

**QUARTERLY ACTIVITIES REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

ASX CODE: RNI

**HIGHLIGHTS**

- **\$3m capital raise completed securing funding for continued exploration**
- **Board changes to renew strategic focus on exploration activities**
- **Dedicated exploration program commenced in Bryah Basin**
- **Initial results have confirmed**
  - **VMS horizon at Wodger**
  - **VMS style mineralisation and alteration at Cashmans**
  - **VMS horizon at Cuba**
- **Strong parallels with the VMS alteration at Forrest and Cashmans**
- **Results reinforce the high prospectivity of the RNI Bryah Basin ground**
- **Planning for continued explorations activities for January 2017**

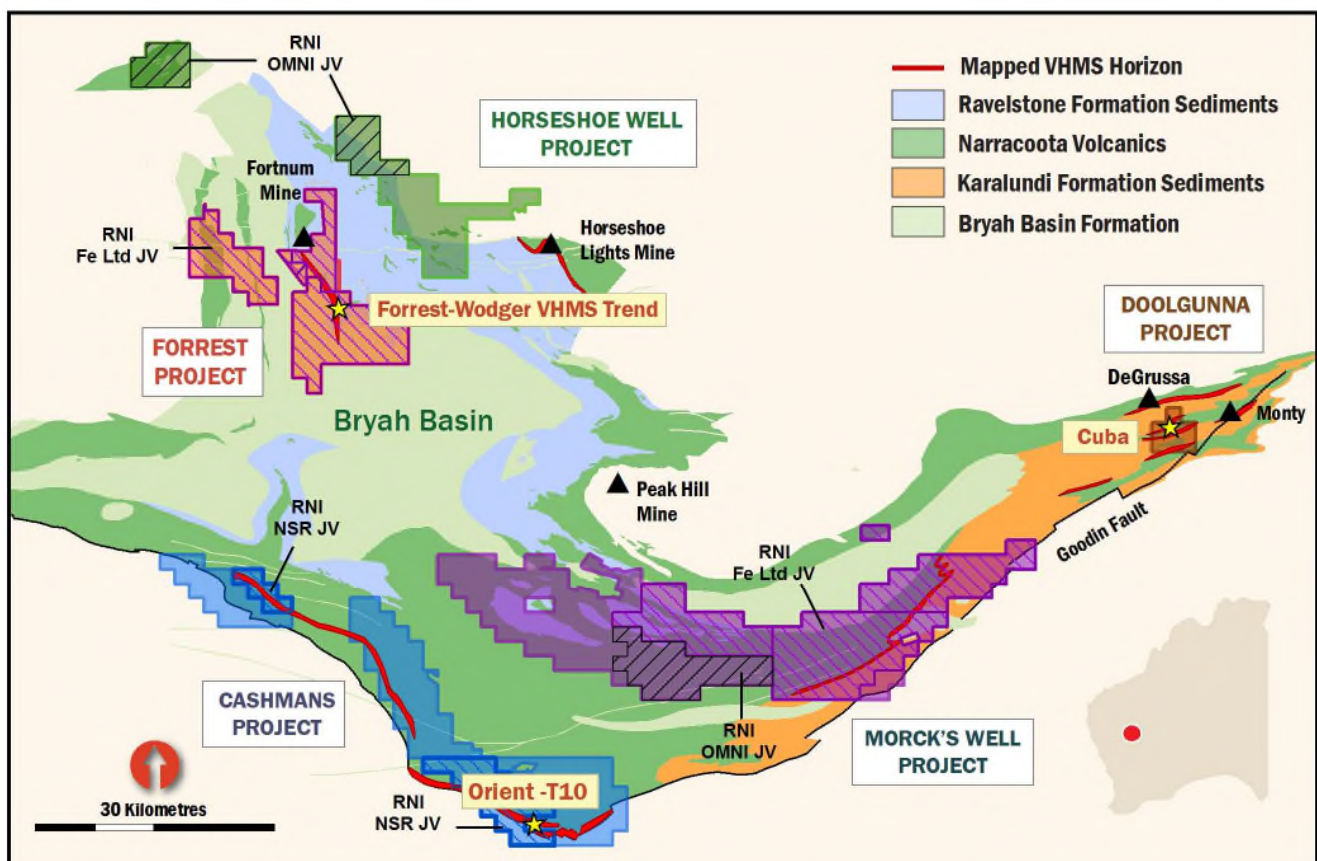


Figure 1: RNI's extensive 1,553km<sup>2</sup> Bryah Basin (WA) copper-gold tenement package showing the priority target areas at the Forrest-Wodger VMS Trend, Cuba and Orient-T10

## Corporate

During the quarter RNI NL (**ASX: RNI**) completed a \$3 million capital raise to advance systematic exploration activities across its key projects areas. The monies were raised through the completion of a strategic share placement and offer of new shares to existing eligible shareholders of RNI via a non-renounceable entitlement offer based on 1 new share for every 11.5 shares held.

Ms Bronwyn Barnes was appointed to the RNI Board as Non-Executive Chairman as Investmet's nominee, RNI's new strategic shareholder. During the quarter, Mr Rob Martin was also appointed as Non-Executive Director. The Board is now appropriately structured to deliver support and focus to the Company's corporate strategy.

## Exploration

RNI holds an extensive 1,553km<sup>2</sup> Bryah Basin exploration portfolio divided into five project areas – Forrest, Doolgunna, Cashmans, Morck's Well and Horseshoe Well (Figure 1).

The Company has continued systematic exploration programs across a series of Bryah Basin targets and significantly enhanced the prospectivity of each of these targets by successfully defining priority Volcanic Massive Sulphide (VMS) horizons. Follow-up drilling and geophysical programs will target VMS copper-gold discoveries.

