ASX Announcement 31 May 2016

OFF-HOLE EM CONDUCTOR IDENTIFIED AT DOOLGUNNA

- Extended follow-up drilling program to be funded via $1.5m SPP

Highlights

- **Off-hole electro-magnetic (EM) conductor identified from ongoing drilling and down-hole EM (DHEM) programs at the Cuba prospect at Doolgunna**
- **Off-hole EM conductor situated within one of two volcanic hosted massive sulphide (VHMS) horizons identified at Cuba**
- **Visible sulphides and pathfinder geochemistry from first three drill holes also support proximal VHMS setting**
- **Priority follow-up drilling planned to target the off-hole EM conductor at Cuba**

RNI NL (ASX: RNI) is pleased to announce the identification of an off-hole EM conductor from the ongoing drilling and DHEM survey program at the Cuba prospect at the Company's Doolgunna Project in Western Australia's Bryah Basin.

The off-hole EM conductor was detected within the southernmost of the two VHMS horizons successfully identified from the first three reverse circulation (RC) holes drilled at Cuba. The Cuba prospect is located between the high-grade DeGrussa and Monty VHMS discoveries and is hosted within the same favourable geological setting (Figure 1).

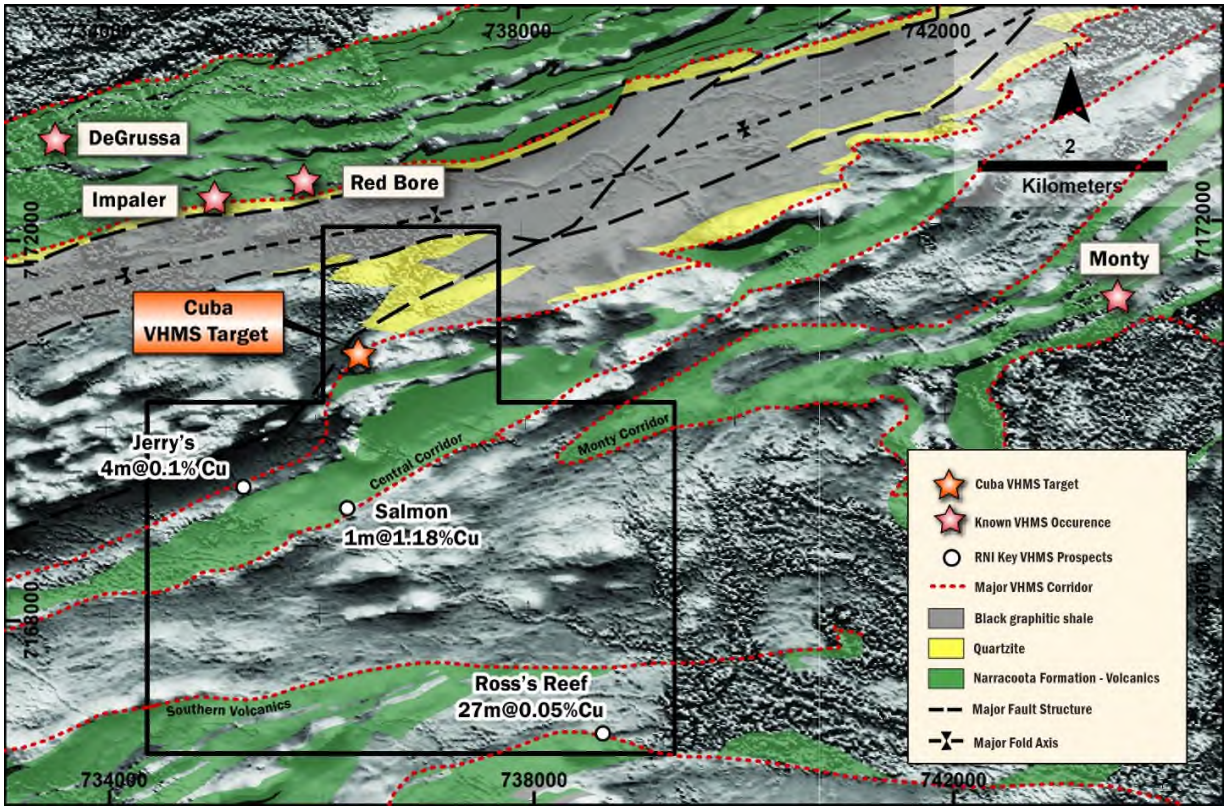

Figure 1 – Cuba Location Map[1]

