Rand Mining Limited

ABN 41 004 669 658

Annual Report - 30 June 2017

Directors	Otakar Demis - Chairman Anthony Billis Gordon Sklenka
Company secretaries	Otakar Demis Roland Berzins
Notice of annual general meeting	The annual general meeting of Rand Mining Limited will be held at: IBIS Styles Hotel 45 Egan Street Kalgoorlie WA 6430 on 30 November 2017 at 10.00am.
Registered office	Suite G1, 49 Melville Parade South Perth WA 6151 Tel: +61 (8) 9474 2113 Fax: +61 (8) 9367 9386
Principal place of business	Suite G1, 49 Melville Parade South Perth WA 6151 Correspondence address: PO Box 307 West Perth WA 6872
Share register	Advanced Share Registry Services Limited 110 Stirling Highway Nedlands WA 6009 Tel: +61 (8) 9389 8033 Fax: +61 (8) 9262 3723
Auditor	Grant Thornton Audit Pty Ltd Level 1 10 Kings Park Road WEST PERTH WA 6005
Bankers	ANZ Bank 77 St George's Terrace Perth WA 6000
Stock exchange listing	Rand Mining Limited shares are listed on the Australian Securities Exchange (ASX code: RND)
Website	www.randmining.com.au
Corporate Governance Statement	The Company's directors and management are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (3rd Edition) ('Recommendations') to the extent appropriate to the size and nature of the Group's operations. The Company has prepared a Corporate Governance Statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations. The Company's Corporate Governance Statement and policies, which will be approved at the same time as the Annual Report, can be found on our website: www.randmining.com.au/Corporate-Governance

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Rand Mining Limited (referred to hereafter as the 'Company', 'parent entity' or 'Rand') and the entities it controlled at the end of, or during, the year ended 30 June 2017.

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

Otakar Demis - Chairman
Anthony Billis
Gordon Sklenka

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

Dividends
Dividends payable during the financial year were as follows:

	Consolidated	
	2017 $	2016 $
Maiden dividend for the year ended 30 June 2017 of 10 cents (2016: nil cents) per ordinary share fully franked based on a tax rate of 30%	6,014,848	-

A fully-franked maiden dividend, as disclosed to the ASX on 8 June 2017, of 10 cents per ordinary share was paid to shareholders on 31 July 2017. The dividend was paid to those shareholders who were on the register on 7 July 2017.

Review of operations
The profit for the Group after providing for income tax amounted to $16,521,417 (30 June 2016: $15,287,209).

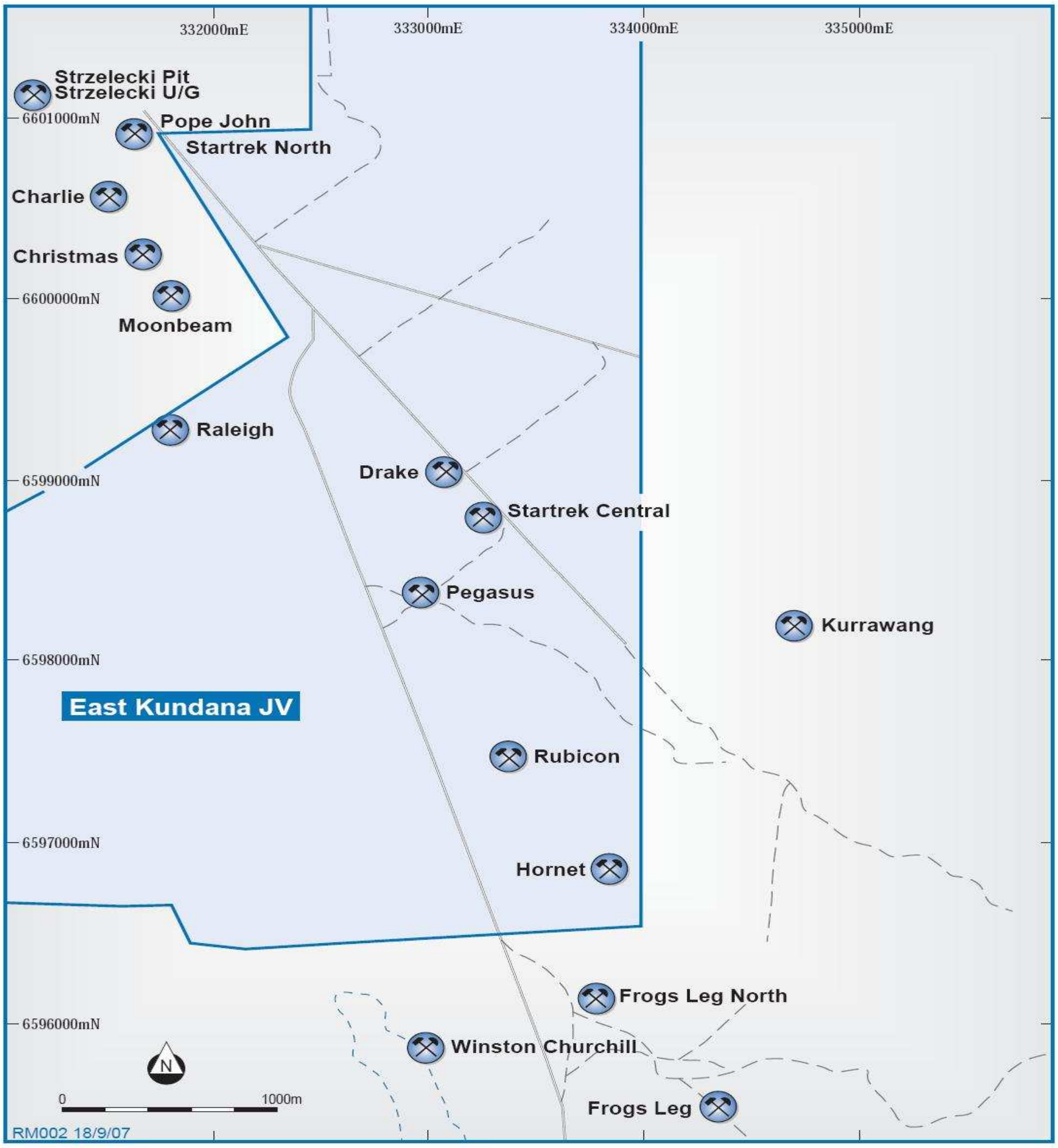
East Kundana Joint Venture

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 N.L. (51%). On 1 March 2014, Gilt-Edged Mining N.L. became a wholly owned subsidiary of Northern Star Resources Ltd.

KUNDANA PROJECT
Location Map

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



EAST KUNDANA JOINT VENTURE
Deposit Locations

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

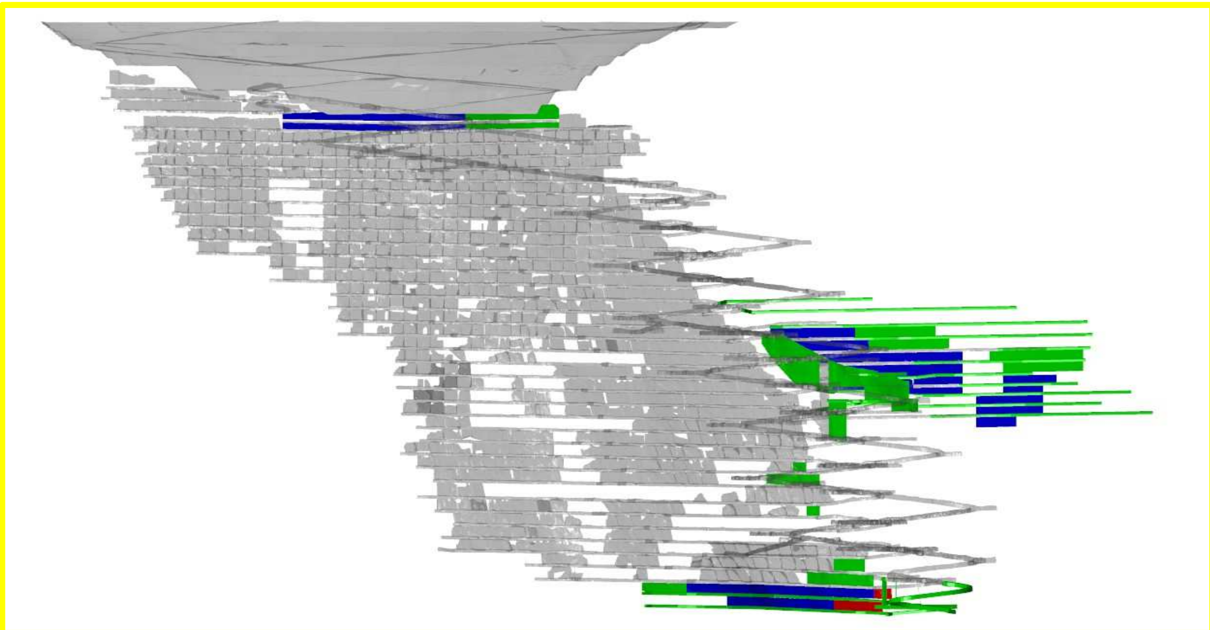
Mining

Raleigh
During the year ending 30 June 2017, 182,860 tonnes of ore were extracted from stopes on 5932, 5881, 5864, 5830 5795, 5761, 5631 and 5614 levels and the Crown Pillar and from development headings on the 6017 to 5830, 5797 and 5761 levels of the Skinners structure at the Raleigh Underground mine. The grade was 8.67 g/t.

Rand's entitlement to the ore extracted was 22,858 tonnes, compared to 19,445 tonnes the previous year.

Mine claimed production	**Raleigh Production**		
Year	**Mined (t)**	**Grade (g/t)**	**Gold (oz)**
2006/2007	239,700	16.6	127,700
2007/2008	234,400	11.9	89,800
2008/2009	308,512	12.6	124,962
2009/2010	339,660	13.4	146,670
2010/2011	323,182	13.4	139,060
2011/2012	244,799	14.8	116,921
2012/2013	179,553	14.2	81,930
2013/2014	87,948	15.7	44,313
2014/2015	58,362	11.5	21,706
2015/2016	155,560	9.5	47,302
2016/2017	**182,860**	**8.67**	**50,957**
Rand's entitlement of 2016/2017	**22,858**	**8.67**	**6,370**

The sequence of stoping and mine development in the current LOM plan is shown below, where grey represents all stoping and development completed at 30 June 2017, green expected to be completed by mid 2018, blue expected to be completed by mid 2019 and red expected to be completed by mid 2020.The extension of mining beyond mid 2020 depends on the results of the current exploration programme.



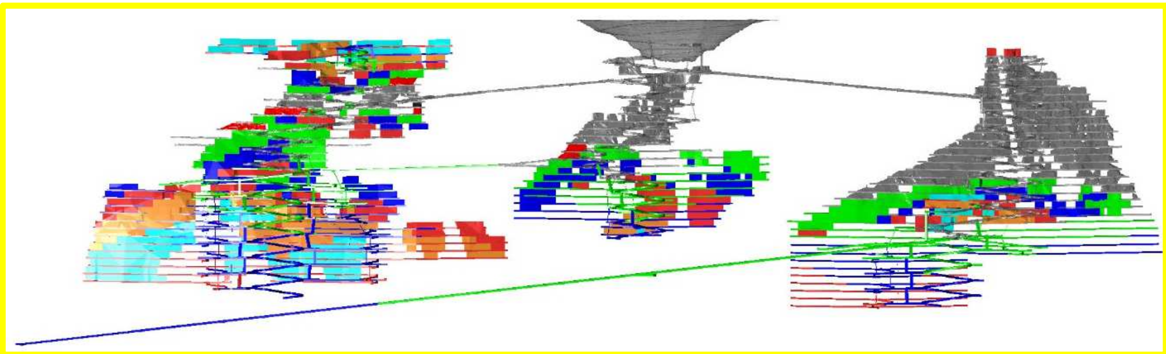
Rubicon/Hornet/Pegasus

During the year ending 30 June 2017, 843,340 tonnes of ore were extracted from stopes on the 5995 to 5935 levels and development headings on the 5995 to 5875 levels of the Rubicon ore body; from stopes on the 5925 to 5785 levels and development headings on the 5805 to 5745 levels of the Hornet ore body and from stopes on the 6210 to 6150, 6090 to 5930 and Pode 6225 and 6201 levels and development headings on the 6250 to 6210, 6150, 6050, 5990 to 5910 and Pode 6245, 6225 and 6201 levels of the Pegasus ore body. The grade was 7.10 g/t.

