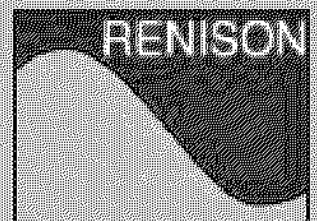


Renison Consolidated Mines NL

ABN 75 003 049 714

ANNUAL REPORT

30 June 2003





Quest 29 – Blasting at North Koolpin



Quest 29 – Processing Plant

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CORPORATE DIRECTORY	
DIRECTORS Dr Christopher D Rawlings (Chairman) Richard P Seville (Managing Director) Stephen G Bizzell (Executive Director) Richard S Anthon (Non-executive Director)	AUDITORS PKF Level 6 120 Edward St Brisbane Qld 4000
SECRETARY Paul Marshall	SOLICITORS Hemming & Hart Level 2 307 Queen St Brisbane Qld 4000
REGISTERED OFFICE AND PRINCIPAL BUSINESS ADDRESS Level 30 Riverside Centre 123 Eagle St Brisbane Qld 4000 Telephone: (07) 3832 6488 Facsimile: (07) 3832 6261 Email: admin@rcm.com.au Web: www.rcm.com.au	SHARE REGISTRY Pitcher Partners Level 22 300 Queen St Brisbane Qld 4000 Telephone: (07) 3228 4219 Facsimile: (07) 3221 3149
AUSTRALIAN BUSINESS NUMBER ABN 75 003 049 714	STOCK EXCHANGE LISTING Australian Stock Exchange Ltd ASX Code: RSN

CHAIRMAN'S REPORT

Dear Shareholder,

The year in review has been one of significant change and achievement for your Company

In July 2003, the Company received shareholder approval to re-structure into two companies. The technology and communications assets were separated into Sirocco Technologies Group Ltd whilst the resources assets remained in Sirocco Resources NL. At the time, your Company was progressing the purchase of Renison Bell Ltd, the holding company for the Renison Bell Tin Mine in Tasmania and following shareholder approval changed its name to the current Renison Consolidated Mines NL, a name then aligned with the corporate focus.

Unfortunately, the operating performance of Renison Bell Ltd deteriorated and we were forced to terminate the purchase agreement in December 2002. The Company's Board and management were extremely disappointed with this outcome but the operating deterioration had reduced the asset's value and increased our funding requirements to levels which no longer would have enhanced shareholder value.

Subsequently, your Company has entered a new phase of growth and development. Early in the year, the Board and management undertook a strategic review of the Company's assets and opportunities and decided to focus initially on gold production from existing Company assets at Quest 29 and Tom's Gully.

In spite of extremely poor financial market conditions, your Company's management was successful in raising sufficient funding to commence operations at Quest 29 and to undertake a feasibility study into the development of an underground mine at Tom's Gully. This was done in a way which was not excessively dilutionary to existing shareholders. Since year end the Quest 29 dump leach operation has been successfully commissioned within the capital budget and the initial diamond drilling programme has been successfully completed at Tom's Gully.

The Company maintains its focus on ensuring that its endeavours are aimed towards maximizing returns to shareholders by adding value to shareholder's funds through long-term growth in the assets and earnings of the Company. Whilst your Company remains focussed on the development of its Northern Territory gold assets it also continues to assess other projects in gold and base metals which have the potential to be developed within a few years and which will increase shareholder value.

Finally, my thanks go to the management and staff of the Company for their commitment over the past year. In particular I would like to thank those staff working on our Quest 29 and Tom's Gully projects for their efforts.

Yours sincerely

Christopher D. Rawlings
Chairman

REVIEW OF OPERATIONS

At the start of the year under review, Renison Consolidated Mines NL owned both gold resources and exploration assets in the Northern Territory and technology and telecommunications investments. Early in the financial year, the Company completed a corporate restructure to allow the separation of the technology and communications assets into a separate company, Sirocco Technologies Group Ltd. Renison Consolidated Mines NL (the Company) became a focussed resources company with its initial portfolio of assets being the Tom's Gully and Quest 29 gold projects in the Northern Territory. In addition, the Company was progressing the purchase of Renison Bell Ltd, the holding company of the Renison Bell Tin Mine in Tasmania. The Company terminated this transaction in December 2002 due to Renison Bell Ltd's deteriorating operating performance which resulted in a loss of value and increase in funding required.

COMPANY OVERVIEW AND STRATEGY

The Company has a significant asset base in the Northern Territory with advanced projects on granted mining tenure at Tom's Gully and Quest 29. In addition the Company has a substantial portfolio of Exploration Licences and Exploration License Applications. Our main focus over the next few years is to maximise the value of these assets.

Tom's Gully

At Tom's Gully the Company has gold resources of 220,000 ounces of gold, a 250,000 tpa CIP treatment plant and associated infrastructure. A scoping study undertaken last year showed the potential for the establishment of an underground mining operation producing 35,000 to 40,000 ounces of gold per annum. The Company has commenced a feasibility study on the development of an underground operation at Tom's Gully, which, if the results warrant, would lead to mine development in mid 2004.

The first stage of the assessment process is an angled diamond drilling programme which commenced at the end of July 2003. The principal purpose of this programme is to:

- understand the impact of the steeply dipping gold bearing veins / structures on the grade of the resource;
- collect samples for metallurgical testwork to determine the metallurgical characteristics of the ore and determine a preferred processing route.

At completion of this first stage is anticipated that the grade of the resource, the metallurgical characteristics and processing route will be sufficiently well determined by this time to allow the final scope of the feasibility study to be defined. If the results from this first stage confirm the economics of the project to be similar to the scoping study it is expected that the second stage of the feasibility study can be completed around March 2004. However, it should be noted that the Company will only commit to the second stage of the study if the results from the first stage warrant.

Quest 29

The Company commenced a mining and dump leach operation at Quest 29 in July 2003 with the first gold being produced in September 2003. This initial mining phase at Quest 29 is scheduled to produce around 4,500 ounces of gold.

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Resources

Resources in all categories total over 320,000 ounces as set out below.

Description	Tonnes	Measured Grade g/t Au	Ounces Au	Tonnes	Indicated Grade g/t Au	Ounces Au	Tonnes	Inferred Grade g/t Au	Ounces Au
<u>Tom's Gully</u>									
Underground							894,000	7.0	201,200
Tailings							260,000	2.3	19,200
<u>Quest 29*</u>									
West Koolpin	486,046	0.9	13,611	225,284	1.0	7,114	104,248	1.3	4,382
Zamu Dolerite							1,050,000	2.3	77,300

* Pre mining 2003

Exploration

The Company has a significant land holding of Exploration Licences (EL's) and Exploration Licence Applications (ELA's). Although prospective there has been little modern exploration undertaken on this ground in the past. If Tom's Gully can be successfully taken through to production it will be the Company's intention to undertake exploration on these EL's/ELA's to find resources that can either provide additional feed to the existing facilities at Tom's Gully and Quest 29 or can sustain "stand-alone" developments.

Future Projects

As part of a longer term growth strategy the Company is continuing to review acquisition opportunities for resource projects that have the potential to be developed as mines within 2 to 3 years.

Further information on the Company's projects is presented below.

TOM'S GULLY GOLD MINE

Location and Access

Tom's Gully lies 90 kilometres south-east of Darwin and can be reached via the sealed Arnhem Highway between Darwin and Jabiru. A 1.5 kilometre gravel road leads from the turn-off to Tom's Gully. Access is generally available year round via this route except in extremely heavy rain when the Arnhem Highway may be briefly flooded. The mine infrastructure comprises a 250,000 tpa CIP processing plant, crushing circuit, workshops, tailings dams and associated infrastructure.

History

The deposit was discovered in 1986 by Mount Isa Mines Limited ("MIM", through wholly owned subsidiary Carpentaria Exploration Company Pty Ltd). Production commenced in 1988 and ceased in 1991 after producing approximately 75,000 oz gold from 356,651 tonnes at 9.23g/t Au.

MIM was not successful in locating other economic orebodies suitable for open cut mining on the Tom's Gully mine lease but intended to continue production from underground once the open pit reached final depth. MIM decided not to continue with underground development, as it did not meet its internal technical and financial parameters.

The moveable items of the treatment plant were moved to the high grade Tick Hill deposit which was being developed by MIM. The majority of the current treatment plant was built by the Company in 1995 to retreat the tailings left from MIM's operation. The crushing circuit was added in 1999 to allow treatment of higher grade oxide ore from Quest 29.

Regional Geology

The Quest 29 and Tom's Gully project area is located within the Early Proterozoic Pine Creek Geosyncline which historically has produced over 4,100,000 ounces of gold.

The project area is dominated by the South Alligator Group which is unconformably underlain by the Mount Partridge Group and similarly overlain by the Burrell Creek Formation. Tertiary and Quaternary gravel and soils overlie all the lower lying portions of the tenement areas generally referred to as "Black Soil Regions".

Local Setting

The Tom's Gully deposit is hosted by the Wildman Siltstone, the upper most member of the Mount Partridge Group. The intrusive Mount Goyder Syenite outcrops to the east of the open pit and is exposed in the decline. The sediments are folded with fold axes striking roughly north-south and having variable plunges.

Gold mineralisation at Tom's Gully principally occurs within the eastern part of a solitary quartz-pyrite-arsenopyrite reef. The reef is 800 metres long at surface and extends down dip for at least 1,500 metres. It strikes east-west and dips to the south at about 30 degrees at surface and gradually flattens to sub-horizontal. Only the eastern half of the reef was mineralised at surface and the mineralized shoot pitches to the south-west parallel to the fold axis in the enveloping sediments. The ore reef pinches and swells gently between 0.5 and 4 metres in the mine area. Gold also occurs in the enveloping sheared and brecciated wall rocks. The ore zone averages around 2 metres in thickness.

In the primary zone pyrite and arsenopyrite are the main sulphide minerals in the reef. These occur in the ratio of 2:1 to 5:1 and together make up 10% to 40% of the ore. Gold occurs generally as a microscopic blebs of electrum closely associated with the arsenopyrite and pyrite in the mineralized section of the reef. Minor gold mineralisation also occurs in pale altered tuff layers, a few metres into the hanging wall of the reef. Minor base metal and gold mineralisation also occurs in the Crabb Fault zone.

Drilling and Resources

Prior to the current diamond drilling programme, a total of 223 percussion holes totalling 13,300 metres and 125 diamond drill holes totalling 19,703 metres had been drilled into the Tom's Gully lode. 95% of the holes were drilled by MIM of which around 30% relate to area already mined. The vast majority of these holes were drilled vertically to intersect the shallow dipping reef at a high angle. In 2001, the data from this drilling was entered into a modern digital database and early in 2002, the resource was modelled using computer based techniques employing ordinary krigging by external consultants. A JORC compliant Inferred Resource of 900,000 tonnes at 7.0 g/t Au was calculated. Previous resources calculated by MIM were 1,170,000t @ 9.75 g/t Au using the polygonal method.

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The Company's modelling of the open cut ore mined by MIM, using ordinary krigging, showed that MIM had produced 32% more gold than the model predicted and at a 36% increased grade as illustrated in the following table.

	TONNES	GRADE (g/t)	OUNCES GOLD
Modelled	366,690	6.8g/t	80,073
Mined*	356,651	9.23g/t	105,712
Difference	-10,039	+2.43g/t	+ 25,639
%	-2.7%	+36%	+32%

(* MIM Open Cut Mining)

The implication is that the gold content of the Inferred Resource stated above may be underestimated. A review of the Tom's Gully production records showed during the first 12 months of operating MIM had also recognized a reconciliation issue between pre-mining reserve and production.

Variography undertaken on the open cut's grade control samples and subsequent mapping and sampling of the footwall has shown that the discrepancy may be due to additional gold mineralisation occurring in steeply dipping veins/fractures striking at 205° which typically do not get sampled by the vertical exploration drill holes. Sampling of these fractures in the footwall gave grades of 0.1 g/t to 12.5 g/t Au with a channel sample of 37 metres at 0.45g/t Au

The Inferred Resource has been calculated over a portion of the area where mineralisation has been intersected by exploration drilling. There is potential for the resources to be increased substantially with further exploration within the existing known reef structure.

In addition to the in-situ resource there is also an inferred resource of 250,000 tonnes at 2.4 g/t Au (19,300 ounces of contained gold) as tailings. The Company will investigate the potential of processing these tailings in conjunction with underground production from Tom's Gully.

