



Quarterly Report for December 2016

Highlights

ASX ANNOUNCEMENT

25 January 2017

**Australian Securities
Exchange Code: RND**

Board of Directors:

Mr Otakar Demis
*Chairman and Joint Company
Secretary*

Mr Anton Billis
Managing Director

Mr Gordon Sklenka
Non-Executive Director

Mr Roland Berzins
Joint Company Secretary

- During the quarter, 199,834 tonnes of EKJV ore were processed at the Kanowna Plant.
- 23,110 oz of gold and 4,510 oz of silver were credited to Rand and Tribune Bullion Accounts.
(Rand's share is 25%)
- At the end of the quarter;

EKJV STOCKPILES				
ROM pad	Ore Source	Ore	Grade	Rand's Entitlement
		t	g/t Au	%
Raleigh	Raleigh	11,179	3.75	12.50
Rubicon	Rubicon & Hornet	25,688	4.61	12.25
Pegasus	Pegasus	14,240	4.58	12.25
Kanowna Belle	Raleigh	8,705	6.28	12.50
Kanowna Belle	Rubicon & Hornet	51,410	5.25	12.25
Kanowna Belle	Pegasus	37,367	7.22	12.25

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GEOLOGY AND MINING

EAST KUNDANA JOINT VENTURE

Raleigh Underground Mine Production

Stope production from the 5881, 5864, 5830, 5795, 5761, 5631 and 5614 levels at Raleigh continued during the quarter. Extraction of the Crown Pillar continued.

Contained gold in stope development and stope ore mined during the quarter, estimated by grade control face chip sampling, is tabulated below:

RALEIGH UNDERGROUND GRADE CONTROL ESTIMATES			
Month	Tonnes	Grade	Ounces
	t	g/t	troy oz
October	16,393	11.51	6,064
November	14,718	6.09	2,880
December	10,924	3.63	1,274
December 16 Q	42,035	7.56	10,218
September 16 Q	47,908	10.89	16,771

Rand's Entitlements (12.5%)

December 16 Q	5,254	7.56	1,277
September 16 Q	5,989	10.89	2,096

Raleigh Underground Mine Development

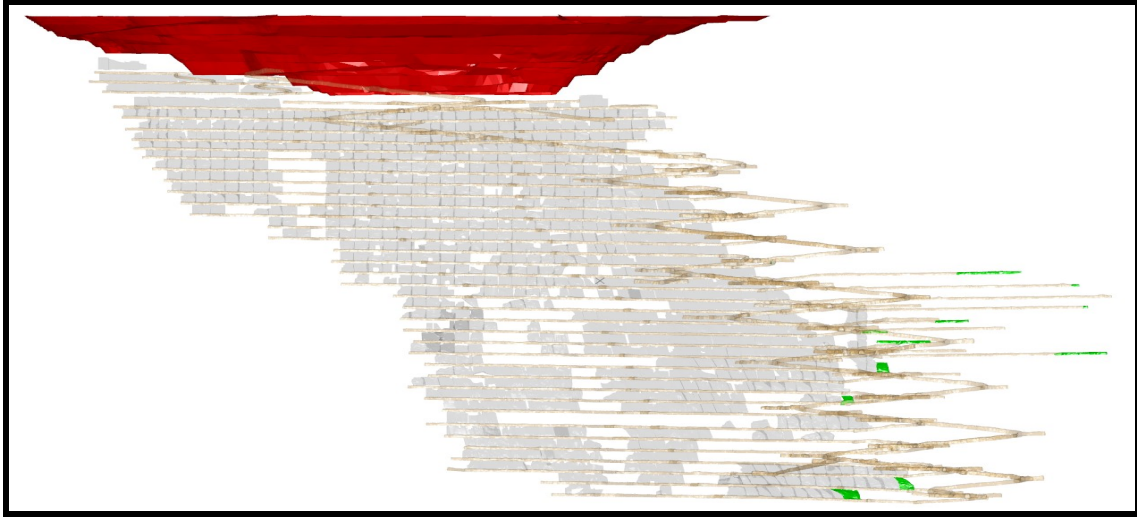
At the end of the quarter, the bottom of the Raleigh Decline is at 5618 m RL, 727 m from the surface.

