



29 April 2004

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

**Quarterly Report for Period ending 31 March 2004  
Geology and mining**

**Highlights**

- EKJV recovered 24,974 ounces of gold during the Quarter.
- EKJV recovered a total of 247,653 ounces of gold.
- Production from the Raleigh pit was completed in January 2004.
- Processing EKJV ore at Kundana ceased in February 2004.
- Negotiations to develop the Raleigh underground mine continue.
- Orotek embarks on identifying projects to demonstrate commercial viability of its technology.

**REVIEW OF OPERATIONS**

The East Kundana Joint Venture in which your company has a 12.25% interest ceased processing at the Kundana plant ore sourced from the Raleigh and Rubicon open cut pits on 12 February 2004.

During the March 2004 Quarter the EKJV recovered 24,974 ounces of gold. A total of 32,594 ounces of gold and 4,624 ounces of silver bullion were delivered to the EKJV.

Negotiations to finance the development of the Raleigh underground operation are reaching a final stage. Processing the Raleigh ore at another facility now that the Kundana plant has been decommissioned by Placer Dome Asia Pacific have been agreed subject to final negotiation of joint venture and financing matters.

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

### **EAST KUNDANA JOINT VENTURE**

Mining operations were completed to design at the Raleigh open cut pit.

Dewatering of the Raleigh and Rubicon pits is being maintained in preparation for commencement of the underground operations.

#### **EKJV mine production for March 04 Quarter**

Month		Tonnes	Estimated Ounces	Grade (g/t)
January 04	Raleigh	18,869	17,362	28.6
	Rubicon	0	0	
February 04	Raleigh	0	0	
	Rubicon	0	0	
March 04	Raleigh	0	0	
	Rubicon	0	0	
Total for March 04 Quarter	Combined	18,869	17,362	28.6
Total for December 03 Quarter	Combined	83,451	30,030	11.2
Total project to date	Combined	748,705	237,192	9.8

#### **Raleigh**

- Raleigh stage 3 pit mining was completed in January to its designed depth of 118 metres below surface.
- Production for the quarter totalled 18,869 dry tonnes at 29 g/t containing 17,362 ounces compared to 28,300 dry tonnes at 29g/t Au containing 26,723 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	%	%	%
March 04 Quarter	18,869	28.6	17,362	10,412	49.7	16,649	+81	-42	+4
December 03 Quarter	28,300	29.4	26,723	19,306	47.5	29,503	+46	-38	-9
July 03 to March 04	67,732	22.6	49,183	44,079	36.5	51,788	+54	-38	-5
Project To 31 March 04	368,775	11.6	137,341	171,395	18.1	110,486	+115	-36	+24

#### **Rubicon**

- Mining was completed in the December 2003 Quarter to its designed depth of 132 metres below surface.

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	%	%	%
March 04 Quarter	0		0						
December 03 Quarter	43,239	10.3	14,318	26,343	14.9	12,587	+64	-31	+14
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 247,653 ounces of gold since commencement of processing on 15<sup>th</sup> May 2002.
- 45,937 dry tonnes of ore at 17.5g/t was processed for the EKJV at the Kundana Mill during the quarter compared to 108,330 dry tonnes at 16.9g/t the previous quarter. A total of 886,344 dry tonnes at 9.0g/t has been processed project to date at an overall 96.7% recovery and 98.6% mill availability.
- Gold recovered for the quarter was 45,937 ounces at a 96.5% recovery compared to 57,537 ounces at a 97.5% recovery for the previous quarter.
- The processing campaign ceased on 12 February 2004.
- Gravity recoverable gold from fresh ore has decreased to 51% down from 57% in the March Quarter 2004. Gravity gold recovered for the project averaged 52%.

### EKJV gold bullion produced

Period	Ore processed (dry tonnes)	Gold Recovered (oz)	Bullion outturn (oz)	Calc Head grade (g/t)	Total recovery (%)
Jan 04	35,384	19,650	24,412	17.92	96.4
Feb 04	10,553	5,3424	8,174	16.19	96.9
Mar 04	0	0	7	NA	NA
Quarter	45,937	24,974	32,594	17.52	96.5
Fiscal YTD	298,939	112,588	118,073	12.05	97.2
PTD	886,344	247,653	246,734	8.99	96.7

NA not applicable.

A total of 5,708 tonnes at 5 g/t of mill scats containing 919 ounces of gold remain to be sold.

## Project Development

The Raleigh underground and Hornet open cut stage 1 developments are waiting for the conclusion to the joint venture matters between the parties to be finalised.

The status of projects under study for development is:

Project	Status
Raleigh Open Cut Pit	Mining and Processing completed
Rubicon Open Cut Pit	Mining and Processing 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 infill drilling was performed in the Hornet open cut stage 2 development to delineate mineralisation in depleted zones within the transitional zone.

