

Renaissance Minerals Ltd

ABN 90 141 196 545

# Annual Report

30 June 2010

# 2010 Annual Report

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## Corporate Directory

**Non-Executive Chairman**  
Rick Hart

**Managing Director**  
Justin Tremain

**Non-Executive Director**  
Mel Ashton

**Company Secretary**  
Brett Dunnachie

**Principal & Registered Office**  
181 Roberts Road  
SUBIACO WA 6008  
Telephone: (08) 9286 6300  
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**Share Registry**  
Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153

**Auditors**  
Stantons International  
1 Havelock Street  
WEST PERTH WA 6005

**Bankers**  
National Australia Bank  
50 St Georges Terrace  
PERTH WA 6000

**Stock Exchange Listing**  
Australian Securities Exchange  
(Home Exchange: Perth, Western Australia)  
Code: RNS

**Website Address**  
[www.renaissanceminerals.com.au](http://www.renaissanceminerals.com.au)

## Chairman's Letter to Shareholders

Dear fellow Renaissance Minerals shareholders,

On behalf of the Directors of Renaissance Minerals Ltd ('Renaissance') I am pleased to present to shareholders the Company's first Annual Report for the period ending 30 June 2010.

Renaissance's initial public offering ('IPO') was significantly over subscribed and successfully raised \$7,000,000 and listed on the Australian Securities Exchange ('ASX') on 11 June 2010.

The Company is focussed on the near term production potential of the historic high grade Radio Gold Mine located within the Southern Cross tenement package in Western Australia. Up until its closure in 1974, the Radio Gold Mine produced 71,050 ounces of gold at an impressive average grade of 38.5g/t gold. In its day, it was the richest gold mine in Western Australia.

Despite only being listed on the ASX for the final few weeks of the 2010 financial year, the Company immediately commenced its exploration program at the Southern Cross project with the results of the first drill hole announced on 20 June 2010. The exploration team is encouraged by the results to date. The management team has also been actively preparing the Radio Gold Mine for dewatering and refurbishment works. The Company has engaged various consultants required to prepare the necessary reports and studies in order to seek the various regulatory approvals required.

Renaissance's extensive tenement package in the Eastern Goldfields of WA provides exceptional exploration potential. A majority of these tenements have only recently been granted and an initial exploration program will commence in the coming months.

I look forward to the coming year with excitement and enthusiasm as Renaissance's exploration and management team works towards its goal of recommencing production at the Radio Gold Mine and successfully discovering additional company making projects.

I am confident that Renaissance has the capacity to enhance the value of its assets and to properly consider new opportunities should they arise.

I would like to thank our shareholders who have remained with us since the IPO and for those shareholders who have joined us subsequently for their support.

I look forward to meeting with you at the forthcoming Annual General Meeting.



**Rick Hart**  
Non-Executive Chairman

## Directors' Report

The directors of Renaissance Minerals Limited submit herewith the consolidated financial statements of the Company and its controlled entities for the period 18 December 2009, being the incorporation date of the company, to 30 June 2010 in order to comply with the provisions of the *Corporations Act 2001*. As this is the first year of operation of the consolidated entity, comparative information is not available.

### 1. Directors

The following persons were directors of Renaissance Minerals Limited during the financial period and up to the date of this report, unless otherwise stated:

Rick Hart	Non-Executive Chairman (appointed 14 January 2010)
Justin Tremain	Managing Director (appointed 18 December 2009)
Mel Ashton	Non-Executive Director (appointed 16 February 2010)
Stephen Parsons	Director (appointed 18 December 2009, resigned 16 February 2010)
Brett Dunnachie	Director (appointed 18 December 2009, resigned 14 January 2010)

### 2. Principal Activities

The principal activity of the consolidated entity during the financial period was mineral exploration. There were no significant changes in the nature of the consolidated entity's principal activities during the financial period.

### 3. Operating Results

The loss attributable to owners of the consolidated entity after providing for income tax amounted to \$455,022.

### 4. Dividends Paid or Recommended

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

### 5. Financial Position

The consolidated entity has \$6,269,447 in cash and cash equivalents as at 30 June 2010 which the Directors believe puts the consolidated entity in a sound financial position with sufficient capital to effectively explore its current landholdings.

### 6. Business Strategies & Prospects for the Forthcoming Year

Renaissance Minerals is currently focused upon an aggressive exploration program for gold mineralisation on its current portfolio of projects in both Australia and Alaska.

Renaissance Minerals may also continue to identify new mineral exploration opportunities within Australia and throughout the rest of the world for further potential acquisitions which may offer value enhancing opportunities for shareholders.

### 7. Significant Changes in the State of Affairs

The following significant changes in the state of affairs of the consolidated entity occurred during the financial period:

- Completion of a successful, oversubscribed initial public offering ('IPO') raising \$7,000,000; and
- Successfully listing on ASX on 11 June 2010.

## Directors' Report

### 8. Review of Operations

#### Radio Gold Project, Southern Cross (Western Australia)

The Radio Project area comprises a large semi contiguous block of tenements within and adjacent to the Southern Cross Greenstone Belt which covers an area of approximately 400km<sup>2</sup>. The project area is centered on the historic Radio Gold Mine, located 40 kilometres north of Southern Cross. The Southern Cross Greenstone belt is a world class gold producing belt with mines such as Marvel Loch, Yilgarn Star, Golden Pig, Nevoria and Copperhead having extracted over 10 million ounces of gold.

The Radio tenement package extends for 50km along the eastern margin of the northern Southern Cross Greenstone Belt. It overlies portions of the Southern Cross Greenstone Belt as well as the western margin of the Ghooli Dome granitoid complex. The sheared contact between the greenstones and granitoids is a common locus for gold deposits in the Southern Cross Greenstone Belt. The project area is highly prospective for large tonnage, multi-million ounce gold deposits as well as small high-grade gold deposits. The project abuts the +1 million ounce Copperhead gold mine.

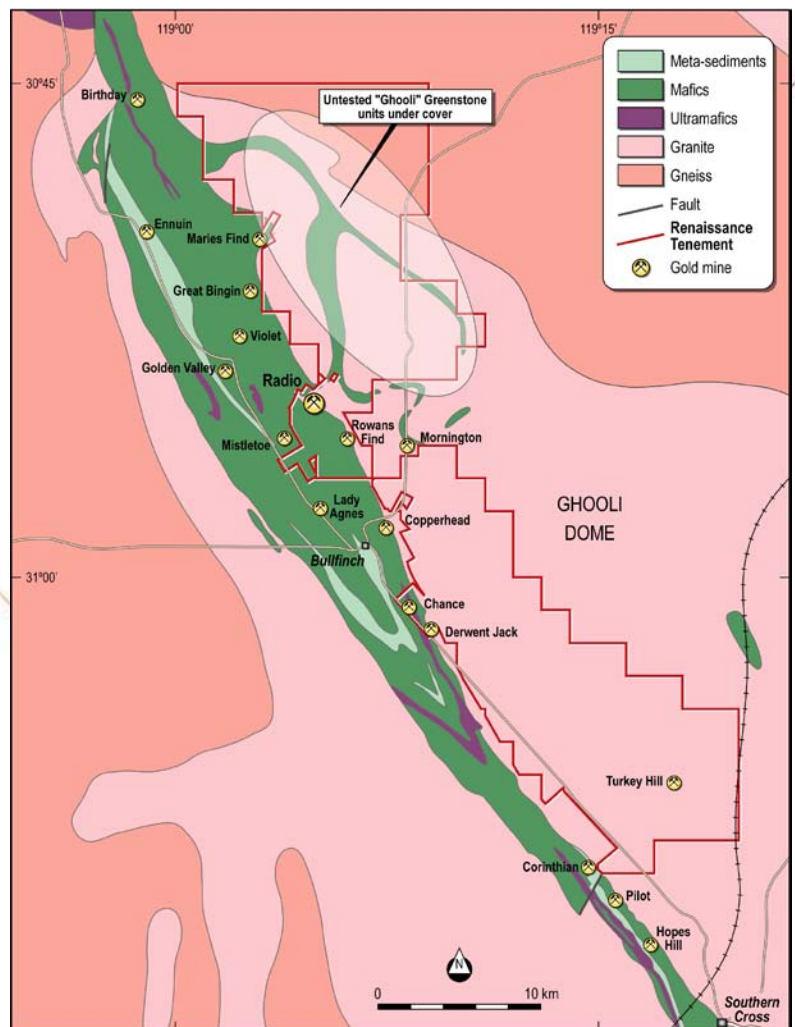
#### Radio Gold Mine

In its day, the Radio Gold Mine was the highest grade gold mine in Western Australia. It produced approximately 71,050 ounces of gold at an average grade of 38.5g/t Au until it ceased production in 1974. Up until 1985 the Radio mine was rated tenth with respect to gold production in the Southern Cross Greenstone Belt. Today, it is the only one of those top 10 historical gold producing centres that has not been redeveloped in the modern mining era (post 1980's).

A number of gold deposits in the Southern Cross Greenstone Belt that up until the mid 1980's were considered smaller and had produced less gold than the Radio Gold Mine were subsequently exploited through more modern mining development.

The historical mining at the Radio Gold Mine was, in general, highly selective and there remains high grade gold mineralisation within the closed mine. Previous underground exploration in 1991 identified small and narrow but high grade gold mineralisation in the immediate Radio mine underground environment that has not been exploited. To this day, the high grade gold lodes of the Radio mine have not been closed off along strike and at depth.

Historical workings at the mine extend to just 105 metres below surface and relatively recent reverse circulation (RC) drilling has identified additional mineralisation that extends in all directions from the mine. While the underground workings extend along strike for 150 metres, drilling indicates the Radio gold mineralisation extends for a minimum strike length of 420 metres and remains open.





## Directors' Report

### 8. Review of Operations (continued)

#### Radio Gold Mine (continued)

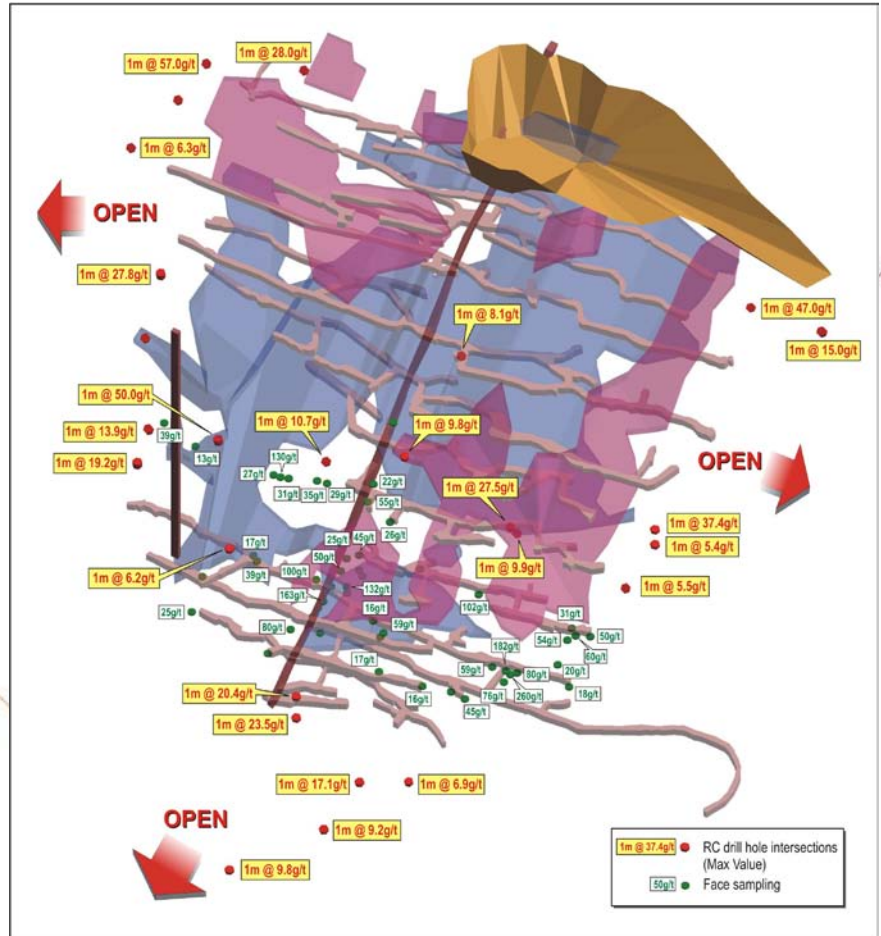
Renaissance is confident there is potential for the Radio Gold Mine to host a high-grade mineable orebody, and it is the Company's intention to dewater and refurbish the underground workings and then to mine a bulk sample to demonstrate the gold grade potential.

