

Renaissance Minerals Ltd

ABN 90 141 196 545

# Annual Report

2013

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### Non-Executive Chairman

David Kelly (appointed Non-Executive Director on 1 February 2013. Appointed Non-Executive Chairman on 31 July 2013)

### 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  
Facsimile: (08) 9286 6333

### Share Registry

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153

### Auditors

Stantons International  
Level 2, 1 Walker Avenue  
WEST PERTH WA 6005

### Bankers

National Australia Bank  
50 St Georges Terrace  
PERTH WA 6000

### Solicitors

Steinepreis Paganin  
16 Milligan Street  
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)

Dear Renaissance Minerals shareholders,

On behalf of the Directors of Renaissance Minerals Ltd ('Renaissance') I am pleased to present to shareholders the Company's Annual Report for the year ending 30 June 2013.

The past twelve months has been a period of significant achievement for Renaissance. Having acquired the Cambodian Gold Project in May 2012, the Company has advanced the project rapidly with focussed exploration programs. This culminated in an updated JORC mineral resource estimate for the wholly owned Okvau deposit of 15.6 million tonnes grading 2.4g/t gold for 1.2 million ounces of gold. This is a milestone achievement for the Company which vindicates our belief that the project has the potential to yield large world class gold deposits.

Outside of the Okvau deposit, surface geochemistry and geophysical surveys and mapping have resulted in multiple high priority drill targets being defined. Given the difficult market conditions experienced by all gold exploration companies over the past 12 months, the amount of drilling the Company undertook was curtailed and many of these high priority targets remain untested. We continue to see the potential for additional discoveries within the project area, while opportunities remain to expand the Okvau deposit.

The Company has implemented a prudent cost saving program in response to the deterioration in the gold price and gold equity markets. The Board is committed to preserving shareholder funds and applying those funds in a financially responsible manner. The Board and management team remain focused on advancing the exciting Okvau gold project which we are confident will deliver shareholders long term value creation.

Renaissance takes its corporate and social responsibilities seriously and is committed to engaging with the local communities around the Okvau gold project and all stakeholders of the Company. The Company is also committed to ensuring its employees and contractors are provided with a safe working environment.

I would like to take this opportunity to thank Rick Hart for his efforts as the Non-Executive Chairman of the Company from its Initial Public Offering in June 2010 until his retirement in July 2013.

I would also like to thank our shareholders who have remained with us through the year for your continued support and welcome our more recent shareholders.

The team at Renaissance has worked hard and diligently this past twelve months and I look forward to the coming year with enthusiasm. It promises to be an exciting and busy year for the Company as the Cambodian Gold Project is advanced through focussed exploration.

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



David Kelly  
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 year ended 30 June 2013 in order to comply with the provisions of the *Corporations Act 2001*.

### 1. Directors

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

|                |                        |
|----------------|------------------------|
| Justin Tremain | Managing Director      |
| Mel Ashton     | Non-Executive Director |

Mr Rick Hart was the Non-Executive Chairman from the beginning of the year until his resignation on 31 July 2013.

Mr David Kelly was appointed Non-Executive Director on 1 February 2013 and was appointed Non-Executive Chairman on 31 July 2013, he continues in office at the date of this report.

### 2. Principal Activities

The principal activity of the consolidated entity during the financial year was mineral exploration primarily in Cambodia and advancing the Company's Okvau Gold Project. There were no significant changes in the nature of the consolidated entity's principal activities during the financial year.

### 3. Operating Results

The loss attributable to owners of the consolidated entity after providing for income tax amounted to \$5,449,737 (2012: \$3,285,341).

### 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 \$1,660,017 in cash and cash equivalents as at 30 June 2013 (2012: \$4,445,463) which the Directors believe puts the consolidated entity in a sound financial position with sufficient capital to effectively explore its current projects.

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

Renaissance Minerals is currently focused on actively exploring for gold mineralisation within its current portfolio of projects in Cambodia, Australia and Alaska with the object of identifying commercial resources.

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.

Material business risks that may impact the results of future operations include further exploration results, future commodity prices and funding.

### 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 year:

- On 8 March 2013 the company announced an upgraded JORC indicated and inferred resource estimate of 15.6Mt at 2.4g/t for 1.2 million ounces of gold at its 100% owned Okvau deposit in Cambodia.
- On 29 November 2012, the company completed a two tranche placement issuing a total of 55,555,555 ordinary shares at \$0.18 cents raising \$10.0 million to fund part deferred consideration on the acquisition of the Cambodian Gold Project, additional exploration programs and for on-going working capital.

### 8. Review of Operations

#### Corporate

The Company achieved a number of milestones during the 2013 financial year in relation to the Company's exciting Cambodian Gold Project. A large diamond core drilling program was completed at the Okvau deposit which yielded exceptional results. This culminated in a new JORC resource estimate of 1.2 million ounces of gold announced in March 2013. A large scale surface geochemical sampling program was also completed which has successfully defined multiple high priority 'drill ready' targets, all within close proximity to the Okvau deposit.

In October 2012, the Company completed a \$10 million equity raising to existing and new shareholders which allowed the Company to extinguish a \$5 million vendor payment to OZ Minerals Limited ("OZ Minerals") and to fund the large drilling and sampling programs completed during the year.

Subsequent to the 2013 financial year end, the Company undertook a \$2.2 million equity raising along with a Share Purchase Plan ("SPP"). Despite the extremely difficult market conditions, the equity raising and SPP were fully subscribed by existing shareholders and has placed the Company in a strong cash position to continue to advance the Cambodian Gold Project in a fiscally prudent manner.

During the 2013 financial year, the Company successfully renewed the core Okvau and adjoining O'Chhung Exploration Licences for further two year periods. Importantly, the Exploration Licences are owned 100% and held directly by Renaissance Minerals (Cambodia) Ltd, a wholly owned subsidiary of Renaissance. These two year renewals were granted in accordance with the original Agreement on Exploration and Exploitation of Minerals ("Exploration Agreement") dated 30 January 2007 and the Amendment 001 dated 30 October 2009 with the Ministry of Industry, Mines and Energy representing the Royal Government of Cambodia. The Exploration Agreements include provisions to relinquish 10% of the area held under each Exploration Licence upon each two year renewal. Renaissance successfully applied for an exemption to this requirement for the Okvau Exploration Licence for this renewal.

Under the Exploration Agreement, following these two year renewal periods, Renaissance is entitled to a three year (with a further one year option) 'Feasibility Study Period' in order to complete feasibility and environmental studies in order to apply for an 'Industrial Mining Licence'.

Given difficult market conditions currently being experienced for gold companies, drilling activity was suspended in April 2013 and exploration activity has been limited to inexpensive activities such as geochemical sampling, mapping and data review to identify and prioritise high quality targets for future drilling. Detailed geophysical surveys have been completed (ground magnetics, high resolution frequency domain ground electromagnetics and gravity) along with an independent detailed structural and geochemical mapping program. The data generated by the additional geophysical surveys and the detailed mapping has allowed the Company to undertake comprehensive ranking of regional drill targets by prospectivity. The highest priority targets outside of the Okvau deposit remain entirely untested with any drilling. The Company is preparing to commence drilling testing these targets at the beginning of the next dry season (Oct / Nov 2013).

#### Cambodian Gold Project

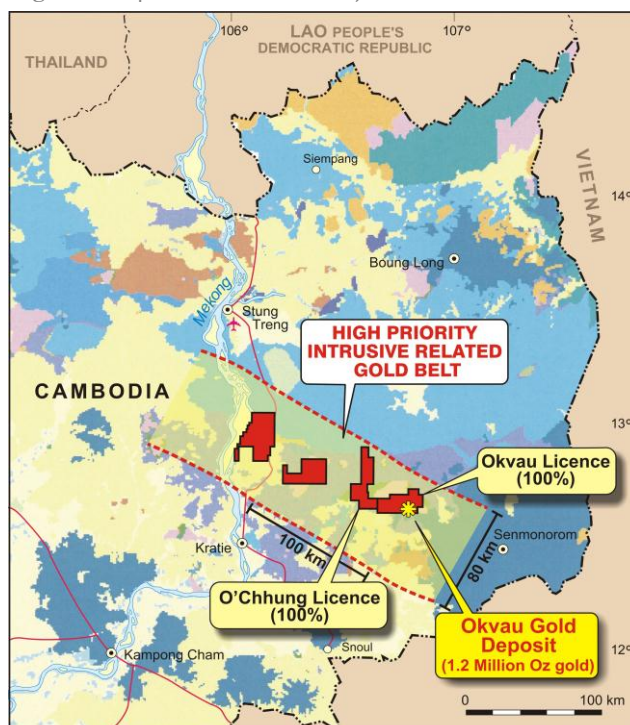
##### Background

The Company acquired the Cambodian Gold Project from OZ Minerals in May 2012. The project area is predominately located in the eastern region of Cambodia and covers an extensive area of approximately 1,000km<sup>2</sup> within the core of a prospective new Intrusive Related Gold ("IRG") province in the eastern region of the country.

The **100% owned Okvau deposit and adjoining O'Chhung Exploration Licences cover approximately 400km<sup>2</sup>** of the total project area and are located in the eastern plains of Cambodia in the Mondulkiri Province approximately 265km north-east of the capital Phnom Penh (refer Figure One). The topography is undulating with low relief 80 to 200m above sea level. There are isolated scattered hills rising to around 400m. The area is sparsely populated with some artisanal mining activity. Existing roads and tracks provide for sufficient access for the exploration activities undertaken to date.

An independent JORC Indicated and Inferred Resource estimate of **15.6Mt @ 2.4g/t for 1.2 million ounces of gold** has recently been defined at the **Okvau deposit** (refer Table One).

Figure One | Cambodia Gold Project Location





The Okvau deposit and other gold occurrences within the exploration licences are directly associated with diorite and granodiorite intrusions and are best classed as an Intrusive Related Gold deposit. Exploration to date has demonstrated the potential for large scale gold deposits with the **geology and geochemistry analogous to other world class Intrusive Related Gold districts**, in particular the Tintina Gold Belt in Alaska (Donlin Creek 38Moz, Pogo 6Moz, Fort Knox 10Moz, Livengood 20Moz).

There are a **number of high priority exploration prospects based upon anomalous geochemistry, geology and geophysics which remain untested with drilling**. These targets are all located within close proximity to the Okvau deposit (refer Figure Three).

### Okvau deposit - Mineral Resource Estimate

A significant milestone was achieved in March 2013 with the announcement of an updated independent JORC compliant gold Indicated and Inferred resource estimate for the Okvau deposit of 15.6Mt at 2.4g/t gold for 1.2 million ounces. The new resource estimate includes the drilling completed by the Company on the Okvau deposit during the 2013 financial year, which was a combination of infill and extensional drilling. This drilling provided better delineation of high grade gold zones.

Importantly, over 90% of the resource estimate is in the 'Indicated' category. The resource estimate comprises of 15.2Mt at 2.3g/t gold for 1.11 million ounces of gold classified in the 'Indicated' resource category plus 0.5Mt at 5.9g/t gold for 0.1 million ounces of gold classified in the 'Inferred' resource category. The resource estimate utilised 90 diamond drill holes totalling 28,156m. Given historical local mining activity, the resource estimate has excluded any mineralisation from surface to 10m vertical depth.

The current Okvau resource has a strike extent of 500m and covers approximately 250m of width of the mineralised vein system. The 'Indicated' component of resource estimate is from surface to less than 300m. The depth and geometry of this component of the resource is potentially amenable to open pit mining (refer Figure Two).

The deposit remains 'open' and there is significant potential to define additional ounces. Accordingly, the reported resource estimate is considered as an interim resource and potential exists to further expand the resource base.

Renaissance engaged SRK Consulting ("SRK") of Perth, Australia to complete an independent estimation of the mineral resources for the Okvau deposit. The SRK March 2013 Resource estimate for the Okvau deposit is shown below:

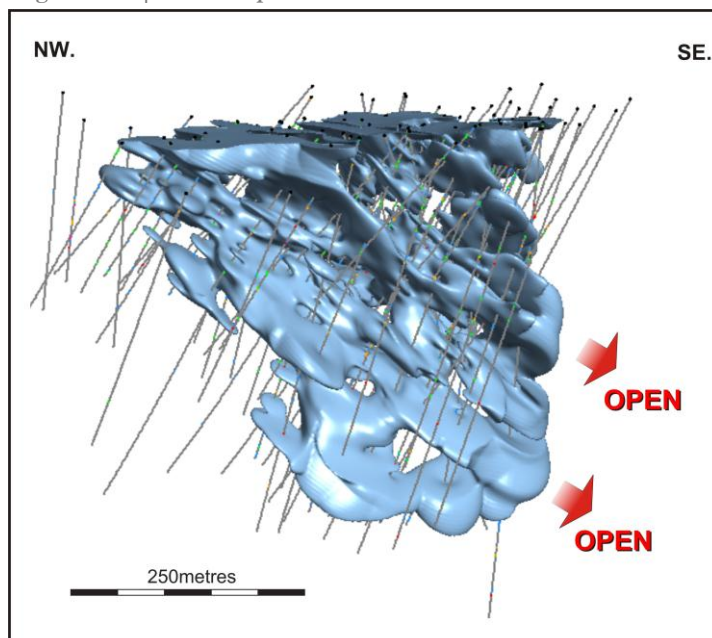
Table One | Okvau deposit resource estimate

| Resource Classification    | Tonnage (Mt) | Grade Au (g/t) | Gold (Moz) |
|----------------------------|--------------|----------------|------------|
| Indicated (300m and above) | 15.2         | 2.3            | 1.11       |
| Inferred (below 300m)      | 0.5          | 5.9            | 0.09       |
| Total                      | 15.6         | 2.4            | 1.20       |

- Notes:
1. The resource to approximately 300m vertical depth (-150mRL and above) is reported at a lower cut-off grade of 0.65g/t gold
  2. The resource beneath 300m vertical depth (below -150mRL) is reported at a zero lower cut-off within a 2.0g/t gold grade shell as this material is considered more likely to be extracted by underground mining
  3. Totals may appear different from the sum of their components because of rounding

This Mineral Resource estimate for the Okvau gold project was prepared by Robin Simpson of SRK Consulting (Australasia) Ltd. Mr Simpson is a Member of the Australian Institute of Geoscientists (AIG), and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Simpson consents to the inclusion of the matters based on his information in the form and context in which it appears.

