group and Company) set out on pages 56 to 93, which comprise the group and company statements of financial position as at 31 December 2022, and the group and company statements of profit or loss and other comprehensive income, the group and company statements of changes in equity and the group and company statements of cash flows for the year then ended, accounting policies and notes to the group and company financial statements.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Randgold & Exploration Company Limited as at 31 December 2022, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Standards) and the requirements of the Companies Act of South Africa.

#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Recognition and disclosure of legal matters

Refer to the contingent assets and contingent liabilities accounting policy and note 13 in the consolidated financial statements. For further detail with regard to these matters also refer to the legal report in the annual report.

This matter relates to both the consolidated and separate financial statements.

Key audit matter	How the matter was addressed in our audit
<p>The Group and Company are involved in a number of legal proceedings at year end.</p> <p><b>Contingent Assets</b> These legal actions include claims to recover losses relating to the misappropriation of assets in the past. However, given the status of these cases the directors do not believe that it would be appropriate to disclose a contingent asset at year end.</p> <p><b>Contingent Liabilities</b> The Group and Company are also a respondent in a class action lawsuit brought by mine workers and their dependents arising from silicosis and/or tuberculosis contracted on gold mines in South Africa in the past. The quantification of damages and the extent of the Group's and Company's liability (if any) cannot be determined with any degree of certainty. Accordingly, a contingent liability has been disclosed.</p> <p>These legal proceedings required significant auditor attention due to the significant potential impact these matters may have on the consolidated and separate financial statements.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• We assessed the competence and objectivity of external legal counsel representing the Group and Company in the legal proceedings through performing an assessment on the qualifications, experience, memberships and possible independence threats of the Group's and Company's legal counsel.</li> <li>• We obtained written confirmation from the Group's and Company's external legal counsel of pending legal claims, probable outcomes and probable losses in relation thereto.</li> <li>• We obtained an understanding of any new developments in relation to the historical legal matters affecting the Group and Company in the current year by inspecting public information on these matters and analysing the legal report provided by the Group's and Company's legal counsel.</li> <li>• We assessed whether the recognition and/or disclosure of these legal matters in the consolidated and separate financial statements met the requirements of IAS 37, Provisions, Contingent Liabilities and Contingent Assets based on our updated understanding of these matters.</li> </ul>

#### *Other Information*

The directors are responsible for the other information. The other information comprises the information included in the document titled "Randgold & Exploration Company Limited Annual Report 2022," which includes the Directors' report, the Audit and Risk Committee Report and the Declaration by the company secretary as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the directors for the consolidated and separate financial statements*

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Standards) and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or Company or to cease operations, or have no realistic alternative but to do so.

*Auditor's responsibilities for the audit of the consolidated and separate financial statements*

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other legal and regulatory requirements**

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that KPMG Inc. has been the auditor of Randgold & Exploration Company Limited for sixteen years.

#### **KPMG Inc.**

Per IM Engels  
Chartered Accountant (SA)  
Registered Auditor  
Director  
29 March 2023

The Halyard  
4 Christiaan Barnard Street  
City Centre  
Cape Town  
8000

## Group statement of profit or loss and other comprehensive income

for the year ended 31 December 2022

	Notes	2022 R'000	2021 R'000
Personnel expenses	2	(9 212)	(8 387)
Change in fair value of investments in unlisted securities	3	1 373	4 344
Other operating expenses	5	(14 206)	(9 557)
<b>Loss from operating activities</b>		<b>(22 045)</b>	<b>(13 600)</b>
Finance income	4	5 502	4 559
<b>Loss before taxation</b>		<b>(16 543)</b>	<b>(9 041)</b>
Taxation	6	–	(40)
<b>Loss for the year</b>		<b>(16 543)</b>	<b>(9 081)</b>
<b>Other comprehensive (loss)/income</b>			
Items of other comprehensive (loss)/income that will not be subsequently reclassified to profit or loss:			
Actuarial (losses)/gains	14	(416)	244
<b>Total comprehensive loss for the year</b>		<b>(16 959)</b>	<b>(8 837)</b>
Basic and diluted loss per share (cents)	12	(23.11)	(12.69)

## Group statement of financial position

as at 31 December 2022

	Notes	2022 R'000	2021 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>		70	9
Equipment	7	70	9
<b>Current assets</b>		99 194	115 976
Investments in unlisted securities	8	98 242	114 507
Other receivables	9	787	374
Cash and cash equivalents	10	165	1 095
<b>Total assets</b>		<b>99 264</b>	<b>115 985</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>		87 526	104 485
Ordinary share capital	11	716	716
Retained earnings		86 810	103 769
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Post-retirement medical benefit obligation	14	9 890	9 935
<b>Current liabilities</b>			
Other payables	16	1 848	1 565
<b>Total equity and liabilities</b>		<b>99 264</b>	<b>115 985</b>

## Group statement of changes in equity for the year ended 31 December 2022

	Attributable to equity holders of the company		
	Ordinary share capital R'000	Retained earnings R'000	Total equity R'000
<b>Balance at 1 January 2021</b>	716	112 606	113 322
Total comprehensive loss for the year		(8 837)	(8 837)
Loss for the year		(9 081)	(9 081)
Other comprehensive income		244	244
<b>Balance at 31 December 2021</b>	716	103 769	104 485
Total comprehensive loss for the year		<b>(16 959)</b>	<b>(16 959)</b>
Loss for the year		<b>(16 543)</b>	<b>(16 543)</b>
Other comprehensive loss		<b>(416)</b>	<b>(416)</b>
<b>Balance at 31 December 2022</b>	<b>716</b>	<b>86 810</b>	<b>87 526</b>
Note	11		



## Group statement of cash flows

for the year ended 31 December 2022

	Notes	2022 R'000	2021 R'000
<b>Cash flow from operating activities</b>		<b>(847)</b>	699
Cash utilised in operations	19	(6 349)	(3 820)
Interest received	4	4 892	4 162
Dividend income	4	610	397
Taxation paid		–	(40)
<b>Cash flow from investing activities</b>		<b>(83)</b>	(5)
Acquisition of equipment		(83)	(5)
<b>(Decrease)/Increase in cash and cash equivalents</b>		<b>(930)</b>	694
Cash and cash equivalents at the beginning of the year		1 095	401
<b>Cash and cash equivalents at the end of the year</b>	10	<b>165</b>	1 095

# Accounting policies

for the year ended 31 December 2022

## REPORTING ENTITY

Randgold & Exploration Company Limited (the “company” or “R&E”) is a company domiciled and incorporated in the Republic of South Africa. The group financial statements of the company for the year ended 31 December 2022 comprise the company and its subsidiaries (together referred to as the “group” and individually as “group entities”). Where reference is made to “the group” in the accounting policies, it should be interpreted as referring to the company where the context requires, unless otherwise noted.

## BASIS OF PREPARATION

### Statement of compliance

The group and company financial statements relate to the consolidated and separate financial statements. The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Accountants Council, the Listing Requirements of the JSE and the Companies Act of South Africa. The consolidated and separate financial statements were authorised for issue by the board of directors on 29 March 2023.

### Basis of measurement

The consolidated and separate financial statements have been prepared on the historical cost basis except for the following:

- Financial instruments held for trading are measured at fair value through profit or loss.
- Post-retirement medical benefit obligation is measured annually by independent actuaries using the projected unit credit method. Any gains and losses arising from the remeasurement are recognised directly in other comprehensive income.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

### Functional and presentation currency

The financial statements of the group are presented in South African Rand, which is the functional currency of the company. All financial information presented in Rand has been rounded to the nearest thousand unless otherwise indicated.

### Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are detailed in the notes to the consolidated and separate financial statements where applicable.

Estimates, judgements and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are recognised prospectively.

Information about the assumptions and estimation uncertainties at 31 December 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in note 13 (contingencies and commitments).

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## Significant accounting policies

All accounting policies have been applied consistently, in all material respects, to all years presented in these consolidated and separate financial statements. In the current year, the company has adopted all new and revised IFRSs that are relevant to its operations and effective for the financial year commencing 1 January 2022. At the date of authorisation of these financial statements, the below noted IFRSs were adopted, where relevant. None of the newly adopted policies had a significant financial impact on the group and the company.

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IAS 37, IAS 16 and IFRS 3, amendments. Annual improvements to IFRS 1, IFRS 9, IAS 41 and IFRS 16 Interest rate benchmark reform – phase 2

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## BASIS OF CONSOLIDATION

### Subsidiaries

Subsidiaries are all entities over which the company has control. The company controls an entity when it is exposed to, or has rights to, variable returns from its involvement in the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the group financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the group.

When the group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### Investment in subsidiaries

Investments in subsidiaries are reflected at cost less impairment losses in the separate financial statements of R&E.

### Transactions eliminated on consolidation

Inter-group balances and transactions, and any unrealised gains arising from inter-group transactions, are eliminated in preparing the group financial statements. Unrealised losses on transactions are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

## FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### i. Recognition and classification

All financial instruments are initially recognised when the group becomes a party to the contractual provisions of the instrument.

Classification of a financial instrument, or its component parts, takes place on initial recognition. Each instrument is classified as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

#### *Financial assets*

The group classifies financial assets into the following categories:

- Financial assets subsequently measured at fair value through profit or loss
- Financial assets subsequently measured at amortised cost

## Accounting policies (continued)

for the year ended 31 December 2022

The classification depends on the group's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition unless the group changes its business model from managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

### *Financial liabilities*

The group classifies financial liabilities into the following categories:

- Financial liabilities subsequently measured at amortised cost

### ii. Initial measurement

#### *Financial assets*

When a financial asset is recognised initially, it is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

The group and company invests its cash reserves in both investments in unlisted securities, measured at fair value through profit or loss and investments classified as cash equivalents, measured initially at fair value.

A financial asset is measured at amortised cost if it meets both of the following conditions and it is not designated at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at fair value through profit or loss. On initial recognition, the group may irrevocably designate a financial asset, that meets the requirements to be measured at amortised cost or at fair value through other comprehensive income, at fair value through profit or loss.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, the 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period or of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the group's claim to cash flows from specified assets (e.g. non-recourse features).

