

THIS IS AN IMPORTANT DOCUMENT WHICH YOU SHOULD READ CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONSULT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISOR.

RANGE RIVER GOLD LIMITED
(to be renamed The Waterberg Coal Company Limited)
(ABN 64 065 480 453)

Bidder's Statement

in relation to a Takeover Offer by Range River Gold Limited to acquire ALL of your ordinary shares in

Firestone Energy Limited
(ABN 71 058 436 794)

Consideration offered is:

1 pre-Consolidation RNG Share for every 2 FSE Shares you own. Following the proposed consolidation of RNG's issued securities on a 1 for 10 basis, as announced to ASX on 12 December 2012, the consideration to be paid under the Takeover Offer will be on (1) post-Consolidation RNG Share for every twenty (20) FSE Shares held.

The Takeover Offer is dated 30 January 2013 and will close at 7.00pm (ESDT (10.00am SAST)) on *(leave blank in lodged version)* 2013, unless extended or withdrawn.

TO ACCEPT RNG'S OFFER, SIMPLY COMPLETE THE ENCLOSED ACCEPTANCE FORM AND RETURN IT IN THE ENVELOPE PROVIDED.

IMPORTANT INFORMATION

Bidder's Statement

This document (**Bidder's Statement**), dated 30 January 2013, is issued by Range River Gold Limited (ABN 64 065 480 453) under Part 6.5 of the Corporations Act in relation to an off-market offer by RNG to acquire FSE Shares and sets out certain disclosures required by the Corporations Act.

A copy of this Bidder's Statement was lodged with ASIC on 30 January 2013. ASIC takes no responsibility for the contents of this Bidder's Statement.

Investments Risks

There are a number of risks that may have a material impact on the value of the Takeover Offer, the future performance of the Merged Entity and the value of RNG Shares. These are described in Section 8 of this Bidder's Statement.

Foreign Jurisdictions

The distribution of this document and the making of the Takeover Offer may be restricted by the laws or regulations of foreign jurisdictions. Persons who come into possession of this Bidder's Statement should seek advice and observe these restrictions.

The Takeover Offer is not being made, directly or indirectly, in or into and will not be capable of acceptance from within any jurisdiction, if to do so would not be in compliance with the laws of that jurisdiction.

The entitlements of FSE Shareholders who are located in jurisdictions outside Australia, its external territories and New Zealand are set out in Section 9.10 of this Bidder's Statement.

No action has been taken to register or qualify RNG or to otherwise permit the offering of RNG Shares outside Australia, its external territories and New Zealand.

The Takeover Offer is subject to obtaining approvals from the JSE, the South African Reserve Bank and other South African regulatory authorities as required.

This Bidder's Statement has been prepared having regard to Australian disclosure requirements. These disclosure requirements may differ from those of other countries, including that of the JSE.

This Bidder's Statement is not a New Zealand prospectus or an investment statement and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the *Securities Act 1978* (New

Zealand) (or any other relevant New Zealand law). This Bidder's Statement may not contain all the information that a prospectus or an investment statement under the New Zealand law is required to contain.

The only members of the public in New Zealand to whom RNG Shares are being offered to under the Takeover Offer are FSE Shareholders. The Takeover Offer is being made in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

Disclosure Regarding Forward Looking Statements

This Bidder's Statement includes forward-looking statements that have been based on RNG's current expectations and predictions about future events including RNG's intentions (which include those set out in Section 6). These forward-looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of RNG, FSE and the Merged Entity to differ materially from the expectations and predictions, expressed or implied, in such forward-looking statements. These factors include, among other things, those risks identified in Section 8.

None of RNG, its officers, nor persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of any forward looking statements. You are cautioned not to place reliance on these statements in the event that the outcome is not achieved. The forward looking statements in this Bidder's Statement reflect views held only at the date of this Bidder's Statement.

Value of RNG Shares

The implied value of the Takeover Offer will vary with the market price of RNG Shares. Further information on the implied value of the Takeover Offer is contained in this document.

In addition, all references to the implied value of the Takeover Offer are subject to the effects of rounding.

Number of RNG Shares - Post Consolidation

All references in this Bidder's Statement to RNG Share numbers are stated on a post Consolidation basis (i.e. on the basis that the Consolidation has been completed), unless stated otherwise.

Investment Advice

This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each FSE

Shareholder (or any other person). You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Takeover Offer.

Privacy

RNG has collected your information from the registers of FSE for the purposes of making the Takeover Offer and administering your acceptance over your FSE Shares. RNG and its share registry may use your personal information in the course of making and implementing the Takeover Offer. RNG and its share registry may also disclose your personal information to their related bodies corporate and external service providers and may be required to disclose such information to regulators, such as ASIC. If you would like details of information about you held by RNG, please contact RNG at the address set out in the Key Contacts Section.

Defined Terms

A number of defined terms are used in this Bidder's Statement. Unless expressly specified otherwise, defined terms have the meaning given in Section 11.

Internet Sites

RNG and FSE each maintain internet sites. The URL location for RNG is www.rangerivergold.com.au and for FSE is www.firestoneenergy.com.au. Information contained in or otherwise accessible through these internet sites is not part of this Bidder's Statement. All references to these sites in this Bidder's Statement is for information purposes only.

Estimates and Assumptions

Unless otherwise indicated, all references to estimates, assumptions and derivations of the same in this Bidder's Statement are references to estimates, assumptions and derivations of the same by RNG's management. Management estimates reflect and are based on views as at the date of this Bidder's Statement, and actual facts or outcomes may materially differ from those estimates or assumptions.

Effect of Rounding

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement may be subject to the effect of rounding. Accordingly, the actual figures may vary from those included in this Bidder's Statement.

Currencies

In this Bidder's Statement, references to "Australian dollars", "AUD", "\$" or "cents" are to the lawful currency of Australia.

This Bidder's Statement may contain conversions of relevant currencies to other currencies for convenience. These conversions should not be construed as representations that the relevant currency could be converted into the other currency at the rate used or at any other rate. Conversions that have been calculated at the date of this Bidder's Statement (or any other relevant date) may not correspond to the amounts shown in the historic or future financial statements of RNG or FSE in respect of which different exchange rates may have been, or may be, used.

Maps and diagrams

Any diagrams and maps appearing in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in charts, maps, graphs and tables is based on information available at the date of this Bidder's Statement.

Queries

You should contact your legal, financial or professional advisor if you are unsure about how to deal with this Bidder's Statement.

If you have any enquires about the Takeover Offer, please contact RNG on +61 8 9200 4243 or your professional financial advisor.

RANGE RIVER GOLD LIMITED

30 January 2013

Dear FSE Shareholders

On behalf of the Directors of Range River Gold Limited (**RNG**), I am pleased to enclose an offer to acquire all your shares in Firestone Energy Limited (**FSE**).

By accepting RNG's offer you will, subject to the terms and conditions of the offer, receive one (1) pre-Consolidation RNG Share for every two (2) FSE Shares held by you (Takeover Offer).

Following the proposed share consolidation of RNG's issued securities on a 1 for 10 basis, as announced to ASX on 12 December 2012, the consideration to be paid under the Takeover Offer will be one (1) post-Consolidation RNG Share for every twenty (20) FSE Shares held.

These terms and conditions are explained further in Appendix A and include obtaining the necessary approvals from RNG Shareholders to the performance of the transactions contemplated for the Takeover Offer.

On 5 October 2012, FSE Shareholders were asked to approve a suite of transactions put forward by Ariona Company SA (**Ariona**) that would have resulted in Ariona acquiring a majority shareholding position of up to 60% in FSE that will result through the proposed acquisition of a direct interest of approximately 26% from Sekoko Coal (Proprietary) Limited (**Sekoko**) and Sekoko Resources (Proprietary) Limited (**Sekoko Resources**) and upon conversion of secured convertible notes in FSE proposed to be subscribed for by Ariona, with a face value of up to \$40.7 million (**Ariona Transactions**). Refer to Section 3.6.1 for further details.

In addition to acquiring these interests in the capital of FSE, Ariona had the right to appoint up to 3 directors on the board of FSE. Concurrent with the transactions referred to above, Ariona has entered into an agreement to acquire a further 10% direct interest in the Waterberg Project, directly from Sekoko.

The resolutions put to FSE Shareholders in relation to the Ariona Transactions in general meeting on 5 October 2012 were unanimously approved by FSE Shareholders. Furthermore, in the notice of meeting sent to FSE Shareholders, the independent expert concluded:

- (a) the advantages of the share transfer described in the notice of meeting outweighed the disadvantages for the non-associated FSE Shareholders; and
- (b) convertible note issues described in the notice of meeting is fair and reasonable to the non-associated FSE Shareholders.

Furthermore, the notice of meeting stated that "the directors, who are independent of the transactions, recommend Shareholders unanimously vote in favour of the resolutions."

A significant benefit accruing from the Takeover Offer, once completed (and assuming RNG receives acceptances for 90% or above in respect of all of the FSE Shares on issue) is the merging of joint venture interests; FSE Shareholders will have exposure to a 70% interest in the Waterberg Project (whereas currently FSE holds a 60% interest).

As set out in Sections 3.3 and 3.4 of this Bidder's Statement, RNG (and Ariona) have a strong and demonstrable track record in successful development of mineral projects on a global basis and a project management team that is experienced in project start up and management which is a fundamental requirement to the providers of project capital in the market place today.

The Takeover Offer represents a premium of 10% to the closing price of FSE Shares on 29 January 2013, the date RNG prior to the date of this Bidder's Statement, and RNG believes that if the Offer does not succeed, and providing there are no other alternative offers or proposals for FSE Shares, it is likely that the trading price of FSE Shares may fall.

I encourage you to read this important document carefully, including the risk factors set out in Section 8. The Takeover Offer is open for your acceptance until 7.00 pm (EDST (10.00am (SAST))) on **(leave blank in lodged version)** 2013, unless extended. If you wish to accept the Takeover Offer, you should follow the instructions on the relevant Acceptance Form enclosed.

If you have any questions about the Takeover Offer, please contact RNG on +61 8 9200 4243, or your professional financial advisor.

Yours sincerely

A handwritten signature in blue ink, appearing to read "B. McMaster".

Mr Brian McMaster
Chairman

KEY DATES

Announcement of Takeover Offer	17 December 2012
Date of this Bidder's Statement	30 January 2013
Date this Bidder's Statement is lodged with ASIC	30 January 2013
Date of Takeover Offer	(leave blank in lodged version)
Takeover Offer Closes (unless otherwise extended)	7.00pm (ESDT Time (10.00am SAST)) (leave blank in lodged version)

All dates and times are subject to change and obtaining certain regulatory approvals. For South African shareholders, any changes will be published on SENS.

KEY CONTACTS

Share registrar for the Takeover Offer*

Computershare Investor Services Pty Limited
GPO Box 52
MELBOURNE VIC 3001

Current Directors

Brian McMaster – **Executive Chairman**
Jonathan Hart – **Executive Director**
Daniel Crennan – **Non-Executive Director**

Future Director

Stephen Miller – **Executive Director**

Company Secretary

Jonathan Hart

ASX Code: RNG

Website

www.rangerivergold.com.au

Range River Gold Limited

Level 1
33 Richardson Street
WEST PERTH WA 6005

Phone: +61 8 9200 4243

Corporate Advisors

In Australia
Garrison Capital Pty Ltd
Level 1
33 Richardson Street
WEST PERTH WA 6005

In South Africa
Bravura Equity Services Pty Ltd
23 Fricker Road
Ground Floor, Office Suite 2
Illovo, 2196
(PO Box 2070, Parklands, 2121)

JSE Advisor

Deloitte & Touche Sponsor Services Pty Ltd
(Incorporated in the Republic of South Africa)
(Registration Number 1996/000034/07)

Building 6, The Woodlands
Woodmead, 2196

Australian Solicitors to RNG

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

South African Legal Advisors to RNG

Bowman Gilfillan Inc.
SA Reserve Bank Building
60 St Georges Mall
Cape Town, 8000
(PO Box 248, Cape Town, 8000)

* This entity has not been involved in the preparation of this Bidder's Statement and has not consented to being named in this Bidder's Statement. Its name is included for information purposes only.

CONTENTS

1.	INVESTMENT OVERVIEW	7
2.	WHY YOU SHOULD ACCEPT THE OFFER.....	14
3.	PROFILE OF RANGE RIVER GOLD LIMITED	17
4.	PROFILE OF FIRESTONE ENERGY LIMITED.....	36
5.	MERGED ENTITY	42
6.	INTENTIONS OF RNG.....	48
7.	AUSTRALIAN TAX CONSIDERATIONS.....	50
8.	RISK FACTORS.....	54
9.	ADDITIONAL INFORMATION.....	60
10.	DIRECTORS AUTHORISATION.....	67
11.	DEFINITIONS AND INTERPRETATION.....	68
	ANNEXURE A – TERMS OF TAKEOVER OFFER.....	73
	ANNEXURE B – RNG’S ASX ANNOUNCEMENTS.....	87
	ANNEXURE C – FSE’S ASX ANNOUNCEMENTS	88
	ANNEXURE D- MATERIAL CONTRACT SUMMARIES	89

1. INVESTMENT OVERVIEW

The information in this Section is intended to provide an overview of RNG, the Takeover Offer that RNG is making for your FSE Shares and the risks you should consider.

The information in this Section 1 is not intended to be comprehensive and should be read in conjunction with the detailed information contained in this Bidder's Statement.

You should read this Bidder's Statement in its entirety and the separate target's statement which will be sent to you directly by FSE before deciding how to deal with your FSE Shares. The detailed terms of the Takeover Offer are set out in Annexure A.

The information in this Section 1 is set out by way of response to a series of questions. RNG believes this is the clearest way to provide the information. Each answer has, where appropriate, cross-references to other questions in this Investment Overview and other parts of this Bidder's Statement, including the Annexures that contain more information that you might find useful or relevant.

Part A of this Investment Overview deals with the Takeover Offer. **Part B** deals with RNG, its business and assets and RNG securities. **Part C** deals with risks relating to RNG, FSE, the Takeover Offer and the Merged Entity. **Part D** deals with other relevant questions.

If you have any questions about the Takeover Offer, please contact RNG on +61 8 9200 4243, or your professional financial advisor.

PART A – OVERVIEW OF THE OFFER

No.	Question	Answer	Further Information
1.	What is RNG offering to buy?	RNG is offering to buy all FSE Shares on the terms set out in this Bidder's Statement. You may only accept the Takeover Offer in respect of all the FSE Shares held by you.	Annexure A contains the full terms of the Takeover Offer and the Conditions. The answers to questions 2 to 4 in Part A and in Parts C and D explain other aspects of the Takeover Offer.
2.	How long will the offer remain open?	The Takeover Offer opens on (leave blank in lodged version) . Unless withdrawn or extended in accordance with the Corporations Act, the Takeover Offer is scheduled to close at 7:00 pm (ESDT (10.00am SAST)) on (leave blank in lodged version) .	
3.	What will you receive if you accept the Takeover Offer?	If you accept the Takeover Offer, subject to satisfaction of the Conditions of the Takeover Offer, you will be issued one (1) pre-Consolidation RNG Share for every two (2) FSE Shares held by you on a pre-Consolidation basis (equal to 1 RNG Share for every 20 FSE Shares held on a post-Consolidation basis). If you accept the Takeover Offer and you are an Ineligible Foreign Shareholder, you will not be entitled to receive RNG Shares as consideration for your FSE Shares. In these circumstances, the RNG Shares which would otherwise have been issued to you will instead be issued to the Sale Nominee who will sell those	Annexure A contains full terms of the Takeover Offer and the Conditions. The answer to question 9 summarises the Conditions.

No.	Question	Answer	Further Information
		RNG Shares and remit the sale proceeds (less any transaction costs) to you by cheque in Australian dollars. See Sections 9.10 and 9.11 for further details.	
4.	What is the value of the Takeover Offer?	The implied value of the offer is A\$0.009 per FSE Share ¹ . The value of the Takeover Offer may change as a consequence of changes in the market price of RNG Shares.	Section 9.6 of this Bidder's Statement provides further information in respect of the implied value of the Takeover Offer. The answers to questions 1 to 4 of Part A, Parts B and C of this Bidder's Statement contain more information about RNG, its business and assets and the risks that may apply to RNG. Section 2 of this Bidder's Statement contains the view of RNG as to why they think you should accept the Takeover Offer.

PART B – OVERVIEW OF RNG

No.	Question	Answer	Further Information
1.	Who is RNG?	RNG is an Australian incorporated company listed on the Official List of the ASX (ASX Code: RNG). Please refer to Sections 0, 6, 8 and 9 for further information on RNG.	Sections 0, 6, 8 and 9 of this Bidder's Statement contain more information about RNG's assets, financial position, details of RNG securities currently on issue and the risks that may apply to RNG.
2.	Will my new RNG Shares be listed on ASX?	Within 7 days of the date of this Bidder's Statement, RNG will apply to ASX for quotation of the new RNG Shares on ASX. Quotation of the new RNG Shares depends on ASX exercising its discretion to admit them to quotation on ASX. RNG is already admitted to the Official List of ASX and RNG Shares in the same class as the new RNG Shares are already quoted.	Section 3.12 of this Bidder's Statement contains more information in relation to the admission of the RNG Shares to the Official List of ASX.
3.	What rights and liabilities will attach to my new RNG Shares?	The new RNG Shares issued under the Takeover Offer will be issued fully paid and will from the time of issue rank equally with existing RNG Shares.	Section 3.14 of this Bidder's Statement contains more information about the rights and liabilities attaching to RNG Shares.

¹Based on the closing share price of RNG Shares of \$0.018 (or \$0.18 on a Post Consolidation basis) as at 14 December 2012, the last trading day prior to the Announcement Date. As the consideration offered comprises RNG Shares, the value of the consideration will vary with the market price of RNG Shares.

No.	Question	Answer	Further Information
4.	Who are the RNG Directors and what experience do they have?	<p>The Directors of RNG are:</p> <p>(a) Mr Brian McMaster – Executive Chairman;</p> <p>(b) Mr Jonathan Hart – Executive Director; and</p> <p>(c) Mr Daniel Crennan – Non-Executive Director.</p> <p>RNG proposes that following completion of the Takeover Offer, Mr Stephen Miller will be appointed to the board of the Merged Entity as an Executive Director.</p>	<p>Section 3.3 of this Bidder’s Statement contains further information in relation to the expertise of the RNG Directors.</p> <p>Refer to Section 3.4 of this Bidder’s Statement for a summary of Mr Miller’s qualifications and experience.</p>
5.	Do the current Directors of RNG have any securities in, or potential conflicts of interest in relation to FSE?	<p>None of the current RNG Directors have an interest in FSE securities.</p>	<p>Section 9.6 of this Bidder’s Statement contains further information in relation to the shareholdings of the RNG Directors in FSE.</p>
6.	Do the RNG Directors and management have any interest in RNG securities?	<p>The directors currently have the following interests in RNG securities:</p> <p>(a) Brian McMaster has an interest in 20,000,000 RNG Shares. Mr McMaster intends to subscribe for 2,500,000 pre-Consolidation RNG Shares under the Placement which issue will be subject to RNG Shareholder approval at the General Meeting;</p> <p>(b) Jonathan Hart has an interest in 1,000,000 RNG Shares. Mr Hart intends to subscribe for 1,500,000 pre-Consolidation RNG Shares under the Placement, which issue will be subject to RNG Shareholder approval at the General Meeting; and</p> <p>(c) Daniel Crennan has an interest in 1,000,000 RNG Shares.</p>	

PART C – OVERVIEW OF RISKS

No.	Question	Answer	Further information
1.	Are there risks if I accept the Takeover Offer?	<p>Yes, if you accept the Takeover Offer, and it becomes unconditional, you will be issued new RNG Shares and RNG will acquire your interest in FSE. There are risks in holding RNG Shares.</p> <p>The financial and operational performance of RNG's business, and the value and trading prices for RNG Shares will be influenced by a range of risks. Many of these risks are beyond the control of RNG's Board and management.</p> <p>Section 8 of this Bidder's Statement provides a detailed explanation of these risks. Specifically it deals with:</p> <p>(a) risks relating to the Takeover Offer; and</p> <p>(b) risks that relate to RNG and FSE as the Merged Entity.</p>	See Section 8 of this Bidder's Statement which contains full details in respect of each of the risks.

PART D – OTHER RELEVANT QUESTIONS

No.	Question	Answer	Further information
1.	Can the Offer Period be extended?	The Offer Period can be extended at RNG's election, up to a maximum Offer Period of 12 months. FSE Shareholders will be sent written notice in the mail of any extension, and the extension will be announced to ASX.	
2.	What choices do I have as an FSE Shareholder?	<p>As an FSE Shareholder, you have the following choices in respect of your FSE Shares:</p> <p>(a) accept the Takeover Offer;</p> <p>(b) sell your FSE Shares; or</p> <p>(c) do nothing.</p>	
3.	How do I accept the Takeover Offer?	<p>For Issuer Sponsored Holdings of FSE Shares</p> <p>To accept the Takeover Offer, you should follow the instructions set out in this Bidder's Statement and in the enclosed Acceptance Form.</p> <p>For CHESSE Holdings of FSE Shares</p> <p>To accept the Takeover Offer, you should:</p> <p>(a) contact your Controlling Participant (usually your broker) and instruct them to accept the offer; or</p> <p>(b) follow the instructions set out in this Bidder's</p>	See your Acceptance Form enclosed with this Bidder's Statement and Annexure A for further information.

No.	Question	Answer	Further information
		Statement and in the enclosed Acceptance Form.	
4.	Can I accept the Takeover Offer for part of my holding?	No, you must accept the Takeover Offer for all of your holding.	
5.	If I accept the Takeover Offer can I withdraw my acceptance?	You cannot withdraw or revoke your acceptance unless a withdrawal right arises under the Corporations Act. A withdrawal right will arise if, after you have accepted the Takeover Offer, RNG varies the Takeover Offer in a way that postpones for more than 1 month the time that RNG has to meet its obligations under the Takeover Offer (for example, if RNG extends the Takeover Offer for more than 1 month while the Takeover Offer remains subject to any of the Conditions).	Annexure A of this Bidder's Statement contains more information as to the limited circumstances in which you may be able to withdraw your acceptance.
6.	When will you receive your consideration?	<p>If you accept the Takeover Offer and the Takeover Offer is declared unconditional, RNG will issue you RNG Shares as consideration for your FSE Shares on or before the earlier of:</p> <ul style="list-style-type: none"> (a) 1 month after you have validly accepted the Takeover Offer or the contract resulting from its acceptance becomes unconditional (whichever is later); and (b) 21 days after the end of the Offer Period, provided that the Takeover Offer has become unconditional. <p>If you accept the Takeover Offer and you are an Ineligible Foreign Shareholder, you will not be entitled to receive RNG Shares as consideration for FSE Shares held by you pursuant to the Takeover Offer. In these circumstances, the RNG Shares which would otherwise have been issued to you will instead be issued to the Sale Nominee who will sell those RNG Shares and remit the proceeds (less transaction costs) of such sale to you by cheque in Australian dollars.</p>	Annexure A of this Bidder's Statement contains more information as to when your new RNG Shares will be issued to you.

No.	Question	Answer	Further information
7.	Will I need to pay any transaction costs if I accept the Takeover Offer?	You will not incur any brokerage fees or be obliged to pay duty or GST in connection with your acceptance of the Takeover Offer.	Annexure A of this Bidder's Statement contains the full terms of the Takeover Offer and Conditions. See also the instructions on the Acceptance Form enclosed with this Bidder's Statement.
8.	What happens if I do not accept the Takeover Offer?	<p>Subject to the explanation below, you will remain a shareholder of FSE and will not receive the Takeover Offer Consideration.</p> <p>If you do not accept the Takeover Offer and RNG acquires a Relevant Interest in at least 90% of FSE Shares and the other conditions of the Takeover Offer are satisfied or waived, RNG intends to proceed to compulsorily acquire the outstanding FSE Shares. You will be invited after the Takeover Offer closes to claim the Takeover Offer Consideration from FSE as trustee. Therefore, accepting the Takeover Offer will result in you receiving your Takeover Offer Consideration sooner if you accept the Takeover Offer, rather than having your FSE Shares compulsorily acquired.</p> <p>If the Takeover Offer becomes or is declared unconditional but RNG does not become entitled to compulsorily acquire your FSE Shares under the Corporations Act, unless you sell your FSE Shares, you will remain a shareholder in FSE.</p> <p>In these circumstances and, depending on the number of FSE Shares acquired by RNG, you may be a minority FSE Shareholder.</p>	<p>Section 6 of this Bidder's Statement provides more information regarding RNG's intentions if it acquires a Relevant Interest in at least 90% of the FSE Shares.</p> <p>Section 6 of this Bidder's Statement provides more information regarding RNG's intentions if it acquires a Relevant Interest in less than 90% of the FSE Shares.</p>
9.	Are there conditions to the Takeover Offer?	<p>The Takeover Offer is subject to the Conditions set out in Section 1.9 of Annexure A and include:</p> <ul style="list-style-type: none"> (a) RNG acquiring an interest in more than 50.1% of the aggregate of all the FSE Shares on issue; (b) RNG completing its acquisition of Arlona; (c) obtaining from the RNG Shareholders, the approvals necessary to complete the Takeover Offer; (d) that no "prescribed occurrences" occurs; and (e) that no material adverse change occurs in relation 	Annexure A to this Bidder's Statement sets out the Conditions in full.

No.	Question	Answer	Further information
		<p>to FSE. Annexure A contains the full terms of the Conditions.</p>	
10.	<p>What if the Conditions are not satisfied or waived?</p>	<p>If the Takeover Offer closes and the Conditions are not satisfied or waived, the Takeover Offer will lapse, and your acceptance will be void. In other words, you will continue to hold your FSE Shares (unless you otherwise sell them). RNG will announce whether the Conditions have been satisfied or waived during the Offer Period in accordance with its obligations under the Corporations Act.</p>	<p>Annexure A to this Bidder's Statement sets out further information.</p>
11.	<p>What happens if RNG improves the Takeover Offer Consideration?</p>	<p>If RNG improves the Takeover Offer Consideration, all the FSE Shareholders who accept the Takeover Offer (whether or not they have accepted the Takeover Offer before or after such improvement) will be entitled to the benefit of the improved Takeover Offer Consideration, should the Takeover Offer become or be declared unconditional.</p>	<p>Annexure A to this Bidder's Statement sets out further information.</p>
12.	<p>What are the tax implications of accepting the Takeover Offer?</p>	<p>A general summary of the Australian tax consequences for FSE Shareholders who accept the Takeover Offer is set out in Section 7. This summary is expressed in general terms only and is not intended to provide taxation advice for your specific circumstances. FSE Shareholders should seek their own taxation advice in relation to the Takeover Offer.</p>	<p>Section 7 of this Bidder's Statement sets out further information.</p>

2. WHY YOU SHOULD ACCEPT THE OFFER

RNG believes you should ACCEPT the Takeover Offer for the following reasons:

1. The Takeover Offer provides a premium on FSE Shares
2. FSE Shareholders will have exposure to an increased interest in the Waterberg Project
3. No alternative proposal
4. RNG and Ariona are better placed to secure required funding for the Waterberg Project
5. Continue to have the benefit of the transaction between FSE and Ariona
6. FSE's Share price may fall if the Takeover Offer is not successful
7. The merged entity will have a strong board and management team that can deliver the strategy and growth going forward
8. Access to capital gains tax relief in Australia if RNG achieves ownership of more than 80% of the issued FSE Shares
9. No stamp duty or brokerage
10. Implications of remaining as a minority shareholder of FSE

The above is only a headline summary of some of the reasons why you should accept the Takeover Offer. Each of the reasons is explained below.

If you wish to accept this Takeover Offer, you must return the signed Acceptance Form by 7:00 pm (ESDT(10.00am SAST)) on **(leave blank in lodged version)**.

Detailed reasons why you should ACCEPT the Takeover Offer

2.1 The Takeover Offer provides a premium on FSE Shares

The Takeover Offer represents a significant premium to the trading price of your FSE Shares on ASX on 17 December 2012, the date of RNG's announcement to make the Takeover Offer and across various time periods, ranging from a minimum of 10% to a maximum of 40%, as illustrated in **Figure 1**.

Figure 1: RNG offer premium prior to Announcement Date

Pre-Consolidation		Premium	Date
Price of Share	Price of RNG		
\$0.019	\$0.008	30%	2 November 2012
\$0.015	\$0.007	10%	29 November 2012
\$0.02	\$0.008	40%	13 December 2012
\$0.019	\$0.008	30%	17 December 2012
\$0.017	\$0.007	30%	22 January 2013
\$0.016	\$0.007	20%	24 January 2013
\$0.016	\$0.007	20%	25 January 2013
\$0.015	\$0.007	10%	29 January 2013

2.2 FSE Shareholders will have exposure to an increased interest in the Waterberg Project

A significant benefit accruing from the Takeover Offer, once completed (and assuming RNG receives acceptances for 90% or above in respect of all of the FSE Shares on issue) is the merging of interests. FSE Shareholders will have exposure to a 70% interest in the Waterberg Project (whereas currently FSE holds a 60% interest).

