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EM SURVEY RESULTS DOOLGUNNA PROJECT

HIGHLIGHTS

- Moving loop transient electromagnetic (MLTEM) survey at the Company's flagship Doolgunna copper-gold Project identifies 18 conductors (anomalies) (refer Figure 1).
- Three of the strongest and most extensive conductors identified in the MLTEM (DG_C1, DG_C2 and DG_C3) are located in the northern part of the Doolgunna Project, closest to Sandfire Resources' spectacular DeGrussa VMS discoveries.
- Southern Geoscience has noted that the high conductivity of DG_C3 indicates the source of the anomaly is either massive sulphide and/or graphitic shale. The Company is not aware of any reports of graphitic shale in the DeGrussa area.
- Other conductors identified in the MLTEM sit within the central and southern corridors of Narracoota Formation, consistent with previous exploration work conducted by the Company.
- MLTEM data will form the basis for an aggressive RC and diamond drilling program at Doolgunna, which will commence as soon as the Company receives the necessary approvals and clearances.

MLTEM Survey

Resource and Investment NL (ASX: **RNI**) (**RNI** or **the Company**) has received the field data, and an initial interpretation, for a moving loop, transient electromagnetic (MLTEM) survey undertaken over the Company's flagship Doolgunna Project.

The MLTEM survey was designed to locate massive sulphide bodies similar to those discovered by Sandfire Resources in the DeGrussa VMS (Volcanogenic Massive Sulphide) deposits. Unlike most rocks, massive sulphides are electrically conductive. The MLTEM survey is essentially a measure of bulk-rock conductivity and is an effective method locating massive sulphide deposits buried beneath the surface.

Independent interpretation of the MLTEM data has resulted in the identification of 14 anomalies. Additional work by RNI personnel has identified at least four additional targets where subtle, but distinct MLTEM responses are coincident with accompanying geochemical, geological and/or geophysical responses.

With the receipt of the final MLTEM data, RNI will now finalise details of an extensive drilling campaign that will commence as soon all statutory approvals and clearances have been received.

The MLTEM survey was completed by GEM geophysics with project supervision and initial data interpretation undertaken by Southern Geoscience Consultants. The survey covered the entire Doolgunna Project area using 200m x 200m loops on lines 200m apart and with readings taken every 100m along each line. A total of more than 59,000 readings were collected at 1,069 stations, with the program comprising 104.4 line km of survey.[1]

Data from the MLTEM survey has been plotted in a variety of formats to allow a comprehensive interpretation. An image of one component of the dataset showing the locations of the various conductors (anomalies) identified within the Doolgunna Project area is presented below (Figure 1). While most of the anomalies identified within the survey area can be recognised, a number of more subtle features cannot be seen in this image.

Of the 18 targets identified, conductors DG_C1, DG_C2 and DG_C3, located in the northern part of the Doolgunna Project area, generated particularly strong MTLEM anomalies.

The DG_C3 conductor is the strongest and most extensive of the MLTEM anomalies. The conductor appears to dip to the north and has approximate dimensions of ~620 x 380m. It appears to be relatively shallow and modelling suggests the top of the feature lies about 30m below the surface.

Southern Geoscience has noted that the high conductivity of DG_C3 indicates that the source of the anomaly is either massive sulphide and/or graphitic shale. While graphitic shale is quite common, it has not previously been reported in the DeGrussa area.

DG_C1 is a broad anomaly extending across four survey lines (600m) and remains open at both ends. The conductor appears to dip to the south and Southern Geoscience suggests that "*It has the characteristics of a thick stratigraphic conductor possibly sourced by a graphitic and/or sulphidic shale".*

DG_C2 is a strong conductor located on the flanks of the more intense DG_C1. This anomaly also extends across four survey lines and is open to the west.

Conductors DG_C4 to DG_C11 appear related to the central corridor of the Narracoota Formation. The anomalies associated with these conductors have strong "early time" MLTEM responses and most are likely to be fairly shallow. DG_C7 and DG_C8 have subtle "late time" responses and may have a significant depth extent.

Conductors DG_C12 to DG_C16 are associated with the southern corridor of the Narracoota Formation. DG_C13 is associated with a strong copper anomaly in soils and appears to have a subtle but distinct late time MLTEM response.

[1] The MLTEM survey uses ultra-sensitive magnetometers to measure variations in the earth's magnetic field generated by the electromagnetic currents applied to the earth. At each station, an electric current is passed through a wire loop to generate an electromagnetic field. This induced electromagnetic field causes minor variations in the earth's magnetic field. When the current in the loop is turned off, the earth's magnetic field reverts to its original state. The MLTEM survey measures the earth's magnetic field as it reverts to "normal". The more conductive the underlying rocks the longer it takes for the earth's magnetic field to revert.

The MLTEM measures the earth's magnetic field at 36 specific intervals (channels) between 0.1 and 200 milliseconds after the electric current is switched off. Measurements collected immediately after the current is removed ("early time response") generally relate to conductors close to the surface. Later measurements ("late time response") are much weaker and generally suggest deeper conductive bodies.

