



30 April 2012

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2012 ASX CODE: RNI

HIGHLIGHTS

- \$35M acquisition of the Grosvenor Gold Project settled. Funding secured.
- Specialist team of consults progressing refurbishment of Grosvenor gold plant to meet scheduled first production in 2013.
- Ongoing review of Grosvenor's extensive 20-year exploration and geological database reveals immediate priority drilling targets. Drilling commenced.
- Royalties for Regions to co-fund 800 metre brownfields diamond hole near Grosvenor gold plant and 1,500m greenfields RC program at Cashmans North.
- Mine planning and scheduling for 331,000oz Yarlalweelor pit advanced. Maiden reserve estimate expected in June Quarter.
- Micro-gravity and down hole geophysical surveys conducted to generate further drilling targets at Doolgunna.

INTRODUCTION

Resource and Investment NL (ASX: RNI) (RNI or the Company) underwent a significant transformation in the March 2012 Quarter with the \$35 million acquisition of the Grosvenor Gold Project and tenement package. Grosvenor is located about 170km north-west of the historic WA gold mining region of Meekatharra.

The \$35 million Grosvenor deal has provided a pathway for RNI to become a gold producer, with first production scheduled for 2013 from the refurbished Grosvenor gold plant.

The Grosvenor deal has also delivered RNI a dominant 2,225km² landholding in Western Australia's Bryah-Padbury Basin. This vast tenement package is considered highly-prospective for both gold and volcanogenic massive sulphide (VMS) copper-gold discoveries similar to the neighbouring DeGrussa deposits being developed by Sandfire Resources.

RNI is also continuing an extensive drilling program at its existing Doolgunna Project, which is located just 2km southeast of DeGrussa. 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. RNI is also advancing copper and gold exploration programs at its Three Rivers and Fortnum West projects.

Three Rivers is located about 35km north of DeGrussa and covers about 160km².

Fortnum West covers approximately 250km² located immediately west of the Grosvenor Gold Project and is thus considered highly-prospective for gold.

GROSVENOR GOLD PROJECT

RNI took ownership of the Grosvenor Gold Project (formerly the Fortnum Gold Project) in March 2012 after settling the \$35 million acquisition of Grosvenor Gold Pty Ltd.

The Grosvenor deal delivered RNI 100 percent ownership of a suite of assets including:

- an extensive 1,791km² exploration portfolio comprising 11 granted Mining Leases (ML's) and 51 Exploration and Prospecting Leases (ELs and PLs) stretching from the Great Northern Highway over 100km westwards and including an approximate 100km strike length of Narracoota Volcanics;
- JORC compliant resources in multiple deposits totalling 1.2Moz (based on 16.6Mt at 2.2g/t);
- a carbon-in-leach (CIL) gold processing facility with a nameplate capacity of around 1Mtpa which was in production until May 2007;
- supporting infrastructure including a 120-person accommodation village, airstrip, tailings storage facility, bore field, haul roads and communications, all located within 1km of the Grosvenor plant;
- an extensive geological and exploration database covering approximately 20 years.

During the Quarter, RNI continued work on its strategy for the Grosvenor assets, which involves refurbishing the 1Mtpa Grosvenor gold plant and prioritising drilling and exploration targets across the expanded 2,225km² tenement holding.

Grosvenor Gold Plant Refurbishment

The refurbishment of the Grosvenor gold plant is scheduled to be completed in 2013 at a budgeted cost of \$10.2 million. RNI's initial 10 year mine plan forecasts initial production of 50,000oz per annum for the first three years, with ore to be sourced from the Yarlarweelor pit for at least the first three years.

During the Quarter, RNI continued to advance its Project Management Plan to secure the approvals required to refurbish the Grosvenor gold plant.

A specialist team of consultants was engaged to oversee this process. These consultants include Umwelt, Ravensgate, Oreology, Mineral Engineering Technical Services, Coffey Mining, Golders, Horizon HSE and Mine Plant Construction.

On-site engineering scoping work was also conducted during the Quarter.

Mine planning and scheduling for the Yarlarweelor open pit has also commenced. Yarlarweelor is the largest of the near-mine pits at Grosvenor, hosting JORC complaint resources of more than 331,000oz. RNI expects to release of a maiden reserve statement from Yarlarweelor in the June 2012 Quarter.



