



Rand Mining Limited

ABN 41 004 669 658

Annual Report - 30 June 2014

Directors	Otakar Demis - Chairman Anthony Billis Gordon Sklenka
Company secretaries	Otakar Demis Roland Berzins
Notice of annual general meeting	The annual general meeting of Rand Mining Limited will be held at: IBIS Styles Hotel 45 Egan Street Kalgoorlie WA 6430 on Friday 28 November 2014 at 9.00am.
Registered office	Suite G1, 49 Melville Parade South Perth WA 6151 Tel: +61 (8) 9474 2113 Fax: +61 (8) 9367 9386
Principal place of business	Suite G1, 49 Melville Parade South Perth WA 6151 Correspondence address: PO Box 307 West Perth WA 6872
Share register	Advanced Share Registry Services Limited 110 Stirling Highway Nedlands WA 6009 Tel: +61 (8) 9389 8033 Fax: +61 (8) 9262 3723
Auditor	Grant Thornton Audit Pty Ltd Level 1 10 Kings Park Road WEST PERTH WA 6005
Bankers	ANZ Bank 77 St George's Terrace Perth WA 6000
Stock exchange listing	Rand Mining Limited shares are listed on the Australian Securities Exchange (ASX code: RND)
Website	www.randmining.com.au

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 at the end of, or during, the year ended 30 June 2014.

Directors

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

Otakar Demis - Chairman
Anthony Billis
Gordon Sklenka

Principal activities

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

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$2,940,224 (30 June 2013: \$7,555,945).

East Kundana Joint Venture

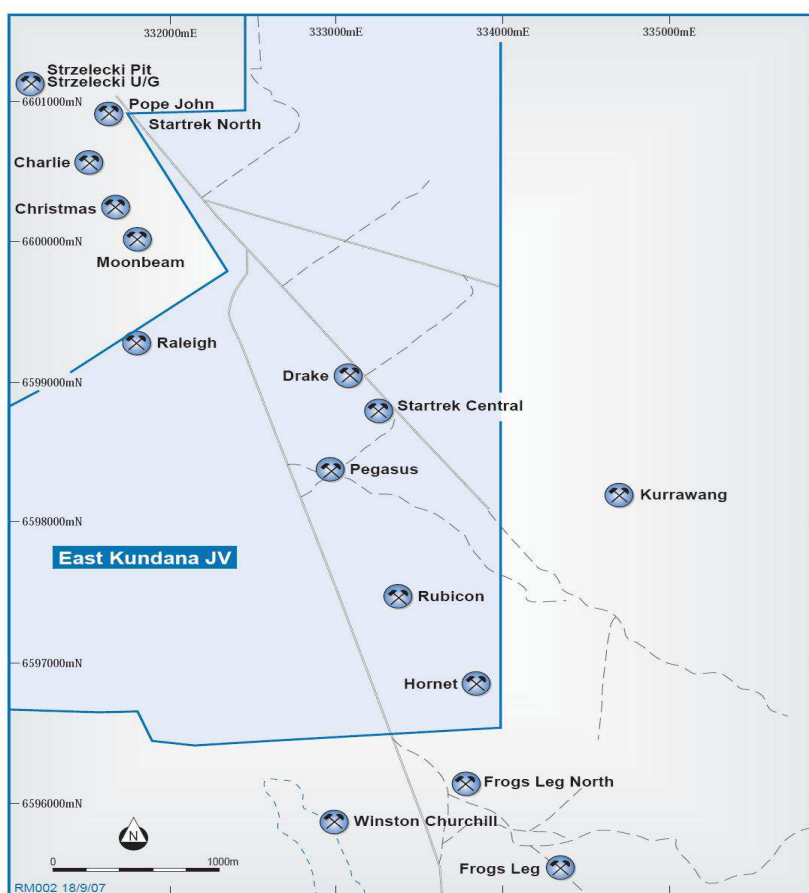
The East Kundana Joint Venture ('EKJV') is located 25km west north west of Kalgoorlie and 47km north east of Coolgardie.

The EKJV is between Rand Mining Ltd. (12.25%), Tribune Resources Limited. (36.75%) and Gilt-Edged Mining NL (51%). On 1 March 2014, Gilt-Edged Mining NL became a wholly owned subsidiary of Northern Star Resources Ltd.



KUNDANA PROJECT
Location Map

Note: The Joint Venture deposits are located within the blue shaded area. Other deposits indicated on this map do not belong to either Rand Mining or the Joint Venture.



EAST KUNDANA JOINT VENTURE
 Deposit Locations

Note: The Joint Venture deposits are located within the blue shaded area. Other deposits indicated on this map do not belong to either Rand Mining or the Joint Venture.

Mining

Raleigh

During the year ending 30 June 2014, 87,948 tonnes of ore were extracted from stopes on 5830 to 5614 levels of the Raleigh Underground mine. The grade was 15.7 g/t.

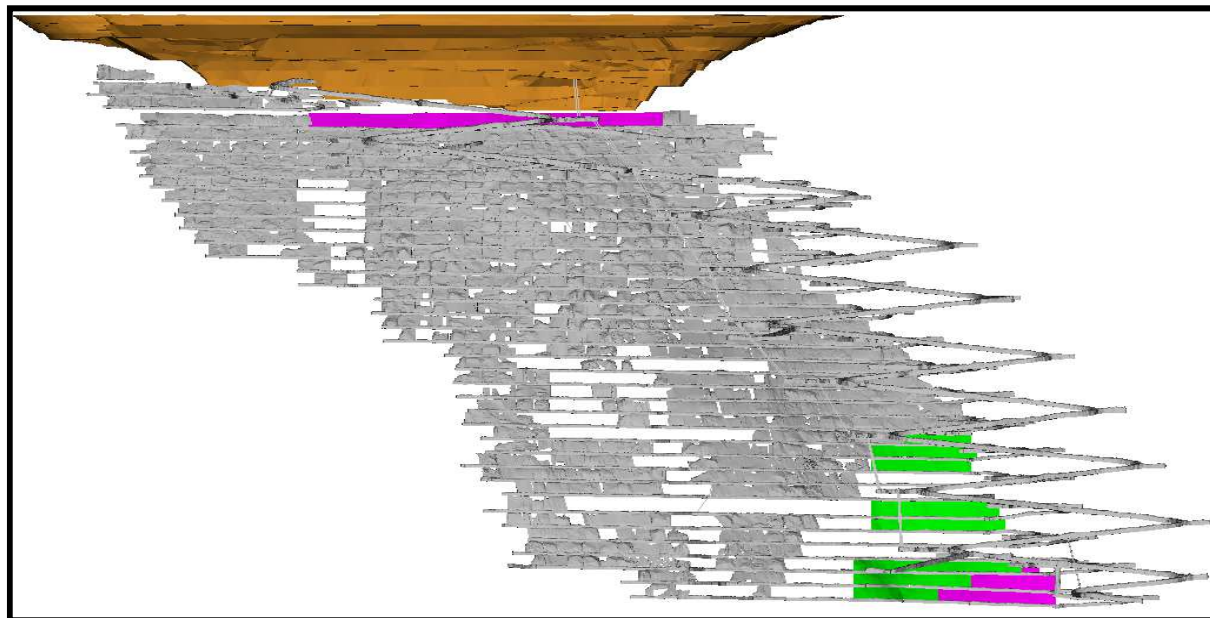
Rand's entitlement to the ore extracted was 10,994 tonnes, compared to 22,444 tonnes the previous year.

Year	Raleigh Production		
	Mined (t)	Grade (g/t)	Gold (oz)
2006/2007	239,700	16.6	127,700
2007/2008	234,400	11.9	89,800
2008/2009	308,512	12.6	124,962
2009/2010	339,660	13.4	146,670
2010/2011	323,182	13.4	139,060
2011/2012	244,799	14.8	116,921
2012/2013	179,553	14.2	81,930
2013/2014	87,948	15.7	44,313
Rand's entitlement of 2013/2014	10,994	15.7	5,539

An earthquake on 26 February 2014 caused some damage to the Raleigh Underground mine. Production was suspended. Production has recommenced with a stope on the 5812 level being fired in late June.

The sequence of stoping and mine development in the current LOM plan is shown below, where grey represents all stoping and development completed at 30 June 2014, green expected to be completed by mid 2015 and pink expected to be completed by mid 2016.

The stoping front is advanced at a diagonal to minimise the impact of the high regional stress field at depth.



Rubicon/Hornet/Pegasus

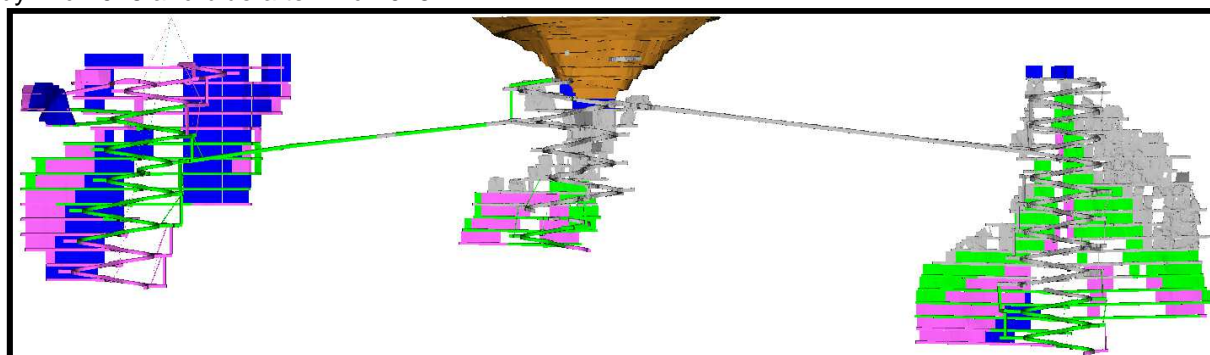
During the year ending 30 June 2014, 314,685 tonnes of ore were extracted from the 6115 to 6075 stopes and development headings on the 6055 level of the Rubicon ore body and from the 6225 to 5985 stopes and development headings spanning 6005 to 5945 levels of the Hornet ore body. The grade was 11.3 g/t.

Rand's entitlement to the ore extracted was 38,549 tonnes, compared to 32,599 tonnes the previous year.

Year	Rubicon/Hornet Production		
	Mined (t)	Grade (g/t)	Gold (oz)
2011/2012	78,229	9.6	24,103
2012/2013	266,113	10.3	88,666
2013/2014	314,685	11.3	114,454
Rand's entitlement of 2013/2014	38,549	11.3	14,021

During April, the access decline from Rubicon to Pegasus was commenced.

The sequence of stoping and mine development in the current LOM plan is shown below, where grey represents all stoping and development completed at 30 June 2014, green expected to be completed by mid 2015, pink expected to be completed by mid 2016 and blue after mid 2016.



Processing

Since January 2013, all EKJV ore has been processed in mainly monthly campaigns at the Kanowna Plant located near Kalgoorlie.

EKJV			
Processing an Kanowna			
Campaign	Date from	Date to	Processed (t)
7	02 Aug 2013	18 Aug 2013	68,020
8	10 Sep 2013	19 Sep 2013	33,998
9	14 Oct 2013	24 Oct 2013	42,723
10	08 Nov 2013	21 Nov 2013	38,530
11	10 Dec 2013	18 Dec 2013	29,791
12	14 Jan 2014	24 Jan 2014	32,723
13	11 Feb 2014	19 Feb 2014	27,947
14	11 Mar 2014	21 Mar 2014	32,048
15	08 Apr 2014	16 Apr 2014	29,676
16	13 May 2014	24 May 2014	38,380
17	9 Jun 2014	21 Jun 2014	49,498
	01 Jul 2013	30 Jun 2014	423,334
	01 Jul 2012	30 Jun 2013	* 214,255
	01 Jul 2011	30 Jun 2012	-

* During the year ending 30 June 2013, 144,230 tonnes of Rand and Tribune Group's share of EKJV ore was processed at the Greenfields Plant located near Coolgardie.

During the year ending 30 June 2014, 79,907.391 ounces of gold and 18,854.908 ounces of silver were credited to the Rand and Tribune Group Bullion Account.

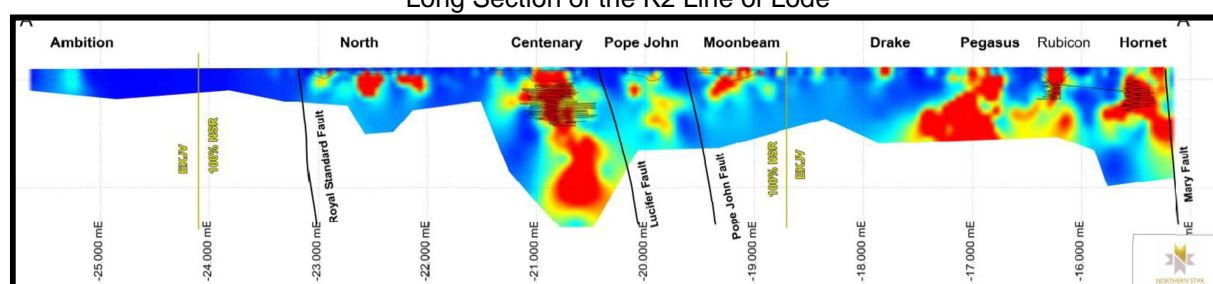
Rand's share of the gold bullion was 19,976.846 ounces compared to 23,888.596 ounces the previous year.

