Rand Mining Limited

ABN 41 004 669 658

Interim Report - 31 December 2019

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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' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

Directors

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

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

Principal activities

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

Dividends

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

	Consolidated	
	31 Dec 2019 $	31 Dec 2018 $
A dividend of 10 cents per ordinary share paid to shareholders on 14 September 2018.	-	6,014,848
A special dividend of $1.25 per ordinary share paid to shareholders on 12 October 2018.	-	75,185,594
A dividend of 10 cents per ordinary share paid to shareholders on 22 October 2019.	6,014,848	-
	6,014,848	81,200,442

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

Review of operations

The loss for the Group after providing for income tax amounted to $1,946,304 (31 December 2018: profit of $77,622,750).

East Kundana Joint Venture (Rand's Interest 12.25%)

Raleigh - Rand's entitlement is 12.50%
Production that commenced in December 2004 at the Raleigh Underground Mine continued.

Capital development for the half-year totalled 107 m: 81 m for decline development and 26 m for secondary development. The depth of the decline is approximately 737 m below the surface and the bottom of the Sadler Decline is approximately 401 m below the surface.

Operating development for the half-year totalled 149 m: 0 m in waste, 6 m in ore and 143 m through paste fill.

Mine production during the half-year totalled 90,844 t grading 7.66 g/t containing 22,360 oz of gold, based on grade control estimates (31 December 2018: 127,635 t grading 7.04 g/t containing 28,893 oz of gold were estimated to be mined).

Rubicon - Rand's entitlement is 12.25%
Production at the Rubicon Underground Mine that commenced in August 2011 continues.

<u>Rubicon and Hornet Ore Bodies</u>
Capital development for the half-year totalled 154 m: all secondary development. At the close of the half-year period, the bottom of the Rubicon Decline is 585 m below the surface, the bottom of the Hornet Decline is 632 m below the surface and the bottom of the Hornet Exploration Decline is 682 m below the surface.

Operating development for the half-year totalled 677 m; 8 m in waste, 509 m in ore and 160 m through paste fill.

Mine production during the half-year totalled 172,225 t grading 5.54 g/t containing 30,661 oz of gold, based on grade control estimates (31 December 2018: 267,687 t grading 5.66 g/t containing 48,712 oz of gold were estimated to be mined).

Pegasus Ore Body
The Access Decline to the Pegasus ore body from the Rubicon Decline commenced in April 2014 and was completed in early November 2014 when the Pegasus Incline and Decline commenced. In February 2015, the first stope at Pegasus was fired.

Capital development for the half-year totalled 2,050 m: 170 m for decline development and 1,880 m for secondary development. At the close of the half-year period, the bottom of the Pegasus Decline is 621 m below the surface.

Operating development for the half-year totalled 2,226 m: 25 m in waste, 1,935 m in ore and 266 m through paste fill.

Mine production during the half-year totalled 291,934 t grading 4.73 g/t containing 44,361 oz of gold based on grade control estimates (31 December 2018: 245,115 t grading 5.82 g/t containing 45,865 oz of gold were estimated to be mined).

Processing
During the half-year, treatment campaigns at the Kanowna Belle Plant processed 459,957 t of EKJV ore from the Raleigh and Rubicon mines. Treatment campaigns at the Greenfields Mill processed 88,704 t of EKJV ore from the Raleigh and Rubicon mines and treatment campaigns at the Lakewood Mill processed 30,267 t of R&T ore from the Rubicon mine.

A total of 48,557 oz of gold and 7,600 oz of silver were credited to the Rand and Tribune Bullion Accounts. Rand's share of gold bullion was 12,139 oz.

Exploration
Underground diamond drilling from underground platforms at Pegasus and Raleigh was largely focussed on extensional and in-fill definition programs into the new Falcon trend located midway between Pegasus and Raleigh mines with continued success. Exploratory underground development to access the Falcon mineralised corridor from the Pegasus infrastructure commenced during the quarter.

Resource definition drilling in the Hera Lode within the Pegasus hanging wall achieved better than anticipated results. Late in the half-year, exploration drilling from a platform at Hornet commenced and targeted possible southern extensions to the Falcon trend with early positive indications.