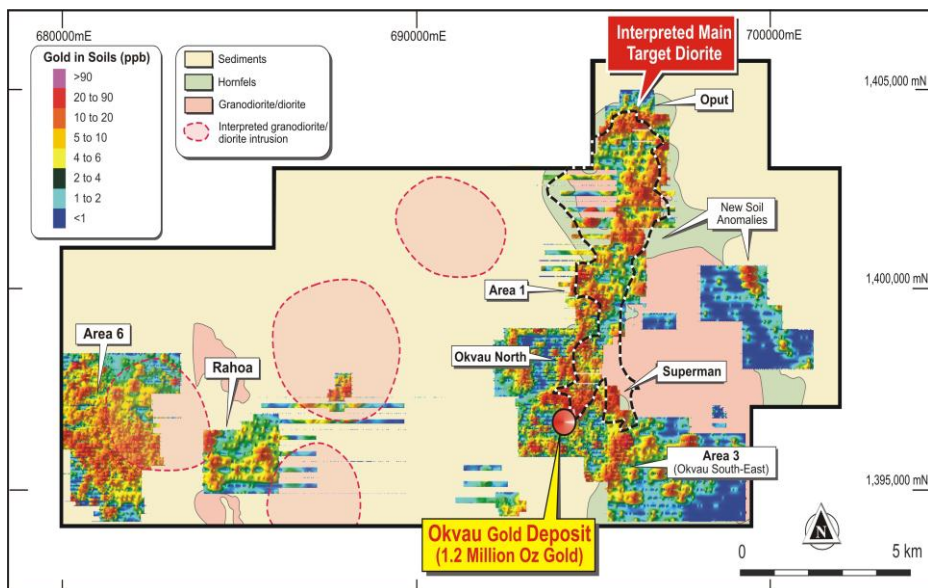
Figure Two | Okvau deposit: Resource Wireframe



## Regional Exploration - Geochemistry

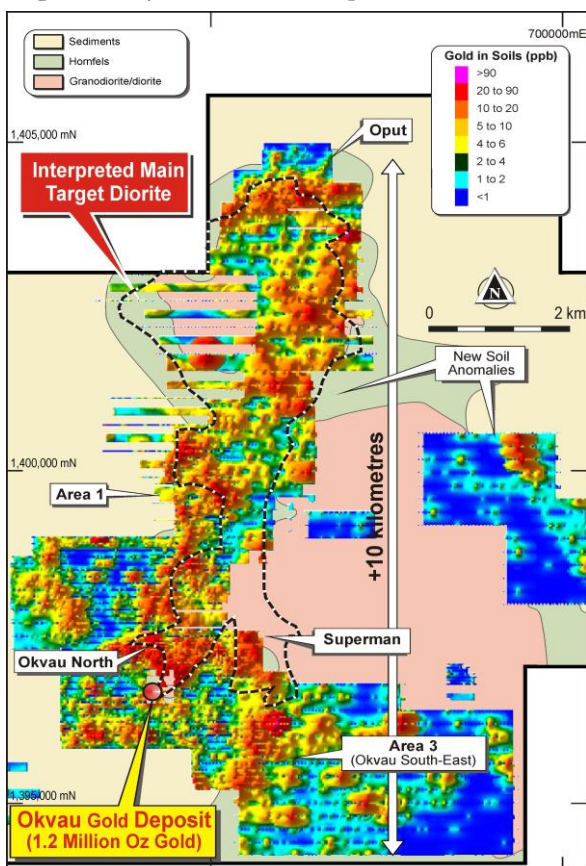
Renaissance aims to establish a multi-million ounce gold project at Okvau in Cambodia and believes there is excellent new discovery potential. During the 2013 financial year a highly successful surface geochemical sampling program was completed which generated multiple additional targets. All of these targets are situated within 15km of the Okvau deposit (refer Figure Three Okvau Exploration Licence Area: Soil Geochemistry).

Figure Three | Okvau Exploration Licence Area - Soil Geochemistry



A corridor of over 10km to the north of the Okvau has now been soil sampled (on a nominal grid of 200m x 50m) returning highly anomalous gold in soils (supported by critical pathfinder multi-elements). This 10 kilometre corridor is positioned in a favourable geological setting along the western margin of the large diorite intrusion that hosts the Okvau deposit (refer Figure Four - Okvau North Prospective Corridor). The size of this anomalous area indicates the potential for very large mineralised systems.

Figure Four | Okvau North Prospective Corridor - Soil Geochemistry



## Regional Exploration - Drilling

The results of the geochemical survey are considered extremely significant and have provided a plethora of drill ready targets. The Company undertook **over 11,000m of RC drilling** targeting some of these high priority prospects.

To the immediate north-east of the Okvau deposit, shallow RC drilling was undertaken to test for mineralisation beneath anomalous soil geochemistry (refer Figure Five - RC Drill Collar Location). The main lodes of mineralisation within the Okvau deposit strike to the north-east and this anomalous soil geochemistry demonstrated potential for significant strike extensions. There had been no previous drilling to test this area and local mining activity has recently been extended to the north-east.

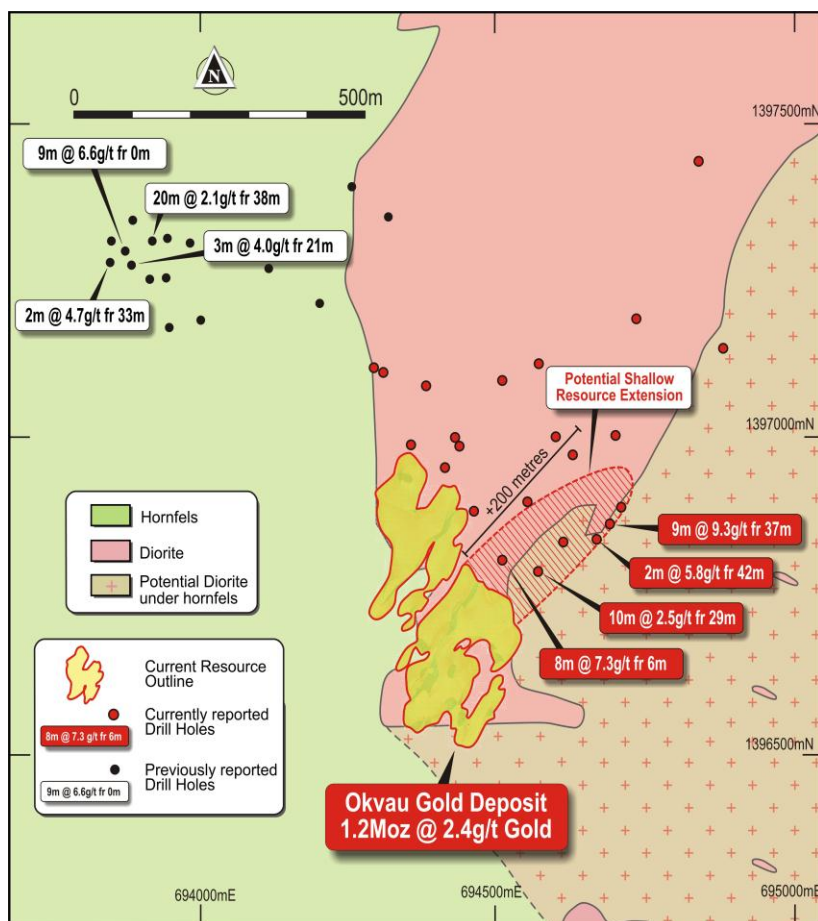
Significant (+5 gram m) results to the north-east of the Okvau deposit included:

- 3m @ 1.9g/t gold from 96m
- 2m @ 2.5g/t gold from 45m
- 8m @ 7.3g/t gold from 6m
- 2m @ 5.8g/t gold from 42m
- 9m @ 9.3g/t gold from 37m
- 10m @ 2.5g/t gold from 29m
- 2m @ 3.8g/t gold from 52m

These drill results confirm mineralisation remains open along strike and has the potential to add further shallow gold ounces to the Okvau deposit.



Figure Five | Okvau RC Drill Collar Location



Assays results were received during the fourth quarter for the tail end of some limited shallow RC drilling undertaken at the large Area 6 prospect to test for mineralisation beneath some recent local mining activity. Approximately twenty RC holes were drilled in this small discreet area and some narrow high grade intersections were returned including 2m @ 6.2g/t Au from 39m and 1m @ 7.6g/t Au from 43m. Average down-hole depth of all RC holes was around 80m.

The drilling undertaken at Area 6 was only undertaken at the south-east edge of the large +10km<sup>2</sup> geochemical anomaly that defines the Area 6 prospect. Initial drilling was undertaken here due to some recent local mining activity. In parallel with this drilling, geophysical surveys (high resolution frequency domain ground electromagnetics and gravity) and detailed structural and geochemical mapping was undertaken over the entire Area 6 area. This work has resulted in the Company's high priority targets at Area 6 (based on assessed prospectivity for large scale gold deposits) being situated away from the area of local mining activity and to the north and east. These targets at Area 6 remain completely untested with drilling.

## Cambodia

Cambodia is a constitutional monarchy with a constitution providing for a multi-party democracy. The population of Cambodia is approximately 14 million. The Royal Government of Cambodia, formed on the basis of elections internationally recognised as free and fair, was established in 1993. Cambodia has a relatively open trading regime and joined the World Trade Organisation in 2004. The government's adherence to the global market, freedom from exchange controls and unrestricted capital movement makes Cambodia one of the most business friendly countries in the region.

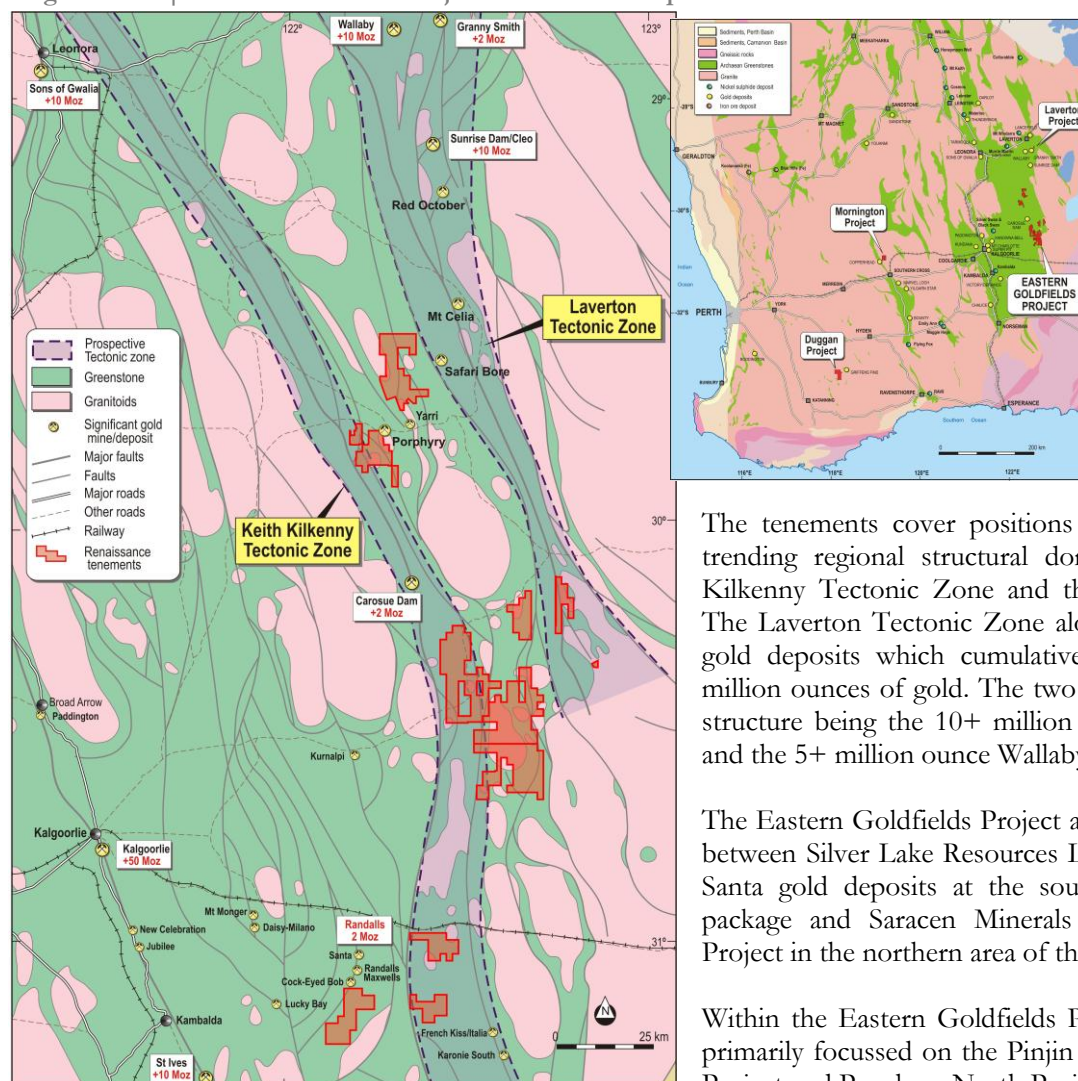
The Cambodian Government has implemented a strategy to create an appropriate investment environment to attract foreign companies, particularly in the mining industry. Cambodia has a modern and transparent mining code and the government is supportive of foreign investment particularly in mining and exploration to help realise the value of its potential mineral value.

Figure Six | Regional Cambodia



## Eastern Goldfields Project, Western Australia

### Figure Seven | Eastern Goldfields Project - Tenement Map



The Eastern Goldfields Project area is predominately situated between Silver Lake Resources Ltd's Randalls, Maxwell's 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.

Within the Eastern Goldfields Project area, the Company is primarily focussed on the Pinjin Gold Project, Yilgangi Gold Project and Porphyry North Project.

The Pinjin Gold Project covers the Rebecca Palaeochannel system that is host to numerous palaeochannel gold intersections of up to 30g/t gold. The Company acquired its interest in the Pinjin Gold Project from Newmont in 2010 with an objective of discovering the primary source of the palaeochannel gold. Drilling has intersected significant insitu gold mineralisation within a complex geological package beneath and adjacent to the Rebecca Palaeochannel system over a length of 5km. Drilling results to date from this structure include; 5.9m @ 7.2g/t Au from 89.7m, 33m @ 3.1g/t Au from 51m, 2m @ 9.98g/t Au from 72m, 2m @ 8.47g/t Au from 93m and 12m @ 2.96g/t Au from 73m. Both the style and geological setting are comparable to the initial discovery of Sunrise Dam, which is approximately 100km to the north, in the same structural domain.

Further to the north, the Company holds an 80% joint venture interest in the Yilgangi Gold Project which was acquired from Newcrest. The other 20% interest in the Yilgangi Joint Venture is held by Jindalee Resources Limited (“Jindalee”). Under the Yilgangi Joint Venture agreement Jindalee’s interest is ‘carried’ via a limited recourse loan up to a decision to mine date.



The Yilgarn Gold Project straddles the Keith-Kilkenny Fault within the Edjudina Greenstone Belt of the Yilgarn Craton. The Edjudina Greenstone Belt within the vicinity of the project area consists of basalt, dolerite, felsic volcanics and volcanics and minor ultramafic units. Within the Yilgarn project area the Edjudina Greenstone Belt is intruded by numerous monzonite, syenite and felsic porphyries. The Yilgarn project area appears to be situated on a major dilational jog and the intrusives are focussed within this zone.

A number of saprolite gold anomalies have been defined at Yilgarn with most attention on the Hobbes prospect where a +3 kilometre long saprolite gold anomaly (+50ppb gold) has been identified. Drilling to date has been predominately focussed on the southern portion of the Hobbes anomaly. Significant intersections (+20g/m) drilled at the Hobbes prospect include; 15m @ 2.4g/t Au from 38m, 20m @ 2.2g/t Au from 166m, 10m @ 2.5g/t Au from 54m, 32m @ 1.4g/t Au from 69m, 20m @ 1.9g/t Au from 58m, 17m @ 1.8g/t Au from 53m, 21m @ 1.9g/t Au from 58m, 18m @ 3.0g/t Au from 87m and 10m @ 6.9g/t Au from 128m.

### Radio Gold Project, Southern Cross

The Radio Project area encompasses the historic Radio Gold Mine, located 40km north of Southern Cross near the town of Bullfinch. 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.

