RIMCAPITAL LIMITED

ABN 72 064 874 620

RIMCAPITAL LIMITED

www.rimcapital.com.au

ANNUAL REPORT

2010

Year Ended 30 June 2010

Contents

This financial report was authorised for issue by the Directors on 28 September 2010. The Company has the power to amend and reissue this financial report.

YEAR ENDED 30 JUNE 2010

CORPORATE DIRECTORY

DIRECTORS	Mr Pieter W. Greeff (Non-Executive Chairman) Mr Michael J. Bogue (Managing Director & Chief Executive Officer) Mr Malcolm C. Hancock (Non-Executive Director)
COMPANY SECRETARY	Ms Carolyn Patman
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS:	Level 6, Suite 603 Currency House 23 Hunter Street SYDNEY NSW 2000 Telephone: (02) 9232 0211 Facsimile: (02) 9232 0233
SHARE REGISTER:	Link Market Services Limited Level 12 680 George Street Sydney NSW 2000 **Postal Address** Locked Bag A14 Sydney South NSW 1235
AUDITORS:	Nexia Court & Co Level 29, Australia Square 264 George Street Sydney NSW 2000
SECURITIES EXCHANGE LISTING:	RIMCapital Limited shares are listed on the Australian Securities Exchange Limited (Code: “RMC”)
COMPANY NUMBERS:	ACN: 064 874 620 ABN: 72 064 874 620

CHAIRMAN AND MANAGING DIRECTOR'S REPORT

Dear Shareholder

The Consolidated Entity posted a net loss of $0.7 million for the year ended 30 June 2010 compared to a net loss of $9.63 million in the prior year.

The Company's associate entity contributed a profit of $101,814 to the consolidated entity's result. In addition the net loss figure includes $197,624 in non-cash expenses associated with unlisted options on issue under shareholder approved employee option plans.

Throughout the year the Company continued to seek business and investment opportunities in the areas of project acquisition and equity investment, infrastructure and off-take arrangements in respect of mineral resource projects both in Australia and overseas. Numerous proposals and indicative offers were made by the Company during the course of the year. Unfortunately none of these transactions proceeded due mainly to disparities with vendors in relation to valuation or the future strategy in relation to project advancement. The proposed RSPT and MRRT introduced by the Federal Labor Government also negatively impacted upon transaction opportunities being explored by the Company in the latter part of the year. The Company will continue to pursue value adding transactions for shareholders. However it will not seek to undertake transactions which are likely to prove detrimental to longer term shareholder value. This is particularly so in instances where project fundamentals, financing sources and clear pathways to production are simply not realistic.

During the year the Company's joint venture partner CRM formally agreed to make a direct equity investment with United Minerals Corporation NL at $1.35 per share subject to certain preconditions including a 10 year 3.0 million tonne per annum iron ore offtake agreement under the terms of a Subscription Agreement. Completion did not occur as the UMC Board instead endorsed a conditional cash scheme of arrangement with BHP Billiton Group on 16 October 2009 which was subsequently completed. For services rendered to each of UMC and the Company's associate entity on this transaction, the Company received the aggregate revenue amount of $331,818 during the year.

During the year the Company fully repaid all borrowings from its associate company which had been provided on an unsecured, interest free and repayable at call basis.

During the year the Company, through a wholly owned subsidiary, maintained an exploration licence and has a further two exploration licence applications pending covering approximately 470 square kilometres of potential uranium exploration ground at Northern Yeelirrie located south west of Wiluna in Western Australia. This tenement area adjoins BHP Billiton's Yeerlirrie Uranium Project which it describes as Australia's second largest undeveloped uranium project. The Company continues to seek funding, joint venture or farm-in arrangements to advance this tenement area.

Yours sincerely
RIMCapital Limited

Pieter W. Greeff	**Michael J. Bogue**
Non-Executive Chairman	**Managing Director & Chief Executive Officer**

DIRECTORS' REPORT

Your Directors present their report on the RIMCapital Group, consisting of RIMCapital Limited ("the Company") and the entities it controlled at the end of, or during, the year ended 30 June 2010.

Directors

The names of the Directors of the Company at any time during or since the end of the financial year are:

Pieter Willem Greeff (Non-Executive Chairman – appointed 1 August 2007)
Michael Joseph Bogue (Managing Director and Chief Executive Officer – appointed 4 September 2006)
Malcolm Cyril Hancock (Non-Executive Director – appointed 11 September 2007)

Principal Activities

The principal activities of the RIMCapital Group during the year ended 30 June 2010 consisted of:

- Investment in shares of companies listed on the ASX all of which relate to the resources industry;
- Investment in a 50:50 associate company, CRMSC (Australia) Pty Limited, with a subsidiary of China Railway Materials Commercial Corporation. This associate company is in the business of seeking investment opportunities in the Australian resources industry, investments and commodities trading, import and export of mineral resources, railway transportation materials and related products. During the year ended 30 June 2010, CRMSC (Australia) Pty Limited's principal activity related to investments in the Australian resources sector; and
- Investment in mineral exploration ground south west of Wiluna at Northern Yeelirrie which has potential for uranium exploration and is adjacent to the BHP Billiton's newly reactivated Yeelirrie Uranium Project. The Company is seeking funding, joint venture or farm-in arrangements to advance this tenement area.

Review of Operations, Financial Position, Business Strategies & Prospects

A review of the operations of the consolidated entity and of the results of those operations for the financial year is outlined in the Chairman and Managing Director's Report in the 2010 Annual Report.

Any other information on the entity's business strategies and its prospects for future years have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Earnings per Share

	2010 Cents	2009 Cents
Basic earnings per share (refer to Note 25)	(0.773)	(10.879)
Diluted earnings per share (refer to Note 25)	(0.773)	(10.879)

The Company generated a return on equity of negative 30.65% for the current period compared to negative 84.01% the prior year.

Dividends

The Directors do not recommend the payment of a dividend at this time and no dividend has been paid or declared during the financial year.

Events Subsequent to Balance Date

On September 2, 2010 the Company cancelled 4,500,000 options to Mr Michael J. Bogue pursuant to the terms of the MDSOP and at the request of Mr Bogue.

There have been no other transactions or events of a material and unusual nature likely, in the opinion of the Directors of the Company, to significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company.

Likely Developments and Announcements

Refer to the Chairman and Managing Director's Report on page 4 for further details. Information not disclosed is on the basis that, in the opinion of the Directors, the provision of such information would prejudice the interests of the consolidated entity.

Directors' Interests

Information on Directors

Director	Experience	Special responsibilities	Particulars of Directors' interests at the date of this report Ordinary shares	Options
Pieter Willem Greeff, B.Sc, M.Eng	Mr Greeff holds a Bachelor of Science in Engineering (Mining) from Pretoria University in South Africa and a Masters of Engineering from McGill University in Canada. He is a Fellow of the Aus.I.M.M. and a Fellow of the Australian Institute of Company Directors. He has over 30 years of experience as a mining engineer in Australia and overseas, having held senior executive positions with a number of major mining companies during that period. Mr Greeff has extensive operating and development experience in gold, diamonds, base metals and coal. He retired from Newcrest Mining Limited in 2000 as Executive General Manager – Western Australia Operations, where he was responsible for operations as well as new projects in Western Australia. In the last 3 years Mr Greeff has served as a Non-Executive Director of Castlemain Goldfields Limited retiring on 22 April 2008.	Non-Executive Chairman Member of Audit Committee Chairman of Remuneration Committee	342,857	Nil
Michael Joseph Bogue, B.Com	Mr Bogue holds a Bachelor of Commerce degree and has a diverse and successful background in senior executive roles related to the global resources sector. Over the last 17 years he has undertaken numerous mergers and acquisitions, equity and debt capital market issuances and derivatives transactions across the global resource sector. He is the current Chairman of CRMSC (Australia) Pty Limited, the Company's associate company, with China Railway Materials Commercial Corporation Group, and was previously an Executive Director of a Hong Kong listed entity focused on the resources sector. Previous executive positions have included roles within JPMorgan Chase & Co. as Co-Head of Mining & Metals for Asia Pacific and Australian Oil & Gas, a senior Business Development & Finance role within Newcrest Mining Limited and as principal of a boutique investment and advisory firm specialising in the resources sector.	Managing Director and Chief Executive Officer Member of Audit Committee	7,314,349	7,795,172

DIRECTORS' REPORT - YEAR ENDED 30 JUNE 2010

Director	Experience	Special responsibilities	Particulars of Directors' interests at the date of this report: Ordinary shares	Options
Malcolm Cyril Hancock, BA, MA	Mr Hancock is a graduate of Trinity College, Cambridge and a professional geologist with over 35 years experience in technical and general management within the minerals industry. His technical specialisations are in mining geology, reserve estimation, project evaluation, feasibility studies and mine development. He spent 12 years in Africa in exploration and mining where he was Chief Geologist of a large open pit and underground copper mine. Since 1980 he has worked in Australia as General Manager, Mining for Pancontinental Mining Ltd where he played a major role in evaluation, acquisition and development of several major new mines in a range of commodities including gold, base metals, magnesite and uranium. Since commencing as a consultant to the mining industry, he has concentrated on feasibility and resource/reserve assessment work, technical audits and independent expert reports. He is a current Executive Director of Behre Dolbear Australia Pty Ltd, the Australian subsidiary of the international mining consulting group Behre Dolbear & Co. Inc., and in this capacity undertakes a wide range of technical, valuation and engineering assignments for mining companies and financial institutions.	Non-Executive Director Chairman of Audit Committee Member of Remuneration Committee	282,857	Nil

Meetings of Directors

There were 7 (2009: 8) Directors' meetings, 2 (2009: 2) Audit Committee meetings and Nil (2009: 1) Remuneration Committee meetings held during the year ended 30 June 2010. The number of meetings held during the year and the number of meetings attended by each Director whilst in office is:

	Directors' meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	No. held while in office	**No. attended**	**No. held while in office**	**No. attended**	**No. held while in office**	**No. attended**
Pieter W. Greeff	7	7	2	2	-	-
Michael J. Bogue	7	7	2	2	-	-
Malcolm C. Hancock	7	7	2	2	-	-

Remuneration Report – Audited

(a) Policy for determining the nature and amount of Key Management Personnel remuneration

The Board determines the remuneration of Non-Executive Directors from time to time.

Executive remuneration and other terms of employment are reviewed annually having regard to performance, relevant comparative information and independent expert advice. Remuneration packages are set at levels that are intended to attract and retain Executives capable of managing the RIMCapital Group's business activities and operations. Currently, no element of any Directors' remuneration is dependent on the satisfaction of a performance condition. An element of the Managing Director and Chief Executive Officer's remuneration package consists of options over shares of the Company as approved by the Company's shareholders in general meeting on 11 July 2007 under Australian Securities Exchange Listing Rule 10.14.

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board has also drawn on external sources of information to ensure Non-Executive Directors' fees and payments are appropriate and in-line with the market for comparable companies for time, commitment and responsibilities. Fees for Non-Executive Directors are not linked to the performance of the economic entity.

Non-Executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is currently set by the Constitution of the Company at $400,000. This maximum can be changed by shareholders in general meeting.

All Directors receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation or elect to receive their Directors' fees by way of consultancy fees for which no superannuation guarantee contribution applies.

Remuneration paid to all Directors is valued at the cost to the Company and expensed. The value of unlisted options granted to Directors is brought to account over the vesting period of the options.

Details of the nature and amount of each element of the remuneration of each Director of the Company and key management personnel (including the five highest paid officers) of the Company and the consolidated entity for the year ended 30 June 2010 are set out below.

(b) Key Management Personnel

The key management personnel of the Group are the Directors of the Company, i.e. Pieter Greeff, Michael Bogue and Malcolm Hancock; and the following executive who reports directly to the Managing Director:

James Li – Executive General Manager - Asia

(c) Details of remuneration

Details of the remuneration of the Directors, other key management personnel of the Group and specified executives of the of the Company and Group for the years ended 30 June 2010 and 30 June 2009 respectively are set out on the following tables:

	30 June 2010				
	Short Term Employment Benefits		Post Employ-ment Benefits	Share Based Payments	
	Salary & Fees[(2)] $	Bonus $	Super-annuation $	Options $	Total $
Pieter W. Greeff	10,000	-	33,600	-	43,600
Michael J. Bogue	250,000	-	22,500	154,456	426,956
Malcolm C. Hancock	24,000	-	2,160	-	26,160
James Li [(1)]	200,000	-	18,000	34,460	252,460
	484,000	-	76,260	188,916	749,176

(1) Mr James Li is the only Executive of the Group for which remuneration disclosures are required under the Corporations Act 2001. Mr James Li was an employee of the Company and its associate company, CRMSC (Australia) Pty Limited, during the year ended 30 June 2010. CRMSC (Australia) Pty Limited is equity accounted for in the consolidated accounts.

