



# PROSPECTUS

17 February 2012

**PRO RATA NON-RENOUNCEABLE ENTITLEMENTS ISSUE OF 1 NEW SHARE AT 35 CENTS EACH FOR EVERY 4 SHARES HELD AT THE RECORD DATE, TOGETHER WITH 1 FREE NEW OPTION, EXERCISABLE AT 60 CENTS ON OR BEFORE 31 MAY 2013, FOR EVERY 5 NEW SHARES ISSUED, TO RAISE UP TO \$10,936,000 (BEFORE COSTS)**

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents or are in doubt as to the course you should follow, you should consult your professional adviser without delay.

Applications for New Shares (with free attaching New Options) pursuant to this Prospectus may only be made on the forms accompanying this Prospectus.

The Closing Date for acceptances and payments is 5.00pm WST on 16 March 2012. Subject to ASX Listing Rules, the Corporations Act and other applicable laws, the Company reserves the right to alter the Closing Date, with or without notice.

## **IMPORTANT NOTICE - OFFER CONDITIONAL**

**The Offer contained in this document is conditional and if the condition is not satisfied the Company will NOT proceed with the Offer and will apply to ASIC to withdraw this Prospectus. For further details see DETAILS OF THE OFFER - IMPORTANT NOTICE - Offer Conditional.**

Underwriter and Manager to the Offer

**Argonaut Capital Limited**

ABN 18 099 761 547

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Perth 6000 Western Australia

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**RESOURCE AND INVESTMENT NL ABN 77 085 806 284**

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## CORPORATE DIRECTORY

**Directors**

Miles Kennedy (Executive Chairman)  
 Albert Thamm (Executive Technical Director)  
 John R Hutton (Non-executive Director)  
 Thomas J Mann (Non-executive Director)

**Share Registry\***

Security Transfer Registrars Pty Ltd  
 770 Canning Highway  
 Applecross 6153 Western Australia  
 T: +61 8 9315 2333 F: +61 8 9315 2233

**Secretary**

Jean Mathie

**Auditors\***

Somes and Cooke  
 PO Box 709  
 West Perth 6872 Western Australia  
 T: +61 8 9426 4500

**Registered Office**

34 Bagot Road  
 Subiaco 6008 Western Australia  
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 E: [general@rninl.com.au](mailto:general@rninl.com.au)  
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**ASX Code**

RNI (ordinary shares)

\*These persons appear for information purposes only.

## SUMMARY OF IMPORTANT DATES

Appendix 3B and Prospectus lodged with ASIC and ASX.	Friday, 17 February 2012
Notice sent to security holders containing the indicative timetable and the information required by Appendix 3B.	Tuesday, 21 February 2012
<b>EX DATE.</b> Shares commence trading ex-entitlements.	Wednesday, 22 February 2012
RECORD DATE to identify security holders entitled to participate in the issue.	Tuesday, 28 February 2012
Prospectus and Entitlement and Acceptance forms and Shortfall Application Forms despatched to Eligible Shareholders.	Thursday, 1 March 2012
<b>CLOSING DATE</b> acceptances close at 5.00pm (Perth time).	Friday, 16 March 2012
Securities quoted on a deferred settlement basis.	Monday, 19 March 2012
ASX notified of under subscriptions.	Tuesday, 20 March 2012
Despatch date of holding statements. Deferred settlement trading ends.	Wednesday, 21 March 2012
Normal trading (T+3 trading) expected to start.	Thursday, 22 March 2012

The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, without notice to vary the times and dates of the Offer, including extending the Offer or accepting late applications, either generally or in particular cases.

This Prospectus has been issued by Resource and Investment NL (ABN 77 085 806 284) (the Company or RNI) and was lodged with ASIC on and is dated 17 February 2012.

Neither ASX nor ASIC take any responsibility for the contents of this Prospectus.

No shares (or other securities) will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Company is a disclosing entity for the purposes of the Corporations Act and is subject to regular reporting and disclosure obligations. Certain matters may accordingly be reasonably expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act which permits the issue of a more concise prospectus in relation to an offer of continuously quoted securities. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering and Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding whether to invest in the securities offered by this Prospectus. Announcements made by the Company to ASX are available from the ASX website [www.asx.com.au](http://www.asx.com.au).

The Company has issued both a printed and electronic version of this Prospectus and the electronic version may be accessed at [www.rninl.com.au](http://www.rninl.com.au). Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must only access the Prospectus from within Australia. There is no facility for online applications. The Corporations Act prohibits any person passing onto another person an application form unless it is

attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus.

This Prospectus does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law, and where this Prospectus has been received, or accessed, in a jurisdiction outside Australia by Non-Residents, and where that jurisdiction's securities legislation requires registration of this Prospectus, this Prospectus is provided for information purposes only. Non-Residents should refer to ADDITIONAL INFORMATION - Non-Residents for further details and consult their professional advisors and observe any applicable restrictions.

The Company reserves the right not to accept an application from any person if it has reason to believe that when the person was given the application, that person was not provided with a complete and unaltered copy of this Prospectus and any relevant supplementary or replacement Prospectus. If you have received an Entitlement and Acceptance Form or Shortfall Application Form for the securities offered by this Prospectus without a complete and unaltered copy of this Prospectus, please contact the Company who will send you a copy of this Prospectus free of charge.

This Prospectus should be read in its entirety before deciding to invest in the securities offered by this Prospectus. The Directors consider an investment in the securities offered by this Prospectus to be speculative and recommend that you consult your financial adviser as to the course you should follow with respect to the Offer.

In particular, potential investors should consider the risk factors that could affect the financial performance of the Company and consider these factors in the light of personal circumstances, including financial and taxation issues (refer to ADDITIONAL INFORMATION - Risks).

Neither the Company nor its Directors nor any party named in this Prospectus guarantee any return on capital or the performance of the Company, and no person is authorised to give any information or to make any representation in connection with the Offer. Only information and representations contained in this Prospectus may be relied on as having been authorised by the Company in connection with the Offer.

This Prospectus contains forward looking statements which are not based on historical facts, but are based on the Company's current expectations of future results or events. These forward looking statements are subject to risks, uncertainties and assumptions which could cause actual results or events to differ materially from the expectations described in those forward looking statements, and no assurance is given that those expectations will prove to be correct. Actual results or events may be materially different from those expressed, implied or projected in the forward looking statements. Every forward looking statement contained in this Prospectus is qualified by this caution.

Definitions (often with the first letter capitalised) appear both in the body of this Prospectus (refer to type in parenthesis) as well as in the Glossary.

