

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2011 ASX CODE: RNI

HIGHLIGHTS

DOOLGUNNA PROJECT

- Well mineralised vein gold deposit defined at Salmon Prospect, with commercial grades continuing at depth.
- Further encouraging results from Ross's Reef gold discovery, which remains open in all directions.
- Significantly anomalous copper recorded over 42 metre interval at DGC 13-14 target, with further drilling planned.
- First phase diamond drilling program to start on various Doolgunna targets in December Quarter. 5,000 metre contract awarded to DDH1 Drilling.
- RC drilling at Doolgunna to continue well into the first half of 2012. 282 holes out of 950 hole program, completed.

THREE RIVERS PROJECT

- Detailed follow-up soil sampling program completed over 21 geochemical anomalies. Results due in the December Quarter.

FORTNUM WEST PROJECT

- Geochemical soil sampling program commenced targeting areas adjacent to the Fortnum Fault.

INTRODUCTION

Resource and Investment NL (ASX: RNI) (RNI or the Company) is conducting intensive base metal and gold exploration programs on three projects in the eastern Gascoyne region of Western Australia. The projects include the flagship Doolgunna Project, the neighbouring Three Rivers Project and the Fortnum West Project (Figure 1).

The Doolgunna Project is located 3km southeast of Sandfire Resources' DeGrussa copper-gold deposits. Sandfire has reported¹ a combined resource of 14.33Mt grading 4.6% copper and 1.6g/t gold at its DeGrussa deposits. The geological succession at Doolgunna is similar to the DeGrussa area and RNI believes that similar deposits may occur within the Company's project area. During the quarter RNI continued its Reverse Circulation (RC) drilling program to test 24 gold and base metal targets identified from previous exploration work.

The Three Rivers Project is located about 35km north of DeGrussa and covers about 170km². RNI believes that the project has the potential to host significant gold and/or base metals deposits. Regional soil sampling identified 21 anomalous geochemical targets within the Three Rivers area and detailed follow-up sampling programs covering these areas was completed during the September Quarter.

The Fortnum West Project covers approximately 250km² located immediately west of the old Fortnum Mining Camp. More than 500,000oz of gold was recovered from mines within this area, with mining only suspended in 2007. The Fortnum West Project includes 20km of the Fortnum Fault, which is believed to be the controlling structure for mineralisation in the area. RNI believes additional gold ore bodies may occur within the Fortnum West area and the Company is currently conducting surface mapping and soil sampling programs.

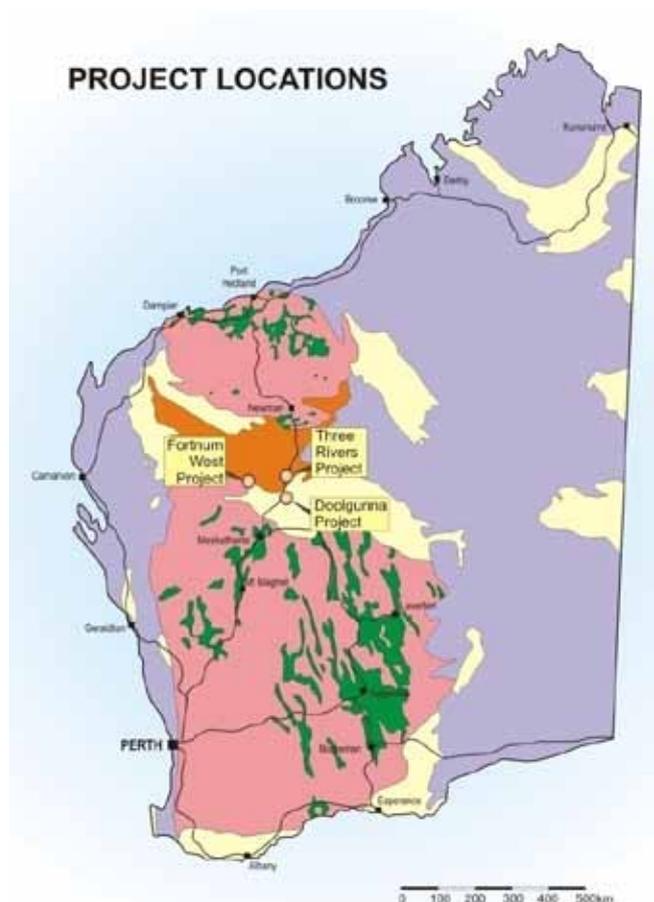


FIGURE 1

¹ Sandfire Resources NL ASX/Media release 27 July 2011

DOOLGUNNA PROJECT

The Doolgunna Project covers about 21km² of mafic volcanic and sedimentary rocks within the Proterozoic-aged Bryah Basin. The Project is located 3km southeast of Sandfire's DeGrussa copper-gold project (Figure 2) and covers similar and contemporaneous lithologies to those that host DeGrussa. The DeGrussa ore bodies are volcanogenic massive sulphide (VMS) deposits occurring within a succession of basaltic-composition extrusive and intrusive rocks with related sediments (Narracoota Formation). Sandfire has recently commenced mining operations at DeGrussa.