(2) In response to the global financial crisis and in order to preserve cash, from 1 January 2009 the Non-Executive Directors agreed to a 20% decrease in Director's fees and the Managing Director agreed to a 23% decrease in his base salary. The decreases continued for the full 2010 financial year.

	30 June 2009				
	Short Term Employment Benefits		Post Employ-ment Benefits	Share Based Payments	
	Salary & Fees[(2)] $	Bonus[(4)] $	Super-annuation $	Options $	Total $
Pieter W. Greeff	5,450	-	43,600	-	49,050
Michael J. Bogue	287,500	30,000	25,875	294,746	638,121
Malcolm C. Hancock	27,000	-	2,430	-	29,430
James Li [(3)]	200,000	50,000	18,000	54,616	322,616
Total	519,950	80,000	89,905	349,362	1,039,217

(3) Mr James Li is the only Executive of the Group for which remuneration disclosures are required under the Corporations Act 2001. Mr James Li and Mr Jamie Che were employees of the Company and its associate company, CRMSC (Australia) Pty Limited, during the year ended 30 June 2009. CRMSC (Australia) Pty Limited is equity accounted for in the consolidated accounts.

(4) Bonuses paid were in respect of the previous year's results.

Remuneration levels are set and determined by the Board of Directors. Independent advice on the appropriateness of remuneration packages is obtained should the Board of Directors consider it necessary. Remuneration packages are based on fixed remuneration, performance based remuneration and equity based remuneration in the year ended 30 June 2010.

In relation to any element of the remuneration of key management personnel or executives which consists of securities, the Board has no policy in relation to those persons limiting their exposure to risk in relation to the securities.

No other element of remuneration for key management personnel or executives was dependent on a performance condition as the Board determined that these elements were fair and appropriate remuneration.

Summary Terms of Managing Director and Chief Executive Officer Remuneration Package

The appointment is to the position of Managing Director and Chief Executive Officer of the Company on a full–time basis and is for an indefinite duration, terminable as provided below.

The duties of Mr Bogue are those expected of a Managing Director and Chief Executive Officer, reporting to and taking directions from the Board. Mr Bogue is not, without the prior written consent of the Company, to accept new appointments as a Director or secretary of any additional companies from the date of his appointment.

The key terms of the service agreement are:

- total base salary (including 9% superannuation contributions) of $272,500 per annum effective as from 1 January 2009. This is a decrease of over 23% from the first 6 months from 1 July 2008 of $354,250;
- as determined at the sole discretion of the Board an annual bonus of up to 3% of the Company's Net Profit after Tax. A further bonus of up to 100% of Mr Bogue's base salary may be payable upon completion of each significant transaction which he undertakes for the Company. During the year ended 30 June 2009 Mr Bogue received a cash bonus of $30,000 in relation to the results and performance of the consolidated entity in the prior year. No annual bonus will be payable in relation to the results and performance of the consolidated entity for the year ended 30 June 2010;
- participation in the Company's Managing Director and Chief Executive Officer Share Option Plan in accordance with the Plan's conditions as apply from time to time;
- Mr Bogue is restrained for 6 months after the termination of his employment from procuring or soliciting the custom of any person or entity which was a client or customer of the Company or any of its related corporations;
- Mr Bogue must not use or disclose the Company's confidential information except as required to carry out his duties for the Company; and
- during the period ended 31 December 2009 (Initial Term), the Company was able to terminate Mr Bogue's employment by providing the greater of 12 month's notice or notice equivalent to the remainder of the Initial Term. Subsequently, the Company may terminate with 12 month's notice. The Company may also terminate without notice for misconduct and other specified grounds. Mr Bogue may resign at any time by providing 3 month's notice.

Summary Terms of Executive General Manager - Asia Remuneration Package

The appointment is to the position of Executive General Manager - Asia of the Company on a full–time basis and is for an indefinite duration, terminable as provided below.

The duties of Mr Li are to work in close consultation, co-operation and partnership with the Managing Director and Chief Executive Officer particularly, but not limited to, sourcing Group debt and equity funding from Asian entities, undertaking technical analysis and due diligence of potential Group acquisitions or project interests, liaising with Asian entities in respect of the aforementioned acquisitions or project interests.

The key terms of the service agreement are:

- total remuneration package of $200,000 per annum;
- statutory superannuation contributions on the base salary;
- participation in any cash bonus plans, share and options plans or other incentive plans approved by the Board from time to time. Such payments or other benefits shall not be included as part of the total remuneration package or calculation of any other amounts or entitlements that may be payable. During the year ended 30 June 2009 Mr Li received a cash bonus of $50,000 in relation to the results and

performance of the consolidated entity in the prior year. No annual bonus will be payable in relation to the results and performance of the consolidated entity for the year ended 30 June 2010;

- Mr Li must not use or disclose the Company's confidential information except as required to carry out his duties for the Company;

- the Company may terminate Mr Li without notice for misconduct and other specified grounds. The Company may terminate the agreement providing 2 months notice. Mr Li may resign at any time by providing 3 month's notice.

Shares Under Option

Details of options over ordinary shares in the Company provided as remuneration to Directors and other key management personnel of the Group and specified executives of the of the Company and Group are set out below:

	Number of options granted during the year		**Number of options vested during the year**	
Plan and Personnel Name	**2010**	**2009**	**2010**	**2009**
Managing Director and Chief Executive Officer Share Option Plan				
Michael J. Bogue	-	-	4,500,000	4,195,172
Employee and Executive Share Option Plan				
James Li	-	750,000	900,000	400,000

On August 1, 2007 the Company issued an aggregate of 13,195,172 options to Mr Michael J. Bogue pursuant to the terms of the Managing Director and Chief Executive Officer Share Option Plan ("MDSOP") approved by shareholders in general meeting on 11 July 2007. Approval for the issue of these options was obtained under Australian Securities Exchange Listing Rule 10.14. On the same day the Company also issued an aggregate of 2,000,000 options to Group Company employees (including 1,200,000 to Mr James Li) pursuant to the terms of the Employee and Executive Share Option Plan ("EESOP") approved by shareholders in general meeting on 11 July 2007.

On November 3, 2008 the Company issued an additional 1,150,000 options to Group Company employees (including 750,000 to Mr James Li) pursuant to the EESOP. Since the original issue of the EESOP options to the date of this report a total of 850,000 EESOP options have been forfeited.

The terms of these options are set out below.

The options referred to above are subject to certain restrictions and, in the case of 1,200,000 options held by Mr James Li, certain performance conditions, as set out in the relevant option Plans and approved by the Company's shareholders in general meeting on July 11, 2007, and the conditions attached to individual option grants pursuant thereto.

On September 2, 2010 the Company cancelled 4,500,000 options to Mr Michael J. Bogue pursuant to the terms of the MDSOP and at the request of Mr Bogue.

Directors' Report - year ended 30 June 2010

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are:

Option Plan	Grant Date	Date vested and exercisable	Expiry Date	Exercise Price	Value per option at grant date
MDSOP – Tranche 1	1/8/2007	1/8/2008	1/8/2012	6.5c	12.0c
MDSOP – Tranche 2	1/8/2007	1/8/2009	1/8/2012	9.0c	10.7c
MDSOP - Tranche 3	1/8/2007	1/8/2010	1/8/2012	12.0c	8.9c
EESOP	1/8/2007	1/8/2008	1/8/2012	23.0c	4.5c
EESOP	1/8/2007	1/8/2009	1/8/2012	23.0c	4.5c
EESOP	1/8/2007	1/8/2010	1/8/2012	23.0c	4.5c
EESOP	3/11/2008	3/11/2009	3/11/2011	20.0c	9.3c
EESOP	3/11/2008	3/11/2010	3/11/2011	20.0c	9.3c

Summary of the rules of the EESOP and MDSOP

The EESOP and MDSOP are separate and distinct from each other. However, their rules are broadly the same with minor differences primarily relating to the fact that the MDSOP applies only to the Managing Director and Chief Executive Officer. Accordingly, a combined summary of the EESOP and MDSOP rules are set out below, with the material differences noted. A full copy of each set of the EESOP rules and MDSOP rules are available on the Company's website.

- Eligibility – under the EESOP the Board of Directors have discretion as to who is an Eligible Executive, under the MDSOP the Managing Director and Chief Executive Officer (or his appointed nominee) is the only eligible participant;

- Offers – under the EESOP the Board of Directors may offer options to Eligible Executives, under the MDSOP only the Managing Director and Chief Executive Officer (or his appointed nominee) may be offered options;

- Terms – each option on exercise converts to one fully paid ordinary share;

- Vesting – options vest three years after they are granted or on such other date(s) as determined by the Board;

- Exercise Price – the exercise price of an option will be the market value of a fully paid ordinary share of the Company (calculated in accordance with section 139FA of the Income Tax Assessment Act 1936 (Cth)) at the time of the date of grant, or such other date as determined by the Board of Directors;

- Exercise of options – options will not be exercisable until those options have satisfied all performance conditions (if any) established by the Board of Directors unless otherwise determined by the Board;

- Expiry date – the options will have a specified life terminating 5 years after the date of grant or such other date as determined by the Board;

- Non-transferable – an option granted to an Eligible Executive or the Managing Director and Chief Executive Officer is not transferable and may not otherwise be dealt with, except by operation of law on death or legal incapacity;

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- Lapse of unvested options – under the EESOP, unvested options lapse on termination of employment unless otherwise determined by the Board of Directors in certain situations. Under the MDSOP, subject to certain exceptions, unvested options lapse on termination of employment;
- Lapse of vested options – vested options lapse on the earlier of:
  - 5 years after the date of grant, or such other date as determined by the Board;
  - the date on which the participant is terminated for cause; or
  - the expiry of 90 days after the participant is made redundant, is terminated (other than for cause), dies or becomes totally and permanently disabled or the participant ceases service as a result of a takeover or change of control or is not re-elected to office by shareholders (where applicable) or in such other circumstances as determined by the Board.
- Takeover or change of control – if either of these events occurs in relation to the Company involving more than 25% of the issued shares, then the participant will be entitled to exercise granted options;
- Performance condition – the Board of Directors may determine that, in respect of any grant, options will be exercisable under the EESOP or MDSOP only where a performance condition has been met;
- Source of shares – shares required for the purposes of the EESOP and MDSOP are to be sourced by issuing new shares;
- Payment for shares – any costs associated with shares issued for the purposes of the EESOP and MDSOP will be paid by the Company. Any exercise price payable on the exercise of an option will be paid by the participant;
- Reconstructions, Bonus and Rights issues – the exercise price of an option will be adjusted in the manner contemplated by the ASX Listing Rules from time to time to take account of rights issues, capital reconstructions and bonus issues;
- Issued capital not to exceed 5% in both the EESOP and MDSOP – subject to certain exceptions, the number of shares that may be issued under all of the Company's employee share plans (assuming all options and rights to acquire shares are fully exercised), must not exceed 5% of the issued capital of the Company at any time. The particular exception to the 5% limit on which the MDSOP will rely on, is the exception that the Managing Director and Chief Executive Officer is a senior manager and therefore shares issued to him will not count when calculating the 5% limit. This limit is applied in accordance with the requirements of the ASIC Class Order 03/184 concerning employee share schemes. In accordance with the Class Order, securities issued to senior managers (which includes Directors and senior Executives) of the Company are excluded when calculating the 5% limit. This exception will therefore also apply to shares issued to senior managers who participate in the EESOP.
- Amendments to the EESOP and MDSOP rules – subject to the provisions of the EESOP, the MDSOP and the Listing Rules, the Board of Directors may amend the EESOP rules and MDSOP rules. However, the EESOP rules and MDSOP rules may not be amended if, broadly, in the Board of Directors' opinion the amendment would materially reduce the rights of a participant in respect of options already granted.

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Shares Provided on Exercise of Remuneration Options

Details of ordinary shares in the Company provided as a result of exercise of remuneration options to Directors and other key management personnel of the Group and specified executives of the Company and Group are set out below:

Plan and Personnel Name	Date of exercise of options	Amount paid per ordinary share	Number of ordinary shares issued on exercise of options during the year 2010	2009
Managing Director and Chief Executive Officer Share Option Plan				
Michael J. Bogue	15 April 2009	6.5 cents	-	900,000

No amounts are unpaid on any shares issued on the exercise of options.