## DETAILS OF THE OFFER

### The Offer

This Prospectus is for the offer (the Offer) of new securities pursuant to a pro rata non-renounceable entitlements issue offered to Eligible Shareholders on the basis of 1 new Share (New Share) at an issue price of 35 cents for every 4 Shares held at 5.00pm (WST) on 28 February 2012 (the Record Date), together with 1 free attaching new Option (New Option), each exercisable at 60 cents at any time before 5.00pm WST on 31 May 2013 for every 5 New Shares issued.

In calculating Entitlements, fractions of Shares and free attaching New Options will be rounded up to the nearest whole number.

Disregarding any Entitlements relating to Shares issued on the exercise of options before the Record Date, approximately 31,246,077 New Shares and 6,249,216 free attaching New Options will be issued pursuant to the Offer, if it is fully subscribed, raising approximately \$10,936,000 before the costs of the Offer.

### Background

The Offer follows the announcement of the Company's proposed acquisition of the Fortnum Gold Project and surrounding exploration tenements (the Transaction) by the purchase of the sole issued share (GG Share) in Grosvenor Gold Pty Ltd ABN 98 126 541 624 (Grosvenor Gold) from BlueCrest Mercantile Master Fund Limited (BlueCrest) pursuant to a conditional share purchase agreement (SPA) between the Company and BlueCrest for a total consideration of \$35 million (exclusive of GST) payable at Completion of the Transaction by means of:

- a) a cash payment of \$20,000,000 to BlueCrest (Cash Payment); and
- b) the issue to BlueCrest of 42,857,143 Consideration Shares and 8,571,429 May 2013 Options. The number of Consideration Shares was calculated on the basis of an issue price of \$0.35 each, being the price (in dollars) at which the Company proposes to issue the Placement Shares. The 8,571,429 May 2013 Options are being issued to BlueCrest on a basis consistent with the issue of May 2013 Options under the Placement.

The Company has announced that it will fund the payment of the Cash Payment through the funds raised from the issue of the Placement Shares.

Completion of the acquisition of the GG Share pursuant to the SPA is conditional on the approval of Shareholders under ASX Listing Rule 11.1, and issue of the Placement Securities to raise the funds for the payment of the Cash Payment of \$20 million due to BlueCrest under the SPA and the issue of Consideration Securities to BlueCrest are both conditional on the

approval of Shareholders under ASX Listing Rule 7.1. A meeting (Meeting) of Shareholders has been convened to be held on 6 March 2012 for the purpose of considering resolutions for these approvals under ASX Listing Rules 11.1 and 7.1.

All 3 resolutions (the Shareholders' Resolutions) for Shareholders' approval are interdependent, and if any one of these resolutions is not passed, the Company will not proceed with Completion of the Transaction or the issue of the Placement or Consideration Securities.

#### **IMPORTANT NOTICE - Offer Conditional**

The Offer is conditional on Completion of the Transaction. If the Shareholders' Resolutions are not passed and the Company accordingly does not proceed with Completion of the Transaction, the Company will NOT proceed with the Offer and shortfall offer and will apply to ASIC to withdraw this Prospectus.

In that case all amounts that may have been tendered in respect of New Shares, and free attaching New Options will be repaid to the respective applicants without interest.

#### **Underwriter**

The Offer will be managed and conditionally underwritten by Argonaut Capital Limited (ABN 18 099 761 547) (Argonaut) in terms of an agreement (Underwriting Agreement). Argonaut will be entitled to an underwriting fee equal to 5% of the total value of the Underwritten Shares and a management fee of 1% of the total value of the Underwritten Shares. In addition, Argonaut will be entitled to reimbursement of all costs and expenses reasonably and properly incurred by it in relation to the Offer, including but not limited to legal expenses, marketing and promotional materials and expenditure and travel and accommodation costs, but such costs and expenses are not to exceed \$10,000 without the Company's prior approval (refer to ADDITIONAL INFORMATION –Underwriting Agreement).

#### **Acting On Your Entitlement**

The number of New Shares to which a Shareholder is entitled (Entitlement) under the Offer is shown on the form (Entitlement and Acceptance Form) accompanying this Prospectus and headed Entitlement and Acceptance Form.

As the Offer is non-renounceable, Shareholders may not sell or transfer any part of their Entitlements.

If you do not accept your full Entitlement, your percentage shareholding in the Company will be diluted as a result of any New Shares issued under this Prospectus and may be further diluted by the exercise of any New Options.

As a Shareholder you may:

- a. accept your full Entitlement;
- b. accept part of your Entitlement and allow the balance to lapse; or
- c. do nothing (in which case you will receive no benefit from your Entitlement).

#### **To accept your Entitlement**

If you wish to accept all or part of your Entitlement, you must:

EITHER:

- complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out in that form, specifying the number of New Shares applied for by you; and
- forward the completed form, together with a cheque or bank draft payable in Australian Dollars for the amount due in respect of New Shares applied for, calculated at 35 cents per New Share, to reach the Company's Share Registrars no later than 5.00pm WST on 16 March 2012. Cheques or bank drafts must be made payable to "Resource and Investment NL" and crossed "Not Negotiable";

OR, ALTERNATIVELY

- pay the amount due in respect of New Shares applied for, calculated at 35 cents per New Share, by BPAY no later than 5.00pm WST on 16 March 2012, by following the instructions set out in the accompanying Entitlement and Acceptance Form.

You are not required to take any action in relation to the New Options. The New Options are free and accordingly 1 New Option will be issued for every 5 New Shares issued.

Note: Any part of your Entitlement that is not accepted and paid for by 5.00pm WST on 16 March 2012 will lapse and form part of the Shortfall, and you will receive no benefit from that part.

#### **Shortfall**

If any Shareholders do not accept their whole Entitlement, the number of unaccepted New Shares (and free attaching New Options) will form the Shortfall (Shortfall).

Pursuant to the exception contained in Exception 3 of ASX Listing Rule 7.2, the Directors, as part of the Offer, reserve the right to issue the Shortfall at their discretion within 3 months after the close of the Offer, at an issue price of not less than 35 cents for each New Share comprised in the Shortfall, together with 1 free attaching New Option for every 5 New Shares. The Directors will exercise this discretion in consultation with Argonaut as manager and underwriter to the Offer.

Subject to any restrictions imposed by law, Eligible Shareholders (other than Directors and Related Parties) in addition to their Entitlements and other investors may apply to subscribe under the Shortfall Offer for New Shares comprised in the Shortfall at an issue price of 35 cents each (being the same price for New Shares under the Offer), with 1 free attaching

New Option for every 5 New Shares issued, by completing the Shortfall Application Form (headed Shortfall Application Form) accompanying this Prospectus in accordance with the instructions set out in that form and forwarding that form, together with a cheque or bank draft payable in Australian Dollars for the amount calculated in accordance with the instructions on that form, to reach the Company's Share Registrars no later than 5.00pm WST on 16 March 2012. Cheques or bank drafts must be made payable to "Resource and Investment NL" and crossed "Not Negotiable".