Grosvenor Gold Plant (2007)

Priority Exploration Targets

In tandem with the work being undertaken during the Quarter to refurbish the Grosvenor gold plant, RNI also began a review of the extensive geological and exploration database which the Company received upon settling the Grosvenor acquisition.

This database dates back approximately 20 years. Of particular interest to RNI's geological team in the ongoing review of this database were the results of exploration work conducted over recent years by CSA Global on behalf of the previous owner, BlueCrest Mercantile Master Fund Ltd.

The priority Grosvenor targets which will be the focus of RNI's initial drilling and exploration programs were summarised in an announcement to the ASX dated 12 April 2012 and are also shown in Figure 1. The priority targets to be drilled include Billara, Cashmans North, Cashmans South and Mining Lease M52/132, which is located near the Grosvenor gold plant. Drilling will target both VMS style deposits similar to DeGrussa and gold discoveries.

This initial drilling program commenced in April 2012 with the drilling of an 800m diamond hole at M52/132 to test a regional gravity target in the Fortnum Wedge. This 800m diamond hole and a 1,200m RC drilling program at Cashmans North are both co-funded by grants from the WA Government's Royalties for Regions program.

The 800m diamond hole at M52/132 is significant because there has been limited brownfields drilling around the Grosvenor gold plant below a depth of 100m.

In addition to the drilling programs, the review of the Grosvenor database has also enabled RNI to commence geochemical sampling programs on the Wilthorpe (E52/2059), Doolgunna 4 (E51/1134) and Doolgunna 2 (E52/1672) leases. Doolgunna 2 directly adjoins Sandfire Resources' Doolgunna Project. In each case, the focus of the sampling programs is on multi-element base metal (Cu-Pb-Zn) geochemistry, to complement the extensive, regional and basin-wide gold focussed geochemical database that Grosvenor and its predecessors compiled over two decades. Airborne geophysical work to define targets on E52/1672 is planned for May 2012.

RNI has significantly expanded its geological team to advance these exploration programs.