Rand and Tribune Group Bullion		Rand's share		
Date from	Date to	Gold (oz)	Silver (oz)	Gold (oz)
01 Jul 2013	30 Jun 2014	79,907	18,854	19,976
01 Jul 2012	30 Jun 2013	95,554	17,248	23,888
01 Jul 2011	30 Jun 2012	61,864	15,841	15,466
01 Jul 2010	30 Jun 2011	64,716	8,639	16,179
01 Jul 2009	30 Jun 2010	77,624	12,019	19,406
01 Jul 2008	30 Jun 2009	32,478	4,649	8,119
01 Jul 2007	30 Jun 2008	59,638	8,048	14,909
01 Jul 2006	30 Jun 2007	49,335	6,640	12,333
01 Jul 2005	30 Jun 2006	25,599	3,951	6,399

Exploration

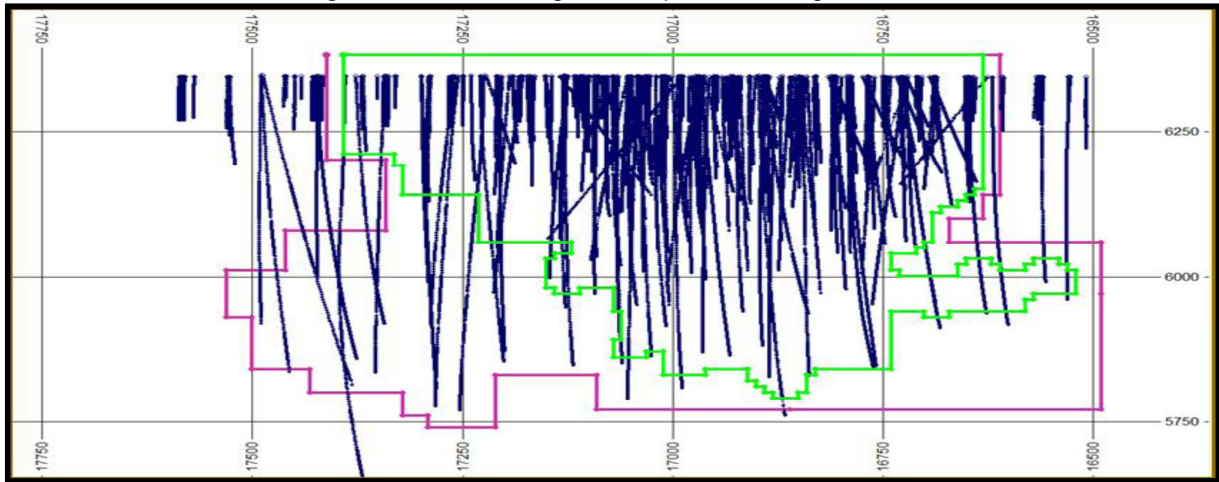
During the year ending 30 June 2014, a number of drilling programmes were conducted along the K2 Line of Lode on the EKJV mining leases.

Long Section of the K2 Line of Lode



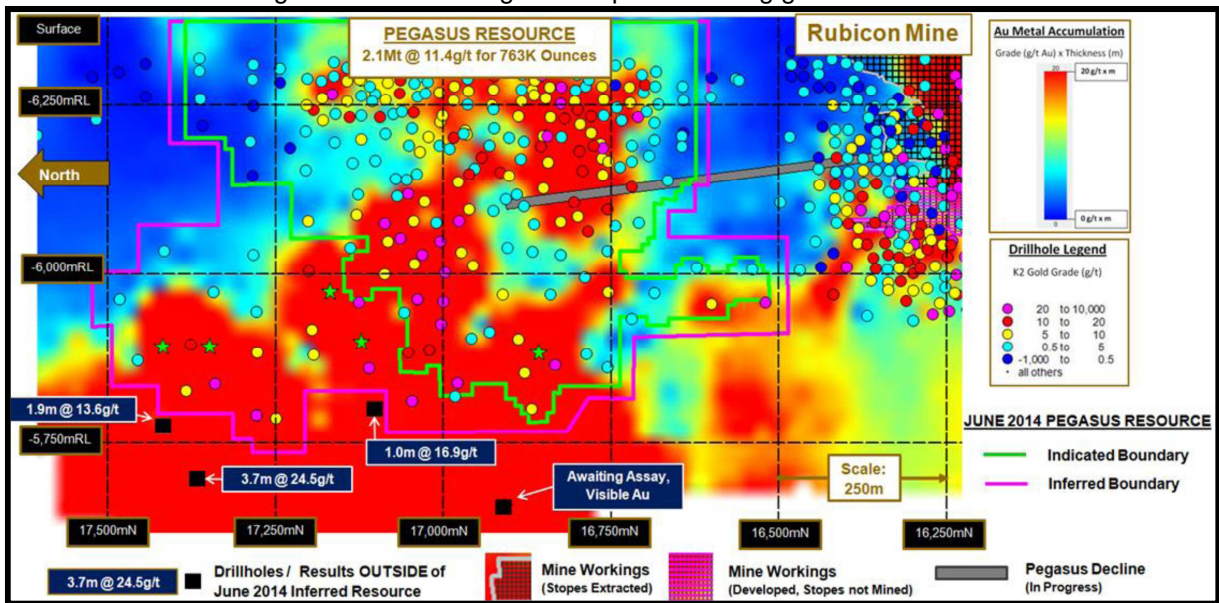
Most of the effort was focused on the Pegasus deposit. This resulted in a revised JORC compliant resource estimate.

Long Section of the Pegasus Deposit showing drill holes



Recent drilling suggests that the mineralised zone could extend to 700 metres below the surface and beyond.

Long Section of the Pegasus Deposit showing gold accumulation



Reconnaissance drilling at the Ambition prospect suggests that the K2 structure continues to the north of previous mining activity.

Deeper drilling at Drake and Hornet has intersected the Centenary Shale and the K2 vein mineralisation. Details have been reported in the EKJV Quarterly Exploration Reports released to ASX in November 13 and April 14 and Northern Star Resources ASX Announcements on 6 March, 7 May and June 25.

A major drilling programme has been recently proposed to test the K2 structure at depth beneath the Pegasus, Rubicon and Hornet deposits, searching for extensions to mineralisation along strike in a trend similar to that seen at Frogs Leg. A number of smaller drilling programmes have been proposed for identified targets along the K2 structure.

Seven Mile Hill (50%)

The company has commenced an extensive data compilation exercise of all previous exploration.

When completed and assessed along with the structural interpretation this should provide targets for further work. The initial results show that some areas of the project have not received first pass auger soil sampling and a programme of approximately 1,000 samples is planned. This will complete coverage on 200m by 50m over the most prospective areas with suitable soil cover. Scout aircore drilling may be warranted to test areas in the south where soil cover is relatively thick.

Tapeta Iron Ore Project, Liberia, West Africa

Rand has been granted an Option to acquire all of the issued share capital in Iron Resources Limited ('IRL'), a wholly owned subsidiary of Resource Capital Ltd ('RCL'), from RCL. IRL is the registered holder of a mineral exploration license over a 599.82km² area located in Northern-Central Liberia, West Africa, (Tapeta Iron Ore Project).

Work completed on the Tapeta Iron Ore Project to date suggests that the total area of iron formation outcrop within the project could exceed 9km². Based on the possible outcrop sizes and the disposition of the iron formations, the Tapeta Iron Ore Project has the potential to host a deposit of "moderate" size on a world scale. Supplementary to the original granting of the option to acquire, IRL has agreed to grant Rand a licence to access the Tapeta Iron Ore Project Area during the period of the Option to conduct a drilling programme and all activities associated with the programme including construction of roads and structures.

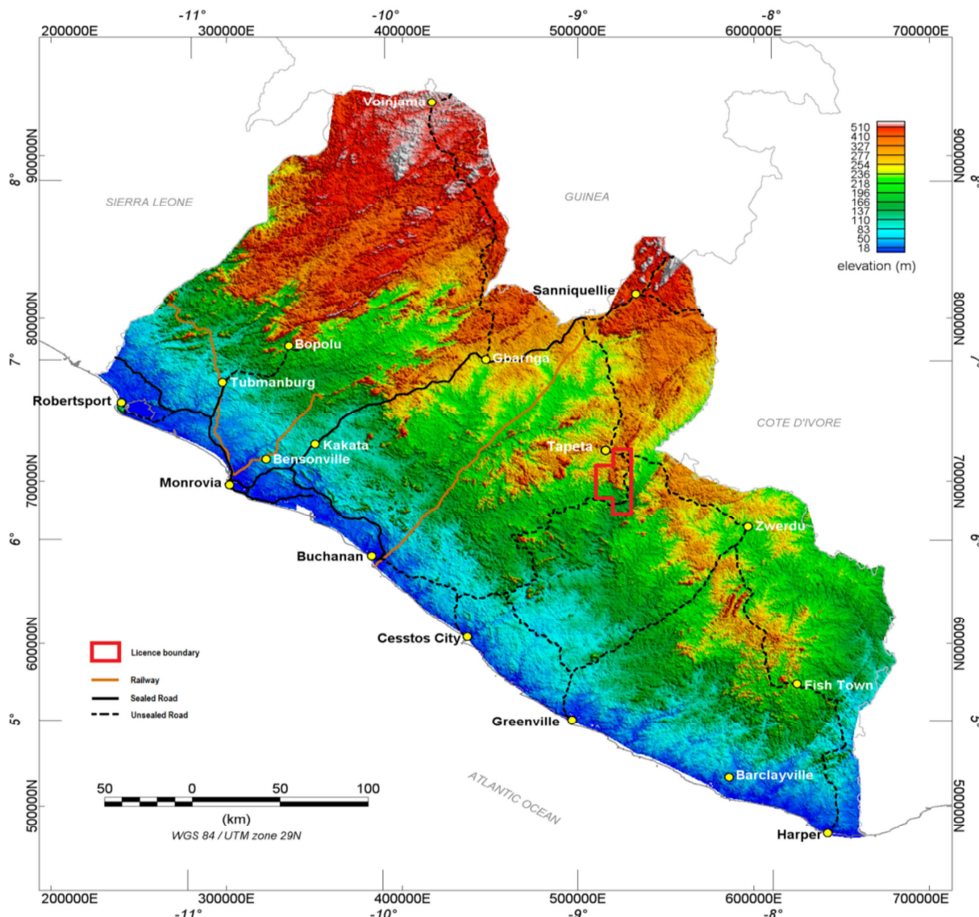
Rand proposes to complete up to 12,000 metres of RC drilling. The drilling has been directed at two prominent iron formations, the Bwee Ridge and the Giant Main Outcrop. Both areas encompass outcrops of haematitic itabirite grading + 60% Fe, with good potential for the discovery of deposits of high grade direct shipping ore, located within 70 km of working rail and port infrastructure.

A total of 51 drill holes have been completed for 4,504 metres. Drill samples are being stored at the Tapeta base camp.

Drilling is continuing.

Results will be announced when assays become available.

Location of Tapeta Iron Ore Project
 (shown over SRTM terrain model of Liberia)



Resources & Reserves

Mineral Resources including Ore Reserves on EKJV Leases at 30 June 2014 (subject to rounding errors)

	Entitlement (%)	Measured		Indicated		Inferred		Total Resources		
		(t)	Au (g/t)	(t)	Au (g/t)	(t)	Au (g/t)	(t)	Au (g/t)	Au (oz)
Raleigh Underground	12.50	56,828	66.2	17,431	41.6	33,027	47.5	107,287	56.5	194,833
Rubicon Underground	12.25	9,244	19.4	138,708	13.4	143,042	11.8	290,994	12.8	119,892
Hornet Open Pit	12.25	-	-	168,506	3.7	3,202	1.5	171,708	3.7	20,173
Hornet Underground	12.25	129,429	24.3	123,265	19.0	265,988	7.5	518,683	14.4	240,799
Pegasus Underground	12.25	-	-	1,401,000	11.9	678,000	10.5	2,079,000	11.4	763,000
Total Mineral Resource on EKJV leases		195,501	36.27	1,848,910	12.00	1,123,259	11.01	3,167,672	13.14	1,338,697

Mineral Resources including EKJV Stockpiles on KB ROM at 30 June 2014

	Entitlement (%)	Measured		Indicated		Inferred		Total Resources		
		(t)	Au (g/t)	(t)	Au (g/t)	(t)	Au (g/t)	(t)	Au (g/t)	Au (oz)
KB ROM Stockpile	12.25	7,642	15.6	-	-	-	-	7,642	15.6	3,834
Rand's Entitlement EKJV Leases		24,091	36.4	226,535	12.0	137,682	11.0	388,308	13.2	164,477
Leases + Stockpiles		25,027	35.67	226,535	12.00	137,682	11.03	389,244	13.18	164,947

Ore Reserves on EKJV Leases at 30 June 2014 (subject to rounding errors)

	Entitlement (%)	Proved		Probable		Proved + Probable		Au (oz)
		(t)	Au (g/t)	(t)	Au (g/t)	(t)	Au (g/t)	
Raleigh Underground	12.50	166,382	13.2	-	-	166,382	13.2	70,809
Hornet Rubicon Underground	12.25	252,348	14.4	311,925	9.9	564,272	11.9	216,458
Hornet Open Pit	12.25	-	-	-	-	-	-	-
Pegasus Underground	12.25	-	-	790,172	9.8	790,172	9.8	248,645
Total Ore Reserve on EKJV lease		418,730	13.94	1,102,097	9.83	1,520,826	10.96	535,912

Ore Reserves including EKJV Stockpiles on KB ROM at 30 June 2014

	Entitlement (%)	Proved		Probable		Proved + Probable		Au (oz)
		(t)	Au (g/t)	(t)	Au (g/t)	(t)	Au (g/t)	
KB ROM Stockpile	12.25	7,642	15.6	-	-	7,642	15.6	3,834
Rand's Entitlement EKJV Leases		51,710	13.9	135,007	9.8	186,717	11.0	65,826
Leases + Stockpiles		52,646	13.96	135,007	9.83	187,653	10.99	66,296

Notes to tables:

- The gold price used for the Raleigh, Rubicon-Hornet and Pegasus Reserves was AUD\$1,450/oz.
- The Resources for the Hornet Open Pit are those reported last year.
- These tables are based on the 30 June 2014 year end Ore Reserves and Mineral Resources Report Summary for the EKJV Memorandum lodged with ASX on 4 August 2014.
- Raleigh Ore mined from M15/993 is subject to an Ore Division Agreement whereby the Raleigh Ore is divided equally between Gilt Edge Mining NL and the R&T Group.