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

Southern Cross Goldfields Limited ("SXG") is earning a joint venture interest in the Radio Gold Mine. The terms of the joint venture with SXG provides for:

- SXG to earn an initial 50% interest in the Radio Gold Mine by sole funding \$1.5 million on development within 2 years;
- SXG may increase its interest to 70% by sole funding a further \$1.0 million; and
- Renaissance retains the right to retain a 30% contributing interest.

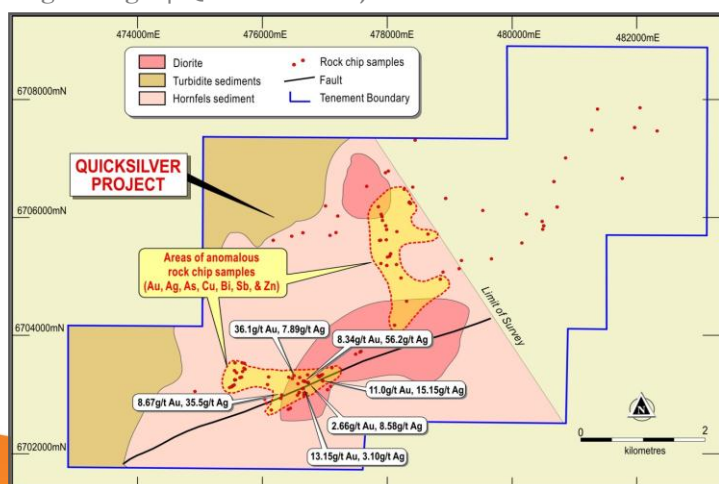
Renaissance also holds 5 million ordinary fully paid shares in SXG and 10 million options in SXG exercisable at 10 cents per share expiring 24 February 2015. In August 2013, SXG announced it had completed a merger with Polymetals Mining Ltd.

### 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 preliminary 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 detailed aeromagnetic survey has recently been flown over the Quicksilver prospect area. The data has been processed and the preliminary interpretation defines a structure that coincides with previous rock chip samples with elevated gold assays.

Figure Eight | Quicksilver Project



During the 2013 year, the Company entered into a binding term sheet for the disposal of the Quicksilver Project. The term sheet remains conditional upon the purchaser completing an equity raising and a listing on the Australian Stock Exchange. Upon completion, Renaissance is to receive approximately \$0.75m of fully paid ordinary shares in the purchaser plus additional share options. The purchaser is required to keep the project licences in good standing.

## Directors' Report

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

On 23 July 2013 the Company announced that it had raised \$2,200,000 by agreeing to issue 44,000,000 ordinary shares as part of a two tranche placement as follows:

- i) Tranche 1- 27,687,500 shares were issued on 29 July 2013; and
- ii) Tranche 2 – 16,312,500 shares to be issued subject to shareholder approval at a General Meeting to be held on 30 August 2013.

Further to the two tranche placement announced on 23 July 2013, the Company also announced a Share Purchase Plan open to all eligible shareholders to raise up to \$500,000 on the same terms and conditions as the placement.

On 31 July 2013 Mr Rick Hart resigned as Non-Executive Chairman and Mr David Kelly was appointed to this position.

There are no further 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. Material business risks that may impact the results of future operations include further exploration results, future commodity prices and funding

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.

### 12. Information on Directors and Company Secretary

#### David Kelly Non-Executive Chairman

##### Qualifications

B.Sc Hons

##### Experience

Mr Kelly has more than 25 years experience and holds a B Sc Hons (Major in Geology) from Victoria University of Wellington. His experiences includes senior positions in explorations, operations management, mine planning, project evaluation and business development with companies such as Consolidated Minerals Limited, WMC Resources Limited and Central Norseman Gold Corporation.

He has spent several years in resource banking with Investec and NM Rothschild & Sons undertaking technical and operation analysis of projects. Mr Kelly is currently a Director at Optimum Capital, an independent advisory house servicing the junior and mid-tier mining sectors

|                        |                            |         |
|------------------------|----------------------------|---------|
| Interest in Securities | Fully Paid Ordinary Shares | 125,000 |
|------------------------|----------------------------|---------|

|                     |      |
|---------------------|------|
| Other Directorships | None |
|---------------------|------|

#### 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             | 1,305,001 |
|                        | 25 cent Options expiring 31 March 2015 | 1,333,333 |
|                        | 30 cent Options expiring 31 March 2015 | 1,333,333 |
|                        | 35 cent Options expiring 31 March 2015 | 1,333,333 |

|                     |      |
|---------------------|------|
| Other Directorships | None |
|---------------------|------|

## Directors' Report

### Mel Ashton

#### Qualifications

### Non-Executive Director

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 March 2015 | 250,000 |
| 30 cent Options expiring 31 March 2015 | 250,000 |

#### Other Directorships

Gryphon Minerals Limited (since 18 May 2004)  
Empired Ltd (since 21 December 2005)  
Venture Minerals Limited (since 12 May 2006)  
Resource Development Group Limited (since 9 February 2011)  
Barra Resources Limited (since 13 January 2011 to 28 February 2013)

### Company Secretary

Brett Dunnachie - BCom, CA. Mr Dunnachie is a Chartered Accountant with over 12 years experience in corporate, audit and company secretarial matters. 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 also experienced in IPO management, company secretarial services, financial accounting/reporting and ASX/ASIC compliance management. Mr Dunnachie is also currently Company Secretary for Venture Minerals Limited and Alicanto Minerals Limited.

### 13. Audited Remuneration Report

The directors are pleased to present your company's 2013 remuneration report which sets out remunerations information for Renaissance Minerals Limited's non-executive directors, executive directors and other key management personnel.

The Board and key management personnel have made significant progress during the June 2013 financial year culminating in a 65% increase to the mineral resource estimate at the Okvau deposit to an indicated and inferred mineral resource estimate of 15.6Mt @ 2.4g/t for 1.2 Million ounces of gold. With the finalization of the acquisition of the 100% owned Cambodian Gold Project in June 2012, the company established a remuneration framework for the Managing Director and key management to align their remuneration to key operational milestones.

The remuneration report is set out under the following headings:

- A. Introduction
- B. Remuneration governance
- C. Use of remuneration consultants
- D. Executive remuneration and framework
- E. Relationship between remuneration and Renaissance Minerals Limited's performance
- F. Non-Executive Director remuneration policy
- G. Voting and comments made at the company's 2012 Annual General Meeting
- H. Details of Remuneration
- I. Service Agreements

#### A. Introduction

This report details the nature and amount of remuneration for all key management personnel of Renaissance Minerals Limited and its subsidiaries. The information provided within this remuneration report has been audited as required by section 308(C) of the *Corporations Act 2001*. The individuals included in this report are:

##### Non-Executive Directors

|             |                        |
|-------------|------------------------|
| Mr R Hart   | Non-Executive Chairman |
| Mr M Ashton | Non-Executive Director |
| Mr D Kelly  | Non-Executive Director |

##### Executive Directors

|              |                   |
|--------------|-------------------|
| Mr J Tremain | Managing Director |
|--------------|-------------------|

##### Other Key Management Personnel

|                |                     |
|----------------|---------------------|
| Mr S Hibbird   | Exploration Manager |
| Mr B Dunnachie | Company Secretary   |

All of the key management personnel held their positions for the entire financial year and up to the date of this report with the exception of the following;

- i) Mr Rick Hart resigned subsequent to year end on 31 July 2013.
- ii) Mr David Kelly who was appointed Non-Executive Director effective 1 February 2013 and was further appointed as Non-Executive Chairman on 31 July 2013. Mr Kelly holds this position as at the date of this report.



## B. Remuneration governance

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 and therefore the full Board acts as the remuneration committee. The Board has established a broad remuneration policy which is consistent with the group's business objectives and designed to attract and retain high calibre individuals, align key management personnel remuneration with the creation of shareholder value and motivate executives to achieve challenging performance levels.

The business and operational environment of the group is dynamic and ever changing and so too is the remuneration policies. As such the broader remuneration policies, whilst currently under specific and detailed review, are by nature, always under consideration by the Board.

Further information relating to the role of the Board and its responsibilities in relation to remuneration policies can be found within the Corporate Governance Report included within this Annual Report.

## C. Use of remuneration consultants

The company has not engaged or contracted remuneration consultants during the financial year.

## D. Executive remuneration and framework

### Remuneration Policy

The remuneration policy of Renaissance Minerals Limited has been designed to align executives' objectives with shareholder and business objectives by providing both fixed and discretionary remuneration components which are assessed on an annual basis in line with market rates. By providing components of remuneration that are indirectly linked to share price appreciation (in the form of options), executive, business and shareholder objectives are indirectly aligned. The Board 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.

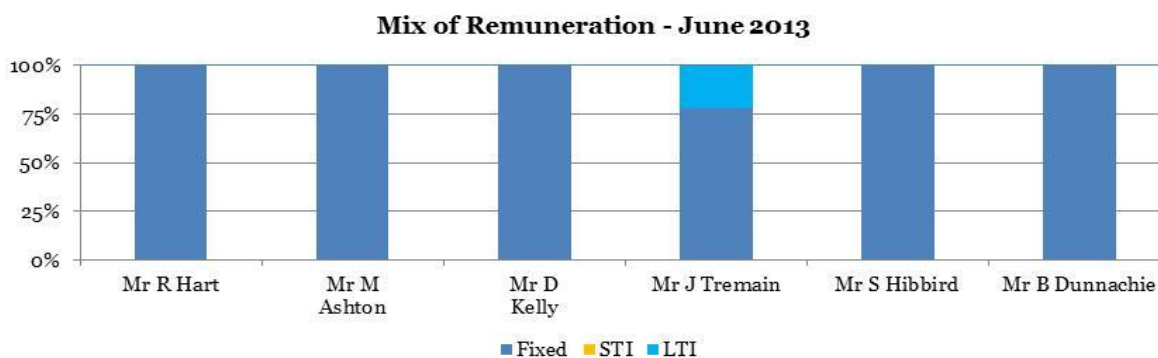
In determining competitive remuneration rates, the Board review local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent data is sourced to ensure that the group's remuneration levels fall within the 50<sup>th</sup> to 75<sup>th</sup> percentile of companies in a similar industry group and with a similar market capitalisation. These ongoing 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.

During the current year, the Board has implemented a freeze to the Managing Director's and other key executive's base salaries. This salary freeze was implemented during the June 2013 financial year. In addition to the salary freeze, executives have agreed to the deferral of any short term incentives that may have been due upon achieving key milestones during the June 2013 financial year. The salary freeze and deferral of any short term incentives to key management personnel is part of broader cost reducing measures to ensure that the company could conserve its cash reserves whilst maintaining its exploration activities during volatile market conditions.

The Board also ensures that the mix of executive compensation between fixed, variable, long-term, short-term and cash versus equity is appropriate. The group endeavours to reduce cash expenditure by providing a greater proportion of compensation in the form of equity instruments. This allows cash-flows to be directed towards exploration programs with a view to improving the quality of our projects.

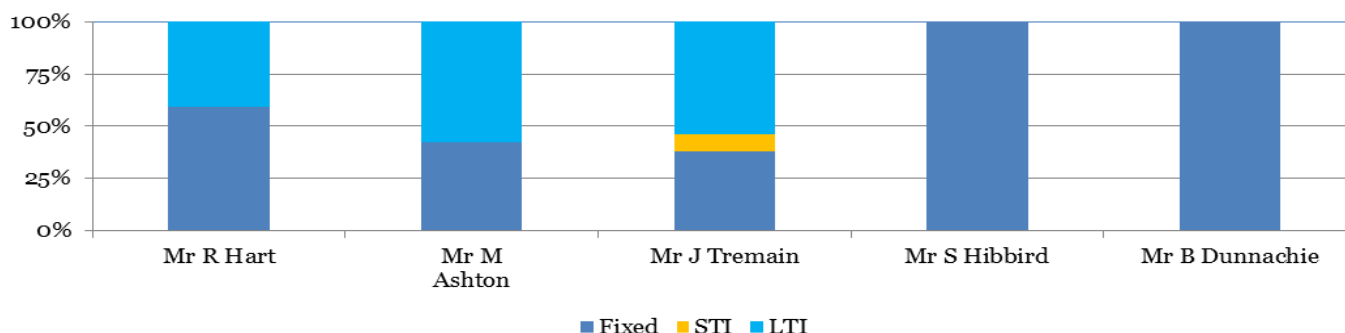
At the start of the June 2013 the Board set the Managing Director's remuneration package consisting of fixed, short term and long term components. The package was set at level believed to be consistent with companies of a similar size and industry group. During the June 2013 the Managing Director achieved a number of the key operational targets including resource growth and licence renewals that would trigger payment of short term incentives. However due to the current market conditions and as part of the company's cost cutting measures, the Managing Director has agreed to defer any potential short term incentive payments.

The following table sets out the mix of remuneration for all key management personnel between fixed, short-term incentives and long-term incentives for the 2013 financial year.



## D. Executive remuneration and framework (continued)

**Mix of Remuneration - June 2012**



### *Fixed Remuneration*

All executives receive a base cash salary which is based on factors such as length of service and experience as well as other fringe benefits. All executives also receive a superannuation guarantee contribution required by the government, which is currently nine percent and do not receive any other retirement benefits.

### *Short-term Incentives (STI)*

Under the group's current remuneration policy, executives can from time to time receive short-term incentives in the form of cash bonuses. The Board can use its discretion when paying bonuses, however they have currently determined relevant industry key performance targets such as, definition and growth of existing resources, targets and managing stakeholder relations and interests and achieving the Company's strategic objectives. The Board believes that the criteria of eligibility for short-term incentives appropriately aligns shareholder wealth and executive remuneration as the completion of key performance targets have the potential to increase share price growth.

### *Long-term Incentives (LTI)*

Executives are encouraged by the Board to hold shares in the Company and it is therefore the objective of the group's option scheme to provide an incentive for participants to partake in the future growth of the group and, upon becoming shareholders in the Company, to participate in the group's profits and dividends that may be realised in future years.

The Board considers that this equity performance linked remuneration structure is effective in aligning the long-term interests of group executives and shareholders as there exists a direct correlation between shareholder wealth and executive remuneration.

## E. Relationship between remuneration and Renaissance Minerals Limited's performance

### *Company Performance, Shareholder Wealth & Executive Remuneration*

The remuneration policy has been tailored to increase goal congruence between shareholders and executives. This has been achieved by the payment of short-term incentives and the issue of long-term incentive options. This structure rewards executives for both short-term and long-term shareholder wealth development.

The chart below shows the volatility in the company share price over the previous three years. Positive shareholder returns were experienced through to 2012 due to achievements of significant milestones for the company including exploration results and the acquisition of Renaissance Minerals Cambodia in April 2012. Since 2012 the company's share price has been in a downward trend due to the ongoing global instability and the reduction in the gold price which has seen a broader reduction in the share prices of local and global miners. The Company continues to ensure there is goal congruence between shareholder wealth development and the issue of long term incentives such as the issue of options to executives. During the current financial year there were no options issued to directors however certain options issued in the June 2012 financial year vested upon achievement of key milestones.