Details of all EKJV exploration activities are contained in the September and December Quarterly EKJV Exploration Reports released to the market on 22 October 2019 and 30 January 2020.

The 30 June 2019 EKJV Summary Resource and Reserve Report was released to the ASX on 5 August 2019. Resource and Reserve upgrades for Raleigh, Rubicon, Hornet and Pegasus are in progress and will be released to ASX when received.

Other projects

Seven Mile Hill (Rand's Interest 50%)
Final assay results were received from a limited program of sampling of one metre splits from the reverse circulation drilling campaign completed during the half-year and announced to the ASX on 30 January 2020.

No additional resampling of drilling is anticipated for this project in the short term.

Corporate

Dividends paid
A fully franked dividend of 10 cents per ordinary share was paid to the shareholders on 22 October 2019.

Sale of Tribune shares
During the half-year the Company successfully obtained a court order confirming the position of 1,135,000 shares held in Tribune Resources Ltd. As part of the Court Orders, Rand undertook to dispose of the shares within 6 months or such longer period as approved by the Australian Securities and Investments Commission ('ASIC').

During the half-year Rand sold 369,500 Tribune shares for $2,183,153. Some of the funds were received after the half-year.

Proceedings against Northern Star Resources Ltd
The Company commenced proceedings in the Supreme Court of Western Australia against EKJV Management Pty Ltd ('EKJVM'), Northern Star (Kanowna) Pty Ltd ('Kanowna') and Gilt-Edged Mining Pty Ltd ('GEM') in relation to the East Kundana Joint Venture Agreement. Further details can be found in the ASX announcement on 23 December 2019.

Significant changes in the state of affairs

The Company has previously advised the market that it was proposing to seek Court Orders to clarify the position of 1,135,000 shares previously purchased by the Company in Tribune Resources Limited due to those shares being deemed to be void under section 259C of the Corporations Act.

On 26 July 2019, the Company successfully obtained the Court Orders and the effect of the Court Orders is that the purchase of those shares is not invalid.

As part of the Court Orders, the Company has undertaken to dispose of these shares within six months or such longer period approved by ASIC. The Company is in the process of determining who to appoint as investment banker or stockbroker to facilitate the sale of these shares.

During the half-year, the Company:
- acquired a 50% share in the Seven Mile Hill tenement P26/4173;
- relinquished a 50% share in the Seven Mile Hill tenement P15/5182;
- relinquished a 50% share in the Seven Mile Hill tenement P15/5183; and
- acquired a 50% share in the Mt Celia tenement P15/6370;

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

Matters subsequent to the end of the financial half-year

Subsequent to the half-year period ending 31 December 2019 the Company announced the following:

- The Company announced an on market buy-back up to a maximum of 6,014,847 shares. The full announcement can be found in the ASX announcement dated 8 January 2020.

- Rand disposed of its remaining interest in Tribune Resources Ltd in full accord with the Court Orders. Full receipt of the funds associated with the final settlement have been received.

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

- In February 2020 EKJV Management Pty Ltd ('EKJVM') has recommended that Raleigh Underground Mine be placed on care and maintenance in April 2020 as a result of a significant seismic response following the firing of stoping panels. The full details can be found in the ASX announcement dated 3 February 2020.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

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

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

On behalf of the directors

Anthony Billis
Director

5 March 2020
Perth

Advisory • Audit
Business Solutions

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF RAND MINING LIMITED

In relation to our review of the financial report of Rand Mining Limited for the half year ended 31 December 2019, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Perth

