



22 January 2004

The Listing Manager  
Australian Stock Exchange  
Level 10  
20 Bond Street  
SYDNEY

**Quarterly Report for Period ending 31 December 2003  
Geology and mining**

**Highlights**

- EKJV recovered 57,537 ounces of gold during the Quarter.
- EKJV total production exceeds 222,679 ounces of gold.
- Production from the Raleigh pit continued.
- Production from the Rubicon pit is complete.
- Marketing Oretex Acid Mine Drainage technology at Cobre 2003/Copper Conference Santiago, Chile.

**REVIEW OF OPERATIONS**

The East Kundana Joint Venture in which your company has a 12.25% interest continued processing ore sourced from the Raleigh and Rubicon open cut pits.

During the December 2003 Quarter the EKJV recovered 57,537 ounces of gold. A total of 53,510 ounces of gold and 7,931 ounces of silver bullion were delivered to the EKJV.

The development of the EKJV resources continues to be the main focus of the company.

**EAST KUNDANA JOINT VENTURE**

Mining operations continued throughout the quarter at the Raleigh and Rubicon open cut pits.

EKJV mine production for December 03 Quarter

Month		Tonnes	Estimated Ounces	Grade (g/t)	
Oct 03	Raleigh	10,321	9,667	29.1	
	Rubicon	16,067	3,832	7.42	
Nov03	Raleigh	6,749	8,660	39.9	
	Rubicon	10,792	3,706	10.7	
Dec 03	Raleigh	11,231	8,396	23.3	
	Rubicon	16,380	6,780	12.9	
Total for December 03 Quarter		Combined	71,539	41,041	10.3
Total for September 03 Quarter		Combined	83,451	30,030	11.2
Total project to date		Combined	729,836	219,830	9.4

**Raleigh**

- Raleigh stage 3 pit designed to a depth of 118 metres below surface was mined to a depth of approximately 100 metres by the end of the quarter.
- Production for the quarter totalled 28,300 dry tonnes at 29g/t containing 26,723 ounces compared to 20,563 dry tonnes at 8g/t Au containing 5,098 ounces for the previous quarter.

The performance of mining production estimates compared to reserves is:

Raleigh Pit 100% EKJV									
	Production			Reserve			% Variation		
	Tonnes	Grade	Gold	Tonnes	Grade	Gold	tonnes	g/t	ounces
	tonnes	g/t	ounces	tonnes	g/t	ounces	%	%	%
December 03 Quarter	28,300	29.4	26,723	19,306	47.5	29,503	+47	-38	-9
September 03 Quarter	20,563	7.7	5,098	14,361	12.2	5,636	+43	-37	-10
July 03 to December 03	48,863	20.3	31,821	33,667	32.5	35,139	+45	-38	-9
Project To 31 December 03	349,906	10.7	119,979	160,983	18.1	93,837	+117	-41	+28

**Rubicon**

- Mining was completed in the quarter to its designed depth of 132 metres.
- Production for the quarter totalled 43,239 dry tonnes at 10g/t compared to 62,888 dry tonnes at 12g/t Au for the previous quarter.

The performance of mining production estimates compared to reserves is:

Rubicon Pit 100% EKJV									
	Production			Reserve			Variation		
	Tonnes	Grade	Gold oz	Tonnes	Grade	Gold oz	tonnes	g/t	ounces
	tonnes	g/t	Ounces	tonnes	g/t	ounces	%	%	%
December 03 Quarter	43,239	10.3	14,318	26,343	14.9	12,587	+64	-31	+14
September 03 Quarter	62,888	12.3	24,932	34,800	13.3	14,887	+81	-7	+67
July 03 to 30 Dec 03	106,128	11.5	39,250	61,142	14.0	27,474	+74	-18	+43
Project To 31 Dec 03	379,930	8.2	99,851	231,685	9.1	67,380	+64	-10	+48

## MINERAL PROCESSING

- The EKJV project has recovered 222,679 ounces of gold since commencement of processing on 15<sup>th</sup> May 2002.
- 108,330 dry tonnes of ore at 16.95g/t was processed for the EKJV at the Kundana Mill during the quarter compared to 144,673 dry tonnes at 6.64g/t the previous quarter. A total of 873,965 dry tonnes at 8.6g/t has been processed project to date at an overall 96.3% recovery and 96.9% mill availability.
- Gold recovered for the quarter was 57,537 ounces at a 97.5% recovery compared to 30,078 ounces at a 97.4% recovery for the previous quarter.
- The processing campaign is expected to continue into the March 2004 Quarter.
- Gravity recoverable gold from fresh ore has decreased to 57% down from 66% in the September Quarter 2003.

### EKJV gold bullion produced

Period	Ore processed (dry tonnes)	Gold Recovered (oz)	Bullion outturn (oz)	Calc Head grade (g/t)	Total recovery (%)
Oct 03	36,031	15,901	15,762	14.04	97.7
Nov 03	36,135	19,401	18,761	17.14	97.5
Dec 03	36,164	22,234	21,431	19.66	97.3
Quarter	108,330	57,537	31,969	6.64	97.37
YTD	253,003	87,614	85,479	11.06	97.43
PTD	873,965	222,679	221,507	8.56	96.33

Ore on stockpile inclusive of skats ahead of processing at the end of the quarter is estimated to be 5,000 tonnes at a grade of 14.8g/t for 2,393 ounces of contained gold.

### Project Development

The Raleigh underground and Hornet open cut stage 1 developments are waiting for the conclusion to the processing arrangements.

