ASX Announcement 20 May 2015

$26.5M RECAPITALISATION PLAN

- **Entitlements issue to raise up to $25 million**
- **Up to $1.5 million to be raised through the issue of convertible notes**
- **Recapitalisation will enable RNI to repay the Taurus debt and clear the way for project financing of the 100% owned Grosvenor Gold Project**
- **New exploration program being finalised to increase near-mine gold resources**

RNI NL (ASX: **RNI**) will proceed with a recapitalisation plan under which the Company will seek to raise up to $26.5 million through an entitlements issue and the issue of convertible notes.

GMP Securities Australia Pty Ltd (GMP Securities) will be lead manager to the entitlements issue and convertible note issue.

The recapitalisation is designed to enable RNI to discharge its debt facility with Taurus Resources No 2 Fund (Taurus) on or before the 7 August 2015 repayment deadline, which the Board believes will assist with project financing for the 100% owned Grosvenor Gold Project in Western Australia's Bryah Basin.

The funds will also provide RNI with working capital and, depending on the final amount raised, may also enable the Company to commit to a new exploration program aimed at increasing near-mine gold resources at Grosvenor.

RNI Managing Director Royce McAuslane said that after considering a range of alternatives, the Board believed the recapitalisation plan was the best option for the Company to achieve its imperative of extinguishing the Taurus debt.

"As I have previously alluded to, the Taurus debt has been an obstacle in our discussions with the various financiers who have expressed interest in providing RNI with the project financing required to bring the Grosvenor Gold Project into production."

"We are confident that eliminating the Taurus debt via our recapitalisation plan will clear the way for RNI to successfully conclude those project financing discussions and get on with the job of developing Grosvenor."

"We also hope the recapitalisation plan will give RNI the opportunity to launch a new drilling program based on the extensive exploration review undertaken in recent months."

ENTITLEMENTS ISSUE

RNI will undertake a pro-rata renounceable Entitlements Issue to raise up to $25 million. Under the Entitlements Issue, eligible shareholders of RNI will be offered 2.5 new ordinary fully-paid RNI shares, at an issue price of 2.0c per share, for every share held.

Subscribers will also be issued with, at no further consideration, an attaching one-for-one option with an exercise price of 3.0c, expiring 31 January 2017. The options are expected to be listed on the ASX, subject to compliance with ASX Listing Rules.

The Entitlements Issue will result in the issue of a maximum 1.25 billion new RNI shares and 1.25 billion options.

RNI intends to use funds from the Entitlements Issue to repay the Company's existing debt facility with Taurus on or before the 7 August 2015 repayment date (see ASX Announcement - 11 May 2015).

GMP Securities is acting as lead manager to the Entitlements Issue and to the placement of any shortfall shares arising from the Entitlements Issue.

Further details of the Entitlements Issue, including a prospectus and indicative timetable, will be announced shortly.

CONVERTIBLE NOTES

To provide working capital during the Entitlements Issue period, RNI will raise up to $1.5 million through an issue of unsecured convertible notes (Notes).

The Company has received firm commitments for $760,000 in unsecured loan funds and has agreed - subject to and conditional on the granting of shareholder approval on or before 17 July 2015 - to issue to the lenders, on the date that shareholder approval is obtained, Notes for the principal sum of those loan funds.

The $760,000 raised for general working capital will meet the requirement of the Taurus debt extension, as detailed in the ASX announcement of 11 May 2015.

In addition to the initial $760,000, RNI shareholders and other investors who wish to subscribe for Notes without requiring a disclosure document and are either a "sophisticated investor" or "professional investor" within the meaning of section 708 of the *Corporations Act 2001 (Cth)*, may apply for Notes to raise up to a further $740,000. Applications should be made to the lead manager, GMP Securities. Acceptance of applications will be subject to Board discretion in consultation with GMP Securities.

The Notes will have a minimum face value of $20,000 each and carry an interest rate of 12% per annum and mature on 1 July 2018, unless converted sooner. The Notes will be convertible into ordinary fully-paid RNI shares at a conversion price of 1.0c per share, any time prior to maturity, at the election of the Note holder.

Note holders will also be issued one RNI option for every one RNI share the Notes could convert into, on the same terms as the options that will be issued with the Entitlements Issue.