Development progressed on the 6017, 6000, 5983, 5966, 5949, 5932, 5915, 5898, 5882, 5864, 5847 and 5830 levels.

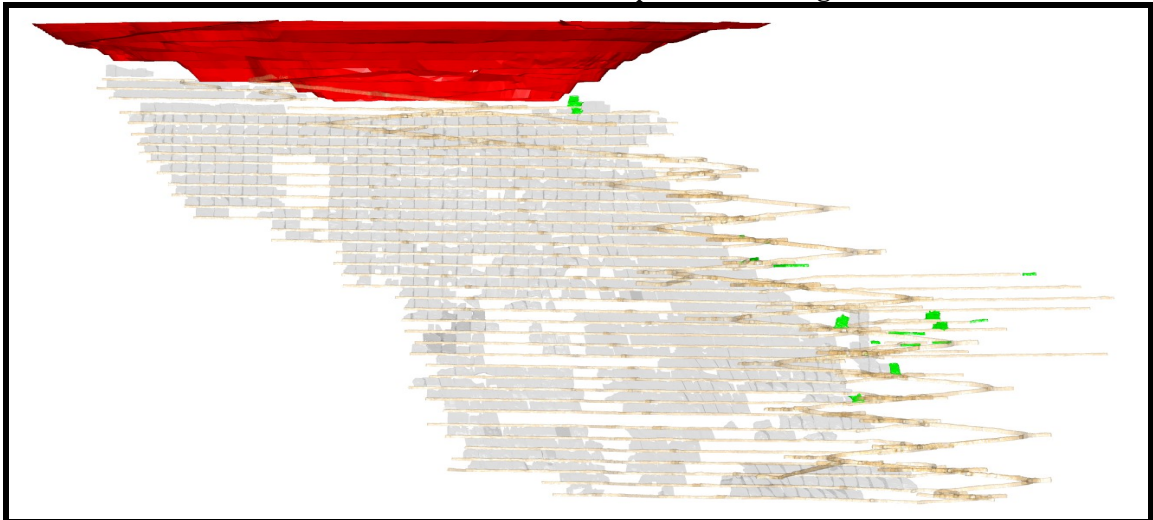
RALEIGH UNDERGROUND DEVELOPMENT					
Month	Capital		Operating		
	Decline (m)	Secondary (m)	Waste (m)	Ore (m)	Paste Fill (m)
October	0.0	0.0	13.1	242.9	53.9
November	0.0	0.0	30.7	147.3	40.3
December	0.0	0.0	42.5	150.8	24.6
December 16 Q	0.0	0.0	86.3	541.0	118.8
September 16 Q	0.0	0.0	44.5	748.0	120.0

The diagrams below show the status of the mine at the end of each month of the quarter.

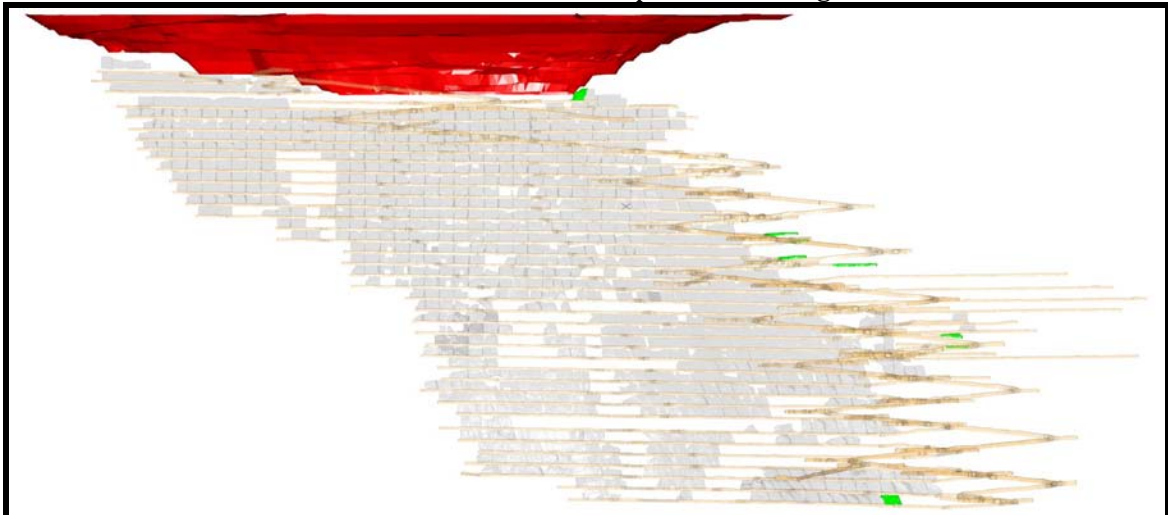
October 16 Green indicates new development at Raleigh



