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## RNI UPDATE

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**Resource and Investment NL (ASX: RNI)** is pleased to announce the Company has expanded the scope of its heap leaching gold recovery studies after extending an option over the historic Peak Hill gold field in Western Australia's Bryah Basin.

RNI has reached agreement with Montezuma Mining Company Limited (ASX: MZM) to extend to 29 November 2013 its option to acquire 100% of Peak Hill Metals Pty Ltd, which owns the ~550,000oz Peak Hill gold project.

RNI will pay Montezuma a \$50,000 extension fee and has agreed to reduce the exercise price of the consideration options payable to Montezuma upon exercise of the option from \$0.75 to \$0.35. The consideration terms are otherwise the same as those announced to the ASX on 27 September 2012.

When combined with RNI's Grosvenor project, Peak Hill would deliver RNI total JORC compliant gold resources of ~1.8Moz and increase the Company's gold production options.

As announced to the ASX on 16 April 2013, RNI has commenced studies to evaluate heap leaching recovery options for oxide and transitional gold mineralisation, and low-grade stockpiles, from the Horseshoe mining lease.

As part of an operational review by the RNI Board in response to the weaker gold price, the Company will expand the scope of these heap leaching studies to include various resources and stockpiles within the Peak Hill and the Grosvenor mining projects.

These studies include the potential use of the gold room at the Grosvenor gold plant to extract gold from heap leaching operations.

As part of the review, RNI has reduced spending on the refurbishment of the 100% owned Grosvenor gold plant, which is located ~170km north-west of Meekatharra. This will delay the Company's original plan to complete the refurbishment of the Grosvenor gold plant and recommence gold mining in 2013.

RNI will continue progressing the various permitting and approvals required for the recommissioning of the Grosvenor gold plant and mining of the Yarlalweelor pit, which has JORC compliant probable reserves of 193,100oz (Appendix A).

The refurbishment of the Grosvenor plant has reached an advanced stage where less than \$6 million, and four months' work, is required to achieve completion. This gives RNI the flexibility to respond quickly to any improvement in the gold price outlook or change in the economics of the Grosvenor project. Pit dewatering related activities are continuing as planned.

RNI will also continue work aimed at increasing the nameplate 1Mtpa throughput of the Grosvenor plant through de-bottlenecking improvements within existing budgets.

In addition, RNI will review the economics and cut-off grade of the Starlight underground resources, which are located ~1km from the Grosvenor gold plant. The Starlight resources (which include Twilight, Ricks, Midnight and Dougies) have total JORC compliant resources of ~510,000oz (Appendix A).

The reduced spending on the Grosvenor gold plant refurbishment program will enable RNI to redirect funding to the Company's resource extensional drilling programs at Grosvenor, which are currently centred at North Callies.

RNI also continues to advance its greenfields gold and base metals drilling programs. Drilling has commenced at the Orient copper-gold prospect to test co-incident geochemical and gravity targets associated with an outcropping gossan which produced surface assays of up to 12.8% copper and 41.7g/t gold.

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 Technical 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 17 May 2013 on the matters based on information in the form and context in which it appears.

Resources have been rounded to 1000 tonnes and 100 ounces and computational discrepancies may arise in tabulation. One troy ounce gold is taken at 31.10747g. Where exploration results are reported these are at thresholds of 0.2 g/t gold or silver or 0.5% individual base-metals or 1% combined copper, lead and zinc.

The information in this ASX announcement reporting **Mineral Reserves** is based on information compiled by Mr Steve Craig, who is a Member the Australasian Institute of Mining and Metallurgy. Mr Craig is an Independent Consultant to RNI and the Managing Director of Orelogy Pty Ltd 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 Craig consents to the inclusion in the release dated 17 May 2013 on the matters based on information in the form and context in which it appears. Mr Craig's consent is based on a report "2012 Mining Study Update- Resource and Investment NL, Fortnum Gold Project Bankable Feasibility Study" dated 19 November, 2012.

Reserves have been rounded to 1000 tonnes and 100 ounces and computational discrepancies may arise in tabulation.