## E. Relationship between remuneration and Renaissance Minerals Limited's performance (continued)

Chart: Renaissance Share Price History versus ASX All Ordinaries Gold (XGD) 11 June 2010 to 30 June 2013



Values derived on a base of 100

|             | 2010      | 2011        | 2012        | 2013        |
|-------------|-----------|-------------|-------------|-------------|
|             | \$        | \$          | \$          | \$          |
| Revenue     | 11,302    | 294,970     | 184,778     | 133,834     |
| Net Loss    | (455,022) | (1,559,324) | (3,285,341) | (5,449,737) |
| Share Price | \$0.20    | \$0.28      | \$0.18      | \$0.05      |
| Dividends   | Nil       | Nil         | Nil         | Nil         |

## F. Non-executive director remuneration policy

The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. Fees for non-executive directors are not linked to the performance of the group.

In determining competitive remuneration rates, the Board reviews local and international trends among comparative companies and industry generally.

Typically the Company will compare non-executive remuneration to companies with similar market capitalisations in the exploration and resource development business group. These ongoing reviews are performed to confirm that non-executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

Further to ongoing reviews, the maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. In addition to director fees, certain non-executive directors have previously been issued options. Options issued to non-executives provide an indirect mechanism of aligning shareholder wealth and non-executive director remuneration.

During the current year, the Board has implemented a freeze to the Non-Executive Director fees. This freeze was implemented during the June 2013 financial year. The freeze in fees is part of broader cost reducing measures to ensure that the company could conserve its cash reserves whilst maintaining its exploration activities during volatile market conditions.

## G. Voting and comments made at the company's 2012 Annual General Meeting

The Group received more than 99% of "Yes" votes on its remuneration report for the 2012 financial year. The company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

## H. Details of Remuneration

The Key Management Personnel of Renaissance Minerals Limited and the group for the year ending 30 June 2013 are set out in the table below. There have been no changes to the below named key management personnel since the end of the reporting period unless noted.

|                                | Short-Term Employee Benefits |            |               | Post Employment | Securities           | Total          |
|--------------------------------|------------------------------|------------|---------------|-----------------|----------------------|----------------|
|                                | Cash Salary & Fees           | Incentives | Other Amounts | Super-annuation | Options <sup>1</sup> | \$             |
| <b>2013</b>                    |                              |            |               |                 |                      |                |
| Non-Executive Directors        |                              |            |               |                 |                      |                |
| Mr R Hart <sup>2</sup>         | 77,982                       | -          | 3,671         | 7,018           | -                    | <b>88,671</b>  |
| Mr M Ashton                    | 50,000                       | -          | 3,671         | -               | -                    | <b>53,671</b>  |
| Mr D Kelly <sup>3</sup>        | 17,517                       | -          | 1,528         | 1,576           | -                    | <b>20,621</b>  |
| Executive Director             |                              |            |               |                 |                      |                |
| Mr J Tremain                   | 290,000                      | -          | 3,671         | 26,100          | 90,608               | <b>410,379</b> |
| Other Key Management Personnel |                              |            |               |                 |                      |                |
| Mr S Hibbird                   | 207,183                      | -          | -             | -               | -                    | <b>207,183</b> |
| Mr B Dunnachie                 | 124,800                      | -          | 3,671         | -               | -                    | <b>128,471</b> |
| <b>Total Remuneration</b>      | <b>767,482</b>               | <b>-</b>   | <b>16,212</b> | <b>34,694</b>   | <b>90,608</b>        | <b>908,996</b> |

1: Justin Tremain was issued 1,333,333 \$0.35 options expiring 31 March 2015 in the June 2012 year that vested upon the company achieving a JORC resource of greater than 1,000,000 ounces. The expense for these options was recognised over the vesting period. The fair value of the options is calculated at the date of grant using a Black-Scholes model.

2: Rick Hart resigned as a Director on 31 July 2013.

3: David Kelly was appointed as Non-Executive Director on 1 February 2013.

No retirement benefits or equity securities were issued to any director or other key management personnel of the consolidated entity during the financial year.

|                                | Short-Term Employee Benefits |               |               | Post Employment | Securities           | Total            |
|--------------------------------|------------------------------|---------------|---------------|-----------------|----------------------|------------------|
|                                | Cash Salary & Fees           | Incentives    | Other Amounts | Super-annuation | Options <sup>1</sup> | \$               |
| <b>2012</b>                    |                              |               |               |                 |                      |                  |
| Non-Executive Directors        |                              |               |               |                 |                      |                  |
| Mr R Hart                      | 68,807                       | -             | 1,735         | 6,193           | 51,326               | <b>128,061</b>   |
| Mr M Ashton                    | 37,917                       | -             | 1,735         | -               | 51,326               | <b>90,978</b>    |
| Executive Director             |                              |               |               |                 |                      |                  |
| Mr J Tremain                   | 248,616                      | 60,000        | 1,735         | 27,775          | 394,551              | <b>732,677</b>   |
| Other Key Management Personnel |                              |               |               |                 |                      |                  |
| Mr S Hibbird                   | 171,623                      | -             | -             | -               | -                    | <b>171,623</b>   |
| Mr B Dunnachie                 | 63,600                       | -             | 1,735         | -               | -                    | <b>65,335</b>    |
| <b>Total Remuneration</b>      | <b>590,563</b>               | <b>60,000</b> | <b>6,940</b>  | <b>33,968</b>   | <b>497,203</b>       | <b>1,188,674</b> |



## Directors' Report

### H. Details of Remuneration (continued)

#### Details of Share Based Payments

Options are issued to directors and executives as part of their remuneration. The options are not always issued based on performance criteria as they 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<br>as Part of<br>Remuneration<br>\$ | Total<br>Remuneration<br>Represented by<br>Options | Exercised No. | Other changes<br>No. | Lapsed<br>No. |
|--------------------------------|-------------|---|--|---------------|----------------------|---------------|
| <b>30 June 2013</b>            |             |   |  |               |                      |               |
| Non-Executive Directors        |             |   |  |               |                      |               |
| Rick Hart                      | -           | -   | -  | -             | -                    | 1,000,000     |
| Mel Ashton                     | -           | -   | -  | -             | -                    | 1,000,000     |
| David Kelly                    | -           | -   | -  | -             | -                    | -             |
| Executive Director             |             |   |  |               |                      |               |
| Justin Tremain                 | -           | 90,608  | 22%  | -             | -                    | 3,000,000     |
| Other Key Management Personnel |             |   |  |               |                      |               |
| Shane Hibbird                  | -           | -   | -  | -             | -                    | 750,000       |
| Brett Dunnachie                | -           | -   | -  | -             | -                    | 200,000       |
| <b>30 June 2012</b>            |             |   |  |               |                      |               |
| Non-Executive Directors        |             |   |  |               |                      |               |
| Rick Hart                      | 500,000     | 51,326  | 40%  | -             | -                    | -             |
| Mel Ashton                     | 500,000     | 51,326  | 56%  | -             | -                    | -             |
| Executive Director             |             |   |  |               |                      |               |
| Justin Tremain                 | 3,999,999   | 394,551   | 54%  | -             | -                    | -             |
| Other Key Management Personnel |             |   |  |               |                      |               |
| Shane Hibbird                  | -           | -   | -  | -             | -                    | -             |
| Brett Dunnachie                | -           | -   | -  | -             | -                    | -             |

During the financial year 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 Year | Exercise Price | Number of<br>Options |
|-----------------------------|------------|-------------|------------------|----------------|----------------------|
| <b>30 June 2013</b>         |            |             |                  |                |                      |
| Rick Hart                   | -          | -           | -                | -              | -                    |
| Mel Ashton                  | -          | -           | -                | -              | -                    |
| Justin Tremain <sup>1</sup> | 5 Apr 12   | 31 Mar 15   | 100%             | \$0.35         | 1,333,333            |
| Shane Hibbird               | -          | -           | -                | -              | -                    |
| Brett Dunnachie             | -          | -           | -                | -              | -                    |
| <b>30 June 2012</b>         |            |             |                  |                |                      |
| Rick Hart                   | 5 Apr 12   | 31 Mar 15   | 100%             | \$0.25         | 250,000              |
|                             | 5 Apr 12   | 31 Mar 15   | 100%             | \$0.30         | 250,000              |
| Mel Ashton                  | 5 Apr 12   | 31 Mar 15   | 100%             | \$0.25         | 250,000              |
|                             | 5 Apr 12   | 31 Mar 15   | 100%             | \$0.30         | 250,000              |
| Justin Tremain              | 5 Apr 12   | 31 Mar 15   | 100%             | \$0.25         | 1,333,333            |
|                             | 5 Apr 12   | 31 Mar 15   | 100%             | \$0.30         | 1,333,333            |
|                             | 5 Apr 12   | 31 Mar 15   | 0%               | \$0.35         | 1,333,333            |
| Shane Hibbird               | -          | -           | -                | -              | -                    |
| Brett Dunnachie             | -          | -           | -                | -              | -                    |

1: Justin Tremain was issued 1,333,333 \$0.35 options expiring 31 March 2015 in the June 2012 financial year that vested upon the company achieving a JORC resource of greater than 1,000,000 ounces. This was achieved on 8 March 2013 and the options vested at this time.



## H. Details of Remuneration (continued)

The value at grant date is calculated in accordance with AASB2 Share Based Payments utilising the Black Scholes Methodology. 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 2013</b>   |             |                |                       |                               |                      |                         |                |
| No options were issued to key management personnel during the current year. |             |                |                       |                               |                      |                         |                |
| <b>30 June 2012</b>   |             |                |                       |                               |                      |                         |                |
| 5 Apr 12  | 31 Mar 15   | \$0.25         | \$0.1071              | \$0.25                        | 80.00%               | 3.43%                   | 0.00%          |
| 5 Apr 12  | 31 Mar 15   | \$0.30         | \$0.0981              | \$0.25                        | 80.00%               | 3.43%                   | 0.00%          |
| 5 Apr 12  | 31 Mar 15   | \$0.35         | \$0.0906              | \$0.25                        | 80.00%               | 3.43%                   | 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.

## I. Services Agreements

Remuneration and other key terms of employment for the Executives, Non-Executives and Other Group Executives of Renaissance Minerals are formalised in executive service agreements. Major provisions of the agreements relating to remuneration are set out below:

Mr D Kelly, Non-executive Chairman

- Term of Agreement – unspecified.
- Base fee of \$72,000.
- Eligible to participate in the Company's Employee Incentive Scheme.
- No termination benefit under any circumstances.

Mr M Ashton, Non-executive Director

- Term of Agreement – unspecified.
- Base fee of \$50,000.
- Eligible to participate in the Company's Employee Incentive Scheme.
- No termination benefit under any circumstances.

Mr J Tremain, Managing Director

- Term of Agreement – unspecified.
- Base salary, exclusive of superannuation of \$290,000
- Short term incentives – Eligible for performance bonus payments under the Company's short term incentive plan, which the board will establish short term incentive objectives for the Managing Director annually. Currently Mr Tremain's short term incentives are aligned to key performance targets which relate to key operational and corporate goals including (but not limited too) resource upgrades and licence renewals. Each target can earn between 25% and 50% of total fixed remuneration to a total of 50% of total fixed remuneration.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, requires 3 months written notice, a payment equivalent to 6 months salary, and a further one month's salary for every year of employment.
- Eligible to participate in the Company's Employee Incentive Scheme, subject to relevant shareholder approvals.

Mr B Dunnachie, Company Secretary

- Term of Agreement – unspecified.
- Base fee of \$124,800.
- Payment of a termination benefit on early termination by the company, other than for gross misconduct, equal to 3 months base fee.
- Eligible to participate in the Company's Employee Incentive Scheme.

## 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 |
|----------------------|-------------|----------------|---------------------|
| 20 Mar 13            | 28 Feb 16   | \$0.30         | 1,000,000           |
| 20 Mar 13            | 28 Feb 16   | \$0.25         | 1,000,000           |
| 06 Feb 13            | 31 Dec 15   | \$0.35         | 500,000             |
| 06 Feb 13            | 31 Dec 15   | \$0.30         | 500,000             |
| 06 Feb 13            | 31 Dec 15   | \$0.25         | 1,000,000           |
| 24 Dec 12            | 31 Dec 15   | \$0.35         | 1,000,000           |
| 21 Nov 12            | 31 Mar 15   | \$0.30         | 450,000             |
| 09 May 15            | 09 May 15   | \$0.25         | 1,000,000           |
| 09 May 15            | 09 May 15   | \$0.30         | 1,000,000           |
| 09 May 15            | 09 May 15   | \$0.35         | 1,000,000           |
| 05 Apr 12            | 31 Mar 15   | \$0.25         | 4,499,999           |
| 05 Apr 12            | 31 Mar 15   | \$0.30         | 4,499,999           |
| 05 Apr 12            | 31 Mar 15   | \$0.35         | 1,333,333           |

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

## 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 year.

## 16. Meetings of Directors

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

| Director          | Directors Meetings        |                   | Audit Committee Meetings  |                   |
|-------------------|---------------------------|-------------------|---------------------------|-------------------|
|                   | Number Eligible to Attend | Meetings Attended | Number Eligible to Attend | Meetings Attended |
| Mr Rick Hart      | 7                         | 7                 | 1                         | 1                 |
| Mr David Kelly    | 4                         | 4                 | -                         | -                 |
| Mr Mel Ashton     | 7                         | 4                 | 1                         | 1                 |
| Mr Justin Tremain | 7                         | 7                 | -                         | -                 |

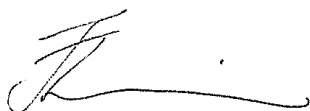
## 17. Insurance of Officers

During the financial year, Renaissance Minerals Limited paid a premium of \$16,212 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 year ended 30 June 2013 has been received and can be found on page 21 of the directors' report. No fees were paid or payable to the auditors for non-audit services performed during the year ended 30 June 2013.

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



**Justin Tremain**  
**Managing Director**  
Perth, 21 August 2013

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.

21 August 2013

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 year ended 30 June 2013, 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 AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**



**Martin Michalik**  
Director

# Financial Statements

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These financial statements are the consolidated financial statements of the consolidated entity consisting of Renaissance Minerals Limited and its subsidiaries. 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 6 to 11 in the directors' report, both of which are not part of these financial statements.

The financial statements were authorised for issue by the directors on 21 August 2013. 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).