VMS deposits are a major source of base metals and gold in many parts of the world. In most VMS fields the ore deposits occur in clusters with the cluster often covering more than 100km². This characteristic of VMS deposits has made the Doolgunna region one of the most active exploration areas in Australia. RNI's Doolgunna Project is targeting repetitions of the mineralisation discovered in the DeGrussa area, and the Company believes the area has high potential to host equivalent copper-gold deposits.

In the past 18 months, RNI has completed surface mapping, an airborne magnetic and radiometric survey, detailed soils geochemistry and a moving loop, transient electromagnetic (MLTEM) survey. Interpretation of the data from these surveys enabled the Company's geologists to recognise 24 priority RC and diamond drilling targets in 18 discrete locations within the Project area (Figure 2). The targets are a mixture of VMS-style copper-gold and vein-style gold deposits. An initial program of 950 holes comprising both RC and diamond drilling was approved by the RNI Board and commenced late in the June Quarter. Drilling continued throughout the September Quarter.

At the end of the September Quarter, about 282 RC drill holes and 23,350 metres of drilling had been completed. The drilling of the defined targets is being undertaken in stages with a preliminary phase designed to determine general stratigraphy over each target and establish mineralisation controls. The scope and extent of additional drilling will depend on the geology and assay results achieved from the preliminary drilling phase.

At the end of the September Quarter the status of RNI's planned drilling program was:

- the planned preliminary drilling programs have been completed on three targets - Salmon, Marty's Patch and Tony's Find,
- a preliminary drilling phase had commenced on 8 targets – in these areas additional holes may be drilled if assay results are favourable, and
- no drilling has been undertaken at 8 of the proposed targets.

The location and drilling status of individual target areas are shown in Figure 2. RNI anticipates that RC drilling at Doolgunna will continue well into the first half of 2012. A first phase diamond drilling program is expected to commence in the December Quarter. The 5,000m diamond drilling program, under a contract awarded to DDH1 Drilling, will provide better stratigraphic/mineralisation control data for some areas (e.g. Salmon) and deeper testing in others.