PKF PERTH

SIMON FERMANIS
PARTNER

5 March 2020
WEST PERTH,
WESTERN AUSTRALIA

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	Note	Consolidated 31 Dec 2019 $	Consolidated 31 Dec 2018 $
Revenue from contracts with customers	4	-	79,424,150
Share of profits of associates accounted for using the equity method	5	-	43,197,595
Other income		227,000	48,485
Interest revenue calculated using the effective interest method		62,062	8,321
Net gain on loss of significant influence over associate	7	-	20,816,664
Gain on sale of equity instruments at fair value through profit or loss		169,378	-
Net fair value gain on financial assets	6,8	196,035	-
Expenses			
Changes in inventories		13,833,453	(26,692,482)
Employee benefits expense		(155,895)	(318,202)
Management fees		(245,449)	(241,308)
Depreciation and amortisation expense	6	(2,178,882)	(2,270,478)
Impairment of exploration and evaluation		(646,459)	(377,690)
Net fair value loss on financial assets		-	(10,807,661)
Mining expenses		(8,582,095)	(7,864,366)
Processing expenses		(3,180,402)	(2,846,778)
Royalty expenses		(665,721)	(541,963)
Foreign currency losses		(2,808)	(5,347)
Other expenses		(875,071)	(1,075,930)
Finance costs	6	(32,752)	(40,844)
Profit/(loss) before income tax (expense)/benefit		(2,077,606)	90,412,166
Income tax (expense)/benefit		131,302	(12,789,416)
Profit/(loss) after income tax (expense)/benefit for the half-year attributable to the owners of Rand Mining Limited		(1,946,304)	77,622,750
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Share of other comprehensive income from associate		-	(829,449)
Tax on revaluation adjustment in associate		-	248,835
Other comprehensive income for the half-year, net of tax		-	(580,614)
Total comprehensive income for the half-year attributable to the owners of Rand Mining Limited		(1,946,304)	77,042,136
		Cents	**Cents**
Basic earnings per share		(3.24)	129.05
Diluted earnings per share		(3.24)	129.05

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

	Note	Consolidated 31 Dec 2019 $	30 Jun 2019 $
Assets			
Current assets			
Cash and cash equivalents		15,458,278	50,751,457
Trade and other receivables		1,140,471	3,615,193
Inventories		47,707,613	33,901,955
Financial assets at fair value through profit or loss	7	4,325,075	6,185,750
Total current assets		68,631,437	94,454,355
Non-current assets			
Financial assets at fair value through profit or loss	8	192,597	149,662
Property, plant and equipment		13,593,125	12,269,815
Right-of-use assets		33,028	-
Exploration and evaluation		713,272	1,209,065
Mine development		11,856,321	11,031,972
Deferred tax		1,794,336	1,790,814
Total non-current assets		28,182,679	26,451,328
Total assets		96,814,116	120,905,683
Liabilities			
Current liabilities			
Trade and other payables		5,338,578	4,916,225
Lease liabilities		1,127,452	912,405
Income tax		-	16,830,296
Provisions		24,595	69,671
Total current liabilities		6,490,625	22,728,597
Non-current liabilities			
Lease liabilities		747,403	508,414
Deferred tax		3,723,710	3,856,748
Provisions		274,902	273,296
Total non-current liabilities		4,746,015	4,638,458
Total liabilities		11,236,640	27,367,055
Net assets		85,577,476	93,538,628
Equity			
Issued capital		16,694,186	16,694,186
Retained profits		68,883,290	76,844,442
Total equity		85,577,476	93,538,628

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

Rand Mining Limited
Statement of changes in equity
For the half-year ended 31 December 2019

Consolidated	Issued capital $	Equity accounting reserve $	Retained profits $	Total equity $
Balance at 1 July 2018	16,694,186	580,614	83,054,664	100,329,464
Profit after income tax expense for the half-year	-	-	77,622,750	77,622,750
Other comprehensive income for the half-year, net of tax	-	(580,614)	-	(580,614)
Total comprehensive income for the half-year	-	(580,614)	77,622,750	77,042,136
Transactions with owners in their capacity as owners:				
Dividends paid (note 9)	-	-	(81,200,442)	(81,200,442)
Balance at 31 December 2018	16,694,186	-	79,476,972	96,171,158

Consolidated	Issued capital $	Equity accounting reserve $	Retained profits $	Total equity $
Balance at 1 July 2019	16,694,186	-	76,844,442	93,538,628
Loss after income tax benefit for the half-year	-	-	(1,946,304)	(1,946,304)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,946,304)	(1,946,304)
Transactions with owners in their capacity as owners:				
Dividends paid (note 9)	-	-	(6,014,848)	(6,014,848)
Balance at 31 December 2019	16,694,186	-	68,883,290	85,577,476

