



**QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 31 MARCH 2011**

ASX CODE: RNI

HIGHLIGHTS

DOOLGUNNA PROJECT

- Drilling due to commence at the flagship Doolgunna Project this Quarter after the RNI Board approves an extensive 950-hole drilling program.
- Drilling program will focus on 24 priority VMS copper-gold and vein-style gold targets identified from the detailed surface exploration program conducted over the past 10 months.
- RC and diamond holes will be drilled to a depth of up to 500 metres at several targets.
- Priority drill targets include 13 below-surface conductors identified from a moving loop transient electromagnetic (MLTEM) survey completed during the March quarter. Three of the strongest targets identified in the MLTEM survey are in the northern part of the Doolgunna Project, closest to Sandfire Resources' spectacular DeGrussa VMS discoveries.

THREE RIVERS PROJECT

- Initial soil sampling results expected this month from a 6,000-sample geochemical program covering the entire 170km² Project area.

FORTNUM WEST PROJECT

- RNI acquires the Fortnum West Project, located immediately west of the Fortnum mining area where Perilya Ltd recovered more than 500,000 ounces of gold.

CAPITAL RAISING

- The Directors are in the process of completing a placement of 4.5 million new RNI shares at a price of \$1.00 each to raise \$4.5 million, before costs. This capital raising will be used to help fund the upcoming drilling program and for working capital.

Introduction

Resource and Investment NL (ASX: RNI) (RNI or the Company) is actively pursuing gold and base metal exploration programs in the eastern Gascoyne region of Western Australia. This includes the flagship Doolgunna Project and the neighbouring Three Rivers Project. During the quarter RNI expanded its portfolio with the acquisition of the Fortnum West Project (Figure 1).

The Doolgunna Project covers about 21km² and is located 3km southeast of Sandfire Resources' DeGrussa copper-gold deposits (Figure 3).

The DeGrussa deposits are VMS (Volcanogenic Massive Sulphide)-style bodies located within basaltic and sedimentary rocks (Narracoota Formation) of the Proterozoic-aged, Bryah Basin. Sandfire has announced¹ a combined resource at DeGrussa of 10.67mt @ 5.6% Cu, 1.9g/t Au and 15g/t Ag contained within four deposits. Mining at DeGrussa is planned to commence later this year. The size and grade of the DeGrussa system, combined with the tendency for VMS deposits to occur in clusters, has made the Doolgunna region a focus for intense exploration activity.