Renaissance has engaged underground mining group Rock Team to manage the permitting, dewatering, mine refurbishment and bulk sampling process at the Radio Mine. Rock Team is an underground mining contractor that provides professional engineering services to the mining industry with a highly experienced in-house team of mining engineers and environmental scientists. In conjunction with Rock Team, Renaissance has submitted applications and commenced detailed discussions with the relevant government departments in order to expedite the various approvals required to commence the mine dewatering and refurbishment works. The Company recently commenced a RC/DD drilling program to further delineate the mineralisation at the Radio Gold Mine and to test the Manxman prospect approximately 700 metres along strike.

#### Radio Exploration

Near mine gold prospects, within 3kms of the Radio mine, consist of various lines of historical gold workings where high grade gold was mined to shallow depths from lodes similar to the Radio mine. These neighbouring gold deposits remain largely untested along strike and at depth with drilling and will be targeted with exploration drilling in the coming year.

In addition, regional gold prospects within the Radio tenement package, more than 3 km from the Radio Gold Mine, are numerous and some of these consist of historic gold workings. Also included is the little known "Ghooli Dome greenstone belt" that has received very little previous exploration. These regional prospects offer additional potential for exciting new gold discoveries.



#### Mt Rankin Project, Southern Cross (Western Australia)

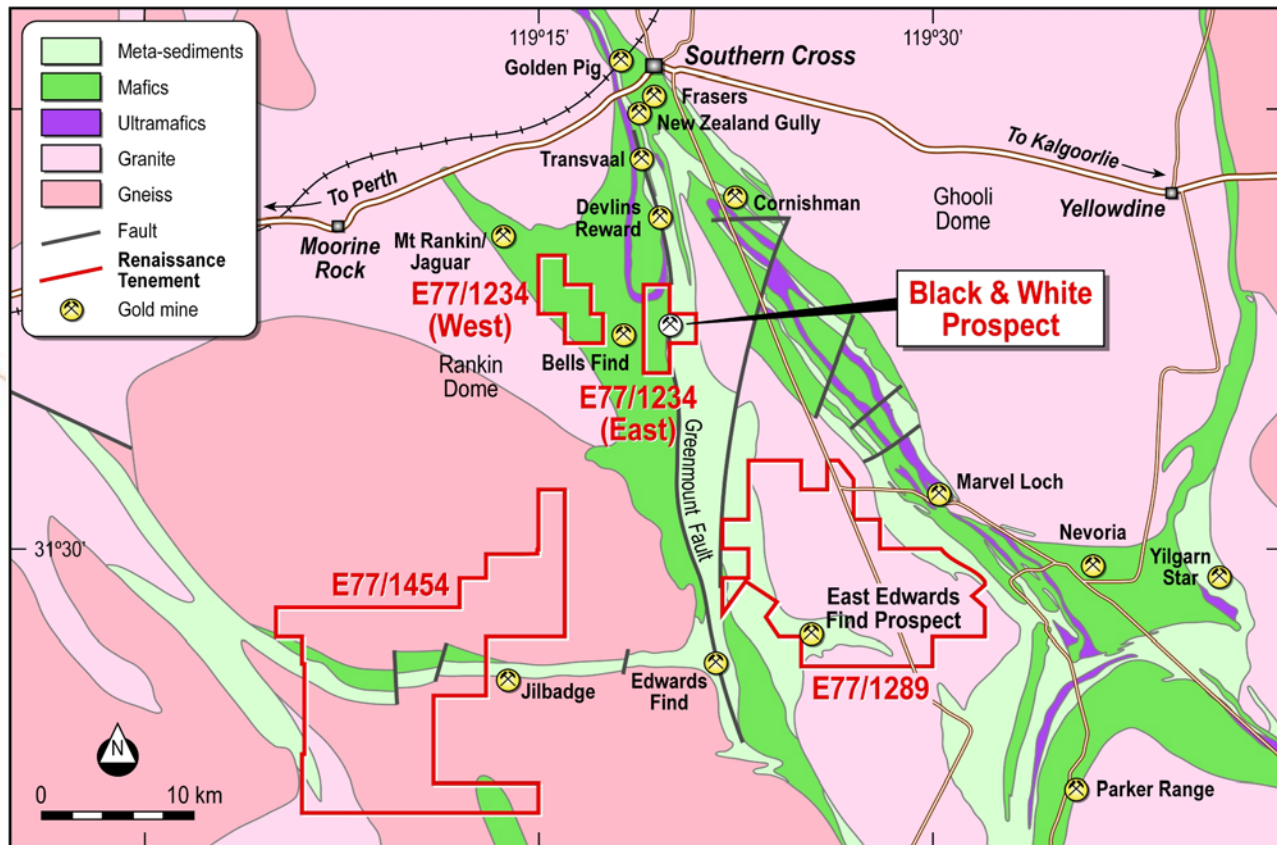
The Mt Rankin Project is located only 15 kilometres southwest of Southern Cross. The project covers an area in excess of 300km<sup>2</sup> of highly prospective rocks of the Southern Cross Greenstone Belt. The project area contains extension of the same rock sequence and fault structures that host other gold mines and known gold deposits in the area. Within a twelve kilometre radius of the project over 2 million ounces of gold have been produced. The regionally significant north-south striking Greenmount Fault intersects the Mt Rankin tenement package. The Greenmount Fault is associated with a number of known gold deposits and gold mines along strike to the north and south such as Transvaal, Devs Reward and Edwards Find. There are a number of significant gold soil anomalies within the project area that are yet to be tested.

## Directors' Report

### 8. Review of Operations (continued)

#### Mt Rankin Project, Southern Cross (Western Australia) (continued)

The first RC hole drilled by Renaissance at Mt Rankin resulted in a new shallow gold discovery which has been named the “Black & White Prospect”. Multiple zones of gold mineralisation were intersected within a broad lower grade zone of 30m @ 1.08g/t Au from 71 metres.



Significant multiple zones from the one RC drill hole include:

- 4m @ 2.04g/t gold from 71m
- 5m @ 3.13g/t gold from 79m
- 1m @ 1.84g/t gold from 88m
- 2m @ 1.31g/t gold from 99m

Importantly, this mineralisation appears to be associated with the Greenmount Fault. A follow up RC drilling program has commenced.

#### Collurabbie South Project (Western Australia)

The Collurabbie South Project is in the Duketon Terrane of the northeast Eastern Goldfields Province. It is along structural-stratigraphic strike of Falcon Minerals Ltd's ("Falcon Minerals") Collurabbie nickel sulphide deposits to the north and Regis Resources Ltd's ("Regis Resources") Moolart Well gold deposit about 45 kilometres to the south. The project contains the southern strike extension of the ultramafic sequence that hosts Falcon Minerals' Collurabbie nickel sulphide deposits. A small RC drilling program was undertaken during June 2010 which did not return any significant results.

#### Eastern Goldfields Project (Western Australia)

The Eastern Goldfields Project covers an area of approximately 3,000km<sup>2</sup>. The large tenement package covers Archaean greenstones within the highly prospective Eastern Goldfields Province of the Yilgarn Craton. The project is centred approximately 120 kilometres east of Kalgoorlie. The tenements cover positions on the Keith-Kilkenny Tectonic Zone and Laverton Tectonic Zone which have yielded significant gold deposits.



## Directors' Report

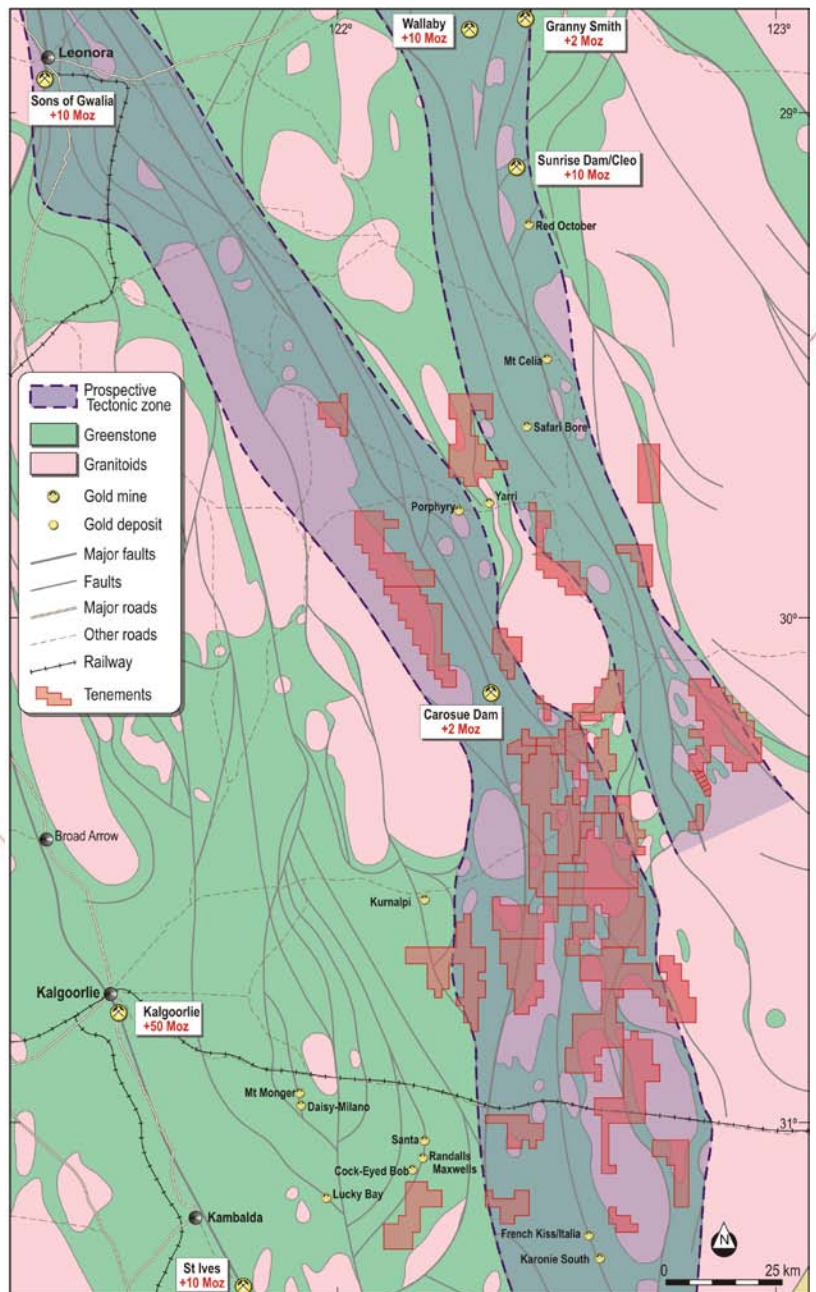
### 8. Review of Operations (continued)

#### Eastern Goldfields Project (Western Australia) (continued)

The Eastern Goldfields Project area is predominately located between Integra Mining Ltd's Randalls, Maxwells and Santa gold deposits at the southern end of the tenement package and Saracen Minerals Ltd's Carosue Dam Gold Project in the northern area of the tenement package.