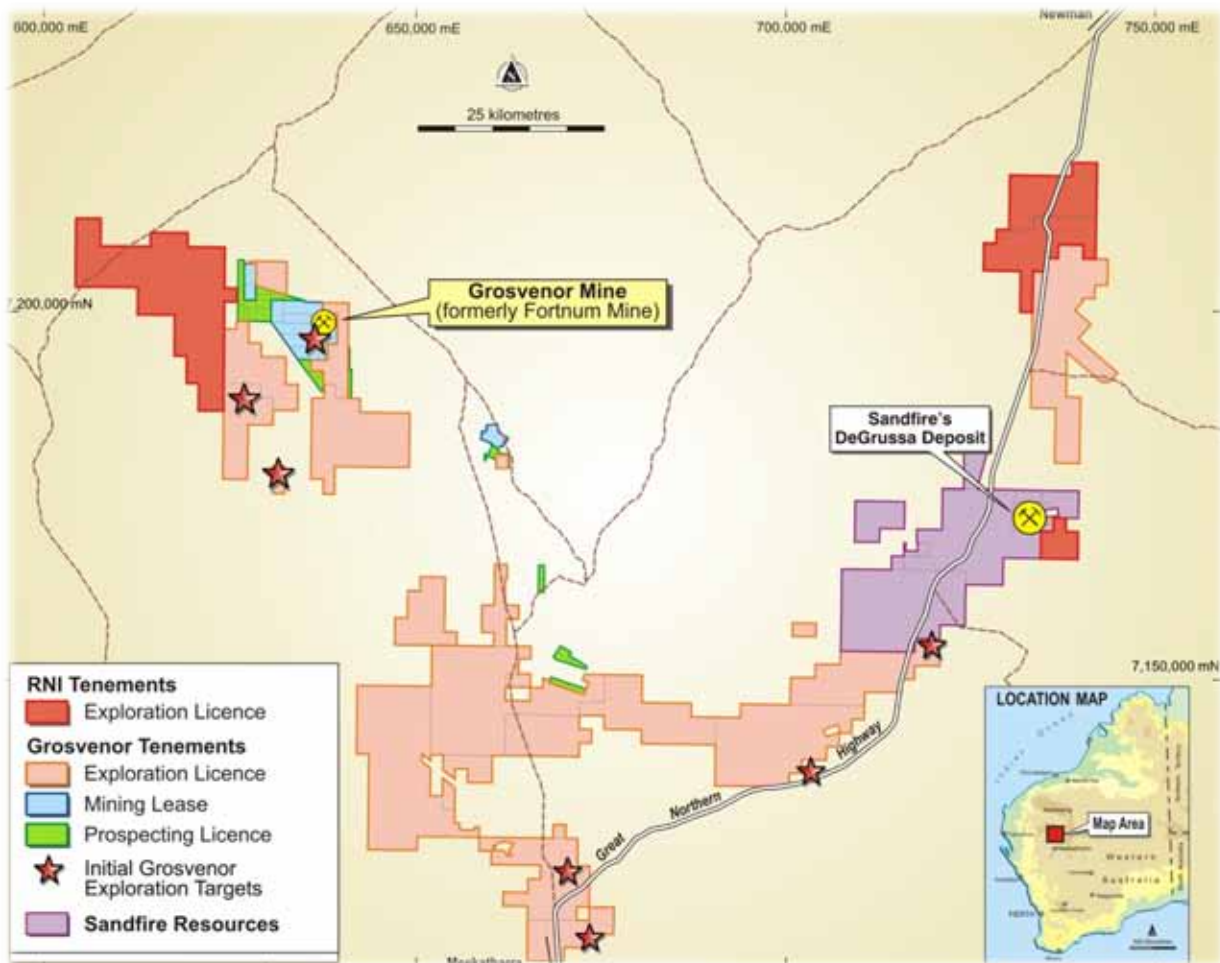


Figure 1
Location of Grosvenor tenements and initial drilling and geochemical targets

OTHER ADVANCED EXPLORATION PROJECTS

Doolgunna

While exploration was hampered by a number of heavy rain periods, including Cyclone Lua, RNI completed a total of 5,769m of RC and diamond drilling on the Doolgunna project (E52/2438) during the Quarter on gold and copper targets previously defined by both geochemistry and geophysics. This brings to 40,345m the amount of drilling completed to date from 459 drill holes at Doolgunna, which is located 2km southeast of Sandfire's DeGrussa copper-gold deposits.

The March Quarter drilling comprised mainly 34 RC holes (2,292m) mostly on gold target DG AU3 (Figure 2) on the southern contact of the Central Geochemical Corridor.

The remaining seven RC drill holes (720m) completed programs on targets DU AU4, DG C-18 and DGC 7-8 (Figure 2). Three drill holes were repeats of drill holes that had ended with anomalous copper in the final assay. These were DRC 202, 321, and 363 respectively and twinned with DRC 422, 459 and 460 respectively. Assays for all the drilling conducted in the March Quarter are awaited.