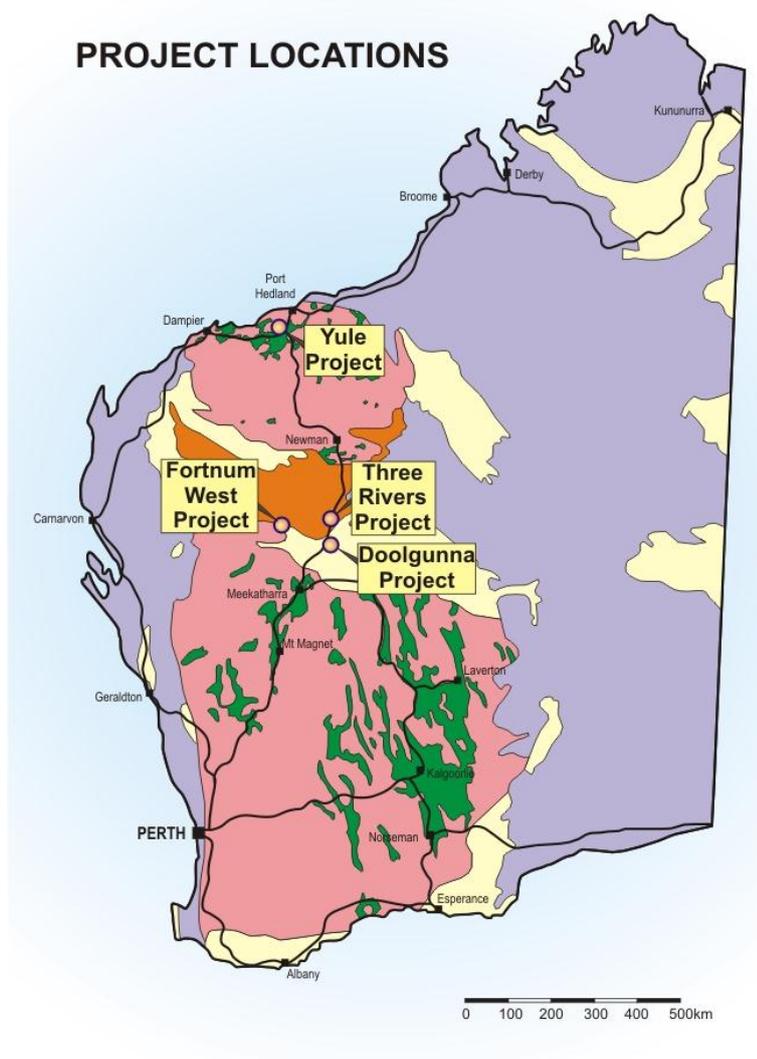


Figure 1 - RNI Project Locations

¹ Sandfire Resources NL, Annual General Meeting, 29 November 2010

RNI's Doolgunna Project covers similar lithologies to those recorded in the DeGrussa area, and the Company believes the exploration potential of its Doolgunna Project area to host equivalent copper-gold deposits is extremely high. The Three Rivers Project covers about 170km² and is located about 35km north of DeGrussa. The Three Rivers tenements lie predominantly within Proterozoic sediments of the Bangemall Group; with large sections of the Project area covered by recent alluvial sediments related to the Gascoyne River. RNI believes the area has potential to host significant gold and/or base metal mineralisation. RNI is also planning an exploration program at the newly-acquired Fortnum West Project, which is located in the Peak Hill Goldfield about 120km north of Meekatharra.

Doolgunna Project

During the quarter RNI completed a moving loop, transient electromagnetic (MLTEM) survey over the Doolgunna Project area (Figure 2). The MLTEM survey was designed to locate massive sulphide bodies similar to the neighbouring DeGrussa deposits. Unlike most rocks, massive sulphides are electrically conductive. The MLTEM survey is essentially a measure of bulk-rock conductivity and is used to locate buried massive sulphide deposits.

Independent interpretation of the MLTEM data identified 14 anomalies. Additional work by RNI personnel located 4 additional targets where subtle, but distinct MLTEM responses were coincident with geochemical, geological and/or geophysical responses.

The MLTEM survey was the final stage of the preliminary surface exploration program and a precursor to a major upcoming drilling program at Doolgunna.

The drilling program approved by the RNI board comprises 24 priority RC and diamond drilling targets (Figure 3) within the Doolgunna Project area. These targets were established by the Company's geological team after compiling and reviewing all exploration data from Doolgunna, including geological mapping, soils geochemistry, aeromagnetism and MLTEM. The drilling program thus crystallises the results of 10 months' intensive surface exploration by the Company.

The drilling program will evaluate both VMS copper-gold and vein-style gold deposits and is scheduled to commence this Quarter – as soon as all statutory and other approvals have been received. The Program of Work (PoW) has been lodged with the Department of Mines and Petroleum (DMP) and arrangements for the necessary Heritage and land clearances are also well underway.

In most cases, the proposed drill patterns will test coincident anomalies highlighted by two or more of the surface exploration techniques.

An initial program of 950 holes has been proposed. The drilling will include both RC and diamond drilling. Drill spacing and hole-depth will vary depending on the target being drilled. Holes as deep as 500m are planned for several of the targets.

A \$4.5 million capital raising which the directors are in the process of finalising will help fund this drilling program. The capital raising will involve the issue of 4.5 million new RNI shares at an issue price of \$1.00 and will also be used for working capital.

The MLTEM survey was of particular significance with more than half of the targets to be tested having a distinct MLTEM signature. DG_C3 in the northern part of the Project area – and closest to the DeGrussa discoveries - is considered one of the highest priority targets. Similarly, the strong geochemical anomaly and associated MLTEM conductor (DG_C13) located in the south west corner of the Project area will also have a high priority.