Rand's entitlement to the ore extracted was 103,309 tonnes, compared to 93,282 tonnes the previous year.

Mine claimed production	**Rubicon/Hornet/Pegasus Production**		
Year	**Mined (t)**	**Grade (g/t)**	**Gold (oz)**
2011/2012	78,229	9.6	24,103
2012/2013	266,113	10.3	88,666
2013/2014	314,685	11.3	114,454
2014/2015	605,988	9.5	184,302
2015/2016	761,483	7.3	178,931
2016/2017	**843,340**	**7.10**	**192,487**
Rand's entitlement of 2016/2017	**103,309**	**7.10**	**23,580**

The sequence of stoping and mine development in the current LOM plan is shown below, where grey represents all stoping and development completed at 30 June 2017, green expected to be completed by mid 2018, blue expected to be completed by mid 2019, red expected to be completed by mid 2020, orange expected to be completed by mid 2021 and light blue beyond mid 2021. Further extension of mining depends on the results of the current exploration programme.



Processing

Since January 2013, all EKJV ore has been processed in mainly monthly campaigns at the Kanowna Plant located near Kalgoorlie. In June 2017, a batch of EKJV ore was processed at the Greenfields Plant located near Coolgardie.

EKJV
Processing at Kanowna (KB) and Greenfields (GF)

Campaign	**Date from**	**Date to**	**Processed (t)**
KB41	06 Jul 2016	20 Jul 2016	71,606
KB42	02 Aug 2016	22 Aug 2016	101,763
KB43	02 Sep 2016	20 Sep 2016	100,279
KB44	04 Oct 2016	22 Oct 2016	84,626
KB45	17 Nov 2016	25 Nov 2016	41,214
KB46	01 Dec 2016	16 Dec 2016	73,993
KB47	03 Jan 2017	24 Jan 2017	111,322
KB48	05 Feb 2017	21 Feb 2017	76,142
KB49	02 Mar 2017	17 Mar 2017	78,888
KB50	03 Apr 2017	19 Apr 2017	81,574
KB51	01 May 2017	15 May 2017	74,775
KB52	06 Jun 2017	20 Jun 2017	76,238
GF01	15 Jun 2017	28 Jun 2017	32,819
	01 Jul 2016	**30 Jun 2017**	**1,005,240**
	01 Jul 2015	30 Jun 2016	894,474
	01 Jul 2014	30 Jun 2015	620,719
	01 Jul 2013	30 Jun 2014	423,334
	01 Jul 2012	30 Jun 2013	* 214,255
	01 Jul 2011	30 Jun 2012	-

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

During the year ending 30 June 2017, 109,451.961 ounces of gold and 20,728.060 ounces of silver were credited to the Rand and Tribune Group Bullion Account.

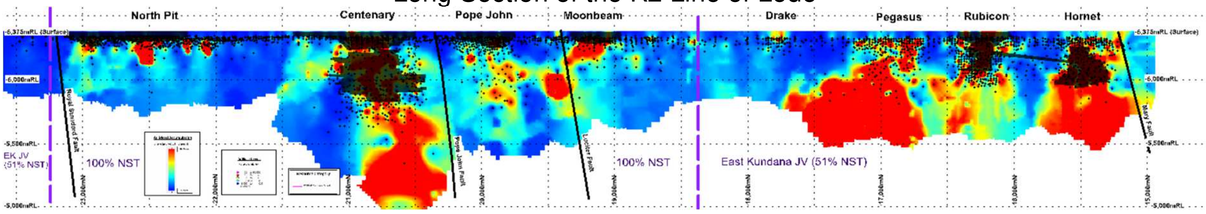
Rand's share of the gold bullion was 27,362.987 ounces compared to 25,936.821 ounces the previous year.

Rand and Tribune Group Bullion				Rand's share
Date from	Date to	Gold (oz)	Silver (oz)	Gold (oz)
01 Jul 2016	**30 Jun 2017**	**109,451**	**20,728**	**27,362**
01 Jul 2015	30 Jun 2016	103,747	20,647	25,937
01 Jul 2014	30 Jun 2015	97,420	21,027	24,355
01 Jul 2013	30 Jun 2014	79,907	18,854	19,976
01 Jul 2012	30 Jun 2013	95,554	17,248	23,888
01 Jul 2011	30 Jun 2012	61,864	15,841	15,466
01 Jul 2010	30 Jun 2011	64,716	8,639	16,179
01 Jul 2009	30 Jun 2010	77,624	12,019	19,406
01 Jul 2008	30 Jun 2009	32,478	4,649	8,119
01 Jul 2007	30 Jun 2008	59,638	8,048	14,909
01 Jul 2006	30 Jun 2007	49,335	6,640	12,333
01 Jul 2005	30 Jun 2006	25,599	3,951	6,399

Exploration

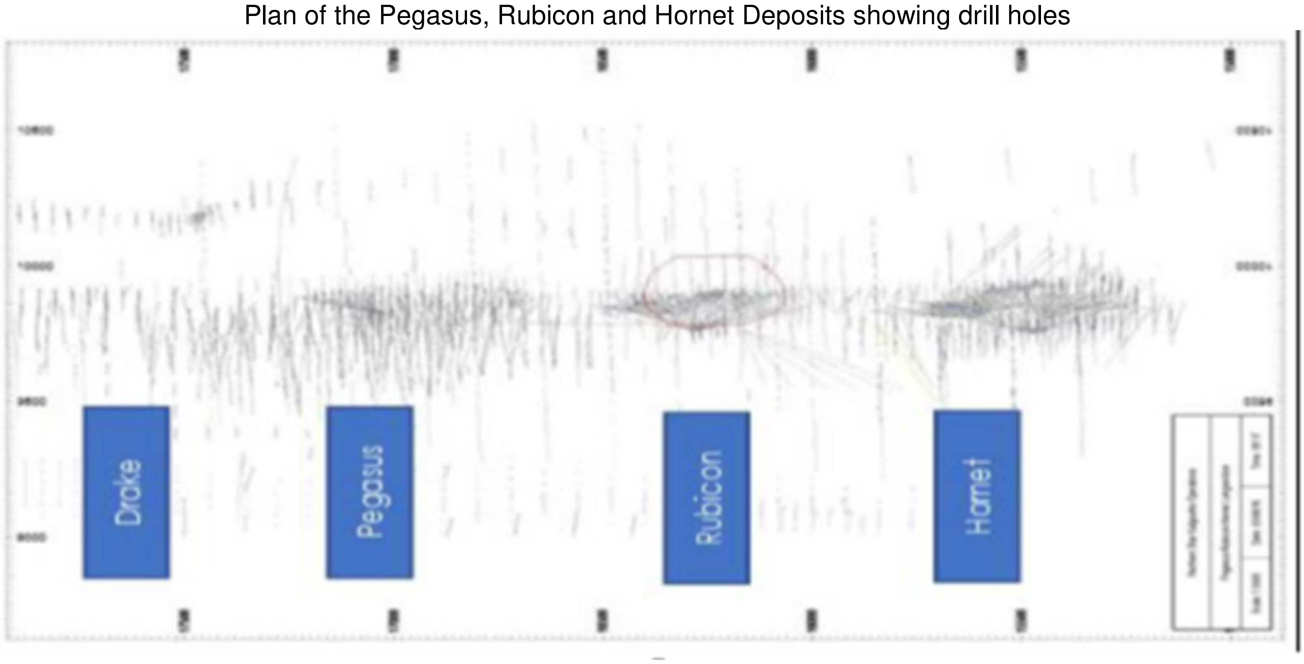
During the year ending 30 June 2017, a number of drilling programmes were conducted along the K2 Line of Lode on the EKJV mining leases.