2.3 RNG (and Ariona) are better placed to secure the required equity funding

RNG (and Ariona) have invested considerable time in developing relationships with strategic investors who have the capacity to provide equity for the development of the Waterberg Project.

If the Takeover Offer is successful, the RNG Board considers that the support of these major investors in driving the development of the Waterberg Project can benefit both RNG Shareholders and FSE Shareholders.

2.4 No alternative proposal

The Takeover Offer is the only offer available for your FSE Shares as at 30 January 2013, the date of this Bidder's Statement. RNG is not aware of any other party intending to make an offer for FSE Shares which is superior to the Takeover Offer. In RNG's view, it is unlikely that such an offer will materialise.

2.5 Continue to have the benefit of the transaction between FSE and Ariona

On 5 October 2012, FSE Shareholders approved a series of transactions involving Ariona pursuant to which:

- Ariona may acquire up to a 25.7% interest in FSE Shares as a result of an off-market purchase of 800,000,000 FSE Shares from Sekoko Resources (Proprietary) Limited and Sekoko Coal (Proprietary) Limited;
- FSE will issue convertible notes to Ariona valuing up to \$40.7 million. FSE will use the funds to redeem existing convertible notes on issue; and
- Ariona may increase its interest FSE Shares to 56.7% upon conversion of the convertible notes referred to above.

Refer to FSE's notice of meeting dated 31 August 2012.

Pursuant to the Heads of Agreement, RNG has conditionally agreed to acquire 100% of the fully paid issued shares on issue in the capital of Ariona. Ariona has the full support of RNG. As such, notwithstanding the Takeover Offer, FSE Shareholders will continue to have the benefit of the above transactions (which are the subject of the Investment Agreement and the Share Sale Agreement summarised in Annexure D).

2.6 FSE's Share price may fall if the Takeover Offer is not successful

RNG believes that if the Takeover Offer does not succeed, and if there are subsequently no other alternative offers or proposals for FSE Shares, it is likely that the trading price of FSE Shares may fall.

2.7 The merged entity will have a strong board and management team that can deliver the strategy and growth going forward

The Merged Entity will retain its current directors Mr Brian McMaster, Jonathan Hart and Daniel Crennan. In addition, the Merged Entity will appoint Stephen Miller following completion of the Takeover Offer and will have access to Ariona's technical and financial team referred to in Section 3.3, to ensure that the Merged Entity is well equipped to pursue and deliver the strategy and plans going forward.

2.8 Access to capital gains tax relief in Australia if RNG achieves ownership of more than 80% of the issued FSE Shares

Provided RNG achieves ownership of more than 80% of the issued FSE Shares, eligible FSE Shareholders may be entitled to rollover relief from capital gains tax on the consideration they receive under the Offer. However, FSE Shareholders may be subject to capital gains tax as a result of a later taxable event (such as a disposal) happening to the RNG Shares received as consideration under the Takeover Offer. Please refer to Section 7 for more information. You should consult a qualified tax adviser for further taxation advice.

2.9 No stamp duty or brokerage

Except in relation to Ineligible Foreign Shareholders, there will be no brokerage or Australian stamp duty payable by you in respect of the sale of your FSE Shares to RNG. CHES holders should check with their controlling participant to confirm if fees will be charged for administering acceptances.

2.10 Implications of remaining as a minority shareholder of FSE

You will be/remain a minority shareholder in FSE, in circumstances where:

- (a) RNG receives acceptances under the Takeover Offer for some but not all FSE Shares on issue at the end of the Offer Period resulting in RNG holding less than a 90% relevant interest in the voting shares of FSE;
- (b) the Offer Period closes and the Takeover Offer is unconditional at the time; and
- (c) you do not accept the Takeover Offer in respect of your FSE Shares.

In the above circumstances, the market for FSE Shares may become less liquid or active affecting your ability to dispose of your FSE Shares should you wish to do so.

RNG already has the potential to earn a relevant interest in approximately 26% of FSE Shares currently on issue through its proposed acquisition of Ariona under the Heads of Agreement (subject to Ariona completing its acquisition of 800 million FSE Shares under the Share Purchase Agreement).

Furthermore, as set out in Section 3.6.1, Ariona proposes to subscribe for convertible notes in FSE valuing \$40.7 million. If these notes together with interest are converted into FSE Shares, then Ariona's relevant interest in FSE may increase to approximately 56.7%. Thus, if this occurs after RNG acquires Ariona, RNG will have a relevant interest in approximately 56.7% of the voting shares of FSE currently on issue.

Given RNG's potential to earn a stake of approximately 26% of the FSE Shares currently on issue through its proposed acquisition of Ariona, RNG would only require a further stake of approximately 24% of the FSE Shares to hold a majority stake in FSE Shares.

3. PROFILE OF RANGE RIVER GOLD LIMITED

3.1 Overview of RNG

On 23 March 2011, RNG Shares were suspended from trading on the ASX. Subsequently, on 21 April 2011, the directors of RNG resolved to place the Company into voluntary administration and Messrs Stephen Longley, David McEvoy and Simon Theobald of PPB Advisory, were appointed as joint administrators of RNG and its subsidiary, Opus Exploration Pty Ltd (**Deed Administrators**).

Upon appointment, the Deed Administrators placed all RNG mining operations on care and maintenance programs. Additionally, the Deed Administrators sought proposals for the recapitalisation of the Company.

On 8 December 2011, RNG's creditors agreed to the recapitalisation proposal presented by Garrison Capital Pty Ltd (**Garrison Capital**) for the restructure and recapitalisation of RNG. As a result, the Deed Administrators and RNG entered into a deed of company arrangement (**DOCA**), and subsequently RNG and Garrison Capital entered into a recapitalisation deed to implement the recapitalisation proposal.

On 17 July 2012, RNG completed:

- (a) a placement to sophisticated and professional investors of 140,000,000 RNG Shares at an issue price of \$0.005 per RNG Share to raise \$700,000;
- (b) an offer to the public of 150,000,000 RNG Shares at an issue price of \$0.02 per RNG Share to raise \$3,000,000;
- (c) the consolidation of the RNG Shares on a 1 for 60 basis such that 2,178,187,039 existing RNG Shares were consolidated to 36,301,222 RNG Shares;
- (d) a capital reduction by applying approximately \$82,523,237, being a portion of the accumulated losses of RNG, against a corresponding amount paid up on RNG's share capital which is considered permanently lost; and
- (e) the transfer of all of RNG's material assets, except for the tenements EL 3994, EL 4197 and EL 4445 (**RNG Tenements**) and funds raised under the capital raisings set out in (a) and (b) above, to the creditors trust for distribution to the creditors.

On 24 July 2012, the recapitalisation of RNG and the effectuation of the DOCA were completed and control of RNG passed to the newly appointed directors nominated by Garrison Capital, namely Messrs Brian McMaster, Jonathan Hart and Daniel Crennan. RNG's secured creditors released and discharged any security granted to them by RNG and there were no outstanding security interests over the RNG Tenements. All conditions precedent under the DOCA were satisfied or waived.

On 30 July 2012, RNG's Shares were reinstated to quotation on the ASX.

RNG is currently compiling all historical geological, geochemical and drilling data from the RNG Tenements. It is anticipated that the data compilation will be completed shortly, allowing RNG to undertake a target generation exercise and critically evaluate the potential of the RNG Tenements.

3.2 Corporate Information

The Company is a public company limited by shares and was incorporated on 18 July 1994 in Victoria and was admitted to the Official List on 17 June 2002. The current principal activity of RNG is exploration for gold, copper and uranium.

3.3 Directors of RNG

Details of the responsibilities and experience of the Directors (as at the date of this Bidder's Statement) are set out in RNG's 2012 Annual Financial Report, a copy of which is available on request or from RNG's website www.rangerivergold.com.au.

A summary of the RNG Board, as at the date of this Bidder's Statement, is set out below.

RNG proposes that following completion of the Takeover Offer, Mr Stephen Miller will be appointed to the board of the Merged Entity as an Executive Director. Refer to Section 3.4 of this Bidder's Statement for a summary of Mr Miller's qualifications and experience.

The RNG board is using its existing corporate network to review and assess suitably qualified candidates with coal experience in South Africa to take on the role of Managing Director of RNG upon completion of the Takeover Offer and the Acquisition of Ariona. Once such a person is identified and engaged by RNG, details will be released to market.

Mr Brian McMaster – Executive Chairman

Mr McMaster's role as the Executive Chairman of the Company historically includes negotiating and facilitating the proposed acquisition of Ariona, including overseeing the due diligence process and coordinating the implementation of the Takeover Offer, including assisting in the preparation of this Bidder's Statement. Moving forward, post the Company's acquisition of Ariona and completion of the Takeover Offer, Mr McMaster will continue to manage the promotion of the Company's interests in Ariona and the Waterberg Project.

Mr McMaster is a Chartered Accountant and has almost 20 years' experience in the area of corporate reconstruction, and turnaround/performance improvement. Mr McMaster's experience includes numerous reorganizations and turnarounds including being instrumental in the recapitalisation and listing of 12 Australian listed companies. Mr McMaster's experience includes significant working periods in the United States, South America, Asia and India.

Mr McMaster is currently a director of the following ASX listed entities, Caravel Energy Limited, Lindian Resources Limited, Paradigm Metals Limited, Wolf Petroleum Ltd and Black Star Petroleum Limited. Mr McMaster is also a director in venture capital and advisory firm Garrison Capital Pty Ltd.

Mr McMaster does not expect that his directorships with any other company will interfere with his ability to act as the Executive Chairman of the Company.

Mr McMaster is a director and shareholder of Garrison Capital Pty Ltd which is receiving 25,000,000 pre-Consolidation RNG Options the subject of Shareholder approval at the General Meeting for corporate advisory services being provided to the Company in relation to the Takeover Offer. Refer to the material contract summary of the Garrison Capital Mandate in Annexure (d) for further details. Refer to Section 3.5 for further details on Garrison Capital.

As at the date of this Bidder's Statement, Mr McMaster is not a nominee or a representative of a substantial Shareholder in the Company.

Mr Jonathan Hart – Executive Director

Mr Hart did his articles at Perth based law firm, Steinepreis Paganin where he worked until November 2011.

Mr Hart's experience includes due diligence investigations, general corporate and commercial drafting, public and private mergers and acquisitions, general corporate advice in relation to capital raisings, Corporations Act and ASX compliance, Australian Financial Services Licenses, managed investment schemes and anti-money laundering compliance.

Mr Hart has a bachelor of laws and commerce from Murdoch University in Western Australia.

Mr Hart is currently an executive director of ASX listed Caravel Energy Limited.

Mr Hart does not expect that his directorship with Caravel Energy Limited will interfere with his ability to act as an Executive Director of the Company.

As at the date of this Bidder's Statement, Mr Hart is not a nominee or a representative of a substantial Shareholder in the Company.

Mr Daniel Crennan – Non-Executive Director

Mr Crennan completed his Articles at Griffith Hack Patent and Trade Mark Attorneys, Lawyers. He also completed a research internship at the International Criminal Tribunal for former Yugoslavia in The Hague under Judge Richard May. Mr Crennan co-authored the Law Council of Australia submission to the Joint Standing Committee on Treaties in relation to the establishment of the International Criminal Court. Whilst undertaking his law degree, Mr Crennan studied Public International Law at Leiden University, the Netherlands. Mr Crennan appears primarily in major commercial disputes or prosecutions conducted by regulators.

Mr Crennan is a barrister who practices primarily in Melbourne and Perth. Mr. Crennan's areas of expertise include Corporations Law, Commercial Law, Trade Practices and Intellectual Property.

Mr Crennan is a former non-executive director of Mongolian coal explorer Hunnu Coal Limited and is a current director of Castillo Copper Limited and Haranga Resources Limited.

As at the date of this Bidder's Statement, Mr Crennan is not a nominee or a representative of a substantial Shareholder in the Company.

3.4 Key Personnel of Ariona - to continue post acquisition of Ariona by RNG

Set out below is a brief summary of Ariona's key personnel, as at the date of this Bidder's Statement, which the Merged Group intends to retain post completion of RNG's acquisition of Ariona subject to formal documentation being entered into with the relevant people.

Stephen Miller – Corporate Consultant (Proposed Executive Director of RNG following completion of the Takeover Offer)

Mr Miller has 25 years' experience investing and executing corporate finance, mergers and acquisitions opportunities in the resources sector.

Mr Miller established Resource Venture Capital Partners (**RVCP**) which is dedicated to investment opportunities in the natural resources sector. Approximately USD 2 billion has been realised from RVCP corporate reorganizations and restructurings, direct investments plus substantial debt and equity capital raisings for project start-ups, developments, and corporate takeovers.

Mr Miller has also been a director, founder and chief executive officer of a number of successful resource companies listed in the Australian and North American exchanges including East Africa Gold Corporation, Western Metals Limited and Defiance Mining Corporation.

Mr Miller is a member of the Australian Institute of Chartered Accountants, a Fellow of the Australian Institute of Company Directors and previously a Director on the Australian Gold Council.

Mr Miller's qualifications include a CA, BBus and FAICD.

As at the date of this Bidder's Statement, Mr Miller is not a nominee or a representative of a substantial Shareholder in the Company.

Bruce Tinney – Technical Consultant

Mr Tinney has 17 years' mining investment experience, including 8 years as a mining analyst in Sydney and Johannesburg.

Mr Tinney is the founding member of the Spyglass Resources Hedge Fund, investing in South African listed resource companies. The fund had exposure across the commodity spectrum (precious metals, base metals, bulk materials, steel, pulp and paper, chemicals) and along the value curve. Over the 3 years to February 2010, Spyglass returned +23%. Over the same period, the JSE Resources Top 20 Index returned 2% and the JSE's Junior Mining Index returned a loss of 45%.

Mr Tinney previously spent 9 years as a specialist resources fund manager, including co-fund manager of a ZAR55 billion Private Client equity portfolio which returned 68% over three years.

Mr Tinney's qualifications include:

- B.Sc. Geology, Chemistry, B.Sc. (Honours) Geology (Natal University);
- M.Sc. Mineral Exploration (Rhodes University); and
- Graduate Diploma of Engineering (Mineral Economics) (University of the Witwatersrand).

Mike Wuth – Technical Consultant

Mr Wuth has more than 30 years' experience in African mining, during which time he has been involved both directly and indirectly in taking projects from feasibility through to production. Mr Wuth's experience includes 16 years as a mine geologist and as Chief Geologist for AngloVaal Gold Mines.

Mr Wuth's experience extends to mining investments, holding the positions of Managing Partner for Rice Rinaldi, a specialist mining stockbroker, and head of Mining Private Equity Investments (Mining and Minerals) for Standard Bank.

More recently Mr Wuth was the Managing Director for a junior Pan African explorer, where he actively looked at copper-cobalt prospects in Zambia and the DRC, tin-tantalum prospects in Rwanda-DRC, gold prospects in Tanzania and Zimbabwe and base metal prospects in Eritrea, Sudan and Botswana. During this period, Mr Wuth also held board positions for an AIM quoted African gold explorer, and for an unlisted African tin miner.

Mr Wuth's qualifications include:

- M.Sc in Economic Geology (University of the Witwatersrand);
- MGSSA, (Member, Geological Society of South Africa); and
- PSciNat (registered professional natural scientist-geology).

Chris Goodale – Technical Consultant

Mr Goodale has more than 40 years' experience in African mining. Mr Goodale's experience includes 6 years in exploration with De Beers followed by 30 years' experience with the Anglo American Corporation.

Most recently Mr Goodale held the position of Head of Geology and Mine Planning at Anglo Coal responsible for greenfields and brownfields exploration projects, project planning, budgeting, borehole drilling, logging, sampling, resource analysis, modeling and estimation, mine planning and reporting.

Mr Goodale was also lead geologist for the New Denmark Colliery Eskom power station tender tasked with obtaining geological data and compiling geological tender reports. Consulting work clients have included Sekoko, Firestone Energy, Miranda Minerals, Keaton Energy, USA coal companies and Anglo Energy, particularly on the Waterberg Project. Mr Goodale's clients have also included Witbank and Natal coalfields, relating to geological, mine planning and beneficiation issues.

Mr Goodale's qualifications include:

- Bachelor Science, University of Cape Town, South Africa;
- Management Development Programme, UNISA; and
- PSciNat (registered professional natural scientist-geology).

3.5 Garrison Capital Pty Ltd – Corporate Advisor to the Company

Pursuant to the Garrison Capital Mandate, Garrison Capital's role is to provide the Company with support as follows:

- (a) strategic investment advice;
- (b) investment funds, as proven by recent fund raising in excess of AU\$100 million in past 12 months for other Garrison clients;

- (c) provision of experienced technical personnel and consultants; and
- (d) administrative support to the Company and its Board of Directors.

The directors of Garrison include Mr Matthew Wood, Mr Timothy Flavel and Mr Brian McMaster. Mr Brian McMaster is also the Executive Chairman of RNG.

3.6 Overview of RNG's Activities

3.6.1 Proposed Acquisition of Ariona

On 12 December 2012, RNG announced that it had entered into a conditional heads of agreement to acquire all of the issued share capital in Ariona in consideration of 125,000,000 post-Consolidation RNG Shares (**Ariona Acquisition**) (**Heads of Agreement**).

Ariona is currently a party to several agreements pursuant to which it has agreed to, amongst other matters:

- (a) acquire up to 800,000,000 FSE Shares from Sekoko and Sekoko Resources in consideration of \$8,000,000 (Ariona has already paid Sekoko and Sekoko Resources \$750,000) - pursuant to the Share Purchase Agreement summarised in Annexure D;
- (b) acquire a 10% interest in the FSE Project from Sekoko, either directly or indirectly through the subscription for a 25% interest in Sekoko (Sekoko currently holds a 40% interest in the FSE Project) in consideration for \$20,500,000 (Ariona has already paid Sekoko \$2,250,000) - pursuant to the Share Purchase Agreement summarised in Annexure D;
- (c) subscribe for convertible notes in FSE valuing up to \$40.7 million convertible into a maximum of 2,228,030,414 FSE Shares upon conversion (including conversion of capitalised interest) - pursuant to the Investment Agreement summarised in Annexure D. Under the Investment Agreement the convertible notes will be issued in two tranches. Upon Ariona being issued the first tranche of convertible notes, BBY Nominees Pty Ltd (**BBY**) will purchase from Ariona convertible notes valuing \$22,145,000. Upon Ariona being issued the second tranche of convertible Notes, Ariona will purchase from BBY Convertible Notes valuing \$16,000,000. Refer to the summary of the Investment Agreement summarised in Annexure D for further details;
- (d) to issue convertible notes to a group of international investors which is led by and managed by the Standard Bank of South Africa (**SBSA**) valuing \$35,000,000 in total (**Ariona Convertible Notes**) – refer to the Terms Sheet (**Convertible Notes**) summarised in Annexure D. It is a condition precedent to the Heads of Agreement that these notes are convertible into RNG Shares as and from completion of RNG's acquisition of Ariona. Please refer to note 8 in Section 3.8 and the material contract summaries in Annexure D for further details; and
- (e) to (within 6 months of the completion of a bankable feasibility study in respect of the Waterberg Project) negotiate in good faith with Sekoko Resources and FSE, the means by which, and the terms on which, Ariona will provide or procure market based project funding required to bring the Waterberg Project into commercial production, up to a maximum of US\$400,000,000 - pursuant to the Share Purchase Agreement summarised in Annexure D.

Details of the Ariona Acquisition were released by RNG to ASX on 12 December 2012.

Summaries of the material agreements in relation to RNG's and Ariona's current activities are set out in Annexure D and include the following agreements:

- (a) Heads of Agreement;
- (b) Share Purchase Agreement;
- (c) Investment Agreement;
- (d) Terms Sheet (Convertible Notes);
- (e) Investment Bank Mandate;

- (f) Management Services Agreement;
- (g) Eskom MOU;
- (h) Loan Agreement – Ariona and Sekoko;
- (i) Loan Agreements – RNG and Ariona;
- (j) InvestBridge Mandate Agreement; and
- (k) Garrison Capital Mandate Agreement.

3.6.2 Re-compliance with Chapters 1 and 2 of the ASX Listing Rules

ASX has advised RNG that completion of the Ariona Acquisition and the Takeover Offer will constitute a significant change to the activities of RNG in ASX’s opinion and ASX requires that:

- (a) RNG seeks approval of its shareholders for a change to activities; and
- (b) RNG re-complies with Chapters 1 and 2 of the ASX Listing Rules as a result of the proposed transactions.

As such, the Company will, amongst other matters, prepare a prospectus to be lodged with the ASIC and release it to the ASX (**Prospectus**).

RNG’s securities will be suspended from trading on the ASX upon RNG’s shareholders approving a change to the activities at the General Meeting. Upon successful re-compliance with Chapters 1 and 2 of the ASX Listing Rules, RNG will apply for its securities to be re-instated to trading on the ASX.

RNG does not guarantee that its application for re-instatement to quotation of its securities on ASX will be successful.

3.6.3 Prospectus

Pursuant to the Prospectus, RNG will make a general offer of RNG Shares at a price of \$0.20 each (on a post-Consolidation basis) with one free attaching RNG option for every two RNG Shares subscribed for, to raise up to \$10,000,000. Further details (including the terms of the offer and the timetable) will be contained in the Prospectus, which RNG is currently preparing. RNG intends to lodge the Prospectus with ASIC during the first quarter of 2013.

3.6.4 Placement

To assist with working capital requirements, RNG intends to conduct a placement of up to 90,000,000 new RNG Shares at a price of \$0.02 each with two free attaching unlisted RNG Options exercisable at \$0.20 on or before 31 December 2014 for every one RNG Share subscribed for, to raise \$1,800,000 (**Placement**). The Company intends to undertake the Placement in 2 stages. Under the first stage, 81,575,305 RNG Shares will be issued without RNG Shareholder Approval by RNG under RNG’s 15% placement capacity afforded under ASX Listing Rule 7.1 and RNG’s 10% placement capacity afforded under ASX Listing Rule 7.1A. The remaining 8,424,695 RNG Shares and 180,000,000 RNG Options to be issued under the Placement will be issued subject to approval of RNG Shareholders at the General Meeting.

3.6.5 Converting Loans

Pursuant to the InvestBridge Mandate Agreement, InvestBridge will arrange for RNG to enter into unsecured converting loan agreements with professional and sophisticated investor clients of InvestBridge Capital to raise \$10,000,000 (**Converting Loan Agreements**). Interest will be payable against the loans at 12%. RNG will seek approval at the General Meeting for mandatory conversion of the loans into RNG Shares at a deemed issue price of \$0.20 per RNG Share together with 1 free attaching unlisted RNG Option (exercisable at \$0.20 per RNG Option on or before 31 December 2014) per 2 new RNG Shares issued and allotted (**Converting Loans**). For more information on the fees to be paid to InvestBridge Capital, please refer to Section (j) of Annexure D of this Bidder’s Statement.

3.6.6 Shareholder Approvals

At a general meeting of RNG Shareholders scheduled to be held during the first quarter of 2013 (**General Meeting**), RNG Shareholders will be asked to approve various resolutions including the following:

- (a) for a change in nature and scale of the RNG's activities as a result of the proposed acquisition of Ariona and the Takeover Offer;
- (b) to undertake the Consolidation;
- (c) to issue 125,000,000 post-Consolidation RNG Shares as consideration under the Heads of Agreement;
- (d) to issue up to 50,000,000 post-Consolidation RNG Shares and 25,000,000 post-Consolidation RNG Options under the Prospectus;
- (e) to ratify the issue of 81,575,305 pre-Consolidation RNG Shares under the Placement;
- (f) to issue 842,470 post-Consolidation RNG Shares and 18,000,000 post-Consolidation RNG Options under the Placement;
- (g) to issue 25,000,000 post-Consolidation RNG Options to Garrison Capital in consideration for corporate advisory services;
- (h) to issue 50,000,000 post-Consolidation RNG Shares and 25,000,000 post-Consolidation RNG Options under the Converting Loan Agreements;
- (i) to issue 1,000,000 post-Consolidation RNG Options to InvestBridge for financial services; and
- (j) to change RNG's name to '*The Waterberg Coal Company Limited*'.

3.6.7 Ariona's material financial liabilities

Ariona has various financial liabilities. Set out below is a table of the material financial liabilities of Ariona that the RNG company group will be responsible for, as and from completion of RNG's acquisition of Ariona.

	Amount
Purchase of 800,000,000 million FSE Shares under the Share Purchase Agreement	\$7,250,000 ¹
Purchase of 10% interest in the Waterberg Project under the Share Purchase Agreement	\$18,250,000 ²
Subscription of first tranche of FSE convertible notes under the Investment Agreement	\$3,400,000 ³
Subscription of second tranche of FSE convertible notes under the Investment Agreement	\$11,500,000
Purchase of FSE convertible notes from BBY under the Investment Agreement	\$16,000,000
Total	\$56,400,000

Notes

¹ The total is \$8,000,000; however Ariona has already provided funds of \$750,000 to Sekoko Resources and Sekoko in relation to its purchase of 800,000,000 FSE Shares under the Share Purchase Agreement.

² The total is \$20,500,000; however Ariona and Sekoko entered into a loan agreement on or about 7 May 2012 pursuant to which Ariona has provided Sekoko a loan of \$2,185,000 (\$2,250,000 is the total including interest). The parties have agreed repayment of the loan will be offset against the consideration payable by Ariona to Sekoko at completion under the Share Sale Agreement. For more information please refer to the summary of the Share Purchase Agreement set out in Annexure D of this Bidder's Statement.

³ The total is \$4,000,000; however Ariona has already provided funds of \$600,000 to FSE which forms part of the subscription of the first tranche of FSE convertible notes under the Investment Agreement.

⁴ The total is \$12,500,000; however Ariona has already provided funds of \$1,000,000 to FSE which forms part of the subscription of second tranche of FSE convertible notes under the Investment Agreement.

3.6.8 Funding

The RNG company group will raise a total of \$56,800,000 in funding as follows:

Raising type	Amount
Placement	\$1,800,000
Converting Loan Agreements	\$10,000,000
Issue by RNG of 50,000,000 post-Consolidation RNG Shares with one free attaching RNG Option to every 2 RNG Shares issued pursuant to the offer under the Prospectus	\$10,000,000
Issue by Ariona of the Ariona Convertible Notes	\$35,000,000
Total	\$56,800,000

Refer to Section 5.11 of this Bidder's Statement for details on the use of funds raised from the offer under the Prospectus, Placement, Converting Loan Agreements and the issue by Ariona of the Ariona Convertible Notes.

3.7 Timetables

Indicative timetables of the Ariona Acquisition, and the Placement and re-compliance with Chapters 1 and 2 of the ASX Listing Rules are outlined below. The timetables are indicative only and are subject to change.

Ariona Acquisition

Event	Date
Execution of Heads of Agreement	6 December 2012
Condition precedent end date	31 March 2013
Expected date for completion	22 March 2013

Placement and re-compliance

Event	Date
Announcement of the Placement	early February 2013
Issue of first tranche of the Placement	early February 2013
Despatch Notice of Meeting for the General Meeting	On 5 February 2013
Lodgement of Prospectus with the ASIC	12 February 2013
Opening of offer for Capital Raising under the Prospectus	12 February 2013
Hold General Meeting	11 March 2013
Closing Date of offer for Capital Raising under the Prospectus	15 March 2013
Consolidation Completes	21 March 2013
Issue of second (final) tranche of the Placement	22 March 2013
Issue under Converting Loan Deed	22 March 2013
Issue under InvestBridge Mandate Agreement	22 March 2013
Completion of Ariona Acquisition and issue of RNG Shares under Capital Raising	22 March 2013

Event	Date
Anticipated date the suspension of trading is lifted and the Company's shares commence trading again on ASX	28 March 2013

3.7.1 RNG tenements

This Section contains a summary of RNG's activities in respect of its current tenements. Further information can be found on RNG's website, www.rangerivergold.com.au.

RNG owns the RNG Tenements, which are located in South Australia. The RNG Tenements comprise exploration licences EL 3994 (Lyons), EL 4197 (Glenloth) and EL 4445 (Claypan Dam).

Following the Takeover Offer, the Ariona Acquisition, the Placement, Converting Loan Agreements and the Capital Raising being successful, RNG will commence its strategy for the divestment of its tenements in an orderly fashion as it shifts its focus from mineral assets to coal.

