

# PROTO



RESOURCES & INVESTMENTS LTD

## STOCK EXCHANGE ANNOUNCEMENT

March 9, 2010

### **New drill results add to resource database at Barnes Hill and Tasmanian Government sets Development Proposal guidelines**

#### **ASX Release: PRW**

*Assay results released today on a further 112 holes from the current phase of drilling at Proto's flagship Barnes Hill project near Beaconsfield in Tasmania. Intersections have continued to build the strength of the database with 14 intersections at 1% Ni or greater (using a 0.5% Ni and 2m minimum intercept and maximum 3m internal dilution as cut-offs).*

*Proto is pleased to report significant progress in its plans to develop a Tasmanian nickel mine with receipt of final Guidelines ("the Guidelines") on the Development Proposal and Environment Management Plan ("DPEMP") for the Barnes Hill project. The Guidelines provide a comprehensive set of general and specific criteria to guide the delivery of the DPEMP for mining at Barnes Hill.*

#### **Executive Summary**

- Assay results now available from a further 112 holes of the resource drilling program (drill holes BHA277 – BHA388). Assays for a further 89 completed drill holes are still pending. Proto has completed the planned drill-out across the existing JORC resource and is currently continuing infill drilling on possible extensions identified from geological results to date.
- Assays just received continue to identify strong nickel and cobalt intercepts confirming several relatively richer pods of mineralisation including those detailed below:
  - Drill hole BHA306 6m @ 1.3% Ni & 0.04% Co from 0m
  - Drill hole BHA313 8m @ 1.0% Ni & 0.036% Co from 14m
  - Drill hole BHA323 8m @ 1.1% Ni & 0.13% Co from 1m
  - Drill hole BHA340 8m @ 1.1% Ni & 0.026% Co from 1m
  - Drill hole BHA350 9m @ 1.2% Ni & 0.056% Co from 2m

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- Drill hole BHA373 9m @ 1.1% Ni & 0.025% Co from 1m
- On 18 February 2010 the Board of the Tasmanian Government's Environment Protection Authority ("the EPA Board") issued the final Guidelines on the requirements for the submission of a DPEMP at Barnes Hill. The Guidelines cover the set of informational requirements that Proto will address in its DPEMP at Barnes Hill. This DPEMP, covering the application to build a mine and processing facility to produce nickel metal at Barnes Hill, will then be submitted to decision authorities.

### ***New Assays Further Build the Barnes Hill Resource Database***

The Directors of Proto Resources & Investments Ltd ("Proto", "the Company") are pleased to provide details on the latest set of results recently received from extensive resource drilling at the Company's flagship Barnes Hill project in Tasmania.

These most recent assay results are from drill holes BHA277 to BHA388. The current resource drilling program commenced at the Barnes Hill nickel-cobalt deposit in November 2009 and aimed to drill-out the main sections of the Joint Ore Reserves Committee ("JORC") compliant Indicated Resource of 12.1Mt at 0.83% Ni and 0.07% Co previously identified at the Barnes Hill project. Drilling on a nominal 50m x 50m grid pattern across the Barnes Hill deposit area has now been completed. A total of 401 aircore drill holes (holes BHA076 to BHA477) for 2,722 metres have been drilled as part of this programme. These holes supplement the 75 holes (BHA001 to BHA075) that supported the earlier resource definition at Barnes Hill. One metre samples were taken from each metre drilled as part of this programme and sent to ALS Laboratory Group for assay by X-Ray fluorescence spectrometry.

The significant nickel and cobalt drill hole intersections (based on a cut-off of >0.5% Ni with a minimum 2m intercept and maximum 3m of internal dilution) from the 112 additional drill holes BHA277 through to BHA388 are given in Table 1. These include 14 intersections that exceeded 1% Ni, with peak values reaching 1.5% Ni. This provides a sound expansion of the database of stronger nickel pods identified so far at Barnes Hill. Figure 1 summarises the significant intersections identified so far across the program and also provides the location of the remaining 89 completed drill holes for which results are pending.