There is no guarantee that an application made in a Shortfall Application Form will be successful, and the Directors reserve the right, in consultation with Argonaut as manager and underwriter to the Offer, to allocate, subject to the terms of this Prospectus, any New Shares and free attaching New Options that may be comprised in the Shortfall at their absolute discretion, and may allot to an applicant a lesser number of New Shares and New Options than the number for which the applicant applied, or to reject an application, or to not proceed with placing all or part of Shortfall pursuant to Shortfall Application Forms. If the number of New Shares and free attaching New Options, allotted to an applicant is less than the number applied for, surplus application money will be refunded in full without interest.

Subject to a number of exceptions, section 606 of the Corporations Act prohibits a person from increasing their voting power in the Company from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%. Accordingly, an applicant will not be entitled to New Shares, and free attaching New Options, under the Shortfall Offer to the extent that the issue and allotment of those securities would result in a breach of section 606 of the Corporations Act.

Applicants for New Shares, and free attaching New Options, under the Shortfall Offer must satisfy themselves that applying for those securities will not result in a breach of the Corporations Act.

#### **Closing Date**

The closing date (Closing Date) for acceptances will be 5:00 pm WST on 16 March 2012. Subject to ASX Listing Rules, the Directors may extend this Closing Date (with or without notice and either before or after that date).

#### **Issue of New Shares**

The New Shares and New Options will be issued, and holding statements dispatched to Shareholders to whom New Shares and New Options have been issued, as soon as practicable after the Closing Date.

#### **Application Monies**

Application monies will be held in a separate bank account on behalf of applicants until the New Shares and New Options are issued. If any application is rejected in whole or in part, the amount tendered in respect of New Shares, and free attaching New Options that have not been issued will be repaid to the unsuccessful applicant without interest.

#### **No Minimum Subscription**

There is no minimum subscription for the Offer.

#### **ASX Listing**

Application will be made to the ASX within 7 days after the date of this Prospectus for quotation of the New Shares and New Options. If the application for the quotation of the New Shares and New Options on ASX is not made within 7 days after the date of this Prospectus, or if the New Shares and New Options are not granted quotation within 3 months after the date of this Prospectus, the Company will:

- a) repay all application monies received with respect to the Offer, without interest; or
- b) give the applicants a supplementary or replacement Prospectus and 1 month to withdraw their applications and be repaid; or
- c) issue the New Shares and New Options to the applicants and give them a supplementary or replacement Prospectus and one month to withdraw their applications and be repaid.

The fact that ASX may grant quotation of the New Shares and New Options is not to be taken in any way as an indication of the merits of the Company, the New Shares or the New Options.

### **EFFECT ON COMPANY**

#### **Effect of Offer on Capital Structure**

The Offer will only proceed if the Transaction has been completed and the Placement Securities and Consideration Securities have been issued.

Table 1 shows the number of RNI securities currently on issue and the cumulative impact that completion of the Offer and the issues of the Placement Securities and Consideration Securities will have on the capital structure of the Company (assuming that the Offer is fully subscribed and no options are exercised after the date of this Prospectus but before the Record Date).

Table 1 Securities	Currently on Issue	Increase under Offer	Increase on issue of Placement Securities	Increase on issue of Consideration Securities	Total on completion of Offer and issues of Placement and Consideration Securities
Shares	124,984,308	31,246,077	72,000,000	42,857,143	271,087,528
May 2013 Options (New Options)	-	6,249,216	14,400,000	8,571,429	29,220,645
August 2012 Options	520,000	-	-	-	520,000
November 2013 Options	4,000,000	-	-	-	4,000,000
May 2014 Options	3,300,000	-	-	-	3,300,000
<b>Total Shares on issue</b>	<b>124,984,308</b>				<b>271,087,528</b>
<b>Total fully diluted</b>	<b>132,804,308</b>				<b>308,128,173</b>

Table 2 shows the number of RNI securities that will be on issue after the issue of the Placement and Consideration Securities, and the impact that completion of the Offer will have on the capital structure of the Company at that stage (assuming that the Offer is fully subscribed and no options are exercised after the date of this Prospectus but before the Record Date).

Table 2 Securities	On issue after completion of the issues of Placement and Consideration Securities	Increase under Offer	Total on completion of Offer
Shares	239,841,451	31,246,077	271,087,528
May 2013 Options (New Options)	22,971,429	6,249,216	29,220,645
August 2012 Options	520,000	-	520,000
November 2013 Options	4,000,000	-	4,000,000
May 2014 Options	3,300,000	-	3,300,000
<b>Total Shares on issue</b>	<b>239,841,451</b>		<b>271,087,528</b>
<b>Total fully diluted</b>	<b>270,632,880</b>		<b>308,128,173</b>

Note: The above tables do not take into account the Entitlements that would attach to Shares that would be issued if any of the existing options described in the tables were exercised before the Record Date.

If the Offer is not fully subscribed, the number of Shares and New Options specified in the above tables on completion of the Offer will decrease by the under-subscribed amount.

#### Control Implications

If all Eligible Shareholders take up their Entitlements in full, the Offer will have no effect on the control of the Company.

After completion of the issue of the 42,857,143 Consideration Shares to BlueCrest and the issue of the Placement Shares, the Consideration Shares issued to BlueCrest would equate to about 17.87% of the Shares on issue before completion of the Offer (assuming no options had been exercised before completion of the issue of the Consideration Shares to BlueCrest which would dilute its percentage holding) and, with its 8,571,429 May 2013 Options, BlueCrest's potential percentage shareholding on a fully diluted basis if all RNI options on issue were exercised would be about 19%, but both these percentages will reduce accordingly if any New Shares and the attaching New Options are issued under the Offer.

If all Eligible Shareholders take up their Entitlements in full, the total percentage interest that the 42,857,143 Consideration Shares issued to BlueCrest will represent in the issued capital of the Company on completion of the Offer will equate to about 15.81 % of the Shares on issue after completion of the Offer (assuming no options have been exercised before completion of the Offer) and, with its 8,571,429 May 2013 Options, BlueCrest's potential percentage shareholding on a fully diluted basis if all RNI options on issue were exercised would be about 16.69% of the fully diluted capital of the Company.

If Eligible Shareholders do not take up their Entitlements in full, their respective percentage holdings in the Company may be diluted by the issue of New Shares to other applicants, and the percentage shareholding of Non-Resident Shareholders not permitted to participate in the Offer may also be diluted by New Shares and New Options issued under the Offer.

#### Effect of Offer on Financial Position

Assuming that the Offer is fully subscribed, the Company's cash reserves, contributed equity and net assets will increase by approximately \$10,244,024 which is the amount that would be raised pursuant to the Offer (approximately \$10,936,126), less the estimated costs of the Offer (approximately \$692,103, which includes the underwriting and management fees of approximately \$546,806 and \$109,361 respectively, plus GST of approximately \$10,936 on the management fees) that would be payable to Argonaut if the Offer is fully subscribed).

