FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2014

ASX Code: RNI

RNI NL (FORMERLEY RESOURCE AND INVESTMENT NL) AND ITS CONTROLLED ENTITIES
ABN 77 085 806 284

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The directors present their report together with the financial report of RNI NL (formerly Resource and Investment NL) (the Company or RNI), for the year ended 30 June 2014 and the auditor's report thereon.

1. Directors

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

Name	Period of Directorship
Mr Miles A Kennedy - *Executive Chairman*	Director since 7 September 2006
Mr Albert G Thamm - *Executive Director Technical*	Director since 1 December 2011
Mr John R Hutton - *Non-Executive Director*	Director since 12 January 1999
Mr Thomas J Mann - *Non-Executive Director*	Director since 27 April 2010

The qualifications, experience, interest in shares and options, and other directorships of the directors in office at the date of this report are:

Miles A Kennedy	Executive Chairman
Experience and expertise	Mr Kennedy was a lawyer. He has held directorships of Australian listed resource companies for the past 29 years. He was founding Chairman of Macraes Mining Company Ltd, Executive Chairman of Kimberley Diamond Company NL (1993 to 2007), Non-executive Chairman of Blina Diamonds NL (2002 to 2007), Non-executive Chairman of Sandfire Resources NL (Aug 2007 to Dec 2009), Non-executive Chairman of Indago Resources Ltd (Aug 2009 to Sept 2009) and Non-executive Director of Pangea Diamondfields Plc (2005 to 2009).
Interest in Shares and Options	18,403,554 ordinary shares in RNI NL and options to acquire a further 3,000,000 ordinary shares.
Listed company directorships in last three years	Currently Chief Executive Officer / Managing Director of Lucapa Diamond Company Limited (since Sept 2008). Currently Chairman of Marine Produce Australia Limited (since Jun 2008). Formerly Chairman of MOD Resources Limited (Mar 2011 to May 2014).
Albert G Thamm	Executive Director - Technical
Experience and expertise	Mr Thamm has 25 years of experience in exploration and mining project development in Australia, Africa and South America. He holds Bachelors, Honours and Masters Degrees in Geology and is a fellow and chartered professional of the Australasian Institute of Mining and Metallurgy and a fellow of the Society of Economic Geologists (USA).
Interest in Shares and Options	237,279 ordinary shares in RNI NL and options to acquire a further 2,000,000 ordinary shares.
Listed company directorships in last three years	Currently a Director of Lucapa Diamond Company Limited (since May 2014).
John R Hutton	Non-Executive Director
Experience and expertise	Mr Hutton has a background in accounting and finance and is a Member of the Australian Institute of Company Directors. Mr Hutton has over 20 years' experience in the direction and management of a diverse range of successful commercial activities including over 10 years' experience as a director of several ASX listed companies. Mr Hutton has had a long term involvement in the marine fishing, pearling and aquaculture industries. Mr Hutton is a director of the Western Australian Fishing Industry Council, the peak industry body that represents all WA Fishing and Aquaculture industry. He is a director of Maxima Pearling Company Pty Ltd, involved in the production of Australian South Sea Pearls and was formerly Non-executive Director of Sandfire Resources NL (July 2007 to April 2010).
Interest in Shares and Options	9,428,076 ordinary shares in RNI NL and options to acquire a further 2,000,000 ordinary shares.
Listed company directorships in last three years	Currently a Director of Brumby Resources Limited.

Thomas J Mann	Non-Executive Director
Experience and expertise	Mr Mann has over 30 years experience in financial markets and global trade. He began his career in the financial services industry as a stockbroker working in both Sydney and London. He then began a global trading company with operations in the USA, Malaysia, Thailand, Indonesia and Australia. More recently he has been involved in capital raising initiatives and strategic development programs for small to mid-size public and private companies.
Interest in Shares and Options	1,000,000 ordinary shares in RNI NL and options to acquire a further 2,000,000 ordinary shares.
Listed company directorships in last three years	Non-executive Chairman of Medical Australia Limited (Non-executive Director since February 2006; appointed Non-executive Chairman June 2008 until March 2010).

2. Company Secretary

Mr Mark Clements holds the position of Company Secretary, being appointed on 2 July 2012. Mr Clements gained a Bachelor of Commerce degree from the University in Western Australia. He is a Fellow of the Institute of Chartered Accountants and a member of the Australian Institute of Company Directors and an affiliated member of the Institute of Chartered Secretaries in Australia. Mr Clements currently holds the position of Company Secretary for a number of publically listed companies and has experience in corporate finance, accounting and administration, capital raisings and ASX compliance and regulatory requirements.

3. Directors' Meetings

Formal meetings of the directors of the Company during the financial year are tabled as follows:

Director	Meetings Held	Meetings attended
Miles Kennedy	*5*	5
Albert Thamm	*5*	5
John Hutton	*5*	4
Thomas Mann	*5*	5

4. Principal Activities and Review of Operations

Introduction

RNI NL (ASX: RNI) (formerly Resource and Investment NL) has continued to make significant advancements with its dual exploration and production strategy in WA's highly-prospective Bryah Basin region.
This strategy involves exploring for high-grade copper-gold discoveries at priority targets identified within the Company's dominant 1,866km^2 Bryah Basin tenement holding, including the Forrest discovery.

RNI is also 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 and supporting infrastructure.

The Company remains in advanced discussions with multiple parties to secure project financing to develop the Grosvenor and Peak Hill gold projects after completing a comprehensive review of its original gold production strategy.

The 100% owned Grosvenor gold plant

Exploration

RNI has built and consolidated a dominant 1,866km^2 tenement holding in Western Australia's Bryah Basin, which is divided into six well-defined project areas (Grosvenor, Horseshoe, Peak Hill, Cashmans, Morck's Well and Doolgunna) (Figure 1).

All six projects are considered highly-prospective for copper and gold discoveries and are supported by historical data sets covering ~25 years of exploration activity.

Significantly, RNI's Bryah Basin tenure includes ~120km strike of favourable volcanic hosted massive sulphide (VHMS) target horizons, which represent priority exploration targets. RNI's targeting method focuses on shallow gold-rich oxide resources, with little or no deep drilling, at the top and bottom of the Narracoota Volcanics.

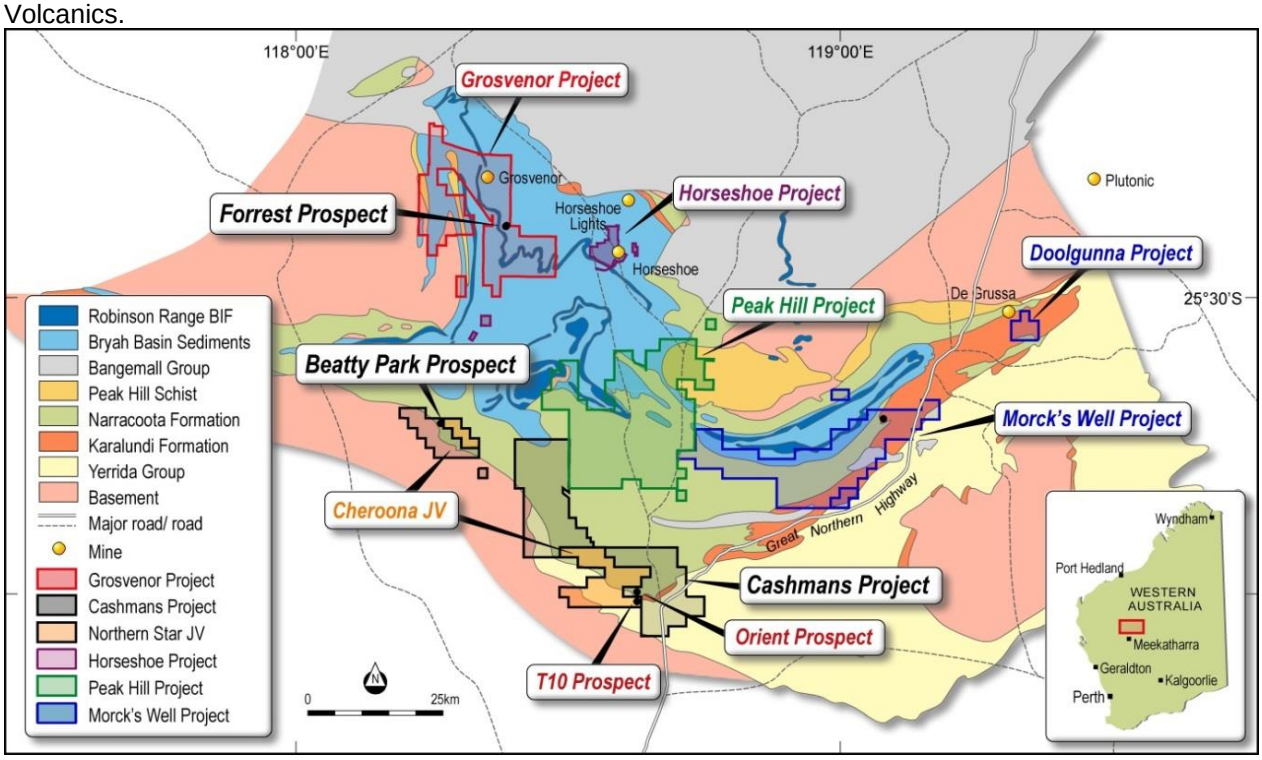


Figure 1: RNI's dominant Bryah Basin tenure and location of priority exploration targets

The recent exploration focus has been on the high-grade Forrest copper-gold discovery, with advanced exploration targets also identified at the Cheroona Joint Venture within the Cashmans Project and the Morck's Well and Doolgunna Projects (Figure 1).

Forrest Prospect (RNI 80%, Fe Ltd 20%)

RNI commenced a priority reverse circulation (RC) drilling program at the Forrest prospect (Figures 1 and 2) in April 2014 to follow up on highly encouraging preliminary exploration results. This seven hole RC program aimed to validate historic near-surface gold results from previous RAB drilling and to test for copper in the oxide zone below this gold-rich cap.

Forrest is located at the southern end of a 12km VHMS mineralised trend which hosts a series of high priority targets including Big Billy (drilling - 5m @1.02% Cu) and Wodger (drill chip samples -13.8% Cu and 5.7% Cu) near the Grosvenor gold plant (Figure 2). This trend has had little or no previous exploration for copper-gold mineralisation.

All seven holes from this RC drilling program intersected anomalous copper and/or gold (See ASX announcements 17 April 2014 and 7 May 2014).

Significant copper results included 25m @ 1.25% Cu from 153m, including 9m @ 2.52% Cu, from hole FPRC007 and 4m @ 2.11% Cu from 158m from hole FPRC006.

The gold assays included 28m @ 2.85g/t from 36m from hole FPRC004 and 10m @ 1.94g/t from 110m, including 2m @ 7.13g/t, from hole FPRC005.