Long Section of the K2 Line of Lode

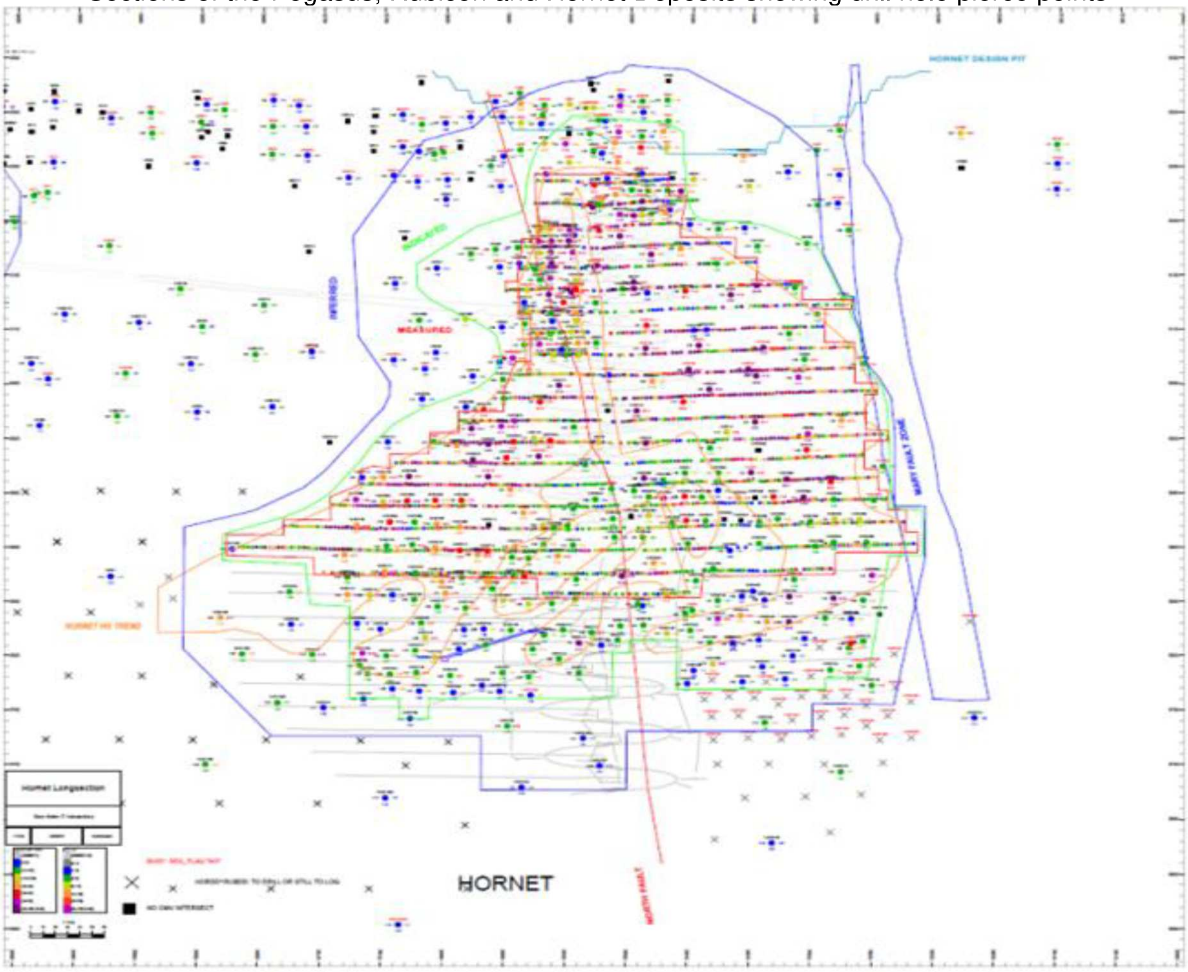


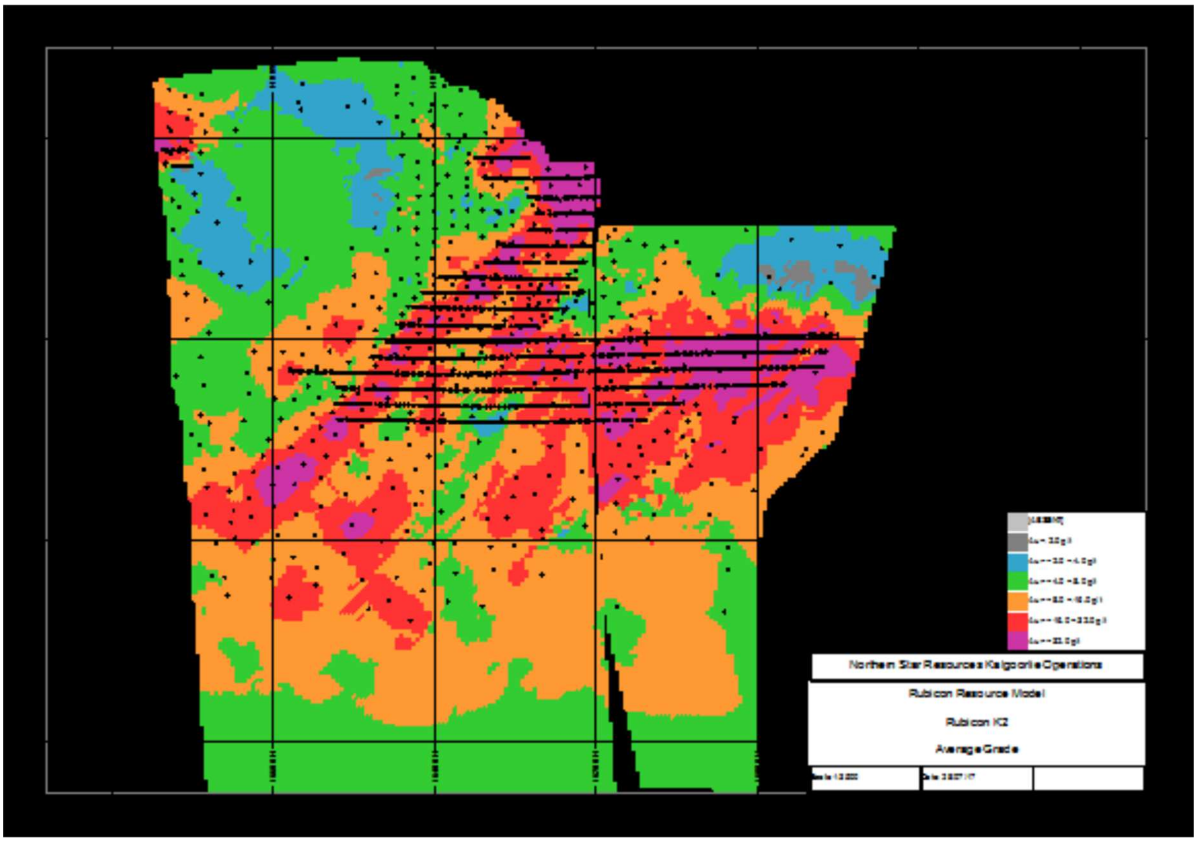
Although most of the effort was focused on the Pegasus, Rubicon and Hornet deposits, there was a significant focus at Raleigh. This resulted in revised JORC compliant reserve and resource estimates.

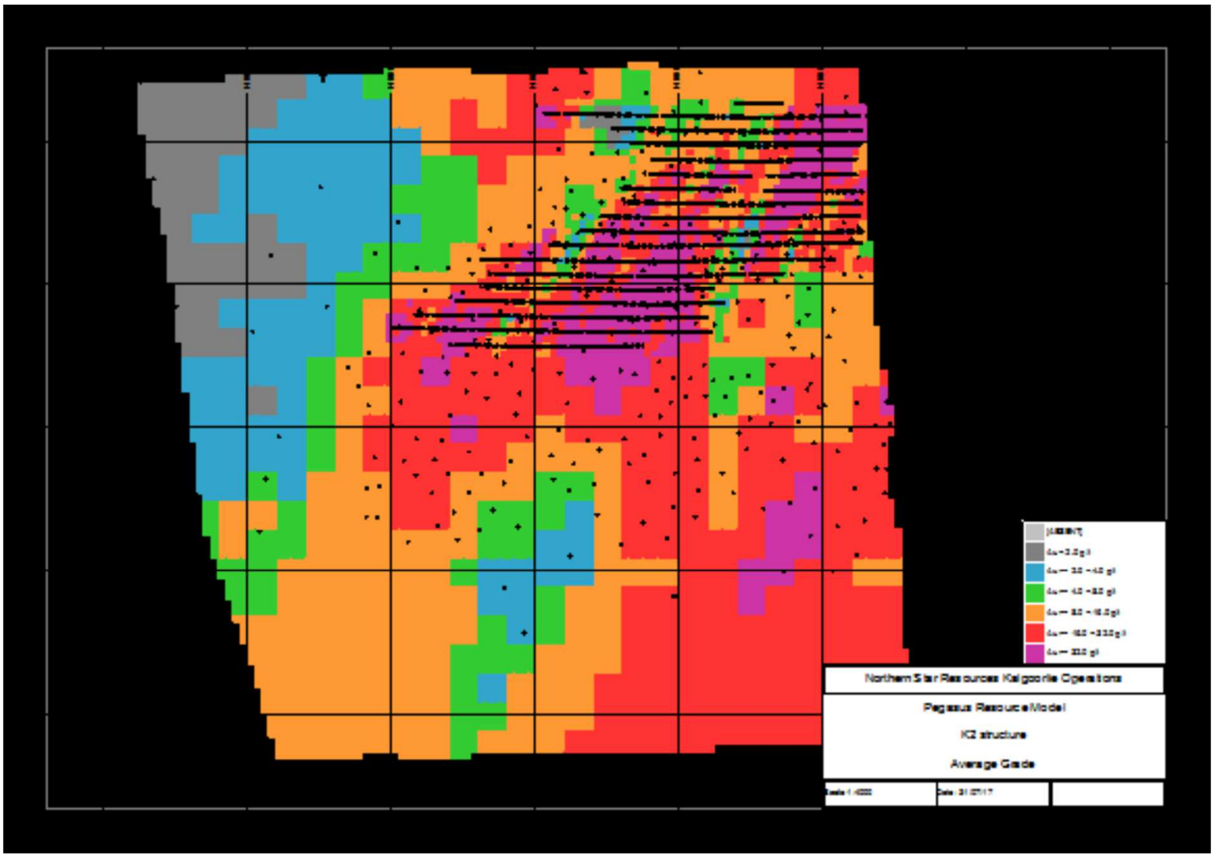
Plan of the Pegasus, Rubicon and Hornet Deposits showing drill holes



Sections of the Pegasus, Rubicon and Hornet Deposits showing drill hole pierce points

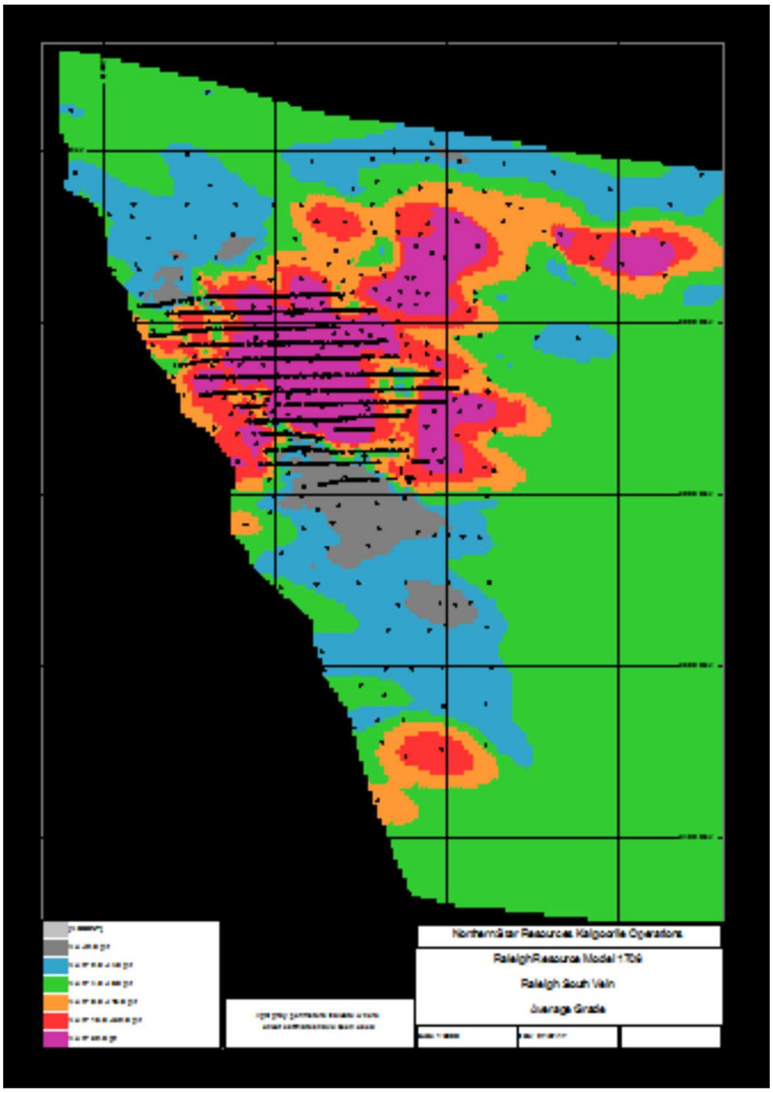






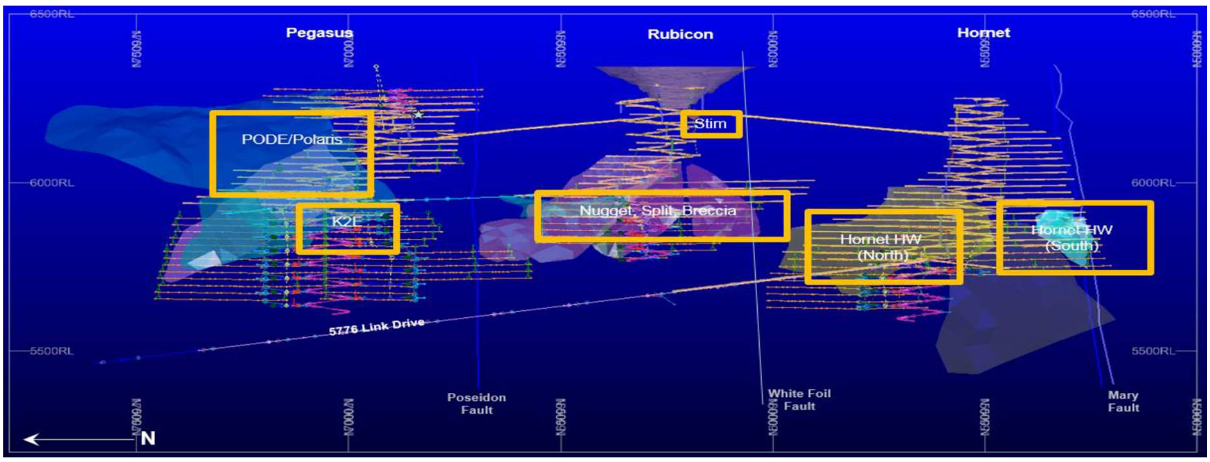
Northern Star Resources Kalgoorlie Operations
Pegasus Resource Model
K2 structure
Average Grade

Sections of the Raleigh and Skinners Vein Deposits showing drill hole pierce points



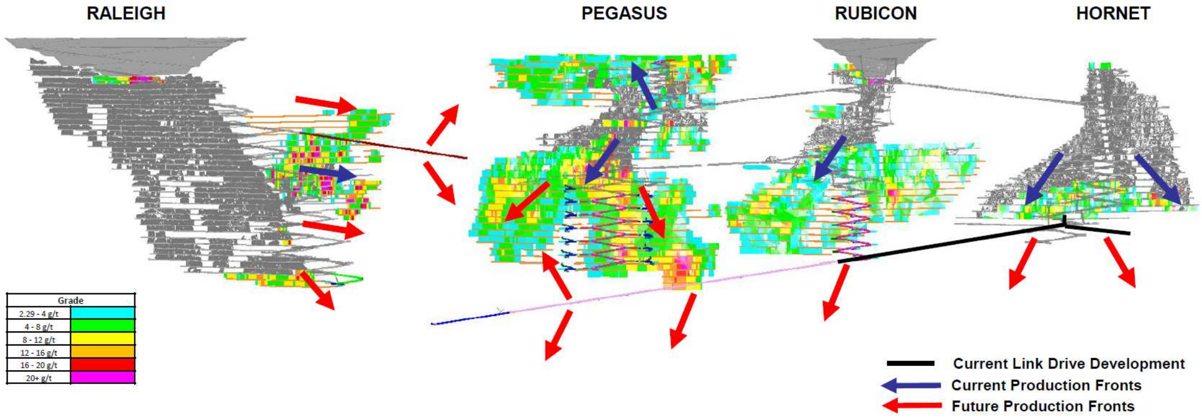
Details have been reported in the EKJV Quarterly Exploration Reports released to ASX on 31 October 2016, 31 January 2017, 27 April 2017 and 13 July 2017.