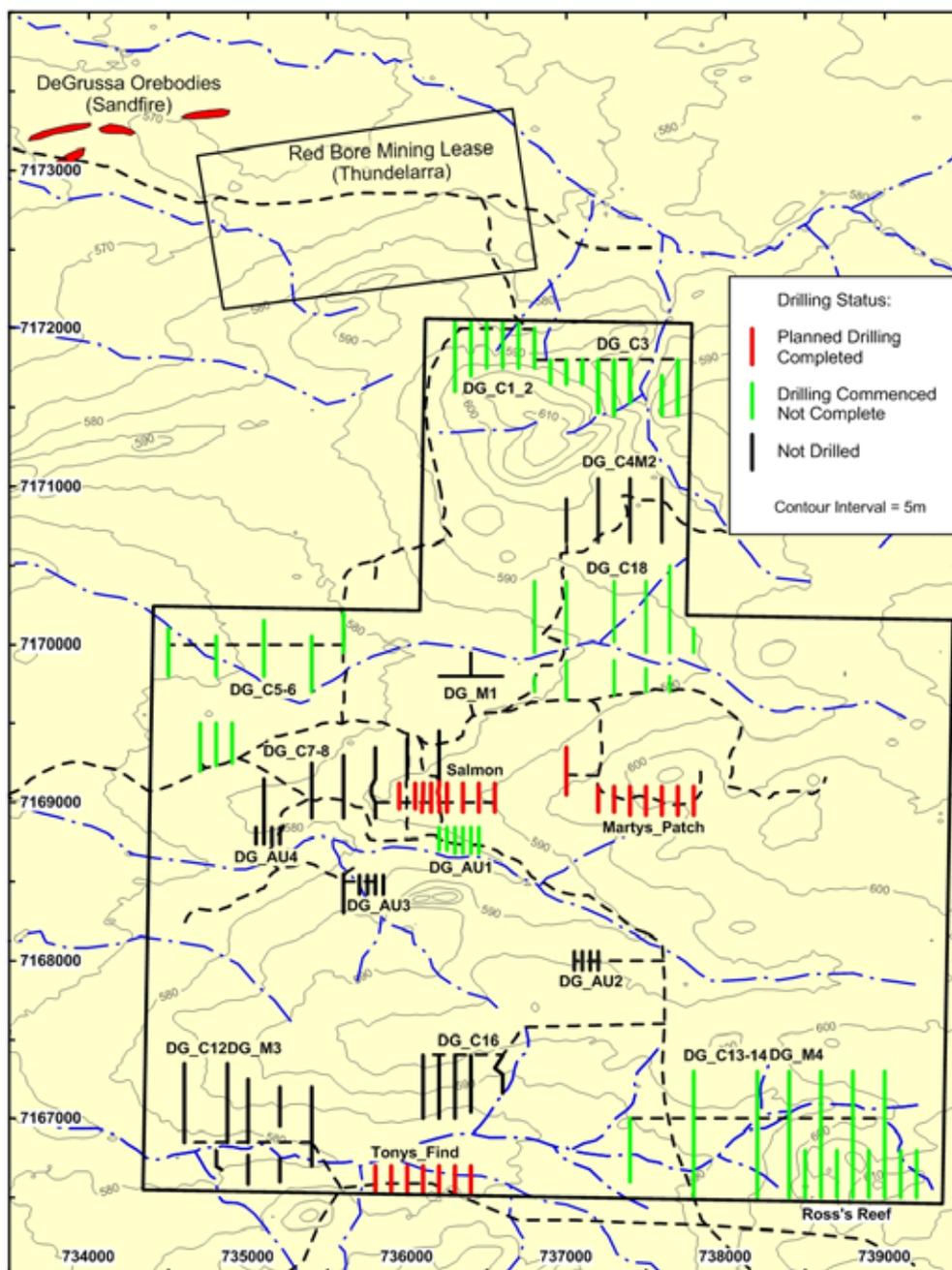


Figure 2 – Doolgunna Project – Drilling Program Status

Salmon Prospect

The Salmon Prospect is located in the central part of the project area and is a well mineralised vein gold deposit. RNI has completed its preliminary drilling program at Salmon and has now broadly defined the mineralisation to a depth of about 100m below surface (the body is open at depth). The mineralisation at Salmon occurs in an east-west oriented, sub-vertically dipping quartz vein system. The vein system occurs within weakly metamorphosed sediments (siltstones and sandstones).

RNI has identified the mineralisation over a 100m strike length (and to a depth of about 100m below surface). The mineralised body is between 2m and 6m wide (true width) with mineralisation occurring within one or more ferruginous and/or pyritic quartz veins. Table 1 shows details of the drill intercepts recorded over the Salmon mineralised zone and Figure 3 shows details of drill-hole locations and a drill section through the body.

Gold grades appear significantly higher in the upper part of the mineralised zone suggesting that there may have been some supergene enrichment. Individual metre samples have returned fire assay gold grades of up to 31 g/t. Visible gold can be seen in some quartz veins outcropping over the deposit.

TABLE 1 – SALMON PROSPECT Mineralised Intercepts for RNI Drill Holes								
Drill Hole	From	To	Interval (m)	Au* g/t	Ag g/t	Cu ppm	Pb ppm	Zn ppm
DRC 059	22	27	5	9	0.2	847	15	198
<i>includes</i>	<i>23</i>	<i>25</i>	<i>2</i>	<i>19.1</i>				
DRC 060	72	77	5	3.4	X	997	7	66
<i>includes</i>	<i>72</i>	<i>73</i>	<i>1</i>	<i>5.3</i>				
DRC 062	38	43	5	1.5	0.1	939	4	75
DRC 063	73	77	4	1.4	X	232	6	78
DRC 063	79	82	3	3.2	0.1	350	4	79
<i>includes</i>	<i>81</i>	<i>82</i>	<i>1</i>	<i>4.8</i>				
DRC 064	118	131	13	1.2	0.2	2257	5	82
DRC 160	25	28	3	2.1	0.3	382	9	223
DRC 160	31	37	6	6.8	0.1	608	31	96
<i>includes</i>	<i>34</i>	<i>36</i>	<i>2</i>	<i>20.0</i>				
DRC 161	63	64	1	3.2	0.1	106	8	140
DRC 161	68	72	4	1.1	0.2	464	12	75
DRC 162	116	119	3	0.5	X	68	3	75
* Gold values based on averages of 15g fire assay results. Inconsistencies with repeat assay suggest that coarse gold is an issue.								