2002 Scoping Study

Following completion of the resource estimation, a scoping study on the development of an underground mining operation at Tom's Gully was undertaken by the Company in 2002. The following conclusions were made:

- Underground access can be achieved either by new access from the highwall of the open pit or by rehabilitating and using the existing decline. With either option, the majority of development to reach production will be in mineralisation.
- A simple mining method involving driving and stripping in retreat is considered feasible. However mining dilution can be expected due to the limited height of the reef system compared to equipment requirements.
- A recovery of 85% was envisaged based on the gold recoveries from the open cut ore and preliminary metallurgical testwork. Modifications to the existing plant were scoped to allow the production of a sulphide concentrate for fine grinding and leaching.
- Allowing for a 25% increase in resource grade (to include additional gold in the steeply dipping veins /structures) and dilution at zero grade a diluted head grade of 6.4g/t Au was estimated. With a production rate of 207,000 tpa approximately 35,000 to 40,000 ounces of gold per annum would be produced.

- Due to the level of existing infrastructure the capital expenditure requirements to develop the mine and modify the current processing plant are low.
- There is potential for increased resources within the Tom's Gully Lode, which, if exploration is successful, could provide sufficient resources to support a long term operation.

Tom's Gully Feasibility Study

Based on the encouraging results of the scoping study the Company developed a two stage plan for the undertaking of a feasibility study on the development of an underground mine at Tom's Gully.

The first stage, which commenced in August 2003, was an angled diamond drilling programme with holes designed to intersect both the lode and the steeply dipping 205 degree veins/structures. The programme has been more difficult and slower to execute than expected due to the ground conditions causing an unpredictable hole deviation whilst the programme's requirement has been to intercept the reef in particular locations and with particular intersection angles. However in spite of the difficulties seven diamond drill holes of a nine hole programme have been completed, logged and sampled to date. The purpose of this programme is to assess the impact of the steeply dipping structures on the grade of reef so that the resource can be quantified with greater confidence. Metallurgical testwork will also be undertaken in the coming months to determine the ore's metallurgical characteristics and preferred processing route.

Assuming that the results to this stage confirm the economics of the project to be similar to the scoping study, the final scope of the feasibility study can be defined. This second stage is expected to be completed around March next year. However, this stage will only be undertaken if justified by the results from the first stage.

QUEST 29

History

Quest 29 is located approximately 16 kms from Tom's Gully. The Quest 29 mineralised trend has been the subject of a number of exploration campaigns since the mid 1970's. In all a total of 590 RAB, 522 reverse circulation and 18 diamond drill holes have been drilled within the Quest 29 area.

In 1999 open cut mining operations commenced and produced 6,758 ounces of gold in two campaigns. Approximately 350,000 tonnes of low grade ore was treated by dump leaching and approximately 50,000 tonnes of higher grade ore was treated at Tom's Gully CIP plant.

Geology

The Quest 29 project area is underlain by folded and sheared sediments of the Koolpin Formation (South Alligator Group) and dykes of intrusive Zamu Dolerite. Two main gold bearing trends have been identified at Quest 29 along meridional shear structures within the Koolpin Formation and Zamu Dolerite.

In the Koolpin Formation the gold is hosted by weakly sulphidic carbonaceous siltstone sequences with minor quantities of thin quartz veining. The dominant mineralised shear direction is north-northeast (ie. parallel to fold axes) with a steep westerly dip.

Gold within the Zamu Dolerite is hosted by sulphidic shears within the dolerite and along the western contact between the dolerite and host sediments. Mineralisation within the dolerite has a similar orientation to that within the sediments.

Resources

The mineralisation within the Koolpin Formation has the potential to be treated by dump or heap leaching. The amount that can be ultimately, however, will depend on production grade, strip ratio and metallurgical performance. The majority of resources in the Zamu Dolerite are associated with sulphide minerals and this material is not considered treatable by conventional methods such as dump or heap leaching. However, consideration will be given to the potential treatment of this style of mineralisation through a modified circuit at Tom's Gully in conjunction with underground production.

2003 Stage 3 Dump Leach

There have been substantial developments since year end. Following receipt of government approvals the leach pads were re-profiled, material screened for drainage and liner protection materials and made ready for stacking of ore. In addition the carbon absorption plant was modified and re-commissioned.

Mining of ore commenced on 21 July 2003. To date approximately 150,000 tonnes of ore has been stacked at approximately 1 g/t gold. Mining is expected to be complete in mid October with a total of around 250,000 tonnes mined. Initial reconciliation studies have indicated that the contained gold mined from North Koolpin has been 30% greater than modeled prior to mining.

Irrigation with cyanide solution of the first 20,000 tonnes of ore mined commenced on 4 August and since then the amount under irrigation has incrementally increased as stacked ore has been made available. Approximately 130,000 tonnes of ore is now under irrigation. Recovery of gold to carbon commenced on 16 August once the stacked ore had been saturated, solution flow through the ore had occurred and stocks of pregnant (gold bearing) in the pond were at sufficient. With the remediation of the Tom's Gully elution and gold electrowinning circuits in August and early September the first gold pour occurred on 18 September 2003.

Capital expenditure has been within budget and with strip ratios lower than expected mining unit costs (\$ per tonne of ore) are expected to be below budget at the end of mining. Ore stacking is being part undertaken by excavator and has produced a dump with excellent solution flow characteristics and no evidence of ponding as yet.

Leaching performance to date indicates that the original production estimate of 4,500 ounces is expected to be achieved or even exceeded due to the increased contained gold content being stacked. However due to delays in commencing mining and indications of slower leach kinetics the leaching time frame is likely to be extended into 2004.

Exploration Potential

The Company has approximately 26 square kilometres of granted mining tenements, a further 271 square kilometres of granted exploration licences and approximately 597 square kilometres under application in the Tom's Gully – Quest 29 region.

The underground potential of Tom's Gully has long been recognised but has yet to be exploited. The recent detailed reef modelling and geostatistical analysis work carried out by the Company has confirmed the potential of Tom's Gully to host a significantly larger gold resource than currently estimated. The identification of additional southwest oriented echelon mineralised shoots down dip from the open cut requires further exploration to confirm the grade and extent of this mineralisation.

There is also considerable exploration potential within the granted tenements around Quest 29. The mineralisation within the Quest 29 and Quest 30 region occurs within three distinct structurally extensive zones over a strike length of greater than 4 kilometres. In the western and eastern zones mineralisation is sediment hosted whilst in the central zone it is dolerite hosted. Exploration has been most intense on the

western zone with 4 deposits mined, or to be mined this year. As mining occurs the geology and mineralisation controls are better understood with direct applications to locating additional resources elsewhere.

Even though exploration on the western zones has been quite intensive, significant areas remain where there are ore grade drill hole intersections but where there has been only limited follow-up. (eg. 12 metres at 1.35g/t Au in QR155 and 11 metres at 1.54g/t Au in QR156 at Taipan Southeast). In addition several surface geochemical anomalies within these structural corridors have not been drill tested. The central and eastern zones have been less well explored. The objective is to increase the resource base to allow further leaching to be undertaken over future years and if exploration results justify, at an increased rate and potentially using heap leach methods rather than dump leach methods.

The Northern Territory Government has been progressively awarding the Company a series of new Exploration Licences which overlie a significant northwest trending series of combined magnetic and structural exploration targets. The linear magnetic features are interpreted to be dolerite dykes that have been offset at irregular intervals by cross cutting dilational structures. These targets have the potential to host mineralisation similar to that delineated within the Company's Zamu prospect (Inferred Resource of 1 million tonnes at 2.3 g/t Au). Gold mineralisation in narrow quartz veins has been located near these structure trends reinforcing and enhancing the prospectivity potential.

The new exploration licence areas have been largely ignored by explorers over the last 30 years due to the extensive "black soil plains" cover that dominates the area. The Company intends to explore these areas using recently developed geochemical techniques which have the ability to test sample areas with thick alluvial cover.

CORPORATE RESTRUCTURE

In order to enhance the value to shareholders of the entity's mining and technology businesses, and to assist in unlocking the value of these businesses for the benefit of shareholders, the Company completed early in the financial year the restructure of its businesses into two separate companies, namely Sirocco Technologies Group Ltd (STG) and Renison Consolidated Mines NL.

The advantages of the restructure include:

- enabling each company's management to focus on one particular industry;
- removing any share price discount caused by the fact that the Company is focussed on two diverse business activities, i.e. investment in technology businesses and its mining interests;
- provide greater flexibility to pursue further investment opportunities;

As part of the restructure shareholders received a distribution (with no payment required) of one 20 cent STG share for every six shares held at the share distribution entitlement date. Contributing shareholders received one 20 cent STG share for every fifty contributing shares held at the share distribution entitlement date. Shareholders also retained their current shareholding interests in Renison Consolidated Mines NL. The precise entitlement of each shareholder was determined, and the return of capital effected on 2 August 2003. The board of STG advise that it is anticipated that STG will apply for listing on the ASX in the near future.

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REPORT OF THE DIRECTORS

The directors present their report for the year ended 30 June 2003.

Directors

The names and details of the company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Dr CD Rawlings
(appointed 26/7/02)
Non-Executive Chairman

Chris Rawlings has over 25 years experience in the mining industry. Until late 2000 he was Managing Director of one of Australia's leading resource companies, QCT Resources Ltd, a position he held from 1994 until the \$900 million takeover by BHP and Mitsubishi. He is currently a director and acting chief executive of Australian Magnesium Corporation Limited. He is Chairman of D'Aguilar Gold Ltd, a non-executive director of Gympie Gold Ltd, UniQuest Ltd and JK Technology Pty Ltd. He has previously held board positions with numerous industry bodies including President of the Queensland Mining Council, Chairman of the Australian Coal Association, Director of the World Coal Institute, and Chairman of the Advisory Board and Adjunct Professor, Department of Mining, Minerals and Processing at the University of Queensland.

RP Seville
Managing Director

Richard Seville is a mining geologist and rock mechanics engineer with 20 years experience in the mining industry. Richard holds a Bachelor of Science in Mining Geology from the Royal School of mines and a Masters degree in engineering from James Cook University. He was formerly an executive director of operations for Murchison United NL.

RS Anthon
Non-Executive Director
(Chairman of Audit Committee)

Rick Anthon is a partner with the Queensland law firm of Hemming & Hart and acts as a non-executive director of the company. He has practised extensively in the corporate and mining law area for more than 15 years.

SG Bizzell
Executive Director

Stephen Bizzell holds a Bachelor of Commerce degree from the University of Queensland and is a Chartered Accountant. Formerly employed in the Corporate Finance division of Ernst & Young and at Coopers & Lybrand, he has had considerable experience in the fields of corporate restructuring, equity financing, acquisitions and public company management. He is also a Director of ASX listed Arrow Energy NL.

WC Myers (resigned 25/7/02)

Wayne Myers is the Managing Director of Sirocco Technologies Group Ltd. He resigned as a Director at the time of the separation of the mining and technology groups.

FC Quinn (resigned 25/7/02)

Fletcher Quinn is the Chairman of Sirocco Technologies Group Ltd. He resigned as a Director at the time of the separation of the mining and technology groups.

Company Secretary

JPK Marshall

Paul Marshall holds a Bachelor of Law degree from the University of Liverpool in England and is a Chartered Accountant and has been the company secretary of Renison for 8 years. Prior to holding this position he was employed by Ernst & Young for 10 years.

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Interests in the shares and options of the Company

Interest of the directors in the shares and options of the company as at the date of this report are:

	Ordinary Shares		Convertible Notes	Director Options
	Fully Paid	Partly Paid		
Christopher Rawlings	2,148,576	-	10,744	-
Stephen Bizzell	12,188,195	6,978,970	31,956	6,000,000
Richard Anthon	500,000	3,500,000	-	-
Richard Seville	9,972,970	0	50,000	12,000,000

Corporate Information

Corporate Structure

Renison Consolidated Mines NL is a company limited by shares that is incorporated and domiciled in Australia. Renison Consolidated Mines NL has prepared a consolidated financial report encompassing the entities that it controlled or had significant influence over during the financial year:

Renison Consolidated Mines NL had the following investments in controlled companies throughout the financial year:

- Sirocco Operations Pty Ltd (100%)
- A.C.N. 099 916 373 Pty Ltd (100%)
- Renison Bell Holdings Pty Ltd (100%)

From 1 July 2002 to 2 August 2002 Renison had a 100% interest in Sirocco Technologies Group Ltd who had the following investments in controlled companies.