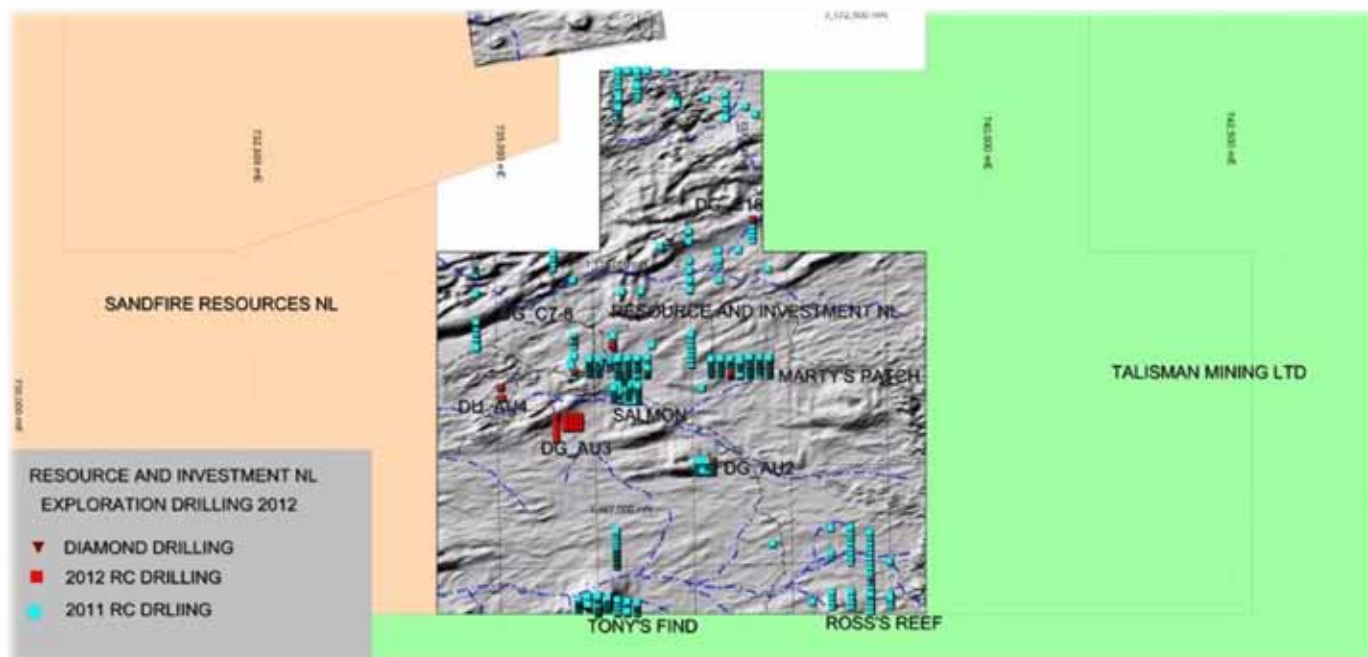


Figure 2
Drilling at Doolgunna

An initial program of diamond drilling was also completed in the Quarter (Table 1). This comprised nine drill holes totalling 2,757m of combined PQ/HQ drilling over 7 priority targets across all three of the geochemical target zones at Doolgunna.

Table 1
Doolgunna (E52/2438) diamond drilling March Quarter

| Drill hole | Anomaly | Drilling Finish | Total Depth(m) | Comments | Down hole EM | Target |
|------------|-----------|-----------------|----------------|---------------------------------|--------------|---|
| DDH1-1 | DG_C1-2 | 16/01/2012 | 300.4 | Core not representative, broken | NO | Brecciated meta-sediments |
| DDH1-2 | DG_C3 | 1/02/2012 | 300.8 | Core not representative, broken | NO | Brecciated meta-sediments |
| DDH1-3 | Salmon | 7/02/2012 | 201.5 | representative | YES | Salmon Lode - breccias and sulphidised silicified metasediments |
| DDH1-4 | DG_C13-14 | 11/02/2012 | 301 | representative | YES | Sulphides altered basalt and dolerite intrusive |
| DDH1-5 | DG_C5-6 | 16/02/2012 | 300 | representative | YES | Altered breccias, mafic schists and metasediments |
| DDH1-6 | DG_C5-6 | 20/02/2012 | 300.3 | representative | NO | Breccias, mafic schists and metasediments |
| DDH1-7 | Salmon | 1/03/2012 | 451 | representative | YES | Salmon Lode - breccias and sulphidised silicified metasediments |
| DDH1-8 | DG_C7-8 | 4/03/2012 | 301 | representative | NO | Basalts and basaltic breccias |
| DDH1-9 | DG_C18 | 10/03/2012 | 301 | representative | YES | Altered northern contact zone, metasediments, sulphidised basaltic breccias |

These included targets in areas of significant geophysical (magnetic) response and geochemical copper and gold anomalism. Of these targets, five have been selected for further down hole geophysical survey work given the presence of late stage, undeformed disseminated sulphides. The concentration and variation of the percentage sulphides present is a common feature of both

VMS and gold deposits and this technique is targeting sulphides and conductors in the vicinity of the drill holes selected.