3.7.2 Further Information

RNG is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. RNG is subject to the ASX Listing Rules which require continuous disclosure of any information RNG has concerning itself that a reasonable person would expect to have a material effect on the price or value or its securities.

ASX maintains files containing publicly disclosed information about all listed companies. RNG's file is available for inspection at ASX during normal business hours.

RNG is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by RNG may be obtained from, or inspected at, an ASIC office.

On request to RNG and free of charge, FSE Shareholders may obtain a copy of:

- (a) the annual financial report of RNG for the year ended 30 June 2012 (being the annual financial report most recently lodged with ASIC before lodgement of this Bidder's Statement with ASIC);
- (b) any half-year financial report lodged with ASIC by RNG after the lodgement of the annual financial report referred to above and before lodgement of this Bidder's Statement with ASIC; and
- (c) any continuous disclosure notice given to ASX by RNG since the lodgement with ASIC of the 2012 annual report for RNG referred to above and before lodgement of this Bidder's Statement with ASIC.

A list of the announcements the Company has lodged with ASX since 1 July 2012 is set out in Annexure B to this Bidder's Statement.

A substantial amount of information about RNG is available in electronic form from www.rangerivergold.com.au and on the ASX website.

3.8 Capital structure

The effect of the Takeover Offer, the Placement, the issue of the Prospectus, the acquisition of Ariona and the Converting Loans on the capital structure of RNG as at the date of this Bidder's Statement is as follows:

Shares ¹	Number
Current RNG Shares (assuming no options are exercised or other shares issued)	326,301,222
<u>Sub-Total</u>	326,301,222
RNG Shares issued pursuant to the first tranche of the Placement (pre Consolidation) ³	81,575,305
<u>Sub-Total</u>	407,876,527
<i>Post 1:10 Consolidation²</i>	40,787,652
RNG Shares issued pursuant to the second tranche of the Placement (post Consolidation) ³	842,469
Issue RNG Shares to Ariona's shareholder (post Consolidation) ⁴	125,000,000
Issue RNG Shares pursuant to the Prospectus (post Consolidation) ⁵	50,000,000
Issue RNG Shares pursuant to the Converting Loans (post Consolidation) ⁶	50,000,000
Issue RNG Shares under the Takeover Offer (post Consolidation) ⁷	155,693,932
TOTAL	422,324,053⁸

Notes

1. The rights attaching to the RNG Shares are summarised in Section 3.14 of this Bidder's Statement and based on RNG's Constitution.
2. These numbers are approximations and will be subject to rounding of holdings.
3. Refer to Section 3.6.4 of this Bidder's Statement for further details.
4. For more information please refer to the material contract summary of the Heads of Agreement as set out in Annexure D.
5. On 12 December 2012, the Board of RNG announced that is proceeding with a general offer to the public under a prospectus to issue RNG Shares at a price of \$0.20 each with one free attaching listed RNG Option (exercisable at \$0.20 each on or before 31 December 2014) for every two RNG Shares subscribed for, to raise up to \$10,000,000.
6. For more information please refer to Section 3.6.5 of this Bidder's Statement.
7. Pursuant to the terms of the Heads of Agreement and the Investment Bank Mandate summarised in Annexure D, Ariona intends to issue convertible notes to an international consortium led by the SBSA. Once the relevant documentation is entered into, it is a condition precedent of the Heads of Agreement, that the note terms are varied such that they are convertible into RNG Shares as and from completion of the Heads of Agreement. Once this structure is in place, up to a maximum of 245,000,000 RNG Shares may be issued upon full conversion of the Ariona convertible notes and as such, the total figure in the share table may increase by this amount. Refer to the material agreement summaries in Annexure D in relation to the Heads of Agreement and the Investment Bank Mandate for further details.
8. Assuming no other FSE Shares are issued or convertible securities in FSE are converted.

Options	
Current Unlisted Options on issue exercisable at \$1.20 expiring 31 March 2014	687,119
<i>Post 1:10 Consolidation¹</i>	<u>68,712</u>
<u>Unlisted Options</u>	
Unlisted RNG Options exercisable at \$12 expiring 31 March 2014	68,712

Options	
Unlisted Options exercisable at \$0.20 expiring 31 December 2014 to be issued pursuant to the Placement ²	18,000,000
Unlisted Options exercisable at \$0.20 expiring 31 December 2014 to be issued pursuant to the Converting Loans (post Consolidation) ⁴	25,000,000
Unlisted Options exercisable at \$0.20 expiring 31 December 2016 for corporate advisory services in relation to the Takeover Offer pursuant to the Corporate Advisory Mandate summarised in Annexure D ⁵	25,000,000
Listed Options	
Listed RNG Options to be issued pursuant to the Prospectus ³	25,000,000
Listed InvestBridge Options to be issued pursuant to the InvestBridge Mandate Agreement ⁶	1,000,000
TOTAL	74,068,712⁷

Notes:

1. These numbers are approximations and will be subject to rounding of holdings.
2. Refer to Section 3.6.4 of this Bidder's Statement for further details.
3. On 12 December 2012, the Board of RNG announced that is proceeding with a general offer to the public under a prospectus to issue RNG Shares at a price of \$0.20 each with one free attaching listed RNG Option (exercisable at \$0.20 each on or before 31 December 2014) for every two RNG Shares subscribed for, to raise up to \$10,000,000.
4. For more information please refer to Section 3.6.5 of this Bidder's Statement.
5. For more information please refer to the material contract summary of the Corporate Advisory Mandate as set out in Annexure D.
6. The total number of options may increase by a further 10 million pursuant to the InvestBridge Mandate Agreement to allow for the raising of a further A\$100 million.

3.9 Financial Performance

(a) Basis of Presentation of Historical Financial Information

The historical financial information below relates to RNG on a stand-alone basis and accordingly does not reflect any impact of the Offer. It is a summary only and the full financial accounts of RNG for the financial period described below, which includes the notes to the financial accounts, are available in RNG's annual reports for the years ending 30 June 2010, 30 June 2011 and 30 June 2012. Copies of these annual reports are available at www.rangerivergold.com.au and also the ASX website.

(b) Historical Financial Information of RNG

(i) Statement of Financial Position

The historical statements of financial position of RNG are set out below and have been extracted from the audited statements of financial position for the financial years ending 30 June 2010, 30 June 2011 and 30 June 2012, being the last three audited financial statements prior to the date of this Bidder's Statement.

(ii) Statement of Comprehensive Income

The historical statements of comprehensive income of RNG, are set out below and have been extracted from the audited statement of comprehensive income for the financial years ending 30 June 2010, 30 June 2011 and 30 June 2012, being the last three audited financial statements prior to the date of this Bidder's Statement.

(iii) Basis of Preparation

The historical financial statements of RNG are consolidated for the financial years ended 30 June 2010 and 30 June 2011. The historical financial statements for the financial year ended 30 June 2012 is not prepared on a consolidated basis as the entity lost control of its sole subsidiary when it was placed into liquidation on 21 November 2011.

RNG STATEMENT OF FINANCIAL POSITION

	30 June 2012 \$	Consolidated 30 June 2011 \$	Consolidated 30 June 2010 \$
Current assets			
Cash and cash equivalents	433,294	3,329,443	2,778,993
Trade and other receivables	-	1,182,007	4,426,299
Inventories	-	13,201	688,630
Other financial assets – term deposit	-	558,760	1,659,499
Prepayment	-	-	329,551
Non-current assets classified as held for sale	-	6,649,315	500,000
Total current assets	433,294	11,732,726	10,382,972
Non current assets			
Property plant and equipment	-	-	459,648
Exploration and evaluation expenditure	-	-	9,803,670
Mine development expenditure	-	-	4,879,685
Intangible assets	-	-	14,054
Total non current assets	-	-	15,157,057
Total assets	433,294	11,732,726	25,540,029
Current liabilities			
Trade and other payables	23,470,979	26,640,782	7,669,995
Liabilities directly associated with assets held for sale	-	766,054	-
Provisions	51,001	307,736	239,000
Interest bearing liabilities	1,364,556	5,513,981	1,260,156
Total current liabilities	24,886,536	33,228,553	9,169,151
Non current liabilities			
Provisions	-	-	869,469
Interest bearing loans and borrowings	-	-	52,589
Total non current liabilities	-	-	922,058
Total liabilities	24,886,536	33,228,553	10,091,209
Net assets/(liabilities)	(24,453,242)	(21,495,827)	15,448,820
Equity/(net deficiency)			
Contributed equity	82,523,237	82,523,237	76,351,123
Reserves	1,264,000	2,614,140	2,768,861
Accumulated losses	(108,240,479)	(106,633,204)	(63,671,164)
Total equity/(net deficiency of assets over liabilities)	(24,453,242)	(21,495,827)	15,448,820

RNG STATEMENT OF COMPREHENSIVE INCOME

	30 June 2012 \$	Consolidated 30 June 2011 \$	Consolidated 30 June 2010 \$
Sales of gold	31,826	18,288,618	7,510,585
Gain on liquidation of subsidiary	905,460	-	-
Profit on disposal of assets	1,052	122,581	-
Other revenue	160,146	561,549	701,759
Total Revenue	1,098,484	18,972,748	8,212,344
Change in inventories of finished goods and work in progress	-	(669,611)	647,030
Raw materials and consumables reversed / (used)	459,128	(24,672,520)	(7,046,573)
Employee benefits expenses	(2,144,003)	(6,206,531)	(3,298,212)
Depreciation and amortisation expenses	-	(1,450,698)	(56,322)
Impairment of non-current assets	-	(21,504,000)	(896,560)
Rehabilitation	-	(224,313)	(353,899)
Royalties reversed / (incurred)	27,178	(523,060)	-
Consultants and legal expenses	(614,822)	(1,735,483)	(2,132,237)
Administrators' costs	(1,296,702)	(735,542)	-
Finance costs	(582,601)	(1,785,425)	(169,681)
Other expenses	(122,717)	(3,073,143)	(2,480,713)
Loss before income tax	(3,176,055)	(43,607,578)	(7,574,823)
Income tax benefit	-	-	-
Net loss for the year	(3,176,055)	(43,607,578)	(7,574,823)
Other comprehensive income:			
Other comprehensive income / (expenses) for the year	-	-	-
Total comprehensive income / (expenses) for the year	(3,176,055)	(60,757,561)	(7,574,823)

Earnings/(loss) per share attributable to the ordinary equity holders of the Company:

Basic loss per share	(8.75c)	(120.13c)	(0.49c)
Diluted loss per share	(8.75c)	(120.13c)	(0.48c)

(c) Management Commentary on Historical Results

(i) (Revenue):

The primary source of revenue for the years ending 30 June 2010 and 2011 was generated from the sale of gold from the Mt Morgans mine.

The Company was placed into voluntary administration on 21 April 2011 resulting in all operations being placed into care and maintenance mode. In addition the Company entered into the DOCA on 23 December 2011. The primary source of revenue for the year ending 30 June 2012 was generated

from a gain on the liquidation of Opus Exploration (subsidiary) and interest on bank deposits.

(ii) (Expenditure):

The most significant contributor to the loss for the year ended 30 June 2010 were operating costs from the Mt Morgan mine. On 21 April 2011 the Company was placed into voluntary administration, leading to a significant impairment charge in relation to the Mt Morgan mine and liquidation of Opus Exploration which, along with ongoing operating costs from the mine, contributed to the loss for the financial year ended 30 June 2011.

The Company remained in voluntary administration until the DOCA was executed on 23 December 2011 by the Deed Administrators who sought to restore the Company to a solvent state. The expenditure for the year ended 30 June 2012 are costs incurred to reorganise the Company's share capital and effect an equity raising to enable the Company to be reinstated on the ASX.

(iii) (Assets):

As the Company was placed into voluntary administration on 21 April 2011, cash was the only asset remaining on the balance sheet as at 30 June 2012 following the disposal of the Company's assets by the Deed Administrators.

(iv) (Liabilities):

Due to cash flow issues from operating the Mt Morgan mine, trade payables increased significantly in 2011 which led to the Company being placed into voluntary administration on 21 April 2011.

The Deed Administrators used the proceeds from the disposal of the Company's assets to make distributions to the secured creditors and employees of the Company during the 30 June 2012 financial year.

(d) Forecast Information

RNG's future financial performance is dependent on a range of factors, many of which are beyond RNG's control. Accordingly, RNG's Directors have concluded that forecast financial information would be misleading to provide, as a reasonable basis does not exist for providing forecasts that would be sufficiently meaningful and reliable as required by applicable Australian law, policy and market practice.

Further information is available on RNG's financial performance from its financial reports. Copies of these reports are available from RNG's website www.rangerivergold.com.au.

(e) Material changes in RNG's financial net asset position since last published accounts

The following changes occurred in RNG's financial net asset position since the Annual Report dated 30 June 2012:

- (i) On 17 July 2012 the Company completed a placement to private investors of 140,000,000 shares to raise \$700,000 and a Public Offer of 150,000,000 shares to raise \$3,000,000.
- (ii) On 24 July 2012 effectuation of the DOCA was completed and control of the Company passed to the Directors. The funds raised via the placement were used to pay the Creditors trust \$2,005,000 to compromise and extinguish all liabilities, contingent liabilities, obligations, warranties and long term commitments of the Company, resulting in a profit on settlement of DOCA debts of \$22.4m.

- (iii) RNG has provided Ariona interest free unsecured loans under the Loan Agreements – RNG and Ariona, valuing \$1,850,000 for working capital purposes, repayable on or before 30 June 2013.

3.10 Corporate Governance

The RNG Board seeks, where appropriate, to provide accountability levels that meet or exceed the ASX Corporate Governance Council's Principles and Recommendations with 2010 amendments.

Details on RNG's corporate governance procedures, policies and practices can be obtained from page 12 of RNG's annual report to shareholders for the financial year ending 30 June 2012 and also at www.rangerivergold.com.au.

3.11 Recent Performance of RNG Shares

Set out below is a table showing relevant trading prices of RNG Shares on ASX:

Comparative trading period	Price of RNG Shares	
	Pre Consolidation basis	Post Consolidation basis
Highest trading price on 21 December 2012 – 2 January 2013 in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	\$0.02	\$0.20
Lowest trading price on 20 November 2012 – 22 November 2012 in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	\$0.011	\$0.11
Closing trading price on the last trading day before the date RNG announced the Takeover Offer	\$0.018	\$0.18
Last available closing sale price of RNG Shares (as at 29 January 2013) on ASX prior to the date this Bidder's Statement was lodged with ASIC	\$0.015	\$0.15
One month volume weighted average price of RNG Shares before the Announcement Date	\$0.017	\$0.17

3.12 Admission of Takeover Offer Consideration

RNG Shares are admitted to trading on the Official List of ASX. RNG will lodge an application for admission to quotation of the Shares comprising the Takeover Offer Consideration to trading on ASX. Quotation will not be automatic and will depend upon ASX exercising its discretion. Nothing in this Bidder's Statement is to be taken to state or imply that the RNG Shares issued as Takeover Offer Consideration will be quoted on ASX. However, quotation is expected in the ordinary course as RNG is already admitted to the Official List of ASX.

As RNG is listed on ASX, RNG's actions and activities are subject to the ASX Listing Rules.

3.13 Rights and Liabilities of RNG Shares

The RNG Shares offered to FSE Shareholders under the Takeover Offer are fully paid ordinary shares in the capital of RNG, and from the date of their issue will rank equally with existing RNG Shares and will have the same rights and liabilities attaching to them.

The rights and liabilities attaching to RNG Shares are governed by the Constitution of RNG, the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and the general law of Australia.

Under Section 140(1) of the Corporations Act, the Constitution of RNG has effect as a contract between RNG and each member and between a member of RNG and each other member. Accordingly, if you accept RNG Shares as consideration you will, as a result, become liable to comply with the Constitution of RNG.

Set out below is a summary of the significant rights and liabilities attaching to RNG Shares. It does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders of RNG. FSE Shareholders should seek their own advice when trying to establish their rights in specific circumstances.

Full details of the rights attaching to RNG Shares are set out in the Constitution, a copy of which is available for inspection at RNG's registered office during normal business hours.

3.14 Rights Attaching to RNG Shares

The rights, privileges and restrictions attaching to RNG Shares can be summarised as follows:

Heading	Description of the right or liability
Voting rights	<p>Subject to any special rights or restrictions attached to any class or classes of shares in RNG, at a general meeting each RNG Shareholder present in person or as a proxy, representative or attorney has one vote on a show of hands and one vote for each fully paid RNG Shares held on a poll.</p> <p>Voting at any general meeting of RNG Shareholders is by a show of hands unless a poll is effectively demanded (either before the vote is taken, or before or immediately after the declaration of the result of the show of hands) and that demand is not withdrawn.</p> <p>The quorum required for a meeting of RNG Shareholders is two members present in person or by proxy, attorney or representative of a RNG Shareholder.</p>
General meeting and notices	<p>Each RNG Shareholder is entitled to receive notice of and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to RNG Shareholders under the Constitution, the Corporations Act or the ASX Listing Rules.</p> <p>Under the Corporations Act, a notice must currently be provided to the RNG Shareholders of a listed entity at least 28 days in advance of the meeting.</p>
Dividends	<p>Subject to the Corporations Act, the Constitution and the rights of holders of RNG Shares issued with any special or preferential rights (as at the completion of the Offers, there will be none), the Directors may declare or determine that a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by the Company to, or at the direction of, each RNG Shareholder entitled to that dividend.</p> <p>The profits of the Company, which the Directors may from time to time determine to distribute by way of dividend are divisible amongst the RNG Shareholders in proportion to the RNG Shares held by them respectively and will be paid in proportion to the amounts paid, or credited as paid, on the issue price of those RNG Shares.</p>
Variation of class rights	<p>Subject to the Corporations Act, whenever the capital of the Company is divided into different classes of shares, the rights attached to any class of share may be altered with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class or with the written consent of the holders of at least three-quarters of the shares of that class on issue.</p>
Further issue of RNG Shares and RNG Options	<p>Subject to any restrictions on the allotment of RNG Shares imposed by the Corporations Act, the ASX Listing Rules or any special rights of the holders of shares or a class of shares, the allotment and issue of shares is under the control of the Directors, who may issue and cancel shares in the Company.</p> <p>In addition, the Board has power to grant to any person an RNG Option over unissued shares.</p>
Transfer of RNG Shares	<p>Subject to the Constitution and the ASX Listing Rules, RNG Shares may be transferred by any other method of transfer that is required or permitted by the Corporations Act and the ASX Listing Rules.</p>
Winding up	<p>Subject to the rights of holders of RNG Shares issued with any special or preferential rights, if the Company is wound up, the liquidator may with the authority of a special resolution divide among the RNG Shareholders in kind the</p>

Heading	Description of the right or liability
	whole or any part of the property of the Company and for that purpose may set such value as he or she deems fair on any property and may determine how the division is to be carried out as between RNG Shareholders or different classes of RNG Shareholders.

3.15 RNG Options

RNG has granted 687,135 RNG Options and will be granting, subject to RNG Shareholder approval at the General Meeting:

- (a) 18,000,000 RNG Options pursuant to the Placement;
- (b) 25,000,000 RNG Options under the Prospectus;
- (c) 25,000,000 RNG Options pursuant to the Converting Loans;
- (d) 1,000,000 Options to InvestBridge pursuant to the InvestBridge Mandate Agreement (summarised in Annexure D); and
- (e) 25,000,000 Options pursuant to the Corporate Advisory Mandate (summarised in Annexure D).

The RNG Options currently on issue are not listed on the ASX. The RNG Options to be issued pursuant to the Placement and the Converting Loan Agreements will not be listed on the ASX.

The RNG Options to be issued pursuant to the offer under the Prospectus and pursuant to the InvestBridge Mandate Agreement will be listed on ASX. Each RNG Option entitles the holder to subscribe for one RNG Share at the respective exercise prices and at any time prior to the corresponding expiry dates set out in Section 3.8 above.

3.16 Shareholders of RNG

As at 24 January 2013, the top 20 Shareholders of RNG were:

Rank	RNG Shareholder	Number of RNG Shares	% of RNG issued share capital ¹
1	MR JASON PETERSON + MRS LISA PETERSON <J & L PETERSON S/F A/C>	28,250,000	8.60
2	MITCHELL GRASS HOLDING SINGAPORE PTE LTD	20,000,000	6.13
3	REDLAND PLAINS PTY LTD <MAJESTIC INVESTMENT FUND A/C>	20,000,000	6.13
4	REEVE VENTURES PTY LTD <THE VEGA A/C>	20,000,000	6.13
5	BRIJOHN NOMINEES PTY LTD <NELSONIO A/C>	15,000,000	4.60
6	MR TIMOTHY JAMES FLAVEL + MRS SALLY FLAVEL <FLAVEL SUPER FUND A/C>	14,000,000	4.29
7	CSB INVESTMENTS (WA) PTY LTD <BLADES FAMILY SUPER FUND A/C>	12,000,000	3.68
8	CURTIS BLADES <BLADES FAMILY A/C>	8,000,000	2.45
9	AUSTRALIAN CONTRACT MINING PTY LTD	7,500,000	2.30
10	MR MICHAEL FOSTER BLACK + MRS LYNETTE ROBIN BLACK <PE SUR SUPP CO STF S/F 2 A/C>	7,500,000	2.30
11	PROFESSIONAL PAYMENT SERVICES PTY LTD	7,000,000	2.15
12	WARRIOR CONSULTING PTY LTD	6,000,000	1.84
13	CHOWDER BAY PTY LTD	5,000,000	1.53
14	GANGUS PTY LTD <THE JIG FAMILY A/C>	5,000,000	1.53

15	NEFCO NOMINEES PTY LTD	5,000,000	1.53
16	TT NICHOLLS PTY LTD <SUPER A/C>	5,000,000	1.53
17	AGENS PTY LIMITED <THE MARK COLLINS FAMILY A/C>	2,500,000	0.77
18	MR JOHN ANTHONY DELLA BOSCA + MRS JONINA GUDBJORG DELLA BOSCA <JA & JG DELLA BOSCA S/F A/C>	2,500,000	0.77
19	MR JOHN DELLA BOSCA <JA&JG DELLA BOSCA FAMILY A/C>	2,500,000	0.77
20	CHANCERY HOLDINGS PTY LTD <MCKENZIE NO 1 SUPER FUND A/C>	2,500,000	0.77

The top 20 holders of ordinary fully paid shares hold 195,250,000 shares in RNG.

The directors of RNG currently have a relevant interest in 22,000,000 pre-Consolidation RNG Shares, being approximately 6.74% of the total number of RNG Shares on issue. As set out above, both Mr McMaster and Mr Hart intend to subscribe for securities pursuant to the Placement, subject to RNG shareholder approval. Upon completion of the Placement, the RNG Directors will have a relevant interest in 26,000,000 pre-Consolidation RNG Shares, being approximately 6.24% of the total number of RNG Shares on issue (assuming the Placement is fully subscribed and no other RNG Shares are issue or any RNG Options are exercised). The individual relevant interests held by each director are broken down as follows, on a post Consolidation basis:

Director	Shares	Options
Brian McMaster ^{1,2}	20,000,000	Nil
Jonathan Hart ³	1,000,000	Nil
Daniel Crennan	1,000,000	Nil

Notes

1. Garrison Capital Pty Ltd, a company associated with Mr Brian McMaster, will received 25,000,000 Garrison Options in respect of corporate advisory services provided to RNG in respect of the Takeover Offer. Refer to section 9.6(c) for further details.
2. Mr McMaster intends to subscribe for 2,500,000 pre-Consolidation RNG Shares under the Placement which issue will be subject to RNG Shareholder approval at the General Meeting.
3. Mr Hart intends to subscribe for 1,500,000 pre-Consolidation RNG Shares under the Placement, which issue will be subject to RNG Shareholder approval at the General Meeting.

3.17 Dividend History

RNG has not previously and does not currently pay dividends.

4. PROFILE OF FIRESTONE ENERGY LIMITED

4.1 Disclaimer

This overview of FSE and all financial information concerning FSE contained in this Bidder's Statement has been prepared by the Company using publicly available information.

The information in this Bidder's Statement concerning FSE has not been independently verified. The Company does not, subject to any applicable laws, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on FSE is not considered to be comprehensive.

4.2 Overview of FSE

FSE is a Perth based coal exploration company with a primary listing on the ASX and a secondary listing on the Johannesburg Stock Exchange (**JSE**). FSE was incorporated on 11 January 1993 and listed on the ASX on 24 June 1993. FSE's head office is situated in Subiaco, Western Australia.

In January 2006, administrators were appointed to FSE and in July 2006, the administrators and FSE entered into an amended deed of company arrangement (**FSE DOCA**). The administrators accepted a proposal by an investment group for the restructuring and recapitalisation of FSE, including the settlement of all creditor claims. The proposal was accepted by creditors and the FSE DOCA was subsequently executed. At a meeting of shareholders held in September 2006, the shareholders of FSE approved the various resolutions required to complete the restructuring and recapitalisation of FSE. Following the meeting, on 28 September 2006, the FSE DOCA was terminated and the management of FSE was returned to the new directors. As part of the administration process, a large proportion of FSE's assets were sold to a third party including tenements, mining information, property, plant and equipment, subsidiary shares and properties.

FSE changed its name to Firestone Energy Limited in December 2007, from the previous Centralian Minerals Limited. FSE obtained a secondary listing on the JSE in October 2008.

On 18 June 2008, FSE announced that it had agreed with Sekoko to acquire an interest in a 500 million tonne coal project in the Waterberg Coalfield of South Africa. The agreement was to conditionally acquire up to a 55% interest in the Leases.

Shareholder approval was granted for the transaction on 18 September 2008 and the Joint Venture (**JV**) Agreement was finalised on 24 October 2008 (the **Waterberg JV**).

During October 2010, an addendum to the Waterberg JV agreement was signed giving FSE the opportunity to increase its potential interest in the Waterberg JV from 55% to a maximum of 60%. To do so, FSE agreed to pay Sekoko a production royalty fee of ZAR0.50 per tonne of coal sold from the Waterberg JV up to a maximum aggregate amount of ZAR45 million.

4.3 FSE Board of Directors

As at the date of this Bidder's Statement, the directors of FSE are:

- (a) Mr Tim Tebeila – Non-Executive Chairman;
- (b) Mr David Perkins – Non-Executive Director;
- (c) Mr Pius Kasolo – Non-Executive Director;
- (d) Mr Morore Benjamin Mphahlele – Non-Executive Director; and
- (e) Mr Kobus Terblanche – Non-Executive Director.

4.4 Information about FSE Securities

According to documents provided by FSE to ASIC, as at the date of this Bidder's Statement, FSE's issued securities consisted of 3,113,878,641 fully paid ordinary shares.

4.5 Substantial Shareholders

As at 28 December 2012, the 20 largest shareholders in FSE were:

Rank	FSE Shareholder	Number of FSE Shares	% of FSE issued share capital ¹
1	SEKOKO RESOURCES PTY LTD ²	800,000,000	25.69
2	LINC ENERGY LIMITED	283,336,423	9.10
3	SEKOKO COAL (PTY) LTD ³	200,000,000	6.42
4	BBY NOMINEES PTY LTD	165,023,979	5.30
5	BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	76,500,000	2.46
6	BIOTRACE TRADING 316 (PTY) LTD	60,896,890	1.96
7	UZALILE INVESTMENTS PTY LTD	55,000,000	1.77
8	SEKOKO RESOURCES PTY LTD	52,645,091	1.69
9	JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	51,061,156	1.64
10	MILLCORP SECURITIES PTY LTD <MILLCORP SECURITIES A/C>	40,000,000	1.28
11	MRS AMANDA MATTHEE	31,133,437	1.00
12	HAO YUN LIMITED	30,941,696	0.99
13	SUNGU SUNGU RESOURCES	27,099,352	0.87
14	SEPHOR INVESTMENTS LIMITED	27,000,000	0.87
15	SUMMATUS PTY LTD	27,000,000	0.87
16	SANPOINT PTY LTD <FIORE FAMILY FUND A/C>	25,000,000	0.80
17	CITICORP NOMINEES PTY LTD	18,508,003	0.59
18	FMR INVESTMENTS PTY LIMITED	18,001,750	0.58
19	CARRICK HOLDINGS LIMITED	16,281,817	0.52
20	THE HOWAT COWAN INSURANCE GROUP PTY LTD <HOWAT COWAN SUPER FUND A/C>	15,019,400	0.48

The top 20 holders of ordinary fully paid shares in FSE total 2,020,448,994.

Notes:

1. Actual voting power may differ from that shown above as there is no obligation to publicly disclose changes in voting power of less than 1%.
2. Sekoko Resources has contracted to sell 6,000,000 FSE Shares to Ariona pursuant to the Share Purchase Agreement.
3. Sekoko has contracted to sell 2,000,000 FSE Shares to Ariona pursuant to the Share Purchase Agreement.

