

Rand Mining Limited

ABN 41 004 669 658

Interim Report - 31 December 2022

Rand Mining Limited
Contents
31 December 2022

Directors' report	2
Auditor's independence declaration	5
Consolidated statement of profit or loss and other comprehensive income	6
Consolidated statement of financial position	7
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	9
Notes to the consolidated financial statements	10
Directors' declaration	14
Independent auditor's review report to the members of Rand Mining Limited	15

Rand Mining Limited
Directors' report
31 December 2022

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Rand Mining Limited (referred to hereafter as the 'Company', 'parent entity' or 'Rand') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

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

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

Principal activities

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

Dividends

Dividends paid during the financial half-year were as follows:

	31 Dec 2022	31 Dec 2021
	\$	\$
A dividend of 10 cents per ordinary share was paid to shareholders on 15 November 2022	5,687,596	-
A dividend of 10 cents per ordinary share was paid to shareholders on 5 November 2021	<u>-</u>	<u>5,687,596</u>
	<u>5,687,596</u>	<u>5,687,596</u>

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

Review of operations

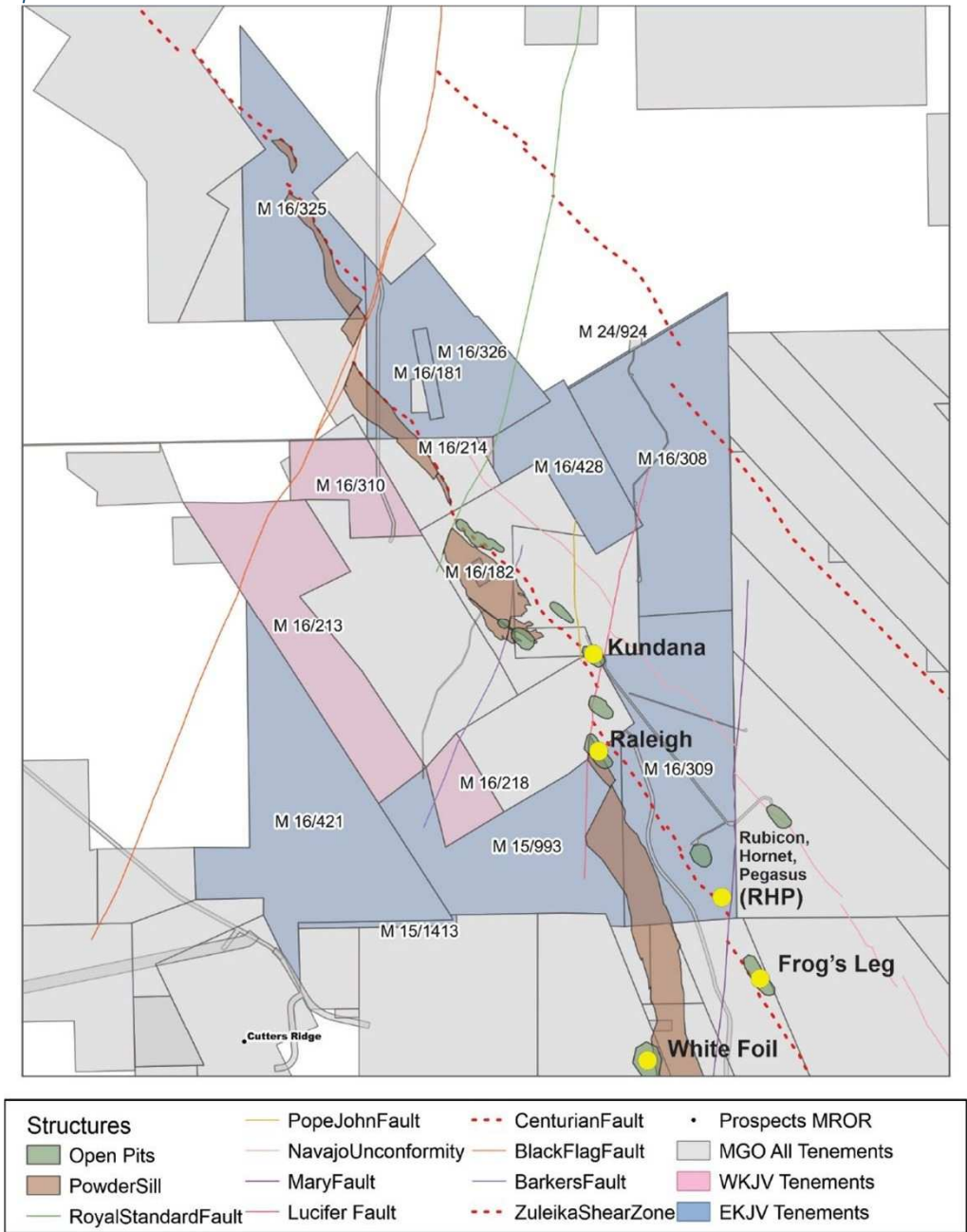
The profit for the Group after providing for income tax amounted to \$6,508,858 (31 December 2021: \$7,392,937).