- Visual Networks Ltd (100%)
- Sirocco Broadband Pty Ltd (100%)
- Broadband Solutions Pty Ltd (100%)
- Sirocco Communications Pty Ltd (65%)
- VOD Pty Ltd (26.2%)

On 2 August 2002 the Sirocco Technologies Group Ltd businesses formerly within the Renison Group were separated from Renison Consolidated Mines by way of an in specie distribution of shares to all shareholders of the Company.

Nature of operations and principal activities

The principal activities of the company during the year were:

- gold mining
- minerals exploration and evaluation
- for the period from 1 July 2002 to 2 August 2002 the sale and installation of telecommunications, broadband and audio visual equipment and services

Employees

The consolidated entity employed 9 employees as at 30 June 2003 (2002: 30 employees – includes 26 within Sirocco Technologies Group companies.)

Results

	2003	2002
	\$	\$
Operating profit/(loss) after income tax attributable to members	1,904,142	(4,874,017)

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Dividends

No dividend was paid during the year and none is recommended as at 30 June 2003.

Review of Operations

Detailed comments on operations and exploration programmes are included separately in the Annual Report under Review of Operations.

Significant Changes in the State of Affairs

Corporate

Sirocco Technologies Group who hold the communications businesses formerly within the Renison Group was separated from Renison Consolidated Mines in August by way of an in specie distribution of shares to all shareholders of the Company. The accumulated losses of Sirocco Technologies Group Ltd and its subsidiary companies no longer have to be carried by the revised economic entity following the split of the mining and the technology groups. The disposal of the interest and the consequential reversal of the accumulated losses in Sirocco Technologies Group Ltd has resulted in a one off accounting gain of \$3,880,748 being recorded in the year in accordance with applicable accounting standards.

Resources Division

The Directors of the Company advised the Australian Stock Exchange in December 2002 that an agreement to purchase Renison Bell Ltd, the owner of the Renison Bell tin mine, from Murchison United NL had been terminated. In the period since the agreement had been negotiated, the operating performance of Renison Bell Ltd had deteriorated significantly. This had both reduced the Company's assessment of the value of Renison Bell Ltd and also increased substantially the funding required for working capital and for capital to invest in the mine's future. Whilst the Company was successful in receiving offers from a number of parties to provide various components of the funding, it had not been possible to arrange the overall quantum of funding required in a manner which would ensure the acquisition enhanced shareholder value and as a consequence the agreement was terminated. The Company incurred costs of \$141,813 in relation to the proposed acquisition.

Matters Subsequent to the End of the Financial Year

At balance date the company had received \$1,227,000 in relation to a placement totalling \$1,500,00 of convertible notes. Subsequent to the end of the financial year the company received the balance of the funds and completed the issue of the notes (except for \$161,000 for which the funds have been received in relation to a subscription by a director related entity that requires shareholder approval to be obtained before the notes can be issued) and has completed a further issue of \$1,200,000 of convertible notes by way of an entitlement issue to shareholders.

No matter or circumstance has arisen since 30 June 2003, that has significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in financial years subsequent to 30 June 2003.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in subsequent financial years have been discussed where appropriate in relation to the company's exploration and development prospects in the Annual Report under Review of Operations.

There are no further developments of which the directors are aware which could be expected to affect the results of the company's operations in subsequent financial years other than information which the directors believe comment on or disclosure of, would prejudice the interests of the company.

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Environmental Regulation and Performance

Sirocco holds a licence issued by the NT Government Department of Lands, Planning and Environment for the discharge of waste which specify conditions for the discharge of water from the Tom's Gully minesite. There have been no known breaches of the licence conditions.

Directors' and other officers' emoluments

The Remuneration Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the directors and the executive team. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

Emoluments of directors of Renison Consolidated Mines NL for the year ended 30 June 2003:

	Base Fee	Directors' Fee	Super-annuation	Long Term Emoluments Options Granted #	Other Benefits
	\$	\$	\$	\$	\$
CD Rawlings (appointed 26/7/02)	-	33,639	3,027	-	-
RP Seville	164,514	-	10,486	89,593	-
SG Bizzell	120,930	-	-	44,796	5,493
RS Anthon	-	20,000	-	-	-
FC Quinn (resigned 25/7/02) *	9,000	-	-	-	291
WC Myers (resigned 25/7/02) *	9,972	-	897	-	-

* Payments by Sirocco Technologies Group Ltd up to 2 August 2002

- Calculation of value of options granted using the Black-Scholes option pricing model, which takes into account factors such as the option exercise price, the market price at the date of issue and volatility of the underlying share price and the time to maturity of the option. Details of the calculations in relation to each director of granted options are set out below:

RP Seville

Nos of Options	Vesting Dates	Expiry Date	Strike Price cents	Market Value at date of issue cents	Black-Scholes Valuation \$
4,000,000	1/7/03	30/6/07	12.5	11	62,017
4,000,000	1/7/04	30/6/07	15.0	11	20,881
4,000,000	1/7/05	30/6/07	17.5	11	6,695
12,000,000					89,593

SG Bizzell

Nos of Options	Vesting Dates	Expiry Date	Strike Price cents	Market Value at date of issue cents	Black-Scholes Valuation \$
2,000,000	1/7/03	30/6/07	12.5	11	31,008
2,000,000	1/7/04	30/6/07	15.0	11	10,441
2,000,000	1/7/05	30/6/07	17.5	11	3,347
6,000,000					44,796

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Emoluments of the executive officers of the company

	Base Fee \$	Superannuation \$	Other \$
C Creagh	123,563	11,120	-
JPk Marshall	78,400	-	941

The elements of emoluments have been determined on the basis of the cost to the company. Executives are those directly accountable and responsible for the operational management and strategic direction of the company. The category 'Other' includes the value of any non-cash benefits provided.

Share Options

At the date of this report there were a total of 18,000,000 unissued ordinary shares under options.

Number of Options	Exercise Price	Vesting Date	Expiry Date
6,000,000	12.5 cents	1/7/03	30/6/07
6,000,000	15 cents	1/7/04	30/6/07
6,000,000	17.5 cents	1/7/05	30/6/07

Subsequent to the end of the financial year the company completed an issue of Convertible Notes totalling \$2,700,000. If all the issued, or to be issued, notes were converted into ordinary shares a total of 54,000,000 shares would be required to be issued. In addition the interest payable on the notes can at the option of the noteholder be paid as additional notes. If all the interest potentially payable on the notes outstanding were to be reinvested as notes and these notes converted into ordinary shares a further 15,297,540 would require to be issued.

Indemnification and Insurance of Directors and Officers

During or since the end of the financial year, the company has paid premiums in respect of a contract insuring all the directors of Renison Consolidated Mines NL. The terms and conditions of the insurance policy prohibit disclosure of the nature of the liabilities insured against and the amount of the premium paid for the policy.

Meetings of Directors

The following table sets out the number of meetings of the company's directors held during the year ended 30 June 2003 and the number of meetings attended by each director.

	Number of meetings held while in office	Meetings attended
Christopher Rawlings	9	9
Richard Seville	9	9
Stephen Bizzell	9	9
Richard Anthon	9	9
Fletcher Quinn	0	0
Wayne Myers	0	0

Audit Committee

The members of the audit committee are Mr R S Anthon and Dr C D Rawlings. The committee met 6 times during the year and all members attended each meeting.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or 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 any part of those proceedings. The company was not a party to any such proceedings during the year.

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Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Renison Consolidated Mines NL support and adhere to the principles of corporate governance. The company's corporate governance statement is set out on pages 20 and 21.

Signed in accordance with a resolution of the directors.

R P Seville
Director

Brisbane 30 September 2003

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SHAREHOLDER INFORMATION

DISTRIBUTION OF NUMBER OF HOLDERS OF EACH CLASS OF SECURITIES AS AT 19 SEPTEMBER 2003.

Number of Securities Held	Ordinary shares fully paid		Partly paid ordinary shares – paid to 3 cents		Convertible Notes	
	Nos of holders	Nos of shares	Nos of holders	Nos of shares	Nos of holders	Nos of notes
1 to 1,000	360	170,022	22	13,488	242	59,811
1,001 to 5,000	962	3,037,744	58	192,844	59	201,964
5,001 to 10,000	808	6,843,622	90	794,985	18	161,383
10,001 to 100,000	1,561	53,878,096	342	16,029,696	34	1,215,662
100,001 and over	288	157,519,099	176	135,468,987	3	850,000
	3,979	221,448,583	688	152,500,000	356	2,538,820
The number of shareholders holding less than a marketable parcel of shares are:	1,550	4,610,141	558	23,051,925	184	17,182

TWENTY LARGEST HOLDERS OF EACH QUOTED SECURITY

RSN – Ordinary Fully Paid Shares

No.	Name of Shareholder	Holding	% Held
1	David John Vincent	19,201,500	8.67%
2	Jin Wei-Feng Vincent	9,980,000	4.51%
3	Richard Seville and Associates Pty Ltd	9,972,720	4.50%
4	Stephen Bizzell	6,500,000	2.94%
5	Bizzell Nominees Pty Ltd	5,836,482	2.64%
6	Dragonlyn Pty Ltd	4,094,343	1.85%
7	Hadley Castle Pty Ltd	3,979,250	1.80%
8	Longfield Capital Ventures Ltd	2,702,744	1.22%
9	Jayare Nominees Pty Ltd	2,500,000	1.13%
10	Mark Ward Trading Pty Ltd	2,400,000	1.08%
11	Elizabeth Lee Nelson	2,148,576	0.97%
12	Peter Alfred Ternes	1,900,000	0.86%
13	Monetti Pty Ltd	1,740,000	0.79%
14	FNL Investments Pty Ltd	1,677,150	0.76%
15	Equitas Nominees Pty Ltd	1,350,000	0.61%
16	Sypco Holdings Pty Ltd	1,258,855	0.57%
17	Rosmarie Geisler	1,150,000	0.52%
18	Hugo & Mrs Titia Bray	1,142,000	0.52%
19	Jemaya Pty Ltd	1,100,000	0.50%
20	Warren William Brown & Mrs Marilyn Helena Brown	1,010,000	0.46%
		42,489,400	19.19%

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RSNCC – Ordinary Shares Paid to 3 Cents, 22 Cents Unpaid

No.	Name of Shareholder	Holding	% Held
1	David John Vincent	9,433,565	6.19%
2	Jin Wei-Feng Vincent	7,566,422	4.96%
3	Sypco Holdings Pty Ltd	7,324,349	4.80%
4	Bizzell Nominees Pty Ltd	7,008,970	4.60%
5	Wybelenna Central Pty Ltd	6,350,000	4.16%
6	Warren William Brown & Mrs Marilyn Helena Brown	4,597,000	3.01%
7	WWB Investments Pty Ltd	3,944,400	2.59%
8	Nambia Pty Ltd	3,500,000	2.30%
9	Avglen Pty Ltd	3,326,940	2.18%
10	W & J Lucas Pty Ltd	3,317,000	2.18%
11	Shaun Edward Scott	3,000,000	1.97%
12	Graeme R Boden	2,661,666	1.75%
13	Hadley Castle Pty Ltd	2,435,000	1.60%
14	Mark Robinson	2,010,000	1.32%
15	T&H Consulting Services Pty Ltd	2,001,129	1.31%
16	Warren & Mrs Jennifer Lucas	2,000,000	1.31%
17	Edward Sandro Darrigo	1,800,000	1.18%
18	Adam Furst	1,800,000	1.18%
19	IM Lisa Pty Ltd	1,665,892	1.09%
20	Grantson Pty Ltd	1,500,000	0.98%
		77,242,333	50.65%

RSNG – Convertible Notes

No.	Name of Shareholder	Holding	% Held
1	Westpac Custodian Nominees Ltd	700,000	27.57%
2	City Natural Resources	200,000	7.88%
3	David John Vincent	150,000	5.91%
4	Abraham Lester	100,000	3.94%
5	Dr Michael Fung	90,000	3.54%
6	United National Investments Pty Ltd	90,000	3.54%
7	Gurravembi Investments Pty Ltd	80,000	3.15%
8	Bedford Banner Pty Ltd	55,000	2.17%
9	Richard Seville and Associates Pty Ltd	50,000	1.97%
10	Mr Raymond George Pank	50,000	1.97%
11	Samuel Holdings Pty Ltd	50,000	1.97%
12	Biotee International Pty Ltd	45,250	1.78%
13	Sixth Erra Pty Ltd	42,000	1.65%
14	Tynco Nominees Pty Ltd	36,138	1.42%
15	Longfield Capital Ventures Ltd	31,302	1.23%
16	Downshire Investments Pty Ltd	30,514	1.20%
17	Bizzell Nominees Pty Ltd	30,331	1.19%
18	Slipline Pty Ltd	30,000	1.18%
19	Goldsword Holdings Pty Ltd	25,000	0.98%
20	Mrs Louisa Jones	25,000	0.98%
		1,910,535	75.25%

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VOTING RIGHTS

- (i) All fully paid ordinary shares carry one vote per share without restriction.
- (ii) All partly paid ordinary shares carry a fraction of one vote per share equal to the proportion that the amount paid up bears to the total issue price.