4.6 Overview of FSE's Waterberg Coal Project

The Waterberg JV comprises eight titles in the Waterberg coalfield (see Figure 1 below) totalling some 7,979 hectares. Sekoko currently holds a 40% interest in the Waterberg JV and FSE holds a 60% interest in the Waterberg JV. Exploration of the Waterberg JV is ongoing. For more information on the exploration of the Waterberg JV, please refer to FSE's notice of general meeting dated 31 August 2012.

The parties involved in the Waterberg JV propose the construction of an open cut coal mine on the Smitspan title together with infrastructure linking the mine to the Transnet rail system which is approximately seven kilometers from the proposed mine site. The parties to the Waterberg JV have commissioned a formal Bankable Feasibility Study (BFS) in relation to the proposed development and operation of the project. The BFS, and the results thereof, are expected to be completed and delivered to the market in April 2013.

Sekoko signed a memorandum of understanding in relation to negotiating and entering into a coal supply agreement with Africa's largest power utility, Eskom Holdings Limited, to supply thermal coal from its Waterberg JV to Eskom. This agreement is summarised in Annexure D.

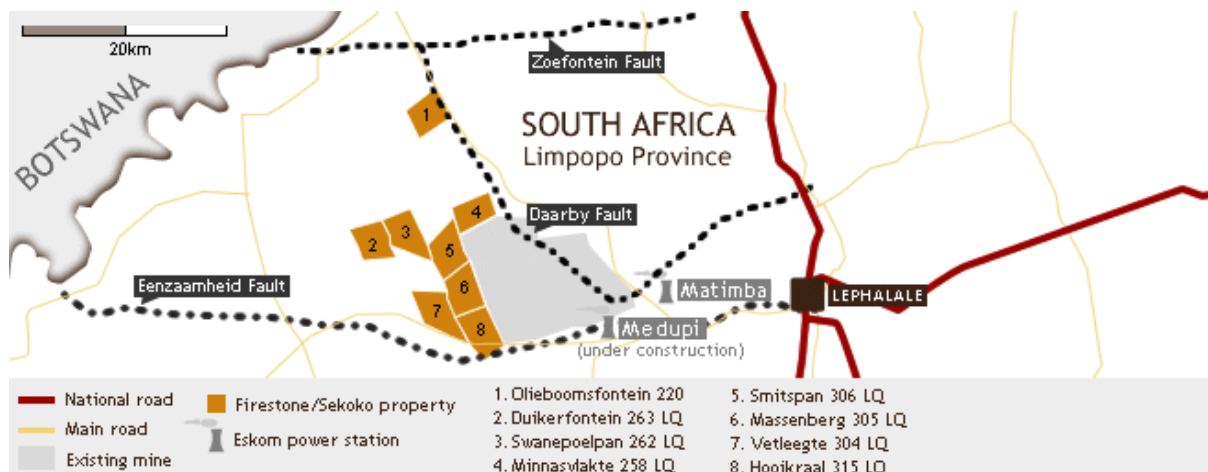


Figure 1: Waterberg Project Titles

4.7 FSE Financial Information

(a) Basis of Presentation of Historical Financial Information

The historical financial information below relates to FSE on a stand-alone basis and accordingly does not reflect any impact of the Offer. It is a summary only and the full financial accounts of FSE for the financial period described below, which includes the notes to the financial accounts, are available in FSE's annual reports for the years ending 30 June 2010, 30 June 2011 and 30 June 2012. Copies of these annual reports are available at www.firestoneenergy.com.au and also the ASX website.

(b) Historical Financial Information of RNG

(i) Consolidated Statement of Financial Position

The historical consolidated statements of financial position of FSE are set out below and have been extracted from the audited consolidated statements of financial position for the financial years ending 30 June 2010, 30 June 2011 and 30 June 2012, being the three audited consolidated statements of financial position prior to the date of this Bidder's Statement.

(ii) Consolidated Statement of Comprehensive Income

The historical consolidated statement of comprehensive income of FSE, are set out below and have been extracted from the audited consolidated statement of comprehensive income for the financial years ending 30 June 2010, 30 June 2011 and 30 June 2012, being the last three audited financial statements prior to the date of this Bidder's Statement.

4.8 FSE Consolidated Statement of Financial Position

	30 June 2012	30 June 2011	30 June 2010
	\$	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	169,475	1,892,188	2,130,542
Trade and other receivables	163,330	62,110	420,031
Other assets	112,250	-	-
Total Current Assets	445,055	1,954,298	2,550,573
NON-CURRENT ASSETS			
Receivables	849,475	108,618	147,119
Interest in joint venture asset	76,735,130	85,197,758	75,849,117
Property, plant & equipment	4,662,712	5,374,513	3,635,535
Total Non-Current Assets	82,247,317	90,680,889	79,631,771
TOTAL ASSETS	82,692,372	92,635,187	82,182,344
CURRENT LIABILITIES			
Trade and other payables	2,019,312	3,432,033	1,958,093
Borrowings	20,629,297	1,330,587	1,531,394
Total Current Liabilities	22,648,579	4,762,620	3,489,487
NON-CURRENT LIABILITIES			
Borrowings	5,330,870	20,372,463	14,530,114
Total Non-Current Liabilities	5,330,870	20,372,463	14,530,114
TOTAL LIABILITIES	27,979,449	25,135,083	18,019,601
NET ASSETS	54,712,923	67,500,104	64,162,743
EQUITY			
Issued Capital	76,380,048	73,135,309	62,704,850
Reserves	(7,621,863)	3,879,461	6,210,265
Accumulated Losses	(14,045,262)	(9,514,666)	(4,752,372)
TOTAL EQUITY	54,712,923	67,500,104	64,162,743

4.9 Consolidated Statement of Comprehensive Income

	30 June 2012	30 June 2011	30 June 2010
	\$	\$	\$
Revenue	31,141	57,894	62,386
Other Income	25,212	24,508	173,625
Loss on disposal of plant & equipment	-	(3,521)	-
Administration expenses	(544,615)	(407,364)	(542,641)
Compliance & regulatory expenses	(143,412)	(278,057)	(237,201)
Directors fees	(263,095)	(253,679)	(252,911)
Employee & consultant expenses	(103,408)	(173,618)	(420,075)
Finance expenses	(3,078,172)	(2,738,581)	(1,281,555)
Legal & professional fees	(337,067)	(740,755)	(642,791)
Occupancy costs	(29,900)	(73,600)	(76,242)
Travel & accommodation	(87,280)	(175,521)	(218,903)
Loss before income tax on continuing operations	(4,530,596)	(4,762,294)	(3,436,308)
Income tax expense	-	-	-
Loss for the year	(4,530,596)	(4,762,294)	(3,436,308)
Other comprehensive Income for the year			
Movement in foreign currency translation reserve	(11,613,574)	(2,330,804)	433,349
Total comprehensive loss for the year attributable to the owners of the company	(16,144,170)	(7,093,098)	(3,002,959)
Basic & diluted loss per share	(0.15c)	(0.19c)	(0.16c)

4.10 Further information on FSE

FSE is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. FSE is subject to the ASX Listing Rules which require continuous disclosure of any information FSE has concerning itself that a reasonable person would expect to have a material effect on the price or value or its securities.

ASX maintains files containing publicly disclosed information about all listed companies. FSE's file is available for inspection at ASX during normal business hours.

FSE is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by FSE may be obtained from, or inspected at, an ASIC office.

On request to FSE and free of charge, FSE Shareholders may obtain a copy of:

- (a) the annual financial report of FSE for the year ended 30 June 2012 (being the annual financial report most recently lodged with ASIC before lodgement of this Bidder's Statement with ASIC);

- (b) any half-year financial report lodged with ASIC by FSE after the lodgement of the annual financial report referred to above and before lodgement of this Bidder's Statement with ASIC; and
- (c) any continuous disclosure notice given to ASX by FSE since the lodgement with ASIC of the 2012 annual report for FSE referred to above and before lodgement of this Bidder's Statement with ASIC.

A list of the announcements the Company has lodged with ASX since 1 July 2012 is set out in Annexure C to this Bidder's Statement.

A substantial amount of information about FSE is available in electronic form from www.firestoneenergy.com.au and on the ASX website.

5. MERGED ENTITY

5.1 Approach

This Section 5 provides an overview of the Company and its subsidiaries following the acquisition by the Company of Ariona and all, or a portion, of the FSE Shares on issue and Ariona (**Merged Entity**), in the various scenarios following the Takeover Offer, the Ariona Acquisition and the Capital Raising and the effect of those transactions on the Company and FSE.

5.2 Disclaimer Regarding FSE and the Merged Entity Information

In preparing the information relating to FSE and the Merged Entity contained in this Bidder's Statement, the Company has relied on publicly available information relating to FSE and this has not been independently verified by the Company or its Directors. Risks may exist in relation to FSE (which may affect the Merged Entity) of which the Company is unaware. If any material risks are known to the directors of FSE, they must be disclosed in the target's statement to be issued by FSE.

Accordingly, subject to any applicable laws, the Company makes no representations or warranties (express or implied) as to the accuracy and completeness of such information.

5.3 Profile of the Merged Entity

If the Takeover Offer is successful, FSE Shareholders will each receive one (1) pre- Consolidation RNG Share for every two (2) FSE Shares held by them (equal to one (1) post-Consolidation RNG Share for every twenty (20) FSE Shares held by them). After the Takeover Offer, if RNG becomes entitled to compulsorily acquire outstanding FSE Shares in accordance with Part 6A.1 of the Corporations Act, it intends to proceed with the compulsory acquisition of those shares and all of RNG's Shareholders (including FSE Shareholders who have received RNG Shares pursuant to the Takeover Offer) will be shareholders in the Merged Entity.

5.4 Effect of Completion of the Takeover Offer, the Ariona Acquisition, the Placement and the Capital Raising

Upon completion of the Takeover Offer, the Ariona Acquisition, the Placement and the Capital Raising, the Merged Entity plans to hold a portfolio of coal exploration, development and production assets in South Africa and exploration assets in South Australia.

The Merged Entity will have a greater financial capacity to develop the Waterberg Project, will benefit from a wider level of management experience as well as achieving a strengthening and simplification of the current management arrangements and should achieve cost savings by reducing corporate overheads.

5.5 Effect on the Assets and Operations of the Merged Entity

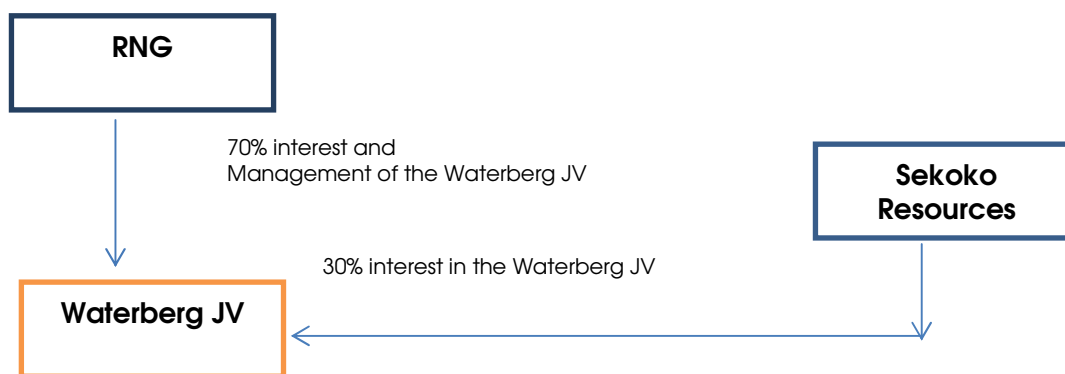
Following the Takeover Offer, the Ariona Acquisition, the Placement and the Capital Raising being successful, RNG will seek to divest its existing assets in an orderly fashion as it shifts its focus from mineral exploration in Australia to coal exploration and production in South Africa.

The Merged Entity will have a stronger financial position and, prior to any asset divestment, a portfolio of the following assets:

Location	Project	Resource type
South Africa	<i>Olieboomsfontein 220 LQ</i> Vetleegte 304 LQ Minnasvlakte 258 LQ Smitspan 306 LQ Massenbergrug 305 LQ Hooikraal 315 LQ Swanepoelpan 262LQ Duikerfontein 263LQ	Coal
Australia	Lions Glenloth Claypan Dam	Gold, copper and uranium

5.6 Effect of the Takeover Offer, Ariona Acquisition, the Placement and the Capital Raising on the Company's Capital Structure

If the Takeover Offer, the Ariona Acquisition, the Placement and the Capital Raising are all successful and the Company acquires all FSE Shares on issue at the end of the Offer Period, the corporate structure of the Merged Entity will be as shown in the following diagram:



The effect of the Takeover Offer, the Ariona Acquisition, the Placement and the Capital Raising on the capital structure of RNG as at the date of this Bidder's Statement is set out in Section 3.7 of this Bidder's Statement.

5.7 Acquisition of FSE by RNG

Under the offer, accepting FSE shareholders will be issued one (1) pre-Consolidation RNG Share for every two (2) FSE Shares held (equal to one (1) post-Consolidation RNG Share for every twenty (20) FSE Shares), implying a theoretical value of \$0.009 per FSE share based on the last traded price for RNG Shares prior to the announcement of RNG's intention to make the Takeover Offer (14 December 2012, pre-Consolidation). The implied theoretical value will be the same, pre and post Consolidation of the RNG securities.

For the purpose of determining the preliminary purchase price allocation we have assumed 155,693,932 RNG Shares valued at \$31,138,786 will be issued to FSE shareholders. The purchase consideration for the proposed acquisition of FSE will be measured as the fair value of the RNG Shares issued at the date of exchange. Consequently the value of the purchase consideration for accounting purposes will differ from the amount assumed in the pro forma consolidated statement of financial position due to future changes in the market price of RNG Shares.

The difference between the fair value of the purchase consideration transferred by RNG (as discussed in the prior paragraph) and the book value of the net assets of FSE has been treated

as capitalised exploration and evaluation expenditure for pro forma purposes (for reasons described in Section 5.8).

The acquisition of FSE, if completed, will be accounted for as an asset acquisition with RNG as the acquirer of FSE's assets.

5.8 Basis for preparation of the unaudited pro forma consolidated statement of financial position

The unaudited pro forma consolidated statement of financial position has been prepared in connection with the proposed acquisition of FSE by RNG. The unaudited pro forma consolidated statement of financial position has been prepared for illustrative purposes only and gives effect to the acquisition by RNG pursuant to the assumptions described in Section 5.10. The unaudited pro forma consolidated statement of financial position as at 31 December 2012 gives effect to the transaction by RNG as if it had occurred as of 31 December 2012.

The unaudited pro forma consolidated statement of financial position is not necessarily indicative of the financial position that would have been achieved if the transaction had been completed on the dates or for the periods presented, nor do they purport to project the results of operations or the financial position of the consolidated entities for any future period or as of any future date. The unaudited pro forma consolidated statement of financial position does not reflect any special items such as integration costs or operating synergies that may be incurred or achieved as a result of the acquisition.

The pro forma adjustments and allocations of the purchase price for the proposed acquisition of FSE is based on a preliminary determination that the fair value of net assets acquired will be allocated to the exploration and evaluation assets. The final purchase price allocation will be completed after the transaction is complete.

The unaudited pro forma consolidated statement of financial position has been prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards (**IFRS**).

In preparing the unaudited pro forma consolidated statement of financial position in accordance with IFRS, the following historical information was used:

- (a) the unaudited financial report of RNG as of 31 December 2012;
- (b) the unaudited financial report of Ariona as of 31 December 2012; and
- (c) the audited consolidated financial report of FSE as of 30 June 2012.

In preparing the pro forma consolidated statement of financial position no alignment has been made between the accounting policies of FSE and RNG.

5.9 **Pro Forma Consolidated Statement of Financial Position as at 31 December 2012 for the Merged Entity**

31 December 2012

\$

CURRENT ASSETS

Cash and cash equivalents	42,097,030
Trade and other receivables	219,253
Other assets	112,250
Total Current Assets	42,428,533

NON-CURRENT ASSETS

Trade and other receivables	849,475
Exploration and evaluation asset	126,197,561
Property, plant & equipment	4,662,712
Total Non-Current Assets	131,709,748

TOTAL ASSETS	174,138,281
---------------------	--------------------

CURRENT LIABILITIES

Trade and other payables	2,490,686
Borrowings	5,692,649
Loan - Related parties	5,011,519
Acquisition of shares (Sekoko)	7,500,000
Acquisition of interest in WJV (Sekoko)	18,315,000
FSE convertible note	4,250,000
Total Current Liabilities	43,259,854

NON-CURRENT LIABILITIES

Borrowings	5,330,870
SBSA convertible notes	34,125,000
Total Non-Current Liabilities	39,455,870

TOTAL LIABILITIES	82,715,724
--------------------------	-------------------

NET ASSETS	91,422,557
-------------------	-------------------

EQUITY

Issued Capital	80,165,589
Reserves	4,825,448
Accumulated Losses	(7,422,868)
Transactions with NCI reserve	13,854,388
TOTAL EQUITY	91,422,557

5.10 **Effect of transaction on the unaudited pro forma statement of financial position**

The pro forma consolidated statement of financial position incorporates the following pro forma assumptions in relation to RNG's proposed acquisition of FSE:

- (a) The pro forma adjustment reflects:
- (i) The issue of 50,000,000 RNG Shares at \$0.20 per RNG Share and 25,000,000 listed RNG Options (exercisable at \$0.20 each on or before 31 December 2014) for the purposes of compliance with Chapters 1 and 2 of the ASX Listing Rules to raise up to \$10,000,000.
 - (ii) The issue of 125,000,000 RNG Shares at \$0.20 as consideration for the Ariona Acquisition.
 - (iii) The issue of 81,575,305 RNG Shares at \$0.02 per RNG Share pursuant to tranche 1 of the Placement.
 - (iv) The issue of 842,469 RNG Shares at \$0.20 per RNG Share and 18,000,000 unlisted RNG Options (exercisable at \$0.20 each on or before 31 December 2014) pursuant to tranche 2 of the Placement.
 - (v) The issue of 50,000,000 RNG Shares at \$0.20 per RNG Share and 25,000,000 unlisted RNG Options (exercisable at \$0.20 each on or before 31 December 2014) pursuant to the Converting Loans, net of the 5% placement fee to InvestBridge Capital.
 - (vi) The issue of 155,693,932 RNG Shares at \$0.20 per RNG Share under the Takeover Offer.
 - (vii) The issue of 25,000,000 unlisted RNG Options (exercisable at \$0.20 each on or before 31 December 2016) pursuant to the Corporate Advisory Mandate.
 - (viii) The issue of 1,000,000 listed RNG Options (exercisable at \$0.20 each (exercisable at \$0.20 each on or before 31 December 2014).
 - (ix) The pro forma adjustment provides for the expensing of \$3.87 million and capitalising \$1.28 million of RNG costs of the transaction and fund raising. These costs have not been tax affected.
 - (x) The preliminary assessment of the acquisition of FSE gives rise to exploration and evaluation assets of \$126.2 million. As described in Section 5.9, the assessment is subject to change once the values of all assets and liabilities to be acquired have been finalised.
 - (xi) The pro forma adjustment eliminates the historical equity balance of \$91.45 million of FSE.

5.11 Purpose of the Offer and Use of Proceeds

The following table sets out how the Merged Entity intends to use total funds of \$56,800,000 (from the Placement, the Converting Loans, the Capital Raising and the funds raised from the issue by Ariona of the Ariona Convertible Notes as contemplated in the Investment Bank Mandate) if RNG achieves more than **50.1% ownership** of FSE pursuant to the Takeover Offer:

Item	Year 1 \$	Year 2 \$	Total \$
Purchase of 8,000,000 FSE Shares under the Share Purchase Agreement	\$7,250,000 ¹	Nil	\$7,250,000
Purchase of 10% interest in the Waterberg Project under the Share Purchase Agreement	\$18,250,000 ¹	Nil	\$18,250,000
Subscription of first tranche of FSE convertible notes under the Investment Agreement	\$3,400,000 ¹	Nil	\$3,400,000
Subscription of second tranche	\$11,500,000 ¹	Nil	\$11,500,000

Item	Year 1 \$	Year 2 \$	Total \$
of FSE convertible notes under the Investment Agreement			
Purchase of FSE convertible notes from BBY under the Investment Agreement	\$16,000,000 ¹	Nil	\$16,000,000
Total	\$56,400,000¹	Nil	\$56,400,000

Notes

¹ Refer to section 3.6.7 for further details.

² Ariona agrees to (within 6 months of the completion of a bankable feasibility study in respect of the Waterberg Project) negotiate in good faith with Sekoko Resources and FSE, the means by which, and the terms on which, Ariona will provide or procure market based project funding required to bring the Waterberg Project into commercial production, up to a maximum of US\$400,000,000 - pursuant to the Share Purchase Agreement summarised in Annexure D.

5.12 Outlook for the Merged Entity

This Bidder's Statement does not include any financial forecasts or projections for revenue or profit in relation to the Company, FSE or the Merged Entity.

The Company has given careful consideration as to whether there is a reasonable basis to produce reliable and meaningful forecast financial information for the Merged Entity. However, the RNG Directors have concluded that as at the date of this Bidder's Statement, it would be misleading to provide forecast financial information for the Merged Entity.

6. INTENTIONS OF RNG

6.1 Disclosure Regarding Forward-Looking Statements

This Bidder's Statement includes forward-looking statements that have been based on the RNG's current expectations and predictions about future events including RNG's intentions (which include those set out in this Section 6). These forward-looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of RNG, FSE and the Merged Entity to differ materially from the expectations and predictions, expressed or implied, in such forward-looking statements. These factors include, among other things, those risks identified in this Bidder's Statement (including those set out in Section 8).

None of RNG, its officers, nor persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of any forward looking statements. You are cautioned not to place reliance on these statements in the event that the outcome is not achieved. These statements reflect views and opinions as at the date of this Bidder's Statement.

6.2 Rationale for the Takeover Offer

RNG believes that there are a number of key strategic and financial benefits that will arise from the successful acquisition of FSE by RNG. These include:

- (a) Consolidation of the ownership of 70% of the Waterberg Project (assuming the acquisition of Ariona by RNG completes and Ariona acquires a 10% interest in the Waterberg Project) into a corporate group which will focus on the Waterberg Project as its flagship project; and
- (b) combination of management team and enhancement of RNG's technical and operational capabilities.

6.3 RNG's Intentions Regarding FSE

(a) Overview

Subject to the below, it is the present intention of RNG, on the basis of the information concerning FSE which is known to RNG and the existing circumstances affecting the business of FSE, that:

- (i) the business of FSE will otherwise be continued in substantially the same manner as it is presently being conducted;
- (ii) no other major changes will be made to the business of FSE;
- (iii) there will not be any redeployment of the fixed assets of FSE;
- (iv) the present employees of FSE will otherwise continue to be employed by FSE; and
- (v) the present employees of Ariona will otherwise continue to be employed by FSE.

The current intentions of the Company may change in light of material facts and circumstances at the relevant time.

(b) Intentions Upon Acquisition of 90% or More of FSE

If as a result of the Takeover Offer, RNG becomes entitled to compulsorily acquire outstanding FSE Shares in accordance with Part 6A.1 of the Corporations Act, it intends to proceed with the compulsory acquisition of those shares.

The Company then intends to undertake the steps outlined in 6.3(a) above and delist FSE from the JSE and the ASX, subject to the required regulatory approvals.

(c) Intentions Upon Gaining Control but Less Than 90% of FSE

If, following the close of the Takeover Offer, FSE becomes a controlled entity, but not a wholly owned subsidiary of RNG, RNG presently intends, subject to the following, and to the extent possible, and appropriate, to implement the objectives and goals mentioned in 6.3(a).

The extent to which RNG will be able to implement these intentions will be subject to:

- (i) the Corporations Act and the ASX Listing Rules, in particular in relation to related party transactions and conflicts of interests;
- (ii) the legal obligation of the directors of FSE to act for proper purposes and in the best interests of FSE shareholders as a whole.

Having regard to this and in particular the possible requirements of minority shareholder approval, it is possible that RNG may not be able to implement some of these intentions.

(d) Intentions if RNG does not Acquire Effective Control of FSE

RNG reserves its right to declare the Takeover Offer free from the more than 50.1% minimum acceptance Condition (or any other Condition) to the Takeover Offer. However, RNG has not decided at this stage whether it will free the Takeover Offer from the more than 50.1% minimum acceptance Condition (or any other Condition).

If the waiver occurs, RNG intends, subject to the Corporations Act and the ASX Listing Rules, to implement the process outlined in 6.3(a) above.

6.4 Prospects of the Merged Entity

RNG believes the Merged Entity will be a financially secure and growth focussed company with a solid flagship project, the 70% interest in the Waterberg Project (assuming RNG acquires 90% or more of the FSE Shares on issue at the end of the Bid Period, RNG acquires Ariona and Ariona acquires a 10% interest in the Waterberg Project). If RNG acquires 90% or more of the FSE Shares on issue at the end of the Bid Period, RNG acquires Ariona and Ariona acquires a 10% interest in the Waterberg Project, the Merged Entity is likely to be positively re-rated by the equity capital markets as a result of:

- (a) an increased 70% interest in the Waterberg Project;
- (b) recognition of the Merged Entity's balance sheet, cash and access to an expanded range of financing and growth options;
- (c) increased market capitalisation, liquidity and market presence;
- (d) enhanced global capital market and institutional investor awareness through an anticipated increase in broker research, coverage and investment in RNG by domestic and international investment funds; and
- (e) the proposed board of directors and management team of the Merged Entity.

The combination of RNG's expertise and capital markets and its equity and debt raising capabilities with that of FSE's experience in mining exploration and project development will enhance the likelihood of the Waterberg Project commencing production as scheduled, if not sooner.

7. AUSTRALIAN TAX CONSIDERATIONS

7.1 Overview

The following summary is a general description of the Australian income tax and CGT consequences for FSE Shareholders who accept the Takeover Offer and dispose of their FSE Shares to RNG in accordance with the Takeover Offer.

The summary is based on taxation law and practice in effect at the date of the Takeover Offer. It is not intended to be an authoritative or comprehensive analysis of the taxation laws of Australia, nor does it consider any specific facts or circumstances that may apply to particular FSE Shareholders. Further, it does not deal with the taxation consequences of disposing of FSE Shares which may have been issued under an employee shares scheme, which may be subject to specific tax provisions.

The Australian tax consequences for FSE Shareholders of disposing of their FSE Shares will depend on a number of factors including:

- (a) whether they are an Australian resident or non-resident for tax purposes;
- (b) whether they hold their FSE Shares on capital, revenue account or as trading stock;
- (c) when they acquired their FSE Shares;
- (d) whether they are an individual, a company or a trustee of a complying superannuation entity; and
- (e) whether scrip for scrip rollover relief is available – see Section 7.3 below.

Given the complexity of the taxation legislation, FSE Shareholders should seek independent taxation advice regarding the tax consequences of disposing of FSE Shares given the particular circumstances which apply to them.

7.2 Taxation Consequences for FSE Shareholders

(a) Shareholders holding FSE Shares as trading stock

FSE Shareholders who hold their FSE Shares as trading stock (e.g. as a share trader) will be required to include the value of the consideration from the disposal of their FSE Shares in their assessable income.

(b) Shareholders holding FSE Shares on Revenue Account

The Australian tax consequences for FSE Shareholders who hold their FSE Shares on revenue account and who accept the Takeover Offer will be able to include the amount received (the market value of the RNG Shares) over the cost of acquisition of the FSE Shares as ordinary assessable income. Where the market value of RNG Shares is less than the cost of FSE Shares the loss may be claimed as a tax deduction.

(c) Non-resident FSE Shareholders holding FSE Shares as trading stock or on revenue account

FSE Shareholders who are a non-resident of Australia and whose FSE Shares were acquired as trading stock or otherwise on revenue account, should seek their own professional advice. The Australian tax treatment will depend on the source of any gain and whether a double tax agreement exists between their country of residence and Australia.

(d) FSE Shareholders holding FSE Shares on Capital Account

In broad terms, the Australian tax consequences for FSE Shareholders who hold their FSE Shares on capital account and who accept the Takeover Offer will depend on whether or not 'scrip for scrip' capital gains tax rollover relief is available and, if available, is elected. The following discussion considers the general Australian tax consequences for FSE Shareholders where:

- (i) rollover relief is not available or is not elected; and
- (ii) rollover relief is available and is elected.

7.3 Acceptance of the Takeover Offer where Rollover Relief is Available and is Elected

Australian-resident FSE Shareholders may be entitled to 'scrip for scrip' CGT rollover relief in respect of the consideration referable to RNG Shares where the exchange of the shares would otherwise realise an assessable capital gain. Broadly speaking, rollover relief is available to FSE Shareholders who exchange shares in one company for shares in another company where the transaction is made pursuant to a takeover bid and provided certain qualifying conditions are satisfied.