Surface exploration will continue with aircore and diamond drilling of early stage targets east of the Pegasus-Rubicon-Hornet trend. Extensional and infill drilling work will be ongoing at the Pegasus, Rubicon and Hornet deposits in combination with ongoing mining development.



The drilling programme at Raleigh will focus on the promising high-grade shoots plunging to the south and at depth.

The diagram below suggests that extensions are likely on all four of the orebodies currently being mined.

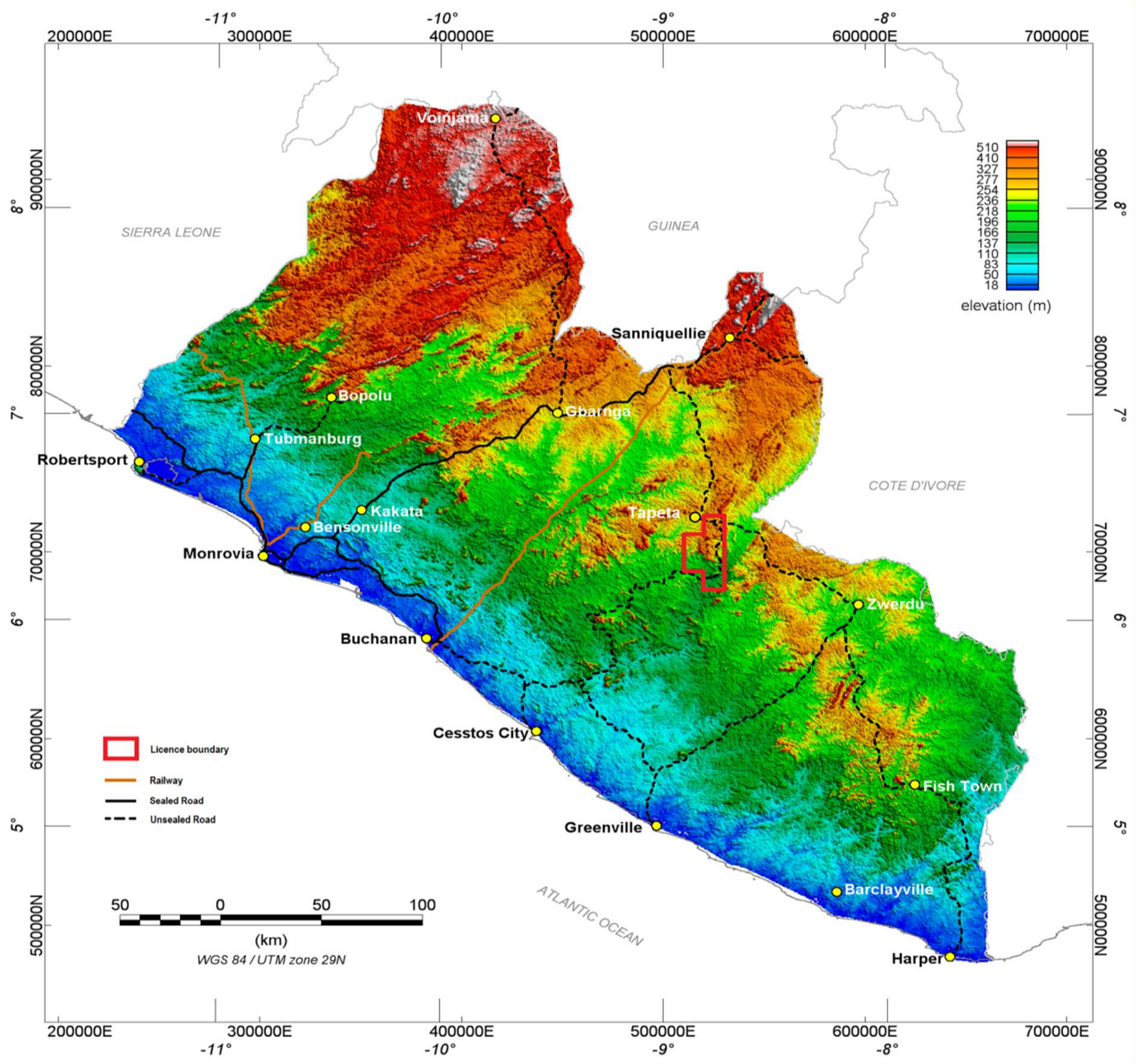


Seven Mile Hill (Rand's interest 50%)
An update of the exploration activities at Seven Mile Hill was released to the ASX on 24 May 2017. A new drilling programme is being planned.

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

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

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



Rand completed 2,732 metres of RC drilling. The drilling has been directed at two prominent iron formations, the Bwee Ridge and the Giant Main Outcrop. Both areas encompass outcrops of haematitic itabirite grading + 60% Fe, with good potential for the discovery of deposits of high grade direct shipping ore, located within 70 km of working rail and port infrastructure.

The site is currently on care and maintenance.

Resources and Reserves

At 30 June 2017, the EKJV's reported Mineral Resource Estimate (excluding Stockpiles but including other Reserves) is 12.02 million tonnes at 6.5 g/t Au for 2.49 million ounces (details in Table 1) and the EKJV's reported Ore Reserve Estimate (excluding Stockpiles) is 6.20 million tonnes at 5.8 g/t Au for 1.16 million ounces (details in Table 2).

TABLE 1

EKJV Mineral Resources including Ore Reserves at 30 June 2017 (subject to rounding errors)

	Entitlement	Measured		Indicated		Inferred		Total Resources		
	(%)	(kt)	Au (g/t)	(kt)	Au (g/t)	(kt)	Au (g/t)	(kt)	Au (g/t)	Au (koz)
Raleigh Underground	12.50	364	14.8	237	8.5	113	7.8	714	11.6	266
Drake Underground	12.25	-	-	155	3.4	290	2.3	445	2.7	38
Pegasus Underground	12.25	485	9.8	4,787	7.1	1,043	5.8	6,315	7.1	1,434
Rubicon Underground	12.25	379	7.8	1,296	6.7	314	4.2	1,989	6.5	415
Hornet Underground	12.25	361	6.7	478	4.3	1,038	4.0	1,877	4.6	276
Hornet Open Pit	12.25	-	-	290	4.8	394	1.6	684	3.0	65
EKJV Mineral Resources (excluding Stockpiles)		**1,589**	**9.7**	**7,243**	**6.7**	**3,192**	**4.3**	**12,024**	**6.5**	**2,494**
Raleigh Ore Stockpile	12.50	37	3.6	-	-	-	-	37	3.6	4
Other EKJV Stockpiles	12.25	121	3.9	-	-	-	-	121	3.9	15
Total EKJV Mineral Resources		**1,747**	**9.2**	**7,243**	**6.7**	**3,192**	**4.3**	**12,182**	**6.4**	**2,513**

Rand Mineral Resources including Ore Reserves at 30 June 2017

Mineral Resources	Entitlement	Measured		Indicated		Inferred		Total Resources		
	(%)	(kt)	Au (g/t)	(kt)	Au (g/t)	(kt)	Au (g/t)	(kt)	Au (g/t)	Au (koz)
Rand	**100.00**	**215**	**9.2**	**888**	**6.7**	**391**	**4.3**	**1,494**	**6.4**	**309**

TABLE 2

EKJV Ore Reserves at 30 June 2017 (subject to rounding errors)

	Entitlement	Proved		Probable		Proved + Probable		
	(%)	(kt)	Au (g/t)	(kt)	Au (g/t)	(kt)	Au (g/t)	Au (koz)
Raleigh Underground	12.50	372	10.1	312	5.7	684	8.2	180
Pegasus Underground	12.25	573	7.7	2,712	5.3	3,285	5.7	600
Rubicon Underground	12.25	314	7.1	1,501	4.6	1,815	5.1	296
Hornet Underground	12.25	241	6.5	104	4.7	345	6.0	66
Hornet Open Pit	12.25	-	-	68	5.8	68	5.8	13
EKJV Mineral Resources (excluding Stockpiles)		**1,500**	**8.0**	**4,697**	**5.1**	**6,197**	**5.8**	**1,155**
Raleigh Ore Stockpile	12.50	37	3.6	-	-	37	3.6	4
Other EKJV Stockpiles	12.25	121	3.9	-	-	121	3.9	15
Total EKJV Mineral Resources		**1,658**	**7.6**	**4,697**	**5.1**	**6,355**	**5.7**	**1,174**

Rand Ore Reserves at 30 June 2017

Ore Reserves	**Entitlement**	**Proved**		**Probable**		**Proved + Probable**		
	(%)	(kt)	Au (g/t)	(kt)	Au (g/t)	(kt)	Au (g/t)	Au (koz)
Rand	**100.00**	**204**	**7.6**	**576**	**5.1**	**780**	**5.7**	**144**

Notes to tables:

- *The gold price used for the Resource calculations was AUD$1,750/oz.*
- *The gold price used for the Reserve calculations was AUD$1,500/oz.*
- *These tables are based on the NST Memorandum, EKJV Summary Resource and Reserve Report – 30 June 2017, lodged by RND with ASX on 3 August 2017.*
- *Raleigh Ore mined from M15/993 is subject to an Ore Division Agreement whereby the Raleigh Ore is divided equally between Gilt Edge Mining NL and the R&T Group.*

Comparison with the Mineral Resource Statement for the year ended 30 June 2016 shows an increase of approximately 660,000 ounces representing the following variations:

- increase in gold price from A$1,700/oz to A$1,750/oz;
- same resource estimation methodology as June 2016;
- mining depletion at Rubicon, Hornet, Pegasus and Raleigh;
- substantial extensions defined by drilling at Rubicon, Pegasus, Hornet, Raleigh South; and
- maiden resource for Drake.

