

Rand Mining Limited

ABN 41 004 669 658

Interim Report - 31 December 2011

Rand Mining Limited
Directors' report
31 December 2011

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Rand Mining Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the half-year ended 31 December 2011.

Directors

The following persons were directors of Rand Mining Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Otakar Demis - Chairman
Anthony Billis
Gordon Sklenka

Principal activities

The principal continuing activities of the consolidated entity during the financial half-year were exploration, development and production activities at the consolidated entity's East Kundana Joint Venture tenements.

Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$942,637 (31 December 2010: \$2,917,333).

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

Raleigh

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

Capital development for the half year was 30.4 metres of secondary development. Decline development ceased in the March Quarter 2011. The depth of the decline is approximately 726 metres below the surface.

Operating development for the half year totalled 918.3 metres; 183.1 metres in waste, 392.2 metres in ore and 343.0 metres through paste fill.

Mine production during the half year totalled 126,725 tonnes grading 14.0 g/t containing 57,075 ounces of gold, based on grade control estimates. (The previous half year 182,563 tonnes grading 12.7 g/t containing 74,938 ounces of gold were estimated to be mined). Rand's entitlement of the gold is 7,134 ounces.

A total of 51,140 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. A further 5,671 tonnes (wet) previously stored at the Moonbeam ROM pad was hauled to the ROM pad at the Greenfields Plant.

Two toll treatment campaigns at the Greenfields Plant, from 27 July 2011 to 15 August 2011 and 16 September 2011 to 28 September 2011, processed 63,176 tonnes of Raleigh ore during the half year. A total of 25,159 ounces of gold and 4,885 ounces of silver were credited to the Rand and Tribune Bullion Accounts. Rand's share of gold bullion was 6,289 ounces.

Rubicon

The first portal cut of the decline for the Rubicon Underground Mine was completed on February 27, 2011. During the half year, the first ore was produced.

Capital development for the half year totalled 1,656.1 metres; 1,063.8 metres for decline development and 592.3 metres for secondary development. By the close of the half year period, development in both the Rubicon and Hornet Declines had been extended to a depth of approximately 200 metres below the surface.

Mine production during the half year totalled 21,532 tonnes grading 10.2 g/t containing 7,076 ounces of gold, based on grade control estimates. Rand's entitlement of the gold is 867 ounces.

A total of 10,501 tonnes (wet) of Rand and Tribune's combined entitlement to Rubicon ore was hauled from the Bed Blend Stockpiles on the ROM pad at the Rubicon Mine to the ROM pad at the Greenfields Plant.

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No Rubicon ore has been processed.

Exploration

The RC part of the drilling program at the Wards Prospect was completed. Grade continuity between previous and current drilling program was not established. Once the DD part of the program has been completed, a decision will be made on further drilling.

The drilling program along the Mary Fault at the Hornet Deposit was completed. There was insufficient grade or continuity to establish an economic deposit. No further drilling is envisaged at this stage.

Other Projects

Wongan Hills (Rand's Interest 100%)

A drilling program to test previously reported anomalies has been planned and will start when a drill rig is available.

Tapeta Iron Ore Project, Liberia, West Africa

Construction of a road to access the lease has commenced.

Significant changes in the state of affairs

Revisions to the proposed acquisition of the Tapeta Iron Ore Project, located in Northern Central Liberia, West Africa

On 1 September 2011 the company announced the parties agreed to vary the Option and Share Purchase Agreement annexed in the Option Agreement by entering a Deed of Variation.

