RICHMOND MINING LIMITED

ACN 123 423 987

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

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CORPORATE DIRECTORY

DIRECTORS

Mr Howard Dawson (Non-Executive Chairman)
Mr Jim Malone (Non-Executive)
Mr Greg Barns (Non-Executive)

CHIEF EXECUTIVE OFFICER

Mr Max Nind

COMPANY SECRETARY

Mr Michael Higginson

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STOCK EXCHANGE LISTING

Australian Securities Exchange Ltd

ASX Codes: RHM (shares), RHMO (options)

CHAIRMAN'S LETTER

Dear Shareholder

The year under review has been an active and exciting one for your Company.

Whilst the drilling programmes at Loongana and Narracoota were not as successful as we would have liked, they have provided important geological information and leads to follow up with additional programmes planned for next year.

The Buena Vista project has, however, become a real focus for Richmond and the near term development potential of this magnetite project has the potential to be company maker. Although there is still plenty of work to do, the advantage of an exceptionally large historic data base, a mining friendly jurisdiction and a commodity where the pricing outlook is still very solid are all factors acting in this project's favour.

In addition, because the project is of magnetic origin, rather than being a taconite, it has the advantage of higher grade zones which create a number of development options that are not available to many of Richmond's potential competitors.

The coming year promises to be an exciting one for your Company.

On behalf of my fellow Board members, I thank you for your support during 2009/2010 and look forward to providing tangible rewards for that support during 2011.

Yours sincerely

Howard Dawson

Howard Dawson
Chairman
30 September 2010

OPERATIONS REPORT

During the 2010 financial year, a large amount of work has been undertaken on the Company's various projects. As a result of the advanced potential of the Buena Vista project, this project has become the focus of Richmond's activities and offers very encouraging potential for early development and cash flow.

Buena Vista

Buena Vista is a magnetite iron deposit that was originally discovered in 1898, intermittently mined in the 1950's and most recently explored by US Steel and its subsidiaries in the period 1961-1979 with a feasibility study completed. At least 314 diamond holes were completed over the property during this period, together with extensive metallurgical test work and mining studies.

As part of a the historic feasibility studies, substantial non JORC compliant reserves and resources contained within the West, South Central, Iron Point, Southwest and Section 5 deposits at Buena Vista were calculated. Subsequent to Richmond entering into the option to acquire Buena Vista, 109 million tonnes of magnetite grading 23% total Fe has been converted to JORC measured.

Richmond is currently exploring Buena Vista under an option to purchase up to a 100% equity in the project. Pursuant to this option agreement, Richmond can purchase 100% of the Buena Vista iron deposit by the payment of US $6.2 million by 10 May 2011. Of this consideration 50% can be satisfied by the issue of shares.

This payment will give Richmond a 100% ownership of the deposit but an 80% net profit interest. To purchase the outstanding 20% net profit interest, Richmond can pay an additional US $2 million by November 2012.

All of the current resources at Richmond's Buena Vista project are contained on private land under patented mining claims. This land status is a valuable asset under the United States mining jurisdiction and potentially allows a much quicker permitting process to be achieved. In addition, Buena Vista is located approximately 40 kilometres from the main east west rail line that connects to port facilities at Sacramento, Stockton, Richmond and the Bay of San Francisco.

Under the terms of the option agreement, Richmond has gained access to the complete US Steel data base and a review of this data, as well as additional historical studies completed prior to US Steel's involvement, have formed the cornerstone of the project assessment completed to date. It is estimated that to replicate this data base an expenditure of at least US $20 million and +3 years of exploration and technical studies would have been required.

To date, the project review by Richmond has concentrated on the West deposit as this area has demonstrated strong potential to host a large volume of contiguous magnetite zones grading around 35-40% total Fe.

Project Advantages

From the studies completed, it is evident that Buena Vista has already demonstrated a wide range of advantages for a potential mining project. These include:

- The Buena Vista deposits have simple metallurgy and extensive historic testing has shown that the ore from the proposed West pit beneficiates to +66% total Fe product with silica less than 4%, alumina less than 2% and phosphorous less than 0.02%;
- The project is located in a secure political and economic environment (Nevada is one of the most mining friendly states within the United States);
- All of Richmond's current deposits at Buena Vista are held under patented claims over private land; this will assist in expediting the mining approval process;
- The Buena Vista project area has a successful history of mining with 600-800,000 tonnes of magnetite ore grading around 58% total Fe produced in the 1950's and 1960's ;
- An extensive geological and metallurgical data base is already available;
- The project is not located in a high rainfall or environmentally sensitive area;
- Power and water are available adjacent to the project and BOO or lease options are available for most of the required utilities;
- Buena Vista lies 40 kilometres from the major east-west railway line between Chicago and San Francisco, which provides access to four port facilities;
- The road to the rail line is 85% bitumen and the balance is a graded and well formed graded track;
- The waste to ore ratio within the proposed West pit is expected to be less than two times; and

- The capital costs are expected to be significantly less than comparable Australian or African based projects.

Diamond Drilling Programme

An 8 hole diamond drilling programme was carried out between 22 April and 17 May 2010.

The programme concentrated on the western end of the proposed West pit and was designed to provide confirmatory geological and assay information, test for a northerly extension to a high grade ore zone and supply sufficient drill core for metallurgical test work across the following grade groupings:

- -25% total Fe;
- +25%- 30% Fe;
- 30%-40% total Fe;
- 40%- 50% total Fe; and
- +50% total Fe.

The following table summarises the drill hole details.

Hole	UTM Coordinates (Zone 11S)		Elevation	Azimuth	Inclination	Hole Length
Number	Northing (M)	Easting (M)	(Metres)	(Degrees)	(Degrees)	(Feet)
NBV-2	4425605	400120	1,328.2	188	-60	603
NBV-3	4425542	400107	1,320.1	188	-60	602
NBV-4	4425645	400188	1,338.2	188	-80	500
NBV-5	4425592	400178	1,330.3	188	-60	602
NBV-6	4425545	400165	1,325.0	188	-60	601
NBV-7	4425552	400047	1,316.9	188	-60	400
NBV-8	4425614	400057	1,319.3	188	-60	565
NBV-9	4425619	400058	1,319.3	188	-80	603

Diamond drillhole NBV-3 reported a major mineralised intercept of 429.5 feet (around 132 metres) of magnetite ore grading 40.8% total Fe 64 feet (around 20 metres) from surface.