RNI has three key target areas that are currently the main exploration focus - Forrest (Forrest-Wodger VMS Trend), Cashmans (Orient-T10 Prospect) and Doolgunna – (Cuba Prospect).

Progress across all three project areas is outlined below.

### ***Forrest-Wodger VMS Trend – Forrest Project <sup>1</sup>***

As announced to the ASX on 22 December 2016, first phase aircore drilling across the **Forrest and Wodger Prospects** has confirmed the Company's alteration halo model, while honing in on the main VMS horizons. Assay results from this phase of work are expected by the end of January 2017 with further drilling, to further define the mineralized horizons, planned to commence in the coming weeks.

The aircore drilling program was designed to further test the three "gravity low" anomalism associated with the VMS mineralisation from Wodger, Big Billy and Forrest VMS prospects. As announced to the ASX on 14 October 2016, these anomalies were identified following modelling of the high-resolution aeromagnetic and ground based gravity surveys across the Forrest Project area.

Drilling across the southern **Forrest Prospect** region confirm a stratigraphic offset. The down-plunge nature in the copper mineralisation from previous drilling in the north provides a platform for deeper Reverse Circulation (RC) drilling with high powered DHEM to hone in on the source of the VMS anomalism.

The observations throughout the drilling at the **Wodger Prospect** were extremely encouraging and show a wide zone of extremely weathered, hydrothermally altered siltstone with vuggy quartz which sits on the margins of the Ravelstone Formation sediments and the Narracoota Formation volcanics. This zone is similar in style to what is seen at the Forrest Prospect and is believed to be the primary VMS horizon. Aircore holes WRAC013 and WRAC014 also intersected visible malachite (Figure 2) over several metres at the base of this hydrothermally altered sediment.

