

RENISON CONSOLIDATED MINES NL

ACN 003 049 714

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QUARTERLY REPORT OF OPERATIONS FOR THE PERIOD ENDED 30 JUNE 2006

Highlights of the Quarter's Activities

TOM'S GULLY

- At the Tom's Gully Gold Mine, underground mine development accelerated during the quarter with record development rate in June of 267m. Over 20,000 tonnes of ore was stockpiled at surface at the end of the quarter and a current stockpile of over 30,000 tonnes.
- Capital upgrade to the gold treatment plant continued with the plant becoming operational and the first gold poured after the end of the quarter.
- Production is expected to ramp up over the current quarter to the mine design rate of 240,000 tonnes per annum.

AGATE CREEK

- The Mineral Resource was increased by 57% to 389,000 ounces of gold justifying the commencement of a feasibility study into the development of an open cut/CIP mine scoped at producing 60,000 ounces gold per annum.
- Drilling has since commenced at Sherwood and Sherwood West with encouraging results outside the current resource area. These results include 8m at 2.8g/t gold at Sherwood West. Additional targets remain to be tested.
- A +800m gold soil anomaly with a peak value of 41ppb gold found at Eastern Bar Creek
- "Farm-in" completed with RSN holding a >65% interest, with Barrick Gold diluting.

ASHFORD

- A new coal discovery has been made at Atholwood (RSN 50%) approximately 15kms north of Ashford with coal intersected in two holes approximately 1 km apart.
- Coke oven tests confirm Ashford coal products as hard coking coal.
- Ashford Coking Coal Project mineral resource increased by 28% to an Inferred Resource of 18 Mt.

ARRAWATTA

- Shallow coal bearing Permian sequences intersected north of the discovery area in the recently granted EL 6521. 13 holes have now intersected coal with recent cumulative coal thickness from 3m up to 18m. Coal has been now intersected over approximately 3 kilometres strike in this trend with additional coal intersected 2kms west.
- EL 6568 "Long Plan" granted. The Company holds approximately 240 sq kms of granted coal exploration licenses in the Arrawatta project area.

CORPORATE

- A prorata entitlement issue of convertible notes raised \$5.25m.
- Underwriting Agreement entered into for the exercise of options expiring 31 July 2006 to raise \$2.1m.

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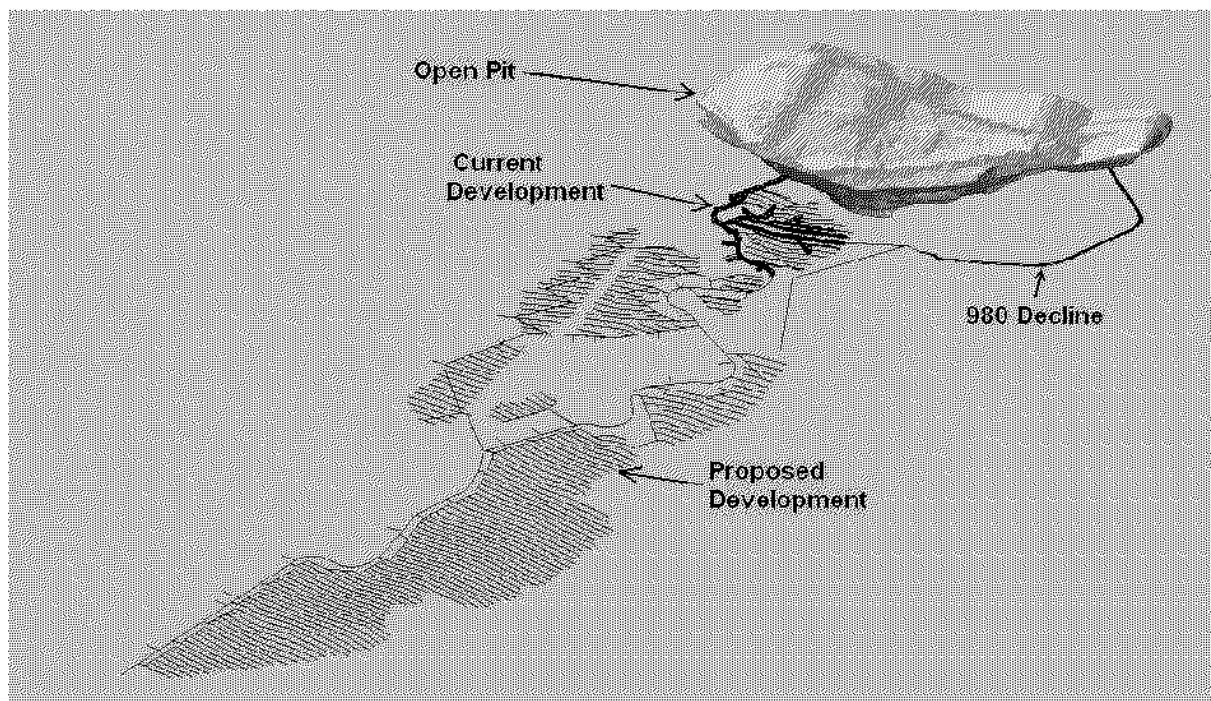
Tom's Gully Gold Mine - Northern Territory

Tom's Gully Underground Gold Mine

During April and early May access to the mine site, and activities on site, were significantly impacted by the effects of cyclone Monica and other significant rainfall events. The wet season was one of the most intense for many years but by mid-May, the "wet" had finished and construction and operating activities accelerated.

Underground Mine Development

Development of the Tom's Gully underground gold mine accelerated during the quarter. The decline has reached a distance of 440m from the portal and 560m of contour and access drives have been developed through the orebody. In addition four stockpile areas and a pump station area have been developed off the decline.



Currently, the mine is using one twin boom jumbo on the main 1:7 decline and ventilation drive and a single boom jumbo developing the first mining block via horizontal drives in the orebody. A second single boom jumbo commenced work on a part-time basis in July as more faces became available. Underground production will ramp up over the next three months to design production rate of 20,000 tonnes per month.

Productivity levels increased underground during the quarter with 267m of development completed in June with productivity rates rising through the month from an average 8.4m/day of development in the first half to an average 9.6m/day development in the second half.

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ACN 003 049 714

These productivity levels are expected to continue to ramp up as more faces become available and the second single boom jumbo commences development work.

Grade control sampling over this first mining area has produced higher grades compared to the resource model for this area.



Photo of thick reef in 905A East Contour drive

At the end of the quarter, approximately 20,000 tonnes of ore had been stockpiled at surface ready for treatment with the current ore stockpile now over 30,000 tonnes.