Significant changes in the state of affairs

As reported to the ASX on 2 August 2013, by way of deed of variation, the parties have agreed to vary the Tapeta Iron Ore project Option Agreement. The variation is that whereby Resource Capital Limited ('RCL') has agreed to extend the term of the option by 12 months to 23 September 2014 (expiry date) in exchange for Rand paying a non - refundable option fee of USD\$50,000. All other terms of the option agreement remain the same. Refer to 'Matters subsequent to the end of the financial year' below for subsequent extension to this variation for a period of 12 months to 23 September 2015.

On 16 August 2013 the Joint Venture participants Rand Mining Limited, Tribune Resources Limited and Barrick Gold signed a Deed of Settlement and Release in relation to the East Kundana Production Joint Venture Management fee for the calendar year 2011 onward.

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

Matters subsequent to the end of the financial year

On 6 August 2014, the Liberian Government announced a State of Emergency as the Government struggled to deal with the deadliest Ebola outbreak in the nation's history. In accordance with this announcement on 3 September 2014, the company suspended all exploration work in relation to its Liberian interests. All affected personnel were successfully repatriated to their initial place of employment.

Revisions to the proposed acquisition of the Tapeta Iron Ore Project

On 4 September 2014, the company announced the extension, by further deed of variation, of the term of the option by 12 months to 23 September 2015, in exchange for the payment of a non-refundable option fee of US\$50,000. All other terms of the Option Agreement remain the same, including the following key terms:

- Rand may exercise the option at any time prior to the Expiry Date by providing written notice to RCL. On exercise of the option, Rand is obliged to transfer 8 million fully paid ordinary shares in Tribune Resources Limited (ASX: TBR) (Tribune Shares) to RCL;
- In the event that completion of the acquisition of RCL does not occur, RCL must retransfer the Tribune Shares to Rand forthwith;
- IRL has agreed to grant Rand a licence to access the Project Area during the option period, to conduct a drilling programme and all activities associated with the programme; and
- Rand is responsible for the costs of the drilling programme. This includes payment of the rent and any minimum expenditure work obligations required in order to keep the mineral exploration licence in good standing.

No other matter or circumstance has arisen since 30 June 2014 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.

Likely developments and expected results of operations

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

Environmental regulation

The consolidated entity 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.

Greenhouse gas and energy data reporting requirements

The consolidated entity is subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

The Energy Efficiency Opportunities Act 2006 requires the consolidated entity to assess its energy usages, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the consolidated entity intends to take as a result. Due to this Act, the consolidated entity, via its participation in the East Kundana Joint Venture ('EKJV') has registered with the Department of Resources, Energy and Tourism as a participant entity and reports the results from its assessments.

The National Greenhouse and Energy Reporting Act 2007 require the consolidated entity, via its participation in the EKJV, to report its annual greenhouse gas emissions and energy use. The consolidated entity has previously implemented systems and processes for the collection and calculation of data.

Information on directors

Name: Otakar Demis
Title: Executive Chairman and Joint Company Secretary
Experience and expertise: Otakar is a private investor and businessman with several years experience as a director of the company.
Other current directorships: Executive Chairman and Company Secretary of Tribune Resources Limited (ASX: TBR)
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: 26,581,564 ordinary shares (4,800 directly and 26,576,764 indirectly)
Interests in options: None

Name: Anthony Billis
Title: Executive Director, Managing Director and Chief Executive Officer
Experience and expertise: Anthony has over 28 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 23 years.
Other current directorships: Executive Director of Tribune Resources Limited (ASX: TBR)
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: 33,914,564 ordinary shares (14,000 directly and 33,900,564 indirectly)
Interests in options: None

Name: Gordon Sklenka
Title: Non-Executive Director
Qualifications: B.Comm
Experience and expertise: Gordon 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.
Other current directorships: Non-Executive Director of Tribune Resources Limited (ASX: TBR) and Non-Executive Director of AXG Mining Limited (ASX: AXC)
Former directorships (last 3 years): Non-Executive Director of Advance Energy Ltd (ASX: AVD) (From 10 November 2004 to 19 December 2012) and Non-Executive Director of Kilgore Oil and Gas Ltd (ASX: KOG) (From 26 September 2007 to 29 August 2011)
Special responsibilities: None
Interests in shares: 26,576,764 ordinary shares (indirectly)
Interests in options: None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Company secretaries

Roland Berzins (B.Comm, ACPA, FFIN, TA) as joint company secretary has over 20 years' experience in the mining industry. He was previously chief accountant for 6 years at Kalgoorlie Consolidated Gold Mines Pty Ltd ('Kalgoorlie Super Pit'). In addition, Roland has worked as a Senior Mining Analyst for the former BHP iron ore division and has worked for the Mt Newman, Koolan and Cockatoo iron ore project. Since 1996 Roland has been company secretary for a variety of ASX listed companies, and has also had experience in retail, merchant banking, venture capital and SME business advisory. Details of Mr Otakar Demis as joint company secretary can be found in the 'Information of directors' section above.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2014, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
O Demis	4	4
A Billis	4	4
G Sklenka	4	4

Held: represents the number of meetings held during the time the director held office.

Whilst only 4 Board meetings were held during the year, it should be noted that 10 circular resolutions were signed.

The function of the Nomination and Remuneration Committee was undertaken by the full Board.

Remuneration report (audited)

The remuneration report, which has been audited, outlines the director and key management personnel remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's and company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity and company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity and company.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design
- attracts and retains high calibre executives

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may seek the advice of independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market, (see 'use of remuneration consultants' below). There are no termination or retirement benefits for non-executive directors other than statutory superannuation.

ASX listing rules requires that the aggregate non-executive directors remuneration shall be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 30 November 2005, where the shareholders approved an aggregate remuneration of \$160,000.

Executive remuneration

The consolidated entity and company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and adds additional value for the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the targets of those executives in charge of meeting those targets. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') currently consists of long service leave.

Consolidated entity performance and link to remuneration

The directors' remuneration levels are not directly dependent upon the consolidated entity or company's performance or any other performance conditions. However, practically, whether shareholders vote for or against an increase in the aggregate director remuneration will depend upon, amongst other things, how the consolidated entity and company have performed.

The Board continues to be of the opinion that the improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

Use of remuneration consultants

During the financial year ended 30 June 2014, the company did not engage remuneration consultants, to review its existing remuneration policies and provide recommendations on how to improve both the short-term incentives ('STI') program and long-term incentives ('LTI') program.

Voting and comments made at the company's 2013 Annual General Meeting ('AGM')

At the last AGM 100% of the shareholders voted to adopt the remuneration report for the year ended 30 June 2013. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

The key management personnel of the consolidated entity consisted of the directors of Rand Mining Limited and the following persons:

- Roland Berzins - Joint Company Secretary
- John Andrews - Manager of Kalgoorlie Operations

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Bonus	Non-monetary *	Super-annuation	Long service leave	Equity-settled	
2014	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
G Sklenka	20,000	-	-	-	-	-	20,000
<i>Executive Directors:</i>							
O Demis	30,000	-	-	2,775	-	-	32,775
A Billis	82,496	-	64,757	17,497	69,400	-	234,150
<i>Other Key Management Personnel:</i>							
R Berzins	60,000	-	-	-	-	-	60,000
J Andrews	82,497	7,500	-	17,500	55,010	-	162,507
	<u>274,993</u>	<u>7,500</u>	<u>64,757</u>	<u>37,772</u>	<u>124,410</u>	<u>-</u>	<u>509,432</u>

* Includes car and housing plus applicable fringe benefits tax payable on benefits

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Bonus	Non-monetary *	Super-annuation	Long service leave	Equity-settled	
2013	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
G Sklenka	20,000	-	-	-	-	-	20,000
<i>Executive Directors:</i>							
O Demis	30,000	-	-	2,700	-	-	32,700
A Billis	87,500	-	73,692	12,457	-	-	173,649
<i>Other Key Management Personnel:</i>							
R Berzins	60,000	-	-	-	-	-	60,000
J Andrews	84,040	5,000	-	12,500	-	-	101,540
	<u>281,540</u>	<u>5,000</u>	<u>73,692</u>	<u>27,657</u>	<u>-</u>	<u>-</u>	<u>387,889</u>

* Includes car and housing plus applicable fringe benefits tax payable on benefits

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2014	2013	2014	2013	2014	2013
<i>Non-Executive Directors:</i>						
G Sklenka	100%	100%	-%	-%	-%	-%
<i>Executive Directors:</i>						
O Demis	100%	100%	-%	-%	-%	-%
A Billis	100%	100%	-%	-%	-%	-%
<i>Other Key Management Personnel:</i>						
R Berzins	100%	100%	-%	-%	-%	-%
J Andrews	95%	95%	5%	5%	-%	-%

The proportion of the cash bonus paid and forfeited is as follows:

Name	Cash bonus paid/payable		Cash bonus forfeited	
	2014	2013	2014	2013
<i>Other Key Management Personnel:</i>				
J Andrews	100%	100%	-%	-%

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Otakar Demis
Title: Executive Chairman and Joint Company Secretary
Term of agreement: Ongoing subject to re-election at Annual General Meetings every 2 years
Details: Base salary, inclusive of superannuation, for the year ending 30 June 2014 of \$32,775.

Name: Anthony Billis
Title: Executive Director and Managing Director
Term of agreement: Ongoing
Details: Base salary, inclusive of superannuation, for the year ended 30 June 2014 of \$99,993 to be reviewed annually by the board of directors. The company also provides housing and motor vehicle benefits to Mr Billis. During the year ended 30 June 2014 Mr Billis also cashed in \$69,400 in annual and long service leave benefits.

Name: Roland Berzins
Title: Joint Company Secretary
Term of agreement: Ongoing
Details: Base fees, for the year ended 30 June 2014 of \$60,000.

Name: John Andrews
Title: Manager of Kalgoorlie Operations
Term of agreement: Ongoing
Details: Base salary, inclusive of superannuation for the year ended 30 June 2014 of \$99,997 plus motor vehicle benefit. Mr Andrews is entitled to a discretionary bonus. During the year ended 30 June 2014 Mr Andrews cashed in \$55,010 in annual and long service leave benefits.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2014.

Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2014.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2014.

Additional disclosures relating to key management personnel

Shareholding

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

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
O Demis	26,629,601	-	-	(48,037)	26,581,564
A Billis	33,914,564	-	-	-	33,914,564
G Sklenka	26,576,764	-	-	-	26,576,764
	<u>87,120,929</u>	<u>-</u>	<u>-</u>	<u>(48,037)</u>	<u>87,072,892</u>

Loans to key management personnel and their related parties

There were no loans to or from key management personnel and their related parties at the current reporting date.

Other transactions with key management personnel and their related parties

Payment of royalties to Lake Grace Exploration NL, a company related to the director Anthony Billis, totalling \$10,617.

Payment for executive accommodation fees to Lake Grace Exploration Pty Ltd, a company related to the director Anthony Billis, totalling \$27,000.

Option fees paid to Resource Capital Limited, a director related entity, totalling \$57,065.

This concludes the remuneration report, which has been audited.

Shares under option

There were no unissued ordinary shares under option of Rand Mining Limited during the year ended 30 June 2014 and up to the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of Rand Mining Limited issued on the exercise of options during the year ended 30 June 2014 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against 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 contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 32 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 32 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former audit partners of Grant Thornton Audit Pty Ltd

There are no officers of the company who are former audit partners of Grant Thornton Audit Pty Ltd.

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.