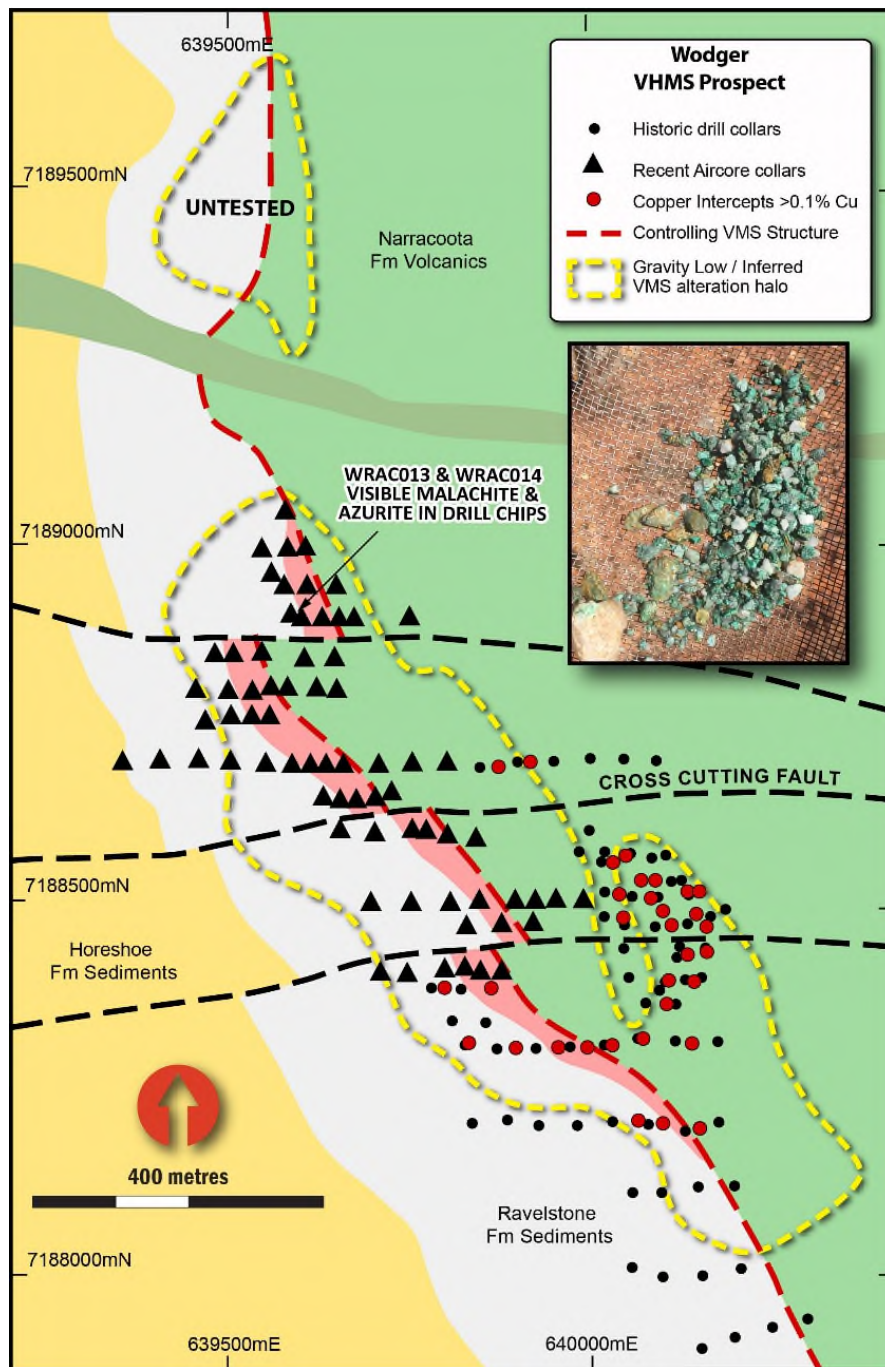


Figure 2: Aircore drilling in relation to the primary VMS horizon at the Wodger Prospect

**Orient-T10<sup>2</sup> Prospect – Cashmans Project**

RNI had previously identified a VMS system at Orient with RC drilling returning a 3m intersection of massive sulphide containing visible chalcopyrite and a halo of enriched copper (chalcopyrite), lead (galena) and zinc (sphalerite) values – which are typical of most VMS deposits (Refer ASX announcement 17 March 2016).

