

**RENISON CONSOLIDATED MINES NL**

**A.C.N. 003 049 714**

**ANNUAL REPORT 30 JUNE 2011**

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## **CORPORATE INFORMATION**

This annual report covers Renison Consolidated Mines NL (“Company” or “Renison”) as a consolidated entity comprising Renison Consolidated Mines NL and its subsidiaries (“the Consolidated Entity”). A description of the operations and of the principal activities is included in the directors’ report and the review of operations. The directors’ report is not part of the financial report.

### **DIRECTORS**

Stephen G Bizzell (Executive Chairman)  
Richard S Anthon (Non-executive Director)  
David J Vincent (Non-executive Director)

### **SECRETARY**

Paul Marshall

### **AUSTRALIAN BUSINESS NUMBER**

ABN 75 003 049 714

### **REGISTERED OFFICE AND PRINCIPAL BUSINESS ADDRESS**

Level 5  
60 Edward St  
Brisbane Qld 4000  
Telephone: (07) 3303 0630  
Facsimile: (07) 3303 0601  
Email: admin@rcm.com.au  
Web: www.rcm.com.au

### **SHARE REGISTRY**

Link Market Services  
Level 19  
324 Queen St  
Brisbane Qld 4000  
Telephone: (02) 8280 7454  
Facsimile: (02) 9287 0303

### **AUDITORS**

PKF  
Level 6  
10 Eagle St  
Brisbane Qld 4000

### **SOLICITORS**

Hemming & Hart  
Level 2  
307 Queen St  
Brisbane Qld 4000

### **STOCK EXCHANGE LISTING**

Australian Stock Exchange Ltd  
ASX Codes:  
Ordinary shares - RSN  
Partly Paid Shares - RSNCK  
March 2012 Convertible Notes - RSNCG

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The directors present their review of operations for the year ended 30 June 2011.

AGATE CREEK EPITHERMAL GOLD PROJECT

The Agate Creek Epithermal gold project is located approximately 50 kilometres west of Kidston and 50 km South of Forsayth in northeast Queensland as seen in figure 1. Barrick Gold's continuing interest in the project has reverted to the receipt of a 1% net smelter royalty on the ores and minerals mined or otherwise recovered. The paperwork required to transfer 100% of the tenements to Renison is in progress and a more detailed Royalty Agreement is being initiated. The four currently granted tenements cover 357km<sup>2</sup>, with a further 705km<sup>2</sup> under application.

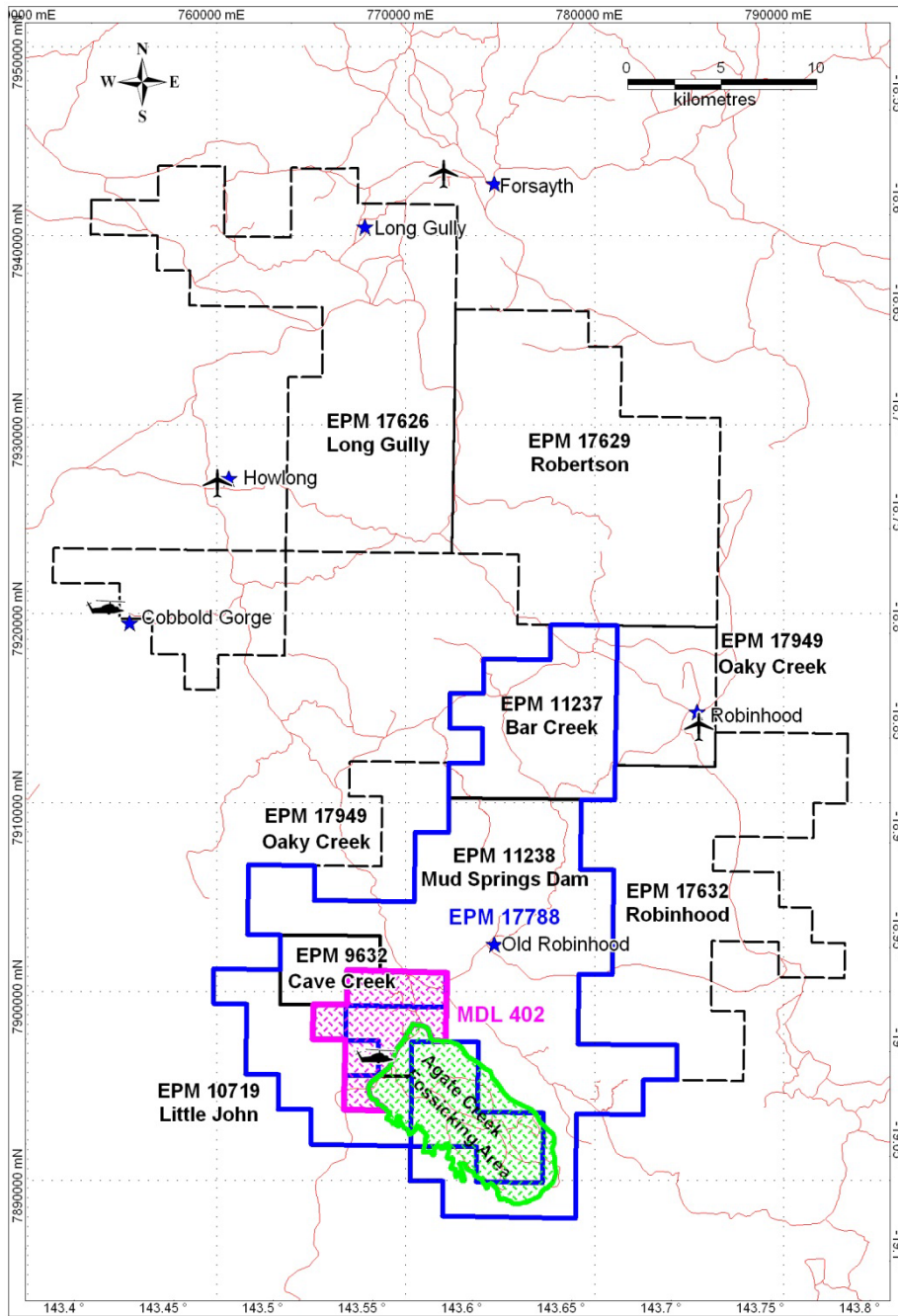
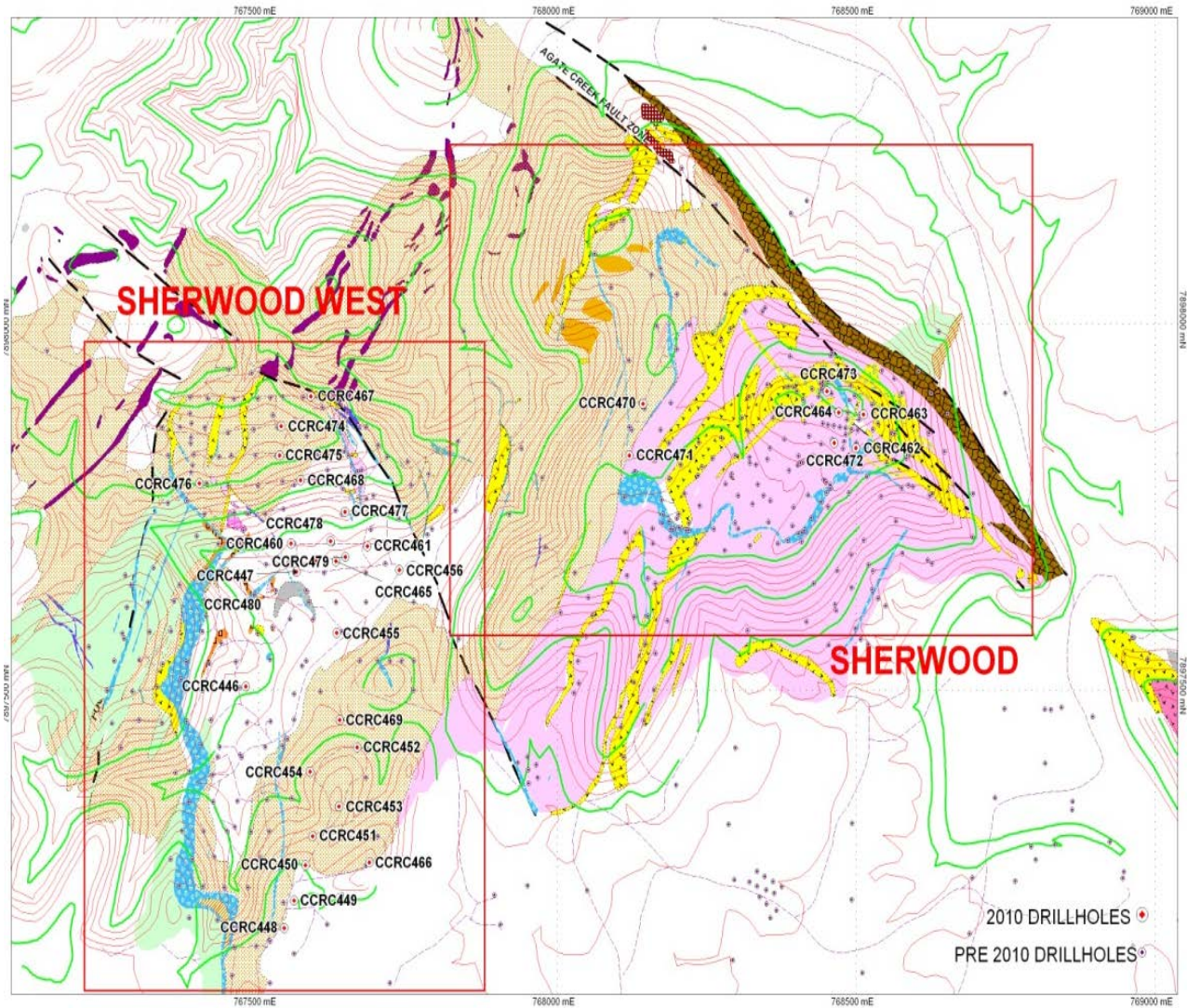


Figure 1 – Agate Creek Project location, tenement areas and applications.

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**Exploration Activities completed**

Reverse circulation (RC) drilling within the Sherwood Deposit at the Agate Creek Gold Project commenced on 8 September 2010 and was suspended on 15 November 2010 due to the onset of the tropical wet season. Figure 2 shows the location of all collars drilled within the reporting period, and table 1 shows a summary of drilling completed including total metres.



**Figure 2 – Agate Creek Project collar location and hole numbers.**

Prospect	Hole ID - from	Hole ID - to	No of Holes	Type	Total Metres
Sherwood Central	CCRC462	CCRC464	3	RC	513
Sherwood Central	CCRC470	CCRC473	4	RC	375
Sherwood West	CCRC446	CCRC456	11	RC	1421
Sherwood West	CCRC460	CCRC461	2	RC	210
Sherwood West	CCRC465	CCRC469	5	RC	664
Sherwood West	CCRC474	CCRC480	7	RC	826
Nottingham	CCRC457	CCRC459	3	RC	166
		<b>TOTAL</b>	<b>35</b>		<b>4175</b>

**Table 1 – Collar summary with total metres.**

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The drilling program included the testing of depth extensions at Sherwood West and specific structural targets within the Sherwood Area to add ounces to the current resource. In summary, three holes were drilled for 166m at Nottingham, and 32 holes were drilled for 4009m within the Sherwood Deposit. Regional mapping at Little John South and closer spaced mapping at Nottingham was undertaken and resulted in enhanced drill targeting. A total of 103 rock chip samples were collected across the Agate Creek Project.

Highlights from the drilling include 6m @ 2.87g/T Au from 67m in CCRC448; 13m @ 1.48g/T Au from 96m in CCRC450; 15m @ 1.15g/T Au in CCRC453; 1m @ 20.1g/t Au from 53m in CCRC460; 7m @ 3.07g/t Au from 63m in CCRC474 and 12m @ 1.73g/t Au from 39m in CCRC472.

Results from drilling led to an overall 11% increase in the current resource so that the Combined Indicated and Inferred Mineral Resource is now 17 million tonnes at 0.94 g/t gold for 514,000 ounces at a 0.3 g/t gold cut-off grade. A revised estimate was also calculated at a 0.5 g/t cut-off, with a combined Indicated and Inferred Mineral Resource of 9.47 million tonnes at 1.36g/t gold for 414,000 ounces of gold.

A new conceptual emplacement model taking into account all new drilling and research on epithermal mineralisation was completed for the Sherwood Deposit and can be seen in figure 3. This model takes into account the probable genesis of the mineralising fluids and the geomorphology of the deposit over time. This model will help with future drill targeting.

A Structural consultant was engaged to provide an interpretation of the important structural relationships within the Sherwood Deposit with the aim of improving the understanding of the structural setting of mineralisation and update and confirm drill targets for deeper mineralised zones. This work will be completed by October 2011.

A Geophysical consultant was engaged to review, reinterpret and update all geophysics. Recommendations for any work that may help with future drill targeting will also be provided. This work is expected to be completed by October 2011.

Further mineralisation is expected to be discovered near the existing resources which include targets that remain untested from the last drilling programme at Sherwood, new targets generated from the last programme, and recent structural mapping at Sherwood, which indicate additional deeper targets. Upcoming exploration will also investigate many prospective regional targets. An RC drilling program is expected to commence in November to test these additional targets with the aim of a further increase in the current resource. A feasibility study for the commencement of mining will be progressed over the coming year.

Renison submitted three proposals for round 5 of the Queensland Government Greenfields 2020 Collaborative Drilling Initiative (CDI) covering drilling at Sherwood, Delaney and Phoenix. None of these was successful. Using feedback provided by these, Renison then submitted two proposals for round 6 CDI covering drilling at Sherwood and Sherwood West. The proposal for drilling for bonanza grade mineralisation at Sherwood was approved.

A CHMA and an ILUA have been signed and lodged for the conditional surrender and mineral development license applications. It is expected that these will be granted by the end of September 2011.

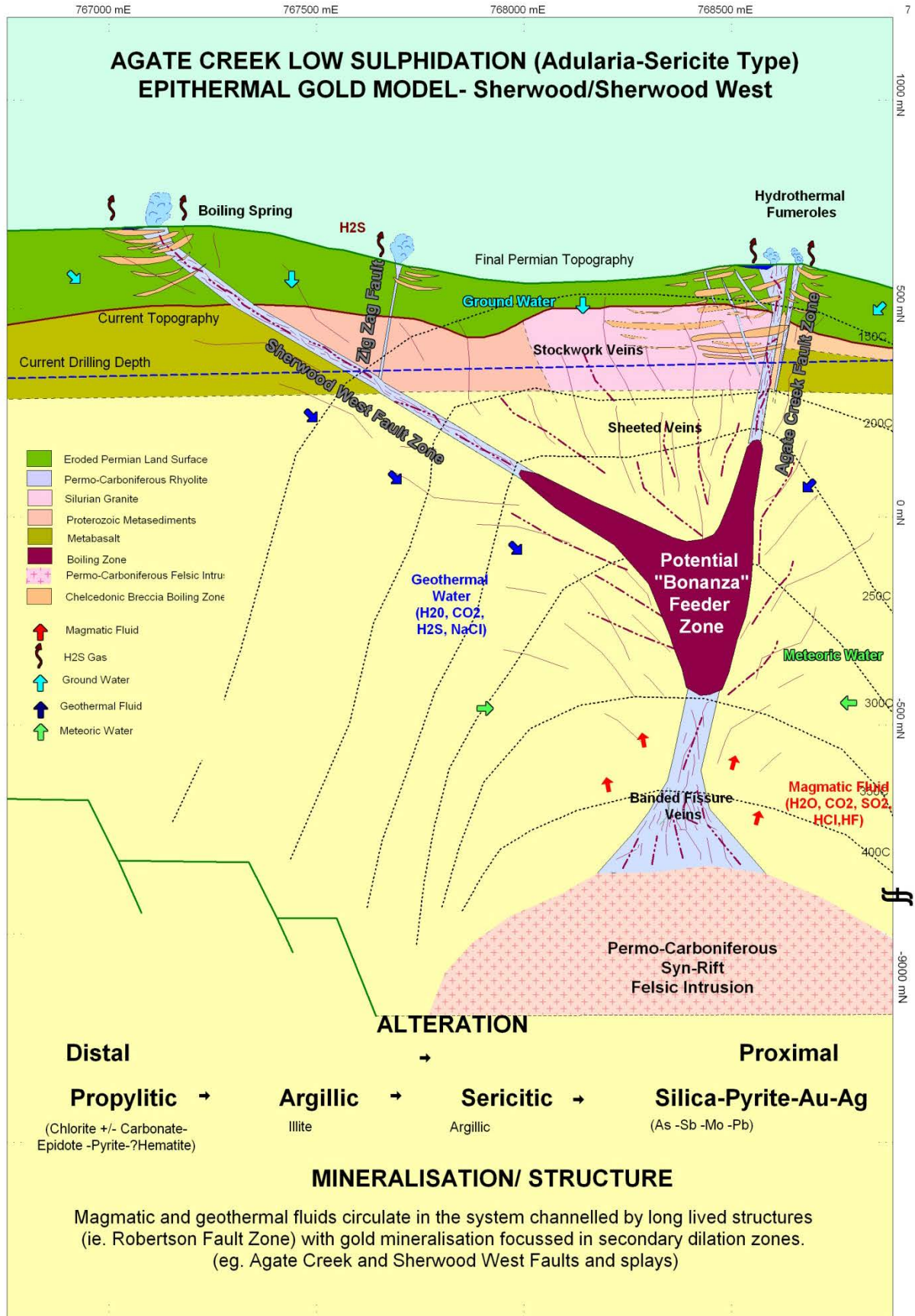


Figure 3 – Sherwood Deposit Model.

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**Sherwood Deposit Geology**

The Sherwood group of prospects is a low-sulphidation epithermal field situated on the northwest edge of the Early Permian Agate Creek Cauldron. It is about 2.5 sq km. Epithermal veins occur as sub-horizontal and sub-vertical fault-controlled fine grained quartz veins hosted in basement rocks and contemporaneous rhyolites, basalts, andesites and tuffs. Basement comprises paleozoic granite and proterozoic schists. The contact between the two basement suites and proximity to the giant Permian volcano seem to be the major controls on mineralisation.

Two main styles of mineralisation are: quartz dominated to polymict breccias hosted in episodically opening faults, and stockwork veins hosted in igneous rocks, particularly rhyolites. Both styles overlap somewhat and veins often show a variety of textures, such as: milled clast textures, mineral overgrowths on clasts, colloform textures as well as crustiform banding. Veins are clearly multi-episodic and probably represent the near-surface portion of a fossil geyser field.

**Increased Resource**

An updated Mineral Resource estimate has been completed on the Agate Creek epithermal gold project in North Queensland based upon a total of 480 exploration drill holes which were compiled and interpreted by Renison including 76 drill holes that had been completed since the last Mineral Resource estimate was undertaken. Independent consultant Golder Associates Pty Ltd was engaged to update the mineral resource estimate using computer block modelling and Multiple Indicator Kriging techniques.

A combined Indicated and Inferred Mineral Resource of 17 million tonnes at 0.94 g/t gold for 514,000 ounces at a 0.3 g/t gold cut-off grade has been estimated. This is an 11% increase from the previous estimate of 14.8 million tonnes at 0.98 g/t gold for 462,000 ounces at a 0.3 g/t gold cut-off.

At a 0.5 g/t gold cut-off, a combined Indicated and Inferred Resource of 9.47 million tonnes at 1.36g/t gold for 414,000 ounces has been estimated.

The breakdown of the current estimate is shown below. Resource estimates were undertaken for the Sherwood, Sherwood West and Sherwood South deposits and were completed using Multiple Indicator Kriging, with a top grade cut of 40 g/t gold. Wireframes based on geological interpretation by Renison were used to restrict the geometries of the estimate and consequently the resource estimate. The current estimate, using Multiple Indicator Kriging, is a recoverable resource estimate that is adjusted to account for a selective mining option and includes an allowance for mine dilution.

