



**NOTICE OF GENERAL MEETING
AND EXPLANATORY STATEMENT AND PROXY FORM**

DATE OF MEETING
17 JULY 2015

TIME OF MEETING
11AM (WST)

PLACE OF MEETING
**CELTIC CLUB
48 ORD STREET
WEST PERTH WA**

Please read the Notice carefully and if you are unable to attend the General Meeting of Shareholders please complete and return the enclosed Proxy Form in accordance with the specified directions.

This is an important document. It should be read in its entirety. If you are in doubt as to the course you should follow, consult your financial or other professional adviser.

RNI NL

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TIME AND PLACE OF GENERAL MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders of RNI NL will be held at:

The Celtic Club
48 Ord St, West Perth, Western Australia
Commencing 11am (WST) on Friday, 17 July 2015

VOTING ENTITLEMENTS

For the purposes of the Corporations Act, all securities of the Company that are quoted securities at 11am (WST) on Wednesday, 15 July 2015 will be taken, for the purposes of the General Meeting, to be held by the persons who held them at the time and such persons are eligible to vote at the General Meeting.

HOW TO VOTE

The business of the General Meeting affects your shareholding and your vote is important. Please take action by voting in person (or authorised representative) or by proxy.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above. The General Meeting will commence at 11am (WST) on Friday, 17 July 2015.

PROXIES

You may vote on the items of business to be considered at the General Meeting, either in person at the General Meeting or by completing, signing and returning the Proxy Form enclosed with this Notice. You can return your Proxy Form to the Company's share registry, Security Transfer Registrars:

- by email to registrar@securitytransfer.com.au;
- by posting it to PO Box 535, Applecross, Western Australia 6953;
- by facsimile to +61 (0) 8 9315 2233;
- by hand to 770 Canning Highway, Applecross, Western Australia, Australia 6153 between 8.00am and 5.00pm Monday to Friday, providing it is not a public holiday in WA.

You may also lodge your proxy online at www.securitytransfer.com.au and by following the instructions set out on the Proxy Form.

The Proxy Form must be returned to Security Transfer Registrars and be received by them no later than 11.00am (WST) on Wednesday, 15 July 2015.

If you are entitled to attend and cast a vote at the General Meeting you may appoint up to two proxies. A proxy may be an individual or a corporation but need not be a Shareholder. If you appoint two proxies each proxy may exercise half of the Shareholder's votes if no proportion or number of votes is specified.

CORPORATE REPRESENTATIVES

A corporation may appoint an individual as a representative to exercise its powers as Shareholder or as a Shareholder's proxy. The representative should bring to the General Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has been previously given to the Company's share registry.

POWERS OF ATTORNEY

A person appearing as an Attorney for a Shareholder should produce a properly executed original (or certified copy) of an appropriate Power of Attorney for admission to the General Meeting.

AGENDA

1. Resolution 1 – Ratification of Issue of Shares under Listing Rule 7.4

To consider and, if thought fit, to pass as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders hereby approve and ratify the issue of 16,000,000 fully paid ordinary shares and 16,000,000 unlisted \$0.15 options pursuant to a placement as announced to ASX on 22 December 2014 and as more fully described in the Explanatory Statement accompanying this Notice.”

Voting exclusion:

The Company will disregard any votes cast on this Resolution by the persons who participated in the issue and any associates of those persons unless:

- (a) it is cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form); or
- (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote as the proxy decides).

2. Resolution 2 – Ratification of Issue of Shares under Listing Rule 7.4

To consider and, if thought fit, to pass as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders hereby approve and ratify the issue of 18,340,588 fully paid ordinary shares and 9,170,294 unlisted \$0.15 options pursuant to a placement as announced to ASX on 16 February 2015 and as more fully described in the Explanatory Statement accompanying this Notice.”

Voting exclusion:

The Company will disregard any votes cast on this Resolution by the persons who participated in the issue and any associates of those persons unless:

- (a) it is cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form); or
- (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote as the proxy decides).

3. Resolution 3 – Issue of Director’s Options – Royce McAuslane

To consider and, if thought fit, to pass as an **ordinary resolution**:

“That for the purposes of Listing Rule 10.11 and for all other purposes, the Shareholders hereby approve the issue of 5,000,000 Director’s Options to Royce McAuslane, or his nominee(s), for no cash consideration, each of such Director’s Options being subject to the terms and conditions and carrying the right, exercisable at the time, price and in the manner prescribed in the Explanatory Statement, to subscribe for one (1) Share in the Company.”

Voting exclusion:

The Company will disregard any votes cast on this Resolution by Royce McAuslane and his nominee(s) (and any associate of Royce McAuslane and his nominee(s)). However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form); or
- (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote as the proxy decides).

4. Resolution 4 – Approval of the issue of Convertible Notes and Noteholder Options to Lenders in repayment of Loans

To consider and, if thought fit, to pass as an **ordinary resolution**:

"That for the purposes of Listing Rule 7.1 and for all other purposes the Shareholders hereby approve the issue of Convertible Notes with a face value of not less than \$20,000 each and an aggregate face value of up to \$1,440,000 together with up to 144,000,000 attaching Noteholder Options to the Unrelated Lenders, or any one or more of their respective nominees, in full repayment of the principal sum of up to \$1,440,000 due by the Company to the Unrelated Lenders in respect of amounts lent by the Unrelated Lenders to the Company pursuant to Unsecured Loans as set out in the Explanatory Statement accompanying this Notice."

Voting exclusion:

The Company will disregard any votes cast on this Resolution by any of the Unrelated Lenders and their nominee(s) (and any associate of any of the Lenders and their nominee(s)). However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form); or
- (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote as the proxy decides).

5. Resolution 5 – Approval of the issue of Convertible Notes and Noteholder Options to Miles Kennedy in repayment of Loan

To consider and, if thought fit, to pass as an **ordinary resolution**:

"That for the purposes of Listing Rule 10.11 and for all other purposes the Shareholders hereby approve the issue of 2 Convertible Notes with a face value of \$20,000 each and an aggregate face value of \$40,000 together with 4,000,000 attaching Noteholder Options to Miles Kennedy, or any one or more of his nominees, in full repayment of the principal sum of \$40,000 due by the Company to Miles Kennedy in respect of amounts lent by him to the Company pursuant to his Unsecured Loan as set out in the Explanatory Statement accompanying this Notice."

Note: If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

Voting exclusion:

The Company will disregard any votes cast on this Resolution by Miles Kennedy and his nominee(s) (and any associate of Miles Kennedy and his nominee(s)). However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form); or
- (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote as the proxy decides).

6. Resolution 6 – Approval of the issue of Convertible Notes and Noteholder Options to Royce McAuslane in repayment of Loan

To consider and, if thought fit, to pass as an **ordinary resolution**:

"That for the purposes of Listing Rule 10.11 and for all other purposes the Shareholders hereby approve the issue of 1 Convertible Note with a face value of \$20,000 together with 2,000,000 attaching Noteholder Options to Royce McAuslane, or any one or more of his nominees, in full repayment of the principal sum of \$20,000 due by the Company to Royce McAuslane in respect of the amount lent by him to the Company pursuant to his Unsecured Loan as set out in the Explanatory Statement accompanying this Notice."