November 16 Green indicates new development at Raleigh



December 16 Green indicates new development at Raleigh



Mine operating costs, incurred by the EKJV during the December 2016 Quarter were \$107 per tonne mined or \$439 per ounce mined compared with the September 2016 Quarter costs of \$110 and \$315 respectively.

Rubicon Underground Mine Production

Development progressed on the 5995, 5975, 5955, 5935, 5915 and 5895 levels at Rubicon, on the 5805, 5785 and 5765 levels at Hornet and the 6230, 6225, 6201, 5990, 5970, 5950 and 5930 levels at Pegasus. Stope production from the Rubicon 5955 level, the Hornet 5905 to 5805 levels and the Pegasus 6190, 6170, 6150 and 6090 to 5970 levels continued during the quarter.

Contained gold in stope development mined during the quarter, estimated by grade control face chip sampling, is tabulated below:

UNDERGROUND GRADE CONTROL ESTIMATES						
ORE BODY	RUBICON & HORNET			PEGASUS		
Month	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
	t	g/t	troy oz	t	g/t	troy oz
October	42,465	5.92	8,085	28,733	12.15	11,222
November	43,903	5.82	8,210	31,523	11.63	11,782
December	33,768	6.89	7,483	40,014	6.67	8,575
December 16 Q	120,136	6.16	23,778	100,270	9.80	31,579
September 16 Q	104,637	4.85	16,325	92,597	8.67	25,812

Rand's Entitlements (12.25%)

December 16 Q	14,717	6.16	2,913	12,283	9.80	3,868
September 16 Q	12,818	4.85	2,000	11,343	8.67	3,162

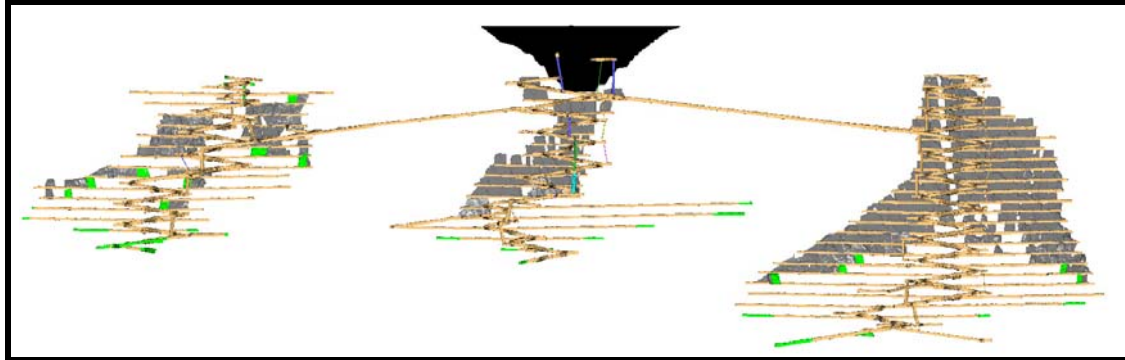
Rubicon Underground Mine Development

During the quarter, decline development at Rubicon, Hornet and Pegasus continued and the Hornet Exploration Decline continued. At the end of the quarter, the bottom of the Rubicon Decline is at 5879 m RL, 464 m from the surface, the bottom of the Hornet Decline is at 5744 m RL, 599 m from the surface, the bottom of the Hornet Exploration Decline is at 5706 m RL, 637 m from the surface, the top of the Pegasus Incline is at 6245 m RL, 98 m from the surface and the bottom of the Pegasus Decline is at 5897 m RL, 446 m from the surface.