As announced to the ASX on 8 November 2016 two RC holes (OTRC006 and OTRC007) were completed to follow-up on this intercept. Visible chalcopyrite and copper sulphide mineralisation (9 metres @ 0.19% Cu from 294m), intersected within RC drillhole OTRC006 confirmed the presence of a highly prospective VMS horizon which remains untested at depth and along strike.

A re-interpretation of the geophysical and radiometric data from this area has highlighted multiple gravity low anomalies which are coincident with areas of high potassic alteration (Figure 3). These areas are analogous to what is seen at Big Billy, Wodger and Forrest Prospects (Forrest Project Area) and potentially reflect the "feeder zones" of VMS mineralisation.

These areas of alteration across Cashmans Project appear to be controlled by north to north-west trending fault structures (original basin architecture) with both the Orient and T10 gossans being connected along one of these features. These gossans are interpreted to be a product of VMS material being remobilised along these structures from the areas of alteration (Figure 3).

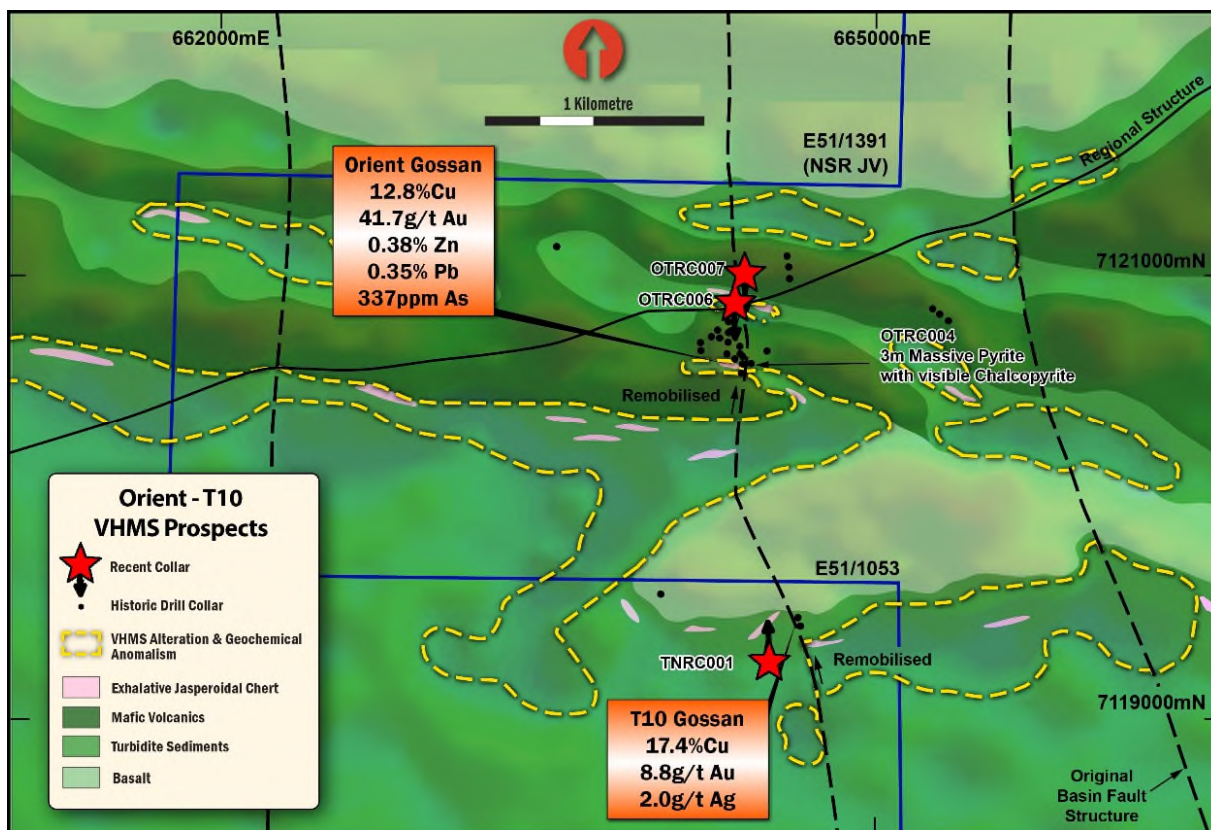


Figure 3: VMS alteration and geochemical alteration across Orient – T10 Prospects

