

RAND MINING NL
ABN 41 004 669 658

ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2005

RAND MINING NL

INDEX

Corporate Directory.....	1
Key Results.....	2
Chairman’s Report.....	3
Review of Operations	4
Directors' Report.....	12
Auditor’s Independence Declaration	22
Statement of Financial Performance.....	23
Statement of Financial Position.....	24
Statement of Cash Flows	25
Notes To And Forming Part of The Financial Statements	26
Director’s Declaration	49
Independent Audit Report	50
Shareholder Information.....	52

**RAND MINING NL
CORPORATE DIRECTORY**

DIRECTORS

O Demis
F Bozic
A Billis
W Jay
J Andrews
G Sklenka

COMPANY SECRETARY AND CHAIRMAN

O Demis

REGISTERED OFFICE

Suite G1, 49 Melville Parade
SOUTH PERTH WA 6151
Tel: +61 8 9474 2113
Fax: +61 8 9367 9386

PO Box 307
WEST PERTH WA 6872

WEB SITE

www.randmining.com.au

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 2,
45 St Georges Terrace
PERTH WA 6000
Tel: +61 8 9323 2000
Fax: +61 8 9323 2033

BANKERS

ANZ Bank
PERTH WA 6100

AUDITORS

Bentleys MRI
GPO Box W2106
PERTH WA 6848

STOCK EXCHANGE LISTING

The Company's shares are quoted on the Official List of Australian Stock Exchange Limited. The ASX Code is RND.

RAND MINING NL
KEY RESULTS

KEY RESULTS	2005	2004
FINANCE		
<ul style="list-style-type: none"> Operating profit before income tax Earnings per share (Basic) 	<p>(\$1,965,393)</p> <p>(5.07) cents</p>	<p>\$1,969,851</p> <p>5.15 cents</p>
GOLD		
<ul style="list-style-type: none"> Production Cash Cost Total Cash Cost Resources* Reserves* 	<p>-</p> <p>-</p> <p>-</p> <p>169,415 ounces</p> <p>72,766 ounces</p>	<p>14,464 ounces</p> <p>\$247 per ounce</p> <p>\$252 per ounce</p> <p>169,301 ounces</p> <p>72,766 ounces</p>
EXPLORATION		
<ul style="list-style-type: none"> East Kundana Joint Venture Seven Mile Hill 	<p>Ongoing</p> <p>Ongoing</p>	
DEVELOPMENT		
<ul style="list-style-type: none"> Raleigh Underground Hornet Pit Hornet Underground Rubicon Underground Pegasus Underground 	<p>Decline development in progress</p> <p>Bankable feasibility study in progress</p> <p>Bankable feasibility study in progress</p> <p>Bankable feasibility study in progress</p> <p>Evaluation</p>	

* These figures represent Rand Mining NL's portion (12.25 %) of the EKJV Resources and Reserves.

**RAND MINING NL
CHAIRMAN'S REPORT**

Dear Shareholder,

The Raleigh Underground Mine decline commencement has marked another significant event for the long term development of your Company.

The Raleigh Underground Mine provides a robust foundation for your Company to develop. It is anticipated that the project will produce 375,000 ounces of gold based on current reserves. Further exploration potential exists at depth. The development of this underground project in joint venture with Placer Dome Australia Limited, a company experienced in narrow vein mining, significantly reduces the project risks for your Company.

As previously reported the ANZ Bank Group Limited has provided an innovative financing structure that provides unrivalled operational flexibility to the construction, development and operating costs for the Raleigh Underground Mine. The funding provides discretionary exploration and capital expenditure to facilitate rapid development of the other projects within the EKJV. No discretionary gold hedging is required as a condition for this funding and the security is limited to the EKJV assets. This leaves your Company free to use its existing gold bullion assets for any new opportunities that may be identified outside the EKJV.

Negotiations are continuing with Placer Dome Australia Limited regarding future ore treatment and extending project financing to cover the development of the Rubicon and Hornet Underground Mines which will minimize your Company's exposure to risk.

Our alliance with Orotek allows your Company to pursue other opportunities where the patented Orotek technology can be applied to obtain a strategic advantage. Orotek is actively seeking opportunities to develop and commercialise its technologies to process nickel and cobalt in laterite ores, sulphide ores and copper gold ores.

This year your Company has developed a strong base upon which to build for the future. Gold production is anticipated to re-commence in the coming year and your board is actively seeking new opportunities to continue the growth of your Company. I look forward to a fruitful year ahead and thank our shareholders for their continued support.

**Otakar Demis
Chairman**

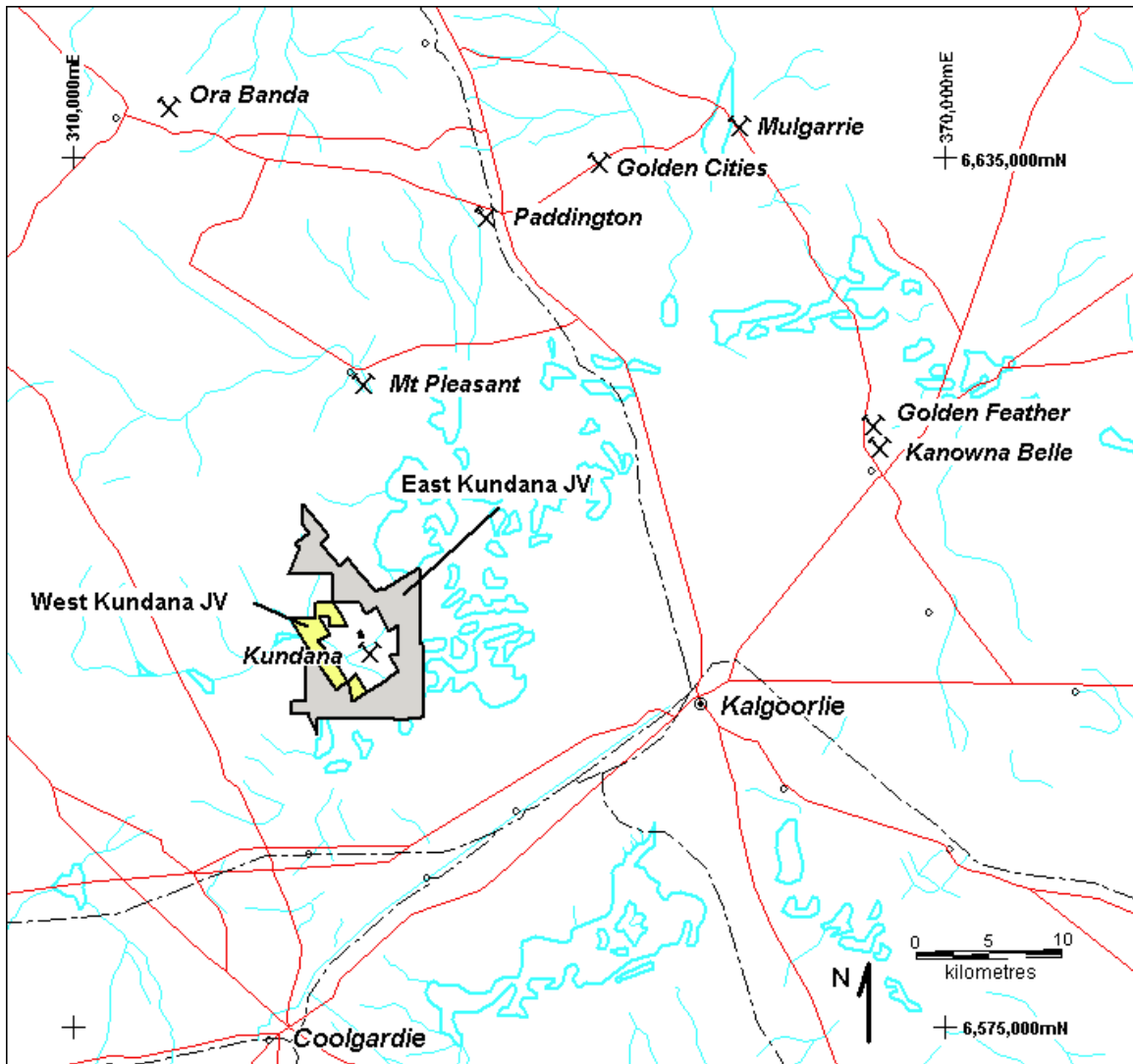
RAND MINING NL
REVIEW OF OPERATIONS

The East Kundana Joint Venture in which your company has a 12.25% interest has combined resources of 1.382 million ounces inclusive of an estimated 594,000 ounces in reserves remaining as at the 30 June 2005.

Development of the Raleigh Underground Mine commenced on the 21 December 2004.

The development of the EKJV resources continues to be the main focus of the Company.

East Kundana Joint Venture



The EKJV is located 25km west north west of Kalgoorlie and 47 km south west of Paddington.

The East Kundana Joint Venture (EKJV) participants are Rand Mining NL (12.25%), Tribune Resources NL (36.75%) and Gilt-Edged Mining NL (51%) a wholly owned subsidiary of Placer Dome Australia Limited.

RAND MINING NL
REVIEW OF OPERATIONS

PROJECT DEVELOPMENT

A number of EKJV projects are currently in varying stages of evaluation and development. The development of these projects will drive the strong growth of your Company in the near future.

These projects are:

- | | |
|-----------------------|---------------------------------|
| • Raleigh Underground | Decline development in progress |
| • Hornet Pit | Bankable Feasibility Study |
| • Hornet Underground | Bankable Feasibility Study |
| • Rubicon Underground | Bankable Feasibility Study |
| • Pegasus Underground | Evaluation |

