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RESOURCES & INVESTMENTS LTD

STOCK EXCHANGE ANNOUNCEMENT

July 31, 2008

Poseidon/Proto Menzies Project – Drilling Update

ASX Release Stock Code: PRW

Proto Resources & Investments Ltd (“Proto”, the “Company”) together with its Joint Venture partner Poseidon Nickel Ltd (“Poseidon Nickel”), is pleased to announce the results of the first pass aircore drilling programme which was completed at the Menzies Project in the North East Goldfields.

A total of 24 aircore holes for 393m were completed on the tenements, with the majority of holes being drilled shallower than planned due to early blade refusal in shallow bedrock.

Drilling was largely focused on the Cepline Prospect (16 holes) in the north of the project where previously announced nickel laterite mineralisation was encountered in historic drilling. Coincident lateritic nickel and zinc mineralisation (+0.5% Ni & Zn cutoff) was intersected on the western side of the Cepline prospect over a 130m north-south strike length as detailed below:

| 4Hole ID | From (m) | To (m) | Intersection Nickel | Intersection Zinc | Easting | Northing | Depth (m) |
|--------------|----------|--------|---------------------|-------------------|---------|----------|-----------|
| MZ0801 | 1 | 13 | 12m @ 1.22% Ni | 7m @ 0.71% Zn | 315705 | 6711932 | 13 |
| <i>incl</i> | 1 | 2 | 1m @ 2.59% Ni | 2m @ 1.36% Zn | | | |
| <i>&</i> | 5 | 6 | 1m @ 2.08% Ni | | | | |
| MZ0811 | 17 | 26 | 9m @ 1.08% Ni | 3m @ 0.92% Zn | 315713 | 6711849 | 26 |
| <i>incl</i> | 19 | 20 | 1m @ 2.56% Ni | 1m @ 1.29% Zn | | | |
| MZ0812 | 26 | 32 | 6m @ 0.90% Ni | | 315711 | 6711802 | 34 |

The lateritic mineralisation is situated in a valley, and is plunging and open to the south. The mineralisation is associated with deeply weathered ultramafic rocks which are sandwiched between more resistant felsic volcanics. The mineralised zone requires further follow up drilling with a higher capacity RC rig in order to

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penetrate into the bedrock and close off the mineralisation at depth as well. This is scheduled to be undertaken during Qtr3 2008.

In addition 8 drill holes were completed to the south of Cepline Prospect along the ultramafic belt. Due to the shallow nature of the bedrock no mineralisation was encountered. However, reconnaissance field work of the tenure has outlined extensive ultramafic rocks in the southern portion of the project which extend undercover. This area appears to be more favourable for nickel mineralisation and first pass drilling will be undertaken during Qtr3 2008 to test the bedrock below the cover material.

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The information in this report relates to Exploration Results and Mineral Resources based on information compiled by Mr N Hutchison who is a Member of The Australian Institute of Geoscientists. Mr Hutchison has sufficient experience which is relevant to the style of mineralisation and type of deposits 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.' He has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.