

PROTO



RESOURCES & INVESTMENTS LTD

STOCK EXCHANGE ANNOUNCEMENT

January 25, 2011

ZTEM Airborne Geophysical Survey Completed

ASX Release Stock Code: PRW

Proto Resources & Investments Ltd and Peak Mining and Exploration Limited are pleased to announce that the ZTEM airborne geophysical survey has now been completed at the Wave Hill and Lindeman's Bore projects in the Northern Territory. Analysis of the data is now underway and results are expected in 1-2 weeks.

Executive Summary

- A ZTEM airborne geophysical programme has been completed at Lindeman's Bore (EL 25307) and Wave Hill (EL27413, EL27617 and EL27618). A total of ~918 line kms of ZTEM has been flown and analysis is underway.
- Proto has strategically expanded from the initial 350km² at the Lindeman's Bore project to now have over 8,000km² of Northern Territory holdings and licence applications. This has garnered extensive international interest in Proto and its projects.

ZTEM Programme Completed

Proto Resources & Investments Ltd ("Proto", "the Company") is pleased to announce that the first large scale commercial use of Z Axis Tipper Electromagnetic system ("ZTEM") exploration in Australia has been completed over Proto's Wave Hill and Lindeman's Bore projects in the Northern Territory. Proto is searching for nickel, copper and platinum group element mineralisation of the Norilsk-style by targeting exploration at looking for mafic intrusions to the Antrim Plateau Volcanic ("APV").

The Lindeman's Bore project, on granted exploration licence EL25307, and three recently granted tenements at Wave Hill (EL27413, EL27617 and EL27618) are located 380km south-west of Katherine near the community of Kalkarindji. Peak Mining and Exploration Limited ("Peak") will earn a 10% stake in the Lindeman's Bore project under an earn-in arrangement by spending \$300,000 on exploration by the end of this year.

Approximately 918 line kilometres of ZTEM was completed in late December 2010. ZTEM is capable of seeing down to a depth of two kilometres in resistive environments and Proto believes that it is the ideal tool for finding potential deposits of Ni-Cu-PGE as a result of concentrations formed by the APV. All

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surveying was planned to provide detailed coverage of tenements at 1km line spacing. Figure 1 below highlights the ZTEM coverage for the two project areas at Lindeman's Bore and Wave Hill and also shows the holdings of neighbouring companies who are pursuing exploration targets in the APV.

Proto intersected anomalous levels of gold, silver, cobalt and palladium in the two Lindeman's Bore drill holes and is looking to use the ZTEM survey to target the next phase of drilling due to commence later this year. Figure 2 shows the ZTEM coverage for the two project areas against regional-level radiometric data that guided the design of the areas that were flown.

The Queensland University of Technology ("QUT") and The Open University, UK are planning to further increase their efforts this year. Proto is working with them on further personnel deployment for extended periods that will assist Proto and its joint venture partners in their groundbreaking exploration efforts. QUT and The Open University's research in volcanology has already provided important guidance on the expansion of Proto's tenement holdings in the NT. Through the addition of two further exploration licence applications (EL28504 and EL 28505) in late 2010 covering an area of 2,041.3 km², Proto has strategically expanded from the initial 350km² Lindeman's Bore project to now have over 8,000km² of NT licenses and applications. This has further increased international interest in Proto's NT exploration programme.

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The information in this report that relates to Exploration Results is based on information compiled by Andrew Jones, who is a Member of the Australasian Institute of Mining & Metallurgy. Mr Jones is a full-time employee of TasEx Geological Services Pty Ltd 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 Jones consents to the inclusion in the report of the matters based on his information in the form and context in which it appears

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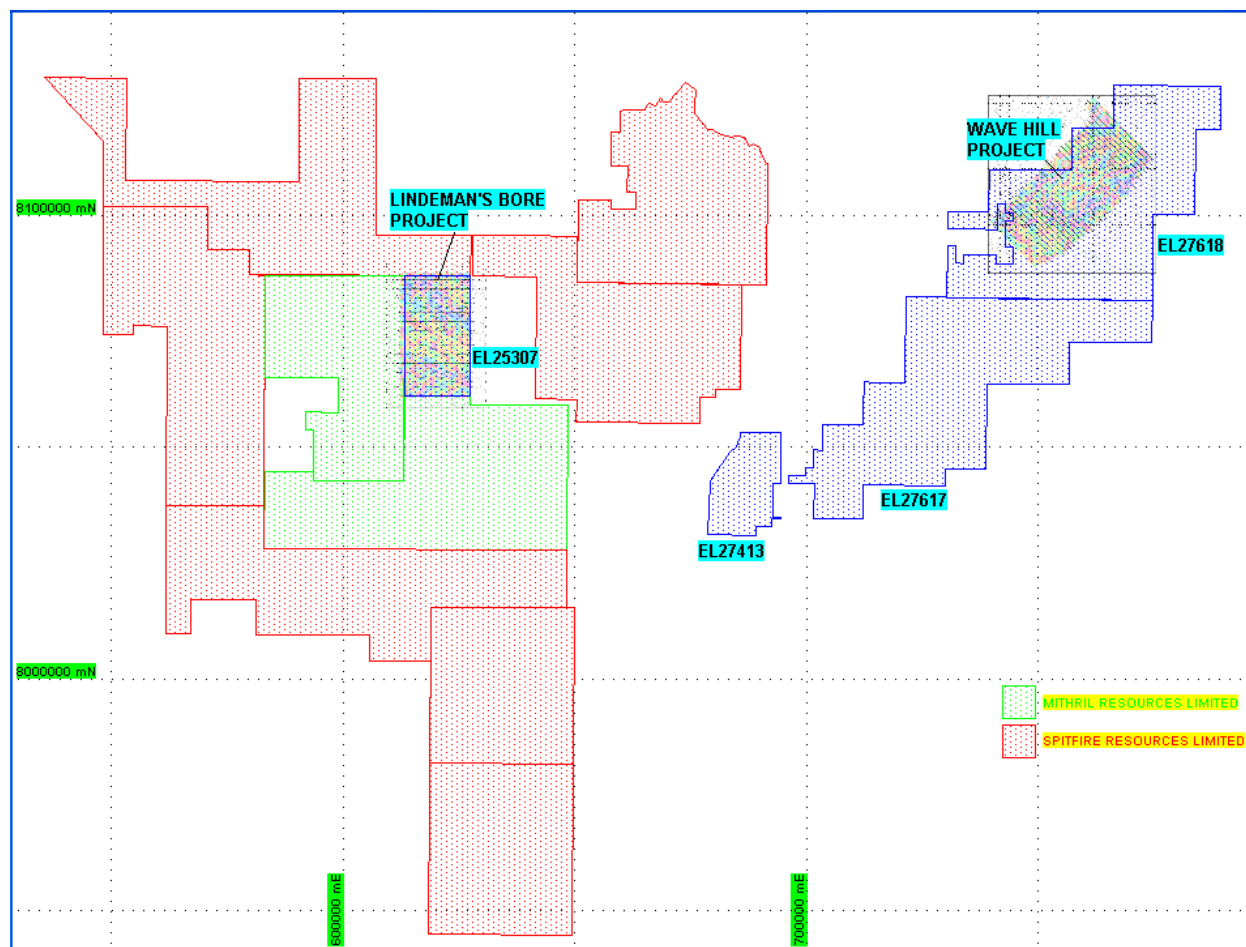