Diamond drill hole DDH1-9



Diamond drill hole DDH1-9



Late pyrite mineralisation in DDH1-9, in meta-basalt with epidote and chlorite alteration



Altered pyrite mineralisation in silicified breccias in DDH1-3, Salmon Prospect

Micro-gravity work has been commissioned, focusing on an area south of anomalies C1-C3, (Area A, Figure 3) which has an elevated magnetic response, and the length of the magnetic response in the central geochemical corridor (Area B, Figure 3). Micro-gravity work seeks to detect differences in the density of underlying rocks and given the mapped sequence has vertical to sub-vertical bedding, this technique has promise to delineate sulphides and dolerite, if developed.

Programs of Work for infill drilling at Ross's Reef have been approved, while Programs of Work for drilling at C-1-2 and C3 have been submitted.

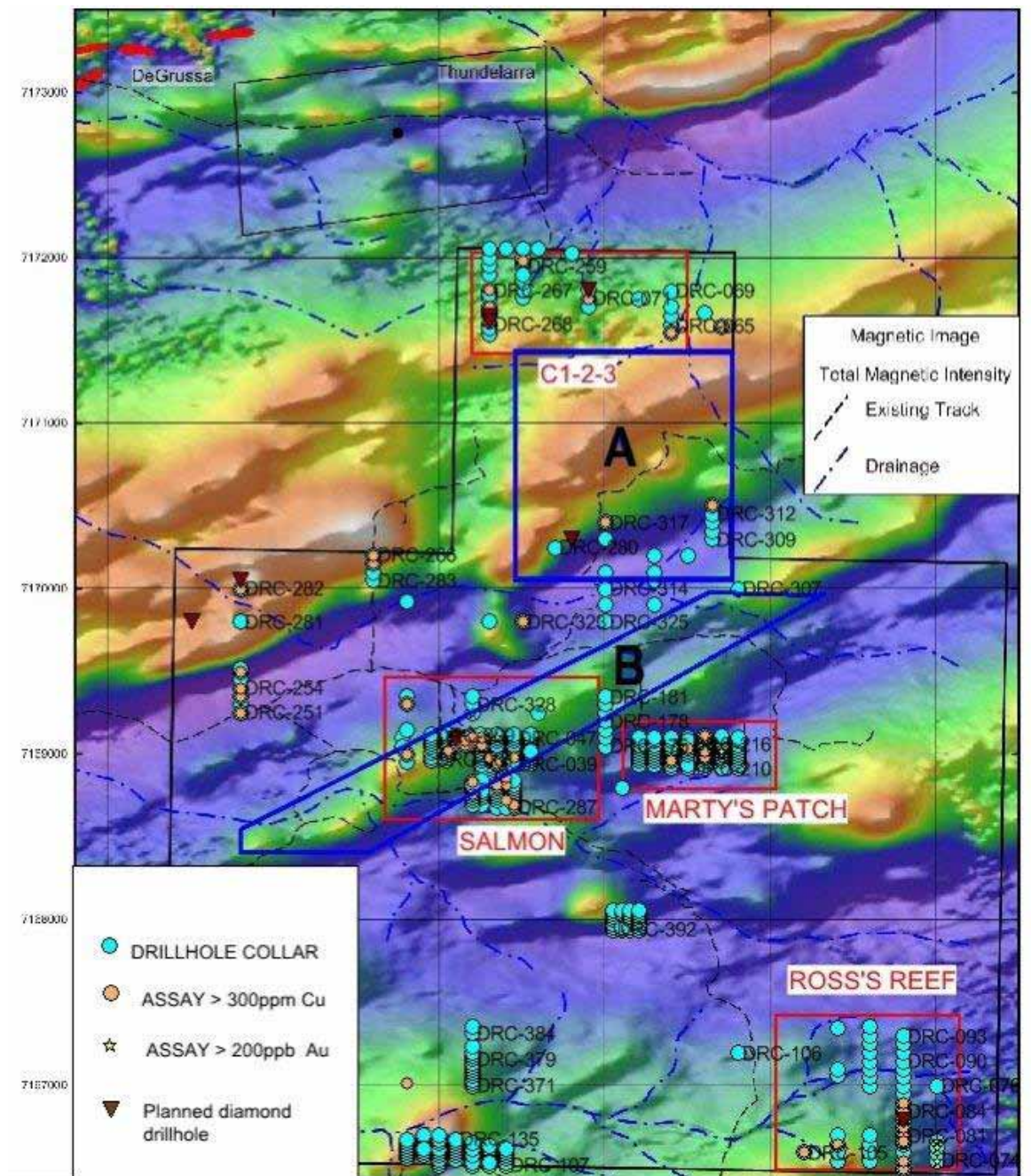


Figure 3
Further micro-gravity geophysical targeting - Areas A and B

Fortnum West

Geochemical sampling work at Fortnum West (E52/2568) has been ongoing during the Quarter. Geochemical sampling is targeting multi-element base metals and lode gold along the faulted contact between Archaean granite-greenstone and complex, interleaved Padbury and Bryah Group fault slivers. Progress has been impeded by ongoing wet weather. The material method here relies on dry regolith as a sampling medium. Preliminary results indicate multiple strong Au anomalies.

Three Rivers

As previously announced, copper anomalism at anomaly T2 is 800m x 200m in extent and is interpreted as a dolerite intrusive into metasediments of the Proterozoic age Bangemall Group.

CORPORATE

On 9 January 2012, RNI announced it had reached agreement with BlueCrest Mercantile Master Fund Ltd to acquire Grosvenor Gold Pty Ltd, the owner of the Grosvenor Gold Project and tenement package, for \$35 million in cash and shares.

On 23 January, RNI announced that the consideration payable to BlueCrest would comprise approximately 42.86 million RNI shares, approximately 8.57 million RNI options¹ and \$20 million cash.

