



# **Rand Mining Limited**

**ABN 41 004 669 658**

**Interim Report - 31 December 2013**

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Rand Mining Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the half-year ended 31 December 2013.

### **Directors**

The following persons were directors of Rand Mining Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Otakar Demis - Chairman  
Anthony Billis  
Gordon Sklenka

### **Principal activities**

The principal activities of the consolidated entity during the financial half-year were exploration, development and production activities at the consolidated entity's East Kundana Joint Venture ('EKJV') tenements.

### **Review of operations**

The profit for the consolidated entity after providing for income tax amounted to \$3,030,004 (31 December 2012: \$5,003,412).

### **Operations**

*Raleigh - Rand's entitlement is 12.25%*

Production at the Raleigh Underground Mine that commenced in December 2004 continues.

Capital development ceased in the September Quarter 2011. The depth of the decline is approximately 727 metres below the surface. Operating development in waste and ore ceased in the September Quarter 2012.

Operating development for the half-year ended 31 December 2013 was 180.0 metres through paste fill.

Mine production during the half-year ended 31 December 2013 totalled 66,660 tonnes grading 16.2 g/t containing 34,810 ounces of gold, based on grade control estimates. (31 December 2012: 103,537 tonnes grading 13.3 g/t containing 44,385 ounces of gold were estimated to be mined).

A total of 72,708 tonnes (wet) of Raleigh ore was hauled from the Bed Blend Stockpiles on the run-of-mine ('ROM') pad at the Raleigh Mine to the ROM pad at the Kanowna Belle Plant.

*Rubicon - Rand's entitlement is 12.25%*

Production at the Rubicon Underground Mine that commenced in August 2011 continues.

Capital development for the half-year ended 31 December 2013 totalled 295.7 metres; 123.0 metres for decline development and 172.7 metres for secondary development. At the reporting date, the bottom of the Rubicon Decline is 284 metres below the surface and the bottom of the Hornet decline is 397 metres below the surface.

Operating development for the half-year ended 31 December 2013 totalled 661.2 metres; 23.6 metres in waste, 637.6 metres in ore and 196.5 metres through paste fill.

Mine production during the half-year ended 31 December 2013 totalled 140,175 tonnes grading 9.2 g/t containing 41,570 ounces of gold, based on grade control estimates. (31 December 2012: 131,554 tonnes grading 10.2 g/t containing 43,445 ounces of gold were estimated to be mined).

A total of 140,175 tonnes (wet) of Rubicon ore was hauled from the Bed Blend Stockpiles on the ROM pad at the Rubicon Mine to the ROM pad at the Kanowna Belle Plant.

### **Processing**

Monthly treatment campaigns at the Kanowna Belle Plant processed 213,063 tonnes of EKJV ore from the Raleigh and Rubicon mines during the half-year ended 31 December 2013. A total of 36,819 ounces of gold and 8,671 ounces of silver were credited to the Rand and Tribune Bullion Accounts. Rand's share of gold bullion was 9,204 ounces.

*Exploration*

Two drilling programs along the K2 Shear Prospects are continuing. Currently, the main program is the resource definition drilling of the Pegasus, Rubicon and Hornet orebodies. The minor program is the advanced exploration of the Pegasus Deeps.

**Other projects**

*Wongan Hills (Rand's Interest 100%)*

A drilling program to test previously reported anomalies has been planned and will start when a drill rig is available.

*Tapeta Iron Ore Project, Liberia, West Africa*

Drilling is continuing.