Auditor

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Anthony Billis
Director

26 September 2014
Perth

Level 1
10 Kings Park Road
West Perth WA 6005

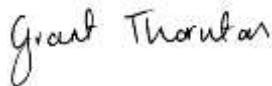
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W www.grantthornton.com.au

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 audit of Rand Mining Limited for the year ended 30 June 2014, 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 audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Partner - Audit & Assurance

Perth, 26 September 2014

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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The Board of Directors ('Board') of Rand Mining Limited is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of Rand Mining Limited (the 'company') on behalf of the shareholders by whom they are elected and to whom they are accountable.

The table below summarises the company's compliance with the ASX Corporate Governance Council's Revised Principles and Recommendations.

Principles and Recommendations	Compliance	Comply
Principle 1 – Lay solid foundations for management and oversight		
1.1	<p>Establish the functions reserved to the Board of Rand Mining Limited and those delegated to senior executives and disclose those functions.</p> <p>The Board is responsible for the overall corporate governance of the company.</p> <p>The Board has adopted a Board Charter that formalises its roles and responsibilities and defines the matters that are reserved for the Board and specific matters that are delegated to management. A summary of those matters is set out in this Corporate Governance Statement.</p> <p>The Board has adopted a Delegations of Authority that sets limits of authority for senior executives.</p> <p>On appointment of a director, the company issues a letter of appointment setting out the terms and conditions of appointment to the Board.</p>	Complies.
1.2	<p>Disclose the process for evaluating the performance of senior executives.</p> <p>Senior executives prepare strategic objectives that are reviewed and signed off by the Board. These objectives must then be met by senior executives as part of their key performance targets. The Chairman then reviews the performance of the senior executives against those objectives. The Board reviews the Chairman's compliance against his and the company's objectives. These reviews occur annually.</p>	Complies.
1.3	<p>Provide the information indicated in the <i>Guide to reporting on Principle 1</i>.</p> <p>A copy of the Board Charter is available on the company's website and is summarised in this Corporate Governance Statement.</p> <p>The performance evaluation process for senior executives is summarised in this Corporate Governance Statement.</p> <p>The Board conducted a performance evaluation for senior executives in the financial year in accordance with the process summarised in this Corporate Governance Statement.</p>	Complies.

Principles and Recommendations		Compliance	Comply
Principle 2 – Structure the Board to add value			
2.1	A majority of the Board should be independent directors.	<p>The company has no independent directors, Otakar Demis and Anthony Billis are not considered independent by virtue of their positions as Executive Chairman and Executive Director respectively. Gordon Sklenka is not considered independent as he is a director of Rand Mining Limited, which holds more than 5% of the shares of the company.</p> <p>The directors are satisfied that the composition and structure of the Board is appropriate for the size of the company and the nature of its operations. The membership of the Board, its activities and composition is subject to periodic review.</p>	Does not comply.
2.2	The Chair should be an independent director.	The Chairman of the Board, Otakar Demis, is not an independent Director for the reasons set out in 2.1 above.	Does not comply.
2.3	The roles of Chair and Chief Executive Officer should not be exercised by the same individual.	Otakar Demis is the Chairman and Anthony Billis the Chief Executive Officer.	Complies.
2.4	The Board should establish a nomination committee.	<p>The company has not established a separate Nomination Committee. Given the company's current size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the company. Accordingly, the duties of the Nomination Committee, as set out in the Nomination Committee Charter on the company's website, are currently undertaken by the full Board. Each year the Board will review the necessity or ability to establish a separate Nomination Committee and, if appropriate, delegate certain responsibilities to such Committee.</p> <p>The Board has adopted a Nomination Committee Charter which it follows when considering matters that would usually be considered by a Nomination Committee.</p>	Does not comply.

Principles and Recommendations		Compliance	Comply
2.5	Disclose the process for evaluating the performance of the Board, its committees and individual directors.	<p>The Board has established a Performance Evaluation Policy, which is available on the company's website. The Performance Evaluation Policy covers the Board, its Committees, if any, and its individual directors.</p> <p>The Board as a whole will discuss and analyse its own performance on an annual basis including suggestions for change or improvement from individual Board members and senior management to examine ways to perform its duties more effectively.</p> <p>The Board's induction program provides incoming directors with information that will enable them to carry out their duties in the best interests of the company. This includes supporting ongoing education of directors for the benefit of the company.</p>	Complies.
2.6	Provide the information indicated in the <i>Guide to reporting on Principle 2</i> .	<p>The skills, experience and expertise of by each Director are set out in the directors' report in this Annual Report.</p> <p>The company has no independent directors. A director is considered independent when he substantially satisfies the test for independence as set out in the ASX Corporate Governance Recommendations. Refer to 2.1 above.</p> <p>Members of the Board are able to take independent professional advice at the expense of the company, subject to prior consultation with the Chairman.</p> <p>Otakar Demis, Executive Chairman, was appointed to the Board in November 1985.</p> <p>Anthony Billis, Managing Director and Chief Executive Officer, was appointed to the Board in January 2003.</p> <p>Gordon Sklenka, Non-Executive Director, was appointed to the Board in August 2004.</p> <p>The Board has not established a Nomination Committee for the reasons set out in 2.4 above.</p> <p>The Board has undertaken a review of the mix of skills and experience on the Board in light of the company's principal activities and direction, and has considered diversity in succession planning. The Board considers the current mix of skills and experience of members of the Board and its senior management is sufficient to meet the requirements of the company.</p>	Complies.

Principles and Recommendations	Compliance	Comply
Principle 3 – Promote ethical and responsible decision making		
3.1	<p>Establish a code of conduct and disclose the code or a summary of the code as to:</p> <ul style="list-style-type: none"> the practices necessary to maintain confidence in the company's integrity; the practices necessary to take into account the company's legal obligations and the reasonable expectations of its stakeholders; the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 	<p>The Board has adopted a code of conduct which provides a framework for decisions and actions in relation to ethical conduct of the company's directors, officers and employees.</p> <p>A copy of the Code of Conduct is available on the company's website.</p> <p>The Code of Conduct sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from management and employees. The company encourages the reporting of matters that may cause financial and/or non-financial loss to the company, or may damage the company's reputation. All employees are responsible for reporting circumstances that may involve a breach of the Code of Conduct.</p> <p>The company also has adopted a Securities Trading Policy that establishes a procedure for dealings in the company's securities by Directors, senior executives, employees, and related parties, and also dealings in securities of other entities with whom the company may have business dealings. The Securities Trading Policy is further described at the end of this Corporate Governance Statement under the section titled 'Dealing in Company Securities'. A copy of Securities Trading Policy is available in the Corporate Governance section of the company's website.</p>
3.2	<p>Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.</p>	<p>The Board has established a Diversity Policy and is committed to workplace diversity, with a particular focus on supporting the representation of women at the senior level in the company and on the Board.</p> <p>A copy of the Diversity Policy is available on the company's website.</p>
3.3	<p>Disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.</p>	<p>The company is at a stage of its development that the application of measurable objectives in relation to gender diversity, at the various levels of the company's business, are not considered to be appropriate nor practical.</p>

Principles and Recommendations		Compliance	Comply
3.4	Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	The company has included the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board at the end of this Corporate Governance Statement, under the section 'Diversity'.	Complies.
3.5	Provide the information indicated in the <i>Guide to reporting on Principle 3</i> .	The company has provided explanations of departures from Recommendations in relation to Principle 3 and has noted that copies of the Code of Conduct, Securities Trading Policy and the Diversity Policy are available on the company's website.	Complies.
Principle 4 – Safeguard integrity in financial reporting			
4.1	The Board should establish an audit committee.	<p>The Board believes the company is not currently of a sufficient size, nor its financial affairs of such complexity to justify the formation of an Audit and Risk Committee. The full Board undertakes the functions normally associated with an Audit and Risk Committee. Each year the Board will review the necessity or ability to establish a separate Audit and Risk Committee and, if appropriate, delegate certain responsibilities to such Committee.</p> <p>The Board has adopted an Audit and Risk Committee Charter which it follows when considering matters that would usually be considered by an audit committee.</p>	Does not comply.
4.2	The audit committee should be structured so that it consists of only non-executive directors, a majority of independent directors, is chaired by an independent chair who is not chair of the Board and has at least 3 members.	The company has not established a separate Audit and Risk Committee for the reasons set out above.	Does not comply.
4.3	The audit committee should have a formal charter.	The Board has adopted a separate Audit and Risk Committee charter to assist it in performing the relevant functions of an audit and risk committee. The Charter sets out the roles and responsibilities of the Audit and Risk Committee and contains information on the procedures for the selection, appointment and rotation of the external auditor. A copy of the Audit and Risk Committee Charter is available on the company's website.	Complies.

Principles and Recommendations		Compliance	Comply
4.4	Provide the information indicated in the <i>Guide to reporting on Principle 4</i> .	<p>The company has not established a separate Audit and Risk Committee for the reasons outlined above. Therefore, it has not disclosed the names and qualifications of the committee but has disclosed that the functions normally carried out by the committee are performed by the full Board.</p> <p>The Audit and Risk Committee Charter, which contains procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners, is available on the company's website.</p>	Complies.
Principle 5 – Make timely and balanced disclosure			
5.1	Establish written policies designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	<p>The company has established a Continuous Disclosure Policy, to ensure that it complies with the continuous disclosure regime under the ASX Listing Rules and the Corporations Act 2001. Under the terms of the Continuous Disclosure Policy, the Chairman, Managing Director and Company Secretary are primarily responsible for making decisions about what information will be disclosed to the ASX. Approval is sought from the Board on all significant matters. Employees must inform the Managing Director, Chairman or Company Secretary of any potentially material price or value sensitive information as soon as they become aware of it.</p> <p>The Continuous Disclosure Policy is available on the company's website.</p>	Complies.
5.2	Provide the information indicated in the <i>Guide to reporting on Principle 5</i> .	The company's Continuous Disclosure Policy is available on its website.	Complies.
Principle 6 – Respect the rights of shareholders			
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose that policy or a summary of that policy.	The company has designed a Shareholder Communications Policy for promoting effective communication with shareholders and encouraging their participation at general meetings. The company uses its website, interim and annual reports, market announcements and media disclosures to communicate with its shareholders. Additionally, the company's auditor representative attends the annual general meetings of the company to answer any questions raised by shareholders about the conduct of the audit and preparation and content of the auditor's report.	Complies.
6.2	Provide the information indicated in the <i>Guide to reporting on Principle 6</i> .	The company's Shareholder Communications Policy is available on its website.	Complies.

Principles and Recommendations		Compliance	Comply
Principle 7 – Recognise and manage risk			
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	<p>The company has established policies for the oversight and management of material business risks. The Board is responsible for overseeing risk management strategy and policies, internal compliance and internal control.</p> <p>The Risk Management Policy is available on the company's website and is summarised in this Corporate Governance Statement under the section titled 'Risk'.</p>	Complies.
7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	<p>The company has identified key risks within the business. In the ordinary course of business, management monitors and manages those risks.</p> <p>The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back to the Board quarterly.</p> <p>Key operational and financial risks are presented to and reviewed by the Board at each Board meeting.</p>	Complies.
7.3	The Board should disclose whether it has received assurance from the Chief Executive Officer and Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating efficiently and effectively in all material respects in relation to the financial reporting risks.	The Board has received a statement from the Chief Executive Officer and Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act 2001 is founded on a sound system of risk management and internal control and that the system is operating efficiently and effectively in all material respects in relation to the financial reporting risks.	Complies.
7.4	Provide the information indicated in the <i>Guide to reporting on Principle 7</i> .	<p>Management has reported to the Board as to the effectiveness of the company's management of its material business risks.</p> <p>The company has received a statement of assurance from the Chief Executive Officer and Chief Financial Officer (or equivalent)</p> <p>The Risk Management Policy is available on the company's website and is summarised in this Corporate Governance Statement under the section titled 'Risk'.</p>	Complies.

Principles and Recommendations		Compliance	Comply
Principle 8 – Remunerate fairly and responsibly			
8.1	The Board should establish a remuneration committee.	<p>The Board has not established a separate Remuneration Committee. Given the company's current size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the company. Accordingly, the duties of the Remuneration Committee are currently undertaken by the full Board. Each year the Board will review the necessity or ability to establish a separate Remuneration Committee and, if appropriate, delegate certain responsibilities to such Committee.</p> <p>The Board has adopted a Remuneration Committee Charter which it follows when considering matters that would usually be considered by a remuneration committee.</p>	Does not comply.
8.2	The remuneration committee should be structured so that it consists of a majority of independent directors, is chaired by an independent chair and has at least three members.	Refer to 8.1 above.	Does not comply.
8.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The company has separate policies relating to the remuneration of Non-Executive Directors and that of Executive Directors and senior executives. This information is detailed in the Remuneration Report, which forms part of the directors' report in this Annual Report.	Complies.
8.4	Provide the information indicated in the <i>Guide to reporting on Principle 8</i> .	<p>The company has not established a Remuneration Committee for the reasons outlined above.</p> <p>The company does not have any schemes for retirement benefits other than superannuation for Non-Executive Directors.</p> <p>Explanations for departures from Recommendations 8.1 and 8.2 are set out above.</p> <p>A copy of the Remuneration Committee Charter, which is followed by the Board, is available on the company's website.</p> <p>The Securities Trading Policy, a copy of which is available on the company's website, prohibits the hedging of risk of fluctuation of the value of the company's securities.</p>	Complies.