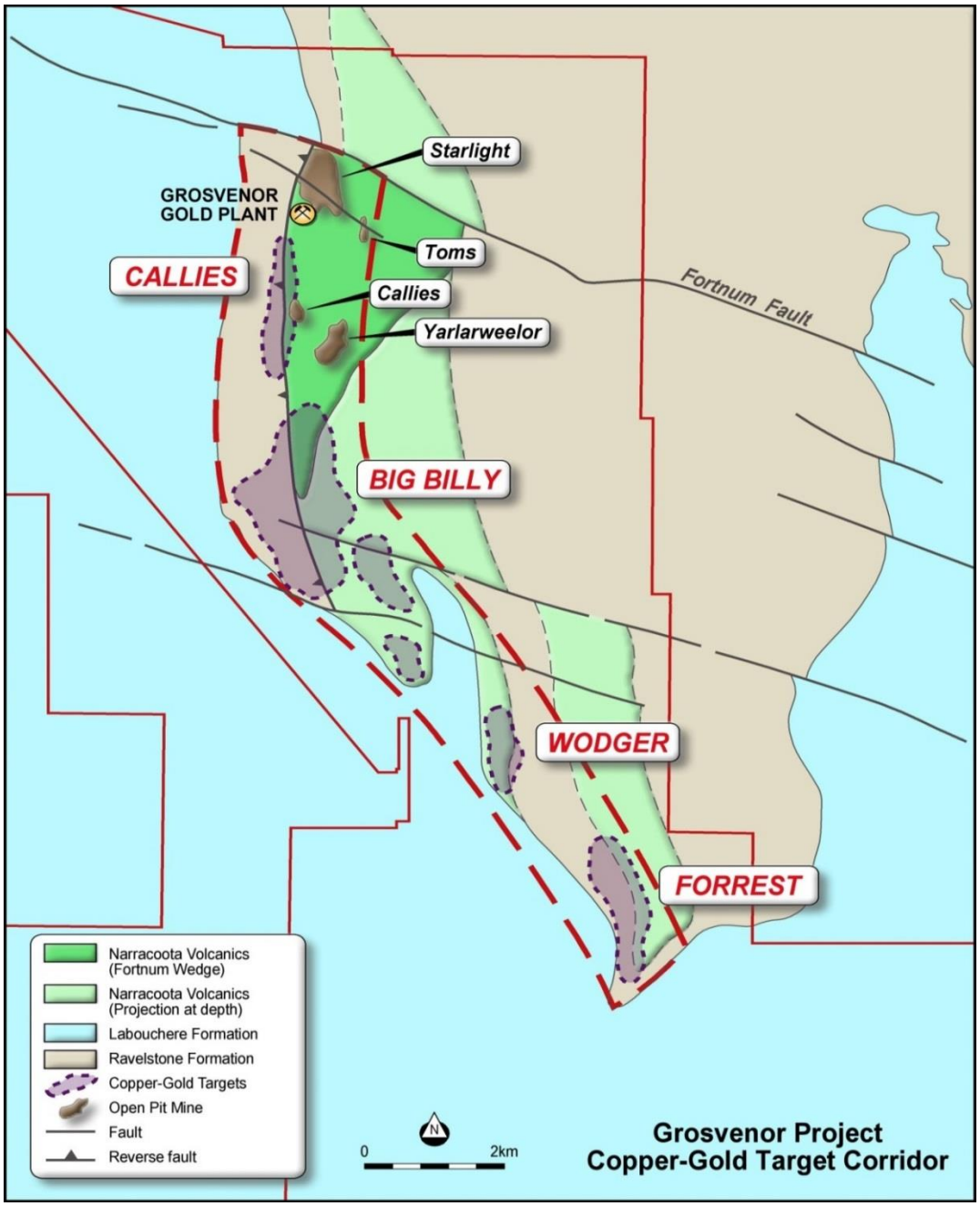


Figure 2: Priority 12km VHMS trend including Forrest copper-gold discovery

As announced to the ASX on 26 May 2014, the first diamond hole drilled at Forrest, FGDD001, returned a major intersection of oxide-transitional copper-gold mineralisation of 9.1m @ 5.27% Cu, 2g/t Au and 8.35g/t Ag from 142.9m. This included 4.25m @ 8.86% Cu, 2.84g/t Au and 15.07g/t Ag from 145.6m.
On 27 June 2014, RNI announced a new program of five diamond holes had commenced at Forrest to follow up on the results from FGDD001, following the signing of a regional Heritage Agreement.
The results from this diamond drilling program are summarised in Table 1. (Refer ASX announcements 26 May 2014, 27 June 2014, 23 July 2014 and 1 September 2014).

Hole No.	Result
FGDD001	9.1m @ 5.27% Cu
FGDD002	5.15m @ 4.0% Cu
FGDD003	16.2m @ 1.8% Cu (including 9.6m @ 2.6% Cu)
FGDD004b	1.81m@1.41% Cu 0.80m @ 4.0% Cu 0.45m @2.20% Cu
FGRC002	8m @ 1.01% Cu
FGRC003	3m @ 1.03% Cu
FGRC004	11m @ 1.04% Cu
FGRC005	5m @ 1.82% Cu
FGRC006	4m @ 2.11% Cu
FPRC007	9m @ 2.52% Cu
FPRC011	11m @ 1.0% Cu
FPRC012	11m @ 1.0% Cu (including 5m @ 1.61% Cu)
FGRC016	7m @ 1.21% Cu

Table 1: Drilling results from the Forrest copper-gold discovery

Figure 3: Diamond core from the target zone in hole FGDD002 at the Forrest copper-gold discovery

The most recent hole in the Forrest diamond drilling program, FGDD006 (previously referred to as FGDD005b) was drilled to test the down-plunge extension of the Forrest copper mineralisation.

As announced to the ASX on 22 September 2014, FGDD006 intersected the mineralised horizon approximately 160m down-plunge of previous diamond drilling (FGDD003 – 16.2m @ 1.8% Cu) (See ASX announcement 23 July 2014) within what is interpreted to be major fault off-set extension of the Forrest copper-gold mineralisation.

FGDD006 intersected a broad zone of stringer and disseminated copper mineralisation (chalcopyrite and minor bornite) that is interpreted as being structurally remobilised. Results included 7.75m @ 1.2% Cu from 292.15m, including 2.65m @ 2.2% Cu from 292.4m and 1.6m @ 2.1% Cu from 298.3m.

The result from FGDD006 also clearly demonstrates the extensive continuity of the copper mineralisation at Forrest. The mineralisation (oxide, transitional and primary) has so far been defined over a strike length of 300m and 350m down dip plunge.
A 3-dimesional visualisation of the Forrest copper-gold mineralisation (Figure 4) illustrates the strike length and down dip plunge of the discovery.

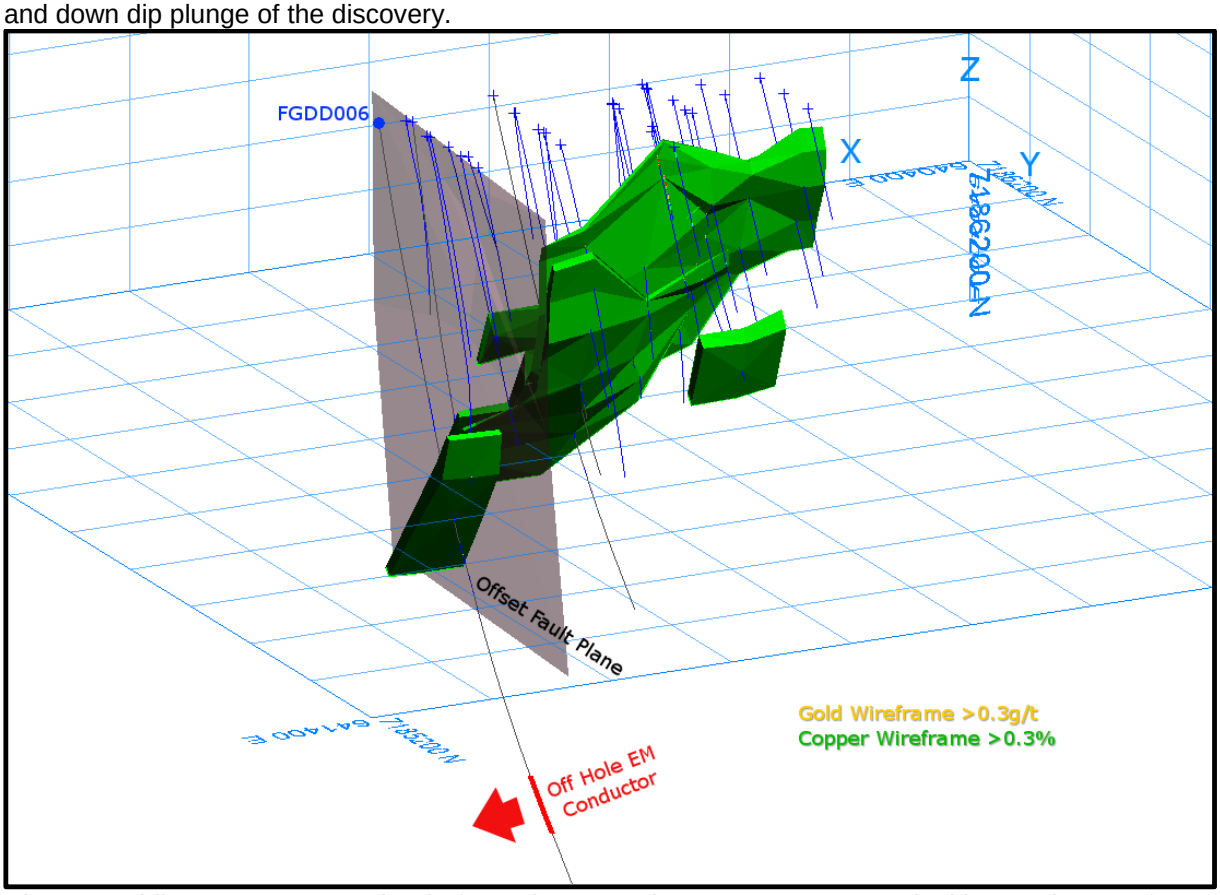


Figure 4: Oblique > 0.3% Cu only wireframe interpretation, Forrest Prospect, looking north-west, from above. Grid spacing is 100X x 100Y x 50Zm

Significantly, the mineralisation at Forrest remains totally open down-plunge and down-dip.
The mineralisation also has the "pathfinder element" support (bismuth, tellurium, silver and barium) to confirm a close VHMS affinity, though it is now clear that that mineralisation is structurally modified and largely remobilised.
The interpretation is that the currently defined copper mineralisation represents a fault controlled remobilisation that is likely to be proximal to a primary VHMS source.
Diamond hole FGDD006 was drilled to a depth of approximately 600m to enable RNI to run a DHEM survey down the hole.
Significantly, the DHEM detected an off-hole conductor from approximately 500-550m downhole (Figure 4).
On available information, the conductor appears to be located to the south away from the current drilling. The potential source of the conductor would be from a new horizon beneath the currently defined mineralised zone.
A further high-powered DHEM survey is proposed for hole FGDD006, followed by a trial induced polarisation (IP) survey.
In addition to the ongoing copper exploration, the gold-rich cap located immediately above the copper mineralisation at Forrest remains to be fully tested. A ~1000m reverse circulation (RC) infill drilling program is proposed to complete a JORC-compliant resource over the Forrest oxide gold cap to support a Mining Licence application.

Other Priority Projects

In addition to the Forrest copper-gold discovery, RNI continued to advance its pipeline of priority new drilling targets elsewhere within the Company's dominant 1,866km^2 Bryah Basin tenement package.
These priority drilling targets include electromagnetic (EM) conductors located at the Beatty Park and T10 prospects, both of which are located within the Cheroona JV (RNI earning 70% from Northern Star Resources), which forms part of the Cashmans Project.
RNI is also conducting fixed loop EM (FLEM) surveys at its Morck's Well and Doolgunna Projects – both of which directly adjoin Sandfire Resources' Doolgunna Project, which hosts the DeGrussa copper-gold project.
Drilling of these priority targets is expected to commence in the December 2014 quarter.

Mine Planning and Production Strategy – Grosvenor Gold Project

Apart from its exploration programs, RNI also conducted a comprehensive review of its original gold production strategy for the Grosvenor and Peak Hill gold projects (as outlined in ASX announcement 4 March 2014).

As announced to the ASX on 22 September, the review resulted in alternative new mine designs and schedules to address potential material factors associated with;

- A lower gold price environment
- The early cash flow required for project debt servicing and repayment of principal to financiers
- The pursuit of ongoing production subsequent to debt being repaid

The review produced a series of revised schedules, which build on each other as follows;

- Stress Case – A schedule based on pit shell designs completed at a gold price of US$1100/oz and a $US exchange rate of AUD 0.85c
- Base Case – Based on the Stress Case design, plus the remaining available Grosvenor Reserves excluding the Daylight cutback inventory
- Upside Case – Base Case design plus the inclusion of Starlight Underground and Peak Hill project
- Base Case with Daylight – Modified Base Case design incorporating additional mining inventory sourced from a modified Daylight cutback.