### ***DPEMP Guidelines Issued by the Tasmanian Government***

The Directors are also pleased to announce that on 18 February 2010 the EPA Board issued its final DPEMP Guidelines for the Barnes Hill project. The Guidelines provide a comprehensive set of matters to guide Proto in delivery of the DPEMP that will propose mining and the production of nickel metal at Barnes Hill.

The Guidelines issued by the EPA Board also provide a structure for the DPEMP and outline required detail on a broad range of issues including construction, the site plan, environmental and socio-economic aspects. In due course, the content of the DPEMP will be submitted for the consideration and assessment of the EPA Board (for environmental aspects), the West Tamar Council (for planning aspects) and the Commonwealth Department of Environment, Water, Heritage and the Arts (for Federal Government approvals required under the *Environment Protection and Biodiversity Conservation Act 1999*).



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Proto's Managing Director, Mr Andrew Mortimer, said the Company was pleased with the content of the Guidelines, which had been broadly anticipated by Proto and planned for in the studies that had already been commissioned by the Company.

"The DPEMP Guidelines are another important milestone in advancing development at Barnes Hill. We've got some great scientists working on the technical and environmental work that will be included in the DPEMP, and these Guidelines provide confirmation for us to continue this work," Mr Mortimer said.

Proto's Chief of Operations, Mr Ashley Hood, said the DPEMP guidelines provided useful clarity on the work that Proto and its joint venture partner at Barnes Hill, Metals Finance Limited (ASX: MFC), needed to complete, and that the data collection and analyses needed to provide the required detail were underway.

"The DPEMP guidelines have set clear goal posts for what we need to provide to decision authorities in relation to the Barnes Hill project. Our whole team is now clearly focused on kicking goals in building a compelling proposal for the project," he said.

The Company looks forward to providing further updates in due course.

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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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**Table 1 – Significant Nickel and Cobalt Intersections on Latest Drill Holes**

Hole ID	Northing	Easting	Dip	Max Depth	Depth From	Depth To	Width (m)	Ni %	Co %
BHA287	5436850	481550	Vertical	6	0	4	4	0.76	0.036
BHA289	5436850	481500	Vertical	4	0	3	3	0.60	0.03
BHA292	5436750	481100	Vertical	20	8	13	5	0.78	0.12
BHA295	5436750	481300	Vertical	2	0	2	2	0.53	0.13
BHA296	5436750	481250	Vertical	7	0	6	6	0.79	0.13
BHA297	5436750	481200	Vertical	16	5	15	10	0.82	0.091
BHA301	5436650	481350	Vertical	3	0	2	2	0.53	0.011
BHA302	5437200	481525	Vertical	17	11	16	5	0.85	0.11
BHA303	5437200	481575	Vertical	19	12	19	7	0.73	0.14
BHA304	5437200	481625	Vertical	11	8	10	2	0.89	0.065
BHA305	5437200	481675	Vertical	10	5	10	5	0.82	0.048
BHA306	5437200	481725	Vertical	6	0	6	6	1.3	0.040
BHA310	5437150	481700	Vertical	8	3	8	5	0.84	0.020
BHA311	5437150	481650	Vertical	11	5	11	6	0.81	0.037
BHA313	5437150	481550	Vertical	22	14	22	8	1.0	0.036
BHA315	5436650	481250	Vertical	5	0	2	2	0.61	0.027
BHA318	5436600	481175	Vertical	6	2	6	4	0.66	0.14
BHA321	5436450	481250	Vertical	10	5	9	4	1.1	0.087
BHA323	5436400	481275	Vertical	9	1	9	8	1.1	0.13
BHA325	5436450	481450	Vertical	7	1	3	2	0.70	0.024
BHA328	5436150	481195	Vertical	10	7	10	3	0.86	0.12
BHA331	5436145	481499	Vertical	4	1	4	3	0.54	0.012
BHA332	5436149	481548	Vertical	3	0	3	3	0.83	0.013
BHA333	5436154	481595	Vertical	3	1	3	2	0.75	0.022
BHA334	5436149	481648	Vertical	4	0	3	3	0.71	0.022
BHA335	5436143	481695	Vertical	6	1	6	5	0.86	0.03
BHA336	5436103	481723	Vertical	5	1	5	4	0.81	0.023
BHA337	5436103	481679	Vertical	4	1	3	2	0.60	0.15
BHA338	5436094	481631	Vertical	4	0	4	4	0.79	0.021
BHA339	5436095	481576	Vertical	2	0	2	2	0.76	0.031
BHA340	5436101	481534	Vertical	11	1	9	8	1.1	0.026