In broad terms, these qualifying conditions include the requirement that RNG must make an offer to all shareholders in FSE to acquire their voting shares on substantially the same terms and RNG must become the owner of at least 80% of the voting shares in FSE as a consequence of the Takeover Offer.

If the qualifying conditions are satisfied and an FSE Shareholder elects for rollover relief to apply, the rollover relief is available.

The effect of the rollover relief is that the FSE Shareholder's total capital gain will be deferred until the RNG Shares are disposed of.

The CGT cost base of the new RNG Shares acquired in the exchange is determined by reasonably attributing to it the CGT cost base of the FSE Shares for which a rollover was obtained. For example, the CGT cost base for one (1) FSE Share will be apportioned to the one (1) pre-Consolidation RNG Share received for two (2) FSE Shares (equal to one (1) post-Consolidation RNG Share for every twenty (20) FSE Shares held). Further, the FSE Shareholders will be taken to acquire their RNG Shares at the time they originally acquired their FSE Shares (for the purpose of determining any entitlement to a discount on an otherwise assessable capital gain in relation to a subsequent dealing in their new RNG Shares).

As discussed above, rollover relief will only be available if the qualifying conditions are satisfied and FSE Shareholders elect to apply for it. Further, rollover relief is not available if FSE Shareholders realise a capital loss on the disposal of their FSE Shares.

Scrip for scrip rollover relief does not apply automatically and must be elected. The election to utilise scrip for scrip rollover relief is evidenced by the manner in which the tax return for the relevant income year is prepared although it may be prudent to keep a written record of that election with your tax records.

Given the complexity of the provisions governing rollover relief and the various qualifying conditions that need to be satisfied, FSE Shareholders should seek independent taxation advice regarding their particular circumstances.

Non-resident FSE Shareholders could only obtain rollover relief in very limited circumstances. It is imperative that non-residents seek independent tax advice to confirm their Australian tax position.

7.4 Acceptance of the Takeover Offer where Rollover Relief is Not Available or is Not Elected

Acceptance of the Takeover Offer is likely to involve a disposal by an FSE Shareholder of their FSE Shares for CGT purposes.

An Australian-resident FSE Shareholder may make a capital gain or capital loss, depending on whether their capital proceeds from the exchange are more than the cost base of their FSE Shares, or whether those capital proceeds are less than the cost base of those shares.

FSE Shareholders who are not resident in Australia for tax purposes will generally be subject to Australian CGT on the disposal of FSE Shares if:

- (a) together with their Associates, they directly or indirectly own at least 10% or more (by value) of the shares in FSE:

- (i) at the time of the sale; or
 - (ii) throughout a 12 month period beginning no earlier than 24 months before the time of the sale and ending no later than the time of the sale; and
- (b) if more than 50% of the value of FSE's assets is attributable to Australian real property,

subject to the terms of any applicable double tax agreement. It is imperative that non-residents independently confirm their Australian tax position.

The capital proceeds that an FSE Shareholder will be taken to have received in respect of the disposal of their FSE Shares will generally be the market value of RNG Shares on the date of implementation of the Takeover Offer.

The cost base of FSE Shares will generally be the cost at which they were acquired including any incidental costs of acquisition.

Where the amount of capital proceeds received by an FSE Shareholder in respect of the disposal of their FSE Shares is greater than the cost base of those FSE Shares, then the shareholder should realise a capital gain for Australian CGT purposes.

Where the amount of capital proceeds received by an FSE Shareholder in respect of the disposal of their FSE Shares is less than the reduced cost base of those FSE Shares, then the FSE Shareholder should realise a capital loss for Australian CGT purposes. Where it is expected that a capital gain will result, if an FSE Shareholder does not elect for rollover relief, or that relief is not available, then partial tax relief may be available in the form of the CGT discount.

Specifically, where FSE Shares have been held for at least 12 months before their disposal, an FSE Shareholder who is an individual, a complying superannuation entity or the trustee of a trust should be able to reduce the capital gain arising from the disposal of FSE Shares by the CGT discount (see below).

The CGT discount will be available if the relevant FSE Shares have been held for at least 12 months.

Subject to the FSE Shareholder having any capital losses or net capital losses from previous income years, where the CGT discount is available, eligible FSE Shareholders which are individuals or trustees of trusts will reduce the capital gain arising on the disposal of FSE Shares by one-half. For individuals, this reduced gain should be assessed at the FSE Shareholder's marginal tax rate. Trustees should seek specific advice regarding the tax consequences of distributions attributable to discounted capital gains.

Subject to the FSE Shareholder having any capital losses or net capital losses from previous income years, where FSE Shares are held by a complying superannuation entity and the CGT discount is available, the discount will reduce the nominal capital gain on the disposal of the shares by one-third.

The CGT discount is generally applied after taking into account any capital losses or net capital losses from previous income years. FSE Shareholders having any capital losses or net capital losses from previous income years should seek independent advice in relation to the potential availability of the CGT discount.

7.5 FSE Shareholders who are Companies will Not be Entitled to the CGT Discount

Companies are not entitled to the CGT discount. The capital gain or capital loss will be calculated with reference to the capital proceeds less the cost base or reduced cost base of the shares. Where a company realises a capital gain, it may be eligible to reduce that gain with capital losses from previous income years. We recommend that companies seek advice from their professional tax advisor in relation to the availability and deductibility of capital losses.

7.6 GST

GST should not apply to the disposal of FSE Shares under the Takeover Offer, the issue of RNG Shares under the Takeover Offer, or any subsequent disposal of RNG Shares.

FSE Shareholders who are registered for GST purposes may not be entitled to full input tax credits for any GST incurred on costs associated with acquiring or disposing of securities in RNG or FSE. FSE Shareholders should seek their own tax advice in this respect.

8. RISK FACTORS

8.1 Overview

If the Offer becomes unconditional, FSE Shareholders who accept the Takeover Offer will become RNG Shareholders. In those circumstances, FSE Shareholders will:

- (a) continue to be exposed to the risks associated to the investment in FSE as a result of their indirect interest in FSE through RNG;
- (b) be exposed to the risks which are specific to an investment in RNG; and
- (c) be exposed to additional risks relating to the Takeover Offer and the Merged Entity.

These risks are explained below. FSE Shareholders should read the Bidder's Statement carefully and consult their professional advisors before deciding whether to accept the Takeover Offer. By accepting the Takeover Offer, FSE Shareholders will be investing in RNG.

The business activities of RNG and the Merged Entity are subject to various risks that may impact on the future performance of RNG and the Merged Entity. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of RNG and the Merged Entity and cannot be mitigated.

Accordingly, an investment in the Merged Entity carries no guarantee with respect to the payment of dividends, return of capital or price at which shares will trade and should be considered speculative. The principal risk factors include, but are not limited to, the following.

8.2 Risks Relating to the Offer

(a) Issue of RNG Shares as consideration

FSE Shareholders are being offered specific quantities of RNG Shares as consideration under the Offer. As a result, the value of the consideration will fluctuate depending upon the market value of RNG Shares at any given time. Accordingly, the market value of the RNG Shares at the time you receive them may vary significantly from their market value on the date of your acceptance of the Offer. This may result in the value of the consideration to FSE Shareholders increasing as well as decreasing.

(b) Rollover Relief

A condition of the Offer is that the level of acceptance must result in RNG obtaining a Relevant Interest in more than 50.1% of all FSE Shares.

If RNG does not acquire a Relevant Interest in at least 80% of FSE Shares, scrip-for-scrip CGT rollover relief will not be available to FSE Shareholders. Refer to Section 7 above for further details.

(c) Sale of RNG Shares

Under the Offer, RNG will issue a significant number of new RNG Shares. Some holders of RNG Shares may not intend to continue to hold their RNG Shares and may wish to sell them. There is a risk that this may adversely impact on the price of and demand for RNG Shares.

(d) Acquisition of Less than 90% of FSE Shares

It is possible that RNG could acquire a Relevant Interest of less than 90% of FSE Shares on issue under the Takeover Offer. The existence of a minority interest in FSE may have an impact on the operations of the Merged Entity, although this impact will depend upon the ultimate level of FSE ownership acquired by RNG.

(e) Duty and Government Charges

Duty and other government charges may be payable by RNG in relation to the Offer. The amount of these duties and charges may be material.

(f) Dilution Risk

The consideration for the Takeover Offer is the Takeover Offer Consideration set out on the front page of this Bidder's Statement. If the Takeover Offer is completed, there will be a dilution for current RNG Shareholders as a result of the Takeover Consideration Shares being issued.

(g) Contractual Risk

As set out in Section 1.9(a)(iii) of Annexure A, the Offer is conditional upon the Ariona Acquisition being completed. However, RNG may waive this condition which may (assuming that Ariona does not choose to accept the Takeover Offer) result in RNG's interest being significantly less than as set out in the Bidder's Statement. Further, there would be a substantial number of convertible securities (being the Ariona Convertible Notes) which will be held which, upon conversion into FSE Shares, will further dilute RNG's interest in FSE.

In this regard, completion of the Ariona Acquisition is conditional upon Ariona, as well as the counter-parties to the agreements set out in Annexure D, complying with their obligations and agreeing upon those matters which remain outstanding at the date of this Bidder's Statement (including the terms of conversion of the Ariona Convertible Notes into RNG Shares).

8.3 Risks Relating to the Merged Entity

This Section 8.3 sets out risks that are specific to RNG and FSE as the Merged Entity.

(a) Future funding

Significant future funding will be required by the Merged Entity to support its proposed transactions including funding all of Ariona's material liabilities, RNG re-complying with Chapters 1 and 2 of the ASX Listing Rules as well as funding required for the future development of the Waterberg Project. There can be no assurance that such funding will be available on satisfactory terms or at all. The Merged Entity's capital requirements depend on numerous factors. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Merged Entity is unable to secure additional financing as needed, it may be required to reduce the scope of its operations. There is however, no guarantee that the Merged Entity will be able to secure any additional funding or be able to secure funding on terms favourable to the Merged Entity.

(b) Exploration and mining

Mining exploration is an inherently speculative endeavour and associated with various risks. There can be no assurance that exploration of tenements will result in the discovery of recoverable resources.

Even if resources are identified, there is no guarantee that those resources can be economically exploited. Other factors such as adverse weather conditions, operational and technical difficulties, geological conditions, lack of sufficient water or power sources, industrial and environmental accidents, occupational health or safety issues, labour disputes, lack of access to key infrastructure such as railway and port facilities, adverse changes in government policy or legislation or a lack of access to sufficient funding may mean that any resources discovered are not economically recoverable or may otherwise preclude the Merged Entity from successfully mining and exploiting those resources.

(c) Exploration and mining tenements

There are also risks relating to having an interest in exploration and mining tenements. Tenements located in the Republic of South Africa are subject to certain legislative conditions, periodic renewal, environmental laws, landowner access negotiation and agreement and other regulations across multiple regulatory bodies who may act at their sole discretion.

Tenements are also subject to meeting certain annual expenditure commitments imposed from time to time to keep them in good standing and any failure to meet such commitments can result in forfeiture of any such tenement(s).

(d) Resources and reserves estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans that may, in turn, adversely affect the Merged Entity's operations.

(e) Coal price volatility

If the Merged Entity achieves success leading to mineral production, a significant proportion of the Merged Entity's revenues and cash flows are likely to be derived from the sale of coal. In this event, it is likely that the financial performance of the Merged Entity will be sensitive to coal prices. Coal prices are affected by numerous factors and events that are beyond the control of the Merged Entity. These factors and events include general economic activity, demand for the commodity, and forward selling and costs of production by other coal producers.

Commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates, currency exchange rates (particularly the strength of the US dollar) as well as general global economic conditions and political trends.

If coal prices should fall below or remain below the Merged Entity's costs of production for any sustained period due to these or other factors and events, the Merged Entity's exploration and production could be delayed or even abandoned. A delay in exploration or production or the abandonment of one or more of the Merged Entity's projects may require the Merged Entity to revise downwards its coal reserves and will have a material adverse effect on the Merged Entity's financial position.

It is difficult to predict accurately future demand and price movements and how such movements may adversely impact the Merged Entity's profitability, financial position and performance, prospects, future development and any future production.

(f) Environmental risk

Mining operations have inherent risks and liabilities associated with pollution of the environment and disposal of waste products. The Merged Entity's activities in the Republic of South Africa will be subject to various laws and regulations regarding environmental matters and the discharge of hazardous waste and materials. Development of any coal resources will be dependent on the project meeting environmental guidelines and gaining approvals from the relevant government authorities. As with most exploration projects and mining operations, the Merged Entity's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Despite the Merged Entity's best intentions and best efforts to conduct its activities in an environmentally responsible manner, there remains a risk that environmental and/or community incidents may occur that may negatively impact on the Merged Entity's reputation or licence to operate.

(g) Government, regulatory and sovereign risks

The current and any proposed operations of the Merged Entity require government approvals in the form of the grant of mining leases, miscellaneous licences and environmental approvals. There is a risk that onerous conditions may be attached to the approvals or that the grant of approvals may be delayed or not granted. It is also possible that government action, policy change and new legislation in Australia, the

Republic of South Africa and other jurisdictions may have a material adverse effect on the Merged Entity's current and future business, operations and financial performance.

For example, current laws may be amended or new laws established to address concerns relating to the use, mining and transportation of mineral resources, the treatment of lands and infrastructure, the production of carbon dioxide, the remediation of mines, tax, royalty and environmental conservation.

The future viability and profitability of the Merged Entity is also dependent on a number of other factors affecting performance of all industries in Australia and the Republic of South Africa and not just the exploration and mining industries, including, but not limited to, the following:

- (i) general currency exchange rate fluctuations;
- (ii) the strength of the equity and share markets in Australia and throughout the world;
- (iii) general economic conditions in Australia and the Republic of South Africa and their major trading partners and, in particular, inflation rates, interest rates, commodity supply and demand factors and industrial disruptions;
- (iv) financial failure or default by a participant in any of the Merged Entity projects or other contractual relationships to which the Merged Entity is, or may become, a party;
- (v) insolvency or other managerial failure by any of the contractors used by the Merged Entity in its activities;
- (vi) political and environmental considerations, as well as the social and economic processes under way in the Republic of South Africa that may adversely impact business operations; and
- (vii) industrial disputation or social unrest in the Republic of South Africa, Australia and overseas.

(h) Joint Venture

The Merged Entity's interest in its coal projects are owned through a joint venture of which the Merged Entity owns a 60% interest (70% assuming completion of RNG's acquisition of Ariona). Development and management of mining operations will be conducted through a company which is 60% owned by the Merged Entity (70% assuming completion of RNG's acquisition of Ariona) and 40% (30% assuming completion of RNG's acquisition of Ariona) by its joint venture partner, Sekoko. Decision taking within this company will be subject to the usual protocols relating to the convening of meetings and maintenance of corporate governance standards across several time zones.

(i) Black Economic Empowerment and Social Development

The Merged Entity and its joint venture partners must comply and remain compliant with the South African Mining Charter, the Mining Codes and the black economic empowerment participation requirements and the approved social and labour plan in order to retain prospecting and mining rights. Any failure by the Merged Entity and its joint venture partners to satisfy and to continue to satisfy the black economic empowerment requirements of the MPRDA, the Charter the approved social and labour plan and/or the Mining Codes could jeopardise any prospecting rights held by the Merged Entity and its joint venture partners and impede the Company's and its joint venture partners' ability to acquire, develop or maintain any additional prospecting and mining rights.

(j) Competition for Mining Rights

There is generally competition for prospecting and mining rights in South Africa. The MPRDA provides that applications for mining rights and/or prospecting rights must be

dealt with in the order of receipt (save for applications for the same mineral and land received on the same date, in which case preference must be given to applications from historically disadvantaged persons). In respect of new applications for prospecting rights and mining rights which the Merged Entity may wish to bring, as part of the Merged Entity's future growth strategy, there is a risk that such applications may not be successful if other applicants have already applied for such minerals and land. There is also no guarantee that suitable deposits will be available in future.

(k) HIV/AIDS

South Africa has one of the highest HIV infection rates in the world. The exact impact of increased mortality rates due to HIV/AIDS related deaths on the cost of doing business in South Africa and the potential growth in the economy is unclear at this time although employee related costs in South Africa could increase as a result of the HIV/AIDS epidemic. The Merged Entity's and its joint venture partners' results may be adversely affected by the loss of productivity and increased costs arising from any effect of HIV/AIDS on the Merged Entity's and its joint venture partners' workforce.

(l) Mining and Prospecting Rights

Acquisition and retention of prospecting rights and mining rights in South Africa is a detailed and time-consuming process. There is no guarantee the joint venture entity in which the Merged Entity is acquiring an interest will be granted the mining rights necessary to develop the prospecting rights on acceptable terms in a timely manner or at all. A wide range of factors and principles must be taken into account by the South African Minister of Mineral Resources when considering applications for mining rights. The factors taken into account include the applicant's access to financial resources, the applicant's technical ability to conduct the proposed mining operation optimally in accordance with the mining work programme, the mining must not result in unacceptable pollution, ecological degradation or damage to the environment, the applicant must provide financially and otherwise for the prescribed social and labour plan, the applicant must have the ability to comply with the relevant provisions of the Mine Health and Safety Act (South Africa) and the granting of the application must substantially and meaningfully expand opportunities for historically disadvantaged South Africans (including women) to enter the mineral and petroleum industry and to benefit from the exploitation of the nation's mineral resources, promote employment and advance the social and economic welfare of all South Africans in accordance with the approved social and labour plan. In addition, the grant of a mining or prospecting right may be disputed or challenged by third parties in the event that the correct procedures were not followed.

(m) Retention of key business relationships

The Merged Entity's business relies on several contracts and business alliances. Any circumstance which causes the early termination or non-renewal of one or more of these key business alliances or contracts could adversely impact the Merged Entity, its business, operating results or prospects.

(n) Ability to attract personnel

The Merged Entity's success depends, in part, on its ability to identify, attract, motivate and retain additional suitably qualified management. Competition for suitably qualified staff is strong. The inability to access and retain the services of a sufficient number of qualified staff could be disruptive to the Merged Entity's development efforts or business development and could materially adversely affect its prospects.

(o) Profitability

Future operating results depend to a large extent on management's ability to successfully manage expansion and growth, which necessarily requires rapid expansion of all aspects of the business operations, such as revenue forecasting, addressing new markets, controlling expenses, implementing infrastructure and systems and managing its assets. Inability to control the costs and organisational impacts of business growth or an unpredicted decline in the growth rate of revenues without a corresponding and

timely reduction in expense growth or a failure to manage other issues arising from growth could materially adversely affect the Merged Entity's operating results.

(p) Limitations if RNG does not acquire more than 90% of FSE Shares

If the Takeover Offer goes unconditional and RNG does not acquire more than a 90% interest in the FSE Shares on issue at the end of the Offer Period, then the related party provisions of the Corporations Act (and the ASX Listing Rules) will apply to the two companies which may limit activities between the companies or increase regulatory compliance for undertaking certain activities between the companies.

(q) Economic risk and external market factors

Factors, such as, but not limited to, political movements, stock market trends, changing customer preferences, interest rates, inflation levels, commodity prices, industrial disruption, environmental impacts, international competition, taxation changes and legislative or regulatory changes, may all have an adverse impact on the Merged Entity's prospects, operating costs, profit margins and share price. These factors are beyond the control of the Merged Entity and the Merged Entity cannot, to any degree of certainty, predict how they will impact on the Merged Entity.

(r) War and terrorist attacks

War or terrorist attacks anywhere in the world could result in a decline in economic conditions worldwide or in a particular region. There could also be a resultant material adverse effect on the business, financial condition and financial performance of the Merged Entity.

(s) Foreign currency exchange rate fluctuations

The Merged Entity's business is conducted outside Australia and in currencies other than the Australian dollar. Accordingly, the Merged Entity's income from, and the value of, those businesses will be affected by fluctuations in the rates by which those currencies are exchanged with Australian dollars.

9. ADDITIONAL INFORMATION

9.1 RNG's Interest in FSE Shares

As at the date of this Bidder's Statement:

- (a) RNG has no voting power in FSE; and
- (b) RNG has no Relevant Interest in FSE Shares.

Immediately before the first Takeover Offer is sent:

- (c) RNG has no voting power in FSE; and
- (d) RNG has no Relevant Interest in FSE Shares.

Upon Completion of the Ariona Acquisition (and subject to completion occurring under the Share Purchase Agreement and the Investment Agreement (including first completion and second completion):

- (a) RNG will have a voting power in FSE of approximately 26%; and
- (b) RNG will have a Relevant Interest in 800,000,000 FSE Shares and convertible notes in FSE valuing up to \$40,700,000.

9.2 Acquisitions of FSE Shares by RNG and its Associates

(a) Previous 4 months

Neither RNG nor any Associate of RNG has provided, or agreed to provide, consideration for FSE Shares under any purchase or agreement during the period beginning 4 months before the date of this Bidder's Statement ending on the day immediately before the date of this Bidder's Statement. However, RNG has agreed to purchase all of the issued capital in Ariona which has agreed to purchase 800,000,000 FSE Shares and subscribe for convertible notes in FSE valuing up to \$40,700,000. Summaries of the relevant agreements (i.e. the Heads of Agreement, the Share Purchase Agreement and the Investment Agreement) are set out in Annexure D.

(b) Period before Takeover Offer

Neither RNG nor any Associate of RNG has provided, or agreed to provide, consideration for FSE Shares under any purchase or agreement during the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Takeover Offer other than as set out in the Heads of Agreement, the Share Purchase Agreement and the Investment Agreement as summarised in Annexure D.

9.3 No Escalation Agreements

Neither RNG nor any Associate of RNG has entered into any escalation agreement that is prohibited by Section 622 of the Corporations Act.

9.4 Collateral Benefits

(a) Previous 4 months

During the period beginning 4 months before the date of this Bidder's Statement and ending on the day immediately before the date of this Bidder's Statement, neither RNG nor any Associate of RNG gave, or offered to give or agreed to give, a benefit to another person that was likely to induce the other person, or an Associate of that person, to:

- (i) accept the Takeover Offer; or
- (ii) dispose of their FSE Shares,

and which is not offered to all holders of FSE Shares under the Takeover Offer.

(b) Period before Takeover Offer

During the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Takeover Offer, neither RNG nor any Associate of RNG gave, or offered or agreed to give, a benefit to another person that was likely to induce the other person, or an Associate of that person, to:

- (i) accept the Takeover Offer; or
- (ii) dispose of their FSE Shares,

and which is not offered to all holders of FSE Shares under the Takeover Offer.

9.5 Disclosure of Information

Due to the fact that RNG is offering RNG Shares as consideration for the acquisition of FSE Shares under the Takeover Offer, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of FSE Shares under Sections 710 to 713 of the Corporations Act.

As a company whose shares are quoted on ASX, RNG is subject to regular disclosure requirements. In particular, RNG is required to disclose information concerning its finances, activities and performance. This disclosure is available on RNG's website as well as on the ASX website (ASX Code: RNG).

Please refer to Section 3.10 for further details in relation to RNG's corporate governance policies.

9.6 Interests and Benefits Relating to the Takeover Offer

(a) Interests

Other than as set out below or elsewhere in this Bidder's Statement, no:

- (i) director or proposed director of RNG;
- (ii) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement; or
- (iii) promoter of RNG,

(together, the **Interested Persons**) has, or had within 2 years before the date of this Bidder's Statement, any interest in:

- (iv) the formation or promotion of RNG;
- (v) any property acquired or proposed to be acquired by RNG in connection with its formation or promotion or in connection with the offer of RNG Shares under the Takeover Offer; or
- (vi) the offer of RNG Shares under the Takeover Offer.

(b) Implied Value of the Takeover Offer

Based on the closing price of an RNG Share on ASX on 14 December 2012 (the last trading day before the announcement of the Takeover Offer) of \$0.018 (on a pre Consolidation basis or \$0.18 on a post Consolidation basis), the implied value of the Takeover Offer is \$0.009 per FSE Share.

Based on the closing price of a RNG Share on ASX on 29 January 2013 (the last practicable trading day before this Bidder's Statement was lodged with ASIC), of \$0.015 (on a pre Consolidation basis or \$0.15 on a post Consolidation basis), the implied value of the Takeover Offer is \$0.0075 per FSE Share.

The implied value of the Takeover Offer will change as a consequence of changes in the market price of RNG Shares from time to time. The following table may assist FSE Shareholders to determine the implied value of the Takeover Offer at different RNG Share price levels. The table is not an indication of prices at which RNG Shares may trade – RNG Shares may trade within this range or at higher or lower levels. The prices in the table are the same pre and post the Consolidation of the RNG shares.

Price of a RNG Share (\$)		Implied offer price for an FSE Share Pre-Consolidation (\$)
Post-Consolidation	Pre-Consolidation	
\$0.10	\$0.01	\$0.0050
\$0.15	\$0.015	\$0.0075
\$0.20	\$0.02	\$0.0100
\$0.25	\$0.025	\$0.0125
\$0.30	\$0.03	\$0.0150
\$0.35	\$0.035	\$0.0175
\$0.40	\$0.04	\$0.0200
\$0.45	\$0.045	\$0.0225
\$0.50	\$0.05	\$0.0250
\$0.55	\$0.055	\$0.0275
\$0.60	\$0.06	\$0.0300

(c) **Disclosure of Fees and Benefits Received by Certain Persons**

Other than as set out below or elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (i) to a director or proposed director of RNG to induce them to become, or to qualify as, a director of RNG; or
- (ii) for services provided by an Interested Person in connection with the formation or promotion of RNG or the offer of RNG Shares under the Takeover Offer.

The Company has entered into an agreement with Garrison Capital to provide corporate advisory services. The Company will pay Garrison Capital \$300,000 (plus GST) payable fourteen (14) days after the approval of the RNG shareholders of the resolutions required to give effect to the Takeover Offer and Garrison Capital or its nominees will be granted 25,000,000 Advisor Options. The grant of the Advisor Options is subject to RNG Shareholder approval. For more information please refer to Section 5.6 of this Bidder's Statement.

Garrison Capital is a company associated with Director Brian McMaster who is a director and shareholder of Garrison Capital.

(d) **Expenses of the Takeover Offer**

The total amount of cash that RNG may become obliged to pay to satisfy all expenses incurred by RNG and relating to the Takeover Offer will be provided from RNG's existing cash balances.

RNG estimates it will incur fees for services provided in connection with the Takeover Offer, including for legal, taxation, financial advisors, share register and ASX and other professional fees, in the amount of approximately \$1,588,671 (excluding GST).

9.7 Disclosure of Interests of Directors

The directors of RNG have the following interests in RNG securities as at the date of this Bidder's Statement.

Director ¹	Shares	Options
Mr Brian McMaster ^{2,3}	20,000,000	Nil
Mr Jonathan Hart ⁴	1,000,000	Nil
Mr Daniel Crennan	1,000,000	Nil

Notes:

1. This table includes interests held by related parties of the Directors.
2. Garrison Capital Pty Ltd, a company associated with Mr Brian McMaster, will receive 25,000,000 Garrison Options in respect of corporate advisory services provided to RNG in respect of the Takeover Offer. Refer to Section 9.6(c) for further details.
3. Mr McMaster intends to subscribe for 2,500,000 pre-Consolidation RNG Shares under the Placement which issue will be subject to RNG Shareholder approval at the General Meeting.
4. Mr Hart intends to subscribe for 1,500,000 pre-Consolidation RNG Shares under the Placement, which issue will be subject to RNG Shareholder approval at the General Meeting.

The directors of RNG have the following interests in FSE securities as at the date of this Bidder's Statement.

Director	Shares	Options
Mr Brian McMaster	Nil	Nil
Mr Jonathan Hart	Nil	Nil
Mr Daniel Crennan	Nil	Nil

9.8 Fees and Benefits of Directors

The Constitution of RNG provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by RNG in general meeting, to be divided among the Directors and in default of agreement then in equal shares. The annual remuneration (inclusive of superannuation) of the Directors for the last two financial years and the current financial year is as follows:

Director	2011 Financial Year	2012 Financial Year	2013 Financial Year (proposed)
Mr Brian McMaster	Nil	Nil	\$48,000
Mr Jonathan Hart	Nil	Nil	\$48,000
Mr Daniel Crennan	Nil	Nil	\$36,000

RNG's financial year ends on 30 June.

RNG Directors are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of RNG and other miscellaneous expenses.

The remuneration of RNG Directors is reviewed annually by RNG. The figures for the 2013 Financial Year are current as at the date of this Bidder's Statement.