Increase in the gold Mineral Resource can be attributed predominantly to continued extensions in the Sherwood West structure and its interaction with the Zig-Zag fault structure.

The current resource estimates are set out in the tables below at a 0.3 g/t gold cut-off grade.

0.3 G/T CUT-OFF	TOTAL			SHERWOOD			SHERWOOD SOUTH			SHERWOOD WEST		
	Resource Classification	Mt	Gold g/t	Gold '000 oz	Mt	Gold g/t	Gold '000oz	Mt	Gold g/t	Gold '000oz	Mt	Gold g/t
Indicated	10.65	0.98	334	5.42	1.04	180	0		0	5.23	0.92	154
Inferred	6.36	0.88	180	2.61	0.91	76	0.43	1.05	15	3.32	0.83	89
Total	17.01	0.94	514	8.03	1.00	256	0.43	1.05	15	8.55	0.89	243

Grade and tonnage rounded to two decimal places. Ounces calculated after rounding and reported to nearest 1000 ounces.

Estimates were also undertaken at a 0.5 g/t gold cut-off and are presented below.

0.5 G/T CUT-OFF	TOTAL			SHERWOOD			SHERWOOD SOUTH			SHERWOOD WEST		
	Resource Classification	Mt	Gold g/t	Gold '000 oz	Mt	Gold g/t	Gold '000oz	Mt	Gold g/t	Gold '000oz	Mt	Gold g/t
Indicated	5.95	1.42	271	3.01	1.53	147	0		0	2.94	1.31	124
Inferred	3.52	1.26	143	1.38	1.36	60	0.30	1.34	13	1.84	1.17	70
Total	9.47	1.36	414	4.39	1.47	207	0.30	1.34	13	4.78	1.25	194

Grade and tonnage rounded to two decimal places. Ounces calculated after rounding and reported to nearest 1000 ounces.

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New financial modelling based on conceptual mining studies will be undertaken over the next six months. Previous financial modelling based upon a \$AUD750 per ounce gold price (the current spot gold price is approximately A\$1800 ounce), indicates that the 0.3 g/t gold grade cut-off could provide a significant margin above the variable cost component of processing ore via a CIP processing plant, and the 0.5 g/t gold grade cut-off should maintain a healthy profit margin above the total capital and operating cost of CIP processing at a 1 to 1.5 million tonne per annum processing rate.

Metallurgical test work to date has shown the ore to be very amenable to CIP processing with high recoveries at moderate grinds and low reagent consumptions.

**Sherwood Central**

Drilling at Sherwood Central was dominantly focussed on increasing the current resource by testing NS trending structures and NW trending structures which were defined as potential dilation zones by the Global Ore re-logging report, testing mineralisation associated with the Agate Creek Fault and extending the depth of known mineralisation near the top of Sherwood Central hill.

Drilling encountered problems associated with clays near the Agate Creek Fault which resulted in limited depth drilling ability for the latter part of the program. Holes CCRC470 and CCRC471 were aimed at NS to NW trending rhyolites that were previously untested. Holes CCRC462 and CCRC463 were aimed at intersecting the Agate Creek Fault. Holes CCRC464, CCRC472 and CCRC473 were aimed at depth extensions of known mineralisation and intercepting the Agate Creek Fault at depth. Table 2 shows collar details with significant results received and figure 4 shows collar location.

\*coordinates are GPS locations only

HOLE No	GDA94 East*	GDA94 North*	Azi-muth	Dip	Total Depth (m)	From (m)	To (m)	Interval (m)	Grade (g/T gold)	Comments
CCRC462	768495	7897831	90	-60	193	10	11	1	1.18	
						34	41	7	0.74	
						62	64	2	1.26	
						81	82	1	1.08	
						149	150	1	1.01	
CCRC463	768492	7897889	45	-60	103	22	26	5	1.29	Incl. 1m @ 2.55g/t Au from 24m
CCRC464	768472	7897879	90	-60	217	142	143	1	1.54	
CCRC470	768145	7897889	270	-60	49					No Significant Intercepts
CCRC471	768124	7897820	270	-60	55	34	35	1	1.01	
CCRC472	768462	7897836	90	-60	127	18	22	4	3.4	Incl. 2m @ 5.07g/t Au from 19m
						28	37	9	1.24	Incl. 1m @ 5.19g/t Au from 36m
						39	51	12	1.73	Incl. 2m @ 4.83g/t Au from 44m
						60	70	10	0.95	
CCRC473	768453	7897910	45	-60	144	4	5	1	1.24	

**Table 2 – Collar details with significant intercepts for drilling at Sherwood Central.**

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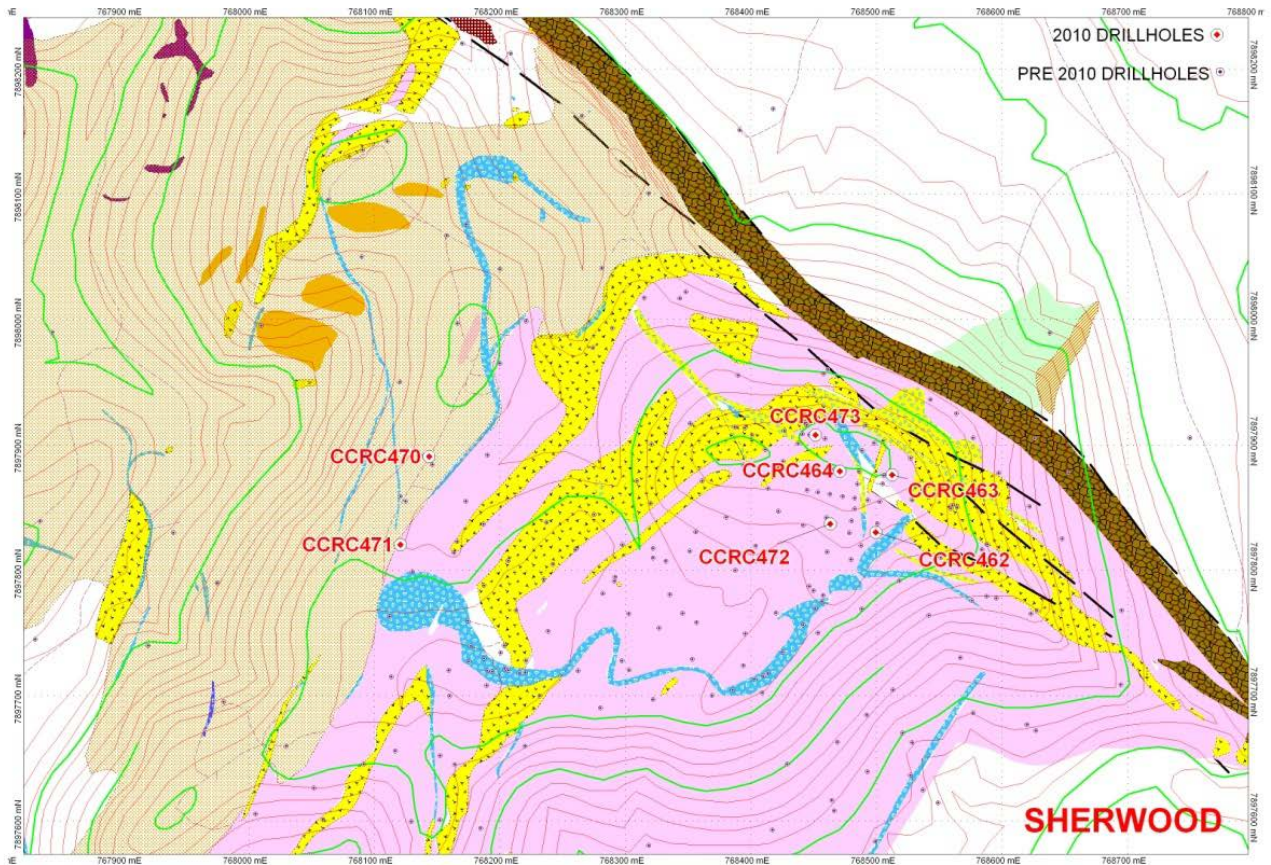


Figure 4 – Collar location for drilling completed at Sherwood Central.

#### Sherwood West

Depth extensions of the Sherwood West mineralisation were tested by holes CCRC446-455, CCRC460, CCRC466 and CCRC469. Each hole intersected a 5-20m zone of chalcedonic breccia and veining within altered rhyolite and showed good continuation of the Sherwood West Structure. The best results include CCRC450 13m@1.48g/t Au; CCRC447 8m@1.5g/t Au and CCRC453 15m@1.15g/t Au. Results for CCRC460 are encouraging with 1m@20.1g/t Au from 53m.

The intersection of the Sherwood West and Zig Zag structures was tested by CCRC456, CCRC461, CCRC467 and CCRC477. CCRC461 did not reach the target depth due to drilling problems but this hole will be re-entered and completed next season. CCRC456 was successful and intersected a wide zone of alteration and veining containing thin 2-5m zones of chalcedonic veining and breccias within altered rhyolite. The best result for this hole was 5m@1.79g/t Au. CCRC467 was aimed at the very north part of the Zig Zag Fault and intersected 10m of significant mineralisation. CCRC477 did not reach the Zig Zag structure due to the limitations of the drill rig.

Holes CCRC465, CCRC468, CCRC474-476 and CCRC478-480 were done to infill current drilling. Holes intersected significant mineralised zones of veining and breccia which have added to the current resource.

Results from the program have been encouraging and have demonstrated good widths and grades in the depth extension of the Sherwood West structure. The later portion of the program was also affected by a maximum depth of the drill rig of 170m due to mechanical, logistical and non-geological problems of the contractor.

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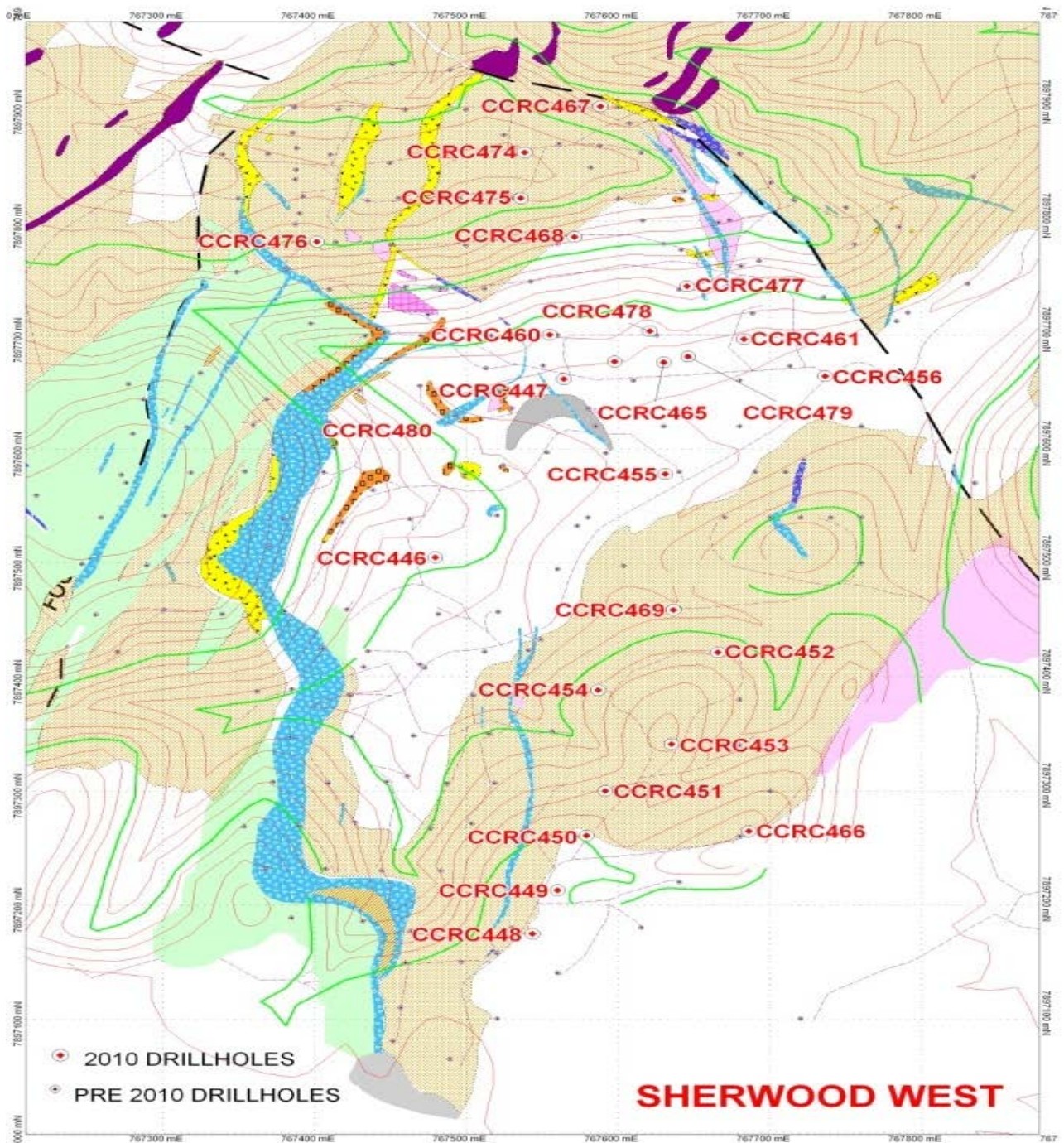
\*Coordinates are GPS locations only

HOLE No	GDA94 East*	GDA94 North*	Azi-muth	Dip	Total Depth (m)	From (m)	To (m)	Interva l (m)	Grade (g/T gold)	Comments
CCRC446	7897504	767479			97					
CCRC447	767543	7897662	0	-90	103	46	53	7	1.1	
						76	77	1	1.5	
						87	88	1	1.05	
						95	103	8	1.5	Hole finished in Grade due to Rig break down.
CCRC448	767543	7897176	0	-90	79	67	73	6	2.87	Incl. 3m @ 4.71 g/t Au from 67m
CCRC449	767564	7897216	0	-90	103	12	14	2	1.25	
						26	27	1	1.01	
						86	89	3	1.49	
CCRC450	767578	7897261	0	-90	116	18	19	1	3.07	
						27	28	1	1.18	
						34	35	1	1.03	
						96	109	13	1.48	Incl. 1m @ 5.54g/t Au from 104m
CCRC451	767590	7897302	270	-60	114	97	99	2	2.06	
CCRC452	767666	7897420	270	-60	163	15	18	3	0.5	
CCRC453	767638	7897343	0	-90	151	124	139	15	1.15	Incl. 1m @ 4.38g/t Au from 126m
CCRC454	767577	7897386	0	-90	121	111	114	3	1.65	Incl. 1m@3.85g/t Au from 111m
CCRC455	767630	7897577	0	-90	175	160	161	1	1.24	
CCRC456	767730	7897661	0	-90	199	124	129	5	1.79	
CCRC460	767555	7897710	270	-60	121	53	54	1	20.10	
						74	80	6	0.97	
CCRC461	767683	7897703	90	-60	89	1	2	1	1.03	Alluvial Fill
CCRC465	767621	7897694	0	-90	108	104	108	4	1.53	Hole finished in Grade due to water. It will be redrilled later.
CCRC466	767686	7897262	0	-90	175					No Intercepts
CCRC467	767594	7897903	0	-90	139	33	34	1	1.28	
						40	50	10	1.13	Incl. 1m @ 3.21g/t Au from 41m
CCRC468	767577	7897782	0	-90	97	59	60	1	1.66	
						77	78	1	2.66	
						85	86	1	1.27	
						95	97	2	1.09	Hole finished in Grade due to water. It will be redrilled later.
CCRC469	767635	7897458	270	-60	145					No Significant Intercepts
CCRC474	767540	7897859	0	-90	109	48	49	1	2.24	
						63	70	7	3.07	Incl. 1m @ 6.95g/t Au from 66m
						76	85	9	1.37	Incl. 2m @ 4.45g/t Au from 76m
CCRC475	767538	7897827	0	-90	127	58	59	1	2.47	
						68	69	1	2.06	
						88	90	2	1.14	
CCRC476	767405	7897780	270	-60	37	1	8	7	1.06	
						19	22	3	1.63	

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HOLE No	GDA94 East*	GDA94 North*	Azi-muth	Dip	Total Depth (m)	From (m)	To (m)	Interva l (m)	Grade (g/T gold)	Comments
CCRC477	767647	7897743	270	-60	142	12	15	3	1.38	
						60	61	1	2.07	
CCRC478	767634	7897695	0	-90	109	89	91	2	1.10	
CCRC479	767651	7897679	0	-90	175	115	118	3	1.80	Incl. 1m @ 3.92g/t Au from 115m
CCRC480	767601	7897682	0	-90	125	87	88	1	2.44	
						94	99	5	3.34	

**Table 3 – Collar details with significant intercepts for drilling at Sherwood West.**



**Figure 5 – Collar location for drilling completed at Sherwood West.**

## **CDI Acceptance – Sherwood Bonanza Zone**

### **Target**

This proposal is targeting the potential boiling zone and bonanza grades associated with the Agate Creek Fault in the known epithermal deposit at Sherwood. Mineralisation at Sherwood is within a series of bowl shaped lenses believed to be the result of continuous deposition in a series of stacked hot pools as the layers built up at the surface. Studies completed by Global Ore Discovery indicate that the Sherwood Deposit has had little erosion and the current land surface is within 50-100m of the Permian land surface and the stacked hot pool deposits may have been up to 100m thick. As the surface deposits thickened the boiling zone would have moved vertically. Previous CDI drilling in 2008 at Friar Tuck intersected the Agate Creek Fault and minor mineralisation but results and analysis suggested the depth (250mRL) was too shallow to intersect the boiling zone. Further work has indicated block faulting between Sherwood and Friar Tuck may have changed the attitude of the Agate Creek Fault and offset it by 100 to 200m. The Agate Creek Fault is a major fluid conduit. Renison has designed a program to test the boiling zone in two places between 200 and 600m below the initial Permian land surface which is lower than the previous CDI drilling.

### **Target Rationale**

Bonanza veins occur within the paleo-boiling zones of the epithermal system, commonly around 200-600 metres below paleo-land surface. Textures in the veins include colloform and crustiform veining, milled breccias and clearly multiple episodes of mineralisation. At the level of the boiling zone, adularia is a common (and indicative) accessory mineral. Re-interpreted drill-core images and logs indicate that adularia may occur at depth.

Bonanza veins are a common feature of low-sulphidation epithermal deposits, world-wide. The Vera-Nancy lodes are the bonanza portion of the Pajingo Au deposits. The initial discovery was by deep drilling a vein with seemingly low prospectivity at surface. The Hishikari Au bonanza vein was discovered by the Metal Mining Agency of Japan in 1981, with the intersection of 15 cm @ 290 g/t Au, 200 m below surface.

The Agate Creek and the Sherwood West Faults were the major fluid conduits of the active Permian epithermal plumbing system. They probably controlled most of the water out-flow. Water was theoretically driven by heat from the pluton that produced the Agate Creek Volcanics. Rhyolites and chalcedonic breccias up to 14 metres true width have been mapped at Sherwood and Sherwood West forming the core of the mineralised zone. Sherwood has basin shaped breccia lenses that dip gently to the south east while Sherwood West has breccia zones dipping approximately 30 degrees to the east.

Facies analysis of the local collapse caldera rocks indicates a very high-level preservation of this epithermal system, as does petrographic analysis (Ashley, 2005) and Studies by Global Ore Discovery. Many rock chip samples taken during prospect mapping returned values >5 g/t.

### **Proposed Drilling**

Drilling is planned to intercept the potential boiling zone near the intersection of the Agate Creek Fault and the Sherwood West structure. Two holes are planned using direction drilling methods from the same pre-collar hole with 1000m in total. The pre-collar will be approximately 150m deep at 60 degrees to the north-east and two daughter holes will be drilled from 150m at 45 degrees and 75 degrees to allow approximately 200m spacing between boiling zone intercepts. Table 3 in the next section shows the details of these holes.