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**Table 1 (continued) – Significant Nickel and Cobalt Intersections on Latest Drill Holes**

Hole ID	Northing	Easting	Dip	Max Depth	Depth From	Depth To	Width (m)	Ni %	Co %
BHA341	5436052	481755	Vertical	7	0	7	7	1	0.072
BHA342	5436044	481700	Vertical	4	0	4	4	0.67	0.024
BHA343	5436054	481654	Vertical	7	0	5	5	0.77	0.035
BHA344	5436042	481604	Vertical	4	1	4	3	1.5	0.063
BHA345	5436048	481552	Vertical	9	0	9	9	0.95	0.029
BHA346	5436046	481502	Vertical	5	0	5	5	0.73	0.019
BHA347	5436008	481731	Vertical	4	0	4	4	0.91	0.069
BHA348	5436004	481684	Vertical	3	1	3	2	0.92	0.087
BHA349	5436003	481622	Vertical	3	0	3	3	1.3	0.12
BHA350	5436000	481568	Vertical	11	2	11	9	1.2	0.056
BHA351	5436000	481530	Vertical	5	3	5	2	0.77	0.083
BHA352	5436000	481473	Vertical	9	5	9	4	0.86	0.044
BHA353	5436059	481814	Vertical	16	7	16	9	0.89	0.073
BHA354	5436004	481810	Vertical	7	1	7	6	0.74	0.13
BHA355	5435960	481801	Vertical	16	2	16	14	0.87	0.13
BHA356	5435916	481793	Vertical	13	1	11	10	0.88	0.018
BHA357	5435875	481850	Vertical	16	5	16	11	0.84	0.089
BHA372	5435950	481754	Vertical	3	0	3	3	1.4	0.054
BHA373	5435948	481707	Vertical	10	1	10	9	1.1	0.025
BHA374	5435954	481652	Vertical	4	1	4	3	0.58	0.044
BHA375	5435946	481605	Vertical	10	6	10	4	0.90	0.036
BHA377	5435998	481317	Vertical	15	8	15	7	1.0	0.054
BHA378	5435949	481402	Vertical	2	0	2	2	0.76	0.032
BHA380	5435950	481496	Vertical	4	0	4	4	1.5	0.090
BHA381	5435951	481540	Vertical	7	3	7	4	0.94	0.051
BHA382	5436001	481788	Vertical	4	1	4	3	1.4	0.074
BHA384	5435995	481377	Vertical	6	3	6	3	0.67	0.069
BHA385	5436051	481301	Vertical	8	4	8	4	0.89	0.077
BHA386	5436052	481352	Vertical	4	1	3	2	0.53	0.019
BHA388	5436050	481447	Vertical	3	0	3	3	0.72	0.026

- Intercepts are from aircore drilling and based on assay data from 1m grab samples. Analysis is by X-Ray fluorescence spectrometry and hole collars were located by GPS (MGA94). Intersections calculated using 0.5% Ni lower cut-off with a minimum 2m intercept and maximum 3m of internal dilution.



