

# REPLACEMENT PROSPECTUS

22 February 2012

**This is a replacement prospectus dated 22 February 2012. It replaces a prospectus dated 17 February 2012 relating to New Shares and free attaching New Options of Resource and Investment NL ABN 77 085 806 284.**

**PRO RATA NON-RENOUNCEABLE ENTITLEMENTS ISSUE OF 1 NEW SHARE AT 35 CENTS EACH FOR EVERY 4 SHARES HELD AT THE RECORD DATE, TOGETHER WITH 1 FREE NEW OPTION, EXERCISABLE AT 60 CENTS ON OR BEFORE 31 MAY 2013, FOR EVERY 5 NEW SHARES ISSUED, TO RAISE UP TO \$10,936,000 (BEFORE COSTS)**

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents or are in doubt as to the course you should follow, you should consult your professional adviser without delay.

Applications for New Shares (with free attaching New Options) pursuant to this Prospectus may only be made on the forms accompanying this Prospectus.

The Closing Date for acceptances and payments is 5.00pm WST on 21 March 2012. Subject to ASX Listing Rules, the Corporations Act and other applicable laws, the Company reserves the right to alter the Closing Date, with or without notice.

Underwriter and Manager to the Offer  
**Argonaut Capital Limited**  
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**RESOURCE AND INVESTMENT NL ABN 77 085 806 284**

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## CORPORATE DIRECTORY

**Directors**

Miles Kennedy (Executive Chairman)  
 Albert Thamm (Executive Technical Director)  
 John R Hutton (Non-executive Director)  
 Thomas J Mann (Non-executive Director)

**Share Registry\***

Security Transfer Registrars Pty Ltd  
 770 Canning Highway  
 Applecross 6153 Western Australia  
 T: +61 8 9315 2333 F: +61 8 9315 2233

**Secretary**

Jean Mathie

**Auditors\***

Somes and Cooke  
 PO Box 709  
 West Perth 6872 Western Australia  
 T: +61 8 9426 4500

**Registered Office**

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**ASX Code**

RNI (ordinary shares)

\*These persons appear for information purposes only.

## SUMMARY OF IMPORTANT DATES

Appendix 3B and Original Prospectus lodged with ASIC and ASX.	Friday, 17 February 2012
This Replacement Prospectus lodged with ASIC and ASX.	Wednesday, 22 February 2012
Notice sent to security holders containing the indicative timetable and the information required by Appendix 3B.	Friday, 24 February 2012
<b>EX DATE. Shares commence trading ex-entitlements.</b>	<b>Monday, 27 February 2012</b>
RECORD DATE to identify security holders entitled to participate in the issue.	Friday, 2 March 2012
Prospectus and Entitlement and Acceptance forms and Shortfall Application Forms despatched to Eligible Shareholders.	Tuesday, 6 March 2012
<b>CLOSING DATE acceptances close at 5.00pm (Perth time).</b>	<b>Wednesday, 21 March 2012</b>
Securities quoted on a deferred settlement basis.	Thursday, 22 March 2012
ASX notified of under subscriptions.	Monday, 26 March 2012
Despatch date of holding statements. Deferred settlement trading ends.	Thursday, 29 March 2012
Normal trading (T+3 trading) expected to start.	Friday, 30 March 2012

The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, without notice to vary the times and dates of the Offer, including extending the Offer or accepting late applications, either generally or in particular cases.

This Prospectus has been issued by Resource and Investment NL (ABN 77 085 806 284) (the Company or RNI) and was lodged with ASIC on and is dated 22 February 2012. This Prospectus replaces the prospectus (Original Prospectus) that was lodged by the Company with ASIC on and was dated 17 February 2012.

Since the Original Prospectus was lodged it has been determined that the Company will proceed with the Offer irrespective of the outcome of the Shareholders' Meeting convened for 6 March 2012 (Meeting) to consider resolutions relating to the Transaction, the issue of Consideration Securities and the issue of Placement Securities. This Prospectus provides information concerning the Company's intentions and use of funds if the Shareholders' resolutions to be considered at the Meeting are passed and the Company Completes the Transaction and issues the Consideration Securities and the Placement Securities, and also its intentions and use of funds if it does not Complete the Transaction or issue the Consideration Securities or the Placement Securities. This Prospectus also provides details of the use of funds from the Offer if the conditions for the underwriting are not satisfied and the Offer is accordingly not underwritten and may not be fully subscribed, and makes the Offer conditional on the receipt of applications for a minimum subscription before the Company proceeds with the Offer and issues New Shares and New Options to applicants.

Neither ASX nor ASIC take any responsibility for the contents of this Prospectus.

No shares (or other securities) will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Company is a disclosing entity for the purposes of the Corporations Act and is subject to regular reporting and disclosure obligations. Certain matters may accordingly be reasonably expected to be known to investors and their

professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act which permits the issue of a more concise prospectus in relation to an offer of continuously quoted securities. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering and Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding whether to invest in the securities offered by this Prospectus. Announcements made by the Company to ASX are available from the ASX website [www.asx.com.au](http://www.asx.com.au).

The Company has issued both a printed and electronic version of this Prospectus and the electronic version may be accessed at [www.rninl.com.au](http://www.rninl.com.au). Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must only access the Prospectus from within Australia. There is no facility for online applications. The Corporations Act prohibits any person passing onto another person an application form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus.

This Prospectus does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law, and where this Prospectus has been received, or accessed, in a jurisdiction outside Australia by Non-Residents, and where that jurisdiction's securities legislation requires registration of this Prospectus, this Prospectus is provided for information purposes only. Non-Residents should refer to ADDITIONAL INFORMATION - Non-Residents for further details and consult their professional advisers and observe any applicable restrictions.

The Company reserves the right not to accept an application from any person if it has reason to believe that when the person was given the application, that person was not provided with a complete and unaltered copy of this Prospectus and any relevant supplementary or replacement Prospectus. If you have received an Entitlement and Acceptance Form or Shortfall Application Form for the securities offered by this Prospectus without a complete and unaltered copy of this Prospectus, please contact the Company who will send you a copy of this Prospectus free of charge.

This Prospectus should be read in its entirety before deciding to invest in the securities offered by this Prospectus. The Directors consider an investment in the securities offered by this Prospectus to be speculative and recommend that you consult your financial adviser as to the course you should follow with respect to the Offer.

In particular, potential investors should consider the risk factors that could affect the financial performance of the Company and consider these factors in the light of personal circumstances, including financial and taxation issues (refer to ADDITIONAL INFORMATION - Risks).

Neither the Company nor its Directors nor any party named in this Prospectus guarantee any return on capital or the performance of the Company, and no person is authorised to give any information or to make any representation in connection with the Offer. Only information and representations contained in this Prospectus may be relied on as having been authorised by the Company in connection with the Offer.

This Prospectus contains forward looking statements which are not based on historical facts, but are based on the Company's current expectations of future results or events. These forward looking statements are subject to risks, uncertainties and assumptions which could cause actual results or events to differ materially from the expectations described in those forward looking statements, and no assurance is given that those expectations will prove to be correct. Actual results or events may be materially different from those expressed, implied or projected in the forward looking statements. Every forward looking statement contained in this Prospectus is qualified by this caution.

Definitions (often with the first letter capitalised) appear both in the body of this Prospectus (refer to type in parenthesis) as well as in the Glossary.

## DETAILS OF THE OFFER

### The Offer

This Prospectus is for the offer (the Offer) of new securities pursuant to a pro rata non-renounceable entitlements issue offered to Eligible Shareholders on the basis of 1 new Share (New Share) at an issue price of 35 cents for every 4 Shares held at 5.00pm (WST) on 2 March 2012 (the Record Date), together with 1 free attaching New Option, each exercisable at 60 cents at any time before 5.00pm WST on 31 May 2013 for every 5 New Shares issued.

In calculating Entitlements, fractions of New Shares and free attaching New Options will be rounded up to the nearest whole number.

Disregarding any Entitlements relating to Shares issued on the exercise of options before the Record Date, approximately 31,246,077 New Shares and 6,249,216 free attaching New Options will be issued pursuant to the Offer, if it is fully subscribed, raising approximately \$10,936,000 before the costs of the Offer.

### Background

The Offer follows the announcement of the Company's proposed acquisition of the Fortnum Gold Project and surrounding exploration tenements (the Transaction) by the purchase of the sole issued share (GG Share) in Grosvenor Gold Pty Ltd ABN 98 126 541 624 (Grosvenor Gold) from BlueCrest Mercantile Master Fund Limited (BlueCrest) pursuant to a conditional share purchase agreement (SPA) between the Company and BlueCrest for a total consideration of \$35 million (exclusive of GST) payable at Completion of the Transaction by means of:

- a) a cash payment of \$20,000,000 to BlueCrest (Cash Payment); and

- b) the issue to BlueCrest of 42,857,143 Consideration Shares and 8,571,429 May 2013 Options. The number of Consideration Shares was calculated on the basis of an issue price of \$0.35 each, being the price (in dollars) at which the Company proposes to issue the Placement Shares. The 8,571,429 May 2013 Options are being issued to BlueCrest on a basis consistent with the issue of May 2013 Options under the Placement.

The Company has announced that it will fund the payment of the Cash Payment through the funds raised from the issue of the Placement Shares.

Completion of the acquisition of the GG Share pursuant to the SPA is conditional on the approval of Shareholders under ASX Listing Rule 11.1, and issue of the Placement Securities to raise the funds for the payment of the Cash Payment of \$20 million due to BlueCrest under the SPA and the issue of Consideration Securities to BlueCrest are both conditional on the approval of Shareholders under ASX Listing Rule 7.1. The Meeting of Shareholders has been convened to be held on 6 March 2012 for the purpose of considering resolutions for these approvals under ASX Listing Rules 11.1 and 7.1.

All 3 resolutions (the Shareholders' Resolutions) for Shareholders' approval are interdependent, and if any one of these resolutions is not passed, the Company will not proceed with Completion of the Transaction or the issue of the Placement or Consideration Securities.

#### **IMPORTANT NOTICE – Offer Not Conditional**

Although it is proposed that some of the funds raised under the Offer and Shortfall Offer will be applied in relation to the Grosvenor Gold Projects, the Offer is not conditional on Completion of the Transaction or the issue of the Consideration Securities or Placement Securities. If the Shareholders' Resolutions are not passed and the Company accordingly does not proceed with Completion of the Transaction or issue the Consideration and Placement Securities, the Company will still proceed with the Offer and Shortfall Offer and the funds raised will be applied towards the Company's other projects (refer to USE OF PROCEEDS below).

