

ASX ANNOUNCEMENT

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ASX CODE

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DIRECTORS & KEY MANAGEMENT

Stephen Bizzell	- Chairman
Rick Anthon	- Non-Executive Director
David Vincent	- Non-Executive Director
Kevin Grice	- Chief Financial Officer & Acting Chief Executive Officer
Paul Marshall	- Company Secretary
Scott Hall	- Exploration Manager

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NEW GOLD EXPLORATION TENEMENT IN NEW ENGLAND FOLD BELT, NSW

- An Option to Purchase Agreement has been entered into for EL 6918 Sydney Flat, which is located in the New England Fold Belt, approximately 5km south-west of Armidale NSW, and covers approximately 147km².
- Sydney Flat is a high-grade historical alluvial goldfield, initially mined from 1856 to 1885. It is reputed to have produced 2% of the then world annual gold production in its first 5 years of production.
- Gold grades were reported of up to 120 grams per cubic metre (g/m³), with many averaging between 10 and 12 g/m³.
- Historic exploration and mining extended for approximately 5km along the deep lead channels.
- Extensions to the mined deep leads are able to be projected continuously north for a further 15km.
- The channels vary in width from 50m to 800m.
- Deep Lead Channels can be identified by Ground Penetrating Radar and proof of concept studies have been completed.
- Exploration Target¹ in excess of 1,000,000 ounces gold
- The area offers a simple, low cost near term mining opportunity with minimal environmental impact.



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

EL6918 is a 147 km² lease encompassing the historical Sydney Flat Goldfield. First gold production was reported in the 1850's in 'deep leads', old river channels, where they had been exposed by the erosion of the overlying basalts. Early workings were apparently prolific, with exceptionally high grades reported – up to 120 grams per cubic metre. Many averaged between 10 and 12 grams per cubic metre. About 5 kilometres of the channel was worked between 1856 and 1885, with a further 15 kilometres remaining under basalt cover.

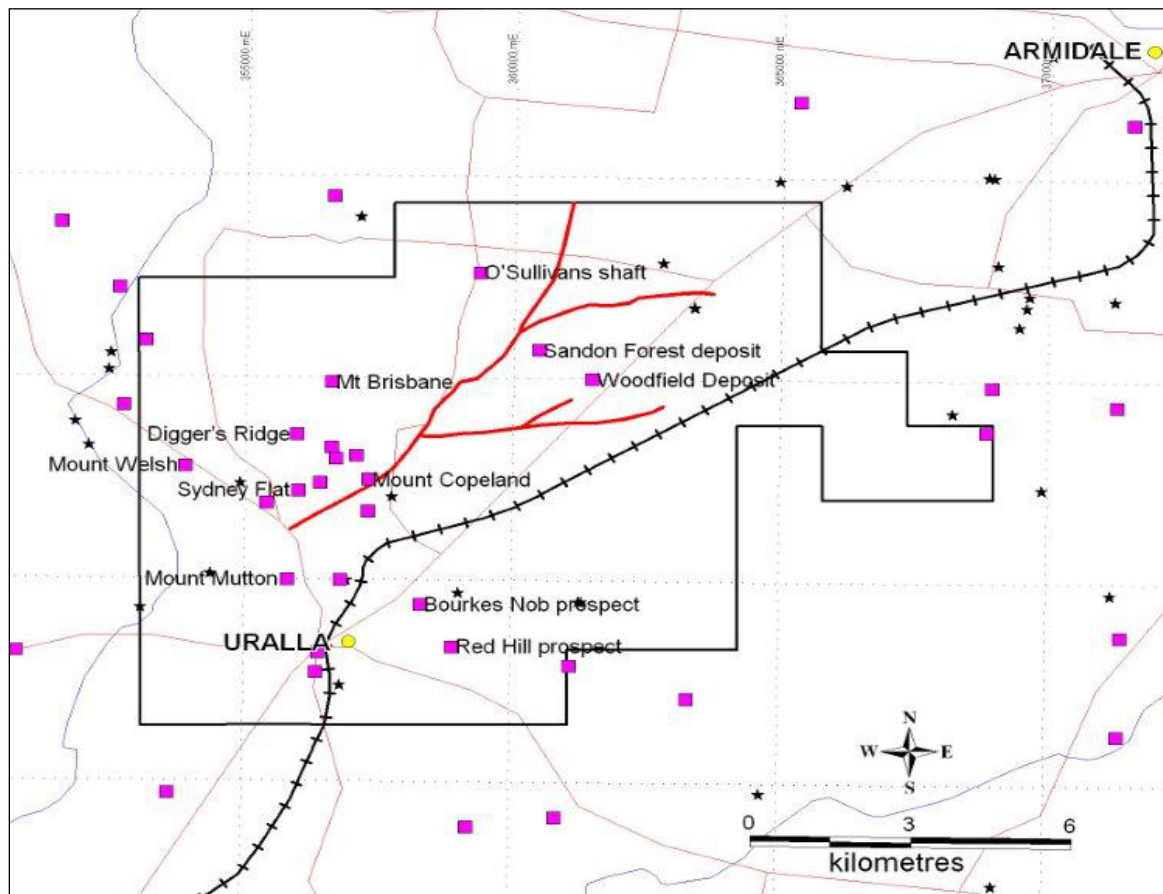


Figure 1 Tenement Area with primary deep lead shown in red and some old mines also labelled

Geology and Mineralisation

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

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

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



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

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

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

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

Exploration Target

The scale of the Exploration Target¹ is significant when based on the 15 km strike length of unexploited channels and the quoted 100m average width and 5m average thickness of the auriferous basal gravels and a grade of 10 g/m³. An Exploration Target¹ in excess of 1,000,000oz is possible. Extensions to the leads may be found in tributaries of the main auriferous drainage system, with the potential to increase the Exploration Target significantly.

Modern Mining Technology

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

Proposed Exploration Program

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

- Multi-Spectral data interpretation to locate the clays within exposed channels;
- Ground-penetrating radar to ascertain the profiles of the channels;
- Air-core and reverse-circulation drilling to recover the auriferous sands; and
- Testing greater than 1 m³ samples in a pilot plant to determine recoverable gold content.

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

Option Agreement

The terms of the Option Agreement entered into are for an initial payment of \$20,000 payable in Renison shares, with a further payment of \$40,000 (50% cash and 50% in Renison shares) in 12 months. In the event of exploration success the terms of a Tenement Transfer Agreement have been also been agreed which would see 100% of the tenement acquired by Renison for \$500,000 plus a net smelter royalty to the vendors of 1.5%. The consideration will be payable in either cash or shares at Renison's election. The



minimum cash payable for the tenement transfer will be \$100,000. The shares would be issued at a discount of 10% to the 7 day volume weighted average share price at time of issue.

Commenting on the agreement, Renison's Chairman, Stephen Bizzell noted: "The Sydney Flat Gold Project adds to Renison a project of significant resource potential together with having the potential for being a near term, low capital and operating cost mining operation. The agreements with respect to Sydney Flat continue Renison's expansion of its gold project portfolio following the recent applications for gold tenements in the Coromandel Peninsula in New Zealand and complements Renison's advanced Agate Creek Gold Project where a combined Indicated and Inferred Mineral Resource of 514,000 ounces of gold has been outlined to date."

For and on behalf of the Board

Paul Marshall
Company Secretary

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Note 1 - Exploration Target

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

Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Scott Hall who is a member of the Australian Institute of Mining and Metallurgy. Mr Hall is a full-time employee of Renison Consolidated Mines NL and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Hall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.