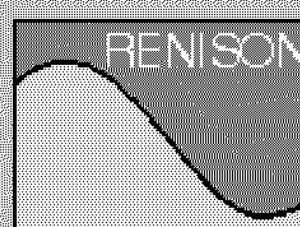


Renison Consolidated Mines NL

ABN 75 003 049 714

FINANCIAL REPORT 30 June 2004



RENISON CONSOLIDATED MINES N L
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AUSTRALIAN BUSINESS NUMBER ABN 75 003 049 714	STOCK EXCHANGE LISTING Australian Stock Exchange Ltd ASX Codes: Ordinary shares - RSN Partly Paid Shares - RSNCD Convertible Notes - RSNG

CHAIRMAN'S REPORT

Dear Shareholder,

The year in review has been one of significant progress by your Company as it advances towards its goal of being a 100,000 oz pa gold producer by December 2006.

In the Northern Territory, your Company is completing a feasibility study into the development of a 40,000 oz pa underground gold mine at Tom's Gully. As part of the feasibility study activities, two diamond drilling programs were undertaken during the year which led to an increase in the gold resource at Tom's Gully to over 470,000 ounces of gold. This is an increase of 270,000 ounces from the resource estimate at the start of the year. There is potential for further significant increases to the resource base over time with the mineralisation still open down dip (southern) and along strike to the current resource. Tom's Gully is part of the AuQuest project which also includes the Quest 29 resources of approximately 80,000 oz of gold and over 1,000 square kilometres of exploration licences.

Whilst your Company was particularly focussed on the development of its Northern Territory gold assets it also continued to assess other resource projects with the potential to be developed into mines within a few years and which would increase shareholder value.

To this end, the company has continued to evaluate numerous acquisition and investment opportunities which culminated in the acquisition of interests in the following new projects during the year:

- the Agate Creek epithermal gold project in North Queensland;
- the Steve's Hill gold project in Northern Territory;
- the Eidsvold gold project in Queensland; and
- the Ashford coal project in New South Wales.

These transactions have added considerable depth to our asset base and provide an exciting potential development profile for the Company going forward.

In particular at Agate Creek, where the Company saw the potential for a heap leach development within three years, the Company has considerable success from the first stage of its initial drilling program outlining a preliminary gold resource of over 150,000 ounces. A further drilling program will be commencing at Agate Creek shortly with the aim of significantly increasing the gold resources and allowing a pre-feasibility study to be completed in early 2005. If positive, this will confirm the project's potential to be the next component in achieving your Company's goal of 100,000 oz pa gold production by December 2006.

The Company continues to support and adhere to the highest standards of corporate behaviour and accountability and during the year adopted, to the extent relevant for a company of Renison's size, the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations.

The advancement of the Company's mining assets during the year through the significant increase in the Company's gold resources through exploration success, ongoing progress towards completion of the feasibility study at Tom's Gully, project acquisitions and the recent drilling program successes at Tom's Gully, Agate Creek and Steve's Hill continues the Company's rapid development as an emerging gold producer.

The achievements and progress during the year were achieved with an extremely efficient use of capital resources and funding options by the company's management thereby maximising shareholder's leverage to the growth in the Company's 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 AuQuest and Agate Creek projects for their efforts.

Yours sincerely

Christopher D. Rawlings
Chairman

REVIEW OF OPERATIONS

Renison Consolidated Mines NL (the Company) is an emerging gold producer with its main focus being the AuQuest gold project portfolio in the Northern Territory (including Tom's Gully, Quest 29 and Steve's Hill projects) and the Agate Creek gold project in North Queensland.

During the year under review the Company made considerable progress on its projects with:

- several successful exploration programs undertaken which significantly increased the Company's gold resource to over 720,000 oz of gold,
- gold production from the Quest 29 mine,
- acquisition of a number of projects and
- a feasibility study being undertaken on the Tom's Gully underground gold project which is now near completion.

COMPANY OVERVIEW AND STRATEGY

The Company has a significant asset base in the Northern Territory and in Queensland with advanced projects on granted mining tenure as part of its AuQuest portfolio of projects in the NT (including Tom's Gully and Quest 29) and the advanced exploration project, Agate Creek in north Queensland. In addition the Company has a substantial portfolio of Exploration Licences and Exploration License Applications including the Steve's Hill, Eidsvold and Ashford projects. Our main focus over the next few years is to maximise the value of these assets through ongoing exploration and development.

AuQuest - Tom's Gully

At the Tom's Gully gold project, the Company is undertaking a feasibility study on the development of an underground mining operation producing 40,000 ounces of gold per annum with processing being done at a refurbished Tom's Gully CIL gold treatment plant. Following the completion of two diamond drilling programs the Company has outlined a combined indicated and inferred resource of 1.82 million tonnes at 8.1g/t gold for 472,000 ounces gold at Tom's Gully with the potential for further significant increases to the resource base over time with the mineralisation still open down dip (southern) and along strike to the current resource.

The feasibility study is now well advanced with studies in most disciplines materially completed. These include:

- geological interpretation and database compilation
- resource modeling and validation
- metallurgical testwork and flow sheet design
- process engineering, plant lay out and refurbishment costings
- underground dewatering testwork and studies
- environmental investigations
- geotechnical engineering

Mining engineering studies and costings are progressing well and are expected to be completed in October 2004.

The Company expects to complete the feasibility study shortly thereafter and subject to a decision to mine and development funding, underground mine development and re-furbishment of the CIL gold treatment plant is scheduled to commence in the fourth quarter of 2004 with initial production expected in the first quarter of 2005.

The Company is also well progressed in negotiations with underground mining contractors and potential financiers for the mine development and it is expected that contracting and funding arrangements will be finalized soon after the completion of the feasibility study.

The Tom's Gully gold project (90km to the south east of Darwin) is part of the Company's Northern Territory regional AuQuest project where the Company has outlined resources of over 570,000 ounces of gold from its tenement package covering 1,076 square kilometres of the northern end of the Pine Creek Geosyncline.

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AuQuest - Quest 29

The Company commenced a mining and dump leach operation at Quest 29 in July 2004 with the first gold being produced in September 2004. Gold production is continuing from the dump leach facilities with this campaign mining phase at Quest 29 expected to produce around 4,000 ounces of gold.

Agate Creek – North Queensland

In November 2003, the Company entered into a joint venture agreement on the Agate Creek epithermal gold project in North Queensland. The Company subsequently undertook the first stage of a 50 hole RC drilling program which has enabled an interim inferred resource of 3.7 million tonnes at 1.3 g/t gold for 154,000 ounces to be estimated.

The second stage of the 50 hole RC drilling program is scheduled to commence in October. A further resource estimate will be made after completion of the next stage of the drilling program and geological modelling. Based on interpretation of the modelling and other geological data, the Company is targeting a doubling of the resource to over 300,000 ounces with the second phase of drilling. An increase in resource grade is also targeted as the program will be testing for extension of higher grade areas as indicated by interpretation of drilling data, surface mapping and rock chip samples.

This first stage of the drilling program and initial resource estimate confirms the potential for the Sherwood prospect to host a bulk tonnage ore body (over 5 million tonnes) that would be amenable to an open cut mining and heap leach development. The current inferred resource grade of 1.3 g/t is typical of better margin heap leach developments. A pre-feasibility study for an open cut mining and heap leach gold operation at Agate Creek is targeted for completion after years end.

The Company considers that the near surface mineralisation that has been identified from the recent drilling program and previous drilling has the potential for development within a short timeframe into a low capital, open cut mining and heap leaching operation producing over 50,000 ounces of gold per annum and this is the Company's initial focus on the project.

AuQuest – Other Exploration Projects

The Company has a significant land holding of Exploration Licences (EL's) and Exploration Licence Applications (ELA's) in the Northern Territory. Although prospective there has been little modern exploration undertaken on this ground in the past. It is 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.

Other Projects

As part of a longer term growth strategy the Company has continued to review acquisition opportunities for resource projects that have the potential to be developed as mines within 2 to 3 years. During the year in line with this strategy, the Company acquired interests also in the Eidsvold and Steve's Hill gold projects and the Ashford coal project.

Resources

Company's Gold Resources in all resource categories:

Resource Category:	Indicated			Inferred			Total		
	Tonnes	Grade g/t Gold	Ounces Gold	Tonnes	Grade g/t Gold	Ounces Gold	Tonnes	Grade g/t Gold	Ounces Gold
Tom's Gully									
Underground	690,000	7.6	170,000	1,130,000	8.3	302,000	1,820,000	8.1	472,000
Tailings				250,000	2.4	19,300	250,000	2.4	19,300
Quest 29									
Koolpin Formation				105,000	1.3	4,400	105,000	1.3	4,400
Zamu Dolerite				1,050,000	2.3	77,300	1,050,000	2.3	77,300
Agate Creek*									
Sherwood				3,700,000	1.3	154,000	3,700,000	1.3	154,000

* Renison is earning 65% of the Agate Creek project.

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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 transportable items of the treatment plant were moved to the high grade Tick Hill deposit in Queensland 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. Base metal and gold mineralisation also occurs in the Crabb Fault zone.

Drilling and Resources

The recently completed drilling program was part of the feasibility study into the development of an underground mining operation at Tom's Gully and comprised two stages:

- a 35 hole (7,555 metre) reserve definition infill drilling program aiming to upgrade resources at Tom's Gully for the first 3 years proposed mine development and delineate the margins of the preliminary design mining blocks; and
- a 9 hole (3,300 metre) 'step out' resource delineation program aiming to significantly upgrade the project's gold resources inventory. This program drilled areas that are down dip (southern) and along strike extensions to the previously outlined resource.

A total of 44 RC pre-collars and diamond core tail drill holes were completed in the program with all holes intersecting gold mineralisation in the Tom's Gully reef. The results were consistent with the Company's expectations for this program and achieved its aims with the initial mining blocks being outlined for the feasibility study and a significant increase in the total resources.

Following completion of the above drilling program, a new resource estimate was undertaken. The combined indicated and inferred resource at Tom's Gully now totals 1.82 million tonnes at 8.1 g/t gold for 472,000 ounces gold. This is an increase of 270,000 ounces from the resource estimate at the start of the recent drilling program. There is potential for further significant increases to the resource base over time with the mineralisation still open down dip (southern) and along strike to the current resource.

The resource was estimated using computer based ordinary kriging methods (with a 5 gram metre cut-off) by consultants, Hellman and Schofield, and was based on all drill holes including the recently completed 44 hole drilling program and subsequent geological modelling.

A significant proportion of the Tom's Gully resource has also been elevated to the indicated resource category (690,000 tonnes at 7.6 g/t gold) and it is on this indicated resource that the first 2 to 3 years of the mine plan is being finalised as part of the current feasibility study. The additional inferred resources (1,130,000 tonnes at 8.3 g/t gold) together with mineralisation remaining open down dip and along strike confirm the potential for a longer mine life operation.