Deposit	**Rand's entitlement**		**30 June 2017 from Table 2**			**30 June 2016 from the Annual Report 2016**	
		(kt)	**Au (g/t)**	**Au (koz)**	**(kt)**	**Au (g/t)**	**Au (koz)**
Raleigh Underground	12.50%	714	11.6	266	180	42.6	247
Drake Underground	12.25%	445	2.7	38	-	-	-
Pegasus Underground	12.25%	6,315	7.1	1,434	3,283	10.4	1,094
Rubicon Underground	12.25%	1,989	6.5	415	474	13.2	202
Hornet Underground	12.25%	1,877	4.6	276	642	10.5	218
Hornet Open Pit	12.25%	684	3.0	65	684	3.0	65
EKJV Mineral Resources (excluding Stockpiles)		**12,024**	**6.5**	**2,494**	**5,264**	**10.8**	**1,825**

Comparison with the Ore Reserve statement for the year ended 30 June 2016 shows an increase of approximately 313,000 ounces representing the following variations:

- same gold price A$1,500/oz;
- mining depletion at Rubicon, Hornet, Pegasus and Raleigh;
- revised cut-off grades to reflect current operations; and
- increase in Ore Reserves at Raleigh, Hornet, Rubicon and Pegasus following conversion of mine exploration success.

Deposit	**Rand's entitlement**		**30 June 2017 from Table 2**			**30 June 2016 from the Annual Report 2016**	
		(kt)	**Au (g/t)**	**Au (koz)**	**(kt)**	**Au (g/t)**	**Au (koz)**
Raleigh Underground	12.50%	684	8.2	180	285	11.9	109
Pegasus Underground	12.25%	3,285	5.7	600	2,042	7.3	479
Rubicon Underground	12.25%	1,815	5.1	296	993	6.9	220
Hornet Underground	12.25%	345	6.0	66			
Hornet Open Pit	12.25%	68	5.8	13	132	5.9	25
EKJV Ore Reserves (excluding Stockpiles)		**6,197**	**5.8**	**1,155**	**3,452**	**7.5**	**833**

Mineral Resource and Ore Reserve Governance and Internal Controls

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

The Company is represented on the EKJV Technical Committee which reviews the Mineral Resource and Ore Reserve estimates and procedures undertaken on no less than a quarterly basis. The Company's Competent Persons and consultants audit internal reviews by the EKJV Manager and external reviews by independent consultants of Mineral Resource and Ore Reserve estimates and procedures. These audits have not identified any material issues.

Competent Person Statements
The information in the Company's 2017 Annual Report that relates to Mineral Resource and Ore Reserve estimates for the Company's EKJV Project Areas is based on information and supporting documentation prepared by the Competent Persons referred to in the ASX announcement detailed in the footnotes to the Minerals Resources and Ore Reserves Tables (Tables) and fairly represents that information.

The Mineral Resources and Ore Reserves statement as a whole, as well as the information provided by the Competent Persons referred to in the ASX announcement detailed in the footnotes to the Tables, has been approved by Dr John Andrews, a full-time employee of the Company. Dr Andrews is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Andrews consents to the inclusion in the Company's 2017 Annual Report announcement of the matters based on this information in the form and context in which it appears.

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

Matters subsequent to the end of the financial year
Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations
The Group intends to continue its exploration, development and production activities on its existing projects and to acquire further suitable projects for exploration as opportunities arise.

Environmental regulation
The Group is subject to and compliant with all aspects of environmental regulation of its exploration and mining activities. The directors are not aware of any environmental law that is not being complied with.

Greenhouse gas and energy data reporting requirements
The Group is subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

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

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

Information on directors

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

Name:	Anthony Billis
Title:	Executive Director, Managing Director and Chief Executive Officer
Experience and expertise:	Anthony has over 30 years' experience in gold exploration within the mining industry in Western Australia. He has been involved in the exploration and development of the Kundana project for over 25 years.
Other current directorships:	Executive Director of Tribune Resources Limited (ASX: TBR)
Former directorships (last 3 years):	None
Interests in shares:	39,714,148 ordinary shares (41,547 directly and 13,095,837 indirectly and 26,576,764 due to position as Director of Tribune Resources Limited)

Name:	Gordon Sklenka
Title:	Non-Executive Director
Qualifications:	B.Comm
Experience and expertise:	Gordon has worked in Chartered Accounting, Stockbroking and Corporate Advisory in both Perth and Sydney and has in excess of 15 years' experience in corporate finance in the resources and technology industries predominantly focusing on capital raisings, IPOs, acquisitions and project finance.
Other current directorships:	Non-Executive Director of Tribune Resources Limited (ASX: TBR)
Former directorships (last 3 years):	Non-Executive Director of Mount Ridley Mines Limited (ASX: MRD) (formerly AXG Mining Ltd (ASX: AXC)) (From 16 February 2005 to 8 September 2014)
Interests in shares:	26,576,764 ordinary shares due to position as a Director of Tribune Resources Limited

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

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

Company secretaries

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

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2017, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
O Demis	8	8
A Billis	8	8
G Sklenka	8	8

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

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

Remuneration report (audited)

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

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

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the Group and Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

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

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

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

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

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

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

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

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

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

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

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

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

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

Use of remuneration consultants
During the financial year ended 30 June 2017, the Company did not engage remuneration consultants, to review its existing remuneration policies and provide recommendations on how to improve both the short-term incentives ('STI') program and long-term incentives ('LTI') program.

Voting and comments made at the Company's 2016 Annual General Meeting ('AGM')
At the last AGM 90.8% of the shareholders voted to adopt the remuneration report for the year ended 30 June 2016. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
The key management personnel of the Group consisted of the directors of Rand Mining Limited and the following persons:
- Roland Berzins - Joint Company Secretary
- John Andrews - Manager of Kalgoorlie Operations

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2017	Cash salary and fees $	Bonus $	Non-monetary * $	Super-annuation $	Leave benefits $	Equity-settled $	Total $
Non-Executive Directors:							
G Sklenka	30,000	-	-	-	-	-	30,000
Executive Directors:							
O Demis	40,000	-	-	3,800	-	-	43,800
A Billis	92,975	-	-	17,500	95,699	-	206,174
Other Key Management Personnel:							
R Berzins	60,000	-	-	-	-	-	60,000
J Andrews	88,750	-	-	17,500	-	-	106,250
	311,725	-	-	38,800	95,699	-	446,224

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

2016	Short-term benefits: Cash salary and fees $	Short-term benefits: Bonus $	Short-term benefits: Non-monetary * $	Post-employment benefits: Super-annuation $	Long-term benefits: Leave benefits $	Share-based payments: Equity-settled $	Total $
Non-Executive Directors:							
G Sklenka	30,000	-	-	-	-	-	30,000
Executive Directors:							
O Demis	40,000	-	-	3,800	-	-	43,800
A Billis	99,491	-	116,408	17,500	-	-	233,399
Other Key Management Personnel:							
R Berzins	60,000	-	-	-	-	-	60,000
J Andrews	92,638	5,000	-	17,500	-	-	115,138
	322,129	5,000	116,408	38,800	-	-	482,337

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

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

Name	Fixed remuneration 2017	Fixed remuneration 2016	STI 2017	STI 2016	LTI 2017	LTI 2016
Non-Executive Directors:						
G Sklenka	100%	100%	-	-	-	-
Executive Directors:						
O Demis	100%	100%	-	-	-	-
A Billis	100%	100%	-	-	-	-
Other Key Management Personnel:						
R Berzins	100%	100%	-	-	-	-
J Andrews	100%	96%	-	4%	-	-

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

Name	Cash bonus paid/payable 2017	Cash bonus paid/payable 2016	Cash bonus forfeited 2017	Cash bonus forfeited 2016
Other Key Management Personnel:				
J Andrews	-	100%	-	-

Service agreements

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

Name:	Otakar Demis
Title:	Executive Chairman and Joint Company Secretary
Term of agreement:	Ongoing subject to re-election at Annual General Meetings every 2 years
Details:	Base salary, inclusive of superannuation, for the year ending 30 June 2017 of $43,800.

Name:	Anthony Billis
Title:	Executive Director and Managing Director
Term of agreement:	Ongoing
Details:	Base salary, inclusive of superannuation and fringe benefits, for the year ended 30 June 2017 of $165,000 to be reviewed annually by the board of directors. During the year the Board approved additional payments of $10,475 relating to accrued annual leave and $30,699 in additional fringe benefits.

Name:	Roland Berzins
Title:	Joint Company Secretary
Term of agreement:	Ongoing
Details:	Base fees, for the year ended 30 June 2017 of $60,000.

Name:	John Andrews
Title:	Manager of Kalgoorlie Operations
Term of agreement:	Ongoing
Details:	Base salary, inclusive of superannuation for the year ended 30 June 2017 of $100,000 plus motor vehicle benefit through the use of a pooled company car. Mr Andrews was also paid an additional $6,250 in relation to accrued annual leave.

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

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2017.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2017.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2017.

Additional information
The earnings of the Group for the five years to 30 June 2017 are summarised below:

	2017 $	2016 $	2015 $	2014 $	2013 $
Sales revenue	34,785,950	32,090,300	24,313,606	28,627,023	26,853,793
EBITDA	27,814,537	26,361,814	17,269,293	8,372,645	17,680,090
EBIT	24,044,268	22,404,640	10,857,428	5,455,111	11,898,724
Profit after income tax	16,521,417	15,287,209	7,302,215	2,940,224	7,555,945

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

	2017	2016	2015	2014	2013
Share price at financial year end ($)	3.00	2.20	2.00	0.56	0.35
Total dividends declared (cents per share)	10.00	-	-	-	-
Basic earnings per share (cents per share)	27.47	25.42	12.04	4.83	12.42
Diluted earnings per share (cents per share)	27.47	25.42	12.04	4.83	12.42
Share buy-back ($)	-	-	879,241	-	-

Additional disclosures relating to key management personnel

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

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
O Demis	4,800	-	-	-	4,800
A Billis *	13,137,384	-	-	-	13,137,384
	13,142,184	-	-	-	13,142,184

* The above amounts contain a direct shareholding in the Company of 41,457 shares and an indirect shareholding of 13,095,887.

O Demis, A Billis and G Sklenka are all common Directors of Tribune Resources Limited ('TBR'). At the reporting date TBR held 26,576,764 (2016: 26,576,764) shares in the Company. These have not been included in the above.

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

Other transactions with key management personnel and their related parties
Payment of royalties to Lake Grace Exploration Pty Ltd, a company related to the director Anthony Billis, totalling $21,248.

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

Option fees paid to Resource Capital Limited, a director related entity, totalling $6,697.

This concludes the remuneration report, which has been audited.

Shares under option
There were no unissued ordinary shares of Rand Mining Limited under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of Rand Mining Limited issued on the exercise of options during the year ended 30 June 2017 and up to the date of this report.

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

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against liabilities that may arise from an officers' position with the exception of insolvency, conduct involving a wilful breach in relation to the Company, or a contravention of section 182 or 183 of the Corporations Act 2001, an entity that is involved in any joint venture or, partnership or enterprise carried on in common with the Company, outside directorships, any outside entity or non-profit outside entity or any vehicle or entity established to conduct such joint venture partnership or enterprise. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

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

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

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

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 33 to the financial statements.

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

The directors are of the opinion that the services as disclosed in note 33 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of Grant Thornton Audit Pty Ltd
There are no officers of the Company who are former partners of Grant Thornton Audit Pty Ltd.

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

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

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

On behalf of the directors

____
Anthony Billis
Director

25 September 2017
Perth

Grant Thornton

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Auditor's Independence Declaration to the Directors of Rand Mining Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Rand Mining Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P. Warr.