Note: If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

Voting exclusion:

The Company will disregard any votes cast on this Resolution by Royce McAuslane and his nominee(s) (and any associate of Royce McAuslane and his nominee(s)). However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form); or
- (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote as the proxy decides).

7. Resolution 7 – Approval for the issue of Shares and New Options to GMP Securities in payment of fees

To consider and, if thought fit, to pass as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, the Shareholders hereby approve and authorise the issue of up to 75,081,981 Shares at a deemed issue price of \$0.02 each, and an equal number of New Options, to GMP Securities in payment of the whole or part of the management and capital raising fees due to GMP Securities under its agreement to act as lead manager to Entitlements and Shortfall Offers as more fully described in the Explanatory Statement accompanying this Notice."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by GMP Securities and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any votes cast by an associate of such person.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote (in accordance with directions on the Proxy Form); or
- (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote as the proxy decides).

BY ORDER OF THE BOARD

**MARK CLEMENTS
COMPANY SECRETARY**

16 June 2015

EXPLANATORY STATEMENT

1. Introduction

This Explanatory Statement has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Friday, 17 July 2015 at 11.00am (WST).

This Explanatory Statement has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the General Meeting of the Company, and provides Shareholders with the information required to be provided to Shareholders by the Corporations Act and the Listing Rules.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Statement carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the General Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the General Meeting in person.

3. Resolutions 1 and 2 – General Explanation of Ratification of Issues of Securities

Resolutions 1 and 2 have been proposed so that Shareholders may consider and if thought fit approve and ratify, for the purposes of Listing Rule 7.4, and for all other purposes, the separate issues of securities described in each of those Resolutions.

Listing Rule 7.1 restricts the number of securities the Company may issue without Shareholder approval in a 12-month period to the number which is 15% of its issued capital.

Listing Rule 7.4 allows Shareholders to subsequently approve previous issues of securities made without Shareholder approval for the purposes of Listing Rule 7.1, provided the issues did not breach Listing Rule 7.1. In order to replenish its capacity to issue shares in accordance with Listing Rule 7.1, the Company is seeking Shareholder approval pursuant to Listing Rule 7.4 of the separate issues described in Resolutions 1 and 2 to give the Company the flexibility to issue further securities up to the 15% limit without the need to obtain further Shareholder approval.

If either Resolutions 1 and 2 are not passed by Shareholders, this will have no impact on the securities issued. However, if any one of those Resolutions is not passed by Shareholders the securities to which that Resolution relates would be included in calculating the 15% limit of securities which may be issued by the Company in a 12-month period.

4. Resolution 1 – Ratification of Issue of Shares and Options

Resolution 1 has been proposed so that Shareholders may consider and if thought fit approve and ratify, for the purposes of Listing Rule 7.4, and for all other purposes, the

issue by the Company of 16,000,000 Shares (**Placement Shares**) and 16,000,000 unlisted \$0.15 options (**\$0.15 Options**) which were issued by the Company (on the basis of 1 \$0.15 Option for each Placement Share) in two tranches on 24 December 2014 and 30 December 2014 by way of a placement under Section 708 of the Corporations to sophisticated and professional investors to raise approximately \$1.2 million as announced to ASX on 22 December 2014.

For the purposes of Shareholder approval of Resolution 1 and the requirements of Listing Rule 7.5, information is provided as follows:

- (a) the 16 million Placement Shares and 16 million \$0.15 options were issued in two tranches on 24 December 2014 and 30 December 2014;
- (b) the Placement Shares were issued at \$0.075 each and the \$0.15 Options were issued for no additional consideration;
- (c) the Placement Shares are fully paid ordinary Shares and rank equally in all respects with the Company's existing Shares on issue;
- (d) the terms of the \$0.15 Options are included in Schedule 1 of the Notice;
- (e) the Placement Shares and \$0.15 Options were issued to clients of CPS Capital Group Pty Ltd who are sophisticated investors and are not related parties or associates of a related party of the Company;
- (f) funds raised met the working capital requirements of the Company and were applied towards exploration and evaluation of existing tenements, development and administration costs; and
- (g) a voting exclusion statement is included in the Notice.

The Board recommends that Shareholders vote in favour of Resolution 1. The Chairman of the General Meeting intends to vote undirected proxies in favour of Resolution 1.

5. Resolution 2 – Ratification of Issue of Shares

Resolution 2 has been proposed so that Shareholders may consider and if thought fit approve and ratify, for the purposes of Listing Rule 7.4, and for all other purposes, the issue by the Company of 18,340,588 Shares (**February Placement Shares**) and 9,170,294 unlisted \$0.15 options (**February \$0.15 Options**) which were issued by the Company (on the basis of 1 February \$0.15 Option for each February Placement Share) on 19 February 2015 by way of a placement under Section 708 of the Corporations to sophisticated and professional investors to raise approximately \$1.25 million as announced to ASX on 16 February 2015.

For the purposes of Shareholder approval of Resolution 2 and the requirements of Listing Rule 7.5, information is provided as follows:

- (a) the February Placement Shares and February \$0.15 Options were issued on 19 February 2015;
- (b) the February Placement Shares were issued at \$0.075 each and the February \$0.15 Options were issued for no additional consideration;

- (c) the February Placement Shares are fully paid ordinary Shares and rank equally in all respects with the Company's existing Shares on issue;
- (d) the February Placement Shares and February \$0.15 Options were issued to sophisticated investors and are not related parties or associates of a related party of the Company;
- (e) the terms of the February \$0.15 Options are as set out in Schedule 1 of the Notice;
- (f) funds raised met the working capital requirements of the Company and were applied towards exploration and evaluation of existing tenements, development and administration costs; and
- (g) a voting exclusion statement is included in the Notice.

The Board recommends that Shareholders vote in favour of Resolution 2. The Chairman of the General Meeting intends to vote undirected proxies in favour of Resolution 2.

6. Resolution 3 – Issue of Director's Options – Royce McAuslane

Under Resolution 3, Shareholders are asked to approve the issue of Director's Options for no consideration to Royce McAuslane as follows:

Table 1

Director	No. of Director's Options	Exercise Price	Expiry Date
Royce McAuslane	5,000,000	\$0.14	17 July 2020

(a) Number, Price and Allottees

The Company will issue the Director's Options described above to Royce McAuslane, or his respective nominee(s), for no cash consideration and on the terms referred to below, within one month of the date of the General Meeting.

On 30 December 2014, the Company announced the issue of 5,000,000 Director's Options to Royce McAuslane, subject to Shareholder approval. The exercise price represented an 84% premium to the closing price of the Shares of \$0.076 on 30 December 2014 and represents an 833% premium to the closing price of the Shares \$0.015 on 8 June 2015.

(b) Use of Funds Raised

No funds will be raised from the issue of the Director's Options under Resolution 3.

(c) Terms of Director's Options

The terms of the Director's Options are included in Schedule 2 of the Notice.

(d) Other Information

The primary purpose of the issue of Director's Options is not to raise capital, but to provide an incentive to Royce McAuslane. Given this purpose, the Company does not believe that there are any significant opportunity costs or benefits forgone by the issue of the Director's Options.