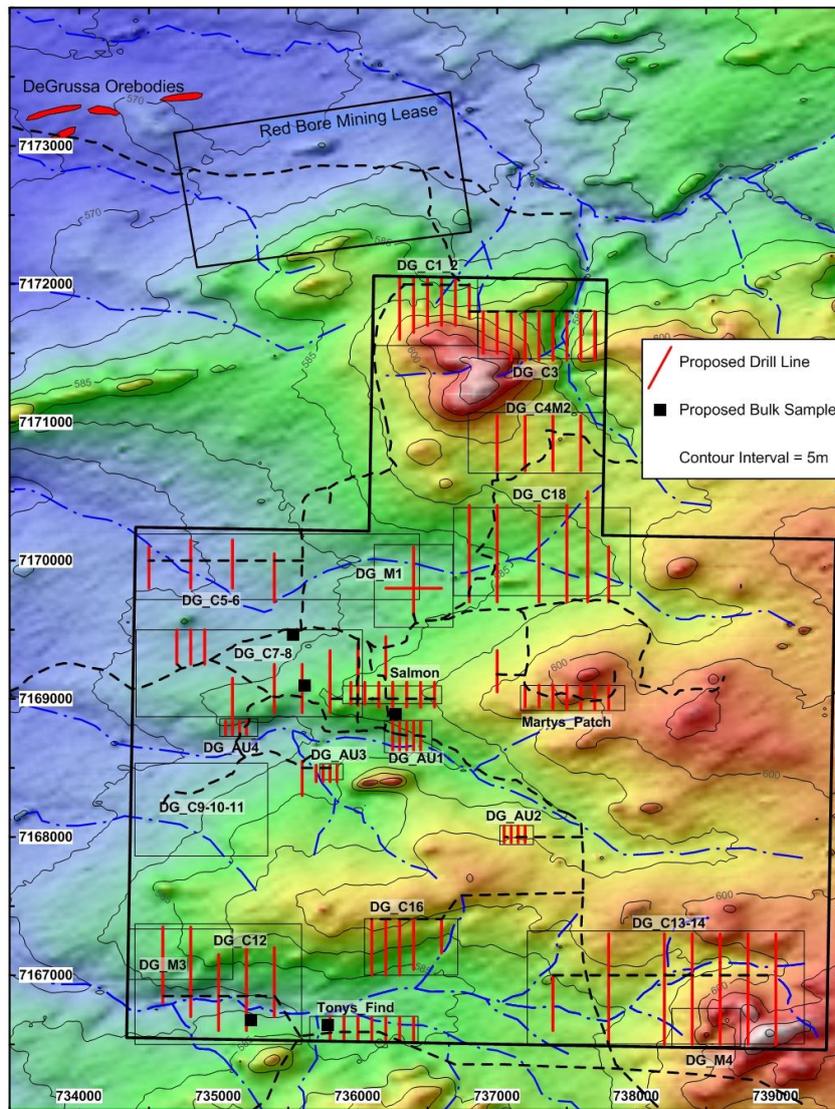


Figure 3 - Doolgunna Project – Proposed Drilling Program
(The background image shows topographic relief in the area)

RNI’s geochemical sampling program also provided a basis for many of the drill targets, with gold and/or base metal anomalies coincident with a number of the MLTEM targets. In addition to these, four new and distinct gold geochemical anomalies have been targeted for drill follow-up.

Work by previous explorers and prospectors has highlighted three gold prospects – Salmon, Marty’s Patch and Tony’s Find – that will be targeted for more intensive drilling.

At the Salmon Prospect, drilling has identified significant gold mineralisation over several hundred metres. The area has only been drilled to a depth 40m and RNI’s proposed drilling program will test extensions of the known gold mineralisation at Salmon.

At Marty's Patch and Tony's Find, prospectors have highlighted areas of coarse, nuggety gold. Regional mapping and soil sampling have highlighted structures in these areas that RNI will test to determine whether they are the source of the observed gold.

