

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

HIGHLIGHTS

- Aboriginal Heritage clearances and statutory approvals granted to commence an extensive 950-hole drilling program at the flagship Doolgunna copper-gold project.
- Preliminary results from the Salmon Prospect gold target include rich grades of up to 45.65 g/t.
- Results indicate commercial gold grades at Salmon Prospect continue at depth.
- Follow-up drilling planned to test an encouraging 4.18g/t quartz vein gold intersection encountered at the base of VMS target DGC 13-14-M4.
- Drilling at Doolgunna to continue throughout the September and December quarters.
- 21 geochemical anomalies defined from soil sampling at the Three Rivers Project.



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, located adjacent to Sandfire Resources' (Sandfire) DeGrussa deposits, the neighbouring Three Rivers Project and the Fortnum West Project (Figure 1).

The Doolgunna Project covers about 21km² and is located 3km southeast of Sandfire Resources' VMS (Volcanogenic Massive Sulphide)-style DeGrussa copper-gold deposits. Sandfire has recently reported¹ a combined resource of 14.33Mt grading 4.6% copper and 1.6g/t gold for its DeGrussa deposits. The geological succession at Doolgunna is very similar to the DeGrussa area and the Company believes there is a distinct possibility that similar deposits may be present at Doolgunna.

The Three Rivers Project covers about 170km² and is located about 35km north of DeGrussa, while the Fortnum West Project covers approximately 250km² and is located immediately west of the Fortnum mining area from which Perilya Ltd recovered more than 500,000oz of gold.

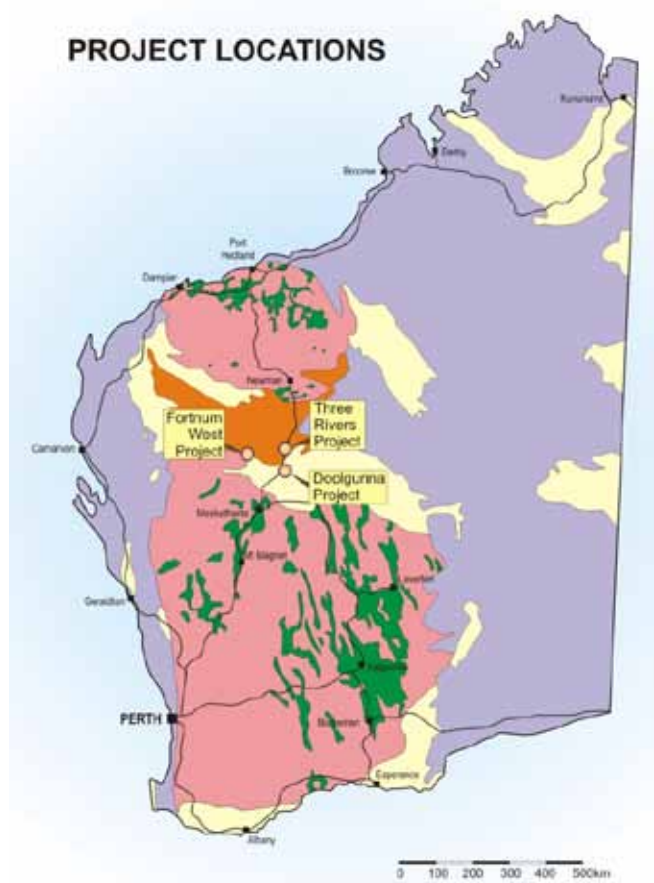


Figure 1 - RNI Project Locations

¹ Sandfire Resources NL ASX/Media release 27 July 2011

DOOLGUNNA PROJECT

Drilling commenced at the flagship Doolgunna Project in early May following the receipt of statutory and Aboriginal Heritage approvals.

Doolgunna is located 3km southeast of Sandfire's DeGrussa Copper-Gold project (Figure 2). The DeGrussa deposits are VMS-style bodies located within basaltic and sedimentary rocks (Narracoota Formation) of the Proterozoic-aged, Bryah Basin. Sandfire has recently commenced mining operations at DeGrussa.