The market price of the Shares during the term of the Director's Options would normally determine whether or not the Director's Option Holder exercises the Director's Option. At the time any Director's Options are exercised and Shares issued pursuant to the exercise of any Director's Option, the Shares may be trading on ASX at a price which is higher than the Exercise Price of the Director's Options. Where this is the case, the opportunity cost may be that the Company could have received greater consideration for the issue of the Shares than the applicable Exercise Price.

During the preceding 12 months ended 8 June 2015, the Company's Share price has traded from a low of \$0.014 per Share on 2 June 2015 to a high of \$0.225 per Share on 11 July 2014. The closing price of the Company's shares on 8 June 2015 was \$0.015 per Share.

ASIC has indicated the Black-Scholes option price calculation method is an acceptable method for valuing options. This method is designed to value listed securities that are freely tradable and hence it is not entirely appropriate or reliable in the current circumstances where the Director's Options proposed to be issued pursuant to Resolution 3, will be transferable but not listed. Nevertheless, a value for each of the Director's Options as at the date of the Notice of Meeting has been estimated to be approximately \$0.008 per Option by applying the Black-Scholes option pricing model based on the particulars contained in the following Table:

Table 2

Exercise price of Director's Options	\$0.14
Share price used (Closing ASX price 8 June 2015)	\$0.015
Expiry date (5 years from date of issue)	17 July 2020
Total number of Director's Options	5,000,000
Risk free rate	2.35%
Black-Scholes total notional value	\$40,024
Black-Scholes notional value of each Director's Option	\$0.008

(e) Issued Capital

The Company currently has the following issued capital as at the date of the Notice:

Table 3

Listed Securities:	
Ordinary fully paid shares (RNI)	500,546,545
Unlisted Securities:	
Unlisted options exercisable at \$0.15 on or before 20 October 2015	42,500,000
Unlisted options exercisable at \$0.15 on or before 19 February 2016	9,170,294
Unlisted options exercisable at \$0.20 on or before 11 November 2016	2,100,000
Unlisted options exercisable at \$0.12 on or before 21 November 2016	7,000,000
Unlisted options exercisable at \$0.095 on or before 31 January 2017	3,000,000
Unlisted options exercisable at \$0.35 on or before 31 January 2017	2,100,000
Unlisted options exercisable at \$0.35 on or before 13 March 2017	4,000,000
Unlisted options exercisable at \$0.25 on or before 15 September 2017	3,000,000
Unlisted options exercisable at \$0.60 on or before 9 November 2017	1,500,000
Unlisted options exercisable at \$0.12 on or before 3 October 2018	7,400,000
Unlisted options exercisable at \$0.26 on or before 8 October 2019	12,500,000

(f) Potential Dilution

If:

1. none of the existing unlisted Options to acquire Shares are exercised but all Director's Options are issued pursuant to Resolution 3 and are exercised, the total dilution effect of the issue and exercise of all 5,000,000 Director's Options on the Company's Share capital would be approximately 0.99%; and
2. all of the existing unlisted Options to acquire Shares are exercised and all Director's Options are issued pursuant to Resolution 3 and are exercised, the total dilution effect of the issue and exercise of all 5,000,000 Director's Options on the Company's fully diluted Share capital would be approximately 0.83%.

On 28 May 2015, the Company lodged a prospectus dated 28 May 2015 (**Prospectus**) under which the Company is offering Eligible Shareholders, the opportunity to acquire additional securities in the Company through a renounceable entitlements issue (**Entitlements Offer**) on the basis of 2.5 new fully paid ordinary Shares at an issue price of \$0.02 each (**New Shares**) for each 1 Share held at 5.00 pm (WST) on 4 June 2015, together with 1 attaching new option (**New Option**), each exercisable at \$0.03 at any time before 5.00pm WST on 31 January 2017, for each 1 New Share issued.

If any entitlements under the Entitlements Offer are not taken up in full, the number of unaccepted New Shares (and attaching New Options) will form the shortfall (**Shortfall**) and pursuant Exception 3 of ASX Listing Rule 7.2, the

Directors have reserved the right to issue the Shortfall at their discretion within 3 months after the close of the Entitlements Offer, pursuant to a shortfall offer made in the Prospectus (**Shortfall Offer**), at an issue price of not less than \$0.02 for each New Share comprised in the Shortfall (**Shortfall Shares**), together with 1 attaching New Option for every 1 New Share issued. The Directors will exercise this discretion in consultation with the lead manager. The Entitlements Offer and the Shortfall Offer are not underwritten and are collectively referred to in this Explanatory Statement as the **Offers**.

Based on the Company's existing capital structure, and disregarding any Entitlements relating to Shares that may be issued on the exercise of Options, approximately 1,251,366,363 New Shares and 1,251,366,363 New Options will be issued pursuant to the Offers, if they are fully subscribed, raising approximately \$25,027,327 before the costs of the Offer.

If:

3. none of the Entitlements are taken up, none of the existing unlisted Options to acquire Shares are exercised but all Director's Options are issued pursuant to Resolution 3 and are exercised, the total dilution effect of the issue and exercise of all 5,000,000 Director's Options on the Company's Share capital would be approximately 0.99%; as specified in paragraph 6(f)1; and
4. all of the existing unlisted Options are exercised, all Director's Options are issued pursuant to Resolution 3 and are exercised, all of the Entitlements under the Prospectus are taken up all the New Options issue under the Prospectus are exercised, the total dilution effect of the issue and exercise of all 5,000,000 Director's Options on the Company's fully diluted Share capital would be approximately 0.16%.

(g) **Director's Interests**

Table 4 sets out, as at the date of the Notice of Meeting, the number of securities in which Royce McAuslane had a relevant interest as well as his entitlements under the Entitlements Offer.

Table 4

Director	Holdings as at the date of the Notice		Entitlements at the date of the Notice	
	Shares	Options	New Shares	New Options
Royce McAuslane	500,000	1,500,000	1,250,000	1,250,000

(h) **Director's Remuneration**

Royce McAuslane was appointed to the Board on 11 November 2014 and is remunerated at a rate of \$185,000 per annum.

The Board was obliged to review Royce McAuslane's remuneration package 6 months after appointment, which fell due on 11 May 2015. This review has been deferred until the completion of the current recapitalisation plan which includes the issues of securities under the Offers.

Other than the issue of Director's Options the subject of Resolution 3 and the deferred review of his remuneration package, the Company currently has no intention of materially altering the above remuneration.

- (i) **Directors' Recommendations**
All of the Directors were available to consider the proposed Resolution.

The Directors consider that the issue of the Director's Options would constitute reasonable remuneration and by passing Resolution 3, Shareholders will be approving the issue of the Director's Options to Royce McAuslane and resolving that this constitutes reasonable remuneration.

Royce McAuslane declined to make a recommendation about the proposed Resolution 3 on the basis that he has a material personal interest in the outcome of that resolution. All other Directors of the Company recommend that Shareholders vote in favour of Resolution 3 as, having considered Royce McAuslane's experience and responsibilities and the Company's current circumstances, they each consider the issue of the Director's Options to be a reasonable and proper incentive to Royce McAuslane to encourage the growth of the Company and maximize the value of each Shareholder's investment in the Company.

