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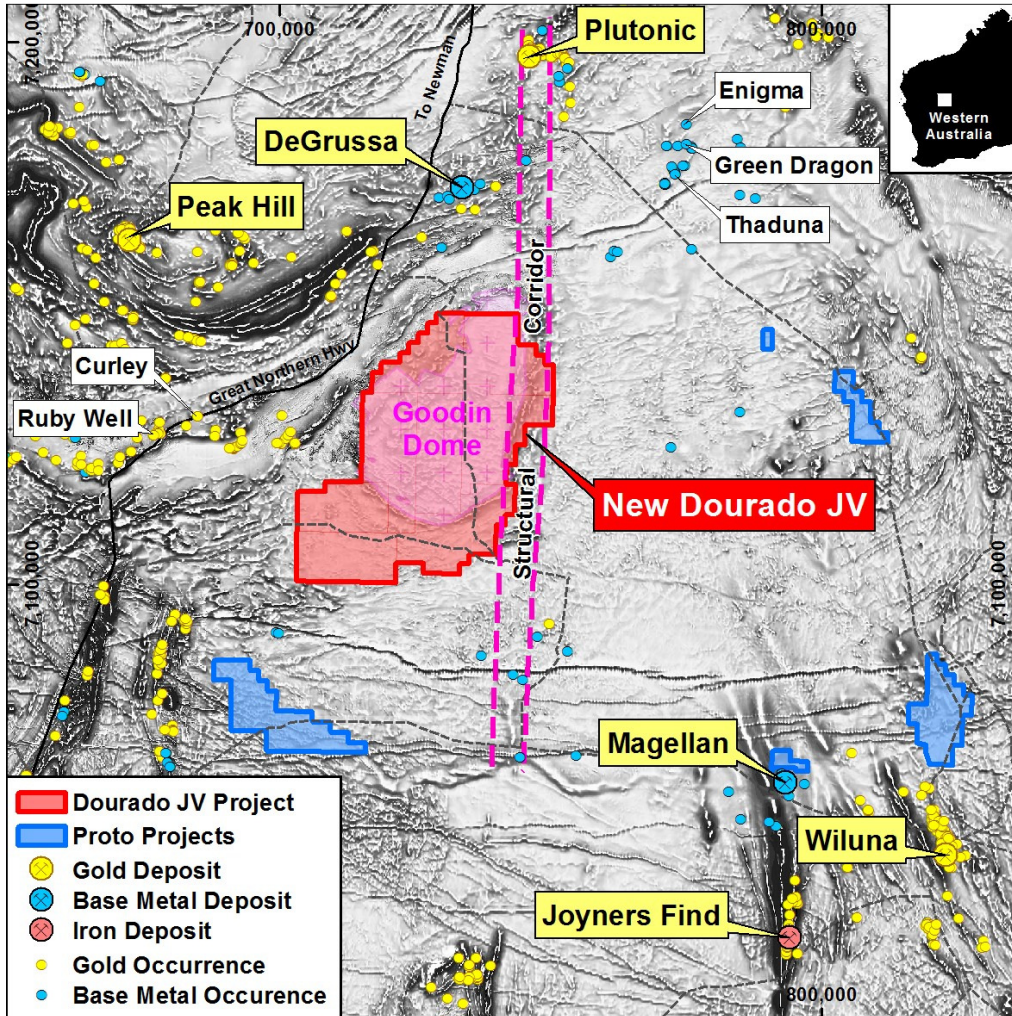
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## **ACQUISITION OF STRATEGIC GOODIN DOME-YERRIDA BASIN TENEMENTS-Correction**

### **Highlights**

- **Proto Resources & Investments Limited ("Proto", the "Company")** (ASX: **PROTO**) is pleased to announce that subject to ASX and appropriate shareholder approval it has entered into an Binding Term Sheet with **Dourado Resources Limited ("Dourado")** (ASX: **DUO**) to acquire an initial 51% interest with a right to earn up to 70% in the Mooloogool Exploration Licenses in the Goodin-Dome Yerrida Basin area of Western Australia. The Binding Term Sheet is subject to Shareholder Approval at a General Meeting of **Proto** to be held in August 2013.
- The northern part of the Mooloogool Licenses are located approximately 40 kilometres south of the DeGrussa Copper Gold Mine operated by (**Sandfire Resources Limited ("Sandfire")**) (ASX: **SFR**). Please see Sandfire's website for their JORC compliant statement relating to this Operation.
- The tenements are prospective for Proterozoic gold and copper-gold deposits. Only limited reconnaissance geochemical sampling has been undertaken to date and the Mooloogool Licenses remain largely unexplored.
- Eight Exploration Licenses, (1,461 square kilometres), cover deformed Proterozoic metasediments around the Goodin Dome, a large ellipsoidal granite that may have acted as a fluid source for mineralising solutions in the region. Combined with its existing portfolio of Magellan North, Mt Killara, Great Doolgunna, Casey and Station Bore, **Proto's** tenement position in the region now totals approximately 1,967 square kilometres.
- Consideration for the acquisition (which is subject to Due Diligence, Shareholder Approval and **Proto** board approval) is A\$50,000 in cash and A\$600,000 worth of **Proto** Shares for an initial 51% interest in the tenements. The issue of the securities will be subject to Shareholder Approval at a General Meeting to be held in September 2013.
- Initial exploration will aim to complete the reconnaissance work that was commenced by **Dourado** and will include surface mapping, infill and extension geochemical sampling and subject to results, follow up Aircore +/- RC drilling.
- Exploration success in the vicinity of the Mooloogool Tenements has continued with **Enterprise Metals** continuing to return encouraging gold results from its Vulcan and Scotty prospects on the adjoining tenements to the North-West of Mooloogool. **RM Corporate Finance** (subject to certain Terms and Conditions) has agreed to provide up to A\$2.5 million in funding over three years.