9.9 Material Litigation

RNG is not aware of any instituted or threatened litigation, or other legal proceedings in relation to RNG.

9.10 Ineligible Foreign Shareholders

FSE Shareholders who are Ineligible Foreign Shareholders will not be entitled to receive RNG Shares as consideration for their FSE Shares pursuant to the Takeover Offer.

An FSE Shareholder is an Ineligible Foreign Shareholder for the purposes of the Takeover Offer if their address as shown in the register of members of FSE is in a jurisdiction other than Australia or its external territories or New Zealand. However, such a person will not be an Ineligible Foreign Shareholder if RNG is satisfied, in its sole discretion, that it is not legally or practically constrained from making the Takeover Offer to an FSE Shareholder in the relevant jurisdiction and to issue RNG Shares to such an FSE Shareholder on acceptance of the Takeover Offer, and that it is lawful for the FSE Shareholder to accept the Takeover Offer in such circumstances in the relevant jurisdiction. Notwithstanding anything else in this Bidder's Statement, RNG is not under any obligation to spend any money, or undertake any action, in order to satisfy itself concerning any of these matters.

The RNG Shares which would otherwise have been issued to Ineligible Foreign Shareholders will instead be issued to the Sale Nominee who will sell these shares. The proceeds of the sale (less any transaction costs) of such shares will then be remitted to the relevant Ineligible Foreign Shareholders.

9.11 Status of Conditions

The conditions of the Takeover Offer are set out in Section 1.9 of Annexure A. RNG will use all reasonable endeavours to ensure the Conditions are satisfied as soon as possible after the date of this Bidder's Statement.

As at the date of this Bidder's Statement, RNG is not aware of any events which would result in a breach or inability to satisfy the Conditions.

RNG will give a notice of the status of the Conditions in accordance with the Corporations Act on **(leave blank in lodged version)** 2013 (subject to extension if the Offer Period is extended).

9.12 Regulatory Approvals

As contained in Section 1.9 of Annexure A, the Takeover Offer is conditional upon obtaining various approvals, including from RNG Shareholders, JSE Listing Requirements, the ASX and the ASIC.

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable. ASX Listing Rule 11.1.2 provides that, if ASX requires, the entity must get the approval of Shareholders and must comply with any requirements of ASX in relation to the Notice of Meeting.

ASX has indicated to RNG that, given the significant change in the nature and scale of the activities of RNG upon completion of the Takeover Offer, it requires RNG to obtain the approval of its Shareholders.

Additionally, ASX has informed RNG that Shareholder approval and compliance with Chapters 1 and 2 is required. Amongst other things, the provisions of Chapters 1 and 2 of the Listing Rules require RNG to undertake or comply with the following:

- (a) subject to any exemptions granted by the ASX, any new RNG Share issues must be made at a minimum of \$0.20 in order to raise additional working capital and any options must have an exercise price of no less than \$0.20;
- (b) obtain the requisite shareholder spread;
- (c) prepare a prospectus, which will be in accordance with the provisions of the Corporations Act;
- (d) have an appropriate structure and operations; and

- (e) satisfy either of the tests set down in the Listing Rules in relation to RNG's profitability or RNG's asset value.

Pursuant to the Notice of Meeting, RNG will seek shareholder approval for these approvals, as relevant.

Further information in relation to the necessary approvals and compliance requirements is contained in the Notice of Meeting.

The Takeover Offer is subject to obtaining approvals from the JSE, South African Reserve Bank and other South African regulatory authorities as required.

9.13 Consents

Each of the parties referred to in this Section 9.13:

- (a) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement other than a reference to its name and a statement included in this Bidder's Statement with the consent of that party as specified in this Section 9.13; and
- (b) has not caused or authorised the issue of this Bidder's Statement.

Each of the following has consented to being named in this Bidder's Statement in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Bidder's Statement with ASIC:

- (a) Steinepreis Paganin as Australian legal advisors to RNG in relation to the Takeover Offer;
- (b) HLB Mann Judd as RNG's auditor and also to the inclusion of RNG's 2010 – 2012 audited accounts in this Bidder's Statement;
- (c) Bowman Gilfillan Inc. as South African legal advisors to RNG in relation to the Takeover Offer;
- (d) Garrison Capital Pty Ltd as the Australian corporate advisor to RNG in relation to the Takeover Offer;
- (e) Deloitte & Touche Sponsor Services Pty Ltd as JSE advisor in relation to the Takeover Offer; and
- (f) Bravura Equity Services Pty Ltd as a South African corporate advisor to RNG in relation to regulatory requirements of the Takeover Offer.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or on the company announcement platform of ASX. Under the Class Order 01/1543, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of these reports or statements free of charge, please contact RNG on +61 8 9200 4243.

As permitted by ASIC Class Order 03/635, this Bidder's Statement may include or be accompanied by certain statements fairly representing a statement by an official person or from a public official document or a published book, journal or comparable publication.

In addition, as permitted by ASIC Class Order 07/429, this Bidder's Statement contains ASX share price trading information sourced from ASX without its consent.

9.14 Other Material Information

There is no other information material to the making of a decision by a holder of FSE Shares whether or not to accept the Takeover Offer being information that is known to RNG and which has not previously been disclosed to FSE Shareholders other than as is contained elsewhere in this Bidder's Statement.

9.15 Expiry Date

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

9.16 Date for Determining Holders

For the purposes of Section 633 of the Corporations Act, the date for determining the people to whom this Bidder's Statement is sent is the Record Date.

9.17 ASIC Modifications and Exemptions, ASX Waivers

ASIC has published various "Class Order" instruments providing for modifications and exemptions that apply generally to all persons, including RNG, in relation to the operation of Chapter 6 of the Corporations Act. RNG may rely on this "Class Order" relief.

10. DIRECTORS AUTHORISATION

This Bidder's Statement is dated 30 January 2013 and was approved pursuant to a unanimous resolution passed at a meeting of the directors of RNG.



**Signed for and on behalf of
Range River Gold Limited
Brian McMaster
Executive Chairman**

11. DEFINITIONS AND INTERPRETATION

11.1 Definitions

In this Bidder's Statement (including its annexures), unless the context otherwise requires:

\$ or **Dollar** means Australian dollars.

Acceptance Form means the form of acceptance and transfer for the Takeover Offer accompanying this Bidder's Statement or alternatively any acceptance form sent to an FSE Shareholder by RNG's share registry in relation to the Takeover Offer, as the context requires.

Advisor Options means 25,000,000 RNG Options to be granted to Garrison Capital in part consideration for the provision of corporate advisory services to RNG.

Announcement Date means 17 December 2012, being the date the Takeover Offer was announced on ASX.

Ariona means Ariona Company SA.

Ariona Acquisition has its meaning as set out in Section 3.6 of this Bidder's Statement.

Ariona Convertible Notes has its meaning in Section (d) of Annexure D of this Bidder's Statement.

Ariona Transactions has its meaning as set out in the Chairman's letter of this Bidder's Statement.

Associate has the meaning given in chapter 6 of the Corporations Act.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange (as the context requires).

ASX Listing Rules or **Listing Rules** means the official listing rules of ASX, as amended from time to time.

ASX Settlement means ASX Settlement Pty Ltd ABN 49 008 504 532.

ASX Settlement Operating Rules means the operating rules of the ASX Settlement Facility (as defined in Rule 1.1.1 and Rule 1.1.2 of the ASX Settlement Operating Rules) in accordance with Rule 1.2 which govern, inter alia, the administration of the CHES subregisters.

Bid Period has the meaning given to that term in the Corporations Act.

Bidder's Statement means this document including the Annexures.

Board or **RNG Board** means the board of directors of RNG.

Business Day means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in Western Australia.

Capital Raising means the capital raising pursuant to the Prospectus.

Certificated shares means shares held in the form of certificates or other documents of title and which have not yet been surrendered for dematerialisation in terms of Strate.

Certificated shareholders means shareholders holding certificated shares.

CGT means capital gains tax as defined in the Australian *Income Tax Assessment Act 1997* (Cth).

CHES means Clearing House Electronic Subregister System as defined in Rule 2.3.1 of the ASX Settlement Operating Rules.

CHESS Holding means a number of FSE Shares which are registered on FSE's share register being a register administered by the ASX Settlement and which records uncertified holdings of shares.

Company or **RNG** means Range River Gold Limited (ABN 64 065 480 453) or the Merged Entity as the context requires.

Conditions means the conditions set out in Section 1.9 of Annexure A.

Consolidation means the consolidation of the capital of RNG on a 1:10 basis.

Constitution means the constitution of RNG.

Controlling Participant means a Participant who is designated as the controlling participant for shares or other security in a CHESS Holding in accordance with the ASX Settlement Rules.

Converting Loan Agreements has its meaning in Section 3.6.5 of this Bidder's Statement.

Converting Loans means the converting loans pursuant to the Converting Loan Agreements.

Corporate Advisory Mandate means the corporate advisory mandate summarised in part (j) of Annexure D.

Corporations Act means the *Corporations Act 2001* (Cth).

Dematerialised means the process whereby paper share certificates or other documents of title are replaced with electronic records of ownership of shares or securities as contemplated in section 49(5) of the Act under the Strate system with a CSDP or stockbroker;

Dematerialised shares means shares which have been dematerialised and incorporated into Strate and which are no longer evidenced by share certificates or other physical documents of title;

Dematerialised shareholders means shareholders holding dematerialised shares.

Director or **RNG Director** means a director of RNG as at the date of this Bidder's Statement.

Documents of title means share certificates, certified transfer deeds, balance receipts or any other documents of title to shares acceptable to the board.

ESDT means Eastern Standard Daylight Savings Time as observed in Sydney, New South Wales.

Eskom MOU means the Eskom MOU summarised in part (g) of Annexure D.

Financial Arrangement means each:

- (a) financing agreement or instrument, money borrowing or raising arrangement or other financing arrangement, liability, encumbrance or other security, guarantee, indemnity or other credit support arrangement; or
- (b) derivative or treasury transaction, agreement or arrangement,

(in each case regardless of form and including any similar arrangement).

Firestone Group Entity means any member of the Firestone Group.

Firestone Group means FSE and its Related Bodies Corporate.

Firestone Option means an option to acquire an FSE Share.

FSE means Firestone Energy Limited (ABN 71 058 436 794).

FSE Board means the board of directors of FSE.

FSE Project means the Waterberg JV.

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

FSE Shareholders means all persons who hold FSE Shares.

Garrison Capital means Garrison Capital Pty Ltd.

Garrison Capital Mandate means the corporate advisory mandate summarised in part (k) of Annexure D.

Garrison Options means the RNG Options issued to Garrison Capital pursuant to the Corporate Advisory Mandate.

General Meeting has the meaning given to that term in section 3.6.5 of this Bidder's Statement.

Government Agency means a government or government department, a governmental or semi-governmental or judicial person (whether autonomous or not) charged with the administration of any applicable law.

Heads of Agreement means the Heads of Agreement summarised in part (a) of Annexure D.

Independent Directors means Mr Brian McMaster, Mr Jonathan Hart and Mr Daniel Crennan.

Ineligible Foreign Shareholder means any FSE Shareholder whose address, as entered in the register of members of FSE, is in a jurisdiction other than Australia (and its external Territories) and New Zealand, unless RNG otherwise determines after being satisfied that it is not unlawful, not unduly onerous and not unduly impracticable to make the Offer to an FSE Shareholder in the relevant jurisdiction and to issue RNG Shares to such an FSE Shareholder on acceptance of the Offer, and that it is not unlawful for such an FSE Shareholder to accept the Offer in such circumstances in the relevant jurisdiction.

InvestBridge means InvestBridge Capital Limited of Dubai International Financial Center, Gate Village 6, Level 5, P.O. Box 482051, Dubai, UAE.

InvestBridge Mandate Agreement means the mandate agreement summarised in part (j) of Annexure E.

Investment Agreement means the Investment Agreement summarised in part (c) of Annexure D.

Investment Bank Mandate means the Investment Bank Mandate summarised in part (e) of Annexure D.

JSE means JSE Limited, a company duly registered and incorporated with limited liability under the laws of the Republic of South Africa under registration number 2005/022939/06, licensed as an exchange under the Securities Services Act, 2004 (Act No. 36 of 2004).

JSE Equity Rules means the equity rules of the JSE.

Loan Agreement - Ariona and Sekoko means the Loan Agreement summarised in part (h) of Annexure D.

Loan Agreements – RNG and Ariona means the Loan Agreement summarised in part (i) of Annexure D.

Management Services Agreement means the Management Services Agreement summarised in part (f) of Annexure D.

Merged Entity means RNG and its subsidiaries or the Company following the acquisition by RNG of all, or a portion, of FSE Shares on issue.

Mining Interest means any and all mining interests that FSE has as at the Announcement Date.

MPRDA means the South African *Mineral and Petroleum Resources Development Act No 28 of 2002*.

Notice of Meeting means the Notice for the meeting of Shareholders of RNG as required under the ASX Listing Rules and the Corporations Act.

Offer means the Takeover Offer.

Offer Period means the period during which the Offer is open for acceptance.

Official List means the official list of entities that ASX has admitted and not removed.

Perth Time means Perth (Western Australia) Standard Time.

Placement has its meaning as set out in Section 3.8 of this Bidder's Statement.

Prospectus means the prospectus proposed to be issued by RNG for a general offer of RNG Shares at a price of \$0.20 each post-Consolidation with one free attaching RNG option for every two RNG Shares subscribed for, to raise up to \$10,000,000.

Public Authority means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity.

Record Date means the date set by RNG under Section 633(2) of the Corporations Act, being 7:00pm (EDST) on **(leave blank in lodged version)**.

Related Bodies Corporate has the meaning given to that term in the Corporations Act.

Relevant Interest has the meaning given in Section 9 of the Corporations Act.

Rights means all accreditations, benefits and rights attaching to or arising from FSE Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends and all rights to receive dividends and to receive or subscribe for shares, stock units, notes or options declared, paid, or issued by FSE).

RNG Option means an Option to acquire an RNG Share.

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

RNG Shareholder means a holder of a RNG Share.

RNG Tenements means the exploration licences EL 3994 (Lyons), EL 4197 (Glenloth) and EL 4445 (Claypan Dam).

Sale Nominee means the nominee approved by ASIC for the sale of FSE Shares held by the Ineligible Foreign Shareholders.

SAST means South Africa Standard Time as observed in Johannesburg South Africa.

SBSA means Standard Bank of South Africa.

SENS means the Stock Exchange News Service of the JSE.

Share Purchase Agreement means the Share Purchase Agreement summarised in part (b) of Annexure D.

Sekoko means Sekoko Coal (Proprietary) Limited.

Sekoko Resources means Sekoko Resources (Proprietary) Limited.

Subsidiary means a subsidiary within the meaning given to that term in Section 9 of the Corporations Act.

Takeover Offer means the off market takeover offer by RNG of one (1) RNG Share for every two (2) FSE Shares on a pre-Consolidation basis, equal to 1 RNG share for every 20 FSE Shares held post-Consolidation, on the terms and conditions set out in this Bidder's Statement.

Takeover Offer Consideration means, 1 RNG Share for every 2 FSE Shares on a pre-Consolidation basis, equal to 1 RNG Share for every 20 FSE Shares held post-Consolidation.

Takeovers Panel means the Takeovers Panel established under section 171 of the *Australian Securities and Investments Commission Act 2001* (Cth).

Terms Sheet means the Terms Sheet (Convertible Notes) summarised in part (d) of Annexure D.

US means United States.

Waterberg JV has the meaning given to that term in section 4.2.

Waterberg Project means the project the subject of the Waterberg JV that comprises eight titles in the Waterberg coalfield (see Figure 1 in Section 4.6 of this Bidder's Statement) totalling some 7,979 hectares.

Your Shares means the FSE Shares: (a) in respect of which you are registered, or entitled to be registered, as holder in the register of shareholders of FSE at the opening of business (Sydney Time) on the Record Date; or (b) to which you are able to give good title at the time you accept this Takeover Offer during the Offer Period.

ZAR means the South African Rand.

11.2 Interpretation

The following rules of interpretation apply unless intention appears or the context requires otherwise:

- (a) a reference to a time is a reference to Perth (Western Australian) time, unless otherwise stated;
- (b) headings are for convenience only and do not affect interpretation;
- (c) the singular includes the plural and conversely;
- (d) a reference to a Section is to a Section of this Bidder's Statement;
- (e) a gender includes all genders;
- (f) where a word or phrase is defined, the other grammatical forms have a corresponding meaning;
- (g) \$, or cents is a reference to the lawful currency in Australia, unless otherwise stated;
- (h) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (i) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (j) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- (k) a reference to any instrument or document includes any variation or replacement of it;
- (l) a term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act;
- (m) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually;
- (n) a reference to you is to a person to whom the Takeover Offer is made; and
- (o) the words 'include', 'including', 'for example' or 'such as' are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

ANNEXURE A – TERMS OF TAKEOVER OFFER

1.1 General Terms

- (a) RNG offers to acquire all of Your Shares, together with all Rights attached to them, on the following terms and conditions set out in this Takeover Offer.
- (b) The Takeover Offer Consideration being offered by RNG for the acquisition of all of Your Shares is one (1) pre-Consolidation RNG Share for every two (2) FSE Shares (equal to one (1) post-Consolidation RNG Share for every twenty (20) FSE Shares) you own, subject to the terms and conditions set out in this Takeover Offer.
- (c) If, you become entitled to a fraction of a RNG Share under the Takeover Offer, the number of RNG Shares will be rounded up to the nearest whole RNG Share (if equal to a fraction of 0.5 or greater) or rounded down (if equal to a fraction of less than 0.5).
- (d) If you are an Ineligible Foreign Shareholder at the time the Takeover Offer is made to you then, despite any other provision of this Takeover Offer, you may be offered and may be paid for Your Shares a cash amount calculated under Section 1.8 of this Annexure A.
- (e) The RNG Shares to be issued pursuant to this Takeover Offer will be fully paid and, from their date of issue, rank equally in all respects with existing RNG Shares currently on issue.
- (f) The rights and obligations of the RNG Shares to be issued under the Takeover Offer are summarised in Section 3.13 of the Bidder's Statement.
- (g) The Takeover Offer is dated ***(leave blank in lodged version)***.

1.2 Offer Period

- (a) Unless withdrawn, this Takeover Offer will remain open for acceptance during the period commencing on the date of this Takeover Offer and ending at 7:00 pm (ESDT (10.00am SAST)) on the later of:
 - (i) ***(leave blank in lodged version)***; or
 - (ii) any date to which the Offer Period is extended, in accordance with the Corporations Act.
- (b) RNG reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last 7 days of the Offer Period, either of the following events occurs:
 - (i) the Takeover Offer is varied to improve the consideration offered; or
 - (ii) RNG's voting power in FSE increases to more than 50%.

then the Offer Period will automatically be extended so that it ends 14 days after the relevant events in accordance with Section 624(2) of the Corporations Act.

1.3 Who May Accept

- (a) An Offer in this form and bearing the same date is being made to each person registered as a holder of FSE Shares on FSE's register of members at open for business (Perth Time (3.00am (SAST)) on the Record Date.
- (b) The Offer also extends to each person who becomes registered as the holder of Your Shares during the Offer Period.
- (c) A person who:
 - (i) is able during the Offer Period to give good title to a parcel of FSE Shares; and

- (ii) has not already accepted this Takeover Offer which relates to those FSE Shares,

may accept as if a Takeover Offer from RNG on terms identical with this Takeover Offer had been made to that person in relation to those FSE Shares.

- (d) If, at the time the Takeover Offer is made to you, or at any time during the Offer Period, another person is registered as the holder of some or all of Your Shares, then:
 - (i) a corresponding offer on the same terms and conditions as this Takeover Offer will be deemed to have been made to that other person in respect of those FSE Shares;
 - (ii) a corresponding offer on the same terms and conditions as this Takeover Offer will be deemed to have been made to you in respect of any other FSE Shares you hold to which the Takeover Offer relates; and
 - (iii) this Takeover Offer will be deemed to have been withdrawn immediately at that time.
- (e) If at any time during the Offer Period you are registered as the holder of one or more parcels of FSE Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct offer on the same terms and conditions as this Takeover Offer has been made in relation to each of those parcels and any parcel you hold in your own right. To validly accept the Takeover Offer for each distinct parcel, you must comply with the procedure in Section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call RNG on +61 8 9200 4243 to request those additional copies.
- (f) This Takeover Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). The Offer is not registered in New Zealand, but is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2002. It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Takeover Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consents.
- (g) If Your Shares are registered in the name of broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting this Takeover Offer.

1.4 How to Accept this Takeover Offer

- (a) You may only accept this Takeover Offer in respect of all (and not a lesser number) of Your Shares. For example, if you have 10,000 FSE Shares and you wish to accept the Takeover Offer, you may only accept this Takeover Offer in respect of 10,000 FSE Shares.
- (b) You may accept this Takeover Offer at any time during the Offer Period.
- (c) To accept this Takeover Offer for FSE Shares held in your name, you must:
 - (i) complete and sign the Acceptance Form in accordance with the terms of this Takeover Offer and the instructions on the Acceptance Form; and
 - (ii) ensure that the Acceptance Form (including any documents required by the terms of this Takeover Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at the address shown on the Acceptance Form.
- (d) Acceptance Form and Other Documents
 - (i) The Acceptance Form forms part of the Takeover Offer. The requirements on the Acceptance Form must be observed in accepting the Takeover Offer.

- (ii) For your acceptance to be valid you must ensure that your Acceptance Form (including any documents required by the terms of this Takeover Offer and the instructions on the Acceptance Form) are posted or delivered in sufficient time for it to be received by RNG at the address shown on the Acceptance Form before the end of the Offer Period.
- (iii) The postage and transmission of the Acceptance Form and other documents is at your own risk.
- (iv) When accepting the Takeover Offer, you must also forward for inspection:
 - (A) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
 - (B) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased FSE Shareholder, the relevant grant of probate or letters of administration.

1.5 Validity of Acceptances

- (a) Subject to this Section 1.5 of this Annexure A, your acceptance of the Takeover Offer will not be valid unless it is made in accordance with the procedures set out in Section 1.4 of this Annexure A.
- (b) RNG may, in its sole discretion, at any time deem any Acceptance Form it receives to be a valid acceptance in respect of Your Shares even if a requirement for acceptance has not been complied with.
- (c) RNG may at any time in its sole discretion:
 - (i) treat the receipt by it of an Acceptance Form during the Offer Period (or in an envelope post-marked before the expiry of the Offer Period) as a valid acceptance notwithstanding that one or more of the other requirements for a valid acceptance have not been complied with and without further communication to you; and
 - (ii) where you have satisfied the requirements for acceptance in respect of only some of your FSE Shares, treat the acceptance as a valid acceptance in respect of all of your FSE Shares.
- (d) In respect of any part of an acceptance treated by it as valid, RNG will provide you with the relevant consideration in accordance with Section 1.7(a) of this Annexure A, and the exercise of RNG's rights under this Section 1.5 of this Annexure A will be conclusive and only evidenced by its so doing. The payment of consideration in accordance with the Takeover Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by RNG.
- (e) This Section is not a condition of this Takeover Offer.

1.6 The Effect of Acceptance

- (a) Once you have accepted this Takeover Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you. In addition, you will be unable to withdraw your acceptance of the Takeover Offer or otherwise dispose of Your Shares, except as follows:
 - (i) if, by the times specified in Section 1.6(b) of this Annexure A, the conditions in Section 1.9(a) of this Annexure A have not all been fulfilled or waived, the Takeover Offer will automatically terminate and Your Shares will be returned to you; or
 - (ii) if the Takeover Offer is varied in accordance with the Corporations Act in a way that postpones for more than one month the time when RNG has to meet its obligations under the Takeover Offer, and, at the time, the Takeover Offer is

subject to one or more of the conditions in Section 1.9(a) of this Annexure A, you may be able to withdraw your acceptance in accordance with Section 650E of the Corporations Act.

- (b) The relevant times for the purposes of Section 1.6(a) are:
- (i) in relation to the condition in Section 1.9(a)(ii) of this Annexure A, the end of the third business day after the end of the Offer Period; and
 - (ii) in relation to all other conditions in Section 1.9(a) of this Annexure A, the end of the Offer Period.
- (c) By following the procedures described in Section 1.4 of this Annexure A, you will be deemed to have:
- (i) accepted this Takeover Offer (and any variation to it) in respect of the FSE Shares registered in your name at the time of processing to which this Takeover Offer relates, regardless of the number of FSE Shares specified in the Acceptance Form;
 - (ii) agreed to the terms of the Takeover Offer and, subject to the conditions contained in Section 1.9(a) of this Annexure A being fulfilled or waived, agreed to transfer to RNG all of your FSE Shares and all of the Rights attached to those FSE Shares;
 - (iii) agreed to accept the consideration being offered by RNG and have authorised RNG to place your name on its register of shareholders in respect of RNG Shares offered by RNG as consideration, and agreed to be bound by the Constitution of RNG;
 - (iv) authorised RNG to complete the Acceptance Form by correcting any errors in or omissions from the Acceptance Form as may be necessary:
 - (A) to make the Acceptance Form an effective acceptance of this Takeover Offer; and/or
 - (B) to enable registration of the transfer to RNG of your FSE Shares;
 - (v) irrevocably authorised and directed FSE to pay to RNG or to account to RNG for all dividends and other distributions and entitlements which are declared, paid or which arise or accrue after the date of this Takeover Offer in respect of your FSE Shares (subject to RNG accounting to you for any dividends, distributions or entitlements received by it if your acceptance of this Takeover Offer is validly withdrawn pursuant to Section 650E of the Corporations Act or the contract resulting from that acceptance becomes void);
 - (vi) represented and warranted to RNG that:
 - (A) RNG will acquire good title to and beneficial ownership of all of your FSE Shares free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and other third party interests of any kind;
 - (B) you have paid FSE all amounts which are due in respect of your FSE Shares;
 - (C) all of your FSE Shares are fully paid; and
 - (D) you have full power and capacity to accept the Takeover Offer and to sell and transfer the legal and beneficial ownership of your FSE Shares (together with all Rights attached to them) to RNG;
 - (vii) unless you are an Ineligible Foreign Shareholder (as that expression is defined in Section 11.1 of this Bidder's Statement), you agree to accept the RNG Shares to which you become entitled by accepting this Takeover Offer subject to the Constitution and the terms of issue of the RNG Shares and to have authorised

RNG to place your name on its register of shareholders as the holder of the RNG Shares issued to you under the Takeover Offer;

- (viii) acknowledged and agreed that if you are an Ineligible Foreign Shareholder, RNG will arrange for any RNG Shares otherwise issuable to you to be issued and sold, and the net proceeds (less any transaction costs) to be remitted to you, as described in Section 1.8 of this Annexure A;
- (ix) represented and warranted to RNG that the making by RNG to you, and your acceptance, of this Takeover Offer is lawful under any foreign law which applies to you, to the making of this Takeover Offer, and to your acceptance of this Takeover Offer;
- (x) with effect from the later of acceptance of the Takeover Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, appointed (and agreed not to revoke that appointment) RNG and each of its directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your FSE Shares or in exercise of any right or power derived from the holding of your FSE Shares including, without limitation:
 - (A) attend and vote in respect of your FSE Shares at any and all meetings of FSE;
 - (B) requisition or join with other holders of FSE Shares in requisitioning and/or convening a meeting of the members of FSE;
 - (C) demand a poll for any vote to be taken at any meeting of FSE Shareholders;
 - (D) propose or second any resolutions to be considered at any, and all meetings of FSE Shareholders;
 - (E) execute all forms, transfers, assignments, notices, instruments (including instruments appointing a director of RNG as a proxy in respect of all or any of your FSE Shares and a transfer form for your FSE Shares), proxies, consents, agreements and resolutions relating to your FSE Shares;
 - (F) request FSE to register in the name of RNG or its nominee your FSE Shares which you hold on any register of FSE; and
 - (G) do all things incidental or ancillary to the foregoing,and to have agreed that in exercising the powers conferred by that power of attorney, the attorney shall be entitled to act in the interests of RNG as the beneficial owner and intended registered holder of your FSE Shares in respect of which you have accepted this Takeover Offer and to have further agreed to do all such acts, matters and things that RNG may require to give effect to the matters the subject of this paragraph (including the execution of a written form of proxy to the same effect as this paragraph which complies in all respects with the requirements of the Constitution of FSE) if requested by RNG. This appointment is irrevocable and terminates upon registration of a transfer to RNG or your FSE Shares;
- (xi) with effect from the later of acceptance of the Takeover Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, agreed not to vote in person at any general meeting of FSE or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on RNG and the directors, secretaries and other officers of RNG by Section 1.6(c)(x) of this Annexure A;

- (xii) irrevocably authorised RNG to notify FSE on your behalf that your place of address for the purposes of serving notices in respect of your FSE Shares is the address specified by RNG in the notification;
 - (xiii) represented and warranted to RNG that, unless you have notified it in accordance with Section 1.3(e) of this Annexure A, your FSE Shares do not consist of a separate parcel of shares; and
 - (xiv) agreed, subject to the conditions of this Takeover Offer in Section 1.9(a) of this Annexure A being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that RNG may consider necessary or desirable to convey your FSE Shares registered in your name and Rights to RNG.
- (d) The representations, warranties, undertakings and authorities referred to in this Section 1.6 of this Annexure A will (unless otherwise stated) remain in force after you receive the consideration for your FSE Shares and after RNG becomes registered as the holder of them.