This intersection includes individual intercepts of 67 feet (20.5 metres) grading 59.8% total Fe and 125.5 feet (38 metres) grading 54.1% total Fe. This 132 metre intersection of magnetite mineralisation was highly encouraging and extended a high grade zone identified by the US Steel drilling some 45 years previously.

Hole	Interval (ft)	Intersection (ft)	Total Fe	Al_2O_3	P_2O_5	SiO_2	S
NBV-2	262-300	38	39.2%	6.99%	0.10%	21.65%	0.02%
NBV-2	360.5-502.5	143	34.1%	4.93%	1.20%	22.40%	0.05%
NBV-2	572-603	31	33.7%	7.51%	0.47%	32.18%	0.02%
NBV-3	64-181	117	49.8%	4.39%	0.20%	15.09%	0.02%
NBV-3	212.5-378	165.5	46.6%	4.08%	0.89%	16.11%	0.06%
NBV-3	391-410.5	19.5	62.9%	1.01%	0.70%	4.39%	0.01%
NBV-3	443-495.5	52.5	34.9%	7.17%	0.72%	24.84%	0.02%
NBV-6	42-143	89	30.5%	8.99%	0.20%	31.71%	0.07%
NBV-6	165.5-372	206.5	31.6%	9.33%	0.31%	29.84%	0.03%
NBV-6	395-423.5	28.5	23.0%	10.78%	0.29%	34.99%	0.02%
NBV-6	522-543	21	28.7%	9.13%	0.55%	31.97%	0.02%
NBV-8	258-355	97	50.0%	3.03%	0.89%	16.64%	0.04%

NBV-8	457-528.5	71.5	32.7%	3.28%	3.08%	28.60%	0.12%

Head assays for major mineralised sections in Buena Vista core, analyses by XRF using quarter HQ core

Selected intervals from these drill holes have been composited over an average of 30 foot sections and submitted for Davis Tube testing.

US Steel undertook extensive Davis Tube beneficiation testing on the Buena Vista ore and demonstrated it easily beneficiates to a concentrate grading +66% total Fe, with less than 4% SiO_2, less than 2% Al_2O_3 and phosphorous (P) and sulphur (S) of around 0.016% and 0.009% respectively.

New Discovery

During the June 2010 quarter, a high grade magnetite outcrop was discovered adjacent to the main area of workings at Buena Vista. Named the Iron Horse prospect, the outcrop is located beyond the limits of previous geological surface mapping in the Buena Vista project area.

Seven rock chip samples were collected along and across the areas of the Iron Horse outcrop and returned outstanding assay results as tabulated below.

Sample No.	**Total Fe %**	**SiO_2 %**	**Al_2O_3 %**	**P_2O_5 %**	**TiO_2 %**	**MgO %**	**CaO %**	**S %**	**As ppm**
IHV01	58.8	7.53	1.26	0.17	2.20	2.37	2.87	0.016	4
IHV02	66.9	1.72	0.26	0.06	1.62	0.42	1.15	0.002	2
IHV03	67.9	1.24	0.18	0.10	1.73	0.32	0.84	0.005	8
IHV04	64.8	1.60	0.22	1.11	1.83	0.61	2.98	0.003	8
IHV05	66.4	1.05	0.21	0.16	1.75	0.52	1.71	0.011	3
IHV06	67.8	1.36	0.14	0.01	1.66	0.63	0.90	0.003	2
IHV07	66.4	2.25	0.39	0.05	1.73	0.81	0.97	0.010	1

Iron Horse prospect - magnetite rock chip assay results (Note: the P_2O_5 is related to non-magnetic apatite and the TiO_2 is related to the non-magnetic sphene in the samples)

These rock chip samples were analysed by XRF and cover approximately 70 metres strike length of outcropping massive magnetite.

The Iron Horse prospect appears to consist predominantly of massive magnetite and is located about 800m ENE and 90m to 120m higher in elevation than the high grade mineralisation within the West ore body.

Metallurgy

During the June 2010 quarter, approximately 450 kgs of quarter drill core was shipped to Perth to undergo detailed metallurgical test work.

This test work is designed to determine the beneficiation characteristics of various composite grades from Buena Vista to assist in plant design and the economics of potential production.

A range of engineering tests, including bond index and compressive strength are also being undertaken.

As previously advised, an enormous amount of historic data already exists in this area. The testing by Richmond is designed as an adjunct to the US Steel and earlier test work and to confirm, or otherwise, the results from that test work.

Summary

During the year under review, Richmond has actively worked the Buena Vista project with numerous site visits, geological mapping, a 7 hole diamond drilling programme, metallurgical sampling and review of likely plant design, resource studies, preliminary discussions with trucking, rail and port loading providers, initiation of contact with federal, state and county authorities and power and water studies.

On the basis of this work, Richmond is reviewing a number of development options ranging from a base operation to produce around 1.25-1.5 million tonnes of magnetite concentrate per annum through to 3-4 million tonnes per annum.

Critical in all these studies is the focus to keep capital costs as low as possible, the financial return as high as possible and to expedite the development timetable.

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 2346 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.

In terms of the general geometry of layered intrusions around the world, the target ultramafic rocks are found at the base of the intrusion and the mafic equivalents are found at higher levels. Assuming the Loongana intrusion is not tilted the drilling has indicated that the key ultramafic rocks are located at depth (up to 4 kilometres) in the bulbous southern section of the intrusive and therefore an uneconomic exploration target.

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 ASX-listed 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 and it is planned to commence this programme in the June quarter of 2011.

The Company was 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.

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.

Historic work on the tenement includes:

- Aeromagnetic interpretation;
- Geological mapping;
- Soil geochemistry programmes;
- Petrological studies; and
- RAB, aircore and diamond drilling.