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2013

|   | Note  | Consolidated<br>2013<br>\$ | 2012<br>\$         |
|---|-------|----------------------------|--------------------|
| Revenue from continuing operations                              | 3     | 133,844                    | 184,778            |
| Administrative costs  |       | (482,010)                  | (545,082)          |
| Consultancy expenses  |       | (203,676)                  | (248,127)          |
| Employee benefits expense                                       |       | (524,389)                  | (585,690)          |
| Share based payment expenses                                    |       | (418,315)                  | (1,004,788)        |
| Occupancy expenses  |       | (41,587)                   | (70,190)           |
| Compliance and regulatory expenses                              |       | (67,514)                   | (59,859)           |
| Insurance expenses  |       | (80,343)                   | (45,419)           |
| Depreciation expense  | 4(a)  | (25,187)                   | (8,472)            |
| Finance costs   | 4(b)  | (464,444)                  | (68,807)           |
| Loss on divestment of tenements                                 |       | -                          | (483,390)          |
| Exploration expenditure expensed                                | 12    | (3,269,022)                | (350,295)          |
| Other expenditure   |       | (7,094)                    | -                  |
| <b>Loss before income tax</b>                                   |       | <b>(5,449,737)</b>         | <b>(3,285,341)</b> |
| Income tax (expense)/benefit                                    | 7     | -                          | -                  |
| <b>Loss attributable to owners</b>                              |       | <b>(5,449,737)</b>         | <b>(3,285,341)</b> |
| Other comprehensive income:                                     |       |                            |                    |
| Items that may be reclassified to profit or loss                |       |                            |                    |
| - Exchange differences on translation of foreign operations     | 18(c) | 633,038                    | (10,419)           |
| - Revaluations of available-for-sale financial assets           |       | (339,300)                  | (132,900)          |
| <b>Total comprehensive (loss)/income attributable to owners</b> |       | <b>(5,155,999)</b>         | <b>(3,428,660)</b> |
| Basic earnings/(loss) per share (cents per share)               | 20    | (2.8)                      | (3.7)              |
| Diluted earnings/(loss) per share (cents per share)             | 20    | N/A                        | N/A                |

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



## Consolidated Statement of Financial Position

As at 30 June 2013

|  | Note  | Consolidated<br>2013<br>\$ | 2012<br>\$        |
|--|-------|----------------------------|-------------------|
| <b>Current Assets</b>                  |       |                            |                   |
| Cash and cash equivalents              | 8     | 1,660,017                  | 4,445,463         |
| Trade and other receivables            | 9(a)  | 152,560                    | 325,135           |
| <b>Total Current Assets</b>            |       | <b>1,812,577</b>           | <b>4,770,598</b>  |
| <b>Non-Current Assets</b>              |       |                            |                   |
| Trade and other receivables            | 9(b)  | 175,490                    | 78,556            |
| Financial assets                       | 10    | 56,900                     | 396,200           |
| Property, plant and equipment          | 11    | 122,453                    | 134,527           |
| Exploration and evaluation expenditure | 12    | 39,076,608                 | 35,924,725        |
| <b>Total Non-Current Assets</b>        |       | <b>39,431,451</b>          | <b>36,534,008</b> |
| <b>Total Assets</b>                    |       | <b>41,244,028</b>          | <b>41,304,606</b> |
| <b>Current Liabilities</b>             |       |                            |                   |
| Trade and other payables               | 13    | 355,561                    | 560,648           |
| Deferred consideration                 | 14(a) | 9,590,070                  | 5,000,000         |
| Provisions                             | 15    | 118,094                    | 101,797           |
| <b>Total Current Liabilities</b>       |       | <b>10,063,725</b>          | <b>5,662,445</b>  |
| <b>Non-Current Liabilities</b>         |       |                            |                   |
| Deferred consideration                 | 14(b) | -                          | 9,133,400         |
| <b>Total Non-Current Liabilities</b>   |       | <b>-</b>                   | <b>9,133,400</b>  |
| <b>Total Liabilities</b>               |       | <b>10,063,725</b>          | <b>14,795,845</b> |
| <b>Net Assets</b>                      |       | <b>31,180,303</b>          | <b>26,508,761</b> |
| <b>Equity</b>                          |       |                            |                   |
| Contributed equity                     | 16    | 39,618,885                 | 30,209,659        |
| Reserves                               | 18(d) | 2,310,842                  | 1,598,789         |
| Accumulated losses                     |       | (10,749,424)               | (5,299,687)       |
| <b>Total Equity</b>                    |       | <b>31,180,303</b>          | <b>26,508,761</b> |

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

## Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2013

| Consolidated  | Contributed<br>Equity | Accumulated<br>Losses | Functional<br>Currency<br>Translation<br>Reserve | Option<br>Reserve | Available for<br>Sale Reserve | Total             |
|---|-----------------------|-----------------------|--|-------------------|-------------------------------|-------------------|
|   | \$                    | \$                    | \$   | \$                | \$                            | \$                |
| Balance at 1 July 2011                                | 12,728,805            | (2,014,346)           | (33,006)   | 511,797           | -                             | 11,193,250        |
| Total comprehensive income for the year:              |                       |                       |  |                   |                               |                   |
| Loss for the year                                     | -                     | (3,285,341)           | -  | -                 | -                             | (3,285,341)       |
| Foreign exchange differences                          | -                     | -                     | (10,419)   | -                 | -                             | (10,419)          |
| Revaluation of financial assets                       | -                     | -                     | -  | -                 | (132,900)                     | (132,900)         |
|   | -                     | (3,285,341)           | (10,419)   | -                 | (132,900)                     | (3,428,660)       |
| Transactions with owners in their capacity as owners: |                       |                       |  |                   |                               |                   |
| Contributions of equity (net of transaction costs)    | 11,408,854            | -                     | -  | -                 | -                             | 11,408,854        |
| Share based payment transactions                      | 6,072,000             | -                     | -  | 1,263,317         | -                             | 7,335,317         |
|   | 17,480,854            | -                     | -  | 1,263,317         | -                             | 18,744,171        |
| <b>Balance at 30 June 2012</b>                        | <b>30,209,659</b>     | <b>(5,299,687)</b>    | <b>(43,425)</b>                                  | <b>1,775,114</b>  | <b>(132,900)</b>              | <b>26,508,761</b> |
| Balance at 1 July 2012                                | 30,209,659            | (5,299,687)           | (43,425)   | 1,775,114         | (132,900)                     | 26,508,761        |
| Total comprehensive income for the year:              |                       |                       |  |                   |                               |                   |
| Loss for the year                                     | -                     | (5,449,737)           | -  | -                 | -                             | (5,449,737)       |
| Foreign exchange differences                          | -                     | -                     | 633,038  | -                 | -                             | 633,038           |
| Revaluation of financial assets                       | -                     | -                     | -  | -                 | (339,300)                     | (339,300)         |
|   | -                     | (5,449,737)           | 633,038  | -                 | (339,300)                     | (5,155,999)       |
| Transactions with owners in their capacity as owners: |                       |                       |  |                   |                               |                   |
| Contributions of equity (net of transaction costs)    | 9,409,226             | -                     | -  | -                 | -                             | 9,409,226         |
| Share based payment transactions                      | -                     | -                     | -  | 418,315           | -                             | 418,315           |
|   | 9,409,226             | -                     | -  | 418,315           | -                             | 9,827,541         |
| <b>Balance at 30 June 2013</b>                        | <b>39,618,885</b>     | <b>(10,749,424)</b>   | <b>589,613</b>                                   | <b>2,193,429</b>  | <b>(472,200)</b>              | <b>31,180,303</b> |

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

## Consolidated Statement of Cash Flows

For the Year Ended 30 June 2013

|   | Note | Consolidated<br>2013<br>\$ | 2012<br>\$         |
|---|------|----------------------------|--------------------|
| <b>Cash Flows from Operating Activities</b>                 |      |                            |                    |
| Payments to suppliers and employees                         |      | (1,323,582)                | (1,323,556)        |
| Interest received   |      | 145,820                    | 233,372            |
| Payments for exploration and evaluation                     |      | (5,852,653)                | (3,070,921)        |
| <b>Net cash inflow/(outflow) from operating activities</b>  | 21   | <b>(7,030,415)</b>         | <b>(4,161,105)</b> |
| <b>Cash Flows from Investing Activities</b>                 |      |                            |                    |
| Purchase of rights to project areas                         |      | -                          | (337,175)          |
| Purchase of subsidiary (net of cash acquired)               | 30   | (3,500,000)                | (7,788,119)        |
| Purchase of property, plant and equipment                   |      | (63,257)                   | (55,615)           |
| Payments for environmental bonds                            |      | (101,000)                  | -                  |
| <b>Net cash inflow/(outflow) from investing activities</b>  |      | <b>(3,664,257)</b>         | <b>(8,180,909)</b> |
| <b>Cash Flows from Financing Activities</b>                 |      |                            |                    |
| Proceeds from issue of shares                               |      | 8,500,000                  | 12,000,000         |
| Share issue transaction costs                               |      | (590,774)                  | (591,146)          |
| <b>Net cash inflow/(outflow) from financing activities</b>  |      | <b>7,909,226</b>           | <b>11,408,854</b>  |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |      | <b>(2,785,446)</b>         | <b>(933,160)</b>   |
| Cash and cash equivalents at the start of the year          |      | 4,445,463                  | 5,378,623          |
| <b>Cash and cash equivalents at the end of the year</b>     | 8    | <b>1,660,017</b>           | <b>4,445,463</b>   |

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

### 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the financial years presented, 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 and the *Corporations Act 2001*.

##### (i) Compliance with IFRS

The consolidated financial statements of Renaissance Minerals Limited (Group) also comply with 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) 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.

##### (iii) Going concern

The financial statements have been prepared on a going concern basis.

As part of the acquisition of the Cambodian Gold Project completed in May 2012, the Company is due to pay a deferred cash consideration of \$10 million upon announcement of a JORC resource of + 1,250,000 ounces of gold or a decision to mine. The Company will need to obtain funding for the deferred consideration payment prior to its due date.

The Directors are confident that the company will be successful in either raising further capital, or financing for this payment.

#### (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 2013 and the results of all subsidiaries for the year 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 acquisition method of accounting is used to account for business combinations of the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies of the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of comprehensive income, statement of changes in equity and balance sheet respectively.

##### (ii) Joint venture entities

A joint venture entity is an entity in which the group holds a long-term interest and which is jointly controlled by the consolidated entity 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

The group has 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 the group 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 group's interest in the joint venture operations.

**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.

**(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:

**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 year is the tax payable on the current year'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 the purpose of presentation in the statement of cash flows, 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.



**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 year 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) Investments and other financial assets**

**(i) Classification**

The group classifies its financial assets as available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at the end of each reporting date.

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

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

**(iii) Measurement**

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

**(iv) Impairment**

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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

**(l) Investments and other financial assets (continued)**

If there is objective evidence of impairment of available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

**(m) 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.

**(n) 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.

**(o) Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented in payables.

**(ii) Other long-term employee benefit obligations**

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as present value of expected future wage payments to be made. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting regardless of when the actual settlement is expected to occur.

**(iii) 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').

**(p) 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.

**(q) 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.

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

**(r) 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.

**(s) 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.

**(t) 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.

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

**(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.

**(u) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting year. 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, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards- Mandatory Effective Date of AASB 9 and Transition Disclosures (effective 1 January 2015). 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 2015 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 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards (effective 1 January 2013). The Group does not expect to adopt the new standards before their operation date. They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.
- (iii) AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013).  
The revised AASB 13 explains how to measure fair value and aims to enhance fair value disclosures. The group has yet to determine which, if any, of its current measurement techniques it will have to change as a result of the new guidance. The group does not intend to adopt the new standard before its operative date being 30 June 2014.

**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.

**(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 26.

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2013

|  | 2013    | Consolidated | 2012      |
|--|---------|--------------|-----------|
|  | \$      |              | \$        |
| <b>3. Revenue</b>  |         |              |           |
| Revenue from continuing operations   |         |              |           |
| Interest received  | 133,844 |              | 184,778   |
| Total revenue from continuing operations   | 133,844 |              | 184,778   |
| <b>4. Loss for the Year</b>  |         |              |           |
| (a) Depreciation of non-current assets   |         |              |           |
| Plant and equipment - office   | 25,187  |              | 7,650     |
| Leasehold improvements   | -       |              | 822       |
| Total depreciation   | 25,187  |              | 8,472     |
| (b) Finance costs  |         |              |           |
| Interest and finance charges paid or payable   | 7,774   |              | 5,407     |
| Deferred consideration: unwind of discount   | 456,670 |              | 63,400    |
| Total finance costs  | 464,444 |              | 68,807    |
| (c) Foreign exchange loss  |         |              |           |
| Net foreign exchange loss  | 4,705   |              | 37,956    |
| Total foreign exchange loss  | 4,705   |              | 37,956    |
| <b>5. Auditor's Remuneration</b>   |         |              |           |
| Remuneration of the auditor of the group   |         |              |           |
| Auditing or reviewing the financial statements   | 26,717  |              | 25,025    |
| Other assurance services   | -       |              | -         |
| Non-assurance services   | -       |              | -         |
| Total auditor remuneration   | 26,717  |              | 25,025    |
| <b>6. Key Management Personnel Compensation</b>  |         |              |           |
| (a) Summary Key Management Personnel Compensation  |         |              |           |
| Short-term employee benefits   | 783,694 |              | 657,503   |
| Post-employment benefits   | 34,694  |              | 33,968    |
| Share-based payments   | 90,608  |              | 497,203   |
| Total key management personnel compensation  | 908,996 |              | 1,188,674 |
| Detailed remuneration disclosures are provided within the audited remuneration report which can be found on pages 13 to 19 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 13 to 19 of the directors' report. |         |              |           |



## Notes to the Consolidated Financial Statements

### For the year ended 30 June 2013

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

##### (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 year.

##### (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 25.

##### (e) Option Holdings

The number of options over ordinary shares in the company held during the financial year 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<br>at start of the<br>year | Granted as<br>remuneration | Exercised | Other<br>changes | Balance at<br>end of the<br>year | Vested and<br>exercisable |
|---|------------------------------------|----------------------------|-----------|------------------|----------------------------------|---------------------------|
| 2013                                      |                                    |                            |           |                  |                                  |                           |
| Directors of Renaissance Minerals Limited |                                    |                            |           |                  |                                  |                           |
| Rick Hart                                 | 1,500,000                          | -                          | -         | (1,000,000)      | 500,000                          | 500,000                   |
| David Kelly                               | -                                  | -                          | -         | -                | -                                | -                         |
| Justin Tremain                            | 6,999,999                          | -                          | -         | (3,000,000)      | 3,999,999                        | 3,999,999                 |
| Mel Ashton                                | 1,500,000                          | -                          | -         | (1,000,000)      | 500,000                          | 500,000                   |
| Other key management personnel            |                                    |                            |           |                  |                                  |                           |
| Shane Hibbird                             | 750,000                            | -                          | -         | (750,000)        | -                                | -                         |
| Brett Dunnachie                           | 200,000                            | -                          | -         | (200,000)        | -                                | -                         |
| 2012                                      |                                    |                            |           |                  |                                  |                           |
| Directors of Renaissance Minerals Limited |                                    |                            |           |                  |                                  |                           |
| Rick Hart                                 | 1,000,000                          | 500,000                    | -         | -                | 1,500,000                        | 1,500,000                 |
| Justin Tremain                            | 3,000,000                          | 3,999,999                  | -         | -                | 6,999,999                        | 5,666,666                 |
| Mel Ashton                                | 1,000,000                          | 500,000                    | -         | -                | 1,500,000                        | 1,500,000                 |
| Other key management personnel            |                                    |                            |           |                  |                                  |                           |
| Shane Hibbird                             | 750,000                            | -                          | -         | -                | 750,000                          | 750,000                   |
| Brett Dunnachie                           | 200,000                            | -                          | -         | -                | 200,000                          | 200,000                   |

##### (f) Share holdings

The number of shares in the company held during the financial year 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 year as compensation.

|   | Balance<br>at the start of the year | Received on exercise<br>of options | Other changes | Balance at the end of<br>the year |
|---|-------------------------------------|------------------------------------|---------------|-----------------------------------|
| 2013                                      |                                     |                                    |               |                                   |
| Directors of Renaissance Minerals Limited |                                     |                                    |               |                                   |
| Rick Hart                                 | -                                   | -                                  | -             | -                                 |
| David Kelly                               | -                                   | -                                  | 125,000       | 125,000                           |
| Justin Tremain                            | 1,185,001                           | -                                  | 120,000       | 1,305,001                         |
| Mel Ashton                                | -                                   | -                                  | -             | -                                 |
| Other key management personnel            |                                     |                                    |               |                                   |
| Shane Hibbird                             | 147,057                             | -                                  | -             | 147,057                           |
| Brett Dunnachie                           | -                                   | -                                  | -             | -                                 |
| 2012                                      |                                     |                                    |               |                                   |
| Directors of Renaissance Minerals Limited |                                     |                                    |               |                                   |
| Rick Hart                                 | -                                   | -                                  | -             | -                                 |
| Justin Tremain                            | 1,185,001                           | -                                  | -             | 1,185,001                         |
| Mel Ashton                                | -                                   | -                                  | -             | -                                 |
| Other key management personnel            |                                     |                                    |               |                                   |
| Shane Hibbird                             | 30,000                              | -                                  | 117,057       | 147,057                           |
| Brett Dunnachie                           | -                                   | -                                  | -             | -                                 |

