
RAND MINING NL
ABN 41 004 669 658
FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

**Rand Mining NL ABN 41 004 669 658 and Controlled Entities
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Rand Mining NL ABN 41 004 669 658 and Controlled Entities Directors' Report

Your directors submit the financial report of the economic entity for the half-year ended 31 December 2008.

Directors

The names of directors who held office during or since the end of the half-year:

A Billis – Director since 2003

O Demis – Director since 1985

G Sklenka – Director since 2004

Review of Operations

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

Development and production at the Raleigh Underground Mine that commenced on 1 December 2004 continues.

Capital development for the Half Year totalled 913.9 metres; 373.6 metres for decline development and 540.3 metres for secondary development. By the close of the half year, development had been extended to a depth of approximately 563.5 metres below the surface.

Operating development for the half year totalled 1,910.5 metres; 398.7 metres in waste, 1,329.8 metres in ore and 182.0 metres through paste fill.

Mine production during the half year totalled 140,842 tonnes grading 11.6 g/t containing 52,549 ounces of gold, based on grade control estimates. (The previous half year 128,800 tonnes grading 12.9 g/t containing 53,471 ounces of gold were estimated to be mined.) Rand's entitlement of the gold is 6,569 ounces.

A total of 72,272 tonnes (wet) of Rand and Tribune's combined entitlement to Raleigh ore was hauled from the Bed Blend Stockpiles on the ROM pad at the Raleigh Mine to the ROM pad at the Greenfields Plant.

One toll treatment campaign at the Greenfields Plant between 23 October 2008 to 18 November 2008 processed 36,725 tonnes of Raleigh ore during the half-year. A total of 12,266 ounces of gold and 1,649 ounces of silver were credited to the Rand and Tribune Bullion Accounts. Rand's share of gold bullion was 3,066 ounces.

The Raleigh lower mine drilling program was completed during the half-year.

An Indicative Term Sheet for the development of the Rubicon Project which includes the Rubicon, Hornet and Pegasus deposits was signed by the EKJV parties on August 14, 2008. The development of the Rubicon Project is progressing through the steps of the procedures for a New Development required by the EKJV agreements and subject to the conditions in the Indicative Term Sheet.

There has been minimal exploration activity as the bulk of the Exploration Budget was committed to the Raleigh lower mine drilling program.

Seven Mile Hill (Rand's Interest 50%)

No work was performed.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 4 for the half -year ended 31 December 2008.

**Rand Mining NL ABN 41 004 669 658 and Controlled Entities
Directors' Report**

This report is signed in accordance with a resolution of the Board of Directors.



A Billis

Director

Perth

Dated this 12th March 2009

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF RAND MINING NL**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Rand Mining NL for the half-year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been:

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

Grant Thornton (WA) Partnership

GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants

P. Warr.

P W WARR
Partner

Perth, 12 March 2009

Rand Mining NL ABN 41 004 669 658 and Controlled Entities
Income Statement
for the half-year ended 31 December 2008

	Consolidated	
	31.12.2008	31.12.2007
	\$	\$
Revenue from operating activities	4,956,043	6,849,553
Share of profits of equity accounted investment	5 946,639	29,623
Change in value of inventories	1,360,954	(403,792)
Gain/(loss) on bullion loan from Tribune Resources NL	(1,465,732)	(846,486)
Impairment on available for sale financial asset	(999,877)	-
Mining costs	(2,896,490)	(2,830,819)
Employee benefits expense	(225,291)	(1,622,869)
Exploration costs written off	(43,769)	(39,005)
Depreciation and amortisation expense	(1,255,693)	(873,114)
Finance costs	(226,535)	(165,963)
Royalty expense	(229,795)	(303,382)
Administration expenses	(154,006)	(190,774)
Profit/(Loss) before income tax	(233,552)	(397,028)
Income tax expense	(473,706)	(770,598)
Profit/(Loss) for the period	(707,258)	(1,167,626)
Profit/(Loss) attributable to members of the parent entity	(707,258)	(1,167,626)
Earnings per share:		
Basic loss per share (cents)	(1.74)	(2.88)

The above consolidated income statement should be read in conjunction with the accompanying notes.