A summary of the material amendments to the Option and Share Purchase Agreement are set out below:

- Resource Capital Limited ('RCL') agreed to extend the term of the option by 12 months to 23 September 2012 ('Expiry Date') in exchange for the company paying a non-refundable option fee of \$100,000;
- the company may exercise the option at any time prior to the Expiry Date by providing written notice to RCL. On exercise of the option, the company is obliged to transfer 8 million fully paid ordinary shares in Tribune Resources Limited ('Tribune shares') to RCL;
- In the event that completion of the acquisition of RCL does not occur, RCL must retransfer the Tribune Shares back to the company forthwith;
- Iron Resources Limited ('IRL') has agreed to grant the company a licence to access the Project Area during the option period to conduct a drilling programme and all activities associated with the programme;
- the company is responsible for the costs of the drilling program up to \$2.5 million. This includes payment of the rent and any minimum expenditure or work obligations required in order to keep the mineral exploration licence in good standing; and
- the remaining terms of the Option and Share Purchase Agreement are otherwise unaltered, including the conditions precedent to completion of the acquisition and the consideration payable to RCL.

Ore development

Ore development commenced at Hornet and Rubicon on 1 August 2011.

Securing a clean energy future – the Australian Government's climate change plan

On 10 July 2011, the Commonwealth Government announced the "Securing a Clean Energy Future – the Australian Government's Climate Change Plan". Whilst the announcement provides further details of the framework for a carbon pricing mechanism, uncertainties continue to exist on the impact of any carbon pricing mechanism on the consolidated entity as legislation must be voted on and passed by both houses of Parliament. In addition, as the consolidated entity will not fall within the "Top 500 Australian Polluters", the impact of the Carbon Scheme will be through indirect effects of increased prices on many production inputs and general business expenses as suppliers subject to the carbon pricing mechanism are likely to pass on their carbon price burden to their customers in the form of increased prices. The directors expect that this will not have a significant impact upon the operation costs within the business, and therefore will not have an impact upon the valuation of assets and/or going concern of the business.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

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Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Anthony Billis
Director

14 March 2012
Perth

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**Auditor's Independence Declaration
To The Directors of Rand Mining Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Rand Mining Limited for the half-year ended 31 December 2011, 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 AUDIT PTY LTD
Chartered Accountants



C A Becker
Partner - Audit & Assurance

Perth, 14 March 2012

Rand Mining Limited
Financial report
For the half-year ended 31 December 2011

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General information

The financial report covers Rand Mining Limited as a consolidated entity consisting of Rand Mining Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Rand Mining Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Rand Mining Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite G1, 49 Melville Parade
South Perth WA 6151

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 14 March 2012. The directors have the power to amend and reissue the financial report.

Rand Mining Limited
Statement of comprehensive income
For the half-year ended 31 December 2011

		Consolidated	
	Note	31 Dec 2011	31 Dec 2010
		\$	\$
Revenue from continuing operations	3	4,879,553	7,027,462
Share of profits of associates accounted for using the equity method	4	504,915	1,489,364
Other income	5	-	5,276
Expenses			
Changes in inventories		3,513,272	2,707,564
Employee benefits expense		(283,583)	(267,923)
Management fees		(207,950)	(186,431)
Depreciation and amortisation expense	6	(1,722,616)	(1,440,856)
Impairment of available-for-sale assets		(19,920)	(50,804)
Impairment of exploration and evaluation		(207,711)	(160,151)
Administration expenses		(632,626)	(338,313)
Mining expenses		(3,245,457)	(3,842,143)
Processing expenses		(700,173)	(954,675)
Royalty expenses		(314,788)	(308,189)
Finance costs	6	(114,310)	(176,952)
Profit before income tax expense from continuing operations		1,448,606	3,503,229
Income tax expense		(505,969)	(1,044,674)
Profit after income tax expense from continuing operations		942,637	2,458,555
Profit after income tax expense from discontinued operations	7	-	458,778
Profit after income tax expense for the half-year attributable to the owners of Rand Mining Limited		942,637	2,917,333
Other comprehensive income			
Available-for-sale financial assets - gain for the period		(112,130)	90,076
Available-for-sale financial assets - reclassification to profit or loss		19,920	54,016
Share of other comprehensive income of associates and joint ventures		(104,202)	46,698
Other comprehensive income for the half-year, net of tax		(196,412)	190,790
Total comprehensive income for the half-year attributable to the owners of Rand Mining Limited		<u>746,225</u>	<u>3,108,123</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Rand Mining Limited
Statement of comprehensive income
For the half-year ended 31 December 2011

