

Rand Mining Limited

ABN 41 004 669 658

Annual Report - 30 June 2020

Rand Mining Limited
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30 June 2020



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Directors	Otakar Demis - Non-Executive Chairman Anthony Billis - Executive Director, Managing Director and Chief Executive Officer Gordon Sklenka - Non-Executive Director
Company secretaries	Otakar Demis Roland Berzins Brett Tucker
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 27 November 2020 at 10.00am
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	PKF Perth Level 5, 35 Havelock Street West Perth WA 6005
Bankers	Australia and New Zealand Banking Group Limited ('ANZ') 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
Corporate Governance Statement	<p>The Company's directors and management are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (3rd Edition) ('Recommendations') to the extent appropriate to the size and nature of the Group's operations.</p> <p>The Company has prepared a Corporate Governance Statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations.</p> <p>The Company's Corporate Governance Statement and policies, approved at the same time as the Annual Report, can be found on the Company's website: www.randmining.com.au/Corporate-Governance</p>

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Rand Mining Limited (referred to hereafter as the 'Company', 'parent entity' or 'Rand') and the entities it controlled at the end of, or during, the year ended 30 June 2020.

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 - Non-Executive Chairman
 Anthony Billis - Executive Director, Managing Director and Chief Executive Officer
 Gordon Sklenka - Non-Executive Director

Principal activities

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

Dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	30 Jun 2020	30 Jun 2019
	\$	\$
A dividend of 10 cents per ordinary share paid to shareholders on 14 September 2018.	-	6,014,848
A special dividend of \$1.25 per ordinary share paid to shareholders on 12 October 2018.	-	75,185,594
A dividend of 10 cents per ordinary share paid to shareholders on 22 October 2019.	<u>6,014,848</u>	<u>-</u>
	<u><u>6,014,848</u></u>	<u><u>81,200,442</u></u>

Other than the above, there were no dividends recommended or declared during the current financial year.

Review of operations

The loss for the Group after providing for income tax amounted to \$1,536,490 (30 June 2019: profit of \$67,388,360).

The Group's operations were funded by the sale of its investments in Tribune Resources Limited, hence only a minimal amount of gold was sold during the year.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the Group up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

East Kundana Joint Venture

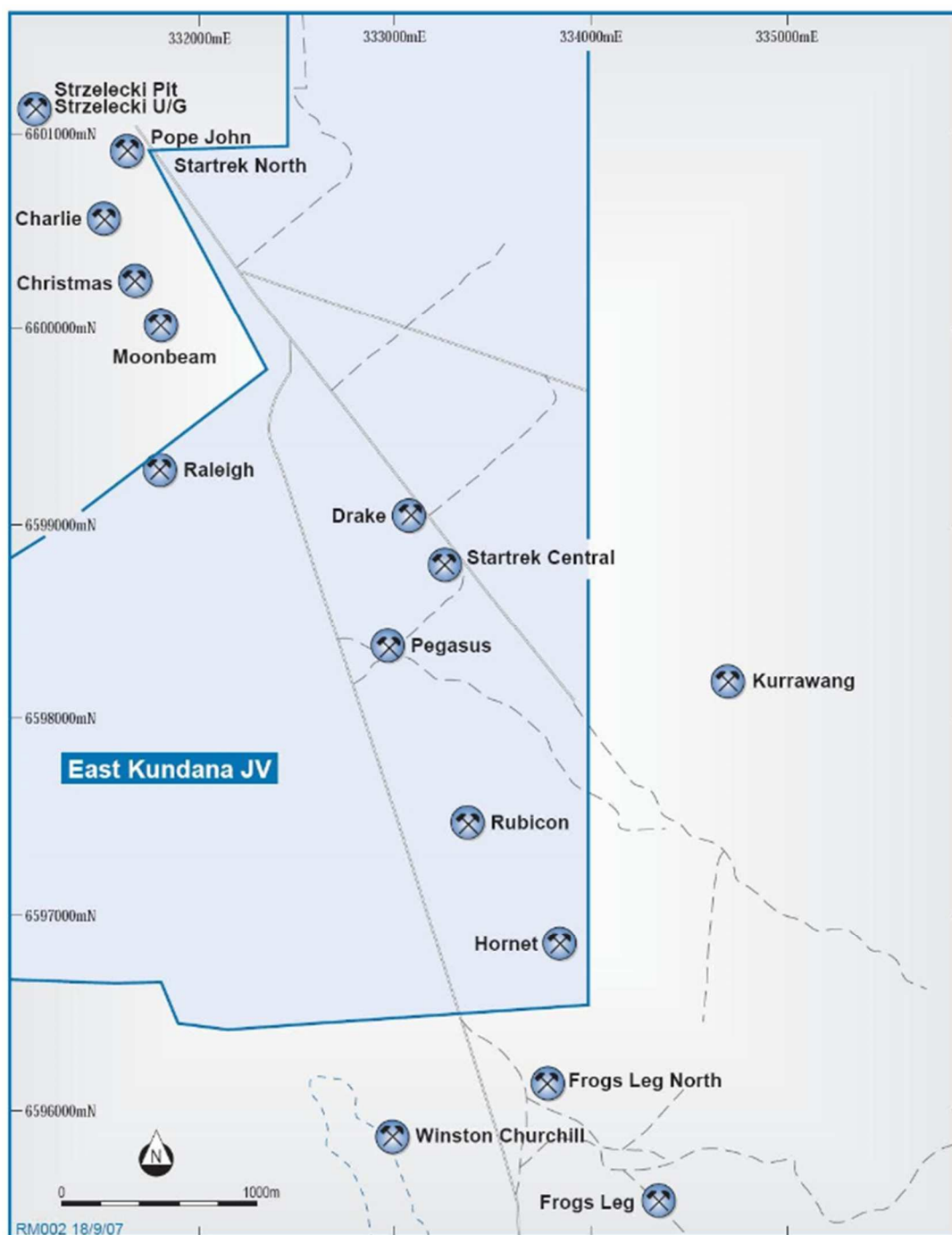
The East Kundana Joint Venture ('EKJV') is located 25km west north west of Kalgoorlie and 47km north east of Coolgardie.

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



**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 ended 30 June 2020, 127,931 tonnes of ore were mined from Raleigh at 5.79 grammes per tonne ('g/t') and containing 23,814 ounces ('oz') of gold. The majority share of production was from ore extracted from stopes, 123,267 tonnes at 5.94 g/t for 23,527 oz, with very little ore from development.

Rand's entitlement to the ore extracted was 15,991 tonnes and 2,941oz, compared to 32,614 tonnes and 9,168oz the previous year.

Year on year Raleigh Mine production is summarised below:

Mine Claimed Production			
Year	Mined (t)	Raleigh Grade (g/t)	Gold (oz)
06/07	239,700	16.6	127,700
07/08	234,400	11.9	89,800
08/09	308,512	12.6	124,962
09/10	339,660	13.4	146,670
10/11	323,182	13.4	139,060
11/12	244,799	14.8	116,921
12/13	179,553	14.2	81,930
13/14	87,948	15.7	44,313
14/15	58,362	11.5	21,706
15/16	155,560	9.5	47,302
16/17	182,860	8.7	50,957
17/18	278,478	7.7	68,822
18/19	260,911	8.7	73,344
19/20	127,931	5.8	23,527
Rand's entitlement	15,991	5.8	2,941

Raleigh mine production for the year was seriously affected by a large seismic event that occurred on 14th January 2020 following the firing of stoping panels. The seismic event caused substantial damage to the 6000 to 5949 levels of the mine with significant rehabilitation required to re-establish access. The southern mining area was deemed unsafe and has been excluded from all future mining activity. The event caused no injury as there were no personnel underground at the time of firing.

As a result mining operations were suspended in April 2020 with the mine placed on care and maintenance. A detailed study to assess the economics of mining recommencement at Raleigh will be conducted after the life of mine ('LOM') planning process is completed by EKJV Management Pty Ltd ('EKJVM') in October 2020.

The sequence of stoping and mine development in the FY2020 Raleigh LOM plan is shown in the long section below, where grey represents all stoping and development completed as at 30 June 2019. The areas outlined in red were removed from the production schedule after the seismic event in January. The green stopes within the gold borders represent the stopes mined up until the mine was placed on care and maintenance in April 2020. The extension of mining beyond 2020 depends on the results of the detailed study into the economics of a new Raleigh LOM Plan.

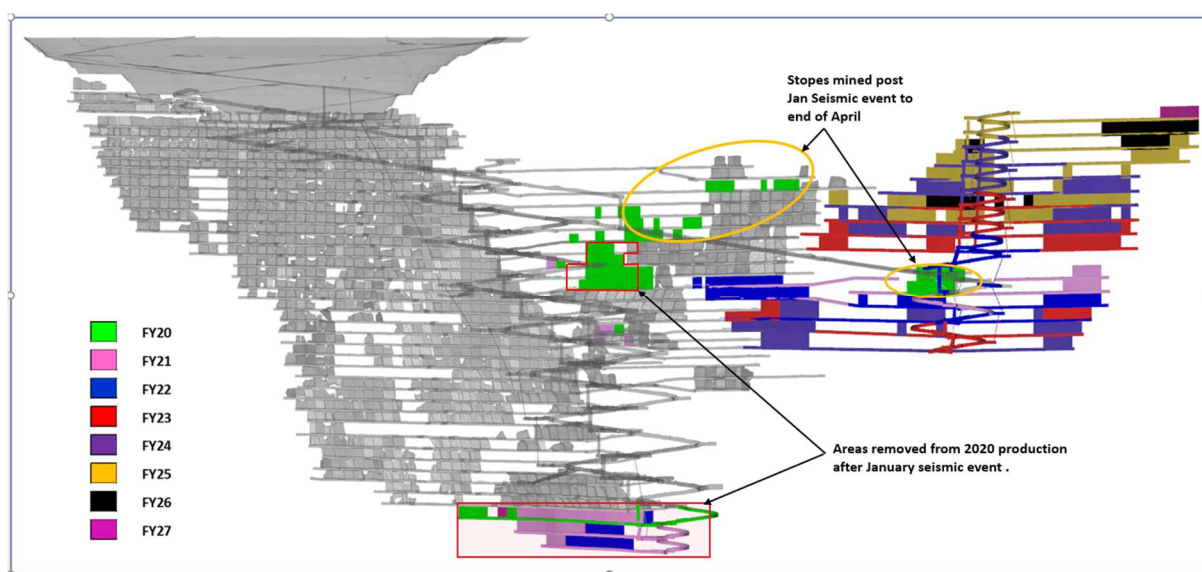


Fig – Raleigh LOM Long Section Showing 2020 Stopes mined and Areas excluded

Rubicon/Hornet/Pegasus

During the year ended 30 June 2020, a total of 954,188 tonnes of ore at 5.09 g/t containing 156,158oz of gold were mined from the Rubicon, Hornet and Pegasus ore bodies.