**Notes to the Consolidated Financial Statements**  
**For the year ended 30 June 2013**

|   |  | Consolidated |             |
|---|--|--------------|-------------|
|   |  | 2013         | 2012        |
|   |  | \$           | \$          |
| <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))   |  | 301,383      | (113,472)   |
| - Increase in deferred tax liabilities (note 7(d))                                      |  | (301,383)    | 113,472     |
|   |  | -            | -           |
| (b) <b>Numerical reconciliation of income tax expense to prima facie tax payable</b>    |  |              |             |
| Profit from continuing operations before income tax expense                             |  | (5,449,737)  | (3,285,341) |
| Tax (tax benefit) at the tax rate of 30%  |  | (1,634,921)  | (985,602)   |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: |  |              |             |
| - Share based payments  |  | 125,495      | 301,436     |
| - Other non-deductible amounts  |  | 273,803      | 55,679      |
| Unrecognised tax losses   |  | 1,235,623    | 628,487     |
| Income tax benefit  |  | -            | -           |
| (c) <b>Deferred tax assets</b>  |  |              |             |
| Tax losses <sup>A</sup>   |  | 1,130,374    | 1,430,747   |
| Employee benefits   |  | 19,269       | 17,279      |
| Other accruals  |  | 4,500        | 7,500       |
|   |  | 1,154,143    | 1,455,526   |
| Set-off deferred tax liabilities (note 7(d))  |  | (1,154,143)  | (1,455,526) |
| Net deferred tax assets   |  | -            | -           |
| (d) <b>Deferred tax liabilities</b>   |  |              |             |
| Exploration expenditure   |  | 1,153,602    | 1,455,045   |
| Other   |  | 541          | 481         |
|   |  | 1,154,143    | 1,455,526   |
| Set-off deferred tax assets (note 7(c))   |  | (1,154,143)  | (1,455,526) |
| Net deferred tax liabilities  |  | -            | -           |
| (e) <b>Tax losses</b>   |  |              |             |
| Unused tax losses for which no deferred tax asset has been recognized                   |  | 7,909,801    | 3,692,481   |
| Potential tax benefit at 30%  |  | 2,372,940    | 1,107,744   |
| (f) <b>Unrecognised temporary differences</b>   |  |              |             |
| Unrecognised deferred tax asset relating to capital raising costs                       |  | 552,074      | 381,862     |

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 Consolidated Financial Statements**  
**For the year ended 30 June 2013**

|  |  | Consolidated |           |
|--|--|--------------|-----------|
|  |  | 2013         | 2012      |
|  |  | \$           | \$        |
| <b>8. Cash &amp; Cash Equivalents</b>  |  |              |           |
| (a) Total cash and cash equivalents  |  |              |           |
| Cash at bank and in hand   |  | 1,660,017    | 4,445,463 |
| Total cash and cash equivalents  |  | 1,660,017    | 4,445,463 |
| (b) Cash at bank and on hand   |  |              |           |
| Cash on hand is non-interest bearing. Cash at bank bears interest rates between 0.00% and 2.60% (2012: 0.00% and 3.50%).   |  |              |           |
| <b>9. Trade &amp; Other Receivables</b>  |  |              |           |
| (a) Current  |  |              |           |
| Other receivables  |  | 93,828       | 172,350   |
| Prepayments  |  | 58,732       | 152,785   |
| Total current trade and other receivables  |  | 152,560      | 325,135   |
| (b) Non-Current  |  |              |           |
| Deposits   |  | 175,490      | 78,556    |
| Total non-current trade and other receivables  |  | 175,490      | 78,556    |
| (c) Past due and impaired receivables  |  |              |           |
| As at 30 June 2013, there were no other receivables that were past due or impaired (2012: nil).  |  |              |           |
| (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 19.   |  |              |           |
| <b>10. Financial Assets</b>  |  |              |           |
| Non-Current available-for-sale financial assets  |  |              |           |
| Opening balance  |  | 396,200      | -         |
| Acquisitions (consideration for divestment of project areas)   |  | -            | 529,100   |
| Disposals  |  | -            | -         |
| Revaluations of available-for-sale financial assets (note 18(b))   |  | (339,300)    | (132,900) |
| Total non-current available-for-sale financial assets  |  | 56,900       | 396,200   |
| Changes in fair values of available-for-sale financial assets are recorded in the available-for-sale reserve and included within other comprehensive income. The company's available-for-sale financial assets are equity securities held in an ASX listed company and are marked to market using valuations based on the quoted market price. |  |              |           |

**Notes to the Consolidated Financial Statements**  
**For the year ended 30 June 2013**

|  | Plant &<br>Equipment<br>Office<br>\$ | Plant &<br>Equipment<br>Field<br>\$ | Motor<br>Vehicles<br>\$ | Leasehold<br>Improvements<br>\$ | Total<br>\$ |
|--|--------------------------------------|-------------------------------------|-------------------------|---------------------------------|-------------|
| <b>11. Property, Plant and Equipment</b> |                                      |                                     |                         |                                 |             |
| <b>Year ended 30 June 2012</b>           |                                      |                                     |                         |                                 |             |
| Opening net book amount                  | 5,014                                | -                                   | -                       | -                               | 5,014       |
| Acquisition of subsidiary                | -                                    | 44,008                              | 45,785                  | -                               | 89,793      |
| Additions                                | 47,307                               | -                                   | -                       | 8,308                           | 55,615      |
| Disposals/write-offs                     | -                                    | -                                   | -                       | -                               | -           |
| Depreciation charge                      | (7,650)                              | (3,144)                             | (3,653)                 | (822)                           | (15,269)    |
| Effect of exchange rates                 | -                                    | (540)                               | (86)                    | -                               | (626)       |
| Closing net book amount                  | 44,671                               | 40,324                              | 42,046                  | 7,486                           | 134,527     |
| <b>At 30 June 2012</b>                   |                                      |                                     |                         |                                 |             |
| Cost or fair value                       | 55,104                               | 179,064                             | 140,659                 | 8,308                           | 383,135     |
| Accumulated depreciation                 | (10,433)                             | (138,740)                           | (98,613)                | (822)                           | (248,608)   |
| Net book amount                          | 44,671                               | 40,324                              | 42,046                  | 7,486                           | 134,527     |
| <b>Year ended 30 June 2013</b>           |                                      |                                     |                         |                                 |             |
| Opening net book amount                  | 44,671                               | 40,324                              | 42,046                  | 7,486                           | 134,527     |
| Acquisition of subsidiary                | -                                    | -                                   | -                       | -                               | -           |
| Additions                                | 24,630                               | 27,743                              | 5,429                   | -                               | 57,802      |
| Disposals/write-offs                     | -                                    | -                                   | -                       | (7,486)                         | (7,486)     |
| Depreciation charge                      | (24,795)                             | (24,786)                            | (20,796)                | -                               | (70,377)    |
| Effect of exchange rates                 | -                                    | 4,365                               | 3,622                   | -                               | 7,987       |
| Closing net book amount                  | 44,506                               | 47,646                              | 30,301                  | -                               | 122,453     |
| <b>At 30 June 2013</b>                   |                                      |                                     |                         |                                 |             |
| Cost or fair value                       | 79,734                               | 230,710                             | 140,734                 | -                               | 451,178     |
| Accumulated depreciation                 | (35,228)                             | (183,064)                           | (110,433)               | -                               | (328,725)   |
| Net book amount                          | 44,506                               | 47,646                              | 30,301                  | -                               | 122,453     |

|  | 2013<br>\$  | Consolidated<br>2012<br>\$ |
|--|-------------|----------------------------|
| <b>12. Exploration &amp; Evaluation Expenditure</b>  |             |                            |
| <b>(a) Non-current</b>   |             |                            |
| Opening balance  | 35,924,725  | 6,044,957                  |
| Acquired on acquisition  | -           | 28,482,517                 |
| Exploration and evaluation costs   | 5,787,995   | 2,760,036                  |
| Write-offs/provisions  | (3,269,022) | (350,295)                  |
| Divestment of projects   | -           | (1,012,490)                |
| Effect of exchange rates   | 632,910     | -                          |
| Total non-current exploration and evaluation expenditure   | 39,076,608  | 35,924,725                 |
| <b>(b) Recoverability of capitalised costs</b>   |             |                            |
| 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. |             |                            |

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2013

|  | 2013<br>\$ | Consolidated<br>2012<br>\$ |
|--|------------|----------------------------|
| <b>13. Trade &amp; Other Payables</b>  |            |                            |
| Current  |            |                            |
| Trade payables   | 150,712    | 454,641                    |
| Other payables   | 204,849    | 106,007                    |
| Total current trade & other payables   | 355,561    | 560,648                    |
| No trade or other payables are considered past due.  |            |                            |
| <b>14. Deferred consideration</b>  |            |                            |
| (a) Current  |            |                            |
| Deferred consideration   | 9,590,070  | 5,000,000                  |
| Total current deferred consideration   | 9,590,070  | 5,000,000                  |
| (b) Non-current  |            |                            |
| Deferred consideration   | -          | 9,133,400                  |
| Total current deferred consideration   | -          | 9,133,400                  |
| <p>The deferred consideration relates to the acquisition of Oz Minerals Cambodia Limited. Under the Sale and Purchase Agreement. The company is required to make a further \$10.0 million upon announcement of a JORC resource of + 1,250,000 ounces of gold or a decision to mine which has been booked and discounted to its present value using a discount rate of 5% over 2 years.</p> <p>A final payment of \$12.5 million is payable 6 months after first gold production and has not been booked due to the inherent uncertainty around future payment, refer to note 27.</p> |            |                            |
| <b>15. Provisions</b>  |            |                            |
| Current  |            |                            |
| Employee entitlements  | 118,094    | 101,797                    |
| Total current provisions   | 118,094    | 101,797                    |

|  | 2013<br>Shares | Consolidated<br>2012<br>Shares | 2013<br>\$ | Consolidated<br>2012<br>\$ |
|--|----------------|--------------------------------|------------|----------------------------|
| <b>16. Contributed Equity</b>  |                |                                |            |                            |
| (a) Issued capital   |                |                                |            |                            |
| Ordinary shares (fully paid)   | 213,155,556    | 157,600,001                    | 39,618,885 | 30,209,659                 |
| Total contributed equity   | 213,155,556    | 157,600,001                    | 39,618,885 | 30,209,659                 |
| (b) Ordinary Shares  |                |                                |            |                            |
| 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) Options  |                |                                |            |                            |
| Information relating to options including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 17.   |                |                                |            |                            |



# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2013

|   | Date      | Shares             | Issue Price | Total \$          |
|---|-----------|--------------------|-------------|-------------------|
| <b>16. Contributed Equity (continued)</b> |           |                    |             |                   |
| (d) <b>Movements in issued capital</b>    |           |                    |             |                   |
| Opening Balance 1 July 2011               |           | 71,200,001         |             | 12,728,805        |
| Share placement                           | 13 Apr 12 | 60,000,000         | \$0.20      | 12,000,000        |
| Share placement                           | 9 May 12  | 26,400,000         | \$0.23      | 6,072,000         |
| Less: Transaction costs                   |           |                    |             | (591,146)         |
| Closing Balance at 30 June 2012           |           | <u>157,600,001</u> |             | <u>30,209,659</u> |
| Opening Balance 1 July 2012               |           | 157,600,001        |             | 30,209,659        |
| Share placement                           | 19 Oct 12 | 39,400,000         | \$0.18      | 7,092,000         |
| Share placement                           | 29 Nov 12 | 16,155,555         | \$0.18      | 2,908,000         |
| Less: Transaction costs                   |           |                    |             | (590,774)         |
| Closing Balance at 30 June 2013           |           | <u>213,155,556</u> |             | <u>39,618,885</u> |

| Expiry date                                   | Exercise price | Balance at start of year | Granted during the year | Exercised during the year | Cancelled/ lapsed during the year | Balance at end of the year |
|---|----------------|--------------------------|-------------------------|---------------------------|-----------------------------------|----------------------------|
| <b>17. Share Options</b>                      |                |                          |                         |                           |                                   |                            |
| (a) <b>2013 unlisted share option details</b> |                |                          |                         |                           |                                   |                            |
| 31 Dec 12                                     | \$0.25         | 5,200,000                | -                       | -                         | (5,200,000)                       | -                          |
| 31 Dec 12                                     | \$0.30         | 2,000,000                | -                       | -                         | (2,000,000)                       | -                          |
| 31 Dec 12                                     | \$0.35         | 500,000                  | -                       | -                         | (500,000)                         | -                          |
| 31 Dec 12                                     | \$0.42         | 340,000                  | -                       | -                         | (340,000)                         | -                          |
| 01 June 13                                    | \$0.25         | 1,500,000                | -                       | -                         | (1,500,000)                       | -                          |
| 01 June 13                                    | \$0.30         | 2,375,000                | -                       | -                         | (2,375,000)                       | -                          |
| 31 Mar 15                                     | \$0.25         | 4,499,999                | -                       | -                         | -                                 | 4,499,999                  |
| 31 Mar 15                                     | \$0.30         | 4,499,999                | 450,000                 | -                         | -                                 | 4,949,999                  |
| 31 Mar 15                                     | \$0.35         | 1,333,333                | -                       | -                         | -                                 | 1,333,333                  |
| 09 May 15                                     | \$0.25         | 1,000,000                | -                       | -                         | -                                 | 1,000,000                  |
| 09 May 15                                     | \$0.30         | 1,000,000                | -                       | -                         | -                                 | 1,000,000                  |
| 09 May 15                                     | \$0.35         | 1,000,000                | -                       | -                         | -                                 | 1,000,000                  |
| 31 Dec 15                                     | \$0.25         | -                        | 1,000,000               | -                         | -                                 | 1,000,000                  |
| 31 Dec 15                                     | \$0.30         | -                        | 500,000                 | -                         | -                                 | 500,000                    |
| 31 Dec 15                                     | \$0.35         | -                        | 1,500,000               | -                         | -                                 | 1,500,000                  |
| 28 Feb 16                                     | \$0.25         | -                        | 1,000,000               | -                         | -                                 | 1,000,000                  |
| 28 Feb 16                                     | \$0.30         | -                        | 1,000,000               | -                         | -                                 | 1,000,000                  |
|   |                | <u>25,248,331</u>        | <u>5,450,000</u>        | -                         | <u>(11,915,000)</u>               | <u>18,783,331</u>          |
| Weighted average exercise price               |                | \$0.29                   | \$0.30                  | -                         | \$0.28                            | \$0.29                     |
| <b>2012 unlisted share option details</b>     |                |                          |                         |                           |                                   |                            |
| 31 Dec 12                                     | \$0.25         | 5,200,000                | -                       | -                         | -                                 | 5,200,000                  |
| 31 Dec 12                                     | \$0.30         | 2,000,000                | -                       | -                         | -                                 | 2,000,000                  |
| 31 Dec 12                                     | \$0.35         | 500,000                  | -                       | -                         | -                                 | 500,000                    |
| 31 Dec 12                                     | \$0.42         | 340,000                  | -                       | -                         | -                                 | 340,000                    |
| 01 June 13                                    | \$0.25         | 1,500,000                | -                       | -                         | -                                 | 1,500,000                  |
| 01 June 13                                    | \$0.30         | 1,500,000                | 875,000                 | -                         | -                                 | 2,375,000                  |
| 31 Mar 15                                     | \$0.25         | -                        | 4,499,999               | -                         | -                                 | 4,499,999                  |
| 31 Mar 15                                     | \$0.30         | -                        | 4,499,999               | -                         | -                                 | 4,499,999                  |
| 31 Mar 15                                     | \$0.35         | -                        | 1,333,333               | -                         | -                                 | 1,333,333                  |
| 09 May 15                                     | \$0.25         | -                        | 1,000,000               | -                         | -                                 | 1,000,000                  |
| 09 May 15                                     | \$0.30         | -                        | 1,000,000               | -                         | -                                 | 1,000,000                  |
| 09 May 15                                     | \$0.35         | -                        | 1,000,000               | -                         | -                                 | 1,000,000                  |
|   |                | <u>11,040,000</u>        | <u>14,208,331</u>       | -                         | -                                 | <u>25,248,331</u>          |
| Weighted average exercise price               |                | \$0.28                   | \$0.29                  | -                         | -                                 | \$0.29                     |