1.7 Payment of Consideration

- (a) Subject to the terms of this Takeover Offer and the Corporations Act, RNG will provide the consideration for Your Shares on or before the earlier of:
- (i) one month after the date of your acceptance or, if this Takeover Offer is subject to a defeating condition when you accept this Takeover Offer, within one month after this Takeover Offer becomes unconditional; and
 - (ii) 21 days after the end of the Offer Period.
- (b) Under no circumstances will interest be paid on the consideration to which you are entitled to under the Takeover Offer, regardless of any delay in providing the consideration or any extension of the Takeover Offer.
- (c) Where the Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):
- (i) if that document is given with your acceptance, RNG will provide the consideration in accordance with Section 1.7(a) of this Annexure A;
 - (ii) if that document is given after acceptance and before the end of the Offer Period while this Takeover Offer is subject to a defeating condition, RNG will provide the consideration by the end of whichever of the following periods ends earlier:
 - (A) within one month after this Takeover Offer become unconditional; or
 - (B) 21 days after the end of the Offer Period;
 - (iii) if that document is given after the Offer Period while this Takeover Offer is not subject to a defeating condition, RNG will provide the consideration due to you on or before the earlier of:
 - (A) one month after that document is given to RNG; and
 - (B) 21 days after the end of the Offer Period; and
 - (iv) if that document is given after the end of the Offer Period, and the Takeover Offer is not subject to a defeating condition, RNG will provide the consideration within 21 days after that document is given. However, if at the time the document is given, the Takeover Offer is still subject to a defeating condition that relates only to the happening of an event of circumstances referred to in Section 652C(1) or (2) of the Corporations Act, RNG will provide the consideration for you within 21 days after the Takeover Offer becomes unconditional.

- (d) Subject to Sections 1.8 and 1.9 of this Annexure A, the obligation of RNG to allot and issue any RNG Shares to which you are entitled under the Takeover Offer will be satisfied by:
- (i) entering your name on the register of members of RNG; and
 - (ii) dispatching or procuring the dispatch to you by pre-paid post to your last recorded address on the most recent copy of FSE's register of members after the Takeover Offer goes unconditional, a confirmation of the issue of RNG Shares in your name. If Your Shares are held in a joint name, a confirmation of issue of new RNG Shares will be issued in the name of, and forwarded to the last recorded address on the most recent copy of FSE's register of members.
- (e) If, at the time you accept the Takeover Offer, any of the following:
- (i) *Banking (Foreign Exchange) Regulations 1959 (Cth)*;
 - (ii) *Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth)*;
 - (iii) *Charter of the United Nations (Sanctions – Al-Qaida and the Taliban) Regulations 2008 (Cth)*;
 - (iv) *Charter of the United Nations (Sanctions - Iraq) Regulations 2008 (Cth)*; or
 - (v) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other government authority be obtained before you receive any consideration for Your Shares, or would make it unlawful for RNG to provide any consideration to you for Your Shares, you will not be entitled to receive any consideration for Your Shares until all requisite authorities, clearances or approvals have been received by RNG. As far as RNG is aware, as at the date of this Bidder's Statement, the persons to whom this Section 1.7(e) of this Annexure A will apply are: prescribed supporters of the former government of Yugoslavia; ministers and senior officials of the Government of Zimbabwe; persons associated with the former government of Iraq (including senior officials, immediate family members of senior officials, or entities controlled by any of those persons); the Taliban; members of the Al Qaida organisation; and a person named in the list maintained pursuant to Section 2 of Resolution 1390 of the Security Council of the United Nations.

1.8 Ineligible Foreign Shareholders

- (a) If you are an Ineligible Foreign Shareholder (as that expression is defined in Section 11.1 of this Bidder's Statement), you may not be entitled to receive RNG Shares as the consideration for Your Shares as a result of accepting the Takeover Offer, and RNG may:
- (i) arrange for the issue to a nominee approved by ASIC (the **Sale Nominee**) of the number of RNG Shares to which you and all other Ineligible Foreign Shareholders would have been entitled but for Section 1.1(d) of this Annexure A and the equivalent provision of each other offer under the Takeover Offer;
 - (ii) cause the RNG Shares so issued to be offered for sale by the Sale Nominee on ASX as soon as practicable and otherwise in the manner, at the price and on such other terms and conditions as are determined by the Sale Nominee acting in good faith; and
 - (iii) cause the Sale Nominee to pay to you the amount ascertained in accordance with the following formula (calculated on an average basis so that all Ineligible Foreign Shareholders who accept the Takeover Offer receive the same proceeds per FSE Share, subject to rounding):

$$\frac{\text{Net Proceeds of Sale} \times \text{YS}}{\text{TS}}$$

Where:

Net Proceeds of Sale is the amount received by the Sale Nominee upon the sale of an RNG Share under this Section 1.8 of this Annexure A, less the expenses of the sale (brokerage, stamp duty and other selling costs, taxes and charges);

YS is the number of RNG Shares which would, but for Sections 1.8(a) and 1.1(d) of this Annexure A, have been allotted and issued to you; and

TS is the total number of RNG Shares allotted and issued to the Sale Nominee under this Section 1.8 of this Annexure A in respect of the FSE Shares held by all Ineligible Foreign Shareholders.

- (b) You will be paid your share of the proceeds of the sale of RNG Shares by the Sale Nominee in Australian currency.
- (c) Payment will be made by cheque payable in Australian Dollars and drawn on an Australian bank branch posted to you at your risk by ordinary mail (or in the case of overseas shareholders by airmail) as soon as practicable and in any event within the period required by the Corporations Act to your address recorded on the latest copy of the FSE shareholders register.
- (d) Under no circumstances will interest be paid on your share of the proceeds of the sale of RNG Shares by the Sale Nominee, regardless of any delay in remitting these proceeds to you or your receipt of those proceeds.

1.9 Conditions of this Takeover Offer

- (a) Subject to Sections 1.9(b) and 1.9(c) of this Annexure A, the Takeover Offer and any contract that results from acceptance of the Takeover Offer is subject to the fulfilment of the following conditions:
 - (i) **(minimum acceptance)**: that at the end of the period in which the Takeover Offer is open (**Offer Period**) the number of FSE Shares in which RNG has a relevant interest is more than 50.1% of all FSE Shares on issue at the end of the Offer Period (based on the assumption that all options and other securities convertible to FSE Shares have been exercised);
 - (ii) **(Shareholder approval)**: obtaining the consent and approval of the RNG Shareholders being obtained to the performance of the transactions contemplated by the offer and the proposed acquisition of Ariona in accordance with the Corporations Act, the ASX Listing Rules and the JSE Equity Rules;
 - (iii) **(Acquisition of Ariona)**: RNG completing its acquisition of Ariona;
 - (iv) **(no restraining orders)**: that between the Announcement Date and the end of the Offer Period:
 - (A) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority; and
 - (B) no application is made to any Public Authority (other than by RNG or its Related Bodies Corporate), or action or investigation is announced, threatened or commenced by a Public Authority,

in consequence of, or in connection with, the Takeover Offer (other than a determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act), which;

- (C) restrains or prohibits (or if granted could restrain or prohibit), or otherwise materially adversely impacts on, the making of the Takeover Offer or the completion of any transaction contemplated by the Takeover Offer (whether subject to conditions or not) or the

rights of RNG in respect of FSE, any Firestone Group Entity or FSE Shares to be acquired under the Takeover Offer; or

- (D) requires the divestiture by RNG of any FSE Shares, or the divestiture of any assets of any Firestone Group Entity, RNG or otherwise;
- (v) **(no material adverse effect)**: that no event occurs between the Announcement Date and the end of the Offer Period that will or is reasonably likely to have a materially adverse effect on the assets and liabilities, financial position or performance, profits and losses or prospects of the Firestone Group, including as a result of making the Takeover Offer or the acquisition of FSE Shares pursuant to the Takeover Offer. These events include, but are not limited to:
 - (A) any event or circumstance which constitutes or gives rise to or may (upon the passage of time, the fulfilment of any condition, or the giving of notice or taking of any other action by a Public Authority or any other person) give rise to the suspension, revocation, disclaimer, invalidity, unenforceability, variation, lapse or termination of all or any material rights under any Mining Interest or any contract material to the operations of the Firestone Group;
 - (B) the occurrence of the outbreak of war (including civil war), outbreak of hostilities with another country (whether war is declared or not) or terrorism, mobilisation of armed forces, insurrection, general civil unrest, strikes or labour unrest, or similar event in Australia or South Africa in each case which would, or is likely to, have a material adverse impact on the Waterberg JV;
 - (C) a natural disaster materially and directly affecting the operations of the Firestone Group for a period of at least seven Business Days;
 - (D) the occurrence or threatened occurrence of the nationalisation or expropriation by a Public Authority in South Africa of privately owned or held natural resource exploration or mining rights or other property or rights required for the use or enjoyment of those natural resource exploration or mining rights (other than by reason of non-compliance by the property owner or owner of rights);
 - (E) a material restraint on or hindrance to the development, timely completion, feasibility, operation, profitability or marketability of the Waterberg JV;
 - (F) the incurring of any obligations, liabilities, costs or expenses (contingent or otherwise), other than capital expenditure, except in the ordinary course of business;
 - (G) the grant of mining or other rights or interests of any kind over all or part of any area covered by or the subject of a Mining Interest to any person other than the Firestone Group Entity which materially conflict, or could reasonably be expected to materially conflict, with the enjoyment of the rights conferred, or purported to be conferred, by the Mining Interest;
 - (H) any change in any applicable laws or regulations (including taxation, customs excise-or duty) which would result in a material impairment of the cost structure of the Firestone Group; and
 - (I) any undisclosed events, occurrences, circumstances or matters which individually or when aggregated with all events, occurrences, circumstances or matters of a like kind or category has (or would be likely to have) the effect of diminishing the fair market value of the consolidated net assets of the Firestone Group,

and includes, but is not limited to, an event:

- (J) that occurs prior to the Offer Period but is only announced by FSE to the ASX or the JSE or in relation to which RNG otherwise becomes aware during or after the Announcement Date; or
- (K) that will or is likely to occur following the Offer Period and which has not been announced by FSE to the ASX or the JSE prior to the Announcement Date,

but does not include:

- (L) any matter fairly disclosed to RNG or its representatives or to the ASX or the JSE or otherwise widely known publicly on or before the Announcement Date;
- (M) any event, occurrence, circumstance or matter affecting the mining industry generally;
- (N) any change in general economic, financial, currency exchange, securities or commodities market conditions; or
- (O) any change in accounting policy required by law;

(vi) **(no material acquisitions, disposals or new commitments):** that except for any proposed transaction announced by FSE to the ASX or the JSE before the Announcement Date, none of the following events occur during the period from the Announcement Date to the end of the Offer Period:

- (A) any Firestone Group Entity acquires, offers to acquire or lease or agrees to acquire or lease one or more companies, entities, securities, businesses or assets (or any interest in one or more companies, entities, securities, businesses or assets), other than in the ordinary course of business, or makes an announcement in relation to such an acquisition, offer or agreement;
- (B) any Firestone Group Entity disposes of or leases, offers to dispose of or lease or agrees to dispose of or lease one or more companies, entities, securities, businesses or assets (or any interest in one or more companies, entities, securities, businesses or assets), other than in the ordinary course of business, or makes an announcement in relation to such a disposition, offer or agreement;
- (C) any Firestone Group Entity enters into, or offers to enter into or agrees to enter into, any agreement, joint venture, partnership, asset or profit sharing arrangement, management agreement, merger of businesses or of corporate entities or commitment which would require expenditure, the foregoing of revenue, or involving a commitment of securities, assets or liabilities by any Firestone Group Entity, other than in the ordinary course of business, or makes an announcement in relation to such an entry, offer or agreement;
- (D) any Firestone Group Entity enters into any corporate transaction which would or would be likely to involve a material change in the manner in which any Firestone Group Entity conducts its business, the nature (including balance sheet classification), extent or value of any Firestone Group Entity's assets, or the nature (including balance sheet classification), extent or value of the liabilities of any Firestone Group Entity;
- (E) any Firestone Group Entity incurs, commits to, or brings forward the time for incurring or committing, or grants to another person a right the exercise of which would involve any Firestone Group Entity incurring or committing to any capital expenditure or liability, or

foregoing any revenue, except for the incurrence of any capital expenditure in accordance with the day to day operating activities of the Firestone Group as conducted before the Announcement Date;

- (F) any Firestone Group Entity waives any material third party default or accepts as a settlement or compromise of a material matter for materially less than the full compensation due to any Firestone Group Entity; or
 - (G) any Firestone Group Entity enters, agrees to enter into or renews any contract of service or varies or agrees to vary any existing contract of service with any current or proposed director or manager or makes or agrees to make any substantial change to the basis or amount of remuneration;
- (vii) (**change of control**): that on or during the period commencing on the Announcement Date and before the end of the Offer Period, no person exercises or purports to exercise, has stated an intention to exercise, or has any rights (whether subject to conditions or not) under any:
- (A) provision of any agreement or other instrument to which any Firestone Group Entity is a party, or by or to which any Firestone Group Entity or any of its assets may be bound or be subject, which could result, to an extent which is material in the context of Firestone Group taken as a whole, in:
 - (I) any such agreement or other instrument being terminated, varied or modified or any action being taken or arising thereunder;
 - (II) the interest of any Firestone Group Entity in any firm, joint venture, trust, corporation or other entity (or any arrangements relating to such interest) being terminated, varied or modified; or
 - (III) the business of any Firestone Group Entity with any other person being adversely affected;
 - (B) provision of any Financial Arrangement to which any Firestone Group Entity is a party, or by or to which any Firestone Group Entity or any of its assets may be bound or be subject, which could result in:
 - (I) the terms of any such Financial Arrangement being varied, modified, denied or terminated or operating in a manner that is adverse to the commercial interests of the Firestone Group,
 - (II) any monies borrowed or raised by or any other monetary obligations of any Firestone Group Entity being or becoming payable or repayable or being capable of being declared payable or repayable immediately or earlier than the payment date stated in such Financial Arrangement or otherwise accelerated or any transaction being closed out or becoming capable of being closed out before the maturity date stated in such Financial Arrangement; or
- as a result of the Takeover Offer or the acquisition of FSE Shares by RNG;
- (viii) (**Prescribed Occurrences**): that on or during the period commencing on the Announcement Date and ending at the end of the Offer Period, none of the following events occur:

- (A) FSE announces to pay, pays or declares any dividend or other distribution (except under any arrangement announced on the ASX or the JSE before the Announcement Date or with the prior written consent of RNG;
 - (B) FSE converts all or any FSE Shares into a larger or smaller number of FSE Shares;
 - (C) FSE or any other Firestone Group Entity resolves to reduce its capital in any way or reclassifies, combines, splits, redeems or repurchases directly or indirectly any securities;
 - (D) any Firestone Group Entity:
 - (I) enters into a buy-back agreement;
 - (II) resolves to approve the terms of a buy-back agreement under sections 257C(1) or 257D(1) of the Corporations Act); or
 - (III) enters into, or approves any other equivalent arrangement under foreign law similar to those in (I) and (II)(II) above;
 - (E) any Firestone Group Entity issues FSE Shares or other securities, or grants an option over FSE Shares or other securities, or agrees to make such an issue or grant such an option (except for FSE Shares that are issued between the Announcement Date and the end of the Offer Period as a result of the exercise of Firestone Options, or conversion of convertible notes in FSE, on issue on the Announcement Date);
 - (F) any Firestone Group Entity issues, or agrees to issue, convertible notes or convertible units;
 - (G) any Firestone Group Entity disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
 - (H) any Firestone Group Entity charges, or agrees to charge, the whole, or a substantial part, of its business or property;
 - (I) any Firestone Group Entity resolves to be wound up;
 - (J) a liquidator or provisional liquidator (or equivalent under foreign law) of any Firestone Group Entity is appointed;
 - (K) a court makes an order for the winding up of any Firestone Group Entity;
 - (L) an administrator of any Firestone Group Entity is appointed under sections 436A, 436B or 436C of the Corporations Act (or its equivalent under any foreign law);
 - (M) any Firestone Group Entity executes a deed of company arrangement (or its equivalent under any foreign law);
 - (N) a receiver or a receiver and manager (or their equivalents under any foreign law) is appointed in relation to the whole, or a substantial part, of the property of any Firestone Group Entity; and
 - (O) any Firestone Group Entity makes any change to its constitution or other constituent documents or a meeting being convened to consider a resolution to change a constitution or any other constituent document of any Firestone Group Entity;
- (ix) **(Litigation):** between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against any member of the Firestone Group,

which may reasonably result in a judgement of \$2.5 million or more, is commenced, threatened to be commenced, is announced, or is made known to RNG (whether or not becoming public), other than which is in the public domain as at the Announcement Date; and

- (x) **(South Africa Regulatory Approvals)**: that before the end of the Offer Period, RNG obtains all South African regulatory approvals, authorisations and consents required to enable RNG to acquire FSE Shares under the Takeover Offer, including any consents required in respect of the Mining Interests for a change in control of FSE.
- (b) Each condition in Section 1.9(a) of this Annexure A is a separate, several and distinct condition, operates as a condition subsequent and is for the benefit of RNG alone and may only be relied upon by RNG.
- (c) All the conditions in Section 1.9(a) of this Annexure A are conditions subsequent. The non-fulfilment of any condition subsequent does not, until the end of the Offer Period, prevent a contract to sell Your Shares from arising, but entitles RNG by written notice to you, to rescind the contract resulting from your acceptance of this Takeover Offer.

1.10 Freeing the Takeover Offer of Conditions

RNG may free this Takeover Offer, and any contract resulting from its acceptance, from all or any of the conditions in Section 1.9(a) of this Annexure A by giving notice to FSE declaring the Takeover Offer to be free from the relevant conditions specified in accordance with Section 650F of the Corporations Act. This notice may be given in relation to all other conditions in Section 1.9(a) not less than 7 days before the end of the Offer Period.

1.11 Freeing the Takeover Offer from Conditions

- (a) If, at the end of the Offer Period, the conditions in Section 1.9(a) of this Annexure A have not been fulfilled and RNG has not declared the Takeover Offer (or it has not become) free from those conditions, all contracts resulting from the acceptance of the Takeover Offer will be automatically void.
- (b) Subject to the provisions of the Corporations Act, RNG alone will be entitled to the benefit of the conditions in Section 1.9(a) of this Annexure A and any breach or non-fulfilment thereof may be relied upon only by RNG.

1.12 Notice of Status of Conditions

The date for giving the notice required by Section 630(1) of the Corporations Act is **(leave blank in lodged version)**, subject to extension in accordance with 630(2) if the Offer Period is extended.

1.13 Quotation

- (a) An application will be made within 7 days after the start of the Bid Period to ASX for the granting of quotation of the RNG Shares to be issued in accordance with the Takeover Offer. However, quotation is not granted automatically on application.
- (b) Pursuant to the Corporations Act, this Takeover Offer and any contract that results from your acceptance of it are subject to a condition that permission for quotation by ASX (as the circumstances require) of the RNG Shares to be issued pursuant to the Takeover Offer being granted no later than 7 days after the end of the Bid Period. If this condition is not fulfilled, all contracts resulting from the acceptance of the Takeover Offers will be automatically void.

1.14 Withdrawal of Offer

RNG may withdraw this Takeover Offer at any time before you accept it, but only with the consent in writing of ASIC (which consent may be given subject to such conditions, if any, as are imposed by ASIC). If ASIC gives such consent, RNG will give notice of the withdrawal to ASX and to FSE and comply with any other conditions imposed by ASIC.

1.15 Variation

RNG may vary this Takeover Offer in accordance the Corporations Act.

1.16 SDuty or Other Costs

- (a) All costs and expenses of the preparation, dispatch and circulation of this Takeover Offer and any duty payable in respect of the transfers will be paid by RNG.
- (b) As long as your FSE Shares are registered in your name and you deliver them directly to RNG, you will not incur any brokerage in connection with your acceptance of this Takeover Offer.

1.17 Governing Law

This Takeover Offer and any contract that results from your acceptance of this Takeover Offer is governed by the laws in force in Western Australia.

1.18 Date of Offer

This Takeover Offer is dated *(leave blank in lodged version)*.

ANNEXURE B – RNG'S ASX ANNOUNCEMENTS

The Company has lodged the following announcements with ASX since 1 July 2012:

Date	Description of Announcement
18/12/2012	FSE: Firestone's Response to Range River's Takeover
12/12/2012	Proposed 100% Acquisition of Ariona Company SA
12/12/2012	Reinstatement to Official Quotation
07/12/2012	Suspension from Official Quotation
04/12/2012	Request for Trading Halt
04/12/2012	Trading Halt
12/11/2012	Results of Annual General Meeting
30/10/2012	Quarterly Cashflow Report
30/10/2012	Quarterly Activities Report
09/10/2012	Notice of Annual General Meeting
26/09/2012	Annual Report 2012
12/09/2012	BCD: Purchase of Remaining Equity in Ararat Copper Deposit
22/08/2012	Ceasing to be a substantial holder
31/07/2012	Quarterly Activities Report
31/07/2012	Quarterly Cashflow Report
27/07/2012	Corporate Governance Statement
27/07/2012	Confirmation of Subscriptions and Allotment
27/07/2012	Securities Trading Policy
27/07/2012	Diversity Policy
27/07/2012	Pre Quotation Disclosure
27/07/2012	Distribution Report
27/07/2012	Top 20 Report
27/07/2012	ASX Circular - Reinstatement to Official Quotation
27/07/2012	Reinstatement to Official Quotation 30/07/2012
25/07/2012	Registered Office Update
20/07/2012	Notice of initial substantial holder x 6
18/07/2012	Change of Director's Interest x 3
17/07/2012	Completion of Consolidation and Capital Raising
09/07/2012	Extension of Prospectus Closing Date
02/07/2012	Prospectus and Application Form

ANNEXURE C – FSE'S ASX ANNOUNCEMENTS

FSE has lodged the following announcements with ASX since 1 July 2012:

Date	Description of Announcement
18/12/2012	FSE: Firestone's Response to Range River's Takeover
12/12/2012	RNG: Proposed 100% Acquisition of Ariona Company SA
06/12/2012	Corrective Announcement re Appointment of Directors
03/12/2012	Expiry of Unlisted Options
28/11/2012	Results of Meeting and Appointment of Directors
28/11/2012	Eskom MOU Update
20/11/2012	Financial Restructure Update
13/11/2012	Update on Financial Restructure
31/10/2012	Sept 2012 Quarterly Activities Report and 5B Cashflow
30/10/2012	Notice of Annual General Meeting/Proxy Form
05/10/2012	Financial Restructure Update and Results of Meeting
28/09/2012	Annual Report and Full Year Statutory Accounts
20/09/2012	Appendix 3B
05/09/2012	Notice of General Meeting/Proxy Form
03/09/2012	Significant Advance of Financial Restructure
03/09/2012	Response to ASX Price and Volume Query
31/08/2012	Grant of ASX Waiver
30/08/2012	Trading Halt Request
30/08/2012	Trading Halt
23/08/2012	Firestone Appoints CFO
31/07/2012	Quarterly Activities Report and App 5B Cashflow
25/07/2012	Firestone Signs Key Investment Agreement

ANNEXURE D- MATERIAL CONTRACT SUMMARIES

(a) Heads of Agreement

On or about 5 December 2012, Range River Gold Limited (**RNG**) entered into the Heads of Agreement with Haworth Finance Limited (**Vendor**) pursuant to which RNG conditionally agreed to purchase 100% of the fully paid ordinary shares in the capital of Ariona Company SA (**Ariona**) from the Vendor (**Ariona Acquisition**). The material terms of the Heads of Agreement are as follows:

- (i) (**Conditions Precedent**): the Heads of Agreement is subject to and conditional upon a number of conditions precedent which must be satisfied or waived on or before 31 March 2013 (or such other date as agreed by the parties in writing) (**End Date**). The conditions precedent that currently remain unsatisfied are as follows:
- (A) completion of due diligence by RNG on Ariona and its assets and RNG being satisfied with the results of that due diligence on or before 15 January 2013 (or such other date as agreed by the parties in writing);
 - (B) a consolidation of all RNG fully paid ordinary shares (**RNG Shares**) and RNG options to acquire an RNG Share (**RNG Options**) on a 1 for 10 basis (**Consolidation**);
 - (C) RNG successfully completing a capital raising of at least \$12 million;
 - (D) RNG subscribing for convertible notes in Firestone Energy Limited (**FSE**) valuing \$40.7 million;
 - (E) Ariona issuing convertible notes to third parties valuing \$56.5 million and the convertible note terms are varied so that on and from settlement of the Ariona Acquisition, the convertible notes are convertible into RNG Shares;
 - (F) both RNG and Ariona seeking and obtaining all relevant approvals (including shareholder approvals);
 - (G) FSE obtaining shareholder approval for the acquisition by RNG of a relevant interest in FSE as a result of RNG acquiring Ariona;
 - (H) RNG making a takeover bid for FSE and subsequently announcing that it has achieved acceptances in respect of more than 50.1% of the FSE Shares on issue at the end of the offer period (and the offer is in all other respects unconditional); and
 - (I) RNG re-complying with Chapters 1 and 2 of the ASX Listing Rules (if required).

RNG may waive any of the conditions precedent by written notice to the Vendor on or before the due date for satisfaction or by the End Date.

- (ii) (**Consideration**): RNG will acquire 100% of the fully paid ordinary shares in the capital of Ariona in consideration for 125,000,000 post-Consolidation RNG Shares;
- (iii) (**Settlement**): settlement will occur on the date which is 5 business days after all conditions precedent have been satisfied or waived in accordance with their terms; and
- (iv) (**Representations and Warranties**): the Vendor makes representations and warranties to RNG in relation to Ariona which are customary for an agreement of this nature.

(b) Share Purchase Agreement

On 13 June 2012, Ariona, Sekoko Coal (Proprietary) Limited (**Sekoko**) and Sekoko Resources (Proprietary) Limited (**Sekoko Resources**) entered into a share sale and purchase agreement, which was subsequently varied by amending deeds dated 13 July 2012, 28 July 2012, 8 August 2012, 5 September 2012 and 21 December 2012 (**Share Purchase Agreement**). The material terms of the Share Purchase Agreement are as follows:

- (i) **(Transactions):** pursuant to the Share Purchase Agreement Ariona has agreed to:
- (A) **(Share Purchase):** purchase 600,000,000 FSE Shares from Sekoko Resources at an issue price of \$0.01 per FSE Share in consideration for \$6,000,000;
 - (B) **(Share Purchase):** purchase 200,000,000 FSE Shares from Sekoko at an issue price of \$0.01 per FSE Share in consideration for \$2,000,000;
 - (C) **(Waterberg Project Interest Purchase):** purchase a 10% interest in the Waterberg Project for consideration of \$20.5 million (**Joint Venture Interest Consideration**). Subject to approval pursuant to section 11 of the MPRDA (**Section 11 Approval**) the interest will be acquired through a subscription by Ariona for that number of shares in Sekoko equal to 25% of the issued capital of Sekoko (**Share Subscription**). If the Section 11 Approval is refused then, in substitution for Share Subscription, Sekoko agrees to sell Ariona its 10% participating interest in the Waterberg Project; and
 - (D) **(Temporary Loan):** in the event that the Section 11 Approval has not been obtained or has been refused as at completion, provide Sekoko with a secured interest free loan in the amount equal to the Joint Venture Interest Consideration repayable upon the second business day after the date on which the Section 11 Approval is obtained, or if refused, on the date that the Section 11 Approval is refused,

(together, the **Transactions**);

- (ii) **(Conditions Precedent):** the Share Purchase Agreement is subject to the fulfillment or waiver of certain conditions precedent, on or before 20 February 2013. The conditions precedent that currently remain unsatisfied are as follows:

- (A) Ariona subscribing for FSE convertible notes under the Investment Agreement;
- (B) each of the conditions precedent contained in the SPA Indemnity Subscription Agreement (defined below) being satisfied or duly waived in accordance with that agreement on or before that business day which is the business day following the date on which all other Conditions Precedent in the Share Purchase Agreement have been satisfied; and
- (C) the Reserve Bank of South Africa:
 - (I) renewing, extending or re-granting all South Africa exchange control approvals obtained in connection with the transactions contemplated by the Share Purchase Agreement before the Share Purchase Agreement expires on 15 March 2013; and
 - (II) granting approval under the exchange control regulations of South Africa for the loan by Ariona to Sekoko Resources referred to under the heading 'Purchase Price' below;

- (iii) **(Corporatisation of Joint Venture):** the parties intend to have their joint venture interests held by a corporation. The parties agree to negotiate a shareholders' agreement in respect of such a corporation which agreement will govern the relationship of those parties as shareholders in the corporation;

Pending execution of a shareholders' agreement, Ariona agrees that it will not do anything that would consolidate the Waterberg Project assets with any other assets or project or involve a historically disadvantaged person (within the meaning of that expression as set out in the MPRDA) (**HDSA**) or a HDSA company or competitor of Sekoko Resources or Sekoko in the South Africa coal industry;

- (iv) **(Conduct Pending Completion):** pending completion, Sekoko and Sekoko Resources undertake:
- (A) to use their reasonable endeavours to protect and maintain the validity of the Waterberg Project tenure;

- (B) not to engage in discussions with third parties with regards to the disposal of their FSE Shares; and
 - (C) to protect and maintain the validity and good standing of the assets of Sekoko (including insurance policies) and to conduct its business with due care and in accordance with normal and prudent practice;
- (v) (**Purchase Price**): payment of the purchase price for the FSE Shares will occur through the payment of \$250,000 on each of 21 December 2012, 3 January 2013, 15 January 2013, 31 January 2013 and, if completion has not occurred on or prior to 28 February 2013, then on 28 February 2013.