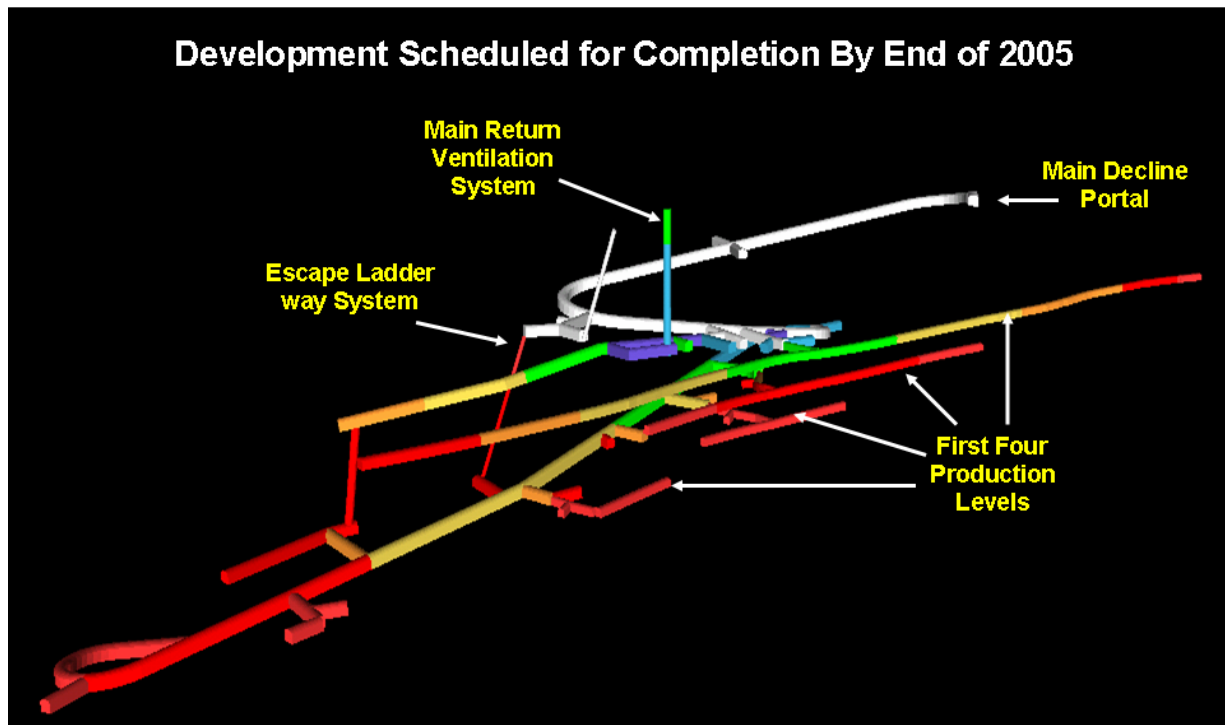
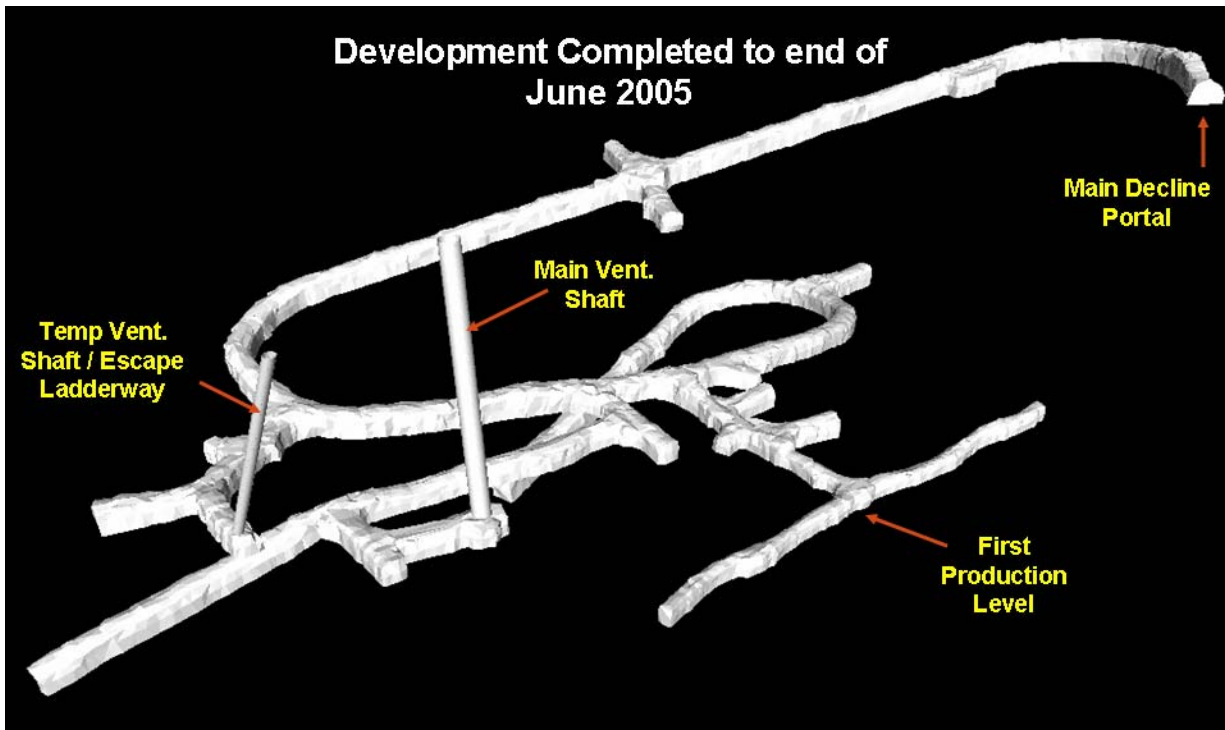
Raleigh Underground



Raise boring a temporary return air way at Raleigh

Approval to develop the Raleigh Underground Mine was given by the EKJV on the 27th July 2004. A limited recourse loan facility for nineteen million dollars was approved by the ANZ Bank Group Limited on the 4th August 2004 to fund Rand's (12.25%) and Tribune Resources N.L. (36.75%) portion of the development costs for the Raleigh Underground Mine. Portal Development that commenced in October 2004 was completed in November 2004 prior to the Main Decline Development commencing on the 21st December 2004. A total of 966 metres of Decline Development had been completed by Barmenco Limited mining contractors at the end of the financial year. The Stage 1 Development is expected to be completed by December 2005. Stope Development commenced early in July 2005.

The Raleigh Underground Mine economics are very robust with an expected life in excess of 7 years based on the current reserves. The resource depth extensions 680 metres below surface remain to be explored.



RAND MINING NL
REVIEW OF OPERATIONS

The Raleigh Underground ore is planned to be hauled 47 kilometres by road train to be processed at the Paddington Processing Plant.



Paddington Processing Plant

Hornet Pit

A feasibility study to develop the Hornet Pit has been received by the EKJV. The Hornet Pit is expected to be approximately 52 metres deep with a seven month mine life. Development is subject to continued negotiation of an Ore Treatment Agreement with Placer Dome Australia Limited.

Hornet-Rubicon Underground

A bankable feasibility study is in progress to develop the Rubicon Underground Mine that can be readily accessed from near the base of the recently completed Rubicon Pit. The Rubicon resource model was upgraded by information from nine reverse circulation drill holes totaling 1,059 metres and 1,584 metres of diamond core drilling completed during November 2004 and January 2005.

A bankable feasibility study for the development of the adjacent Hornet Underground Mine is in progress. A program of 30 diamond drill holes to further infill the resource commenced in May 2005. At the completion of June, 18 reverse circulation drill holes totaling 2,136 metres and 12 diamond holes for 2,995 metres were drilled. Additional drilling is required before the completion of the Rubicon and Hornet Underground Mine feasibility studies, expected in the third quarter of 2005.

Pegasus Underground

The evaluation of the Pegasus resource requires substantially more resource delineation drilling.

RAND MINING NL
REVIEW OF OPERATIONS
EXPLORATION

Discovery drilling focused on testing anomalies known as the Big Chief, Daisey-Drake and Corsair without success.

Drilling Completed

	Air Core		Reverse Circulation		Diamond	
	No. holes	metres	No. holes	metres	No. holes	metres
Quarter 1	-	-	0	0	0	0
Quarter 2	-	-	3	154	2	179
Quarter 3	42	1,489	5	210	5	552
Quarter 4	-	-	-	-	-	-
Current Yr	42	1,489	8	364	7	731

RAND MINING NL
REVIEW OF OPERATIONS
RESOURCES and RESERVES

EKJV Resource inclusive of reserves remaining as at 30 June 2005

OREBODY	MEASURED RESOURCE		INDICATED RESOURCE		INFERRED RESOURCE		TOTAL RESOURCE		
	(tonnes)	(g/t)	(tonnes)	(g/t)	(tonnes)	(g/t)	(tonnes)	(g/t)	(ounces)
RALEIGH UNDERGROUND MAIN VEIN	0	0	487,000	26.8	445,000	17.4	932,000	22.3	668,562
RALEIGH UNDERGROUND HANGINGWALL VEIN	0	0	0	0	6,000	35.4	6,000	35.4	6,829
HORNET SURFACE	0	0	294,000	2.9	277,000	1.7	571,000	2.3	42,224
HORNET UNDERGROUND	0	0	682,000	8.0	370,000	5.3	1,052,000	7.1	240,140
RUBICON UNDERGROUND	0	0	213,000	11.6	752,000	5.2	965,000	6.6	204,768
PEGASUS SURFACE	0	0	191,000	3.6	381,000	3.2	572,000	3.3	61,305
PEGASUS UNDERGROUND	0	0	0	0	719,000	6.6	719,000	6.6	152,726
DRAKE	0	0	0	0	100,000	2.0	100,000	2.0	6,430
TOTAL	0	0	1,867,000	12.1	3,050,000	6.7	4,917,000	8.7	1,382,984

**RAND MINING NL
REVIEW OF OPERATIONS**

EKJV Reserves remaining as at 30 June 2005

OREBODY	PROVED RESERVE		PROBABLE RESERVE		TOTAL RESERVE			RESERVES AS AT JUNE 30, 2004		
	(tonnes)	(g/t)	(tonnes)	(g/t)	(tonnes)	(g/t)	(ounces)	(tonnes)	(g/t)	(ounces)
RALEIGH UNDERGROUND MAIN VEIN	0	0	965,000	12.1	965,000	12.1	375,408	965,000	12.1	375,408
RALEIGH UNDERGROUND HANGINGWALL VEIN	0	0	0	0	0	0	0	0	0	0
HORNET SURFACE*	0	0	136,000	3.6	136,000	3.6	15,741	136,000	3.6	15,741
HORNET UNDERGROUND*	0	0	550,000	7.9	550,000	7.9	139,695	550,000	7.9	139,695
RUBICON UNDERGROUND*	0	0	177,000	11.1	177,000	11.1	63,167	177,000	11.1	63,167
TOTAL	0	0	1,828,000	10.1	1,828,000	10.1	594,011	1,828,000	10.1	594,011

Prepared by R. Cooper (Placer Dome Asia Pacific Ltd) based on the resource and reserve position as at December 2003.

- Note* Preliminary reserve estimates for projects currently bankable feasibility studies.
- Raleigh Underground reserve reflects SRK Underground Feasibility Study and PDAP Addendum Report that includes Stage 3 open pit extraction, revisions to crown pillar recoveries and revisions to other physical and cost estimates.
- In accordance with Listing Rule 5.10 of the Australian Stock Exchange Limited, the geological information in this report which relates to Mineral Resources and Ore Reserves, is based upon information compiled by Jon Abbot, Roger Cooper, Mark Kaesehagen and Steve Tombs who are Members of the Australasian Institute of Mining and Metallurgy and full-time employees of Placer Dome Australia Limited. The report was compiled by Dr Ian Robertson who is a Fellow of the Australasian Institute of Mining and Metallurgy and AIG who is a full time employee of Rand Mining N.L. All of the aforementioned persons have sufficient expertise and experience to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. Jon Abbot, Roger Cooper, Mark Kaesehagen and Ian Robertson consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

RAND MINING NL
REVIEW OF OPERATIONS

Other Areas

Minimal field work was carried out on the Company's Seven Mile Hill, West Kalgoorlie, Larkinville and Little Nipper projects during the year due to the focus on the East Kundana Joint Venture project.