Rand Mining Limited's corporate governance practices were in place for the financial year ended 30 June 2014 and to the date of signing the directors' report in this Annual Report.

Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by Rand Mining Limited, refer to our website, www.randmining.com.au.

The Role of the Board and Management

In carrying out the responsibilities and powers set out in the Board Charter, the Board of Directors of the company recognises:

- its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of its shareholders; and
- its duties and responsibilities to its employees, customers and the community.

In addition to matters it is expressly required by law to approve, the Board has the following specific responsibilities:

- appointment of the Chief Executive Officer and/or Managing Director, other senior executives and the Company Secretary and the determination of their terms and conditions including remuneration and termination;
- driving the strategic direction of the company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- approving and monitoring the budget and adequacy and integrity of financial and other reporting;
- approving the annual and interim accounts;
- approving significant changes to organisational structure;
- approving the issue of any shares, options, equity instruments or other securities in the company (subject to compliance with the ASX Listing Rules if applicable);
- ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules if applicable); and
- meeting with the external auditor, at their request, without management being present.

The Board delegates responsibility for the day to day operations and administration of the company to the Managing Director. In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the company to facilitate the carrying out of their duties as Directors.

Composition of the Board

The company's Constitution governs the regulation of meetings and proceedings of the Board.

The Board determines its size and composition, subject to the terms of the Constitution. The Board does not believe that it should establish a limit on tenure other than stipulated in the company's Constitution.

While tenure limits can help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight in the company and its operations and, therefore, an increasing contribution to the Board as a whole. Where practical, it is intended that the Board should comprise a majority of independent Non-Executive Directors and comprise directors with a broad range of skills, expertise and experience from a diverse range of backgrounds. Where practical, it is also intended that the Chair should be an independent Non-Executive Director. The Board regularly reviews the independence of each director in light of the interests disclosed to the Board.

The Board only considers directors to be independent where they are independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgment. The Board has adopted a definition of independence based on that set out in Principle 2 of the ASX Corporate Governance Revised Principles and Recommendations. The Board reviews the independence of each director in light of interests disclosed to the Board, including their participation in Board activities associated with related entities, from time to time.

In accordance with the definition of independence above, none of the Directors of Rand Limited is considered to be independent:

The appointment date of each director in office at the date of this report is as follows:

Name	Position	Appointment Date
Otakar Demis	Executive Director, Chairman	Appointed 29 November 1985
Anthony Billis	Executive Director, Managing Director and Chief Executive Officer	Appointed 22 January 2003
Gordon Sklenka	Non-Executive Director	Appointed 16 August 2004

Further details on each director can be found in the directors' report in this Annual Report.

Committees of the Board

Given the company's current size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the company. Accordingly, the duties of the committees below are currently undertaken by the full Board:

- Audit and Risk Committee;
- Remuneration Committee; and
- Nomination Committee.

Each year the Board will review the necessity or ability to establish separate committees and, if appropriate, delegate certain responsibilities to each such committee.

Access to Advice

The Board, Committees, if any, or individual directors may seek independent external professional advice as considered necessary at the expense of the company, subject to prior consultation with the Chairman. A copy of such advice received is made available to all members of the Board.

Dealings in Company Securities

The company's Securities Trading Policy outlines when Key Management Personnel (the company's Directors and those employees directly reporting to the Managing Director) may deal in the company's securities and contains procedures to reduce the risk of insider trading.

Key management personnel must not, except in exceptional circumstances, deal in the securities of the company in the following periods:

- from the day after the company's half-year end, being 1 January, to the close of trading on the business day after the half-year report is released and the day of, and 1 trading day after the release of the Appendix 5B Report to the ASX;
- 1 April and 1 trading day after release of the Appendix 5B Report to the ASX;
- from the day after the company's financial year end, being 1 July, to the close of trading on the business day after the annual report is released and the day of, and 1 trading day after the release of the Appendix 5B Report to the ASX;
- 1 October and 1 trading day after release of the Appendix 5B Report to the ASX.

As required by the ASX Listing Rules, the company notifies the ASX of any transactions conducted by directors in the securities of the company within five business days of the transaction taking place.

The Securities Trading Policy prohibits key management personnel from entering into transactions which would have the effect of hedging or transferring the risk of any fluctuation in the value of the company's securities.

The Securities Trading Policy has been issued to ASX and a copy is available on the company's website

Risk

The responsibility of overseeing risk usually falls within the charter of the Audit and Risk Committee (a copy of which is available on the company's website). However, there is currently no separate Audit and Risk Committee. Given the company's current size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the company. Accordingly, the duties of the Audit and Risk Committee, including overseeing risk management, are undertaken by the full Board.

The company has established a Risk Management Policy for the oversight and management of material business risks (a copy of which is available on the company's website).

The company will:

- oversee the company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements;
- assist management to determine the key risks to the businesses and prioritise work to manage those risks; and
- review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

The risk assessment is aimed at identifying the following:

- a culture of risk control and the minimisation of risk throughout the company, which is being done through natural or instinctive processes by employees of the company;
- a culture of risk control that can easily identify risks as they arise and amend practices;
- the installation of practices and procedures in all areas of the business that are designed to minimise an event or incident that could have a financial or other effect on the business and its day to day management; and
- adoption of these practices and procedures to minimise many of the standard commercial risks, i.e. taking out the appropriate insurance policies, or ensuring compliance reporting is up to date.

The company's process of risk management and internal compliance and control includes:

- identifying and measuring risks that might impact upon the achievement of the company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks;
- formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls; and
- monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

CEO and CFO certification

The Chief Executive Officer and Chief Financial Officer (or equivalent) have given a written declaration to the Board required by section 295A of the Corporations Act 2001 that in their view:

- the financial statements of the company present a true and fair view, in all material aspects, of the consolidated entity's financial position and operating results and are in accordance with accounting standards;
- the above statement is founded on a sound system of risk management and internal compliance and control; and
- the company's risk management and internal compliance and control system is operating effectively in all material respects in relation the financial reporting risks.

Performance

The performance of the Board and key executives is reviewed regularly using both measurable and qualitative indicators.

On an annual basis, directors will provide written feedback in relation to the performance of the Board and its Committees, if any, against a set of agreed criteria.

- Feedback will be collected by the Chair of the Board, or an external facilitator, and discussed by the Board, with consideration being given as to whether any steps should be taken to improve performance of the Board;
- The Chief Executive Officer will also provide feedback from senior management in connection with any issues that may be relevant in the context of Board performance review; and
- Where appropriate to facilitate the review process, assistance may be obtained from third party advisers.

A review of the performance of the Board was conducted in accordance with the process disclosed.

Remuneration

It is the company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating Directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Board, in assuming the responsibilities of assessing remuneration to employees, links the nature and amount of Executive Directors' and officers' remuneration to the company's financial and operational performance. The expected outcomes of the remuneration structure are:

- retention and motivation of key executives;
- attraction of high quality management to the company; and
- performance incentives that allow executives to share in the success of Rand Mining Limited.

For a more comprehensive explanation of the company's remuneration framework and the remuneration received by directors and key executives in the current period, please refer to the remuneration report, which forms part of the directors' report in this Annual Report.

There is no scheme to provide retirement benefits to Non-Executive (or Executive) Directors.

The duties of the Remuneration Committee are currently undertaken by the full Board, which is responsible for determining and reviewing compensation arrangements for the directors themselves and the Chief Executive Officer and Executive team.

Diversity

The company and all its related bodies corporate are committed to workplace diversity. The company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefitting from all available talent.

Diversity includes, but is not limited to gender, age, ethnicity and cultural background.

The Diversity Policy is available on the company's website.

As stated earlier, the company is at a stage of its development that the application of measurable objectives in relation to gender diversity, at the various levels of the company's business, are not considered to be appropriate nor practical.

The participation of women in the company and consolidated entity at 30 June 2014 was as follows:

- | | |
|--|-----|
| • Women employees in the consolidated entity | 20% |
| • Women in senior management positions | 0% |
| • Women on the Board | 0% |

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General information

The financial statements cover Rand Mining Limited as a consolidated entity consisting of Rand Mining Limited and its subsidiaries. The financial statements are presented in Australian dollars, which is Rand Mining Limited's functional and presentation currency.

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 statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 September 2014. The directors have the power to amend and reissue the financial statements.

Rand Mining Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2014



	Note	Consolidated 2014 \$	2013 \$
Revenue	4	28,684,259	26,921,150
Share of profits of associates accounted for using the equity method	5	1,035,142	5,724,911
Other income	6	37,230	120,084
Expenses			
Changes in inventories		(4,459,219)	6,593,825
Employee benefits expense		(530,914)	(565,436)
Management fees		(305,041)	(300,827)
Depreciation and amortisation expense	7	(2,917,534)	(5,781,366)
Impairment of available-for-sale assets		(28,585)	(160,949)
Impairment of equity accounted investments		-	(4,778,367)
Administration expenses		(967,003)	(417,529)
Exploration and evaluation expenses		(3,865,761)	(2,241,059)
Mining expenses		(8,134,805)	(8,882,112)
Processing expenses		(2,298,774)	(3,298,750)
Royalty expenses		(736,648)	(967,494)
Finance costs	7	(46,181)	(287,613)
Profit before income tax expense		5,466,166	11,678,468
Income tax expense	8	(2,525,942)	(4,122,523)
Profit after income tax expense for the year attributable to the owners of Rand Mining Limited	27	2,940,224	7,555,945
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings, net of tax		-	296,059
<i>Items that may be reclassified subsequently to profit or loss</i>			
Available-for-sale financial assets - current year revaluation gain/(loss)		124,205	(221,413)
Available-for-sale financial assets - reclassification to profit or loss		-	116,521
Tax on revaluation adjustment		(15,726)	-
Other comprehensive income for the year, net of tax		108,479	191,167
Total comprehensive income for the year attributable to the owners of Rand Mining Limited		<u>3,048,703</u>	<u>7,747,112</u>
		Cents	Cents
Basic earnings per share	42	4.83	12.42
Diluted earnings per share	42	4.83	12.42

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Rand Mining Limited
Statement of financial position
As at 30 June 2014



	Note	Consolidated 2014 \$	2013 \$
Assets			
Current assets			
Cash and cash equivalents	9	2,879,428	2,054,590
Trade and other receivables	10	149,022	132,976
Inventories	11	20,606,504	24,791,427
Income tax refund due	12	1,608,999	-
Total current assets		<u>25,243,953</u>	<u>26,978,993</u>
Non-current assets			
Investments accounted for using the equity method	13	18,824,031	15,501,076
Available-for-sale financial assets	14	164,647	102,566
Property, plant and equipment	15	2,259,061	2,401,459
Mine development	16	5,269,299	6,082,577
Deferred tax	17	661,074	599,123
Other	18	-	791,049
Total non-current assets		<u>27,178,112</u>	<u>25,477,850</u>
Total assets		<u>52,422,065</u>	<u>52,456,843</u>
Liabilities			
Current liabilities			
Trade and other payables	19	3,155,964	3,618,166
Borrowings	20	-	1,750,000
Income tax	21	-	1,414,886
Provisions	22	-	193,965
Total current liabilities		<u>3,155,964</u>	<u>6,977,017</u>
Non-current liabilities			
Deferred tax	23	3,042,518	2,469,426
Provisions	24	519,851	355,371
Total non-current liabilities		<u>3,562,369</u>	<u>2,824,797</u>
Total liabilities		<u>6,718,333</u>	<u>9,801,814</u>
Net assets		<u>45,703,732</u>	<u>42,655,029</u>
Equity			
Issued capital	25	17,573,427	17,573,427
Reserves	26	2,260,554	2,152,075
Retained profits	27	25,869,751	22,929,527
Total equity		<u>45,703,732</u>	<u>42,655,029</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 year ended 30 June 2014



Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2012	17,573,427	1,960,908	15,373,582	34,907,917
Profit after income tax expense for the year	-	-	7,555,945	7,555,945
Other comprehensive income for the year, net of tax	-	191,167	-	191,167
Total comprehensive income for the year	-	191,167	7,555,945	7,747,112
Balance at 30 June 2013	<u>17,573,427</u>	<u>2,152,075</u>	<u>22,929,527</u>	<u>42,655,029</u>
	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2013	17,573,427	2,152,075	22,929,527	42,655,029
Profit after income tax expense for the year	-	-	2,940,224	2,940,224
Other comprehensive income for the year, net of tax	-	108,479	-	108,479
Total comprehensive income for the year	-	108,479	2,940,224	3,048,703
Balance at 30 June 2014	<u>17,573,427</u>	<u>2,260,554</u>	<u>25,869,751</u>	<u>45,703,732</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 year ended 30 June 2014



	Note	Consolidated	
		2014	2013
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		28,627,025	26,973,874
Payments to suppliers and employees (inclusive of GST)		<u>(17,161,870)</u>	<u>(16,266,144)</u>
		11,465,155	10,707,730
Interest received		57,236	67,357
Interest and other finance costs paid		(46,211)	(287,613)
Income taxes paid		<u>(4,550,643)</u>	<u>(3,160,715)</u>
Net cash from operating activities	41	<u>6,925,537</u>	<u>7,326,759</u>
Cash flows from investing activities			
Payments for investments		(2,270,000)	-
Payments for property, plant and equipment		(703,614)	(785,219)
Payments for mine development		(1,384,733)	(2,930,994)
Proceeds from sale of property, plant and equipment		<u>7,648</u>	<u>8,788</u>
Net cash used in investing activities		<u>(4,350,699)</u>	<u>(3,707,425)</u>
Cash flows from financing activities			
Repayment of borrowings		<u>(1,750,000)</u>	<u>(3,250,000)</u>
Net cash used in financing activities		<u>(1,750,000)</u>	<u>(3,250,000)</u>
Net increase in cash and cash equivalents		824,838	369,334
Cash and cash equivalents at the beginning of the financial year		<u>2,054,590</u>	<u>1,685,256</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>2,879,428</u></u>	<u><u>2,054,590</u></u>

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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 below. 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 10 Consolidated Financial Statements

The consolidated entity has applied AASB 10 from 1 July 2013, which has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights that give it the current ability to direct the activities that significantly affect the investee's returns. The consolidated entity not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.