It must be emphasised that the proposed drilling program is exploratory in nature and designed to test targets generated from surface exploration. If the initial drilling is successful and assays return significant results for gold and/or base metals, additional drilling will be undertaken to evaluate these results.

In addition to the drilling program, RNI is also proposing to collect several bulk samples from palaeochannels in the area. The palaeochannels targeted have shown indications that they may contain significant coarse gold. The bulk samples are proposed to test this.

Three Rivers Project

The Three Rivers Project includes two granted Exploration Licences (E52/2124 and E52/2562) and covers an area of about 170km² (Figure 4) The project lies about 35km north of DeGrussa and 15km northwest of the Plutonic Gold Mine. .

RNI completed detailed geological mapping and an aeromagnetic survey over the Three Rivers tenements during the previous Quarter. In January, the Company commenced an intensive soil sampling program that will eventually cover the entire Project area. Record rainfall and flooding along the Gascoyne River forced the suspension of this program in early February. RNI was only able to recommence sampling operations during the last week of March.

In total, the soil sampling program will comprise over 6,000 samples. More than a third of these had been collected when the program was suspended (Figure 4). These samples have been sent for assay, with results expected in mid-April. RNI expects the remaining samples will be collected by late April, with all analytical results available by the end of the June Quarter.

A number of "bulls-eye" type aeromagnetic anomalies were identified at Three Rivers from the aeromagnetic data. These targets were considered significant because previous exploration had reported kimberlitic indicator minerals within the area. As such, the Company believes the tenements may have potential to host diamond deposits and a loam sampling program was initiated to test the magnetic targets. Final results from this loam sampling program have not been received. Several of the samples completed to date have contained worn chromite grains and studies to determine the source of these grains are underway.

Fortnum West Project

During March, RNI agreed to purchase the Fortnum West Project from Mr Glenn Money. The Fortnum West Project comprises a single Exploration Licence (E52/2568) covering an area of about 250km². The Project is located in the Peak Hill Goldfield, about 120km north of Meekatharra.

Fortnum West lies immediately to the west of the cluster of gold deposits that formed Perilya Ltd's Fortnum gold operations. The Fortnum mines operated between 1994 and 2001 (Perilya) and

2006-2007 (Gleneagle Gold). During that time the mines produced more than 500,000 ounces of gold from a number of open pit and underground operations.

The Fortnum gold deposits are a structurally controlled gold system hosted by Lower Proterozoic sedimentary and volcanoclastic rocks of the Glengarry Group in the Glengarry Basin of Western Australia. The gold deposits occur on either side of the major Fortnum Fault - a prominent geological and geophysical lineament that cuts through the area (Figure 6). The gold mineralisation appears to be strongly related to the Fortnum Fault and occurs in altered quartz stockworks or sheeted vein systems within particular lithological horizons.

The Fortnum West Project lies immediately to the west of the Fortnum Mining Camp and includes more than 20km of the Fortnum Fault. Outcrop within the area is limited but the regional aeromagnetics (Figure 6) suggests the sequence that hosts the Fortnum deposits should continue into the Fortnum West area.

RNI believes there is a strong probability that repetitions of the style of gold mineralisation mined in the Fortnum Camp will occur within the Fortnum West area. The company's initial exploration in the area will comprise a detailed aeromagnetic survey. A similar survey was flown over the Fortnum area and while the aeromagnetic data did not specifically locate gold deposits, the data assisted greatly in defining both structural and stratigraphic controls of the gold mineralisation.

Consideration for the Fortnum West Project comprised a cash payment of \$25,000 and the issue of 175,000 new RNI shares to be made on June 16, 2011. The vendor will also be entitled to a 1.5% gross return royalty.

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. The Yule River Project is currently under review and a decision on future exploration in the area will be made during the coming Quarter.