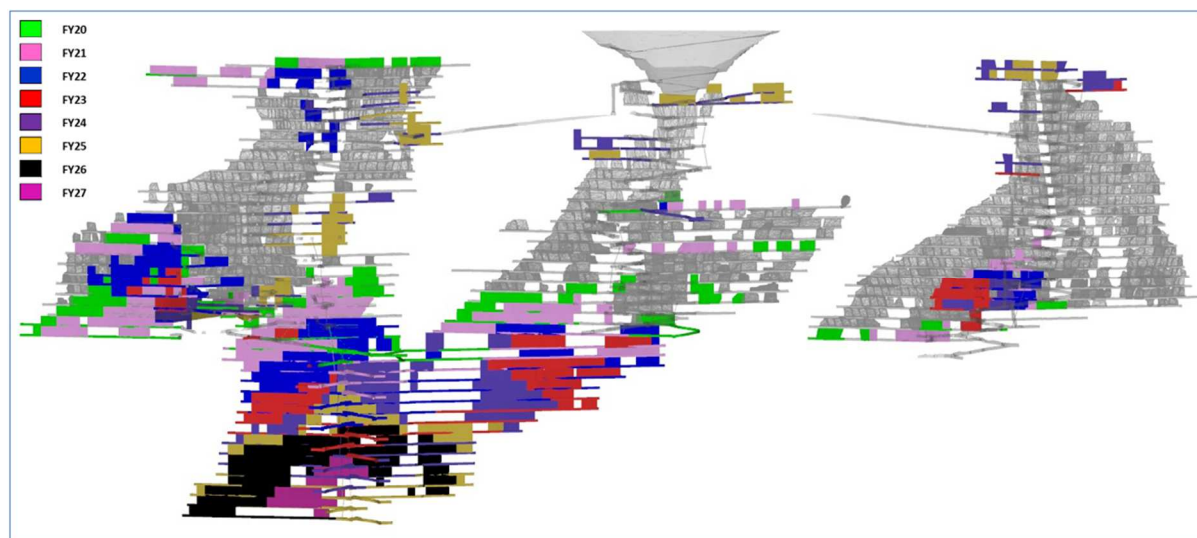
Stoping accounted for 604,058 tonnes at 6.02g/t for 116,983oz, whilst ore drive development contributed 350,130 tonnes at 3.48g/t for 39,175oz.

Rand's entitlement to the ore extracted was 116,888 tonnes and 19,129oz, compared to 131,373 tonnes and 25,512oz the previous year.

Year on year RHP Mine production is summarised in the following table:

Mine Claimed Production Year	Rubicon/Hornet/Pegasus		
	Mined (t)	Grade (g/t)	Gold (oz)
11/12	78,229	9.6	24,103
12/13	266,113	10.3	88,666
13/14	314,685	11.3	114,454
14/15	605,988	9.5	184,302
15/16	761,483	7.3	178,931
16/17	843,340	7.1	192,487
17/18	996,445	6.2	198,276
18/19	1,072,429	6.0	208,264
19/20	954,188	5.1	156,158
Rand's entitlement	116,888	5.1	19,129

The sequence of stoping and mine development in the current RHP 2020 LOM plan is shown in the figure below, where grey represents all stoping and development completed at 30 June 2019. The extension of mining at RHP beyond mid 2027 depends on the results of the current exploration programme.



Ore stockpiles

As of 30 June 2020, Rand had 92,109 tonnes of ore stockpiled at a grade of 4.49 g/t which contained 13,287oz of gold.

The breakdown of Rands high and low grade ore stockpiles is tabulated below:

Stockpile	Rand Ore Stockpile		
	Tonnes	Grade	Ounces
Raleigh HG	5,561	6.10	1,091
Raleigh LG	1,996	1.71	110
RHP HG	71,781	4.92	11,360
RHP LG	12,771	1.77	726
Rand Stockpiles	92,109	4.49	13,287

Rand ore stockpiles grew by 35,711 tonnes and 6,288 oz in the 12 months since 30 June 2019.

Processing

Rand share of ore processed in FY2020 was 92,178 tonnes at 5.04 g/t with 94.35% gold recovery for production of 14,088 fine oz.

Since January 2013, the majority of EKJV ore was processed at the Kanowna Belle Plant located near Kalgoorlie under an Ore Treatment Agreement (OTA). Excess ore was periodically processed by local Toll Milling providers in campaigns managed by EKJVM.

In October 2019, Northern Star Resources (NST) issued notice that it would treat only 35,000 tonnes of EKJV ore for the four quarters post 1st January 2020. NST maintained that this met their minimum obligation under the OTA. NST also advised that EKJV mined ore was to be split to allow processing in proportion to the EKJV partners interest, 51% GEM (an NST subsidiary) and 49% (Rand and Tribune Group).

As a result of the above Rand Ore Stockpiles grew by 35,711 tonnes and 6,288 oz as the Rand and Tribune Group were unable to secure suitable toll milling arrangements to treat its' share of the EKJV mined ore.

The search for toll milling capacity to handle the EKJV mine production and the Rand stockpile inventory continued at year end. As at 30 June 2020 Rand has toll milling contracts in place for 129,000 tonnes for the FY2021.

During FY2020, ore processing was carried out in 8 campaigns at Kanowna Belle and 3 campaigns at Greenfields, managed by EKJVM. The Rand and Tribune Group managed 2 campaigns at Golden Mile Milling's (GMM)'s Lakewood Mill during the year.

Rand share of ore processed is outlined in the table below:

Campaign Location	Rand Share of Ore Processed			Fine Au Produced (Oz)
	Tonnes Milled	Head Grade Au (g/t)	Recovery (%)	
NST Kanowna Belle	65,795	5.66	94.70	11,347
FMR Greenfields	11,038	5.08	94.32	1,699
GMM Lakewood	15,345	2.33	90.72	1,042
Total	92,178	5.04	94.35	14,088

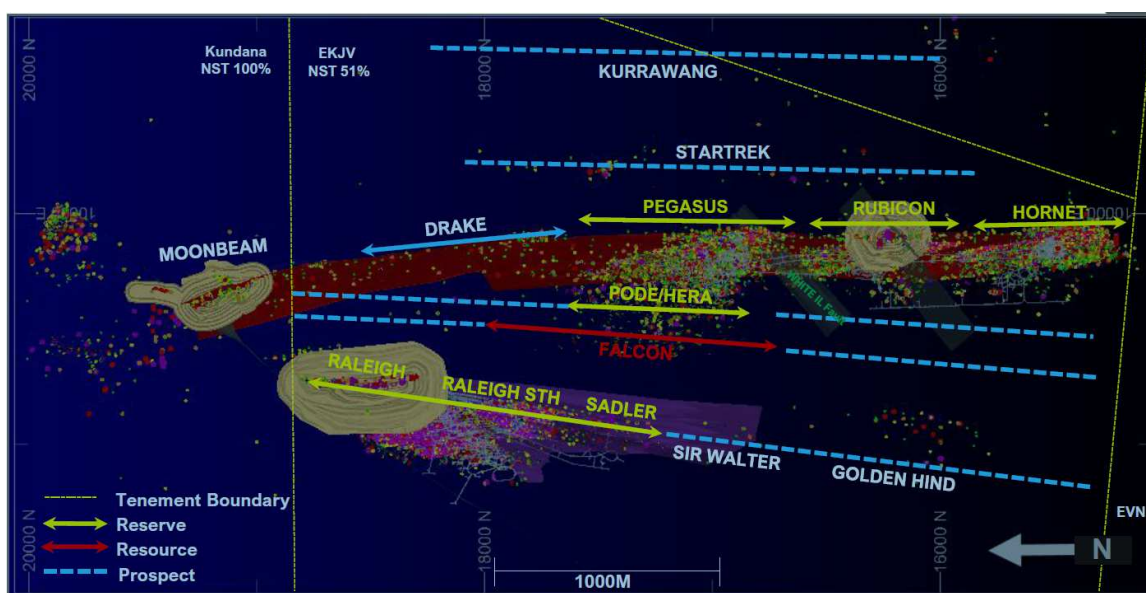
The shortfall in available processing capacity saw a considerable reduction in Rand's share of the gold bullion produced compared to the 29,959 ounces produced the previous year.

Historical gold production from the EKJV is summarised in the table below

Rand and Tribune Gold Bullion	Rand and Tribune Gold Bullion Gold (oz)	Rand and Tribune Gold Bullion Silver (oz)	Rand Share Gold (oz)
FY2020	56,352	8,335	14,088
FY2019	119,834	20,567	29,958
FY2018	94,751	14,690	23,687
FY2017	109,451	20,728	27,362
FY2016	103,747	20,647	25,937
FY2015	97,420	21,027	24,355
FY2014	79,907	18,854	19,976
FY2013	95,554	17,248	23,888
FY2012	61,864	15,841	15,466
FY2011	64,716	8,639	16,179
FY2010	77,624	12,019	19,406
FY2009	32,478	4,649	8,119
FY2008	59,638	8,048	14,909
FY2007	49,335	6,640	12,333
FY2006	25,599	3,951	6,399
Total	1,128,270	201,883	282,062

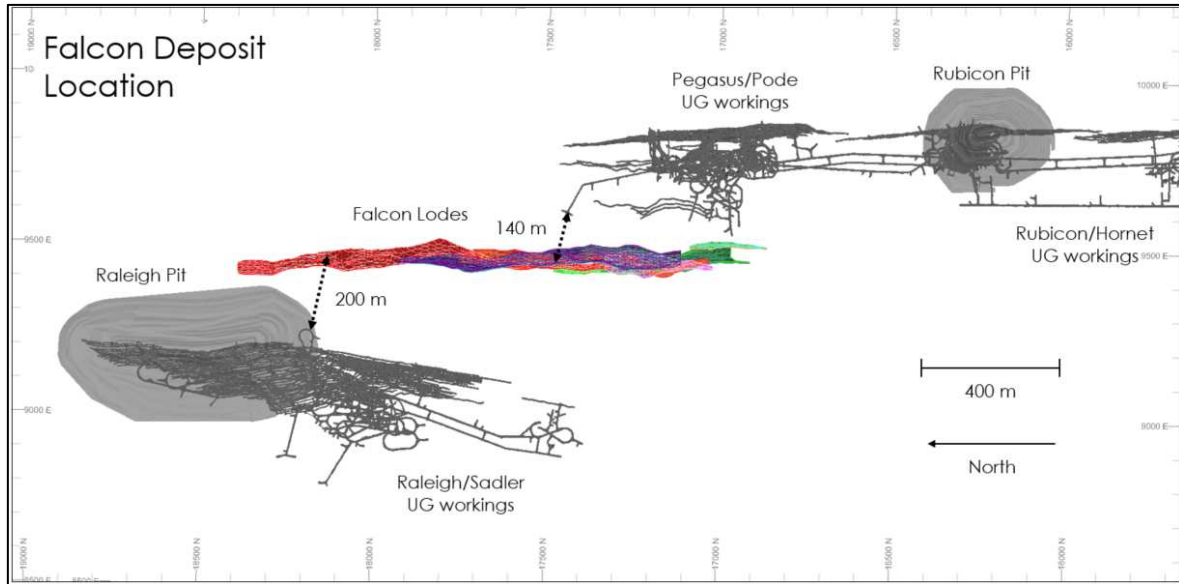
Exploration

EKJV
 Exploration within the EKJV mining complex during the reporting period was focussed on the Falcon Corridor, Startrek Prospect and Golden Hind Resource. Diamond core drilling from underground platforms targeting Falcon and Startrek totalled 107 holes for 42,155 metres. A program of 14 reverse circulation percussion holes for 516 metres was completed at Golden Hind.

