

PROTO



RESOURCES & INVESTMENTS LTD

STOCK EXCHANGE ANNOUNCEMENT

13 October 2009

Proto doubles exploration footprint in the Northern Territory

ASX Release: PRW

Executive Summary

- Proto has lodged two new exploration licence applications in the Northern Territory covering a combined 3,192 km²
- The new applications cover areas along the Neave Fault which the Company considers a prospective setting for Noril'sk style nickel-copper-PGE mineralisation
- These new applications double the Company's exploration holdings in the NT to 6,564.4 km² on one granted licence and six licence applications

New Applications, Northern Territory

The Directors of Proto Resources & Investments Ltd are pleased to announce that the Company has doubled its exploration footprint in the Northern Territory with the successful lodgement of two new exploration licence applications (ELAs 27617 & 27618). The new applications cover a combined area of 3,192 km² and are located 95km to the east of the Company's Lindeman's Bore nickel project (EL 25307) near the community of Kalkarindji and 300km southwest of Katherine (Refer Figure 1).

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The Company's NT exploration focus is targeting "Noril'sk style"¹ nickel-copper-PGE mineralisation within feeder dykes and sills to the basalt flows of the Antrim Plateau Volcanics (refer Figure 2). The Cambrian aged flood basalts of the Antrim Plateau Volcanics and related sequences occur over an extensive area of greater than 300,000 km² reaching from northern Western Australia, across the Northern Territory and into Queensland. Proto and its external consultants building on government data believe that the most prospective areas for mineralisation will occur within 0.5 to 5km of major faults such as the Neave Fault and Blackfellow Creek Fault or other faults which have been active over long periods of time.

The new tenement applications cover portions of the Neave Fault and also an interpreted volcanic vent at Wave Hill, along the Neave Fault, which may have acted as a conduit for basaltic magma during extrusion of the Antrim Plateau basalts (see Figure 2).

The Antrim basalts (and many of the mafic rocks of the larger Kalkarindji Flood Basalt Province in Australia) are depleted in chalcophile elements (Ni, Cu, Co, PGE) and contaminated by crustal material in a very similar manner to parts of the Siberian Trap sequence in Russia which overlies the Noril'sk Ni-Cu-PGE deposits. These geochemical signatures within the flood basalts are intimately associated with the magmatic processes that form the sulphide deposits themselves. The geochemistry of the Antrim basalts is considered indicative of the presence, somewhere within the magma plumbing system, of magmatic sulphide that is missing from the basalts. However, because the basalt sequence is mostly flat-lying the original eruptive centres (vents and fissures) are buried. This greatly hinders the recognition of the most likely loci for sub-volcanic sills which would be near the vents and feeder structures.

The only known Antrim-related vent is at the western termination of the Wave Hill Rille, a >120 km long, 0.5-4 km wide and ~50 m deep trough etched into the top basalt flow preserved on Wave Hill Station and within the area of the Company's new applications. This is a thermal erosion channel formed by the last basalt lava flow that vented from the intersection of a NW fracture system and the apparent NE extension of the Neave Fault. The lava flowed eastward within a huge channel of its own making for >120 km without crystallizing, implying that a vast volume of lava issued from this vent that went to form basalt flows well to the east (i.e. the vent and the deposition of related basalts are widely separated).

The locations of other earlier Antrim basalt vents are unknown. Based on vent locations in other continental flood basalt provinces these vents could be widely scattered. Some may have been located elsewhere along the Neave Fault or along other faults.

Upon grant of the exploration licences, Proto intends as the first exploration phase to undertake airborne geophysical surveys and modelling to assist with targeting and surface geological mapping and sampling where appropriate.