Two holes are required as there may have been some vertical movement of the boiling zone over time. The first hole aims to intercept the upper part of the boiling zone and the second hole is planned to intercept the potential boiling zone just above the intersection of the Sherwood West and Agate Creek Fault structures. The two holes cover the most likely positions of the boiling zone over time.

### **Planned Programme and Costing**

Two wedged HQ3 diamond holes are planned for a total depth of 1000m. The parent drill hole will be 150m deep with details in table 3 below, two daughter holes will be drilled off this to intersect the potential bonanza mineralised zone. Drill hole locations will be marked and drilled initially using a hand-held GPS. All holes will be surveyed by a contract licensed surveyor at the completion of the drilling program. Down hole surveys will be completed at least every 50m and at the end of hole (EOH) with more intensive surveys required during and immediately after wedging.

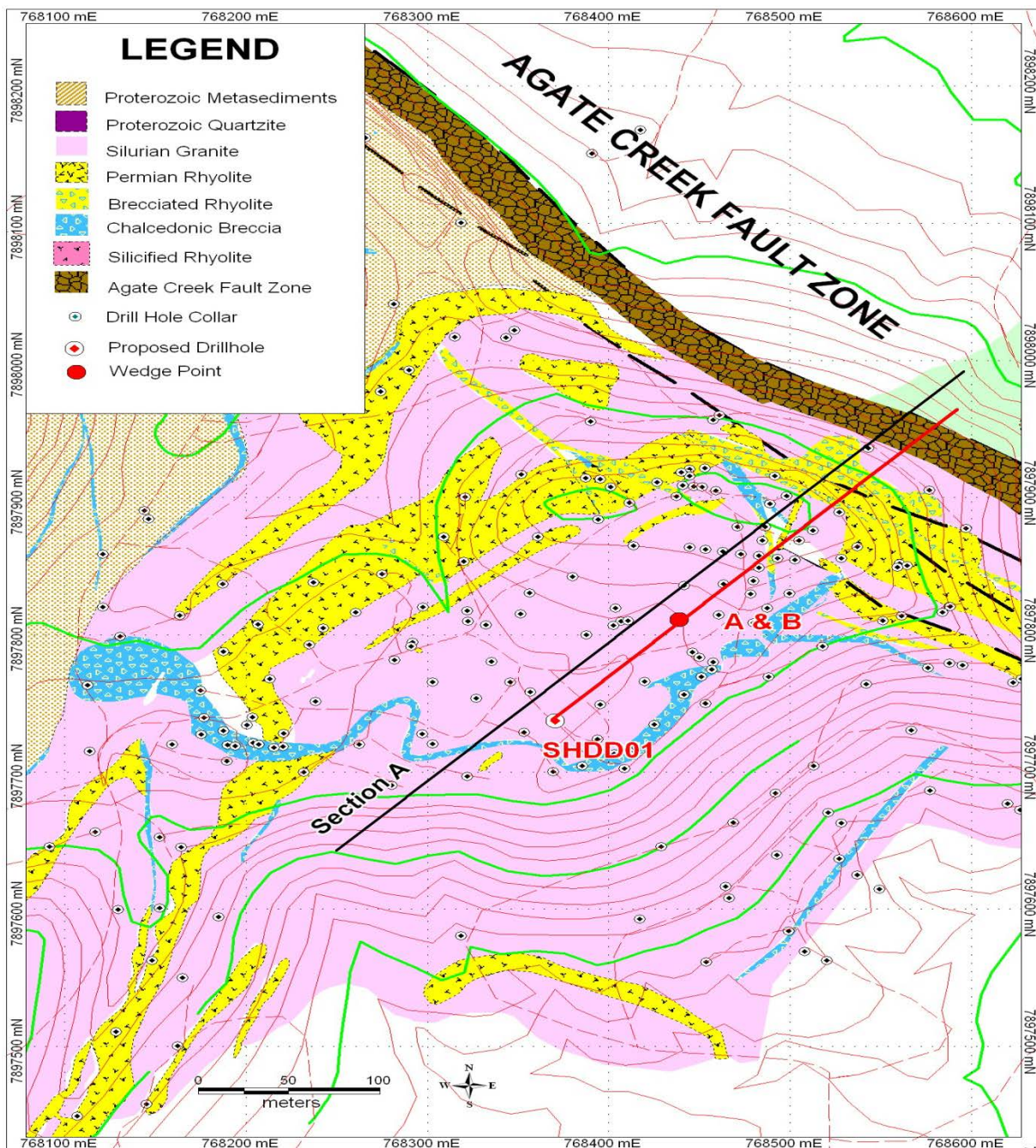
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Hole_ID	GDA94-East	GDA94-North	Start RL	Finish RL	Azimuth-True	Dip	Total Depth
SHDD1	768370	7897740	550	420	45	-60	150
SHDD1-A	768413	7897793	420	200	45	-45	320
SHDD1-B	768413	7897793	420	-180	45	-75	530
						TOTAL	1000

**Table 4 – Collar location and details for planned drilling.**

**Summary Comments**

This program is designed to investigate the potential for Vera Nancy style bonanza grades which are expected to lie below the Agate Creek epithermal system. The two daughter holes planned will be drilled to hit the target zone at approximately 300m and 600m below surface. These holes are positioned to intercept the most likely positions of the boiling zone.



**Figure 6 – Plan view of drilling proposal for Sherwood Bonanza zone.**

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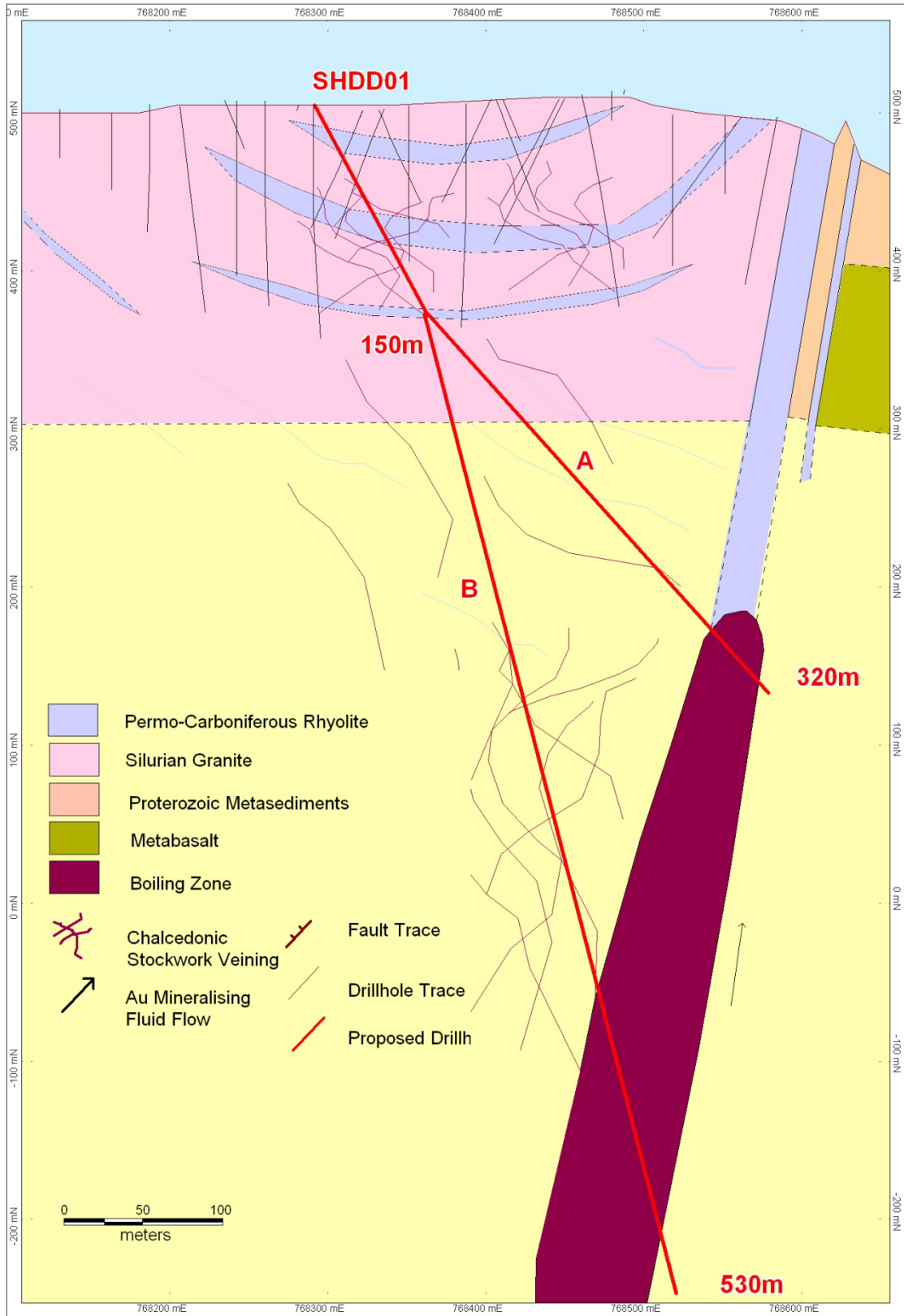


Figure 7 – Section view of drilling proposal for Sherwood Bonanza zone.

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**Nottingham**

Historical drilling at Nottingham has showed mixed results, with several drill holes returning significant, though patchy, results. Nottingham is a very prospective drill ready target with a 2km long outcropping epithermal quartz breccia vein and peripheral stockwork zones. Rhyolites along the zone and the vein itself are variably mineralised with one rhyolite, peripheral to the vein showing visible gold in stockwork quartz veinlets. To date drilling has largely missed the main target zone.

Detailed mapping and rock chipping early in the year delineated several chalcedonic vein breccias, two of which were drilled. Further mapping is required to adequately cover the area. A total of 25 rock chips were collected with the highest result being 0.47g/t Au from a quartz breccia vein. Three holes were drilled, none of which contained any significant results. Figure 15 shows the location of mapping, rock chips and drilling completed. Table 8 summarises collar locations.

HOLE No	GDA94 East*	GDA94 North*	Azi-muth	Dip	Total Depth (m)	From (m)	To (m)	Interval (m)	Grade (g/T gold)	Comments
CCRC457	7899114	769248	270	-60	31	3	5	2	0.14	
						9	17	8	0.06	
CCRC458	7899129	769289	270	-60	115	1	11	10	0.20	Incl 1m@0.56 from 4m
						15	25	10	0.10	
						26	38	12	0.25	Incl 3m@0.37 from 35m
						81	86	5	0.10	
						102	109	7	0.05	
CCRC459	7899020	769458	270	-60	20	8	13	5	0.07	

**Table 5 – Collar location and low grade intercepts at Nottingham.**

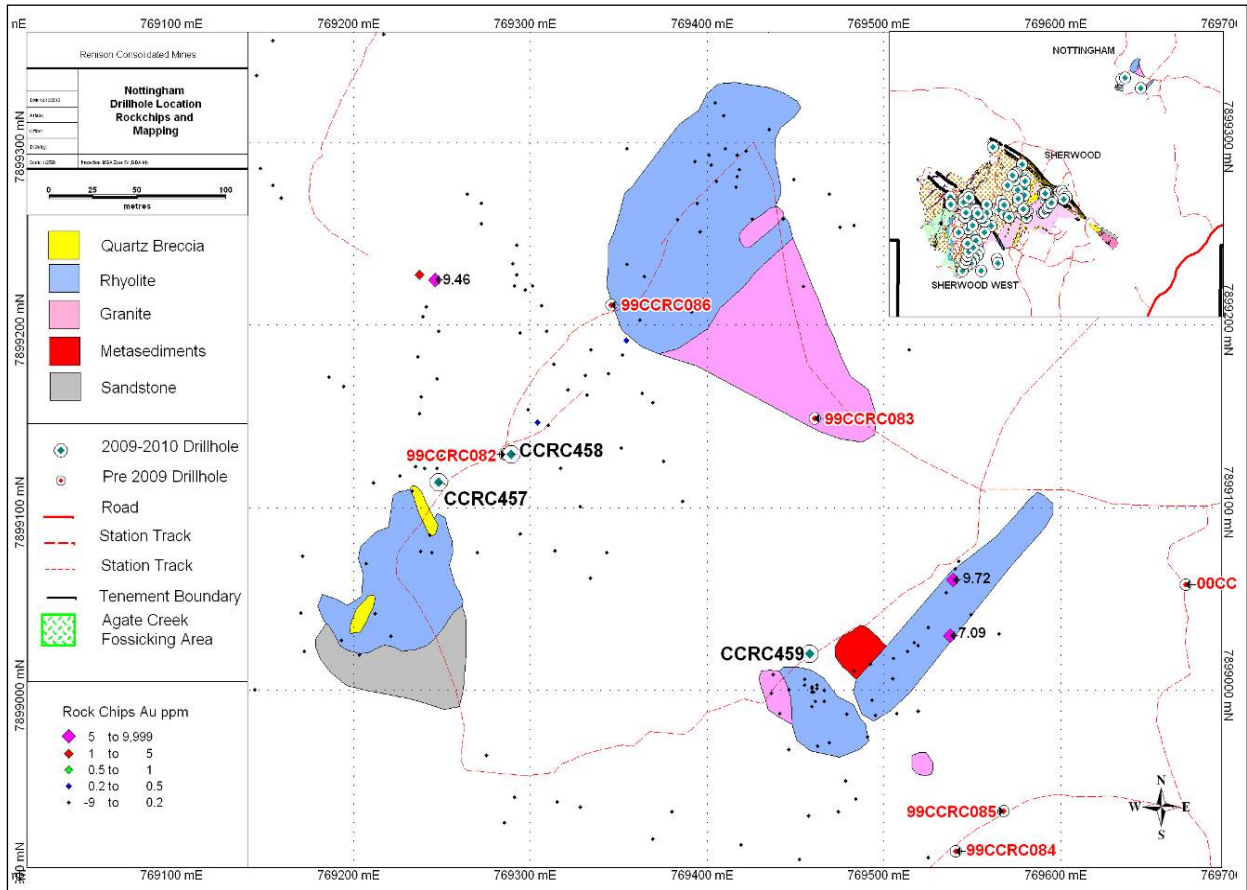
CCRC458 was drilled as a twin to 99CCRC082 in an effort to confirm historical assay values. It showed a wide zone (~30m) of chalcedonic breccia within altered rhyolite from surface, but results showed only 1m@0.56g/t Au from 4m, and 3m@0.37g/t Au from 35m. These results correlated well with historical results from 99CCRC082.

CCRC457 was planned to intersect a 3m wide chalcedonic breccia vein discovered during mapping. This vein was intersected with results showing a wide low level anomalous zone.

CCRC459 was targeting the intersection of two altered rhyolites containing abundant chalcedonic stock work veining. The target was intercepted very close to the surface and the hole was abandoned at 20m due to collar collapsing. Results showed a moderate zone of low level anomalism.

One of the recommendations of the Global Ore Report was to review Nottingham, as previous exploration may have been focussed on northwest trending transfer structures rather than north-south trending dilational structures. Detailed structural mapping, along with lithological mapping and rock chipping is planned for Nottingham in the coming field season. Drilling will be planned on completion of detailed mapping.

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**Figure 8 – Collar and rockchip locations at Nottingham prospect.**

**Potential For Further Increased Resources**

Drill targets, which remained untested at the end of the recent drilling programme due to reduced depth capabilities of the drill rig on site, provide significant potential for additional resources to be delineated in the Sherwood area with further drilling, together with the previously reported deeper and regional targets.

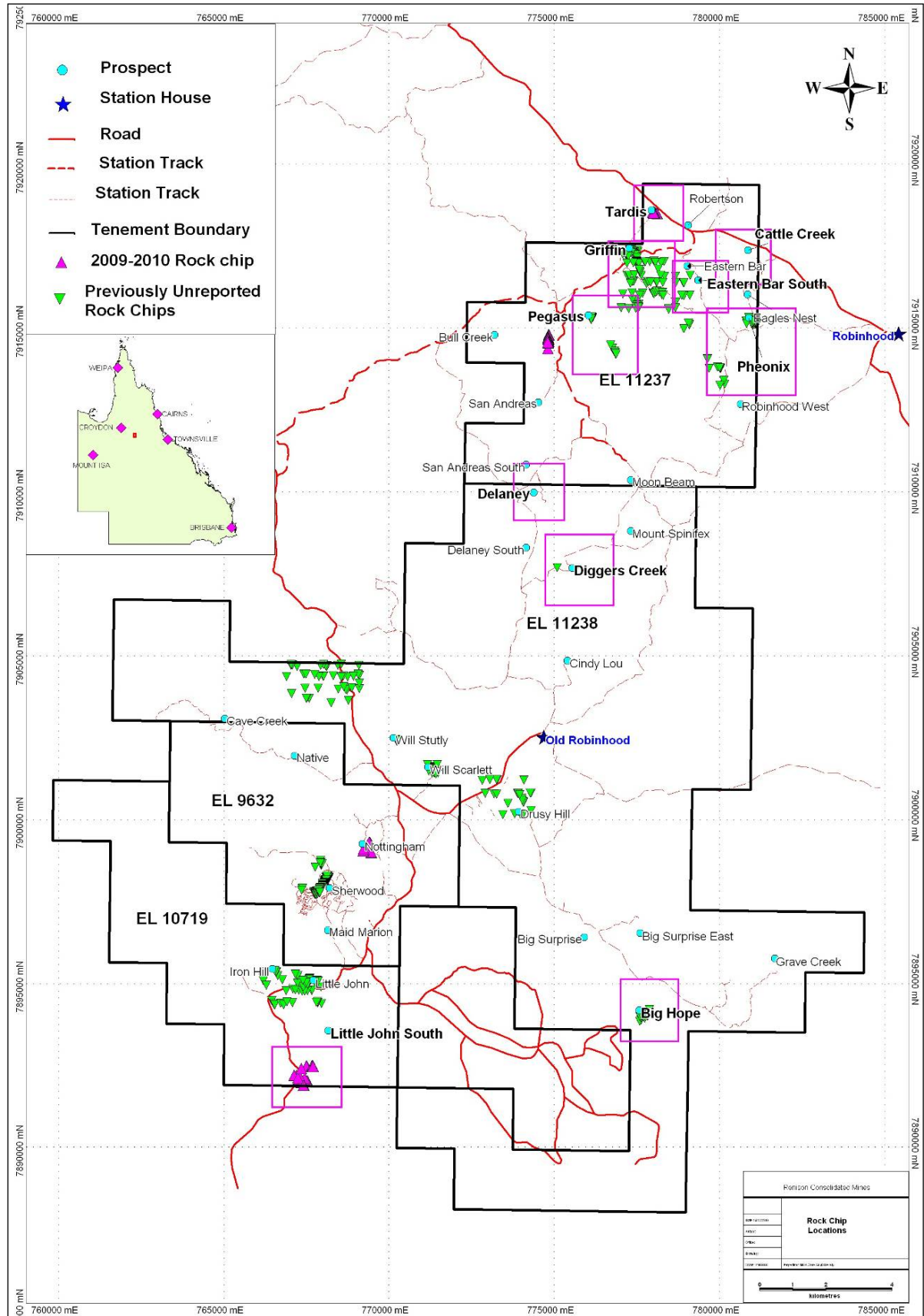
The re-interpretation and updated mapping of the Nottingham area will also be a priority target when drilling recommences. A programme, targeted to commence in November will include drill testing of some of the prospects generated from the recent regional rock chip and mapping programme. The upcoming drilling programme is aimed to increase the current gold resource base and potentially increase the scope of the project.

Additional exploration targets at Agate Creek also include deeper underground mining targets with higher grade epithermal “bonanza” style mineralisation along feeder structures to the Sherwood mineralisation and regional targets. These could both potentially add to the resource base and help support the feasibility of the development of an open pit mine based on the Sherwood resources.

**Regional Mapping and Rock Chipping**

Regional Mapping and rock chipping within the tenement areas has resulted in the identification of a total of 39 existing target areas and 3 new prospects, all of which will require further mapping and sampling. Continued rock chipping and geological mapping of the regional tenements will continue with the likelihood of several new prospects being identified along with better definition of the existing prospects. Figure 9 shows the location of current prospects throughout the Agate Creek Project.