East Kundana Joint Venture

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

The EKJV is between Rand Mining Ltd. (12.25%), Tribune Resources Ltd. (36.75%) and Gilt-Edged Mining Pty Ltd. (51%).

EKJV Project map:



Mining

Raleigh

Production that commenced in December 2004 at the Raleigh Underground Mine was halted in April 2020 when Raleigh was placed on care and maintenance due to seismic activity. A full review of the mine plan was initiated by the Joint Venture Manager and will result in rescheduling the mining of remaining reserves to a later date.

The depth of the decline is approximately 743 metres ('m') below the surface. The top of the Sadler incline remains at 356 m below the surface and the bottom of the Sadler Decline is approximately 401 m below the surface.

There was no mine production from Raleigh and there was no capital or operating development during the half year.

Rubicon/Hornet/Pegasus

Production at the Rubicon Underground Mine that commenced in August 2011 continues.

Rubicon, Pegasus and Hornet Ore Bodies

Capital development for the half year totalled 413 m including 253 m of decline development. Operating development for the half year totalled 1,022 m, including 205 m in waste, 611 m in ore and 205 m through paste fill.

Rand Mining Limited
Directors' report
31 December 2022

Mine production during the half year totalled 227,690 tonnes ('t') grading 4.8 grams per tonne ('g/t') containing 35,201 ounces ('oz') of gold based on grade control estimates. Rand's entitlement to mined ore tonnes in the half year was 27,892 t for 4,312 oz.

Processing

During the half year, ore treatment at the Mungari Processing plant treated 244,717 tonnes of EKJV ore. All processed ore was from the Rubicon mine.

A total of 15,626 oz of gold was credited to the Rand and Tribune Bullion Accounts at Perth Mint. Rand's share of gold bullion was 3,906 oz.

Exploration

EKJV

Underground drilling activity in the period across the East Kundana Joint Venture ('EKJV') focused on the Nugget ore body, a shallow, southwest dipping narrow vein, in the hanging wall of the K2B mineralised horizon. A total of 5 diamond drill holes for 906.7 metres were completed between 1 July 2022 and 30 September 2022 targeting the down dip extensions to the Nugget Zone prospect and parallel lodes.

Surface drilling activity completed during the period included surface RC resource development drilling at Golden Hind and Hornet open pit deposits. A total of 4,222 metres of surface RC drilling was completed, to further define continuity of the geological model.

Details of all EKJV exploration activities are contained in the September and December Quarterly EKJV Exploration Reports released to the market on 20 October 2022 and 16 January 2023.

Seven Mile Hill (Rand's Interest 50%)

During the period, geological field work and ongoing logging of drill core from the previous diamond drilling campaign was conducted for the Seven Mile Hill joint venture.

