



**QUARTERLY ACTIVITIES REPORT  
FOR THE PERIOD ENDED 30 JUNE 2010**

ASX CODE: RNI

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**HIGHLIGHTS**

- Resource and Investment NL (ASX: **RNI (RNI)**) entered an agreement with Ascidian Prospecting to acquire a 100% interest in E52/2438 (the Doolgunna Project). The tenement is strategically located 3km southeast of the DeGrussa Copper-Gold Project and covers similar lithological units.
- The Company has commenced a comprehensive exploration program (including detailed aeromagnetics, geological mapping and soil-sampling) to provide the foundations for future drilling programs.
- Preliminary work has identified a mafic volcanic succession in the southern part of the area that has strong similarities to the succession that hosts the nearby DeGrussa Deposit.
- Intensive follow-up exploration is planned for an extensive gold geochemical anomaly identified from previous soil sampling. Drilling of the Salmon Prospect (located within the geochemical anomaly) has returned grades of up to 8.2g/t gold.
- Late in July, RNI also acquired an option to purchase the Three Rivers Project from Imic Pty Ltd. This project comprises two exploration licences covering about 170km<sup>2</sup> and located 15km northwest of the Plutonic Gold Mine.
- Capital raisings announced during the quarter totalling \$3,714,879.

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**Introduction**

The past quarter has been of immense significance for the Company. On the 30 April 2010 RNI entered an option agreement to acquire a 100% interest in the Doolgunna Project. The Doolgunna Project comprises a single Exploration Licence (E52/2438) located 3km southeast of Sandfire Resource's, DeGrussa Copper-Gold Project. This acquisition enabled the Company to secure a strategic position in Australia's most exciting emerging mineral field. Sandfire has recently announced a major upgrade to their resource estimate for the DeGrussa Deposit and the discovery of a significant new zone of mineralisation zone (Conductor 5).

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RNI has recently commenced an intensive exploration program targeting VMS style copper-gold mineralisation and shear-related gold deposits on the Doolgunna Project.

In late July, RNI acquired the option to purchase the Three Rivers Project from Imic Pty Ltd. This Project comprises two Exploration Licences (one granted) covering about 170km<sup>2</sup> and located about 35km north of DeGrussa and 15 km northwest of the Plutonic Gold Mine. The Three Rivers Project contains a broad zone that is substantially anomalous in copper, zinc, arsenic, uranium and palladium. Such broad-element multi-element anomalism is potentially the fingerprint of a major metal deposit and the area warrants thorough and systematic exploration. The Company plans to commence exploration at Three Rivers during the coming quarter.

On 4 May 2010 RNI announced its intention to raise capital to fund a revitalised project acquisition and exploration effort, by way of a placement and a non-renounceable entitlements offer. Both these capital raisings have been successfully completed raising \$246,000 and \$3,468,879 respectively.

### **Doolgunna Project**

The Doolgunna Project covers an area of about 21km<sup>2</sup> located 3km southeast from Sandfire's DeGrussa Copper-Gold project (Figure 2). This area has recently become a centre of intense exploration activity following the discovery and definition of high-grade copper-gold deposits. The resource at DeGrussa deposit has recently been upgraded to 9.6 million tonnes grading 5.5% Cu and 1.9g/t gold. The upgrade does not include material from the recently discovered Conductor 5 mineralisation zone.

The DeGrussa deposit is a Volcanogenic Massive Sulphide (VMS) style deposit located within basaltic and sedimentary rocks of the Proterozoic-aged Bryah Basin. Worldwide experience with VMS deposits shows that they tend to occur in clusters. RNI's Doolgunna Project covers similar lithologies to those recorded in the DeGrussa area, and the Company believes the area has the potential to host equivalent copper gold deposits.

The region also hosts significant shear and vein related gold deposits. At Doolgunna, previous exploration has identified an east-west trending structure containing elevated gold concentrations. The Salmon Prospect is a strongly mineralised quartz reef located within this structure where drilling has identified economic concentrations of gold.

During the quarter, RNI commenced its initial regional exploration program over Doolgunna Project area. The initial program comprises airborne geophysics, geological mapping and closely spaced soil sampling and is designed to provide an understanding of the geology of the area. The regional program will allow the Company to target future geophysical and drilling campaigns.