Table 3 are unaudited pro forma balance sheets showing in:

**Column 1:** An unaudited estimated pro forma balance sheet based on the unaudited accounts and balance sheet of the Company as at 31 December 2011 (Balance Date). This unaudited pro forma balance sheet has been derived from the Balance Date balance sheet adjusted to reflect material changes since the Balance Date.

**Column 2:** An unaudited pre-offer pro forma balance sheet based on the last audited accounts and balance sheet of the Company as at the Balance Date reflecting the cumulative effect of the issue of the Placement and Consideration Shares and the completion of the Transaction on the financial position of the Company.

**Column 3:** An unaudited post-offer pro forma balance sheet based on the last audited accounts and balance sheet of the Company as at the Balance Date reflecting the effect of the Offer on the financial position of the Company after taking into account the cumulative effect of the issue of the Placement and Consideration Shares and the completion of the Transaction on the financial position of the Company. The unaudited estimated Post-Offer pro forma balance sheet has been derived from the pre-offer pro forma balance sheet in column 2 adjusted to reflect the issue of 31,246,077 New Shares under the Offer at \$0.35 each to raise approximately \$10,936,127 before the costs of the Offer (assuming that the Offer is fully subscribed and no options are converted after the date of this Prospectus but before the Record Date), less the estimated costs of the Offer of approximately \$692,103.

As indicated in the Post-Offer pro-forma balance sheet above, the effect of raising a net amount of \$10,244,024 by the Offer is that cash increases by this amount, as does net contributed equity and net assets. If there is a shortfall of cash raised by the Offer, the shortfall will be reflected in a correspondingly lower amount of cash than shown above, and a lower amount of net contributed equity and net assets.

Table 3	Column 1 Pre-Transaction and Offer Pro forma \$000's	Column 2 Estimated Post Transaction but Pre- Offer Pro forma \$000's	Column 3 Estimated Post-Offer Pro forma \$000's
<b>Current Assets</b>			
Cash and cash equivalents	2,563,509	5,865,309	16,109,332
Trade and other receivables	168,670	168,670	168,670
<b>Total Current Assets</b>	<b>2,732,179</b>	<b>6,033,979</b>	<b>16,278,002</b>
<b>Non-Current Assets</b>			
Investments	30,744	30,744	30,744
Exploration assets	5,619,355	5,619,355	5,619,355
Property, plant and equipment	503,162	503,162	503,162
Fortnum Gold Project	-	35,000,000	35,000,000
<b>Total Non-Current Assets</b>	<b>6,153,261</b>	<b>41,153,261</b>	<b>41,153,261</b>
<b>TOTAL ASSETS</b>	<b>8,885,440</b>	<b>47,187,240</b>	<b>57,431,263</b>
<b>Current Liabilities</b>			
Trade and other payables	534,252	534,252	534,252
<b>Total Current Liabilities</b>	<b>534,252</b>	<b>534,252</b>	<b>534,252</b>
<b>NET ASSETS</b>	<b>8,351,188</b>	<b>46,652,988</b>	<b>56,897,011</b>
<b>Equity</b>			
Share capital	35,267,878	83,769,020	83,813,701
Reserves	2,253,823	2,253,823	2,253,823
Accumulated Losses	(29,170,513)	(29,170,513)	(29,170,513)
<b>TOTAL EQUITY</b>	<b>8,351,188</b>	<b>46,652,988</b>	<b>56,897,011</b>

## USE OF PROCEEDS

The Company intends, as at the date of this Prospectus, to apply the funds raised pursuant to the Offer as set out in Table 4.

Table 4		
Funds Raised (gross)	Amount \$	
Offer	10,936,127	
Total funds raised	10,936,127	
<b>Budgeted Expenditure</b>		
Estimated costs of Offer <sup>1</sup>	692,103	
Grosvenor Gold Projects	2,400,000	Including tenement administration and management, Heritage surveys, clearances and surveys, drilling (includes drilling, drilling logistics, contract staff, on costs and travel), assay costs and target generation, studies, reports.
Fortnum West Project	550,000	Including tenement administration; Heritage surveys, clearances and surveys, geochemical sampling assays; RAB drilling and RC drilling.
Doolgunna Project	1,335,000	Including drilling, assays, downhole geophysical survey, tenement administration, Heritage surveys and clearances and exploration logistic.
Three Rivers Project	375,000	Including tenement administration, Heritage surveys and drilling clearances, RAB drilling and assays, studies and target generation for E33.
General	50,000	Equipment, software, servers, computers, field utilities for E 34.
General	5,534,024	Plant, site and infrastructure refurbishment, administration costs and working capital.

<sup>1</sup>This is the estimated cost of the Offer, and includes provision for ASX fees, legal fees, printing and postage, share registry fees and sundry expenses (plus GST) and the fee of 5% and 1% (plus applicable GST) of the gross amount raised under the Offer that will be payable to Argonaut under the Underwriting Agreement.

If the required Shareholder approvals are not obtained by the passing of the Shareholders' Resolutions and RNI does not complete the Transaction or issue the Placement and Consideration Shares, the Offer will not proceed and the Company will apply to ASIC to withdraw this Prospectus (refer DETAILS OF THE OFFER - IMPORTANT NOTICE - Offer Conditional).

Given the nature of the Company's business, the allocation of funds detailed in the above table may change depending on environmental, regulatory, market conditions and other natural and commercial factors.

## ADDITIONAL INFORMATION

### Interests, Fees and Benefits

Other than as set out below or elsewhere in this Prospectus, no (a) Director of the Company or (b) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation and distribution of this Prospectus or (c) stockbroker or manager to the offer of securities under this Prospectus, has or had within 2 years before lodgement of this Prospectus with ASIC any interest in (i) the formation or promotion of the Company or (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the offer of securities under this Prospectus or (iii) the offer of securities under this Prospectus; and no amounts have been paid or agreed to be paid and no amounts have been given or agreed to be given to any of those persons as an inducement to become or to qualify as a Director of the Company or for services rendered in connection with the formation or promotion of the Company or the offer of securities under this Prospectus.

All Directors have stated that they intend to take up their full Entitlement under the Offer. None of them will exercise any options before the Record Date.

The direct and indirect interests of the Directors in securities of the Company as at the date of this Prospectus and their respective Entitlements are as follows.