**OVERVIEW**



**FIGURE 1:** Plan showing new Dourado Joint Venture licenses (Mooloogool Licenses) and existing Proto Resources Limited licenses in the Yerrida Basin-Goodin Dome region.

| Tenements | Blocks | Area km <sup>2</sup> |
|-----------|--------|----------------------|
| E51/1185  | 47     | 141                  |
| E51/1186  | 69     | 207                  |
| E51/1213  | 55     | 165                  |
| E51/1215  | 60     | 180                  |
| E51/1325  | 54     | 162                  |
| E51/1340  | 70     | 210                  |
| E51/1341  | 70     | 210                  |
| E51/1342  | 62     | 186                  |

**TABLE 1:** Table showing Dourado Joint Venture licenses (Mooloogool Licenses).

## Strategic Value

The Mooloogool Licenses (Figure 1, table 1) represent a strategic portfolio in an emerging Copper-Gold Province located just 40 kilometres south of DeGrussa Copper Gold Mine operated by (**Sandfire Resources Limited ("Sandfire")**) (ASX: **SFR**). Please see Sandfire's website for their JORC compliant statement relating to this Operation.

Please refer to Sandfire's website for their Copper Gold production to date.

## Mineralisation Potential

There is potential for stratiform copper, volcanogenic massive sulphide and mesothermal/hydrothermal gold mineralisation. There also exists the possibility of greenstone hosted Archaean gold mineralisation at depth. The Plutonic Gold Mine (**Barrick Gold Corporation**) is situated approximately 90 kilometres north of the Mooloogool Licenses on the southern end of the Plutonic Well Greenstone belt. Examination of regional magnetics suggests the possibility that this greenstone belt may extend under cover on the eastern side of the Goodin Dome. Please refer to the Barrick Gold Corporation website for any JORC compliant information.

## Recent Exploration

The Mooloogool tenements have seen very little exploration in recent years with the exception of a regional geochemical program by **Dourado**. Approximately 10 lines of RC drilling were undertaken over 2011 on the Diamond Well tenements by **Dourado** immediately to the south of the Mooloogool Licenses. The lithologies encountered included intercalated siltstones, sandstones, shales and some mafic intrusives and elevated copper up to approximately 200ppm. Analysis of historical data has confirmed the presence of elevated copper associated with broadly east-west striking structures which are likely to be the controlling structures of the mineralisation identified in this drill program. Copper assays up to 709 ppm were returned from the Diamond Well tenements immediately to the south of the Mooloogool tenements.

## Mooloogool

There has been comparatively limited exploration on the Mooloogool Licenses with the north-western, northern and north eastern margins of the Goodin Dome representing an attractive near term target for exploration for the following reasons.

**(i) Iron Enriched/Deformed Sediments-** It appears that the Goodin Dome may have acted as a heat source and shearing along the margins associated with possibly regional NNW striking structures may have provided the loci for copper-gold deposition.

**(ii) Outcrop-**The abundance of outcrop in the Mooloogool package of tenements is likely to make the targeting/identification of prospects/drill targets somewhat easier.