During the year under review, Richmond focused on the potential for the project area to host a DeGrussa type Cu-Au deposit.

The Sandfire Resources DeGrussa copper/gold discovery appears to be a volcanogenic massive sulphide deposit and is hosted within rocks of the Narracoota Volcanics.

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 during the March quarter 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.

Hole Number	MGA_N metres	MGA_E metres	Total depth (m)	Geology Intersected
NRC1	7136285	663600	122	Colluvial, clays, ultramafic, black shale, bottomed in quartzite. Trace sulphides in ultramafic and shale.
NRC2	7133340	656750	148	Ferricrete, laterite, clays, fragmental volcaniclastics.
NRC3	7134075	656850	118	Ferricrete, clays, fragmental volcaniclastics, rare - trace sulphides.
NRC4	7134484	661167	82	Ferricrete, clays, fragmental volcaniclastics, rare – trace sulphides.
NRC5	7134000	661600	76	Ferricrete, mafic dyke (?), strongly magnetic, trace sulphides
NRC6	7134080	662515	148	Ferricrete, clay, minor laterite, mafic volcanic, fragmental volcaniclastics, rare -trace sulphides
NRC7	7130975	661100	118	Ferricrete, laterite, clays, ultramafics
NRC8	7133548	665665	118	Laterite, clays, ultramafics, rare sulphides
NRC9	7133120	666350	118	Alluvial, clays, meta basalt, rare sulphides

Hole NRC5 was drilled to test a strong magnetic feature that was at the junction of two structural trends. The balance of the holes tested VTEM targets.

The VTEM anomaly in Hole NRC1 was likely caused by the sulphidic black shale. In the other holes, the source of the VTEM anomaly was either not apparent or possibly caused through a combination of palaeochannels in the overlying transported profile or alternately weakly fractured zones within the fresh rock.

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

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.

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

The base metal values across all holes showed only minor variability and this was interpreted to be the result of the differing lithologies intersected in the programme.

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

This anomaly is to be followed up in the December 2010 quarter.

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 2010**.**

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 (Appointed 12 January 2007)
Mr Jim Malone	Non – Executive Director (Appointed 12 January 2007)
Mr Greg Barns	Non – Executive Director (Appointed 12 February 2008)

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 Mining Limited technical, financial and corporate skills which will be used to compliment executives and consultants engaged to explore existing projects as well as potential new resource projects as the Company develops.

Mr Dawson is also currently a director of listed companies Latin Gold Limited and Tangiers Petroleum Limited, and unlisted companies Discovery Capital Limited and Heath Drilling Company Pty Ltd. During the past three years Mr Dawson has also been a director of listed companies, Uranium King Limited (appointed 7 April 2006 and resigned 3 August 2007) and Catalyst Metals Limited (appointed 21 March 2006 and resigned 27 July 2007).

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 22 years. Mr Malone is currently a director of Australian-American Mining Corporation NL, Quest Petroleum NL, Forge Resources Limited and Latin Gold Limited. In the last three years Mr Malone has also been a Director of Catalyst Metals Limited (appointed 21 March 2006 and resigned 27 July 2007), 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 eight 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 NL, Republic Gold Ltd and coal mining services company Resco Pty Ltd. Mr Barns holds a BA/LLB from Monash University and is a member of the Tasmanian Bar. 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.

(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 ordinary shares	Number of 20 cent options expiring 31/12/2010
H Dawson	2,704,732	388,500
J Malone	2,620,001	549,700
G Barns	50,000	100,000
TOTAL	**5,374,733**	**1,038,200**

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 23 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
Mr Howard Dawson	7	7	-	-
Mr Jim Malone	7	7	1	1
Mr Greg Barns	7	7	1	1

CORPORATE STRUCTURE

Richmond Mining Ltd 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 Ore project.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were the acquisition and exploration 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 2010 was $437,811 (30 June 2009: $480,272).

The Group's basic loss per share for the year was 1.35 cents (30 June 2009: 1.56 cents).

DIVIDENDS

No dividend has been paid during or is recommended for the financial year ended 30 June 2010.

EMPLOYEES

The Group had one employee as at 30 June 2010 (30 June 2009: one), other than three non-executive Directors and the Company Secretary who is engaged under the terms of a consultancy agreement.

REVIEW OF OPERATIONS

The principal activity of the Group during the financial year was the exploration of the Company's Australian and USA based resource projects.

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 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 2 August 2010, 3,000,000 options each exercisable at 20 cents and expiring 30 December 2010 were granted to consultants;
- On 2 August 2010, 1,000,000 options each exercisable at 20 cents and expiring 30 Jun 2013 were granted to consultants;
- On 6 August 2010, 200,000 ordinary fully paid shares were allotted following the exercise of 200,000 unlisted options each exercisable at 20 cents and expiring 30 November 2010; and
- On 16 September 2010, 115,000 ordinary fully paid shares were allotted following the exercise of 115,000 listed options each exercisable at 20 cents and expiring 31 December 2010.

Other than the issue of the aforementioned securities, there has not been any other matter or circumstance that has arisen since 30 June 2010 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 $1,841,244 as at 30 June 2010 (30 June 2009: $3,132,806).

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 if 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, and timing and results of operation.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

Details of Remuneration for the Year Ended 30 June 2010

Details of the remuneration for each Director and the key management personnel (as defined in AASB 124 *Related Party Disclosures*) of the Group during the year are set out in the following tables.

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

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

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 Company's performance, executive performance and comparable information from industry sectors.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed. Options are valued using the Black-Scholes methodology.

The Board's policy is to 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 Company include the Directors and the Chief Executive Officer. There were no other persons considered key management personnel as defined in AASB 124.

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**

2009	**Short-term employment benefits**	**Post-employment benefits**	**Share-based payments**	
Name	**Cash salary and fees**	**Superannuation**	**Options**	**Total**
Non-executive Directors				
Mr Howard Dawson	50,000	-	-	50,000
Mr Jim Malone	36,000	-	-	36,000
Mr Greg Barns	25,216	-	-	25,216
Chief Executive Officer				
Mr Max Nind	124,008	11,161	85,112	220,281
Total key management personnel compensation	**235,224**	**11,161**	**85,112**	**331,497**

Performance Shares as a Proportion of Total Remuneration

There were no performance shares issued during the year ended 30 June 2010 (30 June 2009: 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 have been 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 2010

There were no options issued to Directors in the year ended 30 June 2010.