ORETEK LIMITED JOINT VENTURE

The Company holds a 20% interest in certain patents and patent applications owned by Oretek Limited. Your Company's alliance with Oretek opens opportunities for acquisition of resources amenable to processing by Oretek technology.

The areas of development undertaken include:

- Acid Mine Drainage and copper cyanide technologies which are based on the application of patented, water-soluble polyethylene based polymers which selectively capture copper and other transitional metal ions.
- Copper recovery from acid consuming ores, such as copper carbonate ores, using sodium cyanide as the lixiviant is under negotiation. The copper cyanide solution generated will be treated using Oretek technology. When copper cyanide solutions are contacted with water soluble polymer, cyanide is displaced, enabling it to be recovered by membrane technology, copper is recovered by electrowinning.

The ARC Linkage research project into Oretek copper cyanide technology, continued in conjunction with the Department of Chemical Engineering, Monash University. Oretek is also undertaking development work in respect of its environmental technologies at both Monash University and Lakefield Orestest Pty Ltd directed towards the fixation of liquid polymers onto solid substrates to produce resin beads with reactive sites capable of selectively recovering metal ions from either solutions or slurries.

RAND MINING NL
DIRECTORS' REPORT

The directors submit their report on the Company and its controlled entity for the year ended 30 June 2005.

DIRECTORS

The names and details of the directors of the Company in office at any time during or since the end of the year are:

Director Mr Otakar Demis
Appointed 29th November 1985
Age 63
Position Executive Chairman & Company Secretary

Chairman and Company Secretary, appointed in 1985 and is a private investor and businessman with several years experience as a Director of the Company and of Tribune Resources NL since 2001.

Director Dr William Jay - ASTC, BSc, PhD
Appointed 22nd January 2003
Age 69
Position Independent Non-Executive Director

Chemical Engineer with some 40 years experience in the mining industry (particularly in copper and gold hydrometallurgy) and in polymer chemistry and production. Joined the Board in 2001 in a non-executive capacity. He is a visiting academic at Monash University and is the inventor of more than ten international patents. Dr Jay is also a director of Tribune Resources NL since 2001 and Oretex Ltd since 2000.

Director Mr Franjo Bozic
Appointed 5th November 1996
Age 46
Position Independent Non-Executive Director
Mr Bozic is a Petrochemical Engineer and Investor

Director Mr Anthony Billis
Appointed 22nd January 2003
Age 61
Position Executive Director

Mr Billis has 25 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 20 years. Mr Billis has been a director of Tribune Resources NL since 2003.

Director Dr John Andrews - BSc, BE (Hons), PhD, FAusIMM
Appointed 16 August 2004
Age 57
Position Independent Non-Executive Director

Fellow of AusIMM with extensive knowledge, qualifications and experience in mineral processing joined the Board in 2004 in a non-executive capacity. Dr Andrews has a number of granted patents in mineral processing and has in excess of 50 technical publications to his name. Dr Andrews has consulted to a wide range of mineral and research companies and is a director of Oretex Ltd since 2001 and Tribune Resources NL since 2004.

RAND MINING NL
DIRECTORS' REPORT

Director Gordon Sklenka - BCom
Appointed 16 August 2004
Age 44
Position Independent Non-Executive Director

Mr Sklenka has worked in Chartered Accounting, Stockbroking and Corporate Advisory in both Perth and Sydney and has in excess of 15 years experience in corporate finance in the resources and technology industries predominantly focusing on capital raisings, IPOs, acquisitions and project finance. Mr Sklenka is also a director of other listed companies including Regal Resources Ltd since 2003, AXG Mining Ltd since 2005, Tribune Resources NL since 2004 and was previously a director of related party Mt Dimer Gold Mines Ltd (from September 2003 to May 2005).

Director Frank O'Kane
Appointed 14 February 1997 Resigned 28 July 2004
Age 42
Position Independent Non-Executive Director

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were the exploration and development of resources on the East Kundana Joint Venture tenements. There has been no significant change in the nature of these activities during the financial year.

REVIEW OF OPERATIONS

The activities of the company were focused on the East Kundana Project during the year. Studies to develop further mining operations continued throughout the year. A more detailed review of operations is contained in Review of Operations section of the Annual Report.

OPERATING RESULTS

The profit/ (loss) of the consolidated entity after income tax of \$Nil [2004: \$Nil] was \$(1,965,393) [2004: \$1,969,851].

CHANGES IN STATE OF AFFAIRS

Other than noted below during the course of the financial year ended 30 June 2005, there were no significant changes to the state of affairs of the company.

During July 2004 the development of the Raleigh Underground mine was approved after successful negotiations with joint venture partner Placer Dome Asia Pacific concluded and funding was secured from the ANZ Bank Group Limited.

During April 2005 2,300,000 options were exercised at \$0.20 each.

SUBSEQUENT EVENTS

Other than noted below, there has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

In July 2005 the Raleigh Underground Mine Development at the East Kundana Joint Venture

RAND MINING NL
DIRECTORS' REPORT

commenced mining high grade development ore which is being temporarily stockpiled until an agreement is finalised regarding processing.

LIKELY DEVELOPMENTS

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

ENVIRONMENTAL REGULATIONS

The Company's environmental obligations are regulated under both State and Federal Law. The Company has a policy of complying with its environmental performance obligations. No environmental breaches have been notified by any Government agency to the date of this report.

DIVIDENDS

No dividends have been paid by the Company during the year ended 30 June 2005 [2004: Nil] nor have the Directors recommended that any dividend be paid.

SHARE OPTIONS

During or since the end of the financial period the Company no options have been issued by the Company.

As at the date of this report, the Company has no options on issue.

During or since the end of the financial year the following options were exercised:

Number	Exercise Price
2,300,000	\$0.20

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director).

Director	Directors' meetings held while a Director	Number of Directors' meetings attended
O Demis	11	5
W Jay	11	11
F Bozic	11	-
A Billis	11	11
J Andrews (appointed 16 August 2004)	8	6
G Sklenka (appointed 16 August 2004)	8	8
F O'Kane (resigned 28 July 2004)	3	3

RAND MINING NL
DIRECTORS' REPORT

Mr O Demis and Mr F Bozic are currently residing overseas and have been unable to attend some Directors meetings.

Directors' shareholdings

As at the date of this report, the following represents shares and options held by Directors in the Company.

	Ordinary Shares		Options over Ordinary Shares	
	Direct	Indirect	Direct	Indirect
O Demis	3,200	8,076,147	-	-
W Jay	30,000	10,485,722	-	-
F Bozic	252,000	-	-	-
A Billis	14,000	13,191,422	-	-
J Andrews	4,000	7,508,722	-	-
G Sklenka	-	7,317,022	-	-

The indirect interest in the Company's shares includes, where applicable, the shareholding of the following companies by virtue of the relevant Director being a director of:

Tribune Resources NL (holds 7,317,022 shares in Rand Mining NL)

- O Demis
- W Jay
- A Billis
- J Andrews
- G Sklenka

Lake Grace Exploration Pty Ltd (holds 2,917,000 shares in Rand Mining NL)

- A Billis

Amro West Pty Ltd by way of 91% shareholding in Lake Grace Exploration (which holds 2,917,000 shares in Rand Mining NL)

- W Jay

Sierra Gold Pty Ltd (holds 2,100,000 shares in Rand Mining NL)

- A Billis

Regent Gulf Pty Ltd (holds 727,100 shares in Rand Mining NL)

- O Demis

Resource Capital Ltd (holds 340,000 shares in Rand Mining NL)

- A Billis

Oretek Ltd (holds 191,700 shares in Rand Mining NL)

- W Jay
- J Andrews

RAND MINING NL
DIRECTORS' REPORT

Holbray Pty Ltd (holds 60,000 shares in Rand Mining NL)

- W Jay

O Demis Super Fund (holds 32,025 shares in Rand Mining NL)

- O Demis

STT Pty Ltd (holds 30,000 shares in Rand Mining NL)

- A Billis

American Holdings Pty Ltd (holds 2,000 shares in Rand Mining NL)

- A Billis

Other indirect interests include:

A Romanov (holds 230,200 shares in Rand Mining NL)

M Deston (holds 255,200 shares in Rand Mining NL)

- A Billis

REMUNERATION REPORT

Remuneration levels for directors, officers and senior managers of the consolidated entity are competitively set to attract and retain appropriately directors and senior executives.

The full Board determines remuneration packages provided for directors, officers and senior managers.

The Board, where appropriate, seeks independent advice on remuneration policies and practices, involving the remuneration packages and terms of employment.

The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders.

Fixed remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds.

Remuneration levels are reviewed annually by the Board where applicable.

Performance-linked remuneration

The Company currently has no performance-linked remuneration in place.

Service contracts

The consolidated entity has not entered into service agreements with any executive director.

Mr Billis receives a salary of \$45,000 per annum plus statutory superannuation. The Company also provides housing benefits and motor vehicle benefits to Mr Billis.

Mr Demis receives a salary of \$15,000 per annum plus statutory superannuation.

RAND MINING NL
DIRECTORS' REPORT
Non-executive directors

Non-executive directors received a fixed fee for their services.

Non-executive directors' fees not exceeding an aggregate of \$ 60,000 per annum have been approved by the Company in a general meeting.

Non-executive directors (including the Chairman) currently receive \$15,000 per annum plus statutory superannuation.

There is no direct link between remuneration paid to any non-executive directors and corporate performance. There are no termination or retirement benefits for non-executive directors (other than statutory superannuation).

Remuneration

Details of the nature and amount of each major element of the remuneration of each director of the Company during the financial year are detailed below:

	Directors fees	Primary Salary & wages	Other	Post- employment Super Contributions	Total
	\$	\$	\$	\$	\$
<i>Non- Executive</i>					
F Bozic	-	-	-	-	-
W Jay	15,000	-	-	-	15,000
J Andrews	13,145	-	-	1,183	14,328
G Sklenka	12,500	-	-	-	12,500
<i>Executive</i>					
A Billis	15,000	28,175	7,863	3,886	54,924
O Demis	15,000	-	-	1,350	16,350
F O'Kane	3,076	-	-	276	3,352

There were no options issued during the financial year to directors.

Directors' salaries and superannuation benefits were paid by STT Pty Ltd, a director related entity until 31 December 2004.

There were no executive officers during the year who were not also directors.

CORPORATE GOVERNANCE

In March 2003, the ASX Corporate Governance Council released a document entitled Principles of Good Corporate Governance and Best Practice recommendations. Since that time, Rand Mining NL has ensured adoption of those recommendations where possible. The table below summarises those recommendations and Rand's current practice, including explanations in the instances where the Company does not comply.

