RICHMOND

MINING LIMITED

ACN 123 423 987

ANNUAL REPORT

AND FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

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Mr Max Nind (Managing Director)
Mr Jim Malone (Non-Executive)
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CHAIRMAN'S LETTER

Dear Shareholder

The 2011 financial year was a period of great achievement for your Company. Our attention was focussed squarely on advancing the Buena Vista Iron Project in Nevada. This culminated in two significant developments - the completion of the definitive feasibility study in early May and the exercising of the option to purchase the Project on the 21st of June.

To reach this point in a little under 18 months was a great effort and full credit is accorded to our Managing Director Max Nind for supervising and co-ordinating the many contractors and consultants used to determine the development potential of Buena Vista.

At the risk of inadvertently leaving someone out, I sincerely acknowledge the professionalism and efforts provided by GR Engineering Services Limited who completed the feasibility study; Tom Duckworth who was responsible for the metallurgy and plant design; Jim Wallace who has worked tirelessly on permitting and the hydrogeology; Paul Dyson and Steve Mathis who have been responsible for the rail and port logistics; Dr Vernon Stocklmayer and Tom Knoch who have provided invaluable geological insight into the Project and TEC Civil Engineering Consultants our Reno based engineers who focus on design and construction.

I would also be remiss if I did not acknowledge the support of the Pershing and Churchill County officials, the State of Nevada and managers of Nevada Land and Resource Company LLC who have also shown a genuine commitment to the proposed development.

The Project presents a unique opportunity for Richmond to develop (by peer standards) a low cost magnetite operation within an accelerated timetable in one of the most politically stable countries on this planet. Blessed with plentiful infrastructure, low inflation, a skilled and educated pool of workers and a desire to create export income, the United States is a great place to do business and Richmond aims to capitalise on all of these advantages.

With the feasibility study completed, the next challenge for Richmond is to finance the development. In this regard, in late June discussions commenced with banks and other potential debt providers and negotiations have now reached an advanced stage with a number of parties. As a consequence of the Project's comparative advantages, a key objective of our funding negotiations has been to secure a higher level of project debt when compared to industry standards. Continuing negotiations with financiers have demonstrated this objective is both possible and achievable.

Coinciding with our targeted date of final permit approvals, we anticipate having concluded all financing negotiations during the December quarter of this year.

Notwithstanding the current difficult market conditions I look forward to reporting in next year's Annual Report that construction is well advanced at the Buena Vista Iron Project.

Yours sincerely

Howard Dawson
Chairman
30 September 2011

OPERATIONS REPORT

During the 2011 financial year, a significant level of work has been undertaken on the Company's various projects. As a result of the advanced potential of the Buena Vista Iron Project, this project has become the focus of Richmond's activities and offers enormous potential for both early development and significant medium term cash flow.

BUENA VISTA – USA

Overview

The Buena Vista Iron Project is a magnetite iron deposit that was discovered in 1898, intermittently mined in the 1950s and 1960s and most recently explored by US Steel in the period 1961-1979 as a potential feed for a US based pelletising plant. At least 320 diamond holes have been completed over the whole property, together with extensive metallurgical test work and mining studies.

As part of a their studies, US Steel outlined substantial pre-JORC reserves and resources within the West, South Central, Iron Point, Southwest and Section 5 deposits. These deposits within the historic pit designs had a combined waste to ore ratio of less than one.

All of the current JORC resources and reserves at Buena Vista are on private land under patented mining claims. This is an important consideration within the United States and allows Richmond to fast track development through accelerated approvals.

In addition, Buena Vista is located approximately 40 kilometres from the Union Pacific rail line that connects to port facilities at Sacramento, Stockton, Richmond and San Francisco.

In January 2010, Richmond entered into an option to purchase a 100% equity in the project and in June 2011 this option was exercised.

The purchase price of US$6,000,000 was satisfied by the payment of US$3,000,000 in cash and by the issue of 6,187,092 fully paid ordinary shares in the capital of Richmond.

Nevada Iron LLC (a 100% owned subsidiary of Richmond) now owns 100% of the Project and the vendor (Kircher Mine Development LLC) retains a 20% beneficial and net profits interest ("NPI"). Nevada Iron has an additional 18 months to acquire from Kircher the outstanding 20% beneficial interest and NPI for a cash consideration of US$2 million or alternately US$1 million in cash and the granting of a gross revenue royalty of 1.5%.

Definitive Feasibility Study

At the end of November 2010, Richmond Mining commissioned GR Engineering Services Limited (GRES) to prepare a Definitive Feasibility Study ("DFS") for the development of the Buena Vista magnetite ore deposit.

The development concept involved an open pit, producing on average some 6 million tonnes per annum of ore, along with a similar tonnage of waste per year.

Following crushing and grinding, the ore is to be concentrated by conventional wet low intensity magnetic separation (Wet LIMS) to produce a high grade concentrate assaying 66-69% total iron (Fe) at an annual production rate of between 1.6 and 1.8 million tonnes. Plant tailings will be discharged to a tailings storage facility adjacent to the plant site.

In addition to GRES, Richmond selected a Nevada based engineering group, TEC Engineering (TEC); located in Reno to conduct investigations and prepare capital and operating costs for the supply of local services in particular water, power and general civil construction requirements for the Project. TEC also assisted in obtaining local costs for construction materials along with general civil engineering supplies.

In May 2011 the DFS was completed.

The DFS confirmed that the Buena Vista Iron Project is an economically robust, long-life iron ore project which will generate substantial returns for the Company and deliver significant benefits to the local Churchill and Pershing Counties and the State of Nevada.

Key DFS Outcomes

- Using a conservative 10 year average FOB concentrate price of US$110/t the Project $NPV_{7.5\%}$ after tax and capital expenditure is US$160 million and the IRR is 41%;.
- Free cash flow after tax from the initial 10 years of operation is US$476 million;
- Indicated Resources defined to JORC standard of 65 Mt that include a JORC Probable Ore Reserve of 59 Mt, which is sufficient to underpin the initial 10 year production profile; and
- Completion of initial mine planning and detailed mine design confirmed a very favourable waste to ore ratio of 1.14 to 1.

Key Project Metrics – Initial 10 Years of Production

- Ore mined: 59 Mt (5.9 Mtpa);
- Waste to ore stripping ratio of 1.14: 1;
- Average concentrate production of 1.75 million wet metric tonnes per annum; and
- Average concentrate grade of 67.5% Fe.

The DFS is based solely on accessing ore from the West Deposit to produce on average 1.75 Mtpa (million tonnes per annum) of wet concentrate for an initial 10 years.

The concentrate will be sent via a 40 km slurry pipeline to the rail siding located at Colado Junction, 10 km northeast of Lovelock, for dewatering and then transported by rail to a port in the San Francisco Bay/Delta Region of California.

Iron ore concentrates assaying 66-69% Fe; 1.5-4.5% SiO_2; <1% Al_2O_3; 0.003% P; and 0.003% S will be produced at a rate of 1.75 million wet tonnes per annum and contain 7-7.5% moisture for shipping to Asia.

The existing JORC Resources and known exploration targets have the potential to significantly expand the Project's life past the initial 10 years. This potential is expected to underpin a long-life operation at Buena Vista.

Capital Cost Estimates (US$)

Capital cost estimates were prepared by GRES, in conjunction with TEC Civil Engineering Consultants in the USA and other consultants.

The estimated capital cost breakdown for the Project's piping option is as follows:

Cost Centre	(US$M)
Mining	5.8
Plant site	110.2
Colado site	21.8
Site infrastructure	4.8
Off site infrastructure	16.4
Owner's costs	2.3
Total costs	**161.3**

Two options, namely trucking and piping, were considered for the delivery of the concentrate from the mine site to the Colado rail siding.

The concentrate piping alternative, while increasing the capital cost, delivers a number of advantages over trucking, namely:

- Elimination of safety hazards associated with a high level of truck movements;
- Environmentally more acceptable;
- Significantly lowering the operating cost over the life of the Project; and
- Eliminates the risk of down time due to potentially inclement winter weather.

Operating Cost Estimates (US$)

The total operating cost estimates for the Project (piping option) for the initial 10 years of operation are as follows:

Cost Centre	Mining US$M	Crushing US$M	Beneficiation US$M	Power US$M	Water US$M	Admin US$M	Total US$M	Total $/wmt conc
Fixed	43.3	9.4	30.3	4.8	-	28.5	**116.3**	**6.86**
Variable	329.4	14.9	97.0	45.0	1.9	-	**488.2**	**28.79**
Total Site	**372.7**	**24.3**	**127.3**	**49.8**	**1.9**	**28.5**	**604.5**	**35.65**
Off site							**514.4**	**30.33**
TOTAL							**1,118.9**	**65.98**

Financial Evaluation (US$)

Extensive financial modelling has been undertaken for the concentrate operations of the Project. The cash flow model includes revenue, operating costs and capital costs for six monthly periods for the initial 10 years of mine life. As the Buena Vista concentrate would be classified as a high quality pellet feed, the most appropriate benchmarks to use for revenue forecasts are based on either the Vale Standard Sinter Feed price or the Vale Carajas Sinter Feed price.

Conservative iron revenue prices used in the DFS are on an FOB basis, with the base price for 2012 being US$134/t and an average 10 year price of US$110/t.

Capital cost estimates are based on sourcing quality second hand equipment for the major items, such as mills and crushers, with all other equipment based on new prices.

A summary of the financial analysis and model outcomes is as follows:

Item	Value
Discount rate	7.5%
NPV after tax and capex	US$160 M
IRR after tax and capex	41%
Capital cost	US$161 M
Av operating cost	US$66/wmt concentrate

All numbers presented above are for 100% of the Project.

Sensitivity to FOB Price

The DFS has been completed using FOB prices that result in an average FOB price of US$110/t for the initial 10 year Project life.

The following table sets out the different NPV's and IRR's that would result if FOB prices were increased and that same price was used for each of the Project's 10 years (all other parameters remain unchanged):

US$ FOB price/t	Project NPV after tax and capex	Project IRR after tax and capex	Free cash before capex
$150	US$402 M	79%	US$868 M
$140	US$341 M	67%	US$772 M
$130	US$279 M	56%	US$676 M
$120	US$217 M	44%	US$580 M
DFS	US$160 M	41%	US$476 M

Location & Infrastructure

The Buena Vista Iron Project is located in western Nevada, around 450km northeast of San Francisco.

Access to the Project area is via Interstate 80 to Lovelock (around 107km east of Reno) and then 38km from Lovelock via Interstate 80 and Coal Canyon road, which is a bitumen road for the majority of the distance.

A rail head is located at Lovelock and the Southern Pacific railway that parallels' Interstate 80 connects to four ports in the San Francisco region.

It is proposed to construct a rail siding at Colado which is at the junction of Coal Canyon Road and Interstate 80. Concentrate will be transported from the mine site to this siding by slurry pipe, dewatered and then trained to the ports.

Grid power is available within 10 km of the site and it is proposed to utilise grid power for all of the proposed operations energy requirements.

Sufficient water has been sourced from ground water aquifers located in the North Carson Sink, 2 miles southwest of the mine site.

A total of five wells will be drilled to provide all the water requirements at the mine site.

An application was made to the Nevada Department of Conservation and Natural Resources (Division of Water Resources) for 1,750 acre feet per year, equivalent to 2,159,000 m^3 per year, which has been granted for the life of the mine.

The water will be pumped some 3.8 km from the bore field to the beneficiation plant.

Land Title

The Buena Vista Iron Project contains mineral rights over approximately four square miles secured through lease agreements on 45 patented mining claims (covering 808.7 acres) and former railroad fee title land (525.8 acres). Included within the four square miles of mineral rights are also 70 unpatented mining claims on federal land.

Full surface rights are included as part of the lease agreements over the patented mining claims.

The patented claims and fee title land are subject to royalties to the beneficial owners, the former with RGGS Land and Minerals Ltd, LP and the latter with Nevada Land and Resource Company, LLC.

On 22 June 2011, Richmond announced that Nevada Iron LLC had acquired the surface rights to the Section 5 patented land claim that comprises some 525.75 acres.

The acquisition of the Section 5 surface rights provides Nevada Iron LLC with full surface rights to the land that will house all of Buena Vista's proposed production facilities, plant, workshops, stockpiles and the tailings dam.

