

HORSESHOE LIGHTS EAST JOINT VENTURE

RESOURCE AND INVESTMENT NL (ASX: RNI) (RNI or the Company) is pleased to announce that the Company, through wholly owned subsidiary Grosvenor Gold Pty Ltd, has reached agreement to earn a 51% interest in the Horseshoe Lights East Project in Western Australia's Bryah Basin, north of Meekatharra.

The Horseshoe Lights East Project comprises a single Mining Lease (M52/600) located immediately east of the historic Horseshoe Lights volcanogenic massive sulphide (VMS) copper-gold project owned by Horseshoe Metals Ltd (ASX:HOR) (Figure 1).

On 16 August 2012, Horseshoe Metals announced it had continued to intersect shallow high grade copper mineralisation with its latest drilling program immediately north of the Horseshoe Lights open pit, with results including 23 metres at 4.2% Cu and 24m @ 3.1% Cu from the North West Stringer Zone¹.

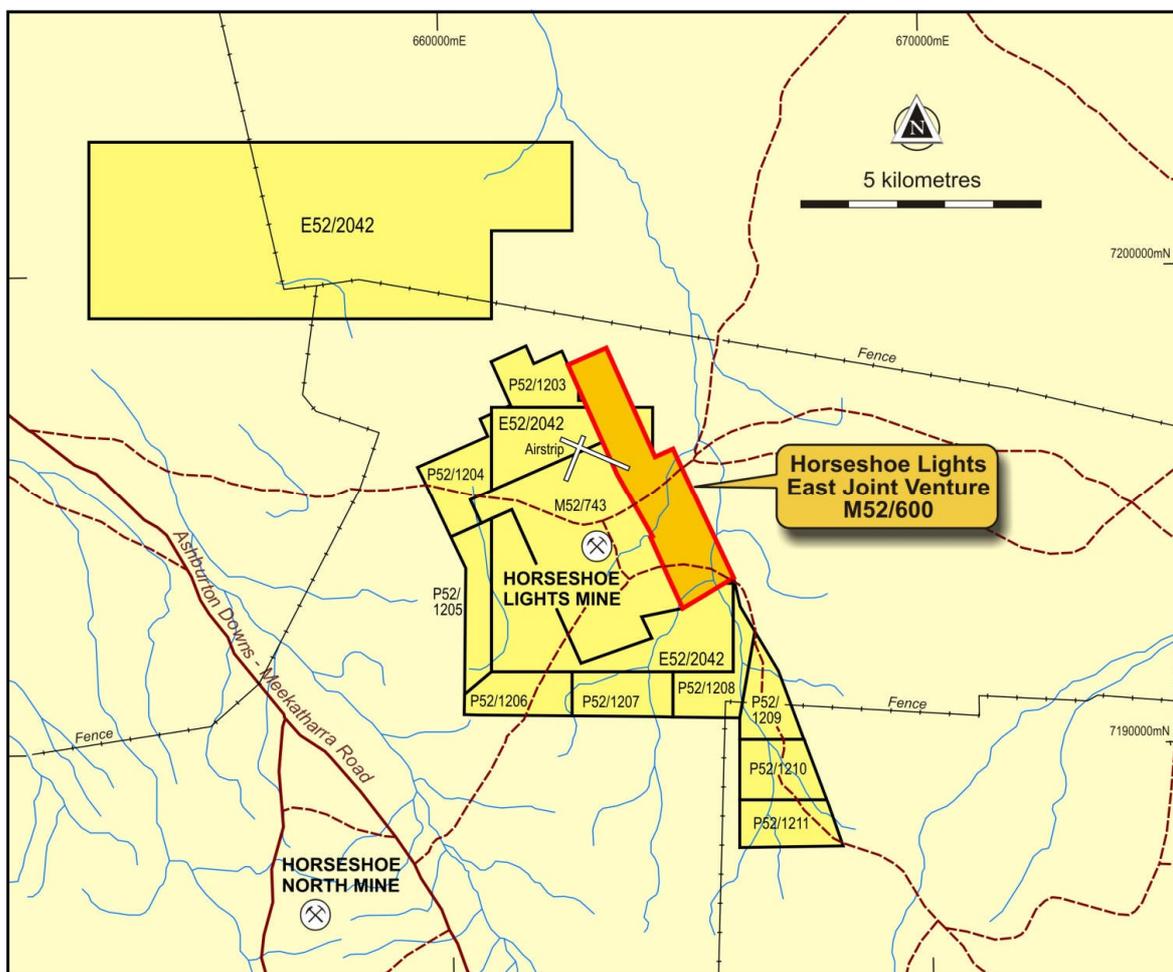


Figure 1: The Horseshoe Lights East Project

Note: ¹ Refer Horseshoe Metals ASX announcement 16 August 2012

Horseshoe Lights is a modified VMS, discovered in 1946 and in production to 1994. In the reported production history (Table 1) the ore recovered included gold, silver, copper and mercury, typical of VMS or modified VMS deposits².