Going forward, it is intended that following commencement of mining, the Company will continue with further infill drilling and 'step out' resource delineation drilling to replace production and to keep a rolling 3 to 5 year mine life.

Tom's Gully Feasibility Study

At the Tom's Gully gold project, the Company is targeting the establishment of an underground mining operation producing 40,000 ounces of gold per annum with processing being done at the Company's Tom's Gully CIL gold treatment plant. During the year the Company undertook a feasibility study into the commencement of mining.

The feasibility study is now well advanced with studies in most disciplines materially completed. These include:

- geological interpretation and database compilation
- resource modeling and validation
- metallurgical testwork and flow sheet design
- process engineering, plant lay out and refurbishment costings
- underground dewatering testwork and studies
- environmental investigations
- geotechnical engineering

Mining engineering studies and costings are progressing well and are expected to be completed in October 2004.

The Company expects to complete the feasibility study shortly thereafter and subject to a decision to mine and development funding, underground mine development and re-furbishment of the CIL gold treatment plant is scheduled to commence in the fourth quarter of 2004 with initial gold production expected in the first quarter of 2005.

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. If there is sufficient grade it can be carted to Tom's Gully and treated by the CIL plant. The majority of resources in the Zamu Dolerite are associated with sulphide minerals and this material is not considered treatable by 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.

Dump Leach Gold Production

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 2004 and was completed in October 2003. Approximately 250,000 tonnes of ore has been stacked at approximately 1 g/t gold.

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 sufficient. With the remediation of the Tom's Gully elution and gold electrowinning circuits in August and early September 2003 the first gold pour occurred on 18 September 2003.

Irrigation and leaching of the stacked ore at the Quest 29 dump leach project continued throughout the year until early May when irrigation was suspended whilst the heap was drained and turned over by an excavator and additional lime added to improve leach kinetics. Irrigation of the heap was recommenced in late June.

Modeling of the leach performance indicates that economic production will continue until at least November 2004 with total production likely to be greater than 4,000 ounces.

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Production Statistics:	Project to 30 June 04
Tonnes of ore mined	245,518
Grade	1.02 g/t
Gold recovered to carbon	88.5 kg (2,845 oz)
Refined Gold Sales	2,661 oz

AuQuest - Steve's Hill Gold Project

During the year, the Company entered into an option to purchase the Steve's Hill Gold Prospect (EL22068) in the Northern Territory. The Steve's Hill gold prospect is located 15km to the west of the Company's wholly owned Tom's Gully CIL gold processing plant and the Tom's Gully underground gold project (90km to the south east of Darwin). The project area occurs along the northern margin of the Pine Creek Geosyncline.

The Company has recently completed its initial exploration program at the Steve's Hill gold project with encouraging results which confirm the project's potential. A RC drilling program is being planned to follow up some of the targets generated in the initial exploration program.

Significant work has been completed since the fieldwork program commenced at Steve's Hill in May. Gridding, regolith mapping, BLEG soil sampling, costeaning and a RAB drilling program have been completed over a 4.8km strike length. This includes the 1km strike where gold mineralisation has been previously exposed at surface.

The grid was constructed over a magnetic anomaly that coincided with areas where significant quantities of coarse gold had been collected from shallow scrapings by prospectors. A regolith map of the land surface within the grid was also completed. Rock chip samples were collected of quartz veins, quartz float and well developed laterite with ferruginous quartz fragments (with visible gold) returning a peak assay of 50g/t gold. The high rock chip gold values within the laterite indicate that a well developed supergene enrichment zone had been formed at Steve's Hill.

The BLEG soil geochemistry sampling program covered an area of approximately 5 square kilometres. It was carried out on a grid constructed on 160m spaced lines oriented at right angles to a 215° base line - coincident to a geophysical anomaly and minor ridge line. The samples were collected at 20m intervals with 4 samples composited into one sample every 80m. A total of 399 composite soil samples were collected during the program and assayed for gold and silver using the BLEG (bulk leach extraction gold) technique. Several low order gold anomalies were detected by the BLEG sampling program including three anomalous areas coinciding with the previous prospecting areas.

Following the soil geochemistry sampling a limited number of costeans were dug in areas of shallow soil cover for bedrock mapping purposes. The mapping revealed iron rich systems of quartz veins stockworks and saddle reefs striking 215° and confirmed the presence of axial planar and saddle reef quartz veining within tightly folded Proterozoic metasediments, similar in style to that which has hosted economic mineralisation elsewhere within the Pine Creek Geosyncline. These features can be traced along the entire 5km grid. Recent reprocessing of 200m line spaced aeromagnetic and radiometric data has highlighted a significant anomalous structural trend which is directly associated with the known locations of exposed gold mineralisation. The exploration grid covers the full extent of this trend and the data collected was used to design the shallow RAB drilling program which was undertaken.

The Steve's Hill area has very limited outcrop and is covered by a laterally extensive layer of soil cover. The shallow RAB drilling program was used both to test surface geochemical anomalies generated by the broad spaced BLEG soil geochemistry program and for bedrock geochemistry purposes.

The shallow RAB drilling program comprised 258 holes for 4,859 metres and was carried out over the zones of coincident outcropping quartz veins and BLEG anomalies. The RAB drilling penetrated to an average depth of 20m below surface.

Geological logging of the RAB drillholes revealed a deep extensively developed regolith profile (weathering profile). At the nearby Tom's Gully and Quest 29 projects (15km from Steve's Hill) the regolith profile is commonly less than 20m deep. At Steve's Hill the deepest vertical RAB drillhole was terminated at 45m without intercepting fresh rock.

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The RAB drilling program and surface regolith mapping confirmed that extensive erosion of the upper levels of the regolith had occurred since the development of the regolith. Where the RAB drilling intersected laterite (commonly the uppermost layer in a regolith profile) at surface, anomalous gold values were recorded with the best intercept of 2m at 5.7g/t gold.

Generally, where a regolith has been well developed above gold bearing stratigraphy/quartz veins, the gold is leached from within the zone of a fluctuating water table and re-deposited near surface at enriched levels (supergene) within a favourable host, commonly iron enriched laterite. Similarly, a second supergene enriched zone may be developed at the base of the fluctuating water table where iron enrichment of the host rock forms a suitable chemical host for deposition of gold. Beneath this second enrichment zone the gold bearing strata are largely unaltered and contain primary mineralisation. At Steve's Hill none of the RAB drillholes intercepted transitional or fresh rock. All of the drillholes were terminated within the zone of fluctuating water tables and subsequent gold depletion (ie none reached the primary zone or lower supergene zone).

The RAB drilling defined several targets that require follow-up deeper RC drill testing to depths below the base of weathering. These targets are supergene enrichment zones at the base of the fluctuating water table and primary gold mineralisation. Significant zones of continuous gold anomalism, up to widths of 80m were encountered in several drill fences which contained numerous quartz veins within the depleted zone. These drillholes contained peak values of 2m at 9.3 g/t from 4m (SBH030) associated with a saddle reef and 2m at 1.1 g/t gold from 16m (SHH079).

Renison views the tenement area as having potential to provide ore within a short haulage distance of the Company's gold processing plant at Tom's Gully. The tenement has previously been held by local prospectors and has been the source of a significant quantity of gold recovered from fossicking activities in the past few years. The tenement area covers a significant zone of structural dislocation, easily recognisable from the airborne magnetic image of the area.

The gold mineralisation at Steve's Hill also highlights the prospectivity of the Company's other exploration tenements and reinforces the Company's strategy for the development of an integrated open cut and underground mining project supplying multiple ore feeds to the Tom's Gully processing facilities.

Agate Creek Gold Project – North Queensland

The Company entered into an agreement during the year with Barrick Gold to earn a 65% interest in the Agate Creek Epithermal Gold Project in North Queensland. The project is located in a highly mineralised gold province containing the Pajingo, Kidston, Mt Leyshon, Red Dome, Ravenswood and Charters Towers gold mines.

At the Agate Creek epithermal gold project in North Queensland the Company has estimated an interim inferred resource of 3.7 million tonnes at 1.3 g/t gold for 154,000 ounces.

The resource estimate takes into account the results from the 18 reverse circulation drill holes completed in May 2004. These were the first stage of a two stage, 50 hole program.

The resource was estimated by consultants, Hellman and Schofield, using a computer based multiple indicator kriging method at a cut-off of 0.5 g/t Au . The estimate is based on the first 18 drill holes of the 50 drill hole program being undertaken by the Company this year together with earlier drill hole data.

The resource occurs in sub-horizontal thick zones within a hill which is approximately 75m high. The resource estimate extends to a depth of approximately 75m – 100m below land ground surface and is expected to have a relatively low strip ratio due to the benefits of the topography.

The second stage of the 50 hole RC drilling program is scheduled to commence in October. A further resource estimate will be made after completion of the next stage of the drilling program and geological modelling. Based on interpretation of the modelling and other geological data, the Company is targeting a doubling of the resource to over 300,000 ounces with the second phase of drilling. An increase in resource grade is also targeted as the program will be testing for extension of higher grade areas as indicated by interpretation of drilling data, surface mapping and rock chip samples.

This first stage of the drilling program and initial resource estimate confirms the potential for the Sherwood prospect to host a bulk tonnage ore body (over 5 million tonnes) that would be amenable to an open cut mining and heap leach

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development. The current inferred resource grade of 1.3 g/t is typical of better margin heap leach developments. A pre-feasibility study for an open cut mining and heap leach gold operation at Agate Creek is targeted for completion after years end.

The Company considers that the near surface mineralisation that has been identified from the recent drilling program and previous drilling has the potential for development within a short timeframe into a low capital, open cut mining and heap leaching operation producing over 50,000 ounces of gold per annum and this is the Company's initial focus on the project.

In addition, the Company considers that there is also potential for the occurrence of "bonanza grade" style mineralisation beneath the near surface mineralisation. None of these deeper targets have been drilled in this initial phase of the drilling program although there have been a number of significant higher grade intercepts near surface which have indicated the occurrence of multi phase mineralisation. These have included from the recent programme 12m at 6.9 g/t gold from 25m, 8m at 8.4 g/t gold from 59m, 2m at 5.6 g/t gold and 2m at 5.3 g/t gold and from previous drilling 18m at 20.7 g/t from 14m; 8m at 24.3 g/t from 56m; and 7m at 7.2 g/t from 86m.

Eidsvold Gold Project - Queensland

During the year the Company entered into an option to purchase agreement with respect to the Eidsvold Gold Project (EPM 13121) in Queensland.

The Eidsvold gold project area encompasses the historic Eidsvold gold mines which produced approximately 100,000 ounces of gold in the late 1890's at a grade of over 30 g/t gold.

The project is located adjacent to and immediately west of the township of Eidsvold, approximately 400km to the northwest of Brisbane, Queensland.

Renison considers the tenement area has potential to contain more high grade mineralisation particularly as the area has never been subjected to intensive modern exploration techniques. The historical production came from the reefs that were visible at surface. Apart from extensions to the known reef systems, the project area remains highly prospective for other gold mineralisation away from the existing workings. Based on an interpretation of known reef structures and historical widths and grade, a conceivable target for the project area would be 500,000oz of gold contained within 1.5 million tonnes of ore from either open cut or underground sources, more likely underground.