The Chairman of the General Meeting intends to vote undirected proxies in favour of Resolution 3.

- (j) **Additional Information**
Other than the information disclosed above or elsewhere in this Explanatory Statement, no Director has an interest in the outcome of the proposed Resolution 3 (other than as Directors of, and holders of securities in, the Company) and neither the Directors nor the Company are aware of any other information that is reasonably required by Shareholders in order to decide whether or not it is in the Company's interests to pass Resolution 3.

If Listing Rule 10.11 approval is obtained, Listing Rule 7.1 approval is not required and the securities proposed to be issued under Resolution 3 will not count towards the Company's Listing Rule 7.1 capacity.

7. **Resolutions 4, 5 and 6 – General Explanation – Approval of the issue of Convertible Notes and Noteholder Options in repayment of Loans**

In its announcement dated 20 May 2015 and in Section 7.4 of the Company's Prospectus dated 28 May 2015 (**Prospectus**), the Company announced that it had raised at least \$760,000 by way of unsecured loans and was seeking to raise up to an additional \$740,000 in unsecured loans and that the Company had agreed, subject to and conditional on the grant of Shareholder approval on or before 17 July 2015, that it would issue to the lenders (**Lenders**) of all these unsecured loans (**Unsecured Loans**) on the date that Shareholder approval is obtained:

- (a) convertible notes (**Convertible Notes**) with a face value of not less than \$20,000 each, with the aggregate face value of all the Convertible Notes being equal to the aggregate of the principal sums of these Unsecured Loans (**Principal**), with each Convertible Note being convertible, at the election of the holder of the Convertible Note (**Noteholder**), into Shares at the conversion price of \$0.01 per Share on or before 1 July 2018 (**Maturity Date**); and
- (b) such number of Options (**Noteholder Options**) as is equal to the number of Shares required to be issued to the Noteholders on conversion of the Convertible Notes, such Noteholder Options being exercisable at \$0.03 each on or before

31 January 2017 and subject to the same terms as applicable to the New Options described in the Prospectus.

The Unsecured Loans accrue interest at the rate of 12% per annum from the date the Principal of the Unsecured Loans was advanced. The interest is payable half-yearly in arrears with the first payment due on 31 December 2015.

If the issues of the Convertible Notes and Noteholder Options are not approved by Shareholders on or before 17 July 2015, and in certain other circumstances, each Lender is entitled to demand that the Company repays the Principal, together with interest at the rate of 12% per annum from the date the Principal was advanced.

Potential Dilution

Columns 2 and 5 of Table 5 (contained in Section 8 below) set out the potential dilution that could result from the issue of the Shares and New Options pursuant to Resolution 4 and the exercise of those New Options.

Columns 3 and 6 of Table 5 (contained in Section 8 below) set out the potential dilution that could result from the issue of the Shares and New Options pursuant to Resolutions 4, 5 and 6 and the exercise of those New Options.

8. Resolution 4 – Approval under Listing Rule 7.1

This resolution relates to the Unsecured Loans to the Company by Unrelated Lenders, and seeks Shareholder approval for the purposes of Listing Rule 7.1 and for all other purposes for the issue of Convertible Notes with a face value of not less than \$20,000 each and an aggregate face value of up to \$1,440,000 together with up to 144,000,000 attaching Noteholder Options in full repayment of the Principal of up to \$1,440,000 due by the Company to these Unrelated Lenders in respect of amounts lent by them to the Company pursuant to the Unsecured Loans.

Listing Rule 7.1 restricts the number of securities the Company may issue without Shareholder approval in a 12-month period to the number which is 15% of its issued capital.

Listing Rule 7.3 Requirements

In compliance with the information requirements of Listing Rule 7.3, Shareholders are advised of the following particulars in relation to this issue:

- (i) The maximum number of securities proposed to be issued to Unrelated Lenders are:
 - (A) 72 Convertible Notes, convertible into a maximum of 144,000,000 Shares; and
 - (B) 144,000,000 Noteholder Options.
- (ii) The Convertible Notes and Noteholder Options will be issued within three months of the General Meeting, but it is anticipated that the actual date of issue will be 17 July 2015.
- (iii) The aggregate issue price of the Convertible Notes to be issued to Unrelated Lenders is the sum equal to the aggregate Principal of the Loans that will be

repaid by the issue of the Convertible Notes and the issue of the Noteholder Options to the Unrelated Lenders.

- (iv) The issue price of any Shares that may be issued on the conversion of the Convertible Notes will be \$0.01 per Share and the exercise price of the Noteholder Options will be \$0.03 each.
- (v) Each Share issued on the conversion of a Convertible Note or the exercise of a Noteholder Option will rank pari passu with all existing Shares in the Company.
- (vi) The securities will be issued to unrelated parties of the Company who are entitled to receive offers pursuant to section 708 of the Corporations Act.
- (vii) The material terms of the Convertible Notes are summarised in Schedule 3. The terms of the Noteholder Options are set out in Schedule 4.
- (viii) As at the date of this Notice, the Company has raised \$990,000 in Unsecured Loans from Unrelated Lenders and may continue to raise up to a further \$450,000 in unsecured Loans up to the date of the General Meeting which would increase the total of all Unsecured Loans from Unsecured Lenders to \$1,440,000. No further funds will be raised from the issue of the securities under Resolution 4. The Company will issue these securities in repayment of the Principal owing by the Company to the Unrelated Lenders under the Unsecured Loans and for no other cash consideration.
- (ix) Of the \$990,000 raised from the Unsecured Loans from Unrelated Lenders as at the date of this Notice, approximately \$150,000 will be used in carrying out drilling of high grade gold targets as described in the Company's announcements of 4 June 2015 and 15 June 2015 respectively and the balance will be applied towards working capital. If the amount of Unsecured Loans from Unrelated Lenders increases after the date of this Notice, that increase will be applied towards working capital.
- (x) The Notice contains a voting exclusion statement.

Potential Dilution

Table 5 sets out the potential dilution that could result from the issue and conversion of the Convertible Notes and the issue and Exercise of the Noteholder Options.

Table 5

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
594,816,839	48.4%	50.4%	3,097,549,565	9.3%	9.7%	4.8%	14.53%

Column 1 shows the issued capital of the Company as at the date of the Notice on a fully diluted basis if all existing Options were exercised.

Column 2 shows the percentage by which the fully diluted capital of the Company shown in Column 1 will increase if all Convertible Notes in Resolution 4 are issued and converted and all Noteholder Options in Resolution 4 are issued and exercised.

Column 3 shows the percentage by which the fully diluted capital of the Company shown in Column 1 will increase if all Convertible Notes in Resolutions 4, 5 and 6 are issued and converted and all Noteholder Options in Resolutions 4, 5 and 6 are issued and exercised.

Column 4 shows the issued capital of the Company as at the date of the Notice on a fully diluted basis if all existing Options were exercised, all Entitlements under the Entitlements Offer are taken up and all New Options issued under the Entitlements Offer are exercised (**Post Entitlements Offer Diluted Capital**).