Rand Mining NL ABN 41 004 669 658 and Controlled Entities
Balance Sheet
as at 31 December 2008

	Notes	Consolidated	
		31.12.2008	30.06.2008
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,187,705	2,711,945
Trade and other receivables		107,206	94,225
Inventories		2,790,454	1,429,500
TOTAL CURRENT ASSETS		5,085,365	4,235,670
NON-CURRENT ASSETS			
Available for sale financial assets	7	507,701	895,949
Investment in associates	5	9,178,950	8,214,382
Property, plant and equipment		2,920,523	2,750,279
Mine Development		4,681,003	4,326,450
Deferred Tax Assets		159,345	652,314
TOTAL NON-CURRENT ASSETS		17,447,522	16,839,374
TOTAL ASSETS		22,532,887	21,075,044
CURRENT LIABILITIES			
Trade and other payables		1,490,253	993,618
Current tax payable		524,201	703,238
Provisions		11,698	39,746
Borrowings	6	6,358,619	4,673,423
TOTAL CURRENT LIABILITIES		8,384,771	6,410,025
NON-CURRENT LIABILITIES			
Provisions		319,111	341,325
Deferred tax liability		571,718	959,061
TOTAL NON-CURRENT LIABILITIES		890,829	1,300,386
TOTAL LIABILITIES		9,275,600	7,710,411
NET ASSETS		13,257,287	13,364,633
EQUITY			
Issued capital		11,453,559	11,453,559
Reserves		2,380,591	1,780,679
Accumulated losses		(576,863)	130,395
TOTAL EQUITY		13,257,287	13,364,633

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Rand Mining NL ABN 41 004 669 658 and Controlled Entities
Statement of Changes in Equity
for the half-year ended 31 December 2008

Consolidated

	Share Capital Ordinary	Accumulated Losses	Reserve	Total
Balance at 1.7.2007	11,453,559	(1,334,018)	3,174,749	13,294,290
Adjustment for an error in the prior period	-	(151,877)	-	(151,877)
Adjusted Equity at 1.7.2007	11,453,559	(1,485,895)	3,174,749	13,142,413
Share in revaluation decrement of equity accounted investment	-	-	(123,171)	(123,171)
Available for sale financial assets	-	-	(2,144,385)	(2,144,385)
Option valuation reserve	-	-	1,417,400	1,417,400
Loss attributable to members of parent entity	-	(748,864)	-	(748,864)
Adjustment for an error in the prior period	-	(418,762)	-	(418,762)
Balance at 31.12.2007	11,453,559	(2,653,521)	2,324,593	11,124,631
Adjusted Balance at 1.7.2008	11,453,559	249,997	1,780,679	13,484,235
Adjustment for an error in the prior period	-	(119,602)	-	(119,602)
Adjusted Equity at 1.7.2008	11,453,559	130,395	1,780,679	13,364,633
Available for sale financial assets (note 8)	-	-	546,984	546,984
Share of associates revaluation increments	-	-	17,928	17,928
Building revaluation (net of deferred tax liability)	-	-	35,000	35,000
Loss attributable to members of parent entity	-	(707,258)	-	(707,258)
Balance at 31.12.2008	11,453,559	(576,863)	2,380,592	13,257,287

Note: Adjustments have been made to prior periods arising from incorrect tax treatment in the 2007 and 2008 financial years.

Rand Mining NL ABN 41 004 669 658 and Controlled Entities
Cash Flow Statement
for the half-year ended 31 December 2008

	Consolidated	
	31.12.2008	31.12.2007
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	4,875,178	6,772,176
Payments to suppliers and employees	(474,673)	(414,637)
Production costs	(4,244,170)	(3,797,075)
Interest received	84,813	77,377
Finance costs	(7,072)	(4,486)
Tax instalments paid	(305,360)	(883,378)
	(71,284)	1,749,977
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(15,301)	(486,500)
Payment for plant & equipment	(393,917)	(250,671)
Mining tenement expenditure	(43,313)	(39,005)
	(452,531)	(776,176)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans to other entities	(425)	(10,089)
Loans repaid by other entities	-	-
Proceeds of borrowings	450,000	-
Repayment of borrowings	(450,000)	(193,193)
	(425)	(203,282)
Net increase/(decrease) in cash held	(524,240)	770,519
Cash at the beginning of the financial period	2,711,945	1,433,884
Cash at the end of the financial period	2,187,705	2,204,403

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

Rand Mining NL ABN 41 004 669 658 and Controlled Entities
Notes to the Financial Statements
for the half year ended 31 December 2008

NOTE 1: BASIS OF PREPARATION

(a) Reporting entity

Rand Mining NL ("the Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2008 comprises the Company and its subsidiaries (together referred to as the "consolidated entity") and the consolidated entity's interests in associates and jointly controlled entities.

The consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2008 is available from the Company's registered office at G1 49 Melville Parade, South Perth WA 6151 or at www.randmining.com.au.

(b) Statement of Compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134: *Interim Financial Reporting*, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2008.

The consolidated interim financial report was approved by the Board of Directors on 12th March 2009.

(c) Significant Accounting Policies

Except as described below, the accounting policies applied by the consolidated entity in this consolidated interim financial report are the same as those applied by the consolidated entity in its consolidated financial report as at and for the year ended 30 June 2008.