Figure 1 – ZTEM survey coverage and Proto's tenements (blue) with nearby tenement holding of other companies marked (green and red)

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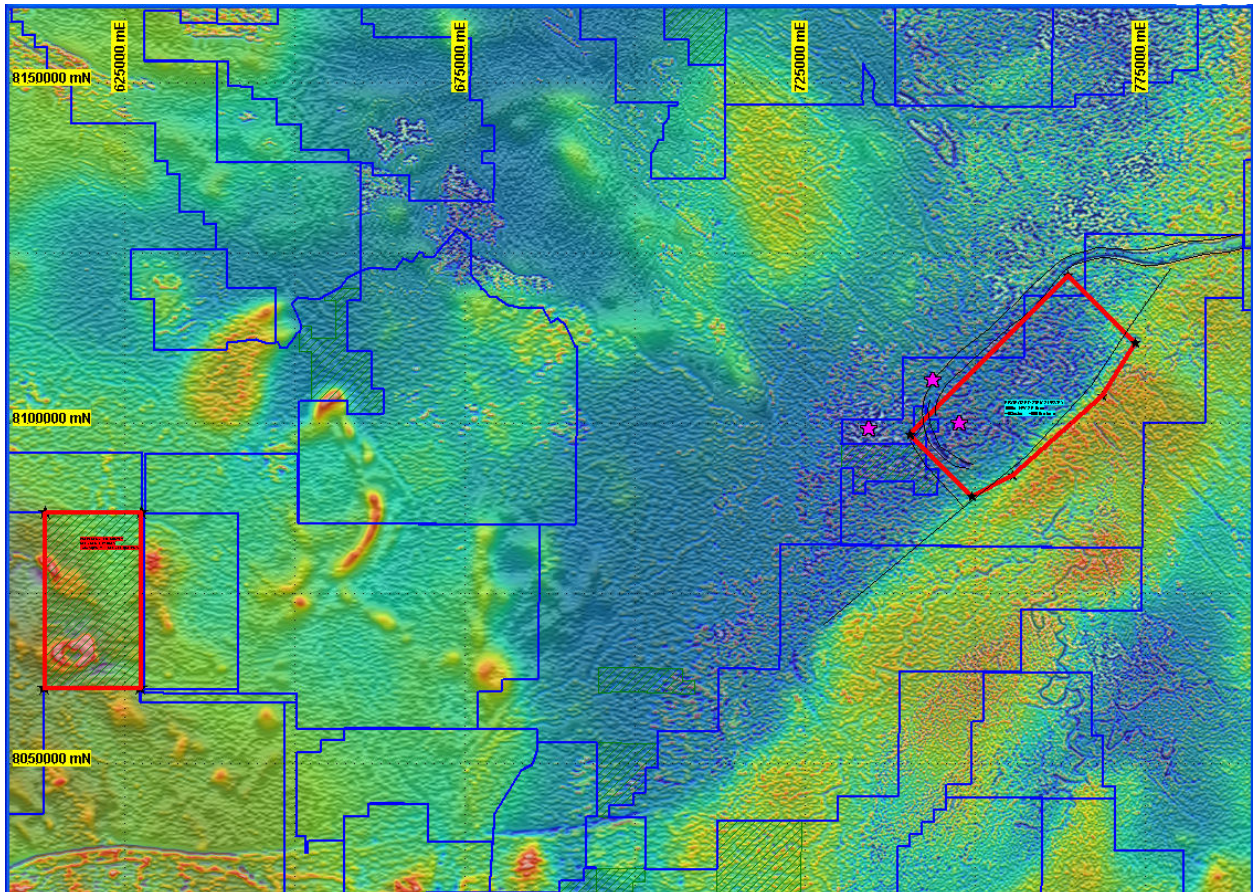


Figure 2 – Completed ZTEM survey coverage (red) for the Lindeman's Bore (west) and Wave Hill (east) project areas with radiometrics as background.