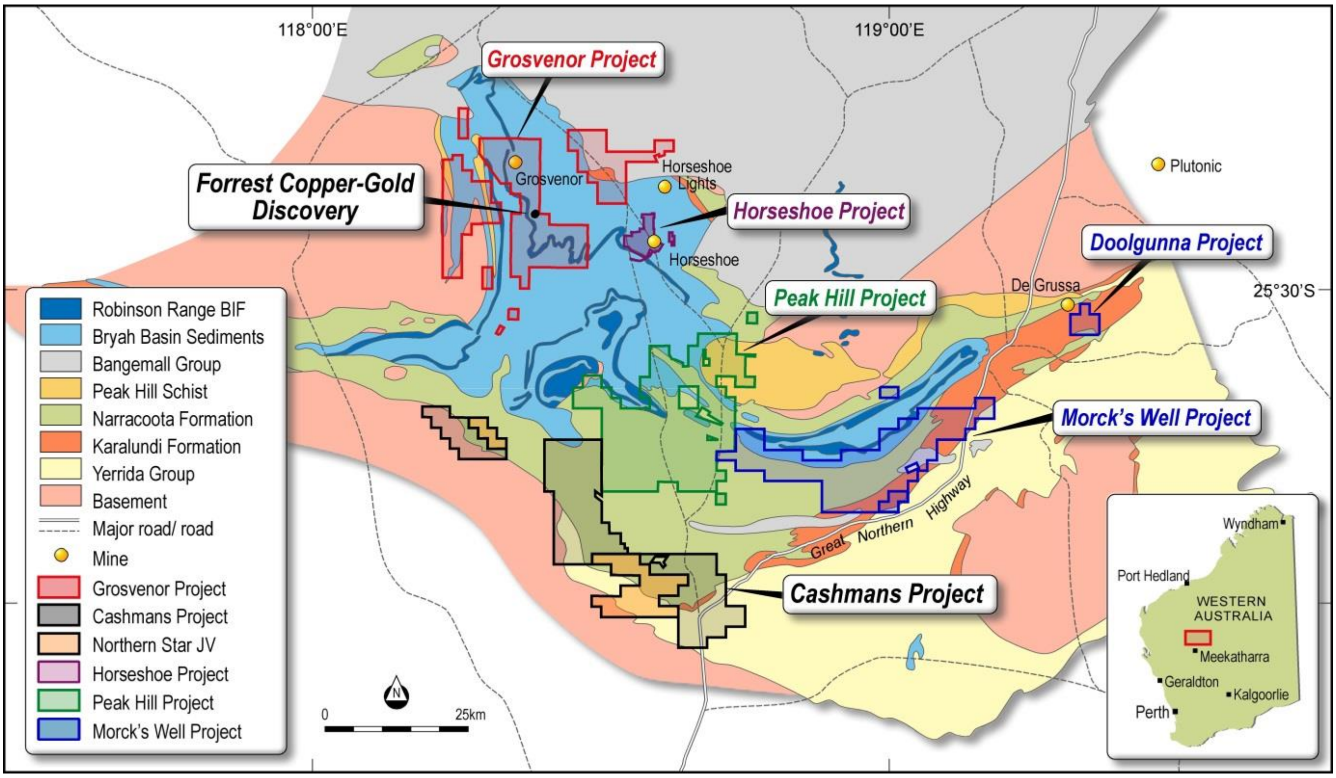
The Note issue remains subject to shareholder approval and any other approvals that may be required.

If shareholder approval for the issue of the Notes is not obtained, or if certain other events occur, the lenders will be entitled to demand repayment of the principal and outstanding interest on their unsecured loans.

EXPLORATION UPDATE

As previously announced, RNI has been conducting a detailed review of exploration data across the Company's extensive 1,956km^2 Bryah Basin tenement holding.

Subject to sufficient funds being generated from the recapitalisation plan, RNI intends to commit to a new drilling program based on the results from this review. This new program, which the Company expects to announce shortly, is expected to focus on near-mine and high-grade gold targets which have the potential to increase the Grosvenor gold resource inventory.



RNI's dominant 1,956km^2 tenement package in Western Australia's Bryah Basin, including the Grosvenor Gold Project

RNI's dominant tenement position in the Bryah Basin also includes approximately 120km strike of volcanic hosted massive sulphide (VHMS) target zones which represent priority targets for copper-gold discoveries. Apart from the near-mine gold targets at Grosvenor, priority copper-gold targets include the 12km VHMS corridor hosting the Forrest discovery and electromagnetic conductors identified at the Beatty Park prospect and the Morck's Well Project, which adjoins Sandfire Resource's Doolgunna Project which hosts the DeGrussa copper-gold mine.

COST CUTTING REVIEW

RNI has implemented a series of cost cutting measures in order to keep its operating costs to an absolute minimum. These cost cutting measures have included staff redundancies and across-the-board salary reductions for directors, management and staff.

GROSVENOR GOLD PROJECT

As referred to earlier in this announcement, RNI believes that extinguishing the Taurus debt will assist the Company's efforts to secure project financing to develop the Company's 100% owned Grosvenor Gold Project.

RNI has the necessary infrastructure and permits in place to support the resumption of mining at Grosvenor, including an existing 1Mtpa CIL gold plant and supporting infrastructure.

RNI has existing JORC compliant gold Resources of ~2Moz at the Grosvenor and Peak Hill projects.

The pre-production capital requirement to commence gold production at Grosvenor is estimated to be $38.2 million. RNI believes that mining can commence at Grosvenor within nine months of project financing (See ASX announcement 30 April 2015).

RNI has the infrastructure and permits in place to commence gold production at Grosvenor, including the 1Mtpa CIL gold plant

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Competent Person's Statement

Information in this announcement relates to and fairly represents information and supporting documentation prepared and compiled by Albert Thamm BSc (Hons) MSc, who is a Corporate Member of the Australasian Institute of Mining and Metallurgy. Mr Thamm is a Director of RNI NL. Mr Thamm has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Thamm consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.