Plant Refurbishments and Modification

Work on the processing plant commenced in November. In May, following completion of a number of individual components, commissioning of various processing circuit commenced. The first circuit to be commissioned was the crushing circuit. This was initially used to crush roadbase for use underground and to commission the rest of the plant. Completion of construction works and progressive commissioning continued to the end of the quarter.

Since the end of the quarter, the new 1MW Mill and CIL circuit was commissioned allowing Tom's Gully to join the ranks of Australia's gold producers.

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Feed belt to Ball Mill No 1

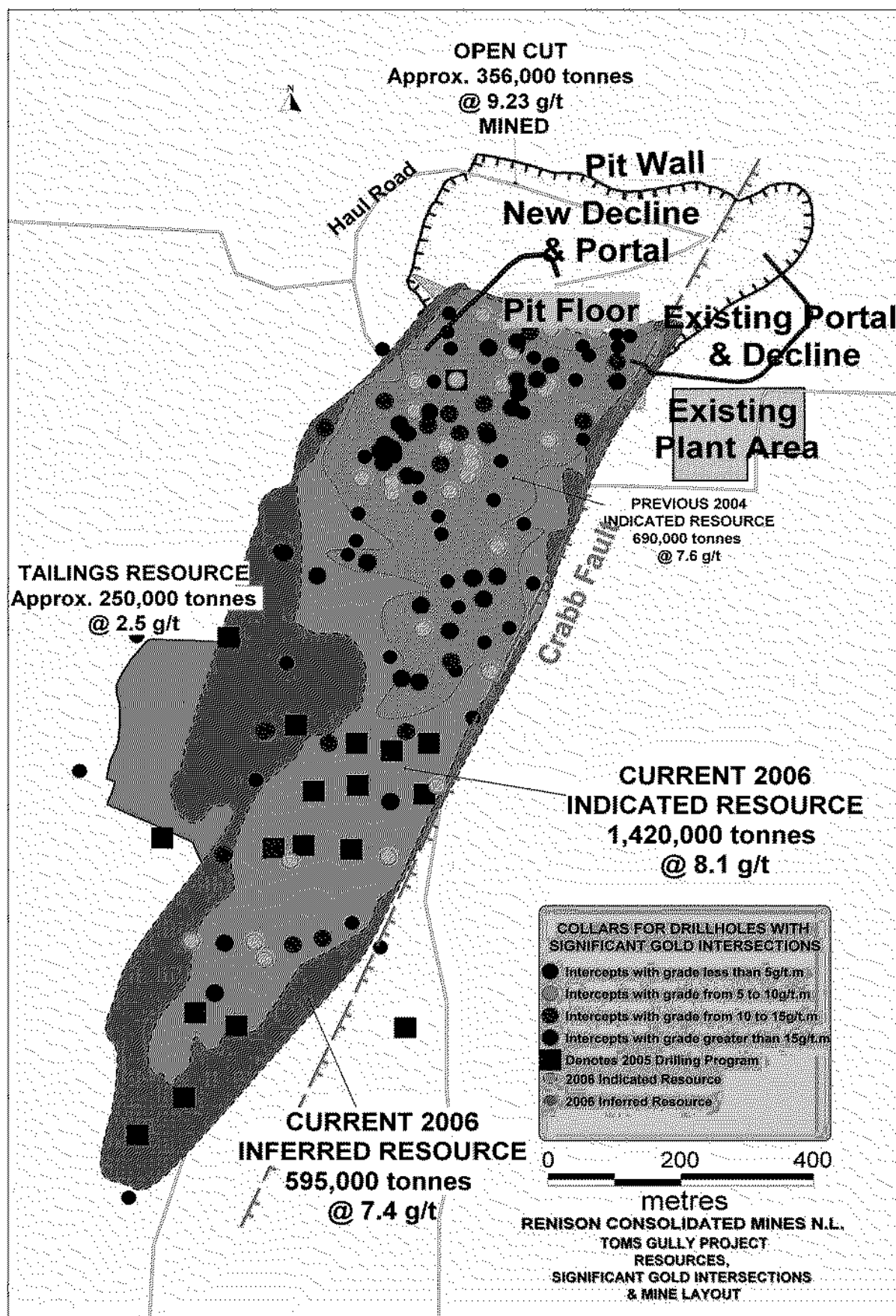
Life of Mine Plan

Following estimation of a new identified mineral resource at Tom's Gully in the March quarter work has commenced on a new Life-of Mine Plan. This will be completed this quarter based on the new resource below.

Category	Tonnes	Grade g/t Au	Ounces gold
Indicated	1,142,000	8.1	369,000
Inferred	595,000	7.4	142,000
Total	2,015,000	7.9	511,000

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The mine will benefit significantly from the recent increases in the gold price. The feasibility studies undertaken by the Company assumed an A\$540 per ounce gold price compared to the current A\$ gold price of approximately A\$830 per ounce.

Tom' Gully Exploration

The Tom's Gully reef is open to the south, south east and south-west. Further drilling in these areas is expected to increase the overall resource and extend the mine life. In addition a number of other targets have been delineated including:

- sulphidic mineralised dykes
- splays from the main reef to the footwall (multiple reefs)
- the reef east of the Crabb faults where TGD 435 intersected 2.5m of reef (without mineralisation) potentially dipping up towards surface south of the granite in an area not previously considered prospective
- the Crabb Fault for gold and base metals mineralisation

The exploration programme for this dry season is currently being finalised but some work is expected on both the Crabb Fault target and the potential for Tom's Gully Reef near surface east of the Crabb Fault.

Expansion Feasibility Study

The feasibility study to expand gold production, through the biological treatment of sulphide ore and tailings through the Tom's Gully Processing Plant, to approximately 60,000 ounces of gold per annum continued. The study is being undertaken by consulting engineers, GHD. Testwork continued at Independent Metallurgical Laboratories in Perth. Further work is required to finalise the preferred material handling method and construction cost estimates. It is planned to complete the Study this quarter.

Agate Creek Epithermal Gold Project – North-East Queensland (RSN +65%)

Substantive progress was made on the Agate Creek Epithermal gold project in North-East Queensland located approximately 50 kms west of Kidston and covers an area of approximately 465 sq kms. Work in the early part of the quarter, revolved around the completion of the last drilling programme which allowed a revised resource estimate.

Following release of the revised resource, the Company has commenced a Feasibility Study into the development of an open cut mine scoped to produce 60,000 ounces gold per annum. In parallel with this study, drilling programmes will be occurring (and have commenced) to increase the current resource.