The available results indicate that the commercial gold grades at Salmon continue at depth and that the mineralised structure is apparently coherent and consistently mineralised. The data suggests that the mineralised body plunges steeply to the west. Follow-up diamond and RC drilling is planned to examine the mineralisation controls within the mineralised zone and test the deeper western extent of the body.

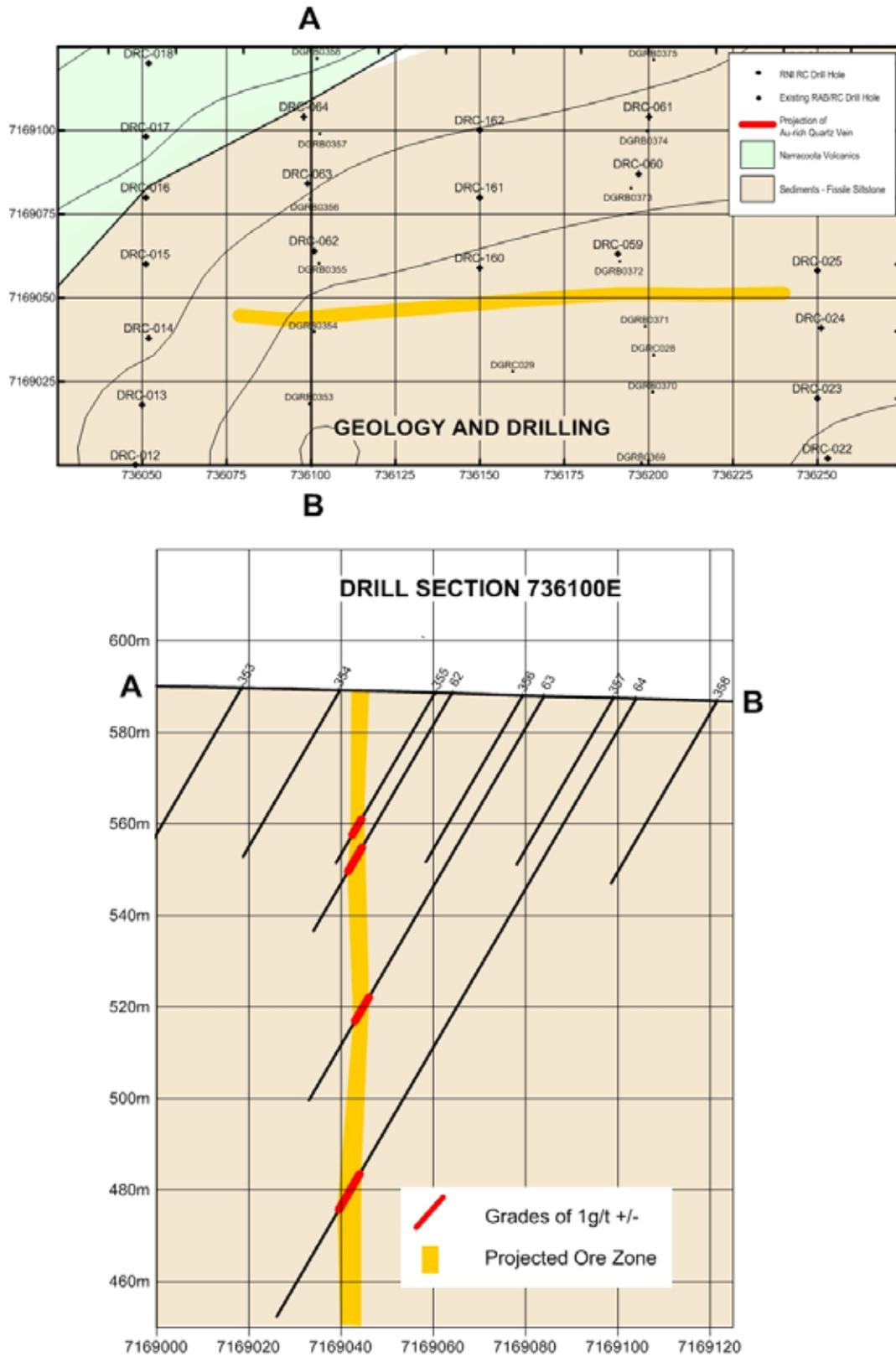


Figure 3 – Salmon Prospect – Plan and Drill Section

Ross's Reef Prospect (within DGC 13-14)