The group had cash and cash equivalents and investments in unlisted securities as financial assets at the financial year end. The company's financial assets consisted of investments in subsidiaries, loans to subsidiary companies, other receivables and investments in unlisted securities.

### *Financial liabilities*

Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and other payables, net of directly attributable transaction costs.

The group and company had post-retirement medical benefit obligation and other payables as financial liabilities at the financial year end.

## Accounting policies (continued)

### for the year ended 31 December 2022

#### iii. Subsequent measurement

##### *Financial assets*

Financial assets at fair value through profit or loss      These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost      These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

##### *Financial liabilities*

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

#### iv. Derecognition

##### *Financial assets*

The group derecognises a financial asset when the contractual rights to the cash flows from the financial assets expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial assets.

##### *Financial liabilities*

The group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

### Cash and cash equivalents

Cash and cash equivalents comprise cash investments, cash balances and call deposits, and are stated at amortised cost.

### Other payables

Other payables are stated at amortised cost using the effective interest method.

### Amounts due to/from subsidiaries

Amounts due to/from subsidiaries (which are eliminated on consolidation) are stated at amortised cost using the effective-interest method less impairment losses in the company financial statements.

### Share capital

#### *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. Each ordinary share entitles the holder to one voting right.

#### *Treasury shares*

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not cancelled are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is recognised in retained earnings.

## Accounting policies (continued)

### for the year ended 31 December 2022

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#### Equipment

##### *Recognition and measurement*

Items of equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

If significant parts of an item of equipment have different useful lives, then they are accounted for as separate items (major components) of equipment.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the group.

Repairs and maintenance are expensed as incurred.

Gains and losses on derecognition of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment and are recognised in profit or loss.

##### *Depreciation*

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of equipment.

The estimated useful lives are as follows:

Computer equipment	3 years
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Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### IMPAIRMENT

##### Financial assets

The group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

At each reporting date, the group measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the group measures the loss allowance for the financial asset at an amount equal to twelve months expected credit losses.

Impairment losses are presented as a separate line item in the statement of profit or loss, if incurred.

#### DETERMINATION OF FAIR VALUES

A number of the group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

##### Investments in unlisted securities

- The fair value is determined from inputs that are observable for the asset or liability, either direct or indirectly.

##### Cash and cash equivalents

- The fair value of cash and cash equivalents approximates its carrying value.

##### Amounts due from subsidiaries; other receivables and other payables

The fair value of amounts due from subsidiaries is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. Other receivables and other payables are short term in nature and the carrying value approximates fair value.

## Accounting policies (continued)

for the year ended 31 December 2022

### EMPLOYEE BENEFITS

#### Short-term employee benefits

Short-term employee benefits are those that are due to be settled within 12 months after the end of the period in which the services have been rendered. Remuneration to employees is charged to profit or loss. An accrual is made for accumulated leave, incentive bonuses and other short-term employee benefits.

#### Defined benefit plans – post-retirement medical benefit obligation

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The group's net obligation in respect of defined benefit plans is calculated separately (using the projected unit credit method) for each plan by estimating the amount of future benefit that employees have earned in return for their service in prior periods; that benefit is discounted to determine its present value. The discount rate used to discount post-employment benefit obligations is determined with reference to market yield on high-quality corporate bonds or on government bonds if high-quality corporate bonds are not available. In a South African context, government bonds are used. The calculation is performed at the reporting date by a qualified actuary using the projected unit credit method. The group recognises all actuarial gains and losses arising from defined benefit plans through other comprehensive income, while interest cost is recognised as part of personnel expenses.

### CONTINGENT ASSETS

Contingent assets, including potential favourable outcomes of current claims against third parties, are not recognised in the statement of financial position unless realisation is virtually certain. Recognised claims against third parties are reflected as recoveries in profit or loss.

#### Recoveries

Recoveries, mainly constituting claims against third parties, are recognised when the right to the receipt thereof is established and the recovery is unconditional because only the passage of time is required before the receipt is due.

### CONTINGENT LIABILITIES

Contingent liabilities are not recognised in the statement of financial position unless the outflow of economic resources is probable and the amount of the liability can be reasonably estimated. Contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

#### Dividend income

Dividend income is recognised when the right to receive payment is established.

#### Management fees

The holding company charges its subsidiaries management fees for services rendered.

### FINANCE INCOME AND EXPENSES

Finance income is recognised in profit or loss as it accrues, using the effective-interest method and comprises primarily income received on funds held in portfolios classified as investments in unlisted securities and cash and cash equivalents.

### INCOME TAX

Income tax comprises current and deferred tax. An income tax expense is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

#### Current taxation

Current taxation comprises taxation payable or receivable, calculated on the basis of the expected taxable income or loss for the year, using the tax rates enacted or substantively enacted at the reporting date, and any adjustment of taxation payable for previous years. The amount of income tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes if any. Interest and penalties on taxation payable are included in finance costs or other operating expenses, respectively in profit or loss. Current tax assets and liabilities are offset only if certain criteria are met.

## Accounting policies (continued)

### for the year ended 31 December 2022

#### Deferred tax

Deferred tax is recognised on all temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The following temporary differences are not provided for:

- The initial recognition of goodwill;
- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affect neither accounting nor taxable profit; and
- Differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax 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 tax 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 can be offset. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

As per note 15, a deferred tax asset has not been recognised because it is not probable that future taxable profit will be available against which the group entities can utilise the benefits thereof.

#### EARNINGS PER SHARE

The group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity holders and the weighted average number of ordinary shares outstanding for the effects of all ordinary shares.

#### SUMMARY OF STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

There are new or revised Accounting Standards, interpretations and amendments in issue that are not yet effective. These include the following Standards, interpretations and amendments and do not at the finalisation of the group and company financial statements have a significant impact or are expected to have a significant impact in future:

Standards/interpretations	Effective date periods beginning on or after
IFRS 17 – Insurance Contracts	1 January 2023
IFRS 17 amendments – Insurance Contracts	1 January 2023
IAS 8 amendment – Definition of Accounting Estimates	1 January 2023
IAS 1 and IFRS Practice Statement 2 amendment – Disclosure Initiative: Accounting Policies	1 January 2023
IAS 12 amendment – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
IAS 1 amendment – Classification of liabilities as current or non-current Non-current liabilities with covenants	1 January 2024
IFRS 16 amendment – Lease Liability in a Sale and Leaseback	1 January 2024



# Notes to the group financial statements

## for the year ended 31 December 2022

## 1. SEGMENT REPORTING

The group operates in a single reportable operating segment as an investment holding company with cash resources. No segment reporting is therefore provided.

	2022 R'000	2021 R'000
<b>2. PERSONNEL EXPENSES</b>		
Personnel expenses include remuneration to directors and the post-retirement medical benefit obligation expense:		
Directors' emoluments (refer to note 18 for additional disclosure)	7 873	7 066
Post-retirement medical benefit – interest cost (refer to note 14 for additional disclosure)	825	734
<b>3. CHANGE IN FAIR VALUE OF INVESTMENTS IN UNLISTED SECURITIES</b>		
Fair value movements of Investments in unlisted securities	1 373	4 344

Fair value movements represent the change in the estimated fair value as determined from the perspective of the market participants who holds the securities as assets (refer note 8).

	2022 R'000	2021 R'000
<b>4. FINANCE INCOME</b>		
Interest income – cash and cash equivalents	4	3
Interest income – investments in unlisted securities	4 888	4 159
Dividend income – investments in unlisted securities	610	397
	<b>5 502</b>	4 559
<b>5. OTHER OPERATING EXPENSES</b>		
Administration costs	192	208
Audit fees	780	463
Consulting fees	1 011	913
Forensic fees	3 784	4 001
Insurance	534	439
Legal fees*	5 801	1 747
Listing and corporate action fees	610	718
Management and performance fees – Nedbank Private Wealth Investment portfolio (refer note 8)	523	628
Other expenses	408	440
Travel expenses	563	–
	<b>14 206</b>	9 557

\* Increase in legal fees mainly due to interviews with international witnesses by legal counsel.

## Notes to the group financial statements

### for the year ended 31 December 2022

	2022 R'000	2021 R'000
<b>6. TAXATION</b>		
<i>Recognised in profit or loss</i>	–	40
<i>Reconciliation of effective taxation rate</i>		
	%	%
South African normal tax rate	28	28
Exempt income	1.0	1.2
Dividend income	1.0	1.2
Expenses not deductible for taxation purposes	(16.2)	(17.6)
Expenses – capital in nature	(16.2)	(17.6)
Adjustment for under provision in previous periods	–	(0.4)
Change in unrecognised deferred tax asset	(12.8)	(11.6)
Effective tax rate	–	0.4

Refer to note 15 where more information is given regarding the assessed loss. Expenses not deductible for taxation purposes relates to certain legal fees and forensic fees, refer to note 5.