No drilling was conducted during the period.

Corporate

A fully franked dividend of 10 cents per ordinary share was paid to the shareholders on 15 November 2022.

Share Buy-Back Programme

On 30 December 2022, the Company announced an extension to its on-market share buy-back programme. The programme end date was extended to 9 January 2024. The maximum number of shares that can be acquired during the programme is 2,415,082. No shares were bought back during the December half-year.

Proceedings against Northern Star Resources Ltd

The Court's decision in relation to the EKJV litigation was made on 23 December 2022. The Court dismissed Rand and Tribune's claim against Northern Star. A decision of the legal costs to each party has not yet been made.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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

On behalf of the directors



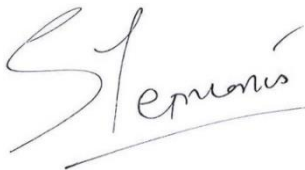
Anthony Billis
Director

8 March 2023
Perth

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

In relation to our review of the financial report of Rand Mining Limited for the half year ended 31 December 2022, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Perth
PKF PERTH



SIMON FERMANIS
PARTNER

8 MARCH 2023
WEST PERTH,
WESTERN AUSTRALIA

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

PKF Perth is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

Liability limited by a scheme approved under Professional Standards Legislation.

Rand Mining Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

	Note	31 Dec 2022 \$	31 Dec 2021 \$
Revenue from contracts with customers	4	18,260,125	20,205,935
Interest revenue calculated using the effective interest method		20,173	2,890
Net fair value (loss)/gain on financial assets	6	(54,133)	(10,333)
Net gain on sale of assets		46,672	20,939
Expenses			
Changes in inventories		142,137	1,155,080
Employee benefits expense	5	(133,177)	(135,145)
Management fees		(501,727)	(334,454)
Depreciation and amortisation expense	5	(1,375,407)	(1,617,443)
Impairment of exploration and evaluation		(398,870)	(1,274,329)
Mining expenses		(4,365,431)	(4,184,344)
Processing expenses		(1,274,060)	(2,054,127)
Royalty expenses		(232,261)	(320,653)
Foreign currency losses		(5,302)	(5,801)
Other expenses		(686,860)	(748,992)
Finance costs	5	(4,420)	(9,509)
Profit before income tax expense		9,437,459	10,689,714
Income tax expense		(2,928,601)	(3,296,777)
Profit after income tax expense for the half-year attributable to the owners of Rand Mining Limited		6,508,858	7,392,937
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Rand Mining Limited		6,508,858	7,392,937
		Cents	Cents
Basic earnings per share		11.44	13.00
Diluted earnings per share		11.44	13.00

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

Rand Mining Limited
Consolidated statement of financial position
As at 31 December 2022

	Note	31 Dec 2022 \$	30 Jun 2022 \$
Assets			
Current assets			
Cash and cash equivalents		1,897,354	2,161,197
Trade and other receivables		122,133	227,795
Inventories		75,122,613	74,907,782
Prepayments		-	5,000
Total current assets		<u>77,142,100</u>	<u>77,301,774</u>
Non-current assets			
Financial assets at fair value through profit or loss	6	310,903	365,036
Property, plant and equipment		1,087,224	1,309,179
Right-of-use assets		704,913	886,324
Exploration and evaluation		2,306,754	2,197,997
Mine development		19,775,019	20,042,226
Deferred tax		2,139,811	2,565,164
Total non-current assets		<u>26,324,624</u>	<u>27,365,926</u>
Total assets		<u>103,466,724</u>	<u>104,667,700</u>
Liabilities			
Current liabilities			
Trade and other payables		1,921,173	2,496,179
Lease liabilities		28,297	204,910
Income tax		349,675	1,691,587
Provisions		56,374	50,819
Total current liabilities		<u>2,355,519</u>	<u>4,443,495</u>
Non-current liabilities			
Lease liabilities		-	11,482
Deferred tax		4,673,817	4,596,597
Provisions		458,646	458,646
Total non-current liabilities		<u>5,132,463</u>	<u>5,066,725</u>
Total liabilities		<u>7,487,982</u>	<u>9,510,220</u>
Net assets		<u>95,978,742</u>	<u>95,157,480</u>
Equity			
Issued capital		11,707,036	11,707,036
Retained profits		84,271,706	83,450,444
Total equity		<u>95,978,742</u>	<u>95,157,480</u>

