

# PROTO



RESOURCES & INVESTMENTS LTD

## STOCK EXCHANGE ANNOUNCEMENT

8 January 2013

### Q1 Gold and Nickel Drilling Update

**Stock Codes: ASX: PRW, OTCQX: POOOY**

*Proto Resources & Investments Ltd ("Proto", "the Company") is pleased to announce an update on the Q1 drilling programmes over the Company's Western Australian Mt Vettors Project (E27/0358).*

#### **Highlights**

- Two drilling programmes are to commence at Mt Vettors. A Reverse Circulation ("RC") drilling programme is to commence at Mt Vettors which is located 5km to the south of the Black Swan and Silver Swan nickel sulphide deposits. A separate Air Core ("AC") two phase drilling campaign is also to commence targeting the existing gold anomaly.
- Proto is continuing work towards sourcing potential drillers for a March diamond drill programme at Lindeman's Bore in the Northern Territory.
- A strategic focus on advancing the Company's nickel sulphide targets has been adopted and will be a priority during the start of 2013.

#### **Mt Vettors Drilling**

The Mt Vettors project (E27/0358) is Proto's Kalgoorlie area Gold-Nickel project, and is located in the Yilgarn Craton of Western Australia. The project area covers part of the Black Swan Komatiite Complex ("BSKC"), which consists of a thick sequence of olivine cumulates and spinifex textured flows. Proto has a 50% interest in the project, with the remainder held by focused private company Mt Vettors Pty Ltd.

The tenement is approximately 39kms north-east of Kalgoorlie and 5kms south of the Silver Swan high-grade nickel sulphide mine owned by Norilsk Nickel Australia that is comprised of an indicated resource of 640,000t @ 9.5%Ni as well as the Black Swan nickel sulphide deposit, also owned by Norilsk Nickel, with a probable reserve of 10.4Mt @ 0.83% Ni. These two projects highlight the potential for nickel mineralisation in and around the BSKC.

The tenement also hosts a regolith gold anomaly (with results up to 4m @ 1.0g/t Au in shallow AC drilling into the regolith) to the west of the BSKC. This anomaly remains open to the north-west, west and south.

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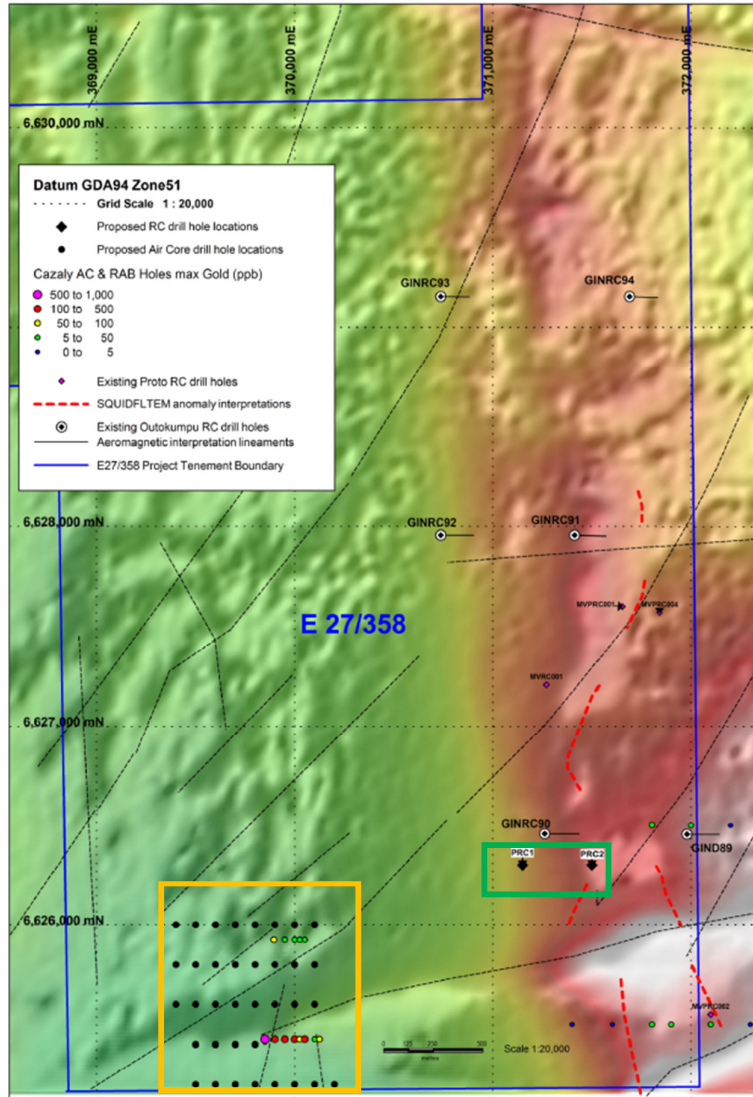
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## Location of Drilling Programmes



**Figure 1 – Proposed Drill Hole Locations with RC Holes Targeting Nickel Sulphide (Green Square) and AC Holes Targeting the Existing Gold Anomaly (Yellow Square)**

### RC Drilling to Test Nickel Sulphide Targets

Two RC drill holes intersecting the komatiite footwall of the BSKC have been approved and are scheduled to commence on the 20th January 2013. Further exploration will include down-hole surveys for detection of potential proximal sulphide bedrock conductors intercepted in the BSKC horizon.