UNQUOTED SECURITIES

The following unquoted options are on issue:

Number of Options	Exercise Price	Vesting Date	Expiry Date	
6,000,000	12.5 cents	1/7/03	30/6/07	R Seville holds 4,000,000 and S Bizzell 2,000,000
6,000,000	15 cents	1/7/04	30/6/07	R Seville holds 4,000,000 and S Bizzell 2,000,000
6,000,000	17.5 cents	1/7/05	30/6/07	R Seville holds 4,000,000 and S Bizzell 2,000,000

INTERESTS IN MINING TENEMENTS

Renison Consolidated Mines NL held the following interests in Northern Territory mining and exploration tenements as at 19 September 2003:

100% interest tenements:

Type	Title No	Location
EL	8508	Mary River
EL	9161	Mary River
ELA	10367	Mary River
EL	10368	McKinley River
ELA	10382	Noonamah
ELA	22206	Mary River
ELA	22232	Mary River
ELA	22386	Noonamah
EL	23172	Noonamah
EL	23173	Noonamah
ELA	23174	Mary River
EL	23177	Darwin
ELA	23178	Darwin
MCN	68 to 91	Mary River
MCN	3333 to 3339	Mary River
MCN	5229	Mary River
MLN	281 to 284	Mary River
MLN	337 to 339	Mary River
MLN	369 to 373	Mary River
MLN	1058	Mary River

Joint venture with Rustlers Roost Mining Pty Ltd

Type	Title No	Location
EL	9346	Mary River
EL	9594	Mary River
MCN	3423	Mary River
MCN	4416 to 4418	Mary River
MCN	4593	Mary River

Corporate Governance Statement

The Board of Directors of Renison Consolidated Mines NL is responsible for the corporate governance of the consolidated entity. The board guides and monitors the business and affairs of Renison Consolidated Mines NL on behalf of the shareholders by whom they are elected and to whom they are accountable.

To ensure the board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of directors and for the operation of the board.

Composition of the Board

The composition of the board is determined in accordance with the following principles and guidelines:

- the board should comprise at least four directors and should maintain a minimum of two non-executive directors;
- the chairperson must be a non-executive director;
- the board should comprise directors with an appropriate range of qualifications and expertise; and
- the board shall meet regularly and follow meeting guidelines set down to ensure all directors are made aware of, and have available all necessary information, to participate in an informed discussion of all agenda items.

The directors in office at the date of this statement are:

Dr CD Rawlings – Chairman
RP Seville
SG Bizzell
RS Anthon

Nomination Committee

The board has established a nomination committee, which meets at least annually, to ensure that the board continues to operate within the established guidelines, including when necessary, selecting candidates for the position of director. The nomination committee comprises the two non-executive directors.

Remuneration Committee

The board is responsible for determining and reviewing compensation arrangements for the directors themselves and the chief executive officer and the executive team. The board has established a remuneration committee, comprising of the two non-executive directors.

Audit Committee

The board has established an audit committee, which operates under a charter approved by the board. It is the board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes. This includes the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The board has delegated the responsibility for the establishment and maintenance of a framework of internal control and ethical standards for the management of the consolidated entity to the audit committee.

The committee also provides the board with additional assurance regarding the reliability of financial information for inclusion in the financial reports.

The members of the audit committee during the year were:

RS Anthon (Committee Chairman)
Dr CD Rawlings

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The audit committee is also responsible for nomination of the external auditor and reviewing the adequacy of the scope and quality of the annual statutory audit and half year statutory audit or review.

Board Responsibilities

As the board acts on behalf of and is accountable to the shareholders, the board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. The board seeks to discharge these responsibilities in a number of ways.

The responsibility for the operation and administration of the consolidated entity is delegated by the board to the chief executive officer and the executive team. The board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the chief executive and the executive team.

The board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the board. The board has a number of mechanisms in place to ensure this is achieved. In addition to the establishment of the committees referred to above, these mechanisms include the following:

- board approval of a strategic plan, which encompasses the entity's vision, mission and strategy statements, designed to meet stakeholders' needs and manage business risk;
- the strategic plan is a dynamic document and the board is actively involved in developing and approving initiatives and strategies designed to ensure the continued growth and success of the entity;
- implementation of operating plans and budgets by management and board monitoring of progress against budget – this includes the establishment and monitoring of key performance indicators (both financial and non-financial) for all significant business processes;
- establishment of committees to report on environmental issues and concerns, and occupational health and safety;
- procedures to allow directors, in the furtherance of their duties, to seek independent professional advice at the company's expense; and
- the review and approval of acquisitions and disposals of businesses and assets, and the approval of contracts and financing arrangements.

Monitoring of the Board's Performance and Communication to Shareholders

In order to ensure that the board continues to discharge its responsibilities in an appropriate manner, the performance of all directors is reviewed annually by the chairperson.

The board of directors aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the directors. Information is communicated to the shareholders through:

- the annual report which is distributed to all shareholders;
- announcements released to the ASX; and
- the annual general meeting and other meetings so called to obtain approval for board action as appropriate.

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STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2003

		Consolidated		Parent Entity	
	Note	2003	2002	2003	2002
		\$	\$	\$	\$
Revenues from ordinary activities	2	1,116,164	4,447,902	179,435	952,607
Mining and exploration costs		404,392	702,287	404,392	702,287
Depreciation and amortisation expenses	3	233,694	882,737	215,901	723,377
Borrowing costs expense	3	27,867	18,724	26,771	7,858
Provisions and write offs	3	204,517	1,723,273	85,914	(3,954)
Written down value of assets sold		545,880	300,021	38,215	52,717
Renison Bell due diligence costs		141,813	-	141,813	
Head office employment costs		636,722	1,039,279	636,722	1,039,279
Other expenses		352,009	794,258	351,966	794,018
Discontinued Operations cost of sales and expenses		504,389	3,731,778	-	-
Gain on disposal of interest in Sirocco Technologies	36	3,880,748	-	-	-
Share of net (losses) of associates accounted for using the equity method	10	-	(297,653)	-	-
Profit/(Loss) from ordinary activities before income tax		1,945,629	(5,042,108)	(1,772,259)	(2,362,975)
Income tax expense relating to ordinary activities	4	-	-	-	-
Profit/(Loss) from ordinary activities after income tax		1,945,629	(5,042,018)	(1,772,259)	(2,362,975)
Net Profit/(Loss) attributable to outside equity interest	24	41,487	(168,091)	-	-
Net Profit/(Loss) attributable to members of Renison Consolidated Mines NL	23	1,904,142	(4,874,017)	(1,772,259)	(2,362,975)
Total changes in equity other than those resulting from transactions of owners as owners		1,904,142	(4,874,017)	(1,772,259)	(2,362,975)
Basic earnings/(loss) per share (cents per share)	29	0.79	(2.10)		
Diluted earnings/(loss) per share (cents per share)	29	0.79	(2.10)		

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

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2003

		Consolidated		Parent Entity	
	Note	2003	2002	2003	2002
		\$	\$	\$	\$
Current Assets					
Cash Assets		433,875	189,419	433,674	97,874
Receivables	5	77,277	568,304	391,058	8,454,801
Inventory	6	-	249,201	-	-
Other Financial Assets	7	104,720	538,093	30,176	2,000
Other	8	51,445	49,894	51,445	33,699
Total Current Assets		667,317	1,594,911	906,353	8,588,374
Non-Current Assets					
Receivables	9	272,799	324,892	272,799	319,892
Equity Accounted Investments	10	-	0	-	-
Other Financial Assets	11,12	-	1,217,288	2	3
Property, Plant & Equipment	13	5,471,334	5,911,955	5,471,334	5,691,327
Intangible Assets	14	-	2,310,934	-	-
Exploration and Development	15	2,158,505	2,172,411	2,158,505	2,172,411
Other	16	92,606	-	92,606	-
Total Non-Current Assets		7,995,244	11,937,480	7,995,246	8,183,632
Total Assets		8,662,561	13,532,391	8,901,599	16,772,006
Current Liabilities					
Payables	17	483,990	1,658,318	483,990	547,056
Interest Bearing Liabilities	18	366,560	118,366	366,560	61,517
Provisions	19	22,387	75,913	22,387	21,803
Total Current Liabilities		872,937	1,852,596	872,937	630,376
Non-Current Liabilities					
Interest Bearing Liabilities	20	1,227,000	147,476	1,227,000	66,560
Provisions	21	400,000	400,000	400,000	400,000
Total Non-Current Liabilities		1,627,000	547,476	1,627,000	466,560
Total Liabilities		2,499,937	2,400,072	2,499,937	1,096,936
Net Assets		6,162,624	11,132,319	6,401,662	15,675,069
Equity					
Parent Entity Interest					
Contributed Equity	22	27,521,447	34,436,801	27,521,447	35,072,625
Accumulated Losses	23	(21,358,823)	(23,262,995)	(21,119,785)	(19,397,556)
Total Parent Entity Interest in Equity		6,162,624	11,173,806	6,401,662	15,675,069
Total Outside Equity Interest	24	-	(41,487)	-	-
Total Equity		6,162,624	11,132,319	6,401,662	15,675,069

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

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2003

		Consolidated		Parent Entity	
	Note	2003	2002	2003	2002
		\$	\$	\$	\$
Cash Flows from Operating Activities					
Cash receipts in the course of operations		700,020	4,458,980	282,016	912,471
Cash payments in the course of operations		(1,998,797)	(6,340,011)	(1,832,023)	(2,610,749)
Interest received		13,139	20,906	13,051	18,276
Borrowing costs		(16,862)	(18,724)	(15,765)	(7,858)
Net Cash Used in Operating Activities	25	(1,302,500)	(1,878,849)	(1,552,721)	(1,687,860)
Cash Flow From Investing Activities					
Proceeds from sale of plant & equipment		17,176	48,674	17,176	35,182
Payments for property, plant & equipment		(51,665)	(40,515)	(34,123)	(16,037)
Proceeds of sale of investments		403,951	192,862	-	-
Purchase of shares		(4,198)	(742,300)	(8)	-
Purchase of controlled entity		-	47,156	-	-
Cash retained by Sirocco Technologies Group at disposal of interest		(242,816)	-	-	-
Payments for exploration & evaluation		(6,735)	(11,016)	(6,735)	(11,016)
Loans advanced to related parties		-	(144,253)	(41,835)	(602,025)
Repayment of loans from related parties		-	-	511,471	528,800
Loans advanced to other companies		-	(24,000)	-	-
Repayment of loans		-	800,345	-	-
Loan from related party		300,000	-	300,000	-
Repayments of security deposits		47,093	41,712	47,093	21,295
Net Cash Flow (Used in)/Provided by Investing Activities		461,806	168,665	793,039	(43,801)
Cash Flow from Financing Activities					
Proceeds from issue of shares		-	1,596,028	-	1,596,028
Proceeds from issue of debt securities		1,227,000	-	1,227,000	-
Payments for issue of debt securities		(70,000)	-	(70,000)	-
Repayment of hp/finance lease principal		(72,851)	(90,669)	(61,518)	(58,473)
Net Cash Flow from Financing Activities		1,084,149	1,505,359	1,095,482	1,537,555
Net increase (decrease) in cash held		244,455	(204,825)	335,800	(194,105)
Cash at the beginning of the financial year		189,420	394,245	97,874	291,979
Cash at the end of the financial year	25	433,875	189,420	433,674	97,874

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

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Notes to the financial statements for the year ended 30 June 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial report is a general purpose financial report which has been drawn up in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and Corporations Act 2001. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

The financial statements have been prepared in accordance with the historical cost convention.

The accounting policies adopted are consistent with those of the previous year.

Principles of consolidation

The consolidated accounts are those of the consolidated entity, comprising Renison Consolidated Mines NL (the parent entity) and all entities which Renison Consolidated Mines NL controlled from time to time during the year and at balance date.