Significant gold production in the region includes Kalgoorlie with greater than 50 million ounces of gold, Norseman with greater than 10 million ounces of gold located to the south, and Laverton with greater than 10 million ounces of gold located to the north.

Renaissance is in the process of reviewing all of the historical data available on this extensive tenement package in order to rank exploration targets. The Company will be undertaking detailed geological, geophysical, geochemical, mapping and drilling programmes at the Eastern Goldfields Project over the coming year.



## Directors' Report

### 8. Review of Operations (continued)

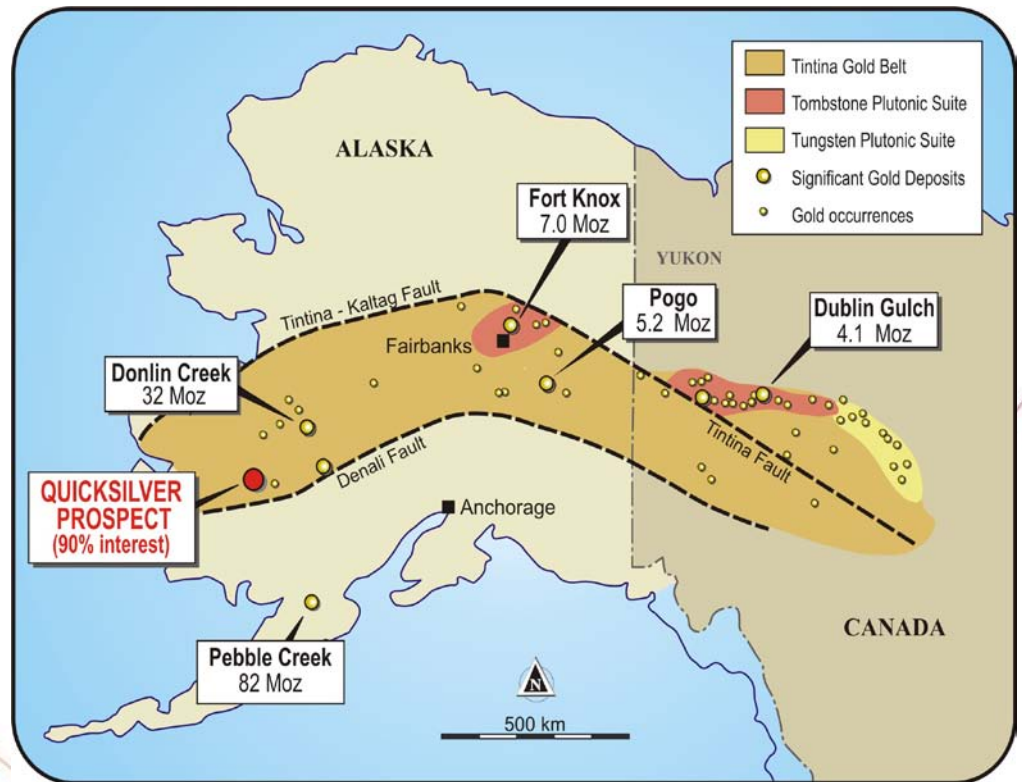
#### Quicksilver Gold Project (Alaska)

The Quicksilver Gold Project is located within the highly prospective Tintina Gold Belt in south-west Alaska, which hosts a number of large scale igneous related gold deposits including the Fort Knox (7m oz), Pogo (5m oz) and Donlin Creek (32m oz) deposits.

The project area has been subject to geological mapping and rock chip sampling. The sampling was focussed on quartz veins, breccias, shears as well as zones of alteration and gossans. The rock chip sampling returned up to 36g/t gold assays.

A number of rock chip samples were submitted for PIMA analysis. Alteration styles identified are indicative of copper porphyry and epithermal gold mineralization.

These results are currently being reviewed with respect to other geochemical, geological and geophysical datasets.



Renaissance is preparing to undertake a detailed aeromagnetic survey over project area in the coming months.

### 9. Matters Subsequent to the End of the Financial Year

There have been the following material events subsequent to balance date:

- On 13 September 2010 Renaissance announced that it had entered into an agreement to acquire Newmont Exploration Pty Ltd's ('Newmont') interest in a highly prospective 277km<sup>2</sup> tenement package in the Eastern Goldfields of Western Australia ('Pinjin Gold Project'). Renaissance Minerals will make an upfront cash payment of \$200,000 and issue approximately 1,500,000 fully paid ordinary shares to Newmont. The shares will be subject to a 12 month escrow period. In addition, Renaissance Minerals will be required to make a cash payment of \$1 million to Newmont upon establishment of a JORC resource of at least 0.5 million ounces of gold and a further cash payment of \$1 million upon establishment of a JORC resource of at least 1.0 million ounces of gold.

There are no other material events subsequent to balance date.

### 10. Likely Developments and Expected Results of Operations

The consolidated entity will continue its mineral exploration activity at and around its exploration projects with the object of identifying commercial resources. Further information on likely developments in the operations of the group and the expected results of operations have not been included in the Annual Report because the directors believe it would be likely to result in unreasonable prejudice to the group.

### 11. Environmental Regulation

The company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all appropriate regulations when carrying out any exploration work.

## Directors' Report

### 12. Information on Directors and Company Secretary

#### Rick Hart

#### Non-Executive Chairman

Experience	Mr Hart is a well known Western Australian businessman having founded the Rick Hart Group as a single retail outlet in 1979 and growing it to a significant retail chain of outlets when it was acquired by the ASX listed Clive Peeters Limited in 2005. Rick was an Executive Director of Clive Peeters Limited from 2005 until his retirement in 2009. He is the former Chairman of the Fremantle Football Club, a former Vice Chairman of the Western Australian Turf Club, a member of the Australian Institute of Company Directors and an Honorary Convention Ambassador for the Perth Convention Bureau.	
Interest in Securities	25 cent Options expiring 31 Dec 12	1,000,000
Other Directorships	Clive Peters Limited (from 21 September 2005 to 17 November 2009)	

#### Justin Tremain

#### Managing Director

Qualifications	B.Com	
Experience	Mr Tremain graduated from the University of Western Australia with a Bachelor of Commerce degree. Mr Tremain has over 10 years' investment banking experience in the natural resources sector. He has held positions with Investec, NM Rothschild & Sons and Macquarie Bank and has extensive experience in the funding of natural resource projects in the junior to mid-tier resource sector. Most recently, Mr Tremain was a Director of Perth based mining advisory company, Optimum Capital Pty Ltd. Mr Tremain has undertaken numerous advisory assignments for resource companies, including acquisition and disposal assignments and project advisory roles.	
Interest in Securities	Fully Paid Ordinary Shares	1,150,001
	25 cent Options expiring 31 Dec 12	1,500,000
	30 cent Options expiring 31 Dec 12	1,500,000
Other Directorships	None	

#### Mel Ashton

#### Non-Executive Director

Qualifications	B.Com, FCA, FAICD	
Experience	Mr Ashton holds a Bachelor of Commerce degree from the University of Western Australia, is a fellow of the Institute of Chartered Accountants and a fellow of the Australian Institute of Company Directors. Mr Ashton also currently holds a number of board appointments, including a National Director of the Institute of Chartered Accountants, Director of The Hawaiian Group of Companies and Chairman of Cullen Wines (Australia) Pty Ltd. He is currently the Chairman for Empired Limited, Venture Minerals Limited and Gryphon Minerals Limited.	
Interest in Securities	25 cent Options expiring 31 Dec 12	1,000,000
Other Directorships	Gryphon Minerals Limited (since 18 May 2004) Empire Beer Group Limited (From 21 June 2006 to 18 March 2009) Empired Ltd (since 21 December 2005) Venture Minerals Limited (since 12 May 2006)	

#### Company Secretary

Brett Dunnachie - BCom, CA. Mr Dunnachie is a Chartered Accountant and holds a Bachelor of Commerce degree. Mr Dunnachie acts as the Chief Financial Officer of the Company and was appointed Company Secretary on 18 December 2009. Previously Mr Dunnachie was an audit manager at a major chartered accounting practice and is currently Company Secretary for Gryphon Minerals Limited, Venture Minerals Limited and Avonlea Minerals Limited.



## Directors' Report

### 13. Audited Remuneration Report

The information provided in this remuneration report has been audited as required by section 308(C) of the *Corporations Act 2001*.

#### (a) Principles used to determine the nature and amount of remuneration

The remuneration policy of Renaissance Minerals Limited has been designed to align director objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. The board of Renaissance Minerals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the company, as well as create goal congruence between directors and shareholders.

#### (i) Executive Directors & Other Executives

The remuneration policy, setting the terms and conditions for the executive directors and other senior staff members, was developed by the managing director and approved by the board after seeking professional advice from independent external consultants. In determining competitive remuneration rates, the Board reviews local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Reviews are performed to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9% and do not receive any other retirement benefits.

The company is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions, within the same industry. Certain Board members however acquired and were issued shares as part of the terms of the Initial Public Offer. Those Board members have retained these securities which assist in aligning their objectives with overall shareholder value.

Options have been issued to Board members and other key management personnel to provide a mechanism to participate in the future development of the company and an incentive for their future involvement with and commitment to the company. Options and performance incentives may also be issued in the event that the entity moves from an exploration entity to a producing entity, and key performance indicators such as profits and growth can then be used as measurements for assessing Board performance.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Shares issued to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options issued are valued using the Black-Scholes methodology.

#### (ii) Non-Executive Directors

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The managing director in consultation with independent advisors determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at a General Meeting. Fees for non-executive directors are not linked to the performance of the company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and do participate in option schemes.

#### (b) Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. This has been achieved by the issue of options to the majority of the directors and executives to encourage the alignment of personal and shareholder interest.

## Directors' Report

### 13. Audited Remuneration Report (continued)

#### (c) Key Management Personnel Remuneration

The Key Management Personnel and Other Executive Remuneration details of Renaissance Minerals Limited and the group for the period ending 30 June 2010 is set out below:

	Short-Term Employee Benefits			Post Employment	Securities Issued		Total
	Cash Salary	Consulting Fees	Non Monetary	Superannuation	Options	Shares	\$
<b>Non-Executive Directors</b>							
Rick Hart - Non-Executive Chairman							
2010	3,582	27,335	2,372	2,782	24,715	-	60,786
Mel Ashton - Non-Executive Director							
2010	1,850	15,650	2,372	-	24,715	-	44,587
<b>Executive Director</b>							
Justin Tremain - Managing Director							
2010	9,890	-	2,372	890	69,270	-	82,422
<b>Other Key Management Personnel</b>							
Shane Hibbird - Exploration Manager							
2010	9,669	-	-	-	12,291	-	21,960
<b>Total Key Management Personnel Compensation</b>							
2010	24,991	42,985	7,116	3,672	130,991	-	209,755

1: The fair value of the options is calculated at the date of grant using a Black-Scholes model.