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. 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 drilling program followed an intensive 15-month exploration program which covered the entire Doolgunna Project area. This included surface mapping, an airborne magnetic and radiometric survey, detailed soils geochemistry and a moving loop, transient electromagnetic (MLTEM) survey. The results from this surface exploration program enabled the Company's geologists to establish a total of 24 priority RC and diamond drilling targets in 16 discrete locations within the Project area (Figure 2). The drilling program is evaluating both VMS copper-gold targets and vein-style gold deposits.

An initial program of 950 holes comprising both RC and diamond drilling was approved by the RNI board. By the end of July, about 100 RC drill holes – just under 10,000m of drilling – had been completed, with preliminary drilling undertaken on two copper-gold targets and one vein-style gold target. Only limited assay results have been received, with results from the Salmon Prospect gold target – where the Doolgunna drilling program commenced - considered particularly encouraging.

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

SALMON PROSPECT

RNI commenced its drilling program on the Salmon Prospect, one of several vein-style gold targets at Doolgunna. In this area previous drilling had identified significant gold mineralisation within an east-west oriented, sub-vertical quartz vein system. The earlier drilling had only examined the gold bearing structure to a depth of 40m and the RNI drilling program was designed to examine the extent and consistency of the mineralisation.

Preliminary assay results from RNI's drilling at Salmon have only recently been received and are considered very encouraging. Highlights of the preliminary assay results are presented in the accompanying Table (Table 1). The drill sample that returned the very high grade assay of 45.65g/t (DRC 059 24-25m) contained small specks of visible gold that were recorded during sample logging.

