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STOCK EXCHANGE ANNOUNCEMENT

October 4, 2011

Waterloo Research Expedition Completed

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A research field trip to the Waterloo project in the Northern Territory was recently completed. A team led by Dr David Murphy from the Queensland University of Technology conducted field mapping and sophisticated geochemical sampling in order to assess the formation sequences of basalts at Waterloo.

Full analysis of geochemical and petrological work is being compiled with findings to be used to further narrow exploration targets prior to the maiden drilling program currently being planned for the end of 2011.

Executive Summary

- A team from the Queensland University of Technology has completed a research expedition to the Company's Waterloo project 80km southeast of Kununurra.
- As part of the winter 2011 field trip a series of stratigraphic traverses to the south of the previously mapped area in the vicinity of Riedel shears to the east and west of the Blackfellow Creek Fault were conducted.
- All stratigraphic traverses were extensively sampled for petrological and geochemical investigation. This will include petrological and barometry assessments that are now underway.

Research Expedition Completed

Proto Resources & Investments Ltd ("Proto", "the Company") is pleased to announce that a team from the Queensland University of Technology ("QUT") led by Dr David Murphy has completed a research expedition over the Company's Waterloo project. Waterloo is being explored under Proto's joint venture with Peak Mining and Exploration Limited ("Peak") and is situated approximately 80km southeast of Kununurra in the Kimberley region of the Northern Territory. Waterloo sits within the extensive Antrim Plateau Volcanics. Waterloo comprises two granted exploration licenses (EL27416 and EL27420) and two applications (EL28504 and EL28505) that sit near the major structural feature, the Blackfellow Creek Fault.

Proto is a strong supporter of university collaborations and in addition the program with QUT, also expects to announce the finalisation and launch of a complementary field program led by Dr Mike Widdowson, a leading UK-based volcanologist, in the next few weeks. Dr Widdowson is to be seconded to Proto as part of an exploration collaboration that will include the funding of a PhD student focused on Proto's exploration in and around Waterloo in the NT, including the Lindeman's Bore and Wave Hill projects. Dr Widdowson's

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work will be central to the sighting of drilling in the NT, which is now being planned based on structural features, geochemical results and the anomalous geophysical results identified earlier in 2011.

Geological Background

The Waterloo area contains substantial outcrop of the Antrim Plateau Volcanics that represents a Mid-Cambrian Large Igneous Province ("LIP") consisting of a thick pile of tholeiitic lava flows and interbedded sedimentary material. This LIP is believed to be prospective for Noril'sk-style Ni-Cu-PGE mineralisations. Understanding the volcanic stratigraphy and the volcanic facies of the lava flows is key to understanding the relationship between faulting in the area and the role of faults in providing loci of extrusion for volcanic feeder vents with the focus being around the Blackfellow Creek Fault. This is integral to identifying the locations of potential shallow intrusions that could be situated beneath feeder vents and would be the potential location for Ni, Cu and PGE mineralisation.

In 1969 the Bureau of Mineral Resources ("BMR") drilled two regional stratigraphic drill holes in the Waterloo area: Waterloo 1 and Waterloo 2 (Bultitude, 1972).¹ The stratigraphic holes were dominantly Reverse Circulation ("RC") drilling with some short diamond drill core. Bultitude (1972) interpreted both Waterloo 1 and 2 to contain very thick lava flows (the thinnest lava flows were ~3.5m and extended to lavas in excess of 30m thick). These two drill holes were resampled in May 2011 to verify Bultitude's (1972) stratigraphy and to sample the drill holes for petrography and geochemistry.

Unfortunately, due to the generally small size of the RC drill chips detailed vulcanological information was very difficult to ascertain. Nevertheless, it was evident that the original logging of Bultitude was excellent given the nature of the RC drill chips. In an effort to glean more information from the stratigraphic holes each 5 foot drilling interval was sampled. A subset of this sampling is being analysed for petrography, major and trace element analysis. This will potentially provide evidence for additional lava units within some of the more disrupted intervals and also provide valuable information on the eruptive evolution of the volcanic sequence in the Waterloo area that can be matched to and augment the field evidence that was collected in July 2011.

Expedition Geological Aims

The Waterloo area in the vicinity of the Blackfellow Creek Fault has extensive outcrops of the Antrim Plateau Basalts. This trip follows the earlier one in November 2010, when the northern most basaltic outcrops in the vicinity of the Blackfellow Creek Fault were extensively mapped through a series of stratigraphic traverses. In that area the basalts were found to be almost perfectly flat lying and have relatively low degrees of alteration. In addition, most of the area mapped to the west of the Blackfellow Creek Fault demonstrated a coherent stratigraphic package of lavas that could be correlated over ~10km. However, a small number of traverses that were done further to the south but still to the west of the fault and traverses to the east of the fault all had very different stratigraphies that could not be correlated. Upon investigation of aerial photographs and regional magnetic data it became clear that the Blackfellow Creek Fault had a number of fault splays that appeared to be Riedel shears that correlated with the stratigraphic breaks.

As part of the field trip a series of stratigraphic traverses to the south of the previously mapped area in the vicinity of Riedel shears to the east and west of the Blackfellow Creek Fault were conducted. These have

¹ Bultitude, R.J. (1971) *The Antrim Plateau Volcanics, Victoria River district, Northern Territory*. Bureau of Mineral Resources, Geology and Geophysics, BMR Record 1971/069.

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been completed to provide data to better constrain the stratigraphy between the faults and to ascertain whether or not the Black Fellow Creek fault and the Riedel Shears separate distinct coherent fault bound blocks. The traverses are in the vicinity of the two regional stratigraphic drill holes, Waterloo 1 and 2, that were drilled by the BMR in 1969. This will now allow for the stratigraphic sequences encountered within the drill holes to be extended vertically.

All stratigraphic traverses were extensively sampled for petrological and geochemical investigation. The geochemical data obtained will examine features of the lava to make inferences about the lava formation. This will include petrological and barometry calculations (i.e., low pressure and melting experiments). This work is now underway and will provide invaluable information on the location of potential vents across a larger area of Proto's tenements.

The field trip also investigated the nature of malachite mineralisation around the Limestone Hill locality. Several days were spent collecting samples and mapping zones of mineralisation at the Antrim Plateau Volcanics/Headleys Limestone contact.

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Competent Persons Statement

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves, together with any related assessments and interpretations, is based on information reviewed by Mr Peter Peebles a full-time employee of Darlington Geological Services Pty Ltd. Mr Peebles is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Peebles consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.