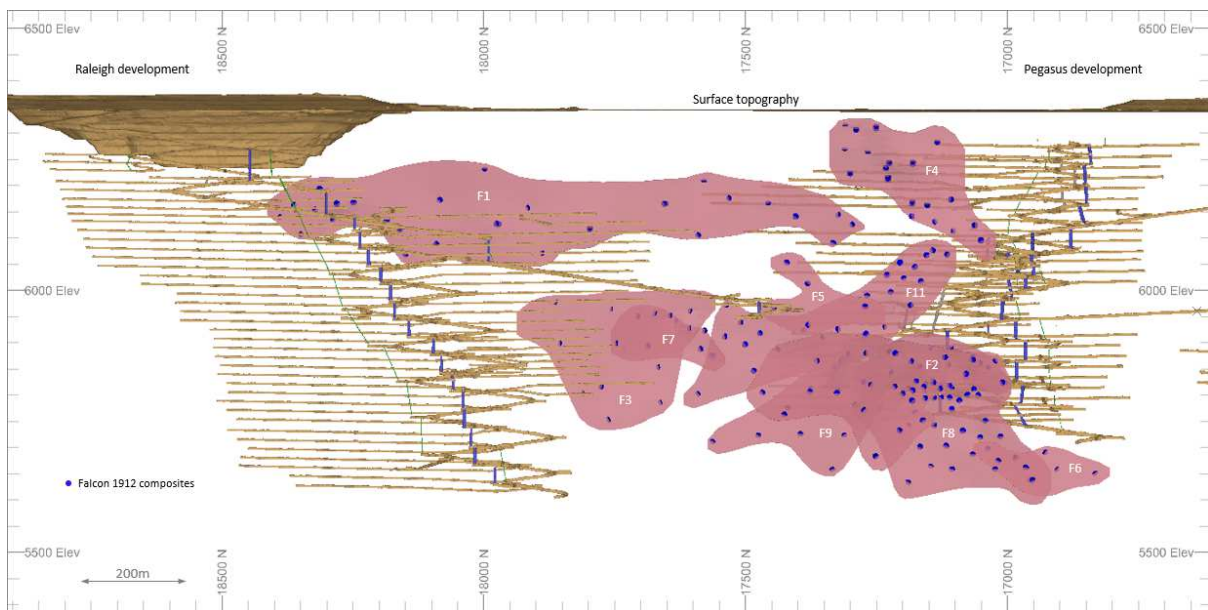


Overview of EKJV Projects showing main mineralisation corridors

The Falcon Corridor is located mid-way between the Raleigh-Golden Hind trend and the Hornet-Rubicon-Pegasus trend of gold deposits. Gold mineralisation occurs within laminated and brecciated quartz veins of varied orientation constrained within a sheared metasedimentary sequence. Falcon has to date been defined within a 1,500 metre strike length corridor down to a maximum depth of 750 metres below surface and modelled as a series of eleven stacked lodes. Current Inferred Mineral Resource for Falcon is 1.87 million tonnes grading 4.5g/t for 0.27 million ounces of gold. Future work will focus on infill and extensional drilling of this Resource.



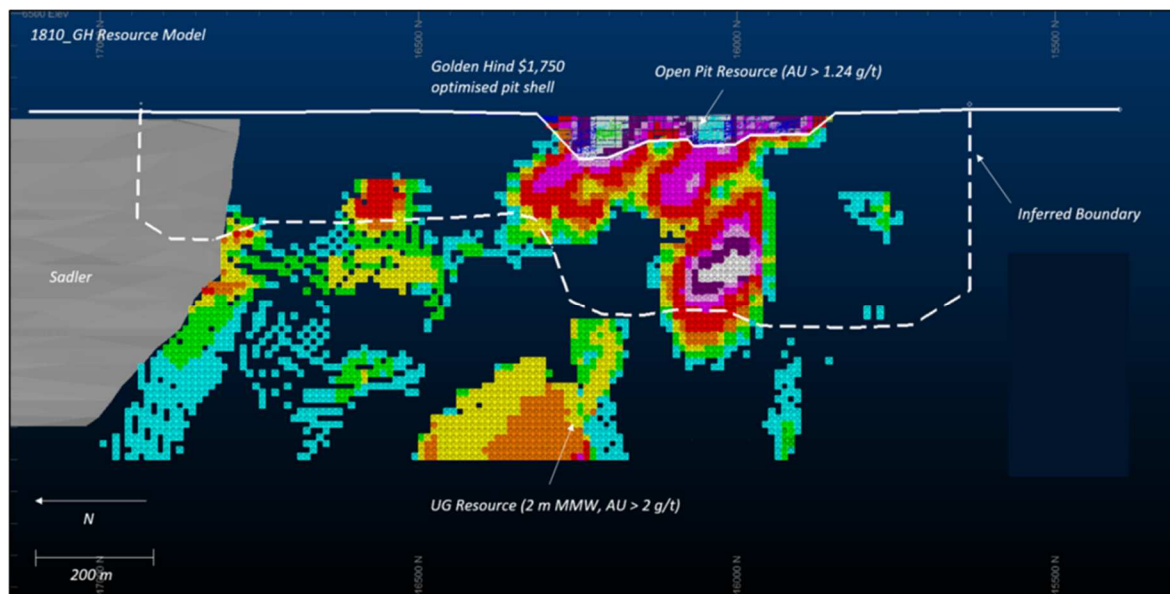
Plan view of Falcon Lodes



Falcon long section looking east showing modelled lodes and drill hole pierce points.

Startrek is located to the east of the Hornet-Rubicon-Pegasus trend. Moderate grade mineralisation contained within narrow, irregular quartz veins has been intersected over one kilometre of strike in broad spaced diamond drilling from platforms within the HRP mine. Future work will focus on infill drilling around more robust intersections and testing for extensions to the system in the area adjacent to Hornet.

Golden Hind is located approximately two kilometres south of the Raleigh Pit. Mineralisation is analogous to Raleigh with a well-developed Raleigh Main Vein equivalent within a lower grade halo. RC drilling of 14 holes for 516 metres at Golden Hind was completed to upgrade the mineralisation model for a section of the Resource for which open pit mining is being considered. Current open pit Inferred Mineral Resource for Golden Hind is 0.12 million tonnes grading 6g/t for 23,000 ounces with underground Inferred Mineral Resource of 0.44 million tonnes grading 4.5g/t for 64,000 ounces gold.



Golden Hind Resource Model Long Projection

Details for EKJV drilling have been reported in the EKJV Quarterly Exploration Reports released to ASX on 22 October 2019, 30 January 2020, 30 April 2020 and 23 July 2020.

Seven Mile Hill (Rand's interest 50%)

A campaign of Aircore and Reverse Circulation drilling was conducted at the Seven Mile Hill project during the reporting period. A total of 338 aircore holes for 16,356 metres and six RC holes for 910 metres were completed.

The aircore program tested conceptual gold targets along the eastern and western margins of the Kurrawang Formation. As reported in the Tribune Resources ASX Announcement of 30 October 2019, a number of holes returned narrow intersections greater than 0.5g/t within the Kurrawang Formation but no significant mineralisation was intersected within the adjacent target sequence.

The RC drilling tested depth extensions of the gold mineralisation at the White Lake and Kopai Ridge prospects towards the southern end of the project area. Mineralisation at White Lake and Kopai Ridge is similar to that encountered in the Binduli mine camp to the north. Primary mineralisation is related to sheeted quartz-sulphide veins hosted within felsic volcanic and volcanoclastic units and in adjacent porphyritic intrusions. Secondary supergene mineralisation occurs within overlying palaeochannel sequences and in the weathered bedrock units.

All holes drilled in the RC program intersected broad low tenor mineralisation from both supergene and primary zones beneath the palaeochannel, as reported in the Tribune Resources ASX Announcements of 30 October 2019 and 30 January 2020. High grade intersections are confirmed to be controlled by thin, shallow dipping, sheeted quartz-sulphide veins. Further reconnaissance work is proposed for these prospects testing extensions to this broad gold system.

Corporate

Investment in Tribune Resources Ltd

During the year Rand successfully obtained a court order confirming the position of 1,135,000 shares previously purchased by Rand in Tribune Resources Ltd. The effect of the Court Orders was that the purchase of those shares is not invalid.

During the year Rand sold 369,500 shares for \$2,180,948. Rand no longer owns any shares in Tribune Resources Ltd.

Share buy-back programme

During the year, the Company extended the current on market share buy-back to 9 January 2021. No securities were cancelled under the buy-back during the year ended 30 June 2020.

The number of securities on issue as at 30 June 2020 is 60,148,475.

EKJV litigation

The legal proceedings against the Northern Star Resources Group of Companies previously announced by the Company are continuing. The proceedings are being vigorously prosecuted by the Company and they have been listed for a trial of liability issues (i.e. excluding quantification of damages) in the Supreme Court of Western Australia in mid-October 2020. The Northern Star entities have discontinued their counterclaim for the payment of an increase to the fixed rate for processing ore under the Ore Treatment Agreement.

Resources and Reserves

At 30 June 2020, Rand Mining Limited's Mineral Resources amounted to 1.6 million tonnes grading 5.1g/t gold for 261,000 ounces of gold.

Comparison with the Mineral Resources as at 30 June 2019 shows an increase of 198,000 tonnes and decrease of 10,000 ounces reflected by the following variations:

- Increase in EKJV Resource gold price from A\$1,750/oz to A\$2,250/oz;
- Decrease in EKJV Resource grade from 6g/t to 5.1g/t;
- Mining depletion at Rubicon, Hornet, Pegasus and Raleigh;
- Sterilisation of areas of Raleigh due to geotechnical instability;
- Reflects substantial drilling at Pegasus, Pode, Hera, Falcon; and
- Increase in stockpile contained ounces from 5,000 oz to 13,000 oz.

Mineral Resources Comparison

Deposit	(Mt)	30 June 2020		(Mt)	30 June 2019	
		Au (g/t)	Au (Koz)		Au (g/t)	Au (Koz)
EKJV and Stockpiles	1.60	5.1	261	1.40	6.0	271

At 30 June 2020, Rand Mining Limited's Ore Reserves amounted to 0.67 million tonnes grading 4.8g/t gold for 103,000 ounces of gold.

Comparison with the Ore Reserves as at 30 June 2019 shows a decrease of approximately 34,000 ounces in Ore Reserves reflected by the following variations:

- Increase in EKJV Reserve gold price from A\$1,500/oz to A\$1,750/oz;
- Decrease in EKJV Reserve grade from 5.5g/t to 4.8g/t;
- Revised cut-off grades to reflect current operational parameters;
- Mining depletion at Rubicon, Hornet, Pegasus and Raleigh;
- Sterilisation of areas of Raleigh due to geotechnical instability; and
- Increase in stockpile contained ounces from 5,000 oz to 13,000 oz.

Ore Reserves Comparison

Deposit	(Kt)	30 June 2020		(Kt)	30 June 2019	
		Au (g/t)	Au (Koz)		Au (g/t)	Au (Koz)
EKJV and Stockpiles	667	4.8	103	770	5.5	137

Mineral Resources at 30 June 2020

	MEASURED			INDICATED			INFERRED			TOTAL RESOURCES		
	Tonnes (000's)	Grade (g/t)	Ounces (000's)	Tonnes (000's)	Grade (g/t)	Ounces (000's)	Tonnes (000's)	Grade (g/t)	Ounces (000's)	Tonnes (000's)	Grade (g/t)	Ounces (000's)
EKJV SURFACE												
Hornet				14	5.7	3	2	3.8	0.2	16	5.5	3
Golden Hind							15	6.0	3	15	6.0	3
Pegasus				5	5.1	1	0.5	3.1	0.1	5	4.9	1
<i>Subtotal - EKJV Surface</i>				<i>19</i>	<i>5.6</i>	<i>3</i>	<i>17</i>	<i>5.7</i>	<i>3</i>	<i>36</i>	<i>5.6</i>	<i>6</i>
EKJV UNDERGROUND												
Drake				6	3.5	1	20	2.6	2	26	2.8	2
Falcon							229	4.5	33	229	4.5	33
Golden Hind							54	4.5	8	54	4.5	8
Hornet	28	4.3	4	172	4.3	24	37	5.6	7	236	4.5	34
Pegasus	50	6.8	11	168	6.3	34	21	4.1	3	239	6.2	48
Pode	77	6.2	15	158	4.7	24	61	3.8	8	296	4.9	47
Rubicon	54	4.7	8	112	4.2	15	31	3.3	3	197	4.2	27
Raleigh	40	9.1	12	89	7.5	21	53	4.8	8	182	7.1	41
Falcon North							15	4.3	2	15	4.3	2
<i>Subtotal - EKJV Underground</i>	<i>249</i>	<i>6.2</i>	<i>50</i>	<i>705</i>	<i>5.2</i>	<i>119</i>	<i>521</i>	<i>4.4</i>	<i>73</i>	<i>1475</i>	<i>5.1</i>	<i>242</i>
STOCKPILES	92	4.5	13							92	4.5	13
TOTAL	341	5.8	63	724	5.3	122	537	4.4	76	1602	5.1	261

Ore Reserves at 30 June 2020

	PROVED			PROBABLE			TOTAL RESERVES		
	Tonnes (000's)	Grade (g/t)	Ounces (000's)	Tonnes (000's)	Grade (g/t)	Ounces (000's)	Tonnes (000's)	Grade (g/t)	Ounces (000's)
EKJV SURFACE									
Hornet				18	4.4	3	18	4.4	3
<i>Subtotal - EKJV Surface</i>				<i>18</i>	<i>4.4</i>	<i>3</i>	<i>18</i>	<i>4.4</i>	<i>3</i>
EKJV UNDERGROUND									
Hornet	9	4.6	1	44	3.6	5	53	3.8	6
Pegasus	50	5.8	9	117	5.8	22	166	5.8	31
Pode	76	4.8	12	90	4.1	12	167	4.4	24
Rubicon	17	5.7	3	78	3.7	9	95	4.1	12
Raleigh	7	6.2	1	69	5.5	12	76	5.5	14
<i>Subtotal - EKJV Underground</i>	<i>160</i>	<i>5.2</i>	<i>27</i>	<i>397</i>	<i>4.7</i>	<i>60</i>	<i>557</i>	<i>4.9</i>	<i>87</i>
STOCKPILES	92	4.5	13				92	4.5	13
TOTAL	252	5.0	40	415	4.7	63	667	4.8	103

Notes to tables:

- EKJV Resources and Reserves are estimated by Northern Star Resources Ltd and were reported on 13 August 2020 in Rand ASX Announcement "EKJV Summary Resources and Reserves Update".
- Resources and Reserves as reported are 100% Rand Mining Ltd.
- Resources are inclusive of Reserves.
- Gold price used for the EKJV Resource Estimation is AUD\$2,250/oz.
- Gold price used for the EKJV Reserve Estimation is AUD\$1,750/oz.
- Discrepancies may occur due to rounding.