	2022		
	Cost R'000	Accumulated depreciation and impairment R'000	Carrying value R'000
<b>7. EQUIPMENT</b>			
<i>Owned assets</i>			
Computer equipment	128	(58)	70
	128	(58)	70

## Notes to the group financial statements (continued)

### for the year ended 31 December 2022

#### 7. EQUIPMENT (CONTINUED)

##### Owned assets

Computer equipment

2022				
Carrying value at beginning of the year R'000	Additions/ (disposals) R'000	Assets scrapped R'000	Depreciation R'000	Carrying value at end of the year R'000
9	82	–	(21)	70
9	82	–	(21)	70

##### Owned assets

Computer equipment

2021		
Cost R'000	Accumulated depreciation and impairment R'000	Carrying value R'000
45	(36)	9
45	(36)	9

The carrying amount of assets can be reconciled as follows:

2021				
Carrying value at beginning of the year R'000	Additions/ (disposals) R'000	Asset scrapped R'000	Depreciation R'000	Carrying value at end of the year R'000
21	5	-	(17)	9
21	5	-	(17)	9

## Notes to the group financial statements (continued)

for the year ended 31 December 2022

	2022 R'000	2021 R'000
<b>8. INVESTMENT IN UNLISTED SECURITIES</b>		
Financial assets at fair value through profit or loss		
Ninety One Corporate Money Market Fund	66 180	84 704
Nedgroup Investments Core Income Fund	16 539	15 610
Nedbank Private Wealth Investment Portfolio	15 523	14 193
	<b>98 242</b>	<b>114 507</b>
Opening balance – Investments in unlisted securities	<b>114 507</b>	123 824
Acquisition of unlisted securities	<b>6 839</b>	8 619
Proceeds from disposal	<b>(25 720)</b>	(22 280)
Fair value adjustment through profit or loss	<b>1 373</b>	4 344
Realised gain	<b>1 243</b>	–
Closing balance	<b>98 242</b>	<b>114 507</b>
<p>The financial instruments are designated at fair value through profit or loss, as purchase and sale decisions are made continuously. These investments are held for trading purposes and the fair values are determined by reference to the market values as disclosed on the statements from the asset managers. The portfolio is conservatively managed with lower volatility than the general equity market. The investments are held in the Ninety One Corporate Money Market Fund, Nedgroup Investments Core Income Fund and an investment portfolio administered by Nedbank Private Wealth. These funds are mostly term deposits and hold a spread of high-grade fixed income instruments, predominantly of a floating rate nature.</p> <p>The group's exposure to market risks and fair value measurements associated with the investments are further disclosed in note 17.</p>		
<b>9. OTHER RECEIVABLES</b>		
Non-financial instruments:		
Prepayments and deposits	<b>787</b>	374
	<b>787</b>	<b>374</b>
<b>10. CASH AND CASH EQUIVALENTS</b>		
Bank balances	<b>99</b>	1 032
Call deposits	<b>31</b>	30
Secured call deposit	<b>35</b>	33
	<b>165</b>	<b>1 095</b>

## Notes to the group financial statements (continued)

### for the year ended 31 December 2022

#### 11. ORDINARY SHARE CAPITAL

##### Authorised

105 000 000 (2021: 105 000 000) ordinary shares

##### Issued

74 585 065 (2021: 74 585 065) ordinary shares

2 999 893 (2021: 2 999 893) treasury shares

	2022 R'000	2021 R'000
Authorised	1 050	1 050
Issued	746	746
	(30)	(30)
	716	716

The ordinary shares have a par value of 1 cent each.

##### Treasury shares

At the reporting date, a subsidiary of R&E held 2 999 893 R&E shares as treasury shares (2021: 2 999 893).

#### 12. EARNINGS PER SHARE

##### Basic loss and diluted loss per ordinary share

The calculation of basic and diluted loss per share is based on losses of R16.5 million (2021: R9.1 million) attributable to ordinary shareholders of the company and a weighted average of 71 585 172 (2021: 71 585 172) ordinary shares in issue during the year. The weighted average number of shares was determined by adjusting the shares issued by the treasury shares held (74 585 065 less 2 999 893).

##### Headline loss and diluted headline loss per share

The calculation of headline and diluted headline loss per share is based on headline losses of R16.5 million (2021: R9.1 million) attributable to ordinary shareholders of the company and a weighted average of 71 585 172 (2021: 71 585 172) ordinary shares in issue during the year.

	2022 Per share (in cents)	2021 Per share (in cents)
Basic loss and diluted loss per ordinary share	(23.11)	(12.69)
Headline loss and diluted headline loss per share	(23.11)	(12.69)

##### Reconciliation between basic loss for the year and headline loss

##### Loss for the year attributable to equity holders of the company

##### Headline loss for the year attributable to equity holders of the company

	2022 R'000	2021 R'000
Reconciliation between basic loss for the year and headline loss	(16 543)	(9 081)
Headline loss for the year attributable to equity holders of the company	(16 543)	(9 081)

## Notes to the group financial statements (continued)

### for the year ended 31 December 2022

#### 13. CONTINGENCIES AND COMMITMENTS

The group and the company are involved in a number of historical legal actions at year end, including claims to recover damages arising from the alleged misappropriation of assets previously held by the R&E group and the company. The directors have assessed whether any of these legal actions give rise to provisions, contingent assets or contingent liabilities at year end.

##### 13.1 Contingent assets

Given the status of these claims and the nature of litigation generally, the directors are unable to confirm that the claims will be successful and therefore do not believe that there are any contingent assets that require disclosure in the financial statements at year end.

##### 13.2 Contingent liabilities

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

R&E is cited as a respondent in an application brought by various former mineworkers, alternatively dependents of former mineworkers who requested permission to proceed with a class action against several mining companies (including Anglo American South Africa Limited, Gold Fields Limited, AngloGold Ashanti Limited, Harmony Gold Limited, Sibanye Gold Limited, Durban Roodepoort Deep Limited and R&E amongst others).

On 13 May 2016, the Johannesburg High Court handed down its judgment in the application, in favour of the applicants (the “13 May 2016 judgment”). In summary, the Court found amongst others that sufficient common issues existed to certify two industry-wide classes, being a silicosis class and a tuberculosis class and outlined a two-stage process affording the affected persons to opt-in or opt-out of the classes concerned.

On 21 September 2016, the Supreme Court of Appeal (“SCA”) granted the respondents permission to appeal against all aspects of the 13 May 2016 judgment. The appeal was due to be heard at the end of March 2018, however, in January 2018 it was postponed by agreement between the parties, for the parties to pursue settlement.

On 3 May 2018, the applicants and Harmony Gold, Gold Fields, African Rainbow Minerals, Sibanye-Stillwater, AngloGold Ashanti and Anglo American concluded a holistic settlement of the certification application, in which these mining companies agreed to establish a fund of approximately R5 billion, aimed at compensating current and former mineworkers and their dependents who qualify for compensation payments.

On 26 July 2019, the settlement agreement was made an order of Court by the Johannesburg High Court.

R&E initially participated in the settlement discussions with these parties, however ultimately decided that in relation to the period that it is alleged to have controlled and/or managed the mines (being 1993 to 1996 – which it denies), the terms of the settlement were unfavourable to it.

## Notes to the group financial statements (continued)

for the year ended 31 December 2022

### 13. CONTINGENCIES AND COMMITMENTS (CONTINUED)

#### 13.2 Contingent liabilities (continued)

It remains unclear whether the applicants intend progressing the application against the respondents who were not party to the settlement agreement. Should they wish to do so, and the judgment of the 13 May 2016 judgment not be overturned on appeal, the applicants will be required to formally institute action against the remaining respondents (including R&E) for damages. The quantification of such damages and the extent of R&E's liability (if any), is not possible to determine with any degree of certainty at this stage. There are several reasons for this, such as:

1. one of the grounds relied upon by the applicants for the inclusion of R&E as a respondent to the certification application is an allegation that R&E owned, operated and/or advised Harmony Gold Mine, the ERPM Gold Mine, the Durban Roodepoort Deep Gold Mine, the Blyvooruitzicht Gold Mine, the Doornfontein Gold Mine and the Buffelsfontein Gold Mine (the mines) during the period 1993 to 1996;
2. in its answering affidavit, R&E stated that it at no stage owned the mines, nor did it exercise control over them. For this reason, R&E adopted the view that it was wrongly joined to the certification proceedings. R&E disputes that a claim can be brought against it on the basis that it either owned or controlled the mines. This issue will be raised during the second stage of the proceedings if the SCA finds in favour of the applicants at the appeal stage;
3. the application raises a number of complex factual and legal questions, which will also arise in any subsequent summons action against R&E. These questions include such matters as: (i) where the gold miner who suffered from tuberculosis or silicosis (referred to for convenience as the gold miner) worked; (ii) in which section of the mine he worked; (iii) whether the mine in question had greater or lesser concentrations of silica dust; (iv) the silicosis prevention programs of each mine; (v) the type of equipment used to combat silica dust; (vi) the extent (or otherwise) to which health and safety procedures were followed by the gold miner; and (vii) what steps were taken by the gold miner to minimise the extent of silica dust in the air as well as other relevant considerations. The gold miner may in addition have moved to one of the mines allegedly owned or operated by R&E (which it denies) to a mining section for three years, whereafter he may have left that mine and joined another gold mine in a moderate silica environment.

In these circumstances, it is difficult to determine which gold mine is liable to compensate the gold miner and to what extent. It is also unclear as to how damages will be quantified. Assuming that a Court was to hold all of the mines liable, the extent of liability to be apportioned between the respective gold mines will also need to be determined. A further consideration is that there is insufficient information at this stage regarding the identity of the gold miners who are alleged to enjoy a claim against R&E and what the dynamics of their employment history at any one or other of the mines is.

#### 13.3 Commitments

The group does not have any significant commitments.

## Notes to the group financial statements (continued)

### for the year ended 31 December 2022

#### 14. POST-RETIREMENT MEDICAL BENEFIT OBLIGATION

The company pays post-retirement medical benefits to a closed group of retired employees. The plan is unfunded as it is governed by the Medical Aid Schemes Act of 1998. The company has provided in full for its post-retirement medical cost obligations based on the latest calculations by independent actuaries at 31 December 2022, which include appropriate mortality tables and assuming long-term estimates of increases in medical costs and appropriate discount rates.

	2022 R'000	2021 R'000
<b>Present value of post-retirement medical benefit obligation</b>		
Defined benefit obligation	9 890	9 935
Defined benefit obligation	9 890	9 935
<b>Movement in Defined benefit obligation</b>		
<b>Opening balance</b>	9 935	10 800
Employer contribution	(1 286)	(1 355)
Benefits paid during the year	(1 286)	(1 355)
Amounts recognised in profit or loss	825	734
Interest cost	825	734
Amounts recognised in other comprehensive income	416	(244)
Actuarial loss – financial assumptions	(467)	18
Actuarial (gain)/loss – other sources	883	(262)
<b>Closing balance</b>	9 890	9 935
	2022 %	2021 %
<b>Actuarial assumptions</b>		
The following were the principal actuarial assumptions at the reporting date:		
Healthcare cost inflation	6.99%	6.76%
Discount interest rate	9.91%	8.87%
Post-retirement mortality rate	PA90–1 Ultimate	PA90–1 Ultimate

#### Sensitivity analysis

The assumption that tends to have the greatest impact on the sensitivity analysis results is the rate of healthcare cost inflation relative to the discount rate. These actuarial assumptions are listed above.