	Note	Consolidated	
		31 Dec 2011	31 Dec 2010
		\$	\$
		Cents	Cents
Earnings per share from continuing operations attributable to the owners of Rand Mining Limited			
Basic earnings per share	15	1.55	4.04
Diluted earnings per share	15	1.55	4.04
Earnings per share from discontinued operations attributable to the owners of Rand Mining Limited			
Basic earnings per share	15	-	0.75
Diluted earnings per share	15	-	0.75
Earnings per share for profit attributable to the owners of Rand Mining Limited			
Basic earnings per share	15	1.55	4.79
Diluted earnings per share	15	1.55	4.79

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Rand Mining Limited
Statement of financial position
As at 31 December 2011

		Consolidated	
	Note	31 Dec 2011	30 Jun 2011
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		1,299,993	2,625,332
Trade and other receivables		720,365	634,661
Inventories	8	15,726,083	12,212,809
Total current assets		<u>17,746,441</u>	<u>15,472,802</u>
Non-current assets			
Investments accounted for using the equity method		14,679,647	14,278,934
Available-for-sale financial assets		411,129	473,259
Property, plant and equipment		3,722,678	2,926,420
Exploration and evaluation		28,813	28,813
Mine development		5,948,629	5,251,864
Deferred tax		499,121	393,377
Total non-current assets		<u>25,290,017</u>	<u>23,352,667</u>
Total assets		<u>43,036,458</u>	<u>38,825,469</u>
Liabilities			
Current liabilities			
Trade and other payables		2,230,238	2,169,454
Borrowings	9	1,500,000	-
Income tax		357,848	781,377
Provisions		118,719	152,946
Total current liabilities		<u>4,206,805</u>	<u>3,103,777</u>
Non-current liabilities			
Borrowings	10	3,500,000	1,275,000
Deferred tax		2,237,314	2,098,755
Provisions		342,877	344,700
Total non-current liabilities		<u>6,080,191</u>	<u>3,718,455</u>
Total liabilities		<u>10,286,996</u>	<u>6,822,232</u>
Net assets		<u>32,749,462</u>	<u>32,003,237</u>
Equity			
Contributed equity		17,573,427	17,573,427
Reserves		2,049,243	2,245,655
Retained profits		13,126,792	12,184,155
Total equity		<u>32,749,462</u>	<u>32,003,237</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Rand Mining Limited
Statement of changes in equity
For the half-year ended 31 December 2011

	Contributed equity \$	Reserves \$	Retained profits \$	Total equity \$
Consolidated				
Balance at 1 July 2010	17,578,448	2,752,736	6,088,301	26,419,485
Other comprehensive income for the half-year, net of tax	-	190,790	-	190,790
Profit after income tax expense for the half-year	-	-	2,917,333	2,917,333
Total comprehensive income for the half-year	-	190,790	2,917,333	3,108,123
Balance at 31 December 2010	<u>17,578,448</u>	<u>2,943,526</u>	<u>9,005,634</u>	<u>29,527,608</u>
	Contributed equity \$	Reserves \$	Retained profits \$	Total equity \$
Consolidated				
Balance at 1 July 2011	17,573,427	2,245,655	12,184,155	32,003,237
Other comprehensive income for the half-year, net of tax	-	(196,412)	-	(196,412)
Profit after income tax expense for the half-year	-	-	942,637	942,637
Total comprehensive income for the half-year	-	(196,412)	942,637	746,225
Balance at 31 December 2011	<u>17,573,427</u>	<u>2,049,243</u>	<u>13,126,792</u>	<u>32,749,462</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Rand Mining Limited
Statement of cash flows
For the half-year ended 31 December 2011