Drilling and prospecting in the south eastern section of the Doolgunna Project has identified a significant new zone of gold mineralisation. The area formed part of the DGC 13-14 target area that was selected for follow-up on the basis of low order EM responses coincident with anomalous copper in soils and weak gold anomalism. Reconnaissance drilling in the south-eastern section of DGC 13-14 recorded significant gold grades, apparently associated with a prominent ironstone outcrop. The area has been termed Ross's Reef on the basis of the ironstone outcrop.

The Ross's Reef Prospect lies within a thick sequence of basalts, basalt breccias, dolerites and sediments that are highly reminiscent of the massive sulphide-bearing successions found at DeGrussa. The gold mineralisation appears to occur within a series of thin east-west trending quartz/ironstone reefs that transect the basaltic lithologies. Laterite cap and apparently bedded ferruginous lenses occur throughout the area. Figure 4 is a geological outcrop map of the Ross's Reef area.

To date four drill holes on two drill lines 200m apart have intersected significant gold mineralisation. Highlights of assay results for this drilling are shown in the accompanying table. A number of gold nuggets (weighing up to 7g) were recovered immediately downslope of DRC 075 during the drilling program.

Drill Hole	From	To	Interval (m)	Au* g/t	Ag g/t	Cu ppm	Pb ppm	Zn ppm
DRC 074	185	186	1	1.24	X	10	18	105
	195	198	3	5.14	X	18	2	127
<i>includes</i>	<i>195</i>	<i>196</i>	<i>1</i>	<i>14.46</i>				
DRC 075	97	100	3	0.6	X	6	X	108
DRC 080	27	30	3	2.15	X	4	4	98
<i>includes</i>	<i>28</i>	<i>29</i>	<i>1</i>	<i>6.57</i>				
DRC 164	81	82	1	4.14	0.2	10	2	80

At this stage, the extent and orientation of the gold mineralization within the Ross's Reef Prospect is unknown and, because of the widely spaced nature of the drilling, the mineralisation remains open in all directions. A Program of Work has been submitted to enable the Company to carry out extension and infill drilling to define the scope of the gold mineralisation in the area.