## Notes to the group financial statements (continued)

for the year ended 31 December 2022

	2022 R'000	2021 R'000
<b>14. POST-RETIREMENT MEDICAL BENEFIT OBLIGATION (CONTINUED)</b>		
A one percentage point change in the healthcare inflation rate will change the obligation to the amounts below:		
One percent increase	10 424	10 512
One percent decrease	9 401	9 410
A one percentage point change in discount rate on healthcare cost will change the obligation to the amounts below:		
One percent increase	9 375	9 381
One percent decrease	10 462	10 554
A one percentage point change in the post-employment mortality rate will change the obligation to the amounts below:		
One percent increase	9 383	9 415
One percent decrease	10 412	10 472
<b>Defined benefit obligation</b>		
The expected contribution for the year ending 31 December 2023 is R1 371 000.		
The weighted average duration of the defined benefit obligation is 6 years (2021: 6.50 years). The following undiscounted payments are expected contributions to be made in future years:		
Within 12 months	1 371	1 286
Between 1 to 2 years	1 372	1 284
Between 2 to 5 years	3 857	3 607
Over 5 years	13 830	13 486
	<b>20 430</b>	<b>19 663</b>

### Risk exposure

Through the post-retirement medical benefit obligation the group is exposed to the following main risks:

- Health care costs tend to increase with average age of members, which will increase the obligation
- The obligation is linked to medical aid cost inflation and higher inflation will lead to a higher obligation
- The obligation is to provide the benefit for the life of each member, so increases in life expectancy will result in an increase in the obligation

## Notes to the group financial statements (continued)

for the year ended 31 December 2022

	2022 R'000	2021 R'000
<b>15. DEFERRED TAXATION</b>		
<b>Deferred taxation is attributable to the following:</b>		
Post-retirement medical benefit obligation	2 670	2 782
Employee-related payables	–	27
Calculated tax losses	203 703	208 932
	<b>206 373</b>	<b>211 741</b>
<b>Deferred tax assets have not been recognised to the following extent</b>		
Unrecognised deferred tax assets	(206 373)	(211 741)
	<b>–</b>	<b>–</b>
Deferred tax assets have not been recognised because management has assessed it is not probable that future taxable profit will be available against which the group entities can utilise the benefits.		
<b>16. OTHER PAYABLES</b>		
Financial instruments		
Other payables	1 535	1 249
Non-financial instruments		
Employee-related payables	301	294
VAT payable	12	22
	<b>1 848</b>	<b>1 565</b>

The fair value of other payables approximate their carrying value, due to the short term nature of these financial liabilities.

## Notes to the group financial statements (continued)

### for the year ended 31 December 2022

#### 17. FINANCIAL RISK MANAGEMENT

The group's activities expose it to a variety of financial risks, including the effects of changes in equity market prices, interest rates, liquidity risk and credit risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group's financial instruments as set out in this note.

##### Market risk – security prices

Market price risk arises from investments in unlisted securities. The securities are made up of share portfolios held in funds administered by independent parties. Changes in the fair value of the securities will fluctuate because of changes in market prices, caused by factors specific to the individual equity issuer, or factors affecting all similar securities traded on the market. The share portfolios are conservatively managed with lower volatility than the general equity market. Exposure to market risk is further limited through diversification. The maximum exposure to market risk is represented by the carrying amount of investments in unlisted securities.

##### Credit risk

Credit risk is the risk of financial loss to the group if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the group's cash and cash equivalents. The group has policies in place to ensure that transactions are entered into with counterparties with an appropriate credit history. An adequate level of allowances for impairment is maintained.

While cash and cash equivalents are also subject to impairment, the identified impairment loss was immaterial.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position as included in note 10.

##### Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The group currently has sufficient short term funds within its investments in unlisted securities and cash and cash equivalents to settle obligations as they become due.

The maturity profile of contractual undiscounted financial liabilities are as follows:

	Contractual cash flow R'000	Within one year R'000
Other payables (refer note 16)		
<b>31 December 2022</b>	<b>1 534</b>	<b>1 534</b>
31 December 2021	1 249	1 249

##### Interest rate risk

The group has exposure to interest rate risk only on financial assets in the form of investments in unlisted securities and cash and cash equivalents.

The analysis is prepared assuming the amount of investments in unlisted securities and cash and cash equivalents held at the reporting date were held for the full year.

A change of one percentage point in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below before the effects of tax. This analysis assumes that all other variables remain constant.

## Notes to the group financial statements (continued)

### for the year ended 31 December 2022

#### 17. FINANCIAL RISK MANAGEMENT (CONTINUED)

	Profit/(loss) for the year	
	1% increase R'000	1% decrease R'000
Investments in unlisted securities (refer note 8)		
<b>31 December 2022</b>	<b>827</b>	<b>(827)</b>
31 December 2021	1 003	(1 003)
Cash and cash equivalents (refer note 10)		
<b>31 December 2022</b>	<b>1</b>	<b>(1)</b>
31 December 2021	11	(11)

#### Fair value of financial instruments:

##### Cash and cash equivalents and other payables

The carrying amount approximates the fair values because of the short maturity of such instruments.

##### Investments in unlisted securities

The group uses a three-level hierarchy to categorise the inputs used in measuring fair value. The levels within the hierarchy are described below, with Level 1 having the highest priority and Level 3 having the lowest.

Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

A comparison of carrying amounts and fair values of the group's investments in unlisted securities carried at fair value is set out below:

		Carrying amount		Fair value	
		2022 R'000	2021 R'000	2022 R'000	2021 R'000
Fair value measurement using					
Financial assets					
Investments in unlisted securities	Level 2	98 242	114 507	98 242	114 507

## Notes to the group financial statements (continued)

### for the year ended 31 December 2022

#### 18. RELATED PARTIES

##### Key management

Other than the executive directors, there were no other key members of management during 2021 or 2022. (Refer to note 5 in the company financial statements for details regarding investments in and loans to subsidiaries.)

##### DIRECTORS' REMUNERATION

Executive directors do not receive directors' fees or committee fees, and their remuneration is disclosed hereunder.

The company has no liability in respect of retirement provisions for executive directors.

Directors	Basic salary/fees		Bonus		Total	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000	2022 R'000	2021 R'000
<b>Executive</b>						
M Steyn	3 019	2 875	–	–	3 019	2 875
H Gischen	3 100	2 730	–	–	3 100	2 730
<b>Non-executive</b>						
DC Kovarsky <sup>1</sup>	–	173	–	–	–	173
JM Kesler <sup>3</sup>	382	201	–	–	382	201
PE Burton	608	518	–	–	608	518
RJ Fehrsen <sup>2</sup>	382	201	–	–	382	201
TS Dube	382	368	–	–	382	368
	<b>7 873</b>	<b>7 066</b>	<b>–</b>	<b>–</b>	<b>7 873</b>	<b>7 066</b>

All amounts above are exclusive of VAT, where applicable.

<sup>1</sup> Resigned from the board on 19 April 2021.

<sup>2</sup> Appointed as non-executive director on 15 June 2021.

No other related party transactions or balances are applicable. Refer to Note 5 of the separate company financial statements for the related party transactions relating to intergroup balances and transactions.

## Notes to the group financial statements (continued)

### for the year ended 31 December 2022

	2022 R'000	2021 R'000
<b>19. NOTES TO THE STATEMENT OF CASH FLOWS</b>		
<b>Cash utilised in operations</b>		
Loss before taxation	(16 543)	(9 041)
<b>Adjustment for:</b>		
Finance income	(5 502)	(4 559)
Change in fair value of investments in unlisted securities	(1 373)	(4 344)
Realised gain on investments in unlisted securities	(1 243)	–
Depreciation	21	17
Post-retirement medical benefit obligation – interest cost	825	734
<b>Cash flows from operations before working capital changes</b>	<b>(23 815)</b>	<b>(17 193)</b>
(Increase)/Decrease in other receivables	(412)	174
Increase in other payables	283	893
Acquisition of investments in unlisted securities	(6 839)	(8 619)
Proceeds from disposal/liquidation of investments in unlisted securities	25 720	22 280
Post retirement medical benefit obligation – benefits paid	(1 286)	(1 355)
<b>Cash utilised in operations</b>	<b>(6 349)</b>	<b>(3 820)</b>

## 20. EVENTS AFTER THE REPORTING PERIOD

There were no material events subsequent to the reporting date and up to the date of this report.

	2022 R'000	2021 R'000
<b>21. NET ASSET VALUE AND NET TANGIBLE ASSET VALUE PER SHARE</b>		
Net asset value per share (cents)	122	145
Net tangible asset value per share (cents)	122	145

The net asset value per share is calculated by dividing the net asset value attributable to ordinary shareholders of the company or shareholders' equity of R87.5 million (2021: R104.5 million) by the total number of ordinary shares outstanding at year-end of 71 585 172 (2021: 71 585 172). The net tangible asset value per share is calculated by dividing the net tangible asset value attributable to ordinary shareholders of the company or shareholders' equity of R87.5 million (2021: R104.4 million) by the total number of ordinary shares outstanding at year-end of 71 585 172 (2021: 71 585 172). The number of shares outstanding at 31 December 2022 has been adjusted for the 2 999 893 (2021: 2 999 893) treasury shares held.

## 22. GOING CONCERN

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the group will not be a going concern in the foreseeable future based on forecast and available short-term funds within its investments in unlisted securities and cash resources. These financial statements support the viability of the group.

The group made a total comprehensive loss for the year ended 31 December 2022 of R17.0 million (2021: R8.8 million) and as of that date the total assets exceeded its total liabilities by R87.5 million (2021: R104.4 million).

