



ASX Announcement

13 March 2013

OPTION ISSUE

Resource and Investment NL (ASX: RNI) (the Company) advises that it has allotted 4,000,000 \$0.35 unlisted options to an unrelated party for services rendered to secure the \$15 million interim debt facility as announced on 12 February 2013.

An Appendix 3B reflecting the revised capital structure following the option issue and terms and conditions of these options have been released with this announcement.

For further information, please contact;

MARK CLEMENTS
COMPANY SECRETARY

Tel +61 8 9489 9200

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Resource and Investment NL

ABN

77 085 806 284

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Unlisted Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 4,000,000 unlisted options |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 4,000,000 unlisted options with an exercise price of \$0.35, expiring 13 March 2017 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes, upon exercise of the options, the shares will rank equally with the ordinary shares currently on issue.</p>
<p>5 Issue price or consideration</p>	<p>Nil</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issued to an unrelated party as consideration for services rendered to secure the \$15 million interim debt facility as announced on 12 February 2013</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>22 November 2012</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>4,000,000 unlisted options</p>

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Nil						
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil						
6f	Number of securities issued under an exception in rule 7.2	Nil						
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A						
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A						
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	See Annexure						
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	13 March 2013						
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">291,691,306</td> <td style="text-align: center;">Fully paid ordinary shares</td> </tr> <tr> <td style="text-align: center;">29,220,663</td> <td style="text-align: center;">Options exercisable at \$0.60 expiring 31 May 2013</td> </tr> </tbody> </table>	Number	+Class	291,691,306	Fully paid ordinary shares	29,220,663	Options exercisable at \$0.60 expiring 31 May 2013
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291,691,306	Fully paid ordinary shares							
29,220,663	Options exercisable at \$0.60 expiring 31 May 2013							

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Appendix 3B
New issue announcement

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	6,000,000	Options expiring 25 November 2013 exercisable at \$1.00
	3,300,000	Options expiring 17 May 2014 exercisable at \$1.00
	3,597,621	Options expiring 27 March 2015 exercisable at \$0.4374
	4,000,000	Options expiring 11 March 2017 exercisable at \$0.35
	1,500,000	Options expiring 9 November 2017 exercisable at \$0.60
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Company does not have a dividend policy	

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	N/A
12 Is the issue renounceable or non-renounceable?	N/A
13 Ratio in which the +securities will be offered	N/A
14 +Class of +securities to which the offer relates	N/A
15 +Record date to determine entitlements	N/A

+ See chapter 19 for defined terms.

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A

+ See chapter 19 for defined terms.

Appendix 3B New issue announcement

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|----|---|-----|
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | N/A |
| 28 | Date rights trading will begin (if applicable) | N/A |
| 29 | Date rights trading will end (if applicable) | N/A |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | N/A |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | N/A |
| 32 | How do +security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | +Despatch date | N/A |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

+ See chapter 19 for defined terms.

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought N/A
- 39 Class of +securities for which quotation is sought N/A
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?
 If the additional securities do not rank equally, please state:
 • the date from which they do
 • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- N/A

+ See chapter 19 for defined terms.

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<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	<p>N/A</p>	
<p>42 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 38)</p>	<p>Number</p>	<p>⁺Class</p>
	<p>N/A</p>	

Quotation agreement

1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those ⁺securities should not be granted ⁺quotation.
- An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.
- If we are a trust, we warrant that no person has the right to return the ⁺securities to be quoted under section 1019B of the Corporations Act at the time that we request that the ⁺securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

⁺ See chapter 19 for defined terms.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Mark Clements
Company Secretary
13 March 2013

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	239,841,451
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2; 27 March 2012 Allotment of Rights • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval 14 September 2012 Consideration for acquisition • Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>31,246,077</p> <p>572,458</p> <p>Nil</p>
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	271,659,986