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

	Note	Consolidated 31 Dec 2019 $	Consolidated 31 Dec 2018 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		-	79,505,205
Payments to suppliers and employees (inclusive of GST)		(13,623,811)	(13,402,242)
Dividends received		-	48,693,919
Interest received		62,062	8,321
Interest and other finance costs paid		(31,905)	(40,844)
Income taxes paid		(16,971,485)	(3,551,639)
Net cash from/(used in) operating activities		(30,565,139)	111,212,720
Cash flows from investing activities			
Payments for property, plant and equipment		(1,315,415)	(1,932,325)
Payments for exploration and evaluation		(142,718)	(512,229)
Payments for mine development		(1,991,804)	(3,259,251)
Proceeds from disposal of investments		5,088,068	-
Proceeds from disposal of property, plant and equipment		19,896	36,318
Net cash from/(used in) investing activities		1,658,027	(5,667,487)
Cash flows from financing activities			
Repayment of lease liabilities		(598,219)	(508,502)
Dividends received		227,000	-
Dividends paid	9	(6,014,848)	(81,200,442)
Cash advances to Tribune Resources Ltd		(22,000,000)	(1,000,000)
Cash advances from Tribune Resources Ltd		22,000,000	1,000,000
Net cash used in financing activities		(6,386,067)	(81,708,944)
Net increase/(decrease) in cash and cash equivalents		(35,293,179)	23,836,289
Cash and cash equivalents at the beginning of the financial half-year		50,751,457	2,364,146
Cash and cash equivalents at the end of the financial half-year		15,458,278	26,200,435

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

Note 1. General information

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

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

Suite G1, 49 Melville Parade
South Perth WA 6151

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 5 March 2020. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

New or amended Accounting Standards and Interpretations adopted

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

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

The following Accounting Standard was most relevant to the Group:

AASB 16 Leases

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

Note 2. Significant accounting policies (continued)

Impact of adoption
AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

	1 July 2019 $
Operating lease commitments as at 1 July 2019 (AASB 117)	1,814,282
Finance lease commitments as at 1 July 2019 (AASB 117)	1,420,819
Operating lease commitments discount based on the weighted average incremental borrowing rate of 5% (AASB 16)	(1,560)
Low-value assets and short-term leases not recognised as a right-of-use asset (AASB 16)	(1,763,180)
Finance lease not re-assessed to be AASB 16	(1,420,819)
Accumulated depreciation as at 1 July 2019 (AASB 16)	(16,514)
Right-of-use assets (AASB 16)	33,028
Lease liabilities - current (AASB 16)	(33,028)
Reduction in opening retained profits as at 1 July 2019	-

Practical expedients applied
In adopting AASB 16, the Group has used the following practical expedients permitted by the standard:
- applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- accounted for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases;
- excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Changes to the significant accounting policies
Changes to the significant accounting policies as a result of the new standards adopted since the Annual Report date are as follows.

Right-of-use assets (from 1 July 2019)
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

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

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

Lease liabilities (from 1 July 2019)
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Note 2. Significant accounting policies (continued)

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

Note 3. Operating segments

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

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

Note 4. Revenue from contracts with customers

	Consolidated	
	31 Dec 2019 $	31 Dec 2018 $
Sales of gold	-	79,424,150

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

	Consolidated	
	31 Dec 2019 $	31 Dec 2018 $
Major product lines		
Gold	-	79,424,150
Geographical regions		
Australia	-	79,424,150
Timing of revenue recognition		
Goods transferred at a point in time	-	79,424,150

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

	Consolidated	
	31 Dec 2019 $	31 Dec 2018 $
Share of profit - associates	-	43,197,595