Recommendation	Rand's current practice
1.1 Formalise and disclose functions reserved to the board and those delegated to management.	Satisfied. Board charter available at: www.randmining.com.au

RAND MINING NL
DIRECTORS' REPORT

2.1	A majority of the board should be independent directors.	Satisfied
2.2	The chairperson should be an independent director.	Not satisfied. The Board believes that the Chairman, Mr Otakar Demis, brings quality and independent judgement to all relevant issues falling within the scope of the role of Chairman.
2.3	Roles of chairperson and CEO should not be exercised by same person.	Satisfied.
2.4	The board should establish a nomination committee.	Not Satisfied. The Board considers that the Company is not currently of a size to justify the formation of a nomination committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors to enable identification or attributes required in new Directors.
2.5	Report in Annual Report on: <ul style="list-style-type: none"> • skills, experience and expertise relevant to the position of director held by each director. • names of the independent directors and materiality thresholds. • whether there is a procedure agreed by the board for directors to take independent advice at the expense of the company. • term of office held by each existing director. • names of members of nomination committee and attendance 	<p>Satisfied. Included in Directors' Report.</p> <p>Satisfied. Included in Directors Report.</p> <p>Each director has a right to seek independent professional advice at the Company's expense. However, prior approval of the chairman is required, which is not unreasonably withheld.</p> <p>Satisfied. Included in Directors' Report.</p> <p>No nomination committee has been established – refer 2.4 above.</p>
3.1	Establish a code of conduct	Satisfied. Code of conduct available at www.randmining.com.au
3.2	Disclose policy concerning trading in company's securities by directors, officers and employees involved in material transactions or privy to material information.	Satisfied. Trading in securities policy available at www.randmining.com.au
3.3	Report and disclose 3.1 and 3.2.	Satisfied. Available at: www.randmining.com.au
4.1	Require CEO (or equivalent) and CFO (or equivalent) to state in writing to the board that the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results, and are in accordance with relevant accounting standards.	Satisfied.
4.2	The board should establish an audit committee.	Not Satisfied. The Board believes that the Company is not of a size, nor is its financial affairs of such complexity to justify the formation of an audit committee. The Board as a whole

RAND MINING NL
DIRECTORS' REPORT

		undertakes the functions normally associated with an audit committee.
4.3	Structure the audit committee so that it consists of only non-executive directors, a majority of independent directors and the chairperson is independent and not the chair of the board and it has at least three members.	Not Satisfied. Refer 4.2
4.4	The audit committee should have a formal charter.	Not Satisfied. Refer 4.2
4.5	Report on the above including names of members and qualifications, numbers and meetings and attendees in the annual report.	Satisfied. Included in Directors' Report.
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior management level for that compliance.	Satisfied. Refer 5.2.
5.2	Post 5.1 on website	Satisfied. Continuous disclosure policy available at www.randmining.com.au
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	Satisfied. Communications with shareholders policy available at: www.randmining.com.au
6.2	Request the external auditor to attend the annual general meeting and be available to answer questions about the conduct of the audit and the content and preparation of the auditor's report.	Satisfied.
7.1	The board or appropriate board committee should establish policies on risk oversight and management.	Satisfied. Risk Management Policy available at: www.randmining.com.au
7.2	The CEO (or equivalent) and CFO (or equivalent) should provide a statement to the board in writing relating to financial integrity and risk management.	Satisfied.
7.3	Report and disclose 7.1 and 7.2	Satisfied. Refer 7.1 and 7.2.
8.1	Disclose the policy for performance evaluation of the board, the committees and individual directors and key executives	Satisfied. Included in Directors' Report.
9.1	Provide disclosure in relation to the company's remuneration policies to enable investors to understand (i) the costs and benefits of those policies and (ii) the link between remuneration paid to directors and key executives and corporate performance.	Satisfied. Included in Directors' Report and Note 18 of the Notes to the Financial Statements.
9.2	The board should establish a remuneration	Not Satisfied. The Board considers that at the

RAND MINING NL
DIRECTORS' REPORT
 committee.

Company's stage of development no benefits or efficiencies are to be gained by delegating this function to a separate committee.

The boards review the remuneration packages and policies applicable to the managing director, senior executives and non-executive directors on an annual basis. Remuneration levels are competitively set to attract the most qualified and experienced directors and senior executives. Where necessary the board obtains independent advice on the appropriateness of remuneration packages.

- | | | |
|------|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| 9.3 | Clearly distinguish the structure of non-executive directors' remuneration from that of executives'. | Satisfied. See Note 18 of Notes to the Financial Statements. |
| 9.4 | Ensure that payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders. | Satisfied. See Note 18 of Notes to the Financial Statements. |
| 9.5 | Report on the above matters. | Satisfied. Included in the Directors' Report and the Notes to the Financial Statements as described above. |
| 10.1 | Establish and disclose a code of conduct to guide compliance with legal and other obligations to legitimate shareholders. | Satisfied. Code of conduct available at: www.randmining.com.au |

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, the Company has not paid any premiums insuring the directors or officers against liabilities incurred as directors or officers of the company. The Company does not indemnify directors or their auditors.

NON-AUDIT SERVICES

During the year the Company's auditor, Bentleys MRI, has not performed any other services other than their statutory duties.

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act is included in the Directors' Report

Details of the amounts paid to the auditor of the Company, Bentleys MRI, during the year are set out below.

	Consolidated	
	2005	2004
	\$	\$
Statutory audit		
- audit and review of financial reports	33,145	31,567

RAND MINING NL
DIRECTORS' REPORT

Signed in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in blue ink, appearing to be 'A Billis', written over a horizontal line.

A Billis

Dated 30 September 2005

Perth, Western Australia

30th September 2005

The Board of Directors
Rand Mining NL
Suite G1, 49 Melville Parade
SOUTH PERTH WA 6151

Dear Board Members

RAND MINING NL

In accordance with Section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Rand Mining NL.

As a lead audit partner of the financial statements of Rand Mining NL for the year ended 30 June 2005, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

BENTLEYS MRI PERTH PARTNERSHIP



MAURICE L ANGHIE
PARTNER

RAND MINING NL
STATEMENT OF FINANCIAL PERFORMANCE
AS AT 30 JUNE 2005

		CONSOLIDATED		RAND MINING NL	
	NOTE	2005	2004	2005	2004
		\$	\$	\$	\$
Revenues from Ordinary Activities	2	319,915	8,339,693	-	-
Changes in inventories of finished goods and work in progress		-	(412,014)	-	-
Depreciation and amortisation expense	3	(21,098)	(2,705,052)	-	-
Write-off of exploration expenditure		(462,694)	(412,911)	-	-
Borrowing cost expenses	3	(370,073)	(1,460)	-	-
Write-down of development costs	3	45,916	(51,547)	-	-
Investing expenses	3	(167,077)	-	-	-
Cost of investments sold	3	(106,996)			
Bad and doubtful debts	3	(53,197)	(142,577)	-	-
Administrative expenses		(771,132)	(657,646)	(199,977)	(183)
Environmental management expense		-	(25,013)	-	-
Management fees		(182,290)	(210,400)	-	-
Mining expenses		(16,078)	(815,483)	-	-
Processing expenses		(157,571)	(734,580)	-	-
Royalty expenses		(23,018)	(201,159)	-	-
Profit/(Loss) from ordinary activities before income tax		(1,965,393)	1,969,851	(199,977)	(183)
Income tax expense relating to ordinary activities	4	-	-	-	-
Net Profit/(Loss)	5	<u>(1,965,393)</u>	<u>1,969,851</u>	<u>(199,977)</u>	<u>(183)</u>
Earnings per share:					
Basic (cents per share)	19	(5.07)	5.15		
Diluted (cents per share)		(5.07)	5.01		

The accompanying notes form part of these financial statements.

RAND MINING NL
STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2005

	NOTE	CONSOLIDATED		RAND MINING NL	
		2005	2004	2005	2004
		\$	\$	\$	\$
CURRENT ASSETS					
Cash Assets	20(a)	3,335,402	4,744,755	-	-
Receivables	6	147,938	67,439	-	-
TOTAL CURRENT ASSETS		3,483,340	4,812,194	-	-
NON CURRENT ASSETS					
Receivables	6	-	-	8,452,369	8,174,210
Investments	7	6,712,492	5,400,779	538,161	538,161
Property, Plant and Equipment	9	2,034,577	299,379	217,038	217,038
Exploration, Development and Mining Costs	8	608,157	604,459	-	-
TOTAL NON-CURRENT ASSETS		9,355,226	6,304,617	9,207,568	8,929,409
TOTAL ASSETS		12,838,566	11,116,811	9,207,568	8,929,409
CURRENT LIABILITIES					
Payables	10	447,730	112,438	-	-
Provisions	12	18,135	-	18,135	-
Interest Bearing Liabilities	11	22,048	12,638	-	-
TOTAL CURRENT LIABILITIES		487,913	125,076	18,135	-
NON-CURRENT LIABILITIES					
Payables	10	-	339,848	-	-
Interest Bearing Liabilities	11	3,025,000	20,842	-	-
Provision	12	273,094	73,094	-	-
TOTAL NON-CURRENT LIABILITIES		3,298,094	433,784	-	-
TOTAL LIABILITIES		3,786,007	558,860	18,135	-
NET ASSETS		9,052,559	10,557,951	9,189,433	8,929,409
SHAREHOLDERS' EQUITY					
Contributed equity	13	11,453,559	10,993,558	11,453,559	10,993,558
Reserves	14	1,326,974	1,326,974	1,113,759	1,113,759
Accumulated losses	5	(3,727,974)	(1,762,581)	(3,377,885)	(3,177,908)
SHAREHOLDERS' EQUITY		9,052,559	10,557,951	9,189,433	8,929,409

The accompanying notes form part of these financial statements.

RAND MINING NL
STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

	NOTE	CONSOLIDATED		RAND MINING N.L.	
		2005	2004	2005	2004
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		32,104	8,278,148	-	-
Borrowing costs		(369,935)	-	-	-
Expenditure on mining interests		(193,068)	(3,660,787)	-	-
Payments to suppliers and employees		(1,133,725)	(874,622)	(181,842)	-
Withholding tax paid		(443)	-	-	-
Interest received		32,642	20,072	-	-
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	20 (b)	<u>(1,632,425)</u>	<u>3,762,811</u>	<u>(181,842)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments		(1,619,855)	(2,341,854)	-	-
Sale of investments		274,126	-	-	-
Purchase of plant and equipment		(1,524,756)	(19,239)	-	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		<u>(2,870,485)</u>	<u>(2,361,093)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Loan by related entities		-	760,637	181,842	-
Loans repaid by related parties		2,378	-	-	-
Loans repaid to related parties		(339,848)	-	-	-
Loans to related parties		(63,197)	-	-	-
Loan from bank		3,025,000	-	-	-
Issue of shares		460,000	-	-	-
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		<u>3,084,333</u>	<u>760,637</u>	<u>181,842</u>	<u>-</u>
NET INCREASE IN CASH HELD		<u>(1,418,577)</u>	<u>2,162,355</u>	<u>-</u>	<u>-</u>
Cash at the beginning of the financial year		4,744,755	2,582,400	-	-
Exchange gain on holding bullion		9,224	-	-	-
CASH AT THE END OF THE FINANCIAL YEAR	20 (a)	<u>3,335,402</u>	<u>4,744,755</u>	<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial report is a general purpose financial report that has been drawn up in accordance with the requirements of the Corporations Act 2001 which includes applicable Accounting Standards. Other mandatory professional reporting requirements of the Australian Accounting Standard Board and Urgent Issues Group Consensus views have also been complied with.