Cash bonuses and options

For each cash bonus and grant of options the percentage of available bonus or grant that was paid, or that vested, in the financial year and the percentage that was forfeited because the person did not meet the service or performance criteria is set out below. No options will vest if the conditions are not satisfied; hence the minimum value yet to vest is Nil. The maximum value of options yet to vest has been determined as the amount of the grant date fair value of the options that is yet to be expensed.

	Cash bonus		Options					
Name	Paid %	Forfeited %	Year granted	Vested %	Forfeited %	Financial years in which options may vest	Minimum total value of grant yet to vest	Maximum total value of grant yet to vest
2010								
Michael J. Bogue	-	-	2008	34	-	30/06/2011	-	400,500
James Li	-	-	2009	67	-	30/06/2011	-	41,250
			2008	33	-			
2009								
Michael J. Bogue	100	-	2008	31	-	30/06/2011	-	400,500
						30/06/2010		481,500
James Li	100	-	2009	-	-	30/06/2011	-	41,250
			2008	33	-	30/06/2010	-	64,500

DIRECTORS' REPORT - YEAR ENDED 30 JUNE 2010

Share based compensation

Further details relating to options are set out below.

Name	A Remuneration consisting of options	B Value at grant date $	C Value at exercise date $	D Value at lapse date $
2010				
Michael J. Bogue	36.18%	-	-	-
James Li	13.65%	-	-	-
2009				
Michael J. Bogue	46.19%	-	58,500	-
James Li	16.93%	69,750	-	-

A = The percentage of the value of remuneration consisting of options, based on the value of options expensed during the current year
B = The value at grant date calculated in accordance with AASB 2 *Share-based Payment* of options granted during the year as part of remuneration
C = The value at exercise date of options that were granted as part of remuneration and were exercised during the year, being the intrinsic value of the options at that date
D = The value at lapse date of options that were granted as part of remuneration and that lapsed during the year because a vesting condition was not satisfied. The value is determined at the time of lapsing but assuming the condition was satisfied

Share Options

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

Option Plan	Grant Date	Expiry Date	Exercise Price	Number under option
MDSOP – Tranche 1	1/8/2007	1/8/2012	6.5c	3,295,172
MDSOP – Tranche 2	1/8/2007	1/8/2012	9.0c	4,500,000
MDSOP - Tranche 3	1/8/2007	1/8/2012	12.0c	4,500,000
EESOP	1/8/2007	1/8/2012	23.0c	1,350,000
EESOP	3/11/2008	3/11/2011	20.0c	950,000

The holders of these options do not have any rights under the options to participate in any share issue of the Company or of any other entity.

Indemnification and Insurance of Officers

The Company has entered into Deeds of Access and Indemnity with each of the current Directors. Insurance cover for Directors and Officers liability has not been incurred since 30 April 2003. The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or its controlled entity against a liability incurred as such an officer or auditor.

Corporate Governance

Refer to pages 19 to 29 for the Corporate Governance Statement.

Company Secretary

Ms Carolyn Patman

Ms Carolyn Patman has been the Company Secretary of RIMCapital Limited since 1 July 2007. She is a Director of Client Services of HLB Mann Judd and has been a Chartered Accountant for over 16 years.

Auditor

Nexia Court & Co continues in office in accordance with section 327 of the Corporations Act 2001.

Details of amounts paid or payable to the auditors for audit and non-audit services are set out below.

	Consolidated	
	2010 $	2009 $
Amounts paid, or due and payable to:		
The current auditor of the parent entity (Nexia Court & Co – Australian Firm)		
- for auditing and reviewing the financial reports of the entity or any entity in the consolidated entity	42,102	27,593
- for tax services	-	1,052

The Directors have considered the position and are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

A copy of the auditors' independence declaration as required under Section 307C of the Corporations Act 2001 given to the Directors by the lead auditor for the audit undertaken by Nexia Court & Co is included on page 18.

Environmental Regulation

The Directors are of the opinion that sufficient procedures and reporting processes have been established to enable the consolidated entity to meet any environmental responsibilities in the year ended 30 June 2010.

Signed in accordance with a resolution of the Directors.

Dated: **28 September 2010**

Pieter W. Greeff
Non-Executive Chairman

Michael J. Bogue
Managing Director & Chief Executive Officer

The Board of Directors
RIMCapital Limited
Level 6, Suite 603
Currency House
23 Hunter Street
SYDNEY NSW 2000

Dear Board Members

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

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

As lead audit partner for the audit of the financial statements of RIMCapital Limited for the financial year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

This declaration is in respect of RIMCapital Limited and the entities it controlled during the year.

Yours sincerely

Nexia Court & Co.

Nexia Court & Co
Chartered Accountants

David Gallery
Partner

Sydney

Dated: **28 September 2010**

Level 29, 264 George Street
Sydney, NSW 2000
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Australia Square NSW 1215
Telephone: 61 2 9251 4600
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CORPORATE GOVERNANCE STATEMENT

New Corporate Governance Principles and Recommendations (2nd Edition) were released in August 2007 by ASX Corporate Governance Council which, in conjunction with the ASX Listing Rules and the Corporations Act (Cth) 2001, require companies to disclose whether their corporate governance practices follow the ASX Principles.

A new Corporate Governance Statement reflecting the Company's new charters, policies and initiatives as at 22 August 2007, which were formally adopted by the Board of Directors as from that date, are designed to meet, as far as practicable, the Corporate Governance Principles and Recommendations (2nd Edition) released in August 2007 by ASX Corporate Governance Council and they supersede any previous Corporate Governance Statements which were adopted by the Company.

The Company complies with The Corporate Governance Principles and Recommendations except in the following instances:

	Recommendation	**Reason for departure**
1.2	Performance evaluation process for senior Executives	Senior executives have been evaluated by the Managing Director and discussed at Board level on the basis of qualitative and quantitative key performance indicators.
2.4	The Board should establish a nomination committee	Considering the size, composition and skill set of the Board and the Company, during the year under review, the Company does not propose to have a Nomination Committee. The full Board performed the functions of the Nomination Committee, which are detailed below.
4.2	Audit committee to consist only of Non-Executive Directors	Michael Bogue, an Executive Director is a member of the committee. Considering the size, composition and skill set of the Board, at present, this composition of the committee is considered appropriate by the Board. As the Company appoints more Non-Executive Directors, the Board will consider reconstituting the committee to comply with the ASX recommendations.
6.1	Electronic communication with investors	The Company does not currently communicate information updates to investors by way of email as it is cost prohibitive at this stage.
8.1	Remuneration committee to consist only of at least three members.	The present requirement of the committee is that it consists of not less than two Directors. Considering the size, composition and skill set of the Board, at present, this composition of the committee is considered appropriate by the Board. As the Company appoints more Non-Executive Directors, the Board will consider reconstituting the committee to comply with the ASX recommendations.

The Principles and Recommendations will be periodically re-examined by the Board to ensure that they continue to be applied and that the Company continues to reflect sound business practice. The Board reserves the right to amend or update these charters, codes and policies at its discretion.

BOARD CHARTER – THE ROLES OF THE BOARD AND MANAGEMENT

The Board is responsible for protecting the rights and interests of shareholders and for the overall corporate governance of the Company. It oversees and guides the management of the Company to protect and enhance the interests of shareholders, and also ensures that the interests of other stakeholders, such as clients, employees and suppliers and the community as a whole, are taken into account.

As a general principle it is management's role and responsibility to formulate strategy and business initiatives and for the Board of Directors to ratify same. It is also management's role and responsibility to ensure the performance of the Company in its day to day business activities and in its pursuit of corporate strategy and business initiatives and for the Board of Directors to monitor management's performance in this regard.

The full Board aims to conduct at least quarterly meetings, plus special purpose meetings on strategy, budget review and approval, review and adoption of reports, or other matters that require more time than a scheduled Board meeting normally permits.

Board papers are prepared and circulated in advance of scheduled meetings, based on an agenda prepared by the Executive group in consultation with the Chairman. The Executive group currently comprises the Managing Director and Chief Executive Officer.

Board Responsibilities

The Board of the Company and individual Directors are responsible for:

- Establishing the vision, mission, and Code of Conduct and ethical standards of the Company.
- Oversight of the activities of the Company, setting its strategic direction and agreeing any Key Performance Indicators (KPIs).
- Monitoring the performance of management against the strategic goals.
- Approving the Corporate Strategy, budget and corporate policies.
- Any crisis management if required.
- Appointment and removal of the Managing Director and Chief Executive Officer, other Executive Directors and the Company Secretary together with planning for succession to these positions.
- Selection of Non-Executive Directors and the monitoring of performance of individual Directors.
- Ensuring that a balance of authority is maintained so that no single individual has unfettered powers.
- Disclosing the division of responsibility and regulating the balance of responsibility.
- Management of the remuneration and reward systems and structures for Executive management and staff.
- Final level review and approval of strategic and operating plans, together with financial and operational performance objectives.
- Approval of reporting systems and monitoring of overall performance and progress against approved financial and other objectives.
- Reviewing and monitoring to ensure the effective use of systems for internal and supervisory control, risk management and protection of assets, capital value and legal compliance.
- Setting the standards for public and social accountability.

- Approval and monitoring of major non-operating activities including capital investment, acquisitions, divestitures and corporate transactions.
- Ensuring the availability of sufficient resources to meet the approved objectives of the Company.
- Monitoring and cooperating with the Company's external auditors, ensuring that the capital markets are kept informed of all relevant and material matters and ensuring effective communications with shareholders.

The Board issues formal letters of appointment to all Directors which set out the key terms and conditions of appointment.

Because both the size of the Company and the Board do not, in the opinion of the Directors, warrant the establishment of a separate Nomination Committee, these tasks are undertaken by the full Board in special meetings or sessions. A summary of these activities is as follows:

- Assessing the competencies required by the Board as a whole and by individual Directors in the context of the current Board structure.
- Developing and reviewing any succession plans for the appointment of additional or replacement Directors given changes in the nature of the Company and its businesses, retirement of current incumbents or the necessity to acquire additional skills for the Board.
- Ensuring optimal arrangements are in place for Executives nominated as successors.
- Ensuring that the Chairman assesses the performance of each individual Director and conducts a discussion of each Director's performance with that Director at least once per annum.
- Ensuring that, at least once per annum, two Directors evaluate the performance of the Chairman and conduct a discussion with the Chairman regarding this performance evaluation.
- Undertaking the appointment of new Directors having regard to the current competency requirements of the Company and the desirable skills, qualifications, experience and domicile of potential new appointees.
- Ensuring the maintenance of an appropriate induction and ongoing information and education process for individual Directors.
- Reviewing the time necessary for Non-Executive Directors to fulfil their obligations and determining if these requirements are being met.
- Recommending the removal of Directors where required.

During the financial year no formal performance evaluation of each Director took place in accordance with the process outlined above due to the absolute focus on identifying and executing value adding transactions.

Board Composition

Membership of the Board is guided by the following principles:

- The number of Directors will be maintained at a level which will enable effective spreading of workload and efficient decision making;
- The Chairman of the Board shall be an independent Non-Executive Director and may not have served as an Executive officer of the Company;
- The Company should strive to have a majority of the Board as independent Non-Executive Directors;

CORPORATE GOVERNANCE STATEMENT - YEAR ENDED 30 JUNE 2010

- The Board should comprise Directors with a broad range of expertise, skills and experience from a diverse range of backgrounds; and

- The same individual may not hold the roles of Chairman and Chief Executive Officer.

It is the approach and attitude of each Non-Executive Director which is critical to determining independence and this must be considered in relation to each Director while taking into account all other relevant factors which may include whether the Non-Executive Director:

- holds less than five percent of the voting shares of the Company (in conjunction with their associates) and is not an officer of the Company, or otherwise associated directly with a shareholder of more than five percent of the voting shares of the Company;

- within the last three years been employed in an Executive capacity by the Company or another Group member, or been a Director after ceasing to hold any such employment;

- within the last three years has been a principal of a material professional adviser or a material consultant to the Company or another Group member, or an employee materially associated with the service provided. In this context, the relationship with the professional adviser or consultant shall be deemed to be material if payments from the Company exceed 10% of the Company's annual expenditure to all professionals and consultants or exceed 10% of the recipient's annual revenue for advisory or consultancy services;

- is a material supplier or customer of the Company or another Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer. In this context, the relationship with the supplier or customer shall be deemed to be material if annual payments to or from that supplier or customer exceed 10% of the annual consolidated gross revenue of either the Company or that supplier or customer; and

- has a material contractual relationship with the Company or other Group member other than as a Director of the Company.

OTHER BOARD POLICIES

The Company has adopted other Board policies covering:

- Appointment and Re-election of Board Members;
- Director Independence;
- Meetings of the Board;
- Nomination and Appointment of New Directors;
- Board Access to Information and Independent Advice; and
- Board Committees including both Remuneration and Audit Committees.