AASB 11 Joint Arrangements

The consolidated entity has applied AASB 11 from 1 July 2013. The standard defines which entities qualify as joint arrangements and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets are accounted for using the equity method. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities, will account for its share of the assets, liabilities, revenues and expenses separately under the appropriate classifications. There was no impact as the company's interest in the EKJV Joint Venture is accurately treated as a joint operation.

AASB 12 Disclosure of Interests in Other Entities

The consolidated entity has applied AASB 12 from 1 July 2013. The standard contains the entire disclosure requirement associated with other entities, being subsidiaries, associates, joint arrangements (joint operations and joint ventures) and unconsolidated structured entities. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

The consolidated entity has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

The consolidated entity has applied AASB 119 and its consequential amendments from 1 July 2013. The standard eliminates the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

Note 1. Significant accounting policies (continued)

AASB 127 Separate Financial Statements (Revised), AASB 128 Investments in Associates and Joint Ventures (Reissued) and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

The consolidated entity has applied AASB 127, AASB 128 and AASB 2011-7 from 1 July 2013. AASB 127 and AASB 128 have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12 and AASB 2011-7 makes numerous consequential changes to a range of Australian Accounting Standards and Interpretations. AASB 128 has also been amended to include the application of the equity method to investments in joint ventures.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The consolidated entity has applied AASB 2012-5 from 1 July 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities.

Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine and AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20

The consolidated entity has applied Interpretation 20 and its consequential amendments from 1 July 2013. The Interpretation clarifies when production stripping costs should lead to the recognition of an asset and how that asset should be initially and subsequently measured. The Interpretation only deals with waste removal costs that are incurred in surface mining activities during the production phase of the mine.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

The consolidated entity has applied 2011-4 from 1 July 2013, which amends AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No.1) now specify the KMP disclosure requirements to be included within the directors' report.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 36.

Note 1. Significant accounting policies (continued)

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Rand Mining Limited ('company' or 'parent entity') as at 30 June 2014 and the results of all subsidiaries for the year then ended. Rand Mining Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of gold

Sale of gold revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 1. Significant accounting policies (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories

Inventories are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

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; and
- a proportion of related depreciation and amortisation charge is included in the cost of inventory.

Note 1. Significant accounting policies (continued)

Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Other entities

Interest in entities that do not meet the classification as a joint venture or joint operations but has similar characteristics to a joint operation are recognised by the consolidated entity by bringing to account its share of the entity's assets, liabilities, revenues and expenses under the relevant accounting standards for those assets, liabilities, revenues and expenses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available-for-sale reserve.

Note 1. Significant accounting policies (continued)

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant and equipment	2.7-6.7 years
Mining plant and equipment	2.7-6.7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

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 capitalised 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.

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 profit or loss during the financial period in which they are incurred.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Exploration and evaluation

Exploration and evaluation expenditures are typically expenses, unless it can be demonstrated that the related expenditures will generate a future economic benefit, in which case these costs are capitalised.

Note 1. Significant accounting policies (continued)

Examples of common exploration and evaluation activities

Exploration activities which primarily consist of expenditures relating to drilling programs and include, but are not limited to:

- Researching and analysing existing exploration data;
- Conducting geological mapping studies; and
- Exploratory drilling and sampling including:
 - Taking core samples for analysis (assay work);
 - Sinking exploratory shafts;
 - Opening shallow pits; and
 - Drilling to determine volume and grade of deposits in an area known to contain mineral resources, or for the purpose of converting mineral resources into proven and probable reserves.

Mine development assets

Capitalised mine development costs include expenditures incurred to develop new ore bodies to define further mineralisation in existing ore bodies, 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.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:

- interest on short-term and long-term borrowings

Note 1. Significant accounting policies (continued)

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Binomial 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, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 1. Significant accounting policies (continued)

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Note 1. Significant accounting policies (continued)

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Rand Mining Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2014. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments and its consequential amendments

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2018 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

Note 1. Significant accounting policies (continued)

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of these amendments from 1 July 2014 may increase the disclosures by the consolidated entity.

AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and allow entities that meet the definition of an 'investment entity' to account for their investments at fair value through profit or loss. An investment entity is not required to consolidate investments in entities it controls, or apply AASB 3 'Business Combinations' when it obtains control of another entity, nor is it required to equity account or proportionately consolidate associates and joint ventures if it meets the criteria for exemption in the standard. The adoption of these amendments from 1 July 2014 will have no impact on the consolidated entity.

AASB 2014-1 Amendments to Australian Accounting Standards

These amendments are in several parts. Part A makes various amendments to Australian Accounting Standards arising from the issuance of IASB's 'Annual Improvements to IFRSs 2010-2012 Cycle' and 'Annual Improvements to IFRSs 2011-2013 Cycle'. Part B makes amendments to AASB 119 'Employee in relation to the requirements for contributions from employees or third parties that are linked to service which arise from the issuance of IASB's 'Defined Benefit Plans – Employee Contributions (Amendments to IAS 19)'. Part C makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031 'Materiality'. Part D makes consequential amendments arising from the issuance of AASB 14 'Regulatory Deferral Accounts'. Part E makes consequential amendments to numerous other Standards as a consequence of the introduction of hedge accounting requirements into AASB 9 'Financial Instruments' in December 2013. Amendments Part A to D are applicable to annual reporting periods beginning on or after 1 July 2014 or as specified in each Part. Amendments Part E are applicable to annual reporting periods beginning on or after 1 January 2015 or as specified in Part E.

Annual Improvements to IFRSs 2010-2012 Cycle

These amendments affect several Accounting Standards as follows: Amends the definition of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' in AASB 2 'Share-based Payment'; Amends AASB 3 'Business Combinations' to clarify that contingent consideration that is classified as an asset or liability shall be measured at fair value at each reporting date; Amends AASB 8 'Operating Segments' to require entities to disclose the judgements made by management in applying the aggregation criteria; Clarifies that AASB 8 only requires a reconciliation of the total reportable segments assets to the entity's assets, if the segment assets are reported regularly; Clarifies that the issuance of AASB 13 'Fair Value Measurement' and the amending of AASB 139 'Financial Instruments: Recognition and Measurement' and AASB 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amount, if the effect of discounting is immaterial; Clarifies that in AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets', when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount (i.e. proportional restatement of accumulated amortisation); and Amends AASB 124 'Related Party Disclosures' to clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a 'related party' of the reporting entity. The adoption of these amendments will not have a material impact on the consolidated entity.

Annual Improvements to IFRSs 2011-2013 Cycle

These amendments affect four Accounting Standards as follows: Clarifies the 'meaning of effective IFRSs' in AASB 1 'First-time Adoption of Australian Accounting Standards'; Clarifies that AASB 3 'Business Combination' excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself; Clarifies that the scope of the portfolio exemption in AASB 13 'Fair Value Measurement' includes all contracts accounted for within the scope of AASB 139 'Financial Instruments: Recognition and Measurement' or AASB 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132 'Financial Instruments: Presentation'; and Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in AASB 3 'Business Combinations' and investment property as defined in AASB 140 'Investment Property' requires the separate application of both standards independently of each other. The adoption of these amendments will not have a material impact on the consolidated entity.

Note 1. Significant accounting policies (continued)

Interpretation 21 Levies

This interpretation is applicable to annual reporting periods beginning on or after 1 January 2014. The Interpretation clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. The adoption of the interpretation from 1 July 2014 will not have a material impact on the consolidated entity.

IFRS 15 Revenue from Contracts with Customers

This standard is expected to be applicable to annual reporting periods beginning on or after 1 January 2017. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations

These amendments are applicable to annual reporting periods beginning on or after 1 January 2016. AASB 2014-3 amends AASB 11 Joint Arrangements to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require that the acquirer of an interest in a joint operation (in which the activity constitutes a business, as defined in AASB 3 Business Combinations) apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11. It also requires the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. The adoption of these amendments from 1 July 2016 is not currently expected to impact the consolidated entity.

AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation

These amendments are applicable to annual reporting periods beginning on or after 1 January 2016. AASB 2014-4 amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It clarifies that the use of revenue-based methods to calculate the depreciation of an asset are not appropriate and that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. The adoption of these amendments from 1 July 2016 is not currently expected to impact the consolidated entity.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Binomial model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity has one operating segment. Based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Major customers

During the year ended 30 June 2014 approximately 100% (2013: 100%) of the consolidated entity's external revenue was derived from sales to one customer.

Operating segment

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

Geographical information

The consolidated entity's revenue and non-current assets are all derived in Australia and, therefore, this information is detailed throughout the financial statements.

Note 4. Revenue

	Consolidated	
	2014	2013
	\$	\$
<i>Sales revenue</i>		
Sales of gold	28,627,023	26,853,793
<i>Other revenue</i>		
Interest	57,236	67,357
Revenue	<u>28,684,259</u>	<u>26,921,150</u>

Note 5. Share of profits of associates accounted for using the equity method

	Consolidated	
	2014	2013
	\$	\$
Share of profit - associates	<u>1,035,142</u>	<u>5,724,911</u>

Share of profit - associates relates to the company's share in Tribune Resources Limited. Refer to notes 13 and 38 for further details of the investment.

Note 6. Other income

	Consolidated	
	2014	2013
	\$	\$
Release of joint venture management fee	-	102,444
Other income	37,230	17,640
Other income	<u>37,230</u>	<u>120,084</u>

Note 7. Expenses

	Consolidated 2014	2013
	\$	\$
Profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	921	2,011
Mining plant and equipment	<u>835,455</u>	<u>922,235</u>
Total depreciation	<u>836,376</u>	<u>924,246</u>
<i>Amortisation</i>		
Mine development	<u>2,081,158</u>	<u>4,857,120</u>
Total depreciation and amortisation	<u>2,917,534</u>	<u>5,781,366</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable	<u>46,181</u>	<u>287,613</u>
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	<u>8,170</u>	<u>8,046</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>52,962</u>	<u>36,592</u>

Note 8. Income tax expense

	Consolidated 2014	2013
	\$	\$
<i>Income tax expense</i>		
Current tax	2,022,368	4,205,734
Deferred tax - origination and reversal of temporary differences	488,255	(82,385)
Adjustment recognised for prior periods	<u>15,319</u>	<u>(826)</u>
Aggregate income tax expense	<u>2,525,942</u>	<u>4,122,523</u>
Deferred tax included in income tax expense comprises:		
Increase in deferred tax assets (note 17)	(84,837)	(468,080)
Increase in deferred tax liabilities (note 23)	<u>573,092</u>	<u>385,695</u>
Deferred tax - origination and reversal of temporary differences	<u>488,255</u>	<u>(82,385)</u>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	<u>5,466,166</u>	<u>11,678,468</u>
Tax at the statutory tax rate of 30%	1,639,850	3,503,540
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Sundry items	<u>870,773</u>	<u>619,809</u>
Adjustment recognised for prior periods	<u>15,319</u>	<u>(826)</u>
Income tax expense	<u>2,525,942</u>	<u>4,122,523</u>

Note 8. Income tax expense (continued)

	Consolidated 2014	2013
	\$	\$
<i>Amounts charged/(credited) directly to equity</i>		
Deferred tax assets (note 17)	22,886	78,495
Deferred tax liabilities (note 23)	-	(67,053)
	<u>22,886</u>	<u>11,442</u>

Note 9. Current assets - cash and cash equivalents

	Consolidated 2014	2013
	\$	\$
Cash on hand	200	200
Cash at bank	2,694,008	1,869,170
Cash on deposit	185,220	185,220
	<u>2,879,428</u>	<u>2,054,590</u>

Note 10. Current assets - trade and other receivables

	Consolidated 2014	2013
	\$	\$
Other receivables	149,022	132,631
Goods and services tax receivable	-	345
	<u>149,022</u>	<u>132,976</u>

Past due but not impaired

There were no past due but not impaired receivables at 30 June 2014 or 30 June 2013.