The final results were received from the 2005-2006 drilling programme during the quarter. These results were reported in the last quarterly report and not repeated here. Completion of this drilling programme allowed a new Mineral Resource to be estimated.

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ACN 003 049 714

Mineral Resource Estimate

A combined Indicated and Inferred Mineral Resource of **12.0 million tonnes at 1.0 g/t gold for 389,000 ounces** has been estimated at the Company's Agate Creek epithermal gold project in North Queensland at a 0.3 g/t gold cut-off. This is an increase of 57% on the previous estimate of 5.7 million tonnes at 1.4 g/t Gold for 247,000 ounces gold at this cut-off.

At a 0.5 g/t gold cut-off, a combined Indicated and Inferred Resource of **6.9 million tonnes at 1.4 g/t gold for 321,000 ounces** was also estimated. This is an increase of 36% on the previous estimate of 4.3 million tonnes at 1.7 g/t gold for 235,000 ounces at the same cut-off. Details are in the tables below:

0.3 G/T CUT-OFF	TOTAL			SHERWOOD			SHERWOOD SOUTH			SHERWOOD WEST		
Resource Classification	Mt	Gold g/t	Gold Koz	Mt	Gold g/t	Gold Koz	Mt	Gold g/t	Gold Koz	Mt	Gold g/t	Gold Koz
Indicated	8.2	1.0	272	5.3	1.1	179	0.0			2.9	1.0	93
Inferred	3.8	1.0	117	2.1	1.0	70	0.1	1.2	4	1.6	0.8	43
Total	12.0	1.0	389	7.4	1.0	249	0.1	1.2	4	4.5	0.9	136

0.5 G/T CUT-OFF	TOTAL			SHERWOOD			SHERWOOD SOUTH			SHERWOOD WEST		
Resource Classification	Mt	Gold g/t	Gold Koz	Mt	Gold g/t	Gold Koz	Mt	Gold g/t	Gold Koz	Mt	Gold g/t	Gold Koz
Indicated	4.8	1.5	226	3.1	1.5	149	0.0			1.7	1.4	77
Inferred	2.1	1.4	95	1.2	1.5	58	0.1	1.6	3	0.9	1.2	34
Total	6.9	1.4	321	4.3	1.5	207	0.1	1.6	3	2.6	1.3	111

The estimate is based on a total of 293 drill holes of which 122 were undertaken in the previous drilling programme. More detail on the estimate is given in the announcement on 20 June 2006

Feasibility Study Commences

Following completion of the resource estimate, the Company commenced a Feasibility Study into the development of an open cut/CIP gold mine development. Work has commenced with:

- Appointment of key project management and environment consultants;
- Negotiations towards an Indigenous Land Use Agreement;
- Commencement of field programmes, including in-fill and step out drilling programmes at Sherwood and Sherwood West

The study should be completed in the March quarter of 2007.

The current scope of the study is for an operation producing 60,000 ounces of gold from 1 – 1.3 million tonnes of ore per annum. Drilling programmes on regional targets and higher grade deeper targets may increase the scope for further gold resources and increased production.

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The recently completed drilling programme created many new exposures through access tracks and drill pads and has allowed for additional geological mapping to be undertaken. This has highlighted a number of new drill targets which are being tested as part of the ongoing drilling programmes together with the previously reported deeper and regional targets.

- Areas within Sherwood close to the Agate Creek fault where there has been negligible drilling but where stockwork systems are mapped at surface (Area E).
- Targets associated with the major Zig-Zag fault including extensions of the Sherwood structures to the north of existing drilling towards the fault and targets to the east close to the Zig-Zag fault (Areas A, B and C).
- Dilation zones in the Agate Creek fault both adjacent to Sherwood mineralisation and elsewhere (Areas F and G).
- Sherwood Central where there are un-tested brecciated rhyolite outcrops (Area D).

LEGEND

- PROTEROZOIC METASEDIMENTS
- PROTEROZOIC QUARTZITE
- SILURIAN GRANITE
- PERMIAN AMPHOLITE
- PER. ARGILLITES
- MULTIPLAS CARBONIFEROUS T. ZONED BRECCIA
- BRECCIA OF CARBONIFEROUS T. ZONED BRECCIA
- OR MARBLE CARBONIFEROUS
- BRECCIA OF MARBLE
- ACUTE CREEK FAULT ZONE
- METAGEOLOGICAL GNEISS
- MARBLE PERIDOTITE GNEISS
- CARBONIFEROUS T. ZONED BRECCIA
- INVASIVE EPOXYOLITE T. ZONED BRECCIA
- POLYMIT BRECCIA
- GNEISS
- SILURIAN AMPHOLITE
- PRE ZIG ZAG DRILL HOLES
- 2008 DRILL HOLES
- ADDITIONAL RESOURCE TARGETS

Scale: 0 150 300 metres

North Arrow: 0° 150° 300°

Map Labels: ZIG ZAG FAULT, ZIG ZAG FAULT ZONE, ZIG ZAG, SHERWOOD WEST, SHERWOOD CENTRAL, SHERWOOD SOUTH, ACUTE CREEK FAULT ZONE.

8

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ACN 003 049 714

Sherwood

Holes CCRC 298 and 299 have extended the upper and lower mineralised zones until they subcrop on the side of the hill. This area is outside the current resource area. Hole CCRC298 **contains 9m @ 1.10g/t gold from surface and 5m @ 1.26g/t gold from 25m**. Hole CCRC299 was collared effectively 35m to the east of CCRC298 and returned **2m @ 0.63g/t gold from 7m** for the upper zone and **4m @ 0.70g/t gold from 21m** for the lower zone.

Holes CCRC 305 & 309 were drilled to test for extensions of mineralisation in the Agate Creek Faults (previous intercepts 98CCRC48 - **19m @ 1.3g/t gold from 57m** and CCRC287 - **5m @ 2.3g/t gold from 41m** and ending in mineralisation). Hole CCRC305 returned **14m @ 0.72g/t gold from 67m** and Hole CCRC309 returned **10m @ 0.90g/t gold from 9m**. The gold mineralisation within the Agate Creek Fault Zone can now be traced over a strike length of 200m within a zone with an interpreted true width of approximately 10m.

The results for the drillholes designed to test for depth extensions of northwest striking sub-vertical chalcedonic veins has been largely disappointing with numerous veins intersected but the veins have been generally less than 1m thick and continuing gold below the 0.5g/t cut-off being used for this project..