Company

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# Annual Financial Statements

# Company statement of profit or loss and other comprehensive income

for the year ended 31 December 2022

	Notes	2022 R'000	2021 R'000
Management fee income – subsidiary companies		171	154
Impairment reversal – investment in subsidiaries	5	247	1 174
Impairment reversal – loans to subsidiaries	5	–	107
Change in fair value of investments in unlisted securities	1	923	2 899
Personnel expenses	14	(9 212)	(8 387)
Other operating expenses	3	(13 953)	(9 260)
<b>Loss from operating activities</b>		<b>(21 824)</b>	<b>(13 313)</b>
Finance income	2	5 282	4 380
<b>Loss before taxation</b>		<b>(16 542)</b>	<b>(8 933)</b>
Taxation	4	–	–
<b>Loss for the year</b>		<b>(16 542)</b>	<b>(8 933)</b>
<b>Other comprehensive (loss)/income</b>			
Items of other comprehensive (loss)/income that will not be subsequently reclassified to profit or loss			
Actuarial (losses)/gains	14	(416)	244
<b>Total comprehensive loss for the year</b>		<b>(16 958)</b>	<b>(8 689)</b>



# Company statement of financial position

as at 31 December 2022

	Notes	2022 R'000	2021 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>7 924</b>	<b>7 616</b>
Equipment	14	70	9
Investment in subsidiaries	5	4 857	4 610
Loans to subsidiary companies	5	2 997	2 997
<b>Current assets</b>		<b>94 349</b>	<b>111 387</b>
Other receivables	6	1 319	656
Loans to subsidiary companies	5	–	–
Investments in unlisted securities	7	92 893	109 665
Cash and cash equivalents	9	137	1 066
<b>Total assets</b>		<b>102 273</b>	<b>119 003</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>		<b>90 528</b>	<b>107 486</b>
Ordinary share capital	10	746	746
Retained earnings		89 782	106 740
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Post-retirement medical benefit obligation	14	9 890	9 935
<b>Current liabilities</b>			
Other payables	11	1 855	1 582
<b>Total equity and liabilities</b>		<b>102 273</b>	<b>119 003</b>

## Company statement of changes in equity for the year ended 31 December 2022

	Attributable to equity holders of the company		
	Ordinary share capital R'000	Retained earnings R'000	Total equity R'000
<b>Balance at 1 January 2021</b>	746	115 429	116 175
Total comprehensive loss for the year		(8 689)	(8 689)
Loss for the year		(8 933)	(8 933)
Other comprehensive income		244	244
<b>Balance at 31 December 2021</b>	746	106 740	107 486
Total comprehensive loss for the year		<b>(16 958)</b>	<b>(16 958)</b>
Loss for the year		<b>(16 542)</b>	<b>(16 542)</b>
Other comprehensive loss		<b>(416)</b>	<b>(416)</b>
<b>Balance at 31 December 2022</b>	<b>746</b>	<b>89 782</b>	<b>90 528</b>
Note	10		

## Company statement of cash flows

for the year ended 31 December 2022

	Notes	2022 R'000	2021 R'000
<b>Cash flow from operating activities</b>		(846)	701
Cash utilised in operations	13	(6 127)	(3 679)
Interest received	2	4 870	4 142
Dividend income	2	411	238
<b>Cash flow from investing activities</b>		(83)	(5)
Acquisition of equipment		(83)	(5)
<b>(Decrease)/Increase in cash and cash equivalents</b>		(929)	696
Cash and cash equivalents at the beginning of year		1 066	370
<b>Cash and cash equivalents at the end of the year</b>	9	137	1 066

## Notes to the company financial statements

for the year ended 31 December 2022

	2022 R'000	2021 R'000
<b>1. CHANGE IN FAIR VALUE OF INVESTMENT IN UNLISTED SECURITIES</b>		
Fair value movements of investments in unlisted securities	923	2 899
Fair value movements represent the change in the estimate fair value as determined from the perspective of the market participant who holds the securities as assets (refer note 7).		
<b>2. FINANCE INCOME</b>		
Interest income – cash and cash equivalents	2	2
Interest income – investments in unlisted securities	4 869	4 140
Dividend income – investments in unlisted securities	411	238
	5 282	4 380
<b>3. OTHER OPERATING EXPENSES</b>		
Administration costs	352	396
Audit fees	780	463
Consulting fees	1 011	913
Forensic fees	3 784	4 001
Insurance	534	439
Legal fees	5 801	1 747
Listing and corporate action fees	610	718
Management and performance fees – Nedbank Private Wealth portfolio (refer note 7)	363	440
Other expenses	718	143
	13 953	9 260
	2022 R'000	2021 R'000
<b>4. TAXATION</b>		
<i>Recognised in profit or loss</i>	–	–
<i>Recognised in other comprehensive income</i>	–	–
	%	%
<b>Reconciliation of effective taxation rate</b>		
South African normal tax rate	28.00	28.00
Exempt income	1.12	4.89
Dividend income	0.70	0.75
Impairment reversal – loans to and investments in subsidiaries	0.42	4.14
Expenses not deductible for taxation purposes	(16.23)	(17.95)
Expenses capital in nature	(16.23)	(17.82)
Impairment charge – loans to and investments in subsidiaries	–	(0.13)
Change in unrecognised deferred tax asset	(12.88)	(14.94)
	–	–

Expenses capital in nature relates to certain legal fees and forensic fees, refer to note 3.

## Notes to the company financial statements (continued)

### for the year ended 31 December 2022

#### 5. INVESTMENT IN AND LOANS TO SUBSIDIARIES

Details of the subsidiaries are set out as follows:

	Issued share capital R'000	Effective holding		Shares at cost		Due from subsidiaries	
		2022 %	2021 %	2022 R'000	2021 R'000	2022 R'000	2021 R'000
<b>Direct holdings</b>							
African Strategic Investment (Holdings) Limited	*	100	100	–	–	–	–
First Wesgold Mining Proprietary Limited	340	100	100	21 080	21 080	65 167	65 167
Free State Development and Investment Corporation Limited	2 223	100	100	207 518	207 518	–	–
Refraction Investments Proprietary Limited	*	100	100	*	*	45 504	45 504
At cost				228 598	228 598	110 671	110 671
Accumulated impairment losses on investments and loans to subsidiaries				(223 741)	(223 988)	(107 674)	(107 674)
				4 857	4 610	2 997	2 997

\* Less than R1 000

The impairment of investments in and loans to subsidiaries are determined annually by comparing the carrying values thereof to the subsidiaries' net asset value at the reporting date, to ensure the carrying values of the investments and loans as disclosed in the company's statement of financial position reflects the recoverable values.

	2022 R'000	2021 R'000
Investment in subsidiaries	4 857	4 610
Amounts due from subsidiaries included in		
– current assets	–	–
– non-current assets	2 997	2 997
	7 854	7 607

All amounts due from subsidiaries are unsecured, payable on demand and are interest free. The directors do not have the intention to recall any of the loans within 12 months.

## Notes to the company financial statements (continued)

for the year ended 31 December 2022

	2022 R'000	2021 R'000
<b>6. OTHER RECEIVABLES</b>		
Financial instruments:		
Other receivable	1 021	603
Non-financial instruments:		
Prepayments and deposits	298	53
	<b>1 319</b>	<b>656</b>
<b>7. INVESTMENTS IN UNLISTED SECURITIES</b>		
Financial assets at fair value through profit or loss		
Ninety One Corporate Money Market Fund	66 180	84 704
Nedgroup Investments Core Income Fund	16 539	15 610
Nedbank Private Wealth Investment Portfolio	10 174	9 351
	<b>92 893</b>	<b>109 665</b>
Opening balance – Investments in unlisted securities	109 665	120 418
Acquisition of unlisted securities	4 492	5 708
Proceeds from disposal	(22 187)	(19 360)
Fair value adjustment through profit or loss	923	2 899
Closing balance	<b>92 893</b>	<b>109 665</b>

The financial instruments are designated at fair value through profit or loss, as purchase and sale decisions are made continuously. These investments are held for trading purposes and the fair value are determined by reference to the market values as disclosed on the statements from the asset managers. The portfolio is conservatively managed with lower volatility than the general equity market. The investments are held in the Ninety One Corporate Money Market Fund, Nedgroup Investments Core Income Fund and an investment portfolio administered by Nedbank Private Wealth. These funds are mostly term deposits and hold a spread of high-grade fixed income instruments, predominantly of a floating rate nature.

The company's exposure to market risks and fair value measurements associated with the investments are further disclosed in note 12.

## Notes to the company financial statements (continued)

for the year ended 31 December 2022

	2022 R'000	2021 R'000
<b>8. DEFERRED TAXATION</b>		
<b>Deferred taxation is attributable to the following:</b>		
Post-retirement medical benefit obligation	2 670	2 782
Employee-related payables	–	27
Calculated tax losses	92 529	93 671
	<b>95 199</b>	<b>96 480</b>
<b>Deferred tax assets have not been recognised to the following extent</b>		
Unrecognised deferred tax assets	(95 199)	(96 480)
	<b>–</b>	<b>–</b>

Deferred tax assets have not been recognised in respect of these items because management has assessed it is not probable that future taxable profit will be available against which the company can utilise the benefits therefrom.

	2022 R'000	2021 R'000
<b>9. CASH AND CASH EQUIVALENTS</b>		
Bank balances	96	1 027
Call deposits	6	6
Secured call deposit	35	33
	<b>137</b>	<b>1 066</b>
<b>10. ORDINARY SHARE CAPITAL</b>		
<b>Authorised</b>		
105 000 000 (2020: 105 000 000) ordinary shares	<b>1 050</b>	<b>1 050</b>
<b>Issued</b>		
74 585 065 (2020: 74 585 065) ordinary shares	<b>746</b>	<b>746</b>
The ordinary shares have a par value of 1 cent each.		
<b>11. OTHER PAYABLES</b>		
Financial instruments		
Other payables	1 542	1 266
Non-financial instruments		
Employee-related payables	301	294
VAT payable	12	22
	<b>1 855</b>	<b>1 582</b>

The fair value of other payables approximate their carrying value due to the short-term nature of these financial liabilities.

## Notes to the company financial statements (continued)

### for the year ended 31 December 2022

#### 12. FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks, including the effects of changes in equity market prices and interest rates, credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company's financial instruments as set out in this note.

