



24 February 2012

Dear Shareholder

## **NON-RENOUNCEABLE ENTITLEMENT OFFER**

On 22 February 2012, Resource and Investment NL (**RNI or the Company**) lodged a replacement prospectus (**the Prospectus**) for a non-renounceable Entitlement Offer of up to 31,246,077 new shares and 6,249,216 free attaching new options, on the basis of 1 new share for every 4 shares held at the record date together with 1 free attaching option for every 5 new shares at an issue price of 35 cents per new share (**Entitlement Offer**) to its shareholders to raise approximately \$10,936,000 (before costs). The new options will be exercisable at 60 cents and will expire on 31 May 2013.

### **Eligibility to the Entitlement Offer**

The Entitlement Offer is open to shareholders who are registered as shareholders on the record date of 2 March 2012 with registered addresses in Australia and New Zealand. Shareholders with registered addresses outside of Australia and New Zealand (non-residents) should consult their professional advisors as to whether any formalities need to be observed (either by themselves or the Company) to enable them to subscribe for new shares and free attaching new options. It is the responsibility of non-residents to obtain all necessary approvals so they may legally subscribe for (and be issued) the new shares and new options. The return of a completed application form from a non-resident applicant will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained and that the Company may legally issue the new shares and new options to the applicant.

### **Purpose of the Entitlement Offer**

It is proposed that some of the funds raised under the Entitlement Offer will be applied in relation to the acquisition of Grosvenor Gold (**the Transaction**) as announced by the Company on 23 January 2012. If the Transaction is not approved by shareholders in general meeting on 6 March 2012 the funds raised will be applied towards the Company's other projects.

### **Underwriting of the Entitlement Offer**

The Entitlement Offer is conditionally underwritten by Argonaut Capital Ltd. The underwriting is conditional on, among other things, the approval of the Transaction by shareholders and, the underwriting will fall away if the Transaction is not approved or if another condition to the underwriting is not satisfied (unless such conditions are waived by Argonaut). Argonaut will be entitled to an underwriting fee equal to 5% of the total value of the underwritten shares pursuant to the Entitlement Offer and a management fee of 1% of the total value of the underwritten shares.

### **Other information**

Full details of the Entitlement Offer are set out in the Prospectus dated 22 February which was lodged with the Australian Securities and Investments Commission and ASX on that date. The Prospectus together with a personalised Entitlement and Acceptance Form and shortfall application form will be sent to shareholders on 6 March 2012 and is currently available **on the Company's website** ([www.rninl.com.au](http://www.rninl.com.au)) and on ASX website.

Shareholders' entitlements under the Entitlement Offer are non-renounceable and accordingly shareholders may:

- take up their entitlements in full or in part;
- take up all their entitlements and also apply for any additional shares which may become available in the event of a shortfall occurring;
- do nothing, in which case all of their entitlements will lapse.

#### Key Dates

Replacement Prospectus lodged with ASIC and ASX.	22 February 2012
EX DATE. Shares commence trading ex-entitlements.	27 February 2012
RECORD DATE to identify security holders entitled to participate in the issue.	2 March 2012
Prospectus and Entitlement and Acceptance forms and Shortfall Application Forms despatched to Eligible Shareholders.	6 March 2012
CLOSING DATE acceptances close at 5.00pm (Perth time).	21 March 2012
Securities quoted on a deferred settlement basis.	22 March 2012
ASX notified of under subscriptions.	26 March 2012
Despatch date of holding statements. Deferred settlement trading ends.	29 March 2012
Normal trading (T+3 trading) expected to start.	30 March 2012

The above dates are indicative only.

You should consider the Prospectus carefully in deciding whether to participate in the Entitlement Offer and if in any doubt consult with your professional adviser.

Yours faithfully



Jean Mathie  
COMPANY SECRETARY  
RESOURCE AND INVESTMENT NL