The remaining holes have been testing for mineralisation within stockwork veining to the southwest of the Agate Creek Fault. These holes are CCRC 300, 304, 306, 306 and 310. A number of above cut-off zones have been intersected with additional zones just below cut-off. Best results are from the southern most hole, CCRC310 which intercepted **2m @ 8.19g/t gold from 66m to 68m**.

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ACN 003 049 714

SHERWOOD									
Hole No.	Easting	Northing	Azimuth (grid)	Dip	Depth (m)	From (m)	To (m)	Interval (m)	Grade (g/t Au)
CCRC298	768460	7897905	225	-80	100	0	9	9	1.1
						18	20	2	0.5
						26	31	5	1.3
						50	51	1	1.1
CCRC299	768495	7897915	225	-75	92	7	9	2	0.6
						21	25	4	0.7
						33	35	2	0.5
						37	41	4	0.5
						53	55	2	0.6
CCRC300	768560	7897850	233	-70	112	13	19	6	0.5
						23	25	2	1.1
						49	52	3	0.5
						68	70	2	1.8
CCRC304	768525	7897890	225	-65	121	4	6	2	0.5
						25	31	6	0.7
						44	46	2	1.0
CCRC305*	768635	7897765	45	-60	82	67	81	14	0.7
CCRC306	768625	7897765	238	-60	100	8	11	3	1.0
						16	19	3	0.7
						55	57	2	1.5
						68	70	2	0.8
CCRC307	768595	7897780	235	-75	115	8	10	2	0.6
						12	14	2	0.8
						83	84	1	2.6
						93	94	1	1.2
CCRC308	768575	7897775	252	-50	89	7	9	2	1.3
CCRC309*	768590	7897820	45	-60	94	19	29	10	0.9
						34	36	2	1.2
						44	46	2	0.5
						48	52	4	0.6
CCRC310	768585	7897815	225	-75	110	22	24	2	0.5
						33	35	2	1.0
						42	44	2	0.5
						66	68	2	8.2
CCRC311	768560	7897815	240	-50	100	19	23	4	0.5
						34	38	4	0.9

Sherwood West

The drilling so far has continued to confirm near surface extensions of Sherwood West mineralisation at the north of the deposit continuing down dip beneath the current resource area with intercepts including up to **8m @ 2.8 g/t gold and 6m @ 2.5g/t gold**. In addition, mineralised zones above the main structure have been intersected.

These results confirm the continuation of the main Sherwood West mineralization to the north towards the recently identified Zig-Zag Fault Zone. The results also confirm the continuity of narrow, almost flat lying hanging wall mineralisation within the northern

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ACN 003 049 714

section of Sherwood West (**1m @ 2.0g/t gold** from 10m in CCRC312, **1m @ 1.1g/t gold** from 9m in CCRC313 and **2m @ 2.0g/t gold** from 18m in CCRC314).

The mineralisation intersected with hole CCRC314, together with earlier shallower holes on the section such as CCRC 254 (**4m at 3.3g/t gold and 10m at 2.1 g/t gold**) is stronger than the two holes on the section to the south (CCRC312 and 313). It is possible that this is reflecting proximity to the Zig-Zag fault and mineralisation intensity may increase closer to the fault. Further drilling in this area is planned.

SHERWOOD WEST									
Hole No.	Easting	Northing	Azimuth (grid)	Dip	Depth (m)	From (m)	To (m)	Interval (m)	Grade (g/t Au)
CCRC294	767515	7897700	270	-60	70	37	39	2	0.9
						58	60	2	3.6
CCRC295	767460	7897745	270	-60	69	22	23	1	1.5
						31	34	3	1.1
						41	47	6	2.5
CCRC296	767485	7897745	270	-60	66	15	17	2	0.5
						42	47	5	1.4
						50	52	2	0.7
						59	65	6	0.9
CCRC297	767475	7897720	270	-60	46	13	15	2	0.6
						26	31	5	1.4
CCRC312	767510	7897740	270	-60	94	2	4	2	0.7
						10	11	1	2.0
CCRC313	767545	7897745	270	-60	100	9	10	1	1.1
CCRC314	767500	7897780	270	-60	79	18	20	2	2.0
						60	62	2	0.6
						70	78	8	2.8

Sherwood Epithermal System - Deeper High Grade Targets

No further work was undertaken this quarter. Drill targets have been previously delineated and will be drilled as part of the coming dry season drilling programmes.

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Regional Exploration – Eastern Bar Creek

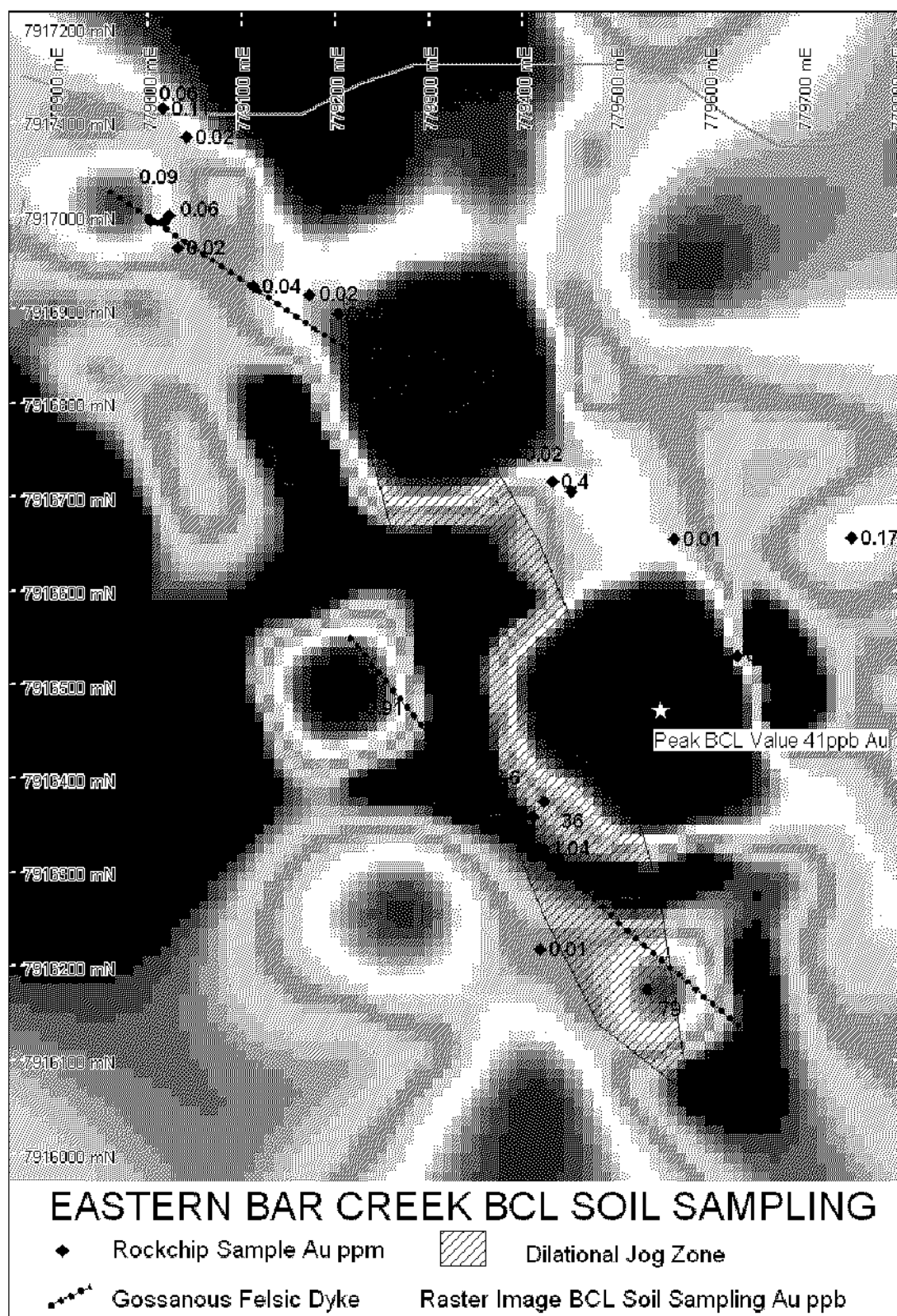
Regional exploration continued during the quarter with a soil geochemistry programme being undertaken to finalise drilling targets, prior to undertaking heritage clearances.