UTS Geophysics has completed flying of a detailed (25m line spacing) aeromagnetic survey over the Doolgunna Project and surrounding area. Preliminary magnetic data has been received and final data from the survey are expected to be available early in August.

Detailed geological mapping of the project area is underway and is expected to be completed within the next few weeks. Preliminary work has identified a mafic volcanic succession in the southern part of the area that has strong similarities to the succession that hosts the nearby DeGrussa Deposit.

RNI has commenced a comprehensive soil sampling program that will cover the entire project area. Samples are being collected on a 100 x 50m pattern and will be analysed for a suite of 36 elements used to characterise VMS and gold deposits. Previous soil sampling programs have outlined gold mineralisation within the area and the current program will add detail to this work and provide a geochemical framework

for future exploration in the area. The regional soil sampling program will be completed during the coming quarter.

While the main focus of RNI's initial program will be to complete a regional-scale evaluation of the entire Doolgunna Project area for potential VMS copper-gold and gold mineralisation, more detailed exploration will also be conducted over a zone of anomalous gold geochemistry. This zone was identified from previous exploration and two more significant gold prospects have been identified within the zone. **Marty's Patch** is an area containing nuggetty gold previously targeted by metal detectors. The **Salmon Prospect** is a gold-rich quartz reef identified from previous drilling programs. In recent reconnaissance in the area, visible gold was recognised in pan-concentrates from both localities

RNI believes that the anomalous gold geochemical zone has considerable potential and emphasis will be placed on understanding and defining the mineralisation in the Salmon Prospect. In this area, previous RAB and RC drilling over surface geochemical anomalies has identified significant gold and associated copper mineralisation over a 200 metre strike length. The mineralisation occurs in sub-vertically oriented, sulphide-bearing quartz veins within mafic schists. The mineralised structure remains open to the west. Gold grades of **up to 8.2g/t** have been recorded with significant gold grades reported whenever the gold-bearing horizon was intersected in drilling.

Highlights of the drilling program that identified the mineralisation are shown in the table below.

| Drilling Highlights – Salmon Prospect – Doolgunna Project |        |         |     |         |      |    |          |          |
|---|--------|---------|-----|---------|------|----|----------|----------|
| Hole No   | East   | North   | Dip | Azimuth | From | To | Au (g/t) | Cu (ppm) |
| DGRB0355  | 736102 | 7169060 | 60  | 180     | 32   | 34 | 8.1      | 1,220    |
|   |        |         |     |         | 34   | 36 | 2.1      | 1,320    |
| DGRB0372  | 736191 | 7169061 | 60  | 180     | 20   | 22 | 7.4      | 711      |
|   |        |         |     |         | 22   | 24 | 8.2      | 917      |
| DGRB1900  | 735993 | 7169069 | 60  | 180     | 32   | 34 | 0.7      | NA       |
| DGRC028   | 736202 | 7169033 | 60  | 180     | 32   | 34 | 4.1      | 513      |
|   |        |         |     |         | 34   | 36 | 2.5      | 470      |
|   |        |         |     |         | 36   | 38 | 1.5      | 278      |
| DGRC029   | 736160 | 7169028 | 60  | 180     | 40   | 42 | 7.6      | 713      |
|   |        |         |     |         | 42   | 44 | 1.1      | 515      |

**Notes:**

- Drilling undertaken by Sandfire Resources NL between 2006 and 2007.
- Drill hole collars surveyed – GDA94 Datum.
- Analytical results by Genalysis using B/AAS method for gold and B25/AAS method for copper.
- Intercepts are down-hole metres. No estimate of true thickness is implied.
- NA – Not assayed.

### Three Rivers Project

The Company has concluded Option Agreements with the owners of Exploration Licenses 53/2124 and 52/2562, located to the southeast of the Three Rivers Station in the Peak Hill Goldfield, immediately northwest of Doolgunna Station in the Meekatharra region of Western Australia (the **Three Rivers Project**).

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The Three Rivers Project contains a broad zone some 15km long and 5km wide where soil sampling and geochemical processing has identified multi-element results.

