

PROTO



RESOURCES & INVESTMENTS LTD

STOCK EXCHANGE ANNOUNCEMENT

16 March 2012

Argyle Corridor and Ord Basin East Project Acquisition

ASX Release Stock Code: PRW

Proto Resources & Investments Ltd (“Proto”, “the Company”) has entered an option agreement to acquire 70% of the Argyle Corridor and Ord Basin East projects that sit along the Northern Territory-Western Australia border. The projects further enhance Proto’s search for Norilsk-Talnakh type Ni-Cu deposits and are also prospective for Keeweenawan Cu style mineralisation.

Executive Summary

- Proto has entered into a staged option over the Argyle Corridor (ELA80/4387 within Western Australia) and Ord Basin East (ELA24079 and ELA9784 within the Northern Territory) projects currently held by Uramin Pty Ltd and Kimberley Mining Pty Ltd. Under the option agreement, Proto has the right to purchase a 70% interest in the Argyle Corridor/Ord Basin East Project on acquisition payment within six months of the signing.
- Surveys to test the extension of known geochemical drainage copper anomalies, sometimes associated with visible copper mineralisation, into untested but prospective stratigraphy are the immediate focus for future exploration. In addition to these geochemical targets a number of electrical and magnetic geophysical anomalies have been identified by previous explorers (including Uramin in E80/4387) that are also immediate targets for investigation under Proto’s Norilsk-Talnakh type Ni-Cu deposit exploration model.

Option Agreement on the Argyle Corridor/Ord Basin East Projects

Proto Resources and Investments Limited is pleased to announce it has entered into a six month option agreement to acquire a 70% interest in a substantial ground holding in the Ord Basin of the Northern Territory and Western Australia. The agreement is between Uramin Pty Ltd over ELA80/4387 in Western Australia and adjoining ELA24079 and ELA9784 held by Kimberley Mining Pty Ltd in the Northern Territory (see Figure 1). In total the ground holdings cover an area of 1648km². All three tenements have considerable synergies with Proto’s existing extensive landholding in the Northern Territory with Proto’s Waterloo and Lindeman’s Bore Projects located respectively to the north and east of ELA’s 24079 and 9784. Once the option is exercised, Proto will not only have a commanding position in the Northern Territory in exploring for Norilsk-Talnakh type Ni-Cu deposits but will also expand its potential for Keeweenawan Cu style mineralisation.

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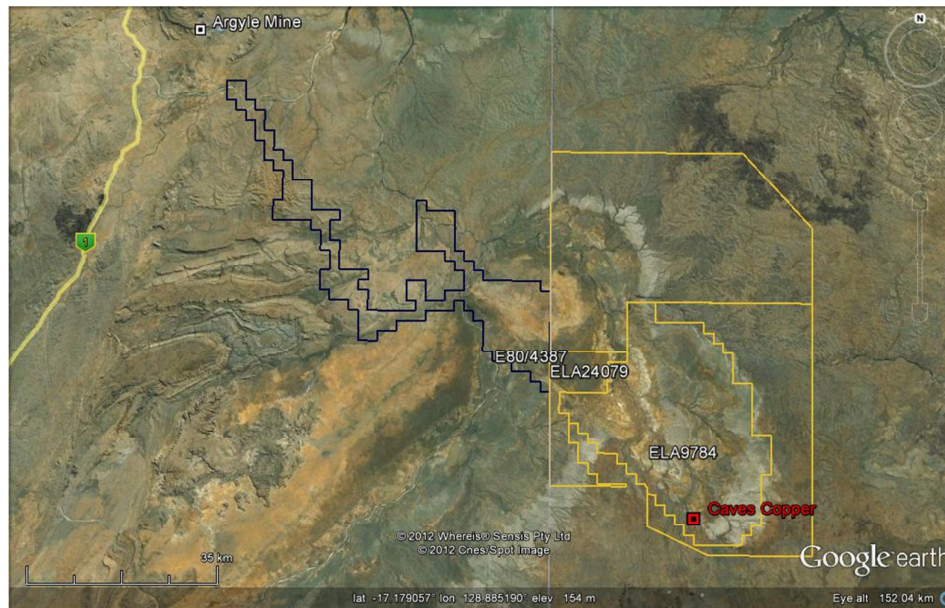