The strong parallels with the VMS alteration at both the Forrest and Cashmans Project areas is a significant and exciting development in the understanding of the VMS deposit model across the Bryah Basin. This work has validated RNI’s recent systematic, low cost exploration method and has confirmed the focus for further exploration.

**Cuba Prospect – Doolgunna Project**

The Cuba prospect at RNI’s Doolgunna Project is located between the high-grade DeGrussa and Monty VMS discoveries and is hosted within the same favourable geological setting.

As announced to the ASX on 18 October 2016 drilling successfully tested the VMS horizon, intersecting a 150m wide zone of hydrothermally-altered turbiditic sediment containing patches of minor disseminated sulphides. This zone was surrounded by exhalative jaspers and hematite-rich sediments<sup>3</sup>, which are key characteristics present in sedimentary rocks above, and peripheral to, the ore lenses at the DeGrussa VMS deposit, located within 3.5km of Cuba.

The alteration and geochemistry intersected is characteristic of what is seen on the margins of VMS systems. Mineralogy showed a distinct footwall assemblage from the hangingwall assemblage that is typically found on the edge of VMS systems. The area between the two units also contains significant anomalous values of VMS pathfinder elements.

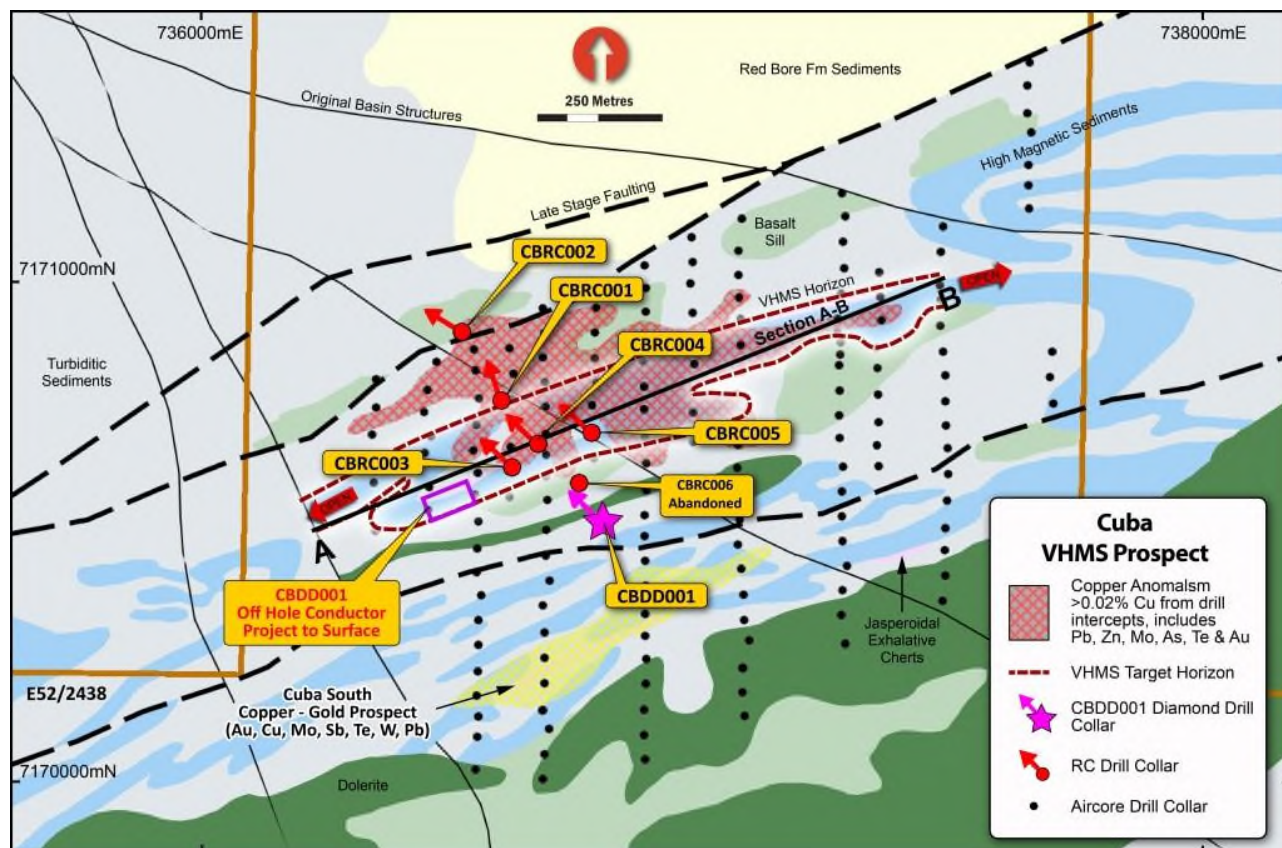