In summary, the Option agreements provide for:

- Option fees totalling \$150,000 (paid);
- the issue to the Owners of the Three Rivers Project of 2 million options in the capital of RNI exercisable to ordinary fully paid shares upon the payment of \$0.40 per share within 24 months of the date of issue of such Options;
- a 1.5% net smelter return on all minerals and metals recovered;
- RNI to conduct all exploration on each of the tenements as it sees fit at the sole cost of RNI;
- RNI to keep each of the tenements in good standing;
- RNI to issue to the Owners of EL 53/2124 that number of shares equivalent to 5% of the capital of RNI (immediately prior to exercise) upon Exercise of the Option on or before 19 July 2011, if RNI so elects to exercise that Option;
- RNI to issue to the Owners of EL 52/2562 that number of shares equivalent to 3% of the capital of RNI (immediately prior to exercise) upon exercise of the Option on or before 15 November 2011, if RNI so elect to exercise that Option.
- RNI to hand back all data to the Owners in the event it elects not to exercise either or both Options.

The Three Rivers Project area is in close proximity to RNI's Doolgunna project, where the Company has established an exploration camp and commenced its exploration program. The Three Rivers Project will commence from the same camp.

The Three Rivers Project incorporates two Exploration Licences, E52/2124 and E52/2562 (application) that cover an area of about 170km<sup>2</sup>. The project area straddles the Great Northern Highway and is located about 35km north of DeGrussa and 15 km northwest of the Plutonic Gold Mine (Figure 3).

Regional mapping indicates that the Three Rivers Project tenements predominantly cover Proterozoic sediments of the Bangemall Group; with some Achaean granite exposed in the south eastern portion of the area. Large parts of the tenement are covered by alluvial deposits associated with the Gascoyne River. RNI believes the area has potential to host significant mineralisation.

Imic Pty Ltd has conducted a limited soil sampling program over parts of the tenements and has located a broad zone that is substantially anomalous in copper, zinc, arsenic, uranium and palladium. The broad, multi-element anomalism may be related to a major hydrothermal system and could indicate the presence of a significant base and precious metal deposits in the area.

An exploration program comprising of aeromagnetics, detailed geological mapping and regional soil sampling is planned as a first pass reconnaissance for the Three Rivers area. The Company hopes to commence exploration in the area during the coming quarter.

### **Yule River Project**

Under a Joint Venture agreement with Brumby Resources NL, RNI holds the exclusive right to carry out exploration and mining activities on alluvial deposits on tenements covered by the Yule River Project located in the Pilbara Region of Western Australia. No work was undertaken in this area during the past quarter.

| <b>Mining Tenements as at 15 July 2010</b>            |                              |                     |                                 |              |
|---|------------------------------|---------------------|---------------------------------|--------------|
| <b>Tenement Number</b>                                | <b>Registered Holder</b>     | <b>Date Granted</b> | <b>Area (Graticular blocks)</b> | <b>Notes</b> |
| <b>Doolgunna Project</b>                              |                              |                     |                                 |              |
| E52/2438  | Ascidian Prospecting Pty Ltd | 11/02/2010          | 7                               | 1            |
| <b>Three Rivers Project</b>                           |                              |                     |                                 |              |
| E52/2124  | IMIC Pty Ltd                 | 19/09/2008          | 25                              | 1            |
| E52/2562  | IMIC Pty Ltd                 | Application         | 28                              | 1            |
| <b>Yule River Project</b>                             |                              |                     |                                 |              |
| E45/2939  | Resource and Investment NL   | 20/04/2007          | 60                              | 2            |
| E47/1730  | Resource and Investment NL   | 16/12/2008          | 19                              | 2            |
| E47/1731  | Resource and Investment NL   | 16/12/2008          | 45                              | 2            |
| E47/1750  | Resource and Investment NL   | 5/09/2007           | 70                              | 2            |
| E47/1751  | Resource and Investment NL   | 5/09/2007           | 70                              | 2            |
| E47/1193  | Brumby Creek NL              | 13/10/2005          | 18                              | 2            |
| E47/1331  | Brumby Creek NL              | 17/11/2005          | 9                               | 2            |
| E47/1340  | Brumby Creek NL              | 17/11/2005          | 7                               | 2            |
| E47/1341  | Brumby Creek NL              | 17/11/2005          | 70                              | 2            |
| Notes   |                              |                     |                                 |              |
| 1 Option to purchase                                  |                              |                     |                                 |              |
| 2 RNI has the right to explore for and mine alluvials |                              |                     |                                 |              |