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**Figure 9 – Regional Prospects location with rockchips taken in 2009 and 2010.**

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**Exploration Planning for 2011/12**

A detailed interpretation of all drilling will be completed for all prospects and all planned drill holes will be reassessed and ranked in order of priority. Over 50 RC, 20 diamond and 50 RAB/AC drill holes have been planned to test new areas, infill current drilling and test depth and strike extensions at the Sherwood Deposit and on selected regional targets. Several prospects remain drill ready including Cattle Creek, Eastern Bar South and Delaney which are scheduled for drilling during the coming field season. Regional Prospects such as Phoenix, Will Scarlett and Eastern Bar will have follow up drilling completed at the same time.

The Sherwood Deposit will be given high priority in an attempt to add to the current resource and into the resourcing stage as soon as the MDLA402 and conditional surrender for EPMA17788 is granted. Regional and prospect scale mapping and rock chipping will continue to be the dominant first pass tool for assessing the prospectivity of new areas. As results are received the drilling program will be modified as required to prioritise significant results. Planning of plant layout and design including mining licence application and full feasibility studies are moving forward.

**ASHFORD COKING COAL PROJECT**

The Ashford Coking Coal Project comprises a 50% Joint Venture with Northern Energy Corporation (“NEC”). The Joint Venture incorporates the Ashford Mine Area (EL6234 and EL6428), where an inferred resource of 18 mt of coking coal has been identified, as well as the Ashford Exploration Area, which covers other exploration licences (including Atholwood [EL6526] and Ashford North [EL6539]. NEC is managing both areas of activity.

Table 7 summarises the results of a 7kg coke test conducted on core sample in 2006 by ACIRL and the results of a 180kg sample tested in Japan in 2009 together with a 7kg ACIRL test on the same 2009 core. This confirms that Ashford is a coking coal that would fit in the premium end of the metallurgical coal market. However they also demonstrate variability between samples. Quality variability is caused by variations in ash chemistry. Further work on the variability in ash composition may be required.

		2006 Aust	2008Aust	2008 Japan
<b>Petrographic Parameters:</b>	Vitrinite Content (%Vol)	48.3	54	
	Vitrinite Reflectance(Ro Max%)	1.15	1.14	
<b>Coking Properties:</b>	Crucible Swelling Number	6	7.5	6.5
	Gray-King Coke Type	G5	G6	
	Maximum Fluidity (dd/min)	170	365	154
	Total Dilatation (%)	35	42	54
<b>Coke Properties:</b>	Coke Reactivity Index (%)	35.3	45.6	45.2
	Coke Strength after Reaction (%)	53.4	45.6	45.2
	JIS Indices (%)DI 30/15			94.5
				83.6
	DI150/15			95.2
	DI 130/6			

**Table 7 – Coal coke test results.**

**ARRAWATTA COAL PROJECT**

The Company now holds three coal Exploration License Nos. 6433, 6434 and 6521 at Arrawatta near Inverell, in NSW, covering approximately 192 square kilometres. The licenses are located between 30 to 60 kilometres south of the Ashford Coking Coal project (Renison 50%). EL 6568 was relinquished during the year as it was seen to have very low potential to contain significant resources.

Significant thicknesses of coal-bearing Permian sediments have previously been identified in and around the original Arrawatta discovery. Drill holes intersected Permian sediments with coal over a strike of approximately 3 km. The sequence is open to the north. Coal-bearing strata are contained in two to three sequences within the Permian sediments. Cumulative thicknesses of coal previously identified ranged from approximately 3m to almost 18m. Surface exposure of Permian sediments is very limited. Drilling has therefore been “blind-testing” for Permian coal measures through Tertiary sediments/basalts and recent alluvials. The Permian coal measures strike almost north-south and have a westerly dip.

In summary, the deposit has potential to produce high volatile, high fluidity coking coal but its potential is limited by the generally thin seams in the areas drilled to date and the presence of igneous intrusives, which have coked the seams in some holes, and slightly devolatilised seams in others.

## SYDNEY FLAT ALLUVIAL GOLD PROJECT

Renison has entered into an Option to Purchase Agreement for EL6918, Sydney Flat in the New England Fold Belt, 5km south-west of Armidale in NSW. The New England Fold Belt is an exciting mineral province, which in the past, has been a significant production area for gold, tin and base metals. Although previously relatively unexplored, the area is now receiving increased attention with the application of new geological theory and exploration techniques and with the application of new mining and processing technology.

EL6918 is a 147 km<sup>2</sup> lease encompassing the historical Sydney Flat Goldfield. First gold production was reported in the 1850's in 'deep leads', old river channels, where they had been exposed by the erosion of the overlying basalts. Early workings were apparently prolific, with exceptionally high grades reported – up to 120 grams per cubic metre. Many averaged between 10 and 12 grams per cubic metre. About 5 kilometres of the channel was worked between 1856 and 1885, with a further 15 kilometres remaining under basalt cover.

The area offers a simple, efficient, near term mining opportunity with minimal environmental impact and an Exploration Target<sup>1</sup> in excess of 1,000,000 ounces gold. Total production in the area from 1858 to 1967 totals 5,192.71kg (167,000 ozs), although others consider 250,000 ozs to be the figure, as much of the gold production was unreported. Markham (1975) considers the field to be most productive of the New England district. The Sydney Flat Deep leads were credited with producing 2% of world gold production during the first 5 years of production. (Mackay 1953, Brown et al 1992)

### <sup>1</sup> Exploration Target

All statements as to exploration targets and statements as to potential quality and grade are conceptual in nature. There has been insufficient exploration undertaken to date to define a gold resource and identification of a resource will be totally dependent on the outcome of further exploration. Any statement contained herein as to exploration results or exploration targets has been made consistent with the requirements of the JORC Code.

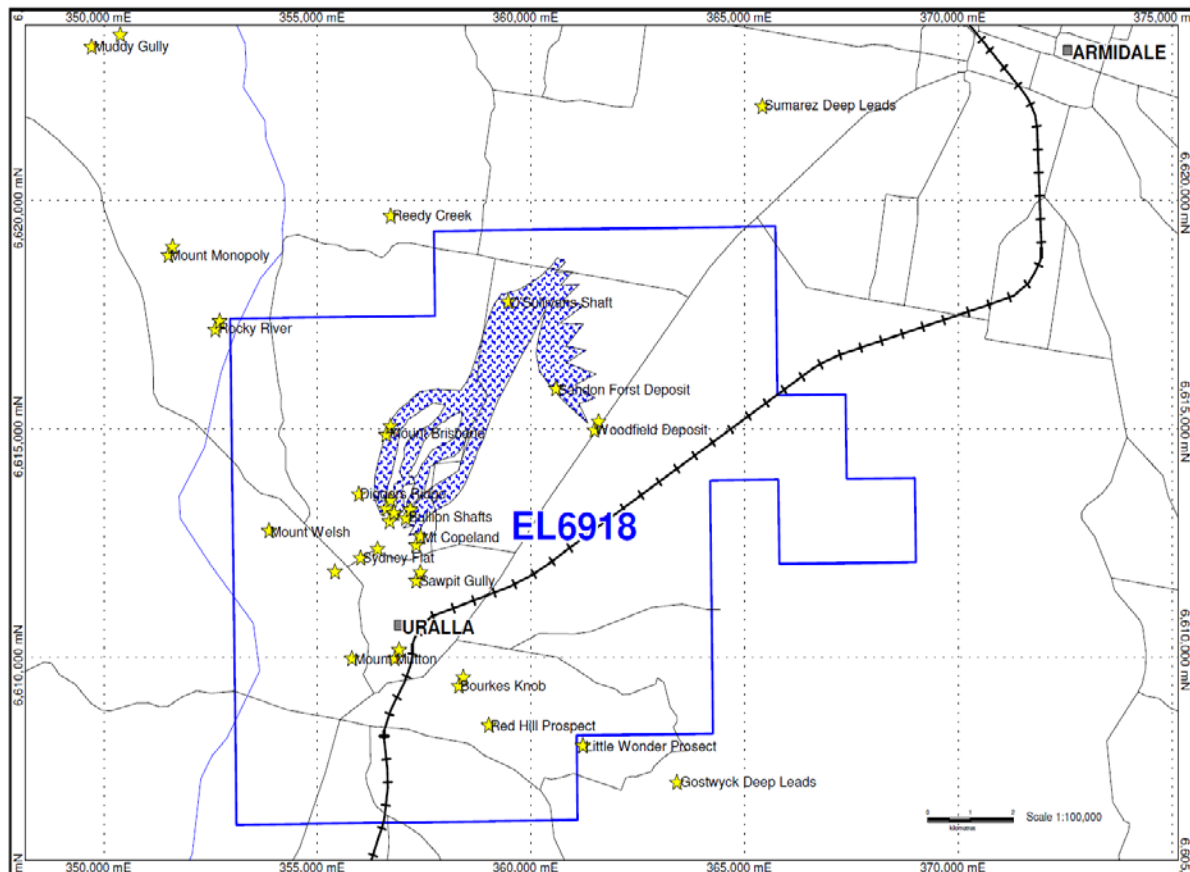


Figure 10 – Sydney Flat Project tenement location.

## **Geology and Mineralisation**

EL 6918 is located in the central New England Fold Belt which has a long history of tectonic uplift and intrusive emplacement.

The oldest basement rocks encountered in the region are the Devonian Sandon Beds, hornfelsed greywackes and cherts intruded by Permian age granites of the New England Batholith system. In the tenement area the main Permian Intrusive is the Uralla Granodiorite.

Tertiary sediments are deposited unconformably overlaying the Sandon Beds and the Uralla Granodiorite and are classified as being the Armidale Beds. The Armidale Beds are analogues of the gold bearing deep lead deposits located in the tenement area. Overlying the Armidale Beds are numerous basalt flows of various ages but classified as being Tertiary. Finally broad incisions of recent drainage contain gold bearing Quaternary alluvium sourced from the erosion of the deep lead system.

Outcrop within the Tenement is generally poor due to deep weathering of the Tertiary basalts which has resulted in either thick clay soil or talus fields of basalt fragments.

The deep leads are exposed to the south at Sydney Flat where the Tertiary basalt has weathered and been removed. It is this area where gold was first mined from exposed deep lead flowing sands and Quaternary wash. The deep leads have been mapped over an extensive area of the tenement and were worked from 1856 to 1885, and explored for a distance of approximately 5km. The deep lead extensions are projected to continue in a northern trend for up to 15km.

The tertiary channels within the leads are reported to vary in width from 50 to 800m and varying thicknesses as they flowed over the undulating bed rock to up to 30m. The average thickness has been estimated by previous explorers as being around 10m.

Weathering of the basalt has resulted in topographic basalt outliers which have exposed deep leads at their bases, which were worked for gold with good result. The auriferous sands are described as being unconsolidated running quartz sands, fine ferruginous quartz sands with some clay, very fine yellow grey quartz well rounded sand grading to fine gravel called "hailstone gravel".

## **Exploration Target**

The scale of the Exploration Target<sup>1</sup> is significant when based on the 15 km strike length of unexploited channels and the quoted 100m average width and 5m average thickness of the auriferous basal gravels and a grade of 10 g/m<sup>3</sup>. An Exploration Target<sup>1</sup> in excess of 1,000,000oz is possible. Extensions to the leads may be found in tributaries of the main auriferous drainage system, with the potential to increase the Exploration Target significantly.

### **<sup>1</sup> Exploration Target**

All statements as to exploration targets and statements as to potential quality and grade are conceptual in nature. There has been insufficient exploration undertaken to date to define a gold resource and identification of a resource will be totally dependent on the outcome of further exploration. Any statement contained herein as to exploration results or exploration targets has been made consistent with the requirements of the JORC Code.

## **Mining Technology**

Bore Hole-Pump Mining ("BHPM") is considered the best option for mining the deposit, as it is able to utilize the running nature of the gold bearing sands and the ground water volumes to extract sediment from underground without expensive and environmentally intrusive large scale pits. Gold can then be separated via traditional gravity techniques. BHPM technology has evolved over a number of years and has been used successfully in a number of mines in Australia and overseas, The advantage of this mining and processing method is its relative simplicity, low operating cost, low environmental impact, absence of chemical residues, relatively low capital cost and low risk.

### **Proposed Exploration Program**

Initial exploration by Renison will be focused on outlining extensions of the Sydney Flat Deep Lead system to the north of the historic workings to define the most continuous and prospective areas. A staged program is planned:

- Multi-Spectral data interpretation to locate the clays within exposed channels;
- Ground-penetrating radar to ascertain the profiles of the channels;
- Air-core and reverse-circulation drilling to recover the auriferous sands; and
- Testing greater than 1 m<sup>3</sup> samples in a pilot plant to determine recoverable gold content.

The work is planned to test the mineralization sufficiently to define a JORC Resource.

### **NEW ZEALAND SOUTHERN COROMANDEL PROJECT**

Two exploration licence applications were submitted for highly prospective ground in the Southern Coromandel Region on the North Island of New Zealand. The area is host to the world class epithermal Waihi Gold Deposit along with several other large epithermal gold, silver and base metal deposits such as Golden Cross. The applications have been accepted for processing by Crown Minerals, and grant is expected in the fourth quarter of 2011.

The tenements are located in the highly prospective Hauraki Goldfields district within the mineralised corridor that is host to Newmont's Martha Mine (Waihi) and the Golden Cross gold and silver mine. These Exploration Permit Applications (EPAs) cover a total area of 303.8km<sup>2</sup> and consist of Klondyke EPA53464 (257.8km<sup>2</sup>) and Waitekauri EPA53469 (46km<sup>2</sup>). See figure 11.

The Hauraki Goldfields district was extensively mined between 1860 and 1952 when over 1300 tonnes of gold and silver bullion was produced. Since then, there has been little mining using modern mining techniques, apart from at the Golden Cross and Martha mines. The largest deposit in the Hauraki Goldfields district is Newmont's operational Martha Mine. This has produced an average of 100,000 ounces of gold and 700,000 ounces of silver annually since 1988. The Martha (Waihi) mine first commenced ore extraction in the late 19th century and is currently producing over 100,000 ounces of gold a year. Production from the Martha mine has been boosted by the development of the Favona deposit which commenced ore extraction in 2006. The Favona underground mine, situated adjacent to Martha Mine at Waihi, began extracting ore at the end of 2006, indicating there remains significant discovery potential in the area.

Epithermal Gold deposition is generally limited to between 100 and 400 metres below ground surface (equivalent to temperatures between 180 and 260C in low salinity, low gas systems). The majority of Coromandel gold/silver deposits have depth extents below 200m, with Waihi and Karangahake being the exceptions, extending to over 700m.

The Klondyke tenement (EPA53464) was acquired from the previous Prospecting Permit holder (RJY Consulting) for the payment of NZ\$ 5,000. A further payment of 10 million Renison shares will occur on the granting of the Exploration Permit. RJY Consulting will then earn a 0.75% Net Smelter Royalty on production from the tenement. The Waitekauri tenement (EPA53469) has recently become available and Renison's only cost to date has been the application fee (NZ\$2,551).

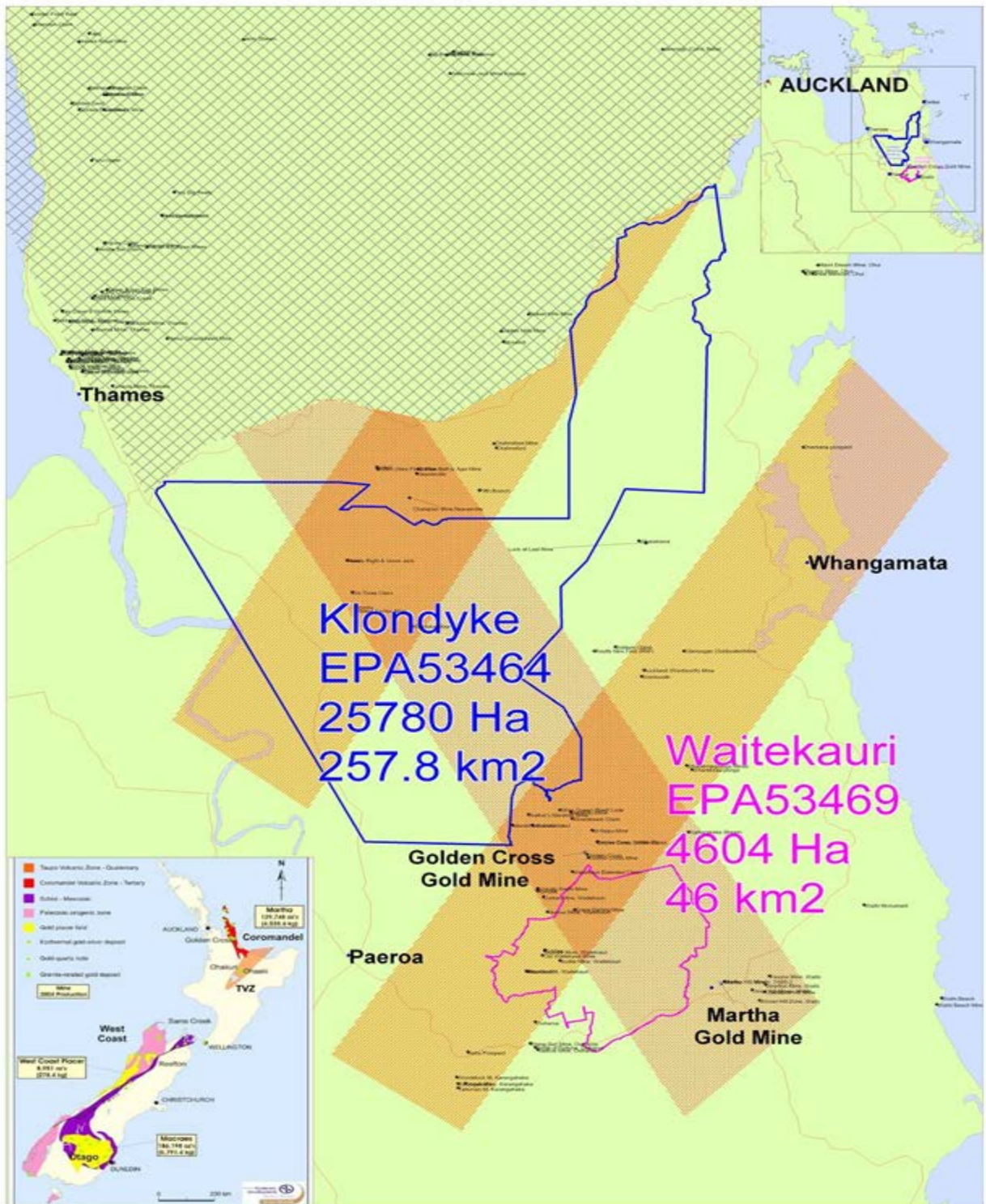


Figure 11 – Coromandel Project tenement location.

**Competent Persons Statement**

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Scott Hall who is a member of the Australian Institute of Mining and Metallurgy. Mr Hall is a full-time employee of Renison Consolidated Mines NL and has 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 as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.’ Mr Hall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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**REPORT OF THE DIRECTORS**

The directors present their report for the year ended 30 June 2011.

**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***

**SG Bizzell (Executive Chairman)**

Stephen Bizzell holds a Bachelor of Commerce degree and is a Chartered Accountant. He has had considerable experience and success in the fields of corporate restructuring, debt and equity financing and mergers and acquisitions and has over 15 years corporate finance and public company management experience in the resources sector in Australia and Canada with various public companies. He is the Chairman of boutique corporate advisory and funds management group Bizzell Capital Partners Pty Ltd.

Other Listed Company Directorships in the past three years:

- Bow Energy Ltd (listed January 2005)
- Dart Energy Ltd (listed August 2011)
- Diversa Ltd (appointed August 2011)
- Hot Rock Ltd (appointed September 2010)
- Stanmore Coal Ltd (listed December 2010)
- Renaissance Uranium Ltd (listed December 2010)
- Apollo Gas Ltd (listed December 2010 delisted January 2011)
- Arrow Energy Ltd (appointed June 1999, resigned August 2011)
- Liquefied Natural Gas Ltd - alternate director (appointed December 2007, resigned March 2011)

**RS Anthon (Non-Executive Director)**

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 25 years.