Note 11. Current assets - inventories

	Consolidated 2014	2013
	\$	\$
Ore stockpiles - at cost	431,799	698,760
Gold in transit - at cost	278,502	280,796
Gold on hand - at cost	19,621,907	23,811,871
Consumables	274,296	-
	<u>20,606,504</u>	<u>24,791,427</u>

Gold on hand at 30 June 2014 has a net realisable value of \$37,432,313 (2013: \$35,701,527) measured at spot rate of \$1,393.11 (2013: \$1,303.00). Gold in transit had a net realisable value of \$581,852 (2013: \$405,053) measured at spot rate of \$1,393.11 (2013: \$1,303.00).

Note 12. Current assets - income tax refund due

	Consolidated	Consolidated
	2014	2013
	\$	\$
Income tax refund due	1,608,999	-

Note 13. Non-current assets - investments accounted for using the equity method

	Consolidated	Consolidated
	2014	2013
	\$	\$
Investment in associate - Tribune Resources Limited	28,367,905	25,044,950
Less: provision for impairment	(9,543,874)	(9,543,874)
	<u>18,824,031</u>	<u>15,501,076</u>

Refer to note 38 for further information on interests in associates.

On 2 January 2014, the company purchased 1,135,000 shares in Tribune Resources Limited for an amount of \$2,270,000. This increased Rand Mining's holding in Tribune Resources Limited to 26% (30 June 2013: 23.75%) and 13,058,904 shares (30 June 2013: 11,923,904). The shares were purchased off market and at a discount to market price.

Investments in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to Note 1 'Investment in Associate' for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement.

Interest in entities that do not meet the classification as a joint venture or joint operations but has similar characteristics to a joint operation are recognised by the consolidated entity by bringing to account its share of the entity's assets, liabilities, revenues and expenses under the relevant accounting standards for those assets, liabilities, revenues and expenses. The consolidated entity's interests in the assets, liabilities, revenue and expenses of the other entities are included in the respective line items of the financial statements. Information about the other entities is set out in note 39.

Note 14. Non-current assets - available-for-sale financial assets

	Consolidated	
	2014	2013
	\$	\$
Listed securities - at fair value	<u>164,647</u>	<u>102,566</u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current financial year are set out below:		
Opening fair value	102,566	318,194
Revaluation increments	90,666	-
Revaluation decrements	-	(54,679)
Impairment of assets	<u>(28,585)</u>	<u>(160,949)</u>
Closing fair value	<u>164,647</u>	<u>102,566</u>

Refer to note 30 for further information on fair value measurement.

Note 15. Non-current assets - property, plant and equipment

	Consolidated	
	2014	2013
	\$	\$
Plant and equipment - at cost	275,787	296,153
Less: Accumulated depreciation	<u>(266,650)</u>	<u>(292,948)</u>
	9,137	3,205
Mining plant and equipment - at cost	7,813,474	6,646,015
Less: Accumulated depreciation	<u>(5,563,550)</u>	<u>(4,777,821)</u>
	2,249,924	1,868,194
Construction work in progress - at cost	-	530,060
	<u>2,259,061</u>	<u>2,401,459</u>

Note 15. Non-current assets - property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Plant and equipment \$	Mining plant and equipment \$	Construction WIP \$	Total \$
Balance at 1 July 2012	5,216	2,083,311	488,046	2,576,573
Additions	-	-	785,219	785,219
Disposals	-	(2,681)	-	(2,681)
Transfers in/(out)	-	709,799	(743,205)	(33,406)
Depreciation expense	(2,011)	(922,235)	-	(924,246)
Balance at 30 June 2013	3,205	1,868,194	530,060	2,401,459
Additions	9,137	160,984	543,888	714,009
Disposals	-	(7,352)	-	(7,352)
Impairment of assets	-	(10,395)	-	(10,395)
Write off of assets	(2,284)	-	-	(2,284)
Transfers in/(out)	-	1,073,948	(1,073,948)	-
Depreciation expense	(921)	(835,455)	-	(836,376)
Balance at 30 June 2014	<u>9,137</u>	<u>2,249,924</u>	<u>-</u>	<u>2,259,061</u>

Note 16. Non-current assets - mine development

	Consolidated 2014 \$	2013 \$
Mine development - at cost	20,911,843	19,643,962
Less: Accumulated amortisation	(15,642,544)	(13,561,385)
	<u>5,269,299</u>	<u>6,082,577</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Mine development \$	Total \$
Balance at 1 July 2012	8,008,703	8,008,703
Additions	2,930,994	2,930,994
Amortisation expense	(4,857,120)	(4,857,120)
Balance at 30 June 2013	6,082,577	6,082,577
Additions	1,384,733	1,384,733
Impairment of assets	(116,853)	(116,853)
Amortisation expense	(2,081,158)	(2,081,158)
Balance at 30 June 2014	<u>5,269,299</u>	<u>5,269,299</u>

Note 17. Non-current assets - deferred tax

	Consolidated	
	2014	2013
	\$	\$
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Provisions	170,999	164,802
Capitalised mine development costs	480,174	408,039
Other	8,905	2,400
	<u>660,078</u>	<u>575,241</u>
Amounts recognised in equity:		
Transaction costs on share issue	-	23,882
Capital raising costs	996	-
	<u>996</u>	<u>23,882</u>
Deferred tax asset	<u>661,074</u>	<u>599,123</u>
<i>Movements:</i>		
Opening balance	599,123	209,538
Credited to profit or loss (note 8)	84,837	468,080
Charged to equity (note 8)	(22,886)	(78,495)
Closing balance	<u>661,074</u>	<u>599,123</u>

Note 18. Non-current assets - other

	Consolidated	
	2014	2013
	\$	\$
Other non-current assets	<u>-</u>	<u>791,049</u>

Other non-current assets relate to prepaid drilling expenses incurred during the exploration of the Tapeta Project as part of the Option and Access agreement between Rand Mining Limited and Resource Capital Limited. Refer to note 40 for details on the extension to this agreement to 23 September 2015.

Note 19. Current liabilities - trade and other payables

	Consolidated	
	2014	2013
	\$	\$
Trade payables	3,105,814	3,264,487
Accrued expenses	50,150	353,679
	<u>3,155,964</u>	<u>3,618,166</u>

Refer to note 29 for further information on financial instruments.

Note 20. Current liabilities - borrowings

	Consolidated	
	2014	2013
	\$	\$
Bank loans	-	1,750,000
	<u>-</u>	<u>1,750,000</u>

Refer to note 29 for further information on financial instruments.

Assets pledged as security

The bank loans were secured over specified East Kundana Joint Venture Tenements and were repaid in the year.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	2014	2013
	\$	\$
Total facilities		
Bank loans	-	1,750,000
	<u>-</u>	<u>1,750,000</u>
Used at the reporting date		
Bank loans	-	1,750,000
	<u>-</u>	<u>1,750,000</u>
Unused at the reporting date		
Bank loans	-	-
	<u>-</u>	<u>-</u>

Note 21. Current liabilities - income tax

	Consolidated	
	2014	2013
	\$	\$
Provision for income tax	-	1,414,886
	<u>-</u>	<u>1,414,886</u>

Note 22. Current liabilities - provisions

	Consolidated	
	2014	2013
	\$	\$
Employee benefits	-	193,965
	<u>-</u>	<u>193,965</u>

Note 23. Non-current liabilities - deferred tax

	Consolidated 2014	2013
	\$	\$
<i>Deferred tax liability comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Investment in associate	2,759,583	2,450,739
Capitalised exploration	177,125	-
Other	105,810	18,687
	<u>3,042,518</u>	<u>2,469,426</u>
Deferred tax liability	<u>3,042,518</u>	<u>2,469,426</u>
<i>Movements:</i>		
Opening balance	2,469,426	2,150,784
Credited to profit or loss (note 8)	573,092	385,695
Charged to equity (note 8)	-	(67,053)
	<u>3,042,518</u>	<u>2,469,426</u>
Closing balance	<u>3,042,518</u>	<u>2,469,426</u>

Note 24. Non-current liabilities - provisions

	Consolidated 2014	2013
	\$	\$
Rehabilitation	<u>519,851</u>	<u>355,371</u>

Rehabilitation

The provision is in respect of consolidated entity's obligation to rehabilitate the Raleigh and Rubicon-Hornet mine sites upon cessation of production in accordance with the state environmental regulatory requirements. The consolidated entity has been 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% as adjustments to present value are not material.

Movements in provisions

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

Consolidated - 2014	Rehabilitation \$
Carrying amount at the start of the year	355,371
Impact of revision to expected cashflows (net of accretion)	<u>164,480</u>
Carrying amount at the end of the year	<u>519,851</u>

Note 25. Equity - issued capital

	2014	Consolidated		
	Shares	2013	2014	2013
		Shares	\$	\$
Ordinary shares - fully paid	60,841,209	60,841,209	17,573,427	17,573,427

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these are given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2013 Annual Report.

Note 26. Equity - reserves

	Consolidated	
	2014	2013
	\$	\$
Revaluation surplus reserve	296,059	296,059
Available-for-sale reserve	545,695	437,216
Share-based payments reserve	1,418,800	1,418,800
	<u>2,260,554</u>	<u>2,152,075</u>

Revaluation surplus reserve

The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties, in Melville Parade and Tribune Ghana.

Available-for-sale reserve

The reserve is used to recognise increments and decrements in the fair value of available-for-sale financial assets.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 26. Equity - reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Revaluation surplus \$	Available- for-sale \$	Share-based payments \$	Total \$
Balance at 1 July 2012	-	542,108	1,418,800	1,960,908
Revaluation - net of tax	-	(104,892)	-	(104,892)
Share of revaluation movement for land and buildings	296,059	-	-	296,059
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2013	296,059	437,216	1,418,800	2,152,075
Revaluation - net of tax	-	108,479	-	108,479
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2014	<u>296,059</u>	<u>545,695</u>	<u>1,418,800</u>	<u>2,260,554</u>

Note 27. Equity - retained profits

	Consolidated	
	2014	2013
	\$	\$
Retained profits at the beginning of the financial year	22,929,527	15,373,582
Profit after income tax expense for the year	2,940,224	7,555,945
	<hr/>	<hr/>
Retained profits at the end of the financial year	<u>25,869,751</u>	<u>22,929,527</u>

Note 28. Equity - dividends

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Franking credits

	Consolidated	
	2014	2013
	\$	\$
Franking credits available for subsequent financial years based on a tax rate of 30%	-	11,138,830
	<hr/>	<hr/>

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 29. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity 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. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The consolidated entity is not exposed to any significant foreign currency risk.

Price risk

The consolidated entity is exposed to equity securities price risks and bullion price risk. This arises from investments held by the consolidated entity and classified on the statement of financial position as available-for-sale financial assets and bullion held as inventory.

The policy of the consolidated entity is to sell gold at spot price and so it has not entered into any hedging contracts. The consolidated entity's revenues were exposed to fluctuation in the price of gold. If the average selling price of gold of US\$1,295 (2013: US\$1,192) for the financial year had increased/decreased by 10% the change in the profit before income tax for the consolidated group would have been an increase/decrease of A\$2,412,942 (2013: A\$2,673,350).

If there was a 10% increase or decrease in market price of gold, the net realisable value of bullion on hand would increase/(decrease) by \$3,743,228 (2013: \$3,569,274) and the bullion in transit would increase/(decrease) by \$58,185 (2013: \$40,495). As gold on hand is held at cost there would be no impact on profit or loss.

Interest rate risk

The consolidated entity's main interest rate risk arises from cash equivalents and loans and other receivables with variable interest rates.

As at the reporting date, the consolidated entity had the following variable rate borrowings and cash assets:

Consolidated	2014		2013	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Bank overdraft and bank loans	-%	-	7.09%	(1,750,000)
Cash at bank	2.69%	2,694,207	2.82%	1,869,170
Deposits at call	2.69%	185,219	2.82%	185,220
Net exposure to cash flow interest rate risk		<u>2,879,426</u>		<u>304,390</u>

An official increase/decrease in interest rates of one hundred (2013: one hundred) basis points would have an favourable/adverse (2013: favourable/adverse) effect on profit before tax of \$28,794 (2013: \$3,044) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

For the consolidated entity the bank loans outstanding, totalling \$nil (2013: \$1,750,000), are principal and interest payment loans. Monthly cash outlays of approximately \$nil (2013: \$30,000) per month are required to service the interest payments.