Column 5 shows the percentage by which the Post Entitlements Offer Diluted Capital of the Company will increase if all Convertible Notes in Resolution 4 are issued and converted and all Noteholder Options in Resolution 4 are issued and exercised.

Column 6 shows the percentage by which the Post Entitlements Offer Diluted Capital of the Company will increase if all Convertible Notes in Resolutions 4, 5 and 6 are issued and converted and all Noteholder Options in Resolutions 4, 5 and 6 are issued and exercised.

Column 7 shows the percentage by which the Post Entitlements Offer Diluted Capital of the Company will increase if all Shares in Resolution 7 are issued and all New Options in Resolution 7 are issued and exercised.

Column 8 shows the percentage by which the Post Entitlements Offer Diluted Capital of the Company will increase if all Convertible Notes in Resolutions 4, 5 and 6 are issued and converted, all Noteholder Options in Resolutions 4, 5 and 6 are issued and exercised and all Shares in Resolution 7 are issued and all New Options in Resolution 7 are issued and exercised.

Recommendation

The Board recommends that Shareholders vote in favour of Resolution 4. The Chairman of the General Meeting intends to vote undirected proxies in favour of Resolution 4.

9. Resolutions 5 and 6 – Approval under Listing Rule 10.11

These resolutions relate to Unsecured Loans of \$40,000 and \$20,000 made to the Company by Miles Kennedy and Royce McAuslane respectively, and seeks Shareholder approval for the purposes of Listing Rule 10.11 and for all other purposes for the issue of:

- (a) 2 Convertible Notes with a face value of \$20,000 each and an aggregate face value of \$40,000 together with 4,000,000 attaching Noteholder Options to Miles Kennedy, or any one or more of his nominees, in full repayment of the Principal of \$40,000 due by the Company to him in respect of amounts lent by him to the Company pursuant to his Unsecured Loan to the Company; and
- (b) 1 Convertible Note with a face value of \$20,000 together with 2,000,000 attaching Noteholder Options to Royce McAuslane, or any one or more of his nominees, in full repayment of the Principal of \$20,000 due by the Company to him in respect of amounts lent by him to the Company pursuant to his Unsecured Loan to the Company.

The Unsecured Loans made by these Directors to the Company are subject to the same terms and conditions as applicable to all other Unsecured Loans made to the Company by the Unrelated Lenders and are on the same terms and conditions that were offered, in the Company's announcement dated 20 May 2015, to Shareholders and other investors who wished to subscribe for Convertible Notes without requiring a disclosure document and were either "sophisticated investors" or "professional investors" within the meaning of section 708 of the Corporations Act.

Listing Rule 10.11 provides, in essence, that a listed company may not issue securities to any of the following persons without the approval of ordinary shareholders:

- (a) a related party (which includes a Director); or
- (b) a person whose relationship with the company or a related party is, in the opinion of ASX, such that Shareholder approval should be obtained.

In the circumstances, the issue of Convertible Notes and Noteholder Options to Miles Kennedy and Royce McAuslane, or any one or more of their respective nominees, will constitute issues of securities of the Company requiring Shareholder approval for the purposes of Listing Rule 10.11.

If the issues of the Convertible Notes and Noteholder Options to Miles Kennedy under Resolution 5 is not approved by Shareholders on or before 17 July 2015, and in certain other circumstances, Miles Kennedy is entitled to demand that the Company repays the Principal, together with interest at the rate of 12% per annum from the date the Principal was advanced.

If the issues of the Convertible Note and Noteholder Options to Royce McAuslane under Resolution 6 is not approved by Shareholders on or before 17 July 2015, and in certain other circumstances, Royce McAuslane is entitled to demand that the Company repays the Principal, together with interest at the rate of 12% per annum from the date the Principal was advanced.

Listing Rule 10.13 Requirements

In compliance with the information requirements of Listing Rule 10.13, Shareholders are advised of the following particulars in relation to these issues:

- (i) The Convertible Notes and Noteholder Options will be issued respectively to Miles Kennedy and Royce McAuslane, or any one or more of their respective nominees.
- (ii) The maximum number of securities proposed to be issued to Miles Kennedy, or his nominees, are:
 - (A) 2 Convertible Notes, convertible into 4,000,000 Shares; and
 - (B) 4,000,000 Noteholder Options.
- (iii) The maximum number of securities proposed to be issued to Royce McAuslane, or his nominees, are:
 - (C) 1 Convertible Note, convertible into 2,000,000 Shares; and
 - (D) 2,000,000 Noteholder Options.
- (iv) The Convertible Notes and Noteholder Options will be issued within one month of the General Meeting, but it is anticipated that the actual date of issue will be 17 July 2015.
- (v) The issue price of the Convertible Notes to be issued to Miles Kennedy is \$40,000, being the sum equal to the Principal of the Unsecured Loan that will be repaid by the issue to him, or his nominees, of the Convertible Notes and the Noteholder Options.

- (vi) The issue price of the Convertible Note to be issued to Royce McAuslane is \$20,000, being the sum equal to the Principal of the Unsecured Loan that will be repaid by the issue to him, or his nominees, of the Convertible Notes and the Noteholder Options.
- (vii) The issue price of any Shares that may be issued on the conversion of the Convertible Notes will be \$0.01 per Share and the exercise price of the Noteholder Options will be \$0.03 each.
- (viii) Each Share issued on the conversion of a Convertible Note or the exercise of a Noteholder Option will rank pari passu with all existing Shares in the Company.
- (ix) The material terms of the Convertible Notes are summarised in Schedule 3. The terms of the Noteholder Options are set out in Schedule 4.
- (x) The Company has raised \$60,000 in Unsecured Loans from Miles Kennedy and Royce McAuslane. No further funds will be raised from the issue of the securities under Resolution 5 and 6. The Company will issue these securities in repayment of the Principal owing by the Company to Miles Kennedy and Royce McAuslane respectively under the Unsecured Loans made by each of them and for no other cash consideration.
- (xi) The \$60,000 raised from the Unsecured Loans from Miles Kennedy and Royce McAuslane will be applied towards working capital.
- (xii) The Notice contains a voting exclusion statement.

Recommendation

Miles Kennedy declined to make a recommendation about the proposed Resolution 5 on the basis that he has a material personal interest in the outcome of that resolution. All other Directors recommend that Shareholders vote in favour of Resolution 5.

The Chairman of the General Meeting intends to vote undirected proxies in favour of Resolution 5.

Royce McAuslane declined to make a recommendation about the proposed Resolution 6 on the basis that he has a material personal interest in the outcome of that resolution. All other Directors recommend that Shareholders vote in favour of Resolution 6.

The Chairman of the General Meeting intends to vote undirected proxies in favour of Resolution 6.

10. Resolution 7 - Approval of the issue of Shares and New Options in payment of fees

As detailed in the Prospectus, the Company has engaged GMP Securities to act as the lead manager to the Offers and agreed to pay GMP Securities a management fee of 1% of the total amount of the Offers and a capital raising fee of 5% of the total amount raised under the Offers.