Other Listed Company Directorships in the past three years:

- Metals Finance Ltd (appointed October 2010)
- International Coal Ltd (listed August 2011)
- Baru Resources Ltd (listed September 2011)

**D Vincent (Non-Executive Director)**

David Vincent is a professional Engineer with post graduate academic qualifications in management and financial services. He was CEO for an offshore based business consultant company providing international corporate advisory and corporate public relations services. He was a senior executive with a large multi-national aerospace corporation, where he gained significant skills and experience in international business development, feasibility studies, market analysis, business planning, project financing management and marketing within the United Kingdom, the Middle East, North Africa and Eastern Europe.

**Company Secretary**

**P Marshall**

Paul Marshall holds a Bachelor of Law degree and is a Chartered Accountant. He has more than 25 years experience including 10 years with Ernst and Young and subsequently over fifteen years spent in commercial roles as Company Secretary and CFO for a number of listed and unlisted companies mainly in the resources sector.

**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 March 2012
	Fully Paid	Partly Paid	
Stephen Bizzell	532,827,053	85,332,534	13,121,973
Rick Anthon	7,851,036	-	91,000
David Vincent	-	-	-

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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 companies throughout the financial year:

- Tom's Gully Holdings Pty Ltd (100%)
- Renison Coal Pty Ltd (100%)
- Agate Creek Holdings Pty Ltd (100%)
- Tom's Gully Mining Pty Ltd (100%)

### Nature of operations and principal activities

The principal activities of the consolidated entity during the year were the exploration for and evaluation of gold and coal tenements.

## **Operating and Financial Review**

<b>Operating Results</b>	<b>2011</b>	<b>2010</b>
	\$	\$
Operating (loss) after tax from continuing activities	(4,331,980)	(4,385,028)
Operating profit/(loss) after tax from discontinued activities	-	238,326
Operating (loss) after income tax attributable to members	(4,331,980)	(4,146,702)

In the 2011 financial year the company has continued to explore its gold project at Agate Creek in Queensland, its coal tenements in New South Wales and also acquired new exploration projects in New Zealand and New South Wales.

## **Review of Financial Condition**

### Capital structure

During the period the Company issued 464 million ordinary shares in relation to the payment of \$1.755 million of interest on the March 2012 convertible notes. A call on 31 January 2011, in accordance with the existing call program, on its issued partly paid shares of 0.5 cents per partly paid share raised \$0.445 million for the Company. The call on the partly paid shares was not paid in relation to 63,449,872 shares. These shares were auctioned on 14 March 2011. None of the 63,449,872 shares that were auctioned were sold. Accordingly the forfeited shares will be held by the company in trust pending disposal by the directors in accordance with the Corporations Act 2001 and the Company's constitution. These shares have been disclosed as Treasury shares in Note 19 to the attached financial report. In addition the company issued 33.33 million shares to settle a liability of \$100,000 and 8.069 million shares in relation to the acquisition of a new tenement.

At 30 June 2011, the Company had 2,510 million ordinary shares, 152.5 million partly paid ordinary shares (paid to 8.6 cents with 16.4 cents to pay) and 44.9 million \$0.33 March 2012 convertible notes on issue.

### Treasury policy

The Company does not have a formally established treasury function. The Board is responsible for managing the Company's currency risks and finance facilities.

### Liquidity and funding

Following the failure of GBS Gold in September 2008 and the Company having to write off a receivable of \$27 million the Company has been supported by a loan facility provided by the Chairman of the Company while it seeks to raise funds by the sale of interests in the exploration assets still owned by the Company.

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Dividends

No dividend was paid during the year and none is recommended as at 30 June 2011.

**Significant Changes in the State of Affairs**

There were no significant changes in the State of Affairs of the Consolidated Entity during the year.

**Matters Subsequent to the End of the Financial Year**

No matter or circumstance has arisen since 30 June 2011, that has significantly affected, or, may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in financial years subsequent to 30 June 2011.

**Likely Developments and Expected Results of Operations**

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

**Share Options**

At the date of this report there are no unissued ordinary shares under options.

**Meetings of Directors**

The following table sets out the number of meetings of the Company's directors and of the Audit and the Remuneration and Nomination Committees held during the year ended 30 June 2011 and the number of meetings attended by each director.

	<b>Directors' Meetings</b>	<b>Audit</b>
<b>Number of meetings held</b>	2	2
<b>Number attended</b>		
S Bizzell	2	2
R Anthon	2	2
D Vincent	2	2

**Indemnification of Officers or Auditor**

During the financial year Renison paid a premium to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in a capacity of Director other than conduct involving a wilful breach of duty in relation to the Consolidated Entity. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and the amount of the premium paid. The Corporations Act does not require disclosure of the information in these circumstances. The consolidated entity has not indemnified its auditor.

**Proceedings on Behalf of the Company**

No person has applied for leave of Court to bring proceedings on behalf of the Consolidated Entity or intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Consolidated Entity for all or any part of those proceedings. The Consolidated Entity was not a party to any such proceedings during the year.

**Environmental Regulation and Performance**

The Company held authorisations under various exploration licences. There have been no known breaches of the authorisation or licence conditions.

## **REMUNERATION REPORT**

This report outlines the remuneration arrangements in place for the directors and key management personnel of Renison Consolidated Mines NL (the Company).

### **Remuneration Policy**

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

The Remuneration and Nomination Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the directors and the executive team. The Remuneration and Nomination 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. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash, equity and fringe benefits. It is intended that the manner of payments chosen will be optimal for the recipient without creating undue cost for the Company. Further details on the remuneration of directors and executives are set out in this Remuneration Report.

The Company aims to reward the executive directors and key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Company. The Board's policy is to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering long-term incentives.

In accordance with best practice corporate governance, the structure of non-executive director and executive director and key management personnel remuneration is separate and distinct.

### **Non-Executive Director Remuneration**

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Company's specific policy for determining the nature and amount of emoluments of board members of the Company is as follows:

- The Constitution of the Company provides that the non-executive directors are entitled to remuneration as determined by the Company in general meeting to be apportioned among them in such manner as the directors agree and, in default of agreement, equally. The aggregate remuneration currently determined by the Company is \$200,000 per annum. Additionally, non-executive directors will be entitled to be reimbursed for properly incurred expenses.
- If a non-executive director performs extra services, which in the opinion of the directors are outside the scope of the ordinary duties of the director, the Company may remunerate that director by payment of a fixed sum determined by the directors in addition to or instead of the remuneration referred to above. A non-executive director is entitled to be paid travelling and other expenses properly incurred by them in attending director's or general meetings of the Company or otherwise in connection with the business of the Company.

### **Executive Director and Key Management Personnel Remuneration**

The Company aims to reward the executive directors and key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward executives for company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

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The remuneration of the executive directors and key management personnel may from time to time be fixed by the board. The remuneration will comprise a fixed remuneration component and also may include offering specific short and long-term incentives, in the form of:

- performance based salary increases and/or bonuses; and/or
- the issue of options

**Employment Contracts**

It is the Board's policy that employment agreements are entered into with all executive directors, executives and employees. No current employment contracts contain early termination clauses. All non-executive directors have contracts of employment.

Stephen Bizzell is engaged as Executive Chairman. Agreement is a consultancy style agreement for the provision of services as executive director. Services are invoiced at a weekly rate of \$2,320.

Mr Kevin Grice is engaged as acting CEO and CFO. His contract provides for a fixed salary of \$225,000 plus superannuation at 9%.

**Discussion of the Relationship between the Remuneration Policy and the Consolidated Entity's Performance**

The factors that are considered to affect shareholder return are summarised below:

Measures	2011 \$	2010 \$	2009 \$	2008 \$	2007 \$
Share price at end of financial year	\$0.003	\$0.002	\$0.003	\$0.035	\$0.072
Earnings/(loss) per share (cents)	(0.19)	(0.25)	(0.40)	(4.13)	(6.65)
Loss for the financial year	(4,331,980)	(4,146,702)	(4,344,372)	(30,572,186)	(26,080,632)
Director & Key Management Personnel remuneration	785,912	776,369	917,462	881,783	1,465,065

The Board considers the Consolidated Entity's performance in the above matters when setting remuneration along with other factors relevant to an exploration company including the following:

- the identification of prospective tenements;
- subsequent design and execution of exploration programs;
- negotiating joint venture arrangements on terms favourable to the Company;
- expanding the level of mineral resources under the control of the company;
- carrying out exploration programs in a timely and cost effective manner.

**Details of Directors and Key Management Personnel**

*Directors*

RS Anthon	Director (non-executive)
SG Bizzell	Chairman (Executive Chairman)
DJ Vincent	Director (non-executive)

*Key Management Personnel*

K Grice	Acting Chief Executive Officer and Chief Financial Officer
S Hall	Exploration Manager
P Marshall	Company Secretary

Key management personnel are those directly accountable and responsible for the operational management and strategic direction of the company and the consolidated entity.

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**Director remuneration**

	Short-term				Post-Employment	Share-based payment	Total	Performance Related %
	Salary & Fees	Cash Bonus	Non-cash benefits	Termination Payments	Superannuation	Shares/Options		
R Anthon								
2011	30,000	-	-	-	-	-	30,000	-
2010	30,000	-	-	-	-	-	30,000	-
S Bizzell								
2011	122,960	-	17,594	-	-	-	140,554	-
2010	120,640	-	14,225	-	-	-	134,865	-
D Vincent								
2011	30,000	-	-	-	-	-	30,000	-
2010	30,000	-	-	-	-	-	30,000	-
TOTAL								
2011	182,960	-	17,594	-	-	-	200,554	-
2010	180,640	-	14,225	-	-	-	194,865	-

**Remuneration of the named key management personnel**

	Short-term				Post-Employment	Share-based payment	Total	Performance Related %
	Salary & Fees	Cash Bonus	Non-cash benefits	Termination Payments	Superannuation	Shares/Options		
K Grice								
2011	225,000	-	-	-	20,250	-	245,250	-
2010	225,000	-	-	-	20,250	-	245,250	-
S Hall								
2011	188,956	-	-	-	16,845	-	205,801	-
2010	187,156	-	-	-	16,844	-	204,000	-
P Marshall								
2011	132,500	-	1,807	-	-	-	134,307	-
2010	130,000	-	2,254	-	-	-	132,254	-
TOTAL								
2011	546,456	-	1,807	-	37,095	-	585,358	-
2010	542,156	-	2,254	-	37,094	-	581,504	-

**Compensation options: Granted and vested during the year**

No options were granted or vested in the 2010 or 2011 financial years.

**Shares issued on exercise of compensation options**

No shares were issued on the exercise of compensation options in the 2010 or 2011 financial years. There are currently no outstanding compensation options on issue.

***End of Remuneration Report***

**Auditor Independence Declaration Under Section 307c of The Corporations Act 2001 and Non-Audit Services**

The Auditor's Independence Declaration is attached and forms part of the Director's Report for the year ended 30 June 2011

The following non-audit services were provided by the entity's auditor PKF. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by

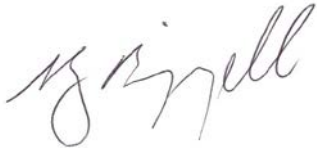
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the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

PKF received a total of \$nil for non-statutory audit services for taxation services.

Signed in accordance with a resolution of the Board of Directors



**SG Bizzell**  
**Chairman**  
**Brisbane      30 September 2011**



Chartered Accountants  
& Business Advisers

**Lead auditor's independence declaration under Section 307C of the Corporations Act 2001**

**To:** the directors of Renison Consolidated Mines NL and the entities it controlled during the year

I declare to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2011 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- no contraventions of any applicable code of professional conduct in relation to the audit.

  
PKF



**Albert Loots**  
Partner

Dated at Brisbane this 30th day of September 2011

Tel: 61 7 3226 3555 | Fax: 61 7 3226 3500 | [www.pkf.com.au](http://www.pkf.com.au)  
PKF | ABN 83 236 985 726  
Level 6, 10 Eagle Street | Brisbane | Queensland 4000 | Australia  
GPO Box 1078 | Brisbane | Queensland 4001

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**ADDITIONAL STOCK EXCHANGE INFORMATION**

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 20 September 2011.

**SHAREHOLDER INFORMATION**

**DISTRIBUTION OF NUMBER OF HOLDERS OF EACH CLASS OF SECURITIES AS AT 20 SEPTEMBER 2011.**

Number of Securities Held	Ordinary shares fully paid	Partly paid ordinary shares – paid to 8.6 cents	March 2012 Convertible Notes
	Nos of holders	Nos of holders	Nos of holders
1 to 1,000	371	4	168
1,001 to 5,000	815	17	175
5,001 to 10,000	647	18	44
10,001 to 100,000	1,567	35	117
100,001 and over	1,336	8	42
	<b>4,736</b>	<b>82</b>	<b>546</b>
Number of shareholders holding less than a marketable parcel of shares	3,792	82	325

**TWENTY LARGEST HOLDERS OF EACH QUOTED SECURITY**

**RSN – Ordinary Fully Paid Shares**

No.	Name of Shareholder	Holding	% Held
1	BCP ALPHA INVESTMENTS PTY LTD	164,177,834	6.56%
2	CF2 PTY LTD	150,000,000	5.99%
3	BIZZELL NOMINEES PTY LTD <SUPERFUND A/C>	122,857,019	4.91%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	110,704,562	4.42%
5	SYPCO HOLDINGS PTY LTD	98,000,000	3.91%
6	BIZZELL NOMINEES PTY LTD <BIZZELL FAMILY A/C>	45,000,000	1.80%
7	DR LEON EUGENE PRETORIUS	42,000,000	1.68%
8	SAMUEL HOLDINGS PTY LTD <SAMUEL DISCRETIONARY A/C>	40,000,000	1.60%
9	MR NAIGUANG CHEN	38,888,888	1.55%
10	UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	33,767,790	1.35%
11	JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	33,307,406	1.33%
12	SCINTILLA STRATEGIC INVESTMENTS LIMITED	30,500,000	1.22%
13	AWJ FAMILY PTY LTD	26,800,000	1.07%
14	BIZZELL NOMINEES PTY LTD <BIZZELL FAMILY A/C>	25,000,000	1.00%
15	MR CONSTANTINOS BOBOLAS	22,000,000	0.88%
16	MRS MARY LINNELL + MR CAMERON LINNELL	22,000,000	0.88%
17	MR RICHARD ANTHON <BIZZELL FOUNDATION A/C>	21,599,275	0.86%
18	MRS HUI CHING SU BARUAH	12,518,821	0.50%
19	MR DAVID LEONARD GOUGH	11,197,246	0.45%
20	BIOTEC INTERNATIONAL PTY LTD	10,598,508	0.42%
		<b>1,060,917,349</b>	<b>42.36%</b>

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**RSNCK – Ordinary Shares Paid to 8.6 Cents, 16.4 Cents Unpaid**

No.	Name of Shareholder	Holding	% Held
1	BIZZELL NOMINEES PTY LTD	73,003,234	81.98%
2	BCP ALPHA INVESTMENTS PTY LTD	13,000,000	14.60%
3	MR MICHAEL COWELL & MRS ANN COWELL	490,000	0.55%
4	MR PETER FISCHER	279,500	0.31%
5	BIZZELL NOMINEES PTY LTD <SUPERFUND A/C>	219,300	0.25%
6	MR JOHN MANUEL DUARTE	138,000	0.15%
7	MRS JOAN THERESE TUCKWELL	116,000	0.13%
8	MRS HEATHER JOY HALL	110,000	0.12%
9	BIZZELL NOMINEES PTY LTD <GZB A/C>	100,000	0.11%
10	HOWARD MORLEY & ASSOCIATES P/L	100,000	0.11%
11	MRS LEANNE ELIZABETH JAMES	100,000	0.11%
12	MR VALENTINO MARINELLI	100,000	0.11%
13	MR FRANK JOSEPH SEBESTYEN	100,000	0.11%
14	SCARESY PTY LTD	95,000	0.11%
15	MR LINDSAY WARREN MELL	70,350	0.08%
16	VIVIENNE ELAINE MELL	70,350	0.08%
17	HARVICK PTY LTD	61,250	0.07%
18	MR HENRY CHARLES HARKIN	60,000	0.07%
19	J & C REAL-TIME TECHNOLOGIES PTY LTD	50,000	0.06%
20	RIVERBLUE PTY LTD	50,000	0.06%
		88,312,984	99.17%

**RSNG – March 2012 Convertible Notes**

No.	Name of Shareholder	Holding	% Held
1	PINE MOUNTAIN PTY LTD	6,000,000	13.36%
2	SYPCO HOLDINGS PTY LTD	5,616,814	12.51%
3	BCP ALPHA INVESTMENTS PTY LTD	5,000,000	11.13%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	4,028,151	8.97%
5	MR RICHARD ANTHON <BIZZELL FOUNDATION A/C>	3,000,000	6.68%
6	BIZZELL NOMINEES PTY LTD <SUPERFUND A/C>	1,750,000	3.90%
7	HORRIE PTY LTD	1,689,557	3.76%
8	MR SHAUN EDWARD SCOTT	1,000,000	2.23%
9	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LTD	972,144	2.16%
10	JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	950,001	2.12%
11	UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	911,363	2.03%
12	LIMITS PTY LIMITED	600,000	1.34%
13	BIOTEC INTERNATIONAL PTY LTD	563,365	1.25%
14	STILWOOD CUSTODIANS PTY LTD	536,000	1.19%
15	MR DAVID LE CORNU + MRS BETTY LE CORNU ,MEGAN HOTEL P/L S/F>	522,738	1.16%
16	HILLMORTON CUSTODIANS PTY LTD <THE LENNOX UNIT A/C>	500,000	1.11%
17	MRS PETRINA TIERNEY	406,819	0.91%
18	STILWOOD PTY LTD	400,000	0.89%
19	MR GLENN ROBERT CHEESEMAN	397,839	0.89%
20	MR RICHARD AUSTIN + MRS PAMELA AUSTIN	362,000	0.81%
		35,206,791	78.40%

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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 are:

<u>Name of Shareholder</u>	<u>Date</u>	<u>Ordinary Shares</u>	<u>Partly Paid Shares</u>
Stephen Grant Bizzell	9/9/08	184,563,830	32,060,626

**UNQUOTED SECURITIES**

There are no unquoted securities at 30 June 2011.

**INTERESTS IN MINING TENEMENTS**

Renison Consolidated Mines NL held the following interests in mining and exploration tenements as at 20 September 2011:

**Queensland Tenements**

Type	Title No	Location	Interest
EPM	9632	Agate Creek	100%
EPM	10719	Agate Creek	100%
EPM	11237	Agate Creek	100%
EPM	11238	Agate Creek	100%
EPM Application	17788	Agate Creek	100%
EPM Application	17626	Agate Creek	100%
EPM Application	17629	Agate Creek	100%
EPM Application	17632	Agate Creek	100%
EPM Application	17949	Agate Creek	100%
MDL Application	402	Agate Creek	100%

**NSW Tenements**

Type	Title No	Location	Interest
EL	6433	Arrawatta	100%
EL	6434	Bukkulla	100%
EL	6234	Ashford	50%
EL	6526	Atholwood	50%
EL	6428	Ashford North	50%
EL	6521	Rob Roy	100%
EL	6918	Uralla	0%*

\*option to purchase is held

**New Zealand Tenements**

Type	Title No	Location	Interest
EP Application	53464	Klondyke	100%
EP Application	53469	Waitekauri	100%

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**CORPORATE GOVERNANCE STATEMENT**

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

Renison Consolidated Mines NL's Corporate Governance Statement is structured with reference to the Australian Stock Exchange ("ASX") Corporate Governance Council's (the "Council") "Corporate Governance Principles and Recommendations, 2<sup>nd</sup> Edition", 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	Remunerate fairly and responsibly

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. The Company's current policies do not meet the recommended practices in the following areas due to the board currently consisting of only three directors one of whom is the executive chairman.