A summary of the skills, experience and expertise relevant to the position of director and period of office for each Director is outlined in the Directors' Report.

Mr Pieter W. Greeff and Mr Malcolm C. Hancock are both considered by the Board to be independent directors.

Each Director may, with the prior written approval of the Chairman, obtain independent professional advice to assist the Director in the proper exercise of powers and discharge of duties as a director or as a member of a Board Committee. The Company will reimburse the director for the reasonable expense of obtaining that advice.

CODE OF CONDUCT AND ETHICAL BEHAVIOUR

The Company has established and documented the standards of ethical behaviour expected of its Directors, management, employees and contractors. The Code of Ethics is a practical set of principles giving direction and reflecting an open and ethical approach to business conduct. The Code supports the Company's long-term goals, as adherence will demonstrate integrity and will create loyalty and trust in employees, clients, the community and other stakeholders.

The Code aims to ensure that the Company, through its officers, employees and agents, acts with high standards of honesty, integrity, fairness and equity. The Company Staff will not knowingly participate in any illegal or unethical activity. They will not enter into any arrangement or participate in any activity that would conflict with the interests of the Company or prejudice the performance of their duties to the Company. The Board and management of the Company will actively promote compliance with all relevant laws and regulations, together with the Code.

STATEMENT OF COMMITMENT TO CODE

The Company has established and documented the standards of ethical behaviour expected of its Directors, management, employees and contractors in all aspects of conducting business with the Company. The Code is not intended to be a set of prescriptive rules but a practical set of principles giving direction and reflecting an approach to business conduct, which is open and ethical. By complying with the Code it is anticipated that the Company's long-term goals will be achieved, as adherence will demonstrate integrity and will create loyalty and trust in employees, clients, the community and other stakeholders.

The objective of the Code is to ensure the maintenance of high standards of corporate and individual behaviour by all the Company Directors, officers, employees, consultants and contractors ("the Company Staff") in all matters related to the Company.

Individuals are aware of their responsibilities regarding ethics and business conduct.

All individuals and organisations dealing with the Company are aware of the stated values and policies of the Company.

CODE COMPLIANCE

The Company Staff and others subject to the Code shall be required to adhere to its provisions under the terms of each agreement creating and governing their relationship with the Company. Individuals are intended to adhere to the Code both in letter and in spirit. Adherence to the Code is a term of employment or engagement with the Company. Violation of the Code by any individual, or unethical behaviour which may affect the reputation of the Company, may be subject to disciplinary action including termination of the relationship with the Company.

ETHICAL BEHAVIOUR PRINCIPLES

The Company, through its officers, employees and agents must act with high standards of honesty, integrity, fairness and equity in all aspects of their activities with the Company. They must comply fully with the content and spirit of all laws and regulations, which govern the operation of the Company, its business environment, and its employment practices.

The Company Staff will not knowingly participate in any illegal or unethical activity. They will not enter into any arrangement or participate in any activity that would conflict with the interests of the Company or prejudice the performance of their duties to the Company.

The Code of Conduct and Ethical Behaviour covers the following areas:

- Responsibilities to Shareholders and the Investment Community
- Care and Diligence in the performance of business activities
- Conflicts of Interest
- Opportunities to compete with the Company
- Confidentiality
- Media Relations
- Employment Practices

- Fair Dealing in business conduct with all stakeholders
- Use of Company Assets
- Gifts and Entertainment
- Corporate Social Responsibility
- Social Responsibility
- Employees and work/life balance

The Board and management of the Company will actively promote compliance with all relevant laws and regulations.

SHARE TRADING POLICY

The Company's Share Trading Policy prohibits the buying or selling of Company securities at any time by any Director, officer, Executive, contractor, consultant or employee ("Insiders") who possesses price-sensitive information about the Company, which is not available to investors and the stock market generally. This prohibition applies regardless of how the person learns of the information (e.g. even if the information is overheard in a social setting). This policy is intended to enhance investor confidence and help to minimise the suspicion of trading by Company Directors, Executive managers or employees who maybe in possession of price sensitive information which has not been publicly released.

As a broad principle, Insiders are not permitted to trade Company shares in the two (2) week period immediately prior to the release of and the three (3) business day period following the release of the Company's half yearly and annual results. Insiders are also not permitted to trade Company shares if in the possession of price-sensitive information at any time.

The Company Secretary is responsible for advising each Director and other Insiders on the trading window prohibitions arising above and around the dates of release of the Company's half yearly and annual results as applicable.

The Managing Director and Chief Executive Officer of the Company will monitor compliance with the Share Trading Policy and will report findings monthly to the Board including, as a minimum, details of all Directors' holding in Company securities on a monthly basis.

AUDIT COMMITTEE

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

The Board Audit Committee acts in accordance with its Charter. The primary role of the Committee is to assist the Board in fulfilling its responsibilities in relation to the Company's corporate governance objectives by fulfilment of its responsibilities relating to accounting and legal compliance by:

- Maintaining effective internal and supervisory control procedures.

- Identifying and managing business risks.

- Submitting and reviewing reports for Management, the Board and other external bodies.

- Ensuring the independence and effectiveness of the external auditor and, in particular, as related to the production of quarterly, half-yearly and annual reports to shareholders and to the ASX. In addition, the Committee reviews the nomination and performance of the auditor. Candidates for the position of external auditor of the Company must be able to demonstrate complete independence from the Company and an ability to maintain independence through the engagement period. Further, the external auditor must have arrangements in place for the rotation of the lead audit engagement auditor and the engagement quality control review partner within the statutory time frames.

- Overseeing compliance with relevant laws and regulations and in particular the Corporations Act and the Listing Rules.

- Ensuring the consistency and appropriateness of accounting policies and procedures and any amendments thereto.

- Adhering to ethical standards, and in particular conflict of interest matters and related party transactions.

The Board Audit Committee is comprised of three members of the Board, two of whom are Non-Executive Directors and all of whom have significant financial abilities. The members of the Audit Committee are:

Malcolm C. Hancock (Chairman)
Pieter W. Greeff
Michael J. Bogue

The qualifications of the above members of the Audit Committee and attendance at Audit Committee meetings are outlined in the Directors' Report.

The quorum necessary for the transaction of business shall be 2 members.

The Audit Committee has direct access to management and meets periodically with the external auditors to assess and review internal controls and matters relating to corporate governance, the truthful and accurate reporting of the Company's financial position.

Other Board members and other persons considered appropriate, for instance the external auditor or senior Executives, are invited to attend Audit Committee meetings as required.

Minutes of each meeting will be kept and will be included in the papers for the next Board Meeting.

The Audit Committee also conducts an annual review of its processes to ensure that it has carried out its functions in an effective manner.

The composition, operations and responsibilities of the Committee are consistent with Principle 4.

CONTINUOUS DISCLOSURE POLICY

The Corporations Act and the ASX Listing Rules require that material price sensitive information be released to the market immediately it becomes known, unless it falls within an exception to the rule.

The Board's policy is to comply with the letter and spirit of the relevant laws and regulations and to ensure that shareholders, and the markets generally, are informed of all material developments that impact on the Company, and that all disclosures made by the Company are clear, complete, objective and not misleading.

A detailed Disclosure Procedure exists to maintain the market integrity of the Company's shares listed on the Australian Securities Exchange Limited (ASX). It is proposed the Company establish written policies and procedures designed to manage the Company's compliance with its continuous disclosure obligations and to assign management accountability for compliance.

The Managing Director and Chief Executive Officer has ultimate authority and responsibility for approving market disclosure, which in practice is exercised in consultation with the Company Secretary. All releases, including relevant external briefing and presentation materials, will be made available on the Company website. The Company's continuous disclosure policy is proposed to be consistent with Principle 5.

Details of payments to Executives for the financial year ending 30 June 2010 year are disclosed in the 2010 Directors' Report. Core entitlements of any new Executives will be disclosed at the time when they are agreed as well as at the time the actual payment is made.

CORPORATE GOVERNANCE STATEMENT - YEAR ENDED 30 JUNE 2010

FINANCIAL DISCLOSURE

The Board has a primary responsibility to ensure that:

- The Company presents and publishes accounts, which present a true and fair view of its results and financial position.
- The accounting methods adopted are appropriate to the Company and consistently applied in accordance with relevant accounting standards and the applicable laws.
- The appointment and performance of the external auditor is appropriately monitored to ensure independence and the serving of the interests of shareholders.

DISCLOSURE PROCEDURE

The objective of the Disclosure Procedure is to ensure that:

- The disclosure requirements of the Corporations Act and the ASX Listing Rules are met;
- Individuals are aware of their responsibilities regarding the Company's disclosure obligations;
- Investors have an equal and timely access to material information to allow them to make informed decisions;
- Company Announcements are balanced, factual and negative as well as positive information is disclosed;
- Procedures are in place to monitor compliance.

COMMUNICATIONS WITH SHAREHOLDERS

The Company recognises its duty to inform shareholders of matters that may affect their investment in the Company. The Company will be open and transparent to all shareholders and other parties with an interest in the Company's performance, providing information in a timely, easily understandable and balanced way as follows:

- compliance to the ASX Listing Rules on disclosure;
- prompt appearance on the Company website of annual reports, market announcements, major press releases and the terms of reference of the Board Committees;
- at the AGM, shareholders are encouraged to ask questions of Board members or of the external auditor;
- notices and explanatory memoranda of AGMs or other general meetings of shareholders;
- special announcements or letters are forwarded to shareholders whenever there are major developments to report.

In addition, shareholders are encouraged to make their views known or to seek clarification on information available in the public arena by contacting the Company Secretary.

BUSINESS RISK MANAGEMENT

Due to the size and nature of operations of the Company, the Board does not believe that any marked efficiencies or enhancements would be achieved by the creation of a separate Risk Management Committee. The Audit Committee carries out the functions of a Risk Management Committee.

Due to the size and scale of operations of the Company, there is no separate internal audit function. The Directors presently carry out an internal audit to analyse and give an appraisal of the adequacy and effectiveness of the Company's risk management and internal control system. This internal audit is independent of the external auditor. The risk management and internal control system is reviewed by the Board at least annually.

The Board has received from the Managing Director and Chief Executive Officer and Chief Financial Officer (or equivalent):

- a report that the Company's risk management and internal control system is operating efficiently and effectively in all material respects in relation to material business risks; and.
- assurance that the statement given 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.

REMUNERATION COMMITTEE

The Board maintains remuneration policies aimed at attracting and retaining a motivated workforce and management team. The intention is to align the reward system to the performance of the Company, and ultimately to the long-term value received by our shareholders.

To facilitate this objective, a Remuneration Committee conducts its activities in accordance with a written charter that would be adopted by the Board and is reviewed on an annual basis. The composition, operation and responsibilities of the Committee are largely consistent with Principles 2 & 8.

The Remuneration Committee's purpose is:

- To review, approve and monitor remuneration policies and practices;
- To approve the remuneration package for the Managing Director & Chief Executive Officer and all Executive Directors;
- To make recommendations to the Board of Directors in relation to the remuneration of all Directors and to distinguish the structure of Non-Executive Director's remuneration from that of Executive Directors and senior Executives;
- To consult with the Managing Director and Chief Executive Officer in setting remuneration packages of any direct reports of the Managing Director and Chief Executive who are not Directors of the Company.

The members of the Remuneration Committee are:

Pieter W. Greeff (Chairman)
Malcolm C. Hancock

Attendance at Remuneration Committee meetings is outlined in the Directors' Report.

STRUCTURE AND PROCEDURES OF REMUNERATION COMMITTEE

The Committee shall consist of not less than two Directors of the Company, not more than one of whom shall be an Executive Director.

The Chairman of the Committee shall be an independent Director.

The membership of the Committee, and the Chairman of the Committee, shall be as determined by the Board from time to time.

Corporate Governance Statement - year ended 30 June 2010

At least one member of the Committee shall retire annually.

Any two members shall constitute a quorum and may validly conduct the business of the Committee.

The Committee shall meet as required.

The Chairman of the Committee shall provide a report to the next meeting of the Board of Directors following any meeting of the Committee, on the business of the Committee at that meeting.

At the discretion of the Chairman of the Committee, any relevant matters may be referred to a meeting of the Board of Directors for noting or decision.

Remuneration Committee Role, Powers and Duties

The Remuneration Committee of the Board shall:

- Make detailed recommendations to the Board on remuneration of, including granting of cash bonuses, share options or other equity based remuneration to, the Company's Managing Director and Chief Executive Officer and any Executive or Non-Executive Directors.

