



**QUARTERLY REPORT
FOR THE PERIOD ENDED 30 JUNE 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

- Diamond production commenced during June 2007 at the Camutue Diamond Project in Angola where Resource and Investment NL (**RNI** or the **Company**) is managing and supervising all production activities under an Operating Agreement with the Angolan-based company, Tecmad – Mining Services SARM.
- Under its month by month agreement with Tecmad, the Company receives a fee of US\$100,000 per month for managing production including all activities relating to run-of-mine production, as well as supervising the weighing, sampling, testing and assaying of diamonds.
- The Camutue Project is located in north-eastern Angola's Lunda Norte Province, 10km east of the town of Lucapa. Modern mining and diamond production infrastructure has been established on site.
- Diamond production for the June quarter from the Camutue Diamond Project was 7,509 carats from 125,164 cubic metres of ore processed. The average stone size was 0.674 carats, with an average gross sale price of US\$555/carats and a net sale price of US\$494/carats. Production statistics for the quarter are summarised below.

| | April | May | June |
|--------------------------------|---------|----------|----------|
| Cubic metres processed | 33,605 | 51,105 | 40,454 |
| Carats recovered | 1,802.7 | 2,389.71 | 3,316.45 |
| Ave stone size (cts) | 0.706 | 0.735 | 0.613 |
| Gross selling price (\$/carat) | 545 | 608 | 522 |
| Net selling price (\$/carat) | 485 | 541 | 465 |

The monthly average plant throughput as well as the average selling price per carat have been down as compared to the previous quarter.

1.2 West Coast Project- South Africa

- The Company has reached agreement to divest this project to Prismatic Diamonds (Pty) Limited for a total purchase price of US\$1.5 million, payable over three years.
- The old order permits and rights are in the lengthy process of conversion, prior to the acquisition by Prismatic Diamonds (Pty) Limited.
- In the interim, Prismatic is continuing to explore and mine the Namakwa Concessions under RNI's existing licences, with the cost of converting the existing permits covered by Prismatic. In addition, Prismatic will pay a rental of R75,000 per month to RNI once exploration and mining commences.

1.3 Yule River Project – Pilbara Region, Western Australia

In February 2008, RNI reached agreement to sell the Yule River Project tenements to ASX-listed Brumby Resources Limited. Under the terms of the sale agreement, Brumby will manage the tenements and will be responsible for meeting all expenditure commitments and costs.

RNI will receive a 1% Net Smelter Royalty (NSR) on all future mineral production from the Yule River Project tenements.

The Yule River Project includes six exploration licences and applications and covers an area of 690 square kilometres. The area is located 65 kilometres south-west of Port Hedland and 30 kilometres north of Range River Gold Limited's, Indee gold mine.

1.4 Mining Tenements as at 30 June 2008

| Schedule of Mining Tenements – 30 June 2008 | | | | |
|--|----------|-------------------------|---------------|-------|
| | Tenement | Area (km ²) | Date of Grant | Notes |
| Yule Project | E45/2939 | 192 | 20/04/2007 | 1 |
| | E47/1131 | 20 | 30/09/2002 | 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.

MILES KENNEDY CHAIRMAN

30 July 2008

COMPETENT PERSON

The geological information in this report is based on data compiled by David Jones BSc (Hons) MSc who is a corporate member of the Australasian Institute of Mining and Metallurgy and who has had more than five years experience in the field of activity being reported on. Mr Jones is qualified as a competent person as defined in the 2004 Edition of the Australian Code for Reporting Exploration Results, Mineral Resource, and Ore Reserves. He has consented to the inclusion of this information in the form and context in which it appears in this report. The Australian Stock Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.