

29 May 2015

Dear Shareholder,

## **PRO-RATA RENOUNCEABLE ENTITLEMENTS ISSUE**

As announced on 20 May 2015, RNI NL (“**RNI**” or “**the Company**”) is offering eligible shareholders in RNI, the opportunity to acquire additional securities in RNI through a renounceable entitlements issue (“**Entitlements Offer**”) on the basis of 2.5 new fully paid ordinary shares in RNI at an issue price of 2 cents (\$0.02) each (“**New Shares**”) for each 1 fully paid ordinary RNI share held at 5.00 pm (WST) on 4 June 2015, together with 1 attaching new option (“**New Option**”), each exercisable at 3 cents at any time before 5.00pm WST on 31 January 2017, for each 1 New Share issued.

Based on the existing capital structure and disregarding any entitlements relating to shares that may be issued on the exercise of options, approximately 1,251,366,363 New Shares and 1,251,366,363 New Options will be issued pursuant to the Entitlements Offer, if it is fully subscribed, raising approximately \$25,000,000 before the costs of the Offer.

The Entitlements Offer is not underwritten.

If any Entitlements are not accepted in full, the number of unaccepted New Shares (and attaching New Options) will form the Shortfall (“**Shortfall**”) and pursuant to Exception 3 of ASX Listing Rule 7.2, the Directors reserve the right to issue the Shortfall at their discretion within 3 months after the close of the Entitlements Offer.

A prospectus (“**Prospectus**”), issued pursuant to section 713 of the Corporations Act 2001 (Cth), for the Entitlements Offer and the offer of New Shares (and attaching new Options) in the Shortfall was lodged with ASIC on 28 May 2015 and is available for inspection on ASX’s website and on RNI’s website, [www.rninl.com.au](http://www.rninl.com.au).

From their date of issue, New Shares will rank equally with all fully paid ordinary RNI shares already on issue as will any shares issued on the exercise of New Options.

RNI intends to apply the funds raised under the Entitlements Offer towards:

- repayment of the principal, interest and fees due under the Taurus Facility Agreement between Grosvenor Gold Pty Limited (as borrower), RNI (as guarantor) and Taurus Funds Management Pty Limited for and on behalf of Taurus Resources No.2, L.P., as trustee for the Taurus Resources No.2 Trust;
- payment of management fees and capital raising costs due to GMP Securities Australia Pty Limited, the Lead Manager to the Entitlements Offer;
- payment of the other costs of the Entitlements Offer; and
- working capital.

Given the nature of the Company’s business, the allocation of funds may change depending on intervening events.

The Entitlements Offer is being made to all RNI shareholders whose registered addresses are in Australia or New Zealand and who are recorded as shareholders of RNI on its register of members as at the 5:00pm (WST) on 4 June 2015 (“**Record Date**”).

**Ineligible Shareholders**

Any RNI shareholder who has a registered address outside Australia and New Zealand ("**Ineligible Shareholder**") will not be eligible to participate in the Entitlements Offer.

As your registered address is outside Australia and New Zealand, you are not eligible to participate in the Entitlements Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Shares (and attaching new Options) to which they would otherwise be entitled.

The Company has appointed GMP Securities Australia Pty Limited ("**Nominee**") (subject to ASIC approval) as nominee in respect of Ineligible Shareholders and will issue to the Nominee the entitlements ("**Entitlements**") that Ineligible Shareholders would otherwise been entitled to apply for had they been able to participate in the Entitlements Offer.

The Nominee will have the sole and absolute discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale.

Any interest earned on the proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to Ineligible Shareholders.

The net proceeds of the sale of these Entitlements (if any) will then be forwarded by the Company or its share registry as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the Nominee may sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds.

There is no guarantee that the Nominee will be able to sell Entitlements of Ineligible Shareholders on ASX and Ineligible Shareholders may receive no value for the Entitlements. Both the Company and the Nominee take no responsibility for the outcome of the sale of such Entitlements or the failure to sell such Entitlements.

You are not required to do anything in response to this letter.

If you have any queries concerning the Entitlements Offer, or any action you need to take, please contact your financial adviser or the Company Secretary on +61-8 9489 9200.

Yours faithfully,

**MARK CLEMENTS**  
**COMPANY SECRETARY**