

Rand Mining NL
ABN 41 004 669 658

Annual Report
For The Year Ended 30 June 2006

Rand Mining NL Corporate Directory

Directors

O Demis
A Billis
W Jay
J Andrews
G Sklenka

Company Secretary and Chairman

O Demis

Registered Office

Suite G1, 49 Melville Parade
SOUTH PERTH WA 6151
Tel: +61 8 9474 2113
Fax: +61 8 9367 9386

PO Box 307
WEST PERTH WA 6872

Web Site

www.randmining.com.au

Share Registry

Computershare Investor Services Pty Limited
Level 2,
45 St Georges Terrace
PERTH WA 6000
Tel: +61 8 9323 2000
Fax: +61 8 9323 2033

Bankers

ANZ Bank
PERTH WA 6000

Auditors

Bentleys MRI Perth Partnership
PO Box 570
PERTH WA 6872

Stock Exchange Listing

The Company's shares are quoted on the Official List of Australian Stock Exchange Limited. The ASX Code is RND.

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Rand Mining NL Key Results

Key Results 2006

Finance

Operating profit before income tax	\$ 1,079,589
Earnings per share (Basic)	1.44 cents per share

Loan Principal remaining 30 June 2006	\$ 4,718,850
June Repayment collected 20 July 2006	\$ 369,282

Bullion

Production (troy ounces)	6,399
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Reserves and Resources

EKJV Mineral Resource Interest (ounces)	162,069
EKJV Ore Reserves Interest (ounces)	81,606

Entitlements

Entitlement to Mineral Resource (ounces)	183,074
Entitlement to Ore Reserve (ounces)	97,468

Exploration

Wards	Ongoing
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Development

Raleigh Underground	In production
Hornet Pit	Feasibility study completed
Rubicon & Hornet Underground	Feasibility study in progress
Pegasus Underground	Pre-feasibility study in progress



Rand Mining NL Review of Operations

East Kundana Joint Venture

The East Kundana Joint Venture (EKJV) is between Rand Mining NL (12.25%), Tribune Resources NL (36.75%) and Gilt-Edged Mining NL (51%) a wholly owned subsidiary of Barrick Australia Pacific Limited.

The EKJV leases are located 25km west North West of Kalgoorlie and 47 km north east of Coolgardie.

The exploitation of EKJV resources continues to be the main focus of your Company.

The EKJV has Mineral Resources of 1,323,016 ounces inclusive of an estimated 666,170 ounces in Ore Reserves remaining as at the 30 June 2006. Your Company is entitled to 183,074 Mineral Resource ounces and 97,468 Ore Reserve ounces of gold.

The current stages of EKJV projects are:

• Raleigh Underground	Producing
• Hornet Pit	Feasibility Study
• Hornet Underground	Feasibility Study in progress
• Rubicon Underground	Feasibility Study in progress
• Pegasus Underground	Pre-feasibility Study in progress

The development of these projects will drive the strong growth of your Company in the near future.

Raleigh Underground

The Raleigh Underground mine, which was approved for development on 27 July 2004, has successfully been brought into production by the EKJV Manager at a capital cost of \$39,900,000 and average mine operating cost of \$104 per tonne of ore mined or \$199 per ounce of gold recovered. The mine being ideally located near Kalgoorlie-Boulder, suitable for family oriented personnel, has been able to recruit high quality technical and operational staff to form a stable mining team. Many of the miners have a wealth of experience in narrow vein mining gained from the now closed Kundana mine. Safety has been paramount in the design of the mine with emphasis on minimising the impact of geotechnical risks associated with mining in high stress ground. Maximum use of electrically operated equipment using grid power will minimise the exposure to rising fuel costs in the future.

The Raleigh Underground mine has a 5 year life based on current Ore Reserve of 515,441 ounces and a Mineral Resource of 828,705 ounces.

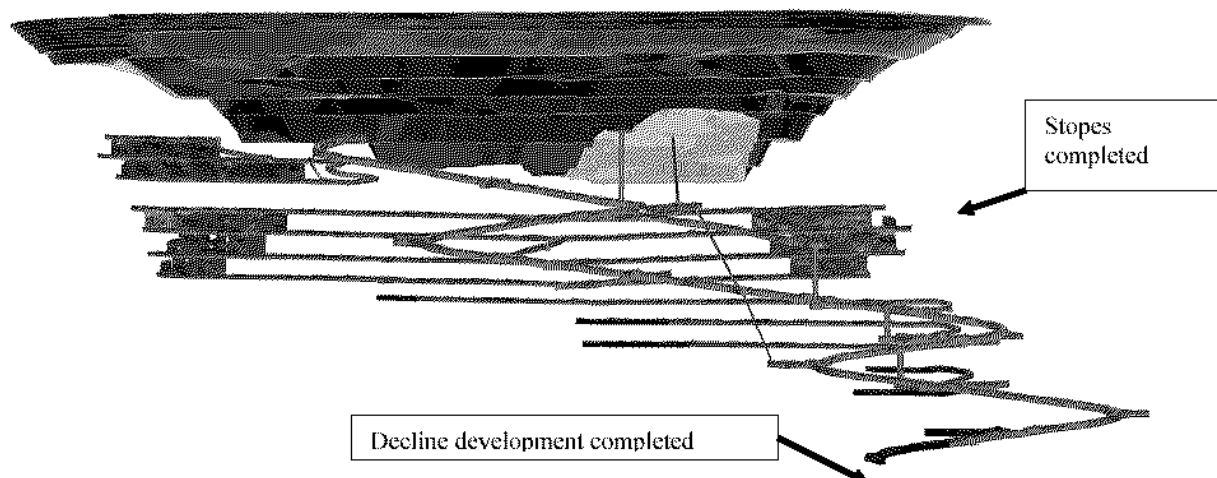
Mining

The first development ore was mined from the 6202m Level commencing on the 3 July 2005 eighteen months after the decline development started on December 21, 2004. Mining of 6185 Stope commenced on 5 February 2006. By the close of the 2006 Financial Year decline development had smoothly progressed to the 6067m Level (approximately at sea level) and stope development commenced on the 6119 and 6102m Levels. At the end of the financial year 1,485 metres of decline development and 1,427 metres of secondary development had been established. Operating development completed totalled 2,904 metres in ore and 615 metres established in waste rock.

A 2.6 metre minimum stoping width has been achieved, a reduction from the design 3.4 metre width applied in the Raleigh Feasibility Study. This will result in savings in paste fill, haulage and processing costs.

A paste plant was constructed at a cost of six million dollars and successfully commissioned during the year. The placement of paste into stope panels voids is being refined. The application of paste fill will minimise geotechnical risks and maximise ore recovery over the life of the project.

Rand Mining NL Review of Operations



Ore Division

Agreement to process the Raleigh Ore at Paddington failed due to the difficulties in accounting for gold from the high grade Raleigh ore when blended with non-joint venture ore; the only option Paddington, then a wholly owned subsidiary of Placer Dome Australia Limited, could provide. Agreement was reached where bed blend stockpiles are constructed each month from Raleigh Ore mined. Each underground truck is required to dump ore sequentially in rows until the Raleigh ROM pad is covered. Additional layers are constructed at right angles to the underlying layer to reduce the heterogeneity of the gold distributed in the stockpile.

Raleigh Ore is sequentially loaded into road trains by a front end loader working along a face cut at 45 degrees to the direction the bed blend stockpile is built. Each road train is sequentially loaded, and alternates its delivery to the Greenfields and Paddington plants in ~100 tonne loads before returning to complete a delivery to the other plant. Barrick process their share of Raleigh ore at Paddington as a blend with other ores. Rand and Tribune stockpile the Raleigh Ore at the Greenfields plant for batch processing at quarterly intervals.

Processing

Rand and Tribune were able to establish a long term toll processing agreement with Higginsville Mining Pty Limited at the Greenfields Plant located near Coolgardie.

A total of 25,599 ounces of gold and 3,951 ounces of silver were produced from 51,879 tonnes of ore estimated by a Loadrite cell hauled for toll processing in two batch campaigns.

R&T Group Processing (subject to rounding errors)					
Campaign	From	To	Hauled	Gold	Silver
			(tonnes)	(fine ounces)	(fine ounces)
1	16 January 06	25 February 06	32,894	18,446	2,798
2	4 May 06	29 May 06	18,984	7,153	1,153
Total			51,879	25,599	3,951
Rand's share				6,400	988

The first processing campaign of Raleigh Ore through the Greenfields plant indicated, in this instance, a 40% gold over call compared to the Raleigh Underground Feasibility Study.

Rand Mining NL Review of Operations

Hornet Pit Feasibility

A feasibility study to develop the Hornet Pit has been received by the EKJV. The Hornet Pit is expected to be approximately 52 metres deep with a seven month mine life. Development of the Hornet Pit is on hold until a decision is made whether to mine before the commencement or after the completion of the Hornet Underground mine.

The Hornet Pit Mineral Resource and Ore Reserve are derived from Whittle Pit optimisation shells of a February 2004 resource model (HOP0204A) excluding blocks intersecting or adjacent to the Underground Mineral Resource. Mineral Resources and Ore Reserves are derived from an optimisation conducted at a A\$625 per oz including, Measured, Indicated and Inferred material for the Mineral Resource and blocks categorised Proven and Probable for blocks designated Proven and Probable Ore Reserve.

Rubicon and Hornet Underground Feasibility

A feasibility study is in progress to develop the Rubicon and Hornet Underground Mine that can be readily accessed from near the base of the Rubicon Pit completed in December 2003. A Rubicon Multi Indicator resource model RUG05050 was developed capturing continuous zones of partially weathered and fresh K2 core mineralisation at or above a grade-thickness cut off calculated at a A\$625/oz gold price.

Ore Reserves are derived from detailed design of stopes and ore drives at a A\$625/oz gold price and include appropriate mining dilution and recovery estimates gained from past experience in mining similar ore bodies at Kundana.

Pegasus Underground Pre-feasibility

Evaluation of the Pegasus Mineral Resource recommenced on the 11 May 2006. An 18 hole 1,575 metre diamond coring campaign designed to infill the top 100 metres of the fresh K2 lode was completed by year end.

The targeted K2 vein was intersected at depths consistent with the existing Pegasus geological interpretation modelled. The mineralised, laminated K2 Vein was recorded up to 3 metres thick downhole. Some footwall mineralisation was encountered, closely associated with footwall alteration. Drilling intersected a very narrow K2B Vein about 5 to 15 centimetres down hole thickness. The K2B Vein is not expected to be a significant mineralised structure.

The Pegasus Underground Mineral Resource estimate will be upgraded to an Indicated category. A pre-feasibility study will then commence. Shared infrastructure established to develop the Hornet Underground mine will enable development cost savings to be made.

Rand Mining NL **Review of Operations**

Entitlements

Under the EKJV legal documentation the EKJV has the sole and exclusive right to mine and remove North Raleigh Ore; an extension of the Raleigh Ore into a Sublease Area located on Kundana Gold Pty Ltd tenement M16/157 for a five year period for a fee that shares the benefit gained for utilizing EKJV infrastructure. Under the Ore Division Agreement the Rand and Tribune Group is entitled to a 50% share of all Raleigh Ore. Rand and Tribune's entitlements to Ore Reserves and Mineral Resources for deposits other than Raleigh are in proportion to the Interest each Company holds in the EKJV.

R&T GROUP MINERAL RESOURCE ENTITLEMENT AT 30 JUNE 2006 (subject to rounding errors)								
	Measured		Indicated		Inferred		Total Resource	
	Tonnes	Au g/t	Tonnes	Au g/t	Tonnes	Au g/t	Tonnes	Ounces
R& T Group Resource Entitlement	230,397	18.6	634,360	15.9	819,970	10.6	1,698,227	732,296
Rand's Entitlement	57,599	18.6	158,590	15.9	204,993	10.6	424,557	183,074
Tribune's Entitlement	172,798	18.6	475,770	15.9	614,978	10.6	1,273,370	549,222

R&T GROUP ORE RESERVE ENTITLEMENTS AT 30 JUNE 2006 (subject to rounding errors)							
	Proved		Probable		Proved + Probable		
	Tonnes	Au g/t	Tonnes	Au g/t	Tonnes	Au g/t	Ounces
R&T Group Reserve Entitlement	222,407	16.1	743,210	11.5	965,617	12.6	389,873
Rand's Entitlement	55,602	16.1	185,803	11.5	241,404	12.6	97,468
Tribune's	166,805	16.1	557,408	11.5	724,213	12.6	292,405

Rand Mining NL Review of Operations

Exploration

Discovery drilling focused on testing anomalies known as the Wards, Wicked Witch, Sir Walter, Golden Hind, Gabbro Hill and Big Chief. Wards prospect in which stockwork quartz vein gold bearing zone of variable thickness over a 200 metre strike length provides the most interest for further testing in the coming year.

Drilling Completed

	Air Core		Reverse Circulation		Diamond	
Quarter	No. holes	Metres	No. holes	Metres	No. holes	Metres
September 05	27	1,060	2	240	-	-
December 05	-	-	8	649	16	3,613
March 06	-	-	10	760	10	2,789
June 06	-	-	-	-	-	-
Current Yr	27	1,060	20	1,649	26	6,402

Other Exploration Areas

Minimal field work was performed on the company's Seven Mile Hill and West Kalgoorlie projects during the year due to the focus on the EKJV projects.