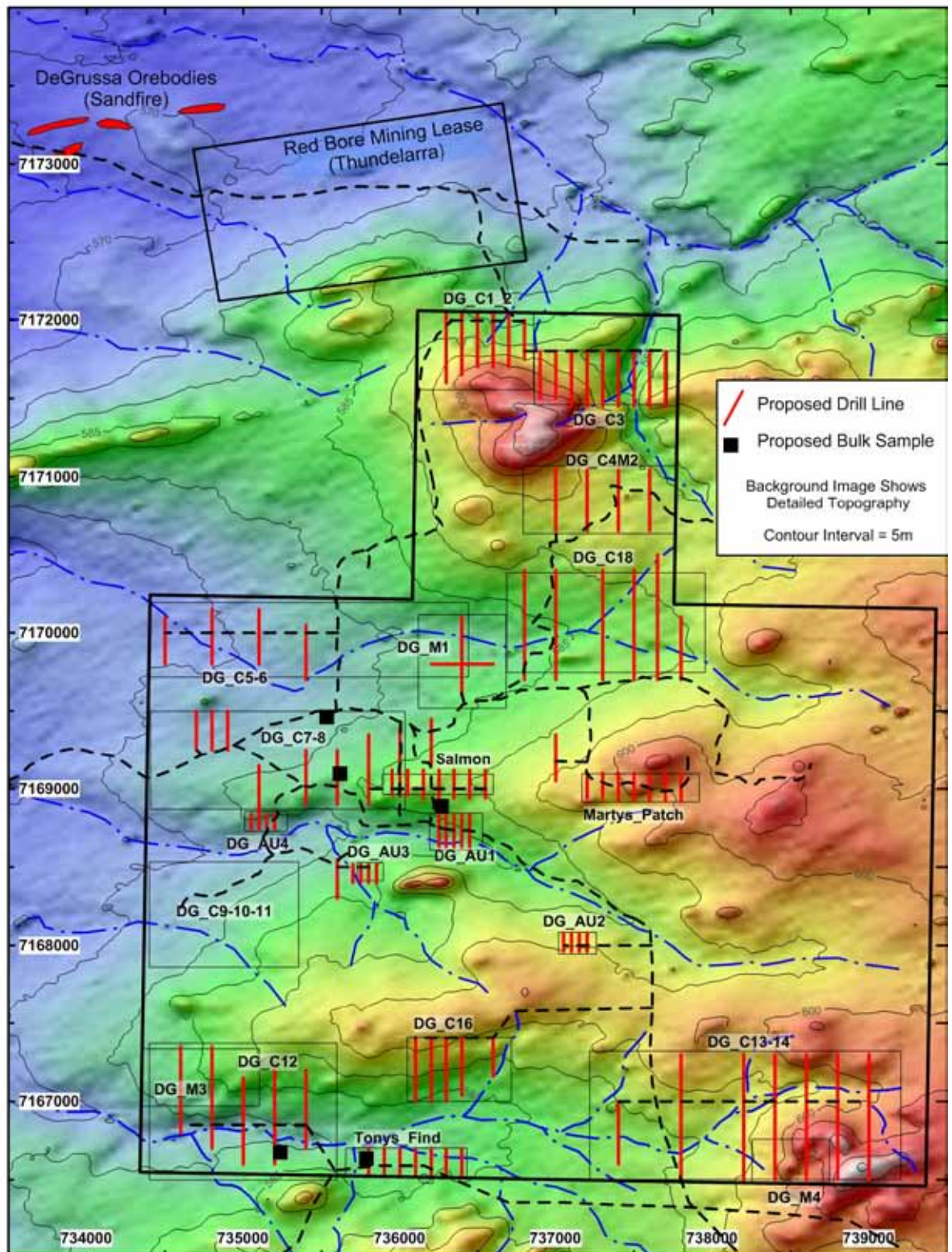


Figure 2 – Doolgunna Project – Planned Drilling Program

Drill Hole	From	To	Interval (m)	Au* g/t	Ag g/t	Cu ppm	Pb ppm	Zn ppm
DRC 059	21	24	3	3.85	X	641	5	171
DRC 059	24	25	1	45.65	0.3	1283	25	261
DRC 059	25	27	2	1.77	X	617	16	163
DRC 059	42	45	3	0.72	X	161	13	154
DRC 060	72	73	1	2.70	X	677	4	65
DRC 060	73	77	4	2.60	X	1317	9	67
DRC 062	36	39	3	0.39	X	917	4	89
DRC 062	39	42	3	0.90	0.1	1164	4	53
DRC 062	42	45	3	1.13	0.1	737	3	82
DRC 063	72	76	4	0.65	X	202	5	70
DRC 063	76	78	2	1.56	X	261	7	86
DRC 063	79	81	2	6.95	0.1	275	4	73
DRC 063	81	82	1	6.13	X	424	4	85
DRC 064	120	123	3	2.23	0.1	256	4	66
DRC 064	123	126	3	0.71	0.1	151	3	73
DRC 064	126	129	3	1.00	X	156	4	82
DRC 064	129	132	3	0.67	0.7	8463	8	107

* While samples from the drilling are being collected every metre, drill samples are normally composited to 3m intervals prior to assay. Where composites assay >0.3g/t individual metre samples will be re-analysed using fire assay techniques. The re-assay results have not yet been received.

While final interpretation of the data will not be completed until after the re-assay results have been received, the available results indicate that the commercial gold grades at Salmon continue at depth and with the mineralised structure apparently coherent and consistently mineralised. The data suggests that the mineralised body plunges steeply to the west. Follow-up drilling will test the deeper western extent of the body.

RNI will report more fully on the Salmon mineralisation when repeat assay data has been received.

DGC-3 Area

The DGC-3 target covered prominent MLTEM anomalies located in the northern section of the Doolgunna area. Drilling on this feature demonstrated that this anomaly was caused by sulphide-rich, graphitic shales. The thickness and sulphide content of the graphitic shales increased towards the north of the area with sulphide contents of more than 20% being logged over a number of intervals. While most of the sulphide was thought to be pyrite, copper and zinc sulphides were tentatively identified from a number of intervals. Assay data for most holes in the DGC-3 area have not yet been received and additional RC drilling may be undertaken in the area if assay results are favourable.