The initial exploration strategy is relatively low cost and involves a program of detailed lithological and structural mapping and geochemical sampling could rapidly advance the prospectivity of the area. A great deal of the project area is under alluvial or lateritic cover which would have defeated the endeavours of the early miners but can be relatively cheaply explored today by using modern geochemical sampling methods such as Mobile Metal Ion (MMI) sampling in areas of alluvial cover, lateritic soil sampling and shallow RAB drilling.

The Company has also made application to the Queensland government for an additional exploration licence taking in additional ground surrounding the Eidsvold project area.

Ashford Coal Project – New South Wales

During the year the Company was granted an exploration license (EL2077) by the NSW Government covering 8 square kilometers of Permian Ashford Coal Measures approximately 10km north of the town of Ashford in central northern NSW.

The Ashford Coal Measures contain two coal seams, the upper Bonshaw Seam and lower Ashford Seam. The Ashford Seam is up to 16m thick and contains medium quality coking coal and moderate to high ash thermal coal.

Coal was extracted from the Ashford seam from the late 1950's to 1987. The coal was used to fuel the adjacent Ashford Power Station, a small electricity generating facility owned and operated by the Northwest County Council. Approximately 500,000t of coal was extracted from a series of shallow open cut pits and minor underground workings. The maximum depth of workings is approximately 40m.

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The following table presents data available on the quality of the Ashford Seam.

Ashford Seam Raw Coal Quality

BASIS	VALUE
Moisture (a.d)	1.0%
Ash (a.d)	11.6%
Volatile Matter (a.d)	27.8%
Total Sulphur	0.39%
Specific Energy	7300-7800 kcal/kg
Crucible Swelling Number	5.5
Ash Fusion Temperature – Deformation	1160-1560°C
Ash Fusion Temperature – Flow	1560°C
Hardgrove Index	70-81.5
Phosphorus	0.001-0.042%
Gray-King	G-G6
Giessler Fluidity	4000
Fixed Carbon	59.5-70.9%

Source: White Industries

Renison considers the Ashford Coal Measures to have potential to host between 2-3mt of open cut coking coal and over 10mt of underground coking coal. A conceptual development plan envisages extraction rates of around 500,000t of coal per year with sales to export markets.

Renison view this project as providing a further leg of future growth for the Company beyond the Company's existing gold projects. In order to expedite the exploration and development of the Ashford Coal Project, the Company will consider a joint venture partner for the project.

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REPORT OF THE DIRECTORS

The directors present their report for the year ended 30 June 2004.

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
Non-Executive Chairman
(Chairman of Remuneration and Nomination Committee and member of Audit Committee)

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 executive chairman of Australian Magnesium Corporation Limited. He is Chairman of D'Aguilar Gold Ltd, a non-executive director of 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 and member of Remuneration and Nomination 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 20 years.

SG Bizzell
Finance Director

Stephen Bizzell holds a Bachelor of Commerce degree 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.

Company Secretary

JPK Marshall

Paul Marshall holds a Bachelor of Law degree and is a Chartered Accountant. He has been the company secretary of Renison for 9 years. Prior to holding this position he was employed by Ernst & Young for 10 years.

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	-	11,382	-
Stephen Bizzell	12,538,195	7,008,970	202,956	6,000,000
Richard Anthon	500,000	3,500,000	-	-
Richard Seville	9,972,720	4,000,000	54,255	12,000,000

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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 non-trading 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. 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

Employees

The consolidated entity employed 13 employees as at 30 June 2004 (2003: 9 employees)

Results	2004	2003
	\$	\$
Operating profit/(loss) after income tax attributable to members	(2,314,865)	1,904,152

Dividends

No dividend was paid during the year and none is recommended as at 30 June 2004.

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

The company recommenced gold production with the Quest 29 dump leach gold mining operation. A total of 2,660 ounces of gold were sold in year with the first gold poured in September 2003.

The Company advanced the feasibility study at the Tom's Gully gold project including diamond drilling, metallurgical testwork, geotechnical review, mine design studies and economic modelling. The drilling program concluded just after the end of the financial year and the company was able to announce a resource upgrade at Tom's Gully from 201,200 ozs to 470,000 ozs.

An interest in the Agate Creek epithermal gold project in North Queensland was acquired in November. The first drilling program was completed in the financial year and an initial resource estimate of 154,000 ozs was calculated following the drilling program.

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Matters Subsequent to the End of the Financial Year

Renison received firm commitments in September 2004 for a placement of convertible notes that will result in approximately \$1.25 million being raised by the company. The raising was undertaken by way of the issue of 500,000 convertible notes to institutional and professional investors at an issue price of \$2.50 per convertible note. The funds raised will be utilised in funding the completion of the Tom's Gully gold mine feasibility study, an exploration program at the Agate Creek gold project, and contribute towards the development funding for the Tom's Gully underground mine.

The Company entered into a heads of agreement with PT Petrosea Tbk, a subsidiary of one of Australia's largest multi-disciplinary engineering, construction and operations and maintenance groups, Clough Ltd for the provision of underground mining contracting services at the Company's Tom's Gully gold project in the Northern Territory together with PT Petrosea making a \$2 million investment in Renison. As part of the agreement, PT Petrosea Tbk provided initial funding towards the completion of the feasibility studies at the Tom's Gully project by providing a loan of \$1 million. Subject to the successful completion of the feasibility study and execution of a formal Alliance Agreement for the underground mining operations at Tom's Gully, PT Petrosea will convert the loan into \$1 million worth of Renison \$1 convertible notes at an issue price of \$2.50 per note and will also subscribe for an additional \$1 million worth of ordinary shares at 12.5 cents per share to provide funding towards the underground mine development. The issue of the convertible notes and shares will be subject to the obtaining of any necessary shareholder and regulatory approvals.

Apart from the items noted above no matter or circumstance has arisen since 30 June 2004, 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 2004.

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.

Environmental Regulation and Performance

Renison holds a licence issued by the NT Government Department of Lands, Planning and Environment for the discharge of waste that specifies 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

Disclosure relating to directors' and executive officers emoluments has been included in note 30 of the financial report.

Share Options

At the date of this report there were a total of 20,000,000 unissued ordinary shares under options.

Number of Options	Exercise Price	Vesting Date	Expiry Date
8,000,000	12.5 cents	vested	30/6/07
6,000,000	15 cents	vested	30/6/07
6,000,000	17.5 cents	1/7/05	30/6/07

The company has also issued 2 series of convertible notes. If all the issued notes were converted into ordinary shares a total of 61,895,362 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

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reinvested as notes and these notes converted into ordinary shares a further 18,939,917 shares would require to be issued.

Meetings of Directors

The following table sets out the number of meetings of the company's directors held during the year ended 30 June 2004 and the number of meetings attended by each director.

	Directors' Meetings	Audit	Remuneration & Nomination
Number of meetings held	10	2	-
Number attended			
C Rawlings	10	2	-
R Anthon	10	2	-
S Bizzell	10	-	-
R Seville	10	-	-

The members of the audit committee and the remuneration and nomination committee are Mr R S Anthon and Dr C D Rawlings. The remuneration and nomination committee was established in May 2004 and did not meet in the financial year ended 30 June 2004.

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.

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 in a separate section of this report.

Signed in accordance with a resolution of the directors.

SG Bizzell
Director

Brisbane 30 September 2004

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SHAREHOLDER INFORMATION

DISTRIBUTION OF NUMBER OF HOLDERS OF EACH CLASS OF SECURITIES AS AT 17 SEPTEMBER 2004.

Number of Securities Held	Ordinary shares fully paid		Partly paid ordinary shares – paid to 3.5 cents		March 2007 Convertible Notes	
	Nos of holders	Nos of shares	Nos of holders	Nos of shares	Nos of holders	Nos of notes
1 to 1,000	359	168,168	12	6,330	215	45,448
1,001 to 5,000	937	2,956,094	43	140,500	59	145,238
5,001 to 10,000	770	6,491,522	62	547,619	24	144,092
10,001 to 100,000	1,579	56,904,531	180	8,332,143	33	1,083,051
100,001 and over	284	169,509,341	143	143,473,408	5	1,276,030
	3,929	236,029,656	440	152,500,000	336	2,693,859
Number of shareholders holding less than a marketable parcel of shares	1,047	1,899,152	167	1,522,999	144	8,443

TWENTY LARGEST HOLDERS OF EACH QUOTED SECURITY

RSN – Ordinary Fully Paid Shares

No.	Name of Shareholder	Holding	% Held
1	Tricom Nominees Pty Ltd	37,581,283	15.92%
2	Jin Wei-Feng Vincent	10,150,000	4.30%
3	Solen Pty Ltd	9,377,276	3.97%
4	Richard Seville and Associates Pty Ltd	8,000,000	3.39%
5	Hadley Castle Pty Ltd	4,349,250	1.84%
6	Jayare Nominees Pty Ltd	2,500,000	1.06%
7	Bizzell Nominees Pty Ltd	2,361,482	1.00%
8	Sixth Erra Pty Ltd	2,201,967	0.93%
9	Elizabeth Lee Nelson	2,148,576	0.91%
10	Michael Fung	1,700,000	0.72%
11	Leyshon Resources Ltd	1,700,000	0.72%
12	Kabila Investments Pty Ltd	1,617,200	0.69%
13	Rosmarie Geisler	1,600,000	0.68%
14	Tets Pty Ltd	1,500,000	0.64%
15	Gull Investments Pty Ltd	1,480,500	0.63%
16	Longfield Capital Ventures Ltd	1,343,859	0.57%
17	Barracuda Capital Corporation	1,243,000	0.53%
18	G A Catering Pty Ltd	1,157,000	0.49%
19	Hugo & Mrs Titia Bray	1,142,000	0.48%
20	Carringbush Enterprises Pty Ltd	1,100,000	0.47%
		94,253,393	39.94%

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RSNCD – Ordinary Shares Paid to 3.5 Cents, 21.5 Cents Unpaid

No.	Name of Shareholder	Holding	% Held
1	David John Vincent	12,375,000	8.11%
2	BB Capital Pty Ltd	12,000,000	7.87%
3	Planet Capital Pty Ltd	9,450,000	6.20%
4	Sypco Holdings Pty Ltd	7,324,349	4.80%
5	Bizzell Nominees Pty Ltd	6,758,970	4.43%
6	Warren William Brown & Mrs Marilyn Helena Brown	5,712,000	3.75%
7	Jin Wei-Feng Vincent	5,500,000	3.61%
8	Richard Seville and Associates Pty Ltd	4,000,000	2.62%
9	Nambia Pty Ltd	3,500,000	2.30%
10	Tenstar Trading Pty Ltd	3,137,544	2.06%
11	Graeme Boden	2,950,000	1.93%
12	WWB Investments Pty Ltd	2,829,400	1.86%
13	Hadley Castle Pty Ltd	2,435,000	1.60%
14	Rosmarie Geisler	2,300,000	1.51%
15	Mark Robinson	2,010,000	1.32%
16	Nitram Plus Investments Pty Ltd	2,000,000	1.31%
17	Richard Ian Knight	2,000,000	1.31%
18	Malnor Pty Ltd	2,000,000	1.31%
19	Samuel Holdings Pty Ltd	1,709,576	1.12%
20	Timothy Mackenzie Don	1,500,000	0.98%
		91,491,839	59.99%