**Rand Mining NL
Review of Operations**

Resources and Reserves

EKJV MINERAL RESOURCE INCLUSIVE OF ORE RESERVES REMAINING AT 30 JUNE 2006 (subject to rounding error)									
	Measured		Indicated		Inferred		Total Resource		
	(tonnes)	(g/t)	(tonnes)	(g/t)	(tonnes)	(g/t)	(tonnes)	(g/t)	(ounces)
Raleigh UG	181,000	31.7	474,000	19.3	505,000	13.0	1,160,000	18.5	689,662
Hornet Surface	136,000	3.3	63,000	3.7	130,000	2.5	329,000	3.1	32,373
Hornet UG	-	-	505,000	13.5	266,000	10.9	771,000	12.6	312,406
Rubicon UG	-	-	96,000	22.5	228,000	12.4	324,000	15.4	160,342
Pegasus Surface	-	-	-	-	9,000	4.5	9,000	4.5	1,302
Pegasus UG	-	-	-	-	470,000	8.4	470,000	8.4	126,931
Total Resource	317,000	19.5	1,138,000	16.1	1,608,000	10.3	3,063,000	13.4	1,323,016
Rand's Interest (12.25%)	38,832	19.5	139,405	16.1	196,980	10.3	375,217	13.4	162,069
Tribune's Interest (36.75%)	116,497	19.5	418,215	16.1	590,940	10.3	1,125,652	13.4	486,208

R&T GROUP MINERAL RESOURCES ON STOCKPILE AT 30 JUNE 2006 (subject to rounding errors)									
	Measured		Indicated		Inferred		Total Resource		
	(tonnes)	(g/t)	(tonnes)	(g/t)	(tonnes)	(g/t)	(tonnes)	(g/t)	(ounces)
Greenfields ROM Pad	8,490	9.6	-	-	-	-	8,490	9.6	2,600
Rand's Interest (25%)	2,122	9.6	-	-	-	-	2,122	9.6	650
Tribune's Interest (75%)	6,367	9.6	-	-	-	-	6,367	9.6	1,950

Rand Mining NL
Review of Operations

EKJV ORE RESERVES REMAINING AT 30 JUNE 2006 (subject to rounding errors)							
	Proved		Probable		Proved + Probable		
	Tonnes	Au g/t	Tonnes	Au g/t	Tonnes	Au g/t	Au oz
Raleigh UG	168,000	29.0	553,000	14.9	701,000	18.3	411,970
Hornet Open Pit*	135,000	3.3	45,000	4.0	180,000	3.5	20,100
Hornet UG*	-	-	596,000	9.6	596,000	9.6	183,954
Rubicon UG*	-	-	138,000	11.3	138,000	11.3	50,136
Total	303,000	17.5	1,312,000	11.7	1,615,000	12.8	666,170
Rand's Interest (12.25%)	37,117	17.5	160,720	11.7	197,837	12.8	81,606
Tribune's Interest (36.75%)	111,352	17.5	482,160	11.7	593,512	12.8	244,817

R&T GROUP ORE RESERVES ON GREENFIELDS ROM STOCKPILE AT 30 JUNE 2006 (subject to rounding errors)							
	Proved		Probable		Proved + Probable		
	Tonnes	Au g/t	Tonnes	Au g/t	Tonnes	Au g/t	Ounces
Greenfields ROM Pad	8,490	9.6	-	-	8,490	9.6	2,600
Rand's Interest (25%)	2,122	9.6	-	-	2,122	9.6	650
Tribune's Interest (75%)	6,367	9.6	-	-	6,367	9.6	1,950

Note

- A +10% grade adjustment has been applied to the Raleigh Underground Indicated and Inferred Mineral Resource and Probable Ore Reserve based on reconciliations to date.
- * Current Ore Reserve estimates for projects currently undergoing a feasibility study at a A\$625 per ounce gold price.
- In accordance with Listing Rule 5.10 of the Australian Stock Exchange Limited, the geological information in this report which relates to Mineral Resources and Ore Reserves, is based upon information compiled by Jon Abbott, Robert Hutchison and Mark Kaeschagen who are Members of the Australasian Institute of Mining and Metallurgy and full-time employees of Barrick Australia Pacific Limited. The report was compiled by Dr Ian Robertson who is a Fellow of the Australasian Institute of Mining and Metallurgy and AIG who is a full time employee of Rand Mining N.L. All of the aforementioned persons have sufficient expertise and experience to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. Jon Abbott, Robert Hutchison, and Mark Kaeschagen and Ian Robertson consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

**Rand Mining NL
Directors' Report
for the year ended 30 June 2006**

The directors submit their report on the Company and its controlled entities for the year ended 30 June 2006.

Directors

The names and details of the directors of the Company in office at any time during or since the end of the year are:

Director	Mr Otakar Demis
Appointed	29 November 1985
Age	64
Position	Executive Chairman & Company Secretary
Experience & Expertise	Chairman and Company Secretary, appointed in 1985 and is a private investor and businessman with several years experience as a Director of the Company and of Tribune Resources NL since 2001.
Director	Dr William Jay - ASTC, BSc, PhD
Appointed	22 January 2003
Age	70
Position	Independent Non-Executive Director
Experience & Expertise	Chemical Engineer with some 40 years experience in the mining industry (particularly in copper and gold hydrometallurgy) and in polymer chemistry and production. Joined the Board in 2001 in a non-executive capacity. He is the inventor of more than ten international patents. Dr Jay is also a director of Tribune Resources NL since 2001 and Orotek Ltd since 2000.
Director	Mr Anthony Billis
Appointed	22 January 2003
Age	62
Position	Executive Director
Experience & Expertise	Mr Billis has 25 years experience in gold exploration within the mining industry in Western Australia. He has been involved in the exploration and development of the Kundana project for over 20 years. Mr Billis has also been a director of Tribune Resources NL since 2003.
Director	Dr John Andrews - BSc, BE (Hons), PhD, FAusIMM
Appointed	16 August 2004
Age	58
Position	Executive Director
Experience & Expertise	Fellow of AusIMM with extensive knowledge, qualifications and experience in mineral processing joined the Board in 2004 in a non-executive capacity. Dr Andrews has a number of granted patents in mineral processing and has in excess of 50 technical publications to his name. Dr Andrews has consulted to a wide range of mineral and research companies and is a director of Orotek Ltd since 2001 and Tribune Resources NL since 2004
Director	Mr Gordon Sklenka – Bcom
Appointed	16 August 2004
Age	45
Position	Non-Executive Director
Experience & Expertise	Mr Sklenka has worked in Chartered Accounting, Stockbroking and Corporate Advisory in both Perth and Sydney and has in excess of 15 years experience in corporate finance in the resources and technology industries predominantly focusing on capital raisings, IPOs, acquisitions and project finance. Mr Sklenka is also a director of other listed companies

**Rand Mining NL
Directors' Report
for the year ended 30 June 2006**

including Regal Resources Ltd since 2003, AXG Mining Ltd since 2005, Tribune Resources NL since 2004.

Director	Mr Franjo Bozic
Appointed	5 November 1996 Resigned 7 October 2005
Age	47
Position	Independent Non-Executive Director
Experience & Expertise	Mr Bozic is a Petrochemical Engineer and Investor.

Principal Activities

The principal activities of the Company during the year were exploration, development and production activities at the Company's East Kundana Joint Venture tenements.

Review of Operations

The activities of the Company were focused on the East Kundana Joint Venture Project. During the year processing of ore from the Raleigh Underground Mine commenced at Higginsville Mining Pty Ltd's Greenfields plant on a toll treatment basis. A more detailed review of operations is contained in Review of Operations of this Annual Report.

Operating Results

The profit/(loss) of the consolidated entity after income tax was \$584,547 [2005: (\$1,116,878)].

Changes in State of Affairs

Other than noted below during the course of the financial year ended 30 June 2006, there were no significant changes to the state of affairs of the Company.

During January 2006 the first toll treatment campaign of Raleigh Underground ore commenced at Higginsville Pty Ltd's Greenfields plant. The treatment of the Company's share of the Raleigh ore is expected to continue for several years.

During October 2005, 500,000 options exercisable at \$1.00 each and expiring on 1 October 2010 were issued to the Company's General Manager Dr Ian Robertson as an incentive and in recognition of services provided.

Subsequent Events

There has been no matter or circumstance that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Likely Developments

The Company intends to continue its exploration, development and production activities on its existing tenements and to acquire further suitable tenements for exploration as opportunities arise.

The Rubicon and Hornet Bankable Feasibility Studies are expected in the coming year.

Environmental Regulations

The Company is subject to and compliant with all aspects of environmental regulation of its exploration and mining activities. The Directors are not aware of any environmental law that is not being complied with.

**Rand Mining NL
Directors' Report
for the year ended 30 June 2006**

Dividends

No dividends have been paid by the Company during the year ended 30 June 2006 [2005: \$Nil] nor have the directors recommended that any dividend be paid.

Directors' Meetings

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director (whilst they were a director).

Director	Directors' meetings held while a director	Number of directors' meetings attended
O Demis	9	4
W Jay	9	9
A Billis	9	9
J Andrews	9	9
G Sklenka	9	8
F Bozic (resigned 7 October 2005)	2	-

Mr O Demis and Mr F Bozic reside overseas and have been unable to attend some directors' meetings.

Director's Shareholdings

As at the date of this report, the following represents shares and options held by directors in the Company.

	Ordinary Shares		Options over Ordinary Shares	
	Direct	Indirect	Direct	Indirect
O Demis	23,000	8,056,347	-	-
W Jay	30,000	10,485,722	-	-
A Billis	14,000	13,309,422	-	-
J Andrews	4,000	7,508,722	-	-
G Sklenka	-	7,317,022	-	-

The indirect interest in the Company's shares includes, where applicable, the shareholding of the following companies by virtue of the relevant director being a director of:

Tribune Resources NL (holds 7,317,022 shares)

- Demis
- W Jay
- A Billis
- J Andrews
- G Sklenka

Lake Grace Exploration Pty Ltd (holds 2,917,000 shares)

- A Billis

Amro West Pty Ltd by way of 91% shareholding in Lake Grace Exploration Pty Ltd (which holds 2,917,000 shares)

- W Jay

**Rand Mining NL
Directors' Report
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Sierra Gold Pty Ltd (holds 2,100,000 shares)

- A Billis

Regent Gulf Pty Ltd (holds 727,100 shares)

- O Demis

Resource Capital Ltd (holds 725,400 shares)

- A Billis

Oretek Ltd (holds 191,700 shares)

- W Jay
- J Andrews

Holbray Pty Ltd (holds 60,000 shares)

- W Jay

O Demis Super Fund (holds 12,225 shares)

- O Demis

American Holdings Pty Ltd (holds 150,000 shares)

- A Billis

Nimby (WA) Pty Ltd (holds 100,000 shares)

- A Billis

Remuneration Report (audited)

A. Principles used to determine the nature and amount of remuneration

Remuneration levels for directors, officers and senior managers of the consolidated entity are competitively set to attract and retain appropriately directors and senior executives.

The full Board determines remuneration packages provided for directors, officers and senior managers.

The Board, where appropriate, seeks independent advice on remuneration policies and practices, involving the remuneration packages and terms of employment.

The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders.

Fixed remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds.

Remuneration levels are reviewed annually by the Board where applicable.

Performance-linked remuneration

Performance-linked remuneration is designed for rewarding executive directors, officers and senior management for their role in achieving corporate objectives and is directly linked to the creation of shareholder value.

This incentive is provided under terms and conditions determined at the time of issue by the board.

**Rand Mining NL
Directors' Report
for the year ended 30 June 2006**

B. Details of remuneration

Details of remuneration of directors and key management personnel (as defined in AASB124: Related Party Disclosures) of the Company and the consolidated entity are set out in the following table.

The key personnel management of the Company and the consolidated entity includes the directors as per pages 6–7 above and the following executive officer which is also the 5 highest paid executives of the Company and the consolidated entity:

Ian Robertson General Manager

Details of remuneration for the Company and the consolidated entity:

2006	Short-term benefits			Post employmen t	Share based payment	Total	Equity total %
	Cash salary and fees (A)	Bonus (B)	Non- monetary benefits (C)	Super- annuation (D)	Options/share s (E)		(F)
	\$	\$	\$	\$	\$	\$	\$
Non- Executive							
W Jay	31,000	-	-	1,350	-	32,350	
G Sklenka	15,000	-	-	-	-	15,000	
F Bozic	-	-	-	-	-	-	
Sub-total	46,000	-	-	1,350	-	47,350	
Executive							
A Billis	33,596	-	31,604	24,146	-	89,346	
O Demis	15,000	-	-	1,350	-	16,350	
J Andrews	24,615	-	-	20,065	-	44,681	
Sub-total	73,211	-	31,604	45,561	-	150,377	
Other Key Managemen t Personnel							
I Robertson	55,000	-	15,610	50,000	1,400	122,010	1.15%
Sub-total	55,000	-	15,610	50,000	1,400	122,010	
Total	174,211	-	47,214	96,911	1,400	319,737	

**Rand Mining NL
Directors' Report
for the year ended 30 June 2006**

2005	Short-term benefits			Post employmen t	Share based payment	Total	Equity total %
	Cash salary and fees (A)	Bonus (B)	Non- monetary benefits (C)	Super- annuation (D)	Options/share s (E)		(F)
	\$	\$	\$	\$	\$	\$	\$
Non- Executive							
W Jay	15,000	-	-	-	-	15,000	
J Andrews	13,145	-	-	1,183	-	14,328	
G Sklenka	12,500	-	-	-	-	12,500	
F Bozic	-	-	-	-	-	-	
Sub-total	40,645	-	-	1,183	-	41,828	
Executive							
A Billis	43,175	-	7,863	3,886	-	54,924	
O Demis	15,000	-	-	1,350	-	16,350	
F O'Kane	3,076	-	-	276	-	3,352	
Sub-total	61,251	-	7,863	5,512	-	74,626	
Other Key Management Personnel							
I Robertson	49,422	-	7,780	4,448	-	61,650	
Sub-total	49,422	-	7,780	4,448	-	61,650	
Total	151,318	-	15,643	11,143	-	178,104	

Notes to the tables:

- (a) Includes cash salary, director's fees and annual leave payouts;
- (b) Cash bonuses paid during the year
- (c) Includes car and housing plus applicable fringe benefits payable on benefits
- (d) Superannuation payable in accordance with applicable legislation;
- (e) The assessed fair value of the options at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option;
- (f) Represents the value of options included in remuneration as a percentage of total remuneration.

C. Service contracts

The consolidated entity has not entered into service agreements with any executive director.

Mr Billis receives a salary of \$65,138 per annum plus statutory superannuation. The Company also provides housing and motor vehicle benefits to Mr Billis.

Mr Demis receives a salary of \$15,000 per annum plus statutory superannuation.

**Rand Mining NL
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Dr Andrews receives a salary of \$55,046 per annum plus statutory superannuation.