**Administration**

*East Kundana Joint Venture (Rand's Interest 12.25%)*

On 1 March 2014, Northern Star Resources Ltd (ASX code: NST) replaced Barrick Gold Corporation ('Barrick') as the Joint Venture partner and Manager of the East Kundana Joint Venture. The company was notified that Barrick had reached an agreement to divest its interest in the Kanowna Belle and Kundana mine operations to Northern Star on 23 January 2014 and has already begun working with Northern Star.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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Anthony Billis  
Director

14 March 2014  
Perth

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West Perth WA 6005

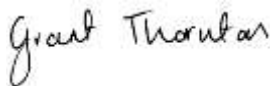
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**Auditor's Independence Declaration  
To The Directors of Rand Mining Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Rand Mining Limited for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



C A Becker  
Partner - Audit & Assurance

Perth, 14 March 2014

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**General information**

The financial report covers Rand Mining Limited as a consolidated entity consisting of Rand Mining Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Rand Mining Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Rand Mining Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite G1, 49 Melville Parade  
South Perth WA 6151

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 14 March 2014. The directors have the power to amend and reissue the financial report.

**Rand Mining Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2013**



		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>	4	15,226,780	14,793,323
Share of profits of associates accounted for using the equity method	5	1,365,560	2,945,783
Other income	6	37,230	111,264
<b>Expenses</b>			
Changes in inventories		(2,202,730)	2,164,242
Employee benefits expense		(267,085)	(231,899)
Management fees		(150,063)	(150,187)
Depreciation and amortisation expense	7	(1,418,843)	(1,807,612)
Impairment of available-for-sale assets		(9,364)	(70,943)
Impairment of exploration and evaluation		(534,357)	(457,150)
Impairment of equity accounted investments		-	(1,866,847)
Administration expenses		(1,340,631)	(806,441)
Mining expenses		(4,313,544)	(4,578,644)
Processing expenses		(1,163,669)	(1,844,445)
Royalty expenses		(340,443)	(595,545)
Finance costs	7	(46,212)	(174,488)
<b>Profit before income tax expense</b>		<b>4,842,629</b>	<b>7,430,411</b>
Income tax expense		(1,812,625)	(2,426,999)
<b>Profit after income tax expense for the half-year attributable to the owners of Rand Mining Limited</b>		<b>3,030,004</b>	<b>5,003,412</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Available-for-sale financial assets - current half-year revaluation gain/(loss)		111,986	(96,682)
Available-for-sale financial assets - reclassification to profit or loss		42,903	70,943
Share of other comprehensive income of associates and joint ventures		-	(5,786)
Tax on revaluation adjustment		(10,061)	-
Other comprehensive income for the half-year, net of tax		144,828	(31,525)
<b>Total comprehensive income for the half-year attributable to the owners of Rand Mining Limited</b>		<b>3,174,832</b>	<b>4,971,887</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	16	4.98	8.22
Diluted earnings per share	16	4.98	8.22

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Rand Mining Limited**  
**Statement of financial position**  
**As at 31 December 2013**



	<b>Note</b>	<b>Consolidated</b>	
		<b>31 Dec 2013</b>	<b>30 Jun 2013</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		3,342,937	2,054,590
Trade and other receivables		255,094	132,976
Inventories	8	22,588,697	24,791,427
Income tax refund due		159,971	-
<b>Total current assets</b>		<u>26,346,699</u>	<u>26,978,993</u>
<b>Non-current assets</b>			
Investments accounted for using the equity method	9	16,890,114	15,501,076
Available-for-sale financial assets		214,552	102,566
Property, plant and equipment		2,145,980	2,401,459
Mine development		5,322,591	6,082,577
Deferred tax		563,991	599,123
Other		791,049	791,049
<b>Total non-current assets</b>		<u>25,928,277</u>	<u>25,477,850</u>
<b>Total assets</b>		<u>52,274,976</u>	<u>52,456,843</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		2,979,164	3,618,166
Borrowings		-	1,750,000
Income tax		-	1,414,886
Provisions		220,766	193,965
<b>Total current liabilities</b>		<u>3,199,930</u>	<u>6,977,017</u>
<b>Non-current liabilities</b>			
Deferred tax		2,890,046	2,469,426
Provisions		355,139	355,371
<b>Total non-current liabilities</b>		<u>3,245,185</u>	<u>2,824,797</u>
<b>Total liabilities</b>		<u>6,445,115</u>	<u>9,801,814</u>
<b>Net assets</b>		<u>45,829,861</u>	<u>42,655,029</u>
<b>Equity</b>			
Issued capital		17,573,427	17,573,427
Reserves		2,296,903	2,152,075
Retained profits		25,959,531	22,929,527
<b>Total equity</b>		<u>45,829,861</u>	<u>42,655,029</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Rand Mining Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2013**