No retirement benefits or equity securities were issued to any director or other key management personnel of the consolidated entity during the financial period. Messrs Parsons and Dunnachie who served as directors of the parent entity during the financial period received no remuneration in any form for their director services during the period.

#### (d) Options issued as part of remuneration for the period ended 30 June 2010

Options are issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to the majority of directors and executives of Renaissance Minerals Limited and its subsidiaries to increase goal congruence between executives, directors and shareholders.

	Granted No.	Options Granted as Part of Remuneration \$	Total Remuneration Represented by Options	Exercised No.	Other changes No.	Lapsed No.
<b>30 June 2010</b>						
<b>Non-Executive Directors</b>						
Rick Hart	1,000,000	24,715	41%	-	-	-
Mel Ashton	1,000,000	24,715	55%	-	-	-
<b>Executive Director</b>						
Justin Tremain	3,000,000	69,270	84%	-	-	-
<b>Other Key Management Personnel</b>						
Shane Hibbird	500,000	12,291	56%	-	-	-



## Directors' Report

### 13. Audited Remuneration Report (continued)

#### (d) Options issued as part of remuneration for the period ended 30 June 2010 (continued)

During the financial period and up to the date of this report the Company issued options as part of remuneration to key management personnel as follows:

Director	Issue Date	Expiry Date	% Vested in Period	Exercise Price	Number of Options
<b>30 June 2010</b>					
Rick Hart	26 Feb 10	31 Dec 12	100%	\$0.25	1,000,000
Mel Ashton	26 Feb 10	31 Dec 12	100%	\$0.25	1,000,000
Justin Tremain	26 Feb 10	31 Dec 12	100%	\$0.25	1,500,000
	26 Feb 10	31 Dec 12	100%	\$0.30	1,500,000
Shane Hibbird	04 Mar 10	31 Dec 12	100%	\$0.25	500,000

The following factors and assumptions were used in determining the fair value of options issued to key management personnel on grant date:

Grant Date	Expiry Date	Exercise Price	Fair Value Per Option	Price of Shares on Grant Date	Estimated Volatility	Risk Free Interest Rate	Dividend Yield
<b>30 June 2010</b>							
26 Feb 10	31 Dec 12	\$0.25	\$0.0247	\$0.10	80.00%	4.74%	0.00%
26 Feb 10	31 Dec 12	\$0.30	\$0.0241	\$0.10	80.00%	4.74%	0.00%
04 Mar 10	31 Dec 12	\$0.25	\$0.0246	\$0.10	80.00%	4.75%	0.00%

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future tender, which may not eventuate. The life of the options is based on historical exercise patterns, which may not eventuate in the future.

#### (e) Employment Contracts of Directors and Senior Executives

The employment conditions of the Managing Director of Renaissance Minerals are formalised in an Executive Services Agreement. The term of the contract is a minimum of 2 years commencing on the date the company listed on ASX. The agreement stipulates a 3 month resignation notice period. The company may terminate the contract within the first 12 months of employment without cause by providing three months written notice and making a payment equivalent to 6 months salary. Termination by the company after 12 months of employment will require 3 months written notice, a payment equivalent to 6 months salary, and a further one month's salary for every year of employment. The Managing Director's annual salary excluding superannuation is \$190,000.

### 14. Shares under Option

Unissued ordinary shares of Renaissance Minerals Limited under option at the date of this report are as follows:

Date Options Granted	Expiry Date	Exercise Price	Number under Option
26 Feb 10	31 Dec 12	\$0.25	3,500,000
26 Feb 10	31 Dec 12	\$0.30	1,500,000
04 Mar 10	31 Dec 12	\$0.25	500,000
04 Jun 10	31 Dec 12	\$0.25	1,000,000
04 Jun 10	31 Dec 12	\$0.30	500,000
04 Jun 10	31 Dec 12	\$0.35	500,000
30 Jul 10	31 Dec 12	\$0.25	200,000
09 Sep 10	01 Jun 13	\$0.25	1,500,000
09 Sep 10	01 Jun 13	\$0.30	1,500,000

No option holder has any right under the options to participate in any other share issue of the company or any other entity.

## Directors' Report

### 15. Proceedings on behalf of the Company

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

### 16. Meetings of Directors

The number of directors' meetings held during the financial period that each director who held office during the financial period was eligible to attend and the number of meetings attended by each director were:

Director	Directors Meetings	
	Number Eligible to Attend	Meetings Attended
Mr Rick Hart	4	4
Mr Mel Ashton	3	2
Mr Justin Tremain	6	6
Mr Stephen Parsons	3	3
Mr Brett Dunnachie	2	2

No audit committee meetings were held during the period.

### 17. Insurance of Officers

During the financial period, Renaissance Minerals Limited paid a premium of \$9,489 to insure the directors and secretary of the company and its controlled entities. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

### 18. Auditors Independent Declaration & Non-Audit Services

The lead auditor's independence declaration for the period ended 30 June 2010 has been received and can be found on page 15 of the directors' report. No fees were paid or payable to the auditors for non-audit services performed during the period ended 30 June 2010 other than \$7,500 for the completion of an independent accountants report for inclusion in the company's initial prospectus.

Signed in accordance with a resolution of the Board of Directors.



Justin Tremain  
Managing Director

Perth, 21 September 2010

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

# Stantons International

ABN 41 103 088 697

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WEST PERTH WA 6005, AUSTRALIA  
PH: 61 8 9481 3188 • FAX: 61 8 9321 1204  
www.stantons.com.au

21 September 2010

Board of Directors  
Renaissance Minerals Limited  
181 Roberts Road  
SUBIACO WA 6008

Dear Sirs

**RE: RENAISSANCE MINERALS LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Renaissance Minerals Limited.

As Audit Director for the audit of the financial statements of Renaissance Minerals Limited for the period from 18 December 2009 to 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully  
**STANTONS INTERNATIONAL**  
(Authorised Audit Company)



**John Van Dieren**  
Director

# Financial Statements

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Renaissance Minerals Limited was incorporated on 18 December 2009 and accordingly, these financial statements cover the period from incorporation date to 30 June 2010 ('the period' or 'period'). These financial statements cover Renaissance Minerals as a consolidated entity consisting of Renaissance Minerals Limited and the entities it controlled from time to time during the period ('the consolidated entity' or 'group'). The financial statements are presented in the Australian currency.

Renaissance Minerals Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Renaissance Minerals Limited  
Freemasons Building  
181 Roberts Road  
Subiaco WA 6008

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities on pages 5 to 9 in the directors' report, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 21 September 2010. The company has the power to amend and reissue the financial statements.

Through the use of the internet, the company has ensured that its corporate reporting is timely, complete, and available globally at minimum cost to the company. All press releases, financial statements and other information are available on our website: [www.renaissanceminerals.com.au](http://www.renaissanceminerals.com.au).

## Statement of Comprehensive Income

For the Period Ended 30 June 2010

	Note	Consolidated 2010 \$
Revenue from continuing operations	3	11,302
Administrative costs	4	(93,091)
Consultancy expenses		(53,152)
Employee benefits expense		(154,508)
Share based payment expenses		(130,992)
Occupancy expenses		(10,007)
Compliance and regulatory expenses		(20,976)
Insurance expenses		(3,491)
Depreciation expense	4	(107)
Exploration written off	11	-
<b>Loss before income tax</b>		<b>(455,022)</b>
Income tax (expense)/benefit	7	-
<b>Loss attributable to owners</b>		<b>(455,022)</b>
Other comprehensive income:		
- Exchange differences on translation of foreign ops	16	12,833
<b>Total comprehensive income attributable to owners</b>		<b>(442,189)</b>
Basic earnings/(loss) per share (cents per share)	18	(3.9)
Diluted earnings/(loss) per share (cents per share)	18	N/A

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



## Statement of Financial Position

As at 30 June 2010

	Note	Consolidated 2010 \$
<b>Current Assets</b>		
Cash and cash equivalents	8	6,269,447
Trade and other receivables	9	143,107
<b>Total Current Assets</b>		<b>6,412,554</b>
<b>Non-Current Assets</b>		
Trade and other receivables	9	30,000
Property, plant and equipment	10	2,338
Exploration and evaluation expenditure	11	3,985,361
<b>Total Non-Current Assets</b>		<b>4,017,699</b>
<b>Total Assets</b>		<b>10,430,253</b>
<b>Current Liabilities</b>		
Trade and other payables	12	623,753
Provisions	13	1,098
<b>Total Current Liabilities</b>		<b>624,851</b>
<b>Total Liabilities</b>		<b>624,851</b>
<b>Net Assets</b>		<b>9,805,402</b>
<b>Equity</b>		
Contributed equity	14	9,982,250
Option reserve	16	265,341
Functional currency translation reserve	16	12,833
Accumulated losses		(455,022)
<b>Total Equity</b>		<b>9,805,402</b>

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

## Statement of Changes in Equity

For the Period Ended 30 June 2010

Consolidated	Contributed Equity	Accumulated Losses	Functional Currency Translation Reserve	Option Reserve	Total
	\$	\$	\$	\$	\$
Balance at 18 December 2009	-	-	-	-	-
Total comprehensive income for the period	-	(455,022)	12,833	-	(442,189)
Transactions with owners in their capacity as owners:					
Contributions of equity (net of transaction costs)	9,982,250	-	-	-	9,982,250
Equity settled share based payment transactions	-	-	-	265,341	265,341
	9,982,250	-	-	265,341	10,247,591
<b>Balance at 30 June 2010</b>	<b>9,982,250</b>	<b>(455,022)</b>	<b>12,833</b>	<b>265,341</b>	<b>9,805,402</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

## Statement of Cash Flows

For the Period Ended 30 June 2010

	Note	Consolidated 2010 \$
<b>Cash Flows from Operating Activities</b>		
Payments to suppliers and employees		(69,064)
Interest received		6,128
Other revenue		-
Payments for exploration and evaluation		(230,620)
<b>Net cash inflow/(outflow) from operating activities</b>	19	<b>(293,556)</b>
<b>Cash Flows from Operating Activities</b>		
Proceeds from sale of property, plant and equipment		-
Purchase of rights to project areas		(200,000)
Purchase of subsidiary (net of cash acquired)	28	(175,000)
Purchase of property, plant and equipment		(2,445)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(377,445)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issue of shares		7,355,200
Share issue transaction costs		(414,752)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>6,940,448</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>6,269,447</b>
Cash and cash equivalents at the start of the period		-
<b>Cash and cash equivalents at the end of the period</b>	8	<b>6,269,447</b>

Amounts relating to payments to suppliers and employees as set out above are inclusive of goods and services tax. The above statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

## 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied from incorporation date to 30 June 2010, unless otherwise stated. These financial statements cover Renaissance Minerals as a consolidated entity consisting of Renaissance Minerals Limited and its subsidiaries ('the consolidated entity' or 'the group').

