



RENISON CONSOLIDATED MINES NL

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ASX ANNOUNCEMENT

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TOM'S GULLY GOLD MINE UPDATE

The Company is pleased to advise that the first ore has been mined from the Tom's Gully underground gold mine in the Northern Territory. Following commencement of underground mining in October 2005, significant progress has been made on the decline development with the decline intersecting the reef on Saturday and first ore mined.

With the reef intersected by the decline, the focus of underground activity will move away from a single decline heading to the development of horizontal contour drives through the orebody, the setting up of mining blocks and linking through to the pre-existing decline to complete the ventilation circuit. To undertake this work, two single boom jumbos will be arriving on site over the next month, the first on Wednesday this week. The arrival of this equipment has been brought forward to minimise mining delays whilst unscheduled maintenance is undertaken over the next few weeks on the twin boom jumbo which has been developing the decline.

The works for the refurbishment and upgrade of the Tom's Gully CIL gold treatment plant are continuing with commissioning of the crushing circuit to commence later this month and commissioning of various other component circuits to commence over the following two months.

The Tom's Gully Gold Mine in the Northern Territory is being initially developed as a 240,000 tonnes per annum underground mine. The first stage of the development at Tom's Gully has an initial mine life of 5 years, mining and processing 1.2 million tonnes at 7.2 g/t gold diluted head grade to produce an average 45,000 ounces per annum.

The development of Tom's Gully as an underground mining operation represents the first phase of development of Renison's Northern Territory gold assets which are targeted for later expansion to over 60,000oz pa gold production from open cut mining, tailings re-treatment and increased recoveries through proposed changes to the treatment route.

The mine is likely to benefit significantly from the recent increases in the gold price. The feasibility studies undertaken by the Company prior to making a decision to develop the mine assumed an A\$540 per ounce gold price compared to the current A\$ gold price of over A\$700 per ounce.

At Tom's Gully, the Company also recently completed a 7,500 metre drilling programme which had the twin objectives of converting a substantial part of the current inferred resource to the indicated resource category and also increasing the overall resource. The resource, without the inclusion of the recent drilling program results, is 1.8 million tonnes at 8.1g/t for

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470,000 ounces of gold comprising an Indicated Resource of 690,000 tonnes at 7.6g/t gold and an Inferred Resource of 1.13 million tonnes at 8.3g/t gold. Drill hole assay results from this successful drilling program have been previously announced. A revised JORC compliant resource estimate is currently being undertaken and should be available within two weeks.

Further updates on progress of the mine development at Tom's Gully will be made as milestones are reached.

In addition to the development of the Tom's Gully underground gold mine, the Company is currently undertaking drilling programs at the Agate Creek Gold project and Ashford and Arrawatta Coal projects.

For and on behalf of the Board

JPK Marshall
Company Secretary

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Chris Creagh who is a member of the Australian Institute of Mining and Metallurgy. Mr Creagh is a full-time employee of Renison Consolidated Mines NL. Mr Creagh has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Creagh consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.