Grid based soil sampling at the Eastern Bar Creek prospect has highlighted a major north-northwest trending zone of anomalous gold that appears to be controlled by previously identified northwest trending structures. The soil sampling was carried out on an 80m spaced grid with samples collected every 20m with four samples composited into one to maximise coverage. The samples were sieved to -2mm and analysed by the bulk cyanide leach method. Gold values recorded within the anomalous zone peaked at 41ppb gold.

The anomalous zone, centred on a north-northwest striking ridge, has returned several highly anomalous rock chips, one showing 79g/t gold. The anomalous zone extends for more than 800m, in a north-northwest direction and is open to the north. The anomaly is interpreted to be more than 400m wide.

The mineralisation appears to be located within a “dilational” jog zone that has been formed by movement along northwest striking structures. The mineralisation appears to extend beyond the northern controlling structure.

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Farm-in Complete

The Company has recently completed its \$1.5m “farm-in” JV requirements and now holds a 65% interest in the Agate Creek Project in North Queensland with Barrick Gold holding the remaining 35%. Barrick have advised they will not be contributing to the 2006-2007 budgeted work program and it is expected that at the completion of the Feasibility Study Barrick will have a participating interest of less than 15%.

Eidsvold

No field work was undertaken at Eidsvold Gold Project (EPM13121) during the quarter.

Targets have been delineated for drilling which will be undertaken after native title processes have been completed. It is anticipated that the project will be able to be drilled towards the end of the year.

COMPANY'S GOLD PROJECT MINERAL RESOURCES

	MINERAL RESOURCE CATEGORY	TONNES	GRADE G/T GOLD	OUNCES GOLD
Tom's Gully				
Underground	Indicated	1,420,000	8.1	369,000
	Inferred	585,000	7.4	142,000
Tailings	Indicated	250,000	2.5	20,000
Quest 29				
Koolpin Formation	Indicated	85,300	1.8	5,000
	Inferred	105,000	1.3	4,500
Zamu Dolerite	Inferred	1,050,000	2.3	77,300
Agate Creek (65%)				
Sherwood , Sherwood West and South	Indicated	8,200,000	1.0	272,000
	Inferred	3,800,000	1.0	117,000

- Project gold resources now total 1,007,000 ounces of gold

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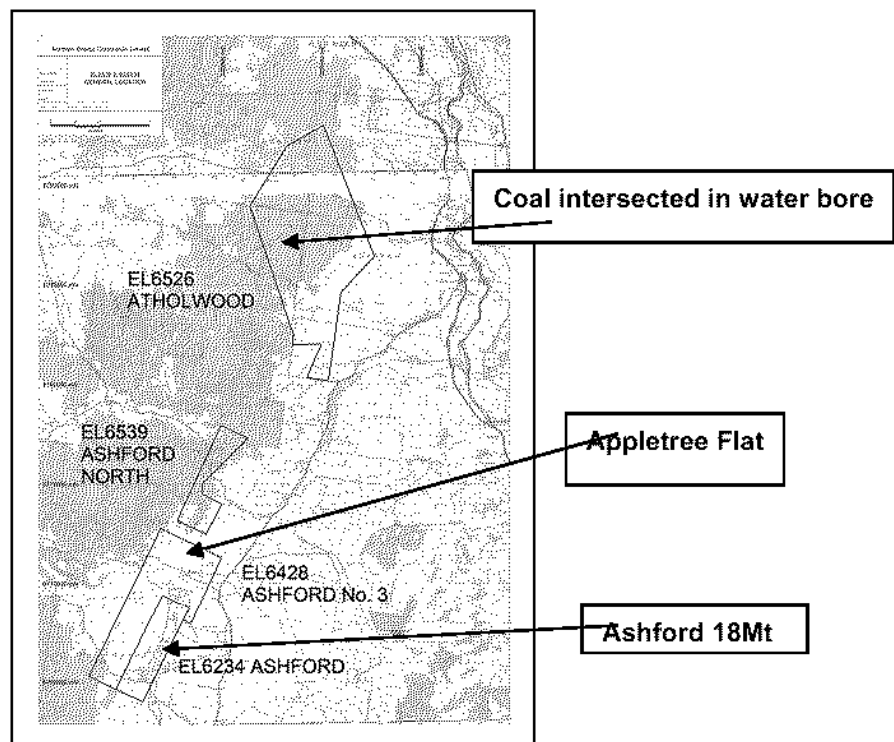
Ashford Coking Coal Project

The Ashford Coking Coal Project comprises two 50% joint ventures with Northern Energy Corporation (“NEC”). The first is the Ashford Mine Area, a joint venture on EL 6234 and EL6428 where NEC is funding exploration and a feasibility study to earn an additional 25%. The second is the Ashford Exploration Area, which covers other exploration licenses (including Atholwood (EL 6526) and Ashford North (EL 6539)) which are being funded on a co-contributing basis. NEC is managing both areas of activity where significant progress was made during the quarter and since the quarters end

Ashford Exploration Area - Atholwood and Ashford North (RSN 50%)

The exploration on Atholwood and Ashford North has involved mapping and limited reverse circulation drilling so far. Exploration is aimed at finding strike extensions of the Permian coal bearing sequences which host the current 18Mt coking coal resource at Ashford. The southern boundary of Atholwood is approximately 10km to the north of the Ashford Mine area and covers an area of approximately 42 sq km. Ashford North is approximately 700m north of the northern boundary of Ashford.