<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 July 2012	17,573,427	1,960,908	15,373,582	34,907,917
Profit after income tax expense for the half-year	-	-	5,003,412	5,003,412
Other comprehensive income for the half-year, net of tax	-	(31,525)	-	(31,525)
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>(31,525)</b>	<b>5,003,412</b>	<b>4,971,887</b>
Balance at 31 December 2012	<u>17,573,427</u>	<u>1,929,383</u>	<u>20,376,994</u>	<u>39,879,804</u>

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 July 2013	17,573,427	2,152,075	22,929,527	42,655,029
Profit after income tax expense for the half-year	-	-	3,030,004	3,030,004
Other comprehensive income for the half-year, net of tax	-	144,828	-	144,828
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>144,828</b>	<b>3,030,004</b>	<b>3,174,832</b>
Balance at 31 December 2013	<u>17,573,427</u>	<u>2,296,903</u>	<u>25,959,531</u>	<u>45,829,861</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*



**Rand Mining Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2013**



	<b>Consolidated</b>	
	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	15,203,100	14,755,090
Payments to suppliers and employees (inclusive of GST)	(7,264,486)	(7,599,403)
Interest received	23,681	38,227
Interest and other finance costs paid	(46,212)	(174,488)
Income taxes paid	(2,489,296)	(1,632,034)
<b>Net cash from operating activities</b>	<u>5,426,787</u>	<u>5,387,392</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(65,275)	(392,344)
Payments for exploration and evaluation	(1,865,463)	-
Payments for mine development	(465,350)	(2,872,527)
Proceeds from sale of property, plant and equipment	7,648	1,300
<b>Net cash used in investing activities</b>	<u>(2,388,440)</u>	<u>(3,263,571)</u>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(1,750,000)	(1,500,000)
<b>Net cash used in financing activities</b>	<u>(1,750,000)</u>	<u>(1,500,000)</u>
Net increase in cash and cash equivalents	1,288,347	623,821
Cash and cash equivalents at the beginning of the financial half-year	<u>2,054,590</u>	<u>1,685,256</u>
<b>Cash and cash equivalents at the end of the financial half-year</b>	<u><u>3,342,937</u></u>	<u><u>2,309,077</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## **Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2013 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### **New, revised or amending Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity for the reporting period.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

#### ***AASB 10 Consolidated Financial Statements***

The consolidated entity has applied AASB 10 from 1 July 2013, which has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns (e.g. dividends, remuneration, returns that are not available to other interest holders including losses) from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights (e.g. voting rights, potential voting rights, rights to appoint key management, decision making rights, kick out rights) that give it the current ability to direct the activities that significantly affect the investee's returns (e.g. operating policies, capital decisions, appointment of key management). The consolidated entity not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.

#### ***AASB 11 Joint Arrangements***

The consolidated entity has applied AASB 11 from 1 July 2013. The standard defines which entities qualify as joint arrangements and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets are accounted for using the equity method. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities, will account for the assets, liabilities, revenues and expenses in accordance with the standards applicable to the particular asset, liability, revenue or expense. Traditionally the East Kundana Joint Venture has been treated as a proportional consolidation and the directors and management have assessed it as a joint operation. As a joint operation we can continue in the same method.