Options are issued to Directors and executives as part of their remuneration for nil consideration. The options are issued to Directors and executives of Richmond Mining Limited to increase goal congruence between Directors, executives and shareholders. There were no remuneration based options issued, exercised, lapsed or forfeited during the year. There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures during the year. For details on the valuation of the options, including models and assumptions used, refer to note 20 of the Financial Statements.

Performance Options as a Proportion of Total Remuneration

There were no performance options issued during the year (2009: nil).

Employment Contracts of Directors and Senior Executives

Effective 1 July 2010, the Company entered into a 1 year contract for the employment of Mr M Nind as Chief Executive Officer for a fixed remuneration of $135,000 per annum, inclusive of superannuation.

There are no formal contracts for Non-Executive Directors. 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 $36,000 per annum.
- Mr Barns receives director fees of $25,000 per annum.

During the year, Mr Dawson (in addition to the $50,000 in director fees) received a further $46,500 for additional services involved in sourcing and negotiating the acquisition of the Buena Vista project on behalf of the Company and for the provision of detailed technical and geological work undertake 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.

SHARE OPTIONS

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

Date of Expiry	Exercise Price	Number Under Option
31 December 2010	$0.20	16,588,035
30 November 2010	$0.20	1,350,000
30 December 2010	$0.20	3,000,000
30 June 2011	$0.25	500,000
30 June 2011	$0.30	500,000
30 June 2011	$0.35	500,000
31 December 2012	$0.35	1,000,000
30 June 2013	$0.20	1,000,000

During the financial year ended 30 June 2010, there were no shares of Richmond Mining Limited issued on the exercise of options granted under the Richmond Mining Limited Employee Share Option Plan.

Since the end of the financial year the following shares have been issued following the exercise of options:

- On 6 August 2010, 200,000 ordinary fully paid shares were allotted following the exercise of 200,000 unlisted options each exercisable at 20 cents and expiring 30 November 2010; and
- On 16 September 2010, 115,000 ordinary fully paid shares were allotted following the exercise of 115,000 listed options each exercisable at 20 cents and expiring 31 December 2010.

No further shares have been issued since that date.

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

No person entitled to exercise the 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 Mining Limited paid no premium to insure the Directors and Secretary of the Company.

The Company has a policy of entering into Indemnity Deeds to indemnify Directors and certain executives of the Company against all liabilities incurred in the course of or arising out of their employment with the Company 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 $12,481 (2009: nil) for non-audit services were paid/payable to the Company's auditors during year.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2010 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 Mining Limited 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 Mining Limited 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 Company. The Company'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 2010

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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 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS
Chartered Accountants

D J Wall.

D J WALL
Partner

Perth, WA
Dated: 30 September 2010

STATEMENT OF FINANCIAL POSITION
As at 30 June 2010

		Group	
		2010	2009
	Note	$	$
Current Assets			
Cash and cash equivalents	7	2,100,686	3,180,554
Trade and other receivables	8	28,419	31,627
Total Current Assets		2,129,105	3,212,181
Non-Current Assets			
Property, plant and equipment	9	1,816	3,146
Exploration and evaluation expenditure	10	1,745,347	403,111
Total Non-Current Assets		1,747,163	406,257
TOTAL ASSETS		3,876,268	3,618,438
Current Liabilities			
Trade and other payables	11	279,354	74,069
Short term provisions	12	8,507	5,306
Total Current Liabilities		287,861	79,375
TOTAL LIABILITIES		287,861	79,375
NET ASSETS		3,588,407	3,539,063
Equity			
Contributed equity	13	4,207,199	3,824,129
Share based payments reserve	14	373,126	269,041
Accumulated losses		(991,918)	(554,107)
TOTAL EQUITY		3,588,407	3,539,063

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 2010

	Note	Group 2010 $	Group 2009 $
Continuing operations			
Other revenue	3	171,328	202,588
Employees and consultant expense		(265,213)	(387,329)
Exploration expenditure written off		(172,712)	(136,071)
Corporate and legal fees		(92,849)	(90,443)
Administrative expenses		(36,913)	(30,977)
Occupancy expenses		(40,794)	(38,013)
Finance costs		(658)	(27)
Loss before income tax expense	4	(437,811)	(480,272)
Income tax expense	6	-	-
Net loss for the year		**(437,811)**	**(480,272)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(437,811)**	**(480,272)**
Basic loss per share (cents per share)	5	(1.35)	(1.56)
Diluted loss per share (cents per share)	5	(1.35)	(1.56)

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 2010

	Note	Contributed Equity $	Accumulated Losses $	Share Based Payments Reserve $	Total $
Balance at 1 July 2008		**3,746,109**	**(73,835)**	**50,608**	**3,722,882**
Total comprehensive loss			(480,272)	-	(480,272)
Issue of options	13	105,030	-	-	105,030
Option issue costs	13	(27,010)	-	-	(27,010)
Share based payments	14	-	-	218,433	218,433
Balance at 30 June 2009		**3,824,129**	**(554,107)**	**269,041**	**3,539,063**
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**

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 2010

	Note	Group 2010 $	Group 2009 $
Cash Flows from Operating Activities			
Receipts from customers		20,904	3,292
Payments to suppliers, contractors and employees		(121,868)	(277,194)
Interest received		126,498	194,238
Interest paid		(658)	(27)
Net cash flows from/(used in) operating activities	15	24,876	(79,691)
Cash Flows from Investing Activities			
Payments for exploration and evaluation		(1,514,948)	(315,294)
Payments for property, plant and equipment		-	(1,721)
Net cash flows (used in) investing activities		(1,514,948)	(317,015)
Cash Flows from Financing Activities			
Proceeds from issue of securities		398,700	105,030
Security issue expenses		(15,630)	(27,010)
Net cash flows from financing activities		383,070	78,020
Net (decrease) in cash and cash equivalents		(1,107,002)	(318,686)
Effects of exchange rate changes on cash		27,134	-
Cash and cash equivalents at the beginning of the year		3,180,554	3,499,240
Cash and cash equivalents at the end of the year	7	2,100,686	3,180,554

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 2010

1. CORPORATE INFORMATION

The financial report of Richmond Mining Limited (the Group) for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of the Director's on 30 September 2010.

