



4 June 2015

## **RUBIANNA EXERCISES OPTION TO ACQUIRE ZIPMONEY**

### **VARIATION OF COMMERCIAL TERMS**

#### **ZIPMONEY SIGNS TERM SHEET FOR \$20M INSTITUTIONAL FUNDING FACILITY**

Further to ASX announcement dated 8 April 2015, Rubianna Resources Limited ("**the Company**" or "**Rubianna**") is pleased to announce that it has exercised its option to acquire 100% of the issued share capital of zipMoney Holdings Pty Ltd and subsidiaries ("**zipMoney**").

Significant steps have been completed to progress the acquisition of zipMoney as follows:

1. Rubianna completed a 4 for 9 Rights Issue at 1 cent per share to raise \$965,295;
2. zipMoney raised \$350,000 from third parties in the form of unsecured convertible notes;
3. zipMoney has obtained a \$2 million debt financing facility to fund its loan book;
4. zipMoney has signed a non-binding Term Sheet for a new \$20 million institutional funding facility from a leading Australian credit and funds management group ("**Warehouse Facility**"). Upon successful completion of legal documentation and completion of conditions precedent, the new facility will repay and replace the current debt arrangements and allow the company to increase the growth of its loan book significantly faster than the current rate. Financial close of the \$20 million Warehouse Facility is expected by September 2015; and
5. Rubianna's due diligence on zipMoney has been satisfactorily completed, which has resulted in some of the commercial terms being renegotiated.

#### **Overview of Amended Commercial Terms**

Some of the key terms of the Option Agreement set out in the ASX announcement dated 8 April 2015 have been amended to better structure the transaction. Apart from the above conditions precedent that have been satisfied, the following conditions to completion of the acquisition of zipMoney ("**Acquisition**") (generally) are to be completed by 30 September 2015, and failure to achieve or waive these (if capable of being waived) by that time will terminate the agreement:

- Rubianna obtaining all necessary shareholder and regulatory approvals required for the Acquisition, including in particular ASX approval for the readmission of Rubianna to the official list of ASX in connection with its proposed change in the nature and scale of its activities;
- all tenements currently held or applied for by Rubianna disposed of (or Rubianna holding a put option for their sale or transfer);
- a legally binding document is entered into by zipMoney in respect of the Warehouse Facility, on terms reasonably acceptable to zipMoney and Rubianna, and all conditions to drawdown under the Warehouse Facility have been fulfilled (or waived) and funds are available for drawdown; and
- no material adverse event occurring.

zipMoney must procure an interim loan facility of up to \$650,000 provided by a third party who will be granted a second ranking general security agreement securing the loan made. As soon as practicable after a legally binding document is entered into by zipMoney in respect of the Warehouse Facility, this interim loan facility will be replaced with a loan of \$650,000 to be provided by Rubianna and second ranking general security agreement (following repayment of the interim loan facility from the third party and release of the security in respect of it) securing the loan made.

Previously, the total consideration payable by Rubianna to the ZMH shareholders for the Acquisition was 550 million ordinary shares (on a pre-consolidation basis) and 350 million performance shares (on a pre-consolidation basis). The Option Agreement has been amended such that the total consideration will be 550 million ordinary shares (on a pre-consolidation basis) and 750 million performance shares (on a pre-consolidation basis) in Rubianna, in each case at a deemed issue price of \$0.0125 each. The 400 million management performance shares in the previous agreement have been removed and added to the consideration performance shares above.

The Performance Shares are to be allotted and issued to the zipMoney shareholders at completion and will convert into ordinary shares on a one for one basis upon the milestones referred to below for each tranche having been achieved:

- **Milestone 1** – 308.4 million performance shares (on a pre-consolidation basis) will convert upon zipMoney achieving aggregate transaction volume in excess of \$10 million by the date that is 12 months from Rubianna being re-admitted to the Official List of ASX; and
- **Milestone 2** – 308.3 million performance shares (on a pre-consolidation basis) will convert upon zipMoney achieving aggregate transaction volume in excess of \$20 million by the date that is 24 months from Rubianna being re-admitted to the Official List of ASX.
- **Milestone 3** – 133.3 million performance shares (on a pre-consolidation basis) will convert upon Rubianna achieving pre-tax break-even (after excluding any costs or expenses relating to any mineral exploration or exploitation activities of Rubianna, or any other expenditure relating to activities prior to the Sunset Date) for the first time each calendar month in a consecutive three calendar month period by or before the date that is 36 months from Rubianna being re-admitted to the Official List of ASX.