The adoption of a specific case and decision to mine will depend on the particular terms and conditions of any particular project financing deal, including potential gold and currency hedging.

The key outcomes related to flexing of the financial model were outlined in presentation attached to the 22 September 2014 ASX announcement.

Project Approvals

The 1Mtpa Grosvenor gold plant

RNI has maintained all existing permits and licences, including statutory reporting obligations, such that the rapid commencement of the Grosvenor gold project is still viable.

The timeline of 7-8 months to re-start the 1Mtpa-nameplate Grosvenor CIL gold plant has not changed and will remain in place while project financing negotiations continue with multiple parties.

RNI has appointed corporate advisory group PCF Capital Group Pty Ltd (PCF) to assist with the Grosvenor Project's financing requirements.

Review of Financial Condition

The Group recorded a loss of $7,866,050 for the year ended 30 June 2014 (2013: loss of $42,660,488). The prior year loss is predominantly due to the write off of exploration and evaluation assets of $38,990,841 as discussed in Note 11 to the accounts.

As at 30 June 2014, the Group had a net working capital deficit of $16,750,090 (2013: $7,596,022), represented significantly by a short term bridging loan of $19,500,000 repayable by February 2015. (2013: $10,000,000). The Group's net asset position was $17,870,744 (2013: $14,813,353).

5. Significant Changes in the State of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Group that occurred during the financial year, other than those described in this report under 'Principal activities and review of operations'.

6. Environmental Regulations

The Group's exploration activities are subject to various environmental regulations. The Board is responsible for the regular monitoring of environmental exposures and compliance with environmental regulations.

The Group is committed to achieving a high standard of environmental performance and conducts its activities in a professional and environmentally conscious manner and in accordance with applicable laws and permit requirements. The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

The directors have considered the recently enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Company for the current financial year. The directors will reassess this position as and when the need arises.

7. Dividends

The directors have not recommended the declaration of a dividend. No dividends were paid or declared during the current or prior period.

8. Events Subsequent to Reporting Date

Subsequent to the reporting date the Company released the following ASX announcements:

- Forrest Copper-Gold Project – Drilling update, on 7 July 2014;
- Continuous high grade Copper-Gold Results at Forrest, on 23 July 2014;
- High Priority VTEM conductors identified at Morck's Well, on 29 July 2014;
- Taurus Facility Extension, on 5 August 2014;
- First Copper Sulphides Encountered At Forrest Discovery on 1 September 2014;
- Results of General Meeting on 15 September 2014 which included the change in name subsequently registered by ASIC on 16 September 2014;
- Issue of 3m unlisted $0.25 options, expiring 15 September 2017, to Miles Kennedy on 15 September 2014;
- Updated Modelling Results – Grosvenor Gold Project on 22 September 2014;
- RNI intersects more Copper Sulphides at Forrest on 22 September 2014; and
- RNI Defines New Priority Drilling Targets on 25 September 2014.

9. Likely Developments

Comments on expected results of certain operations of the Group are included in this financial report under section 4, Principal activities and review of operations.

10. Directors' Interests

The relevant interest of each director in the shares and options as notified by the directors to the Australian Securities Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Fully paid ordinary shares	Unlisted options @$0.12 expiring 21 Nov 2016	Unlisted options @$0.25 expiring 15 Sep 2017
Miles Kennedy	18,403,554	-	3,000,000
John Hutton	9,428,076	2,000,000	-
Thomas Mann	1,000,000	2,000,000	-
Albert Thamm	237,279	2,000,000	-

Each option carries the right to subscribe for one fully paid ordinary share in RNI NL.

11. Share Options

Unissued shares under option

At the date of this report unissued ordinary shares of the Company under option are:

Expiry date	Exercise Price	Number of shares
27 March 2015	$0.44	3,597,621
11 November 2016	$0.20	2,100,000
21 November 2016	$0.12	7,000,000
31 January 2017	$0.35	2,100,000
31 January 2017	$0.095	3,000,000
13 March 2017	$0.35	4,000,000
15 September 2017	$0.25	3,000,000
9 November 2017	$0.60	1,500,000
3 October 2018	$0.12	7,400,000
		33,697,621

The options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Share options issued

The following options over ordinary shares were issued by the Company during or since the end of the financial year.

Expiry date	Exercise Price	Number of shares
11 November 2016	$0.20	2,100,000
21 November 2016	$0.12	7,000,000
31 January 2017	$0.35	2,100,000
31 January 2017	$0.095	3,000,000
15 September 2017	$0.25	3,000,000
3 October 2018	$0.12	7,400,000

Shares issued as a result of the exercise of options

Three ordinary shares have been issued as a result of the exercise of options during or since the end of the financial year.

Other shares issued since the end of the financial year

No ordinary shares have been issued since the end of the financial year.

Share options expired

The following options over ordinary shares expired during or since the end of the financial year.

Expiry date	Exercise Price	Number of shares
25 November 2013	$1.00	6,000,000
17 May 2014	$1.00	3,300,000

12. Remuneration Report - Audited

12.1 Principles of compensation

Remuneration is referred to as compensation throughout this report.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the directors of the Group.

Compensation levels for key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced directors and executives. The Board obtains independent advice on the appropriateness of compensation packages of the Group given trends in comparative companies both locally and internationally and the objectives of the Group's compensation strategy.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. Compensation packages include a mix of fixed compensation, equity-based compensation, performance-based compensation as well as employer contributions to superannuation funds.

Shares and options may only be issued to directors subject to approval by shareholders in general meeting.

Fixed compensation

Fixed compensation consists of base compensation as well as employer contributions to superannuation funds. Compensation levels are reviewed annually by the Board through a process that considers individual and overall performance of the Group. In addition, from time to time external consultants provide analysis and advice to ensure the directors' and senior executives' compensation is competitive in the market place. The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2014.

Performance linked compensation (*Short-term incentive bonus*)

In considering the Group's strategic objectives the Board may integrate certain performance linked short-term incentives (STIs) into key management personnel compensation packages.

Performance linked compensation primarily include STIs and are considered by the Board as and when projects are delivered and are entirely at the Board's discretion. The measures chosen are designed to align the individual's reward to the achievement of the Group's strategies and goals and to reward key management personnel for meeting or exceeding their personal objectives.

No bonuses were paid during the current financial year.

Equity based compensation (*Long-term incentive bonus*)

The Board provides equity-based long-term incentives (LTIs) to promote continuity of employment and to provide additional incentive to key management personnel to increase shareholder wealth. LTIs are provided as options over ordinary shares of the Company and are provided to key management personnel based on their level of seniority and position within the Group. Options may only be issued to directors subject to approval by shareholders in general meeting.

Key Management Personnel Incentive Options

Short-term and long-term incentive structure and consequences of performance on shareholder wealth have been considered. However given the Group's principal activity during the course of the financial year consisted of exploration and evaluation, the Board has given more significance to service criteria instead of market related criteria in setting the Group's incentive schemes. Accordingly, at this stage the Board does not consider the Company's earnings or earning measures to be an appropriate key performance indicator. The issue of options as part of the remuneration package of directors is an established practice for listed exploration companies and has the benefit of conserving cash whilst appropriately rewarding the directors. In considering the relationship between the Group's remuneration policy and the consequences for the Company's shareholder wealth, changes in share price are analysed.

The following table outlines the Group's respective earnings and share price for the period 1 July 2010 to 30 June 2014.

	30 Jun 10	30 Jun 11	30 Jun 12	30 Jun 13	30 Jun 14
Net loss	($360,270)	($2,810,183)	($4,118,771)	($42,660,488)	(7,866,050)
Closing ASX share price	$0.155	$1.29	$0.31	$0.055	$0.20

In the opinion of the Board, these earnings, as listed above, are largely irrelevant for assessing the Group's respective performance during the exploration and evaluation phases.

12. Remuneration Report – Audited (contd)

Service contracts

i) Executive chairman

Director and consulting services are provided by Mr Kennedy via an associated company on normal commercial terms and conditions, but not under any contract.

ii) Executive director

Executive director services are provided by Mr Thamm via a company associated with Mr Kennedy.

- Remuneration - $280,000 per annum, effective 1 February 2014, (including superannuation)
- Termination notice required - 3 months
- Termination benefit: $70,000

iii) Non-executive directors

Non-executive directors are paid at a rate of $60,000 per annum on a continuous service arrangement requiring at least one month's notice for termination. Total compensation for all non-executive directors are set based on advice, from time to time, from external advisors with reference to fees paid to other non-executive directors of comparable companies. The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2014. Non-executive directors' fees are presently limited to $250,000 per annum, excluding director services charged under management or consulting contracts.

Non-executive directors do not receive performance related compensation. Options issued to non-executive directors are provided as an incentive to promote continuity of service and are not performance based.

Directors' fees cover all main Board activities. The Board has no established retirement or redundancy schemes in relation to non-executive directors.

12.2 Key Management Personnel remuneration

Details of the nature and amount of each major element of remuneration are:

		Short term	Superannuation benefits	Equity settled share based payments	Total	Proportion of remuneration performance related	Value of options as proportion of remuneration
		Salary & fees		Options (i)			
Key Management Personnel		$	$	$	$	%	%
Executive directors							
Miles Kennedy, Chairman	2014	247,667	-	-	247,667	-	-
	2013	200,421	10,313	-	210,734	-	-
Albert Thamm	2014	313,788	25,000	95,523	434,311	-	22%
	2013	241,180	21,706	-	262,886	-	-
Non-executive directors							
John Hutton	2014	54,920	5,080	63,682	123,682	-	51%
	2013	55,046	4,954	-	60,000	-	-
Thomas Mann	2014	32,685	23,900	63,682	120,267	-	53%
	2013	43,815	19,600	-	63,415	-	-
Total	2014	649,060	53,980	222,887	925,927	-	24%
Total	2013	540,462	56,573	-	597,035	-	-

(i) The fair value of the options are calculated at the date of grant using the Black-Scholes option valuation model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options allocated to this reporting period. Further details of the issue are included below.

12. Remuneration Report – Audited (contd)

12.3 Equity instruments

Options over equity instruments

Options refer to options over ordinary shares of RNI NL and are exercisable on a one-for-one basis.

Details of options over ordinary shares in the Company that were granted and vested as compensation to each key management person are as follows.

	Balance at 1 Jul 13	Granted as remuneration	Options expired	Net other changes	Balance at 30 Jun 14	Vested during the year (i)	Vested and exercisable
Non-executive directors							
John Hutton	1,000,000	2,000,000	(1,000,000)	-	2,000,000	2,000,000	2,000,000
Thomas Mann	1,000,000	2,000,000	(1,000,000)	-	2,000,000	2,000,000	2,000,000
Executive directors							
Miles Kennedy	1,000,000	-	(1,000,000)	-	-	-	-
Albert Thamm **(ii)**	1,000,000	3,000,000	(1,000,000)	(1,000,000)	2,000,000	2,000,000	2,000,000

	Balance at 1 Jul 12	Granted as remuneration	Options expired	Net other changes	Balance at 30 Jun 13	Vested during the year	Vested and exercisable
Non-executive directors							
John Hutton	1,332,893	-	(332,893)	-	1,000,000	-	1,000,000
Thomas Mann	1,000,000	-	-	-	1,000,000	-	1,000,000
Executive directors							
Miles Kennedy	1,228,571	-	(228,571)	-	1,000,000	-	1,000,000
Albert Thamm	1,000,000	-	-	-	1,000,000	-	1,000,000

(i) Options issued during the year ended 30 June 2014 vested on grant date, being 21 November 2013
(ii) Albert Thamm elected to have 1,000,000 of the 3,000,000 issued to unrelated nominees.
(iii) No options were forfeited by key management persons during the reporting period.
(iv) No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period or the prior period.
(v) During the reporting period, no shares were issued on exercise of options previously granted as compensation.