Note 29. Financial instruments (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has a credit risk exposure with the carrying amount of receivables. For some receivables the consolidated entity obtains agreements which can be called upon if the counterparty is in default under the terms of the agreement.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2014	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-%	3,105,814	-	-	-	3,105,814
Total non-derivatives		3,105,814	-	-	-	3,105,814

Consolidated - 2013	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-%	3,264,487	-	-	-	3,264,487
<i>Interest-bearing - variable</i>						
Bank loans	7.09%	1,874,075	-	-	-	1,874,075
Total non-derivatives		5,138,562	-	-	-	5,138,562

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 30. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 2014	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Listed securities - equity	164,647	-	-	164,647
Total assets	<u>164,647</u>	<u>-</u>	<u>-</u>	<u>164,647</u>

Consolidated - 2013	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Listed securities - equity	102,566	-	-	102,566
Total assets	<u>102,566</u>	<u>-</u>	<u>-</u>	<u>102,566</u>

There were no transfers between levels during the financial year.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Note 31. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2014	2013
	\$	\$
Short-term employee benefits	347,250	360,232
Post-employment benefits	37,772	27,657
Long-term benefits	124,410	-
	<u>509,432</u>	<u>387,889</u>

Note 32. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the company:

	Consolidated	
	2014	2013
	\$	\$
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit or review of the financial statements	72,000	55,000
<i>Other services - Grant Thornton Audit Pty Ltd</i>		
Tax compliance services	30,682	29,172
	<u>102,682</u>	<u>84,172</u>

Note 33. 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	
	2014	2013
	\$	\$
Performance guarantees:		
ML15/993	132,668	132,668
ML16/309	52,552	52,552
	<u>185,220</u>	<u>185,220</u>

Note 34. Commitments

	Consolidated	
	2014	2013
	\$	\$
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	8,439,000	338,485
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	84,421	132,774
One to five years	318,117	505,447
	<u>402,538</u>	<u>638,221</u>
<i>Commitment for Liberia expenditure</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	350,000

Note 34. Commitments (continued)

Capital commitments relate to mining capital expenditure commitments relating to the East Kundana joint venture Raleigh underground mine.

Operating lease commitments includes contracted amounts for mining tenement leases. In order to maintain current rights of tenure to mining tenements, the consolidated entity will be required to outlay the above-mentioned 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.

Note 35. Related party transactions

Parent entity

Rand Mining Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 37.

Associates

Interests in associates are set out in note 38.

Other entities

Interests in other entities are set out in note 39.

Key management personnel

Disclosures relating to key management personnel are set out in note 31 and the remuneration report in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2014	2013
	\$	\$
Payment for other expenses:		
Payment of royalties to Lake Grace Exploration NL, a company related to the director Anthony Billis.	10,617	24,918
Payment for executive accommodation fees to Lake Grace Exploration Pty Ltd, a company related to the director Anthony Billis.	27,000	33,750
Payment for consulting fees to Lake Grace Exploration Pty Ltd, a company related to the director Anthony Billis.	-	14,977
Option fees paid to Resource Capital Limited, a director related entity.	57,065	48,393
Hire of drill rig from Tribune Resources Ghana Ltd for use in Liberia exploration, a director related entity.	628,367	-
Drill rig inventory from Tribune Resources Ghana Ltd for use in Liberia exploration, a director related entity.	214,457	-

At 30 June 2014, the consolidated entity held 188,000 (2013: 188,000) ordinary shares in Regal Resources Ltd, a company previously related to the director Gordon Sklenka.

At 30 June 2014, the consolidated entity held 28,916,412 (2013: 28,916,412) ordinary shares in AXG Mining Ltd. Gordon Sklenka and Roland Berzins were directors of AXG Mining Ltd during the year.

At 30 June 2014, the consolidated entity held 1,000,000 (2013: 1,000,000) ordinary shares in Palace Resources Ltd (formerly Padang Resources Ltd), a company previously related to the director Gordon Sklenka.

At 30 June 2014, the consolidated entity held 10,000 (2013: 10,000) shares in Vector Resources Limited, a company previously related to the director Gordon Sklenka.

Note 35. Related party transactions (continued)

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2014	2013
	\$	\$
Current receivables:		
Prepayment of drilling expenses to Iron Resources (Liberia) Ltd, a director related entity.	-	791,049
Current payables:		
Hire of drill rig from Tribune Resources Ghana Ltd for use in Liberia exploration, a director related entity.	-	349,884

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 36. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2014	2013
	\$	\$
Loss after income tax	(380,908)	(389,173)
Total comprehensive income	(380,908)	(389,173)

Statement of financial position

	Parent	
	2014	2013
	\$	\$
Total current assets	9,659,970	11,568,653
Total assets	10,199,127	12,188,886
Total current liabilities	-	1,608,851
Total liabilities	-	1,608,851
Equity		
Issued capital	17,573,427	17,573,427
Share-based payments reserve	1,418,800	1,418,800
Accumulated losses	(8,793,100)	(8,412,192)
Total equity	10,199,127	10,580,035

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2014 and 30 June 2013.

Note 36. Parent entity information (continued)

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2014 and 30 June 2013.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment at as 30 June 2014 and 30 June 2013.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 37. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2014 %	2013 %
Rand Exploration N.L.	Australia	100.00%	100.00%

Note 38. Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2014 %	2013 %
Tribune Resources Limited	Australia	26.01%	23.75%

In January 2014, the company purchased 1,135,000 shares in Tribune Resources Limited for an amount of \$2,270,000. This increased Rand Mining's holding in Tribune Resources Limited to 26.01% from 23.75% and 13,058,904 shares from 11,923,904 shares. The shares were purchased off market and at a discount to market price.

Summarised financial information

	Tribune Resources Limited	
	2014 \$	2013 \$
<i>Summarised statement of financial position</i>		
Current assets	87,535,513	83,937,732
Non-current assets	39,963,148	44,034,399
Total assets	127,498,661	127,972,131
Current liabilities	9,501,597	18,380,220
Non-current liabilities	1,576,979	2,462,905
Total liabilities	11,078,576	20,843,125
Net assets	116,420,085	107,129,006

Note 38. Interests in associates (continued)

	Tribune Resources Limited	
	2014	2013
	\$	\$
<i>Summarised statement of profit or loss and other comprehensive income</i>		
Revenue	70,284,923	79,693,980
Expenses	<u>(61,823,008)</u>	<u>(43,284,875)</u>
Profit before income tax	8,461,915	36,409,105
Income tax expense	<u>(4,832,529)</u>	<u>(12,302,626)</u>
Profit after income tax	3,629,386	24,106,479
Other comprehensive income	-	-
Total comprehensive income	<u><u>3,629,386</u></u>	<u><u>24,106,479</u></u>
<i>Reconciliation of the consolidated entity's carrying amount</i>		
Opening carrying amount	25,044,950	19,074,193
Share of profit after income tax	1,364,460	5,724,911
Share of other comprehensive income	-	245,846
Closing carrying amount	<u><u>26,409,410</u></u>	<u><u>25,044,950</u></u>

The market value of listed investment in associates at 30 June 2014 is \$44,792,041 (2013: \$15,501,075).

At 30 June 2014 the share price of Tribune Resources Limited increased to \$3.43 (2013: \$1.30). The company considers the recoverable amount to be fair value less costs to sell.

Note 39. Interests in other entities

The consolidated entity has recognised its share of jointly held assets, liabilities, revenues and expenses of other entities. These have been incorporated in the financial statements under the appropriate classifications. Information relating to other entities that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2014 %	2013 %
East Kundana Joint Venture	Australia	12.25%	12.25%

Note 40. Events after the reporting period

On 6 August 2014, the Liberian Government announced a State of Emergency as the Government struggled to deal with the deadliest Ebola outbreak in the nation's history. In accordance with this announcement on 3 September 2014, the company suspended all exploration work in relation to its Liberian interests. All affected personnel were successfully repatriated to their initial place of employment.

Revisions to the proposed acquisition of the Tapeta Iron Ore Project

On 4 September 2014, the company announced the extension, by further deed of variation, of the term of the option by 12 months to 23 September 2015, in exchange for the payment of a non-refundable option fee of US\$50,000. All other terms of the Option Agreement remain the same, including the following key terms:

- Rand may exercise the option at any time prior to the Expiry Date by providing written notice to RCL. On exercise of the option, Rand is obliged to transfer 8 million fully paid ordinary shares in Tribune Resources Limited (ASX: TBR) (Tribune Shares) to RCL;
- In the event that completion of the acquisition of RCL does not occur, RCL must retransfer the Tribune Shares to Rand forthwith;
- IRL has agreed to grant Rand a licence to access the Project Area during the option period, to conduct a drilling programme and all activities associated with the programme; and
- Rand is responsible for the costs of the drilling programme. This includes payment of the rent and any minimum expenditure work obligations required in order to keep the mineral exploration licence in good standing.

No other matter or circumstance has arisen since 30 June 2014 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.

Note 41. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	2014	2013
	\$	\$
Profit after income tax expense for the year	2,940,224	7,555,945
Adjustments for:		
Depreciation and amortisation	2,917,534	5,781,366
Net gain on disposal of property, plant and equipment	(296)	(6,107)
Share of profit from equity accounted investments	(1,035,142)	(5,724,911)
Fair value adjustment on mine development asset transfer	-	33,406
Non-cash mine development	-	(238,077)
Non-cash exploration and evaluation	(1,937,474)	(1,409,738)
Impairment of mine development costs	116,853	-
Impairment of available-for-sale financial assets	28,585	160,949
Impairment of equity accounted investments	-	4,778,367
Liberia exploration written off	1,939,758	1,647,815
Change in operating assets and liabilities:		
Increase in trade and other receivables	(16,046)	(156,983)
Decrease/(increase) in inventories	4,184,923	(6,593,825)
Increase in income tax refund due	(1,608,999)	-
Increase in deferred tax assets	(61,951)	(389,585)
Decrease in other operating assets	791,049	-
Increase/(decrease) in trade and other payables	(462,202)	367,049
Increase/(decrease) in provision for income tax	(1,414,886)	1,141,532
Increase in deferred tax liabilities	573,092	318,642
Increase/(decrease) in other provisions	(29,485)	60,914
Net cash from operating activities	<u>6,925,537</u>	<u>7,326,759</u>

Note 42. Earnings per share

	Consolidated	
	2014	2013
	\$	\$
Profit after income tax attributable to the owners of Rand Mining Limited	<u>2,940,224</u>	<u>7,555,945</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	4.83	12.42
Diluted earnings per share	4.83	12.42

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the financial 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.

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

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Anthony Billis
Director

26 September 2014
Perth

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

Report on the financial report

We have audited the accompanying financial report of Rand Mining Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's opinion

In our opinion:

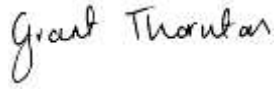
- a the financial report of Rand Mining Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 12 to 16 of the directors' report for the year ended 30 June 2014. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Rand Mining Limited for the year ended 30 June 2014, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Partner - Audit & Assurance

Perth, 26 September 2014

The shareholder information set out below was applicable as at 3 September 2014.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	238
1,001 to 5,000	207
5,001 to 10,000	90
10,001 to 100,000	115
100,001 and over	31
	<hr/>
	681
	<hr/> <hr/>
Holding less than a marketable parcel	216
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Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares % of total shares issued	
	Number held	issued
Tribune Resources Limited	26,576,764	43.68
Trans Global Capital Ltd	7,899,584	12.98
Northern Star Resources Ltd	2,925,360	4.81
Lake Grace Exploration Pty Ltd	2,917,000	4.79
J P Morgan Nominees Australia Ltd	2,487,543	4.09
Sierra Gold Ltd	2,100,000	3.45
McNeil Nominees Pty Ltd	1,967,295	3.23
Resource Capital Ltd	1,604,500	2.64
Halkin Pty Ltd	1,512,154	2.49
Raypoint Pty Ltd	530,000	0.87
Mrs Phanatchakorn Wichaikul	510,000	0.84
Mr Anthony Sage	478,660	0.79
Mr Simon and Mrs Kathryn Evans	381,992	0.63
Teklink Pty Ltd	372,500	0.61
Mr Francis and Mrs Fariba Regan	350,000	0.58
West Coast Brick Co Pty Ltd	340,000	0.56
Mr Martin Siegel	255,000	0.42
Mr Frank Bozic	250,000	0.41
HKT Au Pty Ltd	237,829	0.39
Southam Investments 2003 Pty Ltd	233,017	0.38
	<hr/>	
	53,929,198	88.64
	<hr/> <hr/>	

Unquoted equity securities

There are no unquoted equity securities.

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Tribune Resources Limited	26,576,764	43.68
Trans Global Capital Ltd	7,899,584	12.98

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

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

There are no other classes of equity securities.

Tenements

Description	Tenement number	Interest owned %
<i>Western Australia, Australia</i>		
Kundana	M15/1413	12.25
Kundana	M15/993	12.25
Kundana	M16/181	12.25
Kundana	M16/182	12.25
Kundana	M16/308	12.25
Kundana	M16/309	12.25
Kundana	M16/325	12.25
Kundana	M16/326	12.25
Kundana	M16/421	12.25
Kundana	M16/428	12.25
Kundana	M24/924	12.25
Seven Mile Hill	M15/1291	50.00
Seven Mile Hill	M15/1388	50.00
Seven Mile Hill	M15/1394	50.00
Seven Mile Hill	M15/1409	50.00
Seven Mile Hill	M15/1743	50.00
Seven Mile Hill	M26/563	50.00
Seven Mile Hill	P15/5182	50.00
Seven Mile Hill	P15/5183	50.00
Seven Mile Hill	P15/5184	50.00
Seven Mile Hill	P26/3617	50.00

Liberia, West Africa

Tapeta Iron Ore Project (currently under option to acquire issued capital of Iron Resources Ltd, the owner of the project)		100.00
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