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

Note 6. Expenses

	Consolidated	
	31 Dec 2019	31 Dec 2018
	$	$
Profit/(loss) before income tax includes the following specific expenses:		
Depreciation		
Mining plant and equipment	994,913	975,121
Plant and equipment right-of-use assets	16,514	-
Total depreciation	1,011,427	975,121
Amortisation		
Mine development	1,167,455	1,295,357
Total depreciation and amortisation	2,178,882	2,270,478
Impairment		
Financial assets	196,035	-
Finance costs		
Interest and finance charges paid/payable on borrowings	31,905	40,844
Interest and finance charges paid/payable on lease liabilities	847	-
Finance costs expensed	32,752	40,844
Leases		
Minimum lease payments	-	31,240
Superannuation expense		
Defined contribution superannuation expense	7,518	15,124

Note 7. Current assets - financial assets at fair value through profit or loss

	Consolidated	
	31 Dec 2019	30 Jun 2019
	$	$
Listed securities - at fair value through profit or loss	4,325,075	6,185,750

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

Opening fair value	6,185,750	-
Transfer from investments accounted for using the equity method	-	4,523,219
Sale of shares	(2,013,775)	-
Gain/(loss) on revaluation through profit or loss	153,100	1,662,531
Closing fair value	4,325,075	6,185,750

Refer to note 10 for further information on fair value measurement.

Note 8. Non-current assets - financial assets at fair value through profit or loss

	Consolidated	
	31 Dec 2019	30 Jun 2019
	$	$
Listed securities - at fair value through profit or loss	192,597	149,662

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

Opening carrying amount	149,662	1,046,139
Gain/(loss) on revaluation through profit or loss	42,935	(896,477)
Closing carrying amount	192,597	149,662

Refer to note 10 for further information on fair value measurement.

Note 9. Equity - dividends

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

	Consolidated	
	31 Dec 2019	31 Dec 2018
	$	$
A dividend of 10 cents per ordinary share paid to shareholders on 14 September 2018.	-	6,014,848
A special dividend of $1.25 per ordinary share paid to shareholders on 12 October 2018.	-	75,185,594
A dividend of 10 cents per ordinary share paid to shareholders on 22 October 2019.	6,014,848	-
	6,014,848	81,200,442

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

Note 10. 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 - 31 Dec 2019	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Listed securities - equity (current)	4,325,075	-	-	4,325,075
Listed securities - equity (non-current)	192,597	-	-	192,597
Total assets	4,517,672	-	-	4,517,672

Note 10. Fair value measurement (continued)

Consolidated - 30 Jun 2019	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Listed securities - equity (current)	6,185,750	-	-	6,185,750
Listed securities - equity (non-current)	149,662	-	-	149,662
Total assets	6,335,412	-	-	6,335,412

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

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

Note 11. 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 12. Commitments

	Consolidated	
	31 Dec 2019 $	30 Jun 2019 $
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment, payable in the next five years	1,677,815	2,345,155

Note 13. Events after the reporting period

Subsequent to the half-year period ending 31 December 2019 the Company announced the following:

- The Company announced an on market buy-back up to a maximum of 6,014,847 shares. The full announcement can be found in the ASX announcement dated 8 January 2020.

- Rand disposed of its remaining interest in Tribune Resources Ltd in full accord with the Court Orders. Full receipt of the funds associated with the final settlement have been received.

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

- In February 2020 EKJV Management Pty Ltd ('EKJVM') has recommended that Raleigh Underground Mine be placed on care and maintenance in April 2020 as a result of a significant seismic response following the firing of stoping panels. The full details can be found in the ASX announcement dated 3 February 2020.

No other matter or circumstance has arisen since 31 December 2019 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, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

Anthony Billis
Director

5 March 2020
Perth

Advisory • Audit
Business Solutions

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF RAND MINING LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Rand Mining Limited (the company) and controlled entities (consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2019, or during the half year.

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

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019, and of its financial performance for the half-year ended on that date; and

(b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the company a written Auditor's Independence Declaration.

Directors' Responsibility for the Half-Year Financial Report

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

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Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Rand Mining Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

PKF Perth

PKF PERTH

SIMON FERMANIS
PARTNER

5 March 2020
WEST PERTH,
WESTERN AUSTRALIA