The movement during the reporting period, by value, of options over ordinary shares in the Company held by key management persons is detailed below.

Director	Granted in year	Value of options exercised in year
	$	$
Albert Thamm	95,523	-
Thomas Mann	63,682	-
John Hutton	63,682	-

The following table sets out the assumptions made in determining the fair value of the options granted during the period which were estimated at the date of grant using the Black-Scholes model.

Expiry date	21 November 2016
Grant date	21 November 2013
Dividend yield	0.00%
Expected volatility	132.00%
Risk-free interest rate	2.74%
Option exercise price	$0.12
Expected life (years)	3.00
Share price on date of issue	$0.050

Movement in shares

The movement during the reporting period in the number of ordinary shares in RNI NL held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Balance at 1 Jul 13	**Purchased**	**Exercise of options**	**Net change other**	**Sales**	**Balance at 30 Jun 14**
Non-executive directors						
John Hutton	9,428,076	-	-	-	-	9,428,076
Thomas Mann	1,000,000	-	-	-	-	1,000,000
Executive directors						
Miles Kennedy	18,112,857	290,697	-	-	-	18,403,554
Albert Thamm	10,000	227,279	-	-	-	237,279

	Balance at 1 Jul 12	**Purchased**	**Exercise of options**	**Net change other**	**Sales**	**Balance at 30 Jun 13**
Non-executive directors						
John Hutton	9,028,076	400,000	-	-	-	9,428,076
Thomas Mann	1,000,000	-	-	-	-	1,000,000
Executive directors						
Miles Kennedy	17,912,857	200,000	-	-	-	18,112,857
Albert Thamm	-	10,000	-	-	-	10,000

No shares were granted to key management personnel during the reporting period as compensation in 2013 or 2014.

END OF AUDITED SECTION

13. Diversity

The Board is committed to having an appropriate blend of diversity on the Board and in all areas of the Group's business. The Board has established a policy ('Diversity Policy' or 'policy') regarding gender, age, ethnic and cultural diversity. Details of the policy are available on the Company's website.

Diversity Policy
The Company and all its related bodies corporate are committed to workplace diversity.

The Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.
To the extent practicable, the Company will address the recommendations and guidance provided in the ASX Corporate Governance Council's Principles and Recommendations.

The Diversity Policy does not form part of an employee's contract of employment with the Company, nor gives rise to contractual obligations. However, to the extent that the Diversity Policy requires an employee to do or refrain from doing something and at all times subject to legal obligations, the Diversity Policy forms a direction of the Company with which an employee is expected to comply.

The key objectives of the Diversity Policy are to achieve:

(a) a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
(b) a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
(c) improved employment and career development opportunities for women;
(d) a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
(e) awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity,

The Diversity Policy does not impose on the Company, its directors, officers, agents or employee any obligation to engage in, or justification for engaging in, any conduct which is illegal or contrary to any anti-discrimination or equal employment opportunity legislation or laws in any State or Territory of Australia or of any foreign jurisdiction.

Diversity Reporting
The Group's gender diversity as at the end of the reporting period is as follows:

Gender representation	30 June 2014				30 June 2013			
	Female		Male		Female		Male	
	No	%	No	%	No	%	No	%
Board representation	-	-	4	100	-	-	4	100
Group representation	9	45	11	55	11	38	18	62

The senior position of Chief Financial Officer is currently held by a female employee.

The Company's proposed diversity objectives for the 2015 financial year are as follows:

(a) Continue to assess and proactively monitor gender diversity at all levels of RNI's business and the implementation and effectiveness of the Company's diversity initiatives and programs,
(b) Update recruitment policies and procedures to reflect RNI's position on diversity; and
(c) Undertake an annual review of maternity and paternity leave and flexible working arrangements to ensure roles are appropriate to maintain career development.

14. Indemnification and Insurance of Officers and Auditors

Indemnification

The Group indemnifies each of its directors and company secretary. The Group indemnifies each director or officer to the maximum extent permitted by the Corporations Act 2001 from liability to third parties, except where the liability arises out of conduct involving lack of good faith, and in defending legal and administrative proceedings and applications for such proceedings.

The Group must use its best endeavours to insure a director or officer against any liability, which does not arise out of a conduct constituting a wilful breach of duty or a contravention of the Corporations Act 2001. The Group must also use its best endeavour to insure a director or officer against liability for costs and expenses incurred in defending proceedings whether civil or criminal.

The Group has not entered into any agreement with its current auditors indemnifying them against any claims by third parties arising from their report on the financial report.

The directors of the Company are not aware of any proceedings or claim brought against RNI NL or its controlled entities as at the date of this report.

Insurance

The Group holds cover in respect of directors' and officers' liability and legal expenses' insurance, for current and former directors and officers of the Group. The premium paid during the year was $39,375.

15. Non-audit Services

During the year Somes Cooke, the Company's auditor, did not perform any services other than their audit services.

In the event that non-audit services are provided by Somes Cooke, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the Corporations Act 2001. These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Group and will be reviewed by the Group to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Company and their related practices for audit services provided during the year are set out below.

	2014 **$**	**2013** **$**
Audit services:		
Audit and review of financial reports (Somes Cooke)	47,800	37,500
	47,800	37,500

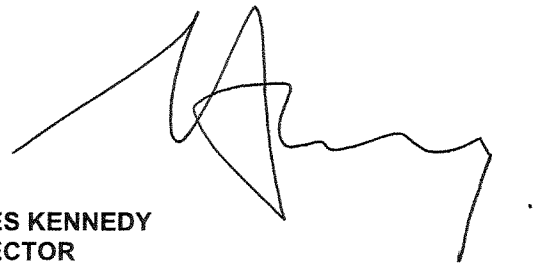
16. Competent Person's Statement

The information in this report which relates to Exploration Results and Mineral Resources is based on information compiled by Mr Albert Thamm, who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr Thamm is a director of RNI NL and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activities which undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Thamm consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

17. Lead auditor's Independence Declaration

The Lead auditor's independence declaration is set out on page 17 and forms part of the directors' report for the financial year ended 30 June 2014.

This report is made with a resolution of the directors.



MILES KENNEDY
DIRECTOR

Dated at Subiaco this 26th day of September 2014

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Profit from our Resources

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Chartered Accountants (Aus)
Business Consultants
Financial Advisors

Auditor's Independence Declaration

To those charged with governance of RNI NL and its Controlled Entities

As auditor for the audit of RNI NL and its Controlled Entities for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Somes Cooke

Somes Cooke

Nicholas Hollens

Nicholas Hollens
Partner

Perth

26 September 2014

	Note	2014 $	2013 $
Continuing operations			
Finance income		76,311	259,312
Other income	3	-	120,591
Administrative expenses	3	(3,137,211)	(2,738,445)
Finance costs		(5,090,703)	(1,084,800)
Write off of exploration, evaluation and development assets	11	(57,947)	(38,990,841)
Impairment of inventory	9	35,567	(161,600)
Impairment of financial assets	8	-	(5,049)
Share based payments expense	3	(711,579)	(59,656)
Loss before income tax		(8,885,562)	(42,660,488)
Income tax benefit (expense)	4	1,019,512	-
Loss from continuing operations		**(7,866,050)**	**(42,660,488)**
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period attributable to members of the parent		**(7,866,050)**	**(42,660,488)**
Loss per share			
Basic and diluted loss per share (cents)	5	(2.48)	(15.08)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

	Note	2014 $	2013 $
Assets			
Cash and cash equivalents	12	4,508,176	2,415,511
Trade and other receivables	7	186,663	1,996,794
Total current assets		**4,694,839**	**4,412,305**
Financial assets	8	10,488	10,488
Inventory	9	1,120,094	1,072,247
Property, plant and equipment	10	8,596,208	8,744,165
Exploration, evaluation and development expenditure	11	38,010,107	23,057,219
Total non-current assets		**47,736,897**	**32,884,119**
Total assets		**52,431,736**	**37,296,424**
Liabilities			
Trade and other payables	13	1,640,321	972,951
Borrowings	14	19,500,000	10,000,000
Current provisions	15	304,608	1,035,376
Total current liabilities		**21,444,929**	**12,008,327**
Provisions	16	13,116,063	10,474,744
Total non-current liabilities		**13,116,063**	**10,474,744**
Total liabilities		**34,560,992**	**22,483,071**
Net assets		**17,870,744**	**14,813,353**
Equity			
Issued capital	17	96,872,788	86,964,996
Reserves	17	1,584,573	2,864,684
Accumulated losses		(80,586,617)	(75,016,327)
Total equity		**17,870,744**	**14,813,353**

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

	Issued capital	Accumulated losses	Share based payments reserve	Total equity
	$	$	$	$
Opening balance at 1 July 2012	83,641,457	(32,422,551)	2,862,540	54,081,446
Total comprehensive income for the period				
Loss for the period	-	(42,660,488)	-	(42,660,488)
Total comprehensive income for the period	-	(42,660,488)	-	(42,660,488)
Transactions with owners, recorded directly in equity				
Shares issued for cash & exploration licences (Note 17)	3,479,717	-	-	3,479,717
Share issue costs	(156,178)	-	-	(156,178)
Share based payments	-	-	68,856	68,856
Expiry of options	-	66,712	(66,712)	-
Balance as at 30 June 2013	**86,964,996**	**(75,016,327)**	**2,864,684**	**14,813,353**
Opening balance as at 1 July 2013	**86,964,996**	**(75,016,327)**	**2,864,684**	**14,813,353**
Total comprehensive income for the period				
Loss for the period	-	(7,866,050)	-	(7,866,050)
Total comprehensive income for the period	-	(7,866,050)	-	(7,866,050)
Transactions with owners, recorded directly in equity				
Shares issued for cash & exploration licences (Note 17)	9,353,179	-	-	9,353,179
Shares issued on acquisition of Peak Hill Metals Pty Ltd (Note 18)	772,800	-	-	772,800
Share issue costs	(218,187)	-	-	(218,187)
Share based payments	-	-	1,015,649	1,015,649
Expiry of options	-	2,295,760	(2,295,760)	-
Balance as at 30 June 2014	**96,872,788**	**(**80,586,617**)**	**1,584,573**	**17,870,744**

The consolidated statement in changes in equity is to be read in conjunction with the accompanying notes.

	Note	2014 $	2013 $
Cash flows from operating activities			
Cash receipts from customers		-	120,591
Cash paid to suppliers and employees		(3,740,334)	(2,378,420)
Research and development tax benefit		1,019,512	-
Interest received		118,431	251,992
Interest paid and other finance costs		(3,891,002)	(1,084,800)
Net cash outflow from operating activities	12a	**(6,493,393)**	**(3,090,637)**
Cash flows from investing activities			
Payments for exploration and evaluation		(7,213,237)	(8,952,442)
Payments for project development		(1,178,610)	(545,632)
Bond refunds / (deposits)		1,786,703	(193,000)
Proceeds on disposal of property, plant and equipment		-	14,615
Payments for property, plant and equipment		(69,010)	(5,253,793)
Payments for inventory		(12,280)	(8,787)
Payment for subsidiary, net of cash acquired	12b	(2,800,000)	-
Net cash outflow from investing activities		**(9,486,434)**	**(14,939,039)**
Cash flows from financing activities			
Proceeds from the issue of shares	17	8,790,679	3,004,717
Share issue costs		(218,187)	(156,178)
Proceeds from borrowings	14	9,500,000	10,000,000
Net cash inflow from financing activities		**18,072,492**	**12,848,539**
Net increase / (decrease) in cash and cash equivalents		2,092,665	(5,181,137)
Cash and cash equivalents at the beginning of the period		2,415,511	7,596,648
Cash and cash equivalents at the end of the period	12	**4,508,176**	**2,415,511**

The consolidated statement of cash flow is to be read in conjunction with the accompanying notes.