Period	Owner	Type	Tonnes	Au (g/t)	Cu (%)	Ag (g/t)	Hg (g/t)
1946-87	Various	Gold ore	1,519,446	4.2			
1988	Barrack	Gold ore	90,360	4.6			
1988-91	Barrack	Total treated	934,703	1.9	2.7	44.0	26.3
1992-94	Sabminco	Total treated	754,611	1.6	3.9	66.0	37.3
Total			3,299,120	2.9	1.7	27.5	16.0

Table 1: Horseshoe Lights production history²

Drill Ready Targets

The Horseshoe Lights East Project is of advanced standing and includes:

- A current Program of Work for 1,200m of RC drilling
- An executed Heritage Agreement with Traditional Owners (the Jidi Jidi Aboriginal Corporation)
- Royalties for Regions funding (\$80,000) awarded in December 2011 for eight priority drillholes targeting geophysical anomalies
- A 91.2km VTEM electromagnetic survey completed late in 2010 and the data related thereto
- Advanced planning for the execution of a heritage survey over the priority drilling sites selected (Table 2)

Hole ID	GDA_E	GDA_N	RL	Depth(m)	Dip
1	664855	7194938	509	180	-70
2	664790	7195015	509	200	-70
3	664164	7195233	511	120	-60
4	665510	7194394	507	100	-70
5	664945	7194645	512	80	-90
6	664958	7194983	509	200	-70
7	664333	7194632	512	120	-90
8	664856	7195508	508	200	-70

Table 2: Horseshoe Lights East Project - proposed drilling

Note: ² Source: Horseshoe Metals website: <http://www.horseshoemetals.com.au/projects/horseshoe-lights.html>

M52/600 is a 21 year mining lease that commenced on 18 November 2008 and covers an area of 593 hectares. The tenement is in good standing and fully expended. The annual expenditure commitment is \$59,300.

The tenement overlies three major rock units. These are the Narracoota Formation of the Bryah Group, the older Thaduna Greywacke of the Yerrida Group and in unconformable contact with the younger Bangemall Group sediments which cover the prospective Narracoota Formation within the Bryah Basin in this region of Western Australia. The Bryah Basin is the host unit to the DeGrussa VMS discovery, approximately 75km to the east-southeast.

In late 2010, the owners of M52/600 negotiated with Horseshoe Metals, the owner of the adjoining Horseshoe Lights copper-gold project, to jointly undertake a regional VTEM geophysical airborne survey.

All digital data from this geophysical survey was processed (data importation, geodetic datum transformation, filtering, gridding and imaging, preparation of bipole plots) by March 2011. At that time the owners of M52/600 also purchased existing raw and detailed gridded airborne magnetic, radiometric and DTM data over the M52/600 region.

The geophysical survey interpretation indicates that a number of significant, unexplained conductive anomalies lie below the masking Bangemall Group sediments in the southern central part of M52/600.

These anomalies provide RNI with immediate drill-ready targets within the Horseshoe Lights East Project (Table 2).

The Horseshoe Lights East Project adds to the dominant 2,225km² tenement position held by RNI in the Bryah Basin, which has emerged as one of Australia's most exciting new copper-gold provinces.

RNI continues to prioritise drilling targets across its vast tenement package with the aim of increasing the company's existing JORC compliant 1.2 million ounce gold inventory based on 16.6 million tonnes @ 2.2g/t and to make copper-gold discoveries.

Agreement Terms

Subject to various consents and approvals, RNI, through wholly owned subsidiary Grosvenor Gold Pty Ltd (GGPL), will pay the vendors \$175,000 in RNI scrip for an option to earn a 51 per cent interest in the Horseshoe Lights East Project (M52/600).

RNI will have a period of two years to exercise the option. RNI must sole fund \$200,000 in exploration on the Horseshoe Lights East Project during the first year of the option and a further \$300,000 in the second year.

If the option is exercised, the Company will issue the vendors a further \$175,000 in RNI scrip and will acquire a 51 per cent interest in the project in a joint venture with the vendors.

Under that joint venture, RNI will be responsible for sole funding the project to a decision to mine, at which stage the vendors will become liable for their share of project expenses and will be entitled to elect to sell their interest in the project to the Company for a cash price and a 1.5% net smelter royalty. If the vendors do not sell their interest to RNI, they may require GPPL to procure loans to them for their share of project expenses on the basis that these loans and interest will be repayable by them, as a first priority, from their share of production from the project.

For further information, contact:

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Competent Person's Statements

The information in this ASX release that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Albert Thamm, who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr Thamm is a Geological Consultant to and Director of, Resource and Investment NL and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting of Mineral Resources and Ore Reserves. Mr Thamm consents to the inclusion in the release dated 20 August 2012 on the matters based on information in the form and context in which it appears.

Forward-Looking Statements

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