

PROTO



RESOURCES & INVESTMENTS LTD

STOCK EXCHANGE ANNOUNCEMENT

10 January 2013

Mt Vettters Drilling Campaign

Stock Codes: ASX: PRW, OTCQX: POOOY

Proto Resources & Investments Ltd ("Proto", "the Company") is pleased to provide a detailed update of the upcoming drilling campaign at Mt Vettters.

Highlights

- Proto is to drill a 350m vertical Reverse Circulation ("RC") hole at Mt Vettters to test for the continuation of the Black Swan Komatiite Complex ("BSKC") that hosts the Black Swan-Silver Swan nickel sequence south into the Mt Vettters tenements.
- Previous exploration and drilling has encountered anomalous nickel, zinc and iron mineralisation; and has also returned anomalous gold geochemistry on the western side of the tenement.

350m vertical RC hole

As announced on the 8th January 2013, the Company will soon commence an RC drilling campaign at Mt Vettters in the Yilgarn Craton of Western Australia. Two holes have been planned, with one to be drilled initially and the second to follow based on the geological results generated by the first hole. The Company has scheduled the deep 350m hole as previous drilling attempts by Outokumpu and Discovery Nickel (now Discovery Metals) have been assessed as not deep enough to reach the BSKC.

The RC hole is designed to test the interpreted position of the proposed BSKC trend. Both holes are to be drilled vertical in order to allow a PVC-casing to be driven through the base of the overlying unconsolidated palaeochannel sediments. This is essential to enable effective outside air return during drilling progress to the target depth.

Previous exploration and drilling

Previous drilling over the tenement has identified anomalous nickel, zinc and iron mineralisation. The most informative historic hole, GINRC89, was drilled by Outokumpu in 2000 to 300.8 metre total depth. This hole indicated the presence of magnetite with geochemically significant assays from a 75cm wide fault zone including nickel (up to 1066 ppm), zinc (up to 1297 ppm) and iron (30% Fe) within the felsic volcanic bedrock towards the bottom of the hole.

Proto's interpretation accounts for the increase in iron content as a ferruginous alteration halo emanating from underlying serpentinite rock types associated with the BSKC. The anomalous nickel-zinc-iron

Proto Resources & Investments Ltd

ACN: 108 507 517

Suite 1901, Level 19, 109 Pitt St,
Sydney 2000 NSW Australia

PO Box R1870
Royal Exchange NSW 1225

p: +61 2 9225 4000

f: +61 2 9235 3889

e: info@protoresources.com.au

w: www.protoresources.com.au

For personal use only



STOCK EXCHANGE ANNOUNCEMENT

geochemistry association is interpreted to represent secondary dispersion along the fault plane of the underlying BSKC.

Mt Vettors

Geological Overview

The interpreted trend of the BSKC, which is host to the Black Swan-Silver Swan nickel deposits owned by Norilsk Nickel Australia, southwards onto the Mt Vettors project area (see Figure 1), is covered by approximately 50m of overlying palaeochannel sediments and 200m vertical thickness of intermediate/felsic volcanic bedrock. The geological interpretation of the project is shown in Figure 2.

The BSKC is known to contain the magnetic mineral pyrrhotite, which is associated with the nickel sulphide mineral formations found in the BSKC. The mineral magnetite, which was intersected in the Outokumpu hole, is also known to be an alteration accessory mineral to serpentinite rock (altered BSKC) occurring in the hanging wall of known regional nickel sulphide formations. These features have reinforced Proto's model for Mt Vettors.