Figure 4: Copper anomalism (>0.02%) from existing drilling at Cuba

In addition to this alteration, the distribution of indicator minerals and thickening of the geochemical anomalism suggests that the VMS target is down-plunge, to the west of the current RC and diamond drill collars (Figure 4). This result supports the location of the previously announced off-hole conductor at Cuba (refer ASX announcement 21 September 2016) and further elevates its potential for being the source of the VMS anomalism.

These prospects are a product of the robust exploration model and strategy implemented by RNI’s exploration team that continues to generate a pipeline of high priority VMS targets across the Bryah Basin. Air core drilling recommences at the Wodger Prospect during January 2017.

For and on behalf of the Board.

**DEBBIE FULLARTON  
EXECUTIVE DIRECTOR**

Footnotes:

- <sup>1</sup> RNI 80%; Fe Ltd 20%. Fe Ltd (ASX: FEL) interest is free carried until Decision to Mine
- <sup>2</sup> T10 is part of the Cheroona JV – RNI 51% and earning 70% from Northern Star Resources (ASX: NST)
- <sup>3</sup> Margaret L. Hawke, Sebastien Meffre, Holly Stein, Paul Hilliard, Ross Large, J. Bruce Gemmill, 2015. Geochronology of the DeGrussa volcanic-hosted massive sulphide deposit and associated mineralisation of the Yerrida, Bryah and Padbury Basins, Western Australia. *Precambrian Research* 267 (2015) 250–284

