



ASX Announcement

26 August 2015

RNI FINALISES DEBT REPAYMENT TERMS WITH TAURUS

- *Agreement paves the way for RNI to complete the sale of its gold assets and press ahead with its exciting new copper-gold exploration programs in WA's Bryah Basin*
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RNI NL (ASX: RNI) is pleased to announce the Company has signed an agreement with Taurus Resources No 2 Fund (Taurus) which paves the way for RNI to conclude the orderly sale of its gold assets to Metals X Limited (ASX: MLX), as detailed in the ASX announcement of 31 July 2015.

The key terms of the Taurus agreement are as follows:

- The amount owing by RNI to Taurus, including all principal debt, hedging costs, fees and interest, has been fixed at \$23 million. This amount will remain interest free until 15 October 2015 and RNI will have the right to issue Taurus with RNI shares¹ to cover any interest costs after that date;
- Taurus has agreed to extend the debt repayment deadline to 30 November 2015 to enable RNI to complete the orderly sale of its gold assets to MLX for a consideration of 18 million MLX shares¹;
- RNI is entitled, at its sole discretion, to pay \$23 million either in cash or by paying at least \$20.5 million in cash and settling the balance of not more than \$2.5 million by issuing RNI shares¹ to Taurus (or its nominees);
- Taurus has agreed that upon the issue of the MLX shares to RNI, it shall release all the gold assets and tenements from its security so those assets and tenements can be transferred unencumbered to MLX. Taurus will accept security over the MLX shares; and
- RNI retains the flexibility to repay the Taurus debt via a combination of proceeds from a planned non-renounceable entitlements issue to raise approximately \$5 million at an issue price of \$0.02 per share, the issue of RNI shares to Taurus for up to \$2.5 million and orderly sale of MLX shares. RNI is in discussions with GMP Securities Australia and CPS Capital to underwrite the entitlements issue

RNI Executive Chairman Miles Kennedy said the agreement with Taurus was an important step forward for RNI to complete the sale of its gold assets to MLX and refocus on the Company's exciting copper-gold exploration programs in Western Australia's highly-prospective Bryah Basin.

As announced to the ASX on 31 July 2015, MLX will issue RNI with 18 million new fully-paid MLX shares in consideration for the gold assets, which include the Grosvenor and Horseshoe projects and part of the Peak Hill gold project.

The sale remains subject to the finalisation of legal agreements with MLX and other conditions.

"The agreement with Taurus provides a framework for RNI to complete the sale of Company's gold assets to Metals X within a suitable timetable," said Mr Kennedy.

Note 1: The agreement with Taurus includes a material adverse change provision that may apply if the price of MLX shares falls below \$0.80 and any RNI shares issued to Taurus will be at same price as shares issued under the non-renounceable entitlement issue, but no greater than \$0.02 per share.

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“It also enables RNI to press ahead with an entitlements issue to raise approximately \$5 million to fund part of the Taurus repayment and the drilling and exploration programs we have planned for our Doolgunna Project and other high-priority targets across RNI’s 1,300km² Bryah Basin copper-gold portfolio.”

RNI’s Doolgunna Project is located within 5km along strike from the high-grade Monty copper-gold discovery and ~2.5km from the DeGrussa copper-gold mine. The new exploration program will build on previous exploration work at Doolgunna which has established a series of high-priority targets within three prospective volcanic hosted massive sulphide (VHMS) corridors.

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Forward-Looking Statements

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