¹ **Noril'sk Deposits** - The Company agrees with recent studies which suggest that the Antrim Plateau Volcanics in northern Australia provide an analogue to the Siberian Traps Igneous Province in Russia, which hosts the Noril'sk nickel deposits. The nickel deposits of Noril'sk-Talnakh are hosted in the Siberian Traps Igneous Province which consists of Continental Flood Basalts and their associated intrusive structures and sills. The ore is generally hosted in the flat-lying sills. The deposits are adjacent to a crustal scale fault, the Kharaelakh Fault, which is interpreted to be the crustal conduit for basalt magma that is parental to both the sulphide deposits and overlying basalt flows. The mineralized sills are located between 0.3 - 6km from the Kharaelakh Fault. These sills acted as trap sites for the dense magmatic sulphide liquid that was initially contained within the parental basaltic magma (Naldrett et al. 1995).

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The Company will continue to update the market on its exploration at the Company's Northern Territory projects.

Andrew Mortimer, Chairman, said today, "These acquisitions represent a very significant increase in our ground holding in the Northern Territory, having drawn confidence from our initial drilling of Lindeman's Bore, and our strong belief in the prospectivity of these areas. The Antrim Plateau Volcanics present an enormous frontier exploration opportunity that is unparalleled in Australia."

Reference:

Naldrett AJ, Fedoremko VA, Lightfoot PC, Kunilov VI, Gorbachev NW, Doherty W, Johan Z, 1995. Ni-Cu-PGE deposits of the Noril'sk region, Siberia: their formation in conduits for flood basalt volcanism. *Transactions of the Institute of Mining and Metallurgy* (Section B: Applied. Earth Sciences) 104: B18-B36

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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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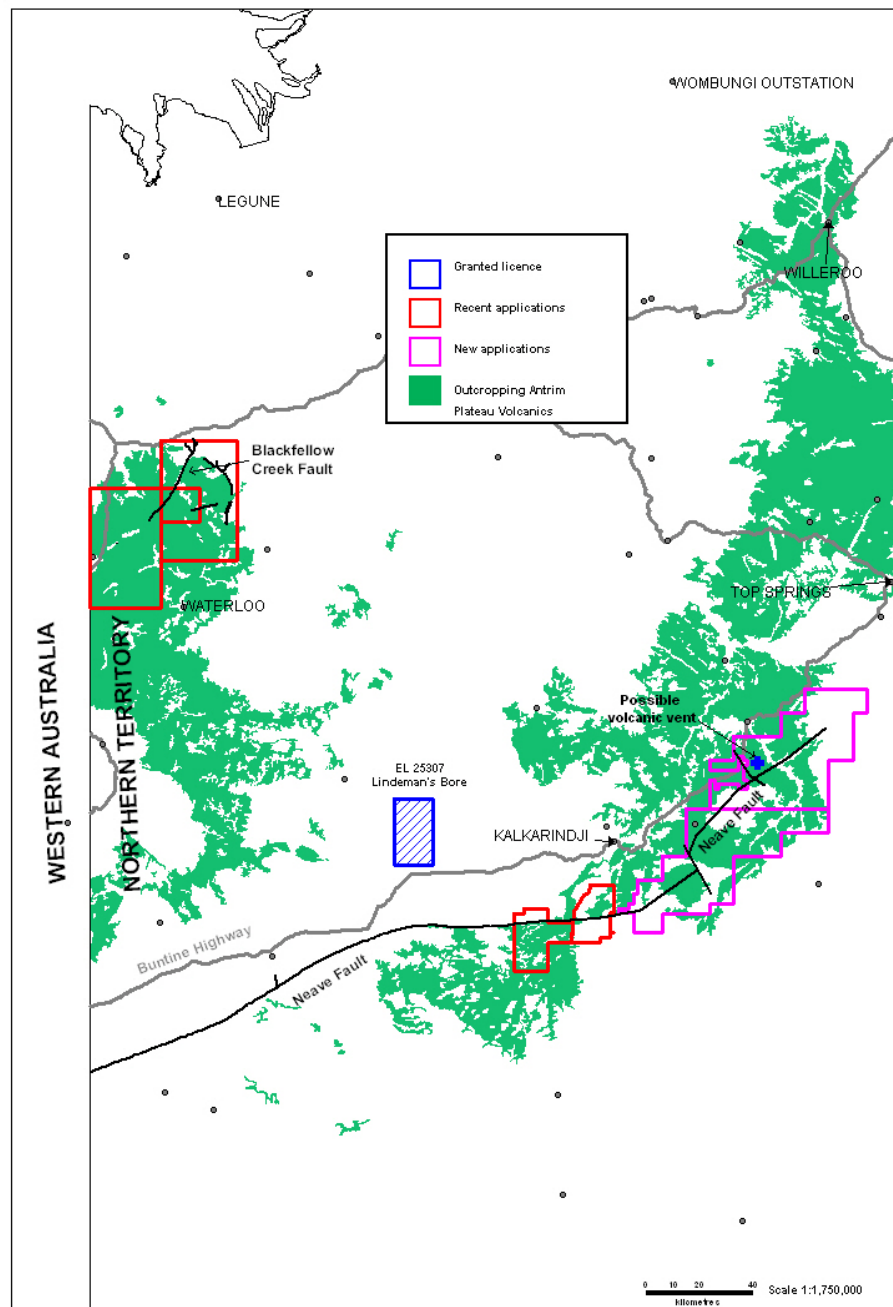