#### ***AASB 12 Disclosure of Interests in Other Entities***

The consolidated entity has applied AASB 12 from 1 July 2013. The standard contains the entire disclosure requirement associated with interests in other entities: subsidiaries, joint arrangements (joint operations or joint ventures), associates and unconsolidated structured entities. It has significantly enhanced the disclosure requirements, when compared to the standards that have been replaced.

#### ***AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13***

The consolidated entity has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

**Note 1. Significant accounting policies (continued)**

*AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)*

The consolidated entity has applied AASB 119 and its consequential amendments from 1 July 2013. The standard eliminates the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

*AASB 127 Separate Financial Statements (Revised)*

*AASB 128 Investments in Associates and Joint Ventures (Reissued)*

*AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*

The consolidated entity has applied AASB 127, AASB 128 and AASB 2011-7 from 1 July 2013. AASB 127 and AASB 128 have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12 and AASB 2011-7 makes numerous consequential changes to a range of Australian Accounting Standards and Interpretations. AASB 128 has also been amended to include the application of the equity method to investments in joint ventures.

*AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement*

The consolidated entity has applied AASB 2011-4 from 1 July 2013 and amends AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No. 1) now specify the KMP disclosure requirements to be included within the annual directors' report.

*AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*

The consolidated entity has applied AASB 2012-2 from 1 July 2013, which enhanced the disclosure requirements of AASB 7 'Financial Instruments: Disclosures' (and consequential amendments to AASB 132 'Financial Instruments: Presentation') to provide information about netting arrangements, including rights of set-off related to an entity's financial instruments and the effects of such rights on its statement of financial position.

*AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*

The consolidated entity has applied AASB 2012-5 from 1 July 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities.

*AASB 2012-10 Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments*

The consolidated entity has applied AASB 2012-10 amendments from 1 July 2013, which amends AASB 10 and related standards for the transition guidance relevant to the initial application of those standards. The amendments clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments.

### Note 1. Significant accounting policies (continued)

#### *Interpretation 20 Accounting for stripping costs in the production phase of a surface mine and AASB 2011-12 Amendments to Australian Accounting Standards from Interpretation 20*

The consolidated entity has applied Interpretation 20 and its consequential amendments from 1 July 2013. The Interpretation clarifies when production stripping costs should lead to the recognition of an asset and how that asset should be initially and subsequently measured. The Interpretation only deals with waste removal costs that are incurred in surface mining activities during the production phase of the mine. As the consolidated entity is not a surface mine, no impact as a result of implementing this Interpretation is expected on the results or performance of the consolidated entity.

### Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are consistent with the ones reported in the Annual Report for 30 June 2013 except for those discussed below.

#### *Reserves and Resources*

An important key performance indicator ('KPI') for an exploration program is to increase Reserves and Resources. Recent East Kundana Joint Venture ('EKJV') exploration programs have been successful, identifying major extensions of the Pegasus ore body and significant extensions to the Hornet ore body. As a result of the successful exploration programs, the reserves and resources at the EKJV have been increased, which has affected our estimates when applying amortisation to our mine development asset. This update to estimates has been applied prospectively.

### Note 3. Operating segments

#### *Identification of reportable operating segments*

The consolidated entity has one operating segment. Based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

#### *Operating segment*

As the consolidated entity only has one segment, being the production of gold, the information relating to this segment is detailed throughout the financial statements.

### Note 4. Revenue

	<b>Consolidated</b>	
	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
	<b>\$</b>	<b>\$</b>
<i>Sales revenue</i>		
Sales of gold	15,203,099	14,755,096
<i>Other revenue</i>		
Interest	23,681	38,227
Revenue	<u>15,226,780</u>	<u>14,793,323</u>

**Note 5. Share of profits of associates accounted for using the equity method**

	<b>Consolidated</b>	
	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
	<b>\$</b>	<b>\$</b>
Share of profit - associates	1,365,560	2,945,783

**Note 6. Other income**

	<b>Consolidated</b>	
	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
	<b>\$</b>	<b>\$</b>
Release of joint venture management fee	-	102,444
Other income	37,230	8,820
Other income	37,230	111,264