### (a) Basis of preparation

These general purpose financial statements 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*.

#### (i) Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes as presented comply with International Financial Reporting Standards (IFRS).

#### (ii) Financial statement preparation

The group has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the group has changed the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

#### (iii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets.

#### (iv) Period covered by these financial statements

Renaissance Minerals Limited was incorporated on 18 December 2009. As such these consolidated financial statements cover the period from incorporation to 30 June 2010 ('the period' or 'period').

### (b) Principles of consolidation

#### (i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Renaissance Minerals Limited as at 30 June 2010 and the results of all subsidiaries for the period then ended.

Subsidiaries are all those entities (including special purpose entities) over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The group applies a policy of treating transactions with minority interests as transactions with parties external to the group. Disposals to minority interests result in gains and losses for the group that are recorded in the statement of comprehensive income. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary. A list of controlled entities is contained in Note 26 to the financial statements. All controlled entities have a 30 June financial year-end.

#### (ii) Joint venture entities

A joint venture entity is an entity in which Renaissance holds a long-term interest and which is jointly controlled by Renaissance and one or more other venturers. Decisions regarding the financial and operating policies essential to the activities, economic performance and financial position of that venture require the consent of each of the venturers that together jointly control the entity.

#### (iii) Jointly controlled assets

Renaissance may have certain contractual arrangements with other participants to engage in joint activities where all significant matters of operating and financial policy are determined by the participants such that the operation itself has no significant independence to pursue its own commercial strategy. These contractual arrangements do not create a joint venture entity due to the fact that the policies are those of the participants, not a separate entity carrying on a trade or a business of its own. The financial statements of Renaissance include its share of the assets, liabilities and cash flows in such joint venture operations, measured in accordance with the terms of each arrangement, which is usually pro-rata to Renaissance's interest in the joint venture operations.

# Notes to the Financial Statements

## 1. Summary of Significant Accounting Policies (continued)

### (c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

The group has adopted AASB 8 *Operating Segments* since the commencement of the period. AASB 8 replaces AASB 114 *Segment Reporting*. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The segments, as presented, are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker.

### (d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for the business activities as follows:

#### (i) Interest income

Interest income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

### (e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction 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 assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

### (f) Leases

Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

### (g) Impairment of assets

At each reporting date the group assesses whether there is any indication that an asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### (h) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.



## Notes to the Financial Statements

### 1. Summary of Significant Accounting Policies (continued)

#### (i) Trade and other receivables

Trade and other receivables are initially recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade and other receivables are generally due for settlement within 30 days. Collectability of trade receivables is reviewed on an ongoing basis. Amounts that are known to be uncollectible are written off by reducing the carrying amount directly.

#### (j) Exploration and evaluation expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- Such costs are expected to be recouped through successful development and exploitation or from sale of the area: or
- Exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against profit in the year in which the decision to abandon the area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

#### (k) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on assets is calculated using the reducing balance method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Plant and equipment - office	40.0%
Furniture and equipment - office	20.0%
Plant and equipment - field	20.0%
Motor vehicles	22.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(g)). Gains and losses on disposals are determined by comparing proceeds received with the carrying amount. These are included in the statement of comprehensive income.

#### (l) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (m) Provisions

Provisions are recognised when; the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### (n) Employee benefits

##### (i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual 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.

##### (ii) Share-based payments

The company provides benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of shares of Renaissance Minerals Limited ('market conditions').

## Notes to the Financial Statements

### 1. Summary of Significant Accounting Policies (continued)

#### (o) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

#### (p) Earnings per share

##### (i) Basic earnings per share

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

##### (ii) 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 tax effect of interest and other financing costs associated with the 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.

#### (q) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

#### (r) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

A revised AASB 3 *Business Combinations* became operative on 1 July 2009. While the revised standard continues to apply the acquisition method to business combinations, there have been some significant changes.

All purchase consideration is now recorded at fair value at the acquisition date. Contingent payments classified as debt are subsequently remeasured through profit or loss. Previously, contingent payments were only recognised when the payments were probable and could be measured reliably and were accounted for as an adjustment to the cost of acquisition.

Acquisition-related costs are expensed as incurred. Previously, they were recognised as part of the cost of acquisition and therefore included in goodwill. Non-controlling interests in an acquiree are now recognised either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. Under the previous policy, the non-controlling interest was always recognised at its share of the acquiree's net identifiable assets.

If the group recognises previous acquired deferred tax assets after the initial acquisition accounting is completed there will no longer be any adjustment to goodwill. As a consequence, the recognition of the deferred tax asset will increase the group's net profit after tax.

The changes were implemented prospectively from incorporation and affected the accounting for the acquisition of Black Peak LLC disclosed in note 28.

## Notes to the Financial Statements

### 1. Summary of Significant Accounting Policies (continued)

#### (s) Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements of each of the group's 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 Renaissance Minerals Limited's functional and presentation currency.

##### (ii) Transactions and balances

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 statement of comprehensive income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale financial assets are included in the fair value reserve in equity.

##### (iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- Income and expenses for the statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised as a separate component of comprehensive income.

##### (iii) Group companies (continued)

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the statement of comprehensive income, as part of the gain or loss on sale where applicable. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

#### (t) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods. The group's assessment of the impact of these new standards and interpretations is set out below.

##### (i) AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification and measurement of financial assets and is likely to affect the group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The group is yet to assess its full impact. The group has not yet decided when to adopt AASB 9.

##### (ii) AASB Interpretation 19 Extinguishing financial liabilities with equity instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 (effective from 1 July 2010)

AASB Interpretation 19 clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor issuing its own equity instruments to the creditor (debt for equity swap). It requires a gain or loss to be recognised in profit or loss which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. The group will apply the interpretation from 1 July 2010. It is not expected to have any impact on the group or the parent entity's financial statements since it is only retrospectively applied from the beginning of the earliest period presented (1 July 2009) and the group has not entered into any debt for equity swaps since that date.

### 2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The group makes estimates and assumptions concerning the future. The resulting accounting estimates and judgements may differ from the related actual results and may have a significant effect on the carrying amount of assets and liabilities within the next financial year and on the amounts recognised in the financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

## Notes to the Financial Statements

### 2. Critical accounting estimates and judgements (continued)

#### (a) Deferred exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in note 1(j).

#### (b) Share based payment transactions

The group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 24.

	Consolidated 2010 \$
<b>3. Revenue</b>	
(a) Revenue from continuing operations	
Interest received	11,302
Total revenue from continuing operations	11,302
<b>4. Loss for the Period</b>	
(a) Depreciation of non-current assets	
Plant and equipment - office	107
Plant and equipment - field	-
Total depreciation	107
(b) Finance costs	
Interest and finance charges paid or payable	1,276
Total finance costs	1,276
<b>5. Auditor's Remuneration</b>	
(a) Remuneration of the auditor of the group	
Auditing or reviewing the financial statements	10,000
Other assurance services	7,500
Non-assurance services	-
Total auditor remuneration	17,500
<b>6. Key Management Personnel Compensation</b>	
(a) Summary Key Management Personnel Compensation	
Short-term employee benefits	75,092
Post-employment benefits	3,672
Long-term benefits	-
Share-based payments	130,991
Total key management personnel compensation	209,755
Detailed remuneration disclosures are provided within the audited remuneration report which can be found on pages 11 to 13 of the directors' report.	
(b) Options provided as remuneration and shares issued on exercise of such options	
Details of options provided as remuneration and shares issued on the exercise of such options, together with the terms and conditions of the options, are provided within the audited remuneration report which can be found on pages 11 to 13 of the directors' report.	
(c) Loans to key management personnel	
No loans were made to any director or other key management personnel of the group, including their personally related parties during the financial period.	
(d) Other transactions with key management personnel	
Information relating to other transactions with any director or other key management personnel can be found at note 23.	

## Notes to the Financial Statements

### 6. Key Management Personnel Compensation (continued)

#### (e) Option Holdings

The number of options over ordinary shares in the company held during the financial period by each director of Renaissance Minerals Limited and other key management personnel of the group, including their personally related parties, are set out below:

	Balance at start of the period	Granted as remuneration	Exercised	Other changes	Balance at end of the period	Vested and exercisable
2010						
Directors of Renaissance Minerals Limited						
Rick Hart	-	1,000,000	-	-	1,000,000	1,000,000
Justin Tremain	-	3,000,000	-	-	3,000,000	3,000,000
Mel Ashton	-	1,000,000	-	-	1,000,000	1,000,000
Other key management personnel						
Shane Hibbird	-	500,000	-	-	500,000	500,000

#### (f) Share holdings

The number of shares in the company held during the financial period by each director of Renaissance Minerals Limited and other key management personnel of the group, including their personally related parties, are set out below. There were no shares granted during the period as compensation.

	Balance at the start of the period	Received on exercise of options	Other changes	Balance at the end of the period
2010				
Directors of Renaissance Minerals Limited				
Rick Hart	-	-	-	-
Justin Tremain	-	-	1,120,001	1,120,001
Mel Ashton	-	-	-	-
Other key management personnel				
Shane Hibbird	-	-	-	-



## Notes to the Financial Statements

		Consolidated 2010 \$
<b>7. Income Tax Expense</b>		
(a) <b>Income tax expense</b>		
Current tax		-
Deferred tax		-
Total income tax expense		-
Deferred income tax expense included in income tax expense comprises:		
- (Increase) in deferred tax assets (note 7(c))		(119,035)
- Increase in deferred tax liabilities (note 7(d))		119,035
		-
(b) <b>Numerical reconciliation of income tax expense to prima facie tax payable</b>		
Profit from continuing operations before income tax expense		(455,022)
Tax (tax benefit) at the tax rate of 30%		(136,507)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Share based payments		39,298
- Other non-deductible amounts		2,135
Unrecognised tax losses		95,074
Income tax benefit		-
(c) <b>Deferred tax assets</b>		
Tax losses <sup>A</sup>		115,706
Employee benefits		329
Other accruals		3,000
		119,035
Set-off deferred tax liabilities (note 7(d))		(119,035)
Net deferred tax assets		-
(d) <b>Deferred tax liabilities</b>		
Exploration expenditure		118,731
Other		304
		119,035
Set-off deferred tax assets (note 7(c))		(119,035)
Net deferred tax liabilities		-
(e) <b>Tax losses</b>		
Unused tax losses for which no deferred tax asset has been recognized		446,658
Potential tax benefit at 30%		133,997
(f) <b>Unrecognised temporary differences</b>		
Unrecognised deferred tax asset relating to capital raising costs		153,264

A: The deferred tax asset attributable to tax losses does not exceed taxable amounts arising from the reversal of existing assessable temporary differences.

## Notes to the Financial Statements

Consolidated  
2010  
\$

### 8. Cash & Cash Equivalents

#### (a) Total cash and cash equivalents

Cash at bank and in hand

6,269,447

Total cash and cash equivalents

6,269,447

#### (b) Cash at bank and on hand

Cash on hand is non-interest bearing. Cash at bank bears interest rates between 0.00% and 4.50%.

### 9. Trade & Other Receivables

#### (a) Current

Other receivables

120,471

Prepayments

22,636

Total current trade and other receivables

143,107

#### (b) Non-Current

Deposits

30,000

Total non-current trade and other receivables

30,000

#### (c) Past due and impaired receivables

As at 30 June 2010, there were no other receivables that were past due or impaired.