Figure 1: New tenement locations.

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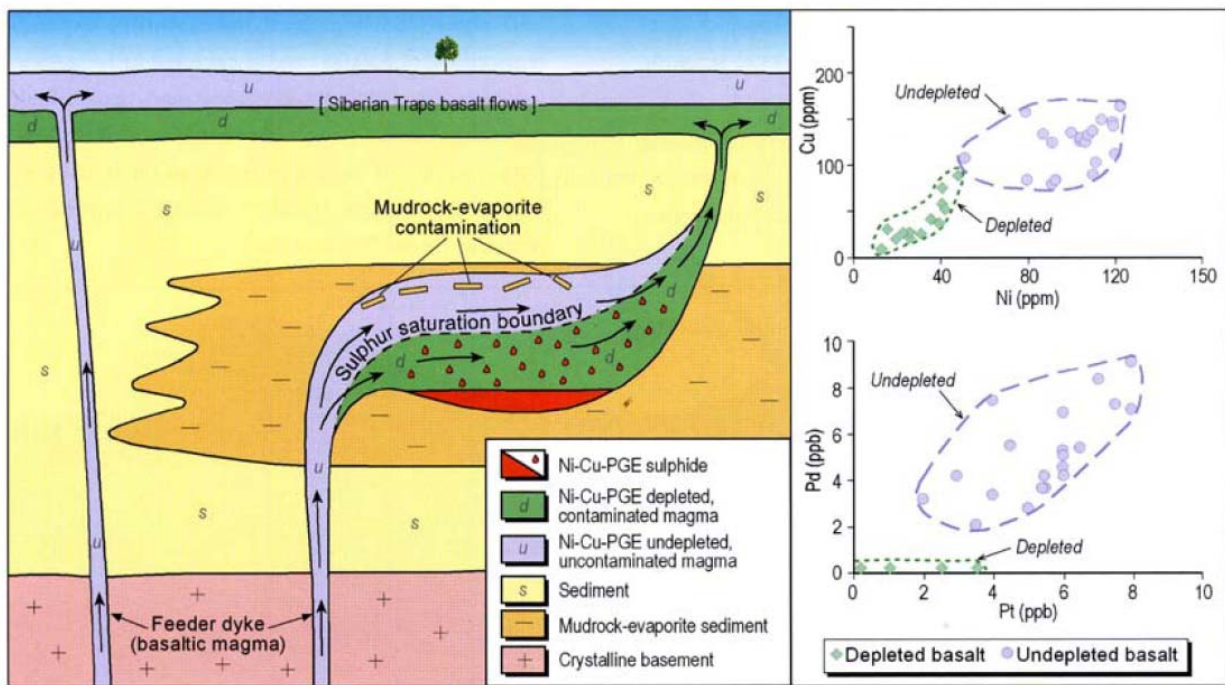


Figure 2: Schematic cross section through the Noril'sk Ni-Cu-PGE deposit. Geochemical plots show both undepleted and depleted basalts with colours matching those in the cross section.