Information from the financial statements of subsidiaries is included from the date the parent company obtains control until such time as the control ceases. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent company has control.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

Foreign Currencies

Transactions in foreign currencies of entities within the consolidated entity are converted to local currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Cash

Cash on hand and in banks and short-term deposits are stated at nominal value.

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in banks and money market investments which are readily convertible to cash within two working days. Bank overdrafts are carried at the principal amount. Interest is recognised as an expense when it accrues.

Receivables

Trade and other receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

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Notes to the financial statements for the year ended 30 June 2003

Investments

Investments in associates are carried at the lower of the equity-accounted amount and recoverable amount in the financial report. All other non-current investments are carried at the lower of cost and recoverable amount.

Investments are brought to account at cost. The carrying amount of investments is reviewed annually by directors to ensure they are not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the shares' current market value or the underlying net assets in the particular entities.

Inventories

Inventories are valued at the lower of cost and net realisable value.

Recoverable Amount

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

Property, Plant and Equipment

All property, plant and equipment is measured at cost less accumulated depreciation, where depreciation is calculated on a straight line basis over the estimated useful lives for the period the assets are put to productive use.

Major depreciation periods are

- Mine Site Buildings	7-8 years
- Mining infrastructure	7-8 years
- Mining plant and equipment	7-8 years
- Motor vehicles	5-6 years
- Office and computer equipment	3-8 years

Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

Finance leases

Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased item to the group are capitalised at the present value of the minimum lease payments. A lease liability of equal value is also recognised. Minimum lease payments are allocated between interest expense and reduction of the lease liability with the interest expense calculated using the interest rate implicit in the lease and recognised directly in net profit.

Intangibles

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business or shares in a controlled entity. Goodwill is amortised on a straight line basis over the period during which benefits are expected to be received. This is taken to be between five and twenty years.

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Exploration, evaluation, development and restoration costs

Costs Carried Forward

Costs arising from exploration and evaluation activities are carried forward provided such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not at balance date reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. Costs carried forward in respect of an area of interest that is abandoned are written off in the year in which the decision to abandon is made.

Amortisation

Costs on productive areas are amortised over the life of the area of interest to which such costs relate.

Restoration Costs

Restoration costs that are expected to be incurred are provided for as part of the cost of the exploration, evaluation, development, construction and production phases that give rise to the need for restoration. Accordingly, these costs are recognised gradually over the life of the facility as these phases occur. The costs include obligations relating to reclamation, waste site closure, plant closure, platform removal and other costs associated with the restoration of the site. These estimates are current costs and have not been discounted to their present value. Any changes in the estimates are adjusted on a retrospective basis.

Other Non-Current Assets

Expenditure carried forward

Significant items of carry forward expenditure having a benefit or relationship to more than one period are written off over the periods to which such expenditure relates. Costs in relation to the convertible note issue completed post balance date will be amortised over the period from issue of the notes until the redemption date of March 2007.

Payables

Liabilities for trade creditors and other services and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis. Trade account payables are usually settled on a 30 day basis.

Interest Bearing Liabilities

All borrowings are measured at the principal amount. Interest is charged as an expense as it accrues.

Finance lease and hire purchase liability is determined in accordance with the requirements of AASB 1008 'Leases'.

Convertible notes are recognised as liabilities in the Statement of Financial Position.

Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

Contributed Equity

Ordinary share capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

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Revenue Recognition

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

Sale of minerals: Revenue from the sale of minerals is accrued upon confirmation from the mint of the quantity of gold and silver refined at the mint.

Sale of goods: Control of the goods has passed to the buyer.

Rendering of services: Where the contract outcome can be reliably measured, control of the right to be compensated for the services and the stage of completion can be reliably measured.

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

Taxes

Income taxes

Tax-effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. To the extent timing differences occur between the time items are recognised in the financial statements and when items are taken into account in determining taxable income, the net related taxation benefit or liability, calculated at current rates, is disclosed as a future income tax benefit or a provision for deferred income tax. The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense of the item. Receivables and payables are stated with the amount of GST included.

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

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefit expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit expenses and revenues arising in respect of wages and salaries, non-monetary benefits, annual leave, sick leave and other types of employee benefits are charged against profits on a net basis in their respective categories.

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Derivative Financial Instruments

Gold Options

The consolidated entity may enter into gold sale options where it agrees to sell specified amounts of gold in the future at a predetermined rate. The objective is to match the sale with anticipated production from the gold mining operations. Gold delivered to the mint is accrued as revenue based on the outstanding forward contracts in place. At the end of the financial period there were no outstanding forward contracts.

Earnings/Loss per Share

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

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	Consolidated		Parent Entity	
	2003	2002	2003	2002
Note	\$	\$	\$	\$
2. REVENUE FROM ORDINARY ACTIVITIES				
Revenues from operating activities				
Revenue from sale of minerals	-	713,672	-	713,672
Total revenues from operating activities	-	713,672	-	713,672
Revenues from non-operating activities				
Interest – other persons/corporations	13,765	17,807	13,725	17,807
Rent	79,781	83,838	79,781	83,838
Other	68,754	102,108	68,754	102,108
Proceeds from disposal of plant and equipment	17,176	35,182	17,176	35,182
Proceeds from sale of financial assets	327,951	100,000	-	-
Total revenues from non-operating activities	507,427	338,935	179,435	238,935
Revenues from discontinued operations				
Revenue from sale of goods & services	532,689	3,240,355	-	-
Interest – other persons/corporations	48	24,755	-	-
Other	-	21,236	-	-
Proceeds from disposal of plant and equipment	-	16,088	-	-
Proceeds from sale of financial assets	76,000	92,862	-	-
Total revenues from discontinued operations	608,737	3,395,295	-	-
Total revenues from ordinary activities	1,116,164	4,447,902	179,435	952,607
Share of net profits/(losses) of associates accounted for using the equity method				
Share of associate's losses	-	(297,653)	-	-
3. EXPENSES AND LOSSES/(GAINS)				
(a) Expenses				
Cost of sales mining operations	-	702,287	-	702,287
Expenses of discontinued operations	504,389	3,731,776	-	-
Depreciation of non-current assets				
- Buildings	21,314	22,823	21,314	22,823
- Plant and equipment	97,386	100,287	97,386	100,287
- Motor vehicles	55,101	71,328	55,101	71,328
- Office and computer equipment	42,100	46,586	42,100	46,586
- Discontinued operations	5,801	62,690	-	-
Total depreciation of non-current assets	221,702	303,714	215,901	241,024
Amortisation of non-current assets				
- Goodwill (Discontinued operations)	11,993	96,670	-	-
- Exploration and development costs	-	482,353	-	482,353
Total amortisation of non-current assets	11,993	579,023	-	482,353
Total depreciation and amortisation expenses	233,695	882,737	215,901	723,377

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		Consolidated		Parent Entity	
	Note	2003	2002	2003	2002
		\$	\$	\$	\$
Borrowing costs expensed					
- finance lease and hire purchase interest		5,909	18,724	4,813	7,858
- convertible notes		11,005	-	11,005	-
- director related entity	33	9,011	-	9,011	-
- other		1,942	-	1,942	-
Total borrowing costs expensed		<u>27,867</u>	<u>18,724</u>	<u>26,771</u>	<u>7,858</u>
Bad and doubtful debts — associated company		-	144,405	-	-
Bad and doubtful debts — other		-	31,222	-	-
Decrement in value of financial assets to recoverable amount		183,876	1,551,600	65,272	-
Exploration costs written off		20,641	(3,954)	20,641	(3,954)
Operating lease rental payments		174,920	180,472	172,738	163,889

(b) Losses/(Gains)

Net loss on the disposal of property, plant & equipment	21,040	24,777	21,040	17,535
Net loss/(gain) on disposal of financial assets	(103,714)	31,112	-	-

4. INCOME TAX

a) No income tax is payable in respect of the reporting entity's results for the year.

The directors estimate that the unbooked future income tax benefit at 30 June 2003, in respect of tax losses not brought to account is \$5,395,734 (2002: \$4,864,716).

These benefits will only be obtained if:

- (i) The reporting entity derives further assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;
- (ii) The reporting entity continues to comply with the conditions for deductibility imposed by the law; and
- (iii) No changes in the legislation adversely affect the reporting entity in realising the benefit from the deduction for the loss.

5. RECEIVABLES (CURRENT)

Trade debtors	7,830	497,552	7,830	12,574
Other debtors	69,447	41,953	69,447	14,067
Loans to other companies	-	28,800	-	-
Amounts other than trade debts receivable from related parties:				
- Controlled entities	-	-	313,781	8,428,160
	<u>77,277</u>	<u>568,304</u>	<u>391,058</u>	<u>8,454,801</u>

Terms and conditions relating to the above financial instruments:

- (i) Trade debtors are non interest bearing and generally on 30 day terms
- (ii) Other debtors are non interest bearing and have repayment terms of between 30 and 90 days
- (iii) Loans to other companies are both interest bearing and non-interest bearing and repayable on demand
- (iv) Details of the terms and conditions of related party receivables are set out in note 32

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Note	Consolidated		Parent Entity	
	2003	2002	2003	2002
	\$	\$	\$	\$
6. INVENTORIES (CURRENT)				
Finished goods				
Telecommunications products and equipment	-	249,201	-	-
	-	249,201	-	-

7. FINANCIAL ASSETS (CURRENT)

Investments at recoverable amount comprise				
Listed shares	30,353	513,093	30,176	2,000
Unlisted shares	74,367	25,000	-	-
	104,720	538,093	30,176	2,000

Listed shares are readily saleable with no fixed terms. There would be no capital gains tax payable if these assets were sold at their market values at the reporting date.

8. OTHER CURRENT ASSETS

Prepayments	51,445	49,894	51,445	33,699
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9. RECEIVABLES (NON-CURRENT)

Other receivables	272,799	324,892	272,799	319,892
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Other receivables are term deposits lodged as security in relation to guarantees provided for tenements held.

**10. INVESTMENTS ACCOUNTED FOR
USING THE EQUITY METHOD**

Investment in associate	-	0	-	-
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(a) Interest in Associate

VOD Pty Ltd: The consolidated entity owned 26.2% of VOD Pty Ltd at 30/6/02. Renison disposed of all its interest on 2 August 2002 at the time of the split of the mining and technology groups.

Share of associate's profits/(losses)		
- operating profits/(losses) before tax	0	(176,871)
- income tax expense/(benefit)	0	0
Share of associate's operating profits/(losses)	0	(176,871)
Adjusted for		
- amortisation of goodwill on acquisition	-	(120,782)
Share of associate's net profits/(losses)	0	(297,653)
Carrying amount of investment in associate:		
Balance at beginning of financial year	0	297,653
- Disposal of investment in year	0	-
- Share of associate's net (losses) in year	0	(176,871)
- Provision for decrement in value of associate	-	(120,782)
Balance at the end of the financial year	-	0

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	Note	Consolidated		Parent Entity	
		2003	2002	2003	2002
		\$	\$	\$	\$
Share of associates assets and liabilities					
Current assets		-	147,244		
Non-current assets		-	53,710		
Current liabilities		-	(7,074)		
Net assets		-	193,880		

Retained losses of the consolidated entity attributable to associates:

Balance at beginning of financial year	(1,158,316)	(860,663)
- Share of associate's net (losses) in year	-	(176,871)
- Provision for decrement in value of associate	-	(120,782)
- Reversal upon disposal of STG Ltd	1,158,316	-
Balance at the end of the financial year	0	(1,158,316)

11. OTHER FINANCIAL ASSETS (NON-CURRENT)

Investments at recoverable amount comprise

Shares – unlisted	-	1,217,288	-	-
Controlled entities – unlisted	-	-	2	3
	-	1,217,288	2	3

The unlisted shares were held in xDSL Ltd and represented 12.9% of the share capital at 30 June 2002. Renison disposed of all its interest on 2 August 2002 at the time of the split of the mining and technology groups.