The half-year report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following application standards have been issued but have not been early adopted:

- AASB 101 Presentation of Financial Statements (Revised 2007)
- AASB 8 Operating Segments

AASB 101 (Revised 2007) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. It also gives rise to additional disclosures. The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged. AASB 101 affects the presentation of owner changes in equity and introduces a 'Statement of comprehensive income'. Further, a 'Statement of changes in equality' is now presented as a primary statement.

AASB 8 now reports segment results based on internal management reporting information that is regularly reviewed by the chief operation decision maker. In the previous annual and interim financial statements, segments were identified by reference to the dominant source and nature of the Group's risks and returns.

NOTE 2: SEGMENT REPORTING

During the half-year ended 31 December 2008, the consolidated entity operated within the mining production and exploration industry solely within Australia.

Rand Mining NL ABN 41 004 669 658 and Controlled Entities
Notes to the Financial Statements
for the half year ended 31 December 2008

NOTE 3: CONTINGENT LIABILITIES

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

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

ML15/993 \$55,370.00

ML16/309 \$77,297.50

The total limit of the performance guarantee is \$132,668 of which \$nil is unused.

NOTE 4: EVENTS SUBSEQUENT TO REPORTING DATE

There are no events subsequent to reporting date that have or may significantly affect the operations results, or state of affairs of the economic entity.

NOTE 5: INVESTMENT IN ASSOCIATES

During the half-year the Company retained its 23.70% interest in Tribune Resources NL. This investment is accounted for in the consolidated financial statements using the equity method of accounting and is carried at cost by the parent entity.

Movement in carrying amount:

	31 December 08	30 June 08
Carrying amount at the beginning of year	8,214,382	7,331,951
Acquired during the year	-	
Share of profit/(loss) after tax	946,639	1,034,299
Share of increment on revaluation of investments	17,929	(151,868)
Carrying amount at the end of financial period	<u>9,178,950</u>	<u>8,214,382</u>

NOTE 6: RELATED PARTY TRANSACTIONS

On 20 October 2008 the Company received a cash loan of \$450,000 from Tribune Resources NL. The loan was subject to an interest rate of 7.85% pa and was repaid in full on 3 December 2008.

During the half-year the joint venture paid \$70,769 in royalties to Lake Grace Exploration NL, of which \$8,669 relates to Rand Mining NL. Lake Grace Exploration is a company related to Mr Billis.

During January 2006, Tribune Resources NL loaned the consolidated entity 4,000 ounces of gold bullion. Interest is payable in gold 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.

The gold bullion loan at 31 December is as follows:

	31 December 2008	30 June 2008
	\$	\$
Gold loan-principle	2,834,600	2,834,600
Value of imbedded derivative recognised in profit and loss	3,524,019	1,838,823
Balance at the end of the year	<u>6,358,619</u>	<u>4,673,423</u>

Rand Mining NL ABN 41 004 669 658 and Controlled Entities
Notes to the Financial Statements
for the half year ended 31 December 2008

NOTE 7: AVAILABLE FOR SALE FINANCIAL ASSETS

	Consolidated	
	31 December 08	30 June 08
Non-Current		
Balance 1 July	895,949	10,712,176
Additions	15,301	1,414,950
Disposals	(1,850)	(1,100)
Transfer to investment accounted for using equity method	-	(10,379,444)
Impairment of available for sale financial asset to profit and loss	(280,667)	-
Revaluation to reserve	(121,032)	(850,633)
Balance at end of period	507,701	895,949

NOTE 8: AVAILABLE FOR SALE FINANCIAL ASSETS RESERVE

	Consolidated	
	31 December 08	30 June 08
Balance 1 July	170,597	3,001,083
Transfer to investment accounted for using equity method	-	(3,047,480)
Share of revaluation movement for investment in associate – Tribune Resources NL	-	(151,867)
Revaluation to reserve	(121,032)	368,861
Impairment of available for sale financial assets	719,210	-
Reversal of Deferred tax asset/liabilities recognised in prior periods	(55,400)	-
Balance at end of period	717,581	170,597

**Rand Mining NL ABN 41 004 669 658 and Controlled Entities
Directors' Declaration**

DIRECTORS' DECLARATION

In the opinion of the directors of Rand Mining NL ('the Company'):

- (a) The financial statements and notes, as set out on pages 5 to 11, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations; and
 - (ii) giving a fair and true view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Rand Mining NL will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.



A Billis

Dated this 12th day of March 2009

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF RAND MINING NL**

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Report on the half-year financial report

We have reviewed the half-year financial report of Rand Mining NL, which comprises the consolidated interim balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards including the Australian Accounting Interpretations and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410: Review of an Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Rand Mining NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance

that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

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

- 1 giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- 2 complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Grant Thornton (WA) Partnership

GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants

P. Warr.

P W WARR
Partner

Perth, 12 March 2009