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

Rand Mining Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2022

	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2021	11,707,036	78,479,768	90,186,804
Profit after income tax expense for the half-year	-	7,392,937	7,392,937
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	7,392,937	7,392,937
<i>Transactions with owners in their capacity as owners:</i>			
Dividends paid (note 7)	-	(5,687,596)	(5,687,596)
Balance at 31 December 2021	<u>11,707,036</u>	<u>80,185,109</u>	<u>91,892,145</u>
	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2022	11,707,036	83,450,444	95,157,480
Profit after income tax expense for the half-year	-	6,508,858	6,508,858
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	6,508,858	6,508,858
<i>Transactions with owners in their capacity as owners:</i>			
Dividends paid (note 7)	-	(5,687,596)	(5,687,596)
Balance at 31 December 2022	<u>11,707,036</u>	<u>84,271,706</u>	<u>95,978,742</u>

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

Rand Mining Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2022

	Note	31 Dec 2022 \$	31 Dec 2021 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		18,260,125	20,205,935
Payments to suppliers and employees (inclusive of GST)		(7,730,912)	(8,470,626)
Interest received		20,173	2,890
Interest and other finance costs paid		(3,844)	(8,507)
Income taxes paid		<u>(3,767,940)</u>	<u>(1,447,101)</u>
Net cash from operating activities		<u>6,777,602</u>	<u>10,282,591</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(28,135)	(319,256)
Payments for exploration and evaluation		(518,570)	(1,215,236)
Payments for mine development		(670,819)	(857,970)
Proceeds from disposal of property, plant and equipment		<u>40,793</u>	<u>34,010</u>
Net cash used in investing activities		<u>(1,176,731)</u>	<u>(2,358,452)</u>
Cash flows from financing activities			
Repayment of lease liabilities		(177,118)	(308,653)
Dividends paid	7	(5,687,596)	(5,687,596)
Cash advances to Tribune Resources Ltd		1,250,000	(250,000)
Cash advances from Tribune Resources Ltd		<u>(1,250,000)</u>	<u>250,000</u>
Net cash used in financing activities		<u>(5,864,714)</u>	<u>(5,996,249)</u>
Net increase/(decrease) in cash and cash equivalents		(263,843)	1,927,890
Cash and cash equivalents at the beginning of the financial half-year		<u>2,161,197</u>	<u>1,352,860</u>
Cash and cash equivalents at the end of the financial half-year		<u>1,897,354</u>	<u>3,280,750</u>

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

Rand Mining Limited
Notes to the consolidated financial statements
31 December 2022

Note 1. General information

The financial statements cover Rand Mining Limited as a Group consisting of Rand Mining Limited ('Company', 'parent entity' or 'Rand') and the entities it controlled at the end of, or during, the half-year (referred to in these financial statements as the 'Group'). The financial statements are presented in Australian dollars, which is Rand Mining Limited's functional and presentation currency.

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

Suite G1, 49 Melville Parade
South Perth WA 6151

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 8 March 2023. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and Interpretations adopted

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

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

Note 3. Operating segments

Identification of reportable operating segments

The Group has no separate operating segments as the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources reflect the financial position and performance of the Group as a whole.