The parent entity is a listed public company, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets. The accounting policies have been consistently applied unless otherwise stated. Comparative information is reclassified where appropriate to enhance comparability.

The following is a summary of the material accounting policies adopted by the economic Entity in the preparation of the financial report.

(b) Non-Current Assets

Non-current assets are not revalued to an amount above their recoverable amount, and where carrying values exceed this recoverable amount, assets are written down. In determining recoverable amount, the expected net cash flows have not been discounted to their present value.

(c) Investments

Investments expected to be realised within 12 months are carried at the lower of cost and net realisable value.

Non-current investments are carried at cost. Where cost exceeds recoverable amount, the investment has been written down to this recoverable amount.

(d) Principles of Consolidation

A controlled entity is any entity controlled by Rand Mining NL. Control exists where Rand Mining NL has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with Rand Mining NL to achieve the objectives of Rand Mining NL. A list of controlled entities is disclosed in Note 7 to the financial statements.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses have been eliminated on consolidation.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

Outside interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

(e) Income Tax

The economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any permanent differences.

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realization of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(f) Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts.

(g) Accounts Payable

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

(h) Financial instruments issued by the company

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual agreement.

The company had no financial derivatives or hedging at the end of the financial year.

(i) Interest Bearing Liabilities

Bank loans are recorded at an amount equal to the net proceeds received. Interest expense is recognised on an accrual basis.

Costs incurred in connection with the borrowing arrangement were expensed in the year incurred.

(j) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST).

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(k) Inventories

Inventories are valued at lower of average cost and net realizable value.

(l) Deferred Exploration, Evaluation And Development Expenditure

Cost arising from exploration, evaluation and development activities are carried forward provided such costs are expected to be recouped through the successful development or the sale, or where activities have not at balance date reached a stage to allow a reasonable assessment regarding the

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

existence of economically recoverable reserves. Costs are written off as soon as an area has been abandoned or is considered to be non commercial.

Each year the directors consider the recoverable value of the areas being carried forward and where they believe those values to be lower than the costs, write-down the costs accordingly.

Once production commences, expenditure accumulated in respect of areas of interest is amortised on a unit of production basis against the proven and probable economically recoverable reserves.

A regular view is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(m) Deferred Waste

Contract mining costs associated with waste removal is deferred and charged to the Statement of Financial Performance on the basis of gold produced relative to the total ounces expected to be produced from the pit. The estimated future costs and expected ounces to be produced are revised on a regular basis and changes are dealt with prospectively.

(n) Rehabilitation & Restoration

Expenditure relating to ongoing rehabilitation are provided for or charged to costs of production as incurred. Final mine restoration costs are accrued over the life of the mine. The estimated costs are reassessed on a regular basis and changes are dealt with prospectively.

(o) Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in banks, money investments readily convertible to cash within two working days and gold bullion on hand net of outstanding bank overdrafts.

(p) Property, Plant and Equipment

Property, plant and equipment are carried at cost. Any gain or loss on the disposal of assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in the results of the Company or consolidated entity in the year of disposal.

Depreciation is provided on all property, plant and equipment, other than freehold land, at rates calculated to allocate the depreciable amount of the assets against revenue over their estimated useful lives.

Major depreciation periods are:

- plant and equipment 3 to 12 years.

Plant & equipment under construction is carried at cost which includes acquisition, transportation, installation, and commissioning costs. Costs are not depreciated until such time as the plant has been completed ready for use. The rate of depreciation is determined having regard to the expected useful life of the plant at its current location.

(q) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Revenue from Gold Production

Gold revenue is recognised at spot price at the time of sale. Gold bullion held at year end is recognised as revenue at spot price on balance date.

Proceeds on sale of investments

Proceeds are recognised on settlement of an unconditional contract of sale.

Proceeds on sale of non-current assets

Proceeds are recognised on settlement of an unconditional contract of sale.

Interest Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(r) Interests in Joint Venture

The economic entity's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated statements of financial performance and financial position. Details of the economic entity's interests are shown in Note 15.

(s) Earnings Per Share

Basic earnings per share are determined by dividing the operating profit/loss after tax by the weighted average number of ordinary shares on issue during the financial year.

Diluted earnings per share is determined by dividing the operating profit/loss after tax adjusted for the effect of earnings on potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) outstanding during the financial year.

(t) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the economic entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability. Lease payments received reduce the liability.

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

	CONSOLIDATED		RAND MINING N.L.	
	2005	2004	2005	2004
	\$	\$	\$	\$
2. REVENUE				
Operating Activities				
- Sale of gold & silver	3,521	5,913,742	-	-
- Gold bullion on hand	-	2,244,899	-	-
- EKJV income	402	160,980	-	-
- Exchange gain on holding bullion	9,224	-	-	-
	<u>13,147</u>	<u>8,319,621</u>	<u>-</u>	<u>-</u>
Non-Operating Activities				
- Interest received	32,642	20,072	-	-
- Gross proceeds on sale of investments	274,126	-	-	-
	<u>306,768</u>	<u>20,072</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>319,915</u>	<u>8,339,693</u>	<u>-</u>	<u>-</u>

3. OPERATING PROFIT/(LOSS)

The operating profit/(loss) from ordinary activities before income tax is arrived at after charging/ (crediting) the following items:

<i>Depreciation and Amortisation</i>				
Amortisation - exploration expenditure	-	1,343,315	-	-
Amortisation - waste	3,123	1,127,002	-	-
Amortisation - mine development costs	-	215,916	-	-
Depreciation of plant and equipment	17,975	18,819	-	-
	<u>21,098</u>	<u>2,705,052</u>	<u>-</u>	<u>-</u>
<i>Bad and doubtful debts</i>				
Other related parties	53,197	142,577	-	-
<i>Interest and finance costs</i>				
Paid or payable to other persons - bank	370,073	1,460	-	-
<i>Write off development costs</i>				
Write back - overprovision for write off in prior year	(66,806)	-	-	-
Write off - development costs	20,890	51,547	-	-
	<u>(45,916)</u>	<u>51,547</u>	<u>-</u>	<u>-</u>
<i>Investment expense</i>				
Recoverable amount write down	167,077	-	-	-
Costs of investment sold	106,996	-	-	-

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

	CONSOLIDATED		RAND MINING N.L.	
	2005	2004	2005	2004
	\$	\$	\$	\$
4. INCOME TAX				
The prima facie tax, using tax rates applicable in the country of operation, on operating loss from ordinary activities differs from the income tax provided in the accounts as follows:-				
Prima facie tax charge/(credit) on operating profit/(loss) at 30%	(589,618)	590,955	(59,993)	(55)
Tax effect of permanent differences	2,184	122,910	-	55
Tax assets not brought to account	(587,434)	(713,865)	59,993	-
Income tax expense on operating profit/(loss)	-	-	-	-

The Directors estimate that the tax losses available to the consolidated entity are \$4,555,908 (2004: \$3,542,885).

The benefit will only be obtained if:

- (i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) the consolidated entity continues to comply with the conditions for deductibility imposed by the relevant tax legislation;
- (iii) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

	CONSOLIDATED		RAND MINING N.L.	
	2005	2004	2005	2004
	\$	\$	\$	\$
5. ACCUMULATED LOSSES				
Accumulated losses at the beginning of the financial year	(1,762,581)	(3,732,432)	(3,177,908)	(3,177,725)
Net profit/(loss) for the year	(1,965,393)	1,969,851	(199,977)	(183)
Accumulated losses at the end of the financial year	<u>(3,727,974)</u>	<u>(1,762,581)</u>	<u>(3,377,885)</u>	<u>(3,177,908)</u>
6. RECEIVABLES				
CURRENT				
Other debtors	167,574	95,061	-	-
Provision for doubtful debts other debtors	(30,000)	(30,000)	-	-
Amounts receivable from other related parties	273,700	357,171	-	-
Provision for doubtful debts other related parties	(263,336)	(354,793)	-	-
	<u>147,938</u>	<u>67,439</u>	<u>-</u>	<u>-</u>
NON-CURRENT				
Amounts receivable from				
Controlled entity – loans	-	-	10,545,250	10,267,091
Provisions for amounts receivable from				
Controlled entity – loans	-	-	(2,092,881)	(2,092,881)
	<u>-</u>	<u>-</u>	<u>8,452,369</u>	<u>8,174,210</u>

	CONSOLIDATED		RAND MINING N.L.	
	2005	2004	2005	2004
	\$	\$	\$	\$
7. INVESTMENTS				
NON CURRENT				
Shares listed on a prescribed stock exchange at recoverable amount (a)	6,474,114	5,238,267	-	-
Unlisted investment, at cost				
- Shares in controlled entity (b)	-	-	538,161	538,161
- Unlisted shares in other corporations	238,378	162,512	-	-
- Shares in other related party (c)	529,000	686,319	-	-
Provision for diminution	(529,000)	(686,319)	-	-
Total Non Current Investments	<u>6,712,492</u>	<u>5,400,779</u>	<u>538,161</u>	<u>538,161</u>

(a) The majority of these investments are held in Tribune Resources NL (a director related entity). At the end of the financial year, the Company holds 21.03% of shares in Tribune Resources NL. In the year ended 30 June 2004 shares listed on a prescribed stock exchange of \$5,238,267 were carried

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

as a current asset as it was considered they would be sold within 12 months. As at 30 June 2005 it is not considered that listed investments will be sold within 12 months and they are therefore carried as a non-current asset in accordance with the consolidated entity's adopted accounting policy. For the purposes of comparison the carrying value of the listed shares on hand at 30 June 2004 have been reclassified from current to non-current assets.

(b) Investments in Controlled Entity

Name	Country Of Incorporation	% Ordinary Shares Owned		Carrying Value Of Investment		Contribution To Consolidated Operating Profit/(Loss) After Income Tax	
		2005	2004	2005	2004	2005	2004
Rand Exploration N.L.	Australia	100	100	\$ 538,161	\$ 538,161	(1,764,506)	3,231,850
Pan African Mining Ltd	Angola	100	-	-	-	-	-

(c) Shares in related party relates to investment in Oretok Limited. The Company has a 20% interest in the Oretok patents. This has been fully provided for.

CONSOLIDATED		RAND MINING N.L.	
2005	2004	2005	2004
\$	\$	\$	\$

8. EXPLORATION, DEVELOPMENT AND MINING COSTS

NON-CURRENT

Exploration Expenditure

Cost carried forward in respect of interest in:

- exploration and evaluation phases	591,718	604,459	-
	591,718	604,459	-
Production phase	3,106,398	3,089,959	-
Accumulated amortization	(3,089,959)	(3,089,959)	-
	16,439	-	-
Mine development	267,385	267,385	-
Accumulated amortization	(267,385)	(267,385)	-
	-	-	-
Total non-current deferred expenditure (i)	608,157	604,459	-

(i) Included in Total Deferred Expenditure is \$389,552 in relation to the Kundana Project. The EKJV Project is a joint venture between the Company, Tribune Resources NL and Gilt-Edged Mining NL a wholly owned subsidiary of Placer Dome Asia Pacific Limited. Gilt-Edged Mining NL has a 51% interest in the Kundana Project, the consolidated entity 12.25% and Tribune

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

Resources NL 36.75%. Accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of economically recoverable reserves.