The status of projects under study for development is:

Project	Status
Raleigh Open Cut Pit	Mining
Rubicon Open Cut Pit	Mining Completed
Raleigh Underground	Feasibility Study
Hornet Stage 1 Open Cut Pit	Feasibility Study
Hornet Stage 2 Open Cut Pit	Scoping Study
Hornet Underground	Pre-feasibility Study
Rubicon Underground Stage 1	Pre-feasibility Study
Pegasus Open Cut Pit	Scoping Study
Pegasus Underground	Pre-feasibility Study

## EXPLORATION

Resource delineation drilling at the Hornet-Rubicon mineralised zones was the main focus of joint venture activities during the quarter.

Period	Aircore		Reverse circulation		Diamond	
	No. holes	Metres	No. Holes	Metres	No. Holes	Metres
Oct 03	0	0	14	904	4	514
Nov 03	0	0	5	576	9	2,183
Dec 03	0	0	4	393	4	1,111
Dec Qtr	0	0	23	1,873	17	3,808
Yr to date	20	926	82	7,693	40	7,422

### **Seven Mile Hill Joint Venture (50%)**

No exploration was performed on the tenements during the quarter.

### **Larkinville**

Field work was performed in preparation of an exploration drilling programme.

### **Oretek Joint Venture (20% Interest in patents)**

Research has commenced with our ARC Linkage partner into the development of solid resins for the recovery of copper cyanide directly from slurries. The work is being part funded by the federal government. A successful outcome to this research will remove the existing need for conducting a solid/liquid separation step as part of the Oretek copper cyanide process. This work is on-going and will continue for a further three years.

A technical presentation of the Oretek Acid Mine Drainage technology was given at the recent Cobre2003/Copper2003 conference held in Santiago, Chile in December 2003. The presentation provided the Company with an opportunity to appraise the copper industry with the state of development of the Company's current environmental technology.

Yours faithfully

Dr W Jay  
Director

## Appendix 5B

### Mining exploration entity quarterly report

**Name of entity**

RAND MINING NL

**ACN or ARBN**

004 669 658

**Quarter ended (current quarter)**

31 December 2003

**Consolidated statement of cash flows**

Cash flows related to operating activities	Current quarter \$A=000	Year to date (6 months) \$A=000
1.1 Receipts from product sales and related debtors	3,591	5,878
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration (note 2)	(486) (6) (448) (235)	(545) (53) (1,494) (520)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	12
1.5 Interest and other costs of finance paid	-	-
1.6 Taxes paid	-	-
1.7 Reimbursement of Exploration Costs	-	-
<b>Net Operating Cash flows</b>	<b>2,422</b>	<b>3,278</b>
<b>Cash flows related to investing activities</b>		
1.8 payment for purchase of: (a) prospects (b) equity investments (c) other fixed assets	- (75) (2)	- (249) (2)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities (note 3)	(26)	(166)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material) Loans from other entities	-	-
<b>Net investing cash flows</b>	<b>(103)</b>	<b>(417)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>2,319</b>	<b>2,861</b>

1.13 Total operating and investing cash flows (brought forward)	<b>2,319</b>	<b>2,861</b>
<b>Cash flows related to financing activities</b>		
1.14 Proceeds from issues of shares, options, etc	-	-
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	200	413
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Commissions on capital raising	-	-
<b>Net financing cash flows</b>	<b>200</b>	<b>413</b>
<b>Net increase (decrease) in cash held</b>	<b>2,519</b>	<b>3,274</b>
1.20 Cash at beginning of quarter/year to date	3,337	2,582
1.21 Exchange rate adjustment to 19	-	-
1.22 <b>Cash at end of quarter</b>	<b>5,856</b>	<b>5,856</b>

### Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A=000	Amount used \$A=000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A=000
4.1 Exploration and evaluation	505
4.2 Development	288
<b>Total</b>	<b>793</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A=000	Previous quarter \$A=000
5.1 Cash on hand at bank	925	1,094
5.2 Deposits at call	97	97
5.3 Bank overdraft	-	-
5.4 Other – gold bullion on hand	4,834	2,146
<b>Total: cash at end of quarter (item 1.22)</b>	<b>5,856</b>	<b>3,337</b>

## Changes in interest in mining tenements

	Tenement reference	Nature of interest (note (4))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interest in mining tenements acquired or increased	-	-	-	-

## Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with process and dates*

	Number issued	Number quoted	Par value (cents)	paid-up value (cents)
7.1 <b>Preference securities</b> (description)	-	-	-	-
7.2 Issued during quarter	-	-	-	-
7.3 <b>Ordinary Securities</b>	38,260,813	38,260,813	20 cents	20 cents
7.4 Issued during quarter	-	-	-	-
7.5 <b>Convertible debt securities</b> (description)	-	-	-	-
7.6 Issued during quarter	-	-	-	-
7.7 <b>Options</b> (description)	2,300,000	-	Exercise Price 20 cents	Expiry Date 30 April 2005
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 <b>Debentures</b> (totals only)	-	-		
7.12 <b>Unsecured notes</b> (Totals only)	-	-		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 6).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: .....

Print name: .....

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The aggregate amount of payments to suppliers and employees (item 1.2) made to directors of the entity and its related entities, associates of directors and associates of the entities (specified parties) must be disclosed by way of note with additional explanations necessary for an understanding of the transactions.

\$68,000 was paid to STT Pty Ltd for salaries and management fees for the December quarter.

- 3 The aggregate amount of loans (item 1.10) made to specified parties must be disclosed by way of note.

The aggregate amount of loans made to specific parties are as follows:

Oretek Limited	\$ <u>25,826</u>
	<u>25,826</u>

- 4 The nature of interest (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 5 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 6 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.