Location Map Ashford Project, Ashford North and Atholwood



Mapping has identified Permian sequences in EL6526 similar to the Ashford Coal Measures at the Ashford Mine area. Four drill holes have been drilled so far with two drill holes intersecting coal.

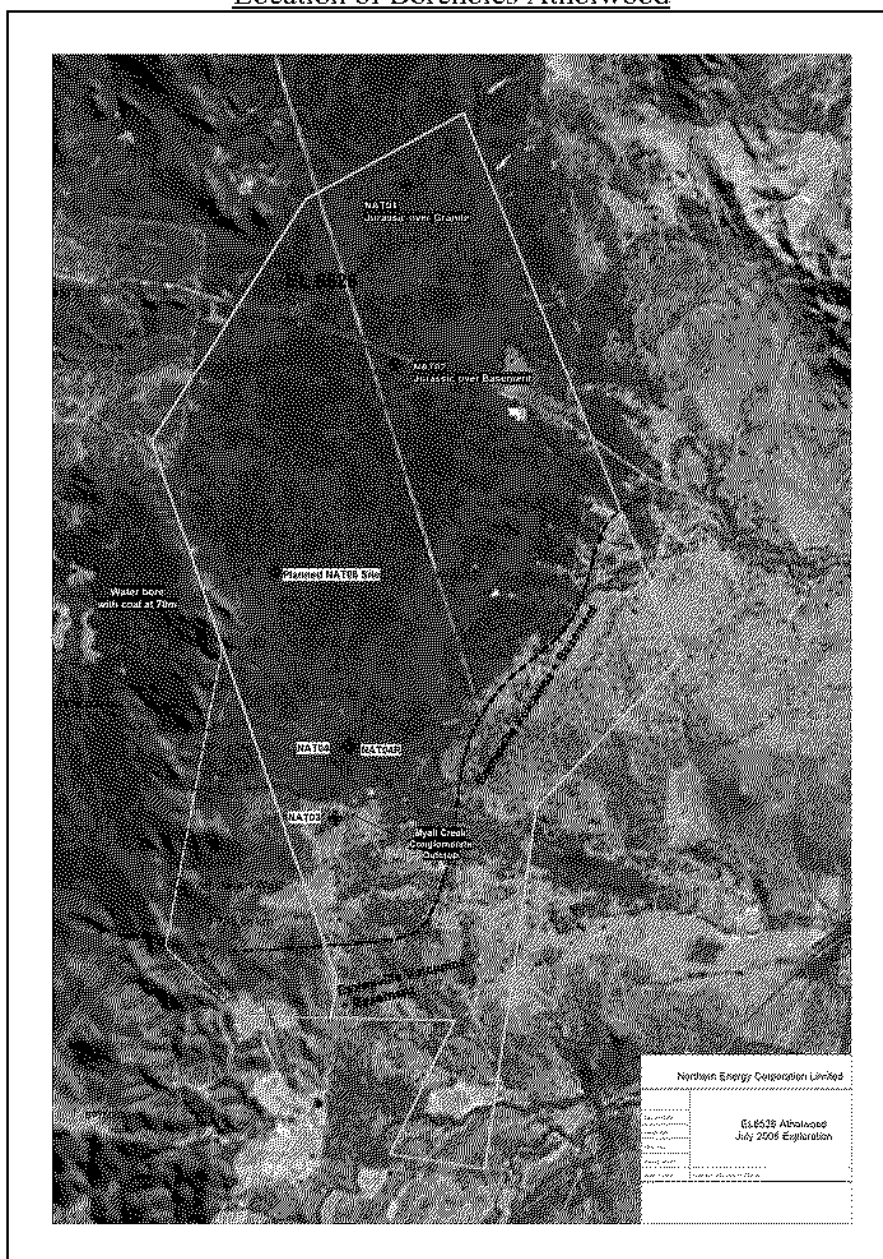
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The first hole intersected a single seam at approximately 35m depth whilst the second hole, approximately 1km to the north, intersected 3 seam horizons between approximately 80m and 120m. Additional information of seam thickness and quality will be provided when the holes have been geophysically logged and results from the analysis of drill chips have been received. The Company considers this discovery of coal at Atholwood to be very encouraging.

An application has been made for an additional area to the west of the southern portion of the Atholwood EL. This application has been accepted and is referred to as ELA 2793.

Location of Boreholes Atholwood



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Identification of the Ashford Coal Measures to the north at Atholwood is the first step towards increasing the current 18Mt inferred resource which has been identified in the Ashford Coking Coal Project.

The southern portion (approx 3 sq. km) of the Ashford North area will be drilled following completion of the Atholwood programme. Together the areas cover a possible strike distance of the order of 13km. This compares with 3.4km strike containing the recently delineated 18Mt inferred resource within the Ashford Coking Coal Project and the total of 6km of strike explored to date in the Ashford project. Encouragingly, exploration work on the 6km strike length explored to date at the Ashford Project has so far shown the majority of ground covered to host coal measures.

The northern-most set of drilling in Appletree Flat has provided expectations that the coal measures will continue into the Ashford North area where it appeared that intrusions were becoming less pervasive.

Approximately 2,400m of open hole drilling is planned in this initial program.