	CONSOLIDATED		RAND MINING N.L.	
	2005	2004	2005	2004
	\$	\$	\$	\$
9. PROPERTY, PLANT AND EQUIPMENT				
Freehold land and buildings				
At cost	217,038	217,038	217,038	217,038
Plant and equipment				
At cost	1,001,325	417,799	59,249	59,249
Accumulated depreciation	(397,298)	(371,595)	(59,249)	(59,249)
	604,027	46,204	-	-
Construction work in progress	1,179,342	-	-	-
Leased plant and equipment				
Capitalised leased assets	49,262	49,262	-	-
Accumulated depreciation	(15,092)	(13,125)	-	-
	34,170	36,137	-	-
Total plant and equipment	1,817,539	82,341	-	-
Total written down value of property, plant and equipment	2,034,577	299,379	217,038	217,038

Movement in Property, Plant & Equipment

	LAND AND BUILDINGS	PLANT AND EQUIPMENT	CONSTRUCTION WORK IN PROGRESS	LEASED PLANT AND EQUIPMENT	TOTAL
Opening balance	217,038	46,204	-	36,137	299,379
Additions	-	573,831	1,179,342	-	1,753,173
Depreciation expense	-	(16,008)	-	(1,967)	(17,975)
Closing balance	217,038	604,027	1,179,342	34,170	2,034,577

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

	CONSOLIDATED		RAND MINING N.L.	
	2005	2004	2005	2004
	\$	\$	\$	\$
10. PAYABLES				
CURRENT				
Trade creditors and accruals	447,730	45,632	-	-
Other creditors – related party (i)	-	66,806	-	-
	<u>447,730</u>	<u>112,438</u>	<u>-</u>	<u>-</u>
NON CURRENT				
Other creditors – related party (ii)	-	339,848	-	-
	<u>-</u>	<u>339,848</u>	<u>-</u>	<u>-</u>

(i) This relates to \$66,806 owed to Oretek Ltd for Rand contributions (20%) to the expenses incurred on the Oretek Ltd Joint Venture.

(ii) This relates to an amount owing to Tribune Resources NL.

	CONSOLIDATED		RAND MINING N.L.	
	2005	2004	2005	2004
	\$	\$	\$	\$
11. INTEREST BEARING LIABILITIES				
CURRENT				
UNSECURED				
Lease liabilities	<u>22,048</u>	<u>12,638</u>	<u>-</u>	<u>-</u>
	<u>22,048</u>	<u>12,638</u>	<u>-</u>	<u>-</u>
NON-CURRENT				
UNSECURED				
Lease liability	-	20,842	-	-
SECURED				
Loan ANZ bank (a)	<u>3,025,000</u>			
	<u>3,025,000</u>	<u>20,842</u>	<u>-</u>	<u>-</u>

(a) Funding for the development of the consolidated entity's Raleigh Underground Project and EKJV exploration is financed by a joint limited recourse loan facility between Rand Mining NL (25%) and Tribune Resources NL (75%) from ANZ Bank Group Limited. The joint loan facility of \$19,000,000 has been drawn down to \$6,900,000. The loan is secured against the joint interest over specified East Kundana Joint Venture tenements.

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

	CONSOLIDATED		CONSOLIDATED	
	2005	2004	2005	2004
	\$	\$	\$	\$
12. PROVISIONS				
CURRENT				
Employee entitlements	18,135	-	18,135	-
NON-CURRENT				
Rehabilitation	273,094	73,094	-	-

13. CONTRIBUTED EQUITY

(a) Issued and paid up capital at 30 June 2005 40,560,813 fully paid ordinary shares [2004: 38,260,813]	11,453,559	10,993,558	11,453,559	10,993,558
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(b) Movements in issued and paid up ordinary share capital of the company over the past two years are as follows:

DATE	NOTES	NO. OF SHARES	ISSUE PRICE	\$
1/7/03	Opening balance at beginning of reporting period	38,260,813		11,018,577
8/4/05	Exercise of options	2,300,000	0.20	460,000
	Less: Capital raising expenses to 30 th June 2005	-		(25,018)
		<u>40,560,813</u>		<u>11,453,559</u>

2,300,000 shares were issued during the current financial year on exercise of 2,300,000 options at 20 cents each.

At 30 June 2005 there were no options on issue.

14. RESERVES

Capital reserve	1,326,974	1,326,974	1,113,759	1,113,759
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RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

	CONSOLIDATED		RAND MINING N.L.	
	2005	2004	2005	2004
	\$	\$	\$	\$
15. JOINT VENTURES				
Interest in joint venture operations				
The controlled entity, Rand Exploration has 12.25% interest in the East Kundana Joint Venture, whose principle activity is the exploration mining and sale of gold.				
The economic entity share of assets employed in the joint venture is:				
CURRENT ASSETS				
Cash	914,947	79,635	-	-
Receivables	88,240	42,678	-	-
Total current assets	<u>1,003,187</u>	<u>122,313</u>	-	-
NON-CURRENT ASSETS				
Exploration & Evaluation	606,794	606,794	-	-
Mine development	267,385	267,385	-	-
	<u>874,179</u>	<u>874,179</u>	-	-
Construction work in progress	<u>1,179,342</u>	-	-	-
Plant and equipment	568,915	9,093	-	-
Accumulated depreciation	-	-	-	-
	<u>568,915</u>	<u>9,093</u>	-	-
Total non-current assets	<u>2,622,436</u>	<u>883,272</u>	-	-
Share of total assets of joint venture	<u>3,625,623</u>	<u>1,005,585</u>	-	-
Net interest in joint venture	<u>3,208,984</u>	<u>890,688</u>	-	-

16. SEGMENT INFORMATION

During the year ended 30 June 2005, the consolidated entity operated within the mineral exploration industry in Australia and Angola.

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

2005	AUSTRALIA	ANGOLA	CONSOLIDATED
	\$	\$	\$
Sales to external customers	13,146	-	13,146
Other	306,769	-	306,769
Total segment revenue	319,915	-	319,915
Segment assets	12,619,881	18,685	12,638,566
Segment liabilities	3,586,007		3,586,007
Acquisition of plant and equipment, intangibles and other non-current assets	1,753,173	-	1,753,173
Depreciation and amortisation expense	17,975	-	17,975
Other non-cash expenses	-	-	-

2004

All exploration operations were within the one geographical segment in 2004 within Australia.

CONSOLIDATED		RAND MINING N.L.	
2005	2004	2005	2004
\$	\$	\$	\$

17. AUDITORS' REMUNERATION

Amounts paid or payable to the auditors for:

Auditing the financial statements	33,145	31,567	-	-
Other services	-	-	-	-
	33,145	31,567	-	-

18. REMUNERATION OF SPECIFIED DIRECTORS AND SPECIFIED EXECUTIVES

General

Directors of Rand Mining NL during the financial year were:

O Demis
W Jay
F Bozic
A Billis
J Andrews (appointed 16 August 2004)
G Sklenka (appointed 16 August 2004)
F O'Kane (resigned 28 July 2004)

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

Remuneration levels for directors, officers and senior managers of the consolidated entity are competitively set to attract and retain appropriately directors and senior executives.

The full Board determines remuneration packages provided for directors, officers and senior managers.

The Board, where appropriate, seeks independent advice on remuneration policies and practices, involving the remuneration packages and terms of employment.

The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders.

Fixed remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds.

Remuneration levels are reviewed annually by the Board where applicable.

Performance-linked remuneration

The Company currently has no performance-linked remuneration in place.

Service contracts

The consolidated entity has not entered into service agreements with any executive director.

Mr Billis receives a salary of \$45,000 per annum plus statutory superannuation. The Company also provides housing benefits and motor vehicle benefits to Mr Billis.

Mr Demis receives a salary of \$15,000 per annum plus statutory superannuation.

Non-executive directors

Non-executive directors received a fixed fee for their services.

Non-executive directors' fees not exceeding an aggregate of \$ 60,000 per annum have been approved by the Company in a general meeting.

Non-executive directors (including the Chairman) currently receive \$15,000 per annum plus statutory superannuation.

There is no direct link between remuneration paid to any non-executive directors and corporate performance. There are no termination or retirement benefits for non-executive directors (other than statutory superannuation).

Remuneration

Details of the nature and amount of each major element of the remuneration of each director of the Company during the financial year are detailed below:

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005
2005

	Directors fees	Primary Salary & wages	Other	Post- employment Super Contributions	Total
	\$	\$	\$	\$	\$
<i>Non-Executive</i>					
F Bozic	-	-	-	-	-
W Jay	15,000	-	-	-	15,000
J Andrews	13,145	-	-	1,183	14,328
G Sklenka	12,500	-	-	-	12,500
<i>Executive</i>					
A Billis	15,000	28,175	7,863	3,886	54,924
O Demis	15,000	-	-	1,350	16,350
F O'Kane	3,076	-	-	276	3,352

	Directors fees	Primary Salary & wages	Other	Post- employment Super Contributions	Total
	\$	\$	\$	\$	\$
<i>Non-Executive</i>					
F Bozic	-	-	-	-	-
W Jay	15,000	-	-	-	15,000
J Andrews	-	-	-	-	-
G Sklenka	-	-	-	-	-
<i>Executive</i>					
A Billis	15,000	33,000	-	2,970	50,970
O Demis	15,000	-	-	-	15,000
F O'Kane	15,000	38,563	-	3,471	57,034

There were no options issued during the financial year to directors.

Directors' salaries and superannuation benefits were paid by STT Pty Ltd, a director related entity until 31 December 2004.

There were no executive officers during the year who were not also directors.