#### **Minimum Subscription**

The Offer is conditional upon the amount of at least \$4,000,000 before costs (the Minimum Subscription) being subscribed under the Offer (including amounts subscribed under the Shortfall Offer), and no New Shares or New Options will be issued pursuant to the Offer or the Shortfall Offer until the Minimum Subscription is reached.

If the Company does not receive applications for at least the Minimum Subscription, the Company will not proceed with the Offer and all application monies will be returned to applicants without interest.

#### **Underwriter**

The Offer will be managed and conditionally underwritten by Argonaut Capital Limited (ABN 18 099 761 547) (Argonaut) in terms of an agreement (Underwriting Agreement) (refer to ADDITIONAL INFORMATION –Underwriting Agreement). The Underwriting Agreement is conditional on, among other things, the approval of the Transaction by Shareholders and, accordingly, 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 New Shares being offered to Eligible Shareholders pursuant to the Offer (Underwritten Shares), which does not include any entitlement arising from the conversion of any of RNI options, which are not underwritten or covered by the Underwriting Agreement unless agreed to by Argonaut, in its sole and absolute discretion, and a management fee of 1% of the total value of the Underwritten Shares. In addition, Argonaut will be entitled to reimbursement of all costs and expenses reasonably and properly incurred by it in relation to the Offer, including but not limited to legal expenses, marketing and promotional materials and expenditure and travel and accommodation costs, but such costs and expenses are not to exceed \$10,000 without the Company's prior approval.

#### **Acting On Your Entitlement**

The number of New Shares to which a Shareholder is entitled (Entitlement) under the Offer is shown on the form (Entitlement and Acceptance Form) accompanying this Prospectus and headed Entitlement and Acceptance Form.

As the Offer is non-renounceable, Shareholders may not sell or transfer any part of their Entitlements.

If you do not accept your full Entitlement, your percentage shareholding in the Company will be diluted as a result of any New Shares issued under this Prospectus and may be further diluted by the exercise of any New Options.

As a Shareholder you may:

- a. accept your full Entitlement;
- b. accept part of your Entitlement and allow the balance to lapse; or
- c. do nothing (in which case you will receive no benefit from your Entitlement).

#### **To accept your Entitlement**

If you wish to accept all or part of your Entitlement, you must:

EITHER:

- a. complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out in that form, specifying the number of New Shares applied for by you; and
- b. forward the completed form, together with a cheque or bank draft payable in Australian Dollars for the amount due in respect of New Shares applied for, calculated at 35 cents per New Share, to reach the Company's Share

Registrars no later than 5.00pm WST on 21 March 2012. Cheques or bank drafts must be made payable to "Resource and Investment NL" and crossed "Not Negotiable";

OR, ALTERNATIVELY

- c. pay the amount due in respect of New Shares applied for, calculated at 35 cents per New Share, by BPAY no later than 5.00pm WST on 21 March 2012, by following the instructions set out in the accompanying Entitlement and Acceptance Form.

You are not required to take any action in relation to the free attaching New Options. The New Options are free and accordingly New Option will be issued for every 5 New Shares issued, with fractional entitlements being rounded up to the next whole number.

Note: Any part of your Entitlement that is not accepted and paid for by 5.00pm WST on 21 March 2012 will lapse and form part of the Shortfall, and you will receive no benefit from that part.

### Shortfall

If any Shareholders do not accept their whole Entitlement, the number of unaccepted New Shares (and free attaching New Options) will form the Shortfall (Shortfall).

Pursuant to the exception contained in Exception 3 of ASX Listing Rule 7.2, the Directors, as part of the Offer, reserve the right to issue the Shortfall at their discretion within 3 months after the close of the Offer, at an issue price of not less than 35 cents for each New Share comprised in the Shortfall, together with 1 free attaching New Option for every 5 New Shares. The Directors will exercise this discretion in consultation with Argonaut as manager and underwriter to the Offer.

Subject to any restrictions imposed by law, Eligible Shareholders (other than Directors and Related Parties) in addition to their Entitlements and other investors may apply to subscribe under the Shortfall Offer for New Shares comprised in the Shortfall at an issue price of 35 cents each (being the same price for New Shares under the Offer), with 1 free attaching New Option for every 5 New Shares issued, by completing the Shortfall Application Form (headed Shortfall Application Form) accompanying this Prospectus in accordance with the instructions set out in that form and forwarding that form, together with a cheque or bank draft payable in Australian Dollars for the amount calculated in accordance with the instructions on that form, to reach the Company's Share Registrars no later than 5.00pm WST on 21 March 2012. Cheques or bank drafts must be made payable to "Resource and Investment NL" and crossed "Not Negotiable".

There is no guarantee that an application made in a Shortfall Application Form will be successful, and the Directors reserve the right, in consultation with Argonaut as manager and underwriter to the Offer, to allocate, subject to the terms of this Prospectus, any New Shares and free attaching New Options that may be comprised in the Shortfall at their absolute discretion, and may allot to an applicant a lesser number of New Shares and New Options than the number for which the applicant applied, or to reject an application, or to not proceed with placing all or part of Shortfall pursuant to Shortfall Application Forms. If the number of New Shares and free attaching New Options, allotted to an applicant is less than the number applied for, surplus application money will be refunded in full without interest.

Subject to a number of exceptions, section 606 of the Corporations Act prohibits a person from increasing their voting power in the Company from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%. Accordingly, an applicant will not be entitled to New Shares, and free attaching New Options, under the Shortfall Offer to the extent that the issue and allotment of those securities would result in a breach of section 606 of the Corporations Act.

Applicants for New Shares, and free attaching New Options, under the Shortfall Offer must satisfy themselves that applying for those securities will not result in a breach of the Corporations Act.

### Closing Date

The closing date (Closing Date) for acceptances will be 5:00 pm WST on 21 March 2012. Subject to ASX Listing Rules, the Directors may extend this Closing Date (with or without notice and either before or after that date).

### Issue of New Shares

The New Shares and New Options will be issued, and holding statements dispatched to Shareholders to whom New Shares and New Options have been issued, as soon as practicable after the Closing Date.

### Application Monies

Application monies will be held in a separate bank account on behalf of applicants until the New Shares and New Options are issued. If any application is rejected in whole or in part, the amount tendered in respect of New Shares, and free attaching New Options that have not been issued will be repaid to the unsuccessful applicant without interest.

### ASX Listing

Application will be made to the ASX within 7 days after the date of this Prospectus for quotation of the New Shares and New Options. If the application for the quotation of the New Shares and New Options on ASX is not made within 7 days after the date of this Prospectus, or if the New Shares and New Options are not granted quotation within 3 months after the date of this Prospectus, the Company will:

- a) repay all application monies received with respect to the Offer, without interest; or
- b) give the applicants a supplementary or replacement Prospectus and 1 month to withdraw their applications and be repaid; or
- c) issue the New Shares and New Options to the applicants and give them a supplementary or replacement Prospectus and one month to withdraw their applications and be repaid.

The fact that ASX may grant quotation of the New Shares and New Options is not to be taken in any way as an indication of the merits of the Company, the New Shares or the New Options.

## EFFECT ON COMPANY

### Effect of Offer on Capital Structure

Table 1 shows the number of RNI securities that will be on issue if the Placement and Consideration Securities are not issued, and the impact that completion of the Offer will have on the capital structure of the Company in that case (assuming that the Offer is fully subscribed and no options are exercised after the date of this Prospectus but before the Record Date).

Table 1 Securities	Currently on Issue	Increase under Offer	Total on completion of Offer
Shares	124,984,308	31,246,077	156,230,385
New Options	-	6,249,216	6,249,216
August 2012 Options	520,000	-	520,000
November 2013 Options	4,000,000	-	4,000,000
May 2014 Options	3,300,000	-	3,300,000
<b>Total Shares on issue</b>	<b>124,984,308</b>		<b>156,230,386</b>
<b>Total fully diluted</b>	<b>132,804,308</b>		<b>170,299,602</b>

Table 2 shows the number of RNI securities that will be on issue if the Placement and Consideration Securities are issued, and the impact that completion of the Offer will have on the capital structure of the Company at that stage (assuming that the Offer is fully subscribed and no options are exercised after the date of this Prospectus but before the Record Date).

Table 2 Securities	On issue after completion of the issues of Placement and Consideration Securities	Increase under Offer	Total on completion of Offer
Shares	239,841,451	31,246,077	271,087,528
May 2013 Options/New Options	22,971,429	6,249,216	29,220,645
August 2012 Options	520,000	-	520,000
November 2013 Options	4,000,000	-	4,000,000
May 2014 Options	3,300,000	-	3,300,000
<b>Total Shares on issue</b>	<b>239,841,451</b>		<b>271,087,528</b>
<b>Total fully diluted</b>	<b>270,632,880</b>		<b>308,128,173</b>

Table 3 shows the number of RNI securities currently on issue and the cumulative impact that completion of the Offer and the issues of the Placement Securities and Consideration Securities would have on the capital structure of the Company (assuming that the Placement and Consideration Securities are issued, that the Offer is fully subscribed and that no options are exercised after the date of this Prospectus but before the Record Date).

Table 3 Securities	Currently on Issue	Increase under Offer	Increase on issue of Placement Securities	Increase on issue of Consideration Securities	Total on completion of Offer and issues of Placement and Consideration Securities
Shares	124,984,308	31,246,077	72,000,000	42,857,143	271,087,528
May 2013 Options/New Options	-	6,249,216	14,400,000	8,571,429	29,220,645
August 2012 Options	520,000	-	-	-	520,000
November 2013 Options	4,000,000	-	-	-	4,000,000
May 2014 Options	3,300,000	-	-	-	3,300,000
<b>Total Shares on issue</b>	<b>124,984,308</b>				<b>271,087,528</b>
<b>Total fully diluted</b>	<b>132,804,308</b>				<b>308,128,173</b>

Note: The above tables do not take into account the Entitlements that would attach to Shares that would be issued if any of the existing options described in the tables were exercised before the Record Date.

If the Offer is not fully subscribed, the number of Shares and New Options specified in the above tables on completion of the Offer will decrease by the under-subscribed amount.