Director	Holdings as at the date of this Prospectus				Total Entitlements	
	Shares		Options		New Shares	New Options
	Direct	Indirect	Direct	Indirect		
Miles Kennedy <sup>1</sup>	-	16,770,000	-	1,000,000	4,192,500	838,500
Albert Thamm <sup>2</sup>	-	-	1,000,000	-	-	-
John Hutton <sup>3</sup>	-	6,972,460	-	1,000,000	1,743,115	348,623
Thomas Mann <sup>4</sup>	-	1,000,000	-	1,000,000	250,000	50,000

<sup>1</sup>Miles Kennedy has a relevant interest in 16,370,000 Shares and 1,000,000 November 2013 Options held by MAK Super (WA) Pty Ltd (ACN 010 657 959) ATF MAK Superannuation Fund and 400,000 Shares held by Kennedy Holdings (WA) Pty Ltd (ACN 003 118 438) (as trustee for the Kennedy Family Trust).

<sup>2</sup>Albert Thamm has a direct relevant interest in 1,000,000 November 2013 Options held by him personally.

<sup>3</sup>John Hutton has a relevant interest in 6,657,850 Shares and 1,000,000 November 2013 Options held by JCO Investments Pty Ltd (ACN 100 562 918) (as trustee for the JH Family Trust) and 314,610 Shares held by Faustus Nominees Pty Ltd (ACN 008 874 315).

<sup>4</sup>Thomas Mann has a relevant interest in 1,000,000 Shares and a relevant interest in 1,000,000 November 2013 Options held by 1147 Pty Ltd (ACN 141 878 346) (TJ & CJ Mann S/F Pension A/c).

The remuneration paid or due to the Directors or their related entities during the period of 2 years prior to the date of this Prospectus is set out in Table 8 below.

Director	Period (12 mths ended)	Directors' Fees \$	Salary Sacrificed Super \$	Superannuation \$	Gross Remuneration \$
Miles Kennedy	17/02/2011	63,333	10,966	5,700	80,000
	17/02/2012	95,000	16,500	8,550	120,000
Albert Thamm <sup>1</sup>	17/02/2011	-	-	-	-
	17/02/2012	51,853	6,000	4,666	62,520
John Hutton	17/02/2011	36,697	-	3,302	40,000
	17/02/2012	50,458	-	4,541	55,000
Thomas Mann	17/02/2011	13,866	24,885	1,248	40,000
	17/02/2012	19,066	34,217	1,716	55,000

Note:

<sup>1</sup> Albert Thamm was engaged as a consultant by the Company prior to his appointment as a Director on 1 December 2011 and was paid an aggregate of \$20,840 as consultancy fees for his services during the period from 1 November 2011 to 30 November 2011 which is in addition to his Gross Remuneration of \$62,520 as a Director for the period from 1 December 2011 to 17 February 2012.

Directors are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

The Bagot Road Property Partnership (ABN 63 881 079 002), which is associated with Miles Kennedy and John Hutton, provides office accommodation and services to the Company at its registered offices at 34 Bagot Road, Subiaco, Western Australia. For the period from 1 October 2010, when the provision of the accommodation and services commenced, to 30 June 2011 an aggregate amount of \$75,685 (net of GST) was paid, and from 1 July 2011 to the date of issue of this Prospectus an aggregate of \$50,207 (net of GST) was paid, for rent and office expenses due to The Bagot Road Property Partnership.

The Bagot Road Group Pty Ltd (ABN 94 153 073 593), which is associated with Miles Kennedy and John Hutton, provides payroll management services to the Company and pays expenses incurred in respect of wages and fees for services performed for the Company by accountants, lawyers, managers, an engineering consultant, Company secretary, geologists, office support staff and the directors' fees due to the Company's executive directors. Since the commencement of the provision of these payroll management services on 1 December 2011 to the date of this Prospectus, an aggregate of \$200,219 of expenses (net of GST) for the Company by Bagot Road Group Pty Ltd has been reimbursed to it by the Company. The reimbursed amount includes the directors' fees for Miles Kennedy and Albert Thamm for the period 1 December 2011 to the date of issue of this Prospectus.

The Company has entered into Deeds of Access and Indemnity with Directors and has effected, and intends to maintain, Directors' and Officers' Liability insurance on behalf of the Directors.

For acting as manager and underwriter, Argonaut will be entitled to the management and underwriting fees and reimbursements of certain expenses as specified in DETAILS OF THE OFFER – Underwriter. From the management and underwriting fees, Argonaut will pay all fees required to be paid to sub-underwriters, brokers and investors in connection with the Offer. During the two years ended 17 February 2012 Argonaut has been paid approximately \$272,893 (exclusive of GST) and as management and placement fees and underwriting commission for previous services undertaken for the Company. Argonaut and its employees and/or clients may hold securities in RNI and these holdings of securities may change at any time or times.

In addition, on Completion, the Company will grant Argonaut the right, but not the obligation, to subscribe for 3,597,621 options, at an issue price of \$0.001 each, exercisable at 43.75 cents each within 3 years after Completion.

### Underwriting Agreement

In terms of the Underwriting Agreement, Argonaut has agreed to manage and underwrite the Offer on the basis that, inter alia:

1. the Underwriting Agreement relates to both the Placement and the Offer.
2. The Underwriting Agreement in relation to the Offer is conditional, inter alia, on:
  - a) Argonaut being able to obtain sub-underwriting commitments to its sole satisfaction;
  - b) the Company receiving the funds from the Placement from Placement Investors or, failing that, complies with the requirements for Argonaut to provide it with the difference between the funds received from Placement Investors and \$25,200,000. These requirements include the Company not being in breach of any term entitling Placement Investors to avoid their commitments, the Company being ready, willing and able to perform all of its obligations in relation to the Acquisition as at the Placement Settlement Date and the Company causing the Placement Securities that would have been issued to the Placement Investors who have failed to deliver their Placement Commitments into a trust account, to be issued and registered to an account or accounts nominated by Argonaut;
  - c) Shareholders pass the Shareholders' Resolutions to approve the Transaction and the issue of the Placement and Consideration Shares; and
  - d) Argonaut completing a review of the Company to its sole satisfaction.
3. The conditions are solely for the benefit of Argonaut and they may either waive the conditions, or extend the time for satisfaction of the conditions. Argonaut has confirmed that the condition described in paragraphs 2(a) and (d) have been satisfied. The Shareholders' Resolutions described in paragraph (c) are scheduled to be considered by Shareholders at the Meeting convened for 6 March 2012. If the condition specified in paragraph 2(c) is not satisfied within 2 business days after the passing of the Shareholders' Resolutions or such other date as is agreed in writing by Argonaut as the date for delivery of the Placement Funds, the remaining obligations of Argonaut under the Underwriting Agreement will immediately terminate and neither party shall have any further rights against the other party, other than in respect of breaches of the Underwriting Agreement which arose prior to its termination and any outstanding accrued obligations as to payment of fees and expenses.
4. Immediately after issue of the New Shares, the Company must pay to Argonaut an underwriting fee equal to 5% of the total value of the New Shares, a management fee of 1% of the total value of the New Shares and must pay, in addition to those fees, all costs and expenses reasonably and properly incurred by Argonaut in connection with the Placement Financing and the Offer. These costs and expenses are not to exceed \$10,000 without the prior approval of the Company.
5. If the Underwriting Agreement terminates, all of the costs and expenses incurred or accrued by Argonaut and payable by the Company under the Underwriting Agreement remain payable on Argonaut's demand.
6. Amounts payable under the Underwriting Agreement are exclusive of GST and if GST is imposed on any taxable supply made under the Underwriting Agreement, the amount of that payment will be increased by the applicable GST.
7. The Company has agreed to indemnify and keep indemnified Argonaut, its Related Bodies Corporate and their respective directors, officers, employees, agents, representatives and advisers (Indemnified Parties) from and against any and all claims, actions, damages, losses, liabilities, costs, or expenses, including costs for legal advice on a solicitor-client basis, (Losses) which any Indemnified Party incurs or suffers in respect of or in any way relating to the Offer, this Prospectus or the Underwriting Agreement, including any Losses in connection with any investigation, enquiry or hearing by the ASIC, ASX, a government or any Governmental Agency. It is acknowledged and agreed that, in relation to the indemnity, Argonaut is contracting for the benefit of each of the Indemnified