For further information, contact:

**MILES KENNEDY – CHAIRMAN**

Resource and Investment NL

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29 July 2010

#### **Competent Persons Statement**

The information in this report which relates to exploration results, mineral resources or ore reserves is based on information compiled by David Jones BSc (Hons) MSc of Ascidian Prospecting Pty Ltd, who is a Corporate Member of the Australasian Institute of Mining and Metallurgy. Mr Jones is a consultant to RNI and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which it is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Jones consents to the inclusion in the document of the matters based on this information in the form and context in which it appears.

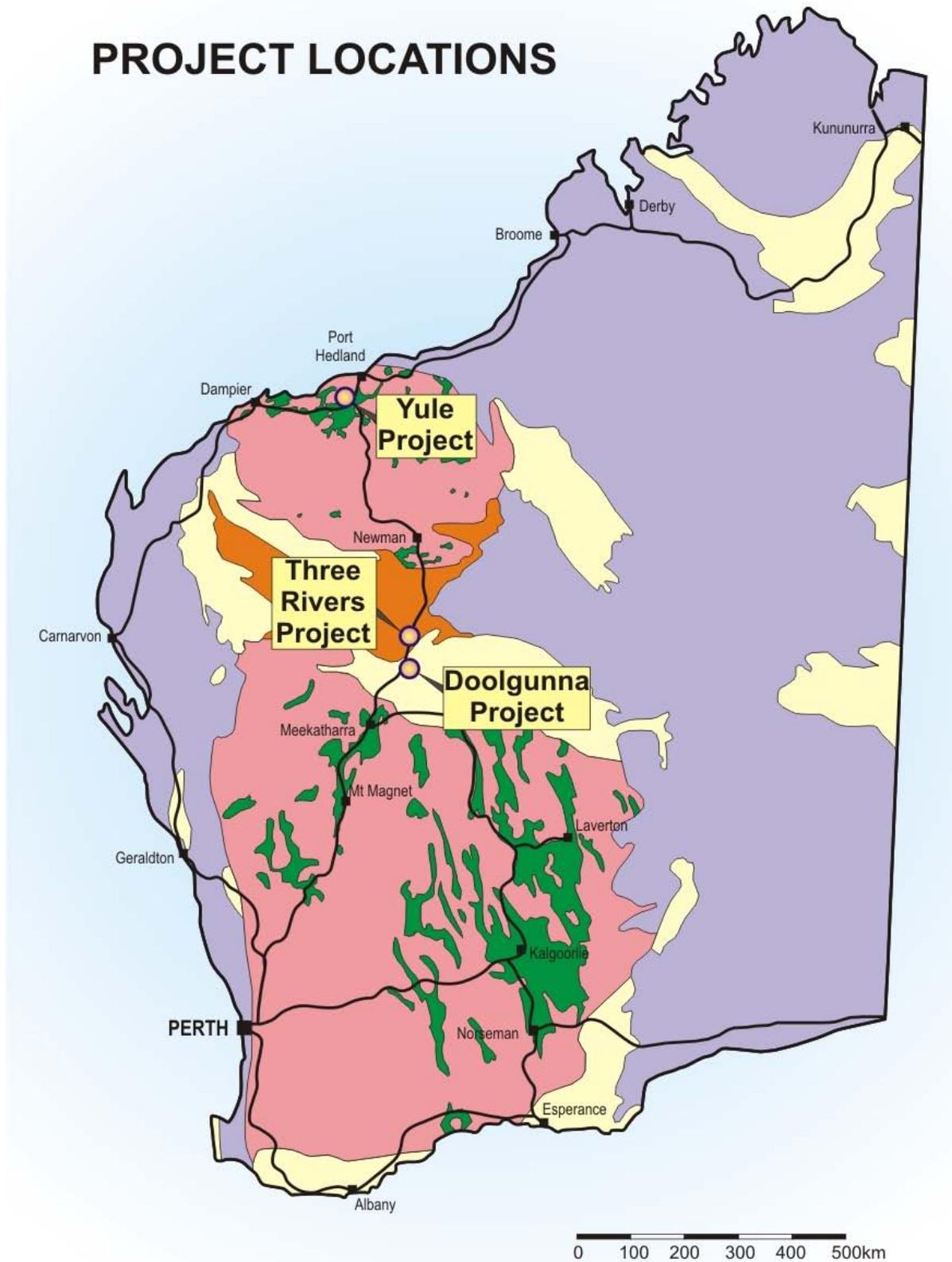


Figure 1 – RNI - Project Locations

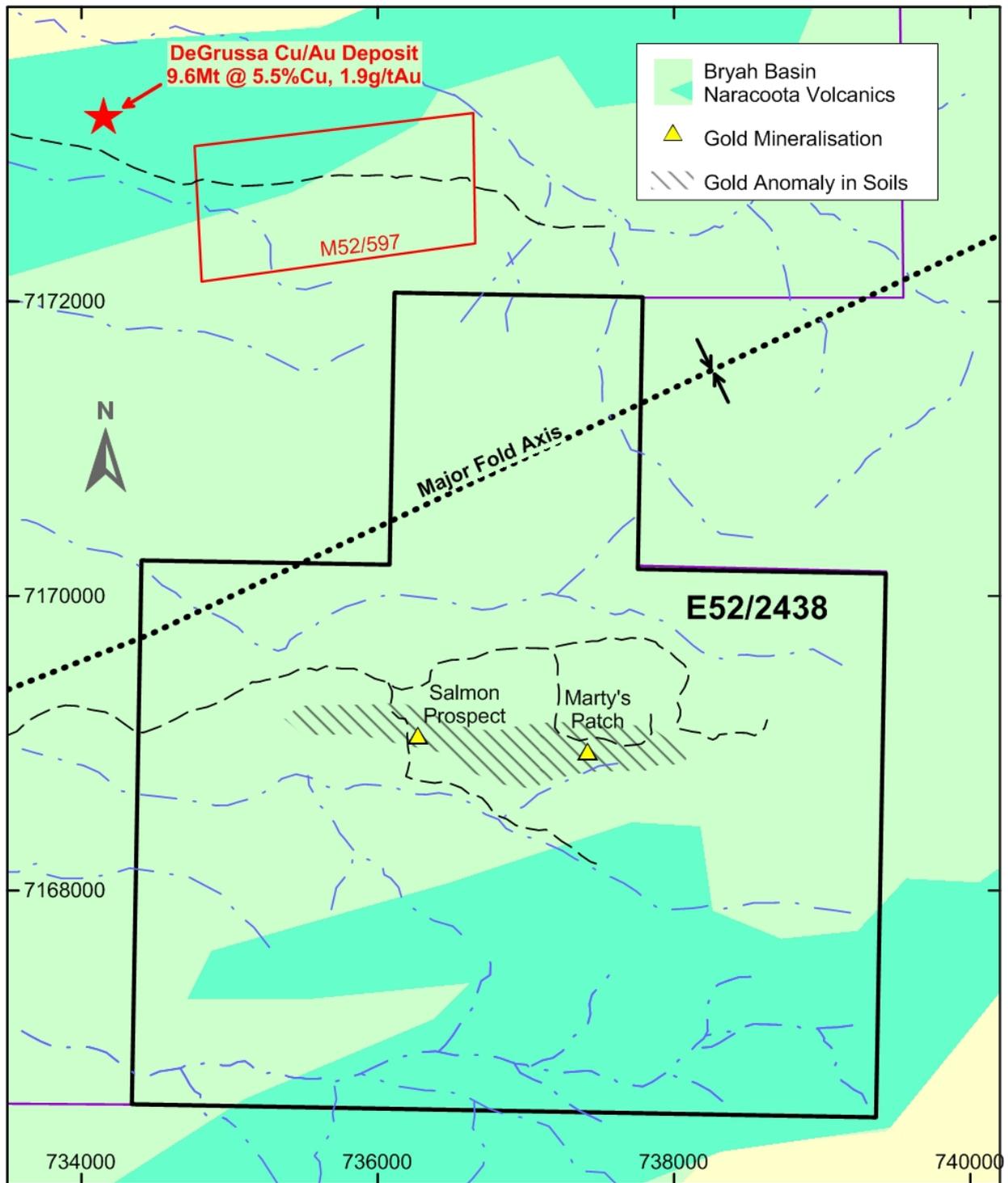


Figure 2 – Doolgunna Project

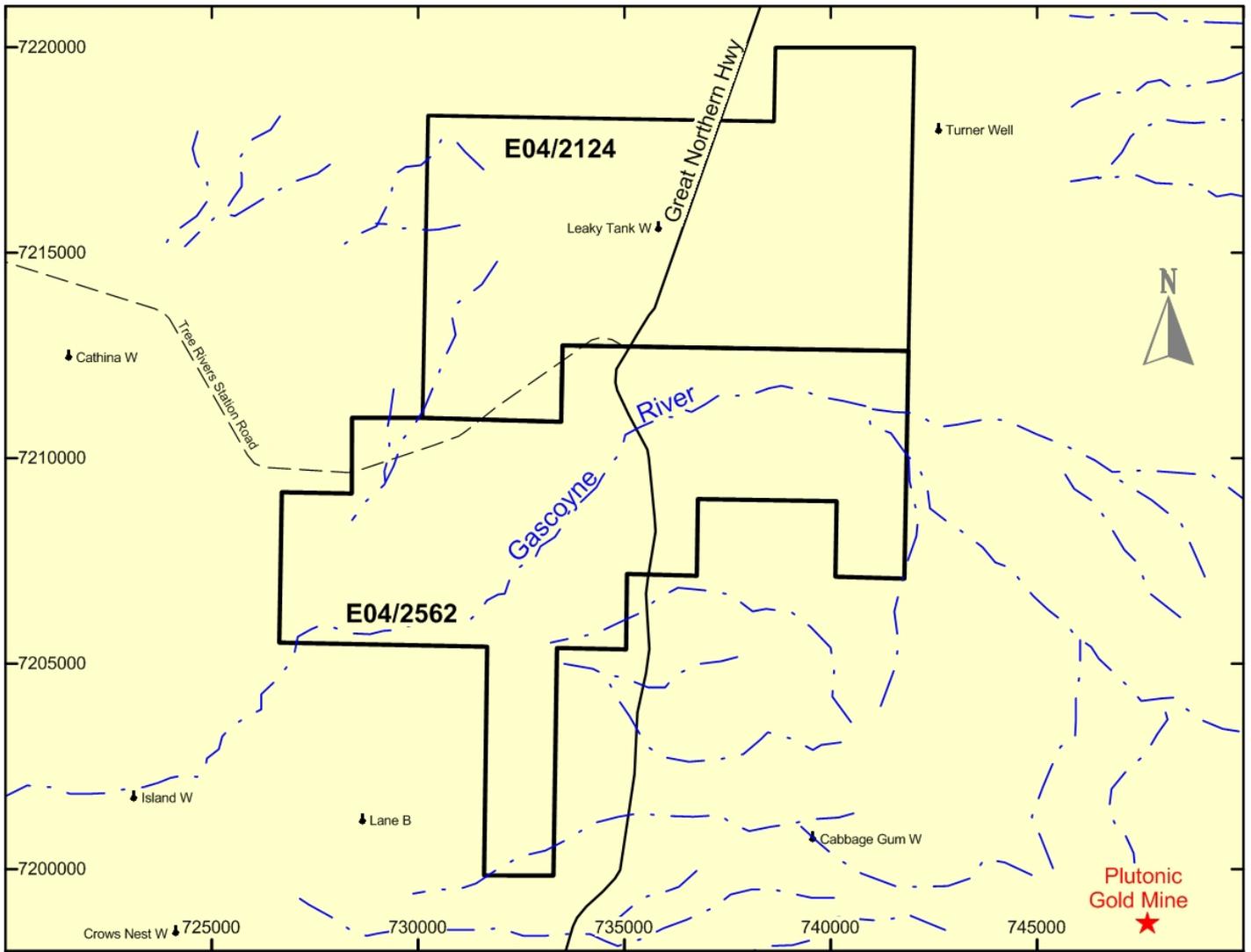


Figure 3 – Three Rivers Project