### Control Implications

If the Consideration Shares and Placement Shares are not issued and all Eligible Shareholders take up their Entitlements in full, the Offer will have no effect on the control of the Company.

If the Consideration Shares are issued to BlueCrest and the Placement Shares are also issued, the 42,857,143 Consideration Shares issued to BlueCrest would equate to about 17.87% of the Shares on issue before completion of the Offer (assuming no options had been exercised before completion of the issue of the Consideration Shares to BlueCrest which would dilute its percentage holding) and, with its 8,571,429 May 2013 Options, BlueCrest's potential percentage shareholding on a fully diluted basis if all RNI options on issue were exercised would be about 19%, but both these percentages will reduce accordingly if any New Shares and the attaching New Options are issued under the Offer.

If the Consideration Shares and Placement Shares are issued and all Eligible Shareholders take up their Entitlements in full, the total percentage interest that the 42,857,143 Consideration Shares issued to BlueCrest will represent in the issued capital of the Company on completion of the Offer will equate to about 15.81 % of the Shares on issue after completion of

the Offer (assuming no options have been exercised before completion of the Offer) and, with its 8,571,429 May 2013 Options, BlueCrest's potential percentage shareholding on a fully diluted basis if all RNI options on issue were exercised would be about 16.69% of the fully diluted capital of the Company.

If Eligible Shareholders do not take up their Entitlements in full, their respective percentage holdings in the Company may be diluted by the issue of New Shares to other applicants, and the percentage shareholding of Non-Resident Shareholders not permitted to participate in the Offer may also be diluted by New Shares and New Options issued under the Offer.

Shareholders who apply for additional New Shares and New Options under the Shortfall Offer may increase their interests beyond their Entitlements. This could result in the dilution of holdings of those who failed to accept their Entitlements in full and those who failed to apply for additional New Shares and New Options under the Shortfall Offer.

#### Effect of Offer on Financial Position

Assuming that the Offer is fully subscribed, the Company's cash reserves, contributed equity and net assets will increase by approximately \$10,244,024 which is the amount that would be raised pursuant to the Offer (approximately \$10,936,126), less the estimated costs of the Offer (approximately \$692,103, which includes the underwriting and management fees of approximately \$546,806 and \$109,361 respectively, plus GST of approximately \$10,936 on the management fees) that would be payable to Argonaut if the Offer is fully subscribed).

Table 4 are unaudited pro forma balance sheets showing in:

**Column 1:** An unaudited estimated pro forma balance sheet based on the unaudited accounts and balance sheet of the Company as at 31 December 2011 (Balance Date). This unaudited pro forma balance sheet has been derived from the Balance Date balance sheet adjusted to reflect material changes since the Balance Date.

**Column 2:** An unaudited pre-Offer pro forma balance sheet based on the last audited accounts and balance sheet of the Company as at the Balance Date reflecting the cumulative effect of the issue of the Placement and Consideration Shares and the completion of the Transaction on the financial position of the Company.

**Column 3:** An unaudited post-Offer pro forma balance sheet based on the last audited accounts and balance sheet of the Company as at the Balance Date reflecting the effect of the Offer on the financial position of the Company after taking into account the cumulative effect of the issue of the Placement and Consideration Shares and the completion of the Transaction on the financial position of the Company. The unaudited estimated Post-Offer pro forma balance sheet has been derived from the pre-offer pro forma balance sheet in column 2 adjusted to reflect the issue of 31,246,077 New Shares under the Offer at \$0.35 each to raise approximately \$10,936,127 before the costs of the Offer (assuming that the Offer is fully subscribed and no options are converted after the date of this Prospectus but before the Record Date), less the estimated costs of the Offer of approximately \$692,103.

**Column 4:** An unaudited post-Offer pro forma balance sheet based on the last audited accounts and balance sheet of the Company as at the Balance Date reflecting the effect of the Offer on the financial position of the Company if the Placement and Consideration Shares are not issued and the Transaction is not Completed. The unaudited estimated Post-Offer pro forma balance sheet has been derived from the pre-offer pro forma balance sheet in column 1 adjusted to reflect the issue of 31,246,077 New Shares under the Offer at \$0.35 each to raise approximately \$10,936,127 before the costs of the Offer (assuming that the Offer is fully subscribed and no options are converted after the date of this Prospectus but before the Record Date), less the estimated costs of the Offer of approximately \$692,103.

As indicated in the Post-Offer pro-forma balance sheet above, the effect of raising a net amount of \$10,244,024 by the Offer is that cash increases by this amount, as does net contributed equity and net assets. If there is a shortfall of cash raised by the Offer, the shortfall will be reflected in a correspondingly lower amount of cash than shown above, and a lower amount of net contributed equity and net assets.

Table 4	Column 1 Pre-Transaction and Offer Pro forma \$	Column 2 Estimated Post Transaction but Pre- Offer Pro forma \$	Column 3 Estimated Post Transaction Post- Offer Pro forma \$	Column 3 Estimated Post- Offer Pro forma \$
<b>Current Assets</b>				
Cash and cash equivalents	2,563,509	5,865,309	16,109,332	12,807,533
Trade and other receivables	168,670	168,670	168,670	168,670
<b>Total Current Assets</b>	<b>2,732,179</b>	<b>6,033,979</b>	<b>16,278,002</b>	<b>12,976,203</b>
<b>Non-Current Assets</b>				
Investments	30,744	30,744	30,744	30,744
Exploration assets	5,619,355	5,619,355	5,619,355	5,619,355
Property, plant and equipment	503,162	503,162	503,162	503,162
Fortnum Gold Project	-	35,000,000	35,000,000	-
<b>Total Non-Current Assets</b>	<b>6,153,261</b>	<b>41,153,261</b>	<b>41,153,261</b>	<b>6,153,261</b>
<b>TOTAL ASSETS</b>	<b>8,885,440</b>	<b>47,187,240</b>	<b>57,431,263</b>	<b>19,129,464</b>
<b>Current Liabilities</b>				
Trade and other payables	534,252	534,252	534,252	534,252
<b>Total Current Liabilities</b>	<b>534,252</b>	<b>534,252</b>	<b>534,252</b>	<b>534,252</b>
<b>NET ASSETS</b>	<b>8,351,188</b>	<b>46,652,988</b>	<b>56,897,011</b>	<b>18,595,212</b>
<b>Equity</b>				
Share capital	35,267,878	73,569,678	83,813,701	45,511,902
Reserves	2,253,823	2,253,823	2,253,823	2,253,823
Accumulated Losses	(29,170,513)	(29,170,513)	(29,170,513)	(29,170,513)
<b>TOTAL EQUITY</b>	<b>8,351,188</b>	<b>46,652,988</b>	<b>56,897,011</b>	<b>18,595,212</b>

## USE OF PROCEEDS

### Transaction Not Completed

If the Shareholders' Resolutions are not passed and the Transaction is not completed, the Company intends, as at the date of this Prospectus, to apply the funds raised pursuant to the Offer as set out in Table 5A if the Offer is fully subscribed and as set out in Table 5B if only the Minimum Subscription is raised.

Table 5A – Full Subscription		
Funds Raised (gross)	Amount \$	
Offer	10,936,127	
Total funds raised	10,936,127	
Budgeted Expenditure		
Estimated costs of Offer <sup>1</sup>	25,000	
Fortnum West Project	1,375,000	Including tenement administration; Heritage surveys, clearances and surveys, geochemical sampling assays; RAB drilling and RC drilling for a two year programme.
Doolgunna Project	5,167,103	Including deep diamond drilling, assays, downhole geophysical survey, tenement administration, Heritage surveys and clearances and exploration logistics for two years as part of an accelerated and expanded exploration programme targeting copper-gold in the Narracoota volcanics.
Three Rivers Project	937,500	Including tenement administration, Heritage surveys and drilling clearances, RAB, RC and diamond drilling and assays, studies and target generation for two years based on copper anomalism as discovered as announced in this project area.
	375,000	Equipment, software, servers, computers, field utilities including extra field portable XRF and IR alteration field equipment.
General	3,056,524	Administration costs, wages for additional staff and working capital.

<sup>1</sup>This is the estimated cost of the Offer, and includes provision for ASX fees, legal fees, printing and postage, share registry fees and sundry expenses (plus GST). If the Shareholders' Resolutions are not passed and the Transaction is not completed, the Underwriting Agreement will terminate and the fees of 5% and 1% (plus applicable GST) of the gross amount raised under the Offer that would have been due to Argonaut under the Underwriting Agreement will not be payable.

Table 5B – Minimum Subscription		
Funds Raised (gross)	Amount \$	
Offer	4,000,000	
Total funds raised	4,000,000	
Budgeted Expenditure		
Estimated costs of Offer <sup>1</sup>	25,000	
Fortnum West Project	400,000	Including tenement administration; Heritage surveys, clearances and surveys, geochemical sampling assays; RAB drilling.
Doolgunna Project	2,200,000	Including deep diamond drilling, assays, downhole geophysical survey, tenement administration, Heritage surveys and clearances and exploration logistics for 1 year
Three Rivers Project	400,000	Including tenement administration, Heritage surveys and drilling clearances, RAB drilling and assays, studies and target generation for one year.
	100,000	Equipment, software, servers, computers, field utilities
General	875,000	Administration costs and working capital.

<sup>1</sup>This is the estimated cost of the Offer, and includes provision for ASX fees, legal fees, printing and postage, share registry fees and sundry expenses (plus GST). If the Shareholders' Resolutions are not passed and the Transaction is not completed, the Underwriting Agreement will terminate and the fees of 5% and 1% (plus applicable GST) of the gross amount raised under the Offer that would have been due to Argonaut under the Underwriting Agreement will not be payable.

Given the nature of the Company's business, the allocation of funds detailed in the above table may change depending on environmental, regulatory, market conditions and other natural and commercial factors. The information set out in Tables 5A and 5B is a statement of present intention as at the date of this Prospectus. However the exact quantum of funds expended by the Company on any particular item will be dependent on many factors including those described above.

In the opinion of the Directors, the Company will not be materially disadvantaged if the Offer is not fully subscribed. The Company will still be able to pursue its objectives but will do so at a reduced rate than if the Offer had been fully subscribed. Funds raised from the Offer will be applied firstly towards payment of the costs of the Offer and the balance applied to the Company's Fortnum West, Doolgunna and Three Rivers Projects and general expenses.