Non-executive directors

Non-executive directors received a fixed fee for their services.

Non-executive directors' fees not exceeding an aggregate of \$160,000 per annum have been approved by the Company in a general meeting.

Non-executive directors (excluding the Chairman) currently receive \$15,000 per annum plus statutory superannuation.

There is no direct link between remuneration paid to any non-executive directors and corporate performance. There are no termination or retirement benefits for non-executive directors (other than statutory superannuation).

D. Share based compensation

Options

During the financial year options were granted as equity compensation benefits to Dr I Robertson as disclosed below. The options were issued free of charge. Each option entitles the holder to subscribe for one fully paid ordinary share in the entity at an exercise price as specified below. The options are freely transferable.

Name	Number of options vested	Number of options granted	Value of options at grant date \$	Remuneratio n consisting of options %	Exercise Price per share \$	Expiry Date
Executive						
I Robertson	500,000	500,000	1,400	1.15%	\$1.00	1 October 2010

The value of options has been determined at the date the options were granted (1 October 2005). The purpose of the grant of options was to provide Dr I Robertson with incentive, and to recognise his past contributions to the Company, whilst enabling the Company to preserve its cash reserves.

The options included model inputs:

Exercise price	\$1.00
Grant date	1 October 2005
Expiry date	1 October 2010
Underlying share price	\$0.36
Expected volatility of company's shares	29.74%
Expected dividend yield	0.00%
Risk free interest rate	5.1928%

The expected price volatility is based on historic volatility (based on remaining life of the options), and any expected changes to future volatility due to publicly available information was also considered. There was insufficient evidence of the behaviour of option holders concerning exercise date, and neither was there any other obvious indication of what might be the likely exercise pattern. As such it was assumed that the exercise date was the last possible exercise date. There were no vesting conditions on the options.

The options issued above were not exercised during the year.

There were no options issued during the financial year to directors.

There were no options issued to any directors or executives in the previous year.

**Rand Mining NL
Directors' Report
for the year ended 30 June 2006**

E. Additional Information

Principles Used to Determine the Nature and Amount of Remuneration: Relationship between Remuneration and Company Performances

Due to the nature and size of the Company the level of remuneration is aligned with market conditions of persons holding similar positions in similar exploration companies. The level of remuneration is reviewed annually by the Board and the process consists of a review of Company and individual performance, and relevant comparative remuneration in the market.

Proceedings on behalf of the Company

The Company was not a party of any proceedings during the year.

Share Options

Unissued ordinary shares of the Company under option at the date of this report are as follows:

	Number	Exercise Price	Expiry Date
Unlisted Options	500,000	\$1.00	1 October 2010

During the year no options expired, 500,000 options were issued and no options were exercised.

Insurance and Indemnity of Officers

During the year the Company paid an insurance premium in respect of a Directors' and Officers' Liability Insurance Contract. The insurance premium relates to liabilities that may arise from an officers position with the exception of insolvency, conduct involving a wilful breach in relation to the Company ; or a contravention of section 182 or 183 of the Corporations Act 2001, an entity that is involved in any joint venture or, partnership or enterprise carried on in common with the Company, Outside Directorships, any Outside Entity or Non Profit Outside Entity or any vehicle or entity established to conduct such joint venture partnership or enterprise. The officers covered by the contract of insurance are the directors and officers of the Company.

The contract of insurance prohibits the disclosure of the nature of the liabilities and the amount of premium.

Non-Audit Services

During the year the Company's auditor, Bentleys MRI, has not performed any other services other than their statutory duties.

Auditor's Independence Statement under Section 307C of the Corporations Act

The Auditors' Independence Statement is attached to the Financial Report and forms part of the Directors' Report.

Corporate Governance

In March 2003, the ASX Corporate Governance Council released a document entitled Principles of Good Corporate Governance and Best Practice recommendations. Since that time, Rand Mining NL has ensured adoption of those recommendations where possible. The table below summarises those recommendations and Rand's current practice, including explanations in the instances where the Company does not comply.

Recommendation	Rand's current practice
1.1 Formalise and disclose functions reserved to the board and those delegated to management.	Satisfied. Board charter available at: www.randmining.com.au

**Rand Mining NL
Directors' Report
for the year ended 30 June 2006**

2.1	A majority of the board should be independent directors.	Not satisfied. The Board has considered this and believes that the structure is effective for the current range of duties of the Board to be properly discharged.
2.2	The chairperson should be an independent director.	Not satisfied. The Board believes that the Chairman, Mr Otakar Demis, brings quality and independent judgement to all relevant issues falling within the scope of the role of Chairman.
2.3	Roles of chairperson and CEO should not be exercised by same person.	Satisfied.
2.4	The board should establish a nomination committee.	Not Satisfied. The Board considers that the Company is not currently of a size to justify the formation of a nomination committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors to enable identification or attributes required in new Directors.
2.5	Report in Annual Report on: skills, experience and expertise relevant to the position of director held by each director.	Satisfied. Included in Directors' Report.
	names of the independent directors and materiality thresholds.	Satisfied. Included in Directors Report.
	whether there is a procedure agreed by the board for directors to take independent advice at the expense of the company.	Each director has a right to seek independent professional advice at the Company's expense. However, prior approval of the chairman is required, which is not unreasonably withheld.
	term of office held by each existing director.	Satisfied. Included in Directors' Report.
	names of members of nomination committee and attendance	No nomination committee has been established – refer 2.4 above.
3.1	Establish a code of conduct	Satisfied. Code of conduct available at www.randmining.com.au
3.2	Disclose policy concerning trading in company's securities by directors, officers and employees involved in material transactions or privy to material information.	Satisfied. Trading in securities policy available at www.randmining.com.au
3.3	Report and disclose 3.1 and 3.2.	Satisfied. Available at: www.randmining.com.au
4.1	Require CEO (or equivalent) and CFO (or equivalent) to state in writing to the board that the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results, and are in accordance with relevant accounting standards.	Satisfied.
4.2	The board should establish an audit committee.	Not Satisfied. The Board believes that the Company is not of a size, nor is its financial affairs of such complexity to justify the formation of an audit

**Rand Mining NL
Directors' Report
for the year ended 30 June 2006**

		committee. The Board as a whole undertakes the functions normally associated with an audit committee.
4.3	Structure the audit committee so that it consists of only non-executive directors, a majority of independent directors and the chairperson is independent and not the chair of the board and it has at least three members.	Not Satisfied. Refer 4.2
4.4	The audit committee should have a formal charter.	N/A Refer 4.2
4.5	Report on the above including names of members and qualifications, numbers and meetings and attendees in the annual report.	N/A Refer 4.2
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior management level for that compliance.	Satisfied. Refer 5.2.
5.2	Post 5.1 on website	Satisfied. Continuous disclosure policy available at www.randmining.com.au
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	Satisfied. Communications with shareholders policy available at: www.randmining.com.au
6.2	Request the external auditor to attend the annual general meeting and be available to answer questions about the conduct of the audit and the content and preparation of the auditor's report.	Satisfied.
7.1	The board or appropriate board committee should establish policies on risk oversight and management.	Satisfied. Risk Management Policy available at: www.randmining.com.au
7.2	The CEO (or equivalent) and CFO (or equivalent) should provide a statement to the board in writing relating to financial integrity and risk management.	Satisfied.
7.3	Report and disclose 7.1 and 7.2	Satisfied. Refer 7.1 and 7.2.
8.1	Disclose the policy for performance evaluation of the board, the committees and individual directors and key executives	Satisfied. Included in Directors' Report.
9.1	Provide disclosure in relation to the company's remuneration policies to enable investors to understand (i) the costs and benefits of those policies and (ii) the link between remuneration paid to directors and key executives and corporate performance.	Satisfied. Included in Directors' Report.
9.2	The board should establish a remuneration committee.	Not Satisfied. The Board considers that at the Company's stage of development no benefits or efficiencies are to be gained by delegating this function to a separate committee.

**Rand Mining NL
Directors' Report
for the year ended 30 June 2006**

The boards review the remuneration packages and policies applicable to the managing director, senior executives and non-executive directors on an annual basis. Remuneration levels are competitively set to attract the most qualified and experienced directors and senior executives. Where necessary the board obtains independent advice on the appropriateness of remuneration packages.

- | | | |
|-----|---|---|
| 9.3 | Clearly distinguish the structure of non-executive directors' remuneration from that of executives'. | Satisfied. Included in the Directors' Report. |
| 9.4 | Ensure that payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders. | Satisfied. Included in the Directors' Report. |
| 9.5 | Report on the above matters. | Satisfied. Included in the Directors' Report. |

Signed in accordance with a resolution of the directors



A Billis
Dated 30 September 2006
Perth, Western Australia

30th September 2006

The Board of Directors
Rand Mining NL
Suite G1, 49 Melville Parade
SOUTH PERTH WA 6151

Dear Board Members,

RAND MINING NL

In accordance with Section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Rand Mining NL.

As a lead audit partner of the financial statements of Rand Mining NL for the year ended 30 June 2006, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

BENTLEYS MRI PERTH PARTNERSHIP



MICHAEL J HILLGROVE
PARTNER

Rand Mining NL
Income Statement
for the year ended 30 June 2006

		Consolidated		Rand Mining NL	
	Note	2006	2005	2006	2005
		\$	\$	\$	\$
Revenues from Continuing Operations	2	8,020,243	1,585,824	1,680	-
Other Income	3	(17,309)	167,130	-	-
Changes in inventories of finished goods and work in progress		1,778,829	(691,519)	-	-
Cost of gold purchased		(2,834,600)	-	-	-
Employee benefits expense		(396,735)	(196,987)	(367,861)	(196,341)
Depreciation and amortisation expense	4	(873,533)	(21,098)	-	-
Impairment exploration expenditure		(370,595)	(462,694)	-	-
Finance cost expenses	4	(909,240)	(370,072)	-	-
Impairment of development costs	4	(11,008)	45,916	-	-
Doubtful debts	4	(64,779)	(53,197)	-	-
Administrative expenses		(591,832)	(557,481)	(493)	(3,636)
Impairment of available for sale financial assets	4	(172,500)	(167,077)	-	-
Management fees		(41,947)	(182,290)	-	-
Mining expenses		(1,771,360)	(16,078)	-	-
Processing expenses		(396,557)	(157,571)	-	-
Royalty expenses		(271,488)	(39,684)	-	-
Profit/(Loss) from before income tax expense		1,075,589	(1,116,878)	(366,674)	(199,977)
Income tax expense	5	(491,042)	-	-	-
Net Profit/(Loss) after income tax	6	584,547	(1,116,878)	(366,674)	(199,977)
Earnings per share					
Basic (cents per share)	25	1.44	(2.88)		

The accompanying notes form part of these financial statements.

Rand Mining NL
Balance Sheet
as at 30 June 2006

	Note	Consolidated		Rand Mining NL	
		2006	2005	2006	2005
		\$	\$	\$	\$
Current Assets					
Cash and cash equivalents	7	2,149,377	1,057,983	-	-
Trade and other receivables	8	631,959	147,938	-	-
Inventories	9	2,776,862	998,033	-	-
Total Current Assets		5,558,198	2,203,954	-	-
Non Current Assets					
Available for sale financial assets	10	8,322,022	6,712,492	-	-
Other financial assets	11	-	-	8,634,481	8,990,530
Deferred tax asset	15	-	-	-	-
Exploration and Evaluation	12	618,695	591,798	-	-
Mine Development	13	2,351,390	16,439	-	-
Property, Plant and Equipment	14	2,827,962	2,034,577	460,000	217,038
Total Non Current Assets		14,120,069	9,355,226	9,094,481	9,207,568
Total Assets		19,678,267	11,559,180	9,094,481	9,207,568
Current Liabilities					
Trade and other payables	16	651,931	447,730	-	-
Provisions	18	27,360	18,135	27,360	18,135
Borrowings	17	8,008,078	22,048	-	-
Total Current Liabilities		8,687,369	487,913	27,360	18,135
Non-Current Liabilities					
Borrowings	17	-	3,025,000	-	-
Provisions	18	273,094	273,094	-	-
Deferred tax liability	19	907,057	-	70,696	-
Total Non-Current Liabilities		1,180,151	3,298,094	-	-
Total Liabilities		9,867,520	3,786,007	98,056	18,135
Net Assets		9,810,747	7,773,173	8,996,425	9,189,433
Equity					
Contributed equity	20	11,453,559	11,453,559	11,453,559	11,453,559
Reserves	6	2,466,125	1,326,974	1,287,425	1,113,759
Accumulated losses	6	(4,108,937)	(5,007,360)	(3,744,559)	(3,377,885)
Total Equity		9,810,747	7,773,173	8,996,425	9,189,433

The accompanying notes form part of these financial statements.

Rand Mining NL
Statement of Changes in Equity
as at 30 June 2006

Consolidated

Note	Share Capital Ordinary \$	Accum Profits/ (Losses) \$	Reserves \$	Total \$
Balance at 1 July 2004	10,993,559	(3,890,482)	1,326,974	8,430,051
Loss for year	-	(1,116,878)	-	(1,116,878)
Shares issued	460,000	-	-	460,000
Balance at 30 June 2005	<u>11,453,559</u>	<u>(5,007,360)</u>	<u>1,326,974</u>	<u>7,773,173</u>
Balance at 1 July 2005	11,453,559	(5,007,360)	1,326,974	7,773,173
Adjustment on adoption of AASB132				
AASB139 to:				
Accumulated losses	-	313,876	-	313,876
Reserves	-	-	235,846	235,846
Employee share options issued	-	-	1,400	1,400
Available for sale financial assets	-	-	729,639	729,639
Asset revaluation	-	-	172,266	172,266
Profit for year	-	584,547	-	584,547
Balance at 30 June 2006	<u>11,453,559</u>	<u>(4,108,937)</u>	<u>2,446,125</u>	<u>9,810,747</u>

Rand Mining NL

Note	Share Capital Ordinary \$	Accum Profits/ (Losses) \$	Reserves \$	Total \$
Balance at 1 July 2004	10,993,559	(3,177,908)	1,113,759	8,929,410
Profit/(loss) for year	-	(199,977)	-	(199,977)
Shares issued	460,000	-	-	460,000
Balance at 30 June 2005	<u>11,453,559</u>	<u>(3,377,885)</u>	<u>1,113,759</u>	<u>9,189,433</u>
Balance at 1 July 2005	11,453,559	(3,377,885)	1,113,759	9,189,433
Adjustment on adoption of AASB132				
AASB139 to:				
Accumulated losses	-	-	-	-
Reserves	-	-	-	-
Employee share options issued	-	-	1,400	1,400
Available for sale financial assets	-	-	-	-
Asset revaluation	-	-	172,266	172,266
Profit/(loss) for year	-	(366,674)	-	(366,674)
Balance at 30 June 2006	<u>11,453,559</u>	<u>(3,744,559)</u>	<u>1,287,425</u>	<u>8,996,425</u>

The accompanying notes form part of these financial statements.