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2013

|   | 2013<br>\$ | Consolidated<br>2012<br>\$ |
|---|------------|----------------------------|
| <b>18. Reserves</b>   |            |                            |
| (a) <b>Unlisted option reserve</b>  |            |                            |
| Opening balance   | 1,775,114  | 511,797                    |
| Unlisted options issued as remuneration during the year   | 81,826     | 1,004,788                  |
| Unlisted options issued in lieu of fees during the year   | 336,489    | -                          |
| Unlisted options issued as consideration for the acquisition of Oz Minerals (Cambodia) Ltd (note 30)  | -          | 258,529                    |
| Closing balance   | 2,193,429  | 1,775,114                  |
| <p>The unlisted option reserve records items recognised on valuation of director, employee and contractor share options, as well as options issued as consideration for Oz Minerals (Cambodia) Ltd. Information relating to options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 17.</p>                                 |            |                            |
| (b) <b>Available-for-sale asset reserve</b>   |            |                            |
| Opening balance   | (132,900)  | -                          |
| Revaluation of non-current available-for-sale financial assets (Note 10)  | (339,300)  | (132,900)                  |
| Closing balance   | (472,200)  | (132,900)                  |
| <p>Changes in the fair value and exchange differences arising on translation of investments, such as equities classified as available-for-sale financial assets are recognised in other comprehensive income as described in note 1 (I) and accumulated in a separate reserve in equity. Amounts are reclassified to the statement of comprehensive income when the associated assets are sold or impaired.</p> |            |                            |
| (c) <b>Functional currency translation reserve</b>  |            |                            |
| Opening balance   | (43,425)   | (33,006)                   |
| Exchange differences arising on translation of foreign operations   | 633,038    | (10,419)                   |
| Closing balance   | 589,613    | (43,425)                   |
| <p>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.</p>   |            |                            |
| (d) <b>Total Reserves</b>   |            |                            |
| Unlisted option reserve   | 2,193,429  | 1,775,114                  |
| Available-for-sale asset reserve  | (472,200)  | (132,900)                  |
| Exchange differences arising on translation of foreign operations   | 589,613    | (43,425)                   |
| Closing balance   | 2,310,842  | 1,598,789                  |

## Notes to the Consolidated Financial Statements

### For the year ended 30 June 2013

#### 19. 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 year 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<br>Average<br>Interest Rate | Floating<br>Interest<br>Rate | Fixed<br>Interest | Non-<br>interest<br>Bearing | 2013 Total |
|---|--------------------------------------|------------------------------|-------------------|-----------------------------|------------|
|   | %                                    | \$                           | \$                | \$                          | \$         |
| Financial assets                        |                                      |                              |                   |                             |            |
| Cash and cash equivalents               | 2.11                                 | 1,346,631                    | -                 | 313,386                     | 1,660,017  |
| Trade & other receivables (current)     | 0.00                                 | -                            | -                 | 93,827                      | 93,827     |
| Trade & other receivables (non-current) | 3.75                                 | -                            | 175,490           | -                           | 175,490    |
| Financial assets                        | 0.00                                 | -                            | -                 | 56,900                      | 56,900     |
|   |                                      | 1,346,631                    | 175,490           | 464,113                     | 1,986,234  |
| Financial Liabilities                   |                                      |                              |                   |                             |            |
| Trade and other payables (current)      | 0.00                                 | -                            | -                 | 355,561                     | 355,561    |
| Deferred Consideration (current)        | 0.00                                 | -                            | -                 | 9,590,070                   | 9,590,070  |
| Deferred Consideration (non-current)    | 0.00                                 | -                            | -                 | -                           | -          |
|   |                                      | -                            | -                 | 9,945,631                   | 9,945,631  |

| Consolidated                            | Weighted<br>Average<br>Interest Rate | Floating<br>Interest<br>Rate | Fixed<br>Interest | Non-<br>interest<br>Bearing | 2012 Total |
|---|--------------------------------------|------------------------------|-------------------|-----------------------------|------------|
|   | %                                    | \$                           | \$                | \$                          | \$         |
| Financial assets                        |                                      |                              |                   |                             |            |
| Cash and cash equivalents               | 3.50                                 | 4,265,969                    | -                 | 179,494                     | 4,445,463  |
| Trade & other receivables (current)     | 0.00                                 | -                            | -                 | 172,350                     | 172,350    |
| Trade & other receivables (non-current) | 4.55                                 | -                            | 78,556            | -                           | 78,556     |
| Financial assets                        | 0.00                                 | -                            | -                 | 396,200                     | 396,200    |
|   |                                      | 4,265,969                    | 78,556            | 748,044                     | 5,092,569  |
| Financial Liabilities                   |                                      |                              |                   |                             |            |
| Trade and other payables (current)      | 0.00                                 | -                            | -                 | 424,855                     | 424,855    |
| Deferred Consideration (current)        | 0.00                                 | -                            | -                 | 5,000,000                   | 5,000,000  |
| Deferred Consideration (non-current)    | 0.00                                 | -                            | -                 | 9,133,400                   | 9,133,400  |
|   |                                      | -                            | -                 | 14,558,255                  | 14,558,255 |

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 2013 the group's exposure to interest rate risk is not considered material.

**19. 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) Equity price risk**

The group is exposed to equity securities price risk. This risk arises from investments held by the group and classified as available-for-sale financial assets. The group is not exposed to commodity price risk. The majority of the groups' equity investments are publicly traded on the Australian Securities Exchange (ASX).

**(i) Group sensitivity analysis**

| Equity Security (increase/decrease by 10%)     | Impact on post-tax profit |      | Impact on equity |          |
|--|---------------------------|------|------------------|----------|
|  | 2013                      | 2012 | 2013             | 2012     |
|  | \$                        | \$   | \$               | \$       |
| Financial assets (available-for-sale) increase | -                         | -    | 6,640            | 43,320   |
| Financial assets (available-for-sale) decrease | -                         | -    | (5,889)          | (39,102) |

**(e) Fair value measurements**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2013

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

The following table presents the group's assets and liabilities measured and recognised at fair value at 30 June 2013 and 30 June 2012:

|                                      | Level 1 | Level 2 | Level 3    | Total      |
|--------------------------------------|---------|---------|------------|------------|
| <b>30 June 2013</b>                  |         |         |            |            |
| <b>Assets</b>                        |         |         |            |            |
| Available-for-sale financial assets  | 56,900  | -       | -          | 56,900     |
|                                      | 56,900  | -       | -          | 56,900     |
| <b>Liabilities</b>                   |         |         |            |            |
| Deferred Consideration (current)     | -       | -       | 9,590,070  | 9,590,070  |
| Deferred Consideration (non-current) | -       | -       | -          | -          |
|                                      | -       | -       | 9,590,070  | 9,590,070  |
| <b>30 June 2012</b>                  |         |         |            |            |
| <b>Assets</b>                        |         |         |            |            |
| Available-for-sale financial assets  | 396,200 | -       | -          | 396,200    |
|                                      | 396,200 | -       | -          | 396,200    |
| <b>Liabilities</b>                   |         |         |            |            |
| Deferred Consideration (current)     | -       | -       | 5,000,000  | 5,000,000  |
| Deferred Consideration (non-current) | -       | -       | 9,133,400  | 9,133,400  |
|                                      | -       | -       | 14,133,400 | 14,133,400 |

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

The non-current deferred consideration was discounted to using a discount rate of 5% over a two year period (level 3).

|  | Consolidated |             |
|--|--------------|-------------|
|  | 2013         | 2012        |
|  | \$           | \$          |
| <b>20. Earnings per Share</b>  |              |             |
| (a) Earnings/(Loss)  |              |             |
| Earnings/(loss) used in the calculation of basic EPS   | (5,449,737)  | (3,285,341) |
| (b) Weighted average number of ordinary shares ('WANOS')   |              |             |
| WANOS used in the calculation of basic earnings per share:   | 194,539,507  | 87,773,334  |
| <b>21. Cash Flow Information</b>   |              |             |
| Reconciliation of cash flows from operating activities with loss from ordinary activities after tax: |              |             |
| Profit/(loss) from ordinary activities after income tax  | (5,449,737)  | (3,285,341) |
| Depreciation   | 25,187       | 8,472       |
| Share based payments   | 418,315      | 1,004,788   |
| Deferred consideration – finance costs   | 456,670      | 63,400      |
| Loss on write-off of assets  | 7,094        | -           |
| Changes in assets and liabilities:   |              |             |
| - Decrease/(Increase) in operating receivables & prepayments   | 176,642      | (188,782)   |
| - (Increase) in capitalised exploration  | (2,472,261)  | (1,983,257) |
| - (Decrease)/Increase in trade and other payables  | (192,325)    | 219,615     |
| Net cash (outflows) from Operating Activities  | (7,030,415)  | (4,161,105) |



# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2013

|  |  | Consolidated |           |
|--|--|--------------|-----------|
|  |  | 2013         | 2012      |
|  |  | \$           | \$        |
| <b>22. Commitments</b>                               |  |              |           |
| Exploration commitments                              |  |              |           |
| Not longer than one year                             |  | 219,083      | 1,668,537 |
| Longer than one year, but not longer than five years |  | 216,330      | 5,329,226 |
| Longer than five years                               |  | -            | -         |
| Total exploration commitments                        |  | 435,413      | 6,997,762 |

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.

### 23. 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 four operating segments, being exploration for mineral reserves within Australia, Cambodia and Alaska and the corporate/head office function in Australia.

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

The segment information provided to the board of directors for the reportable segments for the year ended 30 June 2013 is as follows:

|   | Cambodia<br>\$ | Exploration<br>Australia<br>\$ | Alaska<br>\$ | Corporate<br>\$ | Total<br>\$ |
|---|----------------|--------------------------------|--------------|-----------------|-------------|
| <b>2013</b>                                   |                |                                |              |                 |             |
| Total segment revenue                         | -              | -                              | -            | 133,844         | 133,844     |
| Interest revenue                              | -              | -                              | -            | 133,844         | 133,844     |
| Depreciation and amortisation expense         | -              | -                              | -            | (25,187)        | (25,187)    |
| Total segment profit/(loss) before income tax | -              | (2,194,560)                    | (918,197)    | (2,336,980)     | (5,449,737) |
| Total segment assets                          | 34,599,762     | 3,845,340                      | 907,076      | 1,891,850       | 41,244,028  |
| Total segment liabilities                     | 204,858        | -                              | -            | 9,858,867       | 10,063,725  |
| <b>2012</b>                                   |                |                                |              |                 |             |
| Total segment revenue                         | -              | -                              | -            | 184,778         | 184,778     |
| Interest revenue                              | -              | -                              | -            | 184,778         | 184,778     |
| Depreciation and amortisation expense         | -              | -                              | -            | (8,472)         | (8,472)     |
| Total segment profit/(loss) before income tax | -              | (757,359)                      | (7,692)      | (2,520,290)     | (3,285,341) |
| Total segment assets                          | 29,380,335     | 4,850,150                      | 1,694,240    | 5,379,881       | 41,304,606  |
| Total segment liabilities                     | -              | -                              | -            | 14,795,845      | 14,795,845  |

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2013

### 23. 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 year. The entity is domiciled in Australia. No revenue was derived from external customers in countries other than the country of domicile. Revenues of \$133,844 (2012: \$184,778) were derived from two Australian financial institutions during the year. 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.

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

On 23 July 2013 the Company announced that it had raised \$2,200,000 by agreeing to issue 44,000,000 ordinary shares as part of a two tranche placement as follows:

- i) Tranche 1- 27,687,500 shares were issued on 29 July 2013; and
- ii) Tranche 2 – 16,312,500 shares to be issued subject to shareholder approval at a General Meeting to be held on 30 August 2013.

Further to the two tranche placement announced on 23 July 2013, the Company also announced a Share Purchase Plan open to all eligible shareholders to raise up to \$500,000 on the same terms and conditions as the placement.

On 31 July 2013 Mr Rick Hart resigned as Non-Executive Chairman and Mr David Kelly was appointed to this position.

There are no further material events subsequent to balance date.

### 25. 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 28.

#### (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:

|  | 2013   | Consolidated 2012 |
|--|--------|-------------------|
|  | \$     | \$                |
| Recharges from director related entities:  |        |                   |
| Recharge of costs by Gryphon Minerals Limited  | 77,427 | 207,749           |
| Recharge of costs by Venture Minerals Limited  | 57,533 | 36,396            |
| Recharges to director related entities:  |        |                   |
| Recharge of costs to Gryphon Minerals Limited  | -      | 12,453            |
| Recharge of costs to Venture Minerals Limited  | -      | 4,892             |
| Outstanding balances arising from recharges/purchases with Director Related Parties: |        |                   |
| Current payables   | 16,710 | 82,194            |
| Current receivables  | -      | 2,814             |

#### (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 Consolidated Financial Statements

### For the year ended 30 June 2013

#### 26. 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 year.

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

The weighted average fair value of the options granted during the year was 6.01 cents (2012: 9.65 cents). The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

|   |  |
|---|--|
| Weighted average exercise price:          | 29.5 cents (2012: 28.4 cents)          |
| Weighted average life of the option:      | 2.9 years (2012: 2.9 years)            |
| Weighted average underlying share price:  | 18.3 cents (2012: 24.5 cents)          |
| Expected share price volatility:          | 80.00% (2012: 80.00%)                  |
| Risk free interest rate between:          | 2.61 and 2.96% (2012: 2.67% and 3.60%) |
| Discount factor for lack of marketability | 20.00% (2012: 20.00%)                  |

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. Total share-based payment transactions recognised during the year were as set out below. Details of other options movements and balances are set out in Note 17.

|   | 2013<br>\$ | Consolidated<br>2012<br>\$ |
|---|------------|----------------------------|
| Unlisted options  |            |                            |
| Options issued to directors, employees and consultants                        | 418,315    | 1,004,788                  |
| Options issued for consideration on acquisition of Oz Minerals (Cambodia) Ltd | -          | 258,529                    |

#### 27. Contingent Liabilities

Renaissance has a contingent liability to Newmont of \$1 million in cash with respect to the acquisition of the Pinjin Gold Project (13 September 2010) on discovery of a JORC resource of 0.5 million ounces of gold, plus an additional \$1 million in cash for a further 1.0 million ounces of gold.