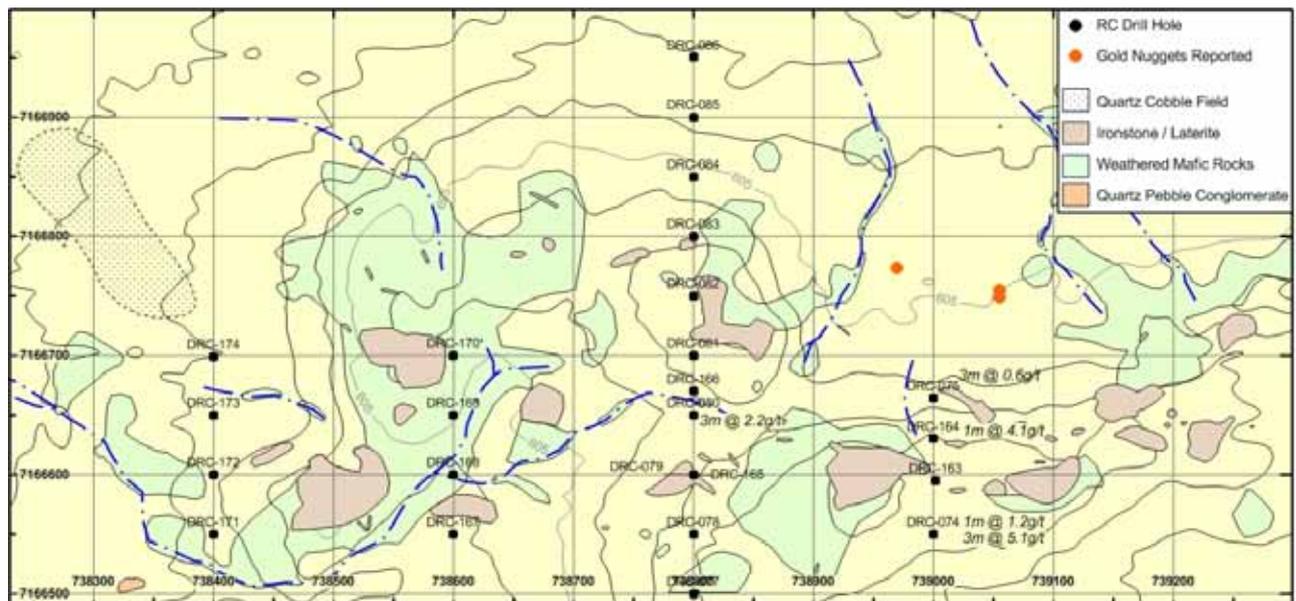


Figure 4 – Geology and Drilling – Ross's Reef Prospect

Preliminary phase drilling has been undertaken on base metal targets DGC 1-2, DGC 3, DGC 5-6, DGC 7, DGC 13-14 and DGC 18.

The DGC 1-2 and DGC 3 targets covered a very prominent MLTEM anomalies located in the northern section of the tenement associated with a prominent quartzite ridge. Anomalous surface gold was also recorded over DGC 1-2.

Drilling on these targets (DGC 1-2 and DGC 3) has established that the MLTEM anomalies were caused by sulphide-rich, graphitic shales. Assay results for the DGC 3 area have been received and anomalous base metal values of up to 0.06% Cu and 0.14% Zn were recorded. The results are being reviewed to determine whether additional drilling will be undertaken in the area. Assay results for DGC 1-2 are expected early in November.

All the other targets (DGC 5-6, DGC 7, DGC 13-14 and DGC 18) occur within basaltic rocks of the Narracoota Formation and are associated with subtle MLTEM anomalies and elevated soil copper values.

Assay results are only available for DGC 7 and DGC 13-14. At DGC 13-14, significant gold mineralisation was identified in the south-eastern part of the anomaly and this is separately described (Ross's Reef).

The MLTEM anomaly at DGC 13-14 appears to be related to a thin (<10m thick) black shale unit recognised within the predominantly basaltic rocks. A zone of significantly anomalous Cu was recognised in drill hole DRC082 where a 42m interval recorded a grade of 0.04% Cu. Additional drilling is warranted in this area and RNI will use the upcoming diamond drilling program to test deeper parts of the succession below any possible leached zones.

Not all assay results from DGC 7 are available. Copper values of up to 0.05% have been recorded from one hole in this target. The company will evaluate this area when assay data has been received for all remaining samples.

The drilling results for Tony's Find and Marty's Patch were generally disappointing. Although extensive quartz veining was recorded in both areas and gold values were significantly anomalous, there were few gold assays that would be considered commercially important. Both areas carried significant nuggety gold and had been extensively worked by prospectors using metal detectors. RNI is reviewing the results from these areas but no additional drilling is planned at this time.

THREE RIVERS PROJECT

The Three Rivers Project is located 35 km north of DeGrussa and immediately to the north west of the Plutonic Gold Mine. The project covers an area of about 170km² and comprises two granted Exploration Licences (E52/2124 and E52/2562). The tenements cover Proterozoic sediments of the Bangemall Group and RNI believes the area has potential to host significant gold and/or base metal mineralisation.

RNI is conducting a comprehensive exploration program at Three Rivers and has completed detailed geological mapping, an airborne geophysical survey and a regional geochemical soil sampling program over the tenements. During the last quarter the Company received results from a 6600-sample regional soil sampling program that covered the entire project area. Interpretation of the geochemical data by Dr Nigel Brand of Geochemical Services Pty Ltd identified 21 geochemical anomalies potentially related to gold, base metals, uranium or diamond targets within the project area.

The original soil sampling program was undertaken on a 500mx50m grid. During the quarter RNI completed detailed follow-up sampling programs over the geochemical anomalies identified from the regional program (Figure 4). A total of 3400 follow-up samples have been submitted for geochemical analysis. Analytical results for these samples will be received in the December Quarter.

A decision whether to drill the identified geochemical anomalies will be made when the follow-up results have been received and evaluated.