RSNG – Convertible Notes

No.	Name of Shareholder	Holding	% Held
1	Westpac Custodian Nominees Ltd	653,971	24.28%
2	Tricom Nominees Pty Ltd	187,049	6.94%
3	Longfield Capital Ventures Ltd	170,595	6.33%
4	David John Vincent	161,467	5.99%
5	Biotech International Pty Ltd	158,287	5.88%
6	Bedford Banner Pty Ltd	90,791	3.37%
7	Seraphine Schilter	86,017	3.19%
8	Badenvale Pty Ltd	66,667	2.47%
9	Richard Seville and Associates Pty Ltd	54,255	2.01%
10	Samuel Holdings Pty Ltd	54,255	2.01%
11	Leyshon Resources Ltd	50,000	1.86%
12	Sixth Erra Pty Ltd	45,574	1.69%
13	Eugene Schilter	39,243	1.46%
14	Arena Promotions Pty Ltd	39,092	1.45%
15	First Farley Pty Ltd	37,037	1.37%
16	John Richards & Jillian Cain	34,110	1.27%
17	Michael Orlov Pty Ltd	33,252	1.23%
18	Downshire Investments Pty Ltd	33,111	1.23%
19	Denise Joy Monk	30,000	1.11%
20	Solen Pty Ltd	30,000	1.11%
		2,054,773	76.28%

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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.

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders as shown in substantial shareholder notices received by the Company at 17 September 2004 are:

<u>Name of Shareholder</u>	<u>Ordinary Shares</u>	<u>Partly Paid Shares</u>
David John Vincent	21,000,000	12,000,000

UNQUOTED SECURITIES

The following unquoted securities are on issue:

Options

Number of Options	Exercise Price	Vesting Date	Expiry Date	
8,000,000	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

February 2005 Convertible Notes

There are a total of 8,018,182 unlisted 11 cent February 2005 Convertible Notes outstanding at the date of this report. Solen Pty Ltd holds 2,300,000 (28.7%) of the outstanding notes.

The terms and conditions of these convertible notes are:

- Conversion Price: Convertible at any time until 28 February 2005 at holder's election. Each note converts into 1 ordinary share.
- Maturity & Redemption: Redemption for full face value on 28 February 2005. The company may elect at the redemption date to convert the outstanding notes into ordinary shares at 90% of the volume weighted average share price of the shares for the 10 trading days prior to redemption date.
- Interest Rate: 10%

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INTERESTS IN MINING TENEMENTS

Renison Consolidated Mines NL held the following interests in mining and exploration tenements as at 17 September 2004:

Northern Territory Tenements

Type	Title No	Location	Interest
EL	9161	Mary River	100%
ELA	10367	Mary River	100%
EL	10368	McKinley River	100%
ELA	10382	Noonamah	100%
EL	22068	Steves Hill	0% *
ELA	22206	Mary River	100%
ELA	22232	Mary River	100%
ELA	22386	Noonamah	100%
EL	23172	Noonamah	100%
EL	23173	Noonamah	100%
ELA	23174	Mary River	100%
EL	23177	Darwin	100%
ELA	23178	Darwin	100%
ELA	24150	Mary River	100%
ELA	24151	Mary River	100%
ELA	24288	Mary River	100%
MCN	68 to 91	Mary River	100%
MCN	3333 to 3339	Mary River	100%
MCN	5229	Mary River	100%
MLN	281 to 284	Mary River	100%
MLN	337 to 339	Mary River	100%
MLN	369 to 373	Mary River	100%
MLN	1058	Mary River	100%

Queensland Tenements

Type	Title No	Location	Interest
EPM	9632	Agate Creek	0% #
EPM	10719	Agate Creek	0% #
EPM	11237	Agate Creek	0% #
EPM	11238	Agate Creek	0% #
EPM	13121	Eidsvold	0% *
EPM	14523	Eidsvold	100%

* - option to purchase 100% held

- option to earn 65% interest held

CORPORATE GOVERNANCE STATEMENT

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

The format of the Corporate Governance Statement has changed in comparison to the previous year due to the introduction of the Australian Stock Exchange Corporate Governance Council's (the Council's) "Principles of Good Corporate Governance and Best Practice Recommendations" (the Recommendations). In accordance with the Council's recommendations, the Corporate Governance Statement must now contain certain specific information and must disclose the extent to which the company has followed the guidelines during the period. Where a recommendation has not been followed, that fact must be disclosed, together with the reasons for the departure.

Renison's Corporate Governance Statement is now structured with reference to the Corporate Governance Council's principles and recommendations, which are as follows:

- Principle 1. Lay solid foundations for management and oversight
- Principle 2. Structure the board to add value
- Principle 3. Promote ethical and responsible decision making
- Principle 4. Safeguard integrity in financial reporting
- Principle 5. Make timely and balanced disclosure
- Principle 6. Respect the rights of shareholders
- Principle 7. Recognise and manage risk
- Principle 8. Encourage enhanced performance
- Principle 9. Remunerate fairly and responsibly
- Principle 10. Recognise the legitimate interests of stakeholders

Renison's Corporate Governance Statement was adopted during the year ended 30 June 2004. Given the size of the Company and the number of Board members the Company is not in a position to be fully compliant with the Council's best practice recommendations. Renison's current policies do not meet the set out recommended practices in the following areas:

Recommendation 2.1 - A majority of the board should be independent directors:

Renison does not meet this recommendation as it does not have a majority of independent directors. The board currently has two non-executive directors who are independent directors and two executive directors.

Recommendation 2.4 - The board should establish a nomination committee:

Renison has established a nomination committee consisting of two non-executive independent directors. It does not meet the recommended structure for the committee as the committee does not consist of at least three members.

Recommendation 4.3 - Structure the audit committee so that it consists of only non-executive directors, a majority of independent directors, an independent chairperson who is not chairperson of the board, at least three members:

Renison has established an audit committee consisting of two non-executive independent directors. It meets all the recommendations except it does not meet the recommendation that the committee consist of at least three members.

New practices have been implemented during the 2003/04 financial year in order to meet the recommendations. The company did not meet the following recommendation during the 2003/04 financial year:

Recommendation 8.1 - Disclose the process for performance evaluation of the board, its committees and individual directors, and key executives:

Renison has established a process for performance evaluation however no evaluation took place in the 2003/04 financial year as the process was established late in the year. It will be undertaken in the 2004/05 and future financial years.

For further information on corporate governance policies adopted by Renison, refer to our website: www.rcm.com.au.

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Structure of the Board

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is included in the Directors' Report. Directors of Renison are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment.

In the context of director independence, "materiality" is considered from both the company and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively material on the following basis - balance sheet items are material if they have a value of more than 5% of pro-forma net assets and profit and loss items are material if they will have an impact on the current year operating result of 10% or more. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the director in question to shape the direction of the company's loyalty.

In accordance with the definition of independence above, and the materiality thresholds set, the following directors of Renison are considered to be independent:

Dr CD Rawlings
Mr RS Anthon

There are procedures in place, agreed by the board, to enable directors, in furtherance of their duties, to seek independent professional advice at the company's expense.

The term in office held by each director in office at the date of this report is as follows:

Name	Term in Office
CD Rawlings	2 years
RS Anthon	8 years
SG Bizzell	8 years
RP Seville	3 years

Nomination Committee

The Board has established a nomination committee 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 non-executive directors. The nomination committee was established late in the 2004 financial year and comprises the following members: Dr CD Rawlings and RS Anthon. For additional details regarding the nomination committee, please refer to the Statement of Corporate Governance Practices on our website (www.rcm.com.au).

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, 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. All members of the audit committee are non-executive directors. The members of the audit committee during the year were Dr CD Rawlings and RS Anthon.

Qualifications of audit committee members

RS Anthon has been a practising solicitor for 20 years and has extensive experience in the area of corporate law. He has been a director of a number of public and private companies. He is the chairman of the audit committee.

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Dr CD Rawlings has over 25 years experience as a Managing Director, Non Executive Director and Chairman of public listed corporations.

For details on the number of meetings of the audit committee held during the year and the attendees at those meetings, refer to the Directors' Report.

Performance

The performance of the board and key executives is reviewed against both measurable and qualitative indicators. The nomination committee was established late in the reporting period. The nomination committee will conduct performance evaluations which will involve an assessment of each board member's and key executive's performance against specific and measurable qualitative and quantitative performance criteria. The performance criteria against which directors and executives are assessed is aligned with the financial and non-financial objectives of Renison. Directors whose performance is consistently unsatisfactory may be sanctioned.

Remuneration

It is the company's objective to provide maximum stakeholder benefit from the retention of a high quality board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Remuneration and Nomination Committee links the nature and amount of executive directors' and officers' emoluments to the company's financial and operational performance. The expected outcomes of the remuneration structure are the retention and motivation of key executives, the attraction of quality management to the company and performance incentives which allow executives to share the rewards of the success of Renison.

For details on the amount of remuneration and all monetary and non-monetary components for each of the highest-paid (non-director) executives during the year and for all directors, refer to note 30 to the financial statements.

In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the board, having regard to the overall performance of Renison and the performance of the individual during the period.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors. 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 and nomination committee, comprising two non-executive directors. The committee was established late in the 2004 financial year and comprises the following members – Dr CD Rawlings (Chairman) and RS Anthon.