Geology

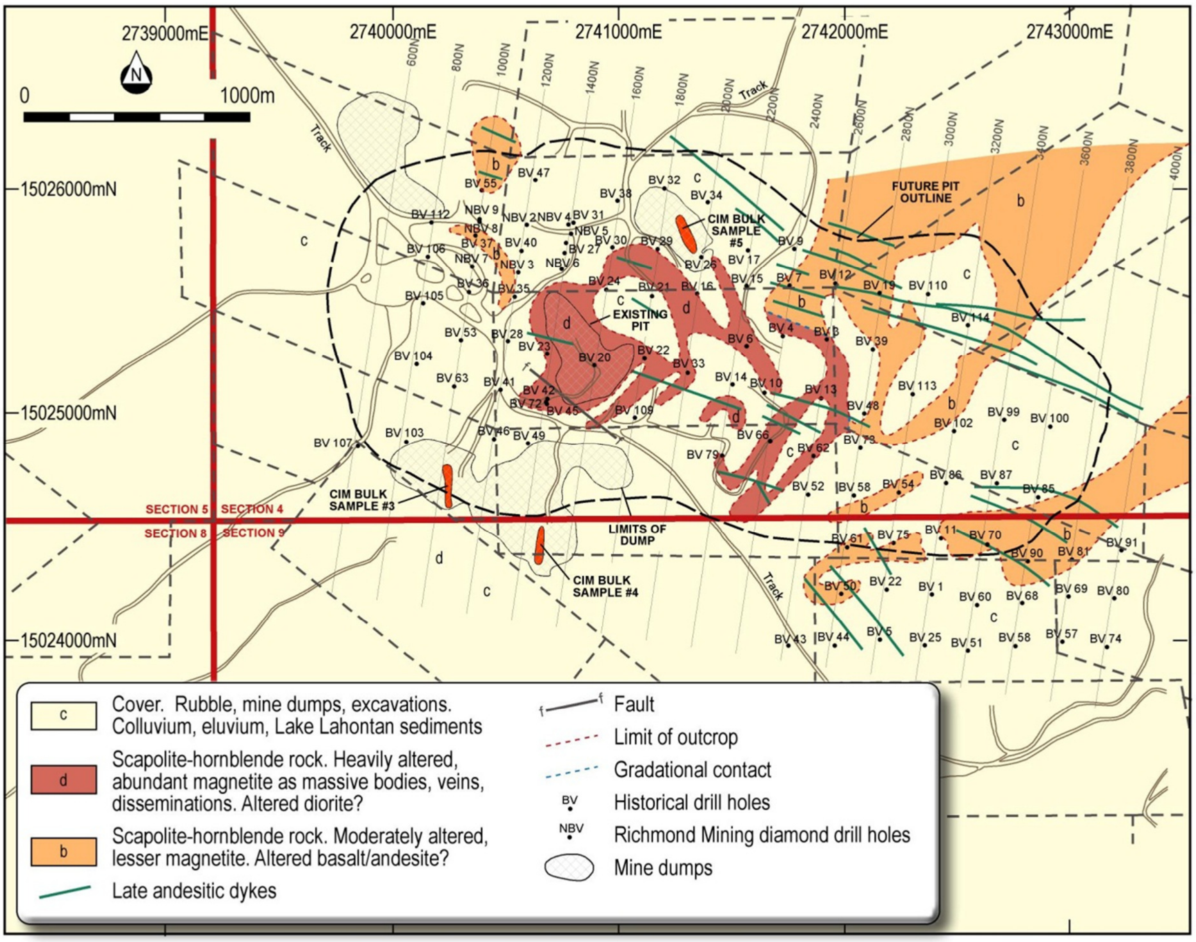
The general geology of Buena Vista consists of basaltic volcanic rocks of Jurassic age that are intruded by a partially scapolitised gabbroic complex. Tertiary deposits are faulted against the Jurassic rocks in the eastern part of the area.

Away from the hills of volcanic rock, much of the older geology is obscured by surficial deposits.

The principal magnetite deposits in the Mineral Basin District occur in a large body of rock made up of the assemblage scapolite-brown hornblende-clinopyroxene-calcite-magnetite, which can contain up to 90% scapolite. The contact of the scapolite rock with the overlying volcanic rock is poorly exposed and might indicate that the scapolite rock intrudes the volcanic rocks.

Leucocratic dykes cut the scapolitic gabbro in the vicinity of the Buena Vista workings. The majority of these dykes trend northwest are steeply dipping and commonly occur in swarms. They tend to be narrow, only 1 metre or so in width, but can often be traced for distances of up to 300 metres.

The proposed mining area around the West ore body occurs in the contact zone between the intrusive diorite-gabbro and overlying basalt-andesite. The intrusive rocks and adjacent meta-volcanics have been highly scapolitised and, in the vicinity of the magnetite rich zones, chloritised. Post-mineralisation dykes cut both the diorite-gabbro and the meta-volcanic rocks.



Mineralisation

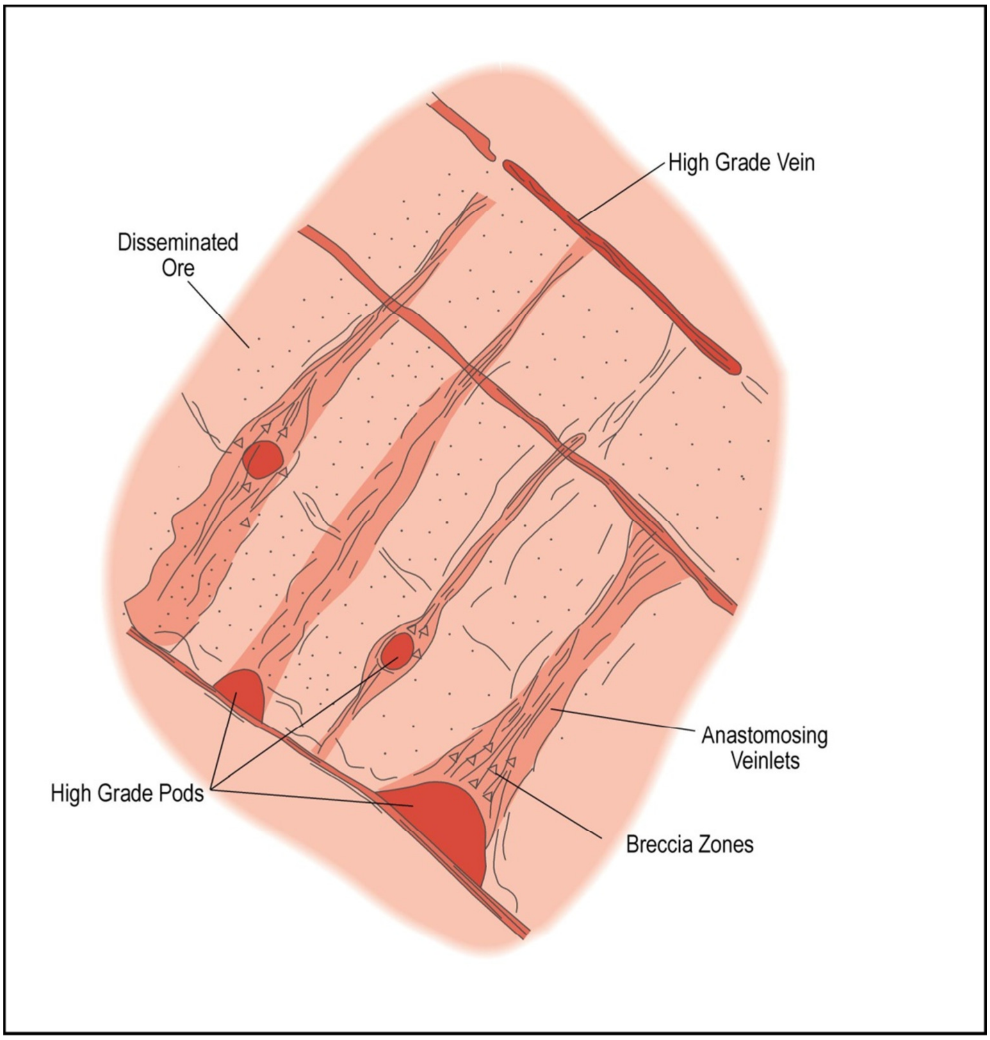
The Project's magnetite deposits formed as the result of metasomatic processes associated with the intrusion of the large Humboldt Gabbro lopolith. As such, they have similarities to the large high grade magnetite deposits of Kiruna in Sweden and Savage River in Tasmania and are very different to the typical Banded Iron Formation magnetite deposits of Western Australia.

- There are two significant differences between Buena Vista and the West Australian ores that have a major impact on the downstream processing:The magnetite ore at Buena Vista occurs as high grade pods, veins and disseminations within a heavily altered volcanic rock, now mostly represented by scapolite and hornblende. Grades can be very high, with assays recording iron contents of over 66% Fe. This is in contrast to the Western Australian BIF magnetite deposits which contain a near consistent iron content of around 30 to 35% Fe.
- Much of the magnetite at Buena Vista is liberated at relatively coarse sizes. This allows for a considerable upgrading by the removal of near barren material during the early stages of processing, reducing costs and allowing lower grade material to be utilised. The BIF magnetite deposits are all fine grained and cannot be upgraded prior to the final fine grinding and magnetic separation.

Kiruna-type ores typically have high titanium and phosphorus contents. Historical and current metallurgical test work on Buena Vista ore has shown that both are reduced to acceptable levels in the final concentrate.

There can be little doubt the magnetite mineralisation is a product of the late stage alteration of the intrusive Humboldt gabbro that gave rise to the intensely scapolitised lithologies.

The distribution and nature of the magnetite mineralisation is a function of ground preparation by faulting and fracturing forming a series of conditions varying from open fractures through breccia zones and anastomosing networks of fine fractures into virtually massive material. The relative abundance of these various ground conditions produces the variations in mineralisation types from massive pods through to light disseminations.



Hypothetical Sketch Plan – Relationship of Magnetite Mineralisation to Structural Pattern

Resources

Total Indicated JORC Resources for the West Deposit (which is the deposit the DFS is based on) are 65.1 million tonnes, grading 22.5% Total Fe, and are set out in the table below:

Domain	Volume (m^3)	Tonnes	Total Fe %	Average density
High grade	883,844	3,346,849	48.7	3.79
Medium grade	5,626,234	18,056,888	29.7	3.21
Mining envelope	3,643,336	10,694,397	20.7	2.94
Low grade	11,771,377	33,042,310	16.5	2.81
GRAND TOTAL	**21,924,791**	**65,140,444**	**22.5**	**2.99**

Note: 15% magnetic Fe cut off grade

The estimated JORC Ore Reserve based on a 9% Fe cut-off grade is 59.0 million tonnes grading 21.7% Total Fe.

In addition to the West Deposit, the broader area of the Buena Vista Iron Project contains other magnetite JORC Resource estimates, which are based on historic diamond drilling and are tabulated below.

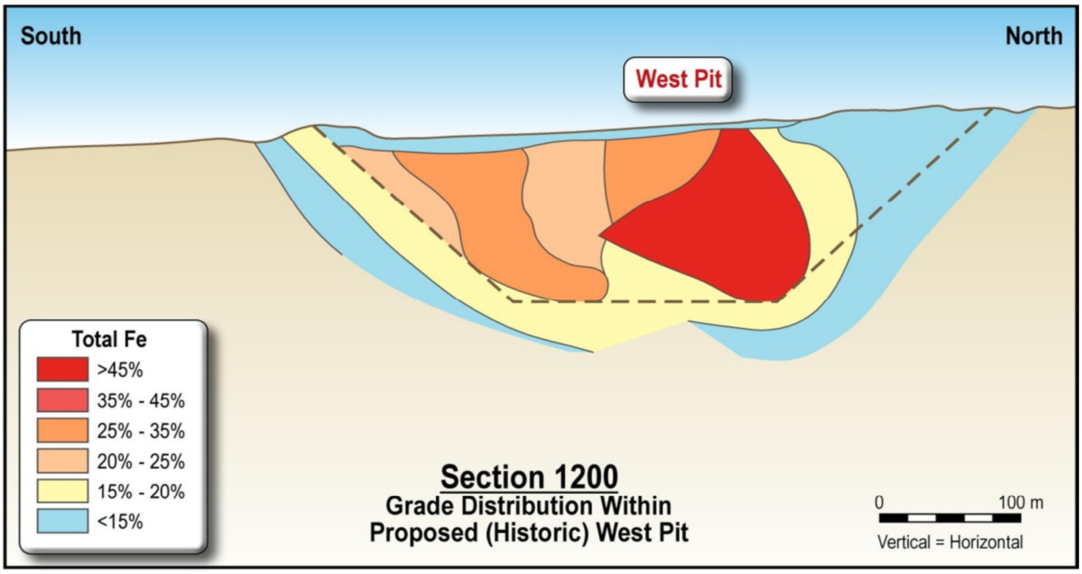
Deposit	Category	Tonnes	% Magnetic Fe	% Total Fe
South Central	Indicated	37,000,000	18.6	21.9
East	Indicated	19,000,000	17.9	21.1
Section 5	Inferred	6,000,000	20.0	23.5
Section 5 East	Inferred	4,000,000	11.8	13.9

A number of exploration targets have been identified by previous explorers and Richmond as a result of reconnaissance drilling and aeromagnetic data interpretation and field mapping.

Prospect	Tonnes	% Magnetic iron	% Total Fe
BV-D	10-18,000,000	16-20	19-24
A5-1 Anomaly	80-110,000,000	16-20	19-24
A-10 Anomaly	70-90,000,000	15-20	18-24
Iron Horse	1-3,000,000	-	59-68

The potential quantity and grade of the exploration targets are conceptual in nature and there has been insufficient exploration to define a JORC compliant Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

In addition, based on historic studies, there are approximately 800,000 tonnes of run of mine stockpiles grading on average 28% Fe available within the proposed mine area. These stockpiles are the lower grade remnants from the high grade mining of Buena Vista that was carried out during the 1950's.