[1] *Ross's Reef assay from hole DRC 082 and Jerry's assay from hole DRC 330, previously reported in ASX announcement 10 February 2012*

RNI NL ABN 77 085 806 284
34 Bagot Road Subiaco Western Australia 6008 PO Box 298 West Perth WA 6872 T +61 8 9489 9200 F +61 8 9489 9201
E general@rninl.com.au W rninl.com.au

The geology intersected in all three RC holes drilled at Cuba in the current program has validated RNI's geological model for the Cuba area (See ASX announcements 19 April 2016 and 26 April 2016).

All holes intersected visible minor sulphides, favourable host stratigraphy and alteration indicative of VHMS mineralisation. Assays from the first three holes have been sent to the laboratory for analysis.

The DHEM survey detected the off-hole conductor approximately 100m-120m east of RC hole CBRC003 (Figures 2 and 3).

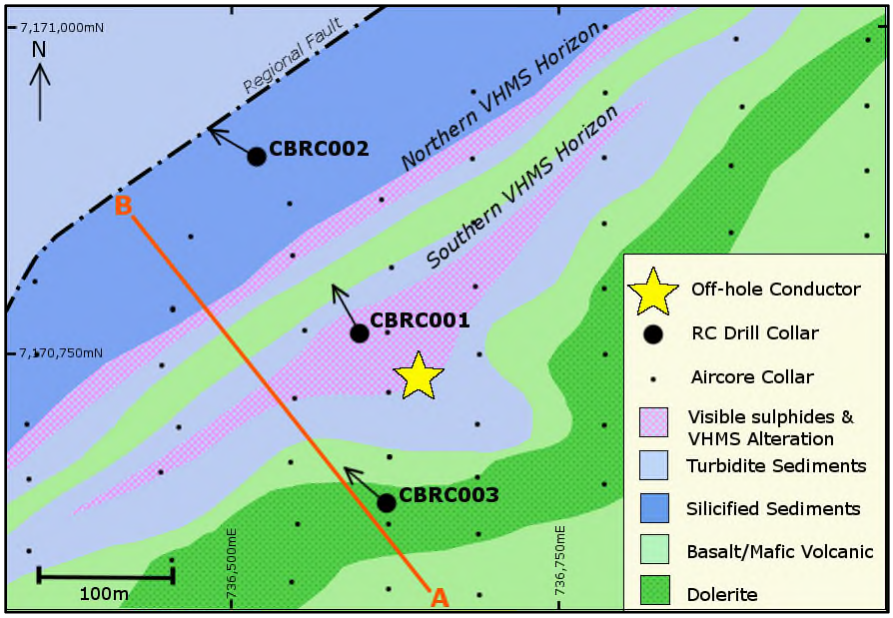

Figure 2 – Cuba Prospect – Plan view - Location of off-hole EM conductor

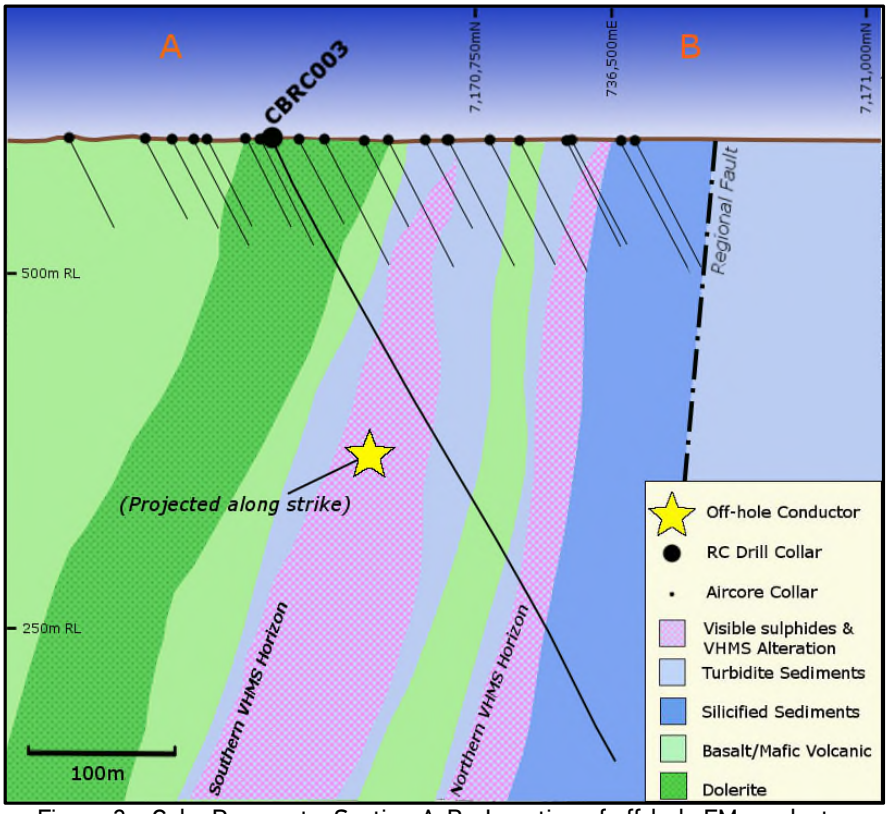

Figure 3 – Cuba Prospect – Section A-B - Location of off-hole EM conductor

The subtle EM response (50m x 50m in size and 500 siemen intensity) is very similar to the EM response that was instrumental in the discovery of the Conductor 2 massive sulphide ore body at DeGrussa[2].

[2] *Note: As detailed in the paper: Geophysical Signature of the DeGrussa Copper-Gold Volcanogenic Massive Sulphide Deposit, Western Australia – Margaret Hawke, Kelvin Blundell, Bill Peters. Canadian Exploration Geophysical Society Symposium 2010*

As a result, RNI is planning a priority follow-up drilling program to target the off-hole EM conductor.