Richmond Mining Limited 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) New accounting standards and interpretations

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2010, but have not been applied in preparing these financial statements.

- AASB 2009-5 Further amendments to Australian Accounting Standards arising from the Annual Improvements Process affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the consolidated entity's 31 December 2010 financial statements, are not expected to have a significant impact on the financial statements.
- AASB 2009-8 Amendments to Australian Accounting Standards - Group Cash-settled Share-based Payment Transactions resolves diversity in practice regarding the attribution of cash-settled share-based payments between different entities within a group. As a result of the amendments AI 8 Scope of AASB 2 and AI 11 AASB 2 - Group and Treasury Share Transactions will be withdrawn from the application date. The amendments, which become mandatory for the consolidated entity's 31 December 2010 financial statements, are not expected to have a significant impact on the financial statements.

Application should not affect any of the amounts recognised in the financial report, but may require additional levels of disclosures. The Group will adopt the new standard, together with its consequential changes, for the financial report dated 31 December 2010.

Initial application of AASB 8 Operating Segments and application of revised AASB 101 Presentation of Financial Statements have occurred in the current period. AASB 8 has expanded the level of disclosures, based on the 'management approach' while AASB 101 has amended aspects of the format of the primary statements. No initial application of any other issued and effective Australian Accounting Standard has had any significant effect on the current period or any prior period. Furthermore, no other new Australian Accounting Standard, which has been issued but is not yet effective, is expected to have any significant effect on a future reporting period.

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 27 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(e) Segment reporting

A business segment is a distinguishable component of the entity that is engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. Management has assessed the reportable business segments under AASB 114 Segment Reporting and have determined that on adoption of AASB 8 Segment Reporting (applicable from 1 January 2009), additional operating segments are not likely to be reported.

A geographical segment is a distinguishable component of the entity that is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments. The Group operates in a single business segment, in one geographical location. The operations of the Group consist of mineral exploration and development, within Australia.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(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.

- Sundry equipment: 3 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(k) Exploration and evaluation expenditure (cont.)

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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(p) Income tax (cont.)

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 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:

(i) the grant date fair value of the options;
(ii) 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
(iii) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(q) Equity based payments (cont.)

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:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(t) Financial instruments (cont.)

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.

(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) 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.)

(v) 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.

	Group 2010 $	Group 2009 $
3. Other revenue		
Interest revenue	114,675	199,296
Foreign exchange gain	27,134	-
Sundry income	29,519	3,292
	171,328	202,588

4. Expenses

Loss before income tax includes the following specific expenses:

	2010 $	2009 $
Rent expense	36,096	34,095
Share based payments expense	104,085	218,433
Interest expense	658	27
Depreciation expense	1,330	814

5. Earnings per Share

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

Earnings used in calculating earnings per share

	2010 $	2009 $
For basic and diluted earnings per share:		
Net loss for the year attributable to ordinary shareholders	437,811	480,272

Weighted average number of shares

	2010 No. of Shares	2009 No. of Shares
Weighted average number of ordinary shares for basic and diluted earnings per share	32,453,164	30,720,002

Earnings per share

	2010	2009
Basic loss per share (cents)	1.35	1.56
Diluted loss per share (cents)	1.35	1.56

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

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

- On 2 August 2010, 3,000,000 options each exercisable at 20 cents and expiring 30 December 2010 were granted to consultants;
- On 2 August 2010, 1,000,000 options each exercisable at 20 cents and expiring 30 Jun 2013 were granted to consultants;
- On 6 August 2010, 200,000 ordinary fully paid shares were allotted following the exercise of 200,000 unlisted options each exercisable at 20 cents and expiring 30 November 2010; and
- On 16 September 2010, 115,000 ordinary fully paid shares were allotted following the exercise of 115,000 listed options each exercisable at 20 cents and expiring 31 December 2010.

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.

		Group 2010 $	Group 2009 $
6.	**Income taxes**		
(a)	**Income tax recognised in profit or loss**		
	Prima facie tax on operating loss before income tax at 30%	(131,343)	(144,082)
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	Share based payments	31,226	65,530
	Other non-deductible items	790	1,141
	Other non-assessable items	(780)	(13,482)
	Deferred tax asset not brought to account at balance date as realisation of the benefit is not probable	100,107	90,893
	Income tax attributable to operating loss	-	-
(b)	**Deferred tax**		
	The Directors estimate that the potential deferred tax benefits at 30% arising from tax losses not brought to account at balance date is approximately:		
	Tax losses	487,235	188,077
	Temporary differences	(274,625)	(75,574)
		212,610	112,503

The potential deferred tax asset, arising from tax losses and temporary differences (as disclosed above), has not been recognised as an asset because recovery of tax losses and temporary differences is not considered probable.

The potential deferred tax asset will only be obtained if:

- the relevant company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised;
- the relevant company continues to comply with the conditions for deductibility imposed by tax legislation; and
- no changes in tax legislation adversely affect the relevant company in realising the benefit from the deduction for the losses.