The RC drilling at DGC-3 recorded very strong water flows from silicified sandstones beneath the black shales. As a consequence, one of the deeper anomalies identified from the MLTEM survey could not be reached with this method of drilling. RNI plans to complete at least one deep diamond drill hole in this area to test the remaining MLTEM anomaly.

DGC 13-14-M4 Area

The DGC 13-14-M4 area is located in the south-eastern corner of the tenement (Figure 2) and comprises several MLTEM and magnetic anomalies associated with relatively high soil copper values. Drilling in this area is currently underway and is encountering a thick sequence of basalts, basalt breccias, dolerites and sediments that are highly reminiscent of the massive sulphide-bearing succession at DeGrussa.

Assay results have been received from one early hole drilled in this area. One sample from near the base of the hole recorded an anomalous gold value of 4.18g/t over a 3m interval (Table 2). A quartz vein was recorded from this interval and the result is considered very encouraging. Additional drilling to follow-up this intercept will be undertaken if results from the repeat assays confirm the initial result.

Table 2 – Drilling Highlight – DGC 13-14 Area								
Drill Hole	From	To	Interval (m)	Au* g/t	Ag g/t	Cu ppm	Pb ppm	Zn ppm
DRC 074	195	198	3	4.18	X	18	2	127
* While samples from the drilling are being collected every metre, drill samples are normally composited to 3m intervals prior to assay. Where composites assay >0.3g/t individual metre samples will be re-analysed using fire assay techniques. The re-assay results have not yet been received.								

Drilling of other the other anomalies identified in the Doolgunna area will continue throughout the September and December quarters. The company will release significant results as they become available.

THREE RIVER PROJECT

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

During previous quarters RNI completed detailed geological mapping, aeromagnetic and radiometric surveys over the Three Rivers tenements. In the June quarter the Company completed a 6,600-sample, regional soil sampling program that covered most of the Project area. All samples were analysed for a suite of 53 elements. An image of the geochemical results for zinc and gold at Three Rivers is shown in Figure 3.

A preliminary interpretation of the results by Consulting Geochemist Dr Nigel Brand has defined 21 geochemical anomalies potentially related to gold or base metal mineralisation, a broad uranium anomaly and one isolated Nb-Cs anomaly that could be related to kimberlite (diamond) emplacement. The anomalies will require field mapping and infill sampling prior to a future drilling program.