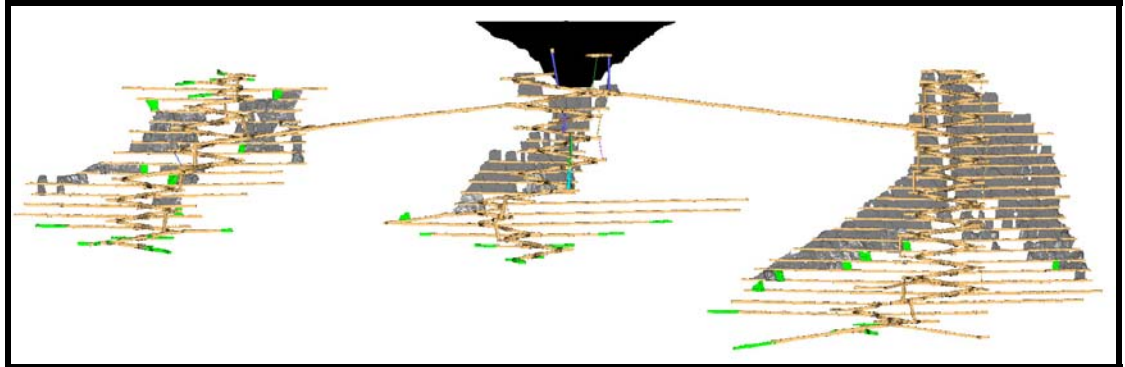
UNDERGROUND DEVELOPMENT										
ORE BODY	RUBICON & HORNET					PEGASUS				
Month	Capital		Operating			Capital		Operating		
	Decline	Other	Waste	Ore	Paste	Decline	Other	Waste	Ore	Paste
	(m)	(m)	(m)	(m)	(m)	(m)	(m)	(m)	(m)	(m)
October	67.1	288.5	0.0	384.0	25.0	34.7	265.6	0.0	146.7	15.0
November	55.6	209.0	0.0	375.0	20.0	72.4	227.6	0.0	197.7	30.0
December	50.4	163.1	0.0	269.2	20.0	68.4	388.9	0.0	254.6	20.0
December 16 Q	173.1	660.6	0.0	1,028.2	65.0	175.5	882.1	0.0	599.0	65.0
September 16 Q	230.3	750.6	0.0	1,086.0	55.0	212.8	515.3	0.0	499.8	70.0

The diagrams below show the status of the mine at the end of each month of the quarter.

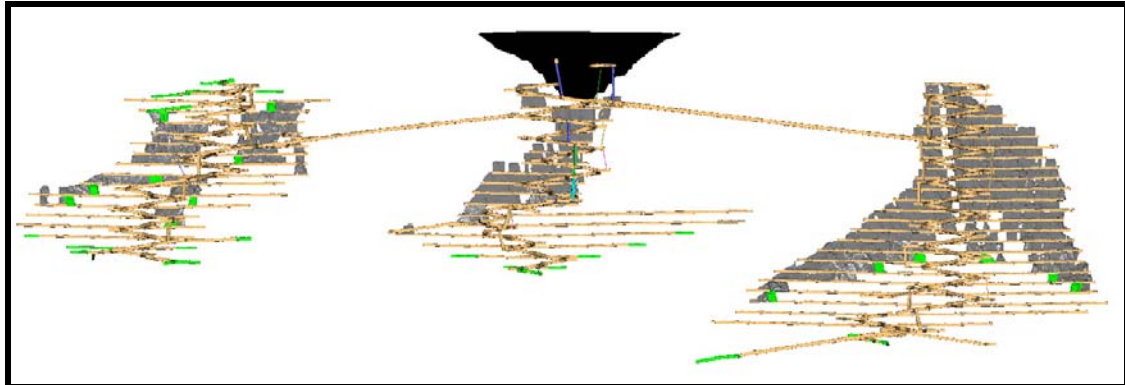
October 16 Green indicates new development at Rubicon, Hornet and Pegasus



November 16 Green indicates new development at Rubicon, Hornet and Pegasus



December 16 Green indicates new development at Rubicon, Hornet and Pegasus



Mine operating costs, for Rubicon & Hornet, incurred by the EKJV during December 2016 Quarter were \$108 per tonne mined or \$548 per ounce mined compared with the September 2016 Quarter costs of \$100 and \$639 respectively.