### Transaction Completed

If the Shareholders' Resolutions are passed and the Transaction is completed, the Company intends, as at the date of this Prospectus, to apply the funds raised pursuant to the Offer as set out in Table 6.



<b>Funds Raised (gross)</b>	<b>Amount \$</b>	
Offer	10,936,127	
Total funds raised	10,936,127	
<b>Budgeted Expenditure</b>		
Estimated costs of Offer <sup>1</sup>	692,103	
Grosvenor Gold Projects	2,400,000	Including tenement administration and management, Heritage surveys, clearances and surveys, drilling (includes drilling, drilling logistics, contract staff, on costs and travel), assay costs and target generation, studies, reports.
Fortnum West Project	550,000	Including tenement administration; Heritage surveys, clearances and surveys, geochemical sampling assays; RAB drilling and RC drilling.
Doolgunna Project	1,335,000	Including drilling, assays, downhole geophysical survey, tenement administration, Heritage surveys and clearances and exploration logistic.
Three Rivers Project	375,000	Including tenement administration, Heritage surveys and drilling clearances, RAB drilling and assays, studies and target generation.
	50,000	Equipment, software, servers, computers, field utilities.
General	5,534,024	Plant, site and infrastructure refurbishment, administration costs and working capital.

<sup>1</sup>This is the estimated cost of the Offer, and includes provision for ASX fees, legal fees, printing and postage, share registry fees and sundry expenses (plus GST) and the fees of 5% and 1% (plus applicable GST) of the gross amount raised under the Offer that will be payable to Argonaut under the Underwriting Agreement.

In the opinion of the Directors, the Company will not be materially disadvantaged if the Offer is not fully subscribed. If the conditional underwriting remains in place, the balance of funds will be subscribed for by Argonaut. If the conditional underwriting falls away, the Company will still be able to pursue its objectives but will do so at a reduced rate than if the Offer had been fully subscribed. Funds raised from the Offer will be applied firstly towards payment of the costs of the Offer and the balance will be allocated and applied to the Company's Grosvenor Gold, Fortnum West, Doolgunna and Three Rivers Projects and general expenses.

Given the nature of the Company's business, the allocation of funds detailed in the above table may change depending on environmental, regulatory, market conditions and other natural and commercial factors. The information set out in Table 6 is a statement of present intention as at the date of this Prospectus. However the exact quantum of funds expended by the Company on any particular item will be dependent on many factors including those described above.

## ADDITIONAL INFORMATION

### Interests, Fees and Benefits

Other than as set out below or elsewhere in this Prospectus, no (a) Director of the Company or (b) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation and distribution of this Prospectus or (c) stockbroker or manager to the offer of securities under this Prospectus, has or had within 2 years before lodgement of this Prospectus with ASIC any interest in (i) the formation or promotion of the Company or (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the offer of securities under this Prospectus or (iii) the offer of securities under this Prospectus; and no amounts have been paid or agreed to be paid and no amounts have been given or agreed to be given to any of those persons as an inducement to become or to qualify as a Director of the Company or for services rendered in connection with the formation or promotion of the Company or the offer of securities under this Prospectus.

All Directors have stated that they intend to take up their full Entitlement under the Offer. None of them will exercise any options before the Record Date.

The direct and indirect interests of the Directors in securities of the Company as at the date of this Prospectus and their respective Entitlements are as follows.

Director	Holdings as at the date of this Prospectus				Total Entitlements	
	Shares		Options		New Shares	New Options
	Direct	Indirect	Direct	Indirect		
Miles Kennedy <sup>1</sup>	-	16,770,000	-	1,000,000	4,192,500	838,500
Albert Thamm <sup>2</sup>	-	-	1,000,000	-	-	-
John Hutton <sup>3</sup>	-	6,972,460	-	1,000,000	1,743,115	348,623
Thomas Mann <sup>4</sup>	-	1,000,000	-	1,000,000	250,000	50,000

<sup>1</sup>Miles Kennedy has a relevant interest in 16,370,000 Shares and 1,000,000 November 2013 Options held by MAK Super (WA) Pty Ltd (ACN 010 657 959) ATF MAK Superannuation Fund and 400,000 Shares held by Kennedy Holdings (WA) Pty Ltd (ACN 003 118 438) (as trustee for the Kennedy Family Trust).

<sup>2</sup>Albert Thamm has a direct relevant interest in 1,000,000 November 2013 Options held by him personally.

<sup>3</sup>John Hutton has a relevant interest in 6,657,850 Shares and 1,000,000 November 2013 Options held by JCO Investments Pty Ltd (ACN 100 562 918) (as trustee for the JH Family Trust) and 314,610 Shares held by Faustus Nominees Pty Ltd (ACN 008 874 315).

<sup>4</sup>Thomas Mann has a relevant interest in 1,000,000 Shares and a relevant interest in 1,000,000 November 2013 Options held by 1147 Pty Ltd (ACN 141 878 346) (TJ & CJ Mann S/F Pension A/c).

The remuneration paid or due to the Directors or their related entities during the period of 2 years prior to the date of this Prospectus is set out in Table 8 below.

Director	Period (12 mths ended)	Directors' Fees \$	Salary Sacrificed Super \$	Superannuation \$	Gross Remuneration \$
Miles Kennedy	21/02/2011	63,333	10,966	5,700	80,000
	21/02/2012	95,000	16,500	8,550	120,000
Albert Thamm <sup>1</sup>	21/02/2011	-	-	-	-
	21/02/2012	51,853	6,000	4,666	62,520
John Hutton	21/02/2011	36,697	-	3,302	40,000
	21/02/2012	50,458	-	4,541	55,000
Thomas Mann	21/02/2011	13,866	24,885	1,248	40,000
	21/02/2012	19,066	34,217	1,716	55,000

Note:

<sup>1</sup> Albert Thamm was engaged as a consultant by the Company prior to his appointment as a Director on 1 December 2011 and was paid an aggregate of \$20,840 as consultancy fees for his services during the period from 1 November 2011 to 30 November 2011 which is in addition to his Gross Remuneration of \$62,520 as a Director for the period from 1 December 2011 to 22 February 2012.

Directors are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

The Bagot Road Property Partnership (ABN 63 881 079 002), which is associated with Miles Kennedy and John Hutton, provides office accommodation and services to the Company at its registered offices at 34 Bagot Road, Subiaco, Western Australia. For the period from 1 October 2010, when the provision of the accommodation and services commenced, to 30 June 2011 an aggregate amount of \$75,685 (net of GST) was paid, and from 1 July 2011 to the date of issue of this Prospectus an aggregate of \$50,207 (net of GST) was paid, for rent and office expenses due to The Bagot Road Property Partnership.

The Bagot Road Group Pty Ltd (ABN 94 153 073 593), which is associated with Miles Kennedy and John Hutton, provides payroll management services to the Company and pays expenses incurred in respect of wages and fees for services performed for the Company by accountants, lawyers, managers, an engineering consultant, Company secretary, geologists, office support staff and the directors' fees due to the Company's executive directors. Since the commencement of the provision of these payroll management services on 1 December 2011 to the date of this Prospectus, an aggregate of \$200,219 of expenses (net of GST) for the Company by Bagot Road Group Pty Ltd has been reimbursed to it by the Company. The reimbursed amount includes the directors' fees for Miles Kennedy and Albert Thamm for the period 1 December 2011 to the date of issue of this Prospectus.

The Company has entered into Deeds of Access and Indemnity with Directors and has effected, and intends to maintain, Directors' and Officers' Liability insurance on behalf of the Directors.

For acting as manager and underwriter, Argonaut will be entitled to the management and underwriting fees and reimbursements of certain expenses as specified in DETAILS OF THE OFFER – Underwriter. From the management and underwriting fees, Argonaut will pay all fees required to be paid to sub-underwriters, brokers and investors in connection with the Offer. During the two years ended 22 February 2012 Argonaut has been paid approximately \$272,893 (exclusive of GST) as management and placement fees and underwriting commission for previous services undertaken for the Company. Argonaut and its employees and/or clients may hold securities in RNI and these holdings of securities may change at any time or times.

In addition, on Completion, the Company will grant Argonaut the right, but not the obligation, to subscribe for 3,597,621 options, at an issue price of \$0.001 each, exercisable at 43.75 cents each within 3 years after Completion.

### Underwriting Agreement

In terms of the Underwriting Agreement, Argonaut has agreed to manage and underwrite the Offer on the basis that, inter alia:

1. the Underwriting Agreement relates to both the Placement and the Offer.
2. The Underwriting Agreement in relation to the Offer is conditional, inter alia, on:
  - a) Argonaut being able to obtain sub-underwriting commitments to its sole satisfaction;
  - b) the Company receiving the funds from the Placement from Placement Investors or, failing that, complies with the requirements for Argonaut to provide it with the difference between the funds received from Placement Investors and \$25,200,000. These requirements include the Company not being in breach of any term entitling Placement Investors to avoid their commitments, the Company being ready, willing and able to perform all of its obligations in relation to the Acquisition as at the Placement Settlement Date and the Company causing the Placement Securities that would have been issued to the Placement Investors who have failed to deliver their Placement Commitments into a trust account, to be issued and registered to an account or accounts nominated by Argonaut;
  - c) Shareholders passing the Shareholders' Resolutions to approve the Transaction and the issue of the Placement and Consideration Shares; and