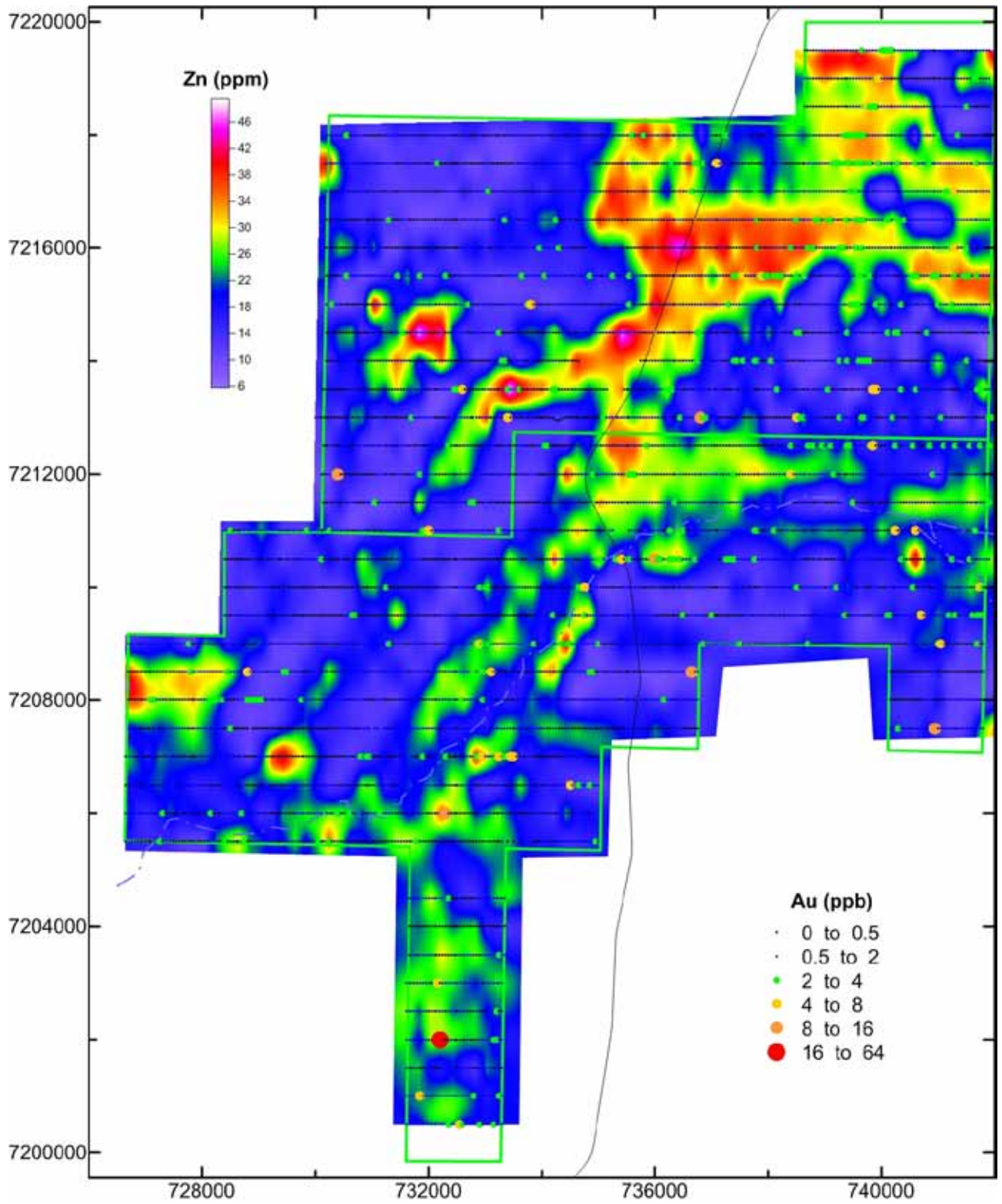


Figure 3 - Three Rivers Soil Geochemistry – Zn and Au results

FORTNUM WEST PROJECT

The Fortnum West Project was acquired by RNI late in the March Quarter and 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 gold deposits are structurally controlled and occur on either side of the major Fortnum Fault. The field produced has produced about 500,000 ounces of gold from a number of open pit and underground operations.

The Fortnum West Project includes more than 20km of the Fortnum Fault and RNI believes there is a strong possibility that repetitions of the style of gold mineralisation mined in the Fortnum field will occur within the Fortnum West area.

During the June Quarter the company completed a detailed airborne magnetic and radiometric survey over the area and commenced regional geological mapping. An image of the Fortnum West aeromagnetic data is given as Figure 4. Previous regional mapping indicates that the eastern and southern parts of the tenement are dominated by foliated granitic rocks. The continuity of the generally north south trending magnetic linears that can be readily identified in the magnetics suggests that the geology of the area is likely to be more complex than is shown on the current regional maps.

RNI plans to continue a regional mapping program in the area throughout the coming quarter. The recently acquired aeromagnetic data will provide a framework for the geological mapping. In addition to the geological mapping, the company will shortly commence a soil sampling program that will focus on the north-eastern section of the tenement and along the Fortnum Fault. The soil sampling will be used to locate anomalous gold mineralisation from subsequent drill follow-up.