**Forward-Looking Statements**

This ASX release has been prepared by Resource and Investment NL. This document contains background information about Resource and Investment NL and its related entities current at the date of this announcement. This is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement. This announcement is for information purposes only. Neither this document nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction.

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This document does include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Resource and Investment NL. Actual values, results, outcomes or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements.

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## Appendix A

Summary of Grosvenor Project Gold Resources - November 2012										
Project	Cut-off (g/t)	Tonnes (kt)	Grade (Au g/t)	Tonnes (kt)	Grade (Au g/t)	Tonnes (kt)	Grade (Au g/t)	Tonnes (kt)	Grade (Au g/t)	Au Ounces
		Measured		Indicated		Inferred		Total		
Yarlarweelor	0.5		--	5,498	1.6	1,511	1.6	7,009	1.6	360,500
Starlight	1		--	1,558	3	924	3.4	2,482	3.2	252,500
Starlight Hanging Wall	1	--	--	145	4.3	503	2.9	648	3.2	67,500
Twilight	1	--	--	1,138	2.7	316	2.6	1,454	2.7	124,700
Ricks	1	--	--	232	1.9	63	2.1	295	2	18,800
Midnight	1	--	--	229	2.3	124	2.7	353	2.4	27,400
Dougies	1	--	--	99	3.1	123	2.9	222	3.0	21,500
Eldorado	0.6	--	--	--	--	386	1.4	386	1.4	17,300
Toms & Sams	0.5	42	1.64	1,031	1.53	272	1.66	1,345	1.56	67,400
Horseshoe, Cassidy & Pod	0.5			1,578	2.09	792	2.3	2,370	2.16	164,600
Nathans	0.75	--	--	--	--	1,081	1.9	1,081	1.9	66,900
Callies North	0.5	793	1.52	47	1.37	109	1.14	949	1.47	44,800
Regent	0.6	--	--	--	--	328	1.4	328	1.4	14,300
<b>TOTAL</b>		<b>835</b>		<b>11,555</b>		<b>6,532</b>		<b>18,922</b>	<b>2.05</b>	<b>1,248,200</b>

Summary of Reserves at Yarlarweelor, Toms, Horseshoe & Callies Open Pits - November 2012			
Category	Tonnes (kt)	Grade (Au g/t)	Au Ounces
Yarlarweelor Probable	2,876	2.09	193,100
Horseshoe Proven	874	2.01	56,500
Horseshoe Probable	29	1.63	1,700
Toms Proven	22	1.82	1,300
Toms Probable	312	1.71	17,100
Callies Proven	82	2.15	5,700
Callies Probable	2	1.84	100
<b>Total Proven</b>	<b>979</b>	<b>2.02</b>	<b>63,500</b>
<b>Total Probable</b>	<b>3,219</b>	<b>2.05</b>	<b>211,900</b>
<b>Total Reserve</b>	<b>4,198</b>	<b>2.04</b>	<b>275,400</b>
Inferred included in designs	57	2.13	3,900
<b>TOTAL PIT INVENTORY</b>	<b>4,255</b>	<b>2.04</b>	<b>279,300</b>

- Optimisation and pit design work is based on a process plant nameplate of 1Mtpa. Mining dilution has been increased to 10% other than at Yarlarweelor, where the base resource model was an MIK (multi-indicator Kriged) model, with mining dilution included.
- The changed reserve metrics primarily reflect increases in cut-off grade in optimisation. At Yarlarweelor this has increased to 0.84g/t, at Horseshoe to 1.11g/t, at Callies to 0.92g/t and 0.78g/t at Toms.
- Optimisations were based on a gold price of A\$1,500, less State royalties, other than Toms, which was based on A\$1,700, less State royalties. Fx based on USD:AUD 1:1.
- A 95% mining recovery has been applied with 20 metre minimum mining width. A discount rate of 10% has been applied in optimisation and an exchange rate of US1.00:AUD1.00. Resource models have been re-blocked to 5m mining bench heights