Rand Mining NL
Cash Flow Statement
as at 30 June 2006

	Note	Consolidated		Rand Mining NL	
		2006	2005	2006	2005
		\$	\$	\$	\$
Cash Flows from Operating Activities					
Receipts from customers		7,953,886	1,581,363	-	-
Finance costs		(356,122)	(369,935)	-	-
Payments to suppliers and employees		(3,164,298)	(1,133,725)	(356,059)	(181,842)
Tax payments		(217,512)	-	-	-
Withholding tax paid		-	(443)	-	-
Interest received		64,679	32,642	-	-
Net Cash Inflows (Outflows) from Operating Activities	27	4,280,633	109,902	(356,049)	(181,842)
Cash Flows from Investing Activities					
Proceeds from sale of available for sale financial assets		42,690	274,126	-	-
Payment for available for sale financial assets		(306,696)	(1,619,855)	-	-
Payment for exploration and development		(3,115,307)	(193,068)	-	-
Payment for plant and equipment		(1,169,212)	(1,524,756)	-	-
Net Cash Outflows from Investing Activities		(4,548,525)	(3,063,553)	-	-
Cash Flows from Financing Activities					
Loan by related entities		296,658	-	356,049	181,842
Loans repaid by related parties		14,048	2,378	-	-
Loans repaid to related parties		(296,658)	(339,848)	-	-
Loans to related parties		(79,678)	(63,197)	-	-
Loans to other parties		(268,934)	-	-	-
Proceeds from bank borrowings		1,693,850	3,025,000	-	-
Issue of shares		-	460,000	-	-
Net Cash Inflows from Financing Activities		1,359,286	3,084,333	356,049	181,842
Net Increase in Cash and Cash Equivalents		1,091,394	130,682	-	-
Cash and cash equivalents at the beginning of the financial year		1,057,983	927,301	-	-
Cash and Cash Equivalents at the End of the Financial Year	7	2,149,377	1,057,983	-	-

The accompanying notes form part of these financial statements.

Rand Mining NL
Notes to the Financial Statements
for the year ended 30 June 2006

1 Summary of Significant Accounting Policies

1.1 Basis of Accounting

Rand Mining NL (the 'Company') is a company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2006 comprise the Company and its subsidiaries (together referred to as the ('consolidated entity')) and the consolidated entity's interest in joint venture operations.

This general purpose financial report for reporting period ended 30 June 2006 has been prepared in accordance with Corporations Act 2001 and Australian Accounting Standards.

This financial report has been prepared in accordance with the historical costs and accrual accounting.

The functional currency of significant portion of the consolidated entity is Australian dollars. The Company's subsidiary has a functional currency of Australian Dollars.

(i) Statement of Compliance

Rand Mining NL's financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

This is the first financial report prepared based on AIFRS and comparatives for the year ended 30 June 2005 have been restated accordingly except for the adoption of AASB 132 Financial Instruments 'Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement'. The Company has adopted the exemption under AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards from having to apply AASB 132 and AASB 139 to the comparative period. The Consolidated entity has also made its election in relation to the transitional exemptions allowed by AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' as follows:

(ii) Share-based payment transactions

AASB 2 'Share-Based Payments' is applied only to equity instruments granted after 7 November 2002 that had not vested on or before 1 January 2005.

An explanation of how the transition to AIFRS has affected the reported financial position, financial performance and cash flows of the consolidated entity and the Company is provided in note 32.

Australian Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ended 30 June 2006. There are no anticipated changes to the company and the consolidated entity accounting policies in future periods as a result of these changes. Below is a summary of recently amended or issued Accounting Standards relevant to Rand Mining NL:

AASB Amendment	Affected Standard(s)	Nature of Change to Accounting Policy	Application Date of Standard
2005-1	AASB 139: Financial Instruments: Recognition and Measurement	No change to accounting policy required. Therefore no impact.	1 July 2006
2005-5	AASB 1: First-time adoption of AIFRS, AASB 139: Financial Instruments: Recognition and Measurement	No change to accounting policy	1 July 2006

Rand Mining NL
Notes to the Financial Statements
for the year ended 30 June 2006

		required. Therefore no impact.	
2005-6	AASB 3: Business Combinations	No change to accounting policy required. Therefore no impact.	1 July 2006
AASB Amendment	Affected Standard(s)	Nature of Change to Accounting Policy	Application Date of Standard for Rand Mining NL
2005-10	AASB 132: Financial Instruments: Disclosure and Presentation, AASB 101: Presentation of Financial Statements, AASB 114: Segment Reporting, AASB 117: Leases , AASB 133: Earnings per Share , AASB 139: Financial Instruments: Recognition and Measurement , AASB 1: First-time adoption of AIFRS , AASB 4: Insurance Contracts , AASB 1023: General Insurance Contracts and AASB 1038: Life Insurance Contracts	No change to accounting policy required. Therefore no impact.	1 July 2007
New standard	AASB 7: Financial Instruments: Disclosures	No change to accounting policy required. Therefore no impact.	1 July 2007

1.2 Significant accounting estimates and assumptions

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 within the next financial year are discussed below:

Carrying value of Mining Plant and Equipment and Mine Development

All mining assets are amortised using the unit of production (UOP) method where the mine operating plan calls for production from well defined mineral reserves.

The calculation of UOP rate of amortisation could be impacted to the extent that actual production in the future is different from the current forecast production based on proved and probable mineral reserves. This would generally result to the extent that there are significant changes in any of the factors or assumptions used in estimating mineral reserves. These factors could include:

- (a) Change in proved and probable reserves
- (b) The grade of mineral reserves may vary significantly from time to time
- (c) Differences between actual commodity prices and commodity prices assumption
- (d) Unforeseen operational issues at mine site

Rand Mining NL
Notes to the Financial Statements
for the year ended 30 June 2006

- (e) Changes in capital, operating, mining, processing and reclamation costs, discount rates and
- (f) Changes in mineral reserves could similarly impact the useful lives of the assets depreciated on a straight line basis, where those lives are limited to the life of the mine.

The recoverable amounts of cash generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values. The calculations require the use of estimates and assumptions. It is reasonably possible that the gold price assumption may change which may then impact our estimated life of mine determinant and may then require a material adjustment to the carrying value of tangible assets.

The consolidated entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared for future cash flows for each consolidated entity of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as spot gold prices, discount rates, estimates of costs to produce reserves and future capital expenditure.

The carrying amount of tangible assets at 30 June 2006 was \$2,610,782 [2005:\$568,898]

Provision for site rehabilitation

The consolidated entity's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The consolidated entity recognizes management's best estimate for assets retirement obligations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount if this provision. Such changes in Mineral Reserves could similarly impact useful lives of assets depreciated on a straight line basis, where those lives are limited to the life of mine.

The carrying amount of the rehabilitation obligation at 30 June 2006 was \$273,094 [2005: \$273,094].

Stockpiles, gold in process and gold bullion

Costs are incurred in or benefit of the productive process are accumulated as stock piles, gold in process, ore on leach pads and product inventory. Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing gold prices, less estimated costs to complete production and bring the product to sale.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number contained gold ounces based on assay data, and the estimated recovery percentage based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

Although the quantity of recoverable metal are reconciled by comparing the grades of the ore to the quantities of gold actually recovered (metallurgical balancing), the nature of the process inherently limits the ability to precisely monitor recoverability levels. As a result the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time.

The carrying amount of inventories at 30 June 2006 was \$2,776,862 [2005: \$998,033].

Share-based payment transactions

The consolidated entity measures the cost of equity settled share based payments at fair value at the grant date using the Black Scholes model taking into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The total expenses in share based transactions for the year ended 30 June 2006 was \$1,400 [2005: Nil]

Rand Mining NL
Notes to the Financial Statements
for the year ended 30 June 2006

1.3 Summary of significant accounting policies

a) Principles of Consolidation

A controlled entity is any entity controlled by Rand Mining NL whereby Rand Mining NL has the power to control the financial and operating policies of an entity so as to obtain benefits from its activities.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

b) Tax

The consolidated entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

c) Inventories

Inventories are measured at the lower of cost and net realisable value after appropriate allowances for redundant and slow moving stocks. Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing gold prices, less estimated costs to complete production and bring the product to sale.

Cost is determined on the following basis:

- Gold on hand is valued on an average total production cost method
- Ore stockpiles are valued at the average cost of mining and stockpiling the ore, including haulage.
- A portion of related depreciation and amortisation charge is included in the cost of inventory.

d) Exploration and Evaluation Costs

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the consolidated entity has obtained the legal rights to explore an area are recognised in the income statement.

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Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- (i) The expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- (ii) Activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash-generating unit shall not be larger than the area of interest.

When production commences, carried forward exploration and evaluation costs are transferred to mine development cost at carrying value, and are amortised from the date on which commercial production begins.

Restoration costs expected to be incurred are provided for as part of exploration and evaluation phases that give rise to the need for restoration.

e) Mine Development Costs

Capitalised mine development costs include expenditures incurred to develop new ore bodies to define further mineralization in existing orebodies, to expand the capacity of a mine and to maintain production. Mine development also includes costs transferred from exploration and evaluation phase once production commences in the area of interest.

Amortisation of mine development is computed by the units of production basis over the estimated proved and probable reserves. Proved and probable mineral reserves reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known mineral deposits. These reserves are amortised from the date on which production commences. The amortisation is calculated from recoverable proven and probable reserves and a predetermined percentage of the recoverable measured, indicated and inferred resource. This percentage is reviewed annually.

Restoration costs expected to be incurred are provided for as part of development phase that give rise to the need for restoration.

f) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation or amortisation and impairment losses.

Property

Freehold land and buildings are held at fair value, less subsequent depreciation for buildings.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income

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statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all non-mining related fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	15 – 37.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

g) Mining Plant and Equipment and Capital Work in Progress

Mining plant and equipment and capital work in progress is carried at cost which includes acquisition, transportation, installation, and commissioning costs. Costs also include present value of decommissioning costs and finance charges capitalized during the construction period where such expenditure is financed by borrowings. Costs are not depreciated until such time as the asset has been completed ready for use.

If there is indication that the recoverable amount is less than its carrying value, the recoverable amount is estimated and an allowance is made for the impairment in value.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the consolidated entity, and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of assets is calculated to allocate the cost of each asset to its residual value over its estimated useful life for those assets not amortised on the units of production basis.

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

h) Site Rehabilitation

In accordance with the consolidated entity's environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, is recognised when the land is contaminated.

The provision is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements and technology. Future restoration costs are reviewed annually and any changes are reflected in the present value of the restoration provision at the end of the reporting period

The amount of the provision for future restoration costs is capitalised and is depreciated in accordance with the policy set out under note 1.2. The unwinding of the effect of discounting on the provision is recognised as a finance

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cost.

i) Investments and other financial assets

From 1 July 2004 to 30 June 2005

The Company has taken the exemption available under AASB 1 to apply AASB 1232 and AASB 139 only from 1 July 2005. The Company has applied previous AGAAP to the comparative information on financial instruments within the scope of AASB 132 and AASB 139.

Under previous AGAAP, interests in listed and unlisted securities, other than subsidiaries and associates, were brought to account as follows:

- Where an investment was expected to be realised within 12 months it was carried at the lower of cost and net realisable value;
- Where an investment was classified as a non-current asset it was carried at cost. Where cost was exceeded recoverable amount the investment was written down to its recoverable amount.

Adjustments on transition date: 1 July 2005

The nature of the main adjustments to make this information comply with AASB 132 and AASB 139 are that, with the exception of held-to-maturity investments and loans and receivables which are measured at amortised costs, fair value is the measurement basis. Changes in fair value are either taken to the income statement or an equity reserve. At the date of transition (1 July 2005) changes to carrying amounts were taken to retained earnings or reserves.

For further information concerning adjustment on transition date reference should be made to the following notes:

Available-for-sale financial assets – note 10

Other financial assets – note 11

Reserves and accumulated profits/losses – note 6

Explanation of transition to AIFRS – note 32

j) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the economic entity are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

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k) Financial Instruments

From 1 July 2005

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through the income statement

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the consolidated entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the consolidated entity are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available for sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models. For equity instruments that do not have a quoted market price in an active market and if the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reliably assessed, the instrument is measured at cost.

Impairment

At each reporting date, the consolidated entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

l) Interest in Joint Ventures

The economic entity's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated statements of financial performance and financial position. The economic entity's interests in joint venture entities are brought to account using the equity method of accounting in the consolidated financial statements. The parent entity's interests in joint venture entities are brought

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to account using the cost method.

m) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the consolidated entity is measured using the currency of the primary economic environment in which that entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies

The financial results and position of foreign operations whose functional currency is different from the consolidated entity's presentation currency are translated as follows:

- (i) Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- (ii) Income and expenses are translated at average exchange rates for the period.
- (iii) Retained profits are translated at the exchange rates prevailing at the date of the transaction.
- (iv) Exchange differences arising on translation of foreign operations are transferred directly to the consolidated entity's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

n) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

o) Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

p) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-borrowings in current liabilities on the balance sheet.

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q) Revenue

Revenue from the sale of goods is recognised in the Income Statement when the significant risks and rewards of ownership have been transferred to the buyer.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Royalty revenue is recognized on an accrual basis in accordance with the substance of the relevant agreement. All revenue is stated net of the amount of goods and services tax (GST).

r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

s) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

t) Share Based Payment

The consolidated entity may provide benefits to employees (including directors) of the Consolidated entity in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

No expense is recognised in respect of options granted before 7 November 2002 and/or vested before 1 January 2005. The shares are recognized when the options are exercised and the proceeds received allocated to share capital.