#### (d) Effective interest rates and credit risk

Information concerning effective interest rates and credit risk of both current and non-current trade and other receivables is set out in note 17.

## Notes to the Financial Statements

	Plant & Equipment Office \$	Total \$
<b>10. Property, Plant &amp; Equipment</b>		
(a) Period ended 30 June 2010		
Opening net book amount	-	-
Additions	2,445	2,445
Disposals/write-offs	-	-
Depreciation charge	(107)	(107)
Closing net book amount	2,338	2,338
At 30 June 2010		
Cost or fair value	2,445	2,445
Accumulated depreciation	(107)	(107)
Net book amount	2,338	2,338

	Consolidated 2010 \$
<b>11. Exploration &amp; Evaluation Expenditure</b>	
(a) Non-current	
Opening balance	-
Project acquisition costs	3,737,806
Exploration and evaluation costs	247,555
Write-offs/provisions	-
Total non-current exploration and evaluation expenditure	3,985,361
(b) Recoverability of capitalised costs	
The value of the group's interest in exploration expenditure is dependent upon:	
<ul style="list-style-type: none"> <li>■ the continuance of the group's rights to tenure of the areas of interest;</li> <li>■ the results of future exploration; and</li> <li>■ the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.</li> </ul>	
The group's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.	
<b>12. Trade &amp; Other Payables</b>	
(a) Current	
Trade payables	574,828
Other payables	48,925
Total current trade & other payables	623,753
<b>13. Provisions</b>	
(a) Current	
Employee entitlements	1,098
Total current provisions	1,098

## Notes to the Financial Statements

	Consolidated 2010 Shares	Consolidated 2010 \$
<b>14. Contributed Equity</b>		
(a) <b>Issued capital</b>		
Ordinary shares (fully paid)	60,700,001	9,982,250
Total contributed equity	<u>60,700,001</u>	<u>9,982,250</u>
(b) <b>Ordinary Shares</b>		
Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. At shareholders meetings each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.		
(c) <b>Options</b>		
Information relating to options including details of options issued, exercised and lapsed during the financial period and options outstanding at the end of the financial period, is set out in note 15.		

	Date	Number of Shares	Issue Price	Total \$
<b>14. Contributed Equity</b>				
(d) <b>Movements in issued capital</b>				
Opening Balance 18 Dec 09		-		-
Share placement	18 Dec 09	1	\$0.001	-
Share placement	04 Mar 10	4,700,000	\$0.001	4,700
Share placement	11 May 10	500,000	\$0.001	500
Share placement	25 Mar 10	3,500,000	\$0.100	350,000
Share placement <sup>A</sup>	04 Jun 10	52,000,000	\$0.200	10,400,000
Less: Transaction costs				(772,950)
Closing Balance at 30 June 2010		<u>60,700,001</u>		<u>9,982,250</u>

A: 10,000,000 shares were issued to acquire the group's Australian land interests, 7,000,000 shares were issued to acquire the group's Alaskan land interests and 35,000,000 shares were issued as part of the company's initial public offering.

Expiry date	Exercise price	Balance at start of period	Granted during the year	Exercised during the year	Cancelled/lapsed during the year	Balance at end of the period
<b>15. Share Options</b>						
(a) <b>2010 unlisted share option details</b>						
31 Dec 12	\$0.25	-	5,000,000	-	-	5,000,000
31 Dec 12	\$0.30	-	2,000,000	-	-	2,000,000
31 Dec 12	\$0.35	-	500,000	-	-	500,000
		-	<u>7,500,000</u>	-	-	<u>7,500,000</u>
Weighted average exercise price		-	\$0.27	-	-	\$0.27

## Notes to the Financial Statements

Consolidated  
2010  
\$

### 16. Reserves

#### (a) Unlisted option reserve

Opening balance	-
Unlisted options issued as remuneration during the period	265,341
Closing balance	265,341

The unlisted option reserve records items recognised on valuation of director, employee and contractor share options. Information relating to options issued, exercised and lapsed during the financial period and options outstanding at the end of the financial period, is set out in note 15.

#### (b) Functional currency translation reserve

Opening balance	-
Exchange differences arising on translation of foreign operations	12,833
Closing balance	12,833

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in the statement of comprehensive income when the net investment is disposed of.

### 17. Financial Instruments, Risk Management Objectives and Policies

The consolidated entity's principal financial instruments comprise cash and cash equivalents. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the group. The consolidated entity also has other financial instruments such as trade and other receivables and trade and other payables which arise directly from its operations. For the period under review, it has been the consolidated entity's policy not to trade in financial instruments.

The main risks arising from the group's financial instruments are interest rate risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

#### (a) Interest Rate Risk

The group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

Consolidated	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest	Non-interest Bearing	2010 Total
	%	\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	4.40	6,136,184	-	133,263	6,269,447
Trade & other receivables - current	0.00	-	-	120,471	120,471
Trade & other receivables - non-current	5.80	-	30,000	-	30,000
		6,136,184	30,000	253,734	6,419,918
Financial Liabilities					
Trade and other payables - current	0.00	-	-	623,753	623,753
		-	-	623,753	623,753

The maturity date for all cash, trade & other receivable and trade and payable financial instruments included in the above tables is one year or less from balance date. The maturity for the non-current trade and other receivables is between 1 and 3 years from balance date.

#### (i) Group sensitivity analysis

The entity's main interest rate risk arises from cash and cash equivalents with variable and fixed interest rates. At 30 June 2010 the group's exposure to interest rate risk is not considered material.

## Notes to the Financial Statements

### 17. Financial Instruments, Risk Management Objectives and Policies (continued)

#### (b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the group's maximum exposure to credit risk.

#### (c) Liquidity risk

The group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, the group aims at ensuring flexibility in its liquidity profile by maintaining the ability to undertake capital raisings. Funds in excess of short term operational cash requirements are generally only invested in short term bank bills.

#### (d) Net fair value

The carrying value and net fair values of financial assets and liabilities at balance date are:

Consolidated	2010	
	Carrying Amount \$	Net fair Value \$
Financial assets		
Cash and cash equivalents	6,269,447	6,269,447
Trade & other receivables - current	120,471	120,471
Trade & other receivables - non-current	30,000	30,000
	<u>6,419,918</u>	<u>6,419,918</u>
Financial Liabilities		
Trade and other payables - current	623,753	623,753
	<u>623,753</u>	<u>623,753</u>



## Notes to the Financial Statements

Consolidated  
2010  
\$

### 18. Earnings per Share

(a)	Earnings/(Loss)	
	Earnings/(loss) used in the calculation of basic EPS	(455,022)
(b)	Weighted average number of ordinary shares ("WANOS")	
	WANOS used in the calculation of basic earnings per share:	11,774,228

### 19. Cash Flow Information

(a)	Reconciliation of cash flows from operating activities with loss from ordinary activities after tax:	
	Profit/(loss) from ordinary activities after income tax	(455,022)
	Depreciation	107
	Share based payments	130,992
	Changes in assets and liabilities:	
	- (Increase) in operating receivables & prepayments	(173,106)
	- (Increase) in capitalised exploration	(197,527)
	- (Decrease)/Increase in trade and other payables	401,000
	Net cash (outflows) from Operating Activities	(293,556)

### 20. Commitments

(a)	Exploration commitments	
	Not longer than one year	886,061
	Longer than one year, but not longer than five years	1,940,558
	Longer than five years	-
	Total exploration commitments	2,826,619

In order to maintain rights of tenure to mining tenements subject to these agreements, the group would have the above discretionary exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable per the above maturities. If the company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

### 21. Segment Information

#### (a) Description of segments

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. For the purposes of segment reporting the chief operating decision maker has been determined as the board of directors. The board monitors the entity primarily from a geographical perspective, and has identified three operating segments, being exploration for mineral reserves within Australia, exploration for mineral reserves within Alaska and the corporate/head office function.

#### (b) Segment information provided to the board of directors

The segment information provided to the board of directors for the reportable segments for the period ended 30 June 2010 is as follows:

	Exploration Australia \$	Alaska \$	Corporate \$	Total \$
2010				
Total segment revenue	-	-	11,302	11,302
Interest revenue	-	-	11,302	11,302
Depreciation and amortisation expense	-	-	107	107
Total segment profit/(loss) before income tax	-	-	(455,022)	(455,022)
Total segment assets	2,395,771	1,589,590	6,444,892	10,430,253
Total segment liabilities	-	-	624,851	624,851

## Notes to the Financial Statements

### 21. Segment Information (continued)

#### (c) Measurement of segment information

All information presented in part (b) above is measured in a manner consistent with that in the financial statements.

#### (d) Segment revenue

No inter-segment sales occurred during the current financial period. The entity is domiciled in Australia. No revenue was derived from external customers in countries other than the country of domicile. Revenues of \$11,302 were derived from one Australian financial institution during the period. These revenues are attributable to the corporate segment.

#### (e) Reconciliation of segment information

Total segment revenue, total segment profit/(loss) before income tax, total segment assets and total segment liabilities as presented in part (b) above, equal total entity revenue, total entity profit/(loss) before income tax, total entity assets and total entity liabilities respectively, as reported within the financial statements.

### 22. Events Occurring After the Balance Sheet Date

There have been the following material events subsequent to balance date:

- On 13 September 2010 Renaissance announced that it had entered into an agreement to acquire Newmont Exploration Pty Ltd's ('Newmont') interest in a highly prospective 277km<sup>2</sup> tenement package in the Eastern Goldfields of Western Australia ('Pinjin Gold Project'). Renaissance Minerals will make an upfront cash payment of \$200,000 and issue approximately 1,500,000 fully paid ordinary shares to Newmont. The shares will be subject to a 12 month escrow period. In addition, Renaissance Minerals will be required to make a cash payment of \$1 million to Newmont upon establishment of a JORC resource of at least 0.5 million ounces of gold and a further cash payment of \$1 million upon establishment of a JORC resource of at least 1.0 million ounces of gold.

There are no other material events subsequent to balance date.

### 23. Related Party Information

#### (a) Parent entity

The ultimate parent entity within the group is Renaissance Minerals Limited.

#### (b) Subsidiaries

Interests in subsidiaries are set out in note 26.

#### (c) Key management personnel

Disclosures relating to key management personnel are set out in note 6.

#### (d) Transactions with Director Related Parties

The following transactions occurred with related parties:

	Consolidated 2010 \$
Recharges from director related entities:	
Recharge of costs by Gryphon Minerals Limited	143,395
Recharges to director related entities:	
Recharge of costs to Gryphon Minerals Limited	37,194
Outstanding balances arising from recharges/purchases with Director Related Parties:	
Current payables	79,891
Current receivables	37,194

On 15 March 2010 the company entered into an agreement with Gryphon Minerals Limited ('Gryphon') to acquire various Australian tenements. A net cash payment of \$162,806 was paid/payable, and 10,000,000 ordinary shares issued to Gryphon in consideration for the transfer of the fore mentioned tenements.

#### (e) Terms and conditions of related party transactions

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

## Notes to the Financial Statements

### 24. Share Based Payments

#### (a) Fair value of listed options granted

The fair value of listed options granted is calculated as the market value prevailing at the date on which the options are authorised for issue. No listed options were issued during the period.