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STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004

	Note	Consolidated		Parent Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
Revenues from ordinary activities	2	1,832,190	1,116,164	1,832,190	179,435
Mining and exploration costs		2,607,476	404,392	2,607,476	404,392
Depreciation and amortisation expenses	3	223,980	233,695	223,980	215,901
Borrowing costs expense	3	312,392	27,867	312,392	26,771
Provisions and write offs	3	-	204,517	236,522	85,914
Written down value of assets sold		249,657	545,880	249,657	38,215
Renison Bell due diligence costs		-	141,813	-	141,813
Head office employment costs		360,666	636,722	360,666	636,722
Other corporate and head office expenses		392,884	351,998	392,854	351,956
Discontinued Operations		-	504,389	-	-
Gain on disposal of interest in Sirocco Technologies	34	-	3,880,748	-	-
Profit/(Loss) from ordinary activities before income tax		(2,314,865)	1,945,639	(2,551,357)	(1,772,249)
Income tax expense relating to ordinary activities	4	-	-	-	-
Profit/(Loss) from ordinary activities after income tax		(2,314,865)	1,945,639	(2,551,357)	(1,772,249)
Net Profit/(Loss) attributable to outside equity interest	23	-	41,487	-	-
Net Profit/(Loss) attributable to members of Renison Consolidated Mines NL	22	(2,314,865)	1,904,152	(2,551,357)	(1,772,249)
Share issue costs		39,553	-	39,553	-
Total revenues and expenses attributable to members of Renison Consolidated Mines NL and recognised directly in equity		39,553	-	39,553	-
Total changes in equity other than those resulting from transactions of owners as owners		(2,354,418)	1,904,152	(2,511,804)	(1,772,249)
Basic earnings/(loss) per share (cents per share)	28	(0.94)	0.79		
Diluted earnings/(loss) per share (cents per share)	28	(0.94)	0.79		

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

RENISON CONSOLIDATED MINES N L
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2004

	Note	Consolidated		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
Current Assets					
Cash Assets		676,005	433,875	675,834	433,674
Receivables	5	78,783	77,277	156,042	391,058
Inventory	6	94,252	-	94,252	-
Other Financial Assets	7	94,720	104,720	20,176	30,176
Other	8	49,349	51,445	49,349	51,445
Total Current Assets		993,109	667,317	995,653	906,353
Non-Current Assets					
Receivables	9	324,541	272,799	324,541	272,799
Other Financial Assets	11,12	-	-	2	2
Property, Plant & Equipment	13	5,401,001	5,471,334	5,401,001	5,471,334
Exploration and Development	14	4,418,290	2,158,505	4,418,290	2,158,505
Other	15	43,947	92,606	43,947	92,606
Total Non-Current Assets		10,187,779	7,995,244	10,187,781	7,995,246
Total Assets		11,180,888	8,662,561	11,183,434	8,901,599
Current Liabilities					
Payables	16	1,126,972	483,980	1,126,972	483,980
Interest Bearing Liabilities	17	1,484,178	366,560	1,484,178	366,560
Provisions	18	31,018	22,387	31,018	22,387
Total Current Liabilities		2,642,168	872,927	2,642,168	872,927
Non-Current Liabilities					
Interest Bearing Liabilities	19	2,949,539	1,227,000	2,949,539	1,227,000
Provisions	20	400,000	400,000	400,000	400,000
Total Non-Current Liabilities		3,349,539	1,627,000	3,349,539	1,627,000
Total Liabilities		5,991,707	2,499,927	5,991,707	2,499,927
Net Assets		5,189,181	6,162,634	5,191,727	6,401,672
Equity					
Parent Entity Interest					
Contributed Equity	21	28,862,889	27,521,477	28,862,889	27,521,477
Accumulated Losses	22	(23,673,708)	(21,358,843)	(23,671,162)	(21,119,805)
Total Equity		5,189,181	6,162,634	5,191,727	6,401,672

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

RENISON CONSOLIDATED MINES N L
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2004

	Note	Consolidated		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
Cash Flows from Operating Activities					
Cash receipts in the course of operations		2,094,659	700,020	2,094,659	282,016
Cash payments in the course of operations		(3,810,313)	(1,998,797)	(3,810,283)	(1,832,023)
Interest received		20,010	13,139	20,010	13,051
Borrowing costs		(129,492)	(16,862)	(129,492)	(15,765)
Net Cash Used in Operating Activities	24	(1,825,136)	(1,302,500)	(1,825,106)	(1,552,721)
Cash Flow From Investing Activities					
Proceeds from sale of plant & equipment		146,296	17,176	146,296	17,176
Payments for property, plant & equipment		(131,455)	(51,665)	(131,455)	(34,123)
Proceeds of sale of investments		12,616	403,951	12,616	-
Purchase of shares		-	(4,198)	-	(8)
Cash retained by Sirocco Technologies Group at disposal of interest		-	(242,816)	-	-
Payments for exploration & development		(1,566,444)	(6,735)	(1,566,444)	(6,735)
Loans advanced to related parties		-	-	-	(41,835)
Repayment of loans from related parties		-	-	-	511,471
Loans		550,000	-	550,000	-
Loan from related party		-	300,000	-	300,000
Repayment of loan from related party		(300,000)	-	(300,000)	-
Payments of security deposits		(27,142)	-	(27,142)	-
Repayments of security deposits		-	47,093	-	47,093
Net Cash Flow (Used in)/Provided by Investing Activities		(1,316,129)	461,806	(1,316,129)	793,039
Cash Flow from Financing Activities					
Proceeds from issue of shares		762,500	-	762,500	-
Payments for issue of shares		(39,553)	-	(39,553)	-
Proceeds from issue of debt securities		2,914,000	1,227,000	2,914,000	1,227,000
Payments for issue of debt securities		(143,568)	(70,000)	(143,568)	(70,000)
Repayment of hp/finance lease principal		(109,984)	(72,851)	(109,984)	(61,518)
Net Cash Flow from Financing Activities		3,383,395	1,084,149	3,383,395	1,095,482
Net increase (decrease) in cash held		242,130	244,455	242,160	335,800
Cash at the beginning of the financial year		433,875	189,420	433,674	97,874
Cash at the end of the financial year	24	676,005	433,875	675,834	433,674

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

RENISON CONSOLIDATED MINES N L
ANNUAL REPORT
Notes to the financial statements for the year ended 30 June 2004

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 as 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.

RENISON CONSOLIDATED MINES N L
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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. Gold on Carbon is valued at the spot gold price at the end of the financial year.

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.

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.

RENISON CONSOLIDATED MINES N L
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Notes to the financial statements for the year ended 30 June 2004

Amortisation

Costs on productive areas are amortised over the life of the resource to which such costs relate when in production.

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. In determining the restoration obligations, 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.

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 notes issued are amortised over the period from issue of the notes until the redemption date of the notes.

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.

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

Issued and paid up 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.

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.

RENISON CONSOLIDATED MINES N L
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Notes to the financial statements for the year ended 30 June 2004

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.

Tax Consolidation Legislation

The consolidated entity is assessing the implementation of the tax consolidation legislation. No decision on the adoption of tax consolidation has been determined and the Australian Tax Office has still to be notified of any decision.

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.

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. No derivative contracts were entered into during the year and at the end of the financial period there were no outstanding contracts.

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Notes to the financial statements for the year ended 30 June 2004

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.

RENISON CONSOLIDATED MINES N L
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Notes to the financial statements for the year ended 30 June 2004

	Note	Consolidated		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
2. REVENUE FROM ORDINARY ACTIVITIES					
Revenues from operating activities					
Revenue from sale of minerals		1,516,768	-	1,516,768	-
Total revenues from operating activities		1,516,768	-	1,516,768	-
Revenues from non-operating activities					
Interest – other persons/corporations		18,640	13,765	18,640	13,725
Rent		89,981	79,781	89,981	79,781
Other		47,889	68,754	47,889	68,754
Proceeds from disposal of plant and equipment		146,296	17,176	146,296	17,176
Proceeds from sale of financial assets		12,616	327,951	12,616	-
Total revenues from non-operating activities		315,422	507,427	315,422	179,435
Revenues from discontinued operations					
Revenue from sale of goods & services		-	532,689	-	-
Interest – other persons/corporations		-	48	-	-
Proceeds from sale of financial assets		-	76,000	-	-
Total revenues from discontinued operations		-	608,737	-	-
Total revenues from ordinary activities		1,832,190	1,116,164	1,832,190	179,435
3. EXPENSES AND LOSSES/(GAINS)					
(a) Expenses					
Cost of sales mining operations		2,107,998	-	2,107,998	-
Expenses of discontinued operations		-	504,389	-	-
Depreciation of non-current assets					
- Buildings		21,216	21,314	21,216	21,314
- Plant and equipment		102,357	97,386	102,357	97,386
- Plant and equipment under lease		20,101	-	20,101	-
- Motor vehicles		29,650	55,101	29,650	55,101
- Office and computer equipment		32,096	42,100	32,096	42,100
- Discontinued operations		-	5,801	-	-
Total depreciation of non-current assets		205,420	221,702	205,420	215,901
Amortisation of non-current assets					
- Goodwill (Discontinued operations)		-	11,993	-	-
- Borrowing costs		18,560	-	18,560	-
Total amortisation of non-current assets		18,560	11,993	18,560	-
Total depreciation and amortisation expenses		223,980	233,695	223,980	215,901
Borrowing costs expensed					
- finance lease and hire purchase interest		9,390	5,909	9,390	4,813
- convertible notes		296,398	11,005	296,398	11,005
- director related entity	30	4,508	9,011	4,508	9,011
- other		2,096	1,942	2,096	1,942
Total borrowing costs expensed		312,392	27,867	312,392	26,771

RENISON CONSOLIDATED MINES N L
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Notes to the financial statements for the year ended 30 June 2004

	Note	Consolidated		Parent Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
Decrement in value of financial assets to recoverable amount		-	183,876	-	65,272
Bad and doubtful debts – subsidiary company	31	-	-	236,522	-
Exploration, evaluation and development costs		-	20,641	-	20,641
Operating lease rental payments		114,107	174,920	114,107	172,738
(b) Losses/(Gains)					
Net loss on the disposal of plant & equipment		93,361	21,040	93,361	21,040
Net loss/(gain) on disposal of financial assets		(2,615)	(103,714)	(2,615)	-

4. INCOME TAX

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 2004, in respect of tax losses not brought to account is \$6,864,911 (2003: \$5,395,734).

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	-	7,830
Other debtors		78,783	69,447	78,783	69,448
Amounts other than trade debts receivable from related parties:					
- Controlled entities	31	-	-	77,259	313,780
		<u>78,783</u>	<u>77,277</u>	<u>156,042</u>	<u>391,058</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

6. INVENTORIES (CURRENT)

Finished goods - Gold in circuit		94,252	-	94,252	-
		<u>94,252</u>	<u>-</u>	<u>94,252</u>	<u>-</u>

7. FINANCIAL ASSETS (CURRENT)

Investments at recoverable amount comprise					
Listed shares		20,353	30,353	20,176	30,176
Unlisted shares		74,367	74,367	-	-
		<u>94,720</u>	<u>104,720</u>	<u>20,176</u>	<u>30,176</u>

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.