- Make recommendations to the Board in relation to the remuneration of Directors generally (both Non-Executive or Executive and the differences in nature between such roles).

- Exercise the powers of any future employee share, option and other equity based plans (Equity Plans), (but not to the exclusion of the Board or of any other person to whom any powers may be delegated).

- Approve the allotment and issue of shares, other securities that are convertible into shares or the grant of options over issued or unissued shares of the Company in connection with any of the above, **PROVIDED THAT**, where such securities are to be allotted, issued or granted for less than full consideration, the Committee must first be satisfied that:

    - The Company will receive or derive a benefit from allotting, issuing or granting those securities.

    - The primary purpose of allotting, issuing or granting those securities is to benefit the Company.

    - Any financial assistance to be provided by the Company in allotting, issuing or granting those securities will not materially prejudice the interests of the Company or its shareholders or the Company's ability to pay its creditors.

- Approve individual remuneration packages, short-term incentive allocations and proposed awards of shares or options to the Managing Director and Chief Executive Officer and to any Executive Directors subject to any shareholder approvals required.

- Receive and review periodic reports on management succession planning for Group Executive positions.

- Receive and review, a report on remuneration and benefits policy and practice as and when appropriate.

- Make recommendations to the full Board regarding rules for, and the effectiveness of, performance based remuneration packages including superannuation arrangements, equity participation schemes and options plans as and when appropriate.

CORPORATE GOVERNANCE STATEMENT - YEAR ENDED 30 JUNE 2010

GENERAL REMUNERATION POLICIES

Non-Executive Directors Remuneration

Non-Executive Directors' fees are paid within an aggregate limit, which is approved by the shareholders from time to time. Since 1 January 2009 each Non-Executive Director is paid fees of A$24,000 per annum and the Chairman receives an additional A$16,000 per annum. Prior to this date each Non-Executive Director was paid fees of A$30,000 per annum and the Chairman received an additional A$20,000 per annum.

Non-Executive Directors serve in accordance with a standard service contract, drafted by the Company's lawyers, which sets out remuneration arrangements. Retirement payments are agreed to be determined in accordance with the rules set out in the Corporations Act as at the time of the Director's retirement or termination.

Executive Remuneration

Senior Executives, including Executive Directors, are engaged under the terms of individual employment contracts. Such contracts are based upon standard terms drafted by the Company's lawyers.

Executive Directors do not receive any Directors' fees in addition to their employment salary and remuneration arrangements.

The monetary package is divided between a base salary and an incentive portion. Base salary is set to reflect the market salary for a position and individual of comparable responsibility and experience. Base salary is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally.

It is the policy of the Company to maintain a competitive salary structure to ensure continued availability of experienced and effective management and staff. The incentive portion is payable based upon attainment of objectives related to the Executive's job responsibilities. The objectives vary, but all are targeted to relate directly to the Company's business and financial performance and thus to shareholder value.

CASH BONUS, INCENTIVE, SHARE AND OPTION PLANS

Executive Directors may be eligible and entitled to participate in any cash bonus plans, share and option plans or other incentive plans approved by the Board from time to time. Any payment or other benefit to any Executive Directors as a result of participation in any such cash bonus, share, option or incentive plan shall be governed entirely by the rules of such plans as they may exist from time to time. Such payments or other benefits received by any Executive Directors shall be in addition to any other remuneration to which that Executive Director may be entitled.

Non-Executive Directors are ineligible to participate in any cash bonus plans, share and option plans or other incentive plans approved by the Board from time to time, unless approved by the Company's shareholders in general meeting.

Statement of Comprehensive Income
for the financial year ended 30 June 2010

	Note	Consolidated 2010 $	Consolidated 2009 $
Revenue from continuing operations	2	334,999	6,618
Other income		-	-
Finance costs - interest expense		(20,720)	(10,122)
Administration		(198,489)	(221,899)
Occupancy		(93,657)	(113,084)
Employee benefits expense	3	(733,495)	(1,198,346)
Depreciation and amortisation expenses	3	(6,138)	(8,993)
Share of profit/(loss) from equity accounted investees	28	101,814	(1,257,701)
Net losses on disposal of other financial assets	3	(85,234)	(494,179)
Unrealised losses on other financial assets	3	-	(8,153,864)
Loss before income tax expense		(700,920)	(11,451,570)
Income tax benefit	4	-	1,820,167
Loss from continuing operations		(700,920)	(9,631,403)
Other comprehensive income, net of tax		-	-
Total comprehensive income		(700,920)	(9,631,403)
Loss attributable to members of RIMCapital Limited		(700,920)	(9,631,403)
Total comprehensive income attributable to members of RIMCapital Limited	15	(700,920)	(9,631,403)
		Cents	**Cents**
Basic earnings per share	25	**(0.773)**	**(10.879)**
Diluted earnings per share	25	**(0.773)**	**(10.879)**

The accompanying notes form part of these financial statements.

Statement of Financial Position
as at 30 June 2010

	Note	Consolidated 2010 $	2009 $
Current assets			
Cash and cash equivalents	5	344,185	102,599
Trade and other receivables	6	6,385	6,094
Other financial assets at fair value through profit or loss	7	-	1,494,866
Total current assets		350,570	1,603,559
Non-current assets			
Investments accounted for using the equity method	8	1,493,440	1,391,626
Property, plant and equipment	9	29,234	35,372
Exploration assets	10	64,578	61,518
Total non-current assets		1,587,252	1,488,516
TOTAL ASSETS		**1,937,822**	**3,092,075**
Current liabilities			
Trade and other payables	11	63,921	81,462
Current tax liabilities	4.4	23,777	363,057
Employee benefits	12	60,009	55,060
Borrowings	13	-	300,000
Total current liabilities		147,707	799,579
Non-current liabilities			
Employee benefits	12	6,521	5,606
Total non-current liabilities		6,521	5,606
TOTAL LIABILITIES		**154,228**	**805,185**
NET ASSETS		**1,783,594**	**2,286,890**
Equity			
Contributed equity	14	14,554,530	14,554,530
Reserves	15.1	1,408,618	1,210,994
Accumulated losses	15.2	(14,179,554)	(13,478,634)
TOTAL EQUITY		**1,783,594**	**2,286,890**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
for the financial year ended 30 June 2010

	Note	Consolidated Contributed Equity $	Reserves $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2008		14,461,788	850,428	(3,847,231)	11,464,985
Total comprehensive income for the year	15.2	-	-	(9,631,403)	(9,631,403)
		14,461,788	850,428	(13,478,634)	1,833,582
Transactions with owners in their capacity as owners					
Ordinary share issue – proceeds received	14	122,999	-	-	122,999
Transaction costs arising from share issue	14	(30,257)	-	-	(30,257)
Employee share options	15.1	-	360,566	-	360,566
Balance as at 30 June 2009		14,554,530	1,210,994	(13,478,634)	2,286,890
Total comprehensive income for the year	15.2	-	-	(700,920)	(700,920)
		14,554,530	1,210,994	(14,179,554)	1,585,970
Transactions with owners in their capacity as owners					
Employee share options	15.1	-	197,624	-	197,624
BALANCE AS AT 30 JUNE 2010		14,554,530	1,408,618	(14,179,554)	1,783,594

The accompanying notes form part of these financial statements.

Statement of Cash Flows
for the year ended 30 June 2010

	Note	Consolidated 2010 $	2009 $
Cash flows from operating activities			
Receipts from customers		165,000	-
Payments to suppliers, employees and creditors (inclusive of GST)		(873,206)	(1,182,013)
Interest received		2,011	5,329
Dividends received		1,209	-
Income taxes paid		(360,000)	(70,000)
Net cash outflows from operating activities	23	(1,064,986)	(1,246,684)
Cash flows from investing activities			
Payments for property, plant and equipment and exploration assets		(3,060)	(54,223)
Payments for investments		(1,955,131)	(959,665)
Proceeds from sale of investments		3,364,763	1,226,567
Loan from associate		(100,000)	300,000
Net cash inflows from investing activities		1,306,572	512,679
Cash flows from financing activities			
Ordinary share issue – proceeds received		-	122,999
Transaction costs arising from share issue		-	(20,003)
Net cash inflows from financing activities		-	102,996
Net increase/(decrease) in cash held		241,586	(631,009)
Cash and cash equivalents at 1 July		102,599	733,608
Cash at 30 June	5	344,185	102,599

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

1.1 Basis of Preparation

The principal accounting policies adopted in the preparation of this financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

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

The financial report has also been prepared on a historical costs basis, except for financial assets at fair value through profit or loss.

1.2 Basis of consolidation

1.2.1 Subsidiaries

The consolidated financial statements comprise the financial statements of RIMCapital Limited and its subsidiary at 30 June each year ("the Group"). Subsidiaries are entities over which the Group has the power to govern the financial and operational policies generally accompanying a shareholding of more than one half of the voting rights. Potential voting rights that are currently exercisable or convertible are considered when assessing control. Consolidated financial statements include all subsidiaries from the date that control commences until the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. Unrealised losses are also eliminated unless costs cannot be recovered.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income and statement of financial position respectively.

Subsidiaries are accounted for in the parent entity at cost.

1.2.2 Associates

Associates are all entities over which the Group has significant influence but not control. Associates are accounted for in the parent entity at cost and the consolidated financial statements using the equity method of accounting. Under the equity method of accounting, the consolidated statement of comprehensive income reflects the Group's share of associates' post acquisition movements in reserves or equity. The cumulative post-acquisition movements are adjusted against the carrying amount in the investment. Dividends received from associates are recognised in the parent entity's statement of comprehensive income but rather reduce the carrying amount of the investment in the consolidated financial statements.

When the Group's share of post acquisition losses in an associate exceeds its interest in the associate (including any unsecured receivables), the Group does not recognise further losses unless it has obligations to, or has made payments, on behalf of the associate.

The financial statements of the associate are used to apply the equity method. The reporting dates of the associate and the parent are identical and both use consistent accounting policies.

1.3 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is RIMCapital Limited's functional and presentation currency.

1.4 Receivables

Trade debtors are recognised for the major business activities as follows:

- all trade debtors are recognised at the amounts receivable, as they are due for settlement no more than 30 days from the date of recognition.
- income receivable on financing and investment activities is accrued in accordance with the terms and conditions of the underlying financial instrument.
- collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where there is some doubt over collection.

1.5 Revenue recognition

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

- interest revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.
- revenue from dividends is recognised when the group's right to receive payment is established.

1.6 Income taxes

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets are recognised for all differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

RIMCapital Limited and its wholly owned subsidiary have implemented the tax consolidation legislation for the whole of the financial year. RIMCapital Limited is the head entity in the tax consolidation group.

Notes to the financial statements - year ended 30 June 2010

1.7 Impairment of assets

At each reporting date the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the statement of comprehensive income where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

Where it is not possible to estimate the recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

1.8 Property, plant and equipment

All property, plant and equipment is shown at cost less accumulated depreciation and amortisation which is spread over the estimated life of those assets. The estimated useful lives are as follows:

Plant and equipment, and leasehold improvements	2– 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount (Note 1.7). Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

1.9 Exploration and evaluation expenditure

Expenditure on acquisition, exploration and evaluation relating to an area of interest is carried forward where rights to tenure of the area of interest are current and;

i) it is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale and/or;
ii) exploration and evaluation activities are continuing in an area of interest but at balance date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Where the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised "mine properties in development". Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

If facts and circumstances suggest that the carrying amount of any recognised exploration and evaluation assets may be impaired, the entity must perform impairment tests on those assets in accordance with AASB 136 "Impairment of Assets'. Impairment of exploration and evaluation assets is to be assessed at a cash generating unit or group of cash generating units level provided this is no larger than an area of interest. Any impairment loss is to be recognised as an expense in accordance with AASB 136. Accumulated costs in relation to an abandoned area are written off to the income statement in the period in which the decision to abandon the area is made.

1.10 Cash and cash equivalents

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

1.11 INVESTMENTS AND OTHER FINANCIAL ASSETS

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

1.11.1 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months of the balance sheet date.

Financial assets at fair value through profit or loss are carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value are included in the statement of comprehensive income in the period in which they arise (refer Note 3).

The fair value of investments traded in active markets is determined by reference to quoted market bid prices at balance date. The fair value of investments not traded in an active market is determined using valuation techniques including reference to recent arm’s length transactions, net asset backing and current market value of another similar instrument.

1.11.2 LOANS AND RECEIVABLES

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than twelve months after balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

Receivables are stated at their cost less impairment losses.

1.11.3 HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturities that the Group’s management has the positive intention and ability to hold to maturity.

1.11.4 AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available for sale financial assets, comprising principally marketable equity securities, are non derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months.