1. Reporting entity

RNI NL (formerly Resource and Investment NL) (the Company or RNI) is a company domiciled in Australia. The address of the Company's registered office and principal place of business is 34 Bagot Road, Subiaco WA 6008. The Company is primarily involved in the exploration, evaluation and development of mineral tenements in Western Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2014 comprised the Company and its wholly owned subsidiaries (together referred to as the "Group").

Statement of compliance

a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian interpretations) adopted by the Australian Accounting Standard Board (AASB) and the *Corporations Act 2001*. The financial report of the Group complies with the International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The financial statements were authorised for issue by the Board of Directors on 26th September 2014.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following.

- Available-for-sale financial assets are measured at fair value; and
- Share-based payments are measured at fair value.

The methods used to determine fair values are discussed further in the following notes.

- Available-for-sale financial assets note 2(c); and
- Share-based payments note 2(o).

Going Concern

This report has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The directors recognise that the ability of the Group to continue as a going concern and to pay its debts as and when they all due is dependent on the ability of the Group to secure additional funding through either the issue of further shares and or options.

The directors have reviewed the business outlook and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will achieve the matters set out above. As such, the directors believe that they will continue to be successful in securing additional funds as and when the need to raise working capital arises.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts difference from those stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Group's functional currency.

d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group.

Certain comparative amounts have been reclassified to conform to the current year's presentation where required.

a) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company.

In the Company's financial statements, investments in subsidiaries are carried at cost.

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

Transactions eliminated on consolidation

Intra-group transactions, balances and any unrealised income and expenses arising from transactions, are eliminated in preparing the consolidated financial statements.

Acquisition of subsidiary not deemed a business combination

The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities transferred and the equity interests issued by the group. The consideration transferred also include the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in an asset acquisition, are with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquirer's net identifiable asset.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as deferred exploration expenditure. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financial or under comparable terms and conditions.

Business combination

Business combinations occur when an acquirer obtains control over one or more businesses. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control.

The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognition any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are expensed to the statement of profit and loss and other comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase price.

2. Significant accounting policies (contd)

b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on retranslation are recognised in the income statement.

c) Financial instruments

Non-derivative financial assets

The Group initially recognises receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through the statement of profit and loss and other comprehensive income) are recognised initially on the trade date at which the Group becomes party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: cash and cash equivalents, trade and other receivables and available-for-sale financial assets.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The Group does not recognise funds held in trust, in relation to equity issues, as a component of cash and cash equivalents.

Accounting for finance income and finance cost is discussed in note 2(k).

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Available-for-sale financial assets

The Group's investments in equity securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value, where a measure of fair value exists, and changes therein, other than impairment losses (see accounting policy note 2(h)), and foreign currency differences on available-for-sale monetary items (see accounting policy note 2(b)), are recognised directly in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognised, the cumulative gain or loss in equity is transferred to the income statement. Where an available for sale financial asset formerly had a fair value but presently a fair value measurement cannot be obtained, it is carried at its last known fair value and it is carried at cost which is the last known fair value.

The fair value of listed equity securities classified as available-for-sale is their quoted bid price at the balance sheet date.

Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Significant accounting policies (contd)

The Group has the following non-derivative financial liabilities: trade and other payables, and provisions.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

d) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

e) Inventory

Inventories are measured at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

f) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within “other income” in the statement of profit and loss and other comprehensive income.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of an item if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs are recognised in the income statement as an expense incurred.

Depreciation

Depreciation is recognised in the income statement on a diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

Office equipment	20%
Plant and equipment	40%
Motor vehicles	20%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

g) Exploration, evaluation and development expenditure

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Exploration and evaluation expenditure is measured at cost.

Exploration and evaluation expenditure related to each identifiable are of interest are recognised as an exploration and evaluation asset in the year in which they are incurred.

2. Significant accounting policies (contd)

These costs are only carried forward to the extent that the following conditions are satisfied:

(i) rights to tenure of the identifiable area of interest are current; and
(ii) at least one of the following conditions is also met:
   a. the expenditure is expected to be recouped through the successful development of the identifiable are of interest, or alternatively, by its sale; or
   b. where activities in the identifiable area of interest have not at the reporting date reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and activities in, or in relation to, the area of interest.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Accumulated costs in relation to an abandoned area are written off in full in the statement of profit and loss and other comprehensive income in the year in which the decision to abandon the area is made.

Exploration and evaluation assets are reviewed at each reporting date for indicators of impairment and tested for impairment where such indicators exist. If the test indicates that the carrying value might not be recoverable the asset is written down to its recoverable amount. Any such impairment arising is recognised in the statement of profit and loss and other comprehensive income for the year.

Where an impairment loss subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Once the technical feasibility and commercial viability of the extraction mineral resource in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to development expenditure.

Once a mining project has been established as commercially viable and technically feasible, expenditure other than that on land, buildings, plant and equipment is capitalised as development expenditure. Development expenditure includes previously capitalised exploration and evaluation costs, pre-production development costs, development studies and other subsurface expenditure pertaining to that area of interest. Costs related to surface plant and equipment and any associated land and buildings are accounted for as property, plant and equipment.

h) Impairment

Financial assets (including receivables)

A financial asset not carried at fair value through the statement of profit and loss and other comprehensive income is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, and the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence if impairment.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed in groups that show similar credit risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original interest rate. Losses are recognised in the statement of profit and loss and other comprehensive income and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of profit and loss and other comprehensive income.

2. Significant accounting policies (contd)

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in the fair value reserve in equity, to the income statement. The cumulative loss that is removed from other comprehensive income and recognised in the income statement is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in the statement of profit and loss and other comprehensive income.

Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value in use and its fair value less costs to sell. In 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 asset. For the purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss and other comprehensive income. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

i) Employee benefits

Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit and loss and other comprehensive income in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date 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 Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

j) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

2. Significant accounting policies (contd)

Exploration, evaluation and development activities give rise to obligations for site closure and rehabilitation. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology discounted to their present values.

k) Revenue

Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration.

Services

Revenue from services rendered is recognised in the statement of profit and loss and other comprehensive income in proportion to the stage of completion of the transaction at the reporting date.

Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in the statement of profit and loss and other comprehensive income, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and impairment losses recognised on financial assets.

Foreign currency

Foreign currency gains and losses are reported on a net basis.

l) Income tax

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in the statement of profit and loss and other comprehensive income except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

m) 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.

2. Significant accounting policies (contd)

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the balance sheet.

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 Australian Taxation Office are classified as operating cash flows.

n) Loss per share

The Company presents basic and diluted loss per share for its ordinary shares. Basic loss per share is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is only determined if the Company is in a profit position. Refer to note 5 for details.

o) Accounting estimates and judgements

Management discusses with the Board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Taxation

Balances disclosed in the financial statements and the notes related to taxation, are based on the best estimates of directors and take into account the financial performance and position of the Group as they pertain to current income tax legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current tax position represents the best estimate, pending assessment by the Australian Tax Office.

Exploration and evaluation assets

The accounting policy for exploration and evaluation expenditure results in expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

This policy requires management to make certain estimates as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that the recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to profit and loss.

Development expenditure

Development activities commence after commercial viability and technical feasibility of the project is established. Judgement is applied by management in determine when a project is commercially viable and technically feasible. In exercising this judgement, management is required to make certain estimates and assumptions as to the future events. If, after having commenced the development activity, a judgement is made that a development asset is impaired, the appropriate amount will be written off to profit and loss.

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions set out within note 20.

Estimated useful lives of assets

Estimated useful lives of assets have been based on historical experience. The condition of the assets is assessed at least once per year and considered against the remaining life. Adjustments to useful lives are made when considered necessary.

Provision for rehabilitation

Included in liabilities at the end of each reporting period is an amount that represents an estimate of the cost to rehabilitate the land upon which the Group has carried out its exploration, evaluation and development for mineral resources. Provisions are measured at the present value of management's best estimate of the costs required to settle the obligation at the end of the reporting period. Actual costs incurred in future periods to settle these obligations could differ materially from these estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates, and discount rates could affect the carrying amount of this provision.

2. Significant accounting policies (contd)

Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions or events specific to the Group that may be indicative of impairment indicators. The decision as to the existence of impairment indicators requires judgement.

p) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2014, but have not been applied in preparing this financial report.

- **AASB 9 Financial Instruments (December 2010) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017)**

  These standards will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

  The key changes that may affect the Group on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

  Although the directors anticipate that the adoption of AASB 9 may have an impact of the Group's financial instruments in the future, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact as the company is not currently engaged in any hedging activities.

- **AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).**

  This standard provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to impact the Group's financial statements.

- **Interpretation 21: Levies (applicable for annual reporting periods commencing on or after 1 January 2014).**

  Interpretation 21 clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. This Interpretation is not expected to significantly impact the Group's financial statements.

- **AASB 2013-3: Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets (applicable for annual reporting periods commencing on or after 1 January 2014)**

  This Standard amends the disclosure requirements in AASB 136: Impairment of Assets pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the Group's financial statements.

- **AASB 2013-4: Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting (applicable for annual reporting periods commencing on or after 1 January 2014).**

  AASB 2013-4 makes amendments to AASB 139: Financial Instruments: Recognition and Measurement to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedge instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. This Standard is not expected to significantly impact the Group's financial statements.

2. Significant accounting policies (contd)

- **AASB 2013-5: Amendments to Australian Accounting Standards – Investment Entities (applicable for annual reporting periods commencing on or after 1 January 2014).**

  AASB 2013-5 amends AASB 10: Consolidated Financial Statements to define an 'investment entity' and requires, with limited exceptions, that the subsidiaries of such entities be accounted for at fair value through profit or loss in accordance with AASB 9: Financial Instruments and not be consolidated. Additional disclosures are also required. As neither the parent nor its subsidiaries meet the definition of an investment entity, this Standard is not expected to significantly impact the Group's financial statements.

3. Revenue and expenses includes:	Note	2014 $	2013 $
Other Income			
Royalties for regions		-	120,521
Rental income		-	70
		-	**120,591**
Minimum Lease Payments			
Office lease payments (included in administrative expenses)		120,241	161,345
		120,241	**161,345**
Depreciation			
Plant and equipment (included in administrative expenses)		256,632	195,750
		256,632	**195,750**
Personnel Expenses			
Employee benefits expense (included in administrative expenses)		1,503,256	1,995,427
Equity settled share-based payments expense	20	711,579	59,656
		2,214,835	**2,055,083**

4. Income tax expense

a) Numerical reconciliation between tax expense (benefit) and pre-tax net loss	2014 $	2013 $
Loss before tax	(8,885,562)	(42,660,488)
Income tax benefit using the domestic corporation tax rate of 30% (2013: 30%)	(2,665,668)	(12,798,146)
Increase (decrease) in income tax due to:		
Non-deductible expenses		
- Entertainment	2,540	2,365
- Share based payments	246,954	17,897
- Other	54,231	(4,632)
Effect of tax losses and deductible temporary differences not recognised	2,550,419	12,829,370
Tax deductible equity raising costs	(188,476)	(46,854)
Research and development tax concession refunds	(1,019,512)	-
Income tax (benefit) expense	(1,019,512)	-

b) Tax losses

Unused tax losses for which no deferred tax asset has been recognised	65,719,500	50,390,313
Potential tax benefit @ 30%	19,715,850	15,117,094

These benefits will only be obtained if:

i) The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;

ii) The Company continues to comply with conditions for deductibility imposed by law; and

iii) No changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss and exploration expenditure.