Mining Tenements as at 31 March 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	24/12/2010	28	1
Fortnum West Project				
E52/2568	Glen Griffin Venn Money	16/06/2010	80	3
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
E47/1750	Resource and Investment NL	5/09/2007	70	2
E47/1193	Brumby Creek NL	13/10/2005	18	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				
3 - Tenement Sale Agreement dated 18 March 2011				

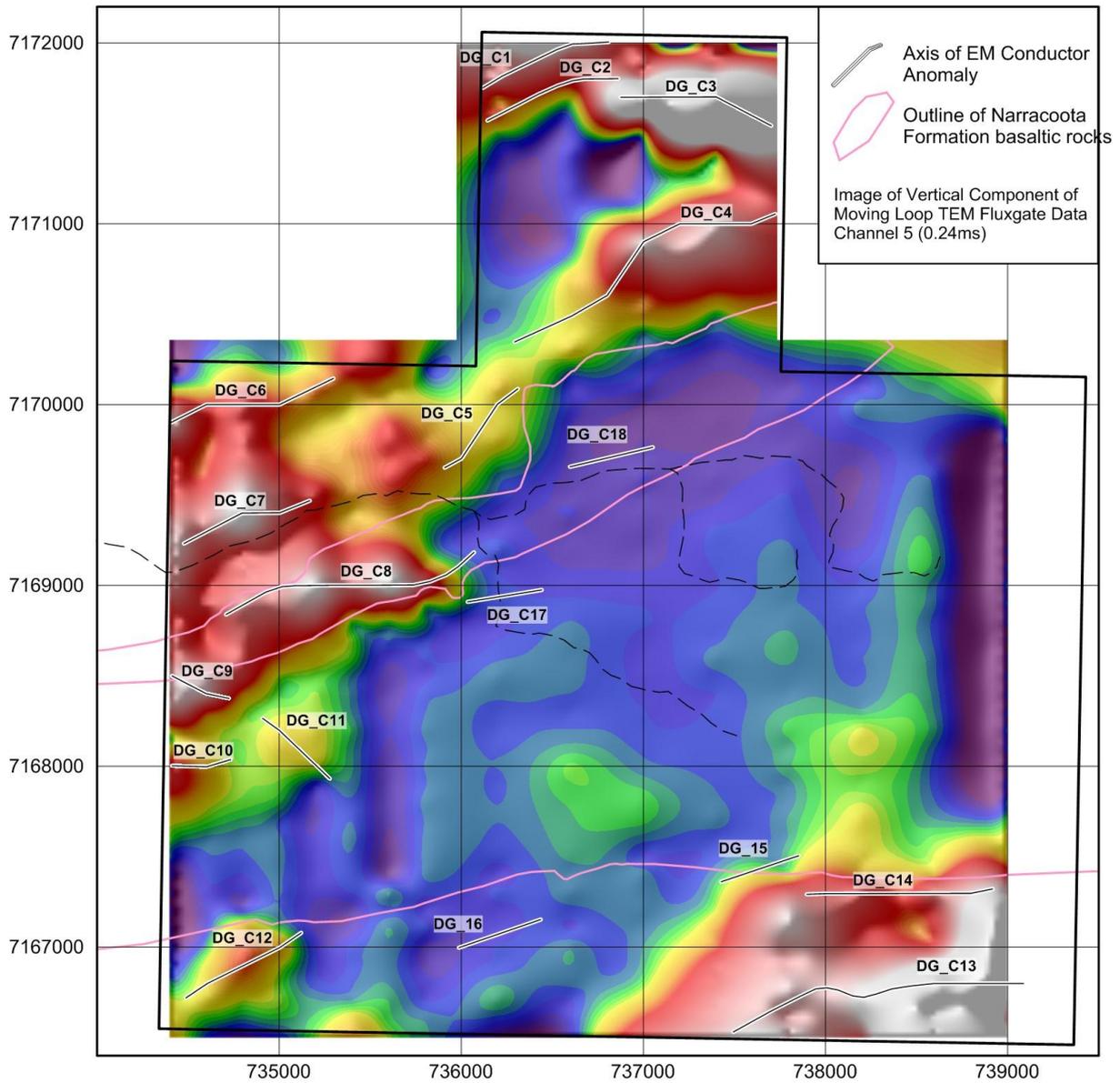


Figure 2 – Doolgunna Project - Early time image from the MLTEM Survey showing the location of the main conductors