Available-for-sale financial assets are carried at fair value. Unrealised gains and losses arising from changes in fair value are recognised in equity. When sold the accumulated fair value adjustments are included in the statement of comprehensive income as gains and losses from investment securities.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2010

1.12 BORROWINGS

Borrowings are initially recognised at fair value, net of transactions costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

1.13 EARNINGS PER SHARE

1.13.1 *BASIC EARNINGS PER SHARE*

Basic earnings per share is determined by dividing the net result attributable to members of RIMCapital Limited by the weighted average number of ordinary shares outstanding during the financial year.

1.13.2 *DILUTED EARNINGS PER SHARE*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

1.14 EMPLOYEE BENEFITS

1.14.1 *ACCUMULATION SUPERANNUATION FUNDS*

Obligations for contributions to accumulation superannuation funds are recognised as an expense in profit or loss when they are due.

1.14.2 *SHORT-TERM BENEFITS*

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the consolidated entity as the benefits are taken by the employees.

1.14.3 *LONG SERVICE LEAVE*

The liability for long service leave is recognised as an employee benefit and measured as the present value of expected payments to be made in respect of services provided by employees up to the reporting date.

1.14.4 *SHARE BASED PAYMENT BENEFITS*

Share based compensation benefits are provided to employees via the Managing Director & Chief Executive Officer Share Option Plan and the Employee and Executive Share Option Plan. Information relating to these Plans is set out in the Directors' Report and Note 26.

The fair value of options granted under the Plans is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (e.g. profitability or transaction specific targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of comprehensive income with a corresponding adjustment to equity.

1.15 LEASE PAYMENTS

Leases where the lessor retains substantially all the risks and rewards of ownership of the net asset are classified as operating leases. Payments under operating leases (net of incentives received from the lessor) are charges to the statement of comprehensive income on a straight line basis over the period of the lease.

1.16 TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Group prior to year end and which are unpaid. These amounts are unsecured and have 30 – 60 day payment terms.

1.17 GOODS AND SERVICES TAX

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

1.18 CONTRIBUTED EQUITY

Ordinary shares are classified as equity.

Costs attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

1.19 FAIR VALUE

Fair values may be used for financial asset and liability measurement as well as for sundry disclosures.

Fair values for quoted financial instruments traded in active markets are based on quoted market prices at the date of the statement of financial position. The quoted market price for financial assets is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

1.20 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

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

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

  AASB 9 simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value. AASB 9 also simplifies requirements for embedded derivatives and removes the tainting rules associated with held to maturity assets. For financial instruments carried at amortised cost, there will no longer be a need to separate fair value embedded derivatives. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. Also, if financial assets need to be sold, it no longer harms their classification. In relation to investment in equity instruments all investments in equity instruments are to be measured at fair value. AASB 9 also provides an opportunity to fair value those investments to other comprehensive income, with no separate impairment test, whilst taking dividends to income. Entities will be required to reclassify their financial assets when there is a change in the entity's business model, which is expected to occur only rarely. The Group will apply the amended standards from 1 July 2013. The amendments are not expected to have a significant impact on the financial statements.

- *AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (effective 1 January 2010)*

  The amendments in this interpretation result in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Group's 30 June 2011 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 (effective 1 January 2010)*

  The amendments clarify the scope of AASB 2 by requiring an entity that receives goods or services in a share-based payment arrangement to account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. The amendments, which become mandatory for the Group's 30 June 2011 financial statements are not expected to have a significant impact on the financial statements. The Group will apply the amended standards from 1 July 2010.

- *AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139] (effective 1 July 2010)*

  AASB 2010-3 makes amendments to a number of Standards. In AASB 3 it clarifies the measurement of non-controlling interests, un-replaced and voluntarily replaced share-based payment awards. In AASB 3, 7, 132 & 139 it amends the transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised AASB 3 (2008). In AASB 121,128 & 131 it amends the transition requirements arising as a result of AASB 127 Consolidated and Separate Financial Statements. The amendments, which become mandatory for the Group's 30 June 2011 financial statements are not expected to have a significant impact on the financial statements.

- *AASB Interpretation 1039 Substantive Enactment of Major Tax Bills in Australia (effective 1 January 2011)*

  Interpretation 1039 requires that a tax Bill, to the extent that it is relevant to the entity, shall be taken into account in the recognition and measurement of deferred tax assets and liabilities when and only when the Bill has been enacted or substantively enacted prior to the end of the reporting period. The amendments are unlikely to impact the Group's current accounting policies. The Group will apply the amended standards from 1 July 2011.

1.21 USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The only area involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, is in relation to share based payments (Note 26).

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2010

	Consolidated 2010 $	2009 $
2. REVENUE		
From continuing operations		
Interest	1,972	6,618
Dividends	1,209	-
Service fees	331,818	-
	334,999	6,618
3. EXPENSES		
Depreciation of property, plant and equipment	6,138	8,993
Employee benefits expense		
Salaries and wages and other employee expenses	457,797	734,198
Share based payment expense	197,624	360,566
Contributions to accumulation superannuation funds	72,210	101,308
Provision for employee benefits	5,864	2,274
	733,495	1,198,346
Rental expense relating to operating leases		
Minimum lease payments	84,500	96,831
Other financial asset losses		
Net losses on other financial assets	85,234	491,179
Unrealised losses on other financial assets	-	8,153,864
	85,234	8,648,043

4. INCOME TAX BENEFIT

	Consolidated 2010 $	2009 $
4.1 INCOME TAX BENEFIT		
Current tax	-	-
Deferred tax	-	(1,820,167)
Under provided in prior years	-	-
Income tax benefit attributable to (loss) from continuing operations	-	(1,820,167)
Deferred income tax benefit included in income tax expense comprises:		
(Decrease) in deferred tax liabilities	-	(1,820,167)
4.2 NUMERICAL RECONCILIATION OF INCOME TAX BENEFIT TO PRIMA FACIE TAX PAYABLE		
(Loss) from ordinary activities before income tax expense	(700,920)	(11,451,570)
Income tax benefit calculated at 30% (2009 – 30%)	(210,276)	(3,435,471)
Tax effect of permanent differences:		
Other non-deductible items	30,175	1,114,947
Income tax adjusted for permanent differences	(180,101)	(2,320,524)
Under provision in prior years	-	-
Tax effect of losses not recognised	180,101	500,357
Income tax expense	-	(1,820,167)
4.3 TAX LOSSES		
Unused revenue losses for which no deferred tax asset has been recognised	1,684,664	1,174,109
Unused capital losses for which no deferred tax asset has been recognised	579,413	493,746
	2,264,077	1,667,855
Potential tax benefit at the Australian tax rate of 30% (2009: 30%)	679,223	500,357

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2010

	Consolidated	
	2010	2009
	$	$
4.4 CURRENT TAX LIABILITY		
Opening balance at 1 July	363,057	422,935
Under provision for prior year	-	-
Current year tax payable	-	-
Income tax paid	(360,000)	(70,000)
Interest charged	20,720	10,122
Closing balance 30 June	23,777	363,057
4.5 FRANKING CREDITS		
Franking credits available for subsequent financial years based on a tax rate of 30% (2009 - 30%)	493,155	493,155

The franking account is stated on a tax paid basis. The balance comprises the franking account at year end adjusted for:

(a) Franking credits that will arise from the payment of the amount of the provision for income tax;
(b) Franking debits that will arise from the payment of dividends recognised as a liability at year end; and
(c) Franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient profits to declare dividends.

	Consolidated 2010 $	Consolidated 2009 $
5. CASH AND CASH EQUIVALENTS		
Current		
Cash at bank and on hand	303,084	63,476
Deposits at call	41,101	39,123
	344,185	102,599
Cash at bank and in hand is non-interest bearing. Deposits at call bear floating interest rates between 4.5% and 5.8%. These deposits have an average maturity of 6 months.		
6. TRADE AND OTHER RECEIVABLES		
Current		
Other debtors	6,385	6,094
7. OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Current		
Shares in companies listed on a prescribed stock exchange	-	1,494,866
8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
Non-current		
Associate company – CRMSC (Australia) Pty Limited (Note 28)	1,493,440	1,391,626
9. PROPERTY, PLANT & EQUIPMENT		
Non-current		
Plant and equipment & furniture – at cost	167,035	167,035
Less accumulated depreciation	(137,801)	(131,663)
	29,234	35,372

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2010

	Consolidated 2010 $	2009 $
Plant and equipment & furniture		
Carrying value at 1 July	35,372	44,365
Additions	-	-
Disposals	-	-
Depreciation	(6,138)	(8,993)
Carrying value at 30 June	29,234	35,372

10. EXPLORATION ASSETS

	2010 $	2009 $
Non-current		
Exploration Assets - at cost	64,578	61,518
Exploration Assets		
Carrying value at 1 July	61,518	-
Additions	3,060	61,518
Disposals	-	-
Carrying value at 30 June	64,578	61,518

11. TRADE AND OTHER PAYABLES

	2010 $	2009 $
Current		
Trade creditors	40,080	55,690
Other creditors	23,841	25,772
	63,921	81,462

12. EMPLOYEE BENEFITS

	2010 $	2009 $
Current		
Liability for annual leave	60,009	55,060
Non-current		
Liability for long service leave	6,521	5,606

13. BORROWINGS

	2010 $	2009 $
Current		
Loan from associate company (Note 28)	-	300,000

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2010

	Consolidated		Consolidated	
	2010 No.	2009 No.	2010 $	2009 $
14. CONTRIBUTED EQUITY				
Share Capital				
Ordinary shares	90,710,667	90,710,667	14,554,530	14,554,530
Movements in share capital				
Opening balance 1 July	90,710,667	87,967,815	14,554,530	14,461,788
Option conversion – 15 April 2009 at 6.5c per share	-	900,000	-	58,500
Share purchase plan issue – 12 June 2009 at 3.5c per share	-	1,842,852	-	64,499
Transaction costs arising from share issue	-	-	-	(30,257)
Closing balance 30 June	90,710,667	90,710,667	14,554,530	14,554,530

The funds of all issues were used for general working capital purposes.

Options

Information relating to the Managing Director & Chief Executive Officer Share Option Plan ("MDSOP") and the Employee and Executive Share Option Plan ("EESOP") including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year are set out in Note 26.

Capital Risk Management

The Group's objective in managing capital is to provide shareholders with capital growth over the medium to long term and, over time, the provision of a return to shareholders through the payment of fully franked dividends.

At balance date the Group's only external borrowing was $Nil (2009: 300,000) from its associate company, CRMSC (Australia) Pty Limited. That borrowing was unsecured, interest free and at call.

The Board recognises that, in order to continue to pursue its corporate strategy of becoming a significant mining and investment company, in the future new equity issuances or scrip based acquisitions are highly likely be a part of its capital management strategy.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2010

	Consolidated 2010 $	2009 $
15. RESERVES AND ACCUMULATED LOSSES		
15.1 SHARE BASED PAYMENTS RESERVE		
Balance at 1 July	1,210,994	850,428
Share based payments recognised in respect of options granted	197,624	360,566
Balance at 30 June	1,408,618	1,210,994
15.2 ACCUMULATED LOSSES		
Accumulated losses at 1 July	(13,478,634)	(3,847,231)
Net (loss) attributable to members of RIMCapital Limited	(700,920)	(9,631,403)
Accumulated losses at 30 June	(14,179,554)	(13,478,634)

15.3 NATURE AND PURPOSE OF RESERVES

SHARE BASED PAYMENTS RESERVE

The share based payments reserve is used to recognise the fair value of options issued to Directors and employees but not exercised.

	2010 $	2009 $
16. PARENT ENTITY INFORMATION		
Current assets	349,318	1,603,238
Total asset	1,470,724	2,696,811
Current liabilities	149,089	792,652
Total liabilities	155,610	798,258
Shareholders equity		
Issued Capital	14,554,530	14,554,530
Reserves	1,408,618	1,210,994
Retained earnings	(14,648,034)	(13,866,971)
	1,315,114	1,898,553
Profit/(Loss)	(781,063)	(8,865,213)
Other comprehensive income	-	-
Total comprehensive income/(loss)	(781,063)	(8,865,213)

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2010

17. INVESTMENT IN SUBSIDIARIES

Name of Subsidiary	Country of incorporation	Class of shares	Equity holding		Cost of parent entity's investment	
			2010 %	2009 %	2010 %	2009 %
RMC Iron Pty Limited	Australia	Ordinary	100	100	1	1

RMC Iron Pty Limited was incorporated on 14 November 2007 as a wholly owned subsidiary of RIMCapital Limited.

Details of transactions with subsidiaries are set out in Note 21.