Mineral Resource and Ore Reserve Governance and Internal Controls

The Manager of the EKJV prepares the EKJV Mineral Resources and Ore Reserves on an annual basis in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Competent Persons named by the EKJV Manager are Members or Fellows of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and qualify as Competent Persons as defined in the JORC Code.

The Company is represented on the EKJV Technical Committee which reviews the Mineral Resource and Ore Reserve estimates and procedures undertaken. The Company's Competent Persons and consultants audit internal reviews by the EKJV Manager and external reviews by independent consultants of Mineral Resource and Ore Reserve estimates and procedures. These audits have not identified any material issues.

Competent Person Statements

The information in the Company's 2020 Annual Report that relates to Mineral Resources and Ore Reserves is based on information and supporting documentation prepared by the Competent Persons referred to in the ASX announcement detailed in the footnotes to the Minerals Resources and Ore Reserves Tables (Tables) and fairly represents that information.

The Mineral Resources and Ore Reserves statement as a whole, as well as the information provided by the Competent Persons referred to in the relevant ASX announcement detailed in the footnotes to the Tables, have been reviewed and approved by Mr Robert Henderson. Exploration results presented in this report have been prepared in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) by Mr Robert Henderson. Mr Henderson is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists, is a self-employed consulting geologist to Rand Mining and has sufficient relevant experience in the activities undertaken and styles of mineralisation being reported to qualify as a Competent Person under the JORC Code. Mr Henderson consents to the inclusion in this report of the information compiled by him in the form and context in which it appears.

Significant changes in the state of affairs

On 24 January 2020, an interlocutory injunction by the Company was sought in the Supreme Court of Western Australia in relation to the proceedings against Northern Star Resources Ltd. The Northern Star Group of Companies consented to the making of orders permitting Rand to stockpile its share of surplus ore on the EKJV tenements and offered undertakings in relation to the mechanism for the construction of ore stockpiles. The full details can be found in the ASX announcement dated 28 January 2020.

In February 2020, EKJVM recommended that Raleigh Underground Mine be placed on care and maintenance in April 2020 as a result of a significant seismic response following the firing of stopping panels. The full details can be found in the ASX announcement dated 3 February 2020. EKJVM is currently preparing an updated LOM.

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

Matters subsequent to the end of the financial year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the Group up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 20 August 2020, The Northern Star entities discontinued their counterclaim for the payment of an increase to the fixed rate for processing ore under the Ore Treatment Agreement.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

The Group 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 Group 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 Group 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 Group 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 Group intends to take as a result. Due to this Act, the Group, via its participation in the 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 requires the Group, via its participation in the EKJV, to report its annual greenhouse gas emissions and energy use. The Group has previously implemented systems and processes for the collection and calculation of data.

Information on directors

Name: Otakar Demis
Title: Non-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: Non-Executive Chairman and Company Secretary of Tribune Resources Limited (ASX: TBR)
Former directorships (last 3 years): None
Interests in shares: 4,800 ordinary shares held directly
Interests in options: None

Name: Anthony Billis
Title: Executive Director, Managing Director and Chief Executive Officer
Experience and expertise: Anthony has over 30 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 25 years.
Other current directorships: Executive Director of Tribune Resources Limited (ASX: TBR)
Former directorships (last 3 years): None
Interests in shares: 15,237,384 ordinary shares (41,547 held directly and 15,195,837 held 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 experience in corporate finance in the resources and technology industries predominantly focusing on capital raisings, initial public offerings ('IPOs'), acquisitions and project finance.
Other current directorships: Non-Executive Director of Tribune Resources Limited (ASX: TBR)
Former directorships (last 3 years): None
Interests in shares: None
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.

Brett Tucker was appointed joint company secretary on 9 March 2020. He is a Chartered Accountant who has acted as Company Secretary to a number of ASX listed and private companies across a range of industries. Brett has a strong corporate and compliance background which includes 8 years working in an international accounting firm within Australia and the UK.

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 2020, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
O Demis	2	2
A Billis	2	2
G Sklenka	2	2

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

Remuneration report (audited)

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

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

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 information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group 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; and
- transparency.

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group 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 Group and Company.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive directors and executive directors' remuneration 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 (refer '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 Group 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; and
- 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 Group 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 Group 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.

Group performance and link to remuneration

The directors' remuneration levels are not directly dependent upon the Group and 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 Group and Company have performed.

Use of remuneration consultants

During the financial year ended 30 June 2020, the Company did not engage remuneration consultants to review its existing remuneration policies or provide recommendations on how to improve both the STI and LTI program.

Voting and comments made at the Company's 2019 Annual General Meeting ('AGM')

At the last AGM 99.93% of the shareholders voted to adopt the remuneration report for the year ended 30 June 2019. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

The key management personnel of the Group consisted of the following directors of Rand Mining Limited:

- Otakar Demis - Non-Executive Chairman
- Anthony Billis - Executive Director, Managing Director and Chief Executive Officer
- Gordon Sklenka - Non-Executive Director

And the following person:

- Rodney Johns - Chief Operating Officer

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Bonus	Non-monetary*	Super-annuation	Leave benefits	Equity-settled	
30 Jun 2020	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
G Sklenka	30,000	-	-	-	-	-	30,000
O Demis	40,000	-	-	3,800	-	-	43,800
<i>Executive Directors:</i>							
A Billis	91,687	-	89,320	8,710	-	-	189,717
<i>Other Key Management Personnel:</i>							
R Johns	202,428	-	-	-	-	-	202,428
	<u>364,115</u>	<u>-</u>	<u>89,320</u>	<u>12,510</u>	<u>-</u>	<u>-</u>	<u>465,945</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	Leave benefits	Equity-settled	
30 Jun 2019	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
G Sklenka	92,590	-	-	-	-	-	92,590
O Demis	40,000	-	-	3,800	-	-	43,800
<i>Executive Directors:</i>							
A Billis	87,490	-	83,889	12,510	-	-	183,889
<i>Other Key Management Personnel:</i>							
J Andrews**	30,285	-	-	4,330	-	-	34,615
	<u>250,365</u>	<u>-</u>	<u>83,889</u>	<u>20,640</u>	<u>-</u>	<u>-</u>	<u>354,894</u>

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

** Remuneration is from 1 July 2018 to 31 October 2018 being the date of cessation as a member of key management personnel

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

Name	Fixed remuneration		STI		LTI	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
<i>Non-Executive Directors:</i>						
G Sklenka	100%	100%	-	-	-	-
O Demis	100%	100%	-	-	-	-
<i>Executive Directors:</i>						
A Billis	100%	100%	-	-	-	-
<i>Other Key Management Personnel:</i>						
R Johns	100%	-	-	-	-	-
J Andrews	-	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:	Anthony Billis
Title:	Executive Director, Managing Director and Chief Executive Officer
Term of agreement:	Ongoing
Details:	Base salary, inclusive of superannuation and fringe benefits, for the year ended 30 June 2020 of \$189,717, to be reviewed annually by the Board.

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 2020.

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 2020.

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 2020.

Additional information

The earnings of the Group for the five years to 30 June 2020 are summarised below:

	2020	2019	2018	2017	2016
	\$	\$	\$	\$	\$
Sales revenue	2,540,000	79,424,150	44,791,500	34,785,950	32,090,300
EBITDA	2,115,284	81,300,340	34,621,689	27,814,537	26,361,814
EBIT	(2,570,284)	76,300,539	30,767,118	24,044,268	22,404,640
Profit/(loss) after income tax	(1,536,490)	67,388,360	22,103,235	16,521,417	15,287,209

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2020	2019	2018	2017	2016
Share price at financial year end (\$)	2.06	3.28	2.70	3.00	2.20
Total dividends declared (cents per share)	10.00	135.00	-	10.00	-
Basic earnings per share (cents per share)	(2.55)	112.04	36.75	27.47	25.42
Diluted earnings per share (cents per share)	(2.55)	112.04	36.75	27.47	25.42

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 Group, 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	4,800	-	-	-	4,800
A Billis	15,237,384	-	-	-	15,237,384
	<u>15,242,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,242,184</u>

Option holding

There were no options over ordinary shares in the Company held during the financial year by any director and other members of key management personnel of the Group, including their personally related parties.

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

The following transactions occurred with key management personnel and their related parties:

	Consolidated 30 Jun 2020 \$
Payment for other expenses:	
Payment of royalties to Lake Grace Exploration Pty Ltd *	15,613
Payment for executive accommodation fees to Lake Grace Exploration Pty Ltd *	27,000
Payment of rent, rates and levies for office to Melville Parade Pty Ltd *	125,495
Reimbursement of operating expenses to Iron Resources Liberia Ltd * **	413,973
Amounts advanced and repaid during the financial year:	
Cash advances from/to Tribune Resources Ltd *	22,000,000

* An entity in which Anthony Billis is a director.

** From this total, \$8,872 is still to be paid to Anton Billis.

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

This concludes the remuneration report, which has been audited.

Shares under option

There were no unissued ordinary shares of Rand Mining Limited under option outstanding at 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 2020 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 partners of PKF Perth

There are no officers of the Company who are former partners of PKF Perth.

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 immediately after this directors' report.