##### Market risk – security prices

Market price risk arises from investments in unlisted securities. The securities are made up of share portfolios held in funds administrated by independent parties. Changes in the fair value of the unlisted securities will fluctuate because of changes in market prices, caused by factors specific to the individual equity issuer, or factors affecting all similar equity securities traded on the market. The share portfolios are conservatively managed with lower volatility than the general equity market. Exposure to market risk is further limited through diversification.

The maximum exposure to market risk is represented by the carrying amount of investments in unlisted securities.

##### Credit risk

Credit risk is the risk of financial loss to the company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's loans to subsidiary companies and cash and cash equivalents. The company has policies in place to ensure that transactions are entered into with counterparties with an appropriate credit history. An adequate level of provisions is maintained.

The carrying value of loans to subsidiary companies represents loans receivable from subsidiaries, Refraction Investments (Proprietary) Limited, of R2 997 165 (gross amount of R45 503 882 less cumulative impairment of R42 506 717) and First Wesgold Mining (Pty) Ltd (gross amount of R65 166 797 less cumulative impairment of R65 166 797). The directors are able to use their influence, as representative of the shareholder of the subsidiary, to manage the recoverability of the carrying amount (refer note 5).

The past and current year impairment reversals/changes to loans receivables from subsidiary companies are mainly attributable to the change in the subsidiary companies own net asset value and measured at current values. The main assets in subsidiary companies are investments in unlisted securities, carried at fair value through profit or loss. Any potential future expected credit losses will be from fluctuations because of changes in market prices of the investments in unlisted securities held by the subsidiary companies.

While cash and cash equivalents are also subject to impairment, the identified impairment loss was immaterial.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position as included in notes 5 and 9.

##### Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The maturity profile of contractual financial liabilities are as follows:

	Contractual cash flow R'000	Within one year R'000
Other payables (refer note 11)		
<b>31 December 2022</b>	<b>1 543</b>	<b>1 543</b>
31 December 2021	1 266	1 266



## Notes to the company financial statements (continued)

### for the year ended 31 December 2022

#### 12. FINANCIAL RISK MANAGEMENT (CONTINUED)

##### Interest rate risk

The company has exposure to interest rate risk on financial assets in the form of investments in unlisted securities and cash and cash equivalents.

The analysis is prepared assuming the amount of investments in unlisted securities and cash and cash equivalents held at the reporting date were held for the full year.

A change of one percentage point in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below before the effects of tax. This analysis assumes that all other variables remain constant.

	Profit/(loss) for the year	
	1% increase R'000	1% decrease R'000
Investments in unlisted securities (refer note 7)		
<b>31 December 2022</b>	<b>837</b>	<b>(837)</b>
31 December 2021	1 003	(1 003)
Cash and cash equivalents (refer note 9)		
<b>31 December 2022</b>	<b>1</b>	<b>(1)</b>
31 December 2021	10	(10)

##### Fair value of financial instruments

*Other receivables, cash and cash equivalents and other payables*

The carrying amount approximates the fair values because of the short maturity of such instruments.

*Investments in unlisted securities*

The group uses a three-level hierarchy to categorise the inputs used in measuring fair value. The levels within the hierarchy are described below, with Level 1 having the highest priority and Level 3 having the lowest.

Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

A comparison of carrying amounts and fair values of the company's investments in unlisted securities carried at fair value is set out below:

Fair value measurement using		Carrying amount		Fair value	
		2022 R'000	2021 R'000	2022 R'000	2021 R'000
<b>Financial assets</b>					
Investments in unlisted securities	Level 2	<b>92 893</b>	109 665	<b>92 893</b>	109 665

## Notes to the company financial statements (continued)

for the year ended 31 December 2022

	2022 R'000	2021 R'000
<b>13. NOTES TO THE STATEMENT OF CASH FLOWS</b>		
<b>Cash utilised in operations</b>		
Loss before taxation	(16 542)	(8 933)
<b>Adjustment for:</b>		
Interest income	(5 282)	(4 380)
Movement in loan from subsidiary	–	(40)
Impairment reversal – Investment in subsidiaries	(247)	(1 174)
Depreciation	21	17
Impairment reversal – Loans to subsidiaries	–	(107)
Change in fair value of investments in unlisted securities	(923)	(2 899)
Post-retirement medical benefit obligation – interest cost	825	734
<b>Cash flows from operations before working capital changes</b>	<b>(22 148)</b>	<b>(16 782)</b>
Increase in other receivables	(663)	(108)
Increase in other payables	275	914
Proceeds from disposal of investments in unlisted securities	22 187	19 360
Acquisition of investments in unlisted securities	(4 492)	(5 708)
Post-retirement medical benefit obligation – benefits paid	(1 286)	(1 355)
<b>Cash utilised in operations</b>	<b>(6 127)</b>	<b>(3 679)</b>
<b>14. NOTES TO THE GROUP FINANCIAL STATEMENTS ALSO APPLICABLE TO THE COMPANY FINANCIAL STATEMENTS (GROUP AND COMPANY TRANSACTIONS AND BALANCES ARE THE SAME):</b>		
Personnel expenses		2
Equipment		7
Contingencies and commitments		13
Post-retirement medical benefit obligation		14

## Notes to the company financial statements (continued)

### for the year ended 31 December 2022

#### 15. RELATED PARTIES

##### Subsidiaries

The company has a related party relationship with its subsidiaries.

##### Material related parties balances

	2022 R'000	2021 R'000
Investment in subsidiaries	4 857	4 610
Amounts due from subsidiaries included in other receivables	521	260
Loans due from subsidiaries	2 997	2 997

All amounts due from subsidiaries are unsecured, payable on demand and are interest free. The carrying amount approximates the fair value since the amounts are payable on demand. The directors do not have the intention to recall any of the loans within 12 months.

##### Key management

The directors and executive officers, and details of emoluments paid – refer to note 18 of the group financial statements. Other than the directors, there were no other members of key management during 2022 and 2021.

##### Material related parties transactions

Management fee income – refer to the company statement of profit or loss and other comprehensive income.

Investments in subsidiaries – refer to note 5.

#### 16. GOING CONCERN

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the company will not be a going concern in the foreseeable future based on forecast and available short-term funds within its investments in unlisted securities and cash resources. These financial statements support the viability of the company.

The company made a total comprehensive loss for the year ended 31 December 2022 of R16.9 million (2021: R8.7 million) and as of that date the total assets exceeded its total liabilities by R90.5 million (2021: R107.4 million).

#### 17. EVENTS AFTER THE REPORTING PERIOD

There were no material events subsequent to the reporting date and up to the date of this report.

# Randgold & Exploration Company: shareholder analysis tables

## MAJOR SHAREHOLDERS

REGISTER DATE: 31 DECEMBER 2022

ISSUED SHARE CAPITAL: 74 585 065 SHARES

SHAREHOLDER SPREAD	No. of shareholders	%	No. of shares	%
1 – 1 000 shares	2 145	83.01	328 289	0.4
1 001 – 10 000 shares	293	11.34	991 169	1.3
10 001 – 100 000 shares	109	4.22	3 512 003	4.7
100 001 – 1 000 000 shares	28	1.08	8 304 459	11.1
1 000 001 shares and over	9	0.35	61 449 145	82.4
<b>Total</b>	<b>2 584</b>	<b>100</b>	<b>74 585 065</b>	<b>100</b>

DISTRIBUTION OF SHAREHOLDERS	No. of shareholders	%	No. of shares	% ISC
ADRs	1	0.04	4 652 403	6.2
Banks	54	2.09	7 229 286	9.7
Brokers	14	0.54	22 614	0.0
Close Corporations	12	0.46	21 370 036	28.7
Endowment Funds	2	0.08	150	0.0
Individuals	2 366	91.56	8 189 807	11.0
Insurance Companies	1	0.04	60 000	0.1
Investment Advisor	2	0.08	6 414 133	8.6
Mutual Funds	1	0.04	26 372	0.0
Nominees and Trusts	71	2.75	625 294	0.8
Other Corporations	11	0.43	78 127	0.1
Pension Funds	1	0.04	233 897	0.3
Private Companies	48	1.86	25 682 946	34.4
<b>Total</b>	<b>2 584</b>	<b>100</b>	<b>74 585 065</b>	<b>100</b>

PUBLIC/NON-PUBLIC SHAREHOLDERS	No. of shareholdings	%	No. of shares	%
<b>Non-public shareholders</b>	4	0.15	41 285 105	55.35
Strategic Holdings (more than 10%)*	3	0.12	38 285 212	51.33
R&E subsidiary	1	0.06	2 999 893	4.02
<b>Public shareholders</b>	2 580	99.85	33 299 960	44.65
<b>Total</b>	<b>2 584</b>	<b>100</b>	<b>74 585 065</b>	<b>100</b>

\* Includes Zerbans Cake & Coffee Shop CC and Pacol Investments (Pty) Ltd.

## Randgold & Exploration Company: shareholder analysis tables (continued)

<b>Beneficial shareholders holding 3% or more</b>	<b>No. of shares</b>	<b>%</b>
Zerbans Cake & Coffee Shop CC	21 300 000	28.56
Pacol Investments (Pty) Ltd.	16 985 212	22.77
Marr Holdings (Pty) Ltd.	6 411 913	8.60
ADRs (American Depositary Receipts)	4 652 403	6.23
Charisma Holdings (Pty) Ltd.	3 750 000	5.03
Investec Bank Limited Account 25 Corporate Finance	3 280 821	4.40
Refraction Investment (Pty) Ltd.	2 999 893	4.02
<b>Fund Manager holding 5% or more</b>	<b>No. of shares</b>	<b>%</b>
Marr Holdings (Pty) Ltd	6 411 913	8.60

# Notice of annual general meeting

## RANDGOLD & EXPLORATION COMPANY LIMITED

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

## NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS OF R&E

Notice is hereby given to the shareholders of the Company that the annual general meeting ("the meeting" or "the AGM") of R&E will take place virtually on Monday, 8 May 2023 at 11:00 and will be accessible via electronic communication only, to consider and, if deemed fit, passing, with or without modification, the following ordinary and special resolutions in the manner required by the memorandum of incorporation of the Company, the Companies Act, No. 71 of 2008, as amended ("the Companies Act") and the Listings Requirements of the JSE Limited ("JSE").