	Consolidated 2010 $	Consolidated 2009 $
18. REMUNERATION OF AUDITORS		
Amounts received, or due and receivable by:		
The current auditor of the parent entity (Nexia Court & Co – Australian Firm)		
- for auditing and reviewing the financial reports of the entity or any entity in the consolidated entity	42,102	27,593
- for tax services	-	1,052

19. CONTINGENT LIABILITIES

The Company has lodged a $17,560 deposit (2009 – $17,560) as security for performance guarantees in relation to a lease of premises.

20. COMMITMENTS FOR EXPENDITURE

	Consolidated 2010 $	Consolidated 2009 $
Operating lease commitments		
Future operating lease commitments contracted for at balance date but not provided for in the financial statements		
- Payable within one year	79,013	75,243
- Payable later than one year but not later than 2 years	47,018	75,243
- Payable between 2 and 5 years	-	43,892
Total operating lease liability	126,031	194,378
Representing non-cancellable operating leases	126,031	194,378

Notes to the financial statements - year ended 30 June 2010

	Consolidated 2010 $	2009 $
Exploration lease commitments		
Future exploration expenditure commitments contracted for at balance date but not provided for in the financial statements		
- Payable within one year	70,000	28,482
- Payable later than one year but not later than 2 years	70,000	70,000
- Payable between 2 and 5 years	210,000	210,000
Total exploration expenditure liability	350,000	308,482
Representing non-cancellable liabilities	70,000	28,482

21. KEY MANAGEMENT PERSONNEL AND RELATED PARTY INFORMATION

21.1 Directors

The names of persons who were Directors of RIMCapital Limited at any time during the year ended 30 June 2010 are:

- Pieter W. Greeff — Non- Executive Chairman (appointed 1 August 2007 and continuing)
- Michael J. Bogue — Managing Director and Chief Executive Officer (appointed 4 September 2006 and continuing)
- Malcolm C. Hancock — Non- Executive Director (appointed 11 September 2007 and continuing)

21.2 Other Key Management Personnel

The following person also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly during the financial year:

James Li – Executive General Manager – Asia — Employed by RIMCapital Limited and CRMSC (Australia) Pty Limited, an associate company which is equity accounted for in the consolidated accounts

The above person was also a key management person during the year ended 30 June 2009.

21.3 Key Management Personnel Remuneration

	Consolidated 2010 $	2009 $
Short term employee benefits	484,000	599,950
Post- employment benefits	76,260	89,905
Share based payments	188,916	349,362
	749,176	1,039,217

Details of Directors' and key personnel remuneration are set out in the Remuneration Report in the Directors' Report.

Notes to the financial statements - year ended 30 June 2010

21.4 Equity Instruments

The movement during the reporting period in the number of ordinary shares and options of RIMCapital Limited held directly, indirectly or beneficially, by each Director or key management personnel, including their personally-related entities is as follows:

	Held at 1 July 2009	Acquired	Disposed	Held at 30 June 2010
Shares				
Pieter W. Greeff	342,857	-	-	342,857
Michael J. Bogue	7,314,349	-	-	7,314,349
Malcolm C. Hancock	282,857	-	-	282,857
James Li	598,857	-	-	598,857
Options				
Michael J. Bogue	12,295,172	-	-	12,295,172
James Li	1,950,000	-	-	1,950,000

On August 1, 2007 the Company issued an aggregate 13,195,172 options to Mr Michael J. Bogue pursuant to the terms of the Managing Director and Chief Executive Officer Share Option Plan approved by shareholders in general meeting on 11 July 2007. Approval for the issue of these options was obtained under Australian Securities Exchange Listing Rule 10.14. On the same day the Company also issued an aggregate 2,000,000 options to Group Company employees (including 1,200,000 to Mr James Li) pursuant to the terms of the Employee and Executive Share Option Plan approved by shareholders in general meeting on 11 July 2007.

On November 3, 2008 the Company issued an additional 1,150,000 options to Group Company employees (including 750,000 to Mr James Li) pursuant to the EESOP. Since the original issue of the EESOP options to the date of this report a total of 850,000 EESOP options have been forfeited.

The terms of these options are set out in the Directors' Report and Note 26.

On September 2, 2010 the Company cancelled 4,500,000 options to Mr Michael J. Bogue pursuant to the terms of the MDSOP and at the request of Mr Bogue.

21.5 Other Transactions with Key Management Personnel

There were no other transactions with key management personnel, or their personally-related entities.

21.6 Transactions with Subsidiaries

Details of subsidiaries are set out in Note 17.

- the Company had loan transactions with and provided accounting and administrative assistance to a subsidiary during the year ended 30 June 2010.
- transactions by the Company with the subsidiary consist of the transfer of funds amongst the entities for day-to-day operations, financing, loan advances and repayments. All dealings with the subsidiary are on commercial terms and conditions, except loans, which are made to those entities free of interest. Loans to the subsidiary are also unsecured and there is no fixed date for repayment.

Transactions by the Company with subsidiaries were:

	2010 $	2009 $
Net movement in amount due from subsidiaries	33,980	58,191

21.7 **TRANSACTIONS WITH ASSOCIATES**

Details of associates are set out in Note 28

- the Company had a loan transaction with an associate company during the year ended 30 June 2010. This loan was provided to the Company on an unsecured, at call and interest free basis.

Transactions by the Company with the associate were:

	2010 $	2009 $
Net movement in amount due to associates	(300,000)	300,000

22. SEGMENT INFORMATION

The consolidated entity consists of one business segment operating predominately in Australia and investing in Australian publicly listed and non-listed companies associated with the global natural resources, infrastructure and related sectors.

23. RECONCILIATION OF LOSS FROM CONTINUING OPERATIONS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Consolidated	
	2010 $	**2009 $**
Loss from continuing operations	(700,920)	(9,631,403)
Depreciation	6,138	8,993
Share of (profit)/loss of associate	(101,814)	1,257,701
Net loss on disposal of investments	85,234	494,179
Impairment in value of other financial assets	-	8,153,864
Share based payment expense	197,624	360,566
Changes in Assets and Liabilities		
(Increase)/decrease in receivables	(200,292)	115
Decrease in trade and other creditors	(17,540)	(12,928)
Increase in employee benefits	5,864	2,274
Decrease in deferred tax liability	-	(1,820,167)
Decrease in current tax liability	(339,280)	(59,878)
Net cash outflows from operating activities	(1,064,986)	(1,246,684)

24. EVENTS SUBSEQUENT TO BALANCE DATE

On September 2, 2010 the Company cancelled 4,500,000 options to Mr Michael J. Bogue pursuant to the terms of the MDSOP and at the request of Mr Bogue.

There have been no other transactions or events of a material and unusual nature likely, in the opinion of the Directors of the Company, to significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

25. EARNINGS PER SHARE

	Consolidated 2010 Cents	Consolidated 2009 Cents
Basic earnings per share (from continuing operations and in total)	(0.773)	(10.879)
Diluted earnings per share (from continuing operations and in total)	(0.773)	(10.879)

	Consolidated 2010 Number	Consolidated 2009 Number
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	90,710,667	88,536,015
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	90,710,667	88,536,015

	Consolidated 2010 $	Consolidated 2009 $
Loss from continuing operations and in total attributable to ordinary equity holders of the company used to calculate basic earnings per share	(700,920)	(9,631,403)
Loss from continuing operations and in total attributable to ordinary equity holders of the company used to calculate diluted earnings per share	(700,920)	(9,631,403)

26. SHARE-BASED PAYMENTS

On August 1, 2007 the Company issued an aggregate of 13,195,172 options pursuant to the terms of the Managing Director and Chief Executive Officer Share Option Plan (“MDSOP”) approved by shareholders in general meeting on 11 July 2007. Approval for the issue of these options was obtained under Australian Securities Exchange Listing Rule 10.14. On the same day the Company also issued an aggregate of 2,000,000 options to Group Company employees pursuant to the terms of the Employee and Executive Share Option Plan (“EESOP”) approved by shareholders in general meeting on 11 July 2007.

On November 3, 2008 the Company issued an additional 1,150,000 options to Group Company employees (including 750,000 to Mr James Li) pursuant to the EESOP. Since the original issue of the EESOP options to the date of this report a total of 850,000 EESOP options have been forfeited.

On September 2, 2010 the Company cancelled 4,500,000 options to Mr Michael J. Bogue pursuant to the terms of the MDSOP and at the request of Mr Bogue.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2010

Summaries of options Granted under these plans and the terms of these plans are set out below.

Option Plan	Grant Date	Expiry Date	Exercise Price	Balance at 1 July 2009 No.	Granted during the year No.	Exercised during the year No.	Forfeited during the year No.	Balance at 30 June 2010 No.	Vested & exercisable at 30 June 2010 No.
Consolidated – 2010									
MDSOP – Tranche 1	1/8/2007	1/8/2012	6.5c	3,295,172	-	-	-	3,295,172	3,295,172
MDSOP – Tranche 2	1/8/2007	1/8/2012	9.0c	4,500,000	-	-	-	4,500,000	4,500,000
MDSOP - Tranche 3	1/8/2007	1/8/2012	12.0c	4,500,000	-	-	-	4,500,000	-
EESOP	1/8/2007	1/8/2012	23.0c	1,550,000	-	-	200,000	1,350,000	900,000
EESOP	3/11/2008	3/11/2011	20.0c	950,000	-	-	-	950,000	600,000
Consolidated – 2009									
MDSOP – Tranche 1	1/8/2007	1/8/2012	6.5c	4,195,172	-	900,000	-	3,295,172	3,295,172
MDSOP – Tranche 2	1/8/2007	1/8/2012	9.0c	4,500,000	-	-	-	4,500,000	-
MDSOP - Tranche 3	1/8/2007	1/8/2012	12.0c	4,500,000	-	-	-	4,500,000	-
EESOP	1/8/2007	1/8/2012	23.0c	1,950,000	-	-	400,000	1,550,000	450,000
EESOP	3/11/2008	3/11/2011	20.0c	-	1,150,000	-	200,000	950,000	-

For the 900,000 options exercised during the year ended 30 June 2009 the weighted average share price at the date of exercise was 7.3 cents per share.

The benefit provided for options granted under the EESOP during the year ended 30 June 2009 were valued on the following assumptions:

- 3 year life and there is no early exercise of options;
- no dividends are paid during the year;
- weighted average share price of 25 cents;
- expected volatility factor of 30% based on historic volatility and current illiquidity of the Company's shares; and
- Risk free interest rate of 5.25.

The options referred to above are subject to certain restrictions set out in the Remuneration Report contained in the Directors' Report. Details of the rules of the EESOP and MDSOP are also included in the Remuneration Report.

27. FINANCIAL INSTRUMENTS

27.1 FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist of deposits with banks, trade receivable and payables, investments at fair value and loans to and from subsidiaries and associates. Derivative financial instruments are not currently used by the Group.

Senior executives meet regularly to analyse and monitor the financial risk associated with the financial instruments used by the Group. The Managing Director and Chief Executive Officer reports regularly to the Board which appraises the adequacy of the risk management strategies and also creates policies for risk management.

The Group's activities expose it to market risk (including price risk and interest rate risk), credit risk and liquidity risk. The Group does not have any significant exposure to foreign exchange risk.

27.2 PRICE RISK

Equity market price risk arises from the Group's investment portfolio. These investments are classified on the balance sheet as financial assets at fair value through profit or loss. The maximum risk resulting from these investments is determined by the fair value of the financial instruments. The Group is not exposed to direct commodity price risk by way of direct investment in underlying commodities. The Group is exposed to indirect commodity price risk by way of its investment portfolio which is predominately concentrated on companies involved in the global natural resources, infrastructure and related sectors.

To manage its price risk from investments in equity securities, the Group diversifies its portfolio. The Managing Director and Chief Executive Officer closely monitors the performance and returns of existing and potential securities in accordance with the Group's investment guidelines.

The majority of the Group's equity investments are publicly traded on the ASX (Note 7). The price risk for unlisted securities is immaterial in terms of the possible impact on profit or loss or total equity in future years as they have been written down to nil carrying value.