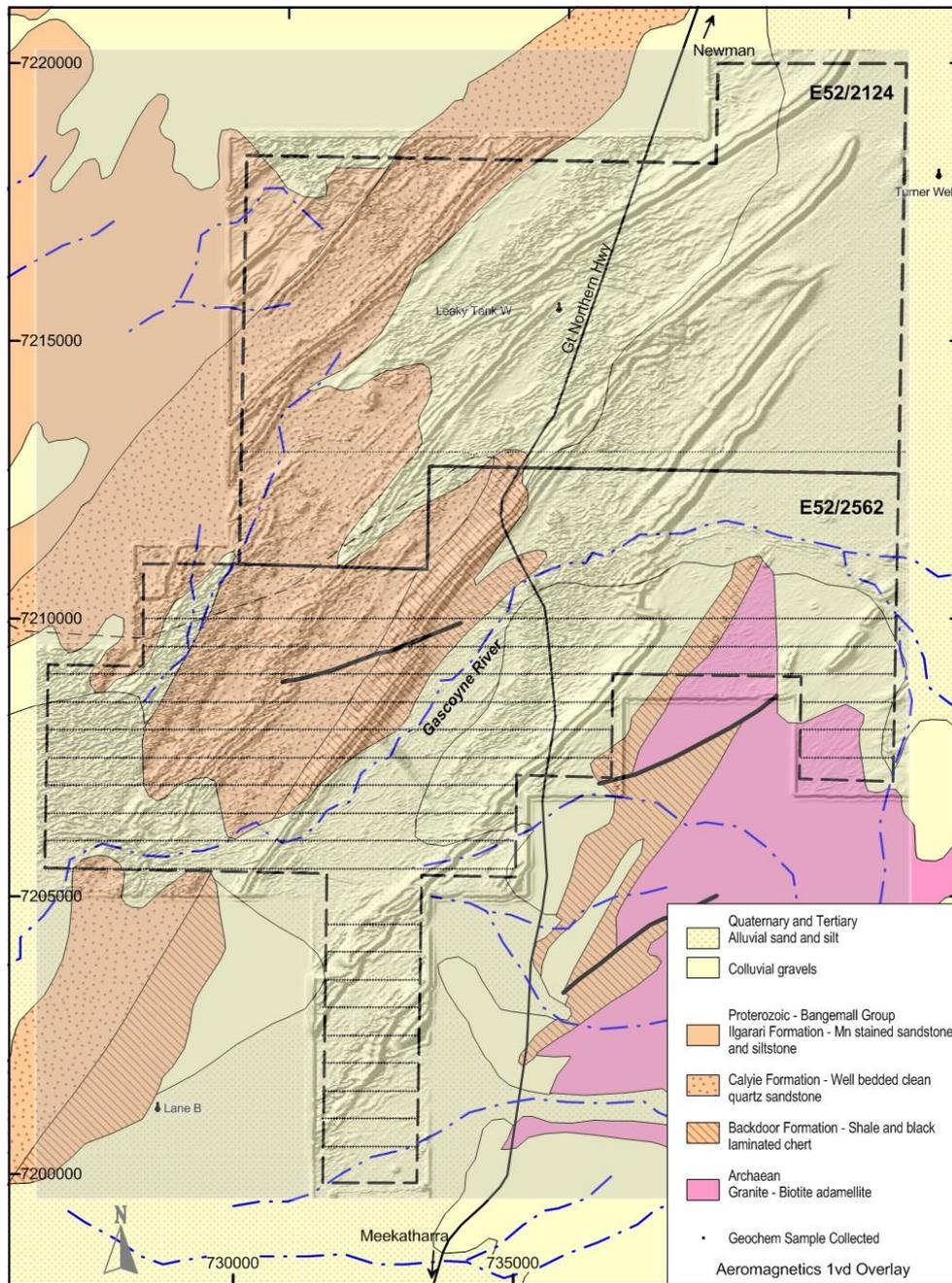


Figure 4 - Three Rivers Project – Geology, Magnetics, Soil Sampling

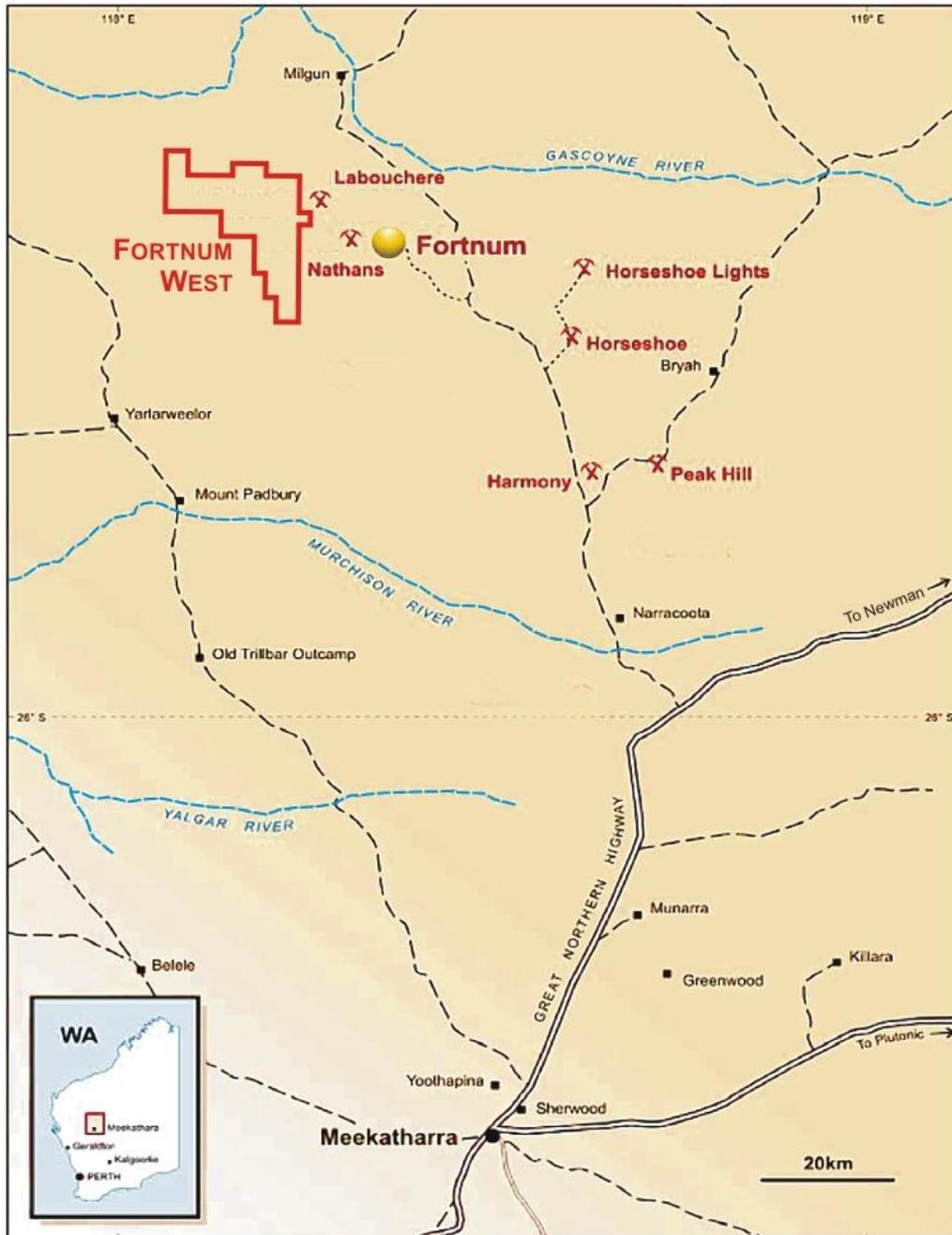


