

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

RESOURCE & INVESTMENT NL
and its controlled entities

ABN

77 085 806 284

Quarter ended ("current quarter")

31 December 2008

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities		
1.1 Receipts from provision of services	306	639
1.2 Payments for (a) exploration and evaluation	(9)	(9)
(b) development	-	-
(c) contract services	(282)	(463)
(d) administration	(57)	(170)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - Movement in Working Capital	-	-
Net Operating Cash Flows	(38)	3
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(3)	(3)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)controlled entities	135	135
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (cash held in disposed controlled entities)	(66)	(66)
Net investing cash flows	66	66
1.13 Total operating and investing cash flows (carried forward)	28	69

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	28	69
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(75)	(150)
1.18	Interest and other costs of finance paid	-	-
1.19	Dividends paid	-	-
1.20	Share issue expenses	-	-
1.21	Other – reclassification of cash to environmental bonds	-	-
	Net financing cash flows	(75)	(150)
	Net (decrease)/increase in cash held	(47)	(81)
1.22	Cash at beginning of quarter/year to date	206	240
1.23	Exchange rate adjustments to item 1.22	-	-
1.24	Cash at end of quarter/year	159	159
(i)	The Company entered into an agreement with Vivid Diamonds Company Pty Ltd to sell the entire issued share capital of its South African based controlled entity, R&I Holdings (SA) (Pty) Ltd, for \$250,000. As at 31 December 2008, \$135,000 of the sale price had been received with \$115,000 remaining outstanding in accordance with the payment terms of the agreement. The remaining funds are to be used as part of the Company's working capital requirements.		

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.25	Aggregate amount of payments to the parties included in item 1	49
1.26	Aggregate amount of loans to the parties included in item 1.10	-

1.27 Explanation necessary for an understanding of the transactions

Payment of Director's fees and payment of accounting and secretarial services to Director related entity.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None.

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	30
4.2 Development	-
Total	30

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	159	206
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.24)	159	206

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	-	-	-	-
	Interests in mining tenements relinquished, reduced or lapsed			
6.2	-	-	-	-
	Interests in mining tenements acquired or increased			

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	34,034,654	34,034,654		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	1,500,000 550,000 1,500,000	- - -	<u>Exercise Price</u> \$0.90 \$1.30 \$1.50	<u>Expiry Date</u> 7 Sep 2009 24 Nov 2010 7 Sep 2011
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 29 January 2009
(Company secretary)

Print name: JEAN MATHIE

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.