#### (b) Fair value of unlisted options granted

The weighted average fair value of the options granted during the period was 3.54 cents. The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

Weighted average exercise price: 27 cents

Weighted average life of the option: 2.75 years

Weighted average underlying share price: 12.67 cents

Expected share price volatility 80.00%

Risk free interest rate between 4.74% and 4.79%

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future tender, which may not eventuate. The life of the options is based on historical exercise patterns, which may not eventuate in the future. Total share-based payment transactions recognised during the period were as set out below. Details of other options movements and balances are set out in Note 15.

	Consolidated 2010 \$
Unlisted options	
Options issued to directors, employees and consultants	265,341

### 25. Contingent Liabilities

There are no contingent liabilities outstanding at the end of the period.

### 26. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity Holding <sup>A</sup> 2010 %
Renaissance WA Pty Ltd	Australia	Ordinary	100
Renaissance Alaska Pty Ltd	Australia	Ordinary	100
Black Peak LLC	United States	Ordinary	100

A: The proportion of ownership interest is equal to the proportion of voting power held.

## Notes to the Financial Statements

		Company 2010 \$
<b>27. Parent Entity Information</b>		
(a) <b>Assets</b>		
Current assets		6,412,554
Non-current assets		4,004,866
Total assets		<u>10,417,420</u>
(b) <b>Liabilities</b>		
Current liabilities		624,851
Non-current liabilities		-
Total liabilities		<u>624,851</u>
(c) <b>Equity</b>		
Contributed equity		9,982,250
Option reserve		265,341
Accumulated losses		(455,022)
Total equity		<u>9,792,569</u>
(d) <b>Total comprehensive income/(loss) for the period</b>		
Profit/(loss) for the period		(455,022)
Other comprehensive income for the period		-
Total comprehensive income/(loss) for the period		<u>(455,022)</u>
(e) <b>Capital commitments</b>		
Not longer than one year		-
Longer than one year, but not longer than five years		-
Longer than five years		-
Total capital commitments		<u>-</u>
The parent entity has not guaranteed any loans for any entity during the period. The parent entity does not have any contingent liabilities.		

## Notes to the Financial Statements

### 28. Business combination

#### (a) Summary of acquisition

On 25 March 2010 Renaissance Alaska Pty Ltd, a fully owned subsidiary of Renaissance Minerals Ltd, acquired 100% of the issued capital of Black Peak LLC. The acquired business contributed a loss of \$0 to the group for the period 25 March 2010 to 30 June 2009.

Details of the fair value of the assets and liabilities acquired are as follows:

	\$
Purchase consideration:	
Cash paid (refer to (b) below)	175,000
Shares issued (refer to (c) below)	1,400,000
Total purchase consideration	1,575,000
Fair value of net identifiable assets acquired (refer (d) below)	1,575,000
Goodwill	-

#### (b) Purchase consideration - cash

	Consolidated 2010 \$
Outflow of cash to acquire subsidiary, net of cash acquired:	
Cash consideration	175,000
Less: cash acquired	-
Outflow of cash	175,000

#### (c) Purchase consideration - shares

	Consolidated 2010 \$
Shares Issued	
Ordinary Shares	1,400,000
Total shares issued	1,400,000
On 25 March 2010 a total of 7,000,000 shares in the parent entity were issued to Black Peak Holdings Pty Ltd.	

#### (d) Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount \$	Fair value \$
Cash	-	-
Exploration expenditure	187,330	187,330
Tenement acquisition	-	1,578,305
Trade and other payables	(190,635)	(190,635)
Net assets	(3,305)	1,575,000
Non-controlling interests		-
Net identifiable assets acquired		1,575,000

## Director's Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 16 to 38 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the financial year ended on that date; and
- (b) the audited remuneration disclosures set out on pages 11 to 13 of the directors' report comply with section 300A of the *Corporations Act 2001*; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (d) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

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 the Board of Directors.



Justin Tremain  
Managing Director

Perth, Western Australia, 21 September 2010



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RENAISSANCE MINERALS LIMITED**

### **Report on the Financial Report**

We have audited the accompanying financial report of Renaissance Minerals Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 18 December 2009 to 30 June 2010, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period end or from time to time during the financial period.

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

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report, comprising the financial statements and notes, complies 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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*.

#### *Auditor's opinion*

In our opinion:

- (a) the financial report of Renaissance Minerals Limited 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 2010 and of its performance for the period from 18 December 2009 to 30 June 2010; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(a).

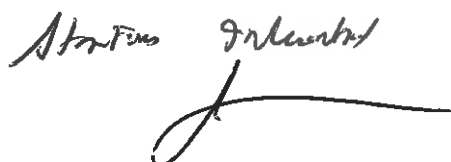
#### **Report on the Remuneration Report**

We have audited the remuneration report included in pages 11 to 13 of the directors' report for the period ended 30 June 2010. 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

#### *Auditor's opinion*

In our opinion the remuneration report of Renaissance Minerals Limited for the period ended 30 June 2010 complies with section 300 A of the *Corporations Act 2001*.

**STANTONS INTERNATIONAL**  
**(An Authorised Audit Company)**



**J P Van Dieren**  
Director

West Perth, Western Australia  
21 September 2010

## Additional Shareholder Information

### Shareholding

The distribution of members and their holdings of equity securities in the holding company as at 15 September 2010 was as follows:

Number Held as at 15 September 2010	Class of Equity Securities Fully Paid Ordinary Shares
1- 1,000	2
1,001 - 5,000	14
5,001 - 10,000	57
10,001 - 100,000	256
100,001 and above	81
	410

Holders of less than a marketable parcel: 2.

### Substantial Shareholders

The names of the substantial shareholders listed on the company's register as at 15 September 2010:

Shareholder	Number
Gryphon Minerals Limited	10,000,000
Black Peak Holdings Pty Ltd	7,000,000
CQS Asset Management Limited	3,724,500

### Voting Rights - Ordinary Shares

In accordance with the holding company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

### ASX Listing Rule 4.10.19

In accordance with Listing Rule 4.10.19, the company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objective is primarily mineral exploration.

## Additional Shareholder Information (continued)

### Twenty Largest Shareholders

The names of the twenty largest ordinary fully paid shareholders as at 15 September 2010 are as follows:

Shareholder	Number	% Held of Issued Ordinary Capital
Gryphon Minerals Ltd	10,000,000	16.47%
Black Peak Holdings Pty Ltd	7,000,000	11.53%
HSBC Custody Nominees Australia Ltd	5,614,740	9.25%
Catalpa Resources Ltd	2,800,000	4.61%
Waterloo Australia Pty Ltd	2,000,000	3.29%
HSBC Custody Nominees Australia Ltd	1,223,500	2.02%
Golden Prospect Precious	1,180,000	1.94%
Sasha Tremain	1,000,000	1.65%
Lomacott Pty Ltd	1,000,000	1.65%
Chalmsbury Nominees Pty Ltd	650,000	1.07%
Ristovski Nominees Pty Ltd	575,000	0.95%
Merriwee Pty Ltd	550,000	0.91%
Max Capital Pty Ltd	525,500	0.87%
Ekul Nominees Pty Ltd	500,000	0.82%
Chalmsbury Nominees Pty Ltd	500,000	0.82%
Peter John Nelson	466,000	0.77%
Holdrey Pty Ltd	447,500	0.74%
Willingvale Pty Ltd	425,000	0.70%
Mahsor Holdings Pty Ltd	425,000	0.70%
Darren Peter Gordon	400,000	0.66%
	37,282,240	61.42%

# Corporate Governance Statement

## Corporate Governance

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations. The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines. As consistency with the guidelines has been a gradual process, where the Company did not have certain policies or committees recommended by the ASX Corporate Governance Council (the Council) in place during the reporting period, we have identified such policies or committees.

Where the Company's corporate governance practices do not correlate with the practices recommended by the Council, the Company is working towards compliance however it does not consider that all the practices are appropriate for the Company due to the size and scale of Company operations.

To illustrate where the Company has addressed each of the Council's recommendations, the following table cross-references each recommendation with sections of this report. The table does not provide the full text of each recommendation but rather the topic covered.

Recommendation	Section
Recommendation 1.1 Functions of the Board and Management	1.1
Recommendation 1.2 Evaluation of Board, Directors and Key Executives	1.4.10
Recommendation 1.3 Reporting on Principle 1	1.1 and 1.4.10
Recommendation 2.1 Independent Directors	1.2 and 1.3
Recommendation 2.2 Independent Chairman	1.2 and 1.3
Recommendation 2.3 Role of the Chairman and CEO	1.2 and 1.3
Recommendation 2.4 Establishment of Nomination Committee	2.3
Recommendation 2.5 Evaluation of Board, Committees and Directors	1.4.10
Recommendation 2.6 Reporting on Principle 2	1.2, 1.4.6, 1.4.10, 2.3.1 and the Directors' Report
Recommendation 3.1 Code of Conduct	3
Recommendation 3.2 Company Security Trading Policy	1.4.9
Recommendation 3.3 Reporting on Principle 3	1.1 and 1.4.9, 3
Recommendation 4.1 Establishment of Audit Committee	2.1
Recommendation 4.2 Structure of Audit Committee	2.1.2
Recommendation 4.3 Audit Committee Charter	2.1
Recommendation 4.4 Reporting on Principle 4	2.1 and 2.1.2
Recommendation 5.1 Policy for Compliance with Continuous Disclosure	1.4.4
Recommendation 5.2 Reporting on Principle 5	1.4.4
Recommendation 6.1 Communications Strategy	1.4.8
Recommendation 6.2 Reporting on Principle 6	1.4.8
Recommendation 7.1 Policies on Risk Oversight and Management	2.1.3
Recommendation 7.2 Managing and Implementing Risk Management	2.1.3
Recommendation 7.3 Attestations by CEO and CFO	2.1.3
Recommendation 7.4 Reporting on Principle 7	2.1.3
Recommendation 8.1 Establishment of Remuneration Committee	2.2
Recommendation 8.2 Executive and Non-Executive Director Remuneration	2.2.3.1 and 2.2.3.2
Recommendation 8.3 Reporting on Principle 8	1.2, 2.2.1 and 2.2.3.2

## Corporate Governance Statement (continued)

### 1.1 Role of the Board

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company.

To assist the Board carry out its functions, the Company has adopted a Board Charter. A copy is available for inspection on the Company's website.

### 1.2 Composition of the Board

To add value to the Company the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given its current size and scale of operations. The names of the Directors and their qualifications and experience are stated in the Directors' Report along with the term of office held by each of the Directors. Directors are appointed based on the specific skills required by the Company and on their decision-making and judgment skills.

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. Mr R Hart is a Non-Executive Director, and is independent directors as he meets the following criteria for independence adopted by the Company.

An Independent Director is a Non-Executive Director and:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member. Or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company or other group member other than as a Director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Material is defined as being where the relationship accounts for more than two percent of consolidated gross expenditure per annum of the Company.

Mr R Hart is the Non-Executive Chairman of the Company and meets the Company's criteria for independence. His experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board.

Mr M Ashton is a Non-Executive Director of the Company and does not meet the Company's criteria for independence as he is a Non-Executive Director of a substantial shareholder, Gryphon Minerals Ltd. His experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board.

Mr J Tremain is an Executive Director of the Company and does not meet the Company's criteria for independence. However, his experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board.

The Company currently does not have a majority of the Board independent. The Board currently comprises of one independent Director and two non-independent Directors. Due to the size of the Company and the experience of the Directors, the Company believes that the current composition of the Board remains appropriate.



