

## RNI SECURES EXTENDED \$19.5M FUNDING PACKAGE TO PURSUE GOLD PRODUCTION PLANS

- Facility enables RNI to immediately acquire the Peak Hill Gold Project
- Peak Hill deal sees RNI expand its dominant position in the Bryah Basin
- Negotiations at advanced stage for final project financing for Grosvenor and Peak Hill

**Resource and Investment NL (ASX: RNI)** is pleased to announce that the Company has successfully negotiated an increase and extension of the Company’s finance facility with Taurus Resources No.2 Fund (Taurus).

The original Taurus facility (see ASX announcements 20 December 2012 and 13 February 2013) has been increased from \$15 million to \$19.5 million. The date for repayment of the facility has been extended by approximately 12 months to 7 February 2015.

The facility has enabled RNI, through its wholly owned subsidiary, Grosvenor Gold Pty Ltd, (Grosvenor Gold) to exercise an option to acquire from Montezuma Mining Company Ltd (ASX: MZM) 100% of the issued capital of Peak Hill Metals Pty Ltd (See ASX announcements 27 September 2012 and 1 November 2013).

Peak Hill Metals owns the historic Peak Hill gold project (Figure 1), which adjoins RNI’s Grosvenor gold project in Western Australia’s highly-prospective Bryah Basin region. Peak Hill has JORC compliant gold resources of ~550,000 ounces which, when combined with RNI’s Grosvenor project, gives the Company a combined gold inventory of ~2Moz (See Appendices 2-4).

As per the terms of the agreement, the consideration payable to Montezuma comprises \$2.8 million in cash, 8.4 million fully paid ordinary RNI shares and 2.1million unlisted RNI options exercisable at 35c per share within three years from the date of issue. In addition, Grosvenor Gold will pay Montezuma a 1% gross royalty, capped at \$1 million, on all revenue received from production at Peak Hill.