P W Warr
Partner - Audit & Assurance

Perth, 25 September 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Revenue	5	34,813,003	32,114,556
Share of profits of associates accounted for using the equity method	6	8,765,189	7,725,647
Other income	7	109,980	2,970
Expenses			
Changes in inventories		6,964,208	7,363,340
Employee benefits expense		(664,106)	(618,319)
Management fees		(475,214)	(467,862)
Depreciation and amortisation expense	8	(3,770,269)	(3,957,174)
Impairment of available-for-sale assets		(51,458)	(1,917)
Impairment of exploration and evaluation	16	(1,160,162)	(1,527,035)
Administration expenses		(713,122)	(1,051,611)
Mining expenses		(13,519,730)	(11,497,179)
Processing expenses		(5,039,017)	(4,562,349)
Royalty expenses		(1,171,828)	(1,070,393)
Foreign currency losses		(16,153)	(23,778)
Finance costs	8	(32,659)	(27,601)
Profit before income tax expense		24,038,662	22,401,295
Income tax expense	9	(7,517,245)	(7,114,086)
Profit after income tax expense for the year attributable to the owners of Rand Mining Limited	28	16,521,417	15,287,209
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Share of other comprehensive income from associate		132,206	307,550
Tax on revaluation adjustment in associate		(39,662)	(92,265)
Items that may be reclassified subsequently to profit or loss			
Available-for-sale financial assets - current year revaluation gain/(loss)		(191,521)	108,018
Other comprehensive income for the year, net of tax		(98,977)	323,303
Total comprehensive income for the year attributable to the owners of Rand Mining Limited		16,422,440	15,610,512
		Cents	**Cents**
Basic earnings per share	41	27.47	25.42
Diluted earnings per share	41	27.47	25.42

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

	Note	Consolidated 2017 $	Consolidated 2016 $
Assets			
Current assets			
Cash and cash equivalents	10	3,984,339	3,751,530
Trade and other receivables	11	405,315	264,219
Inventories	12	41,269,709	34,272,531
Total current assets		45,659,363	38,288,280
Non-current assets			
Investments accounted for using the equity method	13	39,956,735	31,059,340
Available-for-sale financial assets	14	267,188	510,167
Property, plant and equipment	15	7,259,836	5,714,691
Exploration and evaluation	16	754,378	812,350
Mine development	17	6,358,938	3,894,316
Deferred tax	18	1,461,492	1,550,775
Total non-current assets		56,058,567	43,541,639
Total assets		101,717,930	81,829,919
Liabilities			
Current liabilities			
Trade and other payables	19	5,645,184	3,445,973
Borrowings	20	347,190	350,771
Income tax	21	231,295	1,827,857
Provisions	22	6,068,816	44,195
Total current liabilities		12,292,485	5,668,796
Non-current liabilities			
Borrowings	23	82,239	429,428
Deferred tax	24	10,457,725	7,262,362
Provisions	25	237,093	228,537
Total non-current liabilities		10,777,057	7,920,327
Total liabilities		23,069,542	13,589,123
Net assets		78,648,388	68,240,796
Equity			
Issued capital	26	16,694,186	16,694,186
Reserves	27	1,126,405	1,225,382
Retained profits	28	60,827,797	50,321,228
Total equity		78,648,388	68,240,796

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

Consolidated	Issued capital $	Reserves $	Retained profits $	Total equity $
Balance at 1 July 2015	16,694,186	902,079	35,034,019	52,630,284
Profit after income tax expense for the year	-	-	15,287,209	15,287,209
Other comprehensive income for the year, net of tax	-	323,303	-	323,303
Total comprehensive income for the year	-	323,303	15,287,209	15,610,512
Balance at 30 June 2016	16,694,186	1,225,382	50,321,228	68,240,796

Consolidated	Issued capital $	Reserves $	Retained profits $	Total equity $
Balance at 1 July 2016	16,694,186	1,225,382	50,321,228	68,240,796
Profit after income tax expense for the year	-	-	16,521,417	16,521,417
Other comprehensive income for the year, net of tax	-	(98,977)	-	(98,977)
Total comprehensive income for the year	-	(98,977)	16,521,417	16,422,440
Transactions with owners in their capacity as owners:				
Dividends paid (note 29)	-	-	(6,014,848)	(6,014,848)
Balance at 30 June 2017	16,694,186	1,126,405	60,827,797	78,648,388

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

	Note	Consolidated 2017 $	Consolidated 2016 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		34,786,483	32,091,738
Payments to suppliers and employees (inclusive of GST)		(19,482,613)	(19,276,608)
		15,303,870	12,815,130
Interest received		27,053	24,256
Interest and other finance costs paid		(32,659)	(20,093)
Income taxes paid		(5,868,824)	(2,928,442)
Net cash from operating activities	39	9,429,440	9,890,851
Cash flows from investing activities			
Payments for investments		-	(199,174)
Payments for property, plant and equipment		(2,308,803)	(2,232,190)
Payments for exploration and evaluation		(1,634,543)	(2,051,722)
Payments for mine development		(4,933,249)	(3,829,913)
Proceeds from disposal of property, plant and equipment		30,734	-
Net cash used in investing activities		(8,845,861)	(8,312,999)
Cash flows from financing activities			
Repayment of borrowings		(350,770)	(238,498)
Cash advances to Tribune Resources Limited		(2,270,000)	(3,650,000)
Cash advances from Tribune Resources Limited		2,270,000	3,650,000
Net cash used in financing activities		(350,770)	(238,498)
Net increase in cash and cash equivalents		232,809	1,339,354
Cash and cash equivalents at the beginning of the financial year		3,751,530	2,412,176
Cash and cash equivalents at the end of the financial year	10	3,984,339	3,751,530

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

Note 1. General information

The financial statements cover Rand Mining Limited as a Group consisting of Rand Mining Limited and the entities it controlled at the end of, or during, the year. 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 25 September 2017. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Basis of preparation

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

Historical cost convention

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 37.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Rand Mining Limited ('Company' or 'parent entity') as at 30 June 2017 and the results of all subsidiaries for the year then ended. Rand Mining Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

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

Note 2. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Note 2. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

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

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

Note 2. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

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

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

Note 2. Significant accounting policies (continued)

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Mining plant and equipment and capital work in progress
Mining plant and equipment and capital work in progress is carried at cost which includes acquisition, transportation, installation, and commissioning costs. Costs also include present value of decommissioning costs and finance charges capitalised during the construction period where such expenditure is financed by borrowings. Costs are not depreciated until such time as the asset has been completed ready for use.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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

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

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

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

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

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

Examples of common exploration and evaluation activities
Exploration activities which primarily consist of expenditures relating to drilling programs and include, but are not limited to:
- Researching and analysing existing exploration data;
- Conducting geological mapping studies; and
- Exploratory drilling and sampling including:
  - Taking core samples for analysis (assay work);
  - Sinking exploratory shafts;
  - Opening shallow pits; and
  - Drilling to determine volume and grade of deposits in an area known to contain mineral resources, or for the purpose of converting mineral resources into proven and probable reserves.

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

Note 2. Significant accounting policies (continued)

Mine development assets
Capitalised mine development costs include expenditures incurred to develop new ore bodies to define further mineralisation in existing ore bodies, to expand the capacity of a mine and to maintain production. Mine development also includes costs transferred from exploration and evaluation phase once production commences in the area of interest.

Amortisation of mine development is computed by the units of production basis over the estimated proved and probable reserves. Proved and probable mineral reserves reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known mineral deposits. These reserves are amortised from the date on which production commences. The amortisation is calculated from recoverable proven and probable reserves and a predetermined percentage of the recoverable measured, indicated and inferred resource. This percentage is reviewed annually.

Restoration costs expected to be incurred are provided for as part of development phase that give rise to the need for restoration.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

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

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

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

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

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

Employee benefits

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

Note 2. Significant accounting policies (continued)

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

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

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

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

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

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

Issued capital
Ordinary shares are classified as equity.

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

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

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the financial year but not distributed at the reporting date.

Earnings per share

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

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

Note 2. Significant accounting policies (continued)

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

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

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

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2017. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance.

The Group will first adopt this standard for the year ending 30 June 2019 but it is not expected to significantly impact the financial statements on the basis that the main financial assets recognised represent cash and cash equivalent and trade receivables that do not carry a significant financing component and involve a single cash flow representing the repayment of principal, which in the case of trade receivables is the transaction price. Both asset classes will continue to be measured at face value. Other financial asset classes are not material to the Group. Financial liabilities of the Group are not impacted as the Group does not carry them at fair value and are not material.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.

The Group will adopt this standard from 1 July 2018 but it is not expected to significantly impact the Group on the basis that most of the its revenue is recognised at the time of transfer of service to customer which represents the satisfaction of the primary performance obligation.

Note 2. Significant accounting policies (continued)

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The Group will adopt the standard from 1 July 2019 and the actual impact will depend on the operating leases held by the Group as at 1 July 2019 and the transitional elections made at that time.

Note 3. Critical accounting judgements, estimates and assumptions

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

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

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

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

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

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

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

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

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

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

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

Note 4. Operating segments

Identification of reportable operating segments
The Group has no 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 are the Group as a whole.

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

Note 5. Revenue

	Consolidated	
	2017 $	2016 $
Sales revenue		
Sales of gold	34,785,950	32,090,300
Other revenue		
Interest	27,053	24,256
Revenue	34,813,003	32,114,556

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

	Consolidated 2017 $	Consolidated 2016 $
Share of profit - associates	8,765,189	7,725,647

Share of profit - associates relates to the Company's investment in Tribune Resources Limited. Refer to note 13 for further details of the investment.

Note 7. Other income

	Consolidated 2017 $	Consolidated 2016 $
Net gain on disposal of property, plant and equipment	30,598	1,532
Other income - sale of scrap	79,382	1,438
Other income	109,980	2,970

Note 8. Expenses

	Consolidated 2017 $	Consolidated 2016 $
Profit before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	14,240	15,580
Mining plant and equipment	1,287,402	938,306
Total depreciation	1,301,642	953,886
Amortisation		
Mine development	2,468,627	3,003,288
Total depreciation and amortisation	3,770,269	3,957,174
Finance costs		
Interest and finance charges paid/payable	32,659	27,601
Rental expense relating to operating leases		
Minimum lease payments	59,239	73,918
Superannuation expense		
Defined contribution superannuation expense	29,749	30,833

Note 9. Income tax expense

	Consolidated 2017 $	Consolidated 2016 $
Income tax expense		
Current tax	4,272,699	4,521,855
Deferred tax - origination and reversal of temporary differences	3,244,984	2,590,119
Current tax relating to prior periods	(438)	2,112
Aggregate income tax expense	7,517,245	7,114,086
Deferred tax included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets (note 18)	89,283	(133,000)
Increase in deferred tax liabilities (note 24)	3,155,701	2,723,119
Deferred tax - origination and reversal of temporary differences	3,244,984	2,590,119
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	24,038,662	22,401,295
Tax at the statutory tax rate of 30%	7,211,599	6,720,389
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible foreign expenditure	288,692	390,533
Sundry items	17,393	1,052
	7,517,684	7,111,974
Adjustment recognised for prior periods	(439)	2,112
Income tax expense	7,517,245	7,114,086

	Consolidated 2017 $	Consolidated 2016 $
Amounts charged directly to equity		
Deferred tax liabilities (note 24)	39,662	92,265

Note 10. Current assets - cash and cash equivalents

	Consolidated 2017 $	Consolidated 2016 $
Cash on hand	200	200
Cash at bank	3,984,139	3,751,330
	3,984,339	3,751,530

Note 11. Current assets - trade and other receivables

	Consolidated 2017 $	Consolidated 2016 $
Other receivables	342,958	219,656
Goods and services tax receivable	62,357	44,563
	405,315	264,219

Past due but not impaired
Customers with balances past due but without provision for impairment of receivables amount to $342,958 as at 30 June 2017 ($219,656 as at 30 June 2016).

The Group did not consider a credit risk on the aggregate balances after reviewing the credit terms of customers based on recent collection practices.