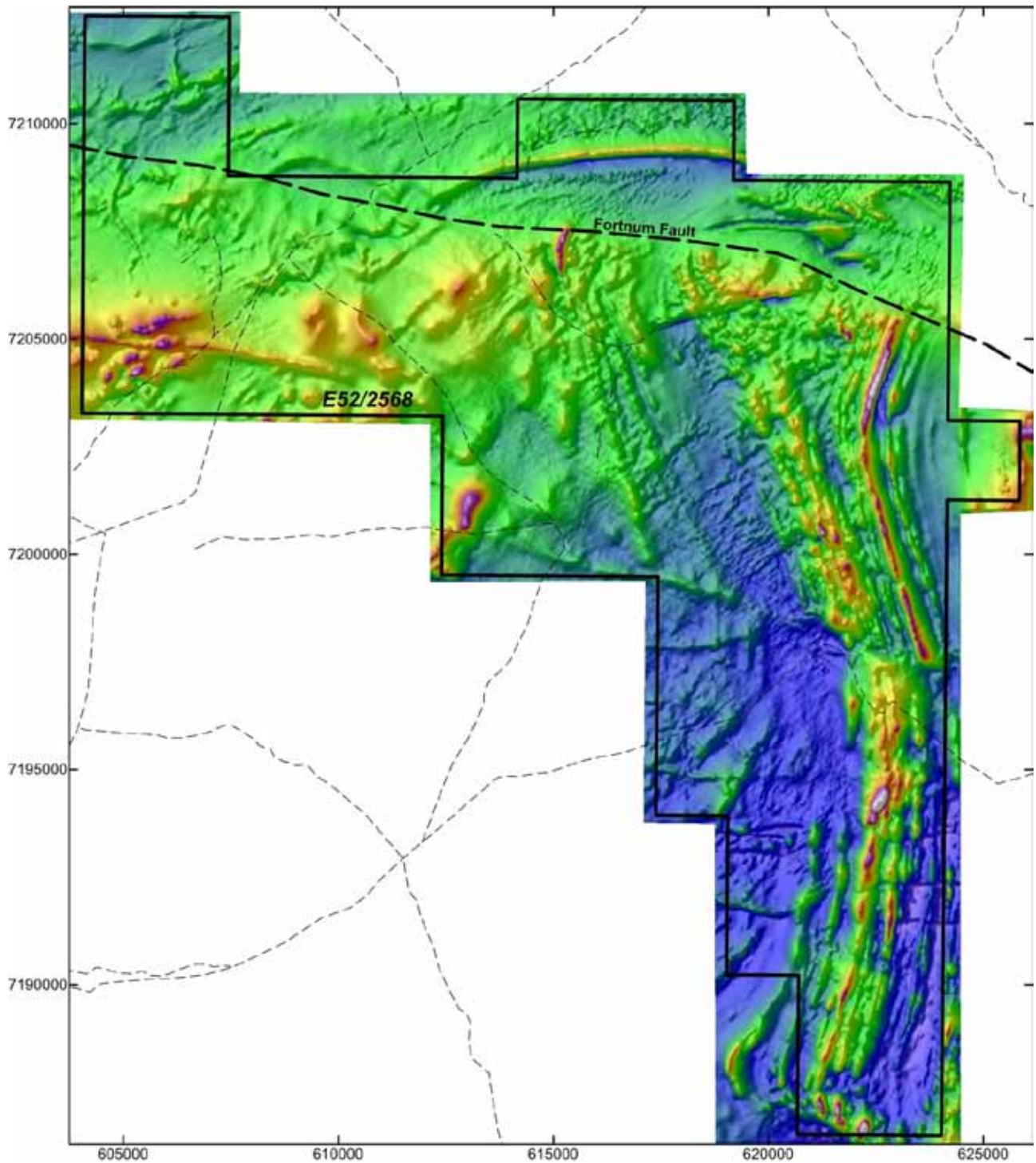


Figure 4 – Fortnum West Project – Total Magnetic Intensity Image

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.

MINING TENEMENTS AS AT 30 JUNE 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	Glen Griffin Venn Money	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 - Tenement Sale Agreement dated 18 March 2011				

For further information, contact:

**MILES KENNEDY – CHAIRMAN
RESOURCE AND INVESTMENT NL**

Tel: +61-8 9489 9200

29 July 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.