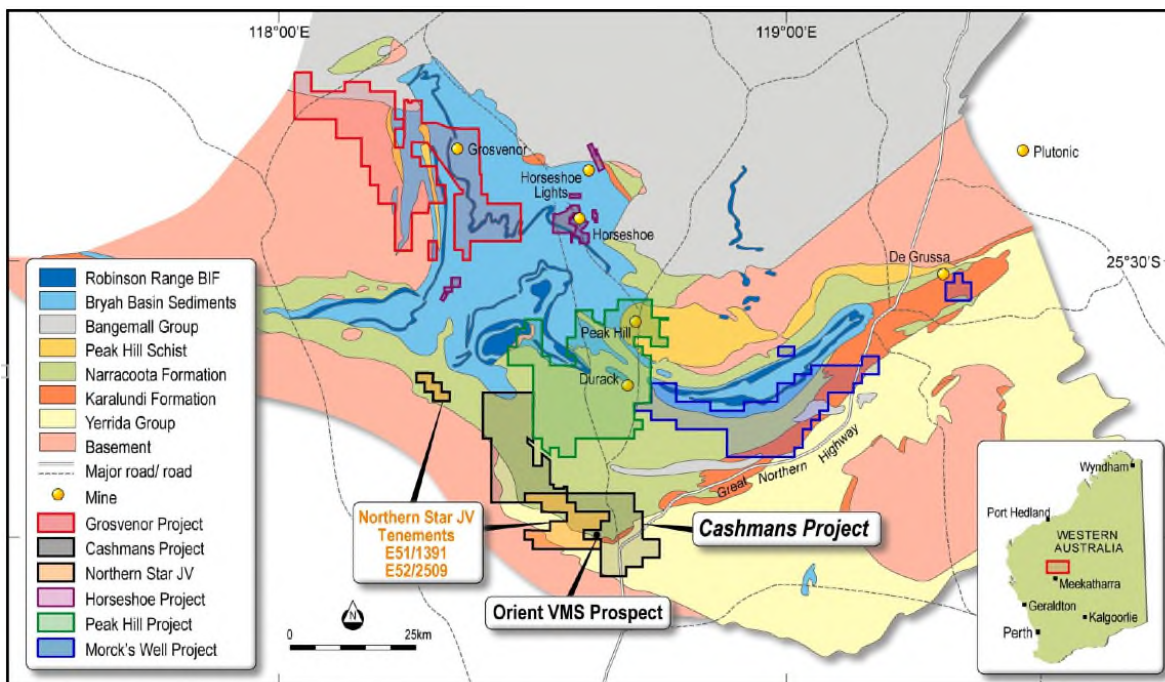


Figure 1: Grosvenor and Peak Hill project locations and regional geology

Payment of the \$2.8 million option exercise price, plus an additional payment of \$594,300 as a refund of the cash collateralised environmental bonds over Peak Hill, was made to Montezuma on 30 January 2014. By arrangement with Montezuma, completion of the share and option issues and ownership transfer documents is scheduled to be finalised on 31 January 2014.

As with the initial Taurus facility, the extended facility will be guaranteed by RNI and secured over the assets of RNI, Grosvenor Gold and Peak Hill. Further details relating to the terms of the new Taurus facility are set out in Appendix 1.

RNI Chairman Miles Kennedy said the \$19.5 million funding facility represented a strong show of faith by Taurus in RNI's plans to pursue a low-cost gold production pathway at the Grosvenor and adjoining Peak Hill gold projects. Mr Kennedy said the RNI Board was also in advanced negotiations with a number of parties regarding the final project financing package to enable the Grosvenor and Peak Hill gold projects to be developed.

*"The extended Taurus facility will enable us to continue advancing our gold production feasibility studies at Grosvenor and Peak Hill, where we remain confident of achieving cash production costs of less than \$A1,000 per ounce," said Mr Kennedy.*

*"The historic Peak Hill gold project is an important part of our gold production plans and we are delighted to have secured this well-endowed gold province for what we believe is an extremely low cost per ounce."*

*"In addition, the Peak Hill deal has enabled RNI to entrench its position as the dominant tenement holder in Western Australia's Bryah Basin, the highly-prospective nature of which has been underlined by the recent moves by mining companies to secure exposure in this area."*

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### **Competent Person's Statement**

Information in this announcement that relates to mineral resources is based on and fairly represents information and supporting documentation prepared and compiled by Albert Thamm BSc (Hons) MSc, who is a Corporate Member of the Australasian Institute of Mining and Metallurgy.

The information in this announcement that relates to previously released Project Resource data was disclosed in the ASX announcement dated 6 November 2013 under the JORC Code 2004. It has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported and is based on and fairly represents information and supporting documentation prepared and compiled by Albert Thamm BSc (Hons) MSc, who is a Corporate Member of the Australasian Institute of Mining and Metallurgy.

Mr Thamm is a Director of Resource and Investment NL. Mr Thamm has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Thamm consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

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**Appendix 1: Details of the \$19.5 million Taurus Facility**

The extended Taurus facility will carry interest at the rate of 12.5% a year for the first six months after the extension of the facility and 13.5% per annum for the remainder of the term of the facility.

The sum of \$2.8 million is required to be repaid to Taurus no later than 7 August 2014, with the balance of all amounts repayable under the extended facility being payable no later than 7 February 2015.

Under the amended terms of the initial facility, which continue to apply to the extended facility, on final repayment of the extended facility Taurus may elect to convert a portion of the drawn-down facility into fully paid ordinary RNI shares at no more than 20c per share. Alternatively, Taurus can elect to receive a termination fee, by way of a deferred rollover establishment fee, based on an agreed formula and 19.5 million RNI options. Each of these RNI options will be exercisable within three years of the date of issue at an exercise price equal to the volume weighted average price of all RNI shares traded on ASX calculated over the five trading days (as defined in the Listing Rules) immediately preceding the extension of the facility.