Metallurgy and Ore Beneficiation

Unlike the more typical magnetite deposits where the mineralisation is finely disseminated in siliceous bedding planes and commonly referred to as taconite deposits, the magnetite at Buena Vista is an intrusion into a volcanic andesite and, as such, is coarser in association with the siliceous host rock.

Liberation of the magnetite occurs at a coarser size range, which permits the rejection of waste materials at coarser sizes. The prime benefit of this type of ore as against taconite ore is that less comminution energy is required to achieve a marketable concentrate grade.

Conventional processing is proposed, incorporating coarse and fine crushing followed by two stages of wet grinding; each followed by Wet LIMS. This is sufficient to achieve concentrates typically in the range 66% to 69% Fe with low levels of silica, typically 1.5–4.5% and alumina at typically less than 1%. In addition, the ore at Buena Vista has negligible sulphur content (0.003% S) and phosphorous (0.003% P), the latter, which is liberated on grinding and is readily removed into the non-magnetic waste at the magnetic separation stages. The average concentrate analysis for the West Deposit is tabulated below:

Fe	**SiO_2**	**Al_2O_3**	**TiO_2**	**V**
67.5%	3.3%	1.1%	0.23%	0.27%
P	**S**	**MnO**	**CaO**	**MgO**
0.003%	0.003%	0.03%	0.30%	0.30%

Levels of titanium and vanadium are low in the ore, the former occurring as non-magnetic sphene that predominantly reports to waste on magnetic separation, the latter is intimately associated as ex-solved solution within the magnetite and follows the magnetite through to concentrate.

This association is not untypical of magnetite and the vanadium is usually recovered on smelting, but with no bonus payment to the seller. Typical levels in the Buena Vista concentrate are 0.2% TiO_2 and 0.27% V.

In the case of the low grade ore, where the silica levels are higher than average for the deposit, an appreciable amount of the silica and alumina can be rejected after fine crushing enabling this low grade ore to be readily pre-concentrated up to average grade prior to grinding. This reduces tonnage to the mill and more importantly removing the harder gangue elements results in a saving in the grinding power requirements.

It is proposed for Buena Vista that the initial process plant design will be directed to the treatment of medium grade ore, assaying in the range 24–27% Fe, where pre-concentration has limited advantage.

After year 7, the ore will be predominantly low grade typically in the range 16–19.5% Fe and it is proposed to install additional crushing capacity and a dry LIMS pre-concentration stage between crushing and grinding to pre-concentrate this ore to a comparable grade of the medium grade ore.

The plant design will be based on modular parallel units through to final concentrate, which has the advantage of minimising the risk of zero production thereby ensuring a continuous output of concentrate.

Environment

The Buena Vista Iron Project lies within the Great Basin region of the Basin and Range physiographic province of north-western Nevada. Topography of the Basin and Range province is characterised by a series of generally north trending, fault block mountain ranges separated by broad valleys filled with alluvium and lacustrine sediments.

The mine and mineral processing facilities are to be located in the southern portion of the Buena Vista Hills, a well-defined topographic feature about 9 miles long and 3 miles wide that extends north from the northwest trending Stillwater Range. The Buena Vista Hills form a low divide that separates the Buena Vista Valley on the northeast from the Carson Sink on the southwest.

The proposed mine site will be situated on the western flank of the southern Buena Vista Hills at an elevation of about 4,300 feet (1,378 metres) above sea level.

Temperatures in the Project area range from lows around -30°F to highs of around 110°F. Annual precipitation averages from 4 to 6 inches, with a slightly higher precipitation at upper elevations.

West of the mine site lies the Carson Sink. The Carson Sink is a closed basin into which the Carson River flows from the southwest. The sink is now a playa, the remnant of pre-historic Lake Lahontan. A series of sand dunes separate the playa from the sage brush environment immediately west of the mine site.The area's plant cover is dominated by various associations of drought-tolerant desert shrubs, with a sparse seasonal undercover of annuals and perennials. The various plant communities are strongly controlled by soil salinity and drainage.

The proposed slurry pipeline will traverse nearly 25 miles of country from the mine site in the Buena Vista Hills to the rail siding near the Humboldt River. The pipeline route will follow the western side of the Buena Vista Hills and then the south-western side of the Humboldt Range; across the alluvial plains on the south side of the Humboldt Range and the over the West Humboldt Range via Coal Canyon.

The proposed electrical transmission line will follow the same route as the slurry pipeline to the south side of the West Humboldt Range, but then deflect northeast through Packard Flats and over the low pass that separates the Humboldt Range from the West Humboldt Range towards Oreana.

Terrestrial wildlife resources in the Project area are typical of the Northern Great Basin. A wide variety of wildlife species common to the Great Basin ecosystem can be found within the Project area. Common large and small wildlife species occurring in the area include mule, deer, pronghorn antelope, coyote, blacktail jackrabbit, desert cottontail, bobcat, numerous raptors, reptiles, and other small mammal species.

The Bureau of Land Management manages the cattle livestock grazing on public rangelands within the area surrounding the proposed mine site. There are no existing rangelands in the Project area.

The Project area has a history of mining, there is no evidence of Native American sites and the Project is not within Indian Reservation land.

Loongana (100% Richmond)

The Loongana project is located on the Nullarbor Plain and covers over 40 kilometres of a buried mafic and ultramafic intrusive. The intrusive has been interpreted from geophysical surveys, two historic drill holes and a drilling programme completed by Richmond through September-December 2009.

Mafic and ultramafic rocks are the primary hosts for nickel mineralisation. Massive nickel mineralisation often has an elevated magnetic response and can also show a higher than usual gravity response. Within the Loongana intrusive magnetic and gravity surveys have mapped a range of zones where there are discrete as well as co-incident magnetic and gravity features.

The principal exploration model at Loongana is for intrusive style nickel sulphide mineralisation. Two historic drill holes in the southern, wider part of the intrusion intersected varying thicknesses of mafic and ultramafic rocks below 269 and 292 metres of the sedimentary cover respectively. The ultramafic rocks in one of the drill holes contained traces of nickel sulphides.

In the drilling programme completed during September-December 2009, Richmond Mining completed six reverse circulation holes totalling 2,346 metres into the Loongana ultramafic/mafic intrusion to test for massive nickel sulphides.

Hole Number	MGA N (m)	MGA E (m)	RL (m ASL)	Dip (deg)	Total depth (m)
LONRC1	6613746	270090	197.9	-90	432
LONRC2	6592750	261750	184.2	-90	456
LONRC3	6590359	261651	184.6	-90	384
LONRC4	6586430	252800	184.1	-90	360
LONRC5	6602935	257640	188.9	-90	378
LONRC6	6592653	258372	184.9	-90	336

This drilling confirmed the geology of the Loongana intrusive but failed to intersect any base or precious metal zones of significance. Petrological studies identified the primary sulphides intersected as pyrite with minor chalcopyrite in rocks predominantly in mafic norites/gabbros and variably altered and metamorphosed ultramafics.

The programme tested three coincident magnetic and gravity highs and three gravity highs.

The possibility still exists, however, for the 60 kilometre long ‘tail’ of the intrusion to represent a keel/feeder dyke complex that could host Ni mineralisation in elongate keels like at Jinchuan or dyke style bodies like those at Voisey’s Bay.

A recent example of targeting the keel/feeder dyke section of an intrusive complex comes from ASXlisted company, Magma Metals, which has discovered Pt-Pd-Cu-Ni mineralisation in the <200 metre wide mafic/ultramafic ‘conduit’ of the Current Lake intrusion in Canada.

Richmond has proposed a three hole programme to test a section of the “tail” near the base of the “head” of the intrusive.
It was planned to carry out this programme during the earlier part of this year, but an unusually wet season in that part of the Nullabour restricted access for nearly 6 months. This drilling programme had been joint ventured to Latin Gold Limited, but as a result of the restricted access the joint venture was cancelled.

Richmond had been successful in securing a grant of $105,000 from the Western Australian State Government under the State Government’s Exploration Incentive Scheme to undertake this planned drilling programme, a reapplication is planned.

Narracoota (100% Richmond)

The Narracoota project is located about 80 kilometres north of Meekatharra, Western Australia.

The project covers part of the southern section of the Palaeoproterozic Bryah Basin (a sub-basin of the Glengarry Basin) and has been explored for epigenetic gold and VHMS-style base and precious metals by previous explorers.

The project is under joint venture to Latin Gold Limited who have the right to earn a 50% interest through the expenditure of $500,000.

Richmond's Narracoota project is located some 75 kilometres southwest of the DeGrussa discovery.

The Narracoota project contains extensive widths of Narracoota volcanics which are interpreted to occur in at least three structural repetitions, providing a target zone of approximately 20 kilometres in length.

The Narracoota tenement is largely covered by colluvial and alluvial sediments and, as a consequence, has been lightly explored using modern exploration techniques. Of the historic holes drilled in the tenement, only a limited number have penetrated the cover sediments.

Four known prospects and mines (Durack Well, Wembley, Mikhaburra and Cashman) lie very close to the Narracoota tenement boundaries.

Approximately 1km from the southern boundary is the old Cashman copper mine that produced 7t of copper ore grading 16.5% Cu. Immediately surrounding the Cashman deposit is a number of small mineral occurrences and deposits, which contain copper and copper-gold.

Because of the transported cover, a VTEM survey was completed over the entire project area in early November 2009. In this survey a total of 515 line kilometres were flown by Geotech Airborne.

This VTEM survey was designed to detect conductors beneath the cover to a depth of approximately 350 metres. The presence of conductors could indicate massive sulphides, as is the case at DeGrussa.

The survey data from this programme was processed and interpreted and a total of 18 priority anomalies were defined for testing.

The underlying geology of these anomalies was determined to all be within the Narracoota volcanics, which was a positive for the model being employed. In addition, it was noted that from the limited historic drill programmes over the area, three of the anomalies were adjacent to holes that had been completed in weathered bedrock with elevated Cu values.

In total, 9 holes were drilled as part of an initial programme. Holes planned over two southern anomalies were not possible because of restricted access. All holes were vertical and composite samples for assay were collected over 10 metre intervals.

Samples were assayed for Au, Cu, Ni and Zn. Elevated Au values were recorded over 5 composite intervals.

Elevated Au results were recorded over 3 of the drill holes with the most significant values in Hole NRC5.

Hole	Interval	Description	Au	Cu	Ni	Zn
NRC2	11-22m	Brown clay	0.18	53	232	16
NRC3	90-100m	Volcaniclastic, rare magnetite	0.09	82	781	81
NRC5	10-20m	Mafic dyke?, highly magnetic	0.33	105	74	107
NRC5	20-30m	Mafic dyke?, variably magnetic	0.12	127	96	111
NRC5	40-50m	Mafic dyke?, variably magnetic, minor pyrite	0.35	147	108	80

Au results in g/t, all other results in ppm, Au assayed by FA30, Cu, Ni and Zn assayed by AAS.

The Au results from Hole NRC5 are regarded as highly anomalous. This hole was sighted over a strong magnetic feature which lies at the intersection of three structural lineaments trending WNW, WSW and NW respectively. In addition, the results are from a hole that was in effect purely reconnaissance and sited in an area which is completely alluvial covered and has not been previously drilled or tested through soil geochemistry.

There is also a possible significant magnetite destruction proximal to the drill hole, as evidenced from the aeromagnetic data.

Latin Gold Limited have advised that they have drill tested this Au anomaly and are awaiting results..

Competent Persons Statements

The information in this report that relates to, resources and resource potential is based on information compiled by Dr Vernon Stocklmayer who is a Member of the Australian Institute of Geoscientists. Dr Stocklmayer is an independent consultant to Richmond Mining Limited. All other discussion is based on information compiled by Mr Howard Dawson, Mr Max Nind; who are Members of the Australian Institute of Geoscientists; and Mr Thomas Duckworth; who is a Fellow of both the Australasian Institute of Mining and Metallurgy and Institute of Materials, Minerals and Mining, London. Mr Duckworth is an independent consultant to Richmond Mining Limited. Mr Dawson, Chairman, and Mr Nind, Managing Director, are representatives of Richmond Mining Limited. Mr Dawson, Dr Stocklmayer, Mr Nind and Mr Duckworth have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity to which they are undertaking to qualify as Competent persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Dawson, Dr Stocklmayer, Mr Nind and Mr Duckworth consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Sections of information contained within this report that relate to Ore Reserves are based on information compiled by Nigel Spicer who is a full-time employee of Minesure Pty Ltd and a Member of both the Australasian Institute of Mining and Metallurgy and Institute of Materials, Minerals and Mining, London. Nigel Spicer has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken 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". Nigel Spicer consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The Directors present their report together with the consolidated financial report for Richmond Mining Limited ("Richmond" or the "Company") and its controlled entities (collectively the "Group"), for the year ended 30 June 2011**.**

DIRECTORS

(i) Names, qualifications and experience

The names and details of the Company's Directors in office at any time during the financial period and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Mr Howard Dawson	Non-Executive Chairman
Mr Max Nind	Managing Director (Appointed 8 February 2011)
Mr Jim Malone	Non-Executive Director
Mr Greg Barns	Non-Executive Director

Howard Dawson – Non-Executive Chairman
Qualifications: B.Sc (Geology), MAIG, SFFINSIA, MAICD

Howard Dawson had an 11 year career as a geologist before entering the securities industry as a research analyst in 1987. Over the subsequent 16 years he fulfilled a number of complimentary roles within the securities industry including research, corporate advisory, business development, senior management and equity partner for firms including Hartley Poynton, McIntosh Securities, Merrill Lynch and ABN AMRO Morgan Limited.