Proposed Drilling Program

The MLTEM survey was the last phase of a comprehensive, Project-wide exploration program at Doolgunna which has also included detailed geological mapping, soils geochemistry and an aeromagnetic survey. RNI geologists will compile all data from these surveys and devise a drilling program to test the various targets generated from surface exploration. The main priority of the drilling will be to locate massive, base metal and gold bearing VMS deposits similar to those found by Sandfire at DeGrussa.

The drilling program will extend over many months. It will include both RC and diamond drilling and will evaluate MLTEM anomalies as well as other gold and base metal targets within the lease (including Salmon) generated from earlier geochemical and geological programs carried out by the Company at Doolgunna.

The MLTEM conductor DG_C3 will be a high priority target for the drilling program. The strong geochemical anomaly and associated MLTEM conductor (DG_C13) located in the south west corner of the Project area will also have a high priority.

The drilling program and other earthworks associated with the drilling will commence as soon as approvals are granted from the Department of Minerals and Energy approval and Aboriginal Heritage clearances are received.

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Competent Persons Statement
The information in this report which relates to exploration results, mineral resources or ore reserves is based on information compiled by David Jones BSc (Hons) MSc of Ascidian Prospecting Pty Ltd, who is a Corporate Member of the Australasian Institute of Mining and Metallurgy. Mr Jones is a consultant to RNI and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which it is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Jones consents to the inclusion in the document of the matters based on this information in the form and context in which it appears.

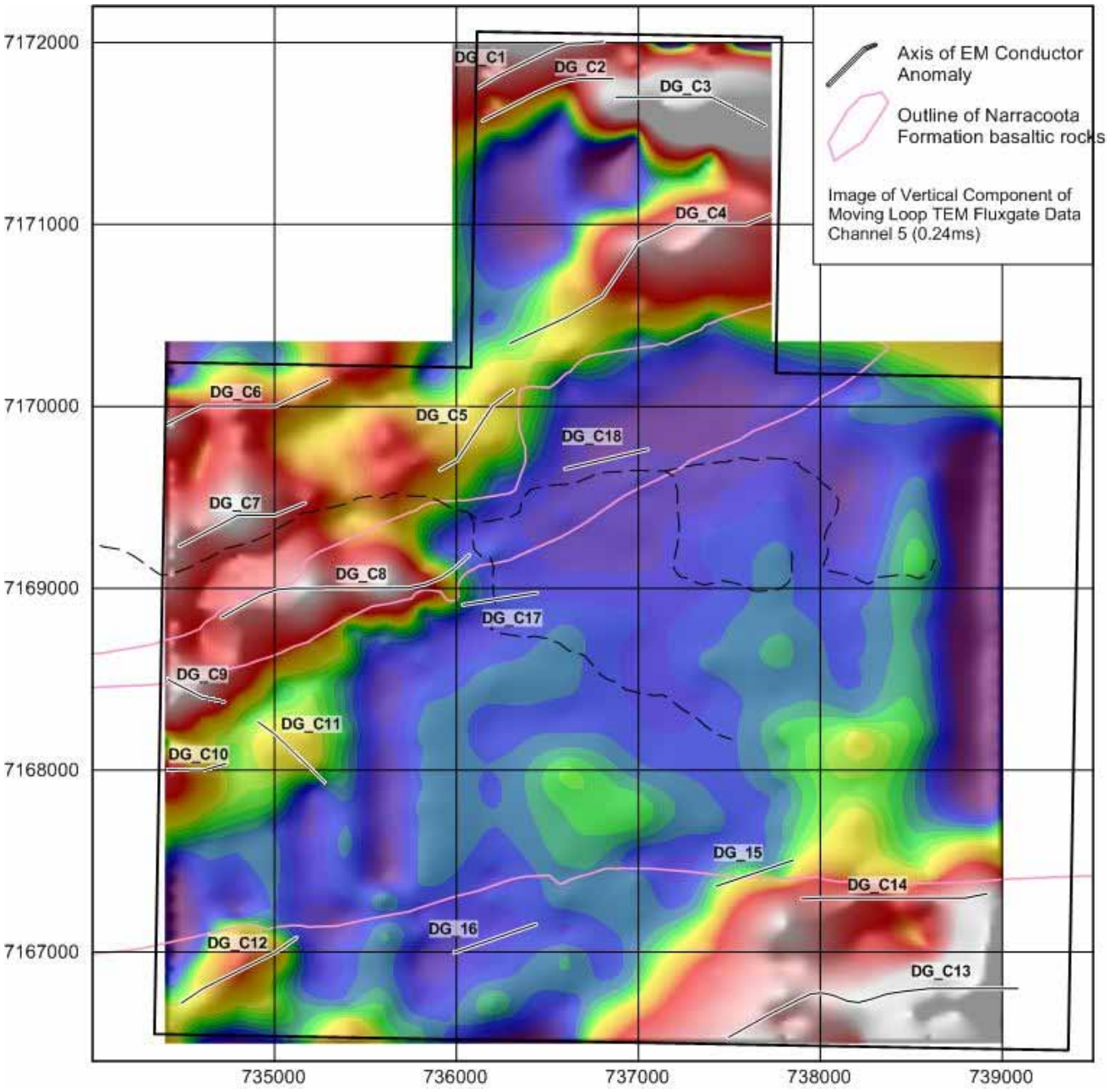

Figure 1
Early Time Image of MLTEM Survey Showing the Location of the Conductors