Parties and that any Indemnified Party may enforce the indemnity on his or her behalf or Argonaut may enforce it on their behalf. The Company has also agreed to reimburse or provide for payment of any Losses suffered personally by any other Indemnified Party in respect of certain matters and has agreed to reimburse the Underwriter and each of its Indemnified Parties for expenses, and to pay Argonaut and the Indemnified Parties at their standard professional charge out rate for all time spent in connection with any investigations, enquiries or legal proceedings, or defending any claim or potential claim whatsoever and from whomsoever, relating to or arising out of this Prospectus, the Offer or the Underwriting Agreement.

8. The indemnity under the Underwriting Agreement does not extend to and is not an indemnity against any amount in respect of which the indemnity would be illegal, void or unenforceable under any law; or to any Losses, to the extent that they arise, either directly or indirectly, out of the negligence, wilful misconduct or fraud on the part of the Indemnified.
9. The indemnity under the Underwriting Agreement survives completion or termination of the Underwriting Agreement, and if the indemnity is held invalid in whole or in part, Argonaut and the Company will share the Losses on a proportional basis with Argonaut contributing that proportion of the Losses that its fees as bear to the total amount of the capital raised by the Offer and the Company contributing the balance of the Losses.
10. Argonaut may elect to terminate the Underwriting Agreement if, inter alia:
  - a) the Company fails to perform or evinces an intention that it will not perform any of its material obligations under the Placement, or the Placement becomes incapable of being satisfied at the fault of the Company;
  - b) Argonaut reasonably forms the view that there is a material omission from this Prospectus or that it contains a material statement which is misleading or deceptive, or a material statement has become misleading or deceptive, or that any projection or forecast in the Prospectus becomes, to a material extent, incapable of being met or unlikely to be met in the projected time;
  - c) ASIC gives notice of intention to hold a hearing under section 739(2) of the Corporations Act or makes an interim order under section 739(3) of that act, or any person other than Argonaut who consented to being named in this Prospectus withdraws that consent;
  - d) Argonaut reasonably forms the view that a supplementary or replacement document (as appropriate) must be lodged with ASIC, and the Company does not lodge such a document in the form and content, and within the time reasonably required by Argonaut;
  - e) ASX does not give approval for the Placement Shares or the New Shares to be listed for official quotation, or if approval is granted, the approval is subsequently withdrawn, qualified or withheld;
  - f) the Company does not at any time use its best endeavours to list the May 2013 Options or the New Options issued pursuant to the Offer, on ASX;
  - g) the S&P/ASX Small Ordinaries Index (ASX Code: XSO) falls more than 10% from the date of the Underwriting Agreement for a period of 3 continuous business days;
  - h) a Director of the Company or any Related Body Corporate is charged with an indictable offence;
  - i) the Company or a Related Body Corporate takes any steps to undertake a proposal contemplated under section 257A of the Corporations Act or passes or takes any steps to pass a resolution under section 260B of that Act, without Argonaut's prior written consent;
  - j) the Company's bankers not terminating or issuing any demand or penalty notice or amending the terms of any existing facility or claiming repayment or accelerated repayment of any facility or requiring additional security for any existing facility;
  - k) any change occur to laws, regulations or policies which does or is likely to prohibit, restrict or regulate the principal business of the Company, the Offer or the operation of stock markets generally;
  - l) the Company or any Related Body Corporate fails to comply with any provision of its Constitution, any statute, a requirement, order or request, made by or on behalf of the ASIC or any Governmental Agency; or any material agreement entered into by it;
  - m) except as described in this Prospectus, the Company alters its capital structure or its constitution without the prior written consent of Argonaut;
  - n) there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, Indonesia, Japan, Russia, the United Kingdom, the United States of America, or the Peoples Republic of China, other than hostilities involving Afghanistan or Iraq, any country bordering Afghanistan or Iraq or any Arab country (being a country the majority of whose inhabitants are of Arab ethnicity);
  - o) a force majeure, which prevents or delays an obligation under the Underwriting Agreement, lasting in excess of 2 weeks occurs;
  - p) the Company is in default of any of the terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given or made by it under that Agreement;
  - q) any adverse change occurs which materially impacts or is likely to impact the assets, operational or financial position of the Company or a Related Body Corporate (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a Related Body Corporate); or
  - r) The Company suspends payment of its debts generally, an Event of Insolvency occurs in respect of a Related Body Corporate or a judgment in an amount exceeding \$50,000 is obtained against the Company or a Related Body Corporate and is not set aside or satisfied within 7 days.

## Debt facility

New Holland Capital Pty Limited (ACN 124 626 295) (New Holland), an Authorised Representative (Number 314646) of Taurus Funds Management Pty Limited (Australian Financial Services Licensee Number 307723) (Taurus) has been engaged by the Company to arrange a debt facility of approximately \$20,000,000 (Debt Facility) to assist the Company with matters relating to funding the re-start of the Fortnum Gold Project through the pursuit of a two-pronged approach which will see it undertake an extensive exploration campaign while also completing a \$10,000,000 re-commissioning of the gold treatment plant and to provide additional working capital for the proposed operations on the Fortnum Gold Project and surrounding tenements which represent a dominant tenement position, and one of the most prospective, in the Bryah Basin.

As at the date of this Prospectus the Debt Facility had not been arranged and the Directors are not currently in a position to speculate when, or if, the Debt Facility will be arranged or required.

In the opinion of the directors, the Company will not be materially disadvantaged if the Debt Facility is not arranged or is delayed. The Debt Facility does not appear as an item in the Table 4 Use of Proceeds and the Company will still be able to pursue its objectives but will do so at a reduced rate than if the Debt Facility had been arranged.