RENISON CONSOLIDATED MINES N L
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Notes to the financial statements for the year ended 30 June 2004

	Note	Consolidated		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
8. OTHER CURRENT ASSETS					
Borrowing costs		23,210	-	23,210	-
Accumulated amortisation		(2,579)	-	(2,579)	-
		20,631	-	20,631	-
Prepayments		28,718	51,445	28,718	51,445
		49,349	51,445	49,349	51,445

9. RECEIVABLES (NON-CURRENT)

Other receivables	324,541	272,799	324,541	272,799
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Other receivables are security bonds in relation to tenements held and term deposits lodged as security in relation to guarantees provided for tenements held.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

Retained losses of the consolidated entity attributable to associates:

Balance at beginning of financial year	-	(1,158,316)		
- Share of associate's net (losses) in year	-	-		
- Reversal upon disposal of STG Ltd	-	1,158,316		
Balance at the end of the financial year	-	0		

11. OTHER FINANCIAL ASSETS (NON-CURRENT)

Investments at recoverable amount comprise

Controlled entities – unlisted	-	-	2	2
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12. INTERESTS IN SUBSIDIARIES

	Percentage of equity interest held by consolidated entity		Investment	
	2004	2003	2004	2003
All companies are incorporated in Australia	%	%	\$	\$
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
			3	3

- investment held by Sirocco Operations Pty Ltd

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Notes to the financial statements for the year ended 30 June 2004

Note	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
13. PROPERTY, PLANT AND EQUIPMENT				
Buildings				
- At cost	191,475	191,475	191,475	191,475
- Accumulated depreciation	(129,057)	(107,841)	(129,057)	(107,841)
	<u>62,418</u>	<u>83,634</u>	<u>62,418</u>	<u>83,634</u>
Mining plant & equipment				
- At cost	5,593,440	5,585,152	5,593,440	5,585,152
- Accumulated depreciation	(774,775)	(770,457)	(774,775)	(770,457)
	<u>4,818,665</u>	<u>4,814,695</u>	<u>4,818,665</u>	<u>4,814,695</u>
Mining infrastructure				
- At cost	801,875	746,326	801,875	746,326
- Accumulated depreciation	(511,206)	(413,168)	(511,206)	(413,168)
	<u>290,669</u>	<u>333,158</u>	<u>290,669</u>	<u>333,158</u>
Motor Vehicles				
- At cost	132,549	329,756	132,549	329,756
- Accumulated depreciation	(35,478)	(208,050)	(35,478)	(208,050)
	<u>97,071</u>	<u>121,706</u>	<u>97,071</u>	<u>121,706</u>
Plant & equipment under lease				
- At cost	122,107	-	122,107	-
- Accumulated amortisation	(20,101)	-	(20,101)	-
	<u>102,006</u>	<u>-</u>	<u>102,006</u>	<u>-</u>
Office & computer equipment				
- At cost	127,894	304,378	127,894	304,378
- Accumulated depreciation	(97,722)	(186,237)	(97,722)	(186,237)
	<u>30,172</u>	<u>118,141</u>	<u>30,172</u>	<u>118,141</u>
Total Property, Plant & Equipment				
- At cost	6,969,340	7,157,087	6,969,340	7,157,087
- Accumulated depreciation	(1,568,339)	(1,685,753)	(1,568,339)	(1,685,753)
	<u>5,401,001</u>	<u>5,471,334</u>	<u>5,401,001</u>	<u>5,471,334</u>

The directors have determined that fair value of buildings is represented by book value at 30 June 2004.

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	83,634	83,634
- Depreciation	(21,216)	(21,216)
	<u>62,418</u>	<u>62,418</u>
Mining plant & equipment		
- Carrying amount at beginning	4,814,695	4,814,695
- Additions	74,394	74,394
- Disposals	(66,106)	(66,106)
- Depreciation	(4,318)	(4,318)
	<u>4,818,665</u>	<u>4,818,665</u>
Mining infrastructure		
- Carrying amount at beginning	333,159	333,159
- Additions	55,549	55,549
- Depreciation	(98,039)	(98,039)
	<u>290,669</u>	<u>290,669</u>

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Notes to the financial statements for the year ended 30 June 2004

	Note	Consolidated		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
Motor Vehicles					
- Carrying amount at beginning		121,706		121,706	
- Additions		107,322		107,322	
- Disposals		(102,307)		(102,307)	
- Depreciation		(29,650)		(29,650)	
		<u>97,071</u>		<u>97,071</u>	
Plant & equipment under lease					
- Additions		122,107		122,107	
- Depreciation		(20,101)		(20,101)	
		<u>102,006</u>		<u>102,006</u>	
Office & computer equipment					
- Carrying amount at beginning		118,141		118,141	
- Additions		15,370		15,370	
- Disposals		(71,242)		(71,242)	
- Depreciation		(32,095)		(32,095)	
		<u>30,172</u>		<u>30,172</u>	

14. 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	2,891,466	1,185,614	2,891,466	1,185,614
- Exploration and evaluation phase	742,946	189,013	742,946	189,013
	<u>3,634,412</u>	<u>1,374,627</u>	<u>3,634,412</u>	<u>1,374,627</u>
	<u>4,418,290</u>	<u>2,158,505</u>	<u>4,418,290</u>	<u>2,158,505</u>

Ultimate recoupment of these costs is dependent on a successful development and commercial exploitation or alternatively a sale of the respective areas of interest.

15. OTHER NON CURRENT ASSETS

Borrowing costs	59,928	92,606	59,928	92,606
Less accumulated amortisation	(15,981)	-	(15,981)	-
	<u>43,947</u>	<u>92,606</u>	<u>43,947</u>	<u>92,606</u>

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	Note	Consolidated		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
16. PAYABLES (CURRENT)					
Trade creditors		890,353	370,215	890,353	370,215
Other creditors		236,619	113,765	236,619	113,765
		<u>1,126,972</u>	<u>483,980</u>	<u>1,126,972</u>	<u>483,980</u>
Included in the above are aggregate amounts payable to the following related parties					
Directors and director related entities	31	<u>36,399</u>	<u>78,086</u>	<u>36,399</u>	<u>78,086</u>

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 31

17. INTEREST BEARING LIABILITIES (CURRENT)

Lease and hire purchase liability	33,178	66,560	33,178	66,560
Unsecured loan				
- from director related entity	-	300,000	-	300,000
- other loans	550,000	-	550,000	-
Convertible notes	901,000	-	901,000	-
	<u>1,484,178</u>	<u>366,560</u>	<u>1,484,178</u>	<u>366,560</u>

Secured Liability:

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

The terms and conditions of the other loan is:

- Subject to the successful completion of the feasibility study and execution of a formal Alliance Agreement for the underground mining operations at Tom's Gully the loan will convert into Renison March 2007 convertible notes at an issue price of \$2.50 per note
- Interest Rate: 10%

The terms and conditions of the convertible notes are:

- Conversion Price: Convertible at any time until 28 February 2005 at holder's election. Each 11 cent note converts into 1 ordinary share.
- Maturity & Redemption: Redemption for full face value on 28 February 2005. The company may elect at the redemption date to convert the outstanding notes into ordinary shares at 90% of the volume weighted average share price of the shares for the 10 trading days prior to redemption date.
- Interest Rate: 10%

18. PROVISIONS (CURRENT)

Employee benefits		<u>31,018</u>	<u>22,387</u>	<u>31,018</u>	<u>22,387</u>
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Note	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
19. INTEREST BEARING LIABILITIES				
(NON-CURRENT)				
Lease and hire purchase liability	166,687	-	166,687	-
Convertible notes	2,782,852	1,227,000	2,782,852	1,227,000
	<u>2,949,539</u>	<u>1,227,000</u>	<u>2,949,539</u>	<u>1,227,000</u>

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

Convertible Notes: The terms and conditions of the convertible notes are:

- Conversion: Convertible at any time until 31 March 2007 at holder's election. Each \$1 note converts into 20 ordinary shares.
- Maturity & Redemption: Redemption for full face value on 31 March 2007.
- Interest Rate: 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.

20. PROVISIONS (NON-CURRENT)

Restoration	400,000	400,000	400,000	400,000
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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.

21. CONTRIBUTED EQUITY

(a) Issued and paid up capital

Ordinary shares fully paid	23,627,072	23,008,608	23,627,072	23,008,608
Ordinary shares partly paid	5,235,817	4,512,869	5,235,817	4,512,869
	<u>28,862,889</u>	<u>27,521,477</u>	<u>28,862,889</u>	<u>27,521,477</u>

(b) Movements in shares on issue

	2004		2003	
	Nos of shares	\$	Nos of shares	\$
Ordinary shares fully paid				
Beginning of the financial year	221,444,930	23,008,608	221,444,930	30,559,756
Increases				
- purchase of interest in Agate Creek	1,700,000	113,900	-	-
- purchase of interest in Eidsvold	135,000	9,450	-	-
- purchase of interest in EL 22068	269,315	16,954	-	-
- conversion of convertible notes	9,563,213	478,160	-	-
Decreases				
- return of capital re Sirocco Technologies Group	-	-	-	(7,551,148)
	<u>233,112,458</u>	<u>23,627,072</u>	<u>221,444,930</u>	<u>23,008,608</u>
Ordinary shares partly paid				
Beginning of the financial year	152,500,000	4,512,870	152,500,000	4,512,870
- Call payment	-	762,500	-	-
- Transaction costs	-	(39,553)	-	-
	<u>152,500,000</u>	<u>5,235,817</u>	<u>152,500,000</u>	<u>4,512,870</u>

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Note	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$

(c) Share Options

During the financial year a total of 7,000,000 share options vested with executive directors, employees and consultants. The options have an exercise price of 12.5 cents and expire on 30/6/07. At balance date all of these options were outstanding.

The convertible notes on issue can be also be converted into ordinary shares at the rate of 20 ordinary shares for each \$1 Note held for the March 2007 series and at one 11 cent note per ordinary share for the February 2005 series. Refer to notes 17 and 19.

(d) Terms and conditions of contributed equity

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on share held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

Partly paid shares

The company has on issue partly paid shares which at balance date were paid up to 3.5 cents each with 21.5 cents to pay. The partly paid shares have on a pro rata basis the same rights as held by ordinary share holders. Call payments are due as follows – 1 cent on each of 31/1/05, 31/1/06, 31/1/07, 31/1/08 and 17.5 cents on 31/1/09.

