



ASX Announcement

23 January 2012

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## RNI FINALISES TERMS FOR \$35M ACQUISITION OF FORTNUM GOLD PROJECT AND TENEMENT PACKAGE

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Resource and Investment NL (ASX: RNI) (RNI or the Company) is pleased to advise it has finalised the terms for completion of the \$35 million acquisition of Grosvenor Gold Pty Ltd from BlueCrest Mercantile Master Fund Limited (BlueCrest).

Grosvenor Gold owns the Fortnum Gold Project in WA and surrounding tenements in the highly-prospective Bryah-Padbury Basin covering 1,791km<sup>2</sup>.

As outlined in the ASX announcement of 9 January 2012, the consideration payable to BlueCrest will be \$20 million cash and \$15 million in RNI shares.

RNI will raise the cash component of the transaction through a placement of 72 million ordinary fully-paid shares at an issue price of 35c each. The placement will raise a total of \$25.2 million and has been underwritten by Argonaut.

Investors who subscribe for the new shares will also be issued with one RNI option for every five RNI shares subscribed to in the placement, for no additional consideration. The RNI options will be exercisable at 60c on or before 31 May 2013.

RNI will use the balance of the placement funds for working capital.

In addition, RNI will issue BlueCrest approximately 42.86 million ordinary fully paid RNI shares for the \$15 million scrip component of the consideration. BlueCrest will also receive approximately 8.57 million RNI options exercisable at 60c on or before 31 May 2013.

RNI is proposing to raise a further \$10.93 million through a 1 for 4 entitlement issue to shareholders on the same terms as the \$25.2 million placement, including the 1 for 5 option at no additional consideration.

The entitlement issue will also be underwritten by Argonaut. Neither BlueCrest, nor the participants in the placement, will be entitled to participate in the entitlement issue.

RNI will apply to have all the options listed on the ASX.

At the completion of the placement and entitlement issue, BlueCrest will have an undiluted shareholding in RNI of approximately 16 per cent.

As announced on 9 January, New Holland Capital will arrange a debt facility of approximately \$20 million to fund the re-commissioning of the Fortnum gold treatment plant and to provide additional working capital.

The placement pursuant to the Argonaut underwriting agreement and the issue of shares to BlueCrest will be subject to shareholder approval.

RNI expects to set a date for the shareholders' meeting, and issue a notice of meeting, within the next few days.

For further information, contact:

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