The significant intersections within the depleted zone are:

Hole	Hole Depth		Downhole Interval	Grade	Target
	From	To			
	(m)	(m)	(m)	g/t	
HOP150	48	62	14	1.24	K2
HOP150	69	71	2	2.54	K2
HOP151	68	75	7	12.02	K2
HOP152	59	64	5	5.62	K2
HOP153	68	73	5	9.18	K2
HOP154	70	72	2	1.6	K2
HOP154	75	77	2	31.32	K2
HOP155	59	62	3	7.36	K2
HOP156	60	66	6	6.86	K2
HOP157	57	61	4	9.3	K2
HOP158	64	70	6	7.09	K2

## Drilling statistics

Period	Aircore		Reverse circulation		Diamond	
	No. holes	Metres	No. Holes	Metres	No. Holes	Metres
Jan 04	0		9	782	0	
Feb 04	0		0		0	
Mar 04	0		0		0	
Mar Qtr	0		0		0	
Yr to date	20	926	99	9,257	40	7,422

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

A total of 42 holes drilled to blade refusal for 1,954m of drilling. A total of 506 four metre composites were submitted for gold determination by aqua regia/ASS. Composite samples returning values greater than 0.1g/t Au considered anomalous were re-sampled in 1m intervals and submitted for gold assay by fire assay/ASS.

All results have now been received from this drilling programme. The following table lists the significant (>1g/t Au) results.

<b>Hole</b>	<b>Northing</b>	<b>Easting</b>	<b>From</b>	<b>To</b>	<b>M</b>	<b>g/t Au</b>
BAC106	6582200	349350	37	38	1	5.23
			44	46 EOH	2	1.28
BAC107	6582200	349300	47	48	1	1.17
			51	52	1	1.48
BAC115	6582400	349400	32	33	1	1.36
BAC116	6582400	349350	28	35	7	1.22
BAC119	6582600	349350	35	36	1	2.63
			47	48	1	2.22
BAC122	6582600	349200	37	38	1	1.19
BAC123	6582600	349150	52	53	1	2.11
BAC126	6582600	348900	44	45	1	1.70
BAC132	6582800	348700	49	50	1	1.04
BAC133	6583000	348725	32	35	3	1.84
			51	52	1	2.21
			56	57	1	1.10
BAC134	6583000	348625	36	39	3	1.01
			52	53	1	1.60
BAC135	6582200	349343	50	51 EOH	1	1.05
BAC142	6582800	349050	17	21	4	1.06
			25	26	1	1.81
			32	33 EOH	1	1.66

Note EOH means the hole ended in mineralisation.

Numerous other holes intersected values ranging between 0.5-0.99g/t Au, particularly near the ends of the holes.

Two zones of mineralisation at or near to the saprolite/bedrock interface, approximately 500m apart have been defined on either side of a felsic porphyry intrusive, similar to mineralisation immediately to the north at Binduli. The known mineralisation is associated with gently west dipping zones of quartz stockwork, within sheared and sericite altered felsic volcanoclastics.

### **Larkinville**

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

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

In order to more rapidly advance the Oretek technologies the Company has embarked upon a program of project identification, to enable the technologies to be demonstrated on a commercial scale. Confidential negotiations are being conducted with various parties to locate a suitable orebody. Joint Venture discussions will then commence.

With this in mind, the research work being conducted as part of the ARC Linkage copper cyanide project is being expanded to enable its findings to be incorporated into a commercial copper or copper/gold treatment project. The work is being conducted under the direction of Drs. Breuer and Jeffrey, Department of Chemical Engineering, Monash University.

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 March 2004

**Consolidated statement of cash flows**

<b>Cash flows related to operating activities</b>	Current quarter \$A=000	Year to date (9 months) \$A=000
1.1 Receipts from product sales and related debtors	2,329	8,207
1.2 Payments for (a) exploration and evaluation	(219)	(764)
(b) development	(4)	(57)
(c) production	(999)	(2,493)
(d) administration (note 2)	(187)	(707)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	16
1.5 Interest and other costs of finance paid	-	-
1.6 Taxes paid	-	-
1.7 Re-imburement of Exploration Costs	-	-
<b>Net operating cash flows</b>	<b>924</b>	<b>4,202</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchase of: (a) prospects	-	-
(b) equity investments	(579)	(828)
(c) other fixed assets	(10)	(12)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities (note 3)	(21)	(187)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(610)</b>	<b>(1,027)</b>
1.13 Total operating and investing cash flows (carried forward)	314	3,175

1.13	Total operating and investing cash flows (brought forward)	314	3,175
<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	413	826
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Commissions on capital raising	-	-
<b>Net financing cash flows</b>		<b>413</b>	<b>826</b>
<b>Net increase (decrease) in cash held</b>		<b>727</b>	<b>4,001</b>
1.20	Cash at beginning of quarter/year to date	5,856	2,582
1.21	Exchange rate adjustment to 19	-	-
1.22	<b>Cash at end of quarter</b>	<b>6,583</b>	<b>6,583</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	120
4.2 Development	15
<b>Total</b>	<b>135</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	125	925
5.2 Deposits at call	97	97
5.3 Bank overdraft	-	-
5.4 Other – gold bullion on hand	6,361	4,834
<b>Total: cash at end of quarter</b> (item 1.22)	<b>6,583</b>	<b>5,856</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.

\$46,000.00 was paid to STT Pty Ltd for salaries and management fees for the March 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 specified parties are as follows:

Oretek Limited	\$ <u>20,898</u>
	<u>20,898</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.