12. INTERESTS IN SUBSIDIARIES

All companies are incorporated in Australia	Percentage of equity interest held by consolidated entity		Investment	
	2003	2002	2003	2002
	%	%	\$	\$
Sirocco Operations Pty Ltd	100	100	1	1
ACN 099 916 373 Pty Ltd	100	100	1	1
Renison Bell Holdings Pty Ltd	100	100	1	1
Sirocco Technologies Group Ltd	-	100	-	1
Sirocco Broadband Pty Ltd ^	-	100	-	1
Broadband Solutions Pty Ltd ^	-	100	-	1
Sirocco Communications Pty Ltd ^	-	65	-	400,300
Visual Networks Ltd ^	-	100	-	1
			3	400,307

^ Investments held by Sirocco Technologies Group Ltd

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Note	Consolidated		Parent Entity	
	2003	2002	2003	2002
	\$	\$	\$	\$
13. PROPERTY, PLANT AND EQUIPMENT				
Buildings				
- At cost	191,475	207,283	191,475	207,283
- Accumulated depreciation	(107,841)	(94,475)	(107,841)	(94,475)
	<u>83,634</u>	<u>112,788</u>	<u>83,634</u>	<u>112,788</u>
Mining plant & equipment				
- At cost	5,585,152	5,586,252	5,585,152	5,586,252
- Accumulated depreciation	(770,457)	(770,161)	(770,457)	(770,161)
	<u>4,814,695</u>	<u>4,816,091</u>	<u>4,814,695</u>	<u>4,816,091</u>
Mining infrastructure				
- At cost	746,326	746,326	746,326	746,326
- Accumulated depreciation	(413,168)	(318,729)	(413,168)	(318,729)
	<u>333,158</u>	<u>427,597</u>	<u>333,158</u>	<u>427,597</u>
Motor Vehicles				
- At cost	329,756	412,991	329,756	364,992
- Accumulated depreciation	(208,050)	(187,359)	(208,050)	(180,759)
	<u>121,706</u>	<u>225,632</u>	<u>121,706</u>	<u>184,233</u>
Plant & equipment under lease				
- At cost	-	79,582	-	-
- Accumulated depreciation	-	(19,391)	-	-
	<u>-</u>	<u>60,191</u>	<u>-</u>	<u>-</u>
Office & computer equipment				
- At cost	304,378	470,900	304,378	294,755
- Accumulated depreciation	(186,237)	(201,245)	(186,237)	(144,137)
	<u>118,141</u>	<u>269,655</u>	<u>118,141</u>	<u>150,617</u>
Total Property, Plant & Equipment				
- At cost	7,157,087	7,503,334	7,157,087	7,199,608
- Accumulated depreciation	(1,685,753)	(1,591,379)	(1,685,753)	(1,508,281)
	<u>5,471,334</u>	<u>5,911,955</u>	<u>5,471,334</u>	<u>5,691,327</u>

The directors have determined that fair value of buildings is represented by book value at 30 June 2003.

Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the financial year.

Buildings		
- Carrying amount at beginning	112,788	135,611
- Disposals	(7,841)	-
- Depreciation	(21,313)	(22,823)
	<u>83,633</u>	<u>112,788</u>
Mining plant & equipment		
- Carrying amount at beginning	4,816,091	4,816,091
- Additions	5,300	5,300
- Disposals	(3,749)	(3,749)
- Depreciation	(2,948)	(2,948)
	<u>4,814,695</u>	<u>4,814,695</u>

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		Consolidated		Parent Entity	
		2003	2002	2003	2002
	Note	\$	\$	\$	\$
Mining infrastructure					
- Carrying amount at beginning		427,597		427,597	
- Depreciation		(94,438)		(94,438)	
		<u>333,159</u>		<u>333,159</u>	
Motor Vehicles					
- Carrying amount at beginning		225,632		184,233	
- Additions		19,200		19,200	
- Disposals		(68,025)		(26,626)	
- Depreciation		(55,101)		(55,101)	
		<u>121,706</u>		<u>121,706</u>	
Plant & equipment under lease					
- Carrying amount at beginning		60,191		-	
- Disposals		(60,191)		-	
		<u>-</u>		<u>-</u>	
Office & computer equipment					
- Carrying amount at beginning		269,655		150,617	
- Additions		9,623		9,623	
- Disposals		(119,038)		-	
- Depreciation		(42,099)		(42,099)	
		<u>118,141</u>		<u>118,141</u>	

14. INTANGIBLES

Goodwill	-	2,420,325	-	-
Accumulated amortisation	-	(109,391)	-	-
	<u>-</u>	<u>2,310,934</u>	<u>-</u>	<u>-</u>

15. DEFERRED EXPLORATION AND DEVELOPMENT COSTS

Exploration, evaluation and development costs carried forward in respect of areas of interest

Areas of production					
- At cost, less amounts written off	3,849,082	3,849,082	3,849,082	3,849,082	
- Accumulated amortisation	(3,065,204)	(3,065,204)	(3,065,204)	(3,065,204)	
	<u>783,878</u>	<u>783,878</u>	<u>783,878</u>	<u>783,878</u>	
Areas not in production					
- Development phase	1,185,614	1,185,614	1,185,614	1,185,614	
- Exploration and evaluation phase	189,013	202,920	189,013	202,920	
	<u>1,374,627</u>	<u>1,388,534</u>	<u>1,374,627</u>	<u>1,388,534</u>	
	<u>2,158,505</u>	<u>2,172,411</u>	<u>2,158,505</u>	<u>2,172,411</u>	

16. OTHER NON CURRENT ASSETS

Borrowing costs	92,606	-	92,606	-
Less accumulated amortisation	0	-	0	-
	<u>92,606</u>	<u>-</u>	<u>92,606</u>	<u>-</u>

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	Consolidated		Parent Entity	
	2003	2002	2003	2002
Note	\$	\$	\$	\$
17. PAYABLES (CURRENT)				
Trade creditors	370,225	848,499	370,225	361,445
Other creditors	113,765	514,348	113,765	185,611
Deferred income	-	295,471	-	-
	<u>483,990</u>	<u>1,658,318</u>	<u>483,990</u>	<u>547,056</u>

Included in the above are aggregate amounts payable to the following related parties

Directors and director related entities	<u>78,086</u>	<u>123,498</u>	<u>78,086</u>	<u>113,617</u>
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Terms and conditions relating to the above financial instruments

- (i) Trade creditors are unsecured, non-interest bearing and are normally settled on 30 day terms
- (ii) Other creditors are unsecured, non interest bearing
- (iii) Details of the terms and conditions of related party payables are set out in note 32
- (iv) Deferred income relates to maintenance and service contracts. The income is recognised on a straight line basis over the period of the contracts.

18. INTEREST BEARING LIABILITIES (CURRENT)

Loan from Director Related Entity	300,000	-	300,000	-
Lease and hire purchase liability	<u>66,560</u>	<u>118,366</u>	<u>66,560</u>	<u>61,517</u>
	<u>366,560</u>	<u>118,366</u>	<u>366,560</u>	<u>61,517</u>

The lease and hire purchase liabilities are secured by charges over the assets subject to the liability

19. PROVISIONS (CURRENT)

Employee entitlements	<u>22,387</u>	<u>75,913</u>	<u>22,387</u>	<u>21,803</u>
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20. INTEREST BEARING LIABILITIES (NON-CURRENT)

Lease and hire purchase liability	-	147,476	-	66,560
Subscriptions for convertible notes	<u>1,227,000</u>	<u>-</u>	<u>1,227,000</u>	<u>-</u>
	<u>1,227,000</u>	<u>147,476</u>	<u>1,227,000</u>	<u>66,560</u>

The lease and hire purchase liabilities are secured by charges over the assets subject to the liability

The convertible notes were issued post year end. The terms and conditions of the convertible notes are:

- Conversion Price: Convertible at any time until 31 March 2007 at holder's election. Each \$1 note converts into 20 ordinary shares (RSN)).
- Maturity& Redemption: Redemption for full face value on 31 March 2007.
- Interest Rate &Yield Enhancer: 10% base yield with A\$ gold price linked yield enhancer. Interest rate increases by 1.0% for each A\$50/oz the average gold price exceeds A\$550/oz (pro rata) during each interest period.
- Interest Payments: Six-monthly payments for periods to March 31 and September 30 each year.

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	Consolidated		Parent Entity	
	2003	2002	2003	2002
Note	\$	\$	\$	\$
21. PROVISIONS (NON-CURRENT)				
Restoration	400,000	400,000	400,000	400,000

A provision for restoration is recognised in relation to the mining activities for costs such as reclamation, waste site closure, plant removal and other costs associated with the restoration of a mining site. Estimates of the restoration obligations are based on anticipated technology and legal requirements which have been estimated at current values. In determining the restoration provision, the entity has assumed no significant changes will occur in the relevant Federal and State legislation in relation to restoration of such mines in the future.

22. CONTRIBUTED EQUITY

(a) Issued and paid up capital

Ordinary shares fully paid	23,008,608	29,923,932	23,008,608	30,559,756
Ordinary shares partly paid	4,512,869	4,512,869	4,512,869	4,512,869
	<u>27,521,477</u>	<u>34,436,801</u>	<u>27,521,477</u>	<u>35,072,625</u>

(b) Movements in shares on issue

	2003		2002	
	Nos of shares	\$'000	Nos of shares	\$'000
Ordinary shares fully paid				
Beginning of the financial year	221,444,930	30,559,756	201,344,930	29,253,556
Increases during the year				
- investment in xDSL Pty Ltd	-	-	7,500,000	525,000
- purchase of Visual Networks business	-	-	12,600,000	781,200
Decreases during the year				
- return of capital re Sirocco Technologies Group		(7,551,148)		
	<u>221,444,930</u>	<u>23,008,608</u>	<u>221,444,930</u>	<u>30,559,756</u>
Elimination of cross shareholding	-	-	-	(635,824)
	<u>221,444,930</u>	<u>23,008,608</u>	<u>221,444,930</u>	<u>29,923,932</u>
Ordinary shares partly paid				
Beginning of the financial year	152,500,000	4,512,869	152,500,000	2,916,841
- Call payment	-	-	-	1,596,028
	<u>152,500,000</u>	<u>4,512,869</u>	<u>152,500,000</u>	<u>4,512,869</u>

- (i) The capital of the company was reduced on 2 August 2002 following the split of the mining and technology businesses refer to Note 35 for full details.
- (ii) A.C.N. 099 916 373 Pty Ltd held shares at cost of \$636,282 in Renison Consolidated Mines NL at 30 June 2002. The cross holding was eliminated on consolidation. These shares were sold during the year.

(c) Share Options

There were no share options outstanding at balance date. The Convertible Notes on issue can be converted into ordinary shares at the rate of 20 ordinary shares for each \$1 Note held. Refer to note 20.

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Notes to the financial statements for the year ended 30 June 2003

Note	Consolidated		Parent Entity	
	2003	2002	2003	2002
	\$	\$	\$	\$
23. ACCUMULATED LOSSES				
Balance at the beginning of the year	(23,262,995)	(18,388,978)	(19,397,556)	(17,034,581)
Net profit/(loss) attributable to members of Renison Consolidated Mines NL	1,904,142	(4,874,017)	(1,722,259)	(2,362,975)
Balance at end of year	<u>(21,358,823)</u>	<u>(23,262,995)</u>	<u>(21,119,785)</u>	<u>(19,397,556)</u>

24. OUTSIDE EQUITY INTEREST

Reconciliation of outside equity interest in controlled entities:

Opening balance	(41,487)	126,603		
Disposal of outside equity interest	41,487	-		
Add share of operating loss	-	(168,090)		
Closing balance	<u>-</u>	<u>(41,487)</u>		

25. STATEMENT OF CASH FLOWS

Reconciliation of the operating /(loss) after tax to the net cash flows from operations

Profit/(Loss) from ordinary activities after tax	1,945,629	(5,041,955)	(1,722,259)	(2,362,822)
Add (less) non-cash items				
Gain on disposal of subsidiary companies	(3,880,748)	-	-	-
Provision for receivables	-	175,627	-	-
Provision for diminution of investments	183,876	1,551,600	65,272	-
Provision for employee entitlements	11,446	10,368	584	10,299
Depreciation	221,701	303,714	215,900	241,024
Amortisation	11,993	579,023	-	482,353
Exploration expenditure written off	20,641	(3,954)	20,641	(3,954)
(Profit)/Loss on sale of investments	103,713	31,111	-	-
(Profit)/Loss on sale of plant & equipment	21,040	27,374	21,040	17,535
Share of associates net (profits)/losses	-	176,871	-	-
Provision for diminution of associates	-	120,782	-	-
Changes in assets & liabilities during the year				
(Increase)/decrease in receivables	(107,550)	54,475	(50,650)	13,242
(Increase)/decrease in inventory	(43,582)	33,948	-	12,853
(Increase)/decrease in prepayments	(16,968)	(19,188)	(17,746)	(10,657)
(Decrease)/increase in creditors	253,069	239,389	8,949	(142,342)
(Decrease)/increase in accruals	(26,760)	(118,033)	(94,453)	54,610
	<u>(1,302,500)</u>	<u>(1,878,849)</u>	<u>(1,552,721)</u>	<u>(1,687,860)</u>