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

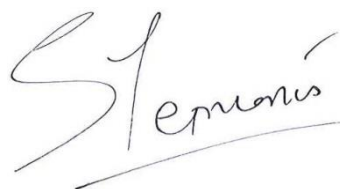
16 September 2020
Perth

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF RAND MINING LIMITED

In relation to our audit of the financial report of Rand Mining Limited for the year ended 30 June 2020, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF PERTH



SIMON FERMANIS
PARTNER

16 September 2020
WEST PERTH,
WESTERN AUSTRALIA

Level 4, 35 Havelock Street, West Perth, WA 6005
PO Box 609, West Perth, WA 6872
T: +61 8 9426 8999 F: +61 8 9426 8900 www.pkfperth.com.au

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Rand Mining Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020



	Note	Consolidated 30 Jun 2020 \$	30 Jun 2019 \$
Revenue	5	2,540,000	79,424,150
Share of profits of associates accounted for using the equity method	6	-	43,197,595
Other income gains and losses		268,530	66,887
Interest revenue calculated using the effective interest method		97,473	67,278
Net fair value gain on financial assets		323,011	766,053
Expenses			
Changes in inventories		25,478,675	(10,953,547)
Employee benefits expense		(348,136)	(748,101)
Management fees		(754,905)	(486,757)
Depreciation and amortisation expense	7	(4,685,568)	(4,999,801)
Impairment of exploration and evaluation	16	(1,047,195)	(617,709)
Loss on sale of equity instruments at fair value through profit or loss		(181,380)	(2,447,964)
Mining expenses		(17,154,266)	(16,731,293)
Processing expenses		(4,335,821)	(6,745,063)
Royalty expenses		(884,032)	(1,354,847)
Foreign currency losses		(3,782)	(10,091)
Other expenses		(1,785,415)	(2,058,973)
Finance costs	7	(65,315)	(74,181)
Profit/(loss) before income tax (expense)/benefit		(2,538,126)	76,293,636
Income tax (expense)/benefit	8	1,001,636	(8,905,276)
Profit/(loss) after income tax (expense)/benefit for the year attributable to the owners of Rand Mining Limited	27	(1,536,490)	67,388,360
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Share of other comprehensive income from associate		-	486,477
Tax on revaluation adjustment in associate		-	(145,943)
Other comprehensive income for the year, net of tax		-	340,534
Total comprehensive income for the year attributable to the owners of Rand Mining Limited		(1,536,490)	67,728,894
		Cents	Cents
Basic earnings per share	40	(2.55)	112.04
Diluted earnings per share	40	(2.55)	112.04

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

	Note	Consolidated 30 Jun 2020 \$	30 Jun 2019 \$
Assets			
Current assets			
Cash and cash equivalents	9	5,630,713	50,751,457
Trade and other receivables	10	427,883	3,615,193
Inventories	11	59,367,894	33,901,955
Financial assets at fair value through profit or loss	12	-	6,185,750
Total current assets		<u>65,426,490</u>	<u>94,454,355</u>
Non-current assets			
Financial assets at fair value through profit or loss	13	315,978	149,662
Property, plant and equipment	14	11,337,974	12,269,815
Right-of-use assets	15	2,364,289	-
Exploration and evaluation	16	1,039,806	1,209,065
Mine development	17	11,956,048	11,031,972
Deferred tax	18	1,845,653	1,790,814
Total non-current assets		<u>28,859,748</u>	<u>26,451,328</u>
Total assets		<u>94,286,238</u>	<u>120,905,683</u>
Liabilities			
Current liabilities			
Trade and other payables	19	3,181,033	4,916,225
Lease liabilities	20	1,116,187	912,405
Income tax payable	21	45,347	16,830,296
Provisions	22	30,187	69,671
Total current liabilities		<u>4,372,754</u>	<u>22,728,597</u>
Non-current liabilities			
Lease liabilities	23	773,842	508,414
Deferred tax	24	2,859,351	3,856,748
Provisions	25	293,001	273,296
Total non-current liabilities		<u>3,926,194</u>	<u>4,638,458</u>
Total liabilities		<u>8,298,948</u>	<u>27,367,055</u>
Net assets		<u>85,987,290</u>	<u>93,538,628</u>
Equity			
Issued capital	26	16,694,186	16,694,186
Retained profits	27	69,293,104	76,844,442
Total equity		<u>85,987,290</u>	<u>93,538,628</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 2020



Consolidated	Issued capital \$	Equity accounting reserve \$	Retained profits \$	Total equity \$
Balance at 1 July 2018	16,694,186	580,614	89,735,376	107,010,176
Profit after income tax expense for the year	-	-	67,388,360	67,388,360
Other comprehensive income for the year, net of tax	-	340,534	-	340,534
Total comprehensive income for the year	-	340,534	67,388,360	67,728,894
<i>Transactions with owners in their capacity as owners:</i>				
Derecognition of associate	-	(921,148)	921,148	-
Dividends paid (note 28)	-	-	(81,200,442)	(81,200,442)
Balance at 30 June 2019	<u>16,694,186</u>	<u>-</u>	<u>76,844,442</u>	<u>93,538,628</u>
Consolidated	Issued capital \$	Equity accounting reserve \$	Retained profits \$	Total equity \$
Balance at 1 July 2019	16,694,186	-	76,844,442	93,538,628
Loss after income tax benefit for the year	-	-	(1,536,490)	(1,536,490)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(1,536,490)	(1,536,490)
<i>Transactions with owners in their capacity as owners:</i>				
Dividends paid (note 28)	-	-	(6,014,848)	(6,014,848)
Balance at 30 June 2020	<u>16,694,186</u>	<u>-</u>	<u>69,293,104</u>	<u>85,987,290</u>

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

	Consolidated	
Note	30 Jun 2020	30 Jun 2019
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	2,632,399	79,520,451
Payments to suppliers and employees (inclusive of GST)	<u>(26,776,220)</u>	<u>(28,300,940)</u>
	(24,143,821)	51,219,511
Interest received	97,473	28,397
Interest and other finance costs paid	(63,951)	(74,181)
Income taxes paid	<u>(16,971,480)</u>	<u>(3,435,518)</u>
Net cash from/(used in) operating activities	39 <u>(41,081,779)</u>	47,738,209
Cash flows from investing activities		
Payments for property, plant and equipment	(1,682,353)	(2,883,049)
Payments for exploration and evaluation	(884,014)	(878,753)
Payments for mine development	(3,688,089)	(4,606,659)
Proceeds from disposal of investments	9,224,002	42,448,952
Proceeds from disposal of property, plant and equipment	13,829	58,309
Proceeds from dividends	<u>227,000</u>	<u>48,693,919</u>
Net cash from investing activities	<u>3,210,375</u>	<u>82,832,719</u>
Cash flows from financing activities		
Repayment of lease liabilities	39 (1,234,492)	(983,175)
Repayment of cash advances to Tribune Resources Limited	(22,000,000)	(1,000,000)
Cash advances from Tribune Resources Limited	22,000,000	1,000,000
Dividends paid	28 <u>(6,014,848)</u>	<u>(81,200,442)</u>
Net cash used in financing activities	<u>(7,249,340)</u>	<u>(82,183,617)</u>
Net increase/(decrease) in cash and cash equivalents	(45,120,744)	48,387,311
Cash and cash equivalents at the beginning of the financial year	<u>50,751,457</u>	<u>2,364,146</u>
Cash and cash equivalents at the end of the financial year	9 <u><u>5,630,713</u></u>	<u><u>50,751,457</u></u>

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

Note 1. General information

The financial statements cover Rand Mining Limited as a Group consisting of Rand Mining Limited ('Company', 'parent entity' or 'Rand') and the entities it controlled at the end of, or during, the year (referred to in these financial statements as the 'Group'). 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 Group'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 16 September 2020. The directors have the power to amend and reissue the financial statements.

Note 2. 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 or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year ended 30 June 2020.

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

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

AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Note 2. Significant accounting policies (continued)

Impact of adoption

The Group adopted this standard using the modified retrospective approach from 1 July 2019 and there was no material impact to any balances recognised in the financial statements.

	1 July 2019 \$
Operating lease commitments as at 1 July 2019 (AASB 117)	1,814,282
Finance lease commitments as at 1 July 2019 (AASB 117)	1,420,819
Operating lease commitments discount based on the weighted average incremental borrowing rate of 5% (AASB 16)	(1,560)
Low-value assets and short-term leases not recognised as a right-of-use asset (AASB 16)	(1,763,180)
Finance lease not re-assessed to be within scope of AASB 16	(1,420,819)
Right-of-use assets (AASB 16)	<u>49,542</u>
Lease liabilities - current (AASB 16)	<u>(49,542)</u>
Reduction in opening retained profits as at 1 July 2019	<u><u>-</u></u>

Practical expedients applied

In adopting AASB 16, the Group has used the following practical expedients permitted by the standard:

- applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- accounted for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases;
- excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

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 financial assets at fair value through profit or loss.

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 Group'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 3.

Parent entity information

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

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2020 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 Group. They are deconsolidated from the date that control ceases.

Note 2. Significant accounting policies (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group 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 Group.

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 Group 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 Group 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

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

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.

Dividends

Dividends are received from financial assets measured at fair value through profit or loss ('FVPL'). Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment.

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.

Note 2. Significant accounting policies (continued)

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 the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied 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 at 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 classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's 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 classified as current when: it is either expected to be settled in the Group's 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 allowance for expected credit losses. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, other receivables have been grouped based on days overdue.

Inventories

Gold bullion, gold in transit and ore stockpiles are physically measured or estimated and valued at the lower of cost and net realisable value. Net realisable value is the estimated future sales price of the product the Group expects to realise when the product is processed and sold, less costs to complete production. The costs of producing silver are not separately identifiable and are allocated between the products on a rational and consistent basis based on the relative sales value at the completion of production.

Note 2. Significant accounting policies (continued)

Cost is determined using the average method and comprises direct purchase costs and an appropriate portion of fixed and variable costs including depreciation and amortisation, incurred in converting materials into finished goods.

Consumables are valued at the lower of cost or net realisable value. Any provision for obsolescence is determined by reference to specific items of stock. A regular review is undertaken to determine the extent of any provision or obsolescence.

Associates

Associates are entities over which the Group 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 Group'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 Group's share of losses in an associate equal or exceed its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group 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.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

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. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Note 2. Significant accounting policies (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in profit and loss with a corresponding entry to other comprehensive income. In all other cases, the loss allowance is recognised through profit or loss and reduces the asset's carrying value.

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:

Mining plant and equipment	3 - 10 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements 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 Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

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 Group, 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.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

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 2. 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.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of the asset exceeds its recoverable amount. Where the carrying amount is assessed as exceeding recoverable amount, the excess is recognised as an impairment expense in the profit or loss.

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 the 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 proved 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 the development phase that give rise to the need for restoration.

Impairment of non-financial assets

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 Group 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.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Note 2. Significant accounting policies (continued)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group 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.

Site rehabilitation

Rehabilitation costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with the requirements of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology.

Rehabilitation costs are recognised at present value as a non-current liability. An equivalent amount is capitalised as part of the cost of the asset when an obligation arises to decommission or restore a site to certain condition after abandonment as a result of bringing the assets to its present location. The capitalised cost is amortised over the life of the project and the provision is accreted periodically as the discounting of the liability unwinds. The unwinding of the discount is recorded 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 wholly 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 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. 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 high quality corporate 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.

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 interests. 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.

Note 2. Significant accounting policies (continued)

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 at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of 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.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

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 Group for the annual reporting period ended 30 June 2020. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Note 2. Significant accounting policies (continued)

New Conceptual Framework for Financial Reporting

A revised Conceptual Framework for Financial Reporting has been issued by the AASB and is applicable for annual reporting periods beginning on or after 1 January 2020. This release impacts for-profit private sector entities that have public accountability that are required by legislation to comply with Australian Accounting Standards and other for-profit entities that voluntarily elect to apply the Conceptual Framework. Phase 2 of the framework is yet to be released which will impact for-profit private sector entities. The application of new definition and recognition criteria as well as new guidance on measurement will result in amendments to several accounting standards. The issue of AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework, also applicable from 1 January 2020, includes such amendments. Where the Group has relied on the conceptual framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under Australian Accounting Standards, the Group may need to revisit such policies. The Group will apply the revised conceptual framework from 1 July 2020 and is yet to assess its impact.

Other standards and interpretations

The directors have also reviewed all other new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2020. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to Group accounting policies. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Note 3. 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.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements.

Inventories

Net realisable value tests are performed at each reporting date and represent the future sales prices of the product the Group expects to realise when the product is processed and sold, less estimated costs to complete production and bring the product to sale.

Stockpiles are verified by periodic surveys.

Estimation of useful lives of assets

The Group 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.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Income tax

The Group 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 Group recognises liabilities for anticipated tax audit issues based on the Group'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 Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Recoverability of assets

The recoverable amount of each 'cash-generating unit', 'investment in associate', and 'investment in joint arrangement' is determined as the higher of the asset's fair value less costs to dispose and its value in use. Assessments of value in use and fair value less cost to dispose require the use of estimates and assumptions including discount rates, exchange rates, commodity prices, future capital requirements and future operating performance, as well as the value that a market participant would place on any resources which have yet to be proven as reserves associated with the CGU.