<b>ASX Principles and recommendations</b>	<b>Summary of the Company's Position</b>
<b><i>Principle 2 – Structure the board to add value</i></b>	
Recommendation 2.2 – The chair should be an independent director	The chairman of the company is not an independent director as he is both a substantial shareholder in the company and undertakes an executive director role in the company.
Recommendation 2.4 – The board should establish a nomination committee	Due to the size and scale of operations, Renison does not have a separately established nomination committee. The Board currently performs the functions of a nomination committee and where necessary will seek advice of external advisors in relation to this role.
<b><i>Principle 4 – Safeguard integrity in financial reporting</i></b>	
Recommendation 4.2 – The audit committee should be structured so that it: <ul style="list-style-type: none"> <li>- Consists only of non-executive directors</li> <li>- Consists of a majority of independent directors</li> <li>- Is chaired by an independent chair, who is not chair of the board</li> <li>- Has at least 3 members</li> </ul>	During the 2010/11 financial year the full board was also the audit committee. It currently meets all the recommendations except it does not meet the recommendation that the committee consists of only non-executive directors as one of the directors SG Bizzell is not a non-executive director.
<b><i>Principle 7 – Recognise and manage risk</i></b>	
Recommendation 7.2 – The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	While the design and implementation of a basic risk management and internal control system is in place, a formal report as to the effectiveness of the management of the Company's material business risks has not been provided to the board, and is not considered necessary at this stage for the size and nature of the Company's current activities.

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***Principle 8 - Remunerate fairly and responsibly***

Recommendation 8.1 – The board should establish a remuneration committee

Due to the size and scale of operations, Renison does not have a separately established nomination committee. The Board currently performs the functions of a nomination committee. For further details regarding remuneration please refer to the Remuneration Report included in the Directors Report.

**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 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, SG Bizzell who is a substantial shareholder and an executive if the company is not classified as independent while RS Anthon and DJ Vincent are considered to be independent as at the date of this report. The term in office held by each director in office at the date of this report is as follows:

Name	Term in Office
DJ Vincent	4 years
RS Anthon	15 years
SG Bizzell	15 years

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.

**Trading Policy**

The Board has adopted a policy and procedure on dealing in the Company's securities by Directors, officers and employees which prohibits dealing in the Company's securities when those persons possess inside information, until it has been released to the market and adequate time has passed for this to be reflected in the security's prices. In addition trading is only permitted during certain pre-determined windows.

**Diversification**

The recruitment and selection processes adopted by the Company ensure that staff and management are selected in a non-discriminatory manner based on merit. The Company values diversity in the organisation. In light of recent amendments to the ASX's Corporate Governance Principles, the Company intends to formalise its diversity policy and establish suitable diversity targets.

**Remuneration and Nomination Committee**

The full board now deals with the matters to be covered by the Remuneration and Nomination committee including when necessary, selecting candidates for the position of director.

**Audit Committee**

The Audit Committee 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 Company. 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

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responsibility for the establishment and maintenance of a framework of internal control and ethical standards for the management of the Company to the audit committee.

*Qualifications of audit committee members*

RS Anthon has been a practicing solicitor for over 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. DJ Vincent is a professional Engineer with post graduate academic qualifications in management and financial services. SG Bizzell is a chartered accountant. 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.

**Risk Management**

The Company has developed a basic framework for risk management and internal compliance and control systems which cover organisational, financial and operational aspects of the Company's affairs. Further detail of the Company's Risk Management policies can be found within the Audit and Risk Management Committee Charter available on the Company's website. As required by Recommendation 7.3, the Board has received written assurances from the Chief Executive Officer and Chief Financial Officer that to the best of their knowledge and belief, the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that they system is operating effectively in all material respects in relation to financial reporting risks.

**Performance**

The full Board, in carrying out the functions of the Remuneration and Nomination Committee, considers remuneration and nomination issues annually and otherwise as required in conjunction with the regular meetings of the Board. The performance of the individual members of the Board is considered at the regular meetings of the Board. No formal performance evaluation of the directors was undertaken during the year ended 30 June 2011.

**Continuous Disclosure Policy**

Detailed compliance procedures for ASX Listing Rule disclosure requirements have been adopted by the Company. A copy of the Continuous Disclosure Policy can be found within the Company's Corporate Governance Statement on the Company's website in the Corporate Governance section.

**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 and employment market conditions. There is currently no link between the nature and amount of Executive Director's and Officer's emoluments to the Company's financial and operations performance. The expected outcomes of the remuneration structure are the retention and motivation of key Executives and the attraction of quality management to the Company

For details on the amount of remuneration and all monetary and non-monetary components for each of the five highest paid (Non-Director) Executives during the period, and for all Directors, please refer to the Remuneration Report within the Directors' Report. 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. The Board is responsible for determining and reviewing compensation arrangements for the directors themselves and the chief executive officer and the executive team.

**Communications**

The Company has adopted a Communications Policy aimed at promoting effective communications with shareholders and encouraging shareholder participation at general shareholder meetings. A copy of the policy can be found within the Company's Corporate Governance Statement on the Company's website in the Corporate Governance section. In addition to corporate and project information generally available on the Company's website, in the News & Investor Relations section of the Company's website the following information is made available:

- ASX Announcements
- Annual and Quarterly Reports

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**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	Note	<b>Consolidated</b> <b>2011</b> \$	<b>2010</b> \$
<b>Continuing Operations</b>			
<b>Revenue</b>	2	102,391	89,972
Other Income/(Expense)	4	(400)	(50,102)
Exploration expenditure		-	(35,519)
Depreciation and amortisation expenses	4	(27,451)	(31,034)
Finance costs	4	(3,097,484)	(2,865,093)
Employment costs		(779,988)	(928,479)
Other expenses		(529,048)	(564,773)
<b>Loss from ordinary activities before tax</b>		<u>(4,331,980)</u>	<u>(4,385,028)</u>
Income tax expense	5	-	-
<b>Loss from continuing operations after income tax</b>		<u>(4,331,980)</u>	<u>(4,385,028)</u>
<b>Profit/(Loss) from discontinued operations after income tax</b>	31	-	238,326
<b>Loss for the period</b>		<u>(4,331,980)</u>	<u>(4,146,702)</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>(4,331,980)</u>	<u>(4,146,702)</u>
<b>Total comprehensive income for the year is attributable to: Owners of Renison Consolidated Mines NL</b>		<u>(4,331,980)</u>	<u>(4,146,702)</u>
<b>Loss per share</b>			
Basic and diluted (loss) per share (cents per share)	25	(0.19)	(0.25)
<b>Continuing operations</b>			
Basic and diluted (loss) per share (cents per share)	25	(0.19)	(0.26)

The above statement of comprehensive income should be read in conjunction with the accompanying notes

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**BALANCE SHEET**  
**AS AT 30 JUNE 2011**

	Note	Consolidated	
		2011	2010
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	6	8,605	56,351
Trade and other receivables	7	22,372	11,328
Financial assets	8	800	1,200
Prepayments	9	35,252	47,611
<b>Total Current Assets</b>		67,029	116,490
<b>Non-Current Assets</b>			
Trade and other receivables	10	157,575	177,567
Other financial assets	11	-	-
Property, plant & equipment	12	70,489	94,310
Exploration and development	13	9,230,999	7,950,279
<b>Total Non-Current Assets</b>		9,459,063	8,222,156
<b>Total Assets</b>		9,526,092	8,338,646
<b>Current Liabilities</b>			
Trade and other payables	14	1,803,526	1,655,917
Interest bearing loans and borrowings	15	14,833,911	12,427
Provisions	16	97,049	94,635
<b>Total Current Liabilities</b>		16,734,486	1,762,979
<b>Non-Current Liabilities</b>			
Interest bearing loans and borrowings	17	13,276,900	25,049,640
Provisions	18	205,650	205,650
<b>Total Non-Current Liabilities</b>		13,482,550	25,255,290
<b>Total Liabilities</b>		30,217,036	27,018,269
<b>Net Assets/(Liabilities)</b>		(20,690,944)	(18,679,623)
<b>Equity</b>			
Equity attributable to equity holders of the parent			
Share capital	19	83,473,897	81,153,238
Accumulated Losses	20	(104,164,841)	(99,832,861)
<b>Total Equity</b>		(20,690,944)	(18,679,623)

The above balance sheet should be read in conjunction with the accompanying notes

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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2011**

<b>Consolidated</b>	<b>Issued Capital</b>	<b>Accumulated Losses</b>	<b>Total</b>
	\$	\$	\$
<b>Balance at 1 July 2009</b>	77,017,606	(95,686,159)	(18,668,553)
Total comprehensive income	-	(4,146,702)	(4,146,702)
<b>Transactions with owners in their capacity as owners</b>			
Call payment on partly paid shares	358,889	-	358,889
Shares issued re convertible note interest reinvestment plan	1,759,443	-	1,759,443
Placement of shares	2,100,000	-	2,100,000
Security issue costs	(82,700)	-	(82,700)
Total transactions with owners	4,135,632	-	4,135,632
<b>Balance at 30 June 2010</b>	<b>81,153,238</b>	<b>(99,832,861)</b>	<b>(18,679,623)</b>
<b>Balance at 1 July 2010</b>	81,153,238	(99,832,861)	(18,679,623)
Total comprehensive income	-	(4,331,980)	(4,331,980)
<b>Transactions with owners in their capacity as owners</b>			
Call payment on partly paid shares	445,251	-	445,251
Shares issued re convertible note interest reinvestment plan	1,755,408	-	1,755,408
Shares issued re creditor payment	100,000	-	100,000
Shares issued re project acquisition	20,000	-	20,000
Total transactions with owners	2,320,659	-	2,320,659
<b>At 30 June 2011</b>	<b>83,473,897</b>	<b>(104,164,841)</b>	<b>(20,690,944)</b>

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	Note	Consolidated	
		2011	2010
		\$	\$
<b>Cash Flows from Operating Activities</b>			
Cash receipts in the course of operations		86,494	106,343
Cash payments in the course of operations		(959,950)	(1,500,208)
Interest received		1,459	1,570
Interest paid		(13,371)	(38,040)
<b>Net Cash Used in Operating Activities</b>	21	<u>(885,368)</u>	<u>(1,430,335)</u>
<b>Cash Flow From Investing Activities</b>			
Payments for property, plant & equipment		(3,631)	(14,478)
Proceeds of sale of plant and equipment		-	49,936
Payments re Tom's Gully mine		-	(99,566)
Payments for exploration & development		(1,380,400)	(1,119,912)
Payments of security deposits		19,992	159,996
<b>Net Cash Flow (Used in)/Provided by Investing Activities</b>		<u>(1,364,039)</u>	<u>(1,024,024)</u>
<b>Cash Flow from Financing Activities</b>			
Proceeds from issue of shares		445,251	2,458,889
Payments for issue of shares/debt securities		-	(82,700)
Loans received		2,200,000	915,000
Loans repaid		(431,163)	(698,001)
Repayment of hp/finance lease principal		(12,427)	(84,680)
<b>Net Cash Flow from Financing Activities</b>		<u>2,201,661</u>	<u>2,508,508</u>
Net increase (decrease) in cash held		(47,746)	54,149
Cash at the beginning of the financial year		56,351	2,202
<b>Cash at the end of the financial year</b>	6	<u>8,605</u>	<u>56,351</u>

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

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## **1. CORPORATE INFORMATION**

### **Introduction**

Renison Consolidated Mines NL is incorporated in Australia.

#### *Operations and principal activities*

Principal activities comprise of mineral exploration.

#### *Scope of financial statements*

The consolidated financial statements consist of Renison Consolidated Mines NL and the entities it controlled at the end of, or during, the year ended 30 June 2011.

#### *Currency*

The financial report is presented in Australia dollars and rounded to the nearest one dollar.

#### *Authorisation of financial report*

The financial report was authorised for issue on 30 September 2011.

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, and the Corporations Act 2001. The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### *Compliance with IFRS*

The consolidated financial statements of Renison Consolidated Mines NL group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### *Historical cost convention*

These financial statements have been prepared under the historical cost convention.

#### *Critical accounting estimates and judgements*

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

#### *Going concern basis for accounting*

The consolidated entity has a net deficiency of assets at 30 June 2011 of \$20,690,944 (2010: \$18,679,623), net current liabilities of \$16,667,457 – including \$14,820,000 in March 2012 convertible notes that at the redemption date the notes and any accrued interest are repayable in cash or at the company's election by the issue of ordinary shares in Renison at the rate of 85% of the 10 day vwap prior to the maturity date - (2010: \$1,646,489) and has incurred losses of \$4,331,980 (2010: \$4,146,702), for the year then ended. These conditions give rise to a material uncertainty which may cast significant doubt about the ability of the consolidated entity to continue as a going concern.

The ability of the consolidated entity to continue as a going concern is principally dependent upon one or more of the following:

- Settlement of \$14,820,000 March 2012 convertible notes and any accrued interest through the issue of ordinary shares in Renison at the rate of 85% of the 10 day vwap prior to the maturity date.
- Continuation of debt funding. The company has an existing loan facility of \$15 million provided by a director related entity. As at the date of this report there is approximately \$1,100,000 available to be drawn down under this facility. The director who has provided the loan facility has assured the company that the loan will not be called for repayment within the next 12 months. The director has also made a commitment to increase the facility to \$17.2m in the event the company hasn't either completed a sale of assets and/or completed a capital raising by the start of the 2012 calendar year.
- The realisation of funds from the sale of certain assets. The company is in negotiations to sell some of its exploration assets. As at the date of this report the directors are unable to confirm the success or otherwise of these negotiations.

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As a result of the ongoing support from a director of the company and the anticipated successful asset sales the directors believe the going concern basis of preparation is appropriate, and accordingly have prepared the financial report on this basis. The going concern basis presumes that funds will be available to finance future operations and that the realisation of assets and liabilities will occur in the normal course of business.

Should the consolidated entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the consolidated entity be unable to continue as a going concern.

### **Principles of consolidation**

#### *Subsidiaries*

A controlled entity is any entity Renison Consolidated Mines NL has the power to control the financial and operating policies so as to obtain benefits from its activities. A list of controlled entities is contained in Note 11 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the consolidated entity. Investments in subsidiaries are accounted for at cost in the individual financial statements of the parent entity.

#### *Joint Ventures*

The consolidated entity's share of the assets, liabilities, revenue and expenses of joint venture assets are included in the appropriate items of the consolidated financial statements.

### **Critical accounting estimates and judgments**

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

#### *Key estimates – impairment*

The consolidated entity assesses impairment at each reporting date by evaluating conditions specific to the consolidated entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

### **Foreign Currencies**

Items included in the financial statements of each of the Company entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

### **Revenue Recognition**

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Sale of minerals: Revenue from the sale of minerals is accrued once the mineral is transported from the minesite to the refinery based upon confirmation from the refinery of the quantity of gold and silver refined.

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Interest revenue is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimate future cash receipts through the expected life of the financial asset to that asset's net carrying value.

**Taxes**

*Income taxes*

The income tax expense or benefit for the period is the tax payable on the current periods taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

*Tax Consolidation Legislation*

Renison Consolidated Mines NL and its wholly owned Australian subsidiaries entered the tax consolidation regime with effect from 1 July 2004. As a consequence the subsidiaries are no longer subject to income tax as separate entities unless the parent entity is in default of its obligations, a default is probable, or the tax amounts relate to taxable income incurred prior to the implementation of the tax consolidation regime. The tax sharing agreement will limit potential liabilities of the subsidiary entities, should Renison Consolidated Mines NL be in default of its obligations. Amounts payable or receivable under such a tax sharing agreement with the parent entity will be recognised in accordance with the terms and conditions of the agreement as tax related amounts receivable or payable. Expenses and revenues arising under the tax sharing agreement will be recognised as income tax expense (revenue). The impact on the income tax expense and results of Renison Consolidated Mines NL is immaterial because of the current tax position of the group.

**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 or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable, and except for receivables and payables which are stated inclusive of GST.

Cash flows are included in the statement of cashflows 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.

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. Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to the taxation authority.

**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 consolidated entity 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.

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**Cash and cash equivalents**

For purposes of the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits at call with financial institutions and other highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

**Receivables**

All trade receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision of doubtful receivables is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

Loans between companies within the consolidated entity are included in current assets of the Parent entity, except for those with anticipated repayment terms greater than 12 months after the balance sheet date which are classified as non-current assets. Such assets are carried at amortised cost using the effective rate interest method. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

The carrying amounts of the loans are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the loan is impaired to its recoverable amount. The recoverable amount of the receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate

**Investments and other financial assets**

The consolidated entity classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

*(i) Financial Assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading which are acquired principally for the purpose of selling in the short term with the intention of making a profit. Derivatives are also categorised as held for trading unless they are designated as hedges.

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the consolidated entity provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Such assets are carried at amortised cost using the effective rate interest method. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the consolidated entity's management has the positive intention and ability to hold to maturity.

*(iv) Available-for-sale financial assets*

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Regular purchases and sales of investments are recognised on trade-date – the date on which the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investment are carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss'

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category, including interest and dividend income, are presented in the income statement within other income or other expenses in the period in which they arise.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes, in the carrying amount of the security. The translation differences are recognised in profit and loss and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

The fair values of quoted investment are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the consolidated entity established fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The consolidated entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition costs and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is removed from equity and recognised in the income statement.

### **Property, Plant and Equipment**

#### *Plant and Equipment*

The exploration plant and equipment is recorded 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. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

Major depreciation periods are	
- Exploration plant and equipment	7-8 years
- Motor vehicles	5-6 years
- Office and computer equipment	3-8 years

### **Exploration, Evaluation and Development Expenditure**

#### *Costs Carried Forward*

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but does not include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

#### *Amortisation*

Capitalised exploration, evaluation, development and construction costs are amortised over the life of the area of interest to which they relate. Amortisation charges are determined on a production output basis. Economically recoverable reserves are reassessed annually to establish any adjustments required to amortisation patterns.

#### *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 and other costs associated with the restoration of the site. 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.

Both for close down and restoration and for environmental clean-up costs, provision is made in the accounting period when the related disturbance occurs, based on the net present value of estimated future costs.

For close down and restoration costs, which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas, movements in provision other than the amortisation of the discount, such as

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those resulting from changes in the cost estimates, lives of operations or discount rates, are capitalised into the carrying amount of development and amortised against future production.

**Payables**

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

**Borrowings**

All loans and convertible notes are measured at the principal amount net of transaction costs incurred. Costs in relation to the convertible notes issued are amortised on a straight line basis over the period from issue of the notes until the redemption date of the notes. Interest is charged as an expense as it accrues.

**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.

Forfeited partly paid shares that are held in trust by the company pending disposal are disclosed as treasury shares.

**Employee Benefits**

*(i) Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and any vesting sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

*(ii) Long service leave*

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

*(iii) Share-based payments*

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

*(iv) Employee benefit on-costs*

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

**Earnings/Loss per Share**

*Basic earnings per share*

Basic earnings per share is determined by dividing net profit after income tax attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of the ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

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*Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**Segment Reporting**

The consolidated entity operates in one segment, being the exploration, development, and production of minerals. All of the consolidated entity's areas of operation are currently located in Australia.

**Comparatives**

When required by Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**Discontinued Operations**

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the income statement.

**New Accounting Standards and Interpretations**

The Consolidated Entity adopted the following new Accounting Standard and Interpretations during the period:

- AASB 2009-5 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project. Amendments are made to AASB 5, 8, 101, 107, 117, 118, 136 & 139.'
- AASB 2009-8 'Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions'.
- AASB 2009-10 'Amendments to Australian Accounting Standards - Classification of Rights Issues'.
- Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments.

There were no material impacts on the financial statements or performance of the Consolidated Entity.