Figure 5 – Fortnum West Location Plan

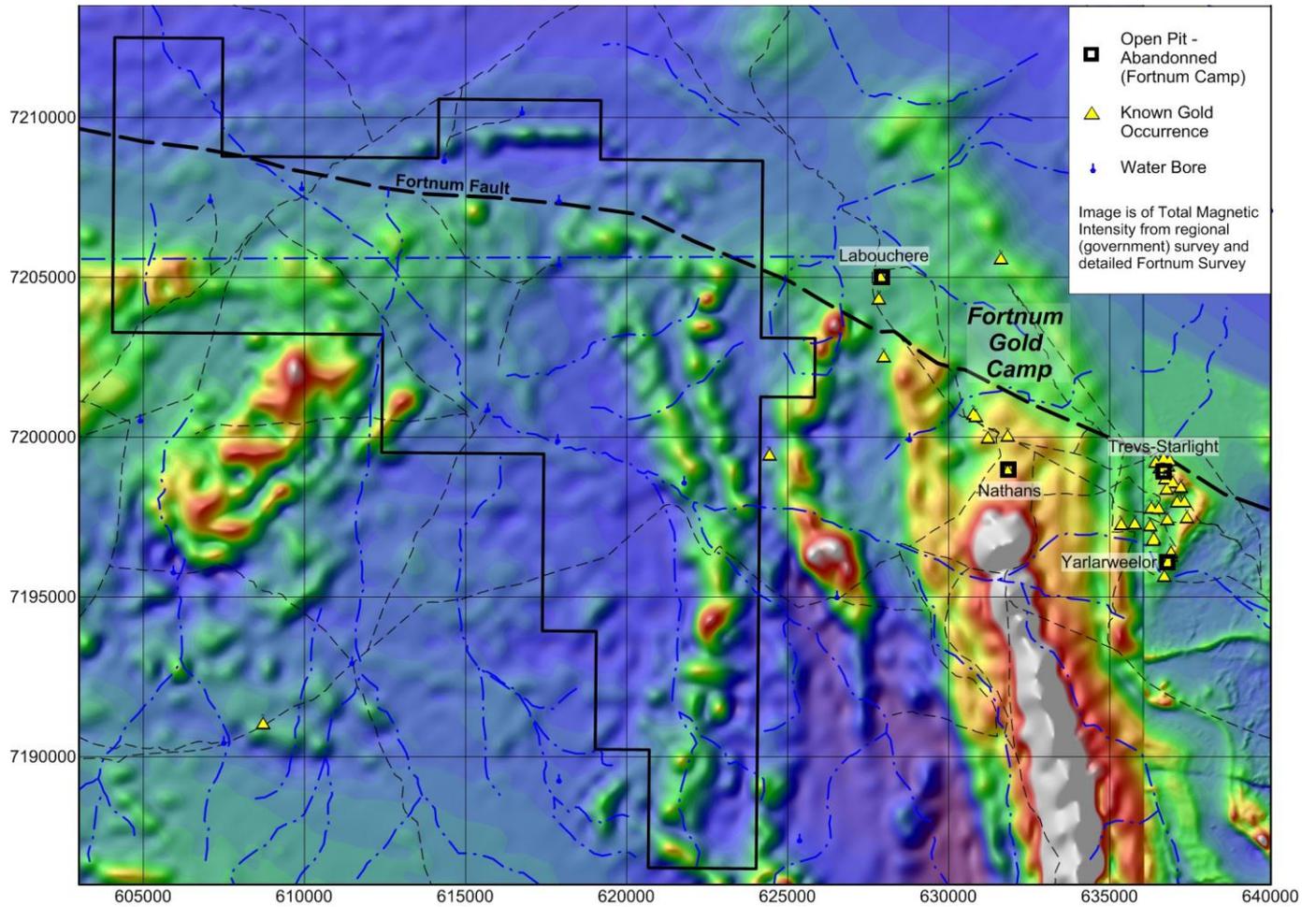


Figure 6 - Fortnum West Area - Magnetic Image

For further information, contact:

MILES KENNEDY – CHAIRMAN

Resource and Investment NL

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6 April 2011

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.