The fair value of options granted after 7 November 2002 and vested after 1 January 2005 is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employee become unconditionally entitled to the options.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market conditions, but excludes the impact of any non-market vesting conditions. Non-market vesting conditions, if any, are included in assumptions about the number of options likely to be exercisable.

Upon exercise of the options, the balance of the share-based payments reserve relating to those options is transferred to share capital and the proceeds received, net of any transaction costs, are credited to issued capital.

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u) Earnings per Share

Basic earnings per share

Basic earnings per share is determined by dividing the profit from ordinary activities after income tax by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking the amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial year.

v) Impairment of Assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changed in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Impairment calculations assumptions include life of mine plans based on prospective reserves and resources, management's estimate of the future gold price, based on current market price trends, and a pre-tax discount rate adjusted for project risk. It is therefore reasonably possible for changes to occur which may affect the recoverability of mining assets.

w) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowing using the effective interest method. Borrowings are classified as current liabilities unless the Consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

x) Borrowing Costs

Borrowing costs incurred for the construction of any qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

y) Segment Reporting

A segment is a distinguishable component of the consolidated entity that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

z) Financial Instrument Transaction Costs

The consolidated entity has taken the exemption available under AASB1 to apply AASB132 and AASB139 from 1 July 2005. The consolidated entity has applied previous AGAAP in the comparative information on financial instruments within the scope of AASB132 and AASB139. Under previous AGAAP transaction costs were excluded from the amounts disclosed in the financial statements. Under AIFRS such costs are included in the carrying amounts, except for financial assets or liabilities that are measured at fair value through profit or loss.

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	Consolidated		Rand Mining NL	
	2006	2005	2006	2005
	\$	\$	\$	\$
2 Revenue				
From Continuing Operations				
- Sale of gold & silver	7,945,916	1,552,780	-	-
- Sundry	9,648	-	1,680	-
- EKJV income	-	402	-	-
	<u>7,955,564</u>	<u>1,553,182</u>	<u>1,680</u>	<u>-</u>
Non-Operating Activities				
- Interest received	64,679	32,642	-	-
	<u>64,679</u>	<u>32,642</u>	<u>-</u>	<u>-</u>
Total Operating Revenue	<u>8,020,243</u>	<u>1,585,824</u>	<u>1,680</u>	<u>-</u>
3 Other Income				
Net gain/(loss) on sale of available for sale financial assets	<u>(17,309)</u>	<u>167,130</u>	<u>-</u>	<u>-</u>
4 Operating Expenses				
The profit/(loss) before income tax includes the following specific expenses				
<i>Depreciation and amortisation</i>				
Amortisation – waste	-	3,123	-	-
Amortisation - mine development costs	382,784	-	-	-
Amortisation – borrowing set up costs	98,461	-	-	-
Depreciation - mining plant & equipment	375,745	-	-	-
Depreciation - other plant and equipment	16,543	17,975	-	-
	<u>873,533</u>	<u>21,098</u>	<u>-</u>	<u>-</u>
<i>Finance costs</i>				
Interest and finance charges paid or payable	484,709	370,072	-	-
Unrealised loss - change in value of gold loan	424,531	-	-	-
	<u>909,240</u>	<u>370,072</u>	<u>-</u>	<u>-</u>
<i>Doubtful debts</i>				
Loans to related parties	<u>64,779</u>	<u>53,197</u>	<u>-</u>	<u>-</u>
<i>Impairment of development costs</i>				
Write back – overprovision for write off in prior year	-	(66,806)	-	-
Impairment of development costs	11,008	20,890	-	-
	<u>11,008</u>	<u>(45,916)</u>	<u>-</u>	<u>-</u>
<i>Investment expense</i>				
Impairment - available for sale of financial assets	<u>172,500</u>	<u>167,077</u>	<u>-</u>	<u>-</u>

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Notes to the Financial Statements
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5 Income Tax Expense

A. Income tax expense/(benefit)

Current tax	118,584		(107,235)	(54,553)
Deferred tax	372,458	(332,879)	(2,767)	(5,440)
	<u>491,042</u>	<u>(332,879)</u>	<u>(110,002)</u>	<u>(59,993)</u>

B. Numerical reconciliation of income tax expense to prima facie tax payable

Profit from continuing operations before income tax	1,075,589	(1,116,878)	(366,674)	(199,997)
Tax at Australian tax rate of 30% (2005 – 30%)	<u>322,677</u>	<u>(335,063)</u>	<u>(110,002)</u>	<u>(59,993)</u>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	168,365	2,814	-	-
	<u>491,042</u>	<u>(332,879)</u>	<u>(110,002)</u>	<u>(59,993)</u>
Tax assets not brought to account	-	332,879	110,002	59,993
Income tax expense/(benefit)	<u>491,042</u>	<u>-</u>	<u>-</u>	<u>-</u>

The franking account balance at year end was \$nil [2005: nil]

C. Deferred tax assets and liabilities not recognized relate to the following:

Deferred Tax Assets

Tax losses	-	263,616	-	-
Other temporary differences	-	<u>69,263</u>	-	<u>5,441</u>
	-	332,879	-	5,441

Deferred Tax Liabilities

Other temporary differences	-	-	-	-
Net deferred tax assets	-	<u>332,879</u>	-	<u>5,441</u>

Net deferred tax assets have not been brought to account during the 2005 year as it was not probable within the immediate future profits will be available against which deductible temporary differences and tax losses can be utilised. Please refer to note 15 for the recognition of the deferred tax assets during the 2006 year.

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6 Reserves and Retained Profits

	Consolidated		Rand Mining NL	
Accumulated Losses	2006	2005	2006	2005
	\$	\$	\$	\$
Accumulated losses at the beginning of the financial year	(5,007,360)	(3,890,482)	(3,377,885)	(3,177,908)
Adjustment on adoption of AASB132 and AASB139	313,876	-	-	-
Net profit/(loss) for the year	584,547	(1,116,878)	(366,674)	(199,977)
Accumulated losses at the end of the financial year	(4,108,937)	(5,007,360)	(3,744,559)	(3,377,885)

Reserves

Available for sale financial assets reserve	965,485	-	-	-
Asset revaluation reserve	172,266	-	172,266	-
Capital reserve	1,326,974	1,326,974	1,113,759	1,113,759
Share based payments reserve	1,400	-	1,400	-
	2,466,125	1,326,974	1,287,425	1,113,759

Movements

Available for Sale Financial Assets

Balance 1 July 2005	-	-	-	-
Revaluation	965,485	-	-	-
Balance 30 June 2006	965,485	-	-	-

Share Based Payments Reserve

Balance 1 July 2005	-	-	-	-
Fair value of options issued	1,400	-	1,400	-
Balance 30 June	1,400	-	1,400	-

Nature and Purpose of Reserves

Available for sale financial assets reserve

Changes in the fair value and exchange differences arising on the translation of investments, such as equities, classified as available-for-sale financial assets, are taken to the available-for-sale investments revaluation reserve. Amounts are recognised in profit and loss when the associated assets are sold and impaired.

Asset revaluation reserve

The asset revaluation reserve is used to record increments/decrements on the revaluation of property, plant and equipment to fair value.

Capital reserve

The capital reserve is used to record increments/decrements in capital expenditure.

Share based payments reserve

The share based payments reserve is used to recognise the fair value of options issued.

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	Consolidated		Rand Mining NL	
	2006	2005	2006	2005
	\$	\$	\$	\$
7 Cash and Cash Equivalents				
Current cash at bank	2,149,377	1,057,983	-	-

Reconciliation to cash at the end of the year
The above figures were reconciled to cash at the end of the financial year as shown in the statement of cash flow as follows:

Balances per statement of Cash Flows (note 27)	2,149,376	1,057,983	-	-
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Cash at bank

Cash at bank bears fixed interest of 4.50% (2005: 4.50%)

	Consolidated		Rand Mining NL	
	2006	2005	2006	2005
	\$	\$	\$	\$
8 Trade and Other Receivables				
Current				
Trade and other receivables	661,645	167,574	-	-
Provision for impairment of receivables	(30,000)	(30,000)	-	-
Other receivables - related parties	328,429	273,700	-	-
Provisions for impairment of other receivables	(328,115)	(263,336)	-	-
	631,959	147,938	-	-

Interest Rate Risk

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table.

Fixed interest maturing in:									
2006	Floating interest rate	1 year or less	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years	Over 5 years	Non-Interest bearing	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Trade and other receivables	-	-	-	-	-	-	-	661,645	661,645
Other receivables – related parties	-	-	-	-	-	-	-	328,429	328,429
	-	-	-	-	-	-	-	990,074	990,074
Effective Weighted Average Interest Rate	-	-	-	-	-	-	-	-	-

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Fixed interest maturing in:

2005	Floating interest rate	1 year or less	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years	Over 5 years	Non- Interest bearing	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Trade and other receivables	-	-	-	-	-	-	-	167,574	167,574
Other receivables – related parties	-	-	-	-	-	-	-	273,700	273,700
	-	-	-	-	-	-	-	441,274	441,274
Effective Weighted Average Interest Rate	-	-	-	-	-	-	-	-	-

	Consolidated		Rand Mining NL	
	2006	2005	2006	2005
	\$	\$	\$	\$
9 Inventories				
Current Assets				
Ore stockpiles – at cost	536,954	-	-	-
Gold on hand-at cost	2,239,908	998,033	-	-
	<u>2,776,862</u>	<u>998,033</u>	<u>-</u>	<u>-</u>

Gold on hand at 30 June 2006 has a net realisable value of \$2,900,288 measured at spot rate.

10 Available for Sale of Financial Assets	Consolidated		Rand Mining NL	
	2006	2005	2006	2005
	\$	\$	\$	\$
Non-Current				
At beginning of the year	6,712,492	5,400,779	-	-
Adjustment on adoption of AASB 132 and AASB 119	352,800	-	-	-
Additions	308,196	1,636,605	-	-
Disposals	(61,500)	(64,430)	-	-
Transfer to income statement	(183,508)	(260,462)	-	-
Revaluation surplus transfer to equity	1,193,542	-	-	-
Balance as at 30 June	<u>8,322,022</u>	<u>6,712,492</u>	<u>-</u>	<u>-</u>
<i>Listed Securities</i>				
Equity Securities	8,322,010	6,549,980	-	-
<i>Unlisted Securities</i>				
Equity Securities	12	162,512	-	-
	<u>8,322,022</u>	<u>6,712,492</u>	<u>-</u>	<u>-</u>

A. Transition to AASB 132 and AASB 139

The consolidated entity has taken the exemption available under AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards to apply AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and measurement from 1 July 2005.

Rand Mining NL
Notes to the Financial Statements
for the year ended 30 June 2006

At the date of transition to these standards of 1 July 2005:

Equity Securities with a carrying value of \$6,712,492 that were classified in the balance sheet under previous AGAAP as other financial assets were designated and reclassified as available for sale financial assets and an adjustment of \$352,800 was recognised which represented an initial gain on re-assessment to fair value of assets that under AGAAP had been measured at cost..

Unlisted securities are traded in an inactive market and were carried at cost at initial recognition. An impairment loss amounting to \$172,500 in respect of an unlisted security was recognised during the year.

Included in available-for-sale financial assets was \$529,000 of equity securities held in other commonly controlled entities Oretk Limited. This amount has been provided for impairment loss in June 2004 due to the financial difficulties of the investee. The company has a 20% interest in the Oretk patents.

11 Other Financial Assets

	Consolidated		Rand Mining NL	
	2006	2005	2006	2005
	\$	\$	\$	\$
Non-Current				
Investment in controlled entities	-	-	8,634,481	8,990,530

These financial assets are carried at cost. As there is no current repayment plans this loan is considered to an investment in the subsidiary of the Company.

Investments in controlled entities

Name	Country Of Incorporation	% Ordinary Shares Owned		Carrying Value Of Investment		Contribution To Consolidated Operating Profit/(Loss) After Income Tax	
		2006	2005	2006	2005	2006	2005
				\$	\$	\$	\$
Rand Exploration N.L.	Australia	100	100	538,161	538,161	1,442,263	(719,979)
Pan African Mining Ltd	Angola	100	100	-	-	-	-

12 Exploration and Evaluation Costs

	Consolidated		Rand Mining NL	
	2006	2005	2006	2005
	\$	\$	\$	\$
Balance at 1 July 2005	591,718	604,459	-	-
Costs incurred during the year	397,272	449,953	-	-
Costs written off	(370,295)	(462,694)	-	-
Balance at 30 June 2006	618,695	591,718	-	-

The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Rand Mining NL
Notes to the Financial Statements
for the year ended 30 June 2006

13 Mine Development Costs

Consolidated Cost				
Balance at 1 July 2005	3,373,783	3,357,344	-	-
Costs incurred during the year	2,717,735	16,439	-	-
Balance as 30 June 2006	6,091,518	3,373,783	-	-
Accumulated depreciation				
Balance as 1 July 2005	(3,357,344)	(3,357,344)	-	-
Charge for the year	(382,784)	-	-	-
Balance at 30 June 2006	(3,740,128)	(3,357,344)	-	-
Net Book Value	2,351,390	16,439	-	-

Included in the Net Book Value are Exploration and Evaluation Costs and Mine Development Costs of \$2,329,766 in relation to the East Kundana Joint Venture Project ("EKJV"). The EKJV is a joint venture between Tribune Resources NL and Gilt-Edged Mining NL, a wholly owned subsidiary of Barrick and Rand Mining NL. Gilt-Edged Mining NL has a 51% interest, the consolidated entity 12.25% and Tribune Resources NL 36.75%. Accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of economically recoverable reserves.