This drilling is expected to commence in the second week of June 2016 once full analysis of all available geophysical data and first pass XRF and geochemical analysis is completed by RNI's geological team.

RNI Chief Executive David Morgan said he was extremely encouraged with the results from the first phase Cuba RC drilling program and, most particularly, with the identification of the off-hole EM target.

"*The first phase of our drilling and DHEM program has validated our geological model for the highly-prospective Cuba area and confirmed the presence of two VHMS horizons"* said Mr Morgan.

"We are excited with the off-hole EM conductor and keen to re-commence drilling as soon as we have completed the analysis required for the targeting for the next phase of drilling"

"We believe the results also underline the prospectivity of our broader Doolgunna Project area in the Bryah Basin and provide a solid platform for our ongoing exploration efforts."

Share Purchase Plan

The RNI Board has resolved to undertake a share purchase plan (SPP) to raise a minimum amount (before costs) of $1.5 million to enable the Company to expand the current drilling program.

Under the SPP, eligible shareholders in Australia and New Zealand will each be offered the opportunity to apply for new RNI shares worth up to $15,000 at 1.5c per share, without incurring brokerage or other costs. The record date for the SPP is 30 May 2016 and eligible shareholders will be sent the SPP documentation shortly.

The Board is in advanced discussions to fully underwrite the SPP, subject to final documentation.

For and on behalf of the Board.