On 8 March, RNI announced it had completed the placement of 72 million RNI shares at an issue price of 35c to institutional and sophisticated investors, raising a total of \$25.2 million. Investors who subscribed to the new shares were also issued with one RNI option¹ for every five RNI shares subscribed to in the placement, at no further consideration.

On 28 March 2012, RNI announced it had raised a further \$10.93 through an underwritten non-renounceable entitlements issue, pursuant to a prospectus dated 22 February 2012, under which the Company issued 31.24 million new shares and 6.24 million new options¹.

Of the \$36.13 million raised in the placement and entitlements issue, \$20 million was paid to BlueCrest during the Quarter as the cash consideration of the \$35 million Grosvenor acquisition.

Both the placement and the entitlements issue were underwritten by Argonaut.

During the Quarter RNI continued negotiations for a \$20 million debt facility which will be used to fund the refurbishment of the Grosvenor gold plant and provide further working capital.

The new shares issued to BlueCrest and those issued in the entitlements issue and placement have increased RNI's capital base to approximately 271 million shares, with BlueCrest emerging as the major shareholder in the Company with a 15.8 percent holding.

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Competent Person's Statement

The information in this ASX release that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Albert Thamm, who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr Thamm is a Geological Consultant to and Director of, Resource and Investment NL and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting of Mineral Resources and Ore Reserves. Mr Thamm consents to the inclusion in this quarterly activities report of the matters based on information in the form and context in which it appears.