**New Standards and Interpretations Not Yet Adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The Consolidated Entity has decided against early adoption of these standards. The Consolidated Entity's assessment of the impact of these new standards and interpretations is set out below:

*AASB 2009-12 Amendments to Australian Accounting Standards*

These amendments are applicable to annual reporting periods beginning on or after 1 January 2011. These amendments make numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, which have no major impact on the requirements of the amended pronouncements. The main amendment is to AASB 8 'Operating Segments' and requires an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The adoption of these amendments from 1 July 2011 will not have a material impact on the Consolidated Entity.

*AASB 2010-5 Amendments to Australian Accounting Standards*

These amendments are applicable to annual reporting periods beginning on or after 1 January 2011. These amendments makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the International Accounting Standards Board. The adoption of these amendments from 1 July 2011 will not have a material impact on the Consolidated Entity.

*AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and 2010-7 Amendments to Australian Accounting Standards arising from AASB 9*

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive

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income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The Consolidated Entity will adopt this standard from 1 July 2013 but the impact of its adoption is yet to be assessed by the Consolidated Entity.

*AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*

These amendments are applicable to annual reporting periods beginning on or after 1 January 2011. These amendments are a consequence of the annual improvements project and make numerous non-urgent but necessary amendments to a range of Australian Accounting Standards and Interpretations. The amendments provide clarification of disclosures in AASB 7 'Financial Instruments: Disclosures', in particular emphasis of the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instrument; clarifies that an entity can present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes in accordance with AASB 101 'Presentation of Financial Instruments'; and provides guidance on the disclosure of significant events and transactions in AASB 134 'Interim Financial Reporting'. The adoption of these amendments from 1 July 2011 will not have a material impact on the consolidated entity.

*AASB 124 Related Party Disclosures (December 2009)*

This revised standard is applicable to annual reporting periods beginning on or after 1 January 2011. This revised standard simplifies the definition of a related party by clarifying its intended meaning and eliminating inconsistencies from the definition. The definition now identifies a subsidiary and an associate with the same investor as related parties of each other; entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other; and whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other. This revised standard introduces a partial exemption of disclosure requirement for government-related entities. The adoption of this standard from 1 July 2011 will not have a material impact on the Consolidated Entity.

*AASB 2010-6 Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets*

These amendments are applicable to annual reporting periods beginning on or after 1 July 2011. These amendments add and amend disclosure requirements in AASB 7 about transfer of financial assets, including the nature of the financial assets involved and the risks associated with them. The adoption of these amendments from 1 July 2011 will increase the disclosure requirements on the Consolidated Entity when an asset is transferred but is not derecognised and new disclosure required when assets are derecognised but the Consolidated Entity continues to have a continuing exposure to the asset after the sale.

*AASB 2010-8 Amendments to Australian Accounting Standards- Deferred Tax: Recovery of Underlying Assets*

These amendments are applicable to annual reporting periods beginning on or after 1 January 2012 and a practical approach for the measurement of deferred tax relating to investment properties measured at fair value, property, plant and equipment and intangible assets measured using the revaluation model. The measurement of deferred tax for these specified assets is based on the presumption that the carrying amount of the underlying asset will be recovered entirely through sale, unless the entity has clear evidence that economic benefits of the underlying asset will be consumed during its economic life. The Consolidated Entity is yet to quantify the tax effect of adopting these amendments from 1 July 2012.

*AASB 10: 'Consolidated Financial Statements'*

This standard replaces the part of AASB 127: 'Consolidated and Separated Financial Statements' and is applicable for the annual period beginning 1 January 2013. This new standard introduces a new definition of control that determines which entities are consolidated. This new definition of control may potentially lead to the consolidation of entities that were not previously included in the Consolidated Group resulting in more assets and liabilities on the books. The Consolidated Group is currently assessing the impact of this standard.

*AASB 11: 'Joints Arrangements'*

This standard replaces AASB 131: 'Interest in Joint Ventures' and is applicable for annual periods beginning on or after 1 January 2013. This new standard introduces new rules which classify joint arrangements as either a joint operation or joint venture. Under the new standard, proportionate consolidation is not allowed and all joint ventures must be equity accounted. All joint arrangements held by the Consolidated Group will need to be reassessed to determine whether the joint operation or joint venture classification is appropriate, and therefore the potential impacts of a change on the presentation of the Financial Statements. The Consolidated Group is currently assessing the impact of this standard.

*AASB 12: 'Disclosure of interest in other Entities'*

This standard is applicable for annual reporting periods beginning on or after 1 January 2013. This standard clarifies the disclosure requirements for all forms of interests in other entities including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Consolidated Group is assessing the impact of this standard.

*AASB 13: 'Fair Value Measurement'*

This standard establishes a single course of guidance for determining the fair value of assets and liabilities. The Consolidated Group is currently assessing the impact of this standard.

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	<b>Consolidated Entity</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>2. OTHER REVENUE</b>		
<b>Revenues from continuing operations</b>		
Other income	100,932	88,402
Bank interest income	1,459	1,570
	102,391	89,972
<b>3. OTHER INCOME</b>		
<b>Other income from continuing operations</b>		
Fair value gain on other financial assets	-	-
	-	-
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>4. EXPENSES</b>		
Loss from ordinary activities before income tax includes the following specific items:		
<b>Depreciation of non-current assets</b>		
- Plant and equipment	27,451	31,034
<b>Finance costs</b>		
Interest on convertible notes	1,778,400	1,778,400
Finance charges under hire purchase and finance leases	7,783	9,110
Interest loan – Director related entity	1,292,334	1,059,412
Interest other	18,967	18,171
	3,097,484	2,865,093
Fair value loss on other financial assets	400	67
Net loss from disposal of plant and equipment	-	50,035
Write off of exploration and development expenditure	-	35,519
Operating lease rental payments	151,919	142,892
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>5. INCOME TAX</b>		
A reconciliation of income tax expense (benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the company's effective income tax rate for the years ended 30 June 2011 and 2010 is as follows:		
Accounting profit (loss) before tax from continuing operations	(4,331,980)	(4,385,028)
Profit/(Loss) before tax from discontinued operations	-	238,326
Accounting profit (loss) before income tax	(4,331,980)	(4,146,702)
At the statutory income tax rate of 30% (2010: 30%)	(1,299,594)	(1,244,011)
Temporary difference not brought to account as a DTA	(379,606)	(212,940)
Non-deductible expenses	450	10,676
Deferred tax assets not brought to account	1,678,750	1,446,275
Income tax expense	-	-
Effective income tax rate	0%	0%

**Tax consolidation**

The Company and its 100% owned controlled entities have formed a tax consolidated group. Members of the Consolidated Entity have entered into a tax sharing arrangement in order to allocate income tax expenses to the wholly owned controlled

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entities on a pro-rata basis. The agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At balance date, the possibility of default is remote. The head entity of the tax consolidated group is Renison Consolidated Mines NL.

**Tax effect accounting by members of the tax consolidated group**

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group. Deferred taxes are allocated to members of the tax consolidated group in accordance with a group allocation approach which is consistent with the principles of AASB 112 Income Taxes. The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the member entities' intercompany accounts with the tax consolidated group head company, Renison Consolidated Mines NL. In this regard the Company has assumed the benefit of tax losses from the member entities as of the balance date. The nature of the tax funding agreement is such that no tax consolidation contributions by or distributions to equity participants are required.

	<b>Consolidated Entity</b>	
<b>Unrecognised temporary differences and tax losses</b>	<b>2011</b>	<b>2010</b>
	\$	\$
Tax losses and temporary differences	27,548,439	26,910,687

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the company can utilise these benefits.

	<b>Consolidated Entity</b>	
<b>6: CASH AND CASH EQUIVALENTS (CURRENT)</b>	<b>2011</b>	<b>2010</b>
	\$	\$
Cash at bank and in hand	8,605	56,351

**7. TRADE AND OTHER RECEIVABLES (CURRENT)**

Other debtors	22,372	11,328
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Allowance for impairment loss

Current trade and other receivables are non-interest bearing and are generally on 0-90 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired.

<b>Consolidated</b>	<b>2011</b>			<b>2010</b>		
	<b>Total</b>	<b>Amount Impaired</b>	<b>Amount not impaired</b>	<b>Total</b>	<b>Amount Impaired</b>	<b>Amount not impaired</b>
	\$	\$	\$	\$	\$	\$
Not past due	22,372	-	22,372	11,000	-	11,000
Past due [0-90] days	-	-	-	328	-	328
Past due [>90] days	-	-	-	-	-	-
<b>Total</b>	22,372	-	22,372	11,328	-	11,328

Fair value and credit risk

Due to the short term nature of the current receivables the carrying value is assumed to approximate their fair value. The maximum exposure is the fair value of the receivables. Collateral is not held as security.

	<b>Consolidated Entity</b>	
<b>8. OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CURRENT)</b>	<b>2011</b>	<b>2010</b>
	\$	\$
Australian listed shares	800	1,200

	<b>Consolidated Entity</b>	
<b>9. PREPAYMENTS (CURRENT)</b>	<b>2011</b>	<b>2010</b>
	\$	\$
Prepayments	35,252	47,611

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<b>10. RECEIVABLES (NON-CURRENT)</b>	<b>Consolidated Entity</b>	
	<b>2011</b>	<b>2010</b>
	\$	\$
Other receivables	157,575	177,567

Other receivables are security bonds in relation to leases and tenements held and term deposits lodged as security in relation to guarantees provided for tenements held.

<b>11. OTHER FINANCIAL ASSETS (NON-CURRENT)</b>	<b>Consolidated Entity</b>	
	<b>2011</b>	<b>2010</b>
	\$	\$
Investments in controlled entities	-	-

All companies are incorporated in Australia	<b>Percentage of equity interest</b>		<b>Parent Investment</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	%	%	\$	\$
Tom's Gully Holdings Pty Ltd	100	100	1	1
Tom's Gully Mining Pty Ltd	100	100	2	2
Renison Coal Pty Ltd	100	100	1	1
Agate Creek Holdings Pty Ltd	100	100	1	1
			5	5

**12. PROPERTY, PLANT AND EQUIPMENT**

	Motor Vehicles	<b>Consolidated</b> Plant & Equip	Total
	\$	\$	\$
<b>Period ended 30 June 2011</b>			
At 1 July 2010, net of accumulated depreciation	59,111	35,199	94,310
Additions	-	3,630	3,630
Disposals net book value	-	-	-
Depreciation charge for the year	(14,633)	(12,818)	(27,451)
At 30 June 2011, net of accumulated depreciation	44,478	26,011	70,489
<b>At 1 July 2010</b>			
Cost	87,799	161,368	249,167
Accumulated depreciation	(28,689)	(126,169)	(154,858)
Net carrying amount	59,111	35,199	94,310
<b>At 30 June 2011</b>			
Cost	87,799	164,999	252,798
Accumulated depreciation	(43,321)	(138,988)	(182,309)
Net carrying amount	44,478	26,011	70,489

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	Motor Vehicles \$	Consolidated Plant & Equip \$	Total \$
<b>Period ended 30 June 2010</b>			
At 1 July 2009, net of accumulated depreciation	173,789	37,048	210,837
Additions	-	14,521	14,521
Disposals net book value	(100,014)	-	(100,014)
Depreciation charge for the year	(14,664)	(16,370)	(31,034)
At 30 June 2010, net of accumulated depreciation	<u>59,111</u>	<u>35,199</u>	<u>94,310</u>
<b>At 1 July 2009</b>			
Cost	187,814	146,847	334,661
Accumulated depreciation	(14,025)	(109,799)	(123,824)
Net carrying amount	<u>173,789</u>	<u>37,048</u>	<u>210,837</u>
<b>At 30 June 2010</b>			
Cost	87,800	161,368	249,168
Accumulated depreciation	(28,689)	(126,169)	(154,858)
Net carrying amount	<u>59,111</u>	<u>35,199</u>	<u>94,310</u>

The carrying value of plant and equipment held under finance leases and hire purchase contracts at 30 June 2011 is \$44,478 (2010 - \$59,111). Additions during the year include \$nil (2010 - \$nil) of plant and equipment held under finance leases and hire purchase contracts while the net book value of disposals of such assets was \$nil (2010 - \$100,014). Leased assets held under hire purchase are pledged as security for the related finance leases and hire purchase liabilities.

	<b>Consolidated Entity</b>	
	<b>2011</b>	<b>2010</b>
	\$	\$
<b>13. DEFERRED EXPLORATION AND DEVELOPMENT COSTS (NON CURRENT)</b>		
Exploration and development costs carried forward in respect of areas of interest		
- Exploration phase	<u>9,230,999</u>	<u>7,950,279</u>
Reconciliation		
Exploration expenditure capitalised		
- Opening balance	7,950,279	7,192,960
- Current year expenditure	1,280,720	792,838
- Write off/disposed in current year	-	(35,519)
Carried forward	<u>9,230,999</u>	<u>7,950,279</u>

**14. TRADE AND OTHER PAYABLES (CURRENT)**

Trade creditors	807,426	583,914
Other payables and accruals	996,100	1,072,003
	<u>1,803,526</u>	<u>1,655,917</u>

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

Directors and director related entities	507,837	242,282
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Terms and conditions relating to the above financial instruments

- (i) Trade creditors are unsecured, non-interest bearing and are normally settled on 30-60 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 27

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	Note	<b>Consolidated Entity</b>	
		<b>2011</b>	<b>2010</b>
		\$	\$
<b>15. INTEREST BEARING LOANS AND BORROWINGS (CURRENT)</b>			
<b>Secured</b>			
Lease Liabilities	22	13,911	12,427
<b>Unsecured</b>			
Convertible Notes		14,820,000	-
		14,833,911	12,427

**Secured Liability:**

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

**Unsecured Liability:**

Convertible Notes - Conversion, Maturity & Redemption: Convertible at any time until 31 March 2012 at holder's election. Each \$0.33 note converts into 11 ordinary shares if converted prior to the redemption date. Interest rate payable on the notes is 12% per annum. Interest is paid semi-annually. At the company's election the interest is payable by the issue of ordinary shares in Renison at the rate of at 90% of the 10 day vwap prior to the payment date. At the redemption date the notes and any accrued interest are repayable in cash or at the company's election by the issue of ordinary shares in Renison at the rate of 85% of the 10 day vwap prior to the maturity date.

	<b>Consolidated Entity</b>	
	<b>2011</b>	<b>2010</b>
	\$	\$
<b>16. PROVISIONS (CURRENT)</b>		
Employee benefits	97,049	94,635

**17. INTEREST BEARING LOANS AND BORROWINGS (NON CURRENT)**

<b>Secured</b>			
Lease Liabilities	22	47,889	61,801
Loan from director related entity	27	13,229,011	10,167,839
		13,276,900	10,229,641
<b>Unsecured</b>			
March 2012 Convertible Notes		-	14,820,000
		13,276,900	25,049,640

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

Secured Loan from Director: The loan funds advanced by Bizzell Nominees Pty Ltd are secured by a first ranking fixed and floating charge over all of the company's assets. Full details of the loan from a director related entity are given in note 27.

	<b>Consolidated Entity</b>	
	<b>2011</b>	<b>2010</b>
	\$	\$
<b>18. PROVISIONS (NON-CURRENT)</b>		
Restoration	205,650	205,650
Movement in restoration provision		
- Opening balance	205,650	205,650
- Write off/disposed in current year	-	-
Carried forward	205,650	205,650

A provision for restoration is recognised in relation to the exploration activities for costs such as reclamation, and restoration. 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.

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	<b>Consolidated Entity</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>19. SHARE CAPITAL</b>		
<b>(a) Issued and paid up capital</b>		
Ordinary shares fully paid	71,867,419	69,992,010
Ordinary shares partly paid	11,606,478	11,161,228
	83,473,897	81,153,238

	<b>2011</b>		<b>2010</b>	
	<b>Nos of shares</b>	<b>\$</b>	<b>Nos of shares</b>	<b>\$</b>
<b>(b) Movements in shares on issue</b>				
Ordinary shares fully paid				
Beginning of the financial year	2,004,802,607	69,992,010	1,308,025,752	66,215,267
Increases				
- Note Interest Reinvestment	464,097,515	1,755,409	276,776,855	1,759,443
- Placement	-	-	420,000,000	2,100,000
- Creditor payment <sup>1</sup>	33,333,333	100,000	-	-
- Project acquisition <sup>2</sup>	8,069,145	20,000	-	-
- costs of securities issued	-	-	-	(82,700)
	2,510,302,600	71,867,419	2,004,802,607	69,992,010
Ordinary shares partly paid				
Beginning of the financial year	152,500,000	11,161,228	152,500,000	10,802,339
- Call payment <sup>3</sup>	-	445,250	-	358,889
- Partly paid shares forfeited	(63,449,872)	-	-	-
	89,050,128	11,606,478	152,500,000	11,161,228
Treasury Shares partly paid				
Beginning of the financial year	-	-	-	-
Treasury shares held in trust <sup>3</sup>	63,449,872	-	-	-
	63,449,872	-	-	-

<sup>1</sup> Issued as payment of amounts owing to RFC Corporate Finance.

<sup>2</sup> Issued in relation to the acquisition of an exploration tenement.

<sup>3</sup> The call on the partly paid shares made on 31 January 2011 was not paid in relation to 63,449,872 shares. These shares were put up for auction on 14 March 2011. None of the 63,449,872 shares that were auctioned were sold. Accordingly the forfeited shares will be held by the company in trust pending disposal by the directors in accordance with the Corporations Act 2001 and the Company's constitution. These shares have been disclosed above as treasury shares.

**(c) Share Options**

There are no share options outstanding.

March 2012 \$0.33 convertible notes on issue can be converted into ordinary shares at the rate of 11 ordinary shares for each \$0.33 Note held.

**(d) Capital management**

The capital structure of the consolidated entity consists of equity attributable to equity holders of the Parent Entity, comprising issued capital and reserves as disclosed in the Statement of Changes in Equity

When managing capital, management's objective is to ensure the entity continues as a going concern and to maintain a structure that ensures the lowest cost of capital available and to ensure adequate capital is available for exploration and evaluation of tenements. In order to maintain or adjust the capital structure, the Group may seek to issue new shares. Consistent with other exploration companies, the Group and the parent entity monitor capital on the basis of forecast exploration and development expenditure required to reach a stage which permits a reasonable assessment of the existence or otherwise of an economically recoverable reserve.

**(e) 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.

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Partly paid shares

The Company has on issue partly paid shares which at balance date were paid up to 8.6 cents each with 16.4 cents to pay. The partly paid shares have on a pro rata basis the same rights as held by ordinary shareholders. Call payments are due as follows

1 cent - 31/1/12

15.4 cents - 31/1/13

	<b>Consolidated Entity</b>	
	<b>2011</b>	<b>2010</b>
	\$	\$
<b>20. ACCUMULATED LOSSES AND RESERVES</b>		
<b>(a) Accumulated losses</b>		
Balance at the beginning of the year	(99,832,861)	(95,686,159)
Net profit/(loss) attributable to members of Renison Consolidated Mines NL	(4,331,980)	(4,146,702)
Balance at end of year	(104,164,841)	(99,832,861)

	<b>Consolidated Entity</b>	
	<b>2011</b>	<b>2010</b>
	\$	\$
<b>21. STATEMENT OF CASH FLOW</b>		
<b>Reconciliation of the operating (loss) after tax to the net cash flows from operations</b>		
Profit/(Loss) from ordinary activities after tax	(4,331,980)	(4,146,702)
Add (less) non-cash items		
Provision for employee entitlements	2,414	(16,324)
Write down of exploration and development expenditure	-	35,519
Fair value (gain)/loss available-for-sale through profit of loss	400	67
Depreciation	27,451	31,034
Interest Reinvestment Plan	1,778,400	1,759,443
(Profit)/Loss on sale of plant & equipment	-	50,035
(Profit)/Loss on sale of Tom's Gully	-	(238,326)
Changes in assets & liabilities during the year		
(Increase)/decrease in receivables	53,556	10,776
(Increase)/decrease in prepayments	12,359	(3,782)
(Decrease)/increase in creditors	444,193	(141,139)
(Decrease)/increase in accruals	1,127,839	1,229,065
	(885,368)	(1,430,335)
<b>Reconciliation of cash</b>		
- Cash at bank	8,605	56,351

**Non cash financing and investing activities**

Conversion of Convertible Notes

During the financial year Convertible Notes totalling \$nil (2010: \$nil) were converted into fully paid ordinary shares in the Company.