DAVID MORGAN
CHIEF EXECUTIVE OFFICER

Table 1: Cuba RC Drilling - Drillhole Information Summary

Hole ID	Easting	Northing	RL	Dip	Azimuth	EOH Depth
CBRC001	736603	7170766	595	-60	330	303
CBRC002	736521	7170899	590	-61	300	351
CBRC003	736620	7179630	590	-61	310	501

ABOUT RNI NL

RNI NL is exploring for high-grade volcanic hosted massive sulphide (VHMS) copper-gold discoveries in Western Australia's highly-prospective Bryah Basin region.

RNI has consolidated a 1,343km^2 copper-gold exploration portfolio in the Bryah Basin divided into five well-defined project areas – Doolgunna, Morck's Well, Forrest, Cashmans and Horseshoe Well.

The Company commenced a priority drilling program in May 2016 targeting VHMS horizons identified at the Cuba, Orient and Forrest-Wodger-Big Billy.

RNI is headed by an experienced board and management team.

Competent Person's Statement

Information in this announcement that relates to exploration results is based on and fairly represents information and supporting documentation prepared and compiled by Albert Thamm BSc (Hons) MSc, F.Aus.IMM (CP) who is a Corporate Member of the Australasian Institute of Mining and Metallurgy.

The information in this announcement that relates to previously released exploration was first disclosed under the JORC Code 2004. It has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported and is based on and fairly represents information and supporting documentation prepared and compiled by Albert Thamm BSc (Hons) MSc, who is a Corporate Member of the Australasian Institute of Mining and Metallurgy.

Mr Thamm is a consultant to RNI NL. Mr Thamm has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Thamm consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

No New Information

Except where explicitly stated, this announcement contains references to prior exploration results and Mineral Resource estimates, all of which have been cross referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the results and/or estimates in the relevant market announcement continue to apply and have not materially changed.

Forward-Looking Statements

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

This announcement may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply in their own jurisdiction. A failure to do so may result in a violation of securities laws in such jurisdiction. This document does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this representation are not intended to represent recommendations of particular investments to particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.

No responsibility for any errors or omissions from this document arising out of negligence or otherwise is accepted. This document does include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of RNI NL. Actual values, results, outcomes or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements.

Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and ASX Listing Rules, RNI NL does not undertake any obligation to update or revise any information or any of the forward-looking statements in this document or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