Reconciliation of cash

- Cash at bank	<u>433,875</u>	<u>189,420</u>	<u>433,674</u>	<u>97,874</u>
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Notes to the financial statements for the year ended 30 June 2003

	Consolidated		Parent Entity	
	2003	2002	2003	2002
Note	\$	\$	\$	\$

Disposal of controlled entity

On 2 August 2002 the consolidated entity completed the disposal of the businesses of the Sirocco Technologies Group. The disposal was by way of a return of capital to all shareholders of Renison as at 2 August 2002. Details of the assets and liabilities disposed of are as follows:

Carrying value of assets and liabilities disposed	
- cash	242,816
- receivables	598,576
- inventories	292,783
- other financial assets	381,855
- other current assets	15,416
- non current receivables	5,000
- non current other financial assets	1,217,289
- property, plant & equipment	232,369
- intangibles	2,298,941
- payables	(1,423,244)
- interest bearing liabilities	(126,430)
- employee entitlements	(64,971)
Total Net Assets disposed	3,670,400
Gain on disposal	
- accumulated losses of STG Group	3,880,748
- loans capitalised and capital returned	7,551,148
Net cash effect	
- cash balance disposed	242,816

26. EXPENDITURE COMMITMENTS

Lease expenditure commitments

(i) Operating leases

Minimum lease payments

- payable within one year	160,390	255,156	160,390	132,639
- payable between one and five years	16,249	242,727	16,249	154,688
Total contracted at balance date	176,639	497,883	176,639	287,327

(ii) Finance lease and hire purchase contracts

- payable within one year	67,055	132,639	67,055	66,330
- payable between one and five years	-	154,688	-	67,055
- total minimum payments	67,055	287,327	67,055	133,385
- future finance charges	(495)	(21,486)	(495)	(5,308)
- hire purchase and lease liability	66,560	265,841	66,560	128,077
- current liability	66,560	118,366	66,560	61,517
- non-current liability	-	147,475	-	66,560
	66,560	266,841	66,560	128,077

Certain assets under operating leases have been sub-let to third parties. The total of future minimum lease payments expected to be received at the reporting date is \$144,844.

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Notes to the financial statements for the year ended 30 June 2003

Note	Consolidated		Parent Entity	
	2003	2002	2003	2002
	\$	\$	\$	\$
27. EMPLOYEE BENEFITS				
The aggregate employee benefit liability is comprised of:				
Accrued wages, salaries and on costs	75,575	130,801	75,575	71,894
Provisions (current)	22,387	75,914	22,387	21,803
	<u>97,962</u>	<u>206,715</u>	<u>97,962</u>	<u>93,679</u>

28. CONTINGENT LIABILITIES

The company has arranged for the issue of bank indemnity guarantees for \$266,350 in respect of bonds required by government departments in relation to tenements held.

29. EARNINGS PER SHARE	Consolidated	
	2003	2002
	\$	\$
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net Profit/(Loss)	1,945,629	(5,042,107)
Adjustments	-	-
Net Profit/(Loss) attributable to outside equity interest	41,487	(168,090)
Earnings used in calculating basic and diluted earnings per share	<u>1,904,142</u>	<u>(4,874,017)</u>
	<u>Number</u>	<u>Number</u>
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	239,744,930	232,560,272
Effect of dilutive securities	-	-
Adjusted weighted average number of ordinary shares used in calculating basic earnings per share	<u>239,744,930</u>	<u>232,560,272</u>

30. AUDITORS REMUNERATION

Amounts Received or Due and Receivable by the Auditors for:	\$	\$	\$	\$
- audit and review of financial reports	23,350	20,904	23,350	20,904
- other services	25,635	11,812	25,635	11,812
	<u>48,985</u>	<u>32,716</u>	<u>48,985</u>	<u>32,716</u>

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Notes to the financial statements for the year ended 30 June 2003

Note	Consolidated		Parent Entity	
	2003	2002	2003	2002
	\$	\$	\$	\$
31. REMUNERATION OF DIRECTORS				
Income paid or payable in respect of the financial year, to all directors of each entity in the consolidated entity, directly or indirectly, by the entities of which they are directors.				
	378,250	808,328		
Income paid or payable in respect of the financial year, to all directors of Renison Consolidated Mines NL, directly or indirectly, from the entity or any related party.			358,090	673,328
			No.	No.
The number of directors of Renison whose income falls within the following bands is:				
\$0 - \$9,999			2	1
\$20,000 - \$29,999			1	1
\$30,000 - \$39,999			1	1
\$120,000 - \$129,999			1	-
\$130,000 - \$139,999			-	1
\$150,000 - \$159,999			-	2
\$160,000 - \$169,999			-	1
\$170,000 - \$179,999			1	-
32. REMUNERATION OF EXECUTIVES				
Remuneration paid or payable in respect of the financial year to executive officers of the consolidated entity and the company whose remuneration is \$100,000 or more, from entities in the consolidated entity or a related party, in connection with the management of the affairs of the entities in the consolidated entity and the company whether as an executive officer or otherwise:				
	436,106	1,001,811	436,106	715,258
	No.	No.	No.	No.
The number of executives of the consolidated entity and the company whose income falls within the following bands is:				
\$100,000 - \$109,999	-	1	-	1
\$120,000 - \$129,999	1	-	1	-
\$130,000 - \$139,999	1	2	1	1
\$150,000 - \$159,999	-	3	-	2
\$160,000 - \$169,999	-	1	-	1
\$170,000 - \$179,999	1	-	1	-

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Notes to the financial statements for the year ended 30 June 2003

33. RELATED PARTY DISCLOSURES

Directors

The names of persons who were directors of Renison Consolidated Mines N L during the financial year were:

- C D Rawlings (appointed 26/7/02)
- S G Bizzell
- R S Anthon
- R P Seville
- F C Quinn (resigned 25/7/02)
- W C Myers (resigned 25/7/02)

Wholly-owned Group

Renison Consolidated Mines NL had advanced interest free loans to Sirocco Operations Pty Ltd, at balance date \$2,000 (2002: \$2,000) was outstanding and to A.C.N. 099 916 373 Pty Ltd, at balance date \$311,772 (2002: \$nil) was outstanding.

Transactions of Directors and Director-Related Entities

Mr R S Anthon is a partner in the firm of Hemming & Hart, Solicitors. Hemming & Hart were paid \$101,598 (2002: \$100,193) for the provision of legal services to the company during the year. The services were based on normal commercial terms and conditions.

Bizzell Nominees Pty Ltd a company associated with Mr S Bizzell has provided a loan facility to the company of up to \$400,000. At balance date \$300,000 was outstanding. Interest is payable on the outstanding balances at a rate of 8% per annum. A total of \$9,011 of interest on the funds advanced was incurred by the company during the year

Transactions of Directors and Director-Related Entities Concerning Shares or Share Options

Aggregate number of shares and options of the company held by directors or their director-related entities at balance date were as follows:

	30/6/03	30/6/02
Ordinary shares	24,392,491	24,243,452
Partly paid ordinary shares	10,478,970	12,913,970
Director Options	18,000,000	-

During the year the following options for executive directors were approved at a general meeting of the Company

Name of Director	Nos of Options	Exercise Price	Vesting Date	Expiry Date
RP Seville	4,000,000	12.5 cents	1/7/03	30/6/07
	4,000,000	15 cents	1/7/04	30/6/07
	4,000,000	17.5 cents	1/7/05	30/6/07
SG Bizzell	2,000,000	12.5 cents	1/7/03	30/6/07
	2,000,000	15 cents	1/7/04	30/6/07
	2,000,000	17.5 cents	1/7/05	30/6/07

Ultimate parent

Renison Consolidated Mines NL is the ultimate parent entity.

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Notes to the financial statements for the year ended 30 June 2003

34. SEGMENT INFORMATION

Segment products and locations

The consolidated entity's operating companies were organised and managed separately according to the nature of the products and services they provided prior to the separation of the mining and technology groups on 2 August 2002, with each segment offering different products and serving different markets. Since that date the entity has operated solely as in the mining and exploration segments. The mining segment has operational and exploration activities in the Northern Territory. The technology segment provided sales and services in relation to telecommunications systems, audio visual and broadband services. The other segment in the 2002 financial year included revenues and expenses associated with investment and head office activities. Geographically the group operates only within Australia.

Segment accounting policies

Segment accounting policies are the same as the consolidated entity's policies described in note 1.

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34. SEGMENT INFORMATION continued

Segment Information – Primary Segment										
Business segments	Mining & Exploration		Technology		Other		Eliminations		Consolidated	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue										
Sales to customers outside the consolidated entity	-	713,672	532,689	3,240,355	-	-	-	-	532,689	3,954,027
Other revenues from customers outside the consolidated entity	507,427	126,840	76,048	140,777	-	226,258	-	-	583,475	493,875
Share of net loss of equity accounted investment	-	-	-	(297,653)	-	-	-	-	-	(297,653)
Total segment and consolidated revenue	507,427	840,512	608,737	3,083,479	-	226,258	-	-	1,116,164	4,150,249
Results										
Segment result and net loss	(1,935,120)	(610,664)	22,459	(922,307)	3,880,749	(3,509,137)	-	-	1,945,629	(5,042,108)
Assets										
Segment assets	8,662,561	8,036,630	-	4,338,212	-	15,463,011	-	(14,305,477)	8,662,561	13,532,376
Liabilities										
Segment liabilities	2,499,937	637,078	-	4,567,304	-	9,706,061	-	(12,510,540)	2,499,937	2,399,903
Other segment information										
Acquisition of plant & equipment, intangible and other non-current assets	133,464	13,437	0	2,446,276	-	737,000	-	-	133,464	3,196,713
Depreciation	215,900	210,217	5,801	62,690	-	30,807	-	-	221,701	303,714
Amortisation	-	482,353	11,993	96,670	-	-	-	-	11,993	579,023
Non-cash expenses other than depreciation and amortisation	204,158	-	-	31,222	-	1,696,005	-	-	204,158	1,727,227

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35. FINANCIAL INSTRUMENTS

Notes to the financial statements for the year ended 30 June 2003

Interest rate risk

The consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Floating Interest Rate		Fixed interest rate maturing in:						Non-interest bearing		Total carrying amount as per the statement of financial position		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years		More than 5 years							
	2003 \$	2002 \$	2003 \$	2002 \$	2003 \$	2002 \$	2003 \$	2002 \$	2003 \$	2002 \$	2003 \$	2002 \$	2003 %	2002 %
(i) Financial assets														
Cash	415,587	118,310	-	-	-	-	-	-	18,088	71,109	433,875	189,419	3.3	3.50
Receivables	-	-	-	-	-	-	-	-	77,277	539,804	77,277	539,804	N/A	N/A
Loans	-	-	-	-	-	-	-	-	-	28,800	-	28,800	N/A	N/A
Listed shares	-	-	-	-	-	-	-	-	30,353	513,093	30,353	513,093	N/A	N/A
Unlisted shares	-	-	-	-	-	-	-	-	74,367	1,242,288	74,367	1,242,288	N/A	N/A
Non current receivables	-	-	270,392	318,352	-	-	-	-	2,407	6,540	272,799	324,892	4.13	4.50
Total Financial Assets	415,587	118,310	270,392	318,352	-	-	-	-	202,492	2,401,634	888,671	2,838,296	-	-

Financial Instruments	Floating Interest Rate		Fixed interest rate maturing in:						Non-interest bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years		More than 5 years							
	2003 \$	2002 \$	2003 \$	2002 \$	2003 \$	2002 \$	2003 \$	2002 \$	2003 \$	2002 \$	2003 \$	2002 \$	2003 %	2002 %
(ii) Financial liabilities														
Trade creditors and accruals	-	-	-	-	-	-	-	-	483,990	1,362,847	483,990	1,362,847	N/A	N/A
Financed liabilities	-	-	366,560	118,366	1,227,000	147,476	-	-	-	-	1,593,560	265,842	9.2	7.5
Total Financial Liabilities	-	-	366,560	118,366	1,227,000	147,476	-	-	483,990	1,362,847	2,077,550	1,628,689	-	-

N/A – not applicable for non-interest bearing instruments.