At completion the board of directors of Rubianna shall comprise three people, two of whom will be nominated by the ZMH shareholders and the other by Rubianna.

Rubianna will establish an employee share and/or option plan pursuant to which up to an additional 5% of the current capital of Rubianna may be allocated to employees in the form of performance shares on terms to be formulated by Rubianna's board of directors in consultation with the ZMH shareholders after completion of the Acquisition.

On completion of the Acquisition, Rubianna will issue up to 200 million performance shares (on a pre-consolidation basis) to the provider(s) of the Warehouse Facility.

These performance shares will convert into ordinary shares on a one for one basis upon the milestones referred to below for each tranche having been achieved:

- **Milestone 1** – 100 million performance shares (on a pre-Consolidation basis) will convert upon the Warehouse Facility (and/or any replacement facility which is managed by the manager of the Warehouse Facility) having been made available for 12 months from the date of financial close;

- **Milestone 2** – 50 million performance shares (on a pre-Consolidation basis) will convert upon principal available under the Warehouse Facility attributable to zipMoney being extended or modified to \$50 million; and
- **Milestone 3** – 50 million performance shares (on a pre-Consolidation basis) will convert upon principal available under the Warehouse Facility attributable to zipMoney being extended or modified to \$100 million.

Rubianna will issue an additional 33 million fully paid ordinary shares (on a pre-Consolidation basis) and 47.7 million performance shares (on a pre-Consolidation basis) to Avitus Capital Pty Ltd and/or its nominees for the provision of corporate advisory and other services to Rubianna. The conversion and other terms of the performance shares shall be the same as for the Performance Shares issued to the zipMoney shareholders (whereby half of these performance shares will convert on achievement of milestone 1 for the ZMH shareholders and the remaining half will convert on achievement of milestone 2).

In a timely fashion, Rubianna shall issue a prospectus to raise at least \$4 million in connection with its readmission (the intention being to raise such amount as may be required to ensure compliance and satisfaction with the relevant ASX readmission requirements and to provide working capital required by zipMoney).

Rubianna will be required to undertake a consolidation of its securities at such ratio that its ordinary share price is consolidated to not less than 20 cents per share.

#### **Proposed capital structure (Pre consolidation)**

On a pre-consolidated basis, the capital structure of the Company on completion of the transaction and prior to the proposed \$4 million capital raising will be:

<b>Event</b>	<b>Ordinary Shares</b>	<b>Performance Shares</b>	<b>Options</b>
Existing securities on issue	217,191,210	-	25,250,000
Rights issue	96,529,574	-	-
Acquisition (Consideration Shares)	550,000,000	750,000,000	-
Strategic partner (warehouse facility)	-	200,000,000	-
Avitus Capital and/or nominees	33,000,000	47,697,573	-
Conversion of zipMoney notes	35,000,000	-	-
<b>SECURITIES STRUCTURE PRE CONSOLIDATION AND PRE \$4m CAPITAL RAISING</b>	<b>931,720,784</b>	<b>1,042,657,134</b>	<b>25,250,000</b>

### **Existing Projects**

Rubianna is maintaining the Ruby Well project (M51/0291 & L51/0094). An expression of interest phase in the Company's exploration and prospecting permits yielded minimal interest and therefore those permits have been or are in the process of being surrendered.

### **Indicative timetable**

The below timetable is indicative only and may change without notice.

<b>Description</b>	<b>Estimated Date</b>
Shareholder meeting to approve transaction	20 July 2015
Issue of Prospectus to raise min. \$4m	24 July 2015
Close of prospectus	21 August 2015
Apply for re-admission to ASX	31 August 2015
Re-admission to ASX	10 September 2015