## Share Trading History

The highest and lowest market sale price of the Shares on ASX during the 3 months immediately preceding the date of this Prospectus, and the respective dates of those sales and the last sale on the last business day on which any sales were recorded immediately preceding the date of this Prospectus, were:

	Dates	\$
Highest	28/11/2011	0.845
Lowest	24/01/2012	0.450
Latest	16/02/2012	0.475

The highest and lowest market sale price of the Shares on ASX during the 12 months immediately preceding the date of this Prospectus, and the respective dates of those sales, were:

	Dates	\$
Highest	29/04/2011	1.60
Lowest	24/01/2012	0.45

## Continuous Disclosure and Documents Available for Inspection.

For the purposes of the Corporations Act, the Company is a "disclosing entity" and as such, it is subject to regular reporting and disclosure obligations. This Prospectus is issued in accordance with section 713 of the Corporations Act and incorporates by reference into this Prospectus the documents itemised below that have been lodged by the Company with either of ASIC or ASX. Copies of documents lodged with ASIC in relation to the Company may be obtained from or inspected at an office of ASIC.

Any person has the right to obtain a copy of the following documents, and the Company will provide a copy of each of the following documents, free of charge, to any person who asks for it during the application period for this Prospectus:

- the financial report of the Company for the financial year ended 30 June 2011, being the last audited annual financial report lodged with ASIC on 27 October 2011 in relation to the Company before the issue of this Prospectus;
- all documents used to notify ASX of the information relating to the Company under ASX Listing Rules since the lodgement of the financial report referred to in a) above. As at the date of this Prospectus, the only such documents were as follows.

Date	Document Description
13/02/12	Investor Presentation
10/02/2012	Review of Doolgunna reveals extensive copper-gold anomalism
3/02/2012	Notice of General Meeting/Proxy Form
30/01/2012	Quarterly Cashflow Report
30/01/2012	Quarterly Activities Report
23/01/2012	Reinstatement to Official Quotation
23/01/2012	RNI finalises terms of \$35M Fortnum Gold Project acquisition
20/01/2012	Suspension from Official Quotation
19/01/2012	Trading Halt
9/01/2012	RNI to become Australian gold producer following \$35m deal
4/01/2012	Trading Halt
1/12/2011	Initial Director`s Interest Notice
1/12/2011	RNI strengthens Board
29/11/2011	Results of Meeting
29/11/2011	2011 AGM Presentation
29/11/2011	Exploration Update RNI Intersects 9m Sulphides at Doolgunna

16/11/2011	Appendix 3B
31/10/2011	Quarterly Cashflow Report
31/10/2011	Quarterly Activities Report
27/10/2011	Annual Report to shareholders

## Risks

Exploration and mining, by its nature, contains elements of significant risk. Ultimate success depends on the discovery and extraction of economically recoverable and marketable mineral resources, obtaining and maintaining the necessary titles and other government regulatory approvals, obtaining and servicing of funding arrangements and otherwise funding the exploration and mining operations.

The value of the Company's securities is likely to fluctuate depending on various factors including the success of its operations and programmes, the general economic and stock market conditions in Australia and worldwide, the price of commodities, exchange rates, unexpected variations in exploration, mining, development and operating costs and political and social changes. Many of these factors are beyond the Company's control.

The above statement of risk factors is by way of illustration only. There are numerous other risk factors inherent in an investment in the Company's securities, and there can be no assurance whatsoever that a return on investment will be obtained by investing in the Company's securities, or that the investment therein will not be lost. Further, an investment in the Company's securities should be considered in light of recent Australian and world events, which have had a significant impact on the stability of financial markets in Australia and worldwide and the ultimate consequences of which cannot be predicted with any certainty.

### Taxation implications for Shareholders

The Directors do not consider it appropriate to give Shareholders advice regarding the potential taxation consequences of subscribing for New Shares and free attaching New Options under the Offer and the Company, its officers and advisors do not accept any liability or responsibility in respect of any such taxation consequences to Shareholders.

Furthermore, the taxation implications for each Shareholder will also depend on their particular circumstances, and the Directors accordingly recommend that you seek your own professional tax advice concerning the tax consequences for you which arise from the Offer. You should seek this advice whether or not you wish to accept your Entitlement.

### Non-Residents

The Offer (and Shortfall Offer) is made to Eligible Shareholders with registered addresses in Australia and New Zealand as at the Record Date and Non-Residents should consult their professional advisors as to whether any formalities need to be observed (either by themselves or the Company) to enable them to subscribe for New Shares and free attaching New Options. It is the responsibility of Non-Residents to obtain all necessary approvals so they may legally subscribe for (and be issued) the New Shares and New Options. The return of a completed application form from a Non-Resident applicant will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained and that the Company may legally issue the New Shares and New Options to the applicant.

### Rights and Liabilities Attaching to Shares

New Shares issued under this Prospectus will, from the time they are issued, rank *pari passu* in all respects with the Company's existing Shares. The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights, privileges, and restrictions attaching to all Shares.

- (a) Subject to any special rights or restrictions for the time being attached to any class or classes of Shares (at present there are none), at a general meeting every Shareholder present in person or by proxy, representative or attorney has on a show of hands one vote and on a poll one vote for each share held.
- (b) Subject to the rights of Shares issued with any special or preferential rights (at present there are none), any profits of the Company, which the Company from time to time distributes by way of dividend, will be divisible amongst the Shareholders in proportion to the Shares held by them respectively.
- (c) Subject to the rights of Shareholders (if any) with Shares with special rights in a winding-up (at present there are none), on a winding-up of the Company, all assets which may be legally distributed amongst the Shareholders will be distributed in proportion to the Shares held by them.
- (d) Subject to payment of stamp duty and to some limited restrictions contained in the Company's Constitution, ASX Listing Rules and the Corporations Act, Shares are freely transferable.
- (e) Where Shares of different classes are issued, the rights attaching to the Shares of a class can thereafter only be varied by a special resolution passed at a general meeting of the holders of the Shares of that class, or with the written consent of the holders of at least three quarters of the issued Shares of that class.
- (f) Each Shareholder is entitled to receive notice of and to attend and vote in person or by proxy, representative or attorney at general meetings of the Company and to receive all notices, financial reports and other documents required to be furnished to Shareholders under the Company's Constitution or the Corporations Act.

**TERMS AND CONDITIONS OF OPTIONS EXERCISABLE AT \$0.60 EXPIRING 31 MAY 2013**

The New Options will each be subject to the following terms and conditions.

1. **Definitions**

**ASX** means ASX Limited (ABN 98 008 624 691).

**ASX Listing Rules** means the Listing Rules of the ASX (including the ASTC Settlement Rules, ASX Market Rules and the ACH Clearing Rules).