The Group formed a Tax Consolidated Group on 8 March 2012 and Peak Hill Metals Pty Ltd joined the Tax Consolidated Group on 31 January 2014.

c) Deferred tax (liabilities) / assets not recognised

	2014 $	2013 $
Exploration, evaluation and development expenditure	(4,699,305)	(1,601,087)
Plant and equipment	10,622	9,234
Investments	144,386	813,806
Environmental liability	3,934,819	3,142,423
Provisions and sundry items	385,186	106,555
Capital raising costs	390,393	526,913
Capital losses	150,970	104,170
Tax losses	19,715,850	15,342,134
Deferred tax asset not recognised	(20,032,921)	(18,444,148)
Net deferred tax liability	-	-

5. Loss per share

	2014 Cents	2013 Cents
Basic loss per share		
Basic loss per share (cents)	**2.48**	15.08

The calculation of basic loss per share at 30 June 2014 is based on the loss attributable to ordinary shareholders of $7,866,050 (2013: loss of $42,660,488) and a weighted average number of ordinary shares outstanding of 317,002,129 (2013: 282,882,813).

As at 30 June 2014, the options detailed within Note 20 are considered to be potential ordinary shares. However, as the Group is in a loss position, the potential ordinary shares are considered to be anti-dilutive in nature, as their exercise will not result in a diluted loss per share that shows an inferior view of earnings performance of the Group than is shown by basic loss per share. For this reason, the options have not been included in the determination of diluted loss per share and the diluted loss per share is disclosed to be the same as basic loss per share.

6. Auditors Remuneration

Audit services:	2014 $	2013 $
Audit and review of financial reports (Somes Cooke)	57,500	37,500
	57,500	**37,500**

7. Trade and other receivables

	2014 $	2013 $
Receivable from Australian Taxation Office	85,396	89,658
Interest receivable	81	42,201
Environmental bonds (i)	34,000	1,832,000
Other	67,186	32,935
	186,663	**1,996,794**

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in Note 21.

(i) In the prior year cash-backed unconditional performance bonds totaling $1,832,000 were lodged with the Minister of Mines by the Group. On 1st July 2013, the Department of Mines and Petroleum established the Mining Rehabilitation Fund. Participation by mining companies into the Mining Rehabilitation Fund is optional for the period up to 30 June 2014. The Group opted for early participation into the Mining Rehabilitation Fund and on 30 August 2013 the Group's bank cancelled the bonds, releasing $1,832,000 into the Group's operating bank account.

8. Financial Assets

	2014 $	2013 $
Available-for-sale financial assets	10,488	10,488
	10,488	**10,488**

The Group holds equity investments in listed and unlisted entities. For listed investments, they are carried at fair value, represented by their quoted bid price at balance sheet date. For unlisted investments, they are carried at cost. The Group has recognised Nil (2013: $5,049) in impairment losses with respect to its available-for-sale financial assets during the financial year.

9. Inventory

	2014 $	2013 $
Run of mine stockpiles	1,076,302	1,040,735
Fuel supplies	43,792	31,512
	1,120,094	**1,072,247**

The run of mine stockpiles were acquired upon the acquisition of Grosvenor Gold Pty Ltd. The Group has recognised $35,567 as a reversal of previous impairments (2013: $161,200 in impairment losses) with respect to its run of mine stockpiles during the financial year.

10. Property, plant and equipment

A reconciliation of the carrying amounts for each class of property, plant and equipment is set out below.

	Plant & equipment $	Office equipment $	Motor vehicles $	Total $
Carrying amount				
At cost	7,951,966	335,870	919,500	9,207,336
Accumulated Depreciation	(41,809)	(100,186)	(321,176)	(463,171)
Balance as at 30 June 2013	**7,910,157**	**235,684**	**598,324**	**8,744,165**
At cost	8,107,502	224,666	926,397	9,258,565
Accumulated Depreciation	(167,482)	(61,813)	(433,062)	(662,357)
Balance as at 30 June 2014	**7,940,020**	**162,853**	**493,335**	**8,596,208**
Movement in carrying amount				
Balance at 1 July 2012	**3,095,875**	**145,093**	**538,677**	**3,779,645**
Additions (i)	88,500	125,240	159,711	373,451
Transfer from development assets (ii)	818,129	-	-	818,129
Transfers between classes	(48,393)	-	48,393	-
Plant refurbishment costs	3,994,083	-	-	3,994,083
Disposals	-	-	(25,393)	(25,393)
Depreciation	(38,037)	(34,649)	(123,064)	(195,750)
Balance as at 30 June 2013	**7,910,157**	**235,684**	**598,324**	**8,744,165**
Balance at 1 July 2013	7,910,157	235,684	598,324	8,744,165
Additions	-	36,160	28,182	64,342
Transfer from development assets (ii)	57,600	-	-	57,600
Transfer between classes	63,016	(63,016)	-	-
Plant refurbishment costs	4,671	-	-	4,671
Disposals	-	(7,043)	(10,895)	(17,938)
Depreciation	(95,424)	(38,932)	(122,276)	(256,632)
Balance as at 30 June 2014	**7,940,020**	**162,853**	**493,335**	**8,596,208**

(i) Includes fixed assets acquired from Naracoota Resources Limited of $100,000 (Note 12 (c) (iii)).
(ii) Transferred from capitalised development (Note 11).

11. Exploration, evaluation and development expenditure

	Note	Exploration $	Evaluation $	Project Development $	Total $
Balance at 1 July 2012		28,343,625	-	13,921,501	42,265,126
Reclassification	(i)	(5,580,747)	5,580,747	-	-
Transfer to plant and equipment	(ii)	-	-	(818,129)	(818,129)
Expenditure during the period	(iii)	4,722,505	4,815,924	2,181,890	11,720,319
Recognition of environmental liability	(vi)	223,460	8,657,284	-	8,880,744
Write off of carrying value of exploration and evaluation assets	(vii)	(26,018,892)	(492,499)	(12,479,450)	(38,990,841)
Balance as at 30 June 2013		**1,689,951**	**18,561,456**	**2,805,812**	**23,057,219**
Balance at 1 July 2013		1,689,951	18,561,456	2,805,812	23,057,219
Transfer to plant and equipment	(ii)	-	-	(57,600)	(57,600)
Expenditure during the period	(iv)	4,282,074	2,690,182	1,178,610	8,150,866
Acquisition of Peak Hill Metals Pty Ltd	(v)	4,276,250	-	-	4,276,250
Adjustment to environmental liability	(vi)	1,904,731	736,588	-	2,641,319
Write off of carrying value of exploration, assets	(vii)	(57,947)	-	-	(57,947)
Balance as at 30 June 2014		**12,095,059**	**21,988,226**	**3,926,822**	**38,010,107**

(i) Evaluation expenditure was previously classified separately from exploration expenditure.
(ii) Transfer of costs to plant and equipment (Note 10).
(iii) Expenditure on exploration includes $200,000, being the portion of the value of shares issued to Naracoota Resources Limited attributed to the Horseshoe Range gold project. The balance of the consideration, $100,000 was assigned to plant and equipment. (Note 12 (c) (iii)).
(iv) Current year expenditure included $270,000 in respect of the shares issued to Ascidian Prospecting Pty Ltd for the extension of the option agreement on the Doolgunna Project (Note 12 (c) (iii)) and $83,319 in respect of options issued to Montezuma Mining Company Limited to extend the option to acquire Peak Hill Metals Pty Ltd (Note 12 (c) (iv)).
(v) The acquisition of Peak Hill Metals Pty Ltd comprised of exploration project interest, see Note 12 (b).
(vi) The estimated environmental liability is based on an annual assessment under the criteria adopted by the new Mining Rehabilitation Fund as implemented by the Department of Mines and Petroleum with effect from the year ended 30 June 2013.
(vii) The carrying value of exploration, evaluation and project development costs have been written down based on reviews of mining and exploration tenements undertaken by an external consultant to determine the current carrying value. The determination was based on examining the tenements held within each entity within the group on a project-by-project basis by assessing whether:
- The expenditure and the associated activities have resulted in high priority exploration targets that will be the focus of funded exploration over the next 2 years; and
- Where JORC compliant resources have been established and reported, the full existing carrying value has been maintained.

The directors supported the recommendations and approved the associated amounts written off.

12. Cash and cash equivalents

		2014 $	2013 $
Bank balances		4,508,176	2,415,511
Cash and cash equivalents in the statement of cash flows		**4,508,176**	**2,415,511**

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets are discussed in Note 21.

a) Reconciliation of cash flows from operating activities

Loss for the period after income tax		(7,866,050)	(42,660,488)
Adjusted for:			
Depreciation expense		256,632	195,750
Impairment (gain) / losses		(35,567)	166,649
Debt success fee paid in shares and options		404,101	-
Exploration, evaluation and development write off		57,947	38,990,841
Accrued deferred rollover establishment fee		795,600	-
Employee share-based payments	(c)	711,579	59,656
Provision for stamp duty		214,142	-
(Gain) / loss on disposal of assets		(2,465)	10,779
Operating loss before changes in working capital and provisions		(5,464,081)	(3,236,813)
Increase in inventories		-	(8,787)
Decrease in trade and other receivables		43,828	115,048
Decrease in prepayments relating to operating activities		-	99,625
Decrease in trade and other payables		(128,230)	(134,187)
(Decrease) / increase in provisions		(944,910)	74,477
Net cash outflow from operating activities		**(6,493,393)**	**(3,090,637)**

b) Acquisition of Peak Hill Metals Pty Ltd
(Refer to Note 18)

Purchase consideration:			
Cash		2,800,000	-
Options in ordinary shares		109,150	-
Ordinary shares	17	772,800	-
Total consideration		**3,681,950**	**-**
Cash consideration:			
Cash		2,800,000	-
Cash outflow		**2,800,000**	**-**
Fair value of net assets acquired on date of acquisition:			
Exploration project interests		4,276,250	-
Environmental provisions		(594,300)	-
		3,681,950	**-**

c) Non cash financing and investing activities

Employee share based payments	(i)	711,579	59,656
Part settlement of acquisition of subsidiary with shares and options	(ii)	772,800	-
Part settlement of acquisition of subsidiary with options	(ii)	109,150	-
Issue of shares	(iii)	562,500	475,000
Issue of options	(iv)	194,920	9,200
		2,350,949	**543,856**

12. Cash and cash equivalents (contd)

(i) Issue of Incentive Options

As approved by shareholders in general meeting held on 21 November 2013, the Company may issue unlisted options to employees to subscribe for ordinary fully paid shares in the Company at any time within five years of issue and at an exercise price approved by the directors. There are no voting or dividend rights attached to the options and options issued under the plan were issued for no consideration. Voting rights will be attached to the ordinary issued shares when the options have been exercised. Each option is convertible to one fully paid ordinary share. The following issues took place:

- On 9 November 2012, the Company issued 1,000,000 employee incentive options to D Gunnell and 500,000 employee incentive options to D Fullarton, at an exercise price of $0.60 each, exercisable any time after at least 12 months employment has been served and expiring on 9 November 2017. $33,796 (2013 $59,656) was recognised as a share based payment in the income statement for the proportionate vesting.
- On 3 October 2013, the Company issued 7,400,000 employee incentive options to employees at an exercise price of $0.12 each and expiring on 3 October 2018. $454,896 was recognised as a share based payment in the income statement.
- On 21 November 2013, the Company issued 7,000,000 incentive options to directors at an exercise price of $0.12 each and expiring on 21 November 2016. $222,887 was recognised as a share based payment in the income statement.

(ii) Shares and options issued on acquisition of subsidiary

On 31 January 2014 the following instruments were issued to Montezuma Mining Company Limited as part consideration for the acquisition of 100% equity in Peak Hill Metals Pty Ltd and the balance of the purchase price of $2,800,000 was settled in cash. (Note 17 and 18)

- 8,400,000 shares were at a fair value of $0.092 each. $772,800 was recognised as the value of this share based payment.
- 2,100,000 options were issued at an exercise price of $0.35 expiring on 31 January 2017. $109,150 was recognised as the value of this share based payment.