	Consolidated	
Note	31 Dec 2011	31 Dec 2010
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	4,805,450	6,956,535
Payments to suppliers and employees (inclusive of GST)	(5,412,251)	(7,166,466)
Interest received	74,103	71,116
Interest and other finance costs paid	(123,905)	(85,001)
Income taxes paid	<u>(913,054)</u>	<u>(507,318)</u>
Net cash used in operating activities	<u>(1,569,657)</u>	<u>(731,134)</u>
Cash flows from investing activities		
Payments for investments	(50,000)	(50,803)
Payments for property, plant and equipment	(1,378,208)	(274,768)
Payments for exploration and evaluation	<u>(2,052,474)</u>	<u>(312,842)</u>
Net cash used in investing activities	<u>(3,480,682)</u>	<u>(638,413)</u>
Cash flows from financing activities		
Proceeds from borrowings	3,725,000	256,000
Loans to other entities	<u>-</u>	<u>(21,189)</u>
Net cash from financing activities	<u>3,725,000</u>	<u>234,811</u>
Net decrease in cash and cash equivalents	(1,325,339)	(1,134,736)
Cash and cash equivalents at the beginning of the financial half-year	<u>2,625,332</u>	<u>3,507,616</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>1,299,993</u></u>	<u><u>2,372,880</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2011 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 124 Related Party Disclosures (December 2009)

The consolidated entity has applied AASB 124 (revised) from 1 July 2011. The revised standard simplified the definition of a related party by clarifying its intended meaning and eliminating inconsistencies from the definition. A subsidiary and an associate with the same investor are related parties of each other; entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other; and whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other.

AASB 2009-12 Amendments to Australian Accounting Standards

The consolidated entity has applied AASB 2009-12 from 1 July 2011. These amendments make numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, which had no major impact on the requirements of the amended pronouncements. The main amendment was to AASB 8 'Operating Segments' and required an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures.

AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project

The consolidated entity has applied AASB 2010-4 amendments from 1 July 2011. The amendments made numerous non-urgent but necessary amendments to a range of Australian Accounting Standards and Interpretations. The amendments provided clarification of disclosures in AASB 7 'Financial Instruments: Disclosures', in particular emphasis of the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments; clarified that an entity can present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes in accordance with AASB 101 'Presentation of Financial Instruments'; and provided guidance on the disclosure of significant events and transactions in AASB 134 'Interim Financial Reporting'.

Note 1. Significant accounting policies (continued)

AASB 2010-5 Amendments to Australian Accounting Standards

The consolidated entity has applied AASB 2010-5 amendments from 1 July 2011. The amendments made numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the International Accounting Standards Board.

AASB 2010-6 Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets

The consolidated entity has applied AASB 2010-6 from 1 July 2011. These amendments add and amend disclosure requirements in AASB 7 about transfer of financial assets, including the nature of the financial assets involved and the risks associated with them.

AASB 1054 Australian Additional Disclosures

The consolidated entity has applied AASB 1054 from 1 July 2011. The standard sets out the Australian-specific disclosures, which are in addition to International Financial Reporting Standards, for entities that have adopted Australian Accounting Standards.

AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project

The consolidated entity has applied 2011-1 from 1 July 2011. The amendments make changes to a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to International Financial Reporting Standards ('IFRSs') and harmonisation between Australian and New Zealand Standards. The amendments remove certain guidance and definitions from Australian Accounting Standards for conformity of drafting with International Financial Reporting Standards but without any intention to change requirements.

Comparatives

Certain comparatives in the statement of comprehensive income have been reclassified to align to the current half-year presentation and that of the most recent annual report. There was no change in the profit for the comparative half-year.

Note 2. Operating segments

Identification of reportable operating segments

The consolidated entity has identified that there is one operating segment based on the internal reports that are reviewed and used by the Chief Executive Officer and the Board of Directors (collectively referred to as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews both adjusted earnings before interest, tax, depreciation and amortisation (segment result) and profit before income tax. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

Types of products and services

The principal products and services of the operating segment includes investments in associates, the East Kundana Joint Venture operations and gold exploration.