Renaissance has a contingent liability to Oz Minerals Limited in connection with the acquisition of Oz Minerals Cambodia for a cash payment of \$12.5 million 6 months after “first gold pour” and has not been booked due to the inherent uncertainty around future payment.

There are no further contingent liabilities outstanding at the end of the year.

#### 28. 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><br>2013 % | 2012 % |
|---|--------------------------|-----------------|---------------------------------------|--------|
| Renaissance WA Pty Ltd                  | Australia                | Ordinary        | 100                                   | 100    |
| Renaissance Alaska Pty Ltd              | Australia                | Ordinary        | 100                                   | 100    |
| Black Peak LLC                          | United States            | Ordinary        | 100                                   | 100    |
| Renaissance Cambodia Pty Ltd            | Australia                | Ordinary        | 100                                   | 100    |
| Renaissance Minerals (Cambodia) Limited | Cambodia                 | Ordinary        | 100                                   | 100    |

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

**Notes to the Consolidated Financial Statements**  
**For the year ended 30 June 2013**

|  |  | Company     |             |
|--|--|-------------|-------------|
|  |  | 2013        | 2012        |
|  |  | \$          | \$          |
| <b>29. Parent Entity Information</b>   |  |             |             |
| (a) <b>Assets</b>  |  |             |             |
| Current assets   |  | 1,614,954   | 4,614,226   |
| Non-current assets   |  | 40,372,748  | 37,804,876  |
| Total assets   |  | 41,987,702  | 42,419,102  |
| (b) <b>Liabilities</b>   |  |             |             |
| Current liabilities  |  | 9,858,867   | 5,379,128   |
| Non-current liabilities  |  | -           | 9,133,400   |
| Total liabilities  |  | 9,858,867   | 14,512,528  |
| (c) <b>Equity</b>  |  |             |             |
| Contributed equity   |  | 39,618,885  | 30,209,659  |
| Reserves   |  | 1,721,229   | 1,642,214   |
| Accumulated losses   |  | (9,211,279) | (3,945,299) |
| Total equity   |  | 32,128,835  | 27,906,574  |
| (d) <b>Total comprehensive income/(loss) for the year</b>                      |  |             |             |
| Profit/(loss) for the year   |  | (5,265,980) | (2,520,290) |
| Other comprehensive income for the year  |  | (339,300)   | (132,900)   |
| Total comprehensive income/(loss) for the year                                 |  | (5,605,280) | (2,653,190) |
| (e) <b>Capital commitments</b>   |  |             |             |
| Not longer than one year   |  | -           | 172,050     |
| Longer than one year, but not longer than five years                           |  | -           | 477,000     |
| Longer than five years   |  | -           | -           |
| Total capital commitments  |  | -           | 649,050     |
| The parent entity has not guaranteed any loans for any entity during the year. |  |             |             |

## Notes to the Consolidated Financial Statements

### For the year ended 30 June 2013

#### 30. Business combination

##### (a) Summary of acquisition

On 9 May 2012 Renaissance Cambodia Pty Ltd, a fully owned subsidiary of Renaissance Minerals Ltd, acquired 100% of the issued capital of Oz Minerals (Cambodia) Ltd. The acquired business contributed a loss of \$Nil to the group for the period 10 May 2012 to 30 June 2012.

Details of the purchase consideration, the net assets acquire and goodwill are as follows:

|   | \$                |
|---|-------------------|
| Purchase consideration:                     |                   |
| Cash paid (refer to (b) below)              | 7,836,928         |
| Shares issued (refer to (c) below)          | 6,072,000         |
| Options issued (refer to (d) below)         | 258,529           |
| Deferred consideration (refer to (e) below) | 14,070,000        |
| Total purchase consideration                | <u>28,237,457</u> |

The assets and liabilities recognised as a result of the acquisition are as follows:

|                               | Fair Value<br>\$  |
|-------------------------------|-------------------|
| Cash                          | 48,809            |
| Other receivables             | 28,515            |
| Property, plant and equipment | 89,793            |
| Trade and other payables      | (24,103)          |
| Provisions                    | (50,899)          |
| Mineral rights acquired       | 28,145,342        |
| Total purchase consideration  | <u>28,237,457</u> |
| Goodwill                      | <u>-</u>          |

##### (b) Purchase consideration – cash outflow

|  | 2012<br>\$       |
|--|------------------|
| Outflow of cash to acquire subsidiary, net of cash acquired:   |                  |
| Cash consideration   | 7,800,000        |
| Add working capital adjustment   | 36,928           |
| Less: cash acquired  | (48,809)         |
| Outflow of cash  | <u>7,788,119</u> |
| Acquisition-related costs  |                  |
| Acquisition-related costs of \$62,810 are included in other expenses in profit or loss and in operating cash flows in the statement of cash flows. |                  |

##### (c) Purchase Consideration - Shares

|  | 2012<br>\$       |
|--|------------------|
| Shares Issued  |                  |
| Ordinary Shares  | 6,072,000        |
| Total shares issued  | <u>6,072,000</u> |
| On 9 May 2012, 26,400,000 shares were issued at \$0.23 to Oz Minerals Limited. |                  |



## Notes to the Consolidated Financial Statements

### For the year ended 30 June 2013

#### 30. Business combination (continued)

##### (d) Purchase Consideration - Options

|                         | 2012<br>\$ |
|-------------------------|------------|
| Options Issued          |            |
| Unlisted options issued | 258,529    |
| Total options issued    | 258,529    |

On 9 May 2012, 3,000,000 unlisted options were issued to Oz Minerals Limited in three equal tranches with an exercise price of \$0.25, \$0.30 and \$0.35 respectively, with an expiry date of 9 May 2015.

##### (e) Deferred Consideration

Under the terms of the agreement as announced on 20 February 2012, upfront cash payment of \$7.8 million, issue of 26.4 million ordinary shares and 3.0 million options in equal tranches (\$0.25, \$0.30, \$0.35) in Renaissance. The acquisition agreement also provides for deferred cash payments of \$5.0million (deferred consideration) 12 months post acquisition, \$10.0million (deferred consideration discounted to present value \$9,133,400) upon announcement of a JORC resource of + 1,250,000 ounces of gold and a decision to mine, and a final payment of \$12.5million 6 months after first gold production (contingent liability).

During the June 2013 financial year Renaissance has settled the \$5.0 million deferred settlement payment that was payable 12 months post acquisition.

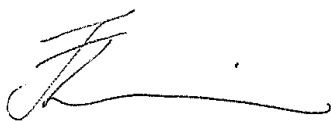
## Director's Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 22 to 49 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 2013 and of its performance for the financial year ended on that date; and
- (b) the audited remuneration disclosures set out on pages 13 to 19 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 August 2013

**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 consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

*Directors' responsibility for the Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 1(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 2013 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in note 1(a).

*Inherent Uncertainty regarding going concern*

As stated in Note 1 a) iii), the financial statements of Renaissance Minerals Limited have been prepared on a going concern basis. The consolidated entity has negative working capital amounting to \$8,251,148 as at 30 June 2013.

As part of the acquisition of the Cambodian Gold Project completed in May 2012, the consolidated entity is due to pay deferred cash consideration of \$10 million on the announcement of a JORC resource greater than 1,250,000 ounces of gold or a decision to mine. The consolidated entity will need to obtain funding for the deferred consideration payment prior to its due date. In the event that the consolidated entity is unable to raise the required funds to meet the deferred cash consideration payment, the consolidated entity maybe unable to realise their assets and extinguish their liabilities in the ordinary course of business, and at the amounts stated in the financial statements.

**Report on the Remuneration Report**

We have audited the remuneration report included in pages 13 to 19 of the directors' report for the year ended 30 June 2013. 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 year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**

*Stantons International Audit & Consulting Pty Ltd*



**Martin Michalik**  
Director

West Perth, Western Australia  
21 August 2013



## Additional Shareholder Information

### Shareholding

The distribution of members and their holdings of equity securities in the holding company as at 5 August 2013 were as follows:

| Number Held as at 5 August 2013 | Class of Equity Securities<br>Fully Paid Ordinary Shares |
|---------------------------------|--|
| 1- 1,000                        | 18   |
| 1,001 - 5,000                   | 52   |
| 5,001 - 10,000                  | 71   |
| 10,001 - 100,000                | 350  |
| 100,001 and above               | 205  |
|                                 | <hr/> 696  |

Holders of less than a marketable parcel: 28.

### Substantial Shareholders

The names of the substantial shareholders listed on the company's register as at 5 August 2013:

| Shareholder                          | Number     |
|--------------------------------------|------------|
| OZ Minerals Investments Pty Ltd      | 34,733,333 |
| Gryphon Minerals Limited             | 22,323,571 |
| Robert L Gipson                      | 15,000,000 |
| David Metford                        | 13,593,688 |
| Ingalls & Snyder Value Partners L.P. | 12,500,000 |

### 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.

## Additional Shareholder Information (continued)

### Twenty Largest Shareholders

The names of the twenty largest ordinary fully paid shareholders as at 5 August 2013 are as follows:

| Shareholder                              | Number      | % Held of Issued Ordinary Capital |
|--|-------------|-----------------------------------|
| Merrill Lynch Australia Nominees Pty Ltd | 35,480,301  | 14.73%                            |
| OZ Minerals Investments Pty Ltd          | 34,733,333  | 14.42%                            |
| Gryphon Minerals Limited                 | 22,323,571  | 9.27%                             |
| HSBC Custody Nominees Australia Ltd      | 14,877,633  | 6.18%                             |
| Geared Investments Pty Ltd               | 10,813,688  | 4.49%                             |
| Stacey Radford                           | 8,166,667   | 3.39%                             |
| Black Peak Holdings Pty Ltd              | 7,000,000   | 2.91%                             |
| PS Consulting Pty Ltd                    | 4,500,000   | 1.87%                             |
| JP Morgan Nominees Australia Pty Ltd     | 3,747,647   | 1.56%                             |
| Yi Weng & Ning Li                        | 3,298,000   | 1.37%                             |
| William Taylor Nominees                  | 2,883,715   | 1.20%                             |
| Catalpa Resources Limited                | 2,800,000   | 1.16%                             |
| David Metford                            | 2,780,000   | 1.15%                             |
| JA Advisory Services Pty Ltd             | 2,750,000   | 1.14%                             |
| JP Morgan Nominees Australia Pty Ltd     | 2,387,111   | 0.99%                             |
| Tenbagga Resources Fund Pty Ltd          | 2,226,103   | 0.92%                             |
| Peter Bowman Nominees Pty Ltd            | 2,075,000   | 0.86%                             |
| Merriwee Pty Ltd                         | 1,711,459   | 0.71%                             |
| Yi Weng & Ning Li                        | 1,410,000   | 0.59%                             |
| Alexander Holdings (WA) Pty Ltd          | 1,410,000   | 0.59%                             |
|  | 167,374,228 | 69.50%                            |



# 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                                   | 5   |
| Recommendation 3.2 Diversity Policy                                  | 3.2   |
| Recommendation 3.3 Measurable Objectives for Gender Diversity        | 3.3   |
| Recommendation 3.4 Disclosure of Diversity                           | 3.4   |
| Recommendation 3.5 Reporting on Principle 3                          | 3.2, 3.3 and 3.4                                    |
| 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. Board

### 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 D Kelly is a Non-Executive Director, and is an independent director 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 D Kelly is a 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 and was updated in December 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 Non-Executive 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 two 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 D Kelly 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 2013. A copy of the company's risk management statement is available from the corporate governance section of the company's website.

On 21 August 2013 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 1 July 2012 and a short term incentive plan was adopted by resolution at a Board of Directors Meeting held on 19 June 2012. Non-executive directors' have entered into a Non-Executive Services Agreement dated 25 March 2010 and with the remuneration updated by way of a resolution passed at a Board of Directors Meeting held on 19 June 2012.

##### 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 a 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;
- short term incentives linked to the achievement of key operational targets;
- 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 and diversity are present in Directors on the Board at all times. The company has adopted a Nomination Committee Charter and a Diversity Policy which is available for inspection on the company's website.

As the whole Board only consists of three (3) members, the Company does not have a nomination committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

#### 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 and ensuring an appropriate mix of skills and diversity are present. 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. Diversity

### 3.1 Diversity and inclusion

Renaissance and all its related bodies corporate are committed to workplace diversity in relation to genders, age, ethnicity and cultural background. The Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

### 3.2 Diversity Policy

The Company has developed a Diversity Policy which was formally adopted in June 2012. A copy of the policy is available for inspection on the Company's website

### 3.3 Measurable Objectives for Gender Diversity

Due to the size and nature of the company's operations, Renaissance has yet to establish measurable objectives for gender diversity.

### 3.4 Proportion of women employees and board members

As at 30 June 2013, the proportion of women on the Board and in senior management positions was nil. The proportion of women in our overall workforce was 9% (2012: 10%).

## 4. Anti-Bribery and Corruption

Renaissance and its subsidiaries are committed to conducting our business in accordance with all applicable laws, rules and regulations in all the jurisdictions in which we operate. It is Renaissance's policy to conduct all business in an honest and ethical manner. Accordingly, Renaissance adopts a zero-tolerance approach to bribery and corruption. It is committed to acting professionally, fairly and with integrity in all business dealings and relationships wherever Renaissance operates and implementing and enforcing effective systems to counter bribery.

Renaissance is committed to ensure that its corporate culture, in all of its operations and offices worldwide, strongly discourages bribery and corruption, including foreign bribery.

During the year Renaissance adopted a formal Anti-bribery & Corruption Policy which is available for inspection on the Company's website

## 5. 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 5 August 2013

| Project                  | Tenement        | Interest | Status  |
|--------------------------|-----------------|----------|---------|
| Eastern Goldfields       | E28/2037        | 100%     | Granted |
|                          | E28/2038        | 100%     | Granted |
|                          | E28/2039        | 100%     | Granted |
|                          | E28/2044        | 100%     | Granted |
|                          | E28/2052        | 100%     | Granted |
|                          | E28/2059        | 100%     | Granted |
|                          | E28/2060        | 100%     | Granted |
|                          | P28/1204        | 100%     | Granted |
|                          | E31/921         | 100%     | Granted |
| Radio                    | M77/633         | 100%     | Granted |
|                          | L77/81          | 100%     | Granted |
| Yilganji                 | E31/597         | 80%      | Granted |
| Pinjin                   | E28/1852        | 100%     | Granted |
|                          | E28/1613        | 100%     | Granted |
|                          | E28/1634        | 100%     | Granted |
|                          | E28/1698        | 100%     | Granted |
| Quicksilver <sup>A</sup> | ADL660282       | 100%     | Granted |
|                          | to<br>ADL660351 | 100%     | Granted |
| Cambodia                 | Okvau           | 100%     | Granted |
|                          | O Chhung        | 100%     | Granted |
|                          | Mesam           | 85%      | Granted |
|                          | O Khlek Khlok   | 85%      | Granted |
|                          | Phnom Peam Louk | 85%      | 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