Directors' holdings of shares and share options

The interests of Directors and their Director-related entities in shares and share options at 30 June 2005 are set out below:

	RAND MINING NL FULLY PAID ORDINARY SHARES (DIRECT INTEREST)		RAND MINING NL FULLY PAID ORDINARY SHARES (INDIRECT INTEREST)	
	2005	2004	2005	2004
	No.	No.	No.	No.
O Demis	3,200	3,200	8,076,147	6,890,897
W Jay	30,000	30,000	10,485,722	9,120,997
F Bozic	252,000	252,000	-	-
A Billis	14,000	14,000	13,191,422	11,500,997
J Andrews	4,000	4,000	7,508,722	6,143,997
G Sklenka	-	-	7,317,022	6,143,997

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

The indirect interest in the Company's shares includes, where applicable, the shareholding of the following companies by virtue of the relevant Director being a director of:

Tribune Resources NL (holds 7,317,022 shares in Rand Mining NL)

- O Demis
- W Jay
- A Billis
- J Andrews
- G Sklenka

Lake Grace Exploration Pty Ltd (holds 2,917,000 shares in Rand Mining NL)

- A Billis

Amro West Pty Ltd by way of 91% shareholding in Lake Grace Exploration (which holds 2,917,000 shares in Rand Mining NL)

- W Jay

Sierra Gold Pty Ltd (holds 2,100,000 shares Rand Mining NL)

- A Billis

Regent Gulf Pty Ltd (holds 727,100 shares in Rand Mining NL)

- O Demis

Resource Capital Ltd (holds 340,000 shares in Rand Mining NL)

- A Billis

Oretek Ltd (holds 191,700 shares in Rand Mining NL)

- W Jay
- J Andrews

Holbray Pty Ltd (holds 60,000 shares in Rand Mining NL)

- W Jay

O Demis Super Fund (holds 32,025 shares in Rand Mining NL)

- O Demis

STT Pty Ltd (holds 30,000 shares in Rand Mining NL)

- A Billis

American Holdings Pty Ltd (holds 2,000 shares in Rand Mining NL)

- A Billis

Other indirect interests include:

A Romanov (holds 230,200 shares in Rand Mining NL)

M Deston (holds 255,200 shares in Rand Mining NL)

- A Billis

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

	OPTIONS OVER ORDINARY SHARES	
	2005 No.	2004 No.
O Demis	-	-
W Jay	-	-
F Bozic	-	-
A Billis	-	-
J Andrews	-	-
G Sklenka	-	-

Other transactions with related parties

At 30 June 2005, the consolidated entity held 10,570,227 [2004: 9,350,160] ordinary shares in Tribune Resources NL. Messrs Demis, Jay, Billis, Andrews and Sklenka were all directors of Tribune Resources during the year.

During the year the consolidated entity repaid in full an interest free loan made by Tribune Resources NL of \$339,848. As at 30 June 2005 the Company owed Tribune Resources \$nil [2004: \$339,849].

During the year the consolidated entity paid \$139,782 [2004 : \$210,400] to STT Pty Ltd, a company related to Mr A Bills, for office administration, tenement administration, fieldwork and accounting services.

During the year the consolidated entity loaned \$450 [2004: \$500] to Lake Grace Exploration Pty Ltd, a company related to Mr Billis. As at 30 June 2005 Lake Grace Exploration Pty Ltd owes the company \$11,450 [2004: \$11,000]. The loan is interest free and has no fixed repayment date. The Company has raised a provision against this loan of \$11,450 [2004: \$11,000].

During the year the consolidated entity loaned \$10,000 [2004: \$Nil] to Mt Dimer Mines Ltd, a company previously related to Mr Sklenka. As at 30 June 2005 Mt Dimer Mines Ltd owes the Company \$10,000 [2004: \$Nil]. The loan is interest free and has no fixed repayment date. As at 30 June 2005 the consolidated entity held 1,000,000 shares in Mt Dimer Mines Ltd which were acquired in the year ended 30 June 2004 for \$100,000.

During the year the consolidated entity acquired 4,068,000 shares and 2,941,000 options in AXG Mining Ltd a company related to Mr Sklenka for a total of \$569,707. As at 30 June 2005 the consolidated entity holds 4,068,000 shares and 2,941,000 options in AXG Mining Ltd.

During the year the consolidated entity acquired 520,000 shares in Regal Resources Ltd a company related to Mr Sklenka for a total of \$65,866. As at 30 June 2005 the consolidated entity holds 520,000 shares in Regal Resources Ltd.

During the year the consolidated entity loaned \$52,477 [2004: \$102,114] to Oretek Limited, a company related to Dr Jay and Dr Andrews. During the year, after a review of the accounting treatment of expenditure allocated to the loan, a reallocation was made reducing the loan balance by \$144,654. As at 30 June 2005 Oretek Limited owed the consolidated entity \$251,886 [2004: \$343,793]. The loan is interest free and has no fixed repayment date. The consolidated entity has raised a provision against this loan of \$251,886 [2004: \$343,793].

Transactions with related parties in the wholly owned group

Rand Mining NL has loaned Rand Exploration NL net funds totaling \$278,157 [2004: \$Nil] during the year. At year end, loans amounting to \$10,545,249 [2004: \$10,267,092] were outstanding. A

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

provision of \$2,092,881 [2004: \$2,092,881] has been made in respect of this loan. The loan is interest free and has no fixed repayment date.

19. EARNINGS PER SHARE

	2005	2004
Basic earnings per share (cents per share)	(5.07) cents	5.15 cents
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Earnings (\$)	(1,965,393)	1,969,851
Weighted average number of ordinary shares	38,783,827	38,260,813

	CONSOLIDATED		RAND MINING N.L.	
	2005	2004	2005	2004
	\$	\$	\$	\$
20. STATEMENT OF CASH FLOWS				
(a) RECONCILIATION OF CASH				
For the purpose of the statement of cash flows, cash includes cash on hand, investments in money market instruments and gold bullion on hand net of outstanding bank overdrafts. Cash at the end of the financial year, as shown in the statement of cash flows, is reconciled to the related items in the balance sheet as follows:				
Cash balance comprises:				
- cash at bank	1,067,983	927,302	-	-
- gold bullion	2,277,419	3,817,453	-	-
	<u>3,335,402</u>	<u>4,744,755</u>	<u>-</u>	<u>-</u>
(b) RECONCILIATION OF THE OPERATING LOSS FROM ORDINARY ACTIVITIES AFTER TAX TO THE NET CASH FLOWS FROM OPERATIONS				
Profit from ordinary activities after tax	(1,965,393)	1,969,851	(199,977)	(183)
Depreciation/Amortisation	17,975	1,578,054	-	-
Diminution in value of investments	167,077	51,547	-	-
Tenement write-off	462,694	412,920	-	-
Doubtful debts	53,197	142,577	-	-
Profit on sale of investments	(167,130)	-	-	-
Exchange gain in holding bullion	(9,223)	-	-	-
Write-off of cost of investments	13,180	-	-	-
Write-off Orettek costs	20,889	-	-	-
Over-provision for prior year write-off of Orettek costs	(66,806)	-	-	-
Changes in assets and liabilities:				
Receivables	(72,877)	40,938	-	-
Trade creditors and accruals	162,249	(613,627)	-	(183)
Mine Development, Exploration and evaluation costs	(266,392)	(613,362)	-	-
Inventories	-	412,014	-	-
Provisions	18,135	8,307	18,135	-
Deferred waste	-	373,592	-	-
	<u>(1,632,425)</u>	<u>3,762,811</u>	<u>(181,842)</u>	<u>-</u>
Net Cash Flows from/(used in) operating activities	(1,632,425)	3,762,811	(181,842)	-

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

(c) A performance bond of \$97,511 which represents the company's 25% share is included in cash at bank.

CONSOLIDATED		RAND MINING N.L.	
2005	2004	2005	2004
\$	\$	\$	\$

**21. CAPITAL AND LEASING
COMMITMENTS**

(a) FINANCE LEASE COMMITMENTS

Payable				
- not later than 1 year	22,932	11,436	-	-
- later than 1 year but not later than 5 years	-	24,835	-	-
Minimum lease payments	22,932	36,271	-	-
Less: future finance charges	(884)	(2,791)	-	-
Total lease liability	22,048	33,480	-	-

(b) MINERAL TENEMENT LEASES

In order to maintain current rights of tenure to mining tenements, the consolidated entity will be required to outlay the following funds in respect of tenement lease rentals and to meet minimum expenditure requirements of the Western Australian Mines Department. These obligations are expected to be fulfilled in the normal course of operations.

Lease expenditure commitments:

- not later than one year	190,875	102,438	-	-
- later than one year and not later than two years	190,875	102,438	-	-
- later than two years and not later than five years	572,625	307,314	-	-
- later than five years	-	-	-	-

22. CONTINGENT LIABILITIES

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

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

23. SUBSEQUENT EVENTS

Other than noted below there have been no subsequent events since balance date which would have had a significant effect of the company's financial position.

In July 2005 the Raleigh Underground Mine Development at the East Kundana Joint Venture commenced mining high grade development ore which is being temporarily stockpiled until an agreement is finalised regarding processing.

24. FINANCIAL INSTRUMENTS

(a) Accounting Policies

The consolidated entity's accounting policies, including the terms and conditions of each class of financial liability and equity instrument, both recognised and unrecognised at the balance sheet date, are as follows:

RECOGNISED FINANCIAL INSTRUMENTS	BALANCE SHEET NOTE	ACCOUNTING POLICIES	TERMS AND CONDITIONS
(i) Financial Assets			
Cash at bank	20	Cash is carried at nominal amount.	Short-term deposits have an average maturity of 3 months and an effective interest rate of 4.5% [2004: 3.90%].
Receivables – other	6	Receivables - other are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Credit terms vary in accordance with the terms and conditions agreed upon with each party
Listed shares	7	Listed shares are carried at lower of cost and net realisable value. Dividend income is recognised when the dividends are declared by the investee.	
(ii) Financial Liabilities			
Payables	10	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the consolidated entity	Trade liabilities are normally settled on 30 day terms.
Lease liability	11	Assets purchased under finance leases are capitalised. An asset and a liability equal to the present value of the minimum payments are recorded at the inception of the agreement. Liabilities are reduced by repayments of principal. The interest components of the payments are expensed.	Interest rate of 8.25%
(iii) Equity			
Ordinary shares	13	Ordinary share capital is recognised at the fair value of the consideration received by the company.	Details of shares issued and the terms and conditions of options outstanding over ordinary shares at balance date are set out in note 13.

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

24. FINANCIAL INSTRUMENTS (CONT)

(b) Interest Rate Risk

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates on these financial assets, is as follows:

	Weighted Average Effective Interest		Fixed Interest Maturing in 1 Year or Less		Non Interest Bearing		Total Carrying Amount as per the Balance Sheet	
	2005	2004	2005	2004	2005	2004	2005	2004
Financial Assets								
Cash at bank	4.50%	4.10%	1,057,983	927,302	-	-	1,057,983	927,302
Gold bullion			-	-	2,277,419	3,817,453	2,277,419	3,817,453
Other debtors			-	-	147,938	67,439	147,938	67,439
Investments			-	-	6,712,492	5,238,267	6,712,492	5,238,267
Total Financial Assets			1,057,983	927,302	9,137,849	9,123,159	10,195,832	10,050,461
Financial Liabilities								
Payables			-	-	447,730	45,632	447,730	45,632
Employee entitlements					18,135		18,135	
Lease Liabilities	8.25%	8.25%	22,048	33,480		-	22,048	33,480
Total Financial Liabilities			22,048	33,480	465,865	45,632	487,913	79,112
Net Financial Assets/(Liabilities)			1,035,935	893,822	8,671,984	9,077,527	9,707,919	9,971,349

(c) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security which has been recognised on the balance sheet, is the carrying amount, net of any provisions for doubtful debts.

The consolidated entity does not have any material risk exposure to any single debtor or group of debtors under financial instruments entered into by it.

(d) Net Fair Values

Methods and assumptions used in determining net fair value.

