

PROTO



RESOURCES & INVESTMENTS LTD

STOCK EXCHANGE ANNOUNCEMENT

15 January 2013

January Company Update as WA Drill Teams Mobilise

Stock Codes: ASX: PRW, OTCQX: POOOY

Proto Resources & Investments Ltd (“Proto”, “the Company”) is pleased to provide an update of its activities in the lead-up to drilling at Mt Vettters in Western Australia. The announcement comes as the mobilisation of the geological team for Air Core (“AC”) drilling is confirmed.

Highlights

- AC drilling of a regolith gold anomaly at Mt Vettters is to commence imminently. Geological contractors are in transit, with drilling to start once the full team arrives.
- Proto is also to commence drilling two 350m vertical Reverse Circulation (“RC”) holes at Mt Vettters to test for the continuation of the Black Swan Komatiite Complex (“BSKC”). This drilling will deliver two holes, with a third being available to chase intersected mineralisation if needed.
- Proto has been the subject of a highly positive research report by RM Capital. This comes as Proto has successfully completed an agreement with a US-based financing house to provide ongoing investment in the Company’s projects through debt and equity issues.

Drilling teams dispatched

Geological teams to support both the AC and RC drilling campaigns at Mt Vettters have been dispatched. The Mt Vettters project is located in the Yilgarn Craton of Western Australia. The AC drilling that is to commence on the Mt Vettters project follows the identification of a regolith gold anomaly. Mt Vettters is situated several km east of the Kanowna Belle Gold mine operated by Barrick Gold Corporation. AC drill programme mobilisation has begun, with the geological team already in transit to guide hole delineation. 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. AC drilling will commence in the next few days once the rig has been established on site.

RC drilling of two up to 350m deep holes will follow shortly afterwards. RC rig mobilisation is expected later this week, with drilling of two holes to commence immediately on arrival and an allowance for up to three holes to be completed as part of this RC programme should clear targets be available at the end of the first two holes. The programme is to drill the potential southern extension of the Black Swan-Silver Swan Nickel Sequence.

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Market and financing activities

Proto is also pleased to draw shareholder and investor attention to a RM Capital Research Report released yesterday. The RM Capital report provides coverage of Proto's exploration upside. RM Capital was entitled to receive contractual payment for delivery of the report, although the content was generated by RM Capital analysts. To access his piece of released research, please copy and paste the link below into your browser:

protoresources.com.au/wp-content/uploads/2013/01/RMResearch-PRW-Flash-Note.pdf

Proto is also pleased to report that strong financial interest is being shown by international investors keen to invest in Proto's inventory of nickel projects, and in particular the nickel sulphide exploration upside. Proto had also completed an investment agreement that can allow the Company to drawdown up to \$7.5m in capital to fund ongoing exploration and development. The agreement includes an initial convertible debt instrument, with an attached line of finance through ongoing placements of stock. The facility is provided by Baycrest Capital LLC ("Baycrest"), a Boston based specialist financing house.

Importantly Proto is looking for the most efficient form of finance to kerb future share issues and is pleased to be able to source debt as well as equity from Baycrest to avoid sub-market share issues.

Proto's Managing Director, Mr Andrew Mortimer said "Proto's Kalgoorlie nickel gold project at Mt Vettors has historically returned gold and nickel numbers worth chasing. Proto expects to make Mt Vettors another important focus for the Company apart from the Barnes Hill nickel development in Tasmania and The Lindeman's Bore project in the Northern Territory."

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