¹ Options exercisable at 60c on or before 31 May 2013

| Schedule of Mining Tenements as at 31 March 2012 | | | | |
|--|--|--------------|--|-------|
| Tenement Number | Registered Holder | Date Granted | Area Graticular blocks(bk)/Hectares (ha) | Notes |
| Grosvenor Gold Project | | | | |
| E51/1033 | Grosvenor Gold Pty Ltd 40% Jackson Minerals Pty Ltd 20% PepinNini Robinson Range Pty Ltd 40% | 22/09/2005 | 53bk | 1,2 |
| E51/1053 | Grosvenor Gold Pty Ltd | 22/09/2005 | 35bk | |
| E51/1060 | Grosvenor Gold Pty Ltd 80% Jackson Minerals Pty Ltd 20% | 20/07/2005 | 1bk | 1 |
| E51/1085 | Grosvenor Gold Pty Ltd | 22/09/2005 | 17bk | |
| E51/1120 | Grosvenor Gold Pty Ltd | 10/08/2006 | 70bk | |
| E51/1134 | Grosvenor Gold Pty Ltd | 15/11/2006 | 4bk | |
| E52/1613 | Grosvenor Gold Pty Ltd 40% Jackson Minerals Pty Ltd 20% PepinNini Robinson Range Pty Ltd 40% | 29/03/2006 | 30bk | 1,2 |
| E52/1655 | Grosvenor Gold Pty Ltd 80% Jackson Minerals Pty Ltd 20% | 23/02/2004 | 8bk | 1 |
| E52/1659 | Grosvenor Gold Pty Ltd 80% Jackson Minerals Pty Ltd 20% | 27/01/2004 | 13bk | 1 |
| E52/1670 | Grosvenor Gold Pty Ltd 40% Jackson Minerals Pty Ltd 20% PepinNini Robinson Range Pty Ltd 40% | 23/11/2004 | 9bk | 1,2 |
| E52/1671 | Grosvenor Gold Pty Ltd 80% Jackson Minerals Pty Ltd 20% | 23/11/2004 | 61bk | 1 |
| E52/1672 | Grosvenor Gold Pty Ltd 40% Jackson Minerals Pty Ltd 20% PepinNini Robinson Range Pty Ltd 40% | 22/09/2005 | 35bk | 1,2 |
| E52/1817 | Grosvenor Gold Pty Ltd | 13/10/2008 | 1bk | |
| E52/1818 | Grosvenor Gold Pty Ltd | 14/04/2005 | 2bk | |
| E52/1832 | Grosvenor Gold Pty Ltd | 16/03/2009 | 19bk | |
| E52/1846 | Grosvenor Gold Pty Ltd | 02/11/2010 | 66bk | |
| E52/1910 | Grosvenor Gold Pty Ltd 50% PepinNini Robinson Range Pty Ltd 50% | 10/08/2006 | 67bk | 2 |
| E52/1951 | Grosvenor Gold Pty Ltd | 26/02/2007 | 29bk | |
| E52/1964 | Grosvenor Gold Pty Ltd 50% PepinNini Robinson Range Pty Ltd 50% | 01/11/2007 | 18bk | 2 |
| E52/2059 | Grosvenor Gold Pty Ltd | 17/02/2010 | 2bk | |
| L52/102 | Grosvenor Gold Pty Ltd | 11/11/2008 | 9.00ha | |
| M52/5 | Grosvenor Gold Pty Ltd | 20/04/1983 | 464.85ha | |
| M52/6 | Grosvenor Gold Pty Ltd | 20/04/1983 | 479.60ha | |
| M52/93 | Grosvenor Gold Pty Ltd | 08/02/1988 | 772.00ha | |
| M52/95 | Grosvenor Gold Pty Ltd | 08/02/1988 | 649.30ha | |
| M52/96 | Grosvenor Gold Pty Ltd | 08/02/1988 | 682.70ha | |
| M52/98 | Grosvenor Gold Pty Ltd | 08/02/1988 | 910.60ha | |
| M52/99 | Grosvenor Gold Pty Ltd | 08/02/1988 | 486.15ha | |
| M52/125 | Grosvenor Gold Pty Ltd | 30/12/1988 | 338.00ha | |
| M52/132 | Grosvenor Gold Pty Ltd | 11/05/1989 | 698.20ha | |
| M52/133 | Grosvenor Gold Pty Ltd | 11/05/1989 | 879.70ha | |
| M52/338 | Grosvenor Gold Pty Ltd | 28/10/1992 | 684.35ha | |
| P52/1114 | Grosvenor Gold Pty Ltd | 08/01/2009 | 48.00ha | |
| P52/1147 | Grosvenor Gold Pty Ltd | 03/01/2007 | 130.00ha | |
| P52/1148 | Grosvenor Gold Pty Ltd | 03/01/2007 | 168.00ha | |
| P52/1149 | Grosvenor Gold Pty Ltd | 03/01/2007 | 160.00ha | |
| P52/1150 | Grosvenor Gold Pty Ltd | 03/01/2007 | 180.00ha | |
| P52/1151 | Grosvenor Gold Pty Ltd | 03/01/2007 | 200.00ha | |
| P52/1152 | Grosvenor Gold Pty Ltd | 03/01/2007 | 190.00ha | |
| P52/1153 | Grosvenor Gold Pty Ltd | 03/01/2007 | 190.00ha | |
| P52/1154 | Grosvenor Gold Pty Ltd | 03/01/2007 | 190.00ha | |
| P52/1155 | Grosvenor Gold Pty Ltd | 03/01/2007 | 124.00ha | |
| P52/1156 | Grosvenor Gold Pty Ltd | 03/01/2007 | 160.00ha | |
| P52/1157 | Grosvenor Gold Pty Ltd | 03/01/2007 | 190.00ha | |