Mr Dawson brings to the Board of Richmond technical, financial and corporate skills which will be used to compliment executives and consultants engaged to develop and explore existing projects, as well as potential new resource projects.

Mr Dawson is also currently a director of listed company Latin Gold Limited and unlisted companies Discovery Capital Limited and Zoom Fitness Pty Ltd. During the past three years Mr Dawson has also been a director of Tangiers Petroleum Limited (appointed 5 April 2008 and resigned 27 October 2010).

Max Nind – Managing Director
Qualifications: B.Sc & M.Sc (Geology), Grad Dip Applied Finance and Investment

Mr Nind has over 20 years experience in the resource sector, ranging from exploration and mining geology, mine production, corporate research, project development and capital markets.

Mr Nind was previously the Business Development and Exploration Manager for Sinosteel Australia, a subsidiary of the largest integrated raw material supplier and service provider to the Chinese steel industry. The role focused on identifying resource sector investments, particularly in the iron ore industry.

The experience and contacts he developed from this role, in tandem with the 10 years he spent with Western Mining Corporation, has given Mr Nind a very sound base from which to advance the Buena Vista Iron Project.

Jim Malone – Non-Executive Director
Qualifications: B.Comm, ASA

Jim Malone has worked successfully as an accountant, stockbroker, business analyst and CEO of a medium sized business for the past 23 years. Mr Malone is currently a director of Australian-American Mining Corporation Limited, Quest Petroleum NL, Forge Resources Limited, Exalt Resources Limited and Latin Gold Limited. In the last three years Mr Malone has also been a director of Atlantic Limited (appointed 4 July 2007 and resigned 27 November 2009) and NSL Consolidated Limited (appointed 2 October 2008 and resigned 12 June 2009).

Previously Mr Malone worked for Arthur Andersen accountants, Hartley Poynton stockbrokers, CSFB and Lehman Brothers merchant banks in London and for the West Coast Eagles and Richmond Football Clubs, the latter as CEO from 1994 to 2000. Mr Malone has worked in Perth, London, Melbourne and Santiago, Chile.

Since 2000, Mr. Malone has been involved in the successful listing and management of six ASX listed resource companies that have successfully explored for and, or are in, the process of developing gold, uranium, copper, molybdenum and oil and gas assets in Australia, United States, South America and Europe. In this time Mr Malone has been involved in equity raisings of over $50 million.

Greg Barns – Non-Executive Director
Qualifications: BA/LLB

Greg Barns is a lawyer and company director. He is currently a non-executive director of Australian-American Mining Corporation Limited. Mr Barns holds a BA/LLB from Monash University and is a member of the Tasmanian and Western

Australian Bars. He is also admitted to practice in Victoria and New South Wales. Mr Barns is a former political adviser to a range of state and federal ministers and premiers and he was the inaugural CEO of the Australian Gold Council from 2000-02. Mr Barns writes a monthly column for Gold and Minerals Gazette and is the Australian correspondent for Canadian monthly Resource World.

Mr Barns was involved in the successful listing in 2004 of Republic Gold Ltd, and has conducted a number of investor road shows in North America for that company. Until the end of 2010, Mr Barns was a non-executive director of Newcastle based coal mining services company Resco Pty Ltd.

(ii) Interests in the Shares and Options of the Company

As at the date of this report, the interest of the Directors in the shares and options of the Company are:

	Number of shares	Number of options
H Dawson	3,004,731	-
M Nind	1,075,000	-
J Malone	3,169,701	-
G Barns	150,000	-
TOTAL	7,399,432	**-**

COMPANY SECRETARY

Michael Higginson – Company Secretary
Qualification: B.Bus Fin & Admin

Mr Higginson is the holder of a Bachelor of Business Degree with majors in both Finance and Administration. Mr Higginson was appointed as Company Secretary on 12 June 2009.

Mr Higginson was formerly an executive officer with the Australian Securities Exchange and has, over the last 24 years, held numerous company secretarial and directorship roles with a range of public listed companies, both in Australia and the UK.

DIRECTORS' MEETINGS

The number of meetings attended by each of the Directors of the Company during the financial year was:

	Board Meetings		Audit Committee Meetings	
	Number held and entitled to attend	Number Attended	Number held and entitled to attend	Number Attended
Howard Dawson	8	8	-	-
Max Nind	5	5	-	-
Jim Malone	8	6	1	1
Greg Barns	8	8	1	1

CORPORATE STRUCTURE

Richmond is a company limited by shares that is incorporated and domiciled in Australia. On 16 February 2010, the Company incorporated a wholly owned Australian subsidiary Nevada Iron Pty Ltd. On 12 March 2010, Nevada Iron Pty Ltd incorporated a 100% owned subsidiary Nevada Iron LLC which is incorporated in the state of Nevada USA. On 1 April 2010, the Company assigned to Nevada Iron LLC 100% of its undivided interest in the Buena Vista Iron Project.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were the acquisition and exploration and development of mineral assets in Australia and the USA.

RESULTS OF OPERATIONS

The operating loss after income tax of the Group for the year ended 30 June 2011 was $793,087 (2010 $437,811).

The Group's basic loss per share for the year was 1.78 cents (2010: 1.35 cents).

DIVIDENDS

No dividend has been paid during or is recommended for the financial year ended 30 June 2011 (2010 : Nil).

EMPLOYEES

The Group had one employee as at 30 June 2011 (30 June 2010: one), other than three non-executive Directors and the Company Secretary.

REVIEW OF OPERATIONS

The principal activity of the Group during the financial year was the development of the Buena Vista Iron Project located in Nevada USA.

A more detailed review of the Group's operations during the financial year is set out in the Operations Report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year not otherwise dealt with in this report and the financial statements.

FUTURE DEVELOPMENTS

Likely future developments in the operations of the Group are referred to in the Chairman's Letter and Operations Report. Other than that referred to in this report, further information as to likely developments in the operations of the Group and expected results of those operations would, in the opinion of the Directors, be speculative and prejudicial to the interests of the Group and its shareholders.

SUBSEQUENT EVENTS

Subsequent to the end of the financial year the following securities have been issued by the Company:

- On 8 August 2011, $4,524,752 (before costs) in working capital was raised following the issue and allotment of 14,139,850 ordinary fully paid shares at an issue price of 32 cents per share.

Other than the issue of the aforementioned securities, there has not been any other matter or circumstance that has arisen since 30 June 2011 which has significantly affected, or may significantly affect, the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

FINANCIAL POSITION

The Group's working capital, being current assets less current liabilities, was $1,207,354 as at 30 June 2011 (2010: $1,841,244).

In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

ENVIRONMENTAL ISSUES

The operations and proposed activities of the Group are subject to State and Federal laws and regulation concerning the environment both in Australia and the USA. As with most exploration projects and mining operations, the Group's activities are expected to have an impact on the environment, particularly when advanced exploration or mine development proceeds. It is the Group's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The Group is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Group's cost of doing business or affect its operations in any area. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Group to incur significant expenses and undertake significant investments in this respect which could have a material adverse effect on the Group's business, financial condition, timing of operations and results of operation.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings**.**

REMUNERATION REPORT (AUDITED)

Details of Remuneration for the Year Ended 30 June 2011

Details of the remuneration for each Director and the key management personnel of the Group during the year are set out in the following tables.

The remuneration policy, setting the terms and conditions, was approved by the Board after seeking professional advice.

The Board's policy for determining the nature and amount of remuneration for Directors and senior executives of the Group is as follows:

- All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation.
- The Board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.
- All remuneration paid to Directors and executives is valued at the cost to the Group and expensed. Options are valued using the Black-Scholes methodology.
- Remunerate non-executive Directors at market rates for time, commitment and responsibilities.

The Board determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The key management personnel of the Group include the Directors. There were no other persons considered key management personnel as defined in AASB 124 *Related Party Disclosures*.

2011	**Short-term employment benefits**	**Post-employment benefits**	**Share-based payments**	
Name	**Cash salary and fees**	**Superannuation**	**Options**	**Total**
Non-executive Directors				
Mr Howard Dawson	110,000	-	-	110,000
Mr Jim Malone	33,000	-	-	33,000
Mr Greg Barns	27,270	-	-	27,270
Managing Director				
Mr Max Nind	130,733	11,766	-	142,499
Total key management personnel compensation	**301,003**	**11,766**	**-**	**312,769**

2010	**Short-term employment benefits**	**Post-employment benefits**	**Share-based payments**	
Name	**Cash salary and fees**	**Superannuation**	**Options**	**Total**
Non-executive Directors				
Mr Howard Dawson	96,500	-	-	96,500
Mr Jim Malone	36,000	-	-	36,000
Mr Greg Barns	29,343	-	-	29,343
Chief Executive Officer				
Mr Max Nind	123,832	11,147	-	134,979
Total key management personnel compensation	**285,675**	**11,147**	**-**	**296,822**

Performance Shares as a Proportion of Total Remuneration

There were no performance shares issued during the year ended 30 June 2011 (2010: nil).

Company Performance, Shareholder Wealth and Director and Executive Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, Directors and executives. The achievement of this aim has been through the issue of options to Directors and executives to encourage the alignment of personal and shareholder interests.

Executive and non-executive Directors and other key management personnel may be granted options over ordinary shares.

The recipients of options are responsible for growing the Company and increasing shareholder value. If they achieve this goal the value of the options granted to them will also increase. Therefore, the options provide an incentive to the recipients to remain with the Company and to continue to work to enhance the Company's value.

Options Granted as Part of Remuneration for the Year Ended 30 June 2011

There were no options issued to Directors in the year ended 30 June 2011.

Performance Options as a Proportion of Total Remuneration

There were no performance options issued during the year (2010: nil).

Employment Contracts of Directors and Senior Executives

There are no formal contracts for Directors.

The Company's Managing Director, Mr Nind, is currently paid $150,000 per annum (inclusive of superannuation).

Non-Executive Directors are paid under the terms detailed below:

- Mr Dawson receives director fees of $50,000 per annum.
- Mr Malone receives director fees of $30,000 per annum.
- Mr Barns receives director fees of $30,000 per annum.

During the year, Mr Dawson (in addition to the $50,000 in director fees) received a further $60,000 for additional services involved in relation to the Buena Vista Iron Project and for the provision of detailed technical and geological work undertaken on all of the Company's exploration assets.

SHARE-BASED COMPENSATION

The issue of options to Directors in accordance with the Company's Employee Share Option Plan is to encourage the alignment of personal and shareholder returns. The intention of this program is to align the objectives of Directors and executives with that of the business and shareholders. In addition, all Directors and executives are encouraged to hold shares in the Company.

The Group has not paid bonuses to Directors or executives to date.

End of remuneration report

SHARE OPTIONS

At the date of this report, the unissued ordinary shares of Richmond under option are as follows:

Date of Expiry	Exercise Price	Number Under Option
31 December 2012	$0.35	1,000,000
31 December 2012	$0.50	350,000
30 June 2013	$0.20	1,000,000

During the financial year ended 30 June 2011, the following shares of Richmond were issued on the exercise of options granted under the Richmond Employee Share Option Plan:

- 500,000 ordinary fully paid shares were allotted following the exercise of 500,000 unlisted options each exercisable at 25 cents and expiring 30 June 2011; and
- 500,000 ordinary fully paid shares were allotted following the exercise of 500,000 unlisted options each exercisable at 30 cents and expiring 30 June 2011.

Aside from the issue of the shares following the exercise on 30 June 2011 of the 1,000,000 options discussed above, since the end of the financial year no shares have been issued following the exercise of options.

Since the end of the financial year 14,139,850 shares were issued on 8 August 2011, at an issue price of 32 cents per, share. No further shares have been issued since 30 June 2011.

No amounts are unpaid on any of the shares on issue.

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, Richmond paid premiums to insure the Directors and Secretary of the Group.

The Group has a policy of entering into Indemnity Deeds to indemnify Directors and certain executives of the Group against all liabilities incurred in the course of or arising out of their employment with the Group and its controlled entities, except where the liability results wholly or in part from serious and wilful misconduct by the executive.

NON-AUDIT SERVICES

Fees amounting to $12,863 (2010: $12,481) for non-audit services were paid/payable to the Group's auditors during year.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2011 has been received and immediately follows the Directors' Report.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Richmond support and have adhered to the principles of sound corporate governance.

The Board recognises the recent recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that Richmond is in compliance with those guidelines which are of critical importance to the commercial operation of a junior listed resources company. During the financial year, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Group. The Group's corporate governance statement and disclosures are contained in the annual report.