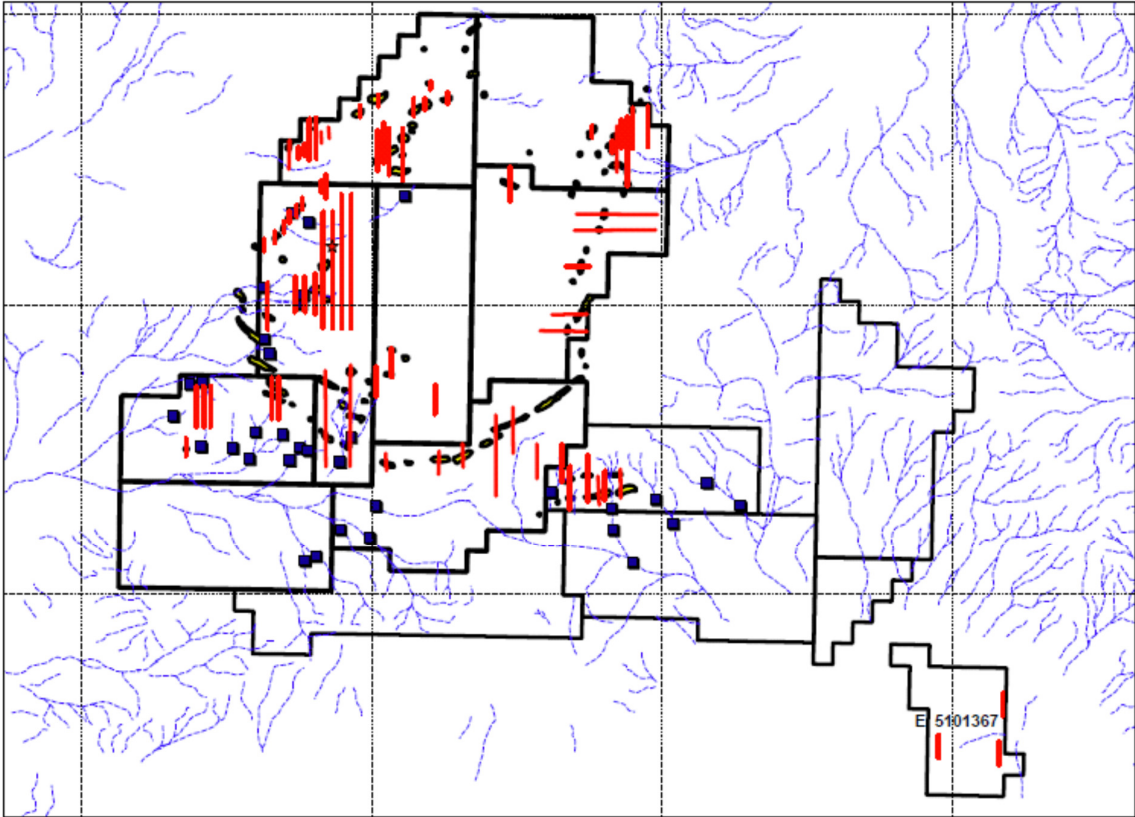
## Strengthened Yerrida Basin Portfolio

The Acquisition and Joint venture of the Mooloogool Licenses further strengthens **Proto's** presence in the region which also includes:

- The **Magellan North Project** (E53/1581) is situated immediately to the north of the Magellan Lead Mine and is considered prospective for further base metal discoveries. Airborne magnetics reveal deep seated magnetic anomalies in the basement Archaean sequence, situated immediately north of the Magellan lead deposits. The radiometric data show a potential ~NE-SW trending corridor/structure that contains most of the known base metal mineralisation.
- The **Mt Killara Project** (E53/1580) is located 10km north of the township of Wiluna Gold deposits and contains Killara Formation volcanics. The magnetics indicate a geological package of Proterozoic/Archaean units including ENE-WSW striking Proterozoic dykes. Radiometric data delineates anomalous uranium in the vicinity of the Archaean/Proterozoic unconformity.
- The **Great Doolgunna Project** (E51/1455) (**Victory Mines Limited ("Victory")** 70% (ASX: **VIC**): **Proto Resources & Investments** 30%) lies 60km southeast of the DeGrussa Cu-Au Deposit and adjoins **Great Western Exploration Limited's** (ASX: **GTE**) Doolgunna Project. Previous exploration has defined a broad polymetallic geochemical soil anomaly to the east of the tenement. Airborne magnetics show magnetic lineaments apparently striking ~NE-SW. **Victory** is required to spend A\$500,000 before **Proto** is required to contribute.
- The **Casey Project** (E51/1457) lies 55km northeast of Meekatharra and covers the portion of the southwest margin of the Yerrida Basin and comprises intercalated Proterozoic and Archaean units. The Proterozoic sequence strikes ESE-WNW and abuts Archaean granites to the west.
- The **Station Bore Project** (E69/2872) (**Victory Mines Limited** 70% (ASX: **VIC**): **Proto Resources & Investments** 30%) lies 13km southeast of the Great Doolgunna project and covers part of the Mibbeyean drainage system. The magnetics show Proterozoic dyke units striking ~NE-SW. There is a NNW-SSE striking feature on the eastern margin of the tenement which could represent a potential unconformity/structural boundary in addition to a strong magnetic anomaly in the north. **Victory** is required to spend A\$1.0 million before **Proto** is required to contribute.