Geographical information

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

Note 4. Revenue from contracts with customers

	31 Dec 2022	31 Dec 2021
	\$	\$
Sales of gold	18,260,125	19,611,375
Sales of ore	-	594,560
Revenue from contracts with customers	<u>18,260,125</u>	<u>20,205,935</u>

Rand Mining Limited
Notes to the consolidated financial statements
31 December 2022

Note 4. Revenue from contracts with customers (continued)

Disaggregation of revenue

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

	31 Dec 2022	31 Dec 2021
	\$	\$
Major product lines		
Gold	18,260,125	19,611,375
Ore	-	594,560
	<u>18,260,125</u>	<u>20,205,935</u>
Geographical regions		
Australia	<u>18,260,125</u>	<u>20,205,935</u>
Timing of revenue recognition		
Goods transferred at a point in time	<u>18,260,125</u>	<u>20,205,935</u>

Note 5. Expenses

	31 Dec 2022	31 Dec 2021
	\$	\$
Profit before income tax includes the following specific expenses:		
Depreciation		
Mining plant and equipment	250,090	414,678
Plant and equipment right-of-use assets	<u>187,291</u>	<u>285,351</u>
Total depreciation	<u>437,381</u>	<u>700,029</u>
Amortisation		
Mine development	<u>938,026</u>	<u>917,414</u>
Total depreciation and amortisation	<u>1,375,407</u>	<u>1,617,443</u>
Impairment		
Financial assets	<u>54,133</u>	<u>10,333</u>
Finance costs		
Interest and finance charges paid/payable on lease liabilities	<u>4,420</u>	<u>9,509</u>
Superannuation expense		
Defined contribution superannuation expense	<u>5,184</u>	<u>4,937</u>

Rand Mining Limited
Notes to the consolidated financial statements
31 December 2022

Note 6. Financial assets at fair value through profit or loss

	31 Dec 2022	30 Jun 2022
	\$	\$
Non-current assets		
Listed securities - at fair value through profit or loss	310,903	365,036
Reconciliation		
Reconciliation of the carrying amounts at the beginning and end of the current and previous financial half-year are set out below:		
Opening carrying amount	365,036	377,445
Loss on revaluation through profit or loss	(54,133)	(12,409)
Closing carrying amount	310,903	365,036

Refer to note 8 for further information on fair value measurement.

Note 7. Dividends

Dividends paid during the financial half-year were as follows:

	31 Dec 2022	31 Dec 2021
	\$	\$
A dividend of 10 cents per ordinary share was paid to shareholders on 15 November 2022	5,687,596	-
A dividend of 10 cents per ordinary share was paid to shareholders on 5 November 2021	-	5,687,596
	5,687,596	5,687,596

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

Note 8. Fair value measurement

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability

31 Dec 2022	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Listed securities - equity	310,903	-	-	310,903
Total assets	310,903	-	-	310,903
30 Jun 2022				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Listed securities - equity	365,036	-	-	365,036
Total assets	365,036	-	-	365,036

There were no transfers between levels during the financial half-year.

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

Rand Mining Limited
Notes to the consolidated financial statements
31 December 2022

Note 9. Contingent liabilities

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

Note 10. Commitments

	31 Dec 2022	30 Jun 2022
	\$	\$
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	41,295	41,746
Tenement commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	444,389	445,422
One to five years	1,637,311	1,653,397
More than five years	2,553,116	-
	<u>4,634,816</u>	<u>2,098,819</u>

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

Note 11. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Rand Mining Limited
Directors' declaration
31 December 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Anthony Billis
Director

8 March 2023
Perth

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Rand Mining Limited (the company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2022, or during the half year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Rand Mining Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

Independence

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

Directors' Responsibility for the Half-Year Financial Report

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

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

PKF Perth is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

Liability limited by a scheme approved under Professional Standards Legislation.

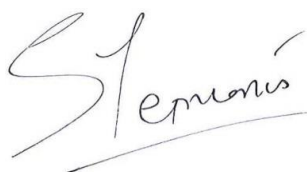
Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF PERTH

SIMON FERMANIS
PARTNER8 MARCH 2023
WEST PERTH,
WESTERN AUSTRALIA