Operating segment

As the consolidated entity only has one segment, the information relating to this segment is detailed throughout the financial report.

Rand Mining Limited
Notes to the financial statements
31 December 2011

Note 3. Revenue

	Consolidated	
	31 Dec 2011	31 Dec 2010
	\$	\$
From continuing operations		
<i>Sales revenue</i>		
Sales of gold	<u>4,805,450</u>	<u>6,956,535</u>
<i>Other revenue</i>		
Interest	<u>74,103</u>	<u>70,927</u>
Revenue from continuing operations	<u><u>4,879,553</u></u>	<u><u>7,027,462</u></u>

Note 4. Share of profits of associates accounted for using the equity method

	Consolidated	
	31 Dec 2011	31 Dec 2010
	\$	\$
Share of profit - associates	<u><u>504,915</u></u>	<u><u>1,489,364</u></u>

Note 5. Other income

	Consolidated	
	31 Dec 2011	31 Dec 2010
	\$	\$
Net gain on disposal of investments	<u><u>-</u></u>	<u><u>5,276</u></u>

Rand Mining Limited
Notes to the financial statements
31 December 2011

Note 6. Expenses

	Consolidated	
	31 Dec 2011	31 Dec 2010
	\$	\$
Profit before income tax from continuing operations includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	1,326	-
Mining plant and equipment	572,708	-
Total depreciation	574,034	-
<i>Amortisation</i>		
Mine development	1,148,582	1,440,856
Total depreciation and amortisation	1,722,616	1,440,856
<i>Finance costs</i>		
Interest and finance charges paid/payable	114,310	176,952
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	3,826	3,605
<i>Superannuation expense</i>		
Superannuation expense	33,599	32,259

Note 7. Discontinued operations

Description

As disclosed in the 30 June 2011 Annual Report, due to a change in capital of Onslow Resources Ltd ('ORL'), a public company not listed on the Australian Securities Exchange, ORL is no longer a wholly-owned subsidiary of Rand Mining Limited but is now an investment held-for-sale as Rand Mining Limited's ownership changed from 100% to 6.35%.

In the prior half-year ORL was its own operating segment, but in the current half-year there is only one operating segment.

The statement of comprehensive income has been reclassified in the comparative period for the discontinuation of ORL.

Rand Mining Limited
Notes to the financial statements
31 December 2011

Note 7. Discontinued operations (continued)

Financial performance information

	Consolidated	
	31 Dec 2011	31 Dec 2010
	\$	\$
Revenue	-	189
Total revenue	-	189
Employee benefits expense	-	(9,037)
Depreciation and amortisation expense	-	(312)
Impairment of exploration and evaluation	-	(132,424)
Administration expenses	-	(80,403)
Finance costs	-	(18,089)
Total expenses	-	(240,265)
Loss before income tax benefit	-	(240,076)
Income tax benefit	-	72,023
Loss after income tax benefit	-	(168,053)
Gain on disposal before income tax	-	626,831
Income tax expense	-	-
Gain on disposal after income tax expense	-	626,831
Profit after income tax expense from discontinued operations	-	458,778

Note 8. Current assets - inventories

	Consolidated	
	31 Dec 2011	30 Jun 2011
	\$	\$
Ore stockpiles - at cost	3,242,995	1,650,606
Gold in transit - at cost	330,569	-
Gold on hand - at cost	12,152,519	10,562,203
	<u>15,726,083</u>	<u>12,212,809</u>

Gold on hand at 31 December 2011 has a net realisable value of \$27,595,111 (2010: \$13,993,159) measured at spot rate of \$1,535 (2010: \$1,382). Gold in transit had a net realisable value of \$852,304 (2010: \$nil) measured at spot rate of \$1,535 (2010: \$nil).