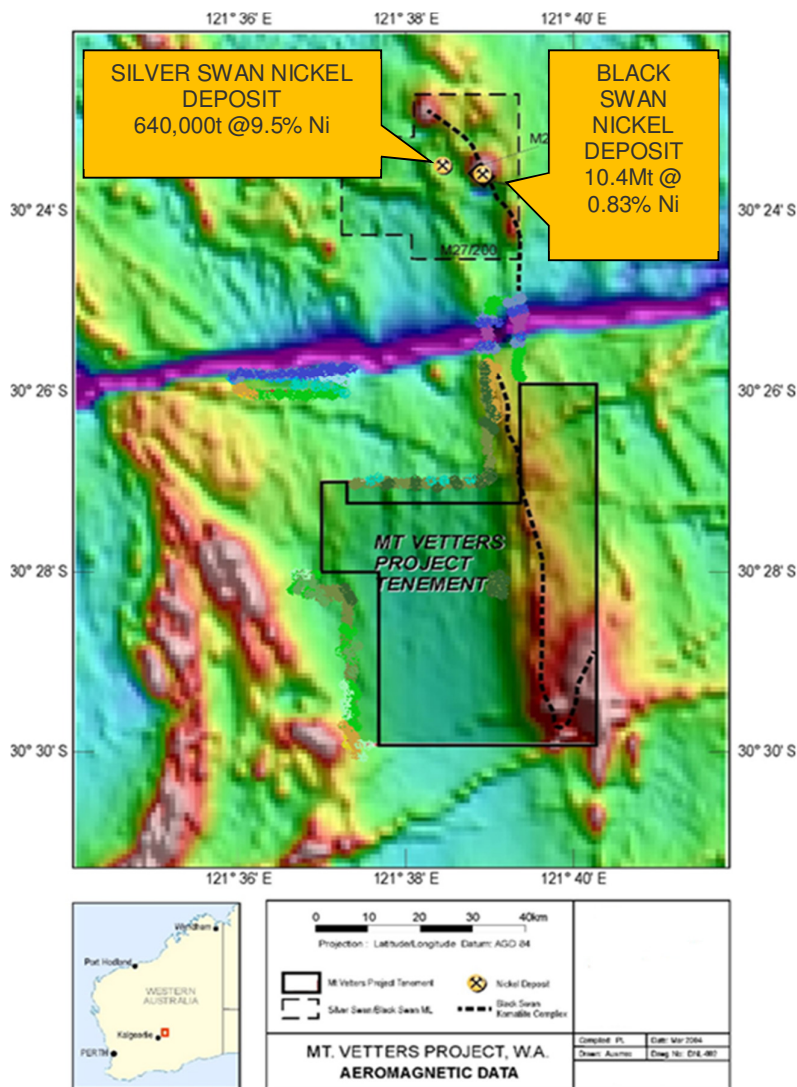


Figure 1 – Location of the Mt Vettors Project relative to other BSKC Deposits

Anomalous Gold Geochemistry

The anomalous gold geochemistry (up to 4m @ 1.0g/t in assays from regolith AC drilling) in palaeochannel sediments discovered at the western side of the Mt Vettors project by Cazaly Resources (ASX: CAZ) in 2004. This result is unrelated to the BSKC. Proto is aiming to explore for the underlying bedrock source location of the gold anomalisation encountered. Cazaly Resources' drilling and the geological context are

For personal use only



STOCK EXCHANGE ANNOUNCEMENT

represented in Figure 3. The further exploration for gold at Mt Veters will be pursued through Aircore ("AC") drilling that is also to commence in January 2013.

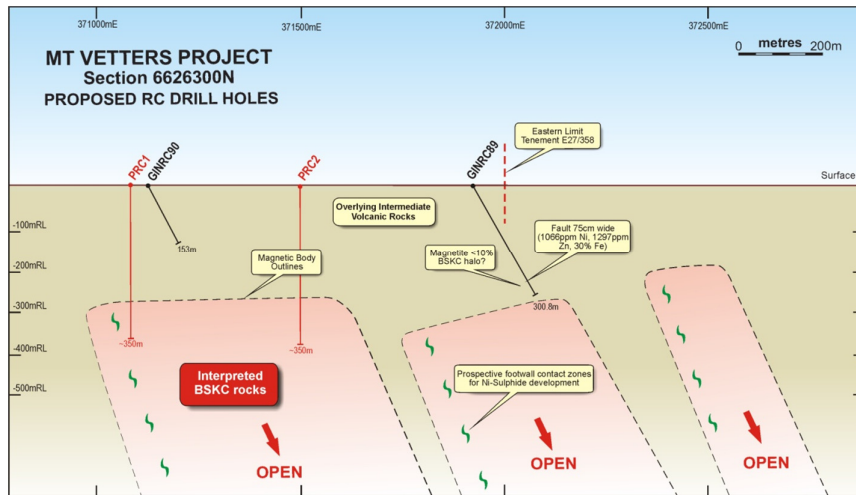


Figure 2 – Proposed RC Drill Hole Cross-Section for Interpreted BSKC Bedrock Testing with BSKC Footwall noted as Green Arrows

Proto’s Managing Director, Andrew Mortimer said “We are looking forward to drill testing the potential extension Black Swan-Silver Swan nickel sequence into Mt Veters. Proto is also very pleased to be commencing gold exploration in the west of the Mt Veters project following up Cazaly’s previous drilling success”.

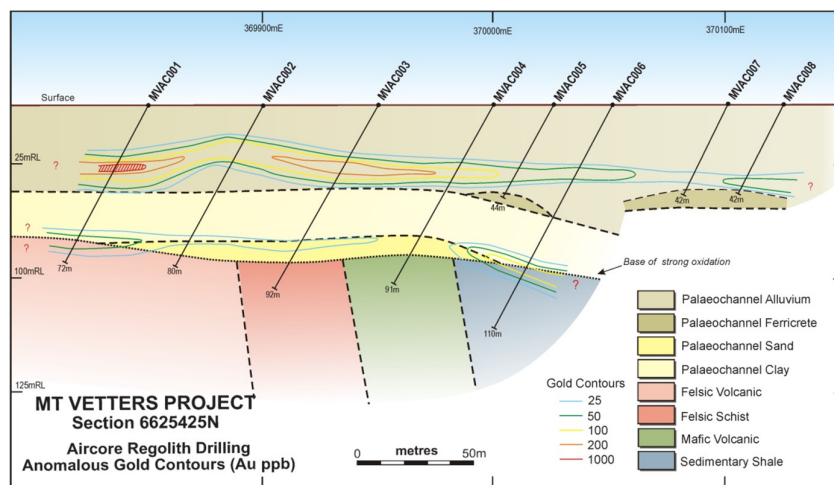


Figure 3 – Previous Drilling Results by Cazaly Resources (see figure 1 for location) highlighting the Regolith Gold Anomaly (up to 4m @ 1.0g/t Au in shallow AC drilling)

For personal use only

PROTO



RESOURCES & INVESTMENTS LTD

STOCK EXCHANGE ANNOUNCEMENT

Proto looks forward to updating the market once drilling commence on the RC and AC programmes at Mt Vettors.

Enquiries:

Mr Andrew Mortimer
Managing Director
Proto Resources & Investments Ltd
Office: +61 (2) 9225 4000
Mobile: +61 (0) 433 894 923

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.

For personal use only