14 Property, Plant and Equipment

	Consolidated		Rand Mining NL	
	2006	2005	2006	2005
	\$	\$	\$	\$
Non Current				
Freehold land and buildings				
At valuation*	460,000	217,038	460,000	217,038
Plant and equipment				
At cost	3,090,437	1,001,325	59,249	59,249
Accumulated amortisation/depreciation	(795,585)	(397,298)	(59,249)	(59,249)
	2,294,852	604,027	-	-
Construction work in progress – at cost	73,110	1,179,342	-	-
Leased plant and equipment				
Capitalised leased assets – at cost	-	49,262	-	-
Accumulated depreciation	-	(15,092)	-	-
	-	34,170	-	-
Total net book amount	2,827,962	2,034,577	-	-
Total Cost	3,623,547	2,446,967	519,249	276,287
Total Accumulated Depreciation	(795,585)	(412,390)	(59,249)	(59,249)
Net book amount	2,827,962	2,034,577	460,000	217,038

*Property held in Perth was revalued at market value, vacant possession.

Rand Mining NL
Notes to the Financial Statements
for the year ended 30 June 2006

A. Movement in Property, Plant & Equipment:

Consolidated						
Year Ended 30 June 2006						
	Land and Buildings	Other Plant and Equipment	Mining Plant and Equipment	Construct- ion Work in Progress	Leased Plant and Equipment	Total
Opening net book amount	217,038	35,129	568,898	1,179,342	34,170	2,034,577
Additions	-	7,075	2,041,868	-	-	2,048,943
Revaluation	242,962	-	-	-	-	242,962
Transfers	-	34,170	-	(1,106,232)	(34,170)	(1,106,232)
Depreciation and amortisation expense	-	(16,543)	(375,745)	-	-	(392,288)
Closing net book amount	460,000	59,831	2,235,021	73,110	-	2,827,962

Rand Mining NL						
Year Ended 30 June 2006						
	Land and Buildings	Other Plant and Equipment	Mining Plant and Equipment	Construct- ion Work in Progress	Leased Plant and Equipment	Total
Opening net book amount	217,038	-	-	-	-	217,038
Additions	-	-	-	-	-	-
Revaluation	242,962	-	-	-	-	242,962
Depreciation and amortisation expense	-	-	-	-	-	-
Closing net book amount	460,000	-	-	-	-	460,000

Consolidated						
Year Ended 30 June 2005						
	Land and Buildings	Other Plant and Equipment	Mining Plant and Equipment	Construct- ion Work in Progress	Leased Plant and Equipment	Total
Opening net book amount	217,038	46,204	-	-	36,137	299,379
Additions	-	4,933	568,898	1,179,342	-	1,753,173
Transfers	-	-	-	-	-	-
Depreciation and amortisation expense	-	(16,008)	-	-	(1,967)	(17,975)
Closing net book amount	217,038	35,129	568,898	1,179,342	34,170	2,034,577

Rand Mining NL						
Year Ended 30 June 2005						
	Land and Buildings	Other Plant and Equipment	Mining Plant and Equipment	Construct- ion Work in Progress	Leased Plant and Equipment	Total
Opening net book amount	217,038	-	-	-	-	217,038
Additions	-	-	-	-	-	-
Depreciation and amortisation expense	-	-	-	-	-	-
Closing net book amount	217,038	-	-	-	-	217,038

Non-current assets pledged as security

Refer note 17 for information on non-current assets pledged as security by the parent entity and its controlled entities.

Rand Mining NL
Notes to the Financial Statements
for the year ended 30 June 2006

15	Deferred Tax Assets	Consolidated		Rand Mining NL	
		2006	2005	2006	2005
		\$	\$	\$	\$

Non-Current

The balance comprises temporary differences attributable to:

Amounts recognised in profit or loss

Investment write down	55,052	-	-	-
Provisions	2,768	-	8,208	-
Tax losses	(422,185)	-	-	-
	(364,365)	-	8,208	-

Amounts recognised directly in equity

Share issue expense	-	-	-	-
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Balance of deferred tax asset transferred to deferred tax liability (note 19)

364,365	-	-	-
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Net deferred tax assets

-	-	8,208	-
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Movements:

Opening balance at 1 July	-	-	-	-
Change on adoption of AASB 132 and AASB 139	-	-	-	-
Credited/(charged) to the income statement	(364,365)	-	-	-
Credited/(charged) to equity	-	-	-	-
Transfer to deferred tax liability	364,385	-	-	-
Closing balance at 30 June	-	-	-	-

Deferred tax assets and liabilities shall be set off if, and only if: (a) there is a legally recognised right to set off current tax assets and liabilities, and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

16 Trade and Other Payables

	Consolidated		Rand Mining NL	
	2006	2005	2006	2005
	\$	\$	\$	\$

Current

Trade Payables	533,348	447,730	-	-
Current income tax payable	118,583	-	-	-
	651,931	447,730	-	-

Rand Mining NL
Notes to the Financial Statements
for the year ended 30 June 2006

	Consolidated		Rand Mining NL	
	2006	2005	2006	2005
	\$	\$	\$	\$
17 Borrowings				
Current				
Lease Liabilities (note 28)	-	22,048	-	-
Bank loan	4,620,389	-	-	-
Gold loan from Tribune Resources NL	3,387,689	-	-	-
Total Current Borrowings	8,008,078	22,048	-	-
Non-Current				
Bank Loan	-	3,025,000	-	-
Total Non-Current Borrowings	-	3,025,000	-	-

Further information relating to loans from related parties is set out in note 25.

Total secured liabilities

Total secured liabilities (current and non-current) are as follows:

	Consolidated		Rand Mining NL	
	2006	2005	2006	2005
	\$	\$	\$	\$
Bank loan	4,620,389	3,025,000	-	-
Lease liabilities	-	22,048	-	-
	4,620,389	3,047,048	-	-

B. Bank loan

	Consolidated		Rand Mining NL	
	2006	2005	2006	2005
	\$	\$	\$	\$
<i>Bank Loan-principle</i>				
Balance the beginning of the year	3,025,000	-	-	-
Principle withdrawal	1,693,850	3,025,000	-	-
Principle repayments	-	-	-	-
Balance at the end of the year	4,718,850	3,025,000	-	-
<i>Capitalised Initial Transaction costs</i>				
Adjustment on initial adoption of AASB132 and AASB139	(196,922)	-	-	-
Amortisation during the year	(98,461)	-	-	-
Balance at the end of the year	98,461	-	-	-
	4,620,389	3,025,000	-	-

The funding for the development of the consolidated entity's Raleigh Underground Project is financed in part by a secured loan from the ANZ bank. The loan facility is \$4,750,000 of which \$3,025,000 has been drawn down. Repayments of principal commenced on 20 July 2006.

C. Assets pledged as security

The bank loan is secured over specified East Kundana Joint Venture Tenements. The loan also imposes certain covenants on the company to meet the following financial ratios:

Rand Mining NL
Notes to the Financial Statements
for the year ended 30 June 2006

	June	September	Theoretical Max
i) Debt Service Cover Ratio $\geq$ 1.2	1.33	1.54	1.67
ii) Forward Debt Service Cover Ratio $\geq$ 1.2	1.44	1.57	1.67
iii) Project Life Cover Ratio $\geq$ 1.8	4.21	5.52	∞

Transition to AASB 132 and AASB 139

The consolidated entity has taken the exemption available under AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards to apply AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and measurement from 1 July 2005.

At the date of transition to these standards of 1 July 2005 initial transaction costs (incurred in 2005) in relation to the consolidated entity's LAS borrowings from the ANZ bank were capitalised and amortised requiring an adjustment to accumulated losses of \$196,922.

D. Total unsecured liabilities

Total unsecured liabilities (current) are as follows:

	Consolidated		Rand Mining NL	
	2006	2005	2006	2005
	\$	\$	\$	\$
Gold loan from Tribune Resources NL	3,387,689	-	-	-
	<u>3,387,689</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Consolidated		Rand Mining NL	
	2006	2005	2006	2005
	\$	\$	\$	\$
<i>Gold loan-principle</i>				
Balance the beginning of the year	-	-	-	-
Value of gold transferred	2,834,600	-	-	-
Capitalised interest	128,558	-	-	-
Movement in bullion value	424,531	-	-	-
Principle repayments	-	-	-	-
Balance at the end of the year	<u>3,387,689</u>	<u>-</u>	<u>-</u>	<u>-</u>

Tribune Resources NL loaned the consolidated entity 4,000 ounces of bullion during the year. Interest is payable in bullion and is calculated on the principle at the interest rate of 8% per annum. The interest is calculated on the daily balance of the principle sum on the basis of a 365 day year and compounding on the last day of each month.

E. Financial arrangements

The consolidated entity has no financial arrangements in place to lines of credit at 30 June 2006.

F. Interest rate risk exposures

The following table sets out the consolidated entity's exposure to interest rate risk, including the contractual reprising dates and the effective weighted average interest rate by maturity periods.

Rand Mining NL
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2006	Floating interest rate	1 year or less	Fixed interest maturing in:					Non- Interest bearing	Total
			Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years	Over 5 years		
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Bank loan	4,620,389								4,620,389
Gold loan	3,387,689								3,387,689
Effective Weighted Average Interest Rate	8.50%								

2005	Floating interest rate	1 year or less	Fixed interest maturing in:					Non- Interest bearing	Total
			Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years	Over 5 years		
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Bank loan	3,025,000	-	-	-	-	-	-	-	3,025,000
Lease liabilities		22,048	-	-	-	-	-	-	22,048
Effective Weighted Average Interest Rate	-	8.25%	-	-	-	-	-	-	-

F. Fair value

The carrying amounts and fair values of borrowings at balance date are:

	2006		2005	
	Carrying Amount \$'000	Fair value \$'000	Carrying Amount \$'000	Fair Value \$'000
On Balance Sheet				
Bank loan	4,620,389	4,620,389	3,025,000	3,025,000
Bullion loan	3,387,689	3,387,689	-	-
Lease liabilities	-	-	22,048	22,048

Fair value is inclusive of costs which would be incurred on settlement of a liability. The fair value of borrowing is based upon market price where a market exists or by discounting the expected future cash flows by the current interest rates for liabilities with similar risk profiles.

Rand Mining NL
Notes to the Financial Statements
for the year ended 30 June 2006

18	Provisions	Consolidated		Rand Mining NL	
		2006	2005	2006	2005
		\$	\$	\$	\$
Current					
Employee entitlements		27,360	18,135	27,360	18,135
Non-Current					
Rehabilitation		273,094	273,094	-	-

A. Movements in Provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Rehabilitation	
	2006	2005
	\$	\$
Carrying amount at start of year	273,094	73,094
Additional provisions recognised	-	200,000
Carrying amount at the end of the year	273,094	273,094

Details regarding restoration of operating location are contained in the significant accounting policies note 1.2 (h)

A provision of \$219,281 exists at 30/06/06 in respect of consolidated entity's obligation to rehabilitate the Raleigh Underground mine site upon cessation of production in accordance with the state environmental regulatory requirements. The consolidated entity has assured that the site would be restored using technology and materials that are available currently. The provision for site restoration has been calculated using a discount rate of 0%.

19 Deferred tax liability

	Consolidated		Rand Mining NL	
	2006	2005	2006	2005
	\$	\$	\$	\$
Non-Current				
The balance comprised temporary differences attributable to:				
<i>Amounts recognised in profit or loss</i>				
Development	8,093	-	-	-
Other	-	-	-	-
	8,093			
<i>Amounts recognised directly in equity</i>				
Available for sale financial assets	463,903	-		
Asset revaluation reserve	70,696	-	70,696	-
	534,599	-		
Balance of deferred tax asset transferred (note 15)	364,365	-	-	-
Net deferred tax liabilities	907,057	-	70,696	-
Movements:				
Opening balance at 1 July	-	-	-	-

Rand Mining NL
Notes to the Financial Statements
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Change on adoption of AASB 132 and AASB 139	-	-	-	-
Credited/(charged) to the income statement	8,093	-	-	-
Credited/(charged) to equity	534,599	-	70,696	-
Transfer from deferred tax liability	364,365	-	-	-
Closing balance at 30 June	907,057	-	70,696	-

Deferred tax assets and liabilities shall be set off if, and only if: (a) there is a legally recognised right to set off current tax assets and liabilities, and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

20 Contributed Equity

	Rand Mining NL		Rand Mining NL	
	2006 Shares	2005 Shares	2006 \$	2005 \$
Share Capital				
Ordinary shares	40,560,813	40,560,813	11,453,559	11,453,559

Movements in ordinary share capital of the company are as follows:

Date	Details	No. of Shares	Issue Price	\$
1 July 2005	Balance	40,560,813	-	11,453,559
30 June 2006	Balance	40,560,813	-	11,453,559

21 Interest in Joint Ventures

Jointly Controlled Assets

The controlled entity, Rand Exploration has 12.25% interest in the East Kundana Joint Venture, whose principle activity is exploration and mining of gold.

The consolidated entity share of assets employed in the joint venture are included in the consolidated balance sheet, in accordance with the accounting policy described in note 1, under the following classification:

	Consolidated	
	2006 \$	2005 \$
Current Assets		
Cash and Cash Equivalents	819,862	914,947
Trade and Other Receivables	56,845	88,240
Inventories	194,602	-
Total Current Assets	1,071,309	1,003,187
Non-Current Assets		
Exploration and Evaluation Cost	606,794	606,794
Mine Development	2,984,657	267,385
Construction Work in Progress	73,110	1,179,342
Plant and Equipment – at cost	2,610,783	568,915
Total Non-Current assets	6,275,344	2,622,436
Share of Assets employed in Joint Venture	7,346,653	3,625,623
Net Interest in Joint Venture	6,803,794	3,208,984

Rand Mining NL
Notes to the Financial Statements
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22 Segment Information

During the year ended 30 June 2006, the consolidated entity operated within the mineral exploration industry in Australia and Angola. Due to the immaterial nature of its segment results and assets (less than 10% of total segment), the geographical segment is not considered as a reportable segment.