(iii) Issue of Shares

- On 14 September 2012, 572,458 fully paid ordinary shares were issued to holders of the Horseshoe Lights East Project at a deemed price of $0.3057 per share as consideration for an option to earn 51% interest in the Project. $175,000 was recognised within exploration assets as a result of the issue of these shares.
- On 29 May 2013, 3,805,554 fully paid ordinary shares were issued to Naracoota Resources Limited at a deemed price of $0.0788 per share in consideration for the Horseshoe Range gold project. $300,000 was included within exploration and other fixed assets (Note 10 and 11) as a result of the issue of these shares.
- On 30 July 2013, 3,000,000 fully paid ordinary shares were issued to Ascidian Prospecting Pty Ltd at a deemed price of $0.08 cents per share as consideration for extension of the option agreement on the Doolgunna Project. $270,000 was recognised within exploration assets as a result of the issue of these shares.
- On 11 June 2014, 1,950,000 fully paid ordinary shares were issued at a deemed price of $0.15 cents per share in lieu of a cash payment for services rendered to secure the 19.5 million debt facility as announced on 31 January 2014. $292,500 was recognised as a debt success fee in the income statement.

(iv) Issue of Options

- On 13 March 2013 4,000,000 options in the capital of RNI exercisable to ordinary fully paid shares were issued to an unrelated party as consideration for services rendered to secure the $15 million interim debt facility as announced on 12 February 2013 with an exercise price of $0.35 per share, exercisable any time on or before 13 March 2017. $9,200 was recognised as a debt success fee in the income statement in the prior year.

12. Cash and cash equivalents (contd)

- On 11 November 2013 2,100,000 options in the capital of RNI exercisable to ordinary fully paid shares were issued to Montezuma Mining Company Limited in consideration for the extension of the option to acquire their Peak Hill Project with an exercise price of $0.20 per share, exercisable any time on or before 11 November 2016. $83,319 was recognised as within exploration assets as a result of the issue of these options.
- On 11 June 2014 3,000,000 options in the capital of RNI exercisable to ordinary fully paid shares were issued to an unrelated party as consideration for services rendered to secure the $19.5 million interim debt facility as announced on 31 January 2014 with an exercise price of $0.095 per share, exercisable any time on or before 13 March 2017. $111,601 was recognised as a debt success fee in the income statement.

13.Trade and other payables	**2014**	**2013**
	$	**$**
Trade and other accruals	844,721	972,951
Accrued deferred rollover establishment fee	795,600	-
	1,640,321	**972,951**

A deferred rollover establishment fee is due on the extension and increase of the debt facility proportional to the term of the loan and payable on repayment of the loan. The amount owing up to 30 June 2014 has been accrued and has been included in finance costs in the income statement. Refer to note 14.

14.Borrowings	**2014**	**2013**
	$	**$**
Taurus Fund Management Pty Ltd interim debt facility	19,500,000	10,000,000
	19,500,000	**10,000,000**

Grosvenor Gold Pty Ltd extended and increased the facility agreement on 31 January 2014 to secure access to funding of $19,500,000 at an interest rate of 12.5% per annum for the first six months and 13.5% per annum for the balance of the period. $2,800,000 of the debt is repayable by 7 November 2014 and the balance is payable in full by 7 February 2015. The loan is secured by a mortgage over all assets of Grosvenor Gold Pty Ltd and is guaranteed by RNI NL.

15.Current provisions	**2014**	**2013**
	$	**$**
Employee leave benefits	90,466	85,376
Provision for stamp duty	214,142	950,000
	304,608	**1,035,376**

Provision has been made for stamp duty on the acquisition of the assets of Peak Hill Metals Pty Ltd (2013: Grosvenor Gold Pty Ltd.) Refer to note 18 for more detail.

16.Non-current provisions	**2014**	**2013**
	$	**$**
Environmental provision recognised on business combination	13,116,063	10,474,744
	13,116,063	**10,474,744**

A provision has been made in respect of environmental rehabilitation on tenements based on the disturbance criteria as determined by Department of Mines and Petroleum.

17. Issued capital and reserves

	2014 $	2013 $
Issued and fully paid ordinary shares	**96,872,788**	86,964,996

Movement in ordinary shares	Note	2014 Number	2014 $	2013 Number	2013 $
On issue at 1 July		295,496,890	86,964,996	271,087,528	83,641,457
Issue of shares for cash		117,209,064	8,790,677	20,031,318	3,004,698
Issue of shares to acquire Horseshoe Range gold project	12(c)	-	-	3,805,554	300,000
Issue of shares as part consideration for acquisition of Peak Hill Metals Pty Ltd	18	8,400,000	772,800	-	-
Issue of shares to acquire / extend options on exploration licences	12(c)	3,000,000	270,000	572,458	175,000
Issue of shares in lieu of cash payment for expenses	12(c)	1,950,000	292,500	-	-
Issue of shares on exercise of options		3	2	32	19
Share issue costs		-	(218,187)	-	(156,178)
On issue at 30 June		**426,055,957**	**96,872,788**	**295,496,890**	**86,964,996**

Terms and conditions

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Nature and purpose of share-based payments reserve

The share-based payments reserve represents the fair value of equity instruments issued to employees as compensation and issued to external parties for the receipt of goods and services. This reserve will be reversed against issued capital when the underlying shares are converted and reversed against retained earnings when they are allowed to lapse.

Movement in share-based payment reserve

	2014 $	2013 $
Balance at 1 July	2,864,684	2,862,540
Share based payments	1,015,649	68,856
Expiry of options	(2,295,760)	(66,712)
Balance at 30 June	**1,584,573**	**2,864,684**

Movement in options

Options expiring on or before	Note	Exercise Price	On issue at 1 Jul 13	Issued	Exercised	Expired	On issue at 30 Jun 14
25 Nov 2013		$1.00	6,000,000	-	-	(6,000,000)	-
17 May 2014		$1.00	3,300,000	-	-	(3,300,000)	-
27 Mar 2015		$0.44	3,597,621	-	-	-	3,597,621
11 Nov 2016		$0.20	-	2,100,000	-	-	2,100,000
21 Nov 2016		$0.12	-	7,000,000	-	-	7,000,000
9 Nov 2017	(i)	$0.60	1,500,000	-	-	-	1,500,000
31 Jan 2017		$0.35	-	2,100,000	-	-	2,100,000
31 Jan 2017		$0.095	-	3,000,000	-	-	3,000,000
13 Mar 2017	(ii)	$0.35	4,000,000	-	-	-	4,000,000
3 Oct 2018		$0.12		7,400,000	-	-	7,400,000
			18,397,621	21,600,000	-	(9,300,000)	30,697,621

(i) The options were issued as incentive options to employees in terms of an employee share option scheme as approved by shareholders in general meeting (Note 20).

(ii) The options were issued to New Holland Capital Pty Limited in terms of a mandate upon successfully securing a debt facility.

18. Controlled Entities

	2014 %	2013 %
Grosvenor Gold Pty Ltd, incorporated in Australia	100	100
Peak Hill Metals Pty Ltd, incorporated in Australia	100	-

The parent entity acquired a 100% interest in Grosvenor Gold Pty Ltd on 8 March 2012.
Grosvenor Gold Pty Ltd acquired a 100% interest in Peak Hill Metals Pty Ltd on 31 January 2014. The acquisition was assessed by the Board in the current period and it was determined that the acquisition was an asset acquisition, rather than a business combination as the substance and intent of the transactions was for the Group to acquire the exploration assets of Peak Hill Metals Pty Ltd for the purpose of expanding the Group's overall resource base.

		Fair Value $	Fair Value $
Cash		2,800,000	-
Options in ordinary shares		109,150	-
Ordinary shares	(i)	772,800	-
		3,681,950	-
Fair value of net assets acquired on date of acquisition:			
Exploration project interests		4,276,250	-
Provisions		(594,300)	-
		3,681,950	-

(i) The consideration paid to acquire Peak Hill Metals Pty Ltd included the issue of 8,400,000 shares at a fair value of $772,800 (Note 17). The fair value of the shares was determined based on the share price as at the date of acquisition, 31 January 2014.

19. Parent Information

	2014 $	2013 $
Statement of Financial Position		
Assets		
Total current assets	3,956,283	38,441
Total non-current assets	16,566,451	15,177,934
Total assets	20,522,734	15,216,375
Liabilities		
Total current liabilities	167,740	1,127,857
Total non-current liabilities	183,040	-
Total liabilities	350,780	1,127,857
Equity		
Issued capital	96,872,788	86,964,996
Reserves	1,584,573	2,864,684
Accumulated losses	(78,285,407)	(75,741,162)
Total equity	20,171,954	14,085,518
Statement of Profit and Loss and Other Comprehensive Income		
Total loss	4,840,008	43,147,357
Total comprehensive loss	4,840,008	43,147,357

20.Share Based Payments

Recognised share-based payments

Details of share based payments recognised during the year are shown in the table below.

	2014 $	2013 $
Employee share based payments	711,579	59,656
Issue of shares as part consideration for the acquisition of Peak Hill Metals Pty Ltd (Note 18)	772,800	-
Issue of options as part consideration for the acquisition of Peak Hill Metals Pty Ltd (Note 18)	109,150	-
Issue of shares (Note 12(c) (iii))	562,500	475,000
Issue of options (Note 12(c) (iv))	194,920	9,200
	2,350,949	**543,856**

Equity based compensation plans (*Long-term incentive bonus*)

The Board has provides equity-based long-term incentives (LTIs) to promote continuity of employment and to provide additional incentive to key management personnel to increase shareholder wealth. LTIs are provided as options over ordinary shares of the Company and are provided to key management personnel based on their level of seniority and position within the Group. Options may only be issued to directors subject to approval by shareholders in general meeting.

There are no voting or dividend rights attached to the options and options issued under the plans were issued for no consideration. Voting rights will be attached to the ordinary issued shares when the options have been exercised. Each option is convertible to one fully paid ordinary share.

Issue of Incentive Options

As approved by shareholders in general meeting held on 21 November 2013, the Company may issue unlisted options to employees to subscribe for ordinary fully paid shares in the Company with an expiry date not later than five years from the date of issue and with an exercise price at the discretion of the directors.

The following options were issued to employees and included in equity settled share-based payments expenses under Administrative expenses in the statement of profit and loss and other comprehensive income.

	2014 $	2013 $
Equity settled share-based payment expense	711,579	59,656
	711,579	**59,656**

1,500,000 options issued on 9 November 2012 were at an exercise price of $0.60 and expire on 9 November 2017.

7,400,000 options issued to on 3 October 2013 were at an exercise price of $0.12 and expire on 3 October 2018.

Summaries of options granted as share based payments

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options issued during the year:

	2014 No.	2014 WAEP	2013 No.	2013 WAEP
Outstanding at 1 July	18,397,621	$0.72	13,417,621	$0.82
Granted during the year	21,600,000	$0.15	5,500,000	$0.42
Exercised during the year	-	-	-	-
Expired during the year	(9,300,000)	$1.00	(520,000)	$0.40
Outstanding at 30 June	**30,697,621**	$0.41	**18,397,621**	$0.72

20. Share Based Payments (contd)

The outstanding balance at 30 June 2014 is represented by:

Options expiring on or before	Exercise price	Number
27 March 2015	$0.44	3,597,621
11 November 2016	$0.20	2,100,000
21 November 2016	$0.12	7,000,000
31 January 2017	$0.35	2,100,000
31 January 2017	$0.095	3,000,000
13 March 2017	$0.35	4,000,000
9 November 2017	$0.60	1,500,000
3 October 2018	$0.12	7,400,000

Weighted average remaining contractual life

The weighted average remaining contractual life for share options outstanding as at 30 June 2014 is 2.77 years (2013: 1.79 years).

