



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

ASX CODE: RNI

HIGHLIGHTS

- Geological mapping has identified extensive new zones of Narracoota Formation basaltic rocks within the Company's Doolgunna Project area. The Narracoota Formation is the rock sequence which hosts Sandfire Resources' DeGrussa mineralisation.
- Fifteen high-priority geochemical copper-gold targets were identified from a comprehensive soil sampling program completed over the entire Doolgunna Project area. Surface gold assays of up to 1.74g/t were recorded from individual soil samples. Significantly, two of the geochemical copper anomalies are contiguous with Talisman Mining's priority drilling targets.
- A number of the geochemical anomalies appear associated with ironstone or quartz-ironstone outcrops which RNI believes may be related to sulphide mineralisation.
- Southern Geoscience Consultants has been contracted to plan and supervise a ground electromagnetic (EM) survey that should be completed during the December quarter. The EM survey will be the final stage in determining priority drilling targets within the Doolgunna Project.
- A detailed aeromagnetic survey has been completed over the neighbouring Three Rivers Project area, with final data expected in November 2010.

Introduction

During the quarter, Resource and Investment NL (ASX: RNI) (**RNI or the Company**) continued its intensive exploration program on the Doolgunna Project. This Project comprises a single Exploration Licence (E52/2438) located 3km southeast of Sandfire Resources' DeGrussa Copper-Gold Project.

At Doolgunna, RNI has recognised a stratigraphic sequence similar to that which hosts Sandfire's DeGrussa mineralisation. The Company is conducting an exploration program targeting VMS style copper-gold mineralisation similar to DeGrussa. The area also hosts significant shear and vein-related gold mineralisation and recent results have provided impetus to explore these styles of deposits.

RNI also commenced exploration on the Three Rivers Project. This Project comprises two Exploration Licences covering about 170km², located about 35km north of DeGrussa and 15km northwest of the Plutonic Gold Mine. Flying of a detailed aeromagnetic survey over the entire project area was completed during September, with final results expected in November.

Doolgunna Project

The Doolgunna Project, over which RNI has the rights to acquire 100%, covers an area of about 21km² (5,200 acres) located 3km southeast from Sandfire's DeGrussa Copper-Gold project (*Figure 2*). This area is a centre of intense exploration activity following the discovery of high-grade copper-gold deposits. At DeGrussa, Sandfire has identified four discrete ore-zones with a total combined resource recently upgraded to 10.67 million tonnes grading 5.6% Cu and 1.9g/t gold (*see Sandfire ASX announcement 3 September 2010*).

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

During the quarter, RNI completed detailed geological mapping of the Project area. Basaltic rocks of the Narracoota Formation were mapped along two zones within the tenement, representing a total combined strike-length of 9km (*Figure 2*). The southern basaltic zone is up to 1km wide and lies at, or near, the southern edge of the Bryah Basin and has previously been recognised during regional geological mapping programs. The central basaltic zone is up to 800m wide and has not previously been recognised. At this stage the structural relationships between the zones of outcropping basaltic rocks are unclear. However, significant strike-parallel folding and faulting was recognised during the geological mapping and it is probable that the two basaltic zones identified within the Doolgunna Project area are the result of the regional folding of the Narracoota Formation within the Bryah Basin.

The central and southern basaltic zones comprise a variety of basalt lithologies as well as sedimentary lenses. Similar lithologies host Sandfire's DeGrussa mineralisation and RNI is confident that these units have the potential to host similar deposits to those identified at DeGrussa.

During the quarter RNI completed a comprehensive soil sampling program covering the entire project area. A total of 4,576 samples of -200 micron fraction material were collected on a 100 x 50m grid and were analysed for a suite of 36 elements used to characterise VMS and gold deposits. *Figure 3* shows sample locations for copper, gold and base metal distribution within the Doolgunna Project area.

The soil sampling shows a broad correlation between elevated copper values and the Narracoota Formation. This relationship has also been recognised by Talisman Mining Limited (Talisman) in areas south and east of the Doolgunna Project. Talisman has defined a number of "VMS geochemical trends" in three corridors within the Bryah Basin. The Doolgunna Project covers sections of the central and southern corridors.