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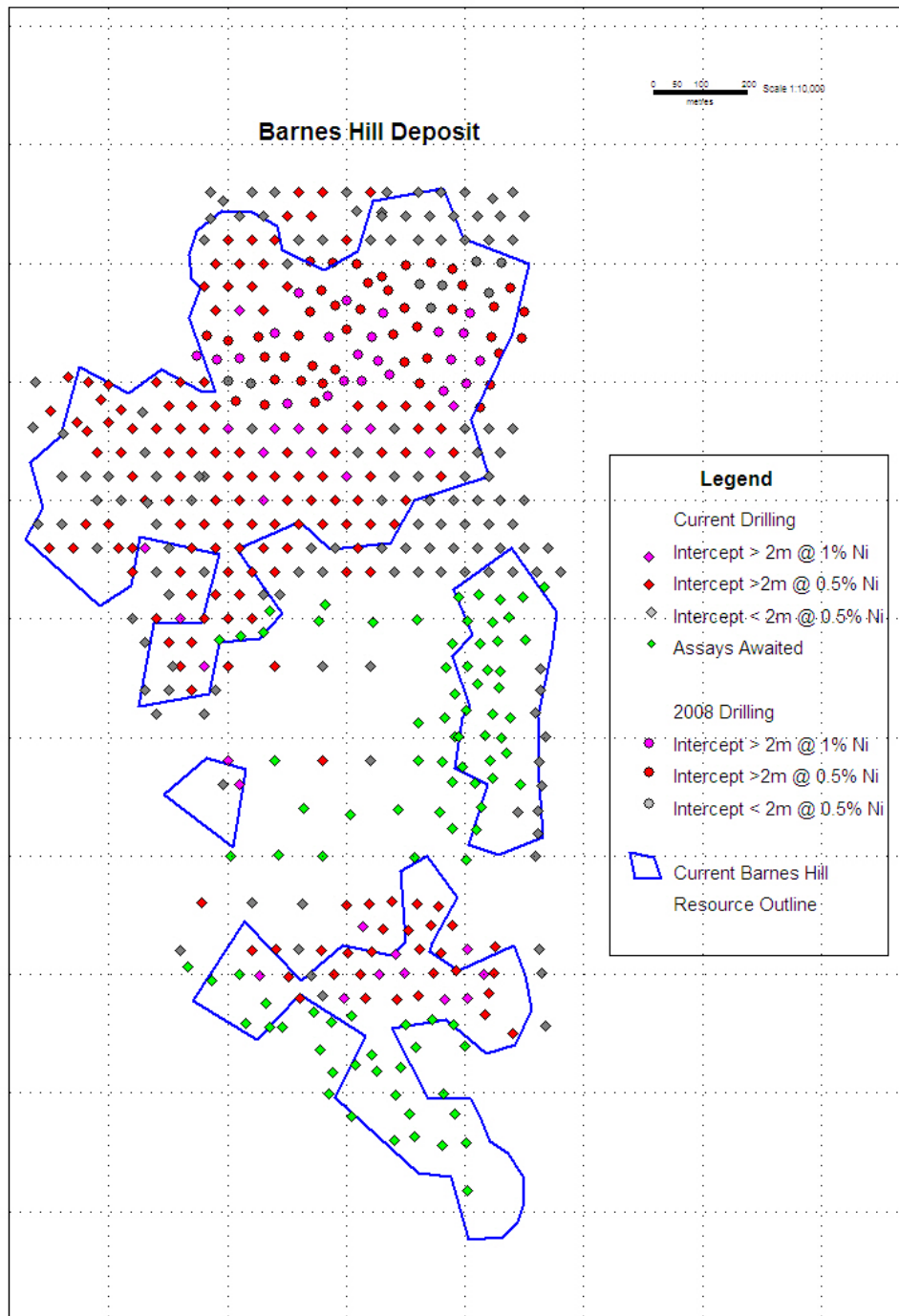


Figure 1 – Aircore Drill Holes and Assay Results Received to Date