Range of exercise price

The range of exercise prices for options outstanding at the end of the year was $0.095 - $0.60 (2013: $0.35 - $1.00). As the range of exercise prices is wide, refer to the above table for further information in assessing the number and timing of additional shares that may be issued and the cash that may be received upon exercise of those options.

Weighted average fair value

The weighted average fair value of options granted during the year was $0.185 (2013: $0.019).

Fair value basis

The following table sets out the assumptions made in determining the fair value of the options granted during the period which were estimated at the date of grant using the Black-Scholes model.

Expiry date	3 October 2018	11 November 2016	21 November 2016	31 January 2017	31 January 2017
Grant date	3 October 2013	11 November 2013	21 November 2013	31 January 2014	11 June 2014
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Expected volatility	132.00%	132.00%	132.00%	132.00%	132.00%
Risk-free interest rate	2.74%	2.74%	2.74%	2.65%	2.65%
Option exercise price	$0.12	$0.20	$0.12	$0.35	$0.095
Expected life (years)	5.00	3.00	3.00	3.00	3.00
Share price on date of issue	$0.737	$0.066	$0.050	$0.092	$0.092

21.Financial Instruments

Financial risk management

This note presents information about the Group's exposure to credit, liquidity and market risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Group's principal financial instruments comprise receivables, payables, short term loans, available-for-sale equity investments, cash and short-term deposits.

All financial assets measured at fair value are considered to be Level 1 financial assets. That is, they have quoted prices in active markets for identical assets.

21. Financial instruments (contd)

Risk exposures and responses

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

The main risks arising from the Group's financial instruments are interest rate risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates via assessments of market forecasts for interest rates and monitoring liquidity risk through the development of future rolling cash flow forecasts.

The Group does not use any form of derivatives as the Group's operations and related financial instruments are not at a level of complexity to require the use of derivatives to hedge its exposures. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's potential concentration of credit risk consists mainly of cash deposits with banks and other receivables. The Group's short term cash surpluses are placed with banks that have investment grade ratings. The maximum credit risk exposure relating to the financial assets is represented by the carrying value as at the balance sheet date. The Group considers the credit standing of counterparties when making deposits to manage the credit risk.

Considering the nature of the Group's ultimate customers and the relevant terms and conditions entered into with such customers, the Group believes that the credit risk is immaterial.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate cash reserves either from funds raised in the market or via short term loans and by continuously monitoring forecast and actual cash flows.

The following are the contractual and expected maturities of the Group's non-derivative, non-cash financial assets and the Group's expected maturities of financial liabilities:

	Within 6 months	6 to 12 months	>12 months	Total
	$	$	$	$
Year ended 30 June 2014				
Financial assets				
Trade and other receivables	161,663	-	25,000	186,663
Available for sale financial	-	-	10,488	10,488
	161,663	-	35,488	197,151
Financial liabilities				
Trade and other payables	844,721	795,600	-	1,640,321
Provisions	214,142	90,466	-	304,608
Borrowings	2,800,000	16,700,000	-	19,500,000
	3,858,863	17,586,066	-	21,444,929
Net (outflow) / inflow	(3,697,200)	(17,586,066)	35,488	(21,247,778)

21. Financial instruments (contd)

	Within 6 months	6 to 12 months	>12 months	Total
	$	$	$	$
Year ended 30 June 2013				
Financial assets				
Trade and other receivables	1,981,794	-	15,000	1,996,794
Available for sale financial	-	-	10,488	10,488
	1,981,794	-	25,488	2,007,282
Financial liabilities				
Trade and other payables	972,951	-	-	972,951
Provisions	950,000	85,376	-	1,035,376
Borrowings	-	10,000,000	-	10,000,000
	1,922,951	10,085,376	-	12,008,327
Net (outflow) / inflow	(58,843)	(10,085,376)	25,488	(10,001,045)

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration, evaluation and development of its mineral projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. Due to the Group being principally involved in mineral exploration, the primary source of funding is equity raisings which has more recently been supplemented by an interim debt facility.

The Company also encourages employees and directors to be shareholders through its various equity-based long-term incentives as detailed in Note 20.

As at 30 June 2014, the Group had a net working capital deficit of $16,750,090 (2013: $7,596,022), represented significantly by a short term bridging loan of $19,500,000 repayable by February 2015. (2013: $10,000,000). The Group's net asset position was $17,870,744 (2013: $14,813,353).

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

The Group is not subject to externally imposed capital requirements.

Fair value

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

The financial assets and liabilities included in the assets and liabilities of the Group approximate net fair value, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Foreign exchange risk for the Group as at 30 June 2014 arises from equity investments the Group holds in Canadian Dollars (CAD), classified as available-for-sale financial assets.

The Group's exposure to foreign currency risk is not considered to be material.

Cash flow interest rate risk

The Group is exposed to interest rate risk, primarily on its cash and cash equivalents. Cash flow interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures. The interest rate on the short term loan is fixed.

21. Financial instruments (contd)

The interest rate profile of the Group's interest-bearing financial instruments was:

			Fixed Interest Rate Maturity			
	Average Interest Rate %	Variable Interest Rate A$	Less than 1 Year A$	1 to 5 Years A$	More than 5 Years A$	Total A$
At 30 June 2014						
Financial assets						
Cash and cash equivalents	2.25%	4,508,176	-	-	-	4,508,176
Financial liabilities						
Borrowings	12.50%	-	19,500,000	-	-	19,500,000
At 30 June 2013						
Financial assets						
Cash and cash equivalents	2.50%	2,415,511	-	-	-	2,415,511
Financial liabilities						
Borrowings	10.00%	-	10,000,000	-	-	10,000,000

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have no material impact on the income statement. There would be no effect on the equity reserves other than those directly related to income statement.

Equity price risk

Equity price risk is the risk that the value of the Group's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

Investments are managed on an individual basis and material buy and sell decisions are approved by the Board of Directors. The primary goal of the Group's investment strategy is to maximise investment returns.

The Group's investments are solely in equity instruments. These instruments are classified as available-for-sale and carried at fair value, where a measure of fair value exists, with fair value changes recognised directly in equity, except for impairment losses. Where these investments are derecognised or impaired, the cumulative gain or loss previously recognised directly in equity is recognised in the income statement.

22.Related parties

Key management personnel compensation

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2014.

The totals of remuneration paid to KMP of the Group during the year comprised:

	2014 $	2013 $
Short-term employee benefits	649,060	540,462
Post-employment benefits	53,980	56,573
Share-based payments	222,887	-
	925,927	597,035

22. Related parties (contd)

Other than the directors, no other person is concerned in, or takes part in, the management of the Group or has the authority and responsibility for planning, directing and controlling the activities of the Group.

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive directors as well as all fees, salary, paid leave, fringe benefits awarded to executive directors.

Post-employment benefits

These represent the cost of superannuation contributions made during the year.

Share-based payments

These amounts represent expense related to the participation of directors in equity-settled benefit schemes as measured by the fair value of options granted on the grant date.

Further information in relations to key management personnel remuneration can be found in the directors' report.

Individual directors and executives compensation disclosures

Information regarding individual directors' compensation and some equity instruments disclosures as required by Corporations Regulations 2M.3.03 is provided in the Remuneration Report section of the Directors' Report.

Apart from the details disclosed in this note, no director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests at year-end.

Key management personnel and director transactions

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the Company or its subsidiaries in the reporting period. The terms and conditions of the transactions with management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and their related entities over which they have control or significant influence were as follows:

		Transactions value year ended 30 June		Balance outstanding as at 30 June	
		2014	2013	2014	2013
		$	$	$	$
Key management personnel and their related parties	Transaction				
Mr Miles Kennedy and Mr John Hutton – The Bagot Road Property Partnership	Office rental expenses	88,038	78,845	-	-
Mr Miles Kennedy and Mr John Hutton – The Bagot Road Group	Payroll management fees	44,319	43,035	-	-
Mr Thomas Mann	Share issue costs	15,000	-	-	-
		147,357	121,880	-	-

23. Commitments

Exploration expenditure commitments in respect of tenement holdings

	2014	2013
	$	$
Payable		
Not later than 12 months	3,336,860	3,161,440
Between 12 months and 5 years	11,827,680	10,272,160
	15,164,540	13,433,600

24. Segment Reporting

The Group operations are entirely associated with exploration and related development activities in Western Australia.

25. Events subsequent to reporting date

Subsequent to the reporting date the Company released the following ASX announcements:

- Forrest Copper-Gold Project – Drilling update, on 7 July 2014;
- Continuous high grade Copper-Gold Results at Forrest, on 23 July 2014;
- High Priority VTEM conductors identified at Morck's Well, on 29 July 2014;
- Taurus Facility Extension, on 5 August 2014;
- First Copper Sulphides Encountered At Forrest Discovery on 1 September 2014;
- Results of General Meeting on 15 September 2014 which included the change in name subsequently registered by ASIC on 16 September 2014;
- Issue of 3m unlisted $0.25 options, expiring 15 September 2017, to Miles Kennedy on 15 September 2014;
- Updated Modelling Results – Grosvenor Gold Project on 22 September 2014;
- RNI intersects more Copper Sulphides at Forrest on 22 September 2014; and
- RNI Defines New Priority Drilling Targets on 25 September 2014.

Except for the events noted above, no material events have occurred subsequent to the reporting date.

1. In the opinion of the directors of RNI NL

   (a) the consolidated financial statements and notes, set out on pages 18 to 47, and the Remuneration report in the Directors' report, are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance, for the financial year ended on that date; and

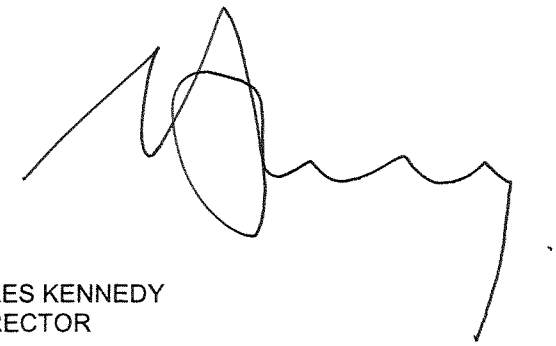
      (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

   (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(a);

   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2014.

Signed in accordance with a resolution of the directors.



MILES KENNEDY
DIRECTOR

Dated at Subiaco this 26th day of September 2014

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Chartered Accountants (Aus)
Business Consultants
Financial Advisors

Independent Auditor's Report

To the members of RNI NL and its Controlled Entities

Report on the Financial Report

We have audited the accompanying financial report of RNI NL and its Controlled Entities, which comprises the statements of financial position as at 30 June 2014, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and consolidated statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 auditor's judgement, 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 company's preparation of the financial report that gives a true and fair view 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 company'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.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion the financial report of RNI NL and its Controlled Entities is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's and the consolidated entity's financial position as at 30 June 2014 and of their performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

(c) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a).

Emphasis of Matter - Inherent uncertainty regarding continuation as a going concern.

Without modifying our opinion, we draw attention to Note 1(b) to the financial statements which outlines that the ability of the company to continue as a going concern is dependent on the ability of the Group to secure additional funding through either the issue of further shares and or options.

As a result there is a material uncertainty related to events or conditions that may cast significant statements which outlines that the ability of the company to continue as a going concern, and therefore whether it will realise its asset and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Our opinion is not qualified in respect of this matter.

Report on the Remuneration Report

We have audited the Remuneration Reported included in pages 10 to 13 of the directors' report for the year ended 30 June 2014. 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 in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of RNI NL for the year ended 30 June 2014, complies with section 300A of the *Corporations Act 2001*.

Somes Cooke

Somes Cooke

Nicholas Hollens

Nicholas Hollens
Partner

Perth
26 September 2014