A number of samples from the soil sampling program returned high gold assays, with one near-surface sample returning a grade of 1.74g/t Au. While some of the high gold samples were associated with known gold mineralisation (eg Salmon Prospect), most were from areas well away from known mineralisation.

Results of the soil sampling program were analysed and interpreted by Consulting Geochemist Dr Nigel Brand. In conjunction with Dr Brand, 15 high-priority targets were identified within the Doolgunna Project area. Details of these anomalies are presented in the accompanying Table with target locations shown in *Figure 3*.

Doolgunna Project – Priority Geochemical Targets				
Anomaly	Principal Target	Peak Au Value (ppb)	Anomaly Size	Comments
AU1	Au	14	Point	Salmon Prospect. Previously drilled over 200m drill assays of up to 8.2g/t Au recorded
AU2	Au-Cu	380	400x100m	Within central basaltic zone associated with elevated copper
AU3	Au	189	Point	Within northern sedimentary zone just south of Thundelarra tenement
AU4	Au	12.5	Point	Within northern sedimentary zone apparently associated with alluvials
AU5	Au-Cu-Pb-Zn	258	100x50m	Within central basaltic zone Pb and Zn values more than 10x background. Associated with ironstone outcrops.
AU6	Au	10.4	Point	Within southern sedimentary zone
AU7	Au	1,754	Line	Within southern sedimentary zone several elevated Au values associated with alluvials
AU8	Au	58	Point	Within southern sedimentary zone - probable alluvial association
AU9	Au	90	Point	Within southern sedimentary zone - associated with ironstone outcrop
AU10	Au(-Cu)	89	Point	Within southern basaltic zone associated with a dolerite ridge - elevated copper
AU11	Au	468	Point +	In southern basaltic zone along strike from Tony's Find nugget area - associated with ironstone rich quartz veining. Elevated Cu
CU12	Cu	82ppm Cu	100x50m	100m west of Salmon. Probably within central basaltic zone
CU13	Cu	76ppm Cu	Line	In southern basaltic zone elevated Au (4ppb) along strike
CU14	Cu	104ppm Cu	200x50	In southern basaltic zone, strike parallel trend associated with ironstone outcrops
CU15	Cu	74ppm Cu	Point	In northern sedimentary zone - locally anomalous associated with quartz veining and cherts

Late in the quarter, field inspection and follow-up geochemical sampling was undertaken over most of these priority targets. A number of the geochemical anomalies were associated with ironstone outcrops (eg AU5, AU9, AU11 and CU14) which RNI believes could represent former sulphide deposits.

During the geological mapping program, several areas of past metal-detector activity were identified (Tony's Find) near the southern margin of the area. The mapping suggested that a likely source for any gold in the area was a ferruginous quartz lense within areas scraped during the metal detector operations. A significant (468ppb) gold anomaly was identified just to the east of this outcrop.

Also, late in the quarter, an additional 1,000 infill and repeat samples were collected to more closely define the geochemical anomalies. Results from these samples should be available in November.

UTS Geophysics initially completed flying of a detailed (25m line spacing) aeromagnetic survey over the Doolgunna Project and surrounding area early in the quarter. Issues with the data quality meant that several parts of the survey had to be re flown. While preliminary aeromagnetic data has been received, the final data from the survey is not expected to be available till late in October.

Experience at DeGrussa indicates that the geophysical technique most likely to identify the VMS-style massive sulphide deposits is a ground-based electromagnetic (EM) survey. RNI has commissioned geophysical consultants Southern Geoscience Consultants Pty Ltd to plan and supervise a ground based EM survey covering the Doolgunna Project area. Planning for this survey is well advanced and it is expected to be completed during the December quarter. The EM survey will be the final stage in determining priority RC and diamond drilling targets within the Doolgunna Project.

Three Rivers Project

The Three Rivers Project, over which RNI has the rights to acquire 100 per cent, incorporates two Exploration Licences, E52/2124 and E52/2562 (application), that cover an area of about 170km². The project area straddles the Great Northern Highway and is located about 35km north of DeGrussa and 15km northwest of the Plutonic Gold Mine (*Figure 3*).

The Three Rivers Project predominantly covers Proterozoic sediments of the Bangemall Group; with some Achaean granite exposed in the south eastern portion of the area. Large sections of the project area are covered by alluvial deposits associated with the Gascoyne River. RNI believes the area has potential to host significant mineralisation.