This report is made in accordance with a resolution of the Directors.

Howard Dawson
Chairman

Perth, Western Australia
30 September 2011

RSM Bird Cameron Partners
Chartered Accountants

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Richmond Mining Limited for the year ended 30 June 2011, 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.

RSM Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS
Chartered Accountants

D Wall.

Perth, WA
Dated: 30 September 2011

DAVID WALL
Partner

STATEMENT OF FINANCIAL POSITION
As at 30 June 2011

	Note	Consolidated 2011 $	2010 $
Current Assets			
Cash and cash equivalents	7	1,335,936	2,100,686
Trade and other receivables	8	208,371	28,419
Total Current Assets		1,544,307	2,129,105
Non-Current Assets			
Property, plant and equipment	9	885,418	1,816
Exploration and evaluation expenditure	10	9,348,647	1,745,347
Total Non-Current Assets		10,234,065	1,747,163
TOTAL ASSETS		11,778,372	3,876,268
Current Liabilities			
Trade and other payables	11	319,795	279,354
Provisions	12	17,158	8,507
Total Current Liabilities		336,953	287,861
TOTAL LIABILITIES		336,953	287,861
NET ASSETS		11,441,419	3,588,407
Equity			
Contributed equity	13	12,472,903	4,207,199
Share based payments reserve	14	753,521	373,126
Accumulated losses		(1,785,005)	(991,918)
TOTAL EQUITY		11,441,419	3,588,407

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

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 30 June 2011

		Consolidated	
		2011	2010
	Note	$	$
Continuing operations			
Other revenue	3	309,659	171,328
Employees and consultant expense		(497,200)	(265,213)
Exploration expenditure written off		-	(172,712)
Corporate and legal fees		(138,363)	(92,849)
Administrative expenses		(100,101)	(36,913)
Occupancy expenses		(44,674)	(40,794)
Finance costs		(3,887)	(658)
Foreign exchange loss		(318,521)	-
Loss before income tax expense	4	(793,087)	(437,811)
Income tax expense	6	-	-
Net loss for the year		**(793,087)**	**(437,811)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(793,087)**	**(437,811)**
Basic loss per share (cents per share)	5	(1.78)	(1.35)
Diluted loss per share (cents per share)	5	(1.78)	(1.35)

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

STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2011

Consolidated	Note	Contributed Equity $	Accumulated Losses $	Share Based Payments Reserve $	Total $
Balance at 1 July 2009		**3,824,129**	**(554,107)**	**269,041**	**3,539,063**
Total comprehensive loss			(437,811)	-	(437,811)
Issue of shares	13	398,700	-	-	398,700
Share issue costs	13	(15,630)	-	-	(15,630)
Share based payments	14		-	104,085	104,085
Balance at 30 June 2010		**4,207,199**	**(991,918)**	**373,126**	**3,588,407**
Balance at 1 July 2010		**4,207,199**	**(991,918)**	**373,126**	**3,588,407**
Total comprehensive loss		-	(793,087)	-	(793,087)
Issue of shares	13	8,335,365	-	-	8,335,365
Share issue costs	13	(69,661)	-	-	(69,661)
Share based payments	14	-	-	380,395	380,395
Balance at 30 June 2011		**12,472,903**	**(1,785,005)**	**753,521**	**11,441,419**

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

STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2011

	Note	Group 2011 $	Group 2010 $
Cash Flows from Operating Activities			
Receipts from customers		31,316	20,904
Payments to suppliers, contractors and employees		(399,766)	(121,868)
Proceeds from research and development tax offset		36,581	-
Interest received		108,728	126,498
Interest paid		-	(658)
Net cash flows from/(used in) operating activities	15	(223,141)	24,876
Cash Flows from Investing Activities			
Payments for exploration and evaluation		(4,762,929)	(1,514,948)
Payments for property, plant and equipment		(885,492)	-
Net cash flows (used in) investing activities		(5,648,421)	(1,514,948)
Cash Flows from Financing Activities			
Proceeds from issue of securities		5,425,333	398,700
Security issue expenses		-	(15,630)
Net cash flows from financing activities		5,425,333	383,070
Net (decrease) in cash and cash equivalents		446,229	(1,107,002)
Effects of exchange rate changes on cash		(318,521)	27,134
Cash and cash equivalents at the beginning of the year		2,100,686	3,180,554
Cash and cash equivalents at the end of the year	7	1,335,936	2,100,686

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2011

1. CORPORATE INFORMATION

The financial report of Richmond Mining Limited and its controlled entities (the Group) for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the Director's on 30 September 2011.

Richmond Mining Limited (Richmond) is a company limited by shares, incorporated in Australia, and whose shares are publicly traded on the Australia Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Director's Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Separate financial statements for the Company as an individual entity are no longer presented as a consequence of changes to the Corporations Act 2001, however, required financial information for Richmond as an individual entity is disclosed in note 16.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated. Cost is based on the fair values of the consideration given in exchange for assets.

The report is presented in Australian dollars.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

(c) Adoption of New and Revised Accounting Standards

In the current year, the group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

New standards issued but not yet effective

At the date of this financial report the following standards, which may impact the entity in the period of initial application, have been issued but are not yet effective:

Reference	Title	Summary	Application date (financial years beginning)	Expected Impact
AASB 9	*Financial Instruments*	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2013	No expected impact on the entity
AASB 124	*Related Party Disclosures*	Revised standard. The definition of a related party is simplified to clarify its intended meaning and eliminate inconsistencies from the application of the definition	1 January 2011	Disclosure only

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(d) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Richmond Mining Limited at the end of the reporting period. A controlled entity is any entity over which Richmond Mining Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 26 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (ie parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.
The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

(e) 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 is responsible for allocating resources and assessing performance of any operating segments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(f) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest revenue

Revenue is recognised as interest accrued using the effective interest method. This is a method of calculating the amortised costs of a financial asset and allocating the interest revenue over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

All revenue is stated net of Goods and Services Tax ("GST").

(g) Impairment

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The 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 assets fair value less costs to sell and value in use.

(h) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and short-term deposits with an original maturity 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.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above. The Group does not have any bank overdraft facilities.

(i) Trade and other receivables

Trade receivables are generally paid on 30 day settlement terms and are recognised and carried at original invoice amount less an allowance for impairment. Trade receivables are non-interest bearing.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision would be recognised when legal notice has been sent and a reply not received within 30 days.

(j) Plant and equipment

Plant and equipment is stated at historical cost less depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of these 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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation is calculated using the straight line method to allocate their cost over their estimated useful lives. The expected useful lives are.

- Plant and equipment: 3-15 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(i) Impairment (continued)

The Directors have determined that items of plant and equipment do not generate independent cash inflows and that the business of the Group is, in its entirety, a cash-generating unit. The recoverable amount of plant and equipment is thus determined to be its fair value less costs to sell.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the Statement of Comprehensive Income as an expense.

(ii) Derecognition and disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Comprehensive Income. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(k) Exploration and evaluation expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

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.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(l) Trade and other payables

Trade payables and other payables are carried at the transaction price minus principal repayments. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(n) Employee entitlements

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the

present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liabilities, are used.

Employee benefit expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave and other leave benefits, and
- other types of employee benefits are recognised against profits on a net basis in their respective categories.

(o) Interest in a jointly controlled operation

The Group has no interests in joint ventures. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves use of assets and other resources of the venturers rather than establishment of a separate entity.

(p) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(p) Income tax (continued)

liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation

Richmond Mining Limited and its wholly-owned Australian subsidiaries have not formed an income tax consolidated group under tax consolidation legislation.

(q) Equity based payments

The Group provides benefits to its Directors and employees in the form of share-based payments, whereby Directors and employees render services in exchange for options to acquire shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions is measured by reference to the fair value to the Group of the equity instruments at the date at which they were granted. The fair value is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised as an expense, together with a corresponding increase in equity, on a straight-line basis, over the period in which the vesting and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant Directors and employees become fully entitled to the options (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the Statement of Comprehensive Income reflects:

a. the grant date fair value of the options;

b. the current best estimate of the number of options that will ultimately vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of vesting conditions being met, based on best available information at balance date; and

c. the extent to which the vesting period has expired.

The charge to the Statement of Comprehensive Income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it has vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(r) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

(l) costs of servicing equity (other than dividends);

(m) the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(r) Earnings per Share (continued)

(n) other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(s) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financial activities, which are recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

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

(t) Financial instruments

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provision of the instrument. Trade date accounting is adopted fro financial assets that are delivered within timeframes established by the market place convention.

Financial instrument are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instrument classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instrument are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has nay significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligation are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and their fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the profit or loss.

Classification and subsequent measurement

(i) Financial assets at fair value through profit or loss
Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documents risk management or investment strategy.

Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in a active market and are subsequently measured at amortised cost using the effective interest rate method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(iii) Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed on determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor determinable payments.

(v) Financial liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is expensed to the Statement of Comprehensive Income.

Impairment testing is performed annually for good will and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the assets belong.

(u) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

(v) Comparative information

When required by accounting standards, comparative figures have been re-stated to conform to changes in the current year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(w) Critical accounting estimates and judgments

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

The area that may have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period is:

Exploration and evaluation expenditure

The board of Directors determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors' decision is made after considering the likelihood of finding commercially viable reserves.

	Consolidated 2011 $	2010 $
3. Other revenue		
Interest revenue	106,787	114,675
Foreign exchange gain	-	27,134
Sundry income	202,872	29,519
	309,659	171,328

4. Expenses

Loss before income tax includes the following specific expenses:

	2011 $	2010 $
Rent expense	39,000	36,096
Share based payments expense	380,395	104,085
Interest expense	124	658
Depreciation expense	1,890	1,330

5. Loss per share

The following reflects the income used in the basic and diluted earnings per share computations.

Loss used in calculating earnings per share

	2011 $	2010 $
For basic and diluted earnings per share:		
Net loss for the year attributable to ordinary shareholders	793,087	437,811

Weighted average number of shares

	2011 No. of Shares	2010 No. of Shares
Weighted average number of ordinary shares for basic and diluted loss per share	44,522,160	32,453,164

Loss per share

	2011	2010
Basic loss per share (cents)	1.78	1.35
Diluted loss per share (cents)	1.78	1.35

(i) Anti-dilutive options on issue are excluded from the dilutive EPS calculation.

(ii) Other than the issue of the following shares:

- on 8 August 2011, 14,139,850 ordinary fully paid shares were allotted at an issue price of $0.32 per share raising $4,524,752 in working capital (before issue costs).

there has been no other transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

		Consolidated	
		2011	2010
		$	$
6.	**Income taxes**		
(a)	**Income tax recognised in profit or loss**		
	Prima facie tax benefit on operating loss before income tax at 30%	(237,926)	(131,343)
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	Other non-deductible items	114,458	31,236
	Unrecognised deferred tax asset attributable to tax losses and temporary differences	123,468	100,107
	Income tax attributable to operating loss	-	-

(b) Deferred tax

The consolidated entity has $2,099,167 (2010: $2034,176) tax losses arising in Australia that are available indefinitely for offset against future profit of the companies in which the losses arose.

7. Cash and cash equivalents

	2011	2010
Cash at bank	522,882	551,963
Short term deposits	813,054	1,548,723
	1,335,936	2,100,686

(i) Cash at bank is non-interest bearing
(ii) At the reporting date the Group did not have any financing facilities available.

8. Trade and other receivables

	2011	2010
Sundry receivable (i)	1,148	3,089
Other receivables	160,306	-
GST receivable	46,917	25,330
	208,371	28,419

(i) The sundry receivable is accrued interest.

Credit Risk

The maximum exposure to credit risk at balance date is the carrying amount (net of provision of doubtful debts) of those assets as disclosed in the Statement of Financial Position and notes to the financial statements. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group’s exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded are spread amongst approved counterparties.

9. Property, plant and equipment

	2011	2010
As at 1 July	1,816	3,146
Additions	885,492	-
Depreciation charge	(1,890)	(1,330)
As at 30 June	885,418	1,816
Cost or fair value	889,511	4,019
Accumulated depreciation	(4,093)	(2,203)
Net book amount	885,418	1,816

	Consolidated 2011 $	2010 $
10. Exploration and Evaluation Expenditure		
As at 1 July	1,745,347	403,111
Exploration expenditure	7,603,300	1,514,948
Exploration expenditure written off	-	(172,712)
As at 30 June	9,348,647	1,745,347

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the discovery of commercial viable mineral or other natural resource deposits and their successful development and commercial exploitation or sale of the respective exploration and evaluation mining areas of interest.

11. Trade and other payables	Consolidated 2011 $	2010 $
Current Payables		
Trade payables	298,295	266,354
Accrued expenses	21,500	13,000
	319,795	279,354

(i) Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.
(ii) Trade payables are non-interest bearing and are normally settled on 30 day terms.