Inventories are recognised at the lower of cost and net realisable value which is calculated. The computation of net realisable value involves significant judgements and estimates in relation to future processing costs, commodity prices, foreign exchange rates, and timing of processing and sale.

Mine development assets

The estimated quantities of economically recoverable reserves and resources are based upon interpretations of geological and geophysical models and require assumptions to be made regarding factors such as estimates of short and long term exchange rates, estimates of short and long term commodity prices, future capital requirements and future operating performance. Changes in reported reserves and resources estimates can impact the carrying value of deferred mining expenditure, intangible assets, provisions for mine rehabilitation, the recognition of deferred tax assets, as well as the amount of depreciation and amortisation charged to the profit or loss.

Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

Provision for site rehabilitation

The ultimate rehabilitation costs are uncertain, and cost estimates may vary in response to many factors. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made by the managers of the Joint Venture in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial result. The provision at the reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Joint arrangements

The Group holds a 50% interest in Mount Manning Resources Pty Ltd. The partnership agreements require unanimous consent from all parties for all relevant activities. The two partners own the assets of the partnership as tenants in common and are jointly and severally liable for the liabilities incurred by the partnership. This entity is therefore classified as a joint operation and the Group recognises its direct right to the jointly held assets, liabilities, revenues and expenses as described in note 2.

Note 4. Operating segments

Identification of reportable operating segments

The Group has no separate operating segments as 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 reflect the financial position and performance of the Group as a whole.

Major customers

During the year ended 30 June 2020 approximately 100% (30 June 2019: 100%) of the consolidated entity's external revenue was derived from sales to one customer.

Geographical information

The Group's revenue and non-current assets are all Australian based and therefore, this information is detailed throughout the financial statements.

Note 5. Revenue

	Consolidated	
	30 Jun 2020	30 Jun 2019
	\$	\$
Sales of gold	<u>2,540,000</u>	<u>79,424,150</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	30 Jun 2020	30 Jun 2019
	\$	\$
<i>Major product lines</i>		
Gold	<u>2,540,000</u>	<u>79,424,150</u>
<i>Geographical regions</i>		
Australia	<u>2,540,000</u>	<u>79,424,150</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	<u>2,540,000</u>	<u>79,424,150</u>

Note 6. Share of profits of associates accounted for using the equity method

	Consolidated	
	30 Jun 2020	30 Jun 2019
	\$	\$
Share of profit - associates	-	<u>43,197,595</u>

Share of profit - associates relates to the Company's investment in Tribune Resources Limited ('Tribune') from 1 July 2018 to 25 November 2018. From 26 November 2018 the Company ceased to have a significant influence over Tribune.

Note 7. Expenses

	Consolidated	
	30 Jun 2020	30 Jun 2019
	\$	\$
Profit/(loss) before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	2,160	-
Mining plant and equipment	937,138	1,982,640
Plant and equipment - right-of-use assets	<u>982,256</u>	<u>-</u>
Total depreciation	<u>1,921,554</u>	<u>1,982,640</u>
<i>Amortisation</i>		
Mine development	<u>2,764,014</u>	<u>3,017,161</u>
Total depreciation and amortisation	<u>4,685,568</u>	<u>4,999,801</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	63,950	74,181
Interest and finance charges paid/payable on lease liabilities	<u>1,365</u>	<u>-</u>
Finance costs expensed	<u>65,315</u>	<u>74,181</u>
<i>Leases</i>		
Minimum lease payments	<u>-</u>	<u>76,699</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>12,510</u>	<u>38,662</u>

Note 8. Income tax expense/(benefit)

	Consolidated	Consolidated
	30 Jun 2020	30 Jun 2019
	\$	\$
<i>Income tax expense/(benefit)</i>		
Current tax	45,341	21,100,819
Deferred tax - origination and reversal of temporary differences	(1,040,144)	(12,092,347)
Adjustment recognised for prior periods	<u>(6,833)</u>	<u>(103,196)</u>
Aggregate income tax expense/(benefit)	<u><u>(1,001,636)</u></u>	<u><u>8,905,276</u></u>
Deferred tax included in income tax expense/(benefit) comprises:		
Decrease/(increase) in deferred tax assets (note 18)	(42,747)	219,737
Decrease in deferred tax liabilities (note 24)	<u>(997,397)</u>	<u>(12,312,084)</u>
Deferred tax - origination and reversal of temporary differences	<u>(1,040,144)</u>	<u>(12,092,347)</u>
<i>Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate</i>		
Profit/(loss) before income tax (expense)/benefit	<u>(2,538,126)</u>	<u>76,293,636</u>
Tax at the statutory tax rate of 30%	(761,438)	22,888,091
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-taxable dividends	-	(14,608,176)
Non-deductible foreign expenditure	124,192	142,023
Tax effect of other assessable/(not assessable) amounts in calculating taxable income	33,787	345,258
Sundry items	<u>(97,293)</u>	<u>(424)</u>
	(700,752)	8,766,772
Adjustment recognised for prior periods	(6,833)	(103,196)
Current year temporary differences not recognised	(200,378)	241,700
Prior year temporary differences not recognised now recognised	<u>(93,673)</u>	<u>-</u>
Income tax expense/(benefit)	<u><u>(1,001,636)</u></u>	<u><u>8,905,276</u></u>

	Consolidated	Consolidated
	30 Jun 2020	30 Jun 2019
	\$	\$
<i>Amounts credited directly to equity</i>		
Deferred tax liabilities (note 24)	<u>-</u>	<u>(248,835)</u>

Note 9. Current assets - cash and cash equivalents

	Consolidated	Consolidated
	30 Jun 2020	30 Jun 2019
	\$	\$
Cash on hand	250	250
Cash at bank	<u>5,630,463</u>	<u>50,751,207</u>
	<u><u>5,630,713</u></u>	<u><u>50,751,457</u></u>

Cash at bank earns fixed interest at 0.3% (30 June 2019: 1.25%) and cash on hand is non-interest bearing.

Note 10. Current assets - trade and other receivables

	Consolidated	
	30 Jun 2020	30 Jun 2019
	\$	\$
Other receivables	392,983	552,258
Goods and services tax receivable	34,900	-
Sale proceeds receivable from Tribune shares sold	-	3,062,935
	<u>427,883</u>	<u>3,615,193</u>

Note 11. Current assets - inventories

	Consolidated	
	30 Jun 2020	30 Jun 2019
	\$	\$
Ore stockpiles - at cost	15,075,748	6,988,568
Gold in transit - at cost	65,287	1,009,620
Gold on hand - at cost	42,702,407	24,577,918
Silver on hand - at net realisable value	1,076,866	865,527
Consumables - at cost	574,386	460,322
Less: Provision for impairment	(126,800)	-
	<u>59,367,894</u>	<u>33,901,955</u>

Note 12. Current assets - financial assets at fair value through profit or loss

	Consolidated	
	30 Jun 2020	30 Jun 2019
	\$	\$
Listed securities - at fair value through profit or loss	-	6,185,750
	<u>-</u>	<u>6,185,750</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	6,185,750	-
Transfer from investments accounted for using the equity method	-	4,523,219
Disposal of shares	(6,338,850)	-
Gain on revaluation through profit or loss	153,100	1,662,531
	<u>-</u>	<u>6,185,750</u>
Closing fair value	<u>-</u>	<u>6,185,750</u>

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

Note 13. Non-current assets - financial assets at fair value through profit or loss

	Consolidated	
	30 Jun 2020	30 Jun 2019
	\$	\$
Listed securities - at fair value through profit or loss	<u>315,978</u>	<u>149,662</u>

Reconciliation

Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

Opening carrying amount	149,662	1,046,139
Disposals	(3,595)	-
Gain/(loss) on revaluation through profit or loss	<u>169,911</u>	<u>(896,477)</u>
Closing carrying amount	<u>315,978</u>	<u>149,662</u>

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

Note 14. Non-current assets - property, plant and equipment

	Consolidated	
	30 Jun 2020	30 Jun 2019
	\$	\$
Plant and equipment - at cost	9,150	-
Less: Accumulated depreciation	<u>(2,160)</u>	<u>-</u>
	6,990	-
Mining plant and equipment - at cost	20,210,803	21,677,646
Less: Accumulated depreciation	<u>(8,967,866)</u>	<u>(9,480,559)</u>
	<u>11,242,937</u>	<u>12,197,087</u>
Construction work in progress - at cost	<u>88,047</u>	<u>72,728</u>
	<u>11,337,974</u>	<u>12,269,815</u>

Note 14. 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 2018	-	10,100,954	533,300	10,634,254
Additions	-	1,213,593	1,759,038	2,972,631
Disposals	-	(97,042)	-	(97,042)
Transfers from exploration and evaluation (note 16)	-	742,612	-	742,612
Transfers in/(out)	-	2,219,610	(2,219,610)	-
Depreciation expense	-	(1,982,640)	-	(1,982,640)
Balance at 30 June 2019	-	12,197,087	72,728	12,269,815
Additions	9,150	668,707	2,206,623	2,884,480
Disposals	-	(45,705)	-	(45,705)
Reclassified to plant and equipment right-of-use assets - prior year written down value (note 15)	-	(1,629,196)	-	(1,629,196)
Reclassified to plant and equipment right-of-use assets - current year (note 15)	-	(1,855,716)	-	(1,855,716)
Transfers from exploration and evaluation (note 16)	-	653,594	-	653,594
Transfers in/(out)	-	2,191,304	(2,191,304)	-
Depreciation expense	(2,160)	(937,138)	-	(939,298)
Balance at 30 June 2020	6,990	11,242,937	88,047	11,337,974

* Included in mining plant and equipment is \$8,667,191 (30 June 2019: \$7,344,890) of resource extension relating to drilling expenditure on Raleigh, Rubicon/Hornet and Pegasus.

Note 15. Non-current assets - right-of-use assets

	Consolidated	
	30 Jun 2020	30 Jun 2019
	\$	\$
Plant and equipment - right-of-use	4,360,867	-
Less: Accumulated depreciation	(1,996,578)	-
	<u>2,364,289</u>	<u>-</u>

The Group leases plant and equipment under agreements of between one to three years.

Note 15. Non-current assets - right-of-use assets (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 - right-of-use \$
Balance at 1 July 2018	-
Balance at 30 June 2019	-
Recognised as assets on adoption of AASB 16 (note 2)	49,542
Reclassified from mining plant and equipment - prior year written down value (note 14)	1,629,196
Reclassified from mining plant and equipment - current year (note 14)	1,855,716
Disposals	(187,909)
Depreciation expense	(982,256)
Balance at 30 June 2020	<u>2,364,289</u>

Note 16. Non-current assets - exploration and evaluation

	Consolidated	Consolidated
	30 Jun 2020	30 Jun 2019
	\$	\$
Exploration and evaluation - at cost	<u>1,039,806</u>	<u>1,209,065</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	Exploration and evaluation \$
Balance at 1 July 2018	1,041,874
Additions	1,527,512
Impairment of assets	(617,709)
Transfers to mining plant and equipment (note 14)	(742,612)
Balance at 30 June 2019	1,209,065
Additions	1,531,530
Impairment of assets	(1,047,195)
Transfers to mining plant and equipment (note 14)	(653,594)
Balance at 30 June 2020	<u>1,039,806</u>

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

Note 16. Non-current assets - exploration and evaluation (continued)

Impairment

At each reporting date the Group undertakes an assessment of the carrying amount of its exploration and evaluation assets. During the year the Group identified indicators of impairment on certain exploration and evaluation assets under AASB 6 'Exploration for and Evaluation of Mineral Resources'. As a result of this review, an impairment loss of \$1,047,195 (30 June 2019: \$617,709) has been recognised in the statement of profit or loss in relation to areas of interest where no future exploration and evaluation activities are expected. The impairment loss included \$225,577 in relation to Raleigh.

Based on the EKJV managers assessment, the drilling platforms at Raleigh from which future work was planned is no longer safely accessible due to the seismic activity which occurred during the year. This has resulted in no future exploration work being budgeted at Raleigh for FY21.

