



## QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2009

ASX CODE: RNI

### Western Australia

The Company holds the exclusive right to carry out exploration and mining operations on alluvial deposits in Exploration Licences E47/1193, E47/1331 and E47/1340, which are held by Brumby Resources NL being mineral sand targets at Yule River in the Pilbara Region of Western Australia.

<b>Mining Tenements as at 30 September 2009</b>				
	Tenement	Area (km <sup>2</sup> )	Date of Grant	Notes
Yule Project	E45/2939	192	20/04/2007	1
	E47/1730	61	Application	1
	E47/1731	144	Application	1
	E47/1750	225	8/9/06	1
	E47/1751	48	8/9/06	1
1 Held by RNI subject to an agreement with Brumby that entitles RNI a 1% net smelter royalty on all future mineral production.				

**MILES KENNEDY  
CHAIRMAN**

28 January 2010

# 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

<b>RESOURCE &amp; INVESTMENT NL and its controlled entities</b>
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ABN

<b>77 085 806 284</b>
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Quarter ended ("current quarter")

<b>31 December 2009</b>
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### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from provision of services	-	-
1.2 Payments for (a) exploration and evaluation	(5)	(16)
(b) development	-	-
(c) contract services	-	-
(d) administration	(28)	(112)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - Movement in Working Capital	-	-
<b>Net Operating Cash Flows</b>	<b>(33)</b>	<b>(128)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a)prospects	-	-
(b)controlled entities	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (Disposal of discontinued operation, net of cash disposed and related costs)	50	50
<b>Net investing cash flows</b>	<b>50</b>	<b>50</b>
1.13 Total operating and investing cash flows (carried forward)	17	(78)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	17	(78)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	76
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
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	-	-
	<b>Net financing cash flows</b>	-	76
	<b>Net (decrease)/increase in cash held</b>	17	(2)
1.22	Cash at beginning of quarter/year to date	75	94
1.23	Exchange rate adjustments to item 1.22	-	-
1.24	<b>Cash at end of quarter/year</b>	92	92

**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	-
1.26	Aggregate amount of loans to the parties included in item 1.10	-
1.27	Explanation necessary for an understanding of the transactions	
	None.	

**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

The following non cash financing activities occurred during the quarter:

(i) As approved by shareholders at the annual general meeting held on 27 November 2009, the Company issued 4,290,000 fully paid ordinary shares at a deemed issue price of \$0.025 per share to MAK Super (WA) Pty Ltd, a company associated with Mr Miles Kennedy, in full and final settlement of an amount owing by the Company; and

(ii) The Company issued 4,290,000 fully paid ordinary shares at a deemed issue price of \$0.025 per share to Tongaat Pty Ltd in full and final settlement of an amount owing by the Company.

- 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	20
4.2 Development	-
<b>Total</b>	<b>20</b>

### 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	92	75
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.24)	<b>92</b>	<b>75</b>

### 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	-	-	-	-

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**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 <b>Preference securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	47,714,654	47,714,654		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	8,580,000	8,580,000	\$0.025	Fully Paid
7.5 <b>+Convertible debt securities</b> (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)	550,000 1,500,000 6,000,000	- - -	<u>Exercise Price</u> \$1.30 \$1.50 \$0.06	<u>Expiry Date</u> 24 Nov 2010 7 Sep 2011 18 Nov 2014
7.8 Issued during quarter	6,000,000	-	\$0.06	18 Nov 2014
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> (totals only)				
7.12 <b>Unsecured notes</b> (totals only)				

+ See chapter 19 for defined terms.

## 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: 28 January 2010

(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.

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