12. Provisions		
Provision for annual leave	17,158	8,507

13. Contributed Equity		2011 Number	2011 $	2010 Number	2010 $
(a) Share capital					
Ordinary fully paid shares		65,033,378	12,472,903	33,378,002	4,207,199
(b) Movements in ordinary shares					
Ordinary shares at beginning of the year		33,378,002	4,207,199	30,720,002	3,824,129
Shares issued at $0.15 per share	(i)	-	-	2,658,000	398,700
Transaction costs on share issue	(i)	-	-	-	(15,630)
Shares issued at $0.20 per share	(ii)	20,968,284	4,193,657	-	-
Transaction costs on share issue	(ii)	-	(10,634)	-	-
Shares issued at $0.38 per share	(iii)	3,500,000	1,330,000	-	-
Transaction costs on share issue	(iii)	-	(59,027)	-	-
Shares issued at $0.41 per share	(iv)	6,187,092	2,536,708	-	-
Shares issued at $0.25 per share	(v)	500,000	125,000	-	-
Shares issued at $0.30 per share	(vi)	500,000	150,000	-	-
		65,033,378	12,472,903	33,378,002	4,207,199

13. Contributed Equity (Cont.)

(i) On 5 November 2009 the Company raised $398,700 pursuant to the issue of 2,658,000 ordinary shares at an issue price of $0.15 per share. The transaction costs for the share issue totalled $15,630.

(ii) Throughout the year the following options, each exercisable at $0.20 were exercised:
- 1,350,000 options expiring 30 November 2010
- 3,000,000 options expiring 30 December 2010
- 16,618,284 options expiring 31 December 2010

Transaction costs for the issue of shares issued totalled $10,634.

(iii) On 23 November 2010 the Company raised $1,330,000 pursuant to the issue of 3,500,000 ordinary shares at an issue price of $0.38 per share. The transaction costs for the share issue totalled $59,027.

(iv) On 21 June 2011 the Company issued 6,187,092 ordinary shares to Kircher Mine Development LLC for a total cost of US$3,000,000 in part consideration for the acquisition of the Buena Vista Iron Project.

(v) The Company issued 500,000 ordinary shares following the exercise of 500,000 options each exercisable at $0.25 and expiring 30 June 2011. The shares were entered onto the register on 5 July 2011.

(vi) The Company issued 500,000 ordinary shares following the exercise of 500,000 options each exercisable at $0.30 and expiring 30 June 2011. The shares were entered onto the register on 5 July 2011.

Capital risk management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

In order to maintain or adjust the capital structure, the entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The entity does not have a defined share buy-back plan.

No dividends were paid in 2011 (2010: nil) and no dividends are expected to be paid in 2012.

There is no current intention to incur debt funding on behalf of the Group as on-going exploration expenditure will be funded via cash reserves, equity or joint ventures with other companies.

The Group is not subject to any externally imposed capital requirements.

14. Reserves and retained profits

	Consolidated 2011 $	Consolidated 2010 $
a) Reserves		
Share-based payments reserve		
As at 1 July	373,126	269,041
Share based payments – expense	380,395	104,085
As at 30 June	753,521	373,126

Nature and purpose of reserves

The share-based payments reserve records the value of share options issued by the Group as well as the value of shares issued by the Group in raising equity.

15. Notes to the Statement of Cash Flows

(a) Reconciliation of net cash used in operating activities to operating loss after income tax

	2011 $	2010 $
Operating loss after tax	(793,087)	(437,811)
Add non cash items:		
Depreciation	1,890	1,330
Share-based payments expense	380,395	104,085
Exploration expenditure written off	-	172,712
Exchange rate gain/(loss)	318,521	(27,134)
Changes in net assets and liabilities:		
(Increase) in receivables	(181,893)	(8,615)
Decrease in other assets	1,941	11,823
Increase in payables	40,441	205,285
Increase in provisions	8,651	3,201
Net cash flow from/(used in) operating activities	(223,141)	24,876

(b) Non-cash financing and investing activities

On 21 June 2011, the Company issued 6,187,092 ordinary shares to Kircher Mine Development LLC for a total cost of US$3,000,000 in part consideration for the acquisition of the Buena Vista Iron Project

There were no other non-cash financing and investing activities for the year ended 30 June 2011 (2010: nil).

16. Parent Information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with the accounting standards.

	Parent	
	2011	**2010**
	$	**$**
ASSETS		
Current assets	1,542,847	2,129,105
Non-current assets	10,235,526	1,747,163
TOTAL ASSETS	11,778,373	3,876,268
LIABILITIES		
Current liabilities	336,954	287,861
Non-current liabilities	-	-
TOTAL LIABILITIES	336,954	287,861
EQUITY		
Contributed equity & reserves	13,226,424	4,561,140
Accumulated losses	(1,785,005)	(972,733)
TOTAL EQUITY	11,441,419	3,588,407

Contingent liabilities of the parent entity
Other than as shown in Note 25, the parent entity did not have any other contingent liabilities as at 30 June 2011 or 30 June 2010.

Contractual commitments for the acquisition of property, plant or equipment
As at 30 June 2011 (2010 – Nil), the parent entity did not have any contractual commitments for the acquisition of property, plant or equipment.

17. Key Management Personnel Compensation

(a) Directors and Specified Executives

The names and positions held by key management personnel in office at any time during the year are:

Directors

H Dawson	Non-Executive Chairman
M Nind	Appointed as Chief Executive Officer on 1 July 2008 and as Managing Director on 8 February 2011
J Malone	Non-Executive Director
G Barns	Non -Executive Director

All of the above persons were also key management persons during the year ended 30 June 2010, unless otherwise stated.

17. Key Management Personnel Compensation (Cont.)

(b) Key management personnel remunerations

	Consolidated 2011 $	Consolidated 2010 $
Short-term employee benefits	301,003	285,675
Post-employment benefits	11,766	11,147
Share based payments	-	-
	312,769	296,822

(c) Equity instrument disclosures relating to key management personnel

(i) 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 terms and conditions of the options, can be found in the remuneration report detailed in the Director's Report.

(ii) Option holdings

The numbers of options over ordinary shares in the Group held during the year by each Director of the Group and other key management personnel, including their personally related parties, are set out below:

2011	***Balance at beginning of year***	***Granted as compensation***	***Exercised***	***Expired***	***Other changes***	***Balance at end of year***
Directors						
H Dawson	1,788,500	-	(300,000)	-	(1,488,500)	-
M Nind	1,500,000	-	(1,000,000)	(500,000)	-	-
J Malone	1,749,700	-	(549,700)	-	(1,200,000)	-
G Barns	525,000	-	(100,000)	-	(425,000)	-
Total	5,563,200	-	(1,949,700)	(500,000)	(3,113,500)	-

2010	***Balance at beginning of year***	***Granted as compensation***	***Exercised***	***Other changes***	***Balance at end of year***	***Vested and exercisable***
Directors						
H Dawson	1,788,500	-	-	-	1,788,500	1,788,500
J Malone	1,749,700	-	-	-	1,749,700	1,749,700
G Barns	525,000	-	-	-	525,000	525,000
Total	4,063,200	-	-	-	4,063,200	4,063,200
Other key management personnel						
M Nind	1,500,000	-	-	-	1,500,000	1,500,000

(iii) Shareholdings

Ordinary Shares

The numbers of ordinary shares in the Group held during the financial year by each Director 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.

17. Key Management Personnel Compensation (Cont.)

2011	Ordinary Shares *Balance at beginning of year*	**Purchased during the year**	**Other changes**	*Balance at end of year*
Directors				
H Dawson	2,664,732	40,000	300,000	3,004,732
M Nind	75,000	-	1,000,000	1,075,000
J Malone	2,620,001	-	549,700	3,169,701
G Barns	50,000	-	100,000	150,000
Total	5,409,733	40,000	1,949,700	7,399,433

2010	Ordinary Shares *Balance at beginning of year*	**Purchased during the year**	**Other changes**	*Balance at end of year*
Directors				
H Dawson	2,583,001	81,731	-	2,664,732
J Malone	2,520,001	100,000	-	2,620,001
G Barns	50,000	-	-	50,000
Total	5,153,002	181,731	-	5,334,733
Other key management personnel				
M Nind	75,000	-	-	75,000

(d) Payables to key management personnel

	2011 $	2010 $
Amounts payable to directors and director related entities at the end of the financial year, included in current liabilities	18,048	41,739

(e) Other transactions with key management personnel

There were no sale or purchase related transactions between the Group and key management personnel during the year ended 30 June 2011 (2010: nil).

18. Related Party Disclosures

The Group has entered into office rental, administrative and technical support arrangements under normal commercial terms with Discovery Capital Limited ("Discovery"). Mr Howard Dawson is a Director of the Group and is also a Director of Discovery. During the year ended 30 June 2011, the Group paid Discovery on a cost recovery basis $59,644 (2010: $111,507) for the provision of, inter alia, technical support, geological support, reimbursement of travel costs, secretarial services, office rent, office amenities, telephone, computing equipment and administrative support services.

19. Equity-based payments

	Consolidated 2011 $	Consolidated 2010 $
Recognised share-based payment expenses		
Expense arising from equity-settled share-based payment transactions	380,395	104,085

Employee share option plan
The Company has established an Employee Share Option Plan that allows for share options to be granted to eligible employees and officers of the Company. The number of share options that can be issued under the plan cannot exceed 5% of the total number of shares on issue. The terms and conditions of the share option issued under the plan are at the discretion of the Board, however, the maximum term of the share option is five years.

Consultant options
The company has issued equity based payments to key corporate and strategic consultants of the company to provide an incentive for their future involvement and commitment.

	2011 Number of Options	2011 Weighted Average Exercise Price $	2010 Number of Options	2010 Weighted Average Exercise Price $
At beginning of reporting year	20,753,035		17,753,035	
Granted during the year				
- Employee options	-		-	
- Consultant Options	3,000,000	0.20	3,000,000	0.25
- Consultant Options	1,000,000	0.20	-	
- Consultant Options	350,000	0.50	-	
- Exercised	(20,968,284)	0.20	-	
- Exercised	(500,000)	0.25	-	
- Exercised	(500,000)	0.30	-	
- Lapsed	(284,751)	0.20	-	
- Lapsed	(500,000)	0.35	-	
Balance the end of reporting year	**2,350,000**		**20,753,035**	
Exercisable at end of reporting year	**2,350,000**		**20,753,035**	

Issue date	Expiry date	Balance at start of year	Number issued during year	Number exercised during year	Number expired during year	Balance at end of year	Number exercisable at end of year
10 July 2009	30 Nov 2010	1,550,000	-	1,350,000	200,000	-	-
27 Nov 2009	31 Dec 2010	450,000	-	450,000	-	-	-
27 May 2010	31 Dec 2012	1,000,000	-	-	-	1,000,000	1,000,000
2 Aug 2010	30 Dec 2010	-	3,000,000	3,000,000	-	-	-
2 Aug 2010	30 June 2013	-	1,000,000	-	-	1,000,000	1,000,000
24 Jan 2011	31 Dec 2012	-	350,000	-	-	350,000	350,000

19. Equity-based payments (Cont)

The following table gives the assumptions made in determining the fair value of the options granted:

Grant date	27 May 2010	27 November 2009	10 July 2009
Type	Consultant	Consultant	Consultant
Dividend yield (%)	-	-	-
Expected price volatility (%)	1.0000	1.0000	1.0000
Risk-free interest rate (%)	4.45%	4.45%	4.45%
Expected life of options (years)	2.60	1.09	1.39
Option exercise price ($)	$0.35	$0.20	$0.20
Share price at grant date	$0.1850	$0.1350	$0.0700
Number of options issued	1,000,000	450,000	1,550,000

Grant date	2 August 2010	2 August 2010	24 January 2011
Type	Consultant	Consultant	Consultant
Dividend yield (%)	-	-	-
Expected price volatility (%)	0.8000	1.0000	1.0000
Risk-free interest rate (%)	4.5%	4.5%	4.75%
Expected life of options (years)	0.41	2.91	1.94
Option exercise price ($)	$0.20	$0.20	$0.50
Share price at grant date	$0.22	$0.22	$0.42
Number of options issued	3,000,000	1,000,000	350,000

20. Auditors' Remuneration

	Consolidated	
	2011 $	2010 $
Amounts received or due and receivable by the auditors for:		
Audit or review of financial reports	29,500	24,000
Other taxation services	12,863	12,481
	42,363	36,481

	Consolidated 2011 $	Consolidated 2010 $
21. Commitments		
There were no outstanding commitments, which are not disclosed in the financial statements as at 30 June 2011 other than:		
Tenement commitments		
Within 1 year	376,207	546,662
After 1 year but not more than 5 years	289,100	1,093,324
After more than 5 years	-	-
	665,307	1,639,986

On 19 February 2010, the Group announced to the Australian Securities Exchange that it had entered into an option agreement to purchase a 100% interest in the Buena Vista Iron Ore Project located in Nevada USA.

Under the terms of the option agreement, Nevada Iron LLC (a wholly owned subsidiary of Richmond Mining Limited) exercised the option on 21 June 2011 for a consideration of $US6 million, 50% of which was satisfied through the issue of 6,187,092 shares in Richmond Mining Limited.

