

PROTO



RESOURCES & INVESTMENTS LTD

STOCK EXCHANGE ANNOUNCEMENT

December 6, 2010

Metals Finance Sells Palabora Nickel Sulphate Plant

ASX Release: PRW

As announced today, Metals Finance Limited (“Metals Finance”) has reached agreement to sell the nickel sulphate plant installed at the Palabora copper mine in South Africa that is owned by its 50% owned South African subsidiary, Metals Finance Africa (Pty) Ltd.

As noted in a 29 September 2010 substantial holder notice, Proto Resources & Investments Ltd is the owner of 8% of Metals Finance’s shares.

Metals Finance Sells First Nickel Plant

The Board and Management of Proto Resources & Investments Ltd (“Proto”, “the Company”) is pleased to provide the attached stock exchange release from its Barnes Hill joint venture partner Metals Finance Limited (ASX: MFC). Metals Finance has, through its 50% owned South African subsidiary, Metals Finance Africa (Pty) Ltd., announced an arrangement with Rio Tinto-controlled Palabora Mining Company Limited to sell its nickel processing facility in South Africa. The purchase price of approximately A\$5.4m (ZAR 36.3 million) will provide further liquidity to the Metals Finance business in Australia.

Proto is very pleased as this shows international appreciation for Metals Finance’s low pH nickel expertise, which is being applied in the development of the Barnes Hill nickel-cobalt deposit in Tasmania. Proto is also pleased to see Metals Finance’s consolidation of further cash reserves to assist advancing its projects in 2011. These include Barnes Hill, which is a 50:50 joint venture between Proto and Metals Finance.

Proto Chairman Andrew Mortimer said today: “As 8% shareholders in Metals Finance, it is great to have Rio Tinto along with Proto as customers of Metals Finance’s kit and technology. This demonstrates Metals Finance’s impressive capability in designing, preparing, installing and successfully operating nickel processing solutions on what are thought to be difficult nickel projects.”

Enquiries:

Mr Andrew Mortimer
Chairman and Joint Managing Director
Proto Resources & Investments Ltd
Office: +61 (2) 9225 4000
Mobile: +61 (0)433 894 923

Proto Resources & Investments Ltd

ACN: 108 507 517

Suite 1901, Level 19, 109 Pitt St,
Sydney 2000 NSW Australia

PO Box R1870
Royal Exchange NSW 1225

p: +61 2 9225 4000

f: +61 2 9235 3889

e: info@protoresources.com.au

w: www.protoresources.com.au



The Manager
Company Announcements Office
Australian Securities Exchange

6 December 2010

Dear Sir/Madam,

METALS FINANCE SELLS PALABORA NICKEL SULPHATE PLANT

We are pleased to advise that Metals Finance Limited's 50% owned South African subsidiary, Metals Finance Africa (Pty) Ltd., has reached agreement with the Rio Tinto-controlled Palabora Mining Company Limited (Palabora) for the payment of ZAR 36.3 million (approximately A\$5.4 million) for the company's interest in the nickel sulphate plant installed at the Palabora copper mine in South Africa by Palabora.

The sale enables Metals Finance group to recover its initial investment in the plant and subsequent interest costs. The transaction enhances the company's cash reserves, strengthening its financial position as it moves to advance several promising projects including the Chambishi copper-cobalt tailings venture in Zambia; the Lucky Break nickel project in Queensland; the Barnes Hill nickel development in Tasmania; and the base metal tailings treatment joint venture with Broken Hill Prospecting Ltd at Broken Hill, NSW.

"This enables us now to focus fully on getting other ventures up and running," Metals Finance Limited's Chief Executive Officer and Chairman of Metals Finance Africa Mr Tony Treasure said. "There has been considerable progress on each of these projects during 2010, and plans are well advanced for us to realise the significant value that lies ahead."

Palabora's Managing Director Mr Tony Lennox said: "The purchase of the nickel sulphate plant successfully concludes a venture that was commenced in 2006. The state-of-the-art facility was commissioned in February 2009 and produces high grade nickel sulphate from waste streams generated in the copper refining process. We appreciated the opportunity to partner with Tony and his team at Metals Finance in the development and construction of the nickel plant".

Metals Finance appreciates Tony Lennox's efforts since being appointed to his new role at PMC in bringing this matter to a successful conclusion for both parties.

P.A. Treasure
Chief Executive Officer