

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003

Name of entity RESOURCE AND INVESTMENT NL

ABN 77 085 806 284

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | |
|--|---|
| 1 +Class of +securities issued or to be issued | Shares
Options |
| 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued | 4,000,000 shares
3,000,000 options |
| 3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion). | Shares, as existing ordinary shares
Options terms attached as Annexure A |
| 4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state: <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | Shares – yes
Options on exercise |

+ See chapter 19 for defined terms.

5	Issue price or consideration	Shares: \$0.06 each	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	4,000,000 shares issued on exercise of 4,000,000 options exercised at \$0.06 each. Options issued pursuant to the terms and conditions of an Option Agreement between the Company and Ascidian Prospecting Pty Ltd dated 30 April 2010, details of which were released to the market on that date.	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	Shares 3/5/2010 Options 30/4/2010	
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		51,714,654	Ordinary fully paid shares
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		550,000	Options expiring 24/11/2010 exercisable at \$0.90
		1,500,000	Options expiring 7/9/2011 exercisable at \$1.50
		2,000,000	Options expiring 18/11/2014 exercisable at \$0.06
		3,000,000	Options expiring 28/06/2013 at \$0.12
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Company does not have a dividend policy.	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	

+ See chapter 19 for defined terms.

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- 18 Names of countries in which the entity has +security holders who will not be sent new issue documents
Note: Security holders must be told how their entitlements are to be dealt with.
 Cross reference: rule 7.7.
 - 19 Closing date for receipt of acceptances or renunciations
 - 20 Names of any underwriters
 - 21 Amount of any underwriting fee or commission
 - 22 Names of any brokers to the issue
 - 23 Fee or commission payable to the broker to the issue
 - 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders
 - 25 If the issue is contingent on +security holders' approval, the date of the meeting
 - 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
 - 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
 - 28 Date rights trading will begin (if applicable)
 - 29 Date rights trading will end (if applicable)
 - 30 How do +security holders sell their entitlements *in full* through a broker?
 - 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
 - 32 How do +security holders dispose of

+ See chapter 19 for defined terms.

their entitlements (except by sale through a broker)?

33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1 – SHARES ONLY

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?
 If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now
 Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)

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42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

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Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
 Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: 3 May 2010

(company secretary)

Print name: Jean Mathie

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+ See chapter 19 for defined terms.

RESOURCE AND INVESTMENT NL
ABN 77 085 806 284
TERMS OF OPTIONS
EXERCISABLE AT \$0.12 EACH PRIOR TO 28 JUNE 2013

- A. Definitions:
- (i) **ASX** means ASX Limited (ABN 98 008 624 691).
 - (ii) **Company** means Resource and Investment NL (ABN 77 085 806 284).
 - (iii) **Exercise Price** means the exercise price of each Option, being \$0.12.
 - (iv) **Expiry Date** means 5.00pm (WST) on 28 June 2013.
 - (v) **Exercise Notice** means the form prescribed by the Company from time to time for the purpose of exercising Options.
 - (vi) **Listing Rules** means the Listing Rules of the ASX (including the ASTC Settlement Rules, ASX Market Rules and the ACH Clearing Rules).
 - (vii) **Option Holder** means the person or persons registered as the holder of one or more Options from time to time.
 - (viii) **Option Period** means the period from the date of issue of the Options to the Expiry Date.
 - (ix) **Share** means a fully paid ordinary share in the capital of the Company.
 - (x) **Unexercised Option Holder** means any person or persons registered as the holder of Unexercised Options.
 - (xi) **Unexercised Options** means all Options not exercised on or before the Expiry Date.
- B. Each Option is transferable but unlisted.
- C. Subject to these Terms and Conditions, each Option carries the right to subscribe for one Share.
- D. The Options may be exercised by delivering to the Company's registered office or the Company's share registry an Exercise Notice at any time prior to the Expiry Date.
- E. The Exercise Notice must state the number of Options to be exercised and be accompanied by the relevant holding statement(s) and a cheque (in Australian currency) made payable to the Company for an amount being the result of the applicable Exercise Price multiplied by the number of Options being exercised.
- F. Following receipt of a properly executed Exercise Notice and application monies in respect of the exercise of any Options, the Company will issue the resultant Shares and deliver notification of shareholdings.
- G. The Company will make application to have the Shares (issued pursuant to an exercise of the Options) listed for quotation by ASX within 7 days of the date of issue.
- H. Shares issued pursuant to an exercise of the Options shall rank, from the date of issue, pari passu with existing Shares in all respects.
- I. The Options carry no right to participate in pro rata issues of securities to shareholders unless the Options are exercised before the record date for determining entitlements to the relevant pro rata issue.
- J. Each Option Holder will be notified by the Company of any proposed pro rata issue of securities to shareholders in accordance with ASX Listing Rules.
- K. Subject to the Corporations Act 2001 (Cth) and Listing Rules, the Options do not confer the right to a change in Exercise Price.
- L. In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of the 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).