23 Auditors Remuneration

	Consolidated		Rand Mining NL	
	2006	2005	2006	2005
	\$	\$	\$	\$
Amounts paid or payable to the auditors for:				
Auditing the financial statements	35,000	33,145	-	-

24 Key Management Personnel Disclosures

A. Directors

Directors of Rand Mining NL during the financial year were:

(i) Executive Directors

J Andrews

A Billis

O Demis

(ii) Non- Executive Directors

W Jay

G Sklenka

F Bozic (resigned 7 October 2005)

B. Other Key Management Personnel

The following persons also had authority and responsibilities for planning and directing and controlling the activities of the consolidated entity, directly or indirectly, during the financial year:

Name	Position	Employer
I Robertson	General Manager - Business Development	Rand Mining NL

The company has taken advantage of the relief provided by ASIC class order 06/05 and has transferred the detailed remuneration disclosure to the directors report. The relevant section can be found in the remuneration report on pages 14 to 18.

C. Equity instruments disclosures relating to Key Management Personnel

(i) Options provided as remuneration and shares issued on exercise of such options

Details of option provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in the remuneration report on pages 14 to 17.

(ii) Option holdings

The number of options over ordinary shares in the company held during the financial year by each director of Rand Mining NL and other key management personnel of the consolidated entity, including their personally related parties, are set out below:

Rand Mining NL
Notes to the Financial Statements
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2006	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of year
Directors					
O Demis	-	-	-	-	-
W Jay	-	-	-	-	-
F Bozic	-	-	-	-	-
A Billis	-	-	-	-	-
J Andrews	-	-	-	-	-
G Sklenka	-	-	-	-	-
Other Key Management Personnel					
I Robertson	-	500,000	-	-	500,000
2005	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of year
Directors					
O Demis	-	-	-	-	-
W Jay	-	-	-	-	-
F Bozic	-	-	-	-	-
A Billis	-	-	-	-	-
J Andrews	-	-	-	-	-
G Sklenka	-	-	-	-	-
Other Key Management Personnel					
I Robertson	-	-	-	-	-

(iii) Share holdings

The number of shares in the company held during the financial year by each director of Rand Mining NL and other key management personnel of the consolidated entity, including their personally related parties, are set out below:

2006	Balance at the start of the year	Purchased during the year	Sold during the year	Other changes during the year	Balance at the end of year
Directors					
O Demis	8,079,347	-	-	-	8,079,347
W Jay	10,515,722	-	-	-	10,515,722
A Billis	13,205,422	118,000	-	-	13,323,422
J Andrews	7,512,722	-	-	-	7,512,722
G Sklenka	7,317,022	-	-	-	7,317,022
Other Key Management Personnel					
I Robertson	-	-	-	-	-

Rand Mining NL
Notes to the Financial Statements
for the year ended 30 June 2006

2005	Balance at the start of the year	Purchased during the year	Sold during the year	Other changes during the year	Balance at the end of year
Directors					
O Demis	6,894,097	1,185,250	-	-	8,079,347
W Jay	9,150,997	1,173,025	-	191,700	10,515,722
F Bozic	252,000	-	-	-	252,000
A Billis	11,514,997	2,000,425	(310,000)	-	13,205,422
J Andrews	6,147,997	1,173,025	-	191,700	7,521,722
G Sklenka	6,143,022	1,173,025	-	-	7,316,047
Other Key Management Personnel					
I Robertson	-	-	-	-	-

G. Other Transactions with Key Management Personnel

At 30 June 2006, the consolidated entity held 10,795,204 [2005: 10,570,227] ordinary shares in Tribune Resources NL. Messrs Demis, Jay, Billis, Andrews and Sklenka were directors of Tribune Resources during the year.

At 30 June 2006, the consolidated entity held 750,000 [2005: 480,000] ordinary shares in Regal Resources Ltd. Messrs Sklenka was a director of Regal Resources Ltd during the year.

At 30 June 2006, the consolidated entity held 3,595,857 [2005: 4,068,000] ordinary shares and 3,212,428 [2005: 2,941,000] options in AXG Mining Ltd. Mr Sklenka was a director of AXG Mining Ltd during the year.

During the year the consolidated entity loaned \$14,000 [2005: \$450] to Lake Grace Exploration Pty Ltd, a company related to Mr Billis. During the year Lake Grace Exploration Pty Ltd repaid \$13,571 [2005: \$ nil]. As at 30 June 2006 Lake Grace Exploration Pty Ltd owes the company \$11,021 [2005: \$11,450]. The loan is interest free and has no fixed repayment date. The Company has raised a provision against this loan of \$11,021 [2005: \$11,450].

During the year the consolidated entity loaned \$nil [2005: \$10,000] to Palace Resources Ltd (formerly Mt Dimer Mines Ltd), a company previously related to Mr Sklenka. As at 30 June 2006 Palace Resources Ltd owes the Company \$10,000 [2005: \$10,000]. The loan is interest free and has no fixed repayment date and was repaid in full on 15 September 2006. As at 30 June 2006 the consolidated entity held 1,000,000 shares in Mt Dimer Mines Ltd which were acquired in the year ended 30 June 2004 for \$100,000.

During the year the consolidated entity loaned \$46,078 [2005: \$52,477] to Orotek Limited and \$19,130 [2005: nil] to Orotek International Limited, companies related to Dr Jay and Dr Andrews. As at 30 June 2006 Orotek Limited owed the consolidated entity \$297,963 [2005: \$251,886] and Orotek International Limited owed the consolidated entity \$19,130. [2005: nil]. The loan is interest free and has no fixed repayment date. The consolidated entity has raised a provision against this loan of \$297,963 [2005: \$251,886].

During the year the consolidated entity loaned \$900 [2005: Nil] to Mr Billis. As at 30 June 2006 Mr Billis owes the company \$900 [2005: Nil]. The loan is interest free and was repaid on 14 August 2006.

During the year the consolidated entity received a 4000 oz bullion loan from Tribune Resources NL, a Company related to Messrs Andrews, Billis, Demis and Sklenka. The loan has an interest rate of 8% and is to be repaid by 30 June 2007.

Rand Mining NL
Notes to the Financial Statements
for the year ended 30 June 2006

25 Related Party Transactions

Subsidiaries

Investments in subsidiaries are set out in note 11.

Key management Personnel

Disclosures relating to key management personnel are set out in note 24.

26 Earnings Per Share

	Consolidated	
	2006	2005
	\$	\$
Basic earnings per share	1.44 cents	(2.88) cents
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	40,560,813	38,783,827
Earnings/(loss) used in calculating basic earnings/(loss) per share	584,547	(1,116,878)

The Company has 500,000 options on issue which are not dilutive.

27 Reconciliation of Profit/(Loss) after Income Tax to Net Cash Inflow from Operating Activities

	Consolidated		Rand Mining NL	
	2006	2005	2006	2005
	\$	\$	\$	\$
Profit (Loss) for the year after tax	584,547	(1,116,878)	(366,674)	(199,977)
Gold acquired - Tribune Resources NL loan	2,834,600			
Unrealised Loss - Tribune Resources NL gold loan	424,531	-	-	-
Interest - Tribune Resources NL gold loan	128,558	-	-	-
Depreciation and Amortisation	873,533	17,975	-	-
Impairment of available for sale financial assets	172,500	167,077	-	-
Exploration cost write off	370,595	462,694	-	-
Doubtful debts	64,779	53,197	-	-
(Profit) /Loss on sale of available for sale financial assets	17,309	(167,130)	-	-
Write-off of cost of other financial assets	-	13,180	-	-
Write-off development costs	11,008	20,889	-	-
Over-provision for prior year write-off development costs	-	(66,806)	-	-
Tax payments	(217,511)	-	-	-
Movement in tax balances	491,042	-	-	-
Changes in assets and liabilities:				
Receivables	3,276	(72,877)	-	-
Trade creditors and accruals	312,118	88,927	-	-
Interest Bearing Liabilities	(22,048)	-	-	-
Equity reserve	1,400	-	1,400	-
Inventories	(1,778,829)	691,519	-	-
Provisions	9,225	18,135	9,225	18,135
Net Cash inflows/(outflows) from activities	4,280,633	109,902	(356,049)	(181,842)

A term deposit of \$97,511 is included in cash at bank.

Rand Mining NL
Notes to the Financial Statements
for the year ended 30 June 2006

Non Cash Investing and Finance Activities

- Tribune Resources NL loaned the consolidated entity 4,000 ounces of bullion.

28 Commitments

	Consolidated		Rand Mining NL	
	2006	2005	2006	2005
	\$	\$	\$	\$
A Finance Lease Commitments				
Payable				
- not later than 1 year	-	22,932	-	22,932
- later than 1 year but not later than 5 years	-	-	-	-
Minimum lease payments	-	22,932	-	22,932
Less: future finance charges	-	(884)	-	(884)
Total lease liability	-	22,048	-	22,048

B Mineral Tenement Leases

In order to maintain current rights of tenure to mining tenements, the consolidated entity will be required to outlay the following funds in respect of tenement lease rentals and to meet minimum expenditure requirements of the Western Australian Mines Department. These obligations are expected to be fulfilled in the normal course of operations.

	Consolidated		Rand Mining NL	
	2006	2005	2006	2005
	\$	\$	\$	\$
Lease expenditure commitments:				
- not later than one year	141,644	190,875	141,644	190,875
- later than one year and not later than two years	161,644	190,875	161,644	190,875
- later than two years and not later than five years	424,993	572,625	424,993	572,625
- later than five years	-	-	-	-

Capital Commitments - EKJV

	Consolidated		Rand Mining NL	
	2006	2005	2006	2005
	\$	\$	\$	\$
Mining Property Plant and Equipment payable;				
- Within one year	1,698,470	-	1,698,470	-
- Later than one year but no later than 5 years	5,000,000	-	5,000,000	-
- Later than 5 years	3,000,000	-	3,000,000	-
	9,698,470		9,698,470	

The above commitments relate to capital expenditure commitments relating to the East Kundana joint Venture underground mine.

29 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

Rand Mining NL
Notes to the Financial Statements
for the year ended 30 June 2006

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:

ML15/993	49,122.50
ML16/309	26,460.00
ML16/309	48,142.50

The total limit of the performance guarantee is \$161,000 of which \$ 37,275 is unused.

30 Subsequent Events

There have been no subsequent events since balance date which would have had a significant effect of the company's financial position.

31 Financial Risk Management

The consolidated entity's activities expose it to a variety of financial risks; market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

Risk management is carried out by the Board.

Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The consolidated entity currently does not have a risk management policy in relation to the exposure of the Pan African Mining subsidiary as the operations are considered immaterial.

(ii) Price risk

The consolidated entity is exposed the equity securities price risk. This arises from investments held and classified on the balance sheet as available-for-sale financial assets.

(iii) Credit risk

The consolidated entity has no significant concentrations of credit risk. All receivable balances are monitored on an ongoing basis with the result that exposure to bad debts is not significant.

(iv) Liquidity risk

Prudent liquidity risk management implied maintaining sufficient cash, the availability of funding through an adequate amount of committed loan facilities. Due to the dynamic nature of the underlying businesses, the consolidated entity aims at maintaining flexibility in funding by entering into the LAS facility with the ANZ bank.

Rand Mining NL
Notes to the Financial Statements
for the year ended 30 June 2006

32 Explanation of Transition to Australian Equivalents to IFRS

Reconciliation of equity reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to equity under Australian equivalents to IFRS's (AIFRS).

At the date of transition to AIFRS: 1 July 2004

	Note	Previous AGAAP	Consolidated Transition Effect	AIFRS	Previous AGAAP	Rand Mining NL Transition Effect	AIFRS
Assets							
Current Assets							
Cash and cash equivalents	7	4,744,755	(3,817,453)	927,302	-	-	-
Trade and other receivables	8	67,439		67,439	-	-	-
Inventories	9	-	1,689,552	1,689,552	-	-	-
Total Current Assets		4,812,194	(2,127,901)	2,684,293	-	-	-
Non-Current Assets							
Receivables	11	-	-	-	8,174,210	-	8,174,210
Investments	10	5,400,779	-	5,400,779	217,038	-	217,038
Property, plant and equipment	14	299,379	-	299,379	538,161	-	538,161
Exploration & Mine Development	12/13	604,459	-	604,459	-	-	-
Total Non-Current Assets		6,304,617	-	6,304,617	8,929,409	-	8,929,409
Total Assets		11,116,811	-	8,988,910	8,929,409	-	8,929,409
Current Liabilities							
Trade and other payables	15	112,438	-	112,438	-	-	-
Interest-bearing liabilities	16	12,638	-	12,638	-	-	-
Provisions	17	-	-	-	-	-	-
Total Current Liabilities		125,076	-	125,076	-	-	-
Non-Current Liabilities							
Trade and other payables		339,848	-	339,848	-	-	-
Interest-bearing liabilities	16	20,842	-	20,842	-	-	-
Provisions	17	73,094	-	73,094	-	-	-
Total Non-Current Liabilities		433,784	-	433,784	-	-	-
Total Liabilities		558,860	-	558,860	-	-	-
Net Assets		10,557,951	-	8,430,050	8,929,409	-	8,929,409
Equity							
Issued capital	18	10,993,558	-	10,993,558	10,993,558	-	10,993,558
Reserves	6	1,326,974	-	1,326,974	1,113,759	-	1,113,759
Accumulated losses	6	(1,762,581)	(2,127,901)	(3,890,482)	(3,177,908)	-	(3,177,908)
Total Equity		10,557,951	(2,127,901)	8,430,050	8,929,409	-	8,249,409