Ashford Coking Coal Project – Mine Area - EL 6234 and EL6428 (RSN 50%)

Increase in Inferred Resource

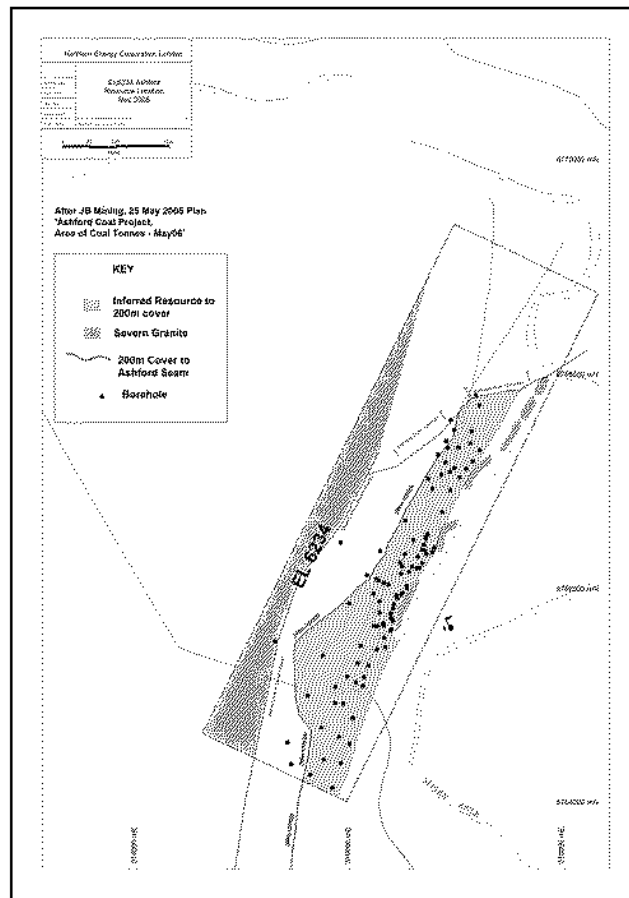
Drilling around the initial Inferred Resource within EL6234 resulted in a 28% increase in the estimated resource to a new total of 18 million tonnes of Inferred Resources (previously 14Mt) to a maximum depth of 200m. The resource area covers approximately 3.4 km of strike.

This resource is an encouraging step towards the joint venture operator, NEC's, objective of identifying resources over a much larger area than EL6234 at Ashford, through systematic exploration. The Atholwood and Ashford North program represents the next stage of exploration under this objective.

RENISON CONSOLIDATED MINES NL

ACN 003 049 714

Ashford Project 18Mt Inferred Resource Area



Ashford Coal Pilot Coke Test

A product composite of the Ashford seam was produced from PQ core and tested at ACIRL's 7kg pilot coke oven facility. The coal quality from this sample is within the range of washability test results from the Ashford project, reported previously.

The sample tested shows a high yielding, mid volatile coal which forms a coke with an average Coke Strength after Reaction (CSR) of 53.4. The combination of coal and coke characteristics compare well with other hard coking coals exported from Australia and indicate the coal would receive a price at the upper end of coal market values.

RENISON CONSOLIDATED MINES NL

ACN 003 049 714

Coal Quality Parameter	PQ sample	Average of working section washability tests
Coke Strength after Reaction	53.4	n/a
Coke Yield	78.2%	n/a
Product Ash %	7.9%	7.3%
Volatile Matter %	24.9%	23.6%
Inherent Moisture %	1.1%	1.1%
Mean Maximum Reflectance	1.14	1.14
Crucible Swell Number	5.5	6.5
Gray King	G5	G4-G6
Sulphur %	0.4%	0.4%
Phosphorous %	0.03%	0.03%

Hard coking coal is a relatively rare commodity around the world and new sources of supply are sought by the global steel industry, the main consumer of coking coal.

Ashford Project Conceptual Study

A conceptual / scoping study examining the options for development of a mine at the Ashford Coking Coal Project has been completed. The study examined a number of options regarding the development of the initial 14 Mt resource at Ashford at the conceptual level including the building of a geological model, examination of alternative mining and product options and a high level review of transport alternatives. Various production rates from 1 to 2 Mtpa were considered. The resource has subsequently been increased to 18Mt.

An open cut operation utilizing truck and shovel mining producing a washed hard coking coal product was identified as the preferred option for the current resource area. Examination of the seam characteristics indicated that excluding the high ash basal working section of the seam would be necessary to ensure production of a hard coking coal with the above coal quality. Further work is required to determine whether a secondary product could be produced from this basal ply.

A number of transport options have been identified for the export of Ashford coking coal. Both Newcastle and Brisbane were identified as possible port options. Each of the options identified would involve a combination of truck and rail haulage. Rail system capacity and logistics appear to favour Newcastle but despite annualised shipments being below capacity at the Newcastle Coal Terminal guaranteed capacity is uncertain for a number of years.

The study highlighted a number of areas that required additional work prior to commencing a detailed Feasibility Study into the development of an open cut mine at Ashford. These included:

- Finalisation of preferred export port
- Finalisation of the preferred road/rail interchange point and the potential use of “triples” in road transport

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ACN 003 049 714

- Integration of highwall mining into the plan to mine along strike;
- Potential to produce a by-product from the basal ply

The project would be enhanced by increasing the quantum of resources and rate of production.

Arrawatta Coking Coal Exploration Project – Northern NSW

Exploration continued during the quarter on the Arrawatta Coking Coal Project (EL6433 & EL6521) in northern New South Wales.

Recent RC drilling and geological mapping results within EL6433 and more recently granted EL6521 identified significant thicknesses of coal bearing Permian sequences to the north and south of the original Arrawatta discovery area.

Thirteen drill holes have now intersected coal bearing Permian sequences over a strike of approximately 3 km with the sequence open to the north and potentially to the south also. A further hole intersected Permian sediments with coal approximately 2 kilometres to the west.

Coal seams are contained within two to three sequences within the Permian sediments. Cumulative thicknesses of coal in the holes recently drilled ranges from approximately 3m to almost 18m.

There is only very limited exposure at surface of Permian sediments with drilling occurring through later cover, generally. Tertiary sediments/basalts and recent alluvials. As drilling has progressed, the disposition of the coal measures has become better understood. The Permian coal measures are interpreted to strike approximately north-south and have a westerly dip.