Upon exercise of the option, the Group acquired a 100% beneficial ownership of the Project and an 80% net profits interest ("NPI").

Following exercise of the option, the Group has an additional 18 months to acquire the outstanding 20% NPI for a consideration of $US2 million in cash or alternately $US1 million in cash and a gross revenue royalty of 1.5%.

In order to maintain the Project in good standing, the Group is required to pay the following annual rental payments to Nevada Land and Resource Company, LLC (NLRC) and RGGS Land & Minerals, Ltd (RGGS):

NLRC	
Due date	US$ amount
1 Dec 2011	25,000
1 Dec 2012	30,000
1 Dec 2013	35,000
1 Dec 2014	40,000
1 Dec 2015	45,000
1 Dec 2016	50,000
Thereafter	+3% per annum
RGGS	
Due date	US$ amount
1 Oct 2011-2021	35,000
1 Oct 2022-2026	150,000
1 Oct 2027	350,000

Pursuant to an Option Agreement dated 13 April 2011 the Group is required to pay US$2,062,500 on or before 10 October 2011 in order to complete the purchase of three Rod Mills from AM King Industries Inc. The total consideration payable by the Group for the Rod Mills is US$3,750,000.

22. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and short-term deposits.

The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the entire year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are cash flow interest rate risk and equity price risk. Other minor risks are either summarised below or disclosed at Note 8 in the case of credit risk and Note 13 in the case of capital risk management. The Board reviews and agrees policies for managing each of these risks.

22. Financial Risk Management Objectives and Policies (continued)

Cash Flow Interest Rate Risk

The Group's exposure to the risks of changes in market interest rates relates primarily to the Group's short-term deposits with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Group does not engage in any hedging or derivative transactions to manage interest rate risk.

The following tables set out the carrying amount by maturity of the Group's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments.

The Group has not entered into any hedging activities to cover interest rate risk. In regard to its interest rate risk, the Group does not have a formal policy in place to mitigate such risks.

Consolidated	Notes	Floating Interest Rate $	1 year or less $	Over 1-5 years $	Non interest bearing $	Total $
2011						
Financial assets						
Cash and cash equivalents	7	5.71%	813,054	-	522,882	1,335,936
Trade and other receivables	8		-	-	208,371	208,371
Total financial assets			813,054	-	731,253	1,544,307
Financial liabilities						
Trade and other payables	11		-	-	319,795	319,795
Total financial liabilities			-	-	319,795	319,795
Net financial assets			813,054	-	411,458	1,224,512

Consolidated	Notes	Floating Interest Rate $	1 year or less $	Over 1-5 years $	Non interest bearing $	Total $
2010						
Financial assets						
Cash and cash equivalents	7	4.42%	1,753,990	-	346,696	2,100,686
Trade and other receivables	8		-	-	28,419	28,419
Total financial assets			1,753,990	-	375,115	2,129,105
Financial liabilities						
Trade and other payables	11		-	-	279,354	279,354
Total financial liabilities			-	-	279,354	279,354
Net financial assets			1,753,990	-	95,761	1,849,751

22. Financial Risk Management Objectives and Policies (Cont.)

Interest rate sensitivity

At 30 June 2011, if interest rates had changed by 15% during the entire year with all other variables held constant, income for the year and equity would have been $16,018 lower/higher (30 June 2010: $17,201), as a result of lower/higher interest income from cash and cash equivalents.

A sensitivity of 15% (15%: 2010) has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A 15% sensitivity would move short term interest rates at 30 June 2011 from around 4.75% to 5.5% representing a 75 basis points increase. This would represent two to three increases which is reasonably possible in the current environment with the bias coming from the Reserve Bank of
Australia and confirmed by market expectations that interest rates in Australia are more likely to move up than down in the coming period.

Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances are impacted resulting in a decrease or increase in overall income.

Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash reserves and marketable securities, and through the continuous monitoring of budgeted and actual cash flows.

	Consolidated	
	2011	**2010**
	$	**$**
Contracted maturities of payables at 30 June		
Payable		
- less than 6 months	319,795	279,354

Commodity price risk

The Group is exposed to commodity price risk. This risk arises from its activities directed at exploration and development mineral commodities. If commodity prices fall, the market for companies exploring for these commodities is affected. The Group does not hedge its exposures.

Foreign exchange risk

The group has cash and cash equivalents denominated in USD of AUD $505,059 (2010: AUD $305,333). At 30 June 2011, if USD/AUD rates had changed by 15% with all other variables held constant, profit for the year and equity would have been $75,759 lower/higher (30 June 2011: $45,800), as a result of with change in fair value of cash and cash equivalents.

A sensitivity of 15% (15%: 2010) has been selected as this is considered reasonable given the current level of volatility in the USD/AUD rate.

Reconciliation of net financial assets to net assets

Net financial assets	1,224,512	1,849,751
Property, plant & equipment	885,418	1,816
Exploration and evaluation expenditure	9,348,647	1,745,347
Provision for annual leave	(17,158)	(8,507)
Net Assets	11,441,419	3,588,407

Net fair values

For financial assets and liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form, other than listed investments. The consolidated entity has no financial assets where carrying amount exceeds net fair values at balance date.

23. Segment Information

For management purposes the group is organised into two strategic units:

- Mineral exploration and corporate head office in Australia
- Mineral exploration in the United States of America

Such structural organisation is determined by the nature of risks and returns associated with each business segment and define the management structure as well as the internal reporting system. It represents the basis on which the group reports its primary segment information to the Board

The operating segment analysis presented in these financial statements reflects operations analysis by business. It best describes the way the group is managed and provides a meaningful insight into the business activities of the group.

The following table presents details of revenue and operating profit by business segment as well as reconciliation between the information disclosed for reportable segments and the aggregated information in the financial statements. The information disclosed in the table below is derived directly from the internal financial reporting system used by the Board of Directors to monitor and evaluate the performance of our operating segments separately.

	Australia	**United States**	**Total**
	$	**$**	**$**
Year ended 30 June 2011			
Revenue from external customers	-	-	-
Inter-segment revenue	-	-	-
Reportable segment (loss) before tax	(793,087)	-	(793,087)
Year ended 30 June 2010			
Revenue from external customers	-	-	-
Inter-segment revenue	-	-	-
Reportable segment (loss) before tax	(437,811)	-	(437,811)
Reportable segments assets at 30 June 2011	2,642,051	9,136,321	11,778,372
Reportable segments assets at 30 June 2010	3,146,475	729,793	3,876,268

Reconciliation of reportable segment profit or loss	**2011**	**2010**
	$	**$**
Total profit or loss for reportable segments	(793,087)	(437,811)
Elimination of inter-segment profits	-	-
Profit before tax from continuing operations	(793,087)	(437,811)
Reconciliation of reportable segment assets		
Reportable segment assets	11,778,372	3,876,268
Total assets	11,778,372	3,876,268

24. Subsequent Events

Other than the issue of the following securities, there has not been any other events material to the group subsequent to the year ended 30 June 2011:

- On 8 August 2011, $4,524,752 in working capital (before costs) was raised following the issue and allotment of 14,139,850 ordinary fully paid shares at an issue price of 32 cents per share.

25. Contingent Liabilities and Contingent Assets

The Group is disputing the amount owing by it to a drilling contractor, which is currently before the District Court. The drilling contractor claims that it is owed an amount of $277,705, which the Group disputes and has offered to pay the drilling contractor $174,205, as full and final settlement, of which $100,000 was paid in a previous reporting period and $74,205 is included, as a current liability at the reporting date. The remaining amount claimed by the drilling contractor of $103,500, is contingent upon the outcome of the legal proceedings.

The Group does not have any other contingent assets or liabilities.

26. Investment in Controlled Entities

			Equity Holding	
	Country of		2011	2010
Name of Entity	Incorporation	Class of Shares	%	%
Nevada Iron Pty Ltd	Australia	Ordinary	100	100
Nevada Iron LLC	United States	Ordinary	100	100

27. Company Details

The registered office and principal place of business of the Company is:

103 Abernethy Road
Belmont, WA, 6104

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Richmond Mining Limited, I state that:

In the opinion of the Directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

  (ii) complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2; and

(c) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2011.

On behalf of the Board

Howard Dawson
Chairman

Dated at Perth this 30th day of September 2011

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RICHMOND MINING LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Richmond Mining Limited, which comprises the consolidated statement of financial position as at 30 June 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and 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 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 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. 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 about whether the financial report is free from material misstatement.

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Richmond Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Richmond Mining 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 2011 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the Remuneration Report

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

Opinion

In our opinion the Remuneration Report of Richmond Mining Limited for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS
Chartered Accountants

D J Wall.

Perth, WA
Dated: 30 September 2011

D J WALL
Partner

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Richmond Mining Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability. The Company has adopted the ASX Corporate Governance Principles and Recommendations, with some amendments where applicable after giving consideration to the Company's size and the resources it has available.

A summary of the Company's key policies is set out below:

BOARD OBJECTIVES

The Board is responsible for developing strategies for the Company, reviewing strategic objectives and monitoring the performance against those objectives. The overall goals of the corporate governance process are to:

- drive shareholder value;
- assure a prudential and ethical base to the Company's conduct and activities; and
- ensure compliance with the Company's legal and regulatory obligations.

Consistent with these goals, the Board assumes the following responsibilities;

- developing initiatives for profit and asset growth;
- reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- acting on behalf of and being accountable to shareholders;
- identifying business risks and implementing actions to manage and mitigate those risks; and
- developing and effecting management and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in Board discussions on a fully informed basis.

COMPOSITION OF THE BOARD

The composition of the Board is determined in accordance with the following principles and guidelines:

- the Board should comprise at least three Directors;
- the Board should comprise Directors with an appropriate range of qualifications and expertise; and
- the Board shall meet at regular intervals and follow meeting guidelines set down to ensure all Directors are made aware of and have available all necessary information to participate in an informed discussion on all agenda items.

The Board accepts the ASX Corporate Governance Council's definition of an Independent Director.

There are procedures in place, as agreed by the Board, to enable Directors to seek independent professional advice on issues arising in the course of their duties at the Company's expense.

The term in office held by each Director in office at the date of this report is as follows:

- H Dawson – 4 years and 9 months
- M Nind – 8 months
- J Malone – 4 years and 9 months
- G Barns – 3 year and 10 months

REMUNERATION AND NOMINATION COMMITTEES

The Company does not have formal remuneration or nomination committees. The full Board attends to the matters normally attended to by a remuneration committee and a nomination committee. Given the composition of the Board and the size of the Company, it is felt that these individual committees are not yet warranted, however, it is expected that as the Company's operations expand that each of these committees will be established.

Remuneration levels are set by the Company in accordance with industry standards to attract suitable qualified and experienced Directors and senior executives.

Remuneration Arrangements

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board by remunerating Directors fairly and appropriately with reference to relevant employment market conditions. To assist in achieving the objective, the Board links the nature and amount of executive Directors' emoluments to the Company's financial and operational performance. The expected outcomes of this remuneration structure are:

- retention and motivation of Directors; and
- performance rewards to allow Directors to share the rewards of the success of the Company.

The remuneration of an executive Director will be decided by the Board as a whole. In determining competitive remuneration rates, the Board reviews local and international trends among comparative companies and the industry generally.

The maximum remuneration of non-executive Directors is the subject of a shareholder resolution in accordance with the Company's Constitution and the Corporations Act. The allocation of non-executive Director remuneration, within the amount determined by shareholders, will be made by the Board having regard to the inputs and value to the Company and the respective contribution made by each non-executive Director.

The Board may award additional remuneration to non-executive Directors if they are called upon to perform extra services or make special exertions on behalf of the Company.

There is no scheme to provide retirement benefits, other than statutory superannuation to non-executive Directors.

All remuneration paid to Directors and executives is valued at the cost to the Company and is expensed. Options that may be issued will be valued using the Black-Scholes methodology.

Nomination Arrangements

When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the service of a new Director with particular skills, the Board selects a candidate or panel of candidates with the appropriate expertise.

The Board then appoints the most suitable candidate, who must stand for election at the next general meeting of shareholders.

AUDIT COMMITTEE

The shareholders in a general meeting are responsible for the appointment of the external auditors of the Company and the Board, from time to time, will review the scope, performance and fees of those external auditors.

The Board has established an audit committee which operates under a Charter of the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial and non financial information. The Board has delegated the responsibility for the establishment and maintenance of a framework of internal control of the Company to the audit committee.

The members of the audit committee at the end of the year and date of this report are:

- G Barns (Chairman)
- J Malone
- M Higginson

Qualifications of audit committee members

Mr Barns is the Chairman of the audit committee and has a BA/LLB from Monash University and has over 20 years experience in senior management.

Mr Malone is a Certified Practising Accountant and has a commerce degree and over 20 years experience in the financial sector including 15 years in senior management.

Mr Higginson is the holder of a Bachelor of Business degree with majors in Finance and Administration and has accumulated in excess of 20 years experience in public company administration.

The audit committee can also invite a member of its Auditor, RSM Bird Cameron Partners to attend meetings.

For details on the number of meetings of the audit committee held during the year and the attendees at those meetings, refer to the Directors' Report.