Appendix 1: Cuba RC Drilling
JORC Code, 2012 Edition
Table 1

Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	**Reverse Circulation Drilling:** • 2kg - 3kg samples were split from dry 1m bulk samples via a cone splitter directly from the cyclone. These original samples were retained for follow up assays of significant results of the 4m composites. • The bulk sample was discharged from the cyclone directly into green bags. • 2kg – 3kg 4m composite samples were collected by spearing the green bag from the top ensuring penetration to the bottom of the bag. Field duplicates were collected at a ratio of 1:50. OREAS standards were inserted at a ratio of 1:50.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	**Reverse Circulation Drilling:** • All reverse circulation was drilled using a DRA RC600 using a nominal 140mm diameter face sampling bit to reduce the risk of sample contamination with booster and auxiliary air (2.250 cfm at 1000psi) to maximise recovery and minimise wet samples. • Holes were orientated using a downhole single shot Reflex tool and surveys were taken every 30 metres downhole.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	**Reverse Circulation Drilling:** • Recovery and moisture were recorded for each sample. The majority of samples were of good quality with ground water having minimal effect on sample quality or recovery.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	**Reverse Circulation Drilling:** • Reverse circulation chips were washed and stored in chip trays in 1m intervals for the entire length of each hole. Chips were visually inspected and logged to record lithology, weathering, alteration, mineralisation, veining and structure.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	**Reverse Circulation Drilling:** • Samples were split from dry, 1m bulk sample via a cone splitter directly from the cyclone with the bulk sample material being collected in green sample bags directly from the cyclone. 4m Composites were speared directly from bulk 1m samples. Field duplicates were inserted at a ratio of 1:50. OREAS standards were inserted at a ratio of 1:50.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	**Reverse Circulation & Air Core Drilling:** • Samples were submitted to the ALS laboratory in Perth. Preparation included crushing and pulverisation. The assay method for gold was by aliquot Aqua regia digestion (four acid digest for the multi element suite) followed by determination of gold and additional elements/base metals, using ICP optical emission spectrometry and ICP mass spectrometry. • Standards were inserted every 1:50 samples and will include OREAS501B and OREAS502B. These were considered to be representative of the style of targeted mineralisation.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Logging and sampling was recorded directly into a company database spreadsheet template on a Toughbook by the geologist on the rig.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The drill collars were positioned using a Garmin hand held GPS. The coordinates were plotted and marked in GDA94 / MGA zone 50. • Reverse Circulation down hole surveys taken by digital single shot camera every 30m. • The DHEM transmitter loop for CBRC001 and CBRC003 was located at 736300-736800E, 7170500-7171000N (500x500m, single turn). Vortex Geophysics completed the survey using an EMIT Digi-Atlantis sensor and an EMIT SMARTem24 receiver.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drill sample compositing were based over 4 metre intervals and was sufficient for the low tenure of mineralisation. Zones of significant XRF anomalism +/- sulphides were sampled at 1 metre split samples from the cyclone splitter on the RC rig.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	**Reverse Circulation Drilling:** • Drilling at the Cuba Prospect was planned at right angles to known strike and at the best practical angle to intersect the targets at right angles. It is therefore inferred that sampling bias was kept to a minimum.
Sample security	• *The measures taken to ensure sample security.*	• Sample bags were tagged and logged, sealed in bulka bags by company personnel, dispatch by third party contractor, in-company reconciliation with laboratory assay returns.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Database compilation into Data-shed for data integrity. • Program review by Company senior geologist. • The DHEM surveys were analysed by Ben Jones (Precision Geophysics Pty Ltd), who identified the off hole conductor at Cuba within CBRC003.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Doolgunna tenement E52/2438 is currently owned by Ascidian Prospecting Pty Ltd, which RNI NL has the executed option to purchase 100%. Yugunga Nya is the local claimant Group
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	**Doolgunna Project** • Prior to 2010 Sandfire Resources held the ground and completed several surface lag sampling programs and several RAB drill programs to follow up on significant gold anomalism.
Geology	• *Deposit type, geological setting and style of mineralisation.*	**Doolgunna Project** • The Doolgunna Project Area is hosted within a turbiditic sedimentary sequence belonging to the Karalundi Formation, which has an inter-fingering relationship with Narracoota Mafic Volcanics. The Cuba prospect is interpreted to sit on the southern fold axis of a southerly plunging synform. • VHMS alteration at Cuba is defined as being an increase in chlorite, carbonate, pyrite and sericite within "fresh rock" and hosted within turbiditic sediments (host stratigraphy to both DeGrussa and Monty VHMS occurrences).
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar*	• Refer to Table 1 for drill hole information.

Criteria	JORC Code explanation	Commentary
	○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Assays are pending.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	**Doolgunna Project** • At Cuba the stratigraphy is interpreted as dipping steeply to the south and striking north-east south-west.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Plan view and cross section of the Cuba Prospect has been included in the announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The accompanying document is considered to be a balanced report with a suitable cautionary note.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	**DHEM** • High powered DHEM surveys were completed within CBRC001 and CBRC003. The survey in CBRC003 identified a moderate off-hole conductor approximately 100m north-east of the drill trace at approximately 100m to 140m downhole. This conductor currently has the dimensions of 50m x 50m and a conductance of 500 siemens.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	**Doolgunna Project** • Three RC holes to target the off-hole conductor within the southern VHMS horizon. Further drilling will also be completed along the northern VHMS horizon to target the source of the geochemical anomalism.