



8 April 2015

Rubianna enters Option Agreement to acquire zipMoney

Highlights

- **Acquiring zipMoney – a cloud-based retail finance business**
- **“Fin-tech” business with strong traction in market**
- **Early mover advantage in the financial sector which is adapting new ways of making payments**

Rubianna Resources Limited (“**the Company**” or “**Rubianna**”) is pleased to announce that it has entered into an Option Agreement to acquire 100% of the issued share capital of zipMoney Holdings Pty Ltd and subsidiaries (“**zipMoney**”).

Founded in 2013, zipMoney is an early mover in the digitised retail finance sector. The group offers real-time credit to consumers and provides integrated finance solutions to merchants regardless of size or segment both online and in-store.

zipMoney CEO Larry Diamond said “Since launching the platform in early 2014, zipMoney has originated c.\$3 million in loans through its network of more than 100 merchants to over 3,500 consumers. We see a massive opportunity to disrupt a \$90bn industry, by leveraging technology and big data to enhance the experience for our merchants and end customers. We pride ourselves on simplicity and delivering transparent, responsible, and fairly priced consumer credit products”.

zipMoney is a licensed and regulated credit provider managed by a team with over 25yrs experience providing finance solutions at point of sale.

Implementation of the transaction will, among other things, be subject to completing due diligence, shareholder and regulatory approvals and completion of a minimum capital raising of \$4 million. The parties are now working with their respective advisors to complete due diligence as well as the documentation required to convene a shareholder meeting to seek approval for the proposed transaction.

The transaction will require the company to re-comply with chapters 1 & 2 of the ASX listing rules. The likely effect on the Company and the estimated timetable to complete this proposed transaction is set out later in this announcement.

It has become clear that current market conditions make it very difficult to raise funds to explore the exploration projects which the Company holds. The Board of Rubianna has therefore assessed a number of opportunities to enhance shareholder value. The Board believes the proposed transaction with zipMoney is an excellent opportunity for the Company.

Overview of Proposed Transaction

The key terms of the Option Agreement are:

- The zipMoney shareholders grant Rubianna an option to acquire the entire issued capital of zipMoney for a period of 60 days (the “Option Term”);
- During the Option Term, Rubianna will conduct a due diligence investigation into zipMoney;
- Rubianna will complete a 4 for 9 Rights Issue at 1 cents per share to raise approx. \$965,000. Of this amount, \$650,000 will be loaned to zipMoney upon exercise of the Option to fund zipMoney’s general working capital requirements. A formal loan facility agreement and security agreement (ranking behind zipMoney’s existing fully secured lender) will be entered into securing the loan; and
- zipMoney is seeking to raise funds from third parties of \$350,000 in the form of unsecured convertible notes. The convertible notes will convert to Rubianna shares at a conversion price of 1 cent per share on completion.

The following conditions to completion of the acquisition (generally) are to be completed by 30 September 2015, and failure to achieve or waive these by that time will terminate the agreement:

- Rubianna obtaining all necessary shareholder and regulatory approvals required for the Acquisition, including in particular ASX approval for the readmission of Rubianna to the official list of ASX in connection with its proposed change in the nature and scale of its activities;
- all tenements currently held or applied for by Rubianna disposed of following successful completion of this transaction;
- a suitable funding facility being secured by zipMoney with which to grow its portfolio;
- no Material Adverse Event occurring; and
- the provision of a \$2 million debt financing facility to zipMoney to fund its loan book (as an addition to any other loan book funding provided, available or obtained by zipMoney).

The total consideration payable by Rubianna to the ZMH shareholders for the acquisition will be 550 million ordinary shares and 350 million performance shares in Rubianna, in each case at a deemed issue price of \$0.0125 each.

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

- **Milestone 1** – 175 million performance shares will convert upon zipMoney achieving aggregate transaction volume in excess of \$10 million by the date that is 12 months from Rubianna being re-admitted to the Official List of ASX; and
- **Milestone 2** – 175 million performance shares will convert upon zipMoney achieving aggregate transaction volume in excess of \$20 million by the date that is 24 months from Rubianna being re-admitted to the Official List of ASX.

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

On completion of the Acquisition, Rubianna will issue an additional 400 million performance shares to members of the executive management team for Rubianna post readmission to the Official List of ASX (and/or their nominees).