Rand Mining NL
Notes to the Financial Statements
for the year ended 30 June 2006

At the end of the last reporting period under previous AGAAP: 30 June 2005

	Note	Previous AGAAP	Consolidated Transition Effect	AIFRS	Previous AGAAP	Rand Mining NL Transition Effect	AIFRS
Assets							
Current Assets							
Cash and cash equivalents	7	3,335,402	(2,277,418)	1,057,984	-	-	-
Receivables	8	147,938	-	147,938	-	-	-
Inventories	9	-	998,033	998,033	-	-	-
Total Current Assets		3,483,340	(1,279,385)	2,203,955	-	-	-
Non-Current Assets							
Receivables	11	-	-	-	8,452,369	-	8,452,369
Investments	10	6,712,492	-	6,712,492	538,161	-	538,161
Property, plant and equipment	14	2,034,577	-	2,034,577	217,038	-	217,038
Exploration & Mine Development	12/13	608,157	-	608,157	-	-	-
Total Non-Current Assets		9,355,226	-	9,355,226	9,207,568	-	9,207,568
Total Assets		12,838,566	(1,279,385)	11,559,181	9,207,568	-	9,207,568
Current Liabilities							
Payables	15	447,730	-	447,730	-	-	-
Interest-bearing liabilities	16	22,048	-	22,048	-	-	-
Provisions	17	18,135	-	18,135	18,135	-	18,135
Total Current Liabilities		487,913	-	487,913	18,135	-	18,135
Non-Current Liabilities							
Interest-bearing liabilities	16	3,025,000	-	3,025,000	-	-	-
Provisions	17	273,094	-	273,094	-	-	-
Total Non-Current Liabilities		3,298,094	-	3,298,094	-	-	-
Total Liabilities		3,786,007	-	3,786,007	18,135	-	18,135
Net Assets		9,052,559	(1,279,385)	7,773,174	9,189,433	-	9,189,433
Equity							
Issued capital	18	11,453,559	-	11,453,559	11,453,559	-	11,453,559
Reserves	6	1,326,974	-	1,326,974	1,113,759	-	1,113,759
Accumulated losses	6	(3,727,974)	(1,279,385)	(5,007,359)	(3,377,885)	-	(3,377,885)
Total Equity		9,052,559	(1,279,385)	7,773,174	9,189,433	-	9,189,433

Rand Mining NL
Notes to the Financial Statements
for the year ended 30 June 2006

Reconciliation of Profit or Loss for the full year 30 June 2005

		Consolidated			Rand Mining NL		
	Note	Previous AGAAP	Transition Effect	AIFRS	Previous AGAAP	Transition Effect	AIFRS
Revenues from continuing operations	2	45,789	1,540,035	1,585,824	(199,977)	-	(199,977)
Other income	3	167,130	-	167,130	-	-	-
Change in value of inventories		-	(691,519)	(691,519)	-	-	-
Employee benefits expense		(196,987)		(196,987)	-	-	-
Depreciation and amortisation expense	4	(21,098)	-	(21,098)	-	-	-
Exploration costs written off		(462,694)	-	(462,694)	-	-	-
Borrowing expenses	4	(370,072)	-	(370,072)	-	-	-
Write-down of development costs	4	45,916	-	45,916	-	-	-
Doubtful debts	4	(53,197)	-	(53,197)	-	-	-
Administration expenses		(557,481)		(557,481)	-	-	-
Impairment of available for sale financial assets	4	(167,077)	-	(167,077)	-	-	-
Management fees		(182,290)		(182,290)	-	-	-
Mining expenses		(16,078)		(16,078)	-	-	-
Processing expenses		(157,571)		(157,571)	-	-	-
Royalty expense		(39,684)	-	(39,684)	-	-	-
Loss before income tax		(1,965,393)	848,516	(1,116,878)	(199,977)	-	(199,977)
Income tax expense		-	-	-	-	-	-
Loss for the year		(1,965,393)	848,516	(1,116,878)	(199,977)	-	(199,977)

Rand Mining NL
Notes to the Financial Statements
for the year ended 30 June 2006

Reconciliation of cash flow statements for the year ended 30 June 2005.

		Consolidated			Rand Mining NL		
	Note	Previous AGAAP	Transition Effect	AIFRS	Previous AGAAP	Transition Effect	AIFRS
Cash flows from operating activities							
Receipts from customers		32,104	1,549,259	1,581,363	-	-	-
Borrowing costs		(369,935)	-	(369,935)	-	-	-
Payments to suppliers and employees		(1,133,725)	-	(1,133,725)	(181,842)	-	(181,842)
Withholding tax paid		(443)	-	(443)	-	-	-
Interest received		32,642	-	32,642	-	-	-
Net cash (outflows)/inflows from operating activities	25	(1,439,357)	1,549,259	109,902	(181,842)	-	(181,842)
Cash flows from investing activities							
Purchase of investments		(1,619,855)	-	(1,619,855)	-	-	-
Sale of investments		274,126	-	274,126	-	-	-
Exploration and mining		(193,068)	-	(193,068)	-	-	-
Purchase of plant & equipment		(1,524,756)	-	(1,524,756)	-	-	-
Net cash (outflows)/inflows from investing activities		(3,063,553)	-	(3,063,553)	-	-	-
Cash flows from financing activities							
Loan by related entities		-	-	-	181,842	-	181,842
Loans repaid by related parties		2,378	-	2,378	-	-	-
Loans repaid to related parties		(339,848)	-	(339,848)	-	-	-
Loans to related parties		(63,197)	-	(63,197)	-	-	-
Loans from bank		3,025,000	-	3,025,000	-	-	-
Issue of shares		460,000	-	460,000	-	-	-
Net cash (outflows)/inflows from financing activities		3,084,333	-	3,084,333	181,842	-	181,842
Net increase/(decrease) in cash and cash equivalents		(1,418,577)	1,549,259	130,682	-	-	-
Cash at the beginning of the financial year		927,301	-	927,301	-	-	-
Cash and cash equivalents at the end of the financial year	7	(491,276)	1,549,259	1,057,983	-	-	-

Rand Mining NL
Notes to the Financial Statements
for the year ended 30 June 2006

Notes to the reconciliation of equity

This adjustment to reflect the change in treatment of gold on hand at the end of a period. Previously under AGAAP the movement of gold on hand from balance date to balance date was accounted for as revenue with a corresponding movement to cash on hand. Under AIFRS gold on hand is recognized as inventory and is valued at lower of cost or net realizable value.

The change in the point of revenue recognition under AIFRS results in a change in the classification of gold bullion from cash or cash equivalent to inventory. The change in valuation method from net realisable value (when gold was classified as cash and cash equivalent) has resulted in an adjustment to accumulated losses (June 2004) and loss before income tax (June 2005).

Adjustments on transition to AASB 132 Financial Instruments: Disclosures and Presentation and AASB 139 Financial Instruments: Recognition and Measurement: 1 July 2005.

	Note	Previous AIFRS	Consolidated Transition Effect	AIFRS	Previous AIFRS	Rand Mining NL Transitio n Effect	AIFRS
Current Assets							
Cash and cash equivalents	7	1,057,984	-	1,057,984	-	-	-
Trade and other receivables	8	147,938	-	147,938	-	-	-
Inventories		998,033		998,033			
Total Current Assets		2,203,955	-	2,203,955	-	-	-
Non Current Assets							
Receivables	11	-	-	-	8,452,369	-	8,452,369
Investments	10	6,712,492	352,800	7,065,292	538,161	-	538,161
Property, Plant and Equipment	14	2,034,577	-	2,034,577	217,038	-	217,038
Exploration & Mine Development	12/13	608,157	-	608,157	-	-	-
Total Non-Current Assets		9,355,226	352,800	9,708,026	9,207,568	-	9,207,568
Total Assets		11,559,181	352,800	11,911,981	9,207,568	-	9,207,568
Current Liabilities							
Payables	15	447,730	-	447,730	-	-	-
Interest-bearing liabilities	16	22,048	-	22,048	-	-	-
Provisions	17	18,135	-	18,135	18,135	-	18,135
Total Current Liabilities		487,913	-	487,913	18,135	-	18,135
Non-Current Liabilities							
Interest-bearing liabilities	16	3,025,000	(196,922)	2,828,078	-	-	-
Provisions	17	273,094	-	273,094	-	-	-
Total Non-Current Liabilities		3,298,094	(196,922)	3,101,172	-	-	-
Total Liabilities		3,786,007	(196,922)	3,589,085	18,135	-	18,135
Net Assets		7,773,174	549,722	8,322,896	9,189,433	-	9,189,433
Equity							
Issued capital	18	11,453,559		11,453,559	11,453,559	-	11,453,559
Reserves	6	1,326,974	235,846	1,562,820	1,113,759	-	1,113,759
Accumulated losses	6	(5,007,359)	313,876	(3,414,098)	(3,377,885)	-	(3,377,885)
Total Equity		7,773,174	549,722	8,322,896	9,189,433	-	9,189,433

Rand Mining NL
Notes to the Financial Statements
for the year ended 30 June 2006

Notes to the transition adjustments

Initial transaction costs (incurred in 2005) in relation to the consolidated entity's LAS borrowings from the ANZ bank were capitalised and amortised requiring an adjustment to accumulated losses of \$196,922.

Available for sale financial assets were re-valued to fair value requiring adjustments to be made to reserves of \$235,846 and accumulated losses of \$116,854.

Rand Mining NL Directors Declaration

The directors of Rand Mining NL declare that:

(a) in the directors' opinion, the financial statements and notes for the financial year ended 30 June 2006 are in accordance with the Corporations Act 2001, including:

- (i) section 296 (compliance with accounting standards); and
- (ii) section 297 (true and fair view); and

(b) in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(c) the directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



A Billis
Director

DATED this 30th day of September 2006

RAND MINING NL AND CONTROLLED ENTITIES

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF RAND MINING NL

SCOPE

The financial report and directors' responsibility.

The financial report comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for Rand Mining NL (the company) and the consolidated entity, for the year ended 30 June 2006. The consolidated entity comprises both the company and the entities it controlled during that year.

As permitted by the Corporations Regulations 2001, the Company has disclosed information about the remuneration of directors and executives ("remuneration disclosures"), required by Australian Accounting Standard AASB 124 Related Party Disclosures, on pages 14 to 18 of the directors report and not in the financial report.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

AUDIT APPROACH

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.



We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

AUDIT OPINION

In our opinion:

- (1) the financial report of Rand Mining NL is in accordance with:
 - (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2006 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
 - (b) other mandatory professional reporting requirements in Australia.
- (2) the remuneration disclosures that are contained on pages 14 to 18 of the remuneration report in the directors' report comply with Australian Accounting Standards AASB 124 Related Party Disclosures.

BENTLEYS MRI PERTH PARTNERSHIP



MICHAEL J HILLGROVE
PARTNER

Dated at Perth this 30th day of September 2006.

Rand Mining NL Shareholder Information

Distribution of ordinary shareholders at 31 August 2006:

	Ordinary Shares
1 – 1,000	257
1,001 – 5,000	219
5,001 – 10,000	82
10,001 – 100,000	99
100,001 and over	31
TOTAL	688

Voting Rights

On a show of hands every member present or by proxy shall have one vote and upon a poll share shall have one vote.

Substantial Shareholders

The name of the substantial shareholders listed in the holding company's register as at 31 August 2006 are:

	Shareholder	Fully Paid Ordinary Shares	% Held
1.	Tribune Resources NL	7,317,022	18.04
2.	Trans Global Trust D O O	6,458,884	15.92
3.	Lake Grace Exploration Pty Ltd	2,917,000	7.19
4.	Sierra Gold Pty Ltd	2,098,000	5.17
5.	McNeil Nominees Pty Ltd	2,036,986	5.02
6.	Paddington Gold Pty Ltd	1,950,240	4.81

Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Stock Exchange Limited

Directors' Interest in Equity

The interests of each director in the share capital of Rand Mining N.L. as disclosed by the register of directors' shareholders:

	Beneficially Held Fully Paid Ordinary Shares	Options
O Demis	23,000	-
W Jay	30,000	-
A Billis	14,000	-
J Andrews	4,000	-
G Sklenka	-	-

Rand Mining NL Shareholder Information

Twenty Largest Shareholders

The names of the twenty largest shareholders of ordinary fully paid shares in the capital of the company are listed below as at 31 August 2006.

Name	Fully Paid Ordinary Shares	% Held of Fully Paid Ordinary Shares	
Tribune Resources NL	7,317,022	18.04	1
Trans Global Trust D O O	6,458,884	15.92	2
Lake Grace Exploration Pty Ltd	2,917,000	7.19	3
Sierra Gold Pty Limited	2,098,000	5.17	4
McNeil Nominees Pty Limited	2,036,986	5.02	5
Paddington Gold Pty Limited	1,950,240	4.81	6
Mr H Au	1,614,300	3.98	7
Southam Investments 2003 Pty Ltd	1,255,000	3.09	8
Mr S Ilkiw	1,036,000	2.55	9
Dom Fund PIF	1,000,000	2.47	10
Trans Global Trust D O O A Fund A/C	1,000,000	2.47	11
Mr P Goodeve	762,500	1.88	12
Resource Capital Limited	725,400	1.79	13
Regent Gulf Pty Ltd	725,100	1.79	14
Dom Fund PIF	673,250	1.66	15
Trans Global Trust D O O DMU 88644/2	650,000	1.60	16
Raypoint Pty Ltd	530,000	1.31	17
Mr A Sage	478,660	1.18	18
Donlea Nominees Pty Ltd	372,500	0.92	19
Mr S Zielinski & Mrs K Zielinski	302,000	0.74	20
Top 20 Shareholders	33,902,842	83.58	
Total Shares on Issue	40,560,813	100.00	

**Rand Mining NL
Shareholder Information**

Tenement Schedule		
Project/Location	Tenement Number	Rand Interest
Kundana		
Kundana	M15/1413	12.25%
Kundana	M15/993	12.25%
Kundana	M16/181	12.25%
Kundana	M16/182	12.25%
West Kundana	M16/213	12.25%
West Kundana	M16/214	12.25%
Kundana	M16/218	12.25%
Kundana	M16/308	12.25%
Kundana	M16/309	12.25%
Kundana	M16/310	12.25%
Kundana	M16/325	12.25%
Kundana	M16/326	12.25%
Kundana	M16/421	12.25%
Kundana	M16/424	12.25%
Kundana	M16/428	12.25%
Seven Mile Hill		
Kurrawang	M15/850	50.00%
Kurrawang	M15/851	50.00%
Kurrawang	M26/563	50.00%
Binduli	M15/1233	50.00%
Seven Mile Hill	M15/1291	50.00%
Seven Mile Hill	M15/1234	50.00%
Binduli	M15/1388	50.00%
Seven Mile Hill	M15/1394	50.00%
Seven Mile Hill	M15/1409	50.00%
Kurrawang	P15/4495	50.00%
Kurrawang	E15/669	50.00%
Kalgoorlie		
Kalgoorlie	M26/799	80.00%
Kalgoorlie	PL26/3047	80.00%
Kalgoorlie	PL26/3075	80.00%