| | | | | |
|--|--|------------|----------|---|
| P52/1158 | Grosvenor Gold Pty Ltd | 03/01/2007 | 190.00ha | |
| P52/1159 | Grosvenor Gold Pty Ltd | 03/01/2007 | 190.00ha | |
| P52/1160 | Grosvenor Gold Pty Ltd | 03/01/2007 | 133.00ha | |
| P52/1161 | Grosvenor Gold Pty Ltd | 03/01/2007 | 198.00ha | |
| P52/1162 | Grosvenor Gold Pty Ltd | 03/01/2007 | 198.00ha | |
| P52/1163 | Grosvenor Gold Pty Ltd | 03/01/2007 | 193.00ha | |
| P52/1164 | Grosvenor Gold Pty Ltd | 03/01/2007 | 171.00ha | |
| P52/1165 | Grosvenor Gold Pty Ltd | 03/01/2007 | 156.00ha | |
| P52/1169 | Grosvenor Gold Pty Ltd 80% Jackson Minerals Pty Ltd 20% | 03/01/2007 | 56.00ha | 1 |
| P52/1170 | Grosvenor Gold Pty Ltd 80% Jackson Minerals Pty Ltd 20% | 03/01/2007 | 193.00ha | 1 |
| P52/1171 | Grosvenor Gold Pty Ltd 80% Jackson Minerals Pty Ltd 20% | 03/01/2007 | 175.00ha | 1 |
| P52/1172 | Grosvenor Gold Pty Ltd 80% Jackson Minerals Pty Ltd 20% | 03/01/2007 | 178.00ha | 1 |
| P52/1194 | Grosvenor Gold Pty Ltd 80% Jackson Minerals Pty Ltd 20% | 08/01/2009 | 192.00ha | 1 |
| P52/1197 | Grosvenor Gold Pty Ltd | 08/01/2009 | 112.00ha | |
| P52/1198 | Grosvenor Gold Pty Ltd | 08/01/2009 | 96.00ha | |
| P52/1201 | Grosvenor Gold Pty Ltd | 08/01/2009 | 128.00ha | |
| P52/1202 | Grosvenor Gold Pty Ltd | 08/01/2009 | 144.00ha | |
| P52/1214 | Grosvenor Gold Pty Ltd | 08/01/2009 | 74.00ha | |
| Doolgunna Project | | | | |
| E52/2438 | Ascidian Prospecting Pty Ltd | 11/02/2010 | 7bk | 3 |
| Three Rivers Project | | | | |
| E52/2124 | IMIC Pty Ltd | 19/09/2008 | 25bk | 3 |
| E52/2562 | IMIC Pty Ltd | 24/12/2010 | 28bk | 3 |
| Fortnum West Project | | | | |
| E52/2568 | Resource and Investment NL | 16/06/2010 | 80bk | |
| Yule River Project | | | | |
| E47/1750 | Resource and Investment NL | 5/09/2007 | 70bk | 4 |
| Notes: | | | | |
| Grosvenor Gold Pty Ltd (GG) is a wholly owned subsidiary of Resource and Investment NL | | | | |
| 1 – Jackson Iron Ore JV Agreement – GG 40%; PepinNini Minerals (PNM) 40%; Jackson Minerals Ltd 20% (GG beneficial interest 40% to iron ore and 80% to all other minerals). | | | | |
| 2 – Robinson Range JV Agreement – GG 50%; PepinNini Robinson Range Pty Ltd 50% (GG 50% beneficial interest to iron ore and 100% interest to all other minerals). | | | | |
| 3 - Option to purchase | | | | |
| 4 – RNI royalty only | | | | |

Forward-Looking Statements

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