- d) Argonaut completing a review of the Company to its sole satisfaction.
3. The conditions are solely for the benefit of Argonaut and they may either waive the conditions, or extend the time for satisfaction of the conditions. Argonaut has confirmed that the condition described in paragraphs 2(a) and (d) have been satisfied.
  4. The Shareholders' Resolutions described in paragraph 2(c) are scheduled to be considered by Shareholders at the Meeting convened for 6 March 2012. If the Shareholders do not pass the Shareholders' Resolutions to approve the Transaction and the issue of the Placement and Consideration Shares or if the Shareholders' Resolution are passed by the Shareholders but the condition specified in paragraph 2(b) is not satisfied within 2 business days after the passing of the Shareholders' Resolutions or such other date as is agreed in writing by Argonaut as the date for delivery of the Placement Funds, the remaining obligations of Argonaut to underwrite the Offer pursuant to the Underwriting Agreement will immediately terminate and neither party shall have any further rights against the other party, other than in respect of breaches of the Underwriting Agreement which arose prior to its termination and any outstanding accrued obligations as to payment of fees and expenses. In that case the Offer would effectively not be underwritten.
  5. Immediately after issue of the Underwritten Shares, the Company must pay to Argonaut an underwriting fee equal to 5% of the total value of the Underwritten Shares, a management fee of 1% of the total value of the Underwritten Shares and must pay, in addition to those fees, all costs and expenses reasonably and properly incurred by Argonaut in connection with the Placement Financing and the Offer. These costs and expenses are not to exceed \$10,000 without the prior approval of the Company.
  6. If the Underwriting Agreement terminates, all of the costs and expenses incurred or accrued by Argonaut and payable by the Company under the Underwriting Agreement remain payable on Argonaut's demand.
  7. Amounts payable under the Underwriting Agreement are exclusive of GST and if GST is imposed on any taxable supply made under the Underwriting Agreement, the amount of that payment will be increased by the applicable GST.
  8. The Company has agreed to indemnify and keep indemnified Argonaut, its Related Bodies Corporate and their respective directors, officers, employees, agents, representatives and advisers (Indemnified Parties) from and against any and all claims, actions, damages, losses, liabilities, costs, or expenses, including costs for legal advice on a solicitor-client basis, (Losses) which any Indemnified Party incurs or suffers in respect of or in any way relating to the Offer, this Prospectus or the Underwriting Agreement, including any Losses in connection with any investigation, enquiry or hearing by the ASIC, ASX, a government or any Governmental Agency. It is acknowledged and agreed that, in relation to the indemnity, Argonaut is contracting for the benefit of each of the Indemnified Parties and that any Indemnified Party may enforce the indemnity on his or her behalf or Argonaut may enforce it on their behalf. The Company has also agreed to reimburse or provide for payment of any Losses suffered personally by any other Indemnified Party in respect of certain matters and has agreed to reimburse the Underwriter and each of its Indemnified Parties for expenses, and to pay Argonaut and the Indemnified Parties at their standard professional charge out rate for all time spent in connection with any investigations, enquiries or legal proceedings, or defending any claim or potential claim whatsoever and from whomsoever, relating to or arising out of this Prospectus, the Offer or the Underwriting Agreement.
  9. The indemnity under the Underwriting Agreement does not extend to and is not an indemnity against any amount in respect of which the indemnity would be illegal, void or unenforceable under any law; or to any Losses, to the extent that they arise, either directly or indirectly, out of the negligence, wilful misconduct or fraud on the part of the Indemnified.
  10. The indemnity under the Underwriting Agreement survives completion or termination of the Underwriting Agreement, and if the indemnity is held invalid in whole or in part, Argonaut and the Company will share the Losses on a proportional basis with Argonaut contributing that proportion of the Losses that its fees as bear to the total amount of the capital raised by the Offer and the Company contributing the balance of the Losses.
  11. Argonaut may elect to terminate the Underwriting Agreement if, inter alia:
    - a) the Company fails to perform or evinces an intention that it will not perform any of its material obligations under the Placement, or the Placement becomes incapable of being satisfied at the fault of the Company;
    - b) Argonaut reasonably forms the view that there is a material omission from this Prospectus or that it contains a material statement which is misleading or deceptive, or a material statement has become misleading or deceptive, or that any projection or forecast in the Prospectus becomes, to a material extent, incapable of being met or unlikely to be met in the projected time;
    - c) ASIC gives notice of intention to hold a hearing under section 739(2) of the Corporations Act or makes an interim order under section 739(3) of that act, or any person other than Argonaut who consented to being named in this Prospectus withdraws that consent;
    - d) Argonaut reasonably forms the view that a supplementary or replacement document (as appropriate) must be lodged with ASIC, and the Company does not lodge such a document in the form and content, and within the time reasonably required by Argonaut;
    - e) ASX does not give approval for the Placement Shares or the New Shares to be listed for official quotation, or if approval is granted, the approval is subsequently withdrawn, qualified or withheld;
    - f) the Company does not at any time use its best endeavours to list the May 2013 Options or the New Options issued pursuant to the Offer, on ASX;

- g) the S&P/ASX Small Ordinaries Index (ASX Code: XSO) falls more than 10% from the date of the Underwriting Agreement for a period of 3 continuous business days;
- h) a Director of the Company or any Related Body Corporate is charged with an indictable offence;
- i) the Company or a Related Body Corporate takes any steps to undertake a proposal contemplated under section 257A of the Corporations Act or passes or takes any steps to pass a resolution under section 260B of that Act, without Argonaut's prior written consent;
- j) the Company's bankers not terminating or issuing any demand or penalty notice or amending the terms of any existing facility or claiming repayment or accelerated repayment of any facility or requiring additional security for any existing facility;
- k) any change occur to laws, regulations or policies which does or is likely to prohibit, restrict or regulate the principal business of the Company, the Offer or the operation of stock markets generally;
- l) the Company or any Related Body Corporate fails to comply with any provision of its Constitution, any statute, a requirement, order or request, made by or on behalf of the ASIC or any Governmental Agency; or any material agreement entered into by it;
- m) except as described in this Prospectus, the Company alters its capital structure or its constitution without the prior written consent of Argonaut;
- n) there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, Indonesia, Japan, Russia, the United Kingdom, the United States of America, or the Peoples Republic of China, other than hostilities involving Afghanistan or Iraq, any country bordering Afghanistan or Iraq or any Arab country (being a country the majority of whose inhabitants are of Arab ethnicity);
- o) a force majeure, which prevents or delays an obligation under the Underwriting Agreement, lasting in excess of 2 weeks occurs;
- p) the Company is in default of any of the terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given or made by it under that Agreement;
- q) any adverse change occurs which materially impacts or is likely to impact the assets, operational or financial position of the Company or a Related Body Corporate (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a Related Body Corporate); or
- r) The Company suspends payment of its debts generally, an Event of Insolvency occurs in respect of a Related Body Corporate or a judgment in an amount exceeding \$50,000 is obtained against the Company or a Related Body Corporate and is not set aside or satisfied within 7 days.

#### Debt facility

New Holland Capital Pty Limited (ACN 124 626 295) (New Holland), an Authorised Representative (Number 314646) of Taurus Funds Management Pty Limited (Australian Financial Services Licensee Number 307723) (Taurus) has been engaged by the Company to arrange a debt facility of approximately \$20,000,000 (Debt Facility) to assist the Company with matters relating to funding the re-start of the Fortnum Gold Project through the pursuit of a two-pronged approach which will see it undertake an extensive exploration campaign while also completing a \$10,000,000 re-commissioning of the gold treatment plant and to provide additional working capital for the proposed operations on the Fortnum Gold Project and surrounding tenements which represent a dominant tenement position, and one of the most prospective, in the Bryah Basin.

As at the date of this Prospectus the Debt Facility had not been arranged and the Directors are not currently in a position to speculate when, or if, the Debt Facility will be arranged or required. The Directors have determined that their current intention is that the Debt Facility will not be pursued if the Transaction is not Completed.

In the opinion of the directors, the Company will not be materially disadvantaged if the Debt Facility is not arranged or is delayed. The Debt Facility does not appear as an item in the Table 4 Use of Proceeds and the Company will still be able to pursue its objectives but will do so at a reduced rate than if the Debt Facility had been arranged.

#### Share Trading History

The highest and lowest market sale price of the Shares on ASX during the 3 months immediately preceding the date of this Prospectus, and the respective dates of those sales and the last sale on the last business day on which any sales were recorded immediately preceding the date of this Prospectus, were:

	Dates	\$
Highest	28/11/2011	0.845
Lowest	24/01/2012	0.450
Latest	21/02/2012	0.56

The highest and lowest market sale price of the Shares on ASX during the 12 months immediately preceding the date of this Prospectus, and the respective dates of those sales, were:

	Dates	\$
Highest	29/04/2011	1.60
Lowest	24/01/2012	0.45

## Continuous Disclosure and Documents Available for Inspection.

For the purposes of the Corporations Act, the Company is a “disclosing entity” and as such, it is subject to regular reporting and disclosure obligations. This Prospectus is issued in accordance with section 713 of the Corporations Act and incorporates by reference into this Prospectus the documents itemised below that have been lodged by the Company with either of ASIC or ASX. Copies of documents lodged with ASIC in relation to the Company may be obtained from or inspected at an office of ASIC.

Any person has the right to obtain a copy of the following documents, and the Company will provide a copy of each of the following documents, free of charge, to any person who asks for it during the application period for this Prospectus:

- a) the financial report of the Company for the financial year ended 30 June 2011, being the last audited annual financial report lodged with ASIC on 27 October 2011 in relation to the Company before the issue of this Prospectus;
- b) all documents used to notify ASX of the information relating to the Company under ASX Listing Rules since the lodgement of the financial report referred to in a) above. As at the date of this Prospectus, the only such documents were as follows.

Date	Document Description
21/02/12	Replacement prospectus to be issued
17/02/12	Appendix 3B
17/02/12	Prospectus for Non-renounceable Entitlements Issue
17/02/12	Notice to RNI Option Holders
13/02/12	Investor Presentation
10/02/2012	Review of Doolgunna reveals extensive copper-gold anomalism
3/02/2012	Notice of General Meeting/Proxy Form
30/01/2012	Quarterly Cashflow Report
30/01/2012	Quarterly Activities Report
23/01/2012	Reinstatement to Official Quotation
23/01/2012	RNI finalises terms of \$35M Fortnum Gold Project acquisition
20/01/2012	Suspension from Official Quotation
19/01/2012	Trading Halt
9/01/2012	RNI to become Australian gold producer following \$35m deal
4/01/2012	Trading Halt
1/12/2011	Initial Director`s Interest Notice
1/12/2011	RNI strengthens Board
29/11/2011	Results of Meeting
29/11/2011	2011 AGM Presentation
29/11/2011	Exploration Update RNI Intersects 9m Sulphides at Doolgunna
16/11/2011	Appendix 3B
31/10/2011	Quarterly Cashflow Report
31/10/2011	Quarterly Activities Report
27/10/2011	Annual Report to shareholders

## Risks

### General

The business activities of the Company are subject to various risks that may impact on the future performance of the Company. While most risk factors are largely beyond the control of the Company and its Directors, the Company will seek to mitigate the risks where possible and economically viable (for example, by obtaining appropriate insurances and by putting in place safeguards and appropriate systems).

An investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which New Shares or New Options will trade, or whether New Options will be of any value.

A number of material risk factors are set out below. This list is not exhaustive and potential applicants should examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for New Shares.

When used in this “Risks” section, the term “Company” includes the Company and its subsidiaries and references to the business of the Company includes the businesses of the Company and its subsidiaries.

### Risks relating to the Offer

Applicants are being offered New Shares at a price of \$0.35, which may be higher than or lower than the market price of Shares at the time New Shares are issued under the Offer. The market price of Shares will fluctuate during the Offer period and afterwards. There is an ongoing risk, which exists for shares in all companies, that the share price may fall in the future.

### General and industry risks

The Company is subject to the inherent risks of mining exploration and development industries and general economic risks in varying degrees. A non-exhaustive list of some of the more important of these risks is set out below.

- Economic conditions: Economic conditions, both domestic and global, may affect the performance of mining exploration and development companies like the Company. Adverse changes in such things as global and country-by-country economic growth, the level of economic activity and inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), general consumption and consumer spending, employment rates and industrial disruption, among others, are outside the control of the Company and may result in material adverse impacts on the Company's business and its operating results.

- Share market conditions: As the Company is listed on the ASX, its share price is subject to the numerous influences that may affect both the trends in the share market and the share prices of individual companies, including movements in international and local stock markets, changes in the outlook for commodities (more specifically, gold, copper, silver and other minerals), inflation, interest rates, general economic conditions and changes in government, fiscal, monetary and regulatory policies. In the future, these factors may cause Shares to trade below current prices and may affect the income and expenses of the Company.
- General legal and taxation matters: Future earnings, asset values and the relative attractiveness of Shares may be affected by changes in law and government policy, in particular, changes to taxation law (including transaction and other duty, capital gains tax and GST) and new or revised taxes such as resource rent taxes.
- Commodity price fluctuations: The price of gold, copper, silver and other minerals is influenced by numerous variable factors, including laws and regulations, economic conditions and physical and trading demand and supply. Fluctuations in gold, copper, silver and other mineral prices may, positively or negatively, influence the operating and financial performance of projects and businesses in which the Company has an interest or proposes to have an interest, notwithstanding that the Company may at some point obtain long term sale agreements (in which the pricing provisions may include periodic review to market during the term of the agreements).
- Exploration and development risks: The Company is exposed to the risks inherent in exploration, development, mining and processing of mineral products. The key risks include: the grade and tonnage of valuable constituent in an ore-body may not be what was originally estimated from the drilling, analysis and resource/reserve estimation; exploration for additional ore-bodies or extension of existing ore-bodies may not be successful or yield results which are either lower than expected or inconsistent with earlier data; applications for mining tenements may not be granted; the feasibility study for the development of any proposed mine and processing facilities may provide results which mean that the development of the mine is either uneconomic in current market conditions or provides insufficient returns for the risks involved; the physical and chemical response of ore to treatment may not be completely in accord with the design flow-sheet adopted; the capital and operating costs may be different to that estimated from the design and feasibility study; the equity and debt financing required to fund the development of new projects or expansion of existing projects may not be available or, if they are available, only be available on terms which are not sufficiently favourable to allow the development to proceed; the production rates of ore mined and processed may be different to that forecast in the design and feasibility study; and the product specification may be different to that expected from test-work and analysis at the design and feasibility stage. Also, because most of the Company's revenues and profits are related to its minerals operations, its results and financial conditions are directly related to the success of its exploration and acquisition efforts and the ability to replace existing reserves. A failure in the Company's ability to discover new reserves, enhance existing reserves or develop new operations in sufficient quantities to maintain or grow the current level of reserves could negatively affect the Company's results, financial condition and prospects.
- Mining related issues: Exploration drilling and transition of resource discoveries to commercial production are endeavours which may be positively or negatively impacted by numerous issues including, but not limited to, mining, petroleum, heritage and environmental legislation (including exploration and mining licence and permit approvals), industrial disputes, cost overruns, native title claims and compensation, native heritage issues and other unforeseen contingencies.
- Native title claims: It is possible that native title claims may be lodged in relation to land in which the Company may have an interest. Similar such legislation and issues may also exist in other countries in which the Company may invest in the future. Claims of this nature may prevent a project proceeding, delay project development or result in additional project development costs.
- Recovery: There is the risk that discoveries in which the Company invests may fail to realise their estimated potential recoverable resources or reserves and/or production rates.
- Contract risks: The Company is and will in the future be a party to numerous contracts and agreements. Numerous of these contracts and agreements relate directly or indirectly to the provision of funding, services and product by the Company and include provisions which may impose financial and/or other claims on the Company for non-performance of the Company's obligations under the contract/agreement. Such provisions may include, amongst other things, liquidated damages, latent defects/damages and warranties and indemnities. A material claim under such provisions could adversely impact on the Company's operating and financial performance.
- Counterparty risks: There exists the risk that counterparties to contracts and agreements with the Company may breach the terms of such contracts and agreements. Such breach or breaches may lead to default by the counterparty and termination of the relevant contract by the Company. While the Company will undertake all reasonable due diligence in assessing the operating and financial capability of contracting counterparties to fulfil their relevant contractual obligations, and procure credit support where necessary and available, it is not possible to fully mitigate such counterparty risks and a breach of contract by a counterparty could adversely impact on the operating and financial performance of the Company.
- Competition risks: The businesses in which the Company is involved are subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business investment decisions and controls, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and businesses.

- Environmental risks: Development of mineral resources has some impact on the environment. It is possible that environmental claims could arise in the future against the Company and the potential for liability is an ever-present risk. The Company is required to comply with certain environmental management issues from time to time.
- Government policy: Industry profitability can be affected by changes in government, both within Australia and externally, which are not within the control of the Company. The Company's activities are subject to extensive laws and regulations controlling not only the activities of the Company, but also the possible effects of such activities upon the environment and upon interests of native and/or indigenous peoples, among other things. Permits from a variety of regulatory authorities are required for many aspects of the Company's business. There is no assurance that permits will be obtained when sought or that unfavourable conditions will not be imposed. Future legislation and regulations could cause additional expense, capital expenditures, restrictions and delays in the development of the Company's projects and technologies, the extent of which cannot be predicted.
- Weather and climatic conditions: The current and future operations of the Company, including development and production, may be affected by limitations on activities due to seasonal and unexpected weather patterns, heavy rain, floods and other weather and climate conditions.
- Country risks: The Company may undertake investments in the future in various countries where the economic, legal and political conditions vary from Australia. In addition, the relevant economic, legal and political conditions may change from time to time and such changes may have a positive or negative impact on the Company's projects or businesses in the relevant country. While the Company will undertake all reasonable due diligence in assessing the risks associated with those countries in which it invests the economic, legal and political conditions of such countries and any changes thereto are outside the control of the Company.
- Key personnel risks: Various activities relating to the Company's projects and businesses require personnel with appropriate industry experience and qualifications and in some cases the loss of such key personnel may have an impact on the relevant activities of the Company. The Company will endeavour to appropriately secure the tenure of key personnel on competitive market terms and in most cases it is likely that appropriate replacement personnel will be available from the market. However, there is a well-documented skills shortage in Western Australia and this could continue to have an effect on the Company and its projects.
- Foreign currency exchange rate risks: Revenue and expenditure of the Company may be domiciled in currencies other than Australian dollars and as such expose the Company to foreign exchange movements, which may have a positive or negative influence on the Australian dollar equivalent of such revenue and expenditure. The Company may invest in projects and businesses in countries outside Australia in which case movements in the currency of the relevant country against the Australian dollar may increase or decrease the Australian dollar equivalent value of the investment. The Company will appropriately monitor and assess such risks and may from time to time implement measures, such as foreign exchange currency hedging, to assist manage these risks. However, hedging may not be implemented in all cases and the measures themselves may expose the Company to related risks.
- Insurance risks: The Company may, where economically practicable and available, endeavour to mitigate some project and business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover. While the Company will undertake all reasonable due diligence in assessing the creditworthiness of its insurance providers there will remain the risk that an insurer defaults in payment of a legitimate claim by the Company under an insurance policy.
- Industrial dispute risks: The Company's projects and businesses may be adversely impacted by industrial disputes by employees of the Company, its contractors, its contract counterparties and/or other third parties. The Company will endeavour to provide working conditions, including salaries, which are consistent with best industry practice for the country and/or region in which it conducts its projects and businesses. The Company will also endeavour to ensure its contractors and contract counterparties also adopt such practices. However, the risk of industrial disputes and the potential negative impact on a project or business of the Company cannot be fully mitigated.
- Terrorism and war risks: The Company's projects and businesses may be adversely impacted by acts of terrorism or war. While the Company will undertake all reasonable due diligence in assessing the risks of terrorism and war in the countries and regions in which it invests, the risks of acts of terrorism and war cannot be fully mitigated.

#### **Risks specific to the Company and its business**

The Company is also subject to risks which are specific to the Company and its businesses. A non-exhaustive list of some of the more important of these risks is set out below.

- Production risks: The Company's production of mineral resources may be adversely impacted by numerous issues including, but not limited to, land access, force majeure circumstances, floods, native title and heritage and environmental legislation, industrial disputes, cost overruns, governmental approval, licensing and permitting processes and other unforeseen contingencies. Such issues could render production uneconomical, result in a need to cease development of a project, adversely impact on the operating and financial performance of a project or result in a need to shut down a project. There is no assurance that the Company's attempts to develop and exploit its projects will be successful or that production will remain profitable in the long term. The operations of the Company may be affected by various factors not within its control, including operational and

technical difficulties encountered in production, sourcing difficulties, commissioning difficulties, difficulties operating and maintaining plant and equipment, mechanical failure, industrial accidents, processing deficiencies, labour shortages, industrial and environmental disputes, maintaining government approvals, flooding or other adverse weather conditions, fire, explosions and unexpected shortages or increases in the costs of consumables, spare parts, plant equipment or labour. These risks and hazards could also result in damage to or destruction of production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. The Company may become subject to liability for accidents, pollution or other hazards against which it cannot insure or against which it may elect not to insure because of premium costs or for other reasons, or in amounts which exceed policy limits.

