



Resource & Investment NL

QUARTERLY REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2008

ASX CODE: RNI

RESOURCE AND INVESTMENT NL ABN 77 085 806 284

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1.0 Exploration Projects

1.1 Camutue Project – Angola

By Agreement dated 4 May 2006, and amendments thereto, between the Angolan based company, Tecmad – Mining Services SARL, (Tecmad) Resource & Investment (RNI) agreed to do all things necessary to build, commission and operate diamond mining activities at the Camutue Associated Deposits, in north-eastern Angola's Luanda Norte Province in return for a monthly management fee of not less than US\$100,000 per month from the commencement of production. The commissioning of the operation was successfully completed and diamond production commenced in June 2007 and has continued since that time.

By notice to RNI, dated 20 October 2008 and sent to RNI's Johannesburg office, Tecmad gave RNI one month's Notice of Termination of the Agreement dated 4 May 2006, together with the First and Second Deeds of Amendment, pursuant to its right to terminate under the provisions of Clause 21.2 of the Agreement. Whilst the Agreement does not require Tecmad to give any reasons for its decision, its Notice of Termination advised "We would like to make it clear that the reasons for termination have nothing to do with the quality of services which RNI has provided us hitherto, which have been of a good standard. Rather it is internal restructuring regarding the Camutue Concession which is prompting this action".

Accordingly, RNI will cease to operate at Camutue with effect from 20 November 2008.

1.2 Yule River Project – Pilbara Region, Western Australia

RNI maintains the right under the Agreement with Brumby Resources Limited to:

- a. receive a 1% Net Smelter Royalty on all future mineral production from the Yule River Project Tenements, which may be developed by Brumby; and
- b. explore for and mine all Alluvial Deposits on certain of the tenements, including E47/1193,1340 and 1341, all held by Brumby Creek Pty Ltd (formerly Brumby Creek NL). Alluvial Deposits are defined as all rock materials from the present land surface to a vertical depth of two metres below the basement/alluvial interface. RNI intends to develop a program of work to explore the Alluvial potential relating to its rights – primarily focusing on mineral sands.

1.3 Mining Tenements as at 30 September 2008

Schedule of Mining Tenements – 30 September 2008				
	Tenement	Area (km ²)	Date of Grant	Notes
Yule Project	E45/2939	192	20/04/2007	1
	E47/1730	61	Application	1
	E47/1731	144	Application	1
	E47/1750	225	8/9/06	1
	E47/1751	48	8/9/06	1
1 Held by RNI subject to an agreement with Brumby Resources Ltd that entitles RNI a 1% net smelter royalty on all future mineral production.				

2. South African Subsidiaries

The Company has received an offer expressing interest in acquiring the Company's South African subsidiary company and all the Company's other assets in Africa in return for the offeror paying \$250,000 and assuming responsibility for, and indemnifying the Company against, all the Company's liabilities in Africa. The Company will now actively pursue this offer.

MILES KENNEDY
CHAIRMAN

28 October 2008