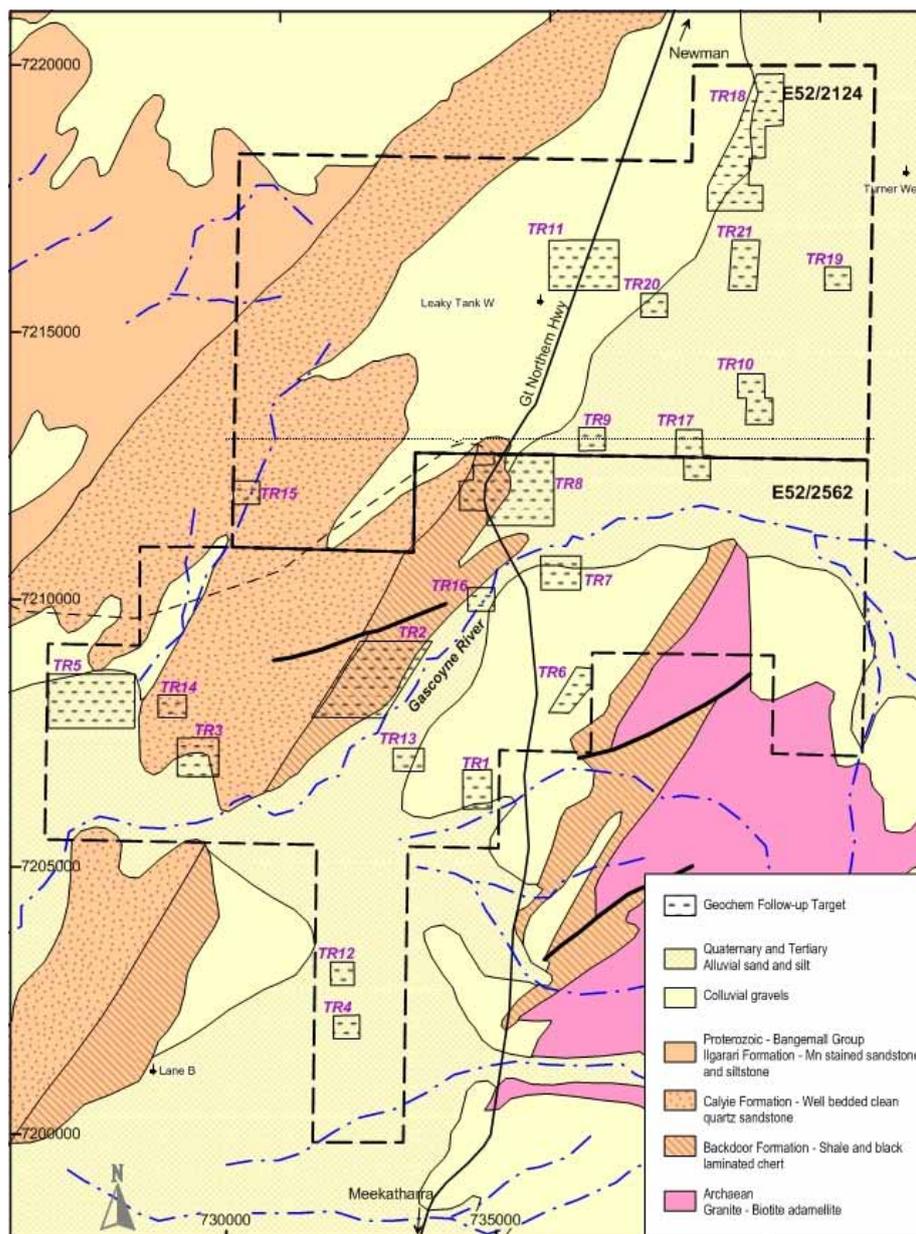


Figure 4 - Three Rivers Project – Soil Sampling Follow-up

FORTNUM WEST PROJECT

The Fortnum West Project comprises a single Exploration Licence (E52/2568) covering an area of about 250km². The Project is located about 120km north of Meekatharra, immediately to the west of Perilya Ltd's old Fortnum gold operations. The Fortnum mines operated between 1994 and 2001 (Perilya) and 2006-2007 (Gleneagle Gold) and produced more than 500,000 ounces of gold during that time.

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 5). 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.

RNI's Fortnum West tenement includes more than 20km of the Fortnum Fault. Outcrop within the area is limited and geophysical surveys completed during the June Quarter and recent regional mapping indicate that the sequence that hosts the Fortnum deposits continues into the Fortnum West area. The Company believes that repetitions of the style of gold mineralisation mined in the Fortnum Camp could occur within the Fortnum West area.

During the Quarter RNI commenced a regional geological mapping program over the Fortnum West tenement. Data from the detailed geophysical survey completed during the June Quarter suggests that previous geological mapping conducted in the area may be inadequate in some respects.

A geochemical soil sampling program has recently commenced at Fortnum West. The sampling program is initially targeting areas adjacent to the Fortnum Fault and the apparently structurally controlled contact between Proterozoic and Archaean successions mapped in the area. No results from the soil sampling are available at this stage.