- Future financing requirements: At some point in time, the Company may require further financing to develop projects or to meet future objectives. There is no assurance that the Company will be successful in obtaining the financing required as and when needed, particularly given recent volatility in global financial markets. Despite the Company's capital raising track record, volatile markets for commodities may make it difficult or impossible for the Company to obtain debt financing or equity financing on favourable terms or at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone future development plans or reduce or terminate some or all of its operations.

The above statement of risk factors is by way of illustration only. There are numerous other risk factors inherent in an investment in the Company's securities, and there can be no assurance whatsoever that a return on investment will be obtained by investing in the Company's securities, or that the investment therein will not be lost. Further, an investment in the Company's securities should be considered in light of recent Australian and world events, which have had a significant impact on the stability of financial markets in Australia and worldwide and the ultimate consequences of which cannot be predicted with any certainty.

#### Taxation implications for Shareholders

The Directors do not consider it appropriate to give Shareholders advice regarding the potential taxation consequences of subscribing for New Shares and free attaching New Options under the Offer and the Company, its officers and advisors do not accept any liability or responsibility in respect of any such taxation consequences to Shareholders.

Furthermore, the taxation implications for each Shareholder will also depend on their particular circumstances, and the Directors accordingly recommend that you seek your own professional tax advice concerning the tax consequences for you which arise from the Offer. You should seek this advice whether or not you wish to accept your Entitlement.

#### Non-Residents

The Offer (and Shortfall Offer) is made to Eligible Shareholders with registered addresses in Australia and New Zealand as at the Record Date and 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.

#### Rights and Liabilities Attaching to Shares

New Shares issued under this Prospectus will, from the time they are issued, rank *pari passu* in all respects with the Company's existing Shares. The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights, privileges, and restrictions attaching to all Shares.

- Subject to any special rights or restrictions for the time being attached to any class or classes of Shares (at present there are none), at a general meeting every Shareholder present in person or by proxy, representative or attorney has on a show of hands one vote and on a poll one vote for each share held.
- Subject to the rights of Shares issued with any special or preferential rights (at present there are none), any profits of the Company, which the Company from time to time distributes by way of dividend, will be divisible amongst the Shareholders in proportion to the Shares held by them respectively.
- Subject to the rights of Shareholders (if any) with Shares with special rights in a winding-up (at present there are none), on a winding-up of the Company, all assets which may be legally distributed amongst the Shareholders will be distributed in proportion to the Shares held by them.
- Subject to payment of stamp duty and to some limited restrictions contained in the Company's Constitution, ASX Listing Rules and the Corporations Act, Shares are freely transferable.
- Where Shares of different classes are issued, the rights attaching to the Shares of a class can thereafter only be varied by a special resolution passed at a general meeting of the holders of the Shares of that class, or with the written consent of the holders of at least three quarters of the issued Shares of that class.
- Each Shareholder is entitled to receive notice of and to attend and vote in person or by proxy, representative or attorney at general meetings of the Company and to receive all notices, financial reports and other documents required to be furnished to Shareholders under the Company's Constitution or the Corporations Act.

#### TERMS AND CONDITIONS OF OPTIONS EXERCISABLE AT \$0.60 EXPIRING 31 MAY 2013

The New Options will each be subject to the following terms and conditions.

##### 1. Definitions

**ASX** means ASX Limited (ABN 98 008 624 691).



**ASX Listing Rules** means the Listing Rules of the ASX (including the ASTC Settlement Rules, ASX Market Rules and the ACH Clearing Rules).

**Corporations Act** means the Corporation Act 2001 (Cth).

**Exercise Price** means the exercise price of each New Option, being \$0.60.

**Expiry Date** means 5.00pm (WST) on 31 May 2013.

**Exercise Notice** means the form prescribed by RNI from time to time for the purpose of exercising New Options.

**Option Holder** means the person or persons registered as the holder of one or more New Options from time to time.

**Option Period** means the period from the date of issue of the New Options to the Expiry Date.

**RNI** means Resource and Investment NL ABN 77 085 806 284.

**RNI Share** means a fully paid ordinary share in the capital of RNI.

**Shareholder** means a holder of an RNI Share.

2. Each New Option is transferable and RNI will apply to ASX for the New Options to be listed for trading on ASX.
3. Subject to these Terms and Conditions, each New Option carries the right to subscribe for one RNI Share.
4. New Options may be exercised by delivering to RNI's registered office or RNI's share registry an Exercise Notice at any time prior to the Expiry Date.
5. The Exercise Notice must state the number of New Options to be exercised and be accompanied by the relevant holding statement(s) and a cheque (in Australian currency) made payable to RNI for an amount being the result of the applicable Exercise Price multiplied by the number of New Options being exercised.
6. Following receipt of a properly executed Exercise Notice and application monies in respect of the exercise of any New Options, RNI will issue the resultant RNI Shares and deliver notification of shareholdings.
7. RNI will make application to have the RNI Shares (issued pursuant to an exercise of New Options) listed for quotation by ASX within 7 days of the date of issue.
8. RNI Shares issued pursuant to an exercise of New Options shall rank, from the date of issue, pari passu with existing RNI Shares in all respects.
9. New Options carry no right to participate in pro rata issues of securities to Shareholders unless the New Options are exercised before the record date for determining entitlements to the relevant pro rata issue.
10. Each Option Holder will be notified by RNI of any proposed pro rata issue of securities to Shareholders in accordance with ASX Listing Rules.
11. Subject to Condition 12 below, the Corporations Act and ASX Listing Rules, New Options do not confer the right to a change in Exercise Price.
12. In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of RNI, the terms of the New Options will be changed to the extent necessary to comply with the requirements of the ASX Listing Rules (in force at the time of the reorganisation).

## Privacy

The Company, and the Company's Share Registrars on its behalf, hold personal information about the holders of the Company's securities. If you complete an acceptance or application form you will be providing personal information to the Company (directly or to the Company's Share Registrars) which will be collected, held and used to process and administer your application and your investments in the Company. The Company and the Company's Share Registrars may be required to disclose that information to third parties. Applicants can access, correct and update their personal information held by or on behalf of the Company by contacting the Company or the Company's Share Registrars the Company at the respective addresses and contact numbers specified in this Prospectus.

## Glossary

\$ and cents	Australian currency.
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691).
ASX Listing Rules	The listing rules of ASX (including the ATSC Settlement Rules, ASX Market Rules and the ACH Clearing Rules).
August 2012 Options	Options to subscribe for Shares at an exercise price of \$0.40 each, exercisable, subject to the terms and conditions of those options, on or before 7 August 2012.
Cents	Australian cents.
Company	Resource and Investment NL (ABN 44 111 501 663).

Company's Share Registrars	Security Transfer Registrars Pty Ltd (ACN 008 894 488) of 770 Canning Highway, Applecross WA 6153 and PO Box 535, Applecross WA 6953.
Completion	Completion of the sale and purchase of the GG Share in accordance with the SPA.
Consideration Securities	The Consideration Shares and 8,571,429 free attaching May 2013 Options, being one 31 May 2013 Option for every 5 Consideration Shares issued, with fractional entitlements to May 2013 Options being rounded up to the next whole number.
Consideration Shares	42,857,143 Shares.
Constitution	The Company's constitution.
Corporations Act	Corporations Act 2001 (Cth).
Director	A director of the Company.
Eligible Shareholders	A Shareholder as at the Record Date who is not a non-resident.
May 2013 Options	Options to subscribe for Shares at an exercise price of \$0.60 each, exercisable, subject to the terms and conditions of those options as set out for New Options in this Prospectus, on or before 31 May 2013.
May 2014 Options	Options to subscribe for Shares at an exercise price of \$1.00 each, exercisable, subject to the terms and conditions of those options, on or before 17 May 2014.
Non-Residents	Persons with registered addresses outside Australia or New Zealand.
November 2013 Options	Options to subscribe for Shares at an exercise price of \$1.00 each, exercisable, subject to the terms and conditions of those options, on or before 25 November 2013.
Placement	The issue of the Placement Securities to Placement Investors.
Placement Commitments	The binding commitments entered into by the Placement Investors with Argonaut to provide the Placement Funds on or before the Placement Settlement Date.
Placement Funds	The funds committed by the Placement Investors in the Placement Commitments equal to approximately \$25.2 million or such other amount as is committed under the Placement and agreed by Argonaut.
Placement Investors	The investors who make Placement Commitments.
Placement Securities	The Placement Shares and approximately 14,400,000 free attaching May 2013 Options, being 31 May 2013 Option for every 5 Placement Shares issued, with fractional entitlements to May 2013 Options being rounded up to the next whole number.
Placement Settlement Date	The date which is two business days after the day on which Shareholder approval is obtained in relation to the Placement or such other date specified as is agreed as the date for delivery of the Placement Funds in writing by Argonaut.
Placement Shares	72,000,000 Shares issued at a price of \$0.35 each.
Record Date	5.00pm (WST) on 2 March 2012.
Related Body Corporate	A "related body corporate" within the meaning of that expression in the Corporations Act.
Related Parties	"Related parties" within the meaning of that expression in the Corporations Act.
Share	Fully paid ordinary share in the capital of the Company.
Shareholder	A holder of an RNI Share.
Shortfall Offer	The offer of New Shares, with free attaching New Options, comprised in the Shortfall made pursuant to the section entitled DETAILS OF THE OFFER - Shortfall.
WST	Australian Western Standard Time.

## CONSENTS

Security Transfer Registrars Pty Ltd (the Company's Share Registrars) has been named in this Prospectus for information purposes only and has not consented to being named herein.

Argonaut has given, and at the time of issue, has not withdrawn its consent to be named as manager and underwriter to the Offer of securities under the Prospectus and the issue of the Placement Shares, in the form and context in which it is named.

### Directors' Consent

This Prospectus has been issued by Resource and Investment NL and each Director has consented to the lodgement of this Prospectus with ASIC and ASX.



**MILES KENNEDY**  
CHAIRMAN

Date: 22 February 2012

**SHORTFALL APPLICATION FORM**

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**SHARE REGISTRY:**

Security Transfer Registrars Pty Ltd  
**All Correspondence to:**  
**PO BOX 535, APPECROSS WA 6953**  
 770 Canning Highway, APPECROSS WA 6153  
 T: +61 8 9315 2333 F: +61 8 9315 2233  
 E: registrar@securitytransfer.com.au  
 W: www.securitytransfer.com.au

**RESOURCE AND INVESTMENT NL**

ABN: 77 085 806 284

**BROKER STAMP**

Broker Code

Advisor Code

**PLEASE READ CAREFULLY ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM**

No shares will be issued pursuant to the Prospectus later than 13 months after the date of the Prospectus. Before completing this Application Form you should read the accompanying Prospectus and the instructions overleaf. Please print using BLOCK LETTERS.