7. Cash and cash equivalents

	2010 $	2009 $
Cash at bank	551,963	65,793
Short term deposits	1,548,723	3,114,761
	2,100,686	3,180,554

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

8. Trade and other receivables

	Group 2010 $	2009 $
Sundry receivables (i)	3,089	23,946
GST receivable	25,330	7,681
	28,419	31,627

(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

	2010 $	2009 $
As at 1 July	3,146	2,239
Additions	-	1,722
Depreciation charge	(1,330)	(815)
As at 30 June	1,816	3,146
Cost or fair value	4,019	4,019
Accumulated depreciation	(2,203)	(873)
Net book amount	1,816	3,146

10. Exploration and Evaluation Expenditure

	2010 $	2009 $
As at 1 July	403,111	223,888
Exploration expenditure	1,514,948	315,294
Exploration expenditure written off	(172,712)	(136,071)
As at 30 June	1,745,347	403,111

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

	Group 2010 $	Group 2009 $
Current Payables		
Trade payables	266,354	62,069
Accrued expenses	13,000	12,000
	279,354	74,069

(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. Short term provisions

	2010	2009
Provision for annual leave	8,507	5,306

13. Contributed Equity

		2010 Number	2010 $	2009 Number	2009 $
(a) Share capital					
Ordinary shares					
Fully paid		33,378,002	4,207,199	30,720,002	3,824,129
(b) Movements in ordinary shares					
Ordinary shares at beginning of the year		30,720,002	3,824,129	30,720,002	3,746,109
Options issue	(i)	-	-	-	105,030
Transaction costs of options issue	(i)	-	-	-	(27,010)
Shares issued at $0.15 per share	(ii)	2,658,000	398,700	-	-
Transaction costs on share issue	(ii)	-	(15,630)	-	-
		33,378,002	4,207,199	30,720,002	3,824,129

(i) On 9 October 2008 the Company granted 10,503,035 options pursuant to an entitlement offer prospectus dated 4 September 2008 at an issue price of 1 cent per option. Transaction costs for the option issue totalled $27,010.
(ii) 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.

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 2010 (2009: nil) and no dividends are expected to be paid in 2011.

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.

		Group	
14.	**Reserves and retained profits**	**2010**	**2009**
		$	**$**
a)	**Reserves**		
	Share-based payments reserve		
	As at 1 July	269,041	50,608
	Share based payments – expense	104,085	218,433
	As at 30 June	373,126	269,041

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.

		2010	2009
15.	**Notes to the Statement of Cash Flows**	**$**	**$**
	(a) Reconciliation of net cash used in operating activities to operating loss after income tax		
	Operating loss after tax	(437,811)	(480,272)
	Add non cash items:		
	Depreciation	1,330	814
	Share-based payments expense	104,085	218,433
	Exploration expenditure written off	172,712	136,071
	Exchange rate gain	(27,134)	-
	Changes in net assets and liabilities:		
	(Increase)/decrease in receivables	(8,615)	668
	(Increase)/decrease in other assets	11,823	-
	Increase/(decrease) in payables	205,285	39,289
	Increase/(decrease) in provisions	3,201	5,306
	Net cash flow from/(used in) operating activities	24,876	(79,691)

(b) Non-cash financing and investing activities

There were no non-cash financing and investing activities for the year ended 30 June 2010 (2009: 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 Entity	
	2010	**2009**
	$	**$**
ASSETS		
Current assets	2,129,105	3,212,181
Non-current assets	1,747,163	406,257
TOTAL ASSETS	3,876,268	3,618,438
LIABILITIES		
Current liabilities	287,861	79,375
Non-current liabilities	-	-
TOTAL LIABILITIES	287,861	79,375
EQUITY		
Contributed equity & reserves	4,561,140	4,093,170
Accumulated losses	(972,733)	(554,107)
TOTAL EQUITY	3,588,407	3,539,063

Contingent liabilities of the parent entity
The parent entity did not have any contingent liabilities as at 30 June 2010 or 30 June 2009.

Contractual commitments for the acquisition of property, plant or equipment
As at 30 June 2010 (30 June 2009 – $Nil), the parent entity did not have any contractual commitments for the acquisition of property, plant or equipment.

17. Interests in Jointly Controlled Operations

There are no joint venture assets.

18. 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 (Appointed 12 January 2007)
J Malone	Non – Executive Director (Appointed 12 January 2007)
G Barns	Non – Executive Director (Appointed 12 February 2008)
Chief Financial Officer	
M Nind	Appointed 1 July 2008

All of the above persons were also key management persons during the year ended 30 June 2009 unless otherwise noted.

18. Key Management Personnel Compensation (Cont.)

(b) Key management personnel remunerations

	Group 2010 $	Group 2009 $
Short-term employee benefits	285,675	235,224
Post-employment benefits	11,147	11,161
Share based payments	-	85,112
	296,822	331,497

(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 share 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:

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

2009	*Balance at beginning of year*	*Granted as compensation*	*Exercised*	*Other changes*	*Balance at end of year*	*Vested and exercisable*
Directors						
H Dawson	500,000	-	-	1,288,500	1,788,500	1,788,500
J Malone	500,000	-	-	1,249,700	1,749,700	1,749,700
G Barns	500,000	-	-	25,000	525,000	525,000
Total	1,500,000	-	-	2,563,200	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.

18. Key Management Personnel Compensation (Cont.)

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	81,731	-	5,234,733
Other key management personnel				
M Nind	15,000	-	-	15,000

2009	*Ordinary Shares* Balance at beginning of year	Purchased during the year	Other changes	Balance at end of year
Directors				
H Dawson	2,430,001	153,000	-	2,583,001
J Malone	2,420,001	100,000	-	2,520,001
G Barns	50,000	-	-	50,000
Total	4,900,002	253,000	-	5,153,002
Other key management personnel				
M Nind	-	15,000	-	15,000

(d) *Payables to key management personnel*

	2010 $	2009 $
Amounts payable to Directors and Director related entities at the end of the financial year, included in current liabilities	41,739	29,353

(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 2010 (30 June 2009: nil).

19. 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 2010, the Group paid Discovery on a cost recovery basis $111,507 (2009: $84,065) for the provision of, inter alia, technical support, geological support, secretarial services, office rent, office amenities, telephone, computing equipment and administrative support.

20. Equity-based payments

	Group 2010 $	Group 2009 $
Recognised share-based payment expenses		
Expense arising from equity-settled share-based payment transactions	104,085	218,433

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.