Assets and liabilities net fair value approximates their carrying value except for listed investments. No financial assets and financial liabilities are readily traded on organised markets in standard form, other than listed investments. The consolidated entity has no financial assets where the carrying amount materially exceeds net fair values at balance date.

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

24. FINANCIAL INSTRUMENTS (CONT)

(e) Unrecognised Financial Instruments

Forward Exchange Contracts

The economic entity enters into forward exchange contracts to sell specified ounces of gold in the future at a stipulated price. The objective of entering the forward exchange contracts is to protect the economic entity against unfavourable price movements for both the contracted and anticipated future sales undertaken in the gold market.

At balance date, there were no outstanding forward exchange contracts.

25. ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The consolidated entity is currently preparing and managing the transition to Australian equivalents to International Financial Reporting Standards (AIFRS) effective for financial years commencing 1 January 2005. The adoption of AIFRS will be reflected in the consolidated entity's and the parent entity's financial statements for the year ending 30 June 2006. On the first adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospectively against accumulated losses at 1 July 2004.

The consolidated entity's management, with the assistance of external consultants, has assessed the significance of the expected changes and is preparing for their implementation. The impact of the alternative treatments and elections under AASB 1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards has been considered where applicable.

The directors are of the opinion that the key material differences in the consolidated entity's accounting policies on conversion to AIFRS and the financial effect of these differences, where known, are disclosed below. Users of the financial statements should note, however, that the amounts disclosed could change if there are any amendments by standard-setters to the current AIFRS or interpretation of the AIFRS requirements changes from the continuing work of the consolidated entity's management and external consultants.

It is likely that the major differences in the Company's accounting policies which will arise from the adoption of AIFRS will be:

- (a) Impairment of Assets – The Company currently determines the recoverable amount of an asset of the basis of either undiscounted or discounted (depending on the specific asset) net cash flows that will be received from the assets' use and subsequent disposal. In terms of AASB 136: Impairment of Assets, the recoverable amount of an asset will be determined as the higher of the fair value less costs to sell and value in use. It is expected that this change in accounting policy will generally lead to impairments being recognised more often than under the existing policy. There is no impact on the 30 June 2005 numbers disclosed.
- (b) Exploration tenements – Currently, tenement acquisition costs and mineral exploration expenditure are capitalised in relation to each separate area of interest in accordance with the Company's adopted accounting policy. The Australian Accounting Standards Board has issued the IFRS equivalent standard dealing with this issue, AASB 6 "Exploration For and Evaluation of Mineral Resources", which is not expected to significantly impact on the current policy. There is no impact on the 30 June 2005 numbers disclosed.

RAND MINING NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

- (c) Income Tax – Currently the Company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for any permanent differences. Timing differences are currently brought to account as either a provision for deferred income tax or future income tax benefit. Under the Australian equivalent to IAS 12, the Company will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of the timing and permanent differences between taxable income and accounting profit. It is not expected that this change will significantly impact the Company’s reported results and financial position.

The Company is carrying a capital reserve of \$1,326,974 which potentially could create a tax liability of \$398,092 on adoption of AIFRS. The consolidated entity currently has an estimated \$4,555,908 of tax losses which would offset any future adjustment that may be required to undertake on adoption of AIRFS.

- (d) Under AASB 139: Financial Instruments: Recognition and Measurement, financial assets are required to be classified into four categories, which determines the accounting treatment of the item. The categories and various treatments are:
- held to maturity, measured at amortised cost;
 - held for trading, measured at fair value with unrealized gains or losses charged to the profit and loss;
 - loans and receivables, measured at amortised cost; and
 - available for sale instruments, measured at fair value with unrealised gains or losses taken to equity.

The consolidated entity’s financial assets comprise available for sale financial instruments. Under AASB 139; Financial Instruments; Recognition and Measurement, the measurement of available for sale instruments at fair value differs to current accounting policy which measures non-current investments at cost with an annual review by directors to ensure the carrying amounts are not in excess of the recoverable value of the instrument. The Impact of the change is likely to increase the value of non-current other financial assets in relation to available for sale instruments.

AASB 1 provides an election whereby the requirements of AASB 139 dealing with financial instruments are not required to be applied to the first AIFRS comparative year, and the first time adoption of this standard will apply from 1 July 2005. The consolidated entity has decided that it will adopt this election and will not restate comparative information for the 30 June 2005 financial year.

- (d) Under AASB 2 “Share Based Payment” the Company will be required to determine the fair value of options issued to employees and directors as an expense in the Statement of Financial Performance. There have been no options issued to employees therefore for the year ended 30 June 2005 there are no required adjustments.
- (e) The following table sets out the anticipated impact of transition to IFRS on the 30 June 2005 Consolidated Statement of Financial Position:

	30 June 2005	IFRS
	\$	\$
Total Assets	12,638,566	12,638,566
Total Liabilities	3,586,007	3,586,007
Total Equity	9,052,559	9,052,559

RAND MINING NL
DIRECTORS' DECLARATION

The directors of Rand Mining NL declare that:

- (a) in the directors' opinion, the financial statements and notes for the financial year ended 30 June 2005 are in accordance with the Corporations Act 2001, including:
 - (i) section 296 (compliance with accounting standards); and
 - (ii) section 297 (true and fair view); and
- (b) in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (c) the directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



A Billis
Director

DATED this 30th day of September 2005

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF RAND MINING NL

SCOPE

The financial report and directors' responsibility.

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Rand Mining NL (the company) and the consolidated entity, for the year ended 30 June 2005. The consolidated entity comprises both the company and the entity it controlled during that year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

AUDIT OPINION

In our opinion, the financial report of Rand Mining NL is in accordance with:

- a. the Corporations Act 2001, including:
 - i. giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2005 and of their performance for the year ended on that date; and
 - ii. complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- b. other mandatory professional reporting requirements in Australia.

BENTLEYS MRI PERTH PARTNERSHIP

A handwritten signature in black ink, appearing to read 'M. Anghie', with a horizontal line underneath.

**MAURICE L ANGHIE
PARTNER**

Dated at Perth this 30 day of September 2005

RAND MINING NL
SHAREHOLDER INFORMATION

(a) Distribution of ordinary shareholders at 30 August 2005:

	ORDINARY SHARES
1 – 1,000	262
1,001 – 5,000	226
5,001 – 10,000	85
10,001 – 100,000	102
100,001 and over	33
TOTAL	708

(b) Voting Rights

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

(c) Substantial Shareholders

The name of the substantial shareholders listed in the holding company's register as at 30 August 2005 are:

	SHAREHOLDER	FULLY PAID ORDINARY SHARES	% HELD
1.	Tribune Resources NL	7,317,022	18.04
2.	Trans Global Trust D O O	6,458,884	15.92
3.	Lake Grace Exploration Pty Ltd	2,917,000	7.19
4.	Sierra Gold Pty Ltd	2,100,000	5.17
5.	McNeil Nominees Pty Ltd	2,036,986	5.02
6.	Paddington Gold Pty Ltd	1,950,240	4.81

(d) Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Stock Exchange Limited

(e) Directors' Interest in Equity

The interests of each director in the share capital of Rand Mining N.L. as disclosed by the register of directors' shareholders:

	BENEFICIALLY HELD FULLY PAID ORDINARY SHARES	OPTIONS
O Demis	3,200	-
W Jay	30,000	-
F Bozic	252,000	-
A Billis	14,000	-
J Andrews	4,000	-
G Sklenka	-	-

RAND MINING NL
SHAREHOLDER INFORMATION

(f) Twenty Largest Shareholders

The names of the twenty largest shareholders of ordinary fully paid shares in the capital of the company are listed below as at 30 August 2005.

NAME	FULLY PAID ORDINARY SHARES	% HELD OF FULLY PAID ORDINARY SHARES	
Tribune Resources NL	7,317,022	18.04	1
Trans Global Trust D O O	6,458,884	15.92	2
Lake Grace Exploration Pty Ltd	2,917,000	7.19	3
Sierra Gold Pty Limited	2,100,000	5.17	4
McNeil Nominees Pty Limited	2,036,986	5.02	5
Paddington Gold Pty Limited	1,950,240	4.81	6
Dom Fond PIF	1,673,250	4.13	7
Mr H Au	1,614,300	3.98	8
Southam Investments 2003 Pty Ltd	1,255,000	3.09	9
Mr S Ilkiw	1,036,000	2.55	10
Trans Global Trust D O O A Fund A/C	1,000,000	2.47	11
Mr P Goodeve	762,500	1.88	12
Regent Gulf Pty Ltd	725,100	1.79	13
Trans Global Trust D O O DMU 88644/2	650,000	1.60	14
Raypoint Pty Ltd	530,000	1.31	15
Mr A Sage	478,660	1.18	16
Donlea Nominees Pty Ltd	372,500	0.92	17
Resource Capital Limited	340,000	0.84	18
Mr S Zielinski & Mrs K Zielinski	302,000	0.74	19
HKT Au Pty Ltd	299,800	0.73	20
TOP 20 SHAREHOLDERS	33,819,242	83.38	
TOTAL SHARES ON ISSUE	40,560,813	100.00	

RAND MINING NL
SHAREHOLDER INFORMATION

TENEMENT SCHEDULE		
PROJECT/LOCATION	TENEMENT NUMBER	RAND INTEREST
<u>Larkinville</u>		
Larkinville	M15/1290	100.00%
<u>Jaurdi Little Nipper</u>		
Jaurdi Little Nipper	M15/1371	100.00%
Jaurdi Little Nipper	M15/978	100.00%
<u>Kundana</u>		
Kundana	M15/1413	12.25%
Kundana	M15/993	12.25%
Kundana	M16/181	12.25%
Kundana	M16/182	12.25%
West Kundana	M16/213	12.25%
West Kundana	M16/214	12.25%
Kundana	M16/218	12.25%
Kundana	M16/308	12.25%
Kundana	M16/309	12.25%
Kundana	M16/310	12.25%
Kundana	M16/325	12.25%
Kundana	M16/326	12.25%
Kundana	M16/421	12.25%
Kundana	M16/424	12.25%
Kundana	M16/428	12.25%
<u>Seven Mile Hill</u>		
Kurrawang	M15/850	50.00%
Kurrawang	M15/851	50.00%
Kurrawang	M26/563	50.00%
Binduli	M15/1233	50.00%
Seven Mile Hill	M15/1291	50.00%
Seven Mile Hill	M15/1234	50.00%
Binduli	M15/1388	50.00%
Seven Mile Hill	M15/1394	50.00%
Seven Mile Hill	M15/1409	50.00%
Kurrawang	P15/4495	50.00%
Kurrawang	E15/669	50.00%
<u>Kalgoorlie</u>		
Kalgoorlie	PL26/2986	80.00%
Kalgoorlie	PL26/2987	80.00%
Kalgoorlie	PL26/2988	80.00%
Kalgoorlie	PL26/2989	80.00%
Kalgoorlie	PL26/2990	80.00%
Kalgoorlie	PL26/2991	80.00%
Kalgoorlie	PL26/2992	80.00%
Kalgoorlie	PL26/3047	80.00%
Kalgoorlie	PL26/3075	80.00%