Figure 1 – Location of E80/4387 and ELA's 24079 and 9784

Proto has entered into a staged option, where Proto makes an initial non-refundable option payment to conduct on-the-ground due diligence and initial geochemical assessment. Under the option, Proto has the right to purchase a 70% interest in the Argyle Corridor/Ord Basin East Project on acquisition payment within six months of the signing of the Option Agreement. License details are listed in the table below:

Project	Tenement	Km ²	State
Argyle Corridor	ELA9784	956	NT
Ord East Basin	ELA24079	165	NT
Ord East Basin	E80/4387	527	WA
	Total	1648	

Ord Basin Geological Prospectivity

The three tenements cover the Panton sub-basin of the Ord Basin; a sequence of marine shelf limestone and shale of the late Cambrian Negri subgroup which in turn is overlain by intertidal and fluvial sands of the Elder subgroup. The sediments overlie an early Cambrian basement of tholeiitic basalt of the Antrim Plateau Volcanics. The basalts are extensive across this part of northern Australia but are thickest in this area, suggesting that the Ord Basin may have developed over a major eruptive centre associated with extension and rifting, enhancing the potential for Norilsk-Talnakh style Cu-Ni mineralisation. The emphasis on this area has been confirmed by work performed by Proto's specialist vulcanologist, Dr Mike Widdowson, who is currently under secondment to Proto from the Open University in the United Kingdom.

The genesis of the Panton sub-basin with attendant inter-cratonic extensional tectonics, rifting, graben formation, major basic volcanism and reactive rock types provide the potential for a number of styles of

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mineralisation. In addition to the potential for Norilsk-Talnakh style Cu-Ni mineralisation, the juxtaposition of the thick sequence of Antrim Plateau Volcanics in contact with reactive rock types such as the limestone and sulphidic shales of the Negri subgroup adjacent to major structures such as the Negri Fault provide the potential for analogues of the Keeweenawan Cu deposits in the northern USA.

This potential has been demonstrated historically by a number of exploration companies including Metals Exploration NL, Amoco Minerals Australia Ltd and CRA Exploration Ltd amongst others. Copper mineralisation in the form of native copper filling vesicles in basalt flow tops and as secondary copper within limestone and shale sequences has been noted in numerous locations within the Panton sub-basin. To date none of these occurrences has proved economic although significant grades were reported by Metals Exploration NL from the Caves Prospect that locates within ELA9784 (figure 1) which returned drill hole assays of 2.0% Cu over 33 feet from both vesicle-filling and disseminated and veinlet malachite and chalcocite mineralisation within the basalt of the Antrim Plateau Volcanics. Similar mineralisation was reported by Amoco Minerals from the Bigley Springs prospect where drill intercepts of 1m @ 0.62%Cu, 2m @ 1.7% Cu and 5m @ 0.62% Cu were reported.

Previous exploration has included significant geochemical programs by Metals Exploration, CRA, and Burdekin Resources Ltd, which have confirmed the extensive nature of copper mineralisation within the Panton sub-basin, with drainage copper anomalies, sometimes associated with visible copper mineralisation, extending over tens of kilometres. These anomalies and the extensions of these surveys into untested but prospective stratigraphy provide an immediate focus for future exploration. In addition to the geochemical targets a number of electrical and magnetic geophysical anomalies have been identified by previous explorers (including Uramin in E80/4387) and these may represent feeder zones to the Antrim Plateau Volcanics and hence have potential for Norilsk-Talnakh style mineralisation. Many of these align with major inferred structures.

Managing Director Mr. Andrew Mortimer commented; "Proto is very pleased to have signed this option agreement, and is very confident in the copper potential of this ground, where copper mineralisation has already been intersected in drilling. Proto will continue to increase its exposure to Northern Territory copper exploration, and look forward to commencing work on these tenements."

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Competent Persons Statement

The information in this release that relates to Exploration Results, Mineral Resources or Ore Reserves 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.