Lease and Hire Purchase

During the financial year the consolidated entity financed assets totalling \$nil (2010 - \$nil) by way of lease and hire purchase agreements while the net book value of disposals of such assets was \$nil (2010 - \$100,014).

Tenement acquisition

8,069,145 ordinary shares at \$0.0024 per share (\$20,000) were issued in consideration to acquire a tenement.

Creditor Settlement

33,333,333 ordinary shares at \$0.003 per share (\$100,000) were issued to settle a creditor owing to RFC Corporate Finance.

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	<b>Consolidated Entity</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>22. EXPENDITURE COMMITMENTS</b>		
<b>Lease expenditure commitments</b>		
<b>(i) Operating leases</b>		
Minimum lease payments		
- payable within one year	68,013	151,919
- payable between one and five years	34,580	133,816
Total contracted at balance date	102,593	285,735
<b>(ii) Finance lease and hire purchase contracts</b>		
- payable within one year	20,210	20,211
- payable between one and five years	53,124	73,334
- total minimum payments	73,334	93,545
- future finance charges	(11,534)	(19,317)
- hire purchase and lease liability	61,800	74,228
- current liability	15	13,912
- non-current liability	17	47,889
Finance lease and hire purchase contracts	61,801	74,228

**Future exploration**

The consolidated entity has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the consolidated entity.

The commitments to be undertaken are as follows:

Payable		
- not later than 12 months	2,545,000	1,425,000
- between 12 months and 5 years	2,190,000	815,000
	4,735,000	2,240,000

**23. SHARE BASED PAYMENTS**

**Equity based instruments**

The Company has in prior periods granted options over ordinary shares to directors, employees and consultants as part of their remuneration packages. No options were granted in the 2011 or 2010 financial years and there are no options outstanding.

**24. CONTINGENCIES**

There are no contingent liabilities as at the date of this report.

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<b>25. EARNINGS PER SHARE</b>	<b>Consolidated Entity</b>	
	<b>2011</b>	<b>2010</b>
	\$	\$
<b>Loss per share</b>		
Basic and diluted (loss) per share (cents per share)	(0.19)	(0.25)
<b>Continuing operations</b>		
Basic and diluted (loss) per share (cents per share)	(0.19)	(0.26)
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Loss from continuing operations	(4,331,980)	(4,385,028)
Profit/(Loss) attributable to discontinued operations	-	238,326
Earnings used in calculating basic and diluted earnings per share	(4,331,980)	(4,146,762)
	<u>Number</u>	<u>Number</u>
Weighted average nos of ordinary shares on issue used in the calculation of basic earnings per share	2,279,942,372	1,692,719,305
Effect of dilutive securities	-	-
-Adjusted weighted average nos of ordinary shares used in calculating dilutive earnings per share	2,279,942,372	1,692,719,305

The following potential ordinary shares are antidilutive as at 30 June 2011 and therefore are not included in the determination of diluted earnings per share.

- 44,909,090 March 2012 \$0.33 convertible notes

**Conversions, calls, subscriptions or issues after 30 June 2011**

There have been no securities issued since the end of the financial year.

<b>26. AUDITORS REMUNERATION</b>	<b>Consolidated Entity</b>	
	<b>2011</b>	<b>2010</b>
	\$	\$
Amounts received or due and receivable by the Auditors for:		
- audit and review of financial reports	36,500	35,500
- other services	-	19,560
Total	36,500	55,060

**27. DIRECTOR and KEY MANAGEMENT PERSONNEL DISCLOSURES**

<b>Key management personnel compensation</b>	<b>Consolidated Entity</b>	
	<b>2011</b>	<b>2010</b>
	\$	\$
Short term employee benefits	748,817	821,419
Post employment benefits	37,095	43,667
Total	785,912	865,086

**Option holdings of directors and key management personnel**

No options were held at 30 June 2011 or 2010

**Security holdings of directors and key management personnel**

All equity transactions with directors and key management personnel 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, public offering transactions and interest reinvestment issues of Convertible Notes are included within Net Change Other in the table below:

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**Ordinary Shares**

	<b>Balance 1/7/10</b>	<b>Granted as Remuneration</b>	<b>On Conversion of Options/Notes</b>	<b>Net Change Other</b>	<b>Balance 30/6/11</b>
<b>2011</b>					
<b>Directors</b>					
RS Anthon	6,898,504	-	-	952,532	7,851,036
SG Bizzell	395,474,298	-	-	137,352,755	532,827,053
<b>Key Management Personnel</b>					
S Hall	1,450,000	-	-	-	1,450,000
P Marshall	3,434,874	-	-	984,865	4,419,739
<b>Total</b>	<b>407,257,676</b>	<b>-</b>	<b>-</b>	<b>139,290,152</b>	<b>546,547,828</b>

	<b>Balance 1/7/09</b>	<b>Granted as Remuneration</b>	<b>On Conversion of Options/Notes</b>	<b>Net Change Other</b>	<b>Balance 30/6/10</b>
<b>2010</b>					
<b>Directors</b>					
RS Anthon	1,331,639	-	-	5,566,865	6,898,504
SG Bizzell	239,522,715	-	-	155,951,583	395,474,298
<b>Key Management Personnel</b>					
S Hall	1,200,000	-	-	250,000	1,450,000
M Smith (resigned 31/1/10)	138,483	-	-	(138,483)	-
P Marshall	2,848,767	-	-	586,107	3,434,874
<b>Total</b>	<b>245,041,604</b>	<b>-</b>	<b>-</b>	<b>162,216,072</b>	<b>407,257,676</b>

**Partly Paid Shares**

	<b>Balance 1/7/10</b>	<b>Granted as Remuneration</b>	<b>On Exercise of Options/Notes</b>	<b>Net Change Other</b>	<b>Balance 30/6/11</b>
<b>2011</b>					
<b>Directors</b>					
SG Bizzell	85,332,534	-	-	-	85,332,534
<b>Total</b>	<b>85,332,534</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,332,534</b>

	<b>Balance 1/7/09</b>	<b>Granted as Remuneration</b>	<b>On Exercise of Options/Notes</b>	<b>Net Change Other</b>	<b>Balance 30/6/10</b>
<b>2010</b>					
<b>Directors</b>					
RS Anthon	5,000,000	-	-	(5,000,000)	-
SG Bizzell	55,629,913	-	-	29,702,621	85,332,534
<b>Key Management Personnel</b>					
S Hall	981,048	-	-	(981,048)	-
<b>Total</b>	<b>61,610,961</b>	<b>-</b>	<b>-</b>	<b>23,721,573</b>	<b>85,332,534</b>

	<b>Balance 1/7/10</b>	<b>Granted as Remuneration</b>	<b>On Exercise of Options/Notes</b>	<b>Net Change Other</b>	<b>Balance 30/6/11</b>
<b>March 2012 Convertible Notes</b>					
<b>2011</b>					
<b>Directors</b>					
RS Anthon	91,000	-	-	-	91,000
SG Bizzell	13,121,973	-	-	-	13,121,973
<b>Key Management Personnel</b>					
P Marshall	94,089	-	-	-	94,089
<b>Total</b>	<b>13,307,062</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,307,062</b>

	<b>Balance 1/7/09</b>	<b>Granted as Remuneration</b>	<b>On Exercise of Options/Notes</b>	<b>Net Change Other</b>	<b>Balance 30/6/10</b>
<b>2010</b>					
<b>Directors</b>					
RS Anthon	91,000	-	-	-	91,000
SG Bizzell	13,121,973	-	-	-	13,121,973
<b>Key Management Personnel</b>					
P Marshall	94,089	-	-	-	94,089
M Smith (resigned 31/1/10)	15,153	-	-	(15,153)	-
<b>Total</b>	<b>13,322,215</b>	<b>-</b>	<b>-</b>	<b>(15,153)</b>	<b>13,307,062</b>

**Loans with directors and key management personnel.**

Bizzell Nominees Pty Ltd a company associated with Mr Stephen Bizzell provided a loan facility to the company during the year. The facility is for up to \$15 million. At balance date the outstanding balance was \$13,229,011 (2010 - \$10,167,840) including interest accrued (but not paid) during the 2011 financial year of \$1,292,334 (2010 - \$1,059,840). The interest rate on the loan is 11%. The repayment date is 30/12/12. The loan is secured by a fixed and floating charge over the assets of the company.

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**Other transactions and balances with directors and key management personnel 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 invoiced \$77,545 (2010: \$35,393) for the provision of legal services to the consolidated entity during the year. At balance date \$115,314 (2010: \$30,015) was an outstanding trade creditor payable. The services were based on normal commercial terms and conditions.

**28. RELATED PARTY DISCLOSURES**

**Ultimate parent**

Renison Consolidated Mines NL is the ultimate parent entity

**Consolidated**

Tom's Gully Holdings Pty Ltd has the following balance as at balance date

Subsidiary

Tom's Gully Mining Pty Ltd - at balance date \$158 receivable (2010 - \$nil).

**Parent**

Renison Consolidated Mines NL has the following balance on interest free loans with:

Wholly owned subsidiary

Tom's Gully Holdings Pty Ltd – at balance date a total payable of \$2,629 (2010 - \$nil). A provision for impairment of \$nil (2010 - \$65,737) was recorded in the books of the parent company.

**29. SEGMENT INFORMATION**

**Segment products and locations**

Management currently identifies the consolidated entity as having only one reportable segment being the exploration for resources. Geographically the consolidated entity operated only within Australia in the 2011 financial year – exploration tenements have been acquired in New Zealand and these will be subject to exploration activities in the 2012 financial year. There have been no changes in the operating segments during the year. Accordingly all significant operating decisions are based upon analysis of the consolidated entity as one segment. The financial results from this segment are equivalent to the financial statements of the consolidated entity as a whole.

**30. SUBSEQUENT EVENTS**

No matter or circumstance has arisen since 30 June 2011, 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 2011.

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**31. DISCONTINUED OPERATION**

In May 2007 the consolidated entity sold all of the assets in the Northern Territory including the operating mine and plant and equipment at Tom's Gully.

Losses attributable to the discontinued operation were as follows:

	<b>Consolidated Entity 2011 \$</b>	<b>Consolidated Entity 2010 \$</b>
<b>Results of discontinued operation</b>		
Revenue	-	241,374
Expenses	-	(3,048)
Gain on sale of discontinued operation	-	238,326
Income tax on gain on sale of discontinued operation	-	-
Profit/(loss) for the period	-	238,326
Basic earnings (loss) per share (AUD)	-	0.01
Diluted earnings (loss) per share (AUD)	-	0.01
<b>Cash flows from discontinued operation</b>		
Net cash from operating activities	-	-
Net cash from investing activities	-	49,936
Net cash from financing activities	-	-
Net cash from (used in) discontinued operation	-	49,936

**32. FINANCIAL RISK MANAGEMENT**

**(a) General objectives, policies and processes**

In common with all other businesses, the consolidated entity is exposed to risks that arise from its use of financial instruments. This note describes the consolidated entity's objectives, policies and processes for managing those risks and the methods used to measure them. There have been no substantive changes in the consolidated entity's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The consolidated entity's financial instruments consist mainly of deposits with banks, accounts receivable and payable, a loan from a director related entity, finance lease liabilities and convertible notes.

The Board has overall responsibility for the determination of the consolidated entity's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the consolidated entity's executive management. The consolidated entity's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the consolidated entity where such impacts may be material.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the consolidated entity's competitiveness and flexibility. Further details regarding these policies are set out below:

**(b) Credit Risk**

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Company incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Company.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Credit risk is reviewed regularly by the Board. It arises from exposure to customers as well as through deposits with financial institutions.

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**(c) Liquidity risk**

Liquidity risk is the risk that the consolidated entity may encounter difficulties raising funds to meet financial obligations as they fall due. Liquidity risk is reviewed regularly by the Board.

The consolidated entity manages liquidity risk by monitoring forecast cash flows. The Company has a loan facility from a director of \$15.0 million of which \$13.2 million has been drawn upon as at 30 June 2011. Following the impairment of the receivable in relation to the sale of the Tom's Gully mine the consolidated entity has been required to use the loan facility available in order to be able to meet its financial obligations as they fall due. The consolidated entity has also continued to investigate the sale of some of its exploration assets but to date no transaction at a satisfactory value has been forthcoming.

<b>Maturity Analysis – Consolidated Entity - 2011</b>	<b>Carrying Amount</b>	<b>Contractual Cash flows</b>	<b>&lt;1 year</b>	<b>1 - 5 years</b>	<b>&gt; 5 years</b>
<b>Financial Liabilities</b>					
Trade and Other Payables	1,803,526	1,803,526	1,803,526	-	-
Lease Liabilities	61,801	73,334	20,210	53,124	-
March 2012 Convertible Notes#	14,820,000	-	-	-	-
Loan from Director Related Entity	13,229,011	13,229,011	-	13,229,011	-
	<u>29,914,338</u>	<u>15,105,871</u>	<u>1,823,736</u>	<u>13,282,135</u>	<u>-</u>

# the March 2012 Convertible Notes can be repaid, at the option of the Company, by the issue of fully paid shares in the Company.

<b>Maturity Analysis – Consolidated entity - 2010</b>	<b>Carrying Amount</b>	<b>Contractual Cash flows</b>	<b>&lt;1 year</b>	<b>1 - 5 years</b>	<b>&gt; 5 years</b>
<b>Financial Liabilities</b>					
Trade and Other Payables	1,655,917	1,655,917	1,655,917	-	-
Lease Liabilities	74,228	93,545	20,210	73,334	-
March 2011 Convertible Notes	14,820,000	-	-	-	-
Loan from Director Related Entity	10,167,840	10,167,840	-	10,167,840	-
	<u>26,717,985</u>	<u>11,917,302</u>	<u>1,676,127</u>	<u>10,241,174</u>	<u>-</u>

**(d) Market Risk**

Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

*(i) Interest rate risk*

Interest rate risk is managed with a mixture of fixed and floating rate debt. For further details on interest rate risk refer to the tables below:

	<b>Floating interest rate</b>	<b>Fixed interest rate</b>	<b>Non-interest bearing</b>	<b>Total carrying amount as per the balance sheet</b>	<b>Weighted average effective interest rate</b>
	<b>2011</b>	<b>2011</b>	<b>2011</b>	<b>2011</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
<i>Financial assets</i>					
Cash and cash equivalents	-	-	8,605	8,605	0.00%
Trade and other receivables	-	-	22,372	22,372	0.00%
Total financial assets	<u>-</u>	<u>-</u>	<u>30,977</u>	<u>30,977</u>	
<i>Financial liabilities</i>					
Trade and other payables	-	-	1,803,526	1,803,526	-
Loan from director related entity	-	13,229,011	-	13,229,011	11%
March 2012 Convertible Note	-	14,820,000	-	14,820,000	12%
Lease and hire purchase	-	61,801	-	61,801	11.34%
Total financial liabilities	<u>-</u>	<u>28,110,811</u>	<u>1,803,526</u>	<u>29,914,338</u>	

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	Floating interest rate	Fixed interest rate	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	2010	2010	2010	2010	2010
<i>Financial assets</i>					
Cash and cash equivalents	-	-	56,351	56,351	0.00%
Trade and other receivables	-	-	11,328	11,328	0.00%
Total financial assets	-	-	67,679	67,679	
<i>Financial liabilities</i>					
Trade and other payables	-	-	1,655,917	1,655,917	-
Loan from director related entity	-	10,167,840	-	10,167,840	11%
March 2011 Convertible Note	-	14,820,000	-	14,820,000	12%
Lease and hire purchase	-	74,228	-	74,228	11.3%
Total financial liabilities	-	25,062,068	1,655,917	26,717,985	

The consolidated entity has performed a sensitivity analysis relating to its exposure to interest rate risk. This sensitivity demonstrates the effect on the current year results and equity which could result from a change in these risks.

At 30 June 2011 the effect on profit and equity as a result of changes in the interest rate would be as follows:

	<b>Consolidated entity</b>	
	<b>2011</b>	<b>2010</b>
	\$	\$
Change in profit		
- Increase in interest rate by 1%	-	-
- Decrease in interest rate by 1%	-	-
Change in equity		
- Increase in interest rate by 1%	-	-
- Decrease in interest rate by 1%	-	-

The above analysis assumes all other variables remain constant.

*(ii) Currency Risk*

The consolidated entity does not have any material currency risk exposure under financial instruments entered into by the consolidated entity.

*(iii) Other Price Risk*

The consolidated entity does not have any material other price risk exposures under financial instruments entered into by the consolidated entity.

**(e) Net Fair Values**

The net fair values of trade and other receivables, security deposits and trade and other payables approximate their carrying value.

**RENISON CONSOLIDATED MINES NL - ANNUAL REPORT 2011**  
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**33. PARENT COMPANY INFORMATION**

The Parent Entity of the Consolidated Entity is Renison Consolidated Mines NL.

Parent Entity Financial Information

	<b>2011</b>	<b>2010</b>
	\$	\$
Current assets	56,707	105,417
Non-current assets	9,459,068	8,222,161
Total assets	<u>9,515,775</u>	<u>8,327,578</u>
Current liabilities	16,730,593	1,759,085
Non-current liabilities	13,482,550	25,255,290
Total liabilities	<u>30,213,143</u>	<u>27,014,375</u>
Net assets	<u>(20,697,368)</u>	<u>(18,686,797)</u>
Issued capital	83,473,897	81,153,238
Accumulated losses	(104,171,265)	(99,840,035)
Total equity	<u>(20,697,368)</u>	<u>(18,686,797)</u>
Loss after income tax	(4,331,230)	(4,398,492)
Other comprehensive income	-	-
Total comprehensive income	<u>(4,331,230)</u>	<u>(4,398,492)</u>

**Commitments, Contingencies and Guarantees of the Parent Entity**

The minimum committed expenditure for future periods of the Parent Entity is the same as those for the Consolidated Entity. Refer to Note 22 for details.

The Parent Entity has no material contingent assets, contingent liabilities or guarantees at balance date.

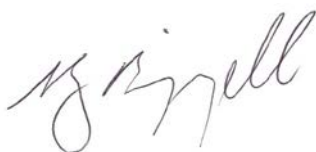
**DIRECTORS' DECLARATION**

In the directors' opinion:

- (a) the attached financial statements and notes and the Remuneration report in the Directors' Report set out on pages 27 to 29 are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance, for the financial year ended on that date; and
  - (ii) complying with Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) the financial report also complies with International Financial Reporting Standards as issued by the International Standards Board (IASB) as disclosed in note 1; and
- (c) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of directors pursuant to section 295(5) of the Corporations Act 2001.



**SG Bizzell**  
**Chairman**

**Brisbane 30 September 2011**

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RENISON CONSOLIDATED MINES NL

### Report on the Financial Report

We have audited the accompanying financial report of Renison Consolidated Mines NL, which comprises the balance sheet as at 30 June 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information, and the directors' declaration of Renison Consolidated Mines NL (the company) and the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

#### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Tel: 61 7 3226 3555 | Fax: 61 7 3226 3500 | [www.pkf.com.au](http://www.pkf.com.au)  
PKF | ABN 83 236 985 726  
Level 6, 10 Eagle Street | Brisbane | Queensland 4000 | Australia  
GPO Box 1078 | Brisbane | Queensland 4001 | Australia

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*Opinion*

In our opinion:

- (a) the financial report of the consolidated entity is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

*Material Uncertainty Regarding Continuation as a Going Concern*

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial report which indicates that the consolidated entity incurred a net loss of \$4,331,980 during the year ended 30 June 2011 and, as of that date, the consolidated entity's current liabilities exceeded its current assets by \$16,667,457 and total liabilities exceeded total assets by \$20,690,944. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern.

**Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 27 to 29 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Opinion*

In our opinion, the Remuneration Report of Renison Consolidated Mines NL for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

**PKF****Albert Loots**  
Partner

Dated at Brisbane this 30th day of September 2011