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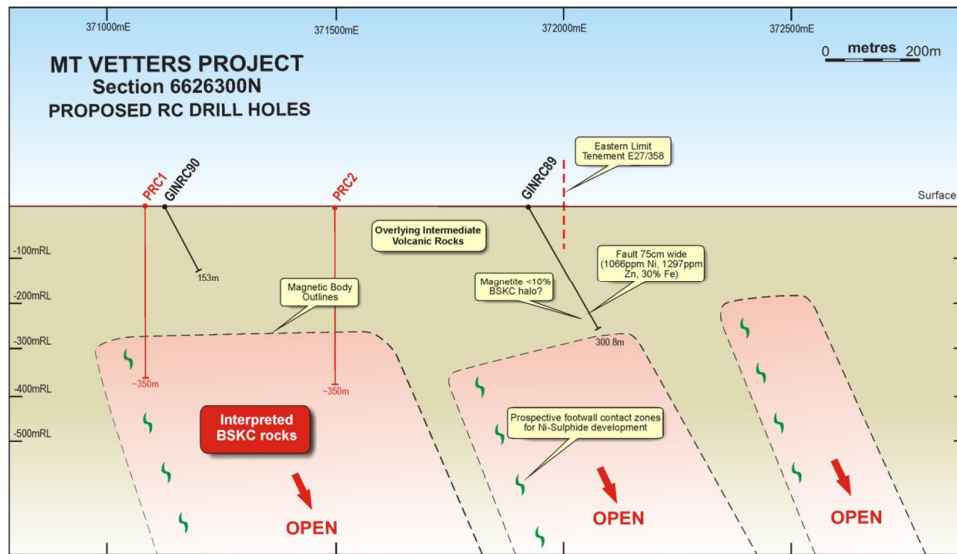


Figure 2 – Proposed RC Drill Hole Cross-Section for Interpreted BSKC Bedrock Testing

**Air Core Drilling to Test Gold Targets**

A two phase AC drilling programme will commence over the regolith gold anomaly in the western mafic/ultramafic horizon of the tenement. On completion of the regolith anomaly delineation the Company plans to complete a follow-up RC drilling programme to test for potential underlying bedrock gold mineralisation (see Figure 3 below).

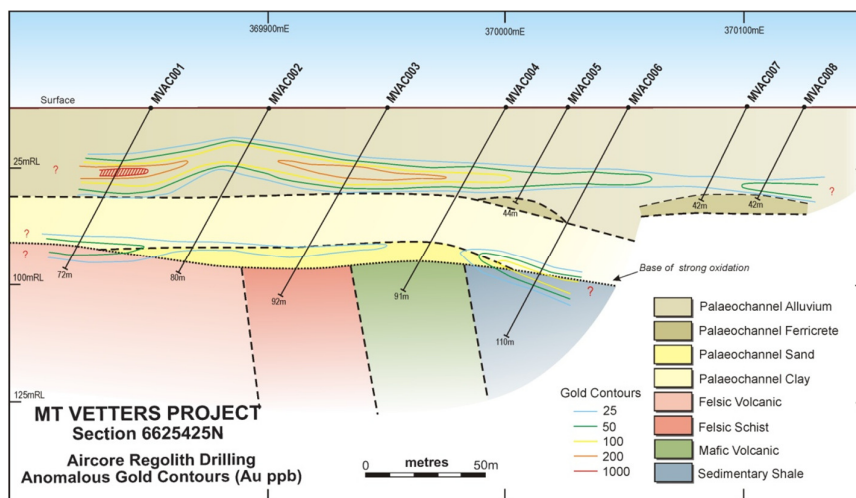


Figure 3 – Previous Drilling Results by Cazaly Resources (see Figure 1 for Location) Highlighting the Regolith Gold Anomaly (results up to 4m @ 1.0g/t Au in Shallow AC Drilling)

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### ***Lindeman's Bore Drilling***

The Company is currently sourcing a diamond core drill rig for a March programme. The 500-600m angled hole is directed to target the priority EM anomaly, the margin of which was intersected by drill hole LBD-03 in 2012. The interpreted centre of this mineralised target will be tested for Copper-Gold mineralisation.

### ***Strategic Focus on Nickel Sulphide***

Low exploration costs and the potential for large scale exploration success is the main driver for Proto's Q1 strategic focus on advancing the Company's nickel sulphide targets. Examples of success in nickel sulphide exploration and mining include Rox Resources Limited (ASX: RXL), Sirius Resources NL (ASX: SIR) and Western Areas NL (ASX: WSA). Proto is seeking to follow in the footsteps of these companies in pursuing its own nickel sulphide projects.

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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.*

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