ARRC001	316637	6720838	120	-60	25	123	26	23.55	148	150	Discovery hole
ARRC002	316635	6720838	360	-90	25	118	25	9.41	143	148	
ARDDH002	316642	6720838	120	-65	24	119	28.5	8.25	140	150	
ARRC005	316482	6720492	120	-60	14	167	149	9.2	181	186	
ARRC007	316463	6720870	60	-60	21	151	94	18.85	172	185	
ARRC013	314275	6720200	360	-90	36.5	25	36.5	4.5	61	90	
ARRC030	316750	6721175	360	-90	17	42	22.5	4	59	78	
ARRC031	316510	6720277	360	-90	101	60	101	17.8	161	180	
ARRC072	316740	6721364	360	-90	5	81	18	3	86	108	
ARRC073	316541	6721344	360	-90	59	70	61	14.05	129	144	
ARRC074	316340	6721351	360	-90	143	?	144	3.3	?	162	incomplete
ARRC076	316344	6721592	360	-90	153	?	153	4.7	?	162	incomplete
ARRC078	316614	6722421	360	-90	59	?	84	4.5	?	120	incomplete
ARRC079	316497	6722675	360	-90	114	?	126	4.75	?	174	incomplete

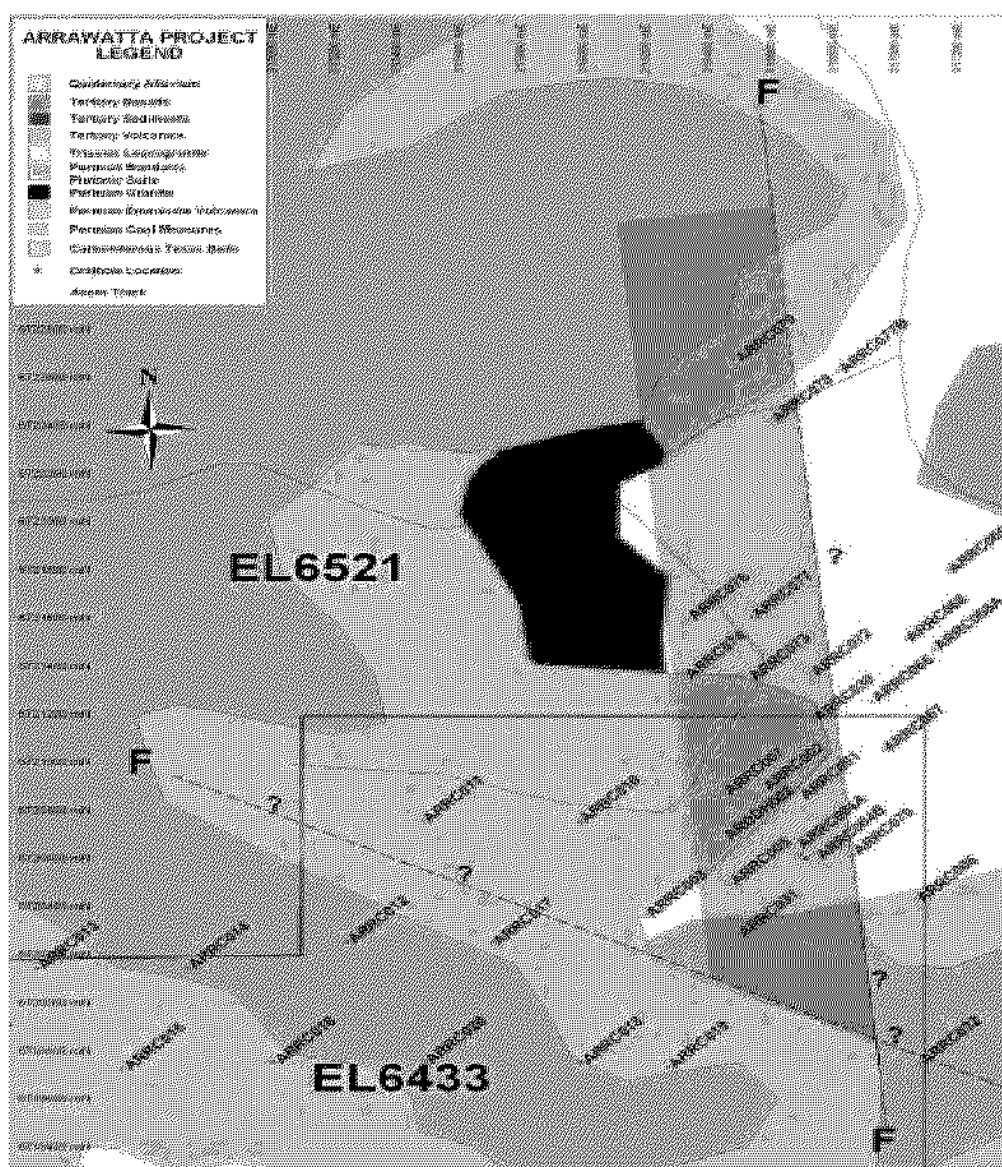
Coal thicknesses based on geophysical logs where available

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ACN 003 049 714

Forward Programme

Arrawatta is a regional scale exploration project covering over 240 square kilometres of granted exploration licences. Drilling at Arrawatta will resume following drilling at Renison's 50% Atholwood and Ashford North exploration licenses. Upon recommencing drilling at Arrawatta, the priority for exploration will be the tracking of the Permian coal measures to the north of the current area with broader spaced drilling including the area 2km to the west, and other targets in the licence area including the recently granted EL6568 (Long Plain).



RENISON CONSOLIDATED MINES NL

ACN 003 049 714

Corporate

Capital Raisings

The company completed during the quarter a pro-rata entitlement issue of convertible notes to existing shareholders to raise \$5.25 million before costs pursuant to a prospectus dated 12 April 2006.

The raising was undertaken by way of the issue of convertible notes at an issue price of 33 cents per convertible note. The convertible notes are unsecured and have a term of 3 years with a yield of 10% per annum and have the right to convert into ordinary shares at a conversion price of 33 cents per share. The entitlement issue was underwritten by Wilson HTM.

Shareholders of the company were entitled to subscribe for one convertible note for every 22 ordinary shares held at an issue price of 33 cents. Partly paid shareholders were entitled to apply for one note for every 100 partly paid shares held.

The company also has recently entered into an underwriting agreement with Bell Potter Securities Limited with respect to the Company's outstanding 31 July 2006 twenty five cent options. The total number of outstanding options is 8,409,095 and the total underwritten amount is \$2,102,274.

The capital raised from the entitlement issue and option exercise will be applied to further advance the Company's existing projects including ongoing development and gold production at the Tom's Gully gold mine, current feasibility studies and drilling programs at Agate Creek gold project and ongoing exploration programs at the company's coal projects in NSW and will enable the Company to continue its rapid development as an emerging mining group.

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 Messrs Chris Creagh, Barry Willott and Scott Hall who are members of the Australian Institute of Mining and Metallurgy. Messrs Creagh, Willott and Hall are full-time employees of Renison Consolidated Mines NL and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person's as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Messrs Creagh, Willott and Hall consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.