

# PROTO



RESOURCES & INVESTMENTS LTD

## STOCK EXCHANGE ANNOUNCEMENT

5 July 2012

ASX Release Stock Code: PRW

### Sale of Tenements to Victory Mines Limited

#### Summary

*Proto Resources & Investments Ltd ("Proto", "the Company") is pleased to announce an agreement with Victory Mines Limited ("Victory") whereby Victory will acquire an interest in Proto's Clara Hills tenement, Great Doolgunna tenement and Station Bore tenement.*

#### Agreement with Victory Mines Limited

On 29 June 2012, the Company entered into an agreement with Victory whereby Victory will acquire from Proto up to approximately a 63.75% interest in the Clara Hills tenements (E04/1533, E04/2026, E04/2142 and ELA04/2060), 70% interest in the Great Doolgunna tenement (E51/1455) and 50% interest in the Station Bore tenement (E69/2872).

The sale of an interest in these tenements will enable Proto to concentrate on its flagship project at Barnes Hill, Tasmania, and the Lindeman's Bore gold copper project in the Northern Territory which is pending its fourth deep drill hole.

On 4 July 2012 Victory has lodged an initial public offer (IPO) prospectus with ASIC for the offer of 20,000,000 shares at 20 cents each to raise \$4,000,000 with oversubscriptions of up to an additional 10,000,000 shares offered to raise up an additional \$2,000,000. Victory expects to be approved for listing on the ASX from 24 August 2012.

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Consideration for the sale is on the following terms:

As at the date of the prospectus (4 July 2012)	\$100,000 cash paid as reimbursement of costs incurred on the tenements 2,000,000 ordinary fully paid shares in Victory issued (being part consideration for an option to acquire an interest in the Clara Hills tenements)
On admission to ASX	1,000,000 ordinary fully paid shares in Victory (being final consideration for an option to acquire an interest in the Clara Hills Tenements) 1,000,000 ordinary fully paid shares in Victory (being consideration to acquire a 70% interest in the Great Doolgunna and Station Bore tenements) 2,000,000 ordinary fully paid shares in Victory and 2,000,000 options exercisable at 20 cents on or before the date 5 years from ASX quotation of Victory (being consideration for the use of Proto's office facilities, exploration equipment and staff for the period pre-IPO)
Within 60 days of ASX admission	\$100,000 cash (being consideration for the use of Proto's office facilities, exploration equipment and staff for the period pre-IPO)
Within 6 months of ASX admission (after completion of services)	2,000,000 ordinary fully paid shares in Victory and 2,000,000 options exercisable at 20 cents on or before the date 5 years from ASX quotation of Victory (being consideration for the use of Proto's office facilities, exploration equipment and staff for the period post-IPO).

Escrow arrangements will be entered into prior to Victory Mines' official quotation, as required by ASX listing rules. Proto's

Managing Director Andrew Mortimer commented; "This is an extremely good deal for both Companies, as the tenements are first-class projects for Victory, and an appropriate valuation for Proto."

Enquiries:

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