## PURPOSE

The purpose of the meeting is to transact the business set out in the agenda below.

### 1. AGENDA

Presentation of the audited annual financial statements of the Company, including the remuneration report and the reports of the directors and the audit and risk committee for the year ended 31 December 2022, for shareholders to consider. The annual report of the Company, containing the complete audited annual financial statements, is available at [www.randgoldexp.co.za](http://www.randgoldexp.co.za) or can be obtained from the Company, at no charge, at its registered office during office hours.

### 2. TO CONSIDER AND, IF DEEMED FIT, APPROVE, WITH OR WITHOUT MODIFICATION, THE FOLLOWING ORDINARY RESOLUTIONS

*Note: For any of the ordinary resolutions numbers 1 to 8 to be adopted, more than 50 percent of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof.*

#### 2.1 Retirement and re-election of directors

##### 2.1.1 ORDINARY RESOLUTION NUMBER 1

"Resolved that Mr PE Burton, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible and offering himself for re-election, be and is hereby re-elected as a director of the Company."

#### Summary curriculum vitae of Patrick Ernest Burton (70) ("Patrick")

*Independent Non-executive Chairman*

BComm (Hons) Financial Management, Post Graduate Diploma in Tax Law

Date of appointment: 23 May 2013

Patrick was one of the founding members of Siphumelele Investments Limited, a black economic empowerment company, established in 1995, with a shareholder base representing in excess of 150 000 previously disadvantaged individuals. His experience as a director includes non-executive positions in fishing, food and financial services. Patrick is a member of the audit, risk, remuneration and nominations committees of PSG Konsult Limited. He is also a member of the audit committee of PSG Life Limited, as well as a member of the audit committee and remuneration committee of Telviva (Pty) Limited.

### 2.1.2 ORDINARY RESOLUTION NUMBER 2

"Resolved that Mr JM Kesler, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible and offering himself for re-election, be and is hereby re-elected as a director of the Company."

#### **Summary curriculum vitae of Joel Martin Kesler (50) ("Joel")**

*Non-executive Director*

Date of appointment: 15 June 2021

Joel is a qualified Attorney, with degrees in Commerce and Law (Cum Laude) from the University of Cape Town. He has 25 years of experience in global merger and acquisitions, advisory, corporate finance and business development. From 2004 onwards, he has held a senior international executive board position with Atlatsa Resources Corporation, a public company previously listed on the NYSE (AMEX), TSX and JSE. He is a co-founder and principal of the Tomahawk Group, a multi-family office that holds a diversified private equity portfolio, including direct investments in mining and metals, oil and gas, industrials, technology, as well as speciality consumer products.

The reason for ordinary resolutions numbers 1 and 2 is that the Memorandum of Incorporation of the Company and the Listings Requirements of the JSE ("JSE Listings Requirements") require that a component of the non-executive directors rotate at every annual general meeting of the Company and, being eligible, may offer themselves for re-election as directors.

## 2.2 Re-appointment of the members of the audit and risk committee of the Company

*Note: For the avoidance of doubt, all references to the audit and risk committee of the Company are a reference to the audit committee as contemplated in the Companies Act.*

### 2.2.1 ORDINARY RESOLUTION NUMBER 3

"Resolved that Mr RJ Fehrsen, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company."

#### **Summary curriculum vitae of Roderick John Fehrsen (73) ("Rod")**

*Independent Non-executive director*

Date of appointment: 15 June 2021

Rod, a qualified Accountant, has a long business career. He served in various positions in the Anglovaal Industries Group of Companies. He also served for about 13 years as CEO of Plate Glass and Shatterprufe Industries' South African glass interests. Mr Fehrsen was also part of the listing of a multi-faceted marketing services group, Billboard Holdings, and further spent some time as a private entrepreneur. He joined Ethos Technology Fund in 2002 as a partner, where he spent about 6 years.

## Notice of annual general meeting (continued)

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### 2.2.2 ORDINARY RESOLUTION NUMBER 4

"Resolved that Mr PE Burton, being eligible, subject to the approval of ordinary resolution number 1 above, and is hereby re-appointed as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company."

Shareholders should note that Mr PE Burton is the chairman of the board of directors and will not chair the audit and risk committee.

A summary of Mr PE Burton's curriculum vitae has been included in paragraph 2.1.1 above.

### 2.2.3 ORDINARY RESOLUTION NUMBER 5

"Resolved that Mr TS Dube, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company."

#### **Summary curriculum vitae of Tembani Samuel Dube (79) ("Sam")**

*Independent Non-executive director*

Date of appointment: 18 November 2020

Sam is a successful businessman with over 45 years of experience in the public and private sectors. He was a co-founder of Jubelie Project Management, a property development company with numerous successful housing projects for municipalities, provincial and national government. Before establishing Jubelie, he served as the black economic empowerment partner for the Power group of companies as well as a director of the Small Business Development Corporation (now known as Business Partners).

The reason for ordinary resolutions numbers 3, 4 and 5 is that the Company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each annual general meeting of a company.

## 2.3 Re-appointment of auditor

### ORDINARY RESOLUTION NUMBER 6

"Resolved that KPMG Inc. be and is hereby re-appointed as auditor of the Company for the ensuing financial year or until the next annual general meeting of the Company, whichever is later, with the individual auditor being Mr Wayne Pretorius, as registered auditor and partner in the firm, on the recommendation of the audit and risk committee of the Company."

The reason for ordinary resolution number 6 is that the Company, being a public listed company, must have its financial results audited and such auditor must be appointed or re-appointed as the case may be, at each year's annual general meeting of the Company as required by the Companies Act and the JSE Listings Requirements.



## Notice of annual general meeting (continued)

### 2.4 Non-binding advisory vote on remuneration policy

#### ORDINARY RESOLUTION NUMBER 7

“Resolved that the Company’s remuneration policy, as set out in the Annexure to this notice of annual general meeting, be and is hereby endorsed by way of a non-binding advisory vote.”

The reason for ordinary resolution number 7 is that the King IV Report on Corporate Governance™ for South Africa, 2016 (“King IV™”) recommends, and the JSE Listings Requirements require, that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at each annual general meeting of such company. This enables shareholders to express their views on the remuneration policy adopted. The effect of ordinary resolution number 7, if passed, will be to endorse the Company’s remuneration policy. Ordinary resolution number 7 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. However, the board will consider the outcome of the vote when considering amendments to the Company’s remuneration policy.

### 2.5 Non-binding advisory vote on the Company’s implementation report on the remuneration policy

#### ORDINARY RESOLUTION NUMBER 8

“Resolved that the Company’s implementation report regarding the remuneration policy, as set out in the Annexure to this notice of annual general meeting, be and is hereby endorsed by way of a non-binding vote.”

The reason for ordinary resolution number 8 is that King IV™ recommends, and the JSE Listings Requirements require, that the implementation report on a company’s remuneration policy be tabled for a non-binding advisory vote by shareholders at each annual general meeting of such company. This enables shareholders to express their views on the implementation of a company’s remuneration policy. The effect of ordinary resolution number 8, if passed, will be to endorse the Company’s implementation report in relation to its remuneration policy. Ordinary resolution number 8 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. However, the board will consider the outcome of the vote when considering amendments to the implementation of the Company’s remuneration policy.

## 3. TO CONSIDER AND, IF DEEMED FIT, PASS, WITH OR WITHOUT MODIFICATION, THE FOLLOWING SPECIAL RESOLUTIONS

*Note: For the special resolutions to be adopted, at least 75 percent of the voting rights exercised on each special resolution must be exercised in favour thereof.*

### 3.1 Remuneration of non-executive directors

#### SPECIAL RESOLUTION NUMBER 1

“Resolved, in terms of section 66(9) of the Companies Act, that the Company be and is hereby authorised to remunerate its directors for their services as non-executive directors, which includes serving on various sub-committees and to make payment of the amounts set out below (plus any value added tax, to the extent applicable), on the basis set out below, provided that this authority will be valid until the next annual general meeting of the Company:

Per annum for serving as a non-executive director of the Company:

3.1.1	Chairman	R648 270
3.1.2	Other non-executive directors	R407 484

(includes serving on the board’s sub-committees)”

## Notice of annual general meeting (continued)

### Reason for and effect of special resolution number 1

The reason for special resolution number 1 is for the Company to obtain the approval of shareholders, by way of a special resolution, for the payment of remuneration to its non-executive directors for their services as directors in accordance with the requirements of the Companies Act.

The effect of special resolution number 1, if passed, is that the Company will be able to pay its non-executive directors for the services they render to the Company as directors without requiring further shareholder approval until the next annual general meeting of the Company.

### 3.2 Inter-company loans

#### *SPECIAL RESOLUTION NUMBER 2*

"Resolved that, in terms of section 45(3)(a)(iii) of the Companies Act, as a general approval, the board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the board of the Company may deem fit to any company or corporation that is related or inter-related ("related" and "inter-related" will herein have the meanings attributed thereto in section 2 of the Companies Act) to the Company, on the terms and conditions and for amounts that the board of the Company may determine and in accordance with section 45 of the Companies Act, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company."

### Reason for and effect of special resolution number 2

The reason for and effect, if passed, of special resolution number 2 is to grant the directors of the Company the authority, until the next annual general meeting of the Company, to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the Company in accordance with section 45 of the Companies Act. This means that the Company is, inter alia, authorised to grant loans to its wholly-owned subsidiaries and to guarantee the debt of its wholly-owned subsidiaries.

The board of the Company will ensure that, prior to providing any financial assistance as contemplated above, it is satisfied that, immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as set out in the Companies Act and ensure that the terms of any such financial assistance are fair and reasonable.

## 4. OTHER BUSINESS

To transact such other business as may be transacted at an annual general meeting or raised by shareholders with or without advance notice to the Company.

### Information relating to the special resolutions

The directors, whose names appear on page 15 of this notice of annual general meeting, collectively and individually accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted that would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this notice of annual general meeting contains all information required by law and the JSE Listings Requirements.