**Appendix 2: Classified gold resources at the Grosvenor project at cut-off grades as stated**

<b>Summary of Project Resources, Resource Classification and metrics</b>										
<b>Mineral Resource</b>	<b>Cut-off grade</b>	<b>Tonnes (kt)</b>	<b>Grade (Au g/t)</b>	<b>Tonnes (kt)</b>	<b>Grade (Au g/t)</b>	<b>Tonnes (kt)</b>	<b>Grade (Au g/t)</b>	<b>Tonnes (kt)</b>	<b>Grade (Au g/t)</b>	<b>Au Ounces</b>
	<b>(g/t)</b>	<b>Measured</b>		<b>Indicated</b>		<b>Inferred</b>		<b>Total</b>		
Yarlarweelor	0.5			5,498	1.6	1,511	1.6	7,009	1.60	360,500
Starlight	1.0			1,558	3	924	3.4	2,482	3.21	252,500
Starlight Hanging Wall	1.0			145	4.3	503	2.9	648	3.20	67,500
Twilight	1.0			1,138	2.7	316	2.6	1,454	2.68	124,700
Ricks	1.0			232	1.9	63	2.1	295	1.94	18,800
Midnight	1.0			229	2.3	124	2.7	353	2.44	27,400
Dougies	1.0			99	3.1	123	2.9	222	2.99	21,500
Eldorado	1.5			134	1.5	12	1.8	146	1.52	7,100
Toms & Sams	1	42	1.64	1,031	1.53	272	1.66	1,345	1.56	67,400
Horseshoe, Cassidy & Pod	0.5	2,012	1.96	315	2.11	419	1.86	2,746	1.96	173,000
Nathans	0.75					1,081	1.9	1,081	1.90	66,900
Callies	0.5			2,326	1.43	1,527	1.1	3,854	1.30	161,000
Labouchere	1			278	1.7	534	1.8	812	1.77	45,400
Regent	0.6					328	1.4	328	1.40	14,300
<b>TOTAL</b>		<b>2,054</b>		<b>12,983</b>		<b>7,737</b>		<b>22,775</b>	<b>1.93</b>	<b>1,408,000</b>

### Appendix 3: Classified gold resources for the Peak Hill Project

Harmony, Enigma, Durack and Main Pit-Five Ways at 0.8g/t cut-off				
Classification	Material type	Tonnes (kt)	Au (g/t)	Au (oz)
	Oxide	1,270	1.22	50,000
INDICATED	Transitional	2,940	1.35	128,000
	Fresh	4,960	1.58	252,000
<b>TOTAL INDICATED</b>		<b>9,170</b>	<b>1.46</b>	<b>430,000</b>
	Oxide	160	0.97	5,000
INFERRED	Transitional	80	1.17	3,000
	Fresh	1,510	1.57	76,000
<b>TOTAL INFERRED</b>		<b>1,750</b>	<b>1.49</b>	<b>84,000</b>
<b>SUBTOTAL</b>		<b>10,920</b>	<b>1.46</b>	<b>514,000</b>
Jubilee Deposit Mineral Resources at 1.0 g/t cut-off				
Classification	Material type	Tonnes (kt)	Au (g/t)	Au (koz)
INDICATED	Oxide	100	1.95	6,000
INFERRED	Oxide	505	2.49	40,000
<b>SUBTOTAL</b>		<b>605</b>	<b>2.41</b>	<b>47,000</b>
<b>Peak Hill Total</b>		<b>11,525</b>	<b>1.58</b>	<b>561,000</b>

### Appendix 4: Classified global resources for the Grosvenor and Peak Hill Gold Projects

Combined Global Mineral Resources Estimated for the Grosvenor Gold Project			
Classification	Tonnes (kt)	Au (g/t)	Ounces (oz)
MEASURED	2,054	1.95	129,000
INDICATED	12,983	1.90	793,600
INFERRED	7,737	1.95	485,400
<b>SUBTOTAL</b>	<b>22,775</b>	<b>1.93</b>	<b>1,408,000</b>
Combined Global Mineral Resources Estimated for the Peak Hill Project*			
Classification	Tonnes (kt)	Au (g/t)	Ounces (oz)
INDICATED	9,270	1.46	436,000
INFERRED	2,255	1.72	125,000
<b>SUBTOTAL</b>	<b>11,525</b>	<b>1.51</b>	<b>561,000</b>
<b>TOTAL</b>	<b>34,299</b>	<b>1.78</b>	<b>1,969,000</b>

\*541Koz attributable to RNI/GG under the Peak Hill agreement.