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Notes to the financial statements for the year ended 30 June 2003

Net fair values

All financial assets and liabilities have been recognised at the balance date at their net fair values, except for the following:

	Total carrying amount as per the statement of financial position		Aggregate net fair value	
	2003 \$	2002 \$	2003 \$	2002 \$
Financial assets				
Listed shares	30,353	513,093	30,353	581,547

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

Recognised financial instruments

Cash and term deposits: For cash the carrying amount approximates fair value. For term deposits the carrying amount approximates fair value because of their short term to maturity. Interest accrued to balance date is included in receivables.

Trade receivables and payables: The carrying amount approximates fair value.

Convertible notes: For convertible notes the carrying amount approximates fair value as it is the amount repayable by the company upon maturity. Interest accrued to balance date is included in payables.

Listed shares: For financial instruments traded in organised financial markets, fair value is the current market bid price for the asset, adjusted for transaction costs necessary to realise the asset. The values of the shares held are reviewed by the board at balance date. Where it is considered necessary a provision will be made to write down the carrying values of individual investments.

Unlisted shares: For investments where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows or the underlying net asset base of the investments/security.

Credit risk exposures

The consolidated entity's maximum exposures to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet. The maximum credit risk exposure does not take into account the value of any collateral or other security held, in the event other parties fail to perform their obligations under the financial instruments in question. The company has no credit risk exposure in relation to derivative financial instruments or has no concentration of credit risk with any counterparty.

Derivative Financial Instruments

Derivative financial instruments may be used by the consolidated entity to sell specified amounts of gold in the future at stipulated rates. Credit risk exposure on derivative contracts is minimised as counterparties are recognised financial intermediaries with acceptable credit ratings as determined by a recognised rating agency. At balance date there were no open contracts.

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Notes to the financial statements for the year ended 30 June 2003

36. CHANGE IN COMPOSITION OF ENTITY

On 2 August 2002 the consolidated entity completed the disposal of the businesses of Sirocco Technologies Group comprising Sirocco Technologies Group Ltd, Sirocco Broadband Pty Ltd, Broadband Solutions Pty Ltd, Sirocco Communications Pty Ltd and Visual Networks Ltd. The disposal was by way of a return of capital to all shareholders of Renison as at 2 August 2002. The accumulated losses of Sirocco Technologies Group Ltd and its subsidiary companies no longer have to be carried by the revised economic entity following the split of the mining and the technology groups. The disposal of the interest and the consequential reversal of the accumulated losses in Sirocco Technologies Group Ltd has resulted in a one off accounting gain in accordance with applicable accounting standards of \$3,880,748 being recorded in the year.

Details of the assets and liabilities disposed of are as follows:

	\$
Capital Returned	
- loans capitalised and capital returned	<u>7,551,148</u>
Net Assets disposed:	
- cash	242,816
- receivables	598,576
- inventories	292,783
- other financial assets	381,855
- other current assets	15,416
- non current receivables	5,000
- non current other financial assets	1,217,289
- property, plant & equipment	232,369
- intangibles	2,298,941
- payables	(1,423,244)
- interest bearing liabilities	(126,430)
- employee entitlements	(64,971)
Total Net Assets disposed	<u>3,670,400</u>
Gain on disposal	
- accumulated losses of STG Group	<u>3,880,748</u>
	<u>7,551,148</u>

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Notes to the financial statements for the year ended 30 June 2003

37. DISCONTINUED OPERATIONS

Corporate Restructure

As noted above in August 2002 following a return of capital by the parent entity the economic entity restructured into separate mining and technology businesses namely Renison Consolidated Mines NL and Sirocco Technologies Group Ltd.

Financial performance information

The financial performance of the Sirocco Technologies Group Ltd for the period of ownership up to 2 August 2002 and for the year ended 30 June 2002 is as follows:

	2003 1 mth \$	2002 12 mths \$
Revenues from ordinary activities	608,737	3,395,295
Expenses from ordinary activities (including borrowing costs)	(586,278)	(5,902,639)
Profit/(loss) before income tax	22,459	(2,507,344)
Income tax (expense)/revenue relating to ordinary activities	-	-
Profit/(loss) from ordinary activities after income tax (expense)/revenue	22,459	(2,507,344)

Asset disposals

The carrying amounts of total assets and total liabilities of Sirocco Technologies Group Ltd were as follows:

	2003 \$	2002 \$
Total Assets	-	5,186,546
Total Liabilities	-	9,089,773
Net Assets/(Liabilities)	-	(3,903,227)

Cash Flows

The net cash flows attributable to Sirocco Technologies Group Ltd for the year ended 30 June 2003 are as follows:

	2003 1 mth \$	2002 12 mths \$
Operating	252,818	(198,504)
Investing	52,077	18,849
Financing	(153,623)	168,931
Net Cash Inflows/(Outflows)	151,272	(10,724)

38. SUBSEQUENT EVENTS

At balance date the company had received \$1,227,000 in relation to a placement totalling \$1,500,00 of convertible notes. Subsequent to the end of the financial year the company received the balance of the funds and completed the issue of the notes (except for \$161,000 for which the funds have been received in relation to a subscription by a director related entity that requires shareholder approval to be obtained before the notes can be issued) and has completed a further issue of \$1,200,000 of convertible notes by way of an entitlement issue to shareholders.

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Renison Consolidated Mines NL:

In the opinion of the directors:

- (a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001, comply with the accounting standards and give a true and fair view consolidated entity's financial position as at 30 June 2003 and of their performance for the year ended on that date.
- (b) at the date of this declaration there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

R P Seville
Director

Brisbane 30 September 2003

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INDEPENDENT AUDIT REPORT

To the members of Renison Consolidated Mines NL.

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Renison Consolidated Mines NL and the consolidated entity for the year ended 30 June 2003. The consolidated entity comprise both the company and the entities it controlled during that year.

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

Audit approach

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

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

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

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

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

Independence

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

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Audit opinion

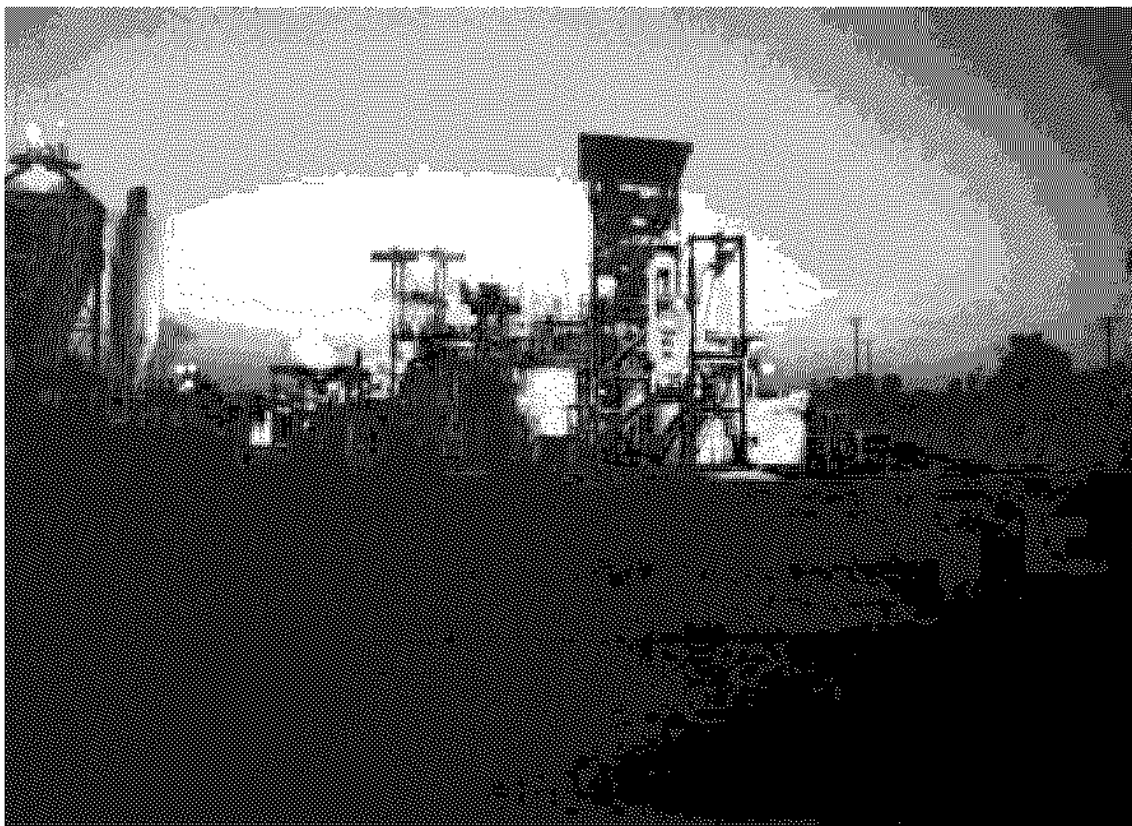
In our opinion, the financial report of Renison Consolidated Mines NL is in accordance with:

- (a) the Corporations Act 2001, including:
 - i) giving a true and fair view of the company's financial position as at 30 June 2003 and of its performance for the year ended on that date; and
 - ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

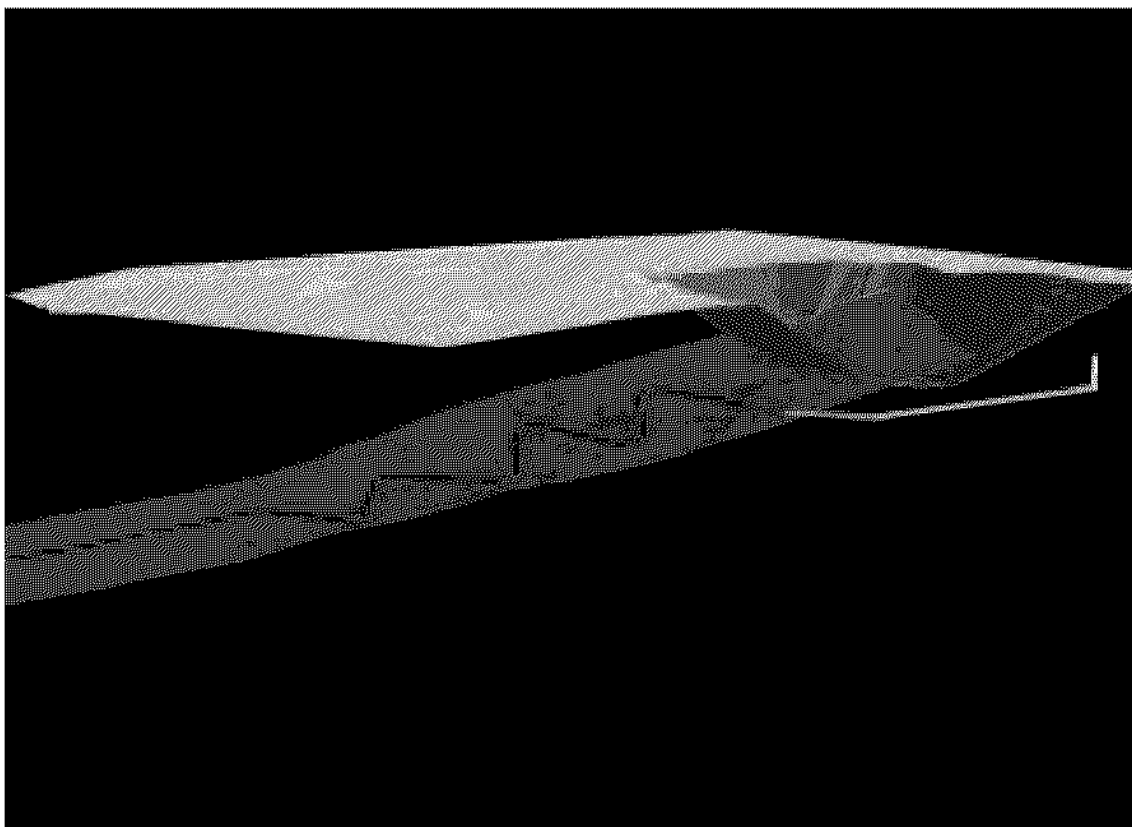
PKF
Brisbane Partnership
Chartered Accountants

JEF Frayne
Partner

Dated at Brisbane this 30th day of September, 2003.



Tom's Gully – Processing Plant



Tom's Gully – Schematic Model of potential underground development.