	2010		2009	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
At beginning of reporting year	17,753,035		1,500,000	
Granted during the year				
- Employee options			1,500,000	0.30
- Consultant Options	3,000,000	0.25	4,250,000	0.20
- Non renounceable issue			10,503,035	0.20
- Exercised				
- Lapsed				
Balance the end of reporting year	**20,753,035**		**17,753,035**	
Exercisable at end of reporting year	**20,753,035**		**17,753,035**	

Issue date	Expiry date	Balance at start of year	Number issued during year	Number expired during year	Balance at end of year	Number exercisable at end of year
2 July 2008	30 June 2011	1,500,000	-	-	1,500,000	1,500,000
15 August 2008	31 Dec 2010	4,250,000	-	-	4,250,000	4,250,000
10 July 2009	30 Nov 2010	-	1,550,000	-	1,550,000	1,550,000
27 Nov 2009	31 Dec 2010	-	450,000	-	450,000	450,000
27 May 2010	31 Dec 2012	-	1,000,000	-	1,000,000	1,000,000

20. 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	**15 October 2008**	**2 July 2008**	**2 July 2008**	**2 July 2008**
Type	Consultant	Employee	Employee	Employee
Dividend yield (%)	-	-	-	-
Expected price volatility (%)	0.0700	0.8205	0.8205	0.8205
Risk-free interest rate (%)	5.78%	6.81%	6.81%	6.81%
Expected life of options (years)	2.38	2.99	2.99	2.99
Option exercise price ($)	$0.20	$0.25	$0.30	$0.35
Share price at grant date	$0.1100	$0.1650	$0.1650	$0.1650
Number of options issued	4,250,000	500,000	500,000	500,000

	Group	
	2010	**2009**
	$	**$**
21. Auditors' Remuneration		
Amounts received or due and receivable by the auditors for:		
Audit or review of financial reports	24,000	18,250
Other taxation services	12,481	-
	36,481	18,250

22. Commitments

There were no outstanding commitments, which are not disclosed in the financial statements as at 30 June 2010 other than:

Tenement commitments		
Within 1 year	546,662	664,582
After 1 year but not more than 5 years	1,093,324	1,881,782
After more than 5 years	-	-
	1,639,986	2,546,364

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) can exercise the option at any time up to and including 10 May 2011 for a consideration of $US6 million, 50% of which can be satisfied through the issue of shares in Richmond Mining Limited.

Exercise of the options will give the Group a 100% beneficial ownership of the Project and an 80% net profits interest ("NPI").

Following exercise of the option the Group then 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%.

Upon signing of the Agreement, the Group paid the owner Kircher Mine Development LLC, a Nevada based mining company $US100,000 and a similar payment is required in September 2010. These payments are in addition to the payment required if the option is exercised.

23. 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.

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.

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

	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

	Notes	Floating Interest Rate $	1 year or less $	Over 1-5 years $	Non interest bearing $	Total $
2009						
Financial assets						
Cash and cash equivalents	7	4.12%	3,114,760	-	65,794	3,180,554
Trade and other receivables	8		-	-	31,627	31,627
Total financial assets			3,114,760	-	97,421	3,212,181
Financial liabilities						
Trade and other payables	11		-	-	74,069	74,069
Total financial liabilities			-	-	74,069	74,069
Net financial assets			3,114,760	-	23,352	3,138,112

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

Interest rate sensitivity

At 30 June 2010, if interest rates had changed by 15% during the entire year with all other variables held constant, profit for the year and equity would have been $17,201 lower/higher (30 June 2009: $29,894), as a result of lower/higher interest income from cash and cash equivalents.

A sensitivity of 15% (15%: 2009) 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 2010 from around 4.5% to 5.2% representing a 70 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.

	Group 2010 $	Group 2009 $
Contracted maturities of payables at 30 June		
Payable		
- less than 6 months	279,354	74,069

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.

Reconciliation of net financial assets to net assets

Net Financial Assets	1,849,751	3,138,112
Property, plant & equipment	1,816	3,146
Exploration and evaluation expenditure	1,745,347	403,111
Provision for annual leave	(8,507)	(5,306)
Net Assets	3,588,407	3,539,063

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.

24. Segment Information

The directors have considered the requirements of AASB 8 operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identified segments as the lowest level of financial reports provided to the chief operating decision maker are presented at the consolidated Richmond Mining Limited level.

The Group operates in one business segment being mineral exploration, within Australia and the United States of America.

25. Subsequent Events

Other than the issue of the following securities, there has not been any other events material to the Company subsequent to the year ended 30 June 2010:

- On 2 August 2010, 3,000,000 options each exercisable at 20 cents and expiring 30 December 2010 were granted to consultants;
- On 2 August 2010, 1,000,000 options each exercisable at 20 cents and expiring 30 Jun 2013 were granted to consultants;
- On 6 August 2010, 200,000 ordinary fully paid shares were allotted following the exercise of 200,000 unlisted options each exercisable at 20 cents and expiring 30 November 2010; and
- On 16 September 2010, 115,000 ordinary fully paid shares were allotted following the exercise of 115,000 listed options each exercisable at 20 cents and expiring 31 December 2010.
- On 14 September 2010, the Group paid US$100,000 to Kircher Mine Development LLC as detailed in Note 26.

26. Contingent Liabilities and Contingent Assets

The Group is disputing the quantum of an invoice received from VM Drilling Pty Ltd (VMD) which is currently before the District Court. Pursuant to an invoice dated 18 August 2009, VMD claimed that it is owed an amount of $277,705.56. The Group disputes this amount and has offered to pay VMD $74,205.44, which is in addition to the deposit paid of $100,000.00, as full and final settlement. VMD has rejected this offer. An amount of $74,205.44 has been included, as a current liability, in the Group's financial statements at balance date and the remaining amount of $103,500.12, is contingent upon the outcome of the legal proceedings.

Pursuant to an option agreement to purchase 100% interest in the Buena Vista Iron Ore Project, the Group is required to pay the vendor a further US$100,000 in September 2010.