The ageing of the past due but not impaired receivables are as follows:

	Consolidated 2017 $	Consolidated 2016 $
0 to 3 months overdue	342,958	219,656

Note 12. Current assets - inventories

	Consolidated 2017 $	Consolidated 2016 $
Ore stockpiles - at cost	1,838,173	1,862,720
Gold in transit - at cost	287,706	192,263
Gold on hand - at cost	38,784,811	31,891,499
Consumables - Inventory at cost	359,019	326,049
	41,269,709	34,272,531

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

	Consolidated 2017 $	Consolidated 2016 $
Investment in associate - Tribune Resources Limited	49,500,609	40,603,214
Less: provision for impairment	(9,543,874)	(9,543,874)
	39,956,735	31,059,340

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

Interests in associates

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

Name	Principal place of business / Country of incorporation	Ownership interest 2017 %	Ownership interest 2016 %
Tribune Resources Limited	Australia	26.32%	26.32%

Summarised financial information

	Tribune Resources Limited 2017 $	Tribune Resources Limited 2016 $
Summarised statement of financial position		
Current assets	157,930,238	132,804,750
Non-current assets	65,056,043	52,478,834
Total assets	222,986,281	185,283,584
Current liabilities	32,979,010	19,586,571
Non-current liabilities	5,346,489	4,841,049
Total liabilities	38,325,499	24,427,620
Net assets	184,660,782	160,855,964
Summarised statement of profit or loss and other comprehensive income		
Revenue	101,959,200	85,993,262
Expenses	(53,510,275)	(42,779,570)
Profit before income tax	48,448,925	43,213,692
Income tax expense	(15,145,836)	(13,860,312)
Profit after income tax	33,303,089	29,353,380
Other comprehensive income	502,313	603,538
Total comprehensive income	33,805,402	29,956,918
Reconciliation of the Group's carrying amount		
Opening carrying amount	31,059,340	22,826,969
Share of profit after income tax	8,765,189	7,725,647
Share of other comprehensive income	132,206	307,550
Purchase of shares	-	199,174
Closing carrying amount	39,956,735	31,059,340

The market value of listed investment in associates at 30 June 2017 is $95,808,578 (2016: $98,967,103).

At 30 June 2017 the share price of Tribune Resources Limited increased to $7.28 (2016: $7.52). The Company considers the recoverable amount to be fair value less costs to sell.

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

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

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to Note 2 'Associates' for a description of the equity method of accounting.

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

		Ownership interest	
	Principal place of business /	2017	2016
Name	**Country of incorporation**	**%**	**%**
East Kundana Joint Venture	Australia	12.25%	12.25%

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

	Consolidated	
	2017	2016
	$	$
Listed securities - at fair value	267,188	510,167

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

Opening fair value	510,167	404,066
Revaluation increments	(191,521)	108,018
Impairment of assets	(51,458)	(1,917)
Closing fair value	267,188	510,167

Refer to note 31 for further information on fair value measurement.

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

	Consolidated	
	2017	2016
	$	$
Plant and equipment - at cost	241,015	246,526
Less: Accumulated depreciation	(241,015)	(232,141)
	-	14,385
Mining plant and equipment - at cost	13,964,338	12,306,378
Less: Accumulated depreciation	(7,295,462)	(6,707,932)
	6,668,876	5,598,446
Construction work in progress - at cost	590,960	101,860
	7,259,836	5,714,691

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

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

Consolidated	Plant and equipment $	Mining plant and equipment $	Construction WIP $	Total $
Balance at 1 July 2015	29,965	3,084,260	303,464	3,417,689
Additions	-	820,511	2,430,377	3,250,888
Transfers in/(out)	-	2,631,981	(2,631,981)	-
Depreciation expense	(15,580)	(938,306)	-	(953,886)
Balance at 30 June 2016	14,385	5,598,446	101,860	5,714,691
Additions	-	1,240,904	1,067,899	2,308,803
Disposals	(145)	-	(1,532)	(1,677)
Transfers from exploration and evaluation	-	539,661	-	539,661
Transfers in/(out)	-	577,267	(577,267)	-
Depreciation expense	(14,240)	(1,287,402)	-	(1,301,642)
Balance at 30 June 2017	-	6,668,876	590,960	7,259,836

Included in mining plant and equipment is $3,816,557 (2016: $2,053,993) of resource extension relating to drilling expenditure on Raleigh, Rubicon/Hornet and Pegasus.

Property, plant and equipment secured under finance leases
Refer to note 35 for further information on property, plant and equipment secured under finance leases.

Note 16. Non-current assets - exploration and evaluation

	Consolidated 2017 $	Consolidated 2016 $
Exploration and evaluation - at cost	754,378	812,350

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

Consolidated	Exploration and evaluation $	Total $
Balance at 1 July 2015	304,375	304,375
Additions	2,035,010	2,035,010
Impairment of assets	(1,527,035)	(1,527,035)
Balance at 30 June 2016	812,350	812,350
Additions	1,641,851	1,641,851
Impairment of assets	(1,160,162)	(1,160,162)
Transfers to mining plant and equipment	(539,661)	(539,661)
Balance at 30 June 2017	754,378	754,378

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

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

Impairment
At each reporting date the Group undertakes an assessment of the carrying amount of its exploration and evaluation assets. During the year the Group identified indicators of impairment on certain exploration and evaluation assets under AASB 6 'Exploration for and Evaluation of Mineral Resources'. As a result of this review, an impairment loss of $1,160,162 (2016: $1,157,035) has been recognised in the statement of profit or loss in relation to areas of interest where no future exploration and evaluation activities are expected.

Note 17. Non-current assets - mine development

	Consolidated	
	2017 $	2016 $
Mine development - at cost	33,258,484	28,325,234
Less: Accumulated amortisation	(26,899,546)	(24,430,918)
	6,358,938	3,894,316

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

Consolidated	Mine development $	Total $
Balance at 1 July 2015	3,067,691	3,067,691
Additions	3,831,687	3,831,687
Rehabilitation adjustment	(1,774)	(1,774)
Amortisation expense	(3,003,288)	(3,003,288)
Balance at 30 June 2016	3,894,316	3,894,316
Additions	4,933,249	4,933,249
Amortisation expense	(2,468,627)	(2,468,627)
Balance at 30 June 2017	6,358,938	6,358,938

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

Note 18. Non-current assets - deferred tax

	Consolidated 2017 $	Consolidated 2016 $
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Provisions	16,190	13,258
Provision for rehabilitation	70,171	68,561
Capitalised mine development costs	1,349,366	1,443,934
Blackhole costs	2,471	4,819
Other	23,294	20,203
Deferred tax asset	1,461,492	1,550,775
Movements:		
Opening balance	1,550,775	1,417,775
Credited/(charged) to profit or loss (note 9)	(89,283)	133,000
Closing balance	1,461,492	1,550,775

Note 19. Current liabilities - trade and other payables

	Consolidated 2017 $	Consolidated 2016 $
Trade payables	5,251,890	3,070,048
Accrued expenses	387,508	368,881
Other payables	5,786	7,044
	5,645,184	3,445,973

Refer to note 30 for further information on financial instruments.

Note 20. Current liabilities - borrowings

	Consolidated 2017 $	Consolidated 2016 $
Lease liability	347,190	350,771

Refer to note 30 for further information on financial instruments.

Note 21. Current liabilities - income tax

	Consolidated 2017 $	Consolidated 2016 $
Provision for income tax	231,295	1,827,857

Note 22. Current liabilities - provisions

	Consolidated 2017 $	Consolidated 2016 $
Employee benefits	53,968	44,195
Dividends	6,014,848	-
	6,068,816	44,195

Dividends
The provision represents dividends declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the financial year but not distributed at the reporting date.

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

Consolidated - 2017	Dividends $
Carrying amount at the start of the year	-
Additional provisions recognised	6,014,848
Carrying amount at the end of the year	6,014,848

Note 23. Non-current liabilities - borrowings

	Consolidated 2017 $	Consolidated 2016 $
Lease liability	82,239	429,428

Refer to note 30 for further information on financial instruments.

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	Consolidated 2017 $	Consolidated 2016 $
Lease liability	429,429	780,199

Assets pledged as security
The lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, revert to the lessor in the event of default.

Note 24. Non-current liabilities - deferred tax

	Consolidated 2017 $	2016 $
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Investment in associate	8,675,124	6,045,567
Capitalised exploration	1,371,281	854,503
Other	107,704	98,338
	10,154,109	6,998,408
Amounts recognised in equity:		
Investment in associate	303,616	263,954
Deferred tax liability	10,457,725	7,262,362
Movements:		
Opening balance	7,262,362	4,446,978
Charged to profit or loss (note 9)	3,155,701	2,723,119
Charged to equity (note 9)	39,662	92,265
Closing balance	10,457,725	7,262,362

Note 25. Non-current liabilities - provisions

	Consolidated 2017 $	2016 $
Rehabilitation	237,093	228,537

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

The provision for rehabilitation also covers the following key long-lived assets:
- Raleigh: Pit, Raleigh Paleo channel WRD, ROM pad and backfill plant;
- Pope John Pit;
- White Foil - Moonbeam discharge pipeline; and
- Kurrawang Pipeline Corridor.

During the period, EKJV management reassessed the rehabilitation cost estimate, noting no significant adjustments to the underlying cost estimate applied at 30 June 2017.

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

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

Consolidated - 2017	Rehabilitation $
Carrying amount at the start of the year	228,537
Impact of revision to expected cashflows (net of accretion)	8,556
Carrying amount at the end of the year	237,093

Note 26. Equity - issued capital

	Consolidated			
	2017 Shares	**2016 Shares**	**2017 $**	**2016 $**
Ordinary shares - fully paid	60,148,475	60,148,475	16,694,186	16,694,186

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

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

Share buy-back
On 7 December 2016, the Company announced it would extend the on-market buy-back of ordinary shares to 12 December 2017. The number of shares remaining to be bought back is 5,931,386.

The market price at the date of the announcement was $1.85.

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

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

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

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

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

The capital risk management policy remains unchanged from the 2016 Annual Report.

Note 27. Equity - reserves

	Consolidated 2017 $	Consolidated 2016 $
Available-for-sale reserve	123,632	315,153
Equity accounting reserve	1,002,773	910,229
	1,126,405	1,225,382

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

Equity accounting reserve
This reserve is used to recognise the share of the increments and decrements of other comprehensive income from the Company's share in associate using the equity method.

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

Consolidated	Available-for-sale $	Equity accounting $	Total $
Balance at 1 July 2015	207,135	694,944	902,079
Revaluation - net of tax	108,018	-	108,018
Share of other comprehensive income from associate	-	215,285	215,285
Balance at 30 June 2016	315,153	910,229	1,225,382
Revaluation - net of tax	(191,521)	-	(191,521)
Share of other comprehensive income from associate	-	92,544	92,544
Balance at 30 June 2017	123,632	1,002,773	1,126,405

Note 28. Equity - retained profits

	Consolidated 2017 $	Consolidated 2016 $
Retained profits at the beginning of the financial year	50,321,228	35,034,019
Profit after income tax expense for the year	16,521,417	15,287,209
Dividends payable (note 29)	(6,014,848)	-
Retained profits at the end of the financial year	60,827,797	50,321,228

Note 29. Equity - dividends

Dividends
Dividends payable during the financial year were as follows:

	Consolidated 2017 $	Consolidated 2016 $
Maiden dividend for the year ended 30 June 2017 of 10 cents (2016: nil cents) per ordinary share fully franked based on a tax rate of 30%	6,014,848	-

A fully-franked maiden dividend, as disclosed to the ASX on 8 June 2017, of 10 cents per ordinary share was paid to shareholders on 31 July 2017. The dividend was paid to those shareholders who were on the register on 7 July 2017.

Franking credits

	Consolidated 2017 $	Consolidated 2016 $
Franking credits available for subsequent financial years based on a tax rate of 30%	20,742,705	-

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 30. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk.

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

Market risk

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

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

The policy of the Group is to sell gold at spot price and so it has not entered into any hedging contracts. The Group's revenues were exposed to fluctuation in the price of gold. If the average selling price of gold of US$1,257.28 (2016: US$1,167.24) for the financial year had increased/decreased by 10% the change in the profit before income tax for the Group would have been an increase/decrease of A$3,434,201 (2016: A$3,146,678).

Note 30. Financial instruments (continued)

If there was a 10% increase or decrease in market price of gold, the net realisable value of bullion on hand would increase/(decrease) by $7,598,116 (2016: $7,238,757) and the bullion in transit would increase/(decrease) by $56,194 (2016: $41,670). As gold on hand is held at cost there would be no impact on profit or loss.