During the quarter, RNI contracted UTS Aeroquest to fly a 4,000 line kilometre combined aeromagnetic and radiometric survey over the Three Rivers project area. The survey was flown on north-south oriented lines, spaced at 50m, with a nominal ground clearance of 25m.

Flying of this survey was completed in late September and final results should be delivered in November. Following receipt of the aeromagnetic data, RNI plans to commence a geological mapping and soil sampling program over the area.

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.

Investor Presentation

An Investor Presentation providing more information on RNI's activities is attached to this September Quarterly Report.

Schedule of Mining Tenements as at 30 September 2010

Tenement Number	Registered Holder	Date Granted	Area (Graticular blocks)	Notes
Doolgunna Project				
E52/2438	Ascidian Prospecting Pty Ltd	11/02/2010	7	1
Three Rivers Project				
E52/2124	IMIC Pty Ltd	19/09/2008	25	1
E52/2562	IMIC Pty Ltd	Application	28	1
Yule River Project				
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	05/09/2007	70	2
E47/1193	Brumby Creek NL	13/10/2005	18	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				

PROJECT LOCATIONS

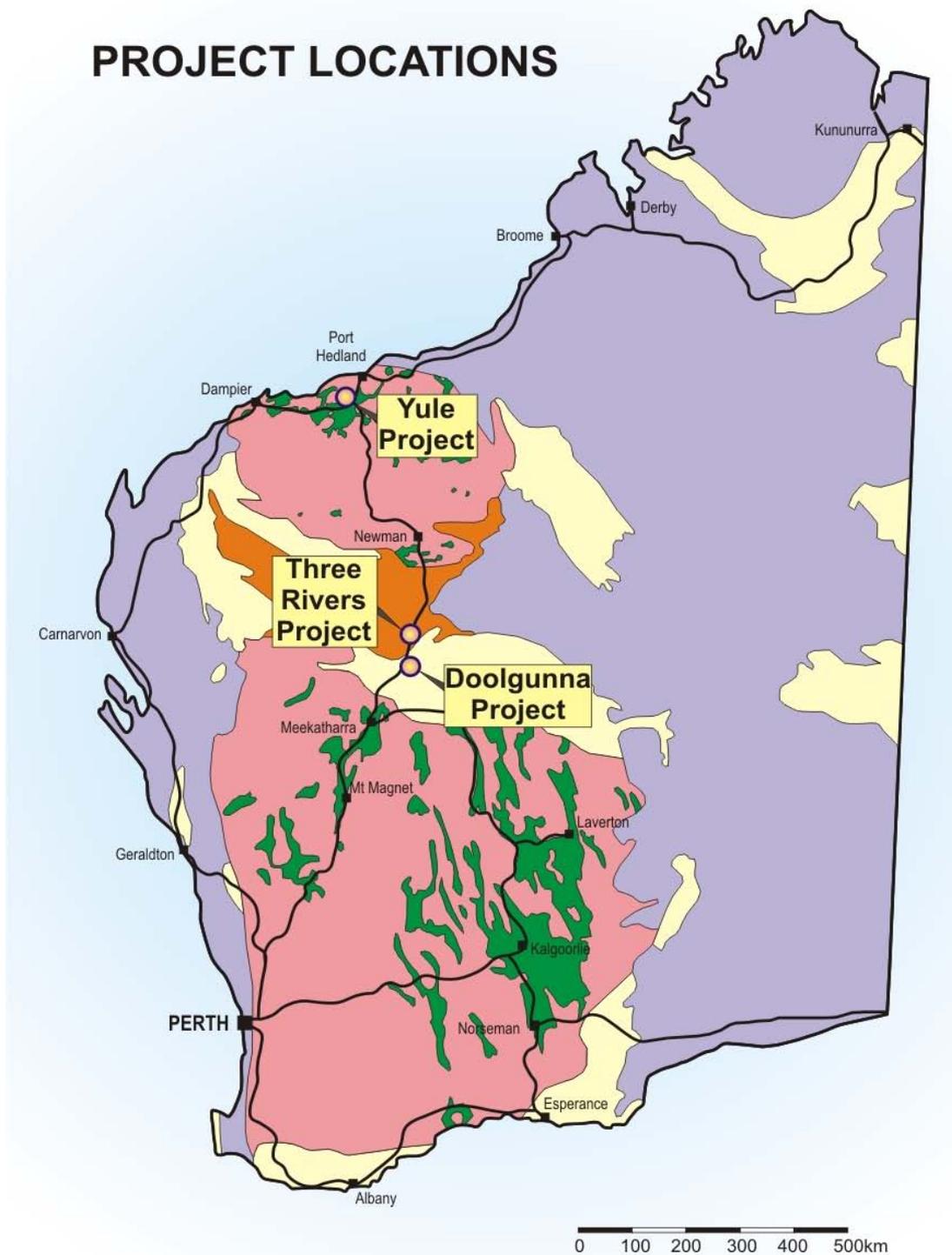


Figure 1
RNI Project Locations

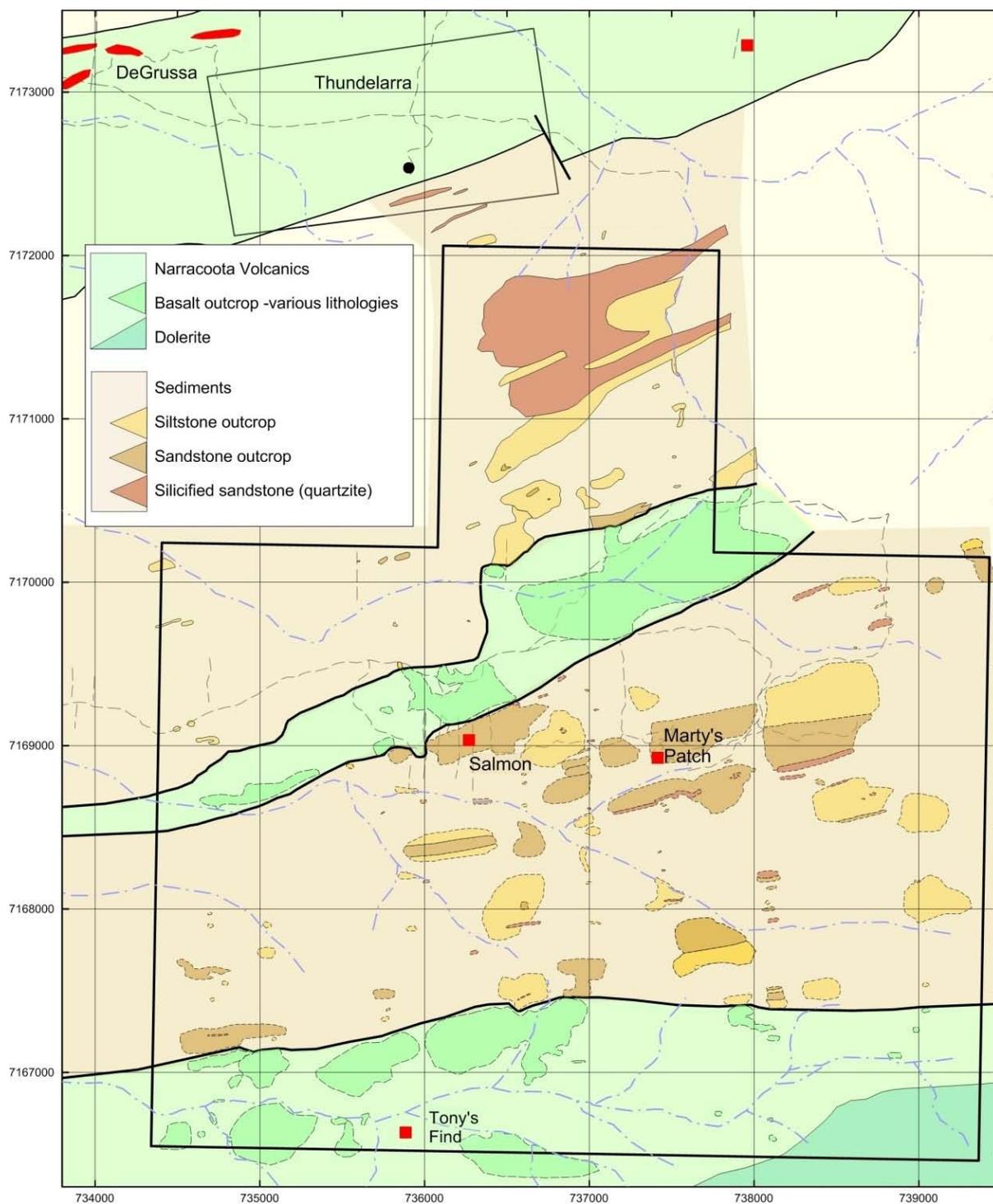


Figure 2
Doolgunna Project – Geological Mapping

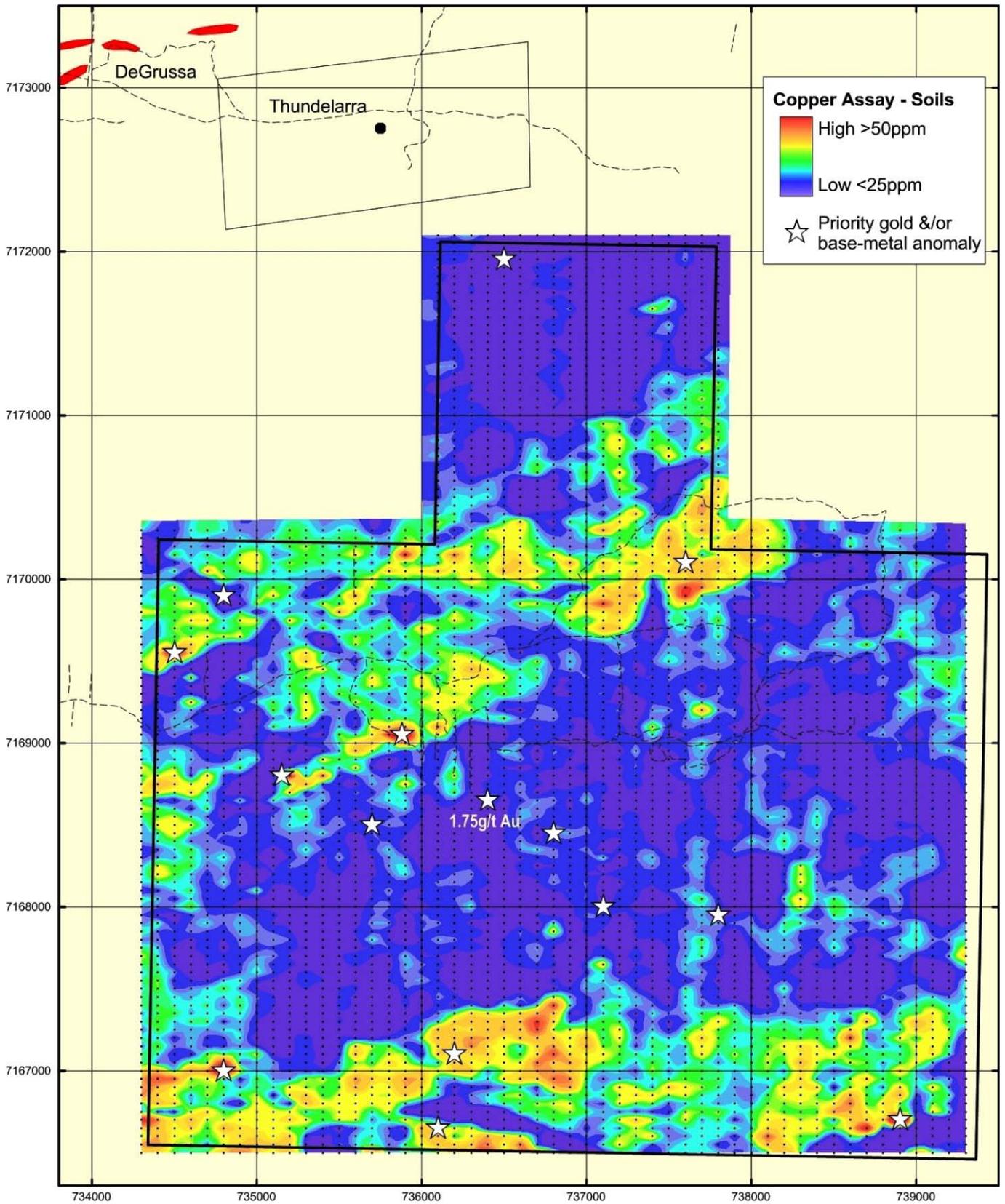


Figure 3
Doolgunna Copper Geochemistry and Priority Gold and Base metal Anomalies