**Note 7. Expenses**

	<b>Consolidated</b>	
	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
	<b>\$</b>	<b>\$</b>
Profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	715	1,096
Mining plant and equipment	309,644	550,511
Total depreciation	310,359	551,607
<i>Amortisation</i>		
Mine development	1,108,484	1,256,005
Total depreciation and amortisation	1,418,843	1,807,612
<i>Finance costs</i>		
Interest and finance charges paid/payable	46,212	174,488
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	4,397	4,384
<i>Superannuation expense</i>		
Defined contribution superannuation expense	18,408	16,769

**Note 8. Current assets - inventories**

	<b>Consolidated</b>	
	<b>31 Dec 2013</b>	<b>30 Jun 2013</b>
	<b>\$</b>	<b>\$</b>
Ore stockpiles – at cost	668,497	698,760
Gold in transit – at cost	1,119,264	280,796
Gold on hand – at cost	20,800,936	23,811,871
	<u>22,588,697</u>	<u>24,791,427</u>

Gold on hand at 31 December 2013 has a net realisable value of \$32,682,196 (30 June 2013: \$35,701,527) measured at spot rate of \$1,353.87 (30 June 2013: \$1,303.00). Gold in transit had a net realisable value of \$1,973,733 (30 June 2013: \$405,053) measured at spot rate of \$1,353.87 (30 June 2013: \$1,303.00).

**Note 9. Non-current assets - investments accounted for using the equity method**

	<b>Consolidated</b>	
	<b>31 Dec 2013</b>	<b>30 Jun 2013</b>
	<b>\$</b>	<b>\$</b>
Investment in associate - Tribune Resources Limited	26,433,988	25,044,950
Less: provision for impairment	(9,543,874)	(9,543,874)
	<u>16,890,114</u>	<u>15,501,076</u>

Refer to note 14 for further information on investments in associates.

**Note 10. Equity - dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Note 11. Contingent liabilities**

Native title claims have been made with respect to areas which include tenements in which the consolidated entity has interests. The consolidated entity is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the consolidated entity or its projects.

The consolidated entity has the following performance guarantees with the Minister for State Development:

	<b>Consolidated</b>	
	<b>31 Dec 2013</b>	<b>30 Jun 2013</b>
	<b>\$</b>	<b>\$</b>
Performance guarantees:		
ML15/993	132,668	132,668
ML16/309	52,552	52,552
	<u>185,220</u>	<u>185,220</u>

**Note 12. Commitments**

	<b>Consolidated</b>	
	<b>31 Dec 2013</b>	<b>30 Jun 2013</b>
	<b>\$</b>	<b>\$</b>
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	3,353,098	338,485
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	134,601	132,774
One to five years	499,546	505,447
	<u>634,147</u>	<u>638,221</u>
<i>Commitment for Liberia expenditure</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	350,000

**Note 13. Related party transactions**

*Parent entity*

Rand Mining Limited is the parent entity.

*Associates*

Interests in associates are set out in note 14.

*Transactions with related parties*

The following transactions occurred with related parties:

	<b>Consolidated</b>	
	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
	<b>\$</b>	<b>\$</b>
<i>Payment for other expenses:</i>		
Payment of royalties to Lake Grace Exploration Pty Ltd, a company related to the director Anthony Billis.	6,790	15,591
Payment for executive accommodation fees to Lake Grace Exploration Pty Ltd, a company related to the director Anthony Billis.	-	13,500
Payment of drill rig hire fees and drilling inventory to Tribune Resources Ghana Ltd, a director related entity.	339,258	-
Option fees paid to Resources Capital.	57,065	48,393

At 31 December 2013, the consolidated entity held 188,000 (31 December 2012: 188,000) ordinary shares in Regal Resources Ltd, a company previously related to the director Gordon Sklenka.