**Corporations Act** means the Corporation Act 2001 (Cth).

**Exercise Price** means the exercise price of each New Option, being \$0.60.

**Expiry Date** means 5.00pm (WST) on 31 May 2013.

**Exercise Notice** means the form prescribed by RNI from time to time for the purpose of exercising New Options.

**Option Holder** means the person or persons registered as the holder of one or more New Options from time to time.

**Option Period** means the period from the date of issue of the New Options to the Expiry Date.

**RNI** means Resource and Investment NL ABN 77 085 806 284.

**RNI Share** means a fully paid ordinary share in the capital of RNI.

**Shareholder** means a holder of an RNI Share.

2. Each New Option is transferable and RNI will apply to ASX for the New Options to be listed for trading on ASX.
3. Subject to these Terms and Conditions, each New Option carries the right to subscribe for one RNI Share.
4. New Options may be exercised by delivering to RNI's registered office or RNI's share registry an Exercise Notice at any time prior to the Expiry Date.
5. The Exercise Notice must state the number of New Options to be exercised and be accompanied by the relevant holding statement(s) and a cheque (in Australian currency) made payable to RNI for an amount being the result of the applicable Exercise Price multiplied by the number of New Options being exercised.
6. Following receipt of a properly executed Exercise Notice and application monies in respect of the exercise of any New Options, RNI will issue the resultant RNI Shares and deliver notification of shareholdings.
7. RNI will make application to have the RNI Shares (issued pursuant to an exercise of New Options) listed for quotation by ASX within 7 days of the date of issue.
8. RNI Shares issued pursuant to an exercise of New Options shall rank, from the date of issue, *pari passu* with existing RNI Shares in all respects.
9. New Options carry no right to participate in pro rata issues of securities to Shareholders unless the New Options are exercised before the record date for determining entitlements to the relevant pro rata issue.
10. Each Option Holder will be notified by RNI of any proposed pro rata issue of securities to Shareholders in accordance with ASX Listing Rules.
11. Subject to Condition 12 below, the Corporations Act and ASX Listing Rules, New Options do not confer the right to a change in Exercise Price.
12. In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of RNI, the terms of the New Options will be changed to the extent necessary to comply with the requirements of the ASX Listing Rules (in force at the time of the reorganisation).

**Privacy**

The Company, and the Company's Share Registrars on its behalf, hold personal information about the holders of the Company's securities. If you complete an acceptance or application form you will be providing personal information to the Company (directly or to the Company's Share Registrars) which will be collected, held and used to process and administer your application and your investments in the Company. The Company and the Company's Share Registrars may be required to disclose that information to third parties. Applicants can access, correct and update their personal information held by or on behalf of the Company by contacting the Company or the Company's Share Registrars the Company at the respective addresses and contact numbers specified in this Prospectus.

<b>Glossary</b>	
\$ and cents	Australian currency.
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691).
ASX Listing Rules	The listing rules of ASX (including the ATSC Settlement Rules, ASX Market Rules and the ACH Clearing Rules).
August 2012 Options	Options to subscribe for Shares at an exercise price of \$0.40 each, exercisable, subject to the terms and conditions of those options, on or before 7 August 2012.
Cents	Australian cents.
Company	Resource and Investment NL (ABN 44 111 501 663).
Company's Share Registrars	Security Transfer Registrars Pty Ltd (ACN 008 894 488) of 770 Canning Highway, Applecross WA 6153 and PO Box 535, Applecross WA 6953.
Completion	Completion of the sale and purchase of the GG Share in accordance with the SPA.
Consideration Securities	The Consideration Shares and 8,571,429 free attaching May 2013 Options, being 31 May 2013 Option for every 5 Consideration Shares issued, with fractional entitlements to May 2013 Options being rounded up to the next whole number.
Consideration Shares	42,857,143 Shares.
Constitution	The Company's constitution.
Corporations Act	Corporations Act 2001 (Cth).
Director	A director of the Company.
Eligible Shareholders	A Shareholder as at the Record Date who is not a non-resident.
May 2013 Options	Options to subscribe for Shares at an exercise price of \$0.60 each, exercisable, subject to the terms and conditions of those options, on or before 31 May 2013, being the same terms and conditions as are applicable to the New Options.
May 2014 Options	Options to subscribe for Shares at an exercise price of \$1.00 each, exercisable, subject to the terms and conditions of those options, on or before 17 May 2014.
Non-Residents	Persons with registered addresses outside Australia or New Zealand.
November 2013 Options	Options to subscribe for Shares at an exercise price of \$1.00 each, exercisable, subject to the terms and conditions of those options, on or before 25 November 2013.
Placement	The issue of the Placement Securities to Placement Investors.
Placement Commitments	The binding commitments entered into by the Placement Investors with Argonaut to provide the Placement Funds on or before the Placement Settlement Date.
Placement Funds	The funds committed by the Placement Investors in the Placement Commitments equal to approximately \$22.5 million or such other amount as is committed under the Placement and agreed by Argonaut.
Placement Investors	The investors who make Placement Commitments.
Placement Securities	The Placement Shares and approximately 14,400,000 free attaching May 2013 Options, being 31 May 2013 Option for every 5 Placement Shares issued, with fractional entitlements to May 2013 Options being rounded up to the next whole number.
Placement Settlement Date	The date which is two business days after the day on which Shareholder approval is obtained in relation to the Placement or such other date specified as is agreed as the date for delivery of the Placement Funds in writing by Argonaut.
Placement Shares	72,000,000 Shares issued at a price of \$0.35 each.
Record Date	5.00pm (WST) on 28 February 2012.
Related Body Corporate	A "related body corporate" within the meaning of that expression in the Corporations Act.
Related Parties	"Related parties" within the meaning of that expression in the Corporations Act.
Share	Fully paid ordinary share in the capital of the Company.
Shareholder	A holder of an RNI Share.
Shortfall Offer	The offer of New Shares, with free attaching New Options, comprised in the Shortfall made to Eligible Shareholders pursuant to the section entitled DETAILS OF THE OFFER - Shortfall.
WST	Australian Western Standard Time.

## CONSENTS

Security Transfer Registrars Pty Ltd (the Company's Share Registrars) has been named in this Prospectus for information purposes only and has not consented to being named herein.

Argonaut has given, and at the time of issue, has not withdrawn its consent to be named as manager and underwriter to the Offer of securities under the Prospectus and the issue of the Placement Shares, in the form and context in which it is named.

**Directors' Consent**

This Prospectus has been issued by Resource and Investment NL and each Director has consented to the lodgement of this Prospectus with ASIC and ASX.

A handwritten signature in black ink, appearing to be 'Miles Kennedy', written in a cursive style.

**MILES KENNEDY  
CHAIRMAN**

Date: 17 February 2012