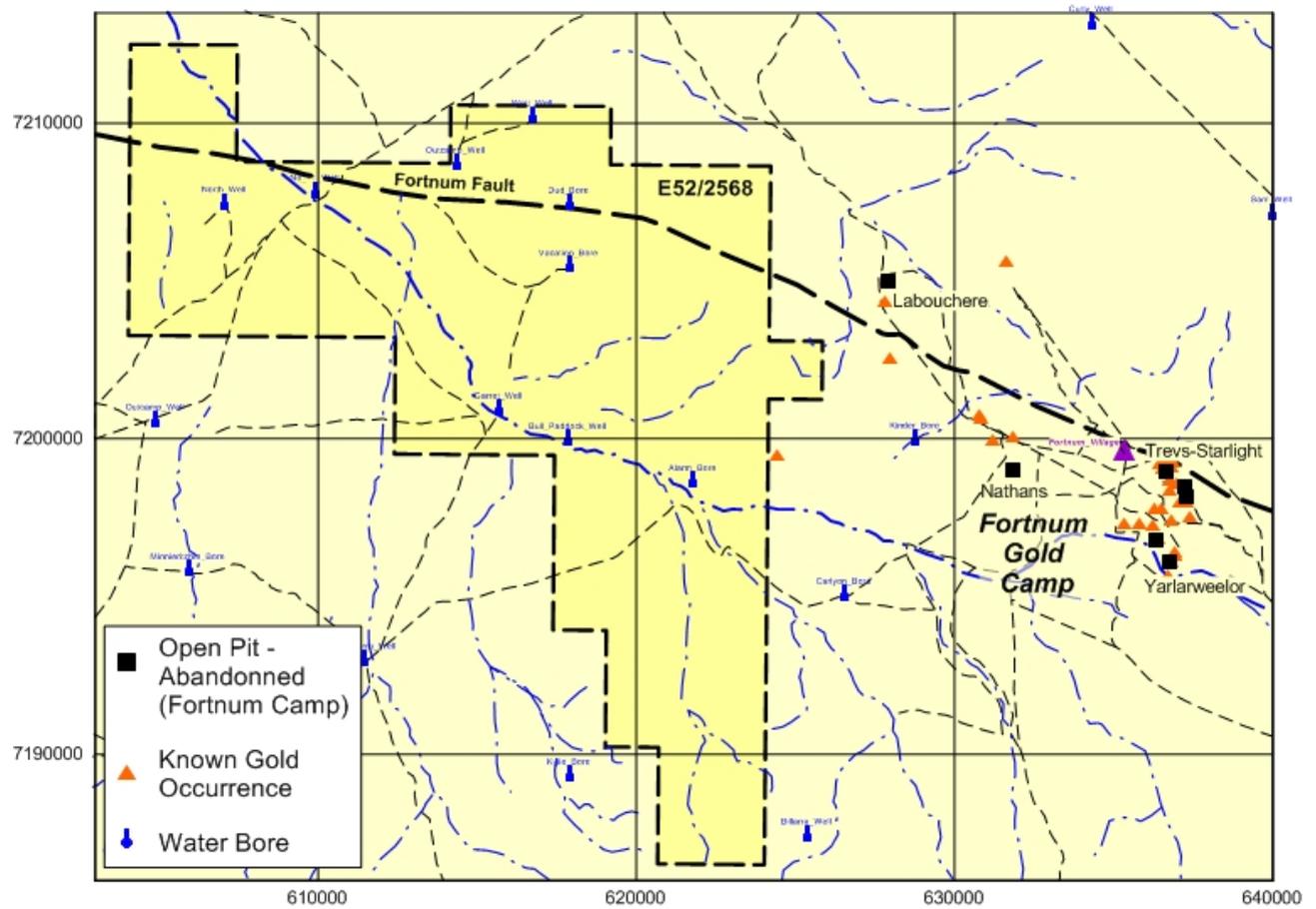


Figure 5 – Fortnum West Project

Mining Tenements as at 30 September 2011				
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	Resource and Investment NL	16/06/2010	80	3
Yule River Project				
E47/1750	Resource and Investment NL	5/09/2007	70	2
E47/1193	Brumby Creek NL	13/10/2005	18	2
Notes				
1 - Option to purchase				
2 - RNI has the right to explore for and mine alluvials				
3 - Transferred to RNI on 29 September 2011				

For further information, contact:

**MILES KENNEDY – CHAIRMAN
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31 October 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.