Mine operating costs, for Pegasus, incurred by the EKJV during December 2016 Quarter were \$96 per tonne mined or \$306 per ounce mined compared with the September 2016 Quarter costs of \$99 and \$356 respectively.

Toll Processing

EKJV Ore hauled to Kanowna Belle (tonnes-wet)		
Quarter	Raleigh	Rubicon, Hornet, Pegasus
December 16	34,383	186,227
September 16	41,000	257,405

During the quarter, 199,834 tonnes of EKJV ore were processed.

Bullion accredited to RAND and TRIBUNE from Kanowna Belle			
Quarter	Gold (oz)	Silver (oz)	Rand's share gold
December 16	23,110.823	4,510.811	5,777.705
September 16	27,951.653	5,685.572	6,987.913

EKJV Exploration

The Quarterly Report of the EKJV exploration activities is expected shortly and will be released to the ASX when received.

OTHER EXPLORATION

Seven Mile Hill Joint Venture (Rand's Interest 50%)

A Programme of Work for a 10,000 m RAB drilling campaign was approved recently by the DMP. Drilling is expected to commence in February.

Tapeta Iron Ore Project, Liberia, West Africa

The site is currently on care and maintenance.

CORPORATE

Securities on issue

No securities were cancelled under the Company's current Share Buy – Back plan during the quarter ended 31 December 2016.

The number of securities on issue as at 31 December 2016 is 60,148,475.

INTERESTS IN MINING TENEMENTS

Project/Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Kundana	WA, Australia			
M15/1413		12.25%		
M15/993		12.25%		
M16/181		12.25%		
M16/182		12.25%		
M16/308		12.25%		
M16/309		12.25%		
M16/325		12.25%		
M16/326		12.25%		
M16/421		12.25%		
M16/428		12.25%		
M24/924		12.25%		
Seven Mile Hill	WA, Australia			
M15/1233		50.00%		
M15/1234		50.00%		
M15/1291		50.00%		
M15/1388		50.00%		
M15/1394		50.00%		
M15/1409		50.00%		
M15/1743		50.00%		
M26/563		50.00%		
P15/5182		50.00%		
P15/5183		50.00%		
P15/5184		50.00%		
Tapeta Iron Ore Project (currently under option to acquire issued capital of Iron Resources Ltd, the owner of the project)	Liberia, West Africa	100% (under option)		

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity	
Rand Mining Ltd	
ABN	Quarter ended ("current quarter")
41 004 669 658	31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	8,859	15,919
1.2 Payments for		
(a) exploration & evaluation	(345)	(807)
(b) development	(1,211)	(2,315)
(c) production	(4,298)	(8,652)
(d) staff costs	(108)	(249)
(e) administration and corporate costs	(181)	(279)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	17
1.5 Interest and other costs of finance paid	(5)	(12)
1.6 Income taxes paid	(1,927)	(3,038)
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	786	584

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(699)	(1,166)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	18	18
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(681)	(1,148)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(87)	(174)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(87)	(174)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,995	3,751
4.2 Net cash from / (used in) operating activities (item 1.9 above)	786	584
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(681)	(1,148)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(87)	(174)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,013	3,013

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,013	2,995
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,013	2,995

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
(36)
-

- (1) Directors fees and superannuation (included in staff costs 1.2(d)) (31)
- (2) Royalty payment (included in production 1.2(c)) (5)

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
(43)
-

- (1) Rent (included in administration and corporate costs 1.2(e)) (43)

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other – EKJV Finance Lease	606	606
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Various finance leases from Sandvik and Commonwealth Bank cover underground mining equipment. The interest rates range between 1.16% and 1.77%. and the terms range between 30-36 months

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	500
9.2	Development	1,200
9.3	Production	4,500
9.4	Staff costs	120
9.5	Administration and corporate costs	120
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	6,440

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


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(Director/Company secretary)

Date: 25/01/2017

Print name: Anton Billis

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.