22. ACCUMULATED LOSSES

Balance at the beginning of the year	(21,358,843)	(23,262,995)	(21,119,805)	(19,397,556)
Net profit/(loss) attributable to members of Renison Consolidated Mines NL	(2,314,865)	1,904,152	(2,551,357)	(1,722,249)
Balance at end of year	(23,673,708)	(21,358,843)	(23,671,162)	(21,119,805)

23. OUTSIDE EQUITY INTEREST

Reconciliation of outside equity interest in controlled entities:

Opening balance	-	(41,487)
Disposal of outside equity interest	-	41,487
Closing balance	-	-

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	Consolidated		Parent Entity	
	2004	2003	2004	2003
Note	\$	\$	\$	\$
24. 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	(2,314,865)	1,945,639	(2,551,357)	(1,722,249)
Add (less) non-cash items				
Gain on disposal of subsidiary companies	-	(3,880,748)	-	-
Provision for receivables	-	-	236,522	-
Provision for diminution of investments	-	183,876	-	65,272
Provision for employee entitlements	8,632	11,446	8,632	584
Depreciation	205,421	221,701	205,421	215,900
Amortisation	18,560	11,993	18,560	-
Exploration expenditure written off	-	20,641	-	20,641
(Profit)/Loss on sale of investments	(2,615)	103,713	(2,615)	-
(Profit)/Loss on sale of plant & equipment	93,361	21,040	93,361	21,040
Changes in assets & liabilities during the year				
(Increase)/decrease in receivables	(1,507)	(107,550)	(1,507)	(50,650)
(Increase)/decrease in inventory	(94,252)	(43,582)	(94,252)	-
(Increase)/decrease in prepayments	22,727	(16,968)	22,727	(17,746)
(Decrease)/increase in creditors	42,500	253,059	42,500	8,939
(Decrease)/increase in accruals	196,902	(26,760)	196,902	(94,453)
	<u>(1,825,136)</u>	<u>(1,302,500)</u>	<u>(1,825,106)</u>	<u>(1,552,721)</u>
Reconciliation of cash				
- Cash at bank	<u>676,005</u>	<u>433,875</u>	<u>675,834</u>	<u>433,674</u>

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
- other assets	5,042,229
- liabilities	<u>(1,614,645)</u>
Total Net Assets disposed	3,670,400
Gain on disposal	
- accumulated losses of STG Group	<u>3,880,748</u>
- loans capitalised and capital returned	<u>7,551,148</u>
Net cash effect	
- cash balance disposed	<u>242,816</u>

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	Note	Consolidated		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
25. EXPENDITURE COMMITMENTS					
Lease expenditure commitments					
(i) Operating leases					
Minimum lease payments					
- payable within one year		37,215	160,390	37,215	160,390
- payable between one and five years		108,800	16,249	108,800	16,249
Total contracted at balance date		<u>146,015</u>	<u>176,639</u>	<u>146,015</u>	<u>176,639</u>
(ii) Finance lease and hire purchase contracts					
- payable within one year		46,309	67,055	46,309	67,055
- payable between one and five years		188,777	-	188,777	-
- total minimum payments		<u>235,086</u>	<u>67,055</u>	<u>235,086</u>	<u>67,055</u>
- future finance charges		<u>(35,221)</u>	<u>(495)</u>	<u>(35,221)</u>	<u>(495)</u>
- hire purchase and lease liability		<u>199,865</u>	<u>66,560</u>	<u>199,865</u>	<u>66,560</u>
- current liability	17	33,178	66,560	33,178	66,560
- non-current liability	19	166,687	-	166,687	-
		<u>199,865</u>	<u>66,560</u>	<u>199,865</u>	<u>66,560</u>

26. EMPLOYEE BENEFITS

The aggregate employee benefit liability is comprised of:

Accrued wages, salaries and on costs	71,432	75,575	71,432	75,575
Provisions (current)	31,018	22,387	31,018	22,387
	<u>102,450</u>	<u>97,962</u>	<u>102,450</u>	<u>97,962</u>

Equity based instruments

The company has granted options over ordinary shares to directors, employees and consultants as part of their remuneration packages. The options were granted for nil consideration and are not quoted on the ASX. Information with respect to the number of options granted is as follows:

	2004		2003	
	Nos of options	Weighted average exercise price	Nos of options	Weighted average exercise price
Balance at beginning of year	18,000,000	15 cents	-	-
- granted	2,000,000	12.5 cents	18,000,000	15 cents
Balance at end of year	<u>20,000,000</u>	<u>14.75 cents</u>	<u>18,000,000</u>	<u>15 cents</u>
Exercisable at end of year	<u>7,500,000</u>	<u>12.5 cents</u>	<u>0</u>	<u>-</u>

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Note	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$

Options held at the beginning of the reporting period:

The following table summarises information about staff and consultant options outstanding as at 1 July 2003

Number of options	Grant date	Vesting date	Expiry date	Weighted average exercise price
6,000,000	29/8/02	1/7/03	30/6/07	12.5 cents
6,000,000	29/8/02	1/7/04	30/6/07	15 cents
6,000,000	29/8/02	1/7/05	30/6/07	17.5 cents

Options granted during the reporting period

The following table summarises information about staff and consultant options granted during the year.

Number of options	Grant date	Vesting date	Expiry date	Weighted average exercise price
1,000,000	19/12/03	19/12/03	30/6/07	12.5 cents
500,000	19/12/03	19/6/04	30/6/07	12.5 cents
500,000	19/12/03	19/12/04	30/6/07	12.5 cents

Options exercised

There were no options exercised during the year.

Options held at the end of the reporting period:

The following table summarises information about staff and consultant options outstanding as at 30 June 2004

Number of options	Grant date	Vesting date	Expiry date	Weighted average exercise price
6,000,000	29/8/02	1/7/03	30/6/07	12.5 cents
6,000,000	29/8/02	1/7/04	30/6/07	15 cents
6,000,000	29/8/02	1/7/05	30/6/07	17.5 cents
1,000,000	19/12/03	19/12/03	30/6/07	12.5 cents
500,000	19/12/03	19/6/04	30/6/07	12.5 cents
500,000	19/12/03	19/12/04	30/6/07	12.5 cents

27. CONTINGENT LIABILITIES

The company has arranged for the issue of bank indemnity guarantees for \$215,000 in respect of bonds required by government departments in relation to tenements held.

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Note	Consolidated		Parent Entity							
	2004	2003	2004	2003						
	\$	\$	\$	\$						
28. EARNINGS PER SHARE										
<table border="0" style="margin-left: auto;"> <thead> <tr> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Consolidated</th> </tr> <tr> <th style="text-align: center; border-bottom: 1px solid black;">2004</th> <th style="text-align: center; border-bottom: 1px solid black;">2003</th> </tr> <tr> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> </tr> </thead> </table>					Consolidated		2004	2003	\$	\$
Consolidated										
2004	2003									
\$	\$									
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:										
Net Profit/(Loss)			(2,314,865)	1,945,639						
Adjustments			-	-						
Net Profit/(Loss) attributable to outside equity interest			-	41,487						
Earnings used in calculating basic and diluted earnings per share			(2,314,865)	1,904,152						
			<u>Number</u>	<u>Number</u>						
Weighted avge nos of ordinary shares on issue used in the calculation of basic eps			246,021,253	239,744,930						
Effect of dilutive securities			-	-						
Adjusted weighted avge nos of ordinary shares used in calculating dilutive eps			246,021,253	239,744,930						

The following potential ordinary shares are not dilutive and therefore are not included in the determination of diluted earnings per share.

- 8,000,000 12.5 cent options expiring 30/6/07
- 6,000,000 15 cent options expiring 30/6/07
- 6,000,000 17.5 cent options expiring 30/6/07
- 9,100,000 February 2005 convertible notes
- 2,782,852 March 2007 convertible notes

Conversions, calls, subscriptions or issues after 30 June 2004

Since the end of the financial year the following additional securities have been issued:

- 1,081,018 ordinary share have been issued following the conversion of February 2005 convertible notes
- 1,835,380 ordinary shares have been issued following the conversion of March 2007 convertible notes
- 500,000 March 2007 convertible notes were issued at a price of \$2.50 per note

29. AUDITORS REMUNERATION

Amounts Received or Due and Receivable by the Auditors for:	\$	\$	\$	\$
- audit and review of financial reports	12,000	23,350	12,000	23,350
- other services	1,300	25,635	1,300	25,635
	13,300	48,985	13,300	48,985

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30. DIRECTOR and EXECUTIVE DISCLOSURES

Details of Specified Directors and Specified Executives

Specified directors

CD Rawlings Chairman (non-executive)
RP Seville Managing Director
SG Bizzell Finance Director
RS Anthon Director (non-executive)

Specified executives

CJ Creagh Exploration Manager
JPK Marshall Company Secretary

Remuneration of Specified Directors and Specified Executives

Remuneration Policy

The Nomination and Remuneration Committee of the Board of Directors of Renison is responsible for determining and reviewing compensation arrangements for the directors and the executive team. The Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment Market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. This includes the facility of issuing options over ordinary shares in the company. All Director and Specified Executive remuneration is set out below.

Remuneration of Specified Directors and Specified Executives

	Primary		Post Employment	Equity	Total
	Salary & Fees	Other Benefits	Super-annuation	Options #	
Specified Directors	\$	\$	\$	\$	\$
CD Rawlings					
2004	36,697	-	3,303	-	40,000
2003	33,639	-	3,027	-	36,666
RP Seville					
2004	160,550	909	14,450	37,198	213,107
2003	164,514	-	10,486	89,593	264,593
SG Bizzell					
2004	121,452	7,046	-	18,599	147,097
2003	120,930	5,493	-	44,796	171,219
RS Anthon					
2004	20,000	-	-	-	20,000
2003	20,000	-	-	-	20,000

Total Remuneration: Specified Directors

2004	338,699	7,955	17,753	55,797	420,204
2003	339,083	5,493	13,513	134,389	492,478

Specified Executives

CJ Creagh					
2004	123,853	-	11,147	443	135,443
2003	123,563	-	11,120	-	134,683
JPK Marshall					
2004	104,800	1,376	-	221	106,397
2003	104,400	941	-	-	105,341

Total Remuneration: Specified Executives

2004	228,653	1,376	11,147	664	241,840
2003	227,963	941	11,120	-	240,024

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- These options were approved in 2002 at a General Meeting of the company. The 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. The model allocates a value to more than one reporting period. Details of the calculations of the value attributable to the 2003/04 financial year 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	227
4,000,000	1/7/04	30/6/07	15.0	11	27,995
4,000,000	1/7/05	30/6/07	17.5	11	8,976
12,000,000					37,198

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	114
2,000,000	1/7/04	30/6/07	15.0	11	13,998
2,000,000	1/7/05	30/6/07	17.5	11	4,487
6,000,000					18,599

Remuneration options: Granted and vested during the year

During the year options were granted as equity compensation benefits to certain specified directors and executives as disclosed below. The options were issued free of charge. Each option entitles the holder to subscribe for one fully paid ordinary share in the entity. The options may be exercised after they have vested and before the expiry date.

	Nos Vested	Nos Granted	Grant Date	Value per option at grant date	Exercise price per share	Expiry date
Directors						
SG Bizzell	2,000,000	-	-	-	12.5 cents	30/6/07
RP Seville	4,000,000	-	-	-	12.5 cents	30/6/07
Executives						
CJ Creagh	500,000	500,000	23/12/03	443	12.5 cents	30/6/07
JPK Marshall	250,000	250,000	23/12/03	221	12.5 cents	30/6/07

Shares issued on exercise of remuneration options

There were no shares issued during the year on exercise of remuneration options.

