



ASX/MEDIA RELEASE

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## GOLD DISCOVERY AT DOOLGUNNA

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Resource & Investment NL (ASX: RNI) (RNI or the Company) is pleased to announce that recent reconnaissance drilling in the south eastern section of the Company's flagship Doolgunna Project has identified a significant new zone of gold mineralisation, with preliminary grades of up to 14.46g/t.

The area has been termed the **Ross's Reef Prospect** and remains open in all directions. It lies within a thick sequence of basalts, basalt breccias, dolerites and sediments that are highly reminiscent of the massive sulphide-bearing successions found at DeGrussa.

RNI's Doolgunna Project is 3km from the spectacular DeGrussa copper-gold discoveries, where Sandfire Resources NL has reported combined resources of 14.33Mt grading 4.6% Copper and 1.6g/t Gold.

RNI launched an intensive 950-hole drilling program at its Doolgunna Project in May 2011 to test 24 priority Volcanogenic Massive Sulphide (VMS) copper-gold and vein-style gold targets. By the end of August, 185 holes had been drilled for a total of 15,500 metres.

The gold mineralisation discovered at Ross's Reef appears to occur in east-west trending quartz/ironstone reefs that transect the basaltic lithologies.

To date three drill holes on two drill lines, 200 metres apart have intersected significant gold mineralisation. Highlights of assay results for this drilling are shown in the table set out below. Drill holes DRC 074 and DRC 075 are located on the eastern-most drill line in the area and were drilled to test a prominent ironstone outcrop (see accompanying photograph). DRC 080 was drilled on a line 200m west of this area.

DRILLING HIGHLIGHTS – ROSS'S REEF PROSPECT								
Drill Hole	From	To	Interval (m)	Au* g/t	Ag g/t	Cu ppm	Pb ppm	Zn ppm
DRC 074	185	186	1	1.42	-	10	18	105
	195	198	3	4.18	-	18	2	127
<i>(includes)</i>	<i>195</i>	<i>196</i>	<i>1</i>	<i>14.46</i>				
DRC 075	97	100	3	0.6	-	6	-	108
DRC 080	27	30	3	2.15	-	4	4	98
<i>(includes)</i>	<i>28</i>	<i>29</i>	<i>1</i>	<i>6.57</i>				

At this stage, both the extent and orientation of the gold mineralisation within the Ross's Reef Prospect are unknown. To determine the orientation of the gold bearing structure, RNI has recently completed follow-up drilling on the two lines where high values were recovered. Additional lines 200m and 400m west of the DRC 080 line have now been drilled. Samples have been submitted for assay and the Company is awaiting results.

At this stage the area has only been drilled on 200m spaced drill-lines. A Program of Work is being prepared for the Company to conduct extension and infill drilling operations.

Ross's Reef Prospect lies 3km east of the Tony's Find gold prospect within the Doolgunna Project. RNI geologists believe that the two Prospects lie on the same east-west trending structural feature. Preliminary drilling of the Tony's Find Prospect has now been completed, with samples at the laboratory awaiting assay analysis.

Like Ross's Reef, Tony's Find is another area which has been worked intensively by prospectors using metal detectors. No details of these operations are available.

The drilling program at the Doolgunna Project has now moved to the Marty's Patch gold target, with drilling of the DGC 1-2 VMS target closest to DeGrussa expected to follow.

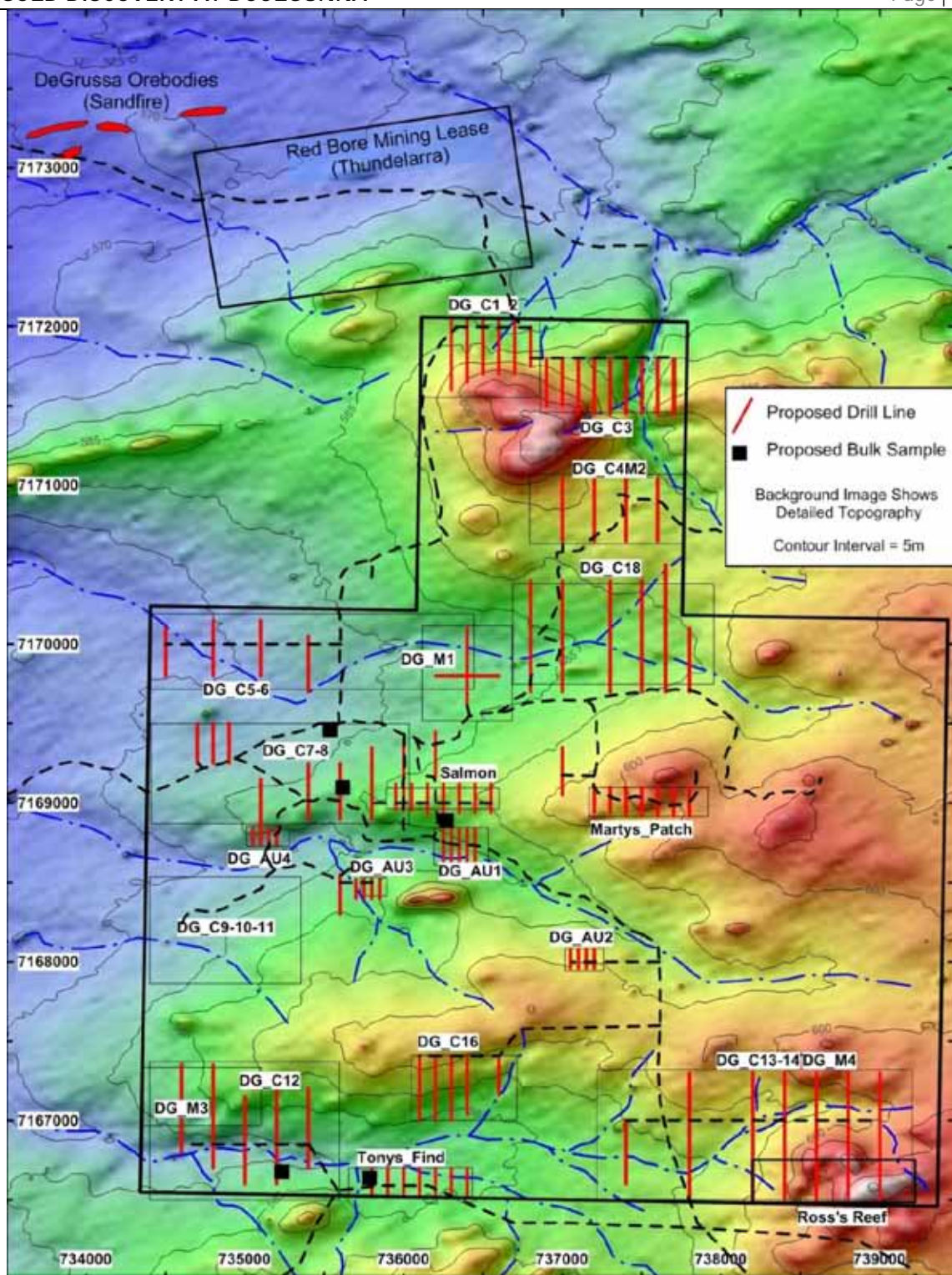
As announced to the ASX on 29 July 2011, preliminary results from the Salmon Prospect gold target – where the 950-hole drilling program began - produced preliminary gold grades of up to 45.65g/t.

The Company will report additional results from the drilling program at the Doolgunna Project as they become available.



RNI Chairman, Miles Kennedy, alongside the ironstone outcrop associated with the Ross's Reef Prospect gold discovery.

The photograph was taken prior to drilling commencing.



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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.