## VOTING

1. The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the Company (the share register) for purposes of being entitled to receive this notice of annual general meeting is Friday, 24 March 2023.
2. The date on which shareholders must be recorded as such in the share register for purposes of being entitled to attend and vote at the meeting is Friday, 28 April 2023 with the last day to trade being Monday, 24 April 2023.
3. **Any person who wishes to participate in the virtual AGM (including any representative or proxy) must provide satisfactory identification (such as an identity document, a driver's license or a passport) before they may attend or participate in the virtual AGM. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.**

## Notice of annual general meeting (continued)

4. Certificated shareholders and own-name dematerialised shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote there at in their stead. A proxy need not be a shareholder of the Company. A form of proxy, which sets out the relevant instructions for its completion, is enclosed for use by such shareholders who wish to be represented at the AGM. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM. Forms of proxy must be completed and lodged at or posted to the meeting administrators, CTSE Registry Services (Pty) Ltd ("CTSE") (The Woodstock Exchange Building, 5th Floor, Block B, 66-68 Albert Road, Woodstock, 7925 or Postnet Suite 5, Private Bag X4, Woodstock, 7915) or emailed to [admin@ctseregistry.co.za](mailto:admin@ctseregistry.co.za) so as to be received by the meeting administrators by no later than 11:00 a.m. on Thursday, 4 May 2023 provided that any form of proxy not delivered to the meeting administrators by this time may be provided to the meeting administrators, in the aforementioned manner, at any time before the appointed proxy exercises any shareholder rights at the AGM, subject to the meeting administrators verifying the form of proxy and proof of identification before any shareholder rights are exercised.
5. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the AGM, will need to request their Central Securities Depository Participant ("CSDP") or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.
6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the AGM and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between them and the CSDP or broker in the manner and time stipulated therein.
7. Shareholders present, by proxy or by the authorised representative shall, on a poll, have one vote in respect of each share held.
8. In compliance with the provisions of section 58(8)(b)(i) of the Companies Act, a summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act, is set out immediately below:

A shareholder entitled to attend and vote at the AGM may appoint any individual (or two or more individuals) as a proxy or as proxies to attend, participate in and vote at the AGM in the place of the shareholder. A proxy need not be a shareholder of the Company.

A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the AGM of the Company.

A proxy may delegate its authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.

The appointment of a proxy is suspended at any time to the extent that the shareholder who appointed such proxy chooses to act directly in the exercise of any rights as a shareholder.

The appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.

If the instrument appointing the proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's memorandum of incorporation to be delivered by the Company to the shareholder, must be delivered by the Company to (a) the shareholder, or (b) the proxy or proxies, if the shareholder has (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so.

## Notice of annual general meeting (continued)

### ELECTRONIC PARTICIPATION

1. The AGM will be held virtually and will be accessible via electronic communication only.
2. Shareholders or their proxies who wish to participate in and/or vote at the AGM should contact CTSE Registry Services (Pty) Ltd ("CTSE") at [admin@ctseregistry.co.za](mailto:admin@ctseregistry.co.za) or on +27 11 100 8352, by no later than 11:00 a.m. on Thursday, 4 May 2023 in order for CTSE to verify them and provide them with the link to the online registration and voting platform. Shareholders may still register to participate in and/or vote electronically at the AGM after this date, provided, however, that those shareholders are fully verified (as required in terms of section 63(1) of the Companies Act) and are registered before any shareholder rights are exercised.
3. Dematerialised shareholders would still need to submit proxies via the CSDP/broker or obtain a letter of representation to attend the AGM, which letter of representation must be submitted to CTSE before they will be able to provide a link to the online registration and voting platform.
4. CTSE will assist shareholders with all the requirements for electronic participation and is obliged to validate the information of each shareholder's entitlement to participate in and/or vote at the AGM before providing it with the necessary means to access the AGM electronically and/or the electronic voting platform.
5. Aside from the cost incurred by Randgold as a result of the hosting by CTSE of the AGM by way of a remote interactive electronic platform, which shareholders can choose to access, shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM. Any such charges will not be for the account of the JSE, Randgold and/or CTSE. None of the JSE, Randgold or CTSE can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such shareholder from participating in and/or voting at the AGM.
6. Notwithstanding the availability of the electronic voting platform, shareholders may still submit forms of proxy to CTSE (in the case of certificated shareholders and dematerialised shareholders with "own-name" registration) or provide instructions to their appointed CSDP or broker (in the case of dematerialised shareholders without "own-name" registration) by no later than 11:00 a.m. on Thursday, 4 May 2023 or the time and date stipulated by the CSDP or broker, respectively.

By order of the board

### Randgold & Exploration Company Limited

#### Statucor (Pty) Ltd

*Company Secretary*

Johannesburg  
30 March 2023

#### Registered office

Suite 25, Third floor, Katherine & West Building  
114 West Street, Sandown  
Sandton, 2196

#### Postal address

PO Box 202, Stellenbosch, 7600

#### Meeting administrators

CTSE Registry Services Proprietary Limited  
The Woodstock Exchange Building, 5th Floor, Block B, 66-68 Albert Road,  
Woodstock, 7925  
(Postnet Suite 5, Private Bag X4, Woodstock, 7915)

# Form of proxy

RANDGOLD & EXPLORATION COMPANY LIMITED  
(Incorporated in the Republic of South Africa)  
(Registration number: 1992/005642/06)  
Share code: RNG  
ISIN: ZAE000008819  
("R&E" or "the company")

## FORM OF PROXY – FOR USE BY CERTIFICATED AND OWN-NAME DEMATERIALISED SHAREHOLDERS ONLY

I/We, the undersigned \_\_\_\_\_ (full name of shareholder in print)

of \_\_\_\_\_ (address)

being a shareholder of the Company, do hereby appoint \_\_\_\_\_ (name of proxy)

of \_\_\_\_\_ (address)

or failing him/her \_\_\_\_\_ (name of proxy)

of \_\_\_\_\_ (address)

or failing him/her, the chairman of the annual general meeting as my/our proxy to represent me/us, to talk and vote on my/our behalf at the annual general meeting of the Company to be held virtually at 11:00 a.m. on Monday, 8 May 2023, or at any adjournment thereof:

	In favour of	Against	Abstain from voting
<b>Ordinary resolution number 1:</b> To re-elect PE Burton as director.			
<b>Ordinary resolution number 2:</b> To re-elect JM Kesler as director.			
<b>Ordinary resolution number 3:</b> To re-appoint RJ Fehrsen as member of the audit and risk committee.			
<b>Ordinary resolution number 4:</b> To re-appoint PE Burton as member of the audit and risk committee.			
<b>Ordinary resolution number 5:</b> To re-appoint TS Dube as member of the audit and risk committee.			
<b>Ordinary resolution number 6:</b> To re-appoint KPMG Inc. as the auditor of the Company.			
<b>Ordinary resolution number 7:</b> To pass a non-binding advisory vote on the Company's remuneration policy.			
<b>Ordinary resolution number 8:</b> To pass a non-binding advisory vote on the Company's implementation report on the remuneration policy.			
<b>Special resolution number 1:</b> Approval of remuneration of non-executive directors.			
<b>Special resolution number 2:</b> Approval of right to provide financial assistance as contemplated in section 45 of the Companies Act.			

Please indicate your voting instructions by inserting the number of shares (or a cross should you wish to vote all of your shares) in the space provided.

Signed at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 2023.

Signature \_\_\_\_\_

Assisted by (where applicable) (state capacity and full name) \_\_\_\_\_

# Form of proxy (continued)

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## NOTES

1. A form of proxy must only be completed by certificated shareholders or dematerialised shareholders with own-name registration.
  2. Shareholders who have dematerialised their ordinary shares through a Central Securities Depository Participant (CSDP) or broker, other than own-name registered dematerialised shareholders, who wish to attend the annual general meeting, must request the CSDP or broker to provide them with a letter of representation or instruct the CSDP or broker to vote by proxy on their behalf in terms of the custody agreement entered into between the shareholder and the CSDP or broker.
  3. A shareholder is entitled to appoint one or more proxies to attend, speak and vote in his/her place at the annual general meeting. The name/s of choice is to be inserted on the form of proxy in the space provided. The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow (who need not be a shareholder of the Company).
  4. A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box provided on the form of proxy.
  5. If a shareholder does not indicate on the form of proxy how his/her proxy is to vote, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) that may properly be put before the annual general meeting be proposed, the proxy shall be entitled to vote as he/she deems fit, in respect of all the shareholder's votes exercisable thereat.
  6. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to the form of proxy, unless previously recorded by the company or its transfer secretaries or waived by the chairman of the annual general meeting.
  7. Any alterations or corrections to the form of proxy must be initialled by the signatory(ies).
  8. The completion and lodging of the form of proxy will not preclude the shareholder from attending the annual general meeting and speaking and voting in person at such meeting to the exclusion of the proxy appointed in terms thereof, should he/she wish to do so.
  9. The form of proxy must be completed and lodged at, or posted to, or emailed to the transfer secretaries or lodged at the Company's registered office by no later than 11:00 on Thursday, 4 May 2023, provided that any form of proxy not delivered to the transfer secretaries by this time may be handed to the chairman of the annual general meeting prior to the commencement of the annual general meeting, at any time before the appointed proxy exercises any shareholder rights at the annual general meeting.
- Company address**  
Randgold & Exploration Company Limited  
Suite 25, Third floor, Katherine & West Building  
114 West Street, Sandown  
Sandton, 2196
- Meeting administrators**  
CTSE Registry Services Proprietary Limited  
The Woodstock Exchange Building, 5th Floor, Block B, 66-68 Albert Road, Woodstock, 7925  
(Postnet Suite 5, Private Bag X4, Woodstock, 7915)  
admin@ctseregistry.co.za
10. Notwithstanding the foregoing, the chairman of the annual general meeting may waive any formalities that would otherwise be a prerequisite for a valid proxy.
  11. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.

[www.randgoldexp.co.za](http://www.randgoldexp.co.za)