Note 17. Non-current assets - mine development

	Consolidated	
	30 Jun 2020	30 Jun 2019
	\$	\$
Mine development - at cost	46,823,913	43,319,553
Less: Accumulated amortisation	<u>(34,867,865)</u>	<u>(32,287,581)</u>
	<u>11,956,048</u>	<u>11,031,972</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 \$
Balance at 1 July 2018	9,442,475
Additions	4,606,658
Amortisation expense	<u>(3,017,161)</u>
Balance at 30 June 2019	11,031,972
Additions	3,671,596
Rehabilitation adjustment	16,494
Amortisation expense	<u>(2,764,014)</u>
Balance at 30 June 2020	<u>11,956,048</u>

Mine development relates to Raleigh underground development, Rubicon development and Pegasus underground development.

Note 18. Non-current assets - deferred tax

	Consolidated	Consolidated
	30 Jun 2020	30 Jun 2019
	\$	\$
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Leave provisions	9,056	20,901
Provision for rehabilitation	87,900	81,989
Capitalised mine development costs	1,728,797	1,668,301
Blackhole costs	405	540
Sundry accruals and provisions	19,495	19,083
	<u>1,845,653</u>	<u>1,790,814</u>
Deferred tax asset	<u>1,845,653</u>	<u>1,790,814</u>
<i>Movements:</i>		
Opening balance	1,790,814	2,010,551
Credited/(charged) to profit or loss (note 8)	42,747	(219,737)
Over provision of prior year deferred tax	12,092	-
	<u>1,845,653</u>	<u>1,790,814</u>
Closing balance	<u>1,845,653</u>	<u>1,790,814</u>

Note 19. Current liabilities - trade and other payables

	Consolidated	Consolidated
	30 Jun 2020	30 Jun 2019
	\$	\$
Trade payables	3,129,921	4,680,126
Accrued expenses	48,712	236,099
Other payables	2,400	-
	<u>3,181,033</u>	<u>4,916,225</u>
Trade payables	<u>3,181,033</u>	<u>4,916,225</u>

Refer to note 29 for further information on financial instruments.

Note 20. Current liabilities - lease liabilities

	Consolidated	Consolidated
	30 Jun 2020	30 Jun 2019
	\$	\$
Lease liability	<u>1,116,187</u>	<u>912,405</u>
Lease liability	<u>1,116,187</u>	<u>912,405</u>

Refer to note 29 for further information on financial instruments.

Note 21. Current liabilities - income tax payable

	Consolidated	Consolidated
	30 Jun 2020	30 Jun 2019
	\$	\$
Provision for income tax	<u>45,347</u>	<u>16,830,296</u>
Provision for income tax	<u>45,347</u>	<u>16,830,296</u>

Note 22. Current liabilities - provisions

	Consolidated	
	30 Jun 2020	30 Jun 2019
	\$	\$
Employee benefits	<u>30,187</u>	<u>69,671</u>

Note 23. Non-current liabilities - lease liabilities

	Consolidated	
	30 Jun 2020	30 Jun 2019
	\$	\$
Lease liability	<u>773,842</u>	<u>508,414</u>

Refer to note 29 for further information on financial instruments.

Leases obtained during the period cover underground mining equipment which have terms ranging between 30 and 36 months. All leased assets are secured.

Note 24. Non-current liabilities - deferred tax

	Consolidated	
	30 Jun 2020	30 Jun 2019
	\$	\$
<i>Deferred tax liability comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Investments	-	1,147,481
Capitalised exploration	2,912,099	2,566,187
Other	<u>(52,748)</u>	<u>143,080</u>
Deferred tax liability	<u>2,859,351</u>	<u>3,856,748</u>
<i>Movements:</i>		
Opening balance	3,856,748	16,417,667
Credited to profit or loss (note 8)	(997,397)	(12,312,084)
Credited to equity (note 8)	<u>-</u>	<u>(248,835)</u>
Closing balance	<u>2,859,351</u>	<u>3,856,748</u>

Note 25. Non-current liabilities - provisions

	Consolidated	
	30 Jun 2020	30 Jun 2019
	\$	\$
Rehabilitation	<u>293,001</u>	<u>273,296</u>

Rehabilitation

The provision for rehabilitation covers the following East Kundana joint venture ('EKJV') tenements - M16/309, M15/993, L16/28, L16/38, L16/39, L16/40, L16/54 and L16/69.

Note 25. Non-current liabilities - provisions (continued)

The provision for rehabilitation also covers the following key long-lived assets:

- Raleigh: Pit, Raleigh Paleo channel WRD, ROM pad and backfill plant;
- Pope John Pit;
- White Foil - Moonbeam discharge pipeline; and
- Kurrawang Pipeline Corridor.

During the financial year, EKJV management reassessed the rehabilitation cost estimate, noting no significant adjustments to the underlying cost estimate applied at 30 June 2020.

Movements in provisions

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

Consolidated - 30 Jun 2020	Rehabilitation \$
Carrying amount at the start of the year	273,296
Impact of revision to expected cashflows (net of accretion)	<u>19,705</u>
Carrying amount at the end of the year	<u><u>293,001</u></u>

Note 26. Equity - issued capital

	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>60,148,475</u>	<u>60,148,475</u>	<u>16,694,186</u>	<u>16,694,186</u>

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.

Options

The Company has no options on issue.

Share buy-back

On 8 January 2020, the Company announced it would extend the on-market buy-back of ordinary shares to 9 January 2021. The number of shares remaining to be bought back is 6,014,847.

Capital risk management

The Group'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.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

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

Note 26. Equity - issued capital (continued)

The Group 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 Group 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 Group 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 2019 Annual Report.

Note 27. Equity - retained profits

	Consolidated	Consolidated
	30 Jun 2020	30 Jun 2019
	\$	\$
Retained profits at the beginning of the financial year	76,844,442	89,735,376
Profit/(loss) after income tax (expense)/benefit for the year	(1,536,490)	67,388,360
Dividends payable (note 28)	(6,014,848)	(81,200,442)
Transfer from other comprehensive income on derecognition of associate	-	921,148
	<u>69,293,104</u>	<u>76,844,442</u>

Note 28. Equity - dividends

Dividends

Dividends paid during the financial year were as follows:

	Consolidated	Consolidated
	30 Jun 2020	30 Jun 2019
	\$	\$
A dividend of 10 cents per ordinary share paid to shareholders on 14 September 2018.	-	6,014,848
A special dividend of \$1.25 per ordinary share paid to shareholders on 12 October 2018.	-	75,185,594
A dividend of 10 cents per ordinary share paid to shareholders on 22 October 2019.	6,014,848	-
	<u>6,014,848</u>	<u>81,200,442</u>

Other than the above, there were no dividends recommended or declared during the current financial year.

Franking credits

	Consolidated	Consolidated
	30 Jun 2020	30 Jun 2019
	\$	\$
Franking credits available for subsequent financial years based on a tax rate of 30%	<u>34,996,283</u>	<u>18,098,387</u>

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 Group'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 Group'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 Group. The Group 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 Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units when deemed necessary. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The Group is not exposed to any significant foreign currency risk.

Price risk

The Group is exposed to equity securities price risks and bullion price risk. This arises from investments held by the Group and classified in the statement of financial position as financial assets at fair value through profit or loss and bullion held as inventory.

The policy of the Group is to sell gold at spot price and so it has not entered into any hedging contracts. The Group's revenues were exposed to fluctuation in the price of gold. If the average selling price of gold of \$2,414.73 (30 June 2019: \$1,807.10) for the financial year had increased/decreased by 10% the change in the profit before income tax for the Group would have been an increase/decrease of \$241,473 (30 June 2019: \$8,674,072).

If there was a 10% increase or decrease in the market price of gold, the net realisable value of bullion on hand would increase/(decrease) by \$10,448,239 (30 June 2019: \$5,168,998) and the bullion in transit would increase/(decrease) by \$13,343 (30 June 2019: \$209,697). As gold on hand is held at cost there would be no impact on profit or loss.

Interest rate risk

The Group is not exposed to any significant interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group 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 Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

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

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the Group 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.

Note 29. Financial instruments (continued)

The Group 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 Group'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 - 30 Jun 2020	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	-	3,129,921	-	-	-	3,129,921
Other payables	-	2,400	-	-	-	2,400
<i>Interest-bearing - fixed rate</i>						
Lease liability	3.73%	1,153,990	605,744	182,143	-	1,941,877
Total non-derivatives		4,286,311	605,744	182,143	-	5,074,198

Consolidated - 30 Jun 2019	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	-	4,680,126	-	-	-	4,680,126
<i>Interest-bearing - fixed rate</i>						
Lease liability	4.37%	952,032	516,919	-	-	1,468,951
Total non-derivatives		5,632,158	516,919	-	-	6,149,077

Note 30. Fair value measurement

Fair value hierarchy

The following tables detail the Group'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 - 30 Jun 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Listed securities - equity (non-current)	315,978	-	-	315,978
Total assets	315,978	-	-	315,978

Note 30. Fair value measurement (continued)

Consolidated - 30 Jun 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Listed securities - equity (current)	6,185,750	-	-	6,185,750
Listed securities - equity (non-current)	149,662	-	-	149,662
Total assets	<u>6,335,412</u>	<u>-</u>	<u>-</u>	<u>6,335,412</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 Group is set out below:

	Consolidated	Consolidated
	30 Jun 2020	30 Jun 2019
	\$	\$
Short-term employee benefits	453,435	334,254
Post-employment benefits	12,510	20,640
	<u>465,945</u>	<u>354,894</u>

Note 32. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by PKF Perth, the auditor of the Company, its network firms and unrelated firms:

	Consolidated	
	30 Jun 2020	30 Jun 2019
	\$	\$
<i>Audit services - PKF Perth (30 Jun 2019: Grant Thornton Audit Pty Ltd)</i>		
Audit or review of the financial statements	74,000	99,640
<i>Other services - PKF Perth (30 Jun 2019: Grant Thornton Audit Pty Ltd)</i>		
Tax compliance services	-	22,869
	<u>74,000</u>	<u>122,509</u>
<i>Audit services - RSM (EKJV)</i>		
Audit or review of the financial statements	2,500	-
<i>Other services - Grant Thornton</i>		
Tax compliance services	725	-
Matters related to ASIC reviews	4,710	-
	<u>5,435</u>	<u>-</u>
	<u>7,935</u>	<u>-</u>
<i>Audit services - Deloitte (EKJV)</i>		
Audit or review of the financial statements	5,549	4,587
<i>Other services - unrelated firms</i>		
Tax compliance services - RSM	16,250	-
Preparation of Financial Statements - FRS	39,750	-
	<u>56,000</u>	<u>-</u>
	<u>61,549</u>	<u>4,587</u>

Note 33. Contingent liabilities

Native title claims have been made with respect to areas which include tenements in which the Group has interests. The Group 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 Group or its projects.

Note 34. Commitments

	Consolidated	
	30 Jun 2020	30 Jun 2019
	\$	\$
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	872,969	2,345,155
<i>Lease commitments - operating*</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	396,763	396,299
One to five years	1,420,736	1,417,983
	<u>1,817,499</u>	<u>1,814,282</u>
<i>Lease commitments - finance*</i>		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	1,153,990	952,032
One to five years	787,887	516,919
Total commitment	1,941,877	1,468,951
Less: Future finance charges	(51,848)	(48,132)
Net commitment recognised as liabilities	<u>1,890,029</u>	<u>1,420,819</u>

* AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. Current year leases are included on the face of the statement of financial position in accordance with AASB 16. Comparative year leases are disclosed above and not on the statement of financial position in accordance with AASB 117. The above leases disclosed for the current year have been deemed not to fall under the scope of AASB 16 (refer note 2).

Capital commitments relate to mining capital expenditure commitments relating to the East Kundana Joint Venture.