The whole or part of these fees, will be payable, at the election of GMP Securities, in either cash or by the Company issuing to GMP Securities the equivalent value of Shares calculated at \$0.02 a Share, being the same issue price as payable for New Shares under the Offers, together with 1 attaching New Option, exercisable at 3 cents at any time before 5.00pm (WST) on 31 January 2017 for every 1 Share issued.

If any Shares required to be issued in payment of the fees are not able to be issued to GMP Securities, the equivalent cash amount will be payable to it.

Based on the Company's existing capital structure, and disregarding any entitlements relating to Shares that may be issued on the exercise of Options, approximately 1,251,366,363 New Shares and 1,251,366,363 New Options will be issued pursuant to the Offers, if they are fully subscribed, raising approximately \$25,027,327 before the costs of the Offer and in that case the aggregate of the capital raising and management fees payable by the Company to GMP Securities will be \$1,501,639.62.

Resolution 7 is an ordinary resolution that seeks Shareholder approval for the purposes of Listing Rule 7.1, and for all other purposes, to issue up to 75,081,981 Shares at a deemed issue price of \$0.02 each, and an equal number of New Options, to GMP Securities in payment of the whole or part of the management and capital raising fees due to GMP Securities under its agreement to act as lead manager to the Offers. The issue of securities pursuant to an approval under Resolution 7 will only be made if GMP Securities elects to have all or part of these fees paid by the issue of Shares and New Options.

Listing Rule 7.1

Listing Rule 7.1 restricts the number of securities the Company may issue without Shareholder approval in a 12-month period to the number which is 15% of its issued capital.

The effect of passing Resolution 7 will be to allow the Company to issue the Shares and New Options described in Resolution 7 during the three month period after the General Meeting (or a longer period, if allowed by ASX), without using up some or all of the Company's 15% placement capacity under Listing Rule 7.1.

Specific Information Required by Listing Rule 7.3

In compliance with the information requirements of Listing Rule 7.3, Shareholders are advised of the following particulars in relation to the issue of the Shares and New Options under Resolution 7:

- (i) A maximum of 75,081,981 Shares and 75,081,981 New Options are proposed for issue.
- (ii) These Shares and New Options will be issued to GMP Securities, or its nominees(s), in full or part payment of the management and capital raising fees of up to \$1,501,639.62 that may be payable by the Company to GMP Securities for its services as lead manager to the Offers and for no other consideration.
- (iii) No money will be raised from the issue of these Shares and New Options but if any of the New Options are exercised, the Company will receive \$0.03 for every New Option exercised.
- (iv) These Shares and all Shares issued on the exercise of a New Option will rank *pari passu* with all existing Shares in the Company. The New Options will be in the same class as New Options issued under the Offers.
- (v) The terms and conditions of these New Options are set out in Schedule 4 to this Explanatory Statement.

- (vi) The issue of these Shares and New Options will all be made on the same date, being no later than three months from the date of receiving Shareholder approval.
- (vii) The Notice contains a voting exclusion statement.

Potential Dilution

Columns 7 and 8 of Table 5 (contained in Section 8 above) set out the potential dilution that could result from the issue of the Shares and New Options pursuant to Resolution 7 and the exercise of the New Options.

Recommendation

The Board recommends that Shareholders vote in favour of Resolution 7. The Chairman of the General Meeting intends to vote undirected proxies in favour of Resolution 7.

11. Definitions

In the Notice and this Explanatory Statement:

\$0.15 Options means the Options described as such in Section 4.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that the ASX declares is not a business day.

Chairman means the person appointed to chair the General Meeting.

Company or **RNI** means RNI NL ABN 77 085 806 284.

Constitution means the Constitution of the Company as at the date of the General Meeting.

Convertible Notes means the convertible notes described in Section 7.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the Directors of the Company.

Director's Options means the Options the subject of Resolution 3.

Entitlements Offer means the entitlements offer described in Section 6(f).

Explanatory Statement means this explanatory statement.

February \$0.15 Options means the Options described as such in Section 5.

February Placement Shares means the Shares described as such in Section 5.

General Meeting means the Company's meeting convened by the Notice of Meeting.

GMP Securities means GMP Securities Australia Pty Limited (ABN: 46 149 263 543. AFSL No. 403684).

Lenders means the lenders described in Section 7.

Listing Rules means the listing rules of ASX.

Maturity Date means 1 July 2018.

New Options means, as applicable, the New Options issued under the Offers and described as such in Section 6(f) and the New Options described in Resolution 7 and Section 10.

New Shares means the Shares described as such in Section 6(f).

Noteholder means the holder of a Convertible Note.

Noteholder Options means the Noteholder Options described in Section 7.

Notice means the Notice of General Meeting which this Explanatory Statement accompanies.

Option means an option to subscribe for a Share.

Offers means the Entitlements Offer and the Shortfall Offer.

Placement Shares means the Shares described as such in Section 4.

Post Entitlements Offer Diluted Capital has the meaning given in Section 8.

Principal means the principal sum of the loan funds lent by a Lender as described in Section 7.

Prospectus means the prospectus described in Sections 6(f) and 7.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Section means a section of this Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Shortfall means the shortfall described as such in Section 6(f).

Shortfall Offer means the offer of Shortfall Shares as described in Section 6(f).

Shortfall Shares means the New Shares comprised in the Shortfall.

Unrelated Lenders means all Lenders other than the Directors named in Resolutions 5 and 6.

Unsecured Loans means the unsecured loans described in Section 7.

In the Notice and this Explanatory Statement, words importing the singular include the plural and vice versa.

Schedule 1 - Terms and Conditions of \$0.15 Options and February \$0.15 Options

- (a) Definitions:
- (i) **ASX Listing Rules** means the official listing rules of ASX Limited;
 - (ii) **Company** means RNI NL (ACN 085 806 284);
 - (iii) **Corporations Act** means Corporations Act 2001 Commonwealth of Australia.
 - (iv) **Exercise Price** means the exercise price of each RNI Option, being AU\$0.15
 - (v) **Expiry Date** means 5.00pm (Perth time) for the \$0.15 Options on 20 October 2015 and for the February \$0.15 Options on 19 February 2016.
 - (vi) **Exercise Notice** means the form prescribed by the Company from time to time for the purpose of exercising RNI Options.
 - (vii) **RNI Option** means an Option to subscribe for a Share at the Exercise Price prior to the Expiry Date in the manner set out in these Terms and Conditions.
 - (viii) **RNI Option Holder** means the person or persons registered as the holder of one or more RNI Options from time to time.
 - (ix) **Share** means a fully paid ordinary voting share in the capital of the Company.
- (b) Each RNI Option carries the right to subscribe for one Share.
- (c) Each RNI Option is unlisted and is transferable subject to any restrictions on transfer imposed by ASX.
- (d) Subject to any restrictions imposed on the exercise of Options by ASX RNI Options may be exercised by the RNI Option Holder by delivering to the Company's registered office or the Company's share registry an Exercise Notice at any time prior to the Expiry Date.
- (e) Each Exercise Notice must state the number of RNI Options to be exercised and be accompanied by the relevant holding statement(s), if any, and payment (in Australian currency) to the Company of an amount (the Application Monies) being the result of the Exercise Price multiplied by the number of RNI Options being exercised.
- (f) Following receipt of a properly executed Exercise Notice and Application Monies in respect of the exercise of any RNI Options, the Company will issue the resultant Shares and deliver notification of shareholdings.
- (g) Subject to any restrictions imposed by ASX, the Company will make application to have the Shares (issued pursuant to an exercise of RNI Options) listed for quotation by ASX within 7 days of the date of issue.
- (h) Subject to any restrictions imposed by ASX, Shares issued pursuant to an exercise of RNI Options shall rank, from the date of issue, *pari passu* with existing Shares in all respects.
- (i) RNI Options carry no right to participate in pro rata issues of securities to shareholders unless the RNI Options are exercised before the record date for determining entitlements to the relevant pro rata issue.
- (j) Each RNI Option Holder will be notified by the Company of any proposed pro rata issue of securities to shareholders in accordance with ASX Listing Rules.
- (k) In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of the RNI Options will be changed to the extent necessary to comply with the requirements of the Corporations Act and ASX Listing Rules (in force at the time of the reorganisation).
- (l) Except as noted in paragraph (k) above, a RNI Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the RNI Option can be exercised.