Schedule of Mining Tenements as at 31 December 2016					
Tenement Number	Registered Holder	Date Granted	Area Graticular blocks(bk) / Hectares (ha)	Area Sq km	Notes
<b>Doolgunna Project</b>					
E52/2438	Ascidian Prospecting Pty Ltd	11/02/2010	7bk	21.68	1,7
<b>Morck's Well Project</b>					
E51/1033	Grosvenor Gold Pty Ltd 80%; Jackson Minerals Pty Ltd 20%	22/09/2005	53bk	161.84	2,3,7
E51/1134	Grosvenor Gold Pty Ltd	15/11/2006	4bk	12.36	7
E52/1613	Grosvenor Gold Pty Ltd 80 Jackson Minerals Pty Ltd 20%	29/03/2006	30bk	92.77	2,3,7
E52/1672	Grosvenor Gold Pty Ltd 80%; Jackson Minerals Pty Ltd 20%	22/09/2005	35bk	108.02	2,3,7
E52/1910	Grosvenor Gold Pty Ltd	10/08/2006	41bk	124.21	4,7
E52/1951	Grosvenor Gold Pty Ltd	26/02/2007	17bk	52.56	7
E52/2472	Peak Hill Metals Pty Ltd	19/11/2009	2bk	6.1	7
E52/3001	Grosvenor Gold Pty Ltd	09/06/2014	1bk	3.1	7
E52/3273	Omni Projects Pty Ltd	01/07/2016	31bk	95.86	9
E52/3327	Grosvenor Gold Pty Ltd	15/10/2015	2bk	6.1	
P52/1497	Grosvenor Gold Pty Ltd	6/3/2015	155.90ha	1.56	
P52/1503	Grosvenor Gold Pty Ltd	6/3/2015	172.86ha	1.73	
P52/1504	Grosvenor Gold Pty Ltd	6/3/2015	191.81ha	1.92	
<b>Cashmans Project</b>					
E51/1053	Grosvenor Gold Pty Ltd	22/09/2005	35bk	105.26	7
E51/1120	Grosvenor Gold Pty Ltd	10/08/2006	40bk	122.46	7
E51/1391	Northern Star Resources Ltd	11/11/2010	21bk	64.82	5
E51/1641	Grosvenor Gold Pty Ltd	5/02/2015	20bk	61.86	7
E52/2509	Northern Star Resources Ltd	16/06/2011	6bk	18.56	5
E52/3500	Grosvenor Gold Pty Ltd	Application	1bk	3.1	
<b>Forrest Project</b>					
E52/1659	Grosvenor Gold Pty Ltd 80% Jackson Minerals Pty Ltd 20%	27/01/2004	13bk	34.09	2,6,7
E52/1671	Grosvenor Gold Pty Ltd 80% Jackson Minerals Pty Ltd 20%	23/11/2004	61bk	185.26	2,6,7
P52/1493	Grosvenor Gold Pty Ltd	6/3/2015	191.66ha	1.92	6,7
P52/1494	Grosvenor Gold Pty Ltd 80% Jackson Minerals Pty Ltd 20%	6/3/2015	179.33ha	1.79	2
P52/1495	Grosvenor Gold Pty Ltd 80% Jackson Minerals Pty Ltd 20%	6/3/2015	181.09ha	1.81	2
P52/1496	Grosvenor Gold Pty Ltd 80% Jackson Minerals Pty Ltd 20%	6/3/2015	183.70ha	1.83	2
<b>Horseshoe West Project</b>					
E52/3248	Grosvenor Gold Pty Ltd 85% Omni Projects Pty Ltd 15%	31/03/2015	11bk	33.62	8
E52/3291	Grosvenor Gold Pty Ltd 85% Omni Projects Pty Ltd 15%	02/03/2016	13bk	39.73	8
E52/3166	Grosvenor Gold Pty Ltd	18/12/2014	34bk	103.92	7

**Notes:**

Grosvenor Gold Pty Ltd (GG) is a wholly owned subsidiary of RNI NL (RNI) and Peak Hill Metals Pty Ltd (PHM) is a wholly owned subsidiary of Grosvenor Gold Pty Ltd.

1. RNI to purchase tenement from Ascidian Prospecting Pty Ltd.
2. Peak Hill Sale Agreement: GG 80%, Jackson Minerals Pty Ltd (JM) 20% & free carried to a decision to mine.
3. PepinNini Robinson Range Pty Ltd (PRR) hold a 0.8% gross revenue royalty from the sale or disposal of iron ore.
4. PRR hold a 1.0% gross revenue royalty from the sale or disposal of iron ore.
5. Earning 70% JV interest.
6. Metals X Limited owns gold mineral rights over the GG interest.
7. Metals X Limited has a first right of refusal over disposal of RNI and GG interests.
8. GG 85% beneficial interest, Omni Projects Pty Ltd 15% beneficial interest.
9. GG earning 85% JV interest.

**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 Richard Pugh BSc (Hons) who is a 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 Richard Pugh BSc (Hons) who is a Member of the Australasian Institute of Mining and Metallurgy.

Mr Pugh is the Exploration Manager for RNI NL. Mr Pugh 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 Pugh 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.

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