Note 35. Related party transactions

Parent entity and ultimate parent entity

Rand Mining Limited ('Rand') is the parent entity. Tribune Resources Limited is the ultimate parent entity and holds 44.19% of shares in Rand and consolidates Rand for financial reporting purposes.

Subsidiaries

Interests in subsidiaries are set out in note 37.

Joint operations

Interests in joint operations are set out in note 38.

Key management personnel

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

Note 35. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	30 Jun 2020	30 Jun 2019
	\$	\$
Payment for other expenses:		
Payment of royalties to Lake Grace Exploration Pty Ltd *	15,613	30,462
Payment for executive accommodation fees to Lake Grace Exploration Pty Ltd *	27,000	40,500
Payment for consulting fees to Lake Grace Exploration Pty Ltd *	-	9,926
Payment of rent, rates and levies for office to Melville Parade Pty Ltd *	125,495	62,962
Reimbursement of operating expenses to Iron Resources Liberia Ltd *	413,973	473,410

* An entity in which Anthony Billis is a director.

Receivable from and payable to related parties

There were no trade receivables from related parties at the current and previous reporting date.

A current trade payable of \$8,872 to Iron Resources Liberia Ltd was outstanding as at 30 June 2020 (30 June 2019: \$nil).

Advances from related parties

During the financial year, advances of \$22,000,000 (30 June 2019: \$1,000,000) were made between Rand Mining Limited and Tribune Resources Limited. These amounts were repaid prior to the reporting date. As disclosed above, there were no receivables from related parties at 30 June 2020. Anthony Billis, Gordon Sklenka and Otakar Demis are directors of Tribune Resources Limited.

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	
	30 Jun 2020	30 Jun 2019
	\$	\$
Loss after income tax	<u>(235,155)</u>	<u>(490,665)</u>
Total comprehensive income	<u>(235,155)</u>	<u>(490,665)</u>

Note 36. Parent entity information (continued)

Statement of financial position

	Parent	
	30 Jun 2020	30 Jun 2019
	\$	\$
Total current assets	-	-
Total assets	547,218	559,062
Total current liabilities	77,934	16,899,967
Total liabilities	82,892,526	76,654,367
Equity		
Issued capital	16,694,186	16,694,186
Accumulated losses	(99,039,494)	(92,789,491)
Total deficiency in equity	<u>(82,345,308)</u>	<u>(76,095,305)</u>

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 2020 and 30 June 2019.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries 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 subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 Jun 2020 %	30 Jun 2019 %
Rand Exploration N.L.	Australia	100.00%	100.00%
Mount Manning Resources Pty Ltd*	Australia	50.00%	50.00%

* This is a dormant entity, there was no balances or transactions as at 30 June 2020 and 30 June 2019.

Note 38. Interests in joint operations

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 Jun 2020 %	30 Jun 2019 %
East Kundana Joint Venture	Australia	12.25%	12.25%

Note 39. Cash flow information

Reconciliation of profit/(loss) after income tax to net cash from/(used in) operating activities

	Consolidated	
	30 Jun 2020 \$	30 Jun 2019 \$
Profit/(loss) after income tax (expense)/benefit for the year	(1,536,490)	67,388,360
Adjustments for:		
Depreciation and amortisation	4,685,568	4,999,801
Net loss on disposal of property, plant and equipment	219,783	38,733
Share of profit from equity accounted investments	-	(43,197,595)
Gain on revaluation of equity instruments at fair value through profit or loss	(323,011)	(766,053)
Net loss on loss of significant influence at fair value through profit or loss	181,380	2,447,964
Impairment of exploration and evaluation	1,047,195	617,709
Non-operating expenses	(53,472)	561,198
Non-operating dividend income	(227,000)	-
Receivables relating to sale of investment at 30 June 2019	(3,062,935)	-
Non-operating payables movement	(142,009)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	3,187,310	(57,835)
Decrease/(increase) in inventories	(25,465,939)	10,855,563
Decrease in income tax refund due	-	595,877
Decrease/(increase) in deferred tax assets	(54,839)	73,794
Decrease in prepayments	-	6,586
Decrease in trade and other payables	(1,735,195)	(189,936)
Increase/(decrease) in provision for income tax	(16,784,949)	16,830,296
Decrease in deferred tax liabilities	(997,397)	(12,560,919)
Increase/(decrease) in employee benefits	(39,484)	65,473
Increase in other provisions	19,705	29,193
Net cash from/(used in) operating activities	<u>(41,081,779)</u>	<u>47,738,209</u>

Non-cash investing and financing activities

	Consolidated	
	30 Jun 2020 \$	30 Jun 2019 \$
Acquisition of plant and equipment by means of leases	<u>1,855,716</u>	<u>832,192</u>

Note 39. Cash flow information (continued)

Changes in liabilities arising from financing activities

Consolidated	Lease liability \$
Balance at 1 July 2018	1,571,802
Net cash used in financing activities	(983,174)
Acquisition of plant and equipment by means of leases	<u>832,192</u>
Balance at 30 June 2019	1,420,820
Net cash used in financing activities	(1,234,492)
Acquisition of plant and equipment by means of leases	1,855,716
Other changes	<u>(152,015)</u>
Balance at 30 June 2020	<u><u>1,890,029</u></u>

Note 40. Earnings per share

	Consolidated 30 Jun 2020 \$	30 Jun 2019 \$
Profit/(loss) after income tax attributable to the owners of Rand Mining Limited	<u>(1,536,490)</u>	<u>67,388,360</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>60,148,475</u>	<u>60,148,475</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>60,148,475</u>	<u>60,148,475</u>
	Cents	Cents
Basic earnings per share	(2.55)	112.04
Diluted earnings per share	(2.55)	112.04

Note 41. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the Group up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 20 August 2020, The Northern Star entities discontinued their counterclaim for the payment of an increase to the fixed rate for processing ore under the Ore Treatment Agreement.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes 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 comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2020 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

16 September 2020
Perth

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAND MINING LIMITED

Report on the Financial Report

Opinion

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 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 Company and 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.

In our opinion the accompanying 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 2020 and of its performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Independence

We are independent of the consolidated entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter. For each matter below, our description of how our audit addressed the matter is provided in that context.

Level 4, 35 Havelock Street, West Perth, WA 6005
PO Box 609, West Perth, WA 6872
T: +61 8 9426 8999 F: +61 8 9426 8900 www.pkfperth.com.au

1 - Inventory valuation and existence

Why significant

At 30 June 2020, the consolidated entity held inventories of \$59,367,894 (2019: \$33,901,955), as disclosed in Note 11.

As described in the Note 2, inventories are carried at the lower of the cost and net realisable value. Cost is determined using the average method and comprises direct production and purchase costs and an appropriate portion of fixed and variable costs.

The Consolidated entity has significant balance of Inventory at the balance date and significant management judgements and estimates are involved in the valuation and therefore this is considered to be a key audit matter.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Third party confirmation of the quantities held at 30 June 2020;
- Reviewing stock valuation calculations and assessing management assumptions;
- Testing inventory to ensure they were held at the lower of cost and net realisable value, and evaluating management judgement with regards to AASB102 Inventories.

2 - Carrying value of mine development assets

Why significant

At 30 June 2020 the carrying value of mine development assets was \$11,956,048 (2019: \$11,031,972), as disclosed in Note 17.

Each year management is required to assess whether there are any indicators that the total project may be impaired. Management's impairment assessment indicated that no impairment was required as the net present value of the total project is higher than its carrying value. As the impairment assessment requires significant estimates and judgments we have identified this as a key audit matter.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Reviewing the component auditor working papers;
- Reviewing management's impairment model, including consideration of inputs used in NPV calculations;
- Reviewing management's assessment of impairment of the CGUs;
- Reviewing competent persons report on the mineable reserves and valuation, it's congruence with management's assessment and the competence/ independence of the author;
- Ensuring valid mining licenses held and consider impairment of assets for which no license is now held;
- Ensure that disclosures within the financial statements are accurate and that all estimates and judgements made by management are included therein.

3 - Carrying value of capitalised exploration expenditure

Why significant

As at 30 June 2020 the carrying value of exploration and evaluation assets was \$1,039,806 (2019: \$1,209,065), as disclosed in Note 16.

The consolidated entity's accounting policy in respect of exploration and evaluation expenditure is outlined in Note 2. Estimates and judgments in relation to capitalised exploration and evaluation expenditure is detailed at Note 3.

Significant judgement is required:

- in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"); and
- in determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the consolidated entity's accounting policy. In particular:
 - whether the particular areas of interest meet the recognition conditions for an asset; and
 - which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Reviewing the component auditor working papers,
- Conducting a detailed review of management's assessment of impairment trigger events prepared in accordance with AASB 6 including:
 - assessing whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future;
 - holding discussions with the Directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest;
 - obtaining and assessing evidence of the consolidated entity's future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes;
- considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;
- assessing the appropriateness of the related disclosures in Note 2, 3 and 16.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors' 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 and for 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.

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 consolidated entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the consolidated entity financial report. We are responsible for the direction, supervision and performance of the consolidated entity audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

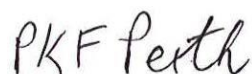
Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Rand Mining Limited for the year ended 20 June 2020, complies with section 300A of the Corporations Act 2001.

Responsibilities

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.



PKF PERTH



SIMON FERMANIS
PARTNER

16 September 2020
WEST PERTH
WESTERN AUSTRALIA

The shareholder information set out below was applicable as at 20 August 2020.

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	260
1,001 to 5,000	221
5,001 to 10,000	61
10,001 to 100,000	76
100,001 and over	24
	<hr/>
	642
	<hr/> <hr/>
Holding less than a marketable parcel	38
	<hr/> <hr/>

Equity security holders

Twenty largest quoted equity security holders

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

	Number held	Ordinary shares % of total shares issued
TRIBUNE RESOURCES LIMITED	26,576,764	44.19
TRANS GLOBAL CAPITAL LTD	7,899,584	13.13
HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	4,771,151	7.93
CITICORP NOMINEES PTY LIMITED	3,063,076	5.09
NORTHERN STAR RESOURCES LIMITED	2,925,360	4.86
LAKE GRACE EXPLORATION PTY LTD	2,917,000	4.85
SIERRA GOLD LTD	2,100,000	3.49
RESOURCE CAPITAL LIMITED	1,604,500	2.67
J P MORGAN NOMINEES AUSTRALIA PTY LTD	1,447,405	2.41
RAYPOINT PTY LTD	530,000	0.88
MRS PHANATCHAKORN WICHAIKUL	510,000	0.85
BERNE NO 132 NOMINEES PTY LTD	306,600	0.51
MR FRANCIS WILLIAM REGAN + MRS FARIBA REGAN	274,992	0.46
MR FRANK BOZIC	250,000	0.42
SOUTHAM INVESTMENTS 2003 PTY LTD	200,000	0.33
STARWALL PTY LTD	200,000	0.33
HALKIN PTY LTD	187,927	0.31
ELIXIR ENTERPRISES PTY LTD	150,000	0.25
NIMBY WA PTY LTD	143,453	0.24
ZELS SUPER PTY LTD	133,000	0.22
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	56,190,812	93.42
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Unquoted equity securities

There are no unquoted equity securities.

Substantial holders

Substantial holders in the Company are set out below:

	Number held	Ordinary shares % of total shares issued
TRIBUNE RESOURCES LIMITED	26,576,764	44.19
TRANS GLOBAL CAPITAL LTD	7,899,584	13.13
HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	4,771,151	7.93
CITICORP NOMINEES PTY LIMITED	3,063,076	5.09

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	M15/1233	50.00
Seven Mile Hill	M15/1234	50.00
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	P26/4173	50.00
Seven Mile Hill	P15/6370	50.00
West Kimberley *	E04/2548	100.00
Red Lake 1 *	P15/6398	50.00
Red Lake 2 *	P15/6399	50.00
Red Lake 3 *	P15/6400	50.00
Blue Dam *	P15/6401	50.00
Yikari *	P26/4476	50.00
Yikari *	P26/4477	50.00

* Under application