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”											
“B”	0.15 <i>[Note: this value cannot be changed]</i>										
Multiply “A” by 0.15	40,748,998										
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used											
<p><i>Insert</i> number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">15 March 2012 Unlisted Options</td> <td style="text-align: right;">2,000,000</td> </tr> <tr> <td style="padding-left: 20px;">23 April 2012 Placement Options</td> <td style="text-align: right;">3,597,621</td> </tr> <tr> <td style="padding-left: 20px;">18 July 2012 Exercise of Options</td> <td style="text-align: right;">2</td> </tr> <tr> <td style="padding-left: 20px;">12 December 2012 Placement</td> <td style="text-align: right;">20,031,318</td> </tr> <tr> <td style="padding-left: 20px;">13 March 2013 Unlisted Options</td> <td style="text-align: right;">4,000,000</td> </tr> </table> <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	15 March 2012 Unlisted Options	2,000,000	23 April 2012 Placement Options	3,597,621	18 July 2012 Exercise of Options	2	12 December 2012 Placement	20,031,318	13 March 2013 Unlisted Options	4,000,000	
15 March 2012 Unlisted Options	2,000,000										
23 April 2012 Placement Options	3,597,621										
18 July 2012 Exercise of Options	2										
12 December 2012 Placement	20,031,318										
13 March 2013 Unlisted Options	4,000,000										
“C”	29,628,941										
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1											
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	40,748,998										
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	29,628,941										
Total [“A” x 0.15] – “C”	11,120,057 <i>[Note: this is the remaining placement]</i>										

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	capacity under rule 7.1]
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Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	271,659,986
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	27,165,999
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	27,165,999
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	27,165,999 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

Terms and Conditions of \$0.35 RNI Options

- (a) Definitions:
- (i) **ASX Listing Rules** means the official listing rules of ASX Limited;
 - (ii) **Company** means Resource and Investment NL (ACN 085 806 284);
 - (iii) **Corporations Act** means Corporations Act 2001 Commonwealth of Australia.
 - (iv) **Exercise Price** means the exercise price of each RNI Option, being AU\$0.35
 - (v) **Expiry Date** means 5.00pm (Perth time) on the fourth anniversary of the date of issue of the respective RNI Options.
 - (vi) **Exercise Notice** means the form prescribed by the Company from time to time for the purpose of exercising RNI Options.
 - (vii) **RNI Option** means an Option to subscribe for a Share at the Exercise Price prior to the Expiry Date in the manner set out in these Terms and Conditions.
 - (viii) **RNI Option Holder** means the person or persons registered as the holder of one or more RNI Options from time to time.
 - (ix) **Share** means a fully paid ordinary voting share in the capital of the Company.
- (b) Each RNI Option carries the right to subscribe for one Share.
- (c) Each RNI Option is unlisted and is transferable subject to any restrictions on transfer imposed by ASX.
- (d) Subject to any restrictions imposed on the exercise of Options by ASX RNI Options may be exercised by the RNI Option Holder by delivering to the Company's registered office or the Company's share registry an Exercise Notice at any time prior to the Expiry Date.
- (e) Each Exercise Notice must state the number of RNI Options to be exercised and be accompanied by the relevant holding statement(s), if any, and payment (in Australian currency) to the Company of an amount (the Application Monies) being the result of the Exercise Price multiplied by the number of RNI Options being exercised.
- (f) Following receipt of a properly executed Exercise Notice and Application Monies in respect of the exercise of any RNI Options, the Company will issue the resultant Shares and deliver notification of shareholdings.

- (g) Subject to any restrictions imposed by ASX, the Company will make application to have the Shares (issued pursuant to an exercise of RNI Options) listed for quotation by ASX within 7 days of the date of issue.
- (h) Subject to any restrictions imposed by ASX, Shares issued pursuant to an exercise of RNI Options shall rank, from the date of issue, pari passu with existing Shares in all respects.
- (i) RNI Options carry no right to participate in pro rata issues of securities to shareholders unless the RNI Options are exercised before the record date for determining entitlements to the relevant pro rata issue.
- (j) Each RNI Option Holder will be notified by the Company of any proposed pro rata issue of securities to shareholders in accordance with ASX Listing Rules.
- (k) In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of the RNI Options will be changed to the extent necessary to comply with the requirements of the Corporations Act and ASX Listing Rules (in force at the time of the reorganisation).
- (l) Except as noted in paragraph (k) above, a RNI Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the RNI Option can be exercised.