

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")

30 June 2010

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	-	-
1.2 Payments for (a) exploration and evaluation	(2)	(23)
(b) development	-	-
(c) contract services	-	-
(d) administration	(43)	(161)
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	-	-
Net Operating Cash Flows	(45)	(184)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(70)	(70)
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
Net investing cash flows	(70)	(20)
1.13 Total operating and investing cash flows (carried forward)	(115)	(204)

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1.13	Total operating and investing cash flows (brought forward)	(115)	(204)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,402	1,478
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	(19)	(19)
1.21	Other – reclassification of cash to environmental bonds	-	-
	Net financing cash flows	1,383	1,459
	Net (decrease)/increase in cash held	1,268	1,255
1.22	Cash at beginning of quarter/year to date	81	94
1.23	Exchange rate adjustments to item 1.22	-	-
1.24	Cash at end of quarter/year	1,349	1,349

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

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.

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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	500
4.2 Development	-
Total	500

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	1,349	81
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.24)	1,349	81

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	E52/2438	An option to purchase the Exploration Licence from Ascidian Prospecting Pty Ltd, which option may be exercised by RNI at any time between 30/7/2011 and 30/6/2013 and otherwise in accordance with the terms and conditions of an Option Agreement between the parties dated 30 April 2010.	-	-

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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	58,881,320	58,881,320		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	11,166,666	11,166,666		
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)	550,000 1,500,000 1,933,334	- - -	<u>Exercise Price</u> \$0.90 \$1.50 \$0.12	<u>Expiry Date</u> 24/11/2010 7/9/2011 28/6/2013
7.8 Issued during quarter	3,000,000	-	\$0.12	28/6/2013
7.9 Exercised during quarter	6,000,000 1,066,666	- -	\$0.06 \$0.12	18/11/2014 28/6/2013
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 July 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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