Interest rate risk
The Group's main interest rate risk arises from cash and cash equivalents.

As at the reporting date, the Group had the following cash and cash equivalents:

	2017		2016	
Consolidated	Weighted average interest rate %	Balance $	Weighted average interest rate %	Balance $
Cash at bank	1.92%	3,984,339	2.23%	3,751,530
Net exposure to cash flow interest rate risk		3,984,339		3,751,530

An official increase/decrease in interest rates of one hundred (2016: one hundred) basis points would have a favourable/adverse (2016: favourable/adverse) effect on profit before tax of $39,843 (2016: $37,515) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

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

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

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

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

Note 30. Financial instruments (continued)

Remaining contractual maturities

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

Consolidated - 2017	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	5,251,890	-	-	-	5,251,890
Other payables	-	5,786	-	-	-	5,786
Interest-bearing - fixed rate						
Lease liability	1.56%	355,248	82,727	-	-	437,975
Total non-derivatives		5,612,924	82,727	-	-	5,695,651

Consolidated - 2016	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	3,070,048	-	-	-	3,070,048
Other payables	-	7,044	-	-	-	7,044
Interest-bearing - fixed rate						
Lease liability	1.54%	369,665	437,975	-	-	807,640
Total non-derivatives		3,446,757	437,975	-	-	3,884,732

Note 31. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2017	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Listed securities - equity	267,188	-	-	267,188
Total assets	267,188	-	-	267,188

Note 31. Fair value measurement (continued)

Consolidated - 2016	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Listed securities - equity	510,167	-	-	510,167
Total assets	510,167	-	-	510,167

There were no transfers between levels during the financial year.

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

Note 32. Key management personnel disclosures

Compensation

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

	Consolidated 2017 $	Consolidated 2016 $
Short-term employee benefits	311,725	443,537
Post-employment benefits	38,800	38,800
Long-term benefits	95,699	-
	446,224	482,337

Note 33. Remuneration of auditors

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

	Consolidated 2017 $	Consolidated 2016 $
Audit services - Grant Thornton Audit Pty Ltd		
Audit or review of the financial statements	74,750	101,000
Other services - Grant Thornton Audit Pty Ltd		
Tax compliance services	14,000	13,200
IFRS accounting services	33,700	24,250
	47,700	37,450
	122,450	138,450

Note 34. 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 35. Commitments

	Consolidated	
	2017 $	2016 $
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	3,101,378	916,549
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	400,323	399,974
One to five years	1,558,855	1,570,190
	1,959,178	1,970,164
Lease commitments - finance		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	355,248	369,665
One to five years	82,727	437,975
Total commitment	437,975	807,640
Less: Future finance charges	(8,546)	(27,441)
Net commitment recognised as liabilities	429,429	780,199
Representing:		
Lease liability - current (note 20)	347,190	350,771
Lease liability - non-current (note 23)	82,239	429,428
	429,429	780,199

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

Operating lease commitments include contracted amounts for mining tenement leases. In order to maintain current rights of tenure to mining tenements, the Group will be required to outlay the above-mentioned funds in respect of tenement lease rentals and to meet minimum expenditure requirements of the Western Australian Mines Department. These obligations are expected to be fulfilled in the normal course of operations.

Finance lease commitments include contracted amounts for East Kundana joint venture underground mining equipment secured under finance leases expiring within 30 to 36 months. Under the terms of the leases, the consolidated entity has the option to acquire the leased assets for predetermined residual values on the expiry of the leases.

Note 36. Related party transactions

Parent entity
Rand Mining Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 38.

Note 36. Related party transactions (continued)

Associates
Interests in associates are set out in note 13.

Joint ventures
Interests in joint ventures are set out in note 13.

Key management personnel
Disclosures relating to key management personnel are set out in note 32 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 2017 $	Consolidated 2016 $
Payment for other expenses:		
Payment of royalties to Lake Grace Exploration Pty Ltd *	21,248	15,117
Payment for executive accommodation fees to Lake Grace Exploration Pty Ltd *	27,000	22,173
Payment for consulting fees to Lake Grace Exploration Pty Ltd *	-	18,175
Option fees paid to Resource Capital Limited **	6,697	14,310

* A company related to the director Anthony Billis.
** A director related entity

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Advances to/from related parties
During the reporting period, advances of $2,270,000 (2016: $3,650,000) were made between Rand Mining Limited and Tribune Resources Limited. These amounts were repaid prior to the reporting date. As disclosed above, there were no receivables from related parties at 30 June 2017.

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

Note 37. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent 2017 $	Parent 2016 $
Loss after income tax	(412,192)	(385,798)
Total comprehensive income	(412,192)	(385,798)

Note 37. Parent entity information (continued)

Statement of financial position

	Parent 2017 $	Parent 2016 $
Total current assets	7,806,395	9,809,566
Total assets	8,360,747	10,360,986
Total current liabilities	6,305,897	1,879,096
Total liabilities	6,305,897	1,879,096
Equity		
Issued capital	16,694,186	16,694,186
Accumulated losses	(14,639,336)	(8,212,296)
Total equity	2,054,850	8,481,890

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2017 and 30 June 2016.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2017 and 30 June 2016.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2017 and 30 June 2016.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 38. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2017 %	Ownership interest 2016 %
Rand Exploration N.L.	Australia	100.00%	100.00%
Mount Manning Resources Pty Ltd*	Australia	50.00%	50.00%

* Formerly known as Mount Manning Resources Limited

Note 39. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated 2017 $	Consolidated 2016 $
Profit after income tax expense for the year	16,521,417	15,287,209
Adjustments for:		
Depreciation and amortisation	3,770,269	3,957,174
Net gain on disposal of property, plant and equipment	(29,057)	-
Share of profit from equity accounted investments	(8,765,189)	(7,725,647)
Impairment of available-for-sale financial assets	51,458	1,917
Impairment of exploration and evaluation	1,160,162	1,527,035
Change in operating assets and liabilities:		
Increase in trade and other receivables	(141,096)	(43,948)
Increase in inventories	(6,997,178)	(7,393,959)
Decrease in income tax refund due	-	204,679
Decrease/(increase) in deferred tax assets	89,283	(133,000)
Increase/(decrease) in trade and other payables	2,191,903	(153,025)
Increase/(decrease) in provision for income tax	(1,596,562)	1,827,857
Increase in deferred tax liabilities	3,155,701	2,723,119
Increase in employee benefits	9,773	4,357
Increase/(decrease) in other provisions	8,556	(192,917)
Net cash from operating activities	9,429,440	9,890,851

Note 40. Non-cash investing and financing activities

	Consolidated 2017 $	Consolidated 2016 $
Acquisition of plant and equipment by means of finance leases	-	1,018,697

Note 41. Earnings per share

	Consolidated 2017 $	Consolidated 2016 $
Profit after income tax attributable to the owners of Rand Mining Limited	16,521,417	15,287,209
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	60,148,475	60,148,475
Weighted average number of ordinary shares used in calculating diluted earnings per share	60,148,475	60,148,475
	Cents	Cents
Basic earnings per share	27.47	25.42
Diluted earnings per share	27.47	25.42

Note 42. Events after the reporting period

Apart from the dividend declared as disclosed in note 29, no other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the directors

Anthony Billis
Director

25 September 2017
Perth

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

Report on the audit of the financial report

Opinion

We have audited the financial report of Rand Mining Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Rand Mining Limited the Group, is in accordance with the *Corporations Act 2001*, including:

a Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year ended on that date; and

b Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Mine Development Assets – Note 17	
Capitalised mine development costs include expenditures incurred to develop new ore bodies to define further mineralisation in existing ore bodies, to expand the capacity of a mine and to maintain production. Amortisation of mine development is computed by the units of production basis, which includes estimated proved and probable reserves. This is a key audit matter due to the significant impact that changes in reported reserves and estimates can have on the carrying value of deferred mining expenditure, intangible assets, provision for mine rehabilitation, the recognition of deferred tax assets, as well as the amount of depreciation and amortisation.	Our procedures included, amongst others: • Engaging the services of an independent geologist to evaluate the resource and reserve estimates used by the Group's technical expert; • Obtaining the site amortisation calculation prepared by management and agreeing key inputs to supporting documentation; • Testing the amortisation calculation for clerical and mathematical accuracy; • Assessing the appropriateness of the allocation of costs between operating and capital expenditure based on the nature of the underlying activity; • Assessing management's methodology and assumptions in considering if impairment conclusions are reasonable; and • Determining the appropriateness of the related disclosures within the financial statements.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 23 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Rand Mining Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton Audit Pty Ltd

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P. Warr.

P W Warr
Partner - Audit & Assurance

Perth, 25 September 2017

The shareholder information set out below was applicable as at 13 September 2017.

Distribution of equitable securities

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

	Number of holders of ordinary shares
1 to 1,000	267
1,001 to 5,000	188
5,001 to 10,000	50
10,001 to 100,000	60
100,001 and over	28
	593
Holding less than a marketable parcel	60

Equity security holders

Twenty largest quoted equity security holders

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

	Ordinary shares	
	Number held	% of total shares issued
Tribune Resources Ltd	26,576,764	44.19
Trans Global Capital Ltd	7,899,584	13.13
Gleneagle Securities Nominees	7,701,574	12.80
Northern Star Resources Ltd	2,925,360	4.86
Lake Grace Exploration Pty Ltd	2,917,000	4.85
Sierra Gold Ltd	2,100,000	3.49
Resource Capital Ltd	1,604,500	2.67
J P Morgan Nominees Australia Limited	1,137,457	1.89
Spectrock Pty Ltd	540,000	0.90
Raypoint Pty Ltd	530,000	0.88
Mrs Phanatchakorn Wichaikul	510,000	0.85
Berne No 132 Nominees Pty Ltd	306,600	0.51
Ian Sandover and Associates Pty Ltd	260,000	0.43
Mr Frank Bozic	250,000	0.42
HKT Au Pty Ltd	217,829	0.36
Mr Francis and Mrs Fariba Regan	200,000	0.33
Southam Hinvestments 2003 Pty Ltd	200,000	0.33
Starwall Pty Ltd	200,000	0.33
Zels Super Fund Pty Ltd	172,308	0.29
Mr Francis Regan	150,000	0.25
	56,398,976	93.76

Unquoted equity securities

There are no unquoted equity securities.

Substantial holders
Substantial holders in the Company are set out below:

	Ordinary shares Number held	% of total shares issued
Tribune Resources Ltd	26,576,764	44.19
Trans Global Capital Ltd	7,899,584	13.13
Gleneagle Securities Nominees Pty Ltd	7,701,574	12.80

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

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

There are no other classes of equity securities.

Tenements

Description	Tenement number	Interest owned %
Western Australia, Australia		
Kundana	M15/1413	12.25
Kundana	M15/993	12.25
Kundana	M16/181	12.25
Kundana	M16/182	12.25
Kundana	M16/308	12.25
Kundana	M16/309	12.25
Kundana	M16/325	12.25
Kundana	M16/326	12.25
Kundana	M16/421	12.25
Kundana	M16/428	12.25
Kundana	M24/924	12.25
Western Australia, Australia		
Seven Mile Hill	M15/1233	50.00
Seven Mile Hill	M15/1234	50.00
Seven Mile Hill	M15/1291	50.00
Seven Mile Hill	M15/1388	50.00
Seven Mile Hill	M15/1394	50.00
Seven Mile Hill	M15/1409	50.00
Seven Mile Hill	M15/1743	50.00
Seven Mile Hill	M26/563	50.00
Seven Mile Hill	P15/5182	50.00
Seven Mile Hill	P15/5183	50.00
Seven Mile Hill	P15/5184	50.00
Liberia, West Africa		
Tapeta Iron Ore Project (currently under option to acquire issued capital of Iron Resources Ltd, the owner of the project)		100.00 (under option)