
SIGNIFICANTLY IMPROVED ECONOMICS FOR GROSVENOR GOLD PROJECT

- **Updated modelling using the stronger \$A gold price significantly enhances the robust nature of RNI's Grosvenor Gold Project in Western Australia**
- **Modelling at prevailing \$A gold price of \$A1620/oz shows a 95% increase in free cash flow to \$172 million**
- **Permits and infrastructure in place to commence gold production within nine months of project financing**
- **Scope for further reductions in ~\$38 million pre-production capital requirement through reduced diesel prices**

RNI NL (ASX: **RNI**) is pleased to announce that updated modelling using the prevailing \$A gold price of \$A1620/oz has enhanced the robust nature of the Company's Grosvenor Gold Project, which is located approximately 170km north-west of Meekatharra in Western Australia's Bryah Basin.

The revised modelling has significantly improved the economics of the Grosvenor Gold Project over the previous financial models which RNI released to the ASX on 22 September 2014, with a 95% increase in free cash flow from the previous Upside Case model to \$172m.



1Mtpa Grosvenor gold treatment plant

Key Metrics		Revised Base Case	Revised Upside Case
Material Mined	Kt	6,036	10,420
Diluted Head Grade	g/t Au	1.77	1.80
Recovered Gold	Koz	318	510
Mine Life	Years	4.75	6.1
Revenue	\$Am	516	825
Expenditure	\$Am	-424	-653
Free Cash Flow	\$Am	92	172
Debt Payback Period	Years	2.25	3.25

Table 1: Revised modelling at prevailing \$A1 620/oz gold price

Notes: All scenarios are consistent with those released by RNI to the ASX on 22 September 2014 but have been remodelled using the prevailing \$A gold price of \$A1 620/oz. Please see ASX announcement of 22 September 2014 when all modelling information was supplied.

Debt payback period assumes \$45 million debt.

Base Case is based on JORC 2012 reserves only. Upside Case includes additional resources from Peak Hill heap leach and additional underground resources from Grosvenor. These are concept studies on JORC 2004 and 2012 resources (See ASX announcement 22 September 2014), which include mining dilution and metallurgical recovery within optimised pit shells.

Significantly, the revised modelling does not account for cost reductions which may be achieved from lower diesel prices resulting from the recent sharp decline in global oil prices. A lower diesel price has a significant cost impact on pre-strip mining costs and ongoing operating costs.

RNI Managing Director Royce McAuslane said the revised financial modelling demonstrated that Grosvenor was a robust project with significant leverage to rising gold prices.

“Grosvenor has the added advantage of having the permitting and infrastructure in place, including a 1Mtpa gold plant. Having that infrastructure and permitting in place means RNI can be producing gold within nine months of project financing.”

As previously announced, RNI is in advanced discussions with multiple parties for project financing to bring the Grosvenor Gold Project into production under a process being managed by PCF Capital Group. The pre-production capital requirement to commence production at Grosvenor is estimated to be \$38.2 million.

Mr McAuslane said the rising \$A gold price, and the improved market sentiment towards gold mining companies, had resulted in several new parties signing confidentiality agreements to participate in the PCF process.

“Because this process is ongoing, we have held discussions with our bridging finance provider Taurus regarding repayment scheduling.”

“The updated financial modelling certainly adds to our confidence that we will soon conclude our project financing and get on with the job of developing the Grosvenor Gold Project. Our aim is to pour our first gold at Grosvenor by the end of the year.”

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About RNI

RNI NL (ASX: RNI) is advancing a low-cost and near-term gold production pathway at the 100% owned Grosvenor Gold Project, utilising the Company's existing 1Mtpa gold processing plant, ~2Moz Grosvenor and Peak Hill gold resource base and supporting infrastructure.

The Grosvenor Gold Project is located approximately 170km north-west of Meekatharra in Western Australia's Bryah Basin.

RNI is seeking project financing to bring the Grosvenor Gold Project into production in a process being managed by PCF Capital Group. The Grosvenor Gold Project is well advanced and can be in production within nine months of project financing.

RNI also holds a dominant exploration portfolio in the Bryah Basin which is considered prospective for copper-gold discoveries. Priority drilling targets include the Forrest copper-gold discovery.

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. The information contained in this announcement in relation to the material assumptions underpinning the production targets were previously disclosed in the ASX announcement dated 17 February 2014 and 22 September 2014. These assumptions continue to apply and have not materially changed.

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.

Forward-Looking Statements

This announcement has been prepared by RNI NL. This document contains background information about RNI NL and its related entities current at the date of this announcement. This is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement. This announcement is for information purposes only. Neither this document nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction.

Statutory disclaimer “ There is a low level of geological confidence associated with inferred resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised”. The major material impacts on the project economics are the gold price, the Australian dollar exchange rate and energy prices (diesel). Tax rates and tax treatment of amortisation and depreciation may also vary over the life of project. The Directors and Management of RNI NL have no control over these external factors. The project and its progress is also subject to statutory approvals in the State of Western Australia, on which no certainty of outcome, timing and content can be made. The project is subject to a WA State royalty and at the time of this announcement State royalty rates under review.

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