Rand Mining Limited
Notes to the financial statements
31 December 2011

Note 9. Current liabilities - borrowings

	Consolidated	
	31 Dec 2011	30 Jun 2011
	\$	\$
Bank loans	<u>1,500,000</u>	<u>-</u>

Note 10. Non-current liabilities - borrowings

	Consolidated	
	31 Dec 2011	30 Jun 2011
	\$	\$
Bank loans	<u>3,500,000</u>	<u>1,275,000</u>

Total secured liabilities

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

	Consolidated	
	31 Dec 2011	30 Jun 2011
	\$	\$
Bank loans	<u>5,000,000</u>	<u>1,275,000</u>

Assets pledged as security

The bank loans are secured over specified East Kundana Joint Venture Tenements.

Note 11. Equity - dividends

There were no dividends paid or declared during the current or previous financial half-year.

Rand Mining Limited
Notes to the financial statements
31 December 2011

Note 12. 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:

	Consolidated	
	31 Dec 2011	30 Jun 2011
	\$	\$
<i>Performance guarantees:</i>		
ML15/993	55,370	55,370
ML16/309	129,850	81,707
	<u>185,220</u>	<u>137,077</u>

There is currently a dispute between the Joint Venture participants in regards to the management fee for the 2011 calendar year. The expense and liability amounts recorded in the financial statements have not been agreed and are subject to determination by an independent expert. The ultimate outcome of the matter cannot presently be determined, therefore, no adjustments to the management fees expense and liability that may result have been included in the financial statements.

Note 13. Commitments

	Consolidated	
	31 Dec 2011	30 Jun 2011
	\$	\$
<i>Capital commitments - EKJV</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	4,005,234	10,482,321
One to five years	2,767,344	11,707,130
	<u>6,772,578</u>	<u>22,189,451</u>
<i>Commitment for Liberia expenditure</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	<u>1,603,886</u>	<u>2,500,000</u>

Note 14. Events after the reporting period

No matter or circumstance has arisen since 31 December 2011 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Rand Mining Limited
Notes to the financial statements
31 December 2011

Note 15. Earnings per share

	Consolidated	
	31 Dec 2011	31 Dec 2010
	\$	\$
<i>Earnings per share from continuing operations</i>		
Profit after income tax attributable to the owners of Rand Mining Limited	<u>942,637</u>	<u>2,458,555</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>60,841,209</u>	<u>60,841,209</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>60,841,209</u>	<u>60,841,209</u>
	Cents	Cents
Basic earnings per share	1.55	4.04
Diluted earnings per share	1.55	4.04

	Consolidated	
	31 Dec 2011	31 Dec 2010
	\$	\$
<i>Earnings per share from discontinued operations</i>		
Profit after income tax attributable to the owners of Rand Mining Limited	<u>-</u>	<u>458,778</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>60,841,209</u>	<u>60,841,209</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>60,841,209</u>	<u>60,841,209</u>
	Cents	Cents
Basic earnings per share	-	0.75
Diluted earnings per share	-	0.75

Rand Mining Limited
Notes to the financial statements
31 December 2011

Note 15. Earnings per share (continued)

	Consolidated	
	31 Dec 2011	31 Dec 2010
	\$	\$
<i>Earnings per share for profit</i>		
Profit after income tax attributable to the owners of Rand Mining Limited	<u>942,637</u>	<u>2,917,333</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>60,841,209</u>	<u>60,841,209</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>60,841,209</u>	<u>60,841,209</u>
	Cents	Cents
Basic earnings per share	1.55	4.79
Diluted earnings per share	1.55	4.79

Rand Mining Limited
Directors' declaration

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors



Anthony Billis
Director

14 March 2012
Perth

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Independent Auditor's Review Report To the Members of Rand Mining Limited

We have reviewed the accompanying half-year financial report of Rand Mining Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of Rand Mining Limited are responsible for the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report 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 2011 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 Limited, 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 Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Partner – Audit & Assurance

Perth, 14 March 2012