Schedule 2 - Terms and Conditions of Director's Options

- (a) Definitions:
- (i) **ASX Listing Rules** means the official listing rules of ASX Limited;
 - (ii) **Company** means RNI NL (ACN 085 806 284);
 - (iii) **Corporations Act** means Corporations Act 2001 Commonwealth of Australia.
 - (iv) **Director's Option** means an Option to subscribe for a Share at the Exercise Price prior to the Expiry Date in the manner set out in these Terms and Conditions.
 - (v) **Director's Option Holder** means the person or persons registered as the holder of one or more Director's Options from time to time.
 - (vi) **Exercise Price** means the exercise price of each Director's Option, being AU\$0.14
 - (vii) **Expiry Date** means 5.00pm (Perth time) on 17 July 2020.
 - (viii) **Exercise Notice** means the form prescribed by the Company from time to time for the purpose of exercising Director's Options.
 - (ix) **Share** means a fully paid ordinary voting share in the capital of the Company.
- (b) Each Director's Option carries the right to subscribe for one Share.
- (c) Each Director's Option is unlisted and is transferable subject to any restrictions on transfer imposed by ASX.
- (d) Subject to any restrictions imposed on the exercise of Options by ASX, Director's Options may be exercised by the Director's Option Holder by delivering to the Company's registered office or the Company's share registry an Exercise Notice at any time prior to the Expiry Date.
- (e) Each Exercise Notice must state the number of Director's Options to be exercised and be accompanied by the relevant holding statement(s), if any, and payment (in Australian currency) to the Company of an amount (the Application Monies) being the result of the Exercise Price multiplied by the number of Director's Options being exercised.
- (f) Following receipt of a properly executed Exercise Notice and Application Monies in respect of the exercise of any Director's Options, the Company will issue the resultant Shares and deliver notification of shareholdings.
- (g) Subject to any restrictions imposed by ASX, the Company will make application to have the Shares (issued pursuant to an exercise of Director's Options) listed for quotation by ASX within 7 days of the date of issue.
- (h) Subject to any restrictions imposed by ASX, Shares issued pursuant to an exercise of Director's Options shall rank, from the date of issue, *pari passu* with existing Shares in all respects.
- (i) Director's Options carry no right to participate in *pro rata* issues of securities to shareholders unless the Director's Options are exercised before the record date for determining entitlements to the relevant *pro rata* issue.
- (j) Each Director's Option Holder will be notified by the Company of any proposed *pro rata* issue of securities to shareholders in accordance with ASX Listing Rules.
- (k) In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of the Director's Options will be changed to the extent necessary to comply with the requirements of the Corporations Act and ASX Listing Rules (in force at the time of the reorganisation).
- (l) Except as noted in paragraph (k) above, a Director's Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Director's Option can be exercised.

Schedule 3 – Summary of Material Terms of Convertible Notes

- (a) The Convertible Notes will have a face value of not less than \$20,000 each.
- (b) The Convertible Notes will be convertible into Shares at a conversion price of \$0.01 per Share (**Conversion Price**) and will bear interest at the rate of 12% per annum which will accrue from day to day from the date the Principal is advanced to 1 July 2018 (**Maturity Date**). Except in the case of conversion, interest will be payable half yearly in arrears with the first payment due on 31 December 2015.
- (c) Subject to compliance with the Listing Rules and the Corporations Act, interest will be payable by issue of Shares to the Noteholder at an issue price of 90% of the volume weighted average price of Shares traded on ASX over the 30 day period prior to the relevant interest payment date (or if no Shares are traded over that period the volume weighted average price for Shares traded on ASX for the last 30 day period on which Shares are traded prior to the interest payment date). If the Company is unable to issue these Shares by reason of a restriction in the Listing Rules or the Corporations Act interest shall be payable in cash.
- (d) If a Convertible Note is converted into Shares, all interest that has accrued since the last interest payment date shall be payable by issue of Shares to the Noteholder at the Conversion Price.
- (e) A Noteholder will be entitled to convert each Convertible Note held by that Noteholder into Shares at the Conversion Price by delivering a conversion notice (**Conversion Notice**) to the Company at any time during the period commencing on the date Shareholders approve the issue of the Convertible Notes and ending on the day before the Maturity Date. The Company must proceed to issue the Shares to the Noteholder within 10 business days of receipt of the Conversion Notice.
- (f) Notwithstanding any other terms governing the Convertible Notes, a Noteholder is not entitled to convert (and the Company is entitled to refuse to convert) such number of Convertible Notes that would result in:
 - (i) a person acquiring voting Shares in breach of section 606 of the Corporations Act (or any equivalent provision); or
 - (ii) a person acquiring Shares where a notification or consent is required under any legislation by which the Company and its Related Bodies Corporate (as defined in the Corporations Act) are bound that has not been sent or obtained.
- (g) The issue of Shares on conversion will fully discharge and satisfy the Principal owing to the Noteholder under the Convertible Notes that are converted, but the conversion will not affect any liability of the Company for unpaid interest accrued up to the date of conversion.
- (h) Shares issued on conversion will rank equally in all respects with all other Shares on issue at the date of conversion and the Company must, as soon as reasonably practicable after conversion, make application to ASX for official quotation of all Shares issued upon conversion.
- (i) The following events constitute Events of Default under the Convertible Notes:
 - (i) if the Company defaults in the payment of any outstanding moneys in respect of the Convertible Notes and does not remedy that default within 21 days after demand for those moneys is made by the Noteholder;
 - (ii) if the Company commits a material breach of the terms and conditions of the Convertible Notes and does not remedy that breach within 21 days of receiving notice of the breach from the Noteholder requiring that breach to be remedied; or
 - (iii) if any securityholder exercises its security in relation to the Company.
- (j) When an Event of Default has occurred the Noteholder will be entitled to:
 - (i) issue a redemption notice (**Redemption Notice**) to the Company and redeem the Convertible Notes;