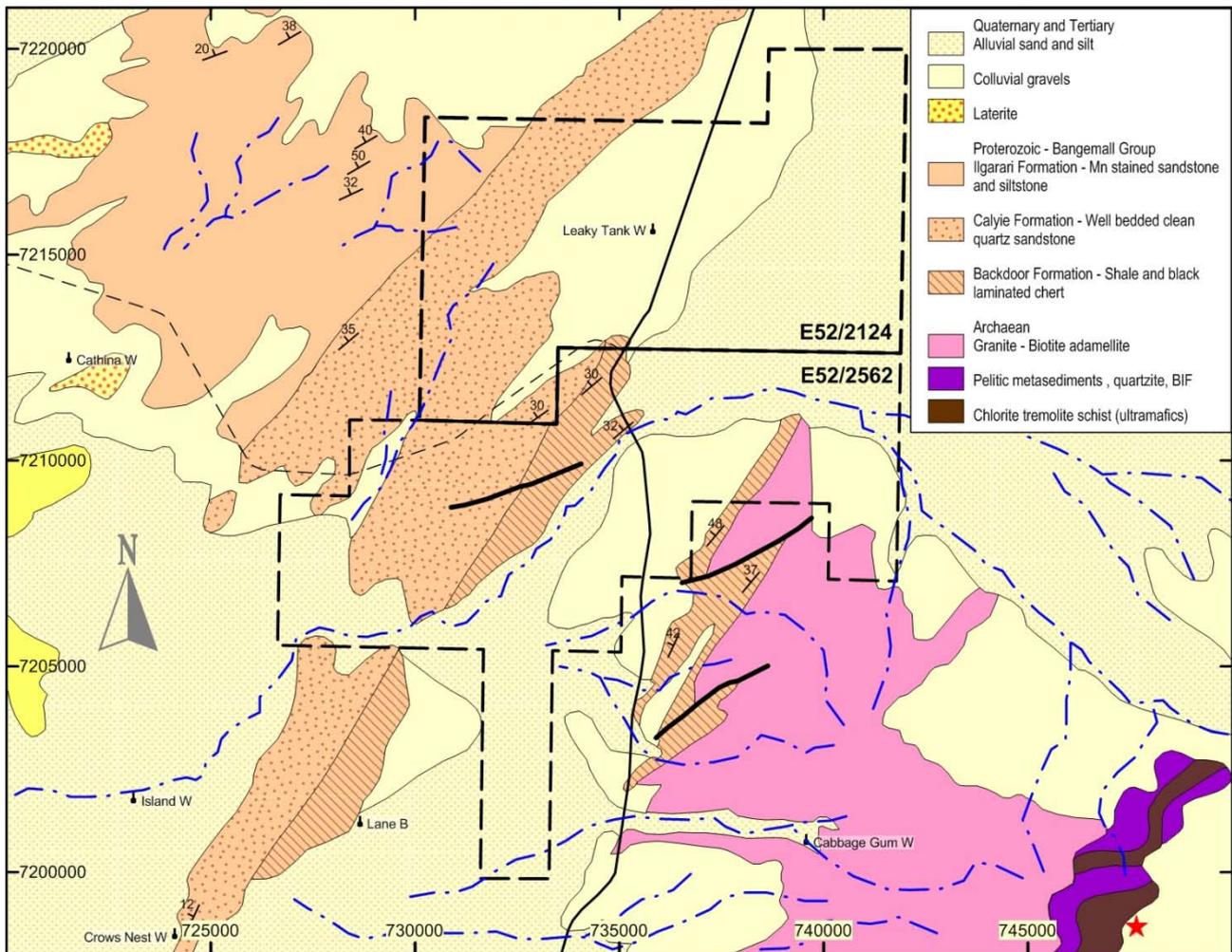


Figure 4
Three Rivers Project – Regional Geology

For further information, contact:
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8 October 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.