## Corporate Governance Statement (continued)

### 1.3 Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following.

- **Leadership of the Organisation:** overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board.
- **Strategy Formulation:** to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.
- **Overseeing Planning Activities:** the development of the Company's strategic plan.
- **Shareholder Liaison:** ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.
- **Monitoring, Compliance and Risk Management:** the development of the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.
- **Company Finances:** approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting.
- **Human Resources:** appointing, and, where appropriate, removing the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) as well as reviewing the performance of the CEO and monitoring the performance of senior management in their implementation of the Company's strategy.
- **Ensuring the Health, Safety and Well-Being of Employees:** in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.
- **Delegation of Authority:** delegating appropriate powers to the CEO to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board.

Full details of the Board's role and responsibilities are contained in the Board Charter, a copy of which is available for inspection on the Company's website.

### 1.4 Board Policies

#### 1.4.1 Conflicts of Interest

Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the Corporations Act, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

#### 1.4.2 Commitments

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

#### 1.4.3 Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

## Corporate Governance Statement (continued)

### 1.4.4 Continuous Disclosure

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information:

- concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

The Company has a Continuous Disclosure Policy which is available for inspection on the Company's website.

### 1.4.5 Education and Induction

It is the policy of the Company that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors include:

- details of the roles and responsibilities of a Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- access to a copy of the Board Charter;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board;
- background information on and contact information for key people in the organisation;
- an analysis of the Company;
- a synopsis of the current strategic direction of the Company; and
- a copy of the Constitution of the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

### 1.4.6 Independent Professional Advice

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

### 1.4.7 Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

### 1.4.8 Shareholder Communication

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company; and
- requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company. The Company has a Shareholder Communication Policy which is available for inspection on the Company's website.

### 1.4.9 Trading in Company Shares

The Company has had a formal Share Trading Policy in place since February 2010. A copy of the policy is available for inspection on the Company's website.

## Corporate Governance Statement (continued)

### 1.4.10 Performance Review/Evaluation

It is the policy of the Board to conduct annual evaluations of its effectiveness and that of individual Directors. Each Directors performance is appraised personally by the Chairman and in a meeting led by another Director, the Chairman's performance is assessed.

The evaluation process in the current year was overseen by the Chairman. The evaluation process of the Chairman was led by the other independent Director in conjunction with the Managing Director. The objective of this evaluation is to provide best practice corporate governance to the Company.

## 2. Board Committees

### 2.1 Audit Committee

The Board has established an Audit Committee for focussing on issues relevant to the integrity of the Company's financial reporting.

The Company has adopted an Audit Committee Charter which is available for inspection on the Company's website, however below is a summary of the role and responsibilities of an Audit Committee.

There were no Audit Committee meetings held during the current year.

#### 2.1.1 Role and responsibilities

The Audit Committee monitors the internal control policies and procedures designed to safeguard Company assets and further maintain the integrity of financial reporting.

The Audit Committee reviews the audited annual and half-yearly financial statements and any reports which accompany published financial statements and recommends their approval to the members.

The Audit Committee each year reviews the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.

The Audit Committee or is also responsible for establishing policies on risk oversight and management.

#### 2.1.2 Structure

The Audit Committee comprises of two Directors only one of which is independent however both are Non-Executive. The Chairman of the Board is not the Chairman of the Audit Committee. The members of the Audit Committee are Mr M Ashton (Chairman) and Mr R Hart both of which are financially literate with appropriate understanding of the industry in which the Company operates. All details of the members qualifications can be found in the Directors Report.

The Company notes that it departs from ASX Corporate Governance Council recommendations as the Audit Committee does not consist of at least 3 members, a majority of members are not independent and the chair is not independent.

Considering the current size of the Company and composition and experience of the Audit Committee, the Board considers the current composition and size to be appropriate.

#### 2.1.3 Risk Management Policies

The Board's Charter clearly establishes that it is responsible for ensuring there is a good sound system for overseeing and managing risk. Due to the size and scale of operations, risk management issues are considered by the Board as a whole.

A risk management plan has been developed and implemented by Renaissance. The plan provides a framework for systematically understanding and identifying the types of business risks threatening Renaissance as whole and specific business activities within the Company. A risk register has been developed through the implementation and review of the risk management plan which has identified material business risk of the Company. The risk register also provides the controls in place to mitigate the material business risks and managements assessment of residual risk.

The board believes that it has a thorough understanding of the Company's key risks and is managing them appropriately. The board is responsible for reviewing annually its risk management system. This includes reviewing operational, financial, compliance, systems and risk management procedures. The directors confirm they have completed their annual review for 2010. A copy of the company's risk management statement is available from the corporate governance section of the company's website.

On 21 September 2010 Mr Justin Tremain (Managing Director) and Mr Brett Dunnachie (Company Secretary) provided the Board with a declaration in accordance with S295A of the Corporations Act that the financial statements are founded on a sound system of risk management and internal compliance. Their statement assured the Board that the risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

## Corporate Governance Statement (continued)

### 2.2 Remuneration Committee

#### 2.2.1 Role

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

As the whole Board only consists of three (3) members, the Company does not have a remuneration committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues. The company has adopted a Remuneration Committee Charter which is available for inspection on the company's website.

#### 2.2.2 Responsibilities

The responsibilities of a Remuneration Committee, or the full Board include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the Chief Executive Officer, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both Executive and Non-Executive Directors and making recommendations on any proposed changes and undertaking reviews of the Chief Executive Officer's performance, including, setting with the Chief Executive Officer goals and reviewing progress in achieving those goals.

#### 2.2.3 Remuneration Policy

The Managing Directors, Mr Justin Tremain, remuneration was agreed in an Executive Services Agreement dated 27 March 2010. The non-executive directors' remuneration was agreed in a Non-Executive Services Agreement dated 25 March 2010.

##### 2.2.3.1 Senior Executive Remuneration Policy

The Company is committed to remunerating its senior executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, under the Senior Executive Remuneration Policy the remuneration of senior executive may be comprised of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- participation in any share/option scheme with thresholds approved by shareholders;
- statutory superannuation.

By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration the Company aims to align the interests of senior executives with those of shareholders and increase Company performance.

The value of shares and options were they to be granted to senior executives would be calculated using the Black and Scholes method.

The objective behind using this remuneration structure is to drive improved Company performance and thereby increase shareholder value as well as aligning the interests of executives and shareholders.

The Board may use its discretion with respect to the payment of bonuses, stock options and other incentive payments.

##### 2.2.3.2 Non-Executive Director Remuneration Policy

Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors do not receive performance based bonuses however they do participate in option schemes. Non-Executive Directors are entitled to but not necessarily paid statutory superannuation. Non-Executive Directors are not provided with any retirement benefits other than superannuation.

#### 2.2.4 Current Director Remuneration

Full details regarding the remuneration of Directors, is included in the Directors' Report.

## Corporate Governance Statement (continued)

### 2.3 Nomination Committee

#### 2.3.1 Role

The role of a Nomination Committee is to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times. The company has adopted a Nomination Committee Charter which is available for inspection on the company's website.

#### 2.3.2 Responsibilities

The responsibilities of a Nomination Committee would include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Nomination Committee would also oversee management succession plans including the CEO and his/her direct reports and evaluate the Board's performance and make recommendations for the appointment and removal of Directors. Currently the Board as a whole performs this role.

#### 2.3.3 Criteria for selection of Directors

Directors are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least one Director with experience appropriate to the Company's target market. In addition, Directors should have the relevant blend of personal experience in accounting and financial management and Director-level business experience.

### 3. Company Code of Conduct

The Company has had a formal Code of Conduct in place since February 2010. A copy of the Code of Conduct is available for inspection on the Company's website.

## Tenement Listing

As at 20 September 2010

Project	Tenement	Interest	Status
Eastern Goldfields	E15/1187	100%	Pending
	E25/430	100%	Granted
	E28/1988	100%	Granted
	E28/1992	100%	Granted
	E28/1993	100%	Granted
	E28/1995	100%	Granted
	E28/1997	100%	Granted
	E28/2001	100%	Granted
	E28/2002	100%	Granted
	E28/2003	100%	Pending
	E28/2036	100%	Pending
	E28/2037	100%	Pending
	E28/2038	100%	Pending
	E28/2039	100%	Pending
	E28/2040	100%	Pending
	E28/2041	100%	Pending
	E28/2042	100%	Pending
	E28/2043	100%	Pending
	E28/2044	100%	Pending
	E28/2045	100%	Pending
	E28/2052	100%	Pending
	E28/2059	100%	Pending
	E28/2060	100%	Pending
	E28/2061	100%	Pending
	E28/2062	100%	Pending
	E28/2063	100%	Pending
	P28/1199	100%	Pending
	P28/1200	100%	Pending
	P28/1201	100%	Pending
	P28/1202	100%	Pending
	P28/1203	100%	Pending
	P28/1204	100%	Pending
	E31/899	100%	Pending
	E31/900	100%	Granted
	E31/901	100%	Granted
	E31/902	100%	Granted
	E31/904	100%	Granted
	E31/919	100%	Pending
	E31/920	100%	Pending
	E31/921	100%	Pending
	E39/1511	100%	Granted
Marvel Loch	E77/1234	100%	Granted
	E77/1289	100%	Granted
	E77/1454	100%	Granted
Quicksilver <sup>A</sup>	ADL660282	100%	Granted
	to ADL660351	100%	Granted

Project	Tenement	Interest	Status
Mulgabbie	E28/1587	100%	Granted
	E28/1756	100%	Granted
	E28/1757	100%	Granted
	E28/1759	100%	Granted
Pinjin	E28/1850	100%	Granted
	E28/1852	100%	Granted
	E28/1143	0%	Granted
	E28/1506	0%	Granted
	E28/1560	0%	Granted
	E28/1562	0%	Granted
	E28/1613	0%	Granted
	E28/1626	0%	Granted
	E28/1633	0%	Granted
	E28/1634	0%	Granted
	E28/1635	0%	Granted
	E28/1694	0%	Granted
	E28/1698	0%	Granted
	E28/1726	0%	Pending
	E28/1743	0%	Pending
	E31/748	0%	Granted
	L31/56	0%	Granted
	M28/198	0%	Pending
	M28/278	0%	Pending
	P28/1055	0%	Granted
	P28/1056	0%	Granted
	P28/1057	0%	Granted
	P28/1058	0%	Granted
	P28/1059	0%	Granted
	P28/1060	0%	Granted
	P28/1061	0%	Granted
	P28/1073	0%	Granted
	P28/1074	0%	Granted
	P28/1076	0%	Granted
	P28/1136	0%	Granted
Radio	M77/633	100%	Granted
	L77/81	100%	Granted
	P77/3665	100%	Granted
	P77/3666	100%	Granted
	P77/3759	100%	Granted
	P77/3760	100%	Granted
	P77/3761	100%	Granted
	E77/1349	100%	Granted
	E77/1350	100%	Granted
	P77/3641	90%	Granted
	P77/3296	90%	Granted
	P77/3297	90%	Granted
	E77/1692	100%	Granted

### Notes

- A: The Quicksilver project encompasses leases ADL660282 to ADL660351 (inclusive) (a total of 70 blocks). All lease areas are 100% owned.  
E: Exploration License  
P: Prospecting License  
M: Mining License  
L: Lease