BOARD RESPONSIBILITIES

As the Board acts on behalf of and is accountable to shareholders, it seeks to identify the expectations of shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage and mitigate those risks.

The responsibility for the operation and administration of the Company is currently attended to by the Board.

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. It has a number of mechanisms in place to ensure this is achieved, including the following:

- Board approval of a strategic plan, designed to meet shareholder needs and manage business risk;
- implementation of operating plans and budgets by management and Board monitoring progress against those plans and budgets; and
- procedures to allow Directors, in the furtherance of their duties, to seek independent professional advice at the Company's expense.

MONITORING OF THE BOARD'S PERFORMANCE

In order to ensure that the Board continues to discharge its responsibilities in an appropriate manner, the performance of all Directors is to be reviewed annually by the Chairman. Directors whose performance is unsatisfactory will be asked to retire.

IDENTIFICATION AND MANAGEMENT OF RISK

The Board's collective experience will enable accurate identification of the principal risks which may affect the Company's business. Management of these risks will be discussed by the Board at periodic (at least annual) strategic planning meetings. In addition, key operational risks and their management will be recurring items for deliberation at Board meetings.

ETHICAL STANDARDS

The Board is committed to the establishment and maintenance of appropriate ethical standards to underpin the Company's operations and corporate practices.

MANAGEMENT OF THE BOARD

The full Board will hold scheduled meetings on at least a bi monthly basis and any additional meetings at such time as may be necessary to address specific matters that may arise. In between meetings, decisions will be adopted by way of written resolution.

CHAIRMAN

The Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with its committees.

ENVIRONMENT

The Company aims to ensure that the highest standard of environmental care is achieved and that it complies with all relevant environmental legislation.

BUSINESS RISK

The Board monitors areas of operational and financial risk and considers strategies for appropriate risk management and mitigation.

Where necessary, the Board will draw on the expertise of appropriate external consultants to assist in dealing with or mitigating areas of risk which are identified.

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. The Company's policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

Control procedures cover management accounting, financial reporting, project appraisal, environment, IT security, compliance and other risk management issues.

SHAREHOLDERS

The Board aims to ensure that shareholders are, at all times, fully informed in accordance with the spirit and letter of the Australian Securities Exchange's continuous disclosure requirements.

Publicly released documents are made available on the Company's web site at www.richmondmining.com.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions.

Shareholders are requested to vote on the appointment and aggregate remuneration of Directors, the granting of options and shares to Directors and changes to the Constitution. Copies of the Company's Constitution are available to any shareholder who requests it.

This Corporate Governance Statement sets out Richmond Mining Limited's current compliance with the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations (Best Practice Recommendations). The Best Practice Recommendations are not mandatory, however, the Company is required to provide a statement in its annual report disclosing the extent to which the Company has followed the Best Practice Recommendations and the reasons for departure (if any).

	BEST PRACTICE RECOMMENDATION	**COMMENT**
1	**Lay solid foundations for management and oversight**	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	The Company's Corporate Governance Policy includes a Board Charter, which discloses the specific responsibilities of the Board. The Company has established the functions delegated to senior executives.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	The Board will monitor the performance of senior management, including measuring actual performance against planned performance. The Board has also adopted a policy to assist in evaluating Board performance.
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.	An evaluation of senior executives is performed by the Board on an ongoing basis, including within the reporting period, and having regard to the Company's objectives and the roles and responsibilities of the executives. A copy of matters reserved for the Board, including the Board Charter is maintained at the Company's website. The Company will explain any departures (if any) from best practice recommendations 1.1, 1.2 and 1.3 in annual reports.
2	**Structure the board to add value**	
2.1	A majority of the board should be independent directors.	A majority of the Board are not independent Directors. Mr G Barns is independent, Messrs H Dawson & J Malone are not independent as they are substantial shareholders in the Company and Mr Nind is not independent as he is the Company's Managing Director.
2.2	The chair should be an independent director.	The Chairman, Mr H Dawson, is not independent.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	Mr M Nind is the Company's chief executive officer and Mr Dawson is the Chairman.
2.4	The board should establish a nomination committee.	No formal nomination committee has been adopted by the Company.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	The Chairman reviews the composition of the Board, its committees and the performance of each Director to ensure that it continues to have a mix of skills and experience necessary for the conduct of the Company's activities. A new Director will receive an induction

		appropriate to his or her experience.
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2.	The Company provides details of each Director, such as their skills, experience and expertise relevant to their position, together with an explanation of any departures (if any) from best practice recommendations 2.1, 2.2, 2.3, 2.4 and 2.5 in annual reports. A description of the skills and experience of each Director and their period in office in contained within this Annual Report. Mr Barns is considered to be independent as he is not a substantial shareholder, is not employed by the Company, has not within the last 3 years been a principal of a material professional advisor or a material consultant to the Company, is not a material suppliers to the Company or associated with a material supplier and he has no material contractual relationship with the Company. The Company has a procedure in place that enables Directors to take independent professional advice at the expense of the Company. No nomination committee has been established. The Board, as a whole, currently serves as the nomination committee. The Board considers that the Company is not of a size that warrants the establishment of a nomination committee. An evaluation of the Board, its committees and Directors (in accordance with the disclosed process) took place during the reporting period. A description of the procedure for the selection and appointment of new Directors and the re-election of incumbents is contained within the Board Charter which is maintained at the Company's website.
3	**Promote ethical and responsible decision-making**	
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	The Company's Corporate Governance Policy includes a code of conduct for Directors and key executives. This code of conduct provides a framework for the practices necessary to maintain confidence in the Company's integrity, to take into account the legal obligations and expectations of stakeholders and for reporting any observed breaches of laws or regulations.
3.2	Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.	The Company's Corporate Governance Policy includes a share trading policy that provides comprehensive guidelines on trading in Company securities by Directors, officers and employees.
3.2	Companies should provide the information indicated in the Guide to reporting on Principle 3.	The Company will explain any departures (if any) from best practice recommendations 3.1, 3.2 and 3.3 in its annual reports in the relevant periods. The code of conduct and share trading policy are disclosed on the Company's website.
4	**Safeguard integrity in financial reporting**	
4.1	The board should establish an audit committee.	An audit committee has been established by the Company.
4.2	The audit committee should be structured so that it: • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members.	The audit committee consists only of non-executive Directors, one of which is independent, and the Company Secretary. It is chaired by Mr Barns, who is not chair of the board. The audit committee has three members.
4.3	The audit committee should have a formal charter.	The audit committee has adopted an audit committee

		charter.
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	The names and qualifications of those appointed to the audit committee, their attendance at meetings and the number of meetings are set out in the Directors' Report. The audited committee charter is maintained at the Company's website. The Company will explain any departures (if any) from best practice recommendations 4.1, 4.2 and 4.3 in its annual report.
5	**Make timely and balanced disclosure**	
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	The Company has a continuous disclosure program in place designed to ensure the compliance with ASX Listing Rule disclosure and to ensure accountability at a Board level for compliance and factual presentation of the Company's financial position. The continuous disclosure policy is maintained at the Company's website.
5.2	Companies should provide the information indicated in Guide to Reporting on Principle 5.	The Company will provide an explanation of any departures (if any) from best practice recommendation 5.1 in its annual reports.
6	**Respect the rights of shareholders**	
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	The Company's Corporate Governance Policy includes a shareholder communications policy, which aims to promote effective communication with shareholders, to encourage shareholder participation at AGM's and to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. The shareholder communications policy is maintained at the Company's website.
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	The Company will provide an explanation of any departures (if any) from best practice recommendations 6.1 or 6.2 in its annual reports.
7	**Recognise and manage risk**	
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategies and policies, risk mitigation, internal compliance and internal controls. The Company's Corporate Governance Policy includes a risk management policy for the oversight and management of material business risks. The categories of risk reported on include exploration risk, operating risk, resource estimates, commodity price volatility, exchange rate risk, environmental risk, title risk, additional requirements for capital and reliance on key management. The Company's risk management policy is maintained at the Company's website.
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	The Board requires management to design and implement continuous risk management and internal control system to manage the Company's material business risks. The Board requires management to report to it on whether those risks are being managed effectively and management has reported to the Board as to the effectiveness of the Company's management of its material business risks.
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system	The Board has received assurance from the relevant personnel that the s 295A declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risks.

	is operating effectively in all material respects in relation to financial reporting risks.	
7.4	Companies should provide the information indicated in Guide to Reporting on Principle 7.	The Board has received the report from management under Recommendation 7.2 and received assurance from the relevant personnel under Recommendation 7.3. The Company will provide an explanation of any departures (if any) from best practice recommendations 7.1, 7.2, 7.3 and 7.4 in its annual reports.
8	**Remunerate fairly and responsibly**	
8.1	The board should establish a remuneration committee.	No formal remuneration committee has been established by the Company as it is considered this responsibility can be adequately assumed by the full Board.
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The Board distinguishes the structure of non executive Director's remuneration from that of executive Directors and senior executives. Relevantly, the Company's Constitution provides that the remuneration of non-executive Directors will be not be more than the aggregate fixed sum determined by a general meeting. The Board is responsible for determining the remuneration of any Director or senior executives (without the participation of the affected Director).
8.3	Companies should provide the information indicated in the Guide to reporting on Principle 8.	The Board, acting without the affected Director participating in the decision making process, currently serves as the remuneration committee. There are no schemes for retirement benefits other than superannuation for any non executive directors. The Company will provide an explanation of any departures (if any) from best practice recommendations 8.1, 8.2 and 8.3 in its annual reports.

ASX ADDITIONAL INFORMATION

Additional information required by Australian Securities Exchange Limited and not shown elsewhere in this Annual Report is as follows. The information is made up to 15 September 2011.

DISTRIBUTION SCHEDULE OF SECURITY HOLDERS

	Fully Paid Shares	35 cent Options expiring 31/12/12	50 cent Options expiring 31/12/2012	20 cent Options expiring 30/6/2013
1-1,000	33	-	-	-
1,001 - 5,000	73	-	-	-
5,001 - 10,000	99	-	-	-
10,001 - 100,000	401	-	-	-
100,001 and over	128	1	1	2
Number of Holders	**734**	**1**	**1**	**2**

HOLDERS OF NONMARKETABLE PARCELS

There are 46 fully paid ordinary shareholders who hold less than a marketable parcel of shares.

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest shareholders are:

		Fully Paid Shares	
		Number Held	**% Held**
1	Kircher Mine Development LLC	6,187,092	7.815
2	HSBC Custody Nominees (Australia) Limited	5,053,711	6.383
3	National Nominees Limited	3,188,108	4.027
4	Kilkenny Enterprises Pty Ltd	2,930,000	3.701
5	RBC Dexia Investor Services Australia Nominees Pty Ltd	2,731,647	3.450
6	HG & L Dawson	2,700,000	3.410
7	Bond Street Custodians Limited	2,050,000	2.589
8	Discovery Capital Limited	2,000,000	2.526
9	JP Morgan Nominees Australia Limited	1,402,000	1.771
10	Reads It Pty Ltd	1,000,000	1.263
11	AI McLean Investments Pty Ltd	1,000,000	1.263
12	Veritas Securities Limited	1,000,000	1.263
13	PR Nind	1,000,000	1.263
14	UBS Nominees Pty Ltd	950,000	1.200
15	HSBC Custody Nominees (Australia) Limited	780,000	0.985
16	Pension Australia Nominees Pty Ltd	750,000	0.947
17	TDS Stewart & JF Green	610,533	0.771
18	Reija Pty Ltd	600,000	0.758
19	Jadekey Nominees Pty Ltd	575,000	0.726
20	Loftus Group Limited	550,000	0.695
		37,058,091	**46,806**

ASX ADDITIONAL INFORMATION

RESTRICTED SECURITIES

The Company has no Restricted Securities on issue.

UNQUOTED EQUITY SECURITIES

	Number on issue	Number of holders
Options to acquire fully paid ordinary shares at $0.35 per share and expiring 31 December 2012	1,000,000	1
Options to acquire fully paid ordinary shares at $0.50 per share and expiring 31 December 2012	350,000	1
Options to acquire fully paid ordinary shares at $0.20 per share and expiring 30 June 2013	1,000,000	2

SUBSTANTIAL SHAREHOLDERS

	Number of Shares Held	% of Shares Held
Kircher Mine Development LLC	6,187,092	7.815

ON-MARKET BUY-BACK

There is no current on-market buy-back.

ACQUISITION OF VOTING SHARES

No issues of securities have been approved for the purposes of Item 7 of section 611 of the Corporations Act 2001.

VOTING RIGHTS

Ordinary fully paid shares – on a show of hands, every member present in person or by proxy shall have one vote and upon a poll, each member shall have one vote per share.

TAX STATUS

The Company is treated as a public company for taxation purposes.

FRANKING CREDITS

The Company has nil franking credits.

TENEMENT SCHEDULE

Project	Tenements	Interest
Buena Vista Iron Ore Project USA		100% interest and an 80% beneficial interest
Narracoota	E52/1496	100% (Latin Gold Limited earning 50%)
Loongana	E69/2444	100%
Loongana	E69/2445	100%