**I/We apply for:**

Shares at AUD \$0.35 per share  
 or such lesser number of Shares which may be allocated to me/us by their Directors.

**I/We lodge full application of monies of:**

A\$

**Full Name of Applicant / Company**

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

**Joint Applicant #2**

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

**Joint Applicant #3**

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

**Account Designation (e.g.: THE SMITH SUPER FUND A/C)**

<  >

**Postal Address**

Unit  / Street Number  Street Name or PO BOX

Suburb/Town/City  State  Postcode

Country Name (if not Australia)

**CHESS HIN (where applicable)**

If an incorrect CHESS HIN has been provided (e.g.: incorrect number, registration details do not match those registered) any securities issued will be held on the Issuer Sponsored subregister.

**Contact Name**

**Contact Number**

(  )

**Email Address**

@

**Tax File Number / Australian Business Number**

**Tax File Number of Security Holder #2 (Joint Holdings Only)**

**Declaration and Statements:**

- (1) I/We declare that all details and statements made by me/us are complete and accurate.
- (2) I/We agree to be bound by the Terms & Conditions set out in the Prospectus and by the Constitution of the Company.
- (3) I/We authorise the Company to complete and execute any documentation necessary to effect the issue of Securities to me/us.
- (4) I/We have received personally a copy of the Prospectus accompanied by or attached to this Application form, or a copy of the Application Form or a direct derivative of the Application Form before applying for the Securities.
- (5) I/We acknowledge that the Company will send me/us a paper copy of the Prospectus and any Supplementary Prospectus (if applicable) free of charge if I/we request so during the currency of the Prospectus.
- (6) I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Securities in the Company and that no notice of acceptance of the application will be provided.

**REGISTRY DATE STAMP**

E & O.E.

**This Application Form relates to the Offer of Fully Paid Shares in Resources and Investment NL pursuant to the Prospectus dated 22 February 2012.**

**APPLICATION FORMS**

Please complete all parts of the Application Form using BLOCK LETTERS. Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected. Current CHES participants should complete their name and address in the same format as they are presently registered in the CHES system.

Insert the number of Shares you wish to apply for. The applicant(s) agree(s) upon and subject to the terms of the Prospectus to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the application.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is a query in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company's decision as to whether to treat your application as valid, and how to construe, amend or complete it shall be final.

**PAYMENT**

All cheques should be made payable to Resources and Investment NL and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Do not forward cash as receipts will not be issued.

**LODGING OF APPLICATIONS**

Completed Application Forms and cheques must be:

<b>Posted to:</b> Resources and Investment NL C/- Security Transfer Registrars Pty Ltd PO Box 535 APPLECROSS WA 6953	<b>OR</b>	<b>Delivered to:</b> Resources and Investment NL C/- Security Transfer Registrars Pty Ltd 770 Canning Highway APPLECROSS WA 6153
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**Applications must be received by no later than 5.00pm WST on the Closing Date 21 March 2012 which may be changed immediately after the Opening Date at any time and at the discretion of the Company.**

**CHES HIN/BROKER SPONSORED APPLICANTS**

The Company intends to become an Issuer Sponsored participant in the ASX CHES System. This enables a holder to receive a statement of holding rather than a certificate. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold shares allotted to you under this Application on the CHES subregister, enter your CHES HIN. Otherwise, leave this box blank and your Shares will automatically be Issuer Sponsored on allotment.

**TAX FILE NUMBERS**

The collection of tax file number ("TFN") information is authorised and the tax laws and the Privacy Act strictly regulate its use and disclosure. Please note that it is not against the law not to provide your TFN or claim an exemption, however, if you do not provide your TFN or claim an exemption, you should be aware that tax will be taken out of any unfranked dividend distribution at the maximum tax rate.

If you are completing the application with one or more joint applicants, and you do not wish to disclose your TFN or claim an exemption, a separate form may be obtained from the Australian Taxation Office to be used by you to provide this information to the Company. Certain persons are exempt from providing a TFN. For further information, please contact your taxation adviser or any Taxation Office.

**CORRECT FORM OF REGISTRABLE TITLE**

Note that only legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Resources and Investment NL. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

**TYPE OF INVESTOR**

**Individual**

Use given names in full, not initials.

**CORRECT**

Mr John Alfred Smith

**INCORRECT**

J A Smith

**Company**

Use the company's full title, not abbreviations.

ABC Pty Ltd

ABC P/L or ABC Co

**Joint Holdings**

Use full and complete names.

Mr Peter Robert Williams &  
Ms Louise Susan Williams

Peter Robert &  
Louise S Williams

**Trusts**

Use trustee(s) personal name(s), Do not use the name of the trust.

Mrs Susan Jane Smith  
<Sue Smith Family A/C>

Sue Smith Family Trust

**Deceased Estates**

Use the executor(s) personal name(s).

Ms Jane Mary Smith &  
Mr Frank William Smith  
<Estate John Smith A/C>

Estate of Late John Smith  
or  
John Smith Deceased

**Minor (a person under the age of 18)**

Use the name of a responsible adult with an appropriate designation.

Mr John Alfred Smith  
<Peter Smith A/C>

Master Peter Smith

**Partnerships**

Use the partners' personal names. Do not use the name of the partnership.

Mr John Robert Smith &  
Mr Michael John Smith  
<John Smith and Son A/C>

John Smith and Son

**Superannuation Funds**

Use the name of the trustee(s) of the super fund.

Jane Smith Pty Ltd  
<JSuper Fund A/C>

Jane Smith Pty Ltd Superannuation Fund

**ENTITLEMENT AND ACCEPTANCE APPLICATION FORM**

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**REGISTERED OFFICE:**  
34 BAGOT ROAD  
SUBIACO WA 6008  
AUSTRALIA

**RESOURCE AND INVESTMENT NL**

ABN: 77 085 806 284

**SHARE REGISTRY:**  
Security Transfer Registrars Pty Ltd  
**All Correspondence to:**  
**PO BOX 535,**  
**APPLECROSS WA 6953 AUSTRALIA**  
770 Canning Highway,  
APPLECROSS WA 6153 AUSTRALIA  
T: +61 8 9315 2333 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

Code:

Holder Number:

Eligible Holding as at 5.00pm WST  
on 2 March 2012:

Entitlement to Securities 1:4:

Amount payable on acceptance  
@ \$0.35 per Security:

**NON-RENOUNCEABLE ENTITLEMENTS ISSUE CLOSING AT 5.00PM WST ON 21 MARCH 2012**  
ISSUE PRICE OF 35 CENTS PER SHARE WITH 1 FREE ATTACHING OPTION  
(EXPIRING 31/05/13 @ \$0.60) FOR EVERY 5 SHARES ISSUED.

(1) I/We the above named being registered at 5.00pm WST on the 2 March 2012 as holder(s) of Shares in the Company hereby accept as follows:

	NUMBER OF NEW SHARES ACCEPTED/APPLIED FOR	AMOUNT ENCLOSED @ \$0.35 PER SHARE
Entitlement or Part Thereof	<input type="text"/> , <input type="text"/> , <input type="text"/>	\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/>



- (2) I/We have enclosed/made payment for amount shown above (following the payment instructions as detailed overleaf).
- (3) I/We hereby authorise you to place my/our name(s) on the register of members in respect of the number of New Securities allotted to me/us.
- (4) I/We agree to be bound by the Constitution of the Company.
- (5) I/We understand that if any information on this form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept this form, and how to construe, amend or complete it shall be final.
- (6) I/We authorise the Company to send me/us a substituted form if this form ceases to be current.
- (7) I/We declare that I/we have received a full and unaltered version of the Prospectus either in an electronic or paper format.
- (8) My/Our contact details in case of enquiries are:

**NAME**

**TELEPHONE NUMBER**  
(  )

**EMAIL ADDRESS**

**BPAY PAYMENT OR THE RETURN OF THIS DOCUMENT WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE OFFER.**

<p align="center"><b>PAYMENT INFORMATION - Please also refer to payment instructions overleaf.</b></p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">  <p>Billers Code: 159483 Ref: <input type="text"/></p> <p><b>BPAY</b> this payment via internet or phone banking. Your <b>BPAY</b> reference number is unique to this offer and is not to be used for any other offer.</p> </div> <div style="width: 45%; text-align: center;">  <p><b>CHEQUE/MONEY ORDER</b></p> <p>All cheques (expressed in Australian currency) are to be made payable to <b>RESOURCE &amp; INVESTMENT NL CMT</b> and crossed "Not Negotiable".</p> </div> </div>	<p align="center"><b>REGISTRY DATE STAMP</b></p>          <p align="right">E &amp; O.E.</p>
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**PAYMENT INSTRUCTIONS**



Bill Code: 159483

BPAY® this payment via internet or phone banking.  
Your reference number is quoted on the front of this form.

Multiple acceptances must be paid separately.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. BPAY applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

**You do not need to return this form if you have made payment via BPAY.**

**Your BPAY reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Securities for which you have paid.**



**CHEQUE/MONEY ORDER**

All cheques should be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Do not forward cash as receipts will not be issued.

When completed, this form together with the appropriate payment should be forwarded to the share registry:

Security Transfer Registrars Pty Ltd  
PO Box 535, APPLECROSS WA 6953.

**Applications must be received by Security Transfer Registrars Pty Ltd no later than 5.00pm WST on the closing date.**

**EXPLANATION OF ENTITLEMENT**

1. The front of this form sets out the number of Securities and the price payable on acceptance of each Security.
2. Your entitlement may be accepted either in full or in part.  
There is no minimum acceptance.

**ENQUIRIES**

All enquiries should be directed to the Company's share registry:

**Security Transfer Registrars Pty Ltd**

**PO Box 535, Applecross WA 6953 AUSTRALIA**

**770 Canning Highway, Applecross WA 6153 AUSTRALIA**

**Telephone +61 8 9315 2333**

**Facsimile +61 8 9315 2233**

**Email registrar@securitytransfer.com.au**

**PRIVACY STATEMENT**

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.