



30 Sept 2004

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

**Quarterly Report for Period ending 30 Sept 2004  
Geology and Mining**

**Highlights**

- Joint venture negotiations to develop the Raleigh Underground Mine were finalised.
- Hornet Open Cut feasibility study received.
- Hornet Underground pre-feasibility study indicates project is viable.
- An infill RC drilling program at the Binduli Project Seven Mile Hill Joint Venture continued to intersect gold mineralisation.

**REVIEW OF OPERATIONS**

Agreement was reached with Placer Dome Asia Pacific Limited, the East Kundana Joint Venture partners to develop the Raleigh Underground Mine. Negotiations to finance the development of the Raleigh underground operation were finalised with ANZ Investment Bank.

**EAST KUNDANA JOINT VENTURE (12.25% Interest)**

No production or processing was performed during the Quarter.

**Project Development**

Development of the Hornet Open Cut is subject to agreement of the Technical Procedures by the parties.

The status of projects under study for development is:

Project	Status
Raleigh Underground	Approved for development
Hornet Stage 1 Open Cut Pit	Feasibility Study
Hornet Underground	Pre-feasibility Study
Rubicon Underground Stage 1	Pre-feasibility Study
Pegasus Open Cut Pit	Scoping Study
Pegasus Underground	Pre-feasibility Study

The Hornet Underground pre-feasibility study demonstrated the Hornet Underground Mine is technically and financially viable on the current resource base. An assessment on combining the development of the Rubicon and Hornet Underground projects is being undertaken to determine cost savings including reduced infrastructure capital expenditure and reduced operating costs through shared services, labour and equipment.

## **EXPLORATION**

No resource drilling was performed during the Quarter.

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

A 7 hole RC drilling campaign was completed with a view to gain a better understanding of the eastern and western mineralised zones. Four metre composites have intersected anomalous zones over 10m to 20m intervals of grading greater than 0.25g/t gold with several intersections grading over 1g/t .

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

During the Quarter Oretek continued to seek projects on which to commercialise its technology for the recovery of nickel, cobalt copper and gold.

Yours faithfully

A Billis  
Director

# Appendix 5B

## Mining exploration entity quarterly report

**Name of entity**

RAND MINING NL

**ACN or ARBN**

004 669 658

**Quarter ended (current quarter)**

30 September 2004

**Consolidated statement of cash flows**

<b>Cash flows related to operating activities</b>	Current quarter \$A=000	Year to date (3 months) \$A=000
1.1 Receipts from product sales and related debtors	71	71
1.2 Payments for (a) exploration and evaluation	(32)	(32)
(b) development	(13)	(13)
(c) production	(3)	(3)
(d) administration (note 2)	(285)	(285)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Taxes paid	(24)	(24)
1.7 Re-imburement of Exploration Costs	-	-
<b>Net operating cash flows</b>	<b>(285)</b>	<b>(285)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchase of: (a) prospects	-	-
(b) equity investments	(364)	(364)
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities (note 3)	(9)	(9)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(373)</b>	<b>(373)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(658)</b>	<b>(658)</b>

1.13	Total operating and investing cash flows (brought forward)	(658)	(658)
<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	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Commissions on capital raising	-	-
<b>Net financing cash flows</b>			
		-	-
<b>Net increase (decrease) in cash held</b>			
		(658)	(658)
1.20	Cash at beginning of quarter/year to date	4,745	4,745
1.21	Exchange rate adjustment to 19	-	-
1.22	<b>Cash at end of quarter</b>	<b>4,087</b>	<b>4,087</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	900
4.2 Development	200
<b>Total</b>	<b>1,100</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	1,266	830
5.2 Deposits at call	97	97
5.3 Bank overdraft	-	-
5.4 Other – gold bullion on hand	2,724	3,818
<b>Total: cash at end of quarter</b> (item 1.22)	<b>4,087</b>	<b>4,745</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.

\$ 80,691 was paid to STT Pty Ltd for salaries and management fees for the September 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	8,871
Lake Grace Exploration Pty Ltd	<u>450</u>
	\$ 9,321

- 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.