If the Share Purchase Agreement is terminated prior to completion, all pre-payments of the purchase price for the FSE Shares will become a loan with interest at 8% and repayable no later than 540 days after the Share Purchase Agreement is terminated;

- (vi) (**Completion**): completion of the Transactions will occur on the date which is 1 business day after all conditions precedent have been satisfied or waived in accordance with their terms, which must occur on or before 28 February 2013 or such other date agreed by the parties in writing;
- (vii) (**Joint Venture**): post-completion, Ariona will have the right to have 2 members on the 6 member management board of each of the 2 projects constituting the Waterberg Project and the presence of at least 1 of those members will be required for quorum for any management board meeting;
- (viii) (**Project Funding**): in respect of funding for the Waterberg Project:
 - (A) Ariona agrees to (within 6 months of the completion of a bankable feasibility study in respect of the Waterberg Project) negotiate in good faith with Sekoko Resources and FSE, the means by which, and the terms on which, Ariona will provide or procure market based project funding required to bring the Waterberg Project into commercial production, up to a maximum of US\$400,000,000 (**Project Funding**);
 - (B) if Sekoko Resources procures project financing for the Waterberg Project and that funding is accepted by the joint venture parties, then Sekoko Resources will receive an arranging fee of 1.5% of the project finance procured;
 - (C) Ariona agrees to pay Sekoko Resources' liability associated with its interest in the Waterberg Project (through its holding in Sekoko) payable in respect of bringing the Waterberg Project into commercial production (**Deferred Carry Payments**). Sekoko Resources will repay the Deferred Carry Payments to Ariona in installments equal to 50% of all dividends and distributions received by Sekoko Resources in respect of its interest in the Waterberg Project. If, on the date which is 20 years after the date that commercial production on the Waterberg Project commences, the Deferred Carry Payments have not been repaid in full, then the outstanding amount, plus interest at 9%, must be repaid by Sekoko Resources to Ariona within 30 days of that date;
 - (D) Ariona warrants to Sekoko Resources and Sekoko that it will be able to provide or procure the Project Funding and Deferred Carry Payments within a reasonable time;
 - (E) if Ariona defaults in its obligation set out in (A) above or breaches the warranty in (D) above, Ariona shall be obliged (subject to Sekoko Resources using reasonable commercial endeavors to raise alternative finance on commercial terms and as soon as reasonably possible) to pay:
 - (I) all of Sekoko Resources' or Sekoko's costs reasonably incurred in raising finance in substitution of the Deferred Carry Payments;
 - (II) the amount of any interest, greater than the lower of 9% per annum and a percentage which equates to Ariona's actual initial cost of

- debt funding, payable by Sekoko Resources or Sekoko (as applicable) in respect of that finance; and
- (III) if Sekoko Resources' inability to fund the Deferred Carry Payments results in Sekoko Resources' interest in the Waterberg Project being diluted, an amount, as and by way of liquidated damages, equal to \$2,050,000 for each 1% of dilution; and
 - (F) if Ariona defaults in its obligation set out in (A) above or breaches the warranty in (D) above in respect of Project Funding, Ariona shall be obliged (subject to the joint venture parties or joint venture company (as applicable) using reasonable commercial endeavors to raise alternative project finance on commercial terms and as soon as reasonably possible) to pay:
 - (I) all of the joint venture parties' costs or the joint venture company's costs (as applicable) reasonably incurred in raising alternative funding; and
 - (II) as and by way of liquidated damages, an amount equal to the difference in value to the Waterberg Project of the project finance obtained compared with the agreed terms for Project Funding or a project funding at a rate of 9% per annum on dollar based funding;
 - (ix) **(FSE Acquisition of Sekoko interest in Waterberg Project):** Ariona agrees to vote its FSE Shares in favour of a transaction where FSE Shares are issued by FSE to Sekoko Resources or Sekoko in exchange for a further interest in the Waterberg Project, subject to:
 - (A) the terms of the sale being commercially acceptable to Ariona (acting reasonably); and
 - (B) an independent expert engaged by FSE having opined that those terms are fair and reasonable to the unassociated shareholders in FSE;
 - (x) **(Restrictions on Ariona):** Ariona agrees that:
 - (A) until Project Funding has been offered to the other joint venture parties or the joint venture company (as applicable) in a form capable of acceptance, Ariona will not without Sekoko Resources' prior written consent, encumber the FSE Shares acquired from Sekoko Resources and/or Sekoko or the joint venture interest it acquires directly or indirectly through the Share Subscription; and
 - (B) while Sekoko Resources holds an interest in the Waterberg Project:
 - (I) that is sufficient to satisfy the broad based black economic empowerment provisions of the MPRDA, Ariona must not dispose of its interest in the Waterberg Project or the Subscription Shares (as applicable) to a HDSA or HDSA company, without the prior written consent of Sekoko Resources; and
 - (II) if Ariona wishes to dispose of its interest in the Waterberg Project or the Subscription Shares (as applicable) it must first offer its interest in the Waterberg Project or the Subscription Shares (as applicable) to Sekoko Resources on the same terms and conditions upon which it proposes to dispose of its interest in the Waterberg Project or the Subscription Shares to a third party;
 - (xi) **(SPA Indemnity Subscription Agreement):** On 27 August 2012 and amended on or about 21 December 2012, the parties to the Share Purchase Agreement entered into an indemnity agreement to provide a mechanism whereby if Sekoko Resources becomes liable to make a payment in respect to an indemnity claim made under the Share Purchase Agreement, Sekoko is able to pay the indemnity claim to meet Sekoko Resources' obligation and Ariona is secured in respect to that obligation; and

- (xii) (**Eskom MOU**): when requested by Ariona to do so, Sekoko Resources and Sekoko must use reasonable endeavors to procure the assignment, with the consent of Eskom Holdings SOC Limited, of the Eskom MOU to the joint venture parties or the joint venture company (as relevant).

(c) Investment Agreement

On or about 23 July 2012, Ariona, FSE, BBY Nominees Pty Ltd (**BBY**) and Jaguar Funds Management Pty Ltd (**Jaguar**) entered into an investment agreement, which was amended on or about 9 December 2012 (**Investment Agreement**), the material terms of which can be summarised as follows:

- (i) (**Transactions**): pursuant to the Investment Agreement:
- (A) (**Convertible Note Subscription**): Ariona agrees to subscribe for convertible notes in FSE valuing up to \$40,700,000 (**Convertible Notes**) on the terms and conditions set out in the FSE Convertible Note Deed Poll (summarised below) which funds will be used in part for the redemption by FSE of the Existing Notes (defined below);
- (B) (**Existing Convertible Note Redemption**): BBY and Jaguar are currently holders of convertibles notes in FSE (**Existing Notes**). The parties agree that:
- (I) on First Completion (defined below), all Existing Notes which do not fall for redemption on First Completion will be redeemed early on First Completion;
- (II) on First Completion, all interest on the Existing Notes outstanding since 29 April 2012 will be converted into FSE Shares at a price equal to a 10% discount to the volume weighted average price of FSE Shares on ASX over the 5 trading days preceding redemption or, will be capitalized and paid out on redemption, at the election of BBY and Jaguar (as relevant); and
- (III) FSE will issue BBY and Jaguar, on First Completion, 300 million options exercisable within 2 years of the date of issue at a price of \$0.025 per option in consideration for BBY and Jaguar entering into the Investment Agreement;
- (C) (**Purchase of Convertible Notes**): immediately upon:
- (I) Ariona being issued Convertible Notes on First Completion, BBY will purchase from Ariona Convertible Notes valuing \$22,145,000; and
- (II) Second Completion, Ariona will purchase from BBY Convertible Notes valuing \$16,000,000.
- BBY undertakes to Ariona not to sell or encumber the Convertible Notes to be sold to Ariona on Second Completion;
- (D) (**Interim Funding**): Ariona has provided FSE with unsecured interest free loans of \$1,000,000 in aggregate for application towards the bankable feasibility study on the Waterberg Project, which loans are to be repaid on First Completion (**Loans**):
- If the Investment Agreement is terminated prior to First Completion, the loan shall be repaid by FSE issuing to Ariona a number of FSE Shares calculated by dividing the loan amount by the volume weighted average price of FSE Shares on ASX over the 5 trading days preceding termination;
- (E) (**Additional Loan**): Ariona has advanced to FSE a further sum of \$600,000 due to First Completion not occurring by 5 January 2013 and FSE obtaining a waiver from ASX Listing Rule 7.3.2 to allow for the Convertible Notes to be issued on 31 January 2013 (**Additional Loan Amount**).

The provisions applying to the Interim Funding shall apply in respect of the Additional Loan Amount. The Additional Loan Amount shall not form part of the Loans (referred to above), but shall be included in the subscription monies to be provided at First Completion;

- (ii) (**First Completion**): On 31 January 2013 (or such other date as agreed by the parties in writing), Ariona will subscribe for FSE Convertible Notes valuing \$27,145,000 and FSE will issue FSE Convertible Notes valuing \$27,145,000 to Ariona, (**First Completion**);
- (iii) (**Second Completion**): On the latest of:
 - (A) 5 business days after First Completion;
 - (B) 31 January 2013;
 - (C) 28 February 2013, subject to an ASX waiver to allow the Convertible Notes to be issued on that date; and
 - (D) such other date as agreed by the parties in writing,Ariona will subscribe for FSE Convertible Notes valuing \$12,500,000 and FSE will issue FSE Convertible Notes valuing \$12,500,000 to Ariona (**Second Completion**);
- (iv) (**Issue of Cleansing Statement**): immediately following each of First Completion and Second Completion, FSE must release to ASX a cleansing notice in accordance with section 708A(12C)(e) of the Corporations Act (as notionally inserted by ASIC Class Order (CO10/322));
- (v) (**Use of Funds**): FSE undertakes to apply the funds raised under the First Completion and the Second Completion in accordance with an approved budget;
- (vi) (**Securities**): the subscription sums for the Convertible Notes are secured over FSE's assets under a somewhat complex security structure in accordance with South African practice. The security is held by a special purpose vehicle which gives a limited recourse guarantee to Ariona and the holders of the Convertible Notes of FSE's obligations. The special purpose vehicle takes a cross indemnity from FSE which is secured over FSE's interests in the Waterberg Project (direct and indirect) including by grantees and securities granted by FSE's South Africa subsidiaries, Lexshell 126 General Trading (Proprietary Limited) (**Lexshell**) and Checkered Flag Investments 2 (Pty) Ltd (**Flag**) (**Security Documents**);
- (vii) (**Release of Securities**): to enable the Waterberg Project to be restructured from an unincorporated joint venture to an incorporated joint venture, Ariona agrees that, if required, it will procure that the special purpose vehicle under the Security Documents will release and discharge the securities given by Lexshell if it is to become the incorporated joint venture vehicle for the Waterberg Project, and from any other security and any assets the subject of a security which must be transferred to Lexshell;
- (viii) (**Director Nominees**): Ariona will retain the right to have three nominees on the board of directors of FSE at any one time from the date of First Completion for as long as 50% of the Convertible Notes remain on issue;
- (ix) (**Application for Waiver**): FSE has been granted a waiver of ASX Listing Rule 7.3.2 to allow for the Convertible Notes to be issued at First Completion and the Convertible Notes to be issued at Second Completion beyond a date which is 3 months from the date FSE obtained shareholder approval to issue such Convertible Notes (which occurred on 5 October 2012), namely 31 January 2013 and 28 February 2013 respectively;
- (x) (**Termination**): if:
 - (A) First Completion does not occur by 31 January 2013, then the Investment Agreement may be terminated by any party giving 5 business days written notice to the other parties; and

- (B) Second Completion does not occur by 28 February 2013, then the Investment Agreement may be terminated by any party giving 5 business days written notice to the other parties;
- (xi) **(Costs)**: subject to First Completion occurring, FSE agrees to pay Ariona:
 - (A) on demand:
 - (I) all stamp, transfer, registration and other duties and taxes payable in relation to the transfer of Convertible Notes as contemplated by the Investment Agreement; and
 - (II) all costs incurred by Ariona in connection with the Security Documents (including invoiced legal costs) and the transfer of Convertible Notes as contemplated by the Investment Agreement; and
 - (B) on receipt of an invoice from Ariona, \$250,000 on account of internal and administrative costs in relation to the transactions contemplated by the Investment Agreement.

FSE indemnifies Ariona against the above amounts; and

- (xii) **(Convertible Note Deed Poll)**: On or about First Completion, FSE will execute a convertible note deed poll on the terms and conditions set out in Annexure A to the Investment Agreement (**Deed Poll**) or in such other form agreed by the parties to the Investment Agreement prior to First Completion.

The material terms of the Deed Poll are as follows:

- (A) on First Completion, FSE must create and issue to Ariona the Convertible Notes to be issued to Ariona on First Completion;
- (B) on Second Completion, FSE must create and issue to Ariona the Convertible Notes to be issued to Ariona on Second Completion; and
- (C) each holder of a Convertible Note has the benefit of and:
 - (I) may enforce the Deed Poll against FSE; and
 - (II) takes the Convertible Notes subject to, and may enforce its rights under, the Investment Agreement, the Deed Poll, the Security Documents and the memorandum of incorporation of the security holder under the Security Documents (and any other documents designated as a finance document by FSE and the holder of more than 66.66% of the Convertible Notes on issue) (**Majority Noteholder**).
- (xiii) **(FSE Convertible Notes)**: The material terms of the Convertible Notes are as follows:
 - (A) each Convertible Note has a face value of \$1.00;
 - (B) each Convertible Note bears interest at 8% per annum payable 6 monthly in arrears;
 - (C) for the first 24 months, FSE must elect whether interest is payable in cash or capitalised;
 - (D) after the first 24 months, interest is payable in cash or if FSE and the Majority Noteholder agree, is capitalised;
 - (E) the holder of a Convertible Note (**Noteholder**) can elect upon conversion of the Convertible Note to receive the outstanding interest in FSE Shares or cash;
 - (F) the Noteholder may elect at any after the Convertible Notes are issued and before the date which is 4 years after the date of First Completion (**Maturity**

- Date)** to convert some or all of their Convertible Notes and capitalised interest (if any) by serving a conversion notice on FSE;
- (G) each Convertible Note converts at its face value plus capitalised interest (if any) into FSE Shares at a deemed issue price of \$0.025 per FSE Share (subject to any adjustments in relation to a capital reorganisation);
 - (H) FSE Shares issued upon conversion of Convertible Notes and capitalised interest (if any) will rank equally with all other fully paid ordinary shares in FSE on issue as at the conversion date;
 - (I) upon the issue of FSE Shares upon conversion of a Convertible Note and capitalised interest (if any) FSE must release a cleansing notice to the market or prepare and lodge with ASIC a prospectus in accordance with Chapter 6D of the Corporations Act;
 - (J) FSE has no obligation to convert Convertible Notes and capitalised interest (if any) if it would result in the Noteholder acquiring a relevant interest, together with its associates (as defined in the Corporations Act) in the voting power of FSE of 20% or greater. However, if the value of the conversion is \$500,000 or greater the Noteholder may request FSE to seek the necessary approvals to allow for the conversion to occur;
 - (K) all Convertible Notes outstanding on the Maturity Date, which are not subject to a conversion notice, are to be redeemed;
 - (L) Convertible Notes are transferrable but will not be listed on ASX;
 - (M) Noteholders are entitled to receive all notices and accounts sent to FSE shareholders;
 - (N) Noteholders can attend FSE shareholder meetings but cannot vote or speak at the meetings except as provided for under the Corporations Act and the ASX Listing Rules;
 - (O) Convertible Notes will be reorganised on the same basis as share splits and consolidations of FSE Shares; and
 - (P) Convertible Notes will be reorganised on a formula basis to preserve the effective value of the Convertible Notes when FSE issues FSE Shares or convertible securities, FSE undertakes a capital reduction and FSE undertakes an FSE Share buyback.

(d) Terms Sheet (Convertible Notes)

On or about 12 November 2012, Ariona entered into a non-binding terms sheet with the Standard Bank of South Africa (**SBSA**) in relation to the proposed subscription by SBSA and an investment consortium which is led and managed by SBSA (together the **Lenders**) of secured convertible notes in Ariona (**Ariona Convertible Notes**) valuing up to \$35,000,000, which arrangements are subject to formal legally binding agreements (**Terms Sheet**). The material terms of the Terms Sheet are as follow:

- (i) (**Conditions Precedent**): the issue of the Ariona Convertible Notes is subject to the following material conditions precedent:
 - (A) a formal legal document being entered into in respect of the arrangements contemplated by the Terms Sheet;
 - (B) agreement and sign-off by the Lenders and Ariona on the steps to the transaction (**Transaction Steps**) in a document to be prepared by Ariona;
 - (C) stage 1 of the Transaction Steps to be fully concluded;

- (I) completion of the purchase by Ariona of 800,000,000 FSE Shares and a 10% interest in the Waterberg Project under the Share Purchase Agreement; and
- (II) documentary evidence of all regulatory approvals in place in relation to the newly approved FSE board of directors;
- (D) review and approval by all Lenders of the project management agreement between FSE and RNG;
- (E) legal and tax opinions acceptable to Ariona and the Lenders;
- (F) no material adverse change in market conditions; and
- (G) relevant waivers, consents and approvals being obtained by the parties from relevant third parties and/or regulatory authorities;
- (ii) (**Conversion**): each Ariona Convertible Note is convertible in to 1.4 fully paid ordinary shares in Ariona at a value of \$1.00 per share at the option of the holders of the Ariona Convertible Notes;
- (iii) (**Redemption**): each Ariona Convertible Note must be redeemed on the date which is 18 months after the draw down date;
- (iv) (**Interest**): each Ariona Convertible Notes will accrue interest at a rate of LIBOR plus 12% per annum from the date of issue until conversion or redemption (as relevant) and will be converted into Ariona shares;
- (v) (**Security**): the Ariona Convertible Notes will be secured over the assets of Ariona;
- (vi) (**Restrictions on Activities**): Ariona may only engage in activities that are not related to the Waterberg Project with the approval of the Lenders;
- (vii) (**Positive Undertakings**): Ariona is subject to a number of positive undertakings including an undertaking to notify the Lenders of various future matters concerning Ariona including new material transactions, matters requiring special resolutions and transactions with related parties;
- (viii) (**Negative Undertakings**): Ariona is subject to a number of negative undertakings including no amendment to its share capital, restrictions on mergers, no change of business and restrictions on joint ventures; and
- (ix) (**Representations and Warranties**): the formal legal documentation will contain representations and warranties customary for an agreement of this nature.

As set out in the Heads of Agreement summary above, it is a condition precedent to the Heads of Agreement that any convertible notes issued by Ariona to third parties will be convertible into RNG Shares on and from completion under the Heads of Agreement. As such, Ariona and RNG will seek to enter into arrangements with the Lenders so that the Ariona Convertible Notes are convertible into RNG Shares on and from completion under the Heads of Agreement.

(e) **Investment Bank Mandate**

Pursuant to a letter agreement between the Standard Bank of South Africa (**SBSA**) and Ariona dated on or about 16 November 2012:

- (i) Ariona has appointed SBSA as Ariona's exclusive investment bank to arrange \$35 million in funding for Ariona and to provide Ariona funding structuring advice and funding management advice;
- (ii) Ariona will pay SBSA a fee of 2.5% (excluding VAT) on all funding arranged and pay SBSA reasonable travel expenses, fees payable to other advisers and marketing fees;
- (iii) Ariona is liable for all fees payable under the agreement and re-imbursment of expenses accrued up to and on the date of termination; and

- (iv) Ariona indemnifies SBSA against all claims against SBSA arising out of the services provided by SBSA to Ariona under the agreement except for claims arising out of fraud or negligence of SBSA.

(f) Management Services Agreement

Ariona and Haworth Finance Limited (the vendor of Ariona to RNG under the Heads of Agreement) (**HFL**), entered into a management and services agreement on 9 May 2012 pursuant to which HFL agreed to provide management services to Ariona (**Management Services Agreement**). The material terms of the Management Services Agreement are as follows:

- (i) (**Services**): pursuant to the Management Services Agreement, HFL will provide Ariona:
 - (A) day to day administrative services of Ariona and its activities; and
 - (B) day to day corporate services;
- (ii) (**Fees and Services**): pursuant to the Management Services Agreement, Ariona will provide HFL:
 - (A) US\$145,000 per annum for administrative services rendered to Ariona; and
 - (B) US\$450,000 per annum for general corporate services rendered to Ariona; andinterest on overdue fees will be paid with compound interest at 2%;
- (iii) (**Termination**): the Management Services Agreement can be terminated as follows:
 - (A) by either party by giving the other party 3 months written notice of its desire to terminate the Management Services Agreement at the next annual anniversary of the agreement;
 - (B) by HFL immediately upon notice to Ariona if HFL is unable to obtain payment of any amount due under the Management Services Agreement;
 - (C) by Ariona immediately upon notice to HFL if HFL does any act which is contrary to a lawful instruction of a director of Ariona's board of directors and notice is given within 14 days of Ariona becoming aware of the fact;
 - (D) by either party immediately upon written notice to the other if:
 - (I) a party defaults in performing any of their obligations under the agreement and the default continues un-remedied for 14 days after notice to the other party specifying the default; or
 - (II) if an insolvency event occurs to a party; and
- (iv) (**Indemnity**): Ariona indemnifies HFL against all claims against HFL arising out of the services provided by HFL to Ariona under the Management Services Agreement except for claims arising out of bad faith, willful misconduct or gross negligence.

(g) Eskom MOU

Sekoko entered into a Memorandum of Understanding with Africa's largest power utility, Eskom Holdings Limited (**Eskom**) on or about 23 March 2012, which was amended on or about 26 November 2012 (**MOU**), pursuant to which the parties agreed:

- (i) to negotiate a coal supply agreement for the supply of a minimum:
 - (A) in the first year, of 2 million tonnes;
 - (B) in the second year, of 3 million tonnes;
 - (C) in the third year, of 5 million tonnes;
 - (D) in the fourth year, of 7 million tonnes;

(E) in the fifth year, of 9 million tonnes; and

(F) in subsequent years, of 10 million tonnes per year,

of thermal coal from its Waterberg Project in the Lephalale area, Limpopo, to two Eskom power stations in the Mpumalanga Province, for the life of the power stations;

- (ii) Sekoko has agreed to negotiate with Eskom exclusively for a period of 4 years from execution of the MOU (**Exclusivity Period**) in respect of the supply of coal from the Waterberg Project with the objective of signing a formal coal supply agreement;
- (iii) if a formal coal supply agreement has not been negotiated and executed at the end of the Exclusivity Period, Sekoko grants Eskom a first right of refusal to acquire any portion of coal mined from the Waterberg Project and to enter into an agreement to acquire any or all of the coal produced from the Waterberg Project (on the same terms upon which coal would be sold to a third party);
- (iv) the formal coal supply agreement will be subject to a number of conditions precedent including, but not limited to:
 - (A) Eskom obtaining all internal approvals to sign the agreement prior to 31 March 2014;
 - (B) Sekoko obtaining registration of a mining right in respect of certain farms comprising the Waterberg Project prior to 28 February 2014;
 - (C) Eskom completing due diligence queries on the Waterberg Project prior to 30 June 2013;
 - (D) Sekoko obtaining all relevant statutory approvals to carry out its obligations under the agreement;
 - (E) Sekoko obtaining funding to fund coal supply agreement and infrastructure of an amount not less than 499,964,747 Rand (approximately A\$55,656,768 based on \$1AUD/ 8.983 ZAR);
 - (F) Sekoko establishing and commissioning:
 - (I) all necessary infrastructure to ensure adequate water supply for the coal beneficiation operations at the Waterberg Project by 30 September 2014; and
 - (II) all necessary load out facilities in relation to the Waterberg Project by 30 September 2014; and
- (v) the parties agree that the formal coal supply agreement will deal with the follow matters summarised in the MOU, risk and ownership of coal, quantities, delivery, off take, price (to be negotiated) and adjustments, payments, pre-certification of coal, determination of coal quantities, rail transportation, reporting requirements and dispute resolution.

(h) **Loan Agreement – Ariona and Sekoko**

Ariona and Sekoko entered into a loan agreement on or about 7 May 2012 pursuant to which Ariona has provided Sekoko a loan of \$2,185,000, with interest payable at 8% per annum, for working capital purposes and repayable on the 610th day after the date of the agreement.

The parties have agreed repayment of the loan will be offset against the consideration payable by Ariona to Sekoko at completion under the Share Sale Agreement.

(Cession and Pledge in Security): Ariona and Sekoko entered into a cession and pledge on or about 7 May 2012 whereby from date of the cession and pledge, Sekoko pledges to Ariona all its secured property for the payment and performance in full by Sekoko of all its secured obligations, present and future, in connection with the Loan Agreement referred above.

(i) Loan Agreements – RNG and Ariona

RNG and Ariona entered into two loan agreements on or about 4 December 2012 and 24 January 2013 pursuant to which RNG has provided Ariona an interest free loans of \$1,850,000 in total for working capital purposes and repayable on or before 30 June 2013.

(j) InvestBridge Mandate Agreement

Pursuant to a letter agreement between InvestBridge and RNG dated 14 January 2013:

- (i) RNG has appointed InvestBridge as RNG's exclusive financial advisor and placement agent to arrange capital raisings with a total value of up to A\$110 million for RNG to:
 - (A) complete the part acquisition of Firestone and part acquisition of the Waterberg Joint Venture; and
 - (B) construct an open pit mine on two of the Tenements together with the required infrastructure linking the mine to the existing rail system,(together, the **Transactions**);
- (ii) RNG will pay InvestBridge a placement fee equal to 5% of all amounts of capital raised under the Transactions;
- (iii) InvestBridge will be entitled to 100,000 options (**InvestBridge Options**) for every A\$1 million of capital raised under the Transactions;
- (iv) RNG is liable for all third party advisor fees payable under the agreement and will reimburse InvestBridge for out-of-pocket expenses;
- (v) the arrangements terminate on the earlier of the date upon which InvestBridge has performed its obligations under the agreement and will use its best efforts to close the Transactions before 28 February 2013; and
- (vi) RNG indemnifies InvestBridge against all claims against InvestBridge arising out of the services provided by InvestBridge to RNG under the agreement except for claims arising out of gross negligence of InvestBridge.

(k) Garrison Capital Mandate Agreement

Pursuant to a letter agreement between Garrison Capital and RNG dated 1 November 2012:

- (i) RNG has appointed Garrison Capital to identify potential mining projects and provide general corporate advisory services;
- (ii) RNG will pay Garrison Capital:
 - (A) a fixed fee of A\$300,000 (plus GST); and
 - (B) issue 25,000,000 ((on a post-Consolidation basis) unlisted options exercisable at \$0.20 on or before 31 December 2016;
- (iii) RNG is liable for all reasonable out-of-pocket expenses incurred by Garrison Capital;
- (iv) the arrangements terminate at any time by written notice by one party to the other; and
- (v) RNG indemnifies Garrison Capital against all claims against Garrison Capital arising out of the services provided by Garrison Capital to RNG under the agreement except for claims arising as a result of Garrison Capital's negligence or wilful misconduct, breach of contract and/or fraud.