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Option holdings of specified directors and specified executives

	Balance at beginning of period 1/7/03	Granted as Remuneration	Options Exercised	Balance at end of period 30/6/04	Vested at 30 June 2004		
					Total	Not exercisable	Exercisable
Directors							
SG Bizzell	6,000,000	-	-	6,000,000	2,000,000	-	2,000,000
RP Seville	12,000,000	-	-	12,000,000	4,000,000	-	4,000,000
Executives							
CJ Creagh	-	500,000	-	500,000	500,000	-	500,000
JP Marshall	-	250,000	-	250,000	250,000	-	250,000
Total	18,000,000	750,000	-	18,750,000	6,750,000	-	6,750,000

Security holdings of specified directors and executives

All equity transactions with specified directors and specified executives other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length. On market and public offering transactions are included within Net Change Other in the table below:

	Balance 1/7/03	Granted as Remuneration	On Exercise of Options/Notes	Net Change Other	Balance 30/6/04
Ordinary Shares					
Directors					
RS Anthon	500,000	-	-	-	500,000
SG Bizzell	12,188,195	-	-	350,000	12,538,195
CD Rawlings	2,148,576	-	-	-	2,148,576
RP Seville	9,972,720	-	-	-	9,972,720
Executives					
CJ Creagh	15,000	-	-	-	15,000
JPK Marshall	1,000,000	-	-	-	1,000,000
Total	25,824,491	0	0	350,000	26,174,491
Partly Paid Shares					
Directors					
RS Anthon	3,500,000	-	-	-	3,500,000
SG Bizzell	7,008,970	-	-	-	7,008,970
RP Seville	0	-	-	4,000,000	4,000,000
Total	10,508,970	0	0	4,000,000	14,508,970
Convertible Notes					
Directors					
SG Bizzell	-	-	-	202,956	202,956
CD Rawlings	-	-	-	11,382	11,382
RP Seville	-	-	-	54,255	54,255
Executives					
CJ Creagh	-	-	-	840	840
JPK Marshall	-	-	-	33,111	33,111
Total	0	0	0	302,544	302,544

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Loans with specified directors and specified executives.

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 the beginning of the financial year \$300,000 was outstanding. At the end of the financial year \$nil was outstanding. The highest balance owing in the period was \$300,000. Interest was payable on the outstanding balances at a rate of 8% per annum. A total of \$4,442 of interest on the funds advanced was paid by the company during the year.

Other transactions and balances with specified directors and executives and amounts recognised at the reporting date in relation to other transactions

Purchases

Mr R S Anthon is a partner in the firm of Hemming & Hart, Solicitors. Hemming & Hart were paid \$30,096 (2003: \$101,598) for the provision of legal services to the company during the year. At balance date \$3,064 (2003: \$nil) was an outstanding trade creditor payable. The services were based on normal commercial terms and conditions.

31. RELATED PARTY DISCLOSURES

Ultimate parent

Renison Consolidated Mines NL is the ultimate parent entity

Wholly-owned group

Renison Consolidated Mines NL has advanced interest free loans to Sirocco Operations Pty Ltd, at balance date \$2,000 (2003: \$2,000) was outstanding and to A.C.N. 099 916 373 Pty Ltd, at balance date \$75,259 (2003: \$311,780) was outstanding. A provision of \$236,552 was made at 30 June 2004 to write down a loan from Renison to A.C.N. 099 916 373 Pty Ltd to its recoverable amount.

32. SEGMENT INFORMATION

Segment products and locations

The entity operates solely in the mining and exploration segments. The mining segment has operational and exploration activities in the Northern Territory and Queensland. Geographically the group operates only within Australia. Prior to the separation of the mining and technology groups 2 August 2002 the consolidated entity's operating companies were organised and managed separately according to the nature of the products and services they provided. Details of the result attributable to the operations of Sirocco Technologies Group are disclosed in note 35.

Segment accounting policies

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

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33. FINANCIAL INSTRUMENTS

Notes to the financial statements for the year ended 30 June 2004

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							
	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$	2004 %	2003 %
(i) Financial assets														
Cash	670,255	415,587	-	-	-	-	-	-	5,750	18,088	676,005	433,875	4.56	3.3
Receivables	-	-	-	-	-	-	-	-	78,783	77,277	78,783	77,277	N/A	N/A
Listed shares	-	-	-	-	-	-	-	-	20,353	30,353	20,353	30,353	N/A	N/A
Unlisted shares	-	-	-	-	-	-	-	-	74,367	74,367	74,367	74,367	N/A	N/A
Non current receivables	-	-	225,689	270,392	-	-	-	-	98,852	2,407	324,541	272,799	2.20	4.13
Total Financial Assets	670,255	415,587	225,689	270,392	-	-	-	-	278,105	202,492	1,174,049	888,671	-	-

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							
	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$	2004 %	2003 %
(ii) Financial liabilities														
Trade creditors and accruals	-	-	-	-	-	-	-	-	1,126,972	483,990	1,126,972	483,990	N/A	N/A
Loans	-	-	550,000	-	-	-	-	-	-	-	550,000	-	10.0	-
Convertible Notes	-	-	900,100	-	2,782,852	1,227,000	-	-	-	-	3,683,852	1,227,000	10.0	10.0
Financed liabilities	-	-	33,179	366,560	166,687	-	-	-	-	-	199,866	366,560	8.63	9.2
Total Financial Liabilities	-	-	1,483,279	366,560	2,949,539	1,227,000	-	-	1,126,972	483,990	5,560,690	2,077,550	-	-

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

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Net fair values

All financial assets and liabilities have been recognised at the balance date at their net fair values. 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 is the face value which 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 net asset value of the company.

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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34. CHANGE IN COMPOSITION OF ENTITY

On 2 August 2002 the consolidated entity completed the disposal of the businesses of Sirocco Technologies Group. 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 had 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 resulted in a one off accounting gain in accordance with applicable accounting standards of \$3,880,748 being recorded in the year ended 30 June 2003.

Details of the assets and liabilities disposed of were 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>

35. DISCONTINUED OPERATIONS

Corporate Restructure

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 2003 is as follows:

	2004	2003
	\$	1 mth \$
Revenues from ordinary activities	-	608,737
Expenses from ordinary activities (including borrowing costs)	-	(586,278)
Profit/(loss) before income tax	-	22,459
Income tax (expense)/revenue relating to ordinary activities	-	-
Profit/(loss) from ordinary activities after income tax (expense)/revenue	-	<u>22,459</u>

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Cash Flows

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

	2004 1 mth \$	2003 1 mth \$
Operating	-	252,818
Investing	-	52,077
Financing	-	(153,623)
Net Cash Inflows/(Outflows)	-	151,272

36. SUBSEQUENT EVENTS

Renison received firm commitments in September 2004 for a placement of convertible notes that will result in approximately \$1.25 million being raised by the company. The raising was undertaken by way of the issue of 500,000 convertible notes to institutional and professional investors at an issue price of \$2.50 per convertible note. The funds raised will be utilised in funding the completion of the Tom's Gully gold mine feasibility study, the exploration program to commence shortly at the Agate Creek gold project, and contribute towards the development funding for the Tom's Gully underground mine.

The Company entered into a heads of agreement with PT Petrosea Tbk, a subsidiary of one of Australia's largest multi-disciplinary engineering, construction and operations and maintenance groups, Clough Ltd for the provision of underground mining contracting services at the Company's Tom's Gully gold project in the Northern Territory together with PT Petrosea making a \$2 million investment in Renison. As part of the agreement, PT Petrosea Tbk has provided initial funding towards the completion of the feasibility studies at the Tom's Gully project by providing a loan of \$1 million. Subject to the successful completion of the feasibility study and execution of a formal Alliance Agreement for the underground mining operations at Tom's Gully, PT Petrosea will convert the loan into \$1 million worth of Renison \$1 convertible notes at an issue price of \$2.50 per note and will also subscribe for an additional \$1 million worth of ordinary shares at 12.5 cents per share to provide funding towards the underground mine development. The issue of the convertible notes and shares will be subject to the obtaining of any necessary shareholder and regulatory approvals.

Based on the agreements entered into since the end of the financial year the directors have concluded that it is appropriate to use the going concern basis for the preparation of the financial statements.

37. IMPACT OF ADOPTING AASB EQUIVALENTS TO IASB STANDARDS

Renison has commenced transitioning its accounting policies and financial reporting from current Australian Standards to Australian equivalents of International Financial Reporting Standards (IFRS). As Renison has a 30 June year end the priority has been given to considering the preparation of an opening balance sheet in accordance with AASB equivalents to IFRS as at 1 July 2004. This will form the basis of accounting for Australian equivalents of IFRS in the future, and is required when Renison prepares its first fully IFRS compliant report for the year ended 30 June 2006. Set out below are the key areas where accounting policies will change and may have an impact on the financial report of Renison. At this stage the company has not been able to reliably quantify the impacts on the financial report.

Impairment of Assets

Under the Australian equivalent to IAS 36 Impairment of Assets the recoverable amount of an asset is determined as the higher of net selling price and value in use. This will result in a change in the current accounting policy which determines the recoverable amount of an asset on the basis of future cash flows. Under the new policy it is likely that impairment of assets will be recognised sooner and that the amount of write downs will be greater. Reliable estimation of the future financial effects of this change in accounting policy is impracticable because the conditions under which impairment will be assessed are not yet known.

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Share based payments

Under AASB 2 Share Based Payments, the company will be required to determine the fair value of options issued to employees as remuneration and recognise an expense in the Statement of Financial Performance. This standard is not limited to options and also extends to other forms of equity based remuneration. It applies to all share-based payments issued after 7 November 2002 which have not vested as at 1 January 2005. Reliable estimation of the future financial effects of this change in accounting policy is impracticable as the details of future equity based remuneration plans are unknown.

Classification of Financial Assets

Under AASB 139 Financial Instruments: Recognition and Measurement, financial instruments will be required to be classified into one of five categories which will in turn, determine the accounting treatment of the item. The classifications are loans and receivables – measured at amortised cost, held to maturity – measured at fair value with fair value changes taken to equity and non-trading liabilities – measured at amortised cost. This will result in a change to the current accounting policy that does not classify financial instruments. Where they exist, current measurement is at amortised cost, with certain financial instruments not recognised on the balance sheet. The future financial effect of this change in accounting policy is not yet known as the classification and measurement process has not yet been fully completed.

Income Taxes

Under the Australian equivalent to IAS Income Taxes, the company will be required to use the balance sheet method for determining balances on deferred tax assets and liabilities. This method focuses on the tax effect of transactions and other events that affect amounts recognised in either the Statement of Financial Position or a tax based balance sheet. Any initial adjustments to calculate deferred tax assets and liabilities using the balance sheet method will be made through opening balances of retained earnings at 1 July 2004. Deferred tax asset and liability balances on transition at 1 July 2004 can only be calculated once all other opening balance sheet amounts have been finalised.

Exploration Expenditure

Until such time as the International Accounting Standards Board (IASB) completes an extractive industries IFRS, the IASB has determined that national accounting standards will be grandfathered. Therefore, Renison will continue to apply the requirements of AASB 1022: Accounting for the Extractive Industries. The current IASB Exposure Draft 6 proposes the grandfathering of costs carried forward at implementation date. Any costs carried forward will be subject to impairment testing.

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Renison Consolidated Mines NL, I state that

In the opinion of the directors:

- (a) the financial statements and notes of the company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2004 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
- (b) 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

SG Bizzell
Director

Brisbane 30 September 2004

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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 2004. The consolidated entity comprises 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 2004 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, 2004.