- (ii) commence proceedings for the winding up of the Company or take other action relating to enforcement of payment of outstanding moneys to the Noteholder; and
 - (iii) prove in any liquidation of the Company (irrespective of when that liquidation is commenced).
- (k) If:
 - (i) a takeover bid (as defined in the Corporations Act) is made for 50% or more of the Shares and the bidder is successful in acquiring a relevant interest in 50% or more of the Shares; or
 - (ii) there is a change in control of the Company such that any person acquires a relevant interest in 50% or more of the Shares; or
 - (iii) there is a sale of the main undertaking of the Company that would require approval of the ordinary shareholders of the Company in accordance with Listing Rule 11.2,then:
 - (iv) the Company must give each Noteholder written notice of the takeover bid, change of control, or sale of main business undertaking within 5 business days of receiving notice of it; and
 - (v) the Noteholder may elect, within 5 business days after the notice is sent to Noteholders, to convert all the Convertible Notes held by that Noteholder to Shares; and
 - (vi) if no election is made by the Noteholder within that time, the Company may redeem all the Convertible Notes held by that Noteholder.
- (l) A Convertible Note must be redeemed by the Company on the first to occur of the following:
 - (i) the Maturity Date, if the Noteholder has not already converted the Convertible Note;
 - (ii) the receipt by the Company of a Redemption Notice as a result of the exercise by the Noteholder of its rights when an Event of Default has occurred; or
 - (iii) at the election of the Company in the circumstance described in (k)(vi) above.
- (m) If there is a reconstruction of the issued capital of the Company, the basis for conversion of the Convertible Notes will, subject to the ASX Listing Rules, be reconstructed in the same proportion as the issued capital of the Company is reconstructed and in a manner which will not result in any additional benefits being conferred on the Noteholders which are not conferred on Shareholders, (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of Shareholders approving the reconstruction of capital) but in all other respects the terms for conversion of the Convertible Notes will remain unchanged.
- (n) If a bonus share allotment is made by the Company to its ordinary Shareholders at any time after the issue of a Convertible Note but before conversion, and if the Noteholder issues a Conversion Notice the Company will issue and allot to that Noteholder:
 - (i) Shares of the same class as the Shares the subject of the bonus Share allotment; and
 - (ii) the number of Shares issued will be equal to the number of Shares to which that Noteholder would have been entitled if the face value of the Convertible Notes in respect of which the Conversion Notice is issued, had been converted immediately before the making of the bonus Share allotment,on terms and conditions that are the same as or are no more favourable to the Noteholder than the terms and conditions on which the Shares are allotted to any ordinary Shareholder.
- (o) Convertible Notes may be transferred by Noteholders.

Schedule 4 - Terms and Conditions of Noteholder and New Options

- (a) Definitions
- (i) **ASX** means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as required by the context.
 - (ii) **ASX Listing Rules** means the Listing Rules of the ASX (including the ASTC Settlement Rules, ASX Market Rules and the ACH Clearing Rules).
 - (iii) **Corporations Act** means the Corporation Act 2001 (Cth).
 - (iv) **Exercise Price** means the exercise price of each Option, being \$0.03.
 - (v) **Expiry Date** means 5.00pm (WST) on 31 January 2017.
 - (vi) **Exercise Notice** means the form prescribed by RNI from time to time for the purpose of exercising Options.
 - (vii) **Option Holder** means the person or persons registered as the holder of one or more Options from time to time.
 - (viii) **Option Period** means the period from the date of issue of the Options to the Expiry Date.
 - (ix) **RNI** means RNI NL ABN 77 085 806 284.
 - (x) **RNI Share** means a fully paid ordinary share in the capital of RNI.
 - (xi) **Shareholder** means a holder of an RNI Share.
- (b) Each Option is transferable and RNI will apply to ASX for the Options to be listed for trading on ASX.
- (c) Subject to these Terms and Conditions, each Option carries the right to subscribe for one RNI Share.
- (d) Options may be exercised by delivering to RNI's registered office or RNI's share registry an Exercise Notice at any time prior to the Expiry Date.
- (e) The Exercise Notice must state the number of Options to be exercised and be accompanied by the relevant holding statement(s) and a cheque (in Australian currency) made payable to RNI for an amount being the result of the applicable Exercise Price multiplied by the number of Options being exercised.
- (f) Following receipt of a properly executed Exercise Notice and application monies in respect of the exercise of any Options, RNI will issue the resultant RNI Shares and deliver notification of shareholdings.
- (g) RNI will make application to have the RNI Shares (issued pursuant to an exercise of Options) listed for quotation by ASX within 7 days of the date of issue.
- (h) RNI Shares issued pursuant to an exercise of Options shall rank, from the date of issue, pari passu with existing RNI Shares in all respects.
- (i) Options carry no right to participate in pro rata issues of securities to Shareholders unless the Options are exercised before the record date for determining entitlements to the relevant pro rata issue.
- (j) Each Option Holder will be notified by RNI of any proposed pro rata issue of securities to Shareholders in accordance with ASX Listing Rules.
- (k) Subject to Condition (l) below, the Corporations Act and ASX Listing Rules, Options do not confer the right to a change in Exercise Price.
- (l) In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of RNI, the terms of the Options will be changed to the extent necessary to comply with the requirements of the ASX Listing Rules (in force at the time of the reorganisation).

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RNI NL**REGISTERED OFFICE:**34 BAGOT ROAD
SUBIACO WA 6008

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ACN: 085 806 284

«EFT_REFERENCE_NUMBER»

«HOLDER_NAME»
«ADDRESS_LINE_1»
«ADDRESS_LINE_2»
«ADDRESS_LINE_3»
«ADDRESS_LINE_4»
«ADDRESS_LINE_5»**SHARE REGISTRY:**Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535, APPECROSS WA 6953
AUSTRALIA
770 Canning Highway, APPECROSS WA 6153
AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

RNI

Holder Number:

«HOLDER_NUM

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE
ONLINE**Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE»

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote, hereby appoint:

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 11:00am WST on Friday 17 July 2015 at The Celtic Club, 48 Ord Street, West Perth WA and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION

1. Ratification of Issue of Shares under Listing Rule 7.4

2. Ratification of Issue of Shares under Listing Rule 7.4

3. Issue of Director's Options- Royce McAuslane

4. Approval of the issue of Convertible Notes and Noteholder Options to Lenders in repayment of Loans

5. Approval of the issue of Convertible Notes and Noteholder Options to Miles Kennedy in repayment of Loan

6. Approval of the issue of Convertible Notes and Noteholder Options to Royce McAuslane in repayment of Loan

7. Approval for the issue of Shares and new Options to GMP Securities in payment of fees

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 11:00am WST on Wednesday 15 July 2015.

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RNI

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My/Our contact details in case of enquiries are:

Name:

Number:

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1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Registrars Pty Ltd

Online	www.securitytransfer.com.au
Postal Address	PO BOX 535 Applecross WA 6953 AUSTRALIA
Street Address	Alexandrea House Suite 1, 770 Canning Highway Applecross WA 6153 AUSTRALIA
Telephone	+61 8 9315 2333
Facsimile	+61 8 9315 2233
Email	registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