At 31 December 2013, the consolidated entity held 28,916,412 (31 December 2012: 28,916,412) ordinary shares in AXG Mining Ltd. Gordon Sklenka and Roland Berzins were directors of AXG Mining Ltd during the financial half-year.

At 31 December 2013, the consolidated entity held 1,000,000 (31 December 2012: 1,000,000) ordinary shares in Palace Resources Ltd (formerly Padang Resources Ltd), a company previously related to the director Gordon Sklenka. The shares were acquired in the year ended 30 June 2004 for \$100,000.

At 31 December 2013, the consolidated entity held 10,000 (31 December 2012: 10,000) shares in Vector Resources Limited, a company previously related to the director Gordon Sklenka.

**Note 13. Related party transactions (continued)**

*Receivable from and payable to related parties*

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	<b>Consolidated</b>	
	<b>31 Dec 2013</b>	<b>30 Jun 2013</b>
	\$	\$
<b>Non-current receivables:</b>		
Prepayment of drilling expenses to Iron Resources (Liberia) Ltd, a director related entity.	791,049	791,049
<b>Current payables:</b>		
Hire of drill rig from Tribune Resources Ghana Ltd for use in Liberia exploration	-	349,884
Drill rig inventory from Tribune Resources Ghana Ltd for use in Liberia exploration	10,475	-
Executive accommodation fees from Lake Grace Exploration Pty Ltd, a company related to the director Anthony Billis.	13,500	-

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**Note 14. Interests in associates**

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

<b>Name</b>	<b>Principal place of business / Country of incorporation</b>	<b>Ownership interest</b>	
		<b>31 Dec 2013</b>	<b>30 Jun 2013</b>
		%	%
Tribune Resources Limited	Exploration, development and production activities at the consolidated entity's East Kundana Joint Venture tenements / Australia	23.75%	23.75%

**Note 15. Events after the reporting period**

*Investment in associate - Tribune Resources Limited*

During January 2014, the company purchased 1,135,000 shares in Tribune Resources Limited for an amount of \$2,270,000. This increased Rand Mining's holding in Tribune Resources Ltd to 26% (30 June 2013: 23.75%) and 13,058,904 shares (30 June 2013: 11,923,904). The shares were purchased off market and at a discount to market price.

*Barrick Gold Corporation's Sale of the East Kundana Joint Venture*

On 23 January 2014, Barrick Gold Corporation ('Barrick') notified Rand Mining Limited that it had reached an agreement to divest its interest in the Kanowna Belle and Kundana mine operations to Northern Star Resources Ltd (ASX:NST). This included Barrick's interest in Gilt-Edged Mining NL, the company that owns 51% of the East Kundana Joint Venture. The transaction was completed on 1 March 2014.

No other matter or circumstance has arisen since 31 December 2013 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.



**Note 16. Earnings per share**

	<b>Consolidated</b>	
	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
	<b>\$</b>	<b>\$</b>
Profit after income tax attributable to the owners of Rand Mining Limited	<u>3,030,004</u>	<u>5,003,412</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>60,841,209</u>	<u>60,841,209</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>60,841,209</u>	<u>60,841,209</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	4.98	8.22
Diluted earnings per share	4.98	8.22

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**Rand Mining Limited  
Directors' declaration  
31 December 2013**



In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink, appearing to read "Anthony Billis", is written over a horizontal line.

Anthony Billis  
Director

14 March 2014  
Perth

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## **Independent Auditor's Review Report To the Members of Rand Mining Limited**

We have reviewed the accompanying half-year financial report of Rand Mining Limited ("the Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2013, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

### **Directors' responsibility for the half-year financial report**

The directors of Rand Mining Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Rand Mining Limited consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Rand Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

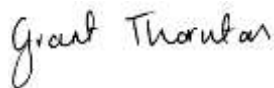
**Independence**

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Rand Mining Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



C A Becker  
Partner - Audit & Assurance

Perth, 14 March 2014

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