An analysis of the effect of the movement in prices of equity investments (excluding unlisted investments) on the profit and equity of the Group as at 30 June with all other variables remaining constant is as follows:

	Consolidated	
	2010 **$**	**2009** **$**
Increase/(decrease) in loss after tax due to:		
- increase in equity prices by 5%	-	(95,546)
- decrease in equity prices by 5%	-	95,546

	Consolidated	
	2010 **$**	**2009** **$**
Increase/(decrease) in equity after tax due to:		
- increase in equity prices by 5%	-	95,564
- decrease in equity prices by 5%	-	(95,456)

Further information on the exposure of the Group as at 30 June 2010 to particular commodities including the risk arising from investments accounted for using the equity method (excluding cash holdings in the Company and the associate company) is set out below:

Notes to the financial statements - year ended 30 June 2010

Sector	2010 % of total investment	2010 $	2009 % of total investment	2009 $
Bulk Commodities	-	-	95.1	2,185,854
Base Metals	-	-	1.6	37,344
Base & Precious Metals	-	-	3.3	74,750
	-	-	100.0	2,297,948

27.3 Interest rate risk

The Group's only borrowing is $Nil (2009: $300,000) from its associate company CRMSC (Australia) Pty Limited. That borrowing is unsecured and interest free and therefore there is no exposure to interest rate risk associated with this debt. Interest bearing assets are all short term liquid assets and the only interest rate risk is the effect on interest income by movements in the interest rate. There is no other material interest rate risk.

27.4 Liquidity risk

The Group manages liquidity risk by maintaining cash reserves, having limited borrowings or debt and having, to the extent possible, the investments in instruments that are tradeable in highly liquid markets. Strategic investments or investments viewed as having attractive value creating investment criteria or characteristics may be in less liquid listed securities. In these instances, such relatively less liquid investments are monitored more closely and are only entered into if the risk/reward and overall investment return characteristics are perceived as likely to adequately compensate for the additional liquidity risk undertaken at any given time.

As at 30 June 2010 the Group had no material investments in companies listed on the Australian Securities Exchange Limited. As at 30 June 2009 the carrying value of the Group's investment portfolio was invested in companies listed on the Australian Securities Exchange Limited.

All trade and other payables are expected to be paid within one year of balance date.

27.5 Credit risk

The Group's credit risk primarily arises from cash and deposits with Australian ADIs. The credit risk of financial assets of the Group which have been recognised on the statement of financial position, other than investments in shares, is generally the carrying amount, net of any provision for doubtful debts. There is no collateral or security held for those assets at balance date. There are no financial assets that are past due or impaired.

27.6 Net fair value of financial assets and liabilities

The carrying amount of the Group's financial assets and financial liabilities in the financial statements approximates their fair values as at balance date.

28. ASSOCIATE COMPANY

The Company has a 50% investment in an associate company, CRMSC (Australia) Pty Limited, with a subsidiary of China Railway Materials Commercial Corporation. This associate company is in the business of seeking investment opportunities in the Australian resources industry, investments and commodities trading, import and export of mineral resources, railway transportation materials and related products. During the year ended 30 June 2010, CRMSC (Australia) Pty Limited principal activity related to investments in the Australian resources sector.

For the year ended 30 June 2010 the associate company contributed $101,814 in profit (2009: $1,257,701 in losses) to the consolidated entity's result.

The carrying amount of the investment in the associate company is set out in Note 8.

Transactions with associates are set out in Note 21.

The following is a summary of the Company's 50% share in the associate company:

	Consolidated	
	2010	**2009**
	$	**$**
Current assets	1,499,959	1,243,751
Non-current assets	1,648	152,302
Total assets	1,501,607	1,396,053
Current liabilities	8,167	4,427
Non-current liabilities	-	-
Total liabilities	8,167	4,427
Net assets	**1,493,440**	**1,391,626**
Revenue	1,142,187	163,454
Expenses	(1,040,373)	(1,421,155)
Profit/(loss) after tax	**101,814**	**(1,257,701)**

Directors' Declaration

The directors of RIMCapital Limited declare that:

1) In the directors' opinion, the financial statements and accompanying notes set out on pages 30 to 58, are in accordance with the Corporations Act 2001 and:

   a) comply with Accounting Standards and the Corporations Regulations 2001; and

   b) give a true and fair view of the Company's financial position as at 30 June 2010 and of its performance for the year ended on that date;

2) note 1 confirms that the financial statements also comply with international Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);

3) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

4) the remuneration disclosures included in pages 9 to 16 of the directors' report (as part of the audited Remuneration Report), for the year ended 30 June 2010, comply with section 300A of the Corporations Act 2001; and

5) the directors have been given the declarations by the chief executive officer and the chief financial officer required by Section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Pieter W. Greeff
Non-Executive Chairman

Michael J. Bogue
Managing Director &
Chief Executive Officer

Sydney
Dated: **28 September 2010**

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RIMCAPITAL LIMITED

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of RIMCapital Limited (the 'Company') 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 ended on that date, a summary of significant accounting policies and other explanatory notes (1 to 28), and the directors' declaration, (set out on pages 30 to 59), of the Group 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 1.1, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with Australian Equivalents to International Financial Reporting Standards ensures that the financial report of the Group and the Company, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

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

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INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

AUDITOR'S OPINION

In our opinion:

(a) the financial report of RIMCapital Limited is in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2010 and of their performance for the financial year ended on that date; and

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

(b) the financial report of the Group and Company also comply with International Financial Reporting Standards as disclosed in note 1.1.

REPORT ON THE REMUNERATION REPORT

We have audited the Remuneration Report included on pages 9 to 16 of the directors' report for the 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 RIMCapital Limited for the year ended 30 June 2010, complies with section 300A of the Corporations Act 2001.

Nexia Court & Co.

Nexia Court & Co
Chartered Accountants

David Gallery
Partner

Sydney
Dated: **28 September 2010**

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CORPORATE INFORMATION – AS AT 14 SEPTEMBER 2010

CORPORATE INFORMATION

1. CORPORATE GOVERNANCE

Refer to statements on pages 19 to 29.

2. SUBSTANTIAL SHAREHOLDERS

The following substantial shareholders have been noted from relevant disclosures lodged with the Company and ASX.

Name of Shareholder	Number of shares held	Percentage of issued shares
M A Hine & Ass Pty Ltd	12,000,000	13.64%
Sun Hung Kai Investment Services Limited	11,265,379	12.81%
Mr Michael Joseph Bogue	7,171,492	8.07%
DV Nominees Pty Ltd	6,165,000	7.01%
Mr Jaime Che	4,790,000	5.45%
	41,391,871	46.98%

3. NUMBER OF SHAREHOLDERS AND OPTION HOLDERS

SHARES:

As at 14 September 2010 there were 836 shareholders holding a total of 90,710,667 fully paid ordinary shares.

OPTIONS:

	Number of option holders	Number of options held
Employee and Executive Share Options	3	2,300,000
Managing Director & Chief Executive Officer Share Options	1	7,795,172
Total options over unissued shares	4	10,095,172

These options are not quoted on the ASX. There is no intention to apply for quotation.

4. VOTING RIGHTS

The relevant conditions about voting rights attaching to each share are set out in Article 9.22 of the Constitution as follows:

"Subject to any rights or restrictions for the time being attached to any class or classes of shares and to this constitution:

a) on a show of hands, each Member present in person and each other person present as a proxy, attorney or Representative of a Member has one vote; and

b) on a poll, each Member present in person has one vote for each fully paid share held by the Member and each person present as proxy, attorney or Representative of a Member has one vote for each fully paid share held by the Member that the person represents, *but a Member is not entitled to vote at a general meeting in respect of shares which are the subject of a current Restriction Agreement for so long as any breach of that agreement subsists".*

5. DISTRIBUTION OF EQUITY SECURITIES

5.1 Analysis of number of share and option holders by size of holding:

Fully paid ordinary shares **Range**			**Number of holders**	**Number of shares**
1	-	1,000	29	22,444
1,001	-	5,000	185	667,517
5,001	-	10,000	266	2,335,538
10,001	-	100,000	286	10,078,850
100,001		and over	70	77,606,318
			836	90,710,667

Options expiring 1 August 2012 at various exercise prices **Range**			**Number of holders**	**Number of options**
1	-	1,000	-	-
1,001	-	5,000	-	-
5,001	-	10,000	-	-
10,001	-	100,000	-	-
100,001		and over	3	9,145,172
			3	9,145,172

Options expiring 3 November 2011 at various exercise prices **Range**			**Number of holders**	**Number of options**
1	-	1,000	-	-
1,001	-	5,000	-	-
5,001	-	10,000	-	-
10,001	-	100,000	2	200,000
100,001		and over	1	750,000
			3	950,000

6. NON-MARKETABLE PARCELS

There were 565 holders (each holding less than 19,300 shares) of less than a marketable parcel of ordinary shares.

7. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of ordinary fully paid shares are set out below:

Name	**Number of ordinary shares held**	**Percentage of issued shares**
SUN HUNG KAI INVESTMENT SERVICES LTD	11,224,342	12.37%
NO CEE PTY LTD	11,050,000	12.18%
DV NOMINEES PTY LTD	6,165,000	6.80%
MR MICHAEL JOSEPH BOGUE	6,000,000	6.61%

CORPORATE INFORMATION – AS AT 14 SEPTEMBER 2010

Name	Number of ordinary shares held	Percentage of issued shares
SUN HUNG KAI INVESTMENT SERVICES LTD	4,790,000	5.28%
SUN HUNG KAI SECURITIES (OVERSEAS) LIMITED	4,000,000	4.41%
JAMES MACKENZIE & EVELYN ANN HALL	3,808,880	4.20%
S G J INVESTMENTS PTY LTD	3,142,857	3.46%
UBS WEALTH MANAGEMENT AUSTRLALIA NOMINEES PTY LTD	2,722,727	3.00%
TONDA PTY LTD	2,238,042	2.47%
NEWMEK INVESTMENTS PTY LIMITED	2,000,000	2.20%
MURFETT INVESTMENTS PTY LTD	1,240,000	1.37%
MR FRANC MAZZELLA	958,000	1.06%
VERDANT VALE PTY LTD	922,042	1.02%
ALLIED PROSPECTORS PTY LTD	809,634	0.89%
COWARAMUP HOLDINGS PTY LTD	700,000	0.77%
REXTON HOLDINGS PTY LTD	600,000	0.66%
MR JINGZHONG LI	598,857	0.66%
BALLAD INVESTMENTS (KK) PTY LTD	525,000	0.58%
JOHN EDWARD MOORE	500,000	0.55%
MR BLAKE WILLIAM MYLES & MRS TARYN JOY MYLES	500,000	0.55%
SUMLO PTY LTD	500,000	0.55%
MR ROBERT MILLAR & MRS SUSAN MILLAR	500,000	0.55%
KYLIE MEGAN PEARCE & LUKE COLIN BALLIN	500,000	0.55%
MRS KYLIE MEGAN PEARCE & MR LUKE BALLIN	500,000	0.55%
	66,495,381	73.29%

The top 20 shareholders held 73.29% of the issued fully paid ordinary shares.

8. TWENTY LARGEST OPTIONHOLDERS

The names of the 20 largest option holders, or all holders where the total number of holders is less than 20, of each class of the Company's options are set out below:

OPTIONS EXPIRING 1 AUGUST 2012, EXERCISABLE AT VARIOUS PRICES AS INDICATED BELOW

Option holder	Exercise Price	Number of Options
Michael Joseph Bogue	6.5 cents	3,295,172
Michael Joseph Bogue	12.0 cents	4,500,000
James Li	23.0 cents	1,200,000
Lim Choon Kooi	23.0 cents	150,000
TOTAL		**9,145,172**

CORPORATE INFORMATION – AS AT 14 SEPTEMBER 2010

OPTIONS EXPIRING 3 NOVEMBER 2011, EXERCISABLE AT VARIOUS PRICES AS INDICATED BELOW

Option holder	Exercise Price	Number of Options
James Li	20.0 cents	750,000
Lim Choon Kooi	20.0 cents	100,000
May Li	20.0 cents	100,000
TOTAL		**950,000**

9. RESTRICTED SECURITIES

The Company has no restricted securities on issue.

10. COMPANY SECRETARY

Ms Carolyn Patman
REGISTERED OFFICE
Level 6, Suite 603
Currency House
23 Hunter Street
Sydney NSW 2000
Telephone: (02) 9232 0211

11. REGISTERED AND ADMINISTRATION OFFICE

Level 6, Suite 603
Currency House
23 Hunter Street
Sydney NSW 2000
Telephone: (02) 9232 0211
Facsimile: (02) 9232 0233
Website: www.rimcapital.com.au

12. SHARE REGISTRAR

Link Market Services Limited
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680 George Street
Sydney NSW 2000

Postal Address

Locked Bag A14
Sydney South NSW 1235
Telephone: (02) 8280 7111
Facsimile: (02) 9287 0303
DX: 1120 Sydney
Website: www.linkmarketservices.com.au
Email: registrars@linkmarketservices.com.au

13. STOCK EXCHANGE QUOTATION

The Company's shares are quoted only on the Australian Securities Exchange (code "RMC"). The home exchange is Sydney.