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

27. Investment in Controlled Entities

			Equity Holding	
Name of Entity	**Country of Incorporation**	**Class of Shares**	**2010 %**	**2009 %**
Nevada Iron Pty Ltd	Australia	Ordinary	100	-
Nevada Iron LLC	United States	Ordinary	100	-

- On 16 February 2010, Richmond incorporated in Australia, a wholly owned subsidiary named Nevada Iron Pty Ltd.
- On 12 March 2010, Nevada Iron Pty Ltd incorporated in the United States a wholly owned subsidiary named Nevada Iron LLC.

28. Company Details

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

103 Abernethy Road
Belmont, WA, 6104

DIRECTORS' DECLARATION

The directors of the company declare that, in the opinion of the directors:

(a) the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including

  (i) giving a true and fair view of the financial position and performance of the company and consolidated entity; and
  (ii) complying with Australian Accounting Standards, including the Interpretations, and the Corporations Regulations 2001;

(b) the financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1;

(c) the directors have been given the declarations required by s.295A of the Corporations Act 200; and

(d) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

Howard Dawson

Howard Dawson
Chairman

Dated at Perth this 30th day of September 2010

RSM! Bird Cameron Partners
Chartered Accountants

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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 statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the consolidated financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Auditor's Independence Declaration

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

Auditor's Opinion

In our opinion:

(a) the financial report of 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 2010 and of its performance for the year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1

Report on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the financial year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Richmond Mining Limited for the financial year ended 30 June 2010 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS
Chartered Accountants

David Wall.

Perth, WA
Dated: 30 September 2010

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 – 3 years and 9 months
- J Malone – 3 years and 9 months
- G Barns – 2 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 and Messrs H Dawson & J Malone are not independent as they are substantial shareholders in the Company.
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 is operating effectively in all material respects in relation to financial reporting risks.	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.

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 25 September 2010.

DISTRIBUTION SCHEDULE OF SECURITY HOLDERS

	Fully Paid Shares	20 cent Options expiring 31/12/10	20 cent Options expiring 30/11/10	20 cent Options expiring 30/12/10	25 cent Options expiring 30/6/11	30 cent Options expiring 30/6/11	35 cent Options expiring 30/6/11	35 cent Options expiring 31/12/12	20 cent Options expiring 30/6/2013
1-1,000	17	0	-	-	-	-	-	-	-
1,001 - 5,000	52	14	-	-	-	-	-	-	-
5,001 - 10,000	114	18	-	-	-	-	-	-	-
10,001 - 100,000	331	103	-	-	-	-	-	-	-
100,001 and over	54	32	6	4	1	1	1	1	2
Number of Holders	**568**	**167**	**6**	**4**	**1**	**1**	**1**	**1**	**2**

HOLDERS OF NONMARKETABLE PARCELS

There are 18 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	Kilkenny Enterprises Pty Ltd	2,420,000	7.18
2	Dawson H & L Super Fund Account	2,400,000	7.12
3	Discovery Capital Ltd	2,000,000	5.94
4	Loftus Group Ltd	725,000	2.15
5	ABN AMRO Clearing	604,091	1.79
6	L & S Davies Pty Ltd	517,686	1.54
7	Cadwallader D A	424,204	1.26
8	Uob Kay Hian Hong Kong Lt	411,148	1.22
9	Maclean S H	410,877	1.22
10	Merenda M	350,000	1.04
11	Pillage Inv Pty Ltd	350,000	1.04
12	UBS Wealth Management Australia	310,000	.92
13	Tabland Pty Ltd	304,731	.90
14	Andrew Roberts Family S/F Pty Ltd	300,000,	.89
15	Higginson M	300,000	.89
16	Jevgold Pty Ltd	300,000	.89
17	PDR Enterprise Ltd	300,000	.89
18	Ingram N	300,000	.89
19	Richardson G P	255,000	.76
20	Dymax Cons Pty Ltd	254,560	.76
		13,237,297	**39.29**

TWENTY LARGEST OPTION HOLDERS

The names of the twenty largest quoted option holders are:

		Options	
		Number Held	% Held
1	Reads It Pty Ltd	2,100,000	12.71
2	Kyriakopoulos M & J	2,070,000	12.53
3	Halifax Mohaka Ltd	800,000	4.84
4	Dawson H & L Super Fund Account	700,000	4.24
5	Kilkenny Enterprises Pty Ltd	510,000	3.09
6	Kilpatrick R & C	400,000	2.42
7	Yelrif Inv Pty Ltd	350,000	2.12
8	Yelrif Inv Pty Ltd	342,100	2.07
9	R & H Homes Pty Ltd	325,000	1.97
10	Niutta M	317,728	1.92
11	Reeves R & M	300,000	1.82
12	Smartt M	250,000	1.51
13	Merenda M	225,000	1.36
14	Number 7 Inv Pty Ltd	225,000	1.36
15	Tamcorp Holdings Pty Ltd	222,416	1.35
16	Harrington G & J	200,000	1.21
17	Van Blommestein GJ & G	200,000	1.21
18	Marcolina D H & M A	200,000	1.21
19	Hampshire Auto Centre Pty Ltd	200,000	1.21
20	Loftus Group Ltd	200,000	1.21
		10,137,244	**61.36**

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 $0.20 per share and expiring 30 November 2010	1,350,000	6
Options to acquire fully paid ordinary shares at $0.20 per share and expiring 30 December 2010	3,000,000	4
Options to acquire fully paid ordinary shares at $0.25 per share and expiring 30 June 2011	500,000	1
Options to acquire fully paid ordinary shares at $0.30 per share and expiring 30 June 2011	500,000	1
Options to acquire fully paid ordinary shares at $0.35 per share and expiring 30 June 2011	500,000	1
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 $0.20 per share and expiring 30 June 2013	1,000,000	2

SUBSTANTIAL SHAREHOLDERS

	Number of Shares Held	% of Shares Held
Kilkenny Enterprises Pty Ltd	2,420,000	7.18
Howard + Leigth Dawson ATF HG & LV Dawson S/F	2,400,000	7.12
Discovery Capital Limited	2,000,000	5.94

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
Narracoota	E52/1496	100%
Loongana	E69/2444	100%
Loongana	E69/2445	100%
Buena Vista Iron Ore Project USA		Option to purchase a 100% interest