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

- **Milestone 1** – 133.4 million performance shares will convert upon zipMoney achieving aggregate transaction volume in excess of \$10 million by the date that is 12 months from Rubianna being re-admitted to the Official List of ASX;
- **Milestone 2** – 133.3 million performance shares will convert upon zipMoney achieving aggregate transaction volume in excess of \$20 million by the date that is 24 months from Rubianna being re-admitted to the Official List of ASX; and
- **Milestone 3** – 133.3 million performance shares will convert upon Rubianna achieving pre-tax break-even (after excluding any costs or expenses relating to any mineral exploration or exploitation activities of Rubianna, or any other expenditure relating to activities prior to the Sunset Date) for the first time each calendar month in a consecutive three calendar month period by or before the date that is 36 months from Rubianna being re-admitted to the Official List of ASX.

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

On completion of the Acquisition, Rubianna will issue an additional 200 million performance shares at a deemed issue price of \$0.0125 each in connection with the facilitation of a large scale institutional financing facility (Warehouse Facility), to the provider(s) of the Warehouse Facility.

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

- **Milestone 1** – 100 million performance shares will convert upon financial close of a \$20 million Warehouse Facility or completion of the Acquisition, whichever occurs later;
- **Milestone 2** – 50 million performance shares will convert upon principal available under the Warehouse Facility attributable to zipMoney being extended or modified to \$50 million; and
- **Milestone 3** – 50 million performance shares will convert upon principal available under the Warehouse Facility attributable to zipMoney being extended or modified to \$100 million.

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

If Rubianna exercises the option, it shall as soon as reasonably practicable issue a notice of general meeting convening a meeting of its shareholders to seek approval for:

- a change in the nature and scale of its activities and related matters;
- issue and allotment of the Consideration Shares;
- issue and allotment of the shares in connection with the proposed capital raising under the re-admission prospectus;
- the appointment of two zipMoney nominees to the board of directors;
- approval for past issues of securities to replenish Rubianna's placement capacity under ASX listing rule 7.1 and/or 7.1A (if applicable); and
- a change of its company name to a name that reflects the business and branding of zipMoney.

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

The parties acknowledge and agree that due to the requirements of the ASX Listing Rules, Rubianna may be required to undertake a consolidation of its securities.

Proposed capital structure

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

Event	Ordinary Shares	Performance Shares	Options
Existing securities on issue	217,191,210	-	25,250,000
Proposed rights issue	97,000,000	-	-
Acquisition (Consideration Shares)	550,000,000	350,000,000	-
Executive Management	-	400,000,000	-
Employee share plan	-	44,959,561	-
Strategic partner (warehouse facility)	-	200,000,000	-
Avitus Capital and/or nominees	33,000,000	47,697,573	-
Conversion of zipMoney notes	35,000,000	-	-
\$4m Capital raising (assuming 1.25 cents/share)	320,000,000	-	-
SECURITIES STRUCTURE ASSUMING NO CONSOLIDATION	1,252,191,210	1,042,657,134	25,250,000

Existing Projects

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

Indicative timetable

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

Description	Estimated Date
Sign Option Agreement	7 April 2015
Complete Due Diligence & Exercise of Option	4 June 2015
Completion of Rights Issue and loan to ZipMoney	8 June 2015
Shareholder meeting to approve transaction	3 July 2015
Issue of Prospectus to raise min. \$4m	10 July 2015
Close of prospectus	10 August 2015
Apply for re-admission to ASX	20 August 2015
Re-admission to ASX	5 September 2015

Effect on the Company

Set out below is a summary of the approximate impact the transaction will have on the assets and liabilities of the Company assuming a capital raising of the minimum \$4m.

The Company will continue to update shareholders as this transaction progresses and is excited by the prospects it brings.

For more information on zipMoney, see the company's website at www.zipMoney.com.au

Rubianna Resources Limited	Audited balance sheet as at 31 December 2014	Transaction and \$4m capital raising	Working capital and transaction costs	Pro forma
	\$	\$		
Assets				
Current assets				
Cash and cash equivalents	408,904	4,000,000	(350,000)	4,058,904
Trade and other receivables	42,959	-	-	42,959
Total current assets	451,863	4,000,000	(350,000)	4,101,863
Non-current assets				
Property, plant and equipment	2,828	-	-	2,828
Intangible Assets	-	11,250,000	-	11,250,000
Total non-current assets	2,828	11,250,000	-	11,252,828
Total assets	454,691	15,250,000	-	15,354,691
Liabilities				
Current liabilities				
Trade and other payables	136,374	-	-	136,374
Total current liabilities	136,374	-	-	136,374
Total liabilities	136,374	-	-	136,374
Net assets	318,317	15,250,000	(350,000)	15,218,317
Equity				
Issued capital	11,138,175	25,970,714	-	37,108,889
Reserves	385,611	(9,720,714)	-	(9,335,103)
Accumulated losses	(11,205,469)	(1,000,000)	(350,000)	(12,555,469)
Total equity	318,317	15,250,000	(350,000)	15,218,317