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RESOURCES & INVESTMENTS LTD

## STOCK EXCHANGE ANNOUNCEMENT

October 15, 2007

### October Corporate Update

**ASX Release Stock Code: PRW**

#### Executive Summary

- Private share placement concluded to Wilson Asset Management and other sophisticated investors for \$1.7 million
- Work progressing at pre-production nickel asset in Tasmania, Barnes Hill
- EM survey completed at Arunta, Northern Territory
- Aeromagnetics planned at Tibooburra and Wertago
- Uranium joint venture with Talisman Mining progressing with additional ground secured

#### Private Share Placement

As previously announced the Company raised \$1.7 million before costs by placing 6.4 million shares at 27 cents to sophisticated investors, including Wilson Asset Management, who now have a substantial shareholding in the Company.

#### Barnes Hill Nickel Deposit - Tasmania

We are pleased to announce that work is proceeding on the Barnes Hill deposit, Tasmania. The Company is applying for appropriate regulatory permits and local authorisations to commence a drill-out of the deposit to provide a measured category JORC resource for initial mining planned to take place in early 2009. As previously announced Proto has a current JORC resource at Barnes Hill of 12.1 Mt at 0.83% nickel and 0.07% cobalt, in an indicated category.

In the past week Proto completed the collection of five bulk samples for detailed metallurgical test work along with two additional Geochem holes. All sampling was focused on previous drill sites and will also be used in planning for detailed drilling scheduled for early 2008. Bulk samples will be transported to three independent laboratories in late October with results becoming available over the following three months.

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The Company will also investigate the potential for further chrome at the Barnes Hill site, which has had historic mining of chromite.

### **Arunta Project – Northern Territory**

Electromagnetic (EM) ground surveying has recently been concluded at Arunta, with results pending. The survey covered sulphides intersected in drilling completed in 2005. A second survey will commence in late October to test a number of newly defined airborne electromagnetic targets from the previously untested Jarra Jarra and Willowra Geotem surveys collected in 2005. Access has been granted to begin this new work. The new survey will provide an excellent opportunity for Proto to identify nickel and base metal targets for drilling. The already defined base-metal prospect at B1 was originally targeted from Geotem data collected in 2003. Proto will update the market as results come to hand.

### **Tibooburra and Wertago Projects - NSW**

Detailed aeromagnetics are planned for Tibooburra late this year along with an augur sampling program to test known alluvial gold in the area. The sampling program is cleared to begin as soon as contractors become available.

At Wertago, Proto's copper-silver-lead joint venture with Graynic Metals Ltd, five previously unsampled old drill holes found in the NSW geological survey's Londonderry core facility near Penrith are being sampled for new assay work. Proto is currently assessing a large body of historical work in preparation for new field mapping, ground EM and drilling at Wertago as soon as land access has been granted.

### **Uranium Joint Venture**

The Company is still progressing its joint venture uranium spinout with its partner Talisman Mining Ltd ("Talisman"). Proto is vending in its gold and uranium interests at Mt Vettors and Arunta and has also just secured an additional project ("Scriven") in the Northern Territory that will form part of the joint venture. Proto can farm-in into this project, EL 25307, with an 80% interest to be earned by the Company completing a 600m diamond-drilling programme on the tenement within 12 months.

Talisman (ASX:TLM) is an iron ore explorer in the world-class Pilbara iron ore province. It is noteworthy that Proto has a one percent shareholding in Talisman that has recently increased in value after Talisman drilled 50 RC holes into its Wonmunna area, which is well situated being close to existing infrastructure and immediately south of the Hope Downs mine.

### **Corporate Development**

Proto will update the market as further information becomes available, however it is the consistent commitment of the board and management to take every opportunity to generate and maximise wealth for the Company and its investors. The Company intends principally to do this by putting the Barnes Hill nickel deposit into production with its financing and technology partner Metals Finance Corporation (see announcement of August 2). However, Proto is actively seeking out other opportunities in base and precious metals projects to find earning streams for the Company.



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*The information in this report that relates to Exploration Results is based on information compiled by Andrew Johnstone who is a Fellow of the Financial Services Institute of Australasia, members of both the Australian and American Societies of Exploration Geophysicists, and member of the Australasian Institute of Geoscientists (AIG). Mr Johnstone provides exploration management services to Proto Resources & Investments Ltd. Mr Johnstone has extensive qualifications and experience in 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. Johnstone consents to the inclusion in the report of the matters based on information provided by him and in the form and context in which it appears.*