## Proposed Exploration

Subject to the settlement of this acquisition, **Proto** is planning to infill and extend the geochemical sampling program that was commenced by **Dourado** on the Mooloogool Licenses in addition to undertaking detailed geological mapping and sampling with a focus on the deformed ironstone sequences that bound the Goodin Dome. Geochemical sampling of the magnetic high's and/or radiometric anomalies will also be a priority for this first phase of exploration. Remote sensing has picked up areas of clay alteration overlying interpreted intrusive lithologies. This will also be a target for geochemical sampling.



**FIGURE 2:** Plan showing planned geochemical sampling lines on the Mooloogool License.

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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 reviewed by Tony Treasure, who is a Member of the Australasian Institute of Mining & Metallurgy. Mr Treasure 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 Treasure consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

## SCHEDULE A

The key terms of the Binding Term Sheet will see **Duorado Resources** end up with 12.9% to 14.7% (including Performance shares which will convert into ordinary shares on reaching certain milestones as set out below) of the undiluted issued capital of **Proto**. The details of the Acquisition and Joint Venture are set out below:

- **Proto** to act as manager to the Mooloogool Joint Venture.
- **Proto** to initially acquire a 51% interest in the tenements via payment of A\$50,000 (A\$25,000 on execution of Binding Term Sheet (completed) and A\$25,000 on Settlement) and issue of \$600,000 worth of **Proto** shares at 0.2 cents). **Proto** is then able to earn a further 29% interest in the tenements (up to 70% interest) via the expenditure of A\$2.5 million over four years. **Proto** must spend a minimum of A\$1.0 million before any additional interest in the Mooloogool tenements is earned.
- Normal dilution formula to apply once **Proto** has reached a 70% interest in the Mooloogool tenements.
- Issue of A\$600,000 worth of **Proto** Shares to **Dourado** and advisers at 0.2 cents each. The shares are to be issued as follows:

Shares to be issued to **Dourado** (subject to shareholder approval at a General Meeting in September 2013):

- 90 million **Proto** Shares to be issued on Settlement to **Dourado**
- 30 million **Proto** Shares to be issued to **Dourado** on the \*good standing of E51/1340 notwithstanding the potential refusal of an application for exemption from expenditure for the 2012-2013 year.
- 30 million **Proto** Shares to be issued to **Dourado** on the good standing of E51/1341 notwithstanding the potential refusal of an application for exemption from expenditure for the 2012-2013 year.
- 30 million **Proto** Shares to be issued to **Dourado** on the good standing of E51/1342 notwithstanding the potential refusal of an application for exemption from expenditure for the 2012-2013 year.

In addition \*\*Performance shares in **Proto** are to be issued to **Dourado** on settlement as follows:

- **Milestone 1:** A further 20,000,000 Performance Shares in **Proto** on delineation of a JORC Inferred Resources of at least 50,000 ounces of \*\*\*gold (equivalent) on the Tenements within 5 years of execution of this agreement, and
- **Milestone 2:** A further 20,000,000 Performance Shares in **Proto** on delineation of a JORC Inferred Resources of at least 100,000 ounces of gold (equivalent) on the Tenements within 5 years of execution of this agreement, and,
- **Milestone 3:** A further 20,000,000 Performance Shares in **Proto** on delineation of a JORC Inferred Resources of at least 150,000 ounces of gold (equivalent) on the Tenements within 5 years.

Shares issued advisers (Orequest) (subject to shareholder approval at a General Meeting in September 2013):

- 120 million Shares in **Proto** to be issued on Settlement to Orequest

Performance shares to be issued to Orequest on settlement are as follows:

- **Milestone 1:** A further 10,000,000 Performance Shares in **Proto** on delineation of a JORC Inferred Resources of at least 50,000 ounces of gold (equivalent) on the Tenements within 5 years of execution of this agreement, and
  - **Milestone 2:** A further 10,000,000 Performance Shares in **Proto** on delineation of a JORC Inferred Resources of at least 100,000 ounces of gold (equivalent) on the Tenements within 5 years of execution of this agreement, and,
  - **Milestone 3:** A further 10,000,000 Performance Shares in **Proto** on delineation of a JORC Inferred Resources of at least 150,000 ounces of gold (equivalent) on the Tenements within 5 years.
- The Acquisition and Joint Venture is subject to **Proto** board and Shareholder Approval at a General Meeting (September 2013) together with Due Diligence at the absolute discretion of **Proto**.

\***Good Standing** means that the tenements means that the tenements are in compliance with the terms and conditions of the tenements including the expenditure and reporting obligations imposed on the holder.

\*\***Performance Shares** refers to performance shares that are convertible into ordinary fully paid shares on the achievement of the relevant milestones. The Performance Shares are to be issued after the General Meeting on or around September 2013.

\*\*\***Gold Equivalent** is computed as the value of all **In** Ground Metals, valued at spot market prices, divided by the spot market price of gold for the Gold Metal Equivalent