

PROTO



RESOURCES & INVESTMENTS LTD

STOCK EXCHANGE ANNOUNCEMENT

13 December 2011

Northern Territory Copper Exploration Update

ASX Release Stock Code: PRW

Proto is pleased to announce that drilling of the 500m by 500m bedrock conductor copper prospect at Lindeman's Bore has now commenced. The hole is being funded by Peak Mining and Exploration Limited under its earn-in to the project.

Executive Summary

- Drilling commencement at Proto's 50%-owned Lindeman's Bore project targeting a large tabular electromagnetic anomaly.
- 600-800m diamond core drill hole to be funded by Peak Mining and Exploration Limited over the next 10 days prior to Christmas.
- Targeting for poly-metallic nickel-copper and platinum group elements continuing with further assistance from The Open University, UK and the Queensland University of Technology.
- Proto is currently increasing its copper exploration activities. Copper is the Company's second metal commodity target, which is being pursued for commercial exploitation after nickel.

Drilling Commencement at Lindeman's Bore

The Board and Management of Proto Resources & Investments Ltd ("Proto", the Company) are pleased to announce that the Company has commenced drilling a 600-800m diamond core hole at Proto's 50%-owned Lindeman's Bore project located 380km southwest of Katherine in the Northern Territory. Proto is drilling this new third drill hole in joint venture with Peak Mining and Exploration Limited ("Peak Mining") who are providing the funding for the drilling campaign. It is expected that drilling will take 10 days to complete and progressive updates will be given in relation to drilling conditions and the geological zones that are intersected. Proto is utilizing Wild Drilling Services Ltd who successfully drilled the first Lindeman's Bore hole to drill the current hole.

Proto is targeting a tabular 500m by 500m electromagnetic anomaly, the top of which is relatively close to surface. This exploration target has been prepared for Proto and Peak Mining by Southern Geoscience Consultants Pty Ltd who designed and managed a comprehensive programme of airborne magnetotellurgics followed by ground electromagnetic surveys to confirm the presence of the anomaly discovered in the airborne Z-Axis Tipper Electromagnetic ("ZTEM") survey. Proto believes the anomaly may represent a sulphide target. The presence of base metal sulphides in the area has already been

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reported from drill hole LBD-1 where minor copper mineralisation of a Mississippi Valley style was intersected.

Exploration and Commercial Strategy

Proto is excited to be drilling the Company's third hole at Lindeman's Bore in conjunction with Peak Mining exploring for copper. Proto strongly believes that its commercial proposition in relation to nickel is extremely strong with the Barnes Hill nickel project and the Barrier Bay nickel processing technology advancing successfully towards commercial production in the near term. Copper is a new focus for Proto as the Company seeks to diversify its metal portfolio prior to production commencing at Barnes Hill in Tasmania. Proto is exploring for copper in both Ni-Cu-PGE and Mississippi Valley styles of mineralisation on its extensive properties in the Northern Territory. Joint venture discussions are continuing with potential acquisitions and selective new tenement pegging likely to be imminent. Proto holds a substantial strategic portfolio of over 10,000 square kilometres of exploration licenses and applications in joint venture or wholly owned in the Northern Territory.

The Ni-Cu-PGE mineralisation exploration strategy is continuing in order for Proto to explore for ore bodies that host nickel and copper as well as precious metals in the form of platinum group elements. Proto is not single-commodity focused in nickel only, and the Company will be increasingly targeting copper in its exploration, tenement pegging and tenement acquisition. Copper metal is traded on the London Metal Exchange ("LME") and is an extremely liquid commodity enjoying firm prices and strong demand. Proto is also exploring for copper in Western Australia in the Doolgunna region of the historical Glengarry Basin. Proto has applied for five exploration licences, with four now being granted with the exception of Station Bore. These are Great Doolgunna (6.19 km²), Casey (196.8 km²), Mt Killara (135.4 km²) and Magellan North (18.44 km²). Proto will update the market further on corporate and geological development of these new exploration licence grants and looks forward to expanding further into copper as part of the Company's future strategy and value proposition.

Mr. Mortimer commented; "Copper is a logical second commodity for Proto to focus on, and two years of tenement pegging and exploration is paying off with new drill targets and joint ventures."

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Competent Persons Statement

The information in this release that relates to Exploration Results is based on information compiled by Carl Swensson, who is a Member of the Australasian Institute of Mining & Metallurgy. Mr Swensson is a director of Swensson Integrated Resource Management Services and has sufficient experience relevant to the style of mineralisation and type of deposit 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 Exploration Results, Mineral Resources and Ore Reserves". Mr Swensson consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

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