

PROTO



RESOURCES & INVESTMENTS LTD

STOCK EXCHANGE ANNOUNCEMENT

November 22, 2010

Barnes Hill Processing Update and a New Application in the Doolgunna Region

ASX Release Stock Code: PRW

Proto has finalised the locations of processing facilities and is completing a last round of geotechnical testing at its flagship Barnes Hill nickel-cobalt project near Beaconsfield in Tasmania. Shipment of the first set of bulk samples to the laboratory in Evans Head will also begin this week to meet the process leaching and pilot plant schedule.

Proto has lodged a further exploration licence application in the Doolgunna Region of Western Australia. The new application ground is in a region of Western Australia which hosts known mineralisation at Sandfire Resources NL's DeGrussa Deposit (Indicated & Inferred Mineral Resource of 10.67Mt @ 5.6% Cu, 1.9g/t Au and 15g/t Ag) and Ivernia Inc's Magellan Lead Mine (Measured & Indicated Resource of 22.1Mt @ 4.8% Pb).

Executive Summary

- The locations of processing facilities at Barnes Hill has been finalised with assessment now underway to show geotechnical integrity over the required mine life.
- Shipment of the first set of bulk samples to the laboratory in Evans Head to begin this week to meet the leaching and pilot plant schedule.
- New exploration licence application, E69/2872, has been lodged in the Doolgunna Region of Western Australia. This new application increases Proto's exploration holdings in the region to five licence applications covering a combined area of 409km².
- The Company considers that the new application area located 75km northwest of Wiluna may contain rock units analogous to those that host known Cu-Au and Pb mineral deposits in the region. All five of the Company's licence applications in the region are within the Palaeoproterozoic-aged Yerrida Basin.

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Barnes Hill Facilities and Bulk Sample Processing

The Directors of Proto Resources & Investments Ltd ("Proto", "the Company") is pleased to advise that planning and assessment work at its flagship Barnes Hill project is nearing completion. Proto has recently finalised the locations of processing facilities and is completing a last round of geotechnical testing to confirm the integrity of the proposed storage dams that will support mining operations near Beaconsfield in Tasmania.

The site layout has been completed to minimise environmental disturbance and provide maximal control over spent ore storage. The layout will include an additional freshwater storage dam to supply water to the processing facility. The geotechnical program has involved a comprehensive set of bore holes and geotechnical excavations by a local Tasmanian contractor. This work will verify the suitability of the site for civil engineering and earthworks required. This detail will form a central element of the soon to be completed Development Proposal and Environmental Management Plan for the proposed mining and nickel and cobalt production at Barnes Hill. Proto is pleased to have advanced the project to this stage, with a view to becoming the second metals producing mine in close proximity to Beaconsfield.

Shipment of the first set of bulk samples to the laboratory in Evans Head will now also begin. These shipments will be delivered to meet the leaching and pilot plant schedule that has been established for the Barnes Hill ore. A total of 7t of ore will be processed during this initial pilot stage, with the shipment of the first batches to begin this week. The material selected will provide a representative sample across the proposed mining area. This metallurgical leaching and processing will allow further fine-tuning of the processing circuit, particularly around reagent concentration and extraction of saleable magnesium and iron products from the Barnes Hill nickel-cobalt ore.

This initial bulk sample ore has been sourced from earlier aircore drilling that was completed during the Barnes Hill drill-out. In addition, a drilling programme to collect ore from the higher grade saprolite zone using a wide gauge Reverse Circulation ("RC") drill has now been approved. This Programme of Work has now been cleared by Mineral Resources Tasmania and the drilling contractor is to mobilise to site within 7-10 days on completion of a prior engagement.

Proto is also shipping samples of iron-cap material from Barnes Hill to Evans Head. This iron-cap material sits above the saprolite zone that hosts the Barnes Hill ore in several areas, and Proto believes this upgrading will allow this overburden to generate an additional revenue stream. The analytical assessment of potential upgrading of this iron-cap material will begin with investigation of the potential benefits of screening and washing across various grind sizes.

New Exploration Licence Application, Western Australia

Proto is also pleased to announce that the Company has applied for a further exploration licence covering an area of 52km² located in the Doolgunna Region northwest of Wiluna in Western Australia (refer Figure 1). The region, known colloquially as the Doolgunna Region, is made up of the Bryah, Padbury and Yerrida Basins. This area of Western Australia is almost covered in its entirety by active mineral licences and applications. The new application compliments four previous exploration applications announced to the market on 11 October 2010 and brings the Company's combined exploration application holdings to 409km².



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The new Proto applications are all within the Palaeoproterozoic-aged Yerrida Basin and mapped Proterozoic-age rock units include mafic volcanics and intrusives of the Killara Formation and sedimentary rocks of the Finlayson Sandstone and the Juderina and Maralouou Formations.

Exploration licence application E69/2872 lies 75km northwest of Wiluna along the eastern margin of the Yerrida Basin Road, and existing station tracks provide easy access to the application area for exploration purposes. Limited outcrop has been previously noted by the Western Australian Geological Survey during mapping in the area. Compilation of historic exploration work undertaken in the new application area is currently underway and this information will assist with the planning of initial exploration work. This work is likely to involve geological mapping, soil sampling and geophysical interpretation as the first phase.

The Company looks forward to providing further updates on its exploration and development projects in the near future.

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Note on Mineral Resources.

The resource information mentioned for the DeGrussa Deposit comes from an ASX Release by Sandfire Resources NL on the 3 September 2010. The resource information for the Magellan Pb Project comes from a presentation released by Magellan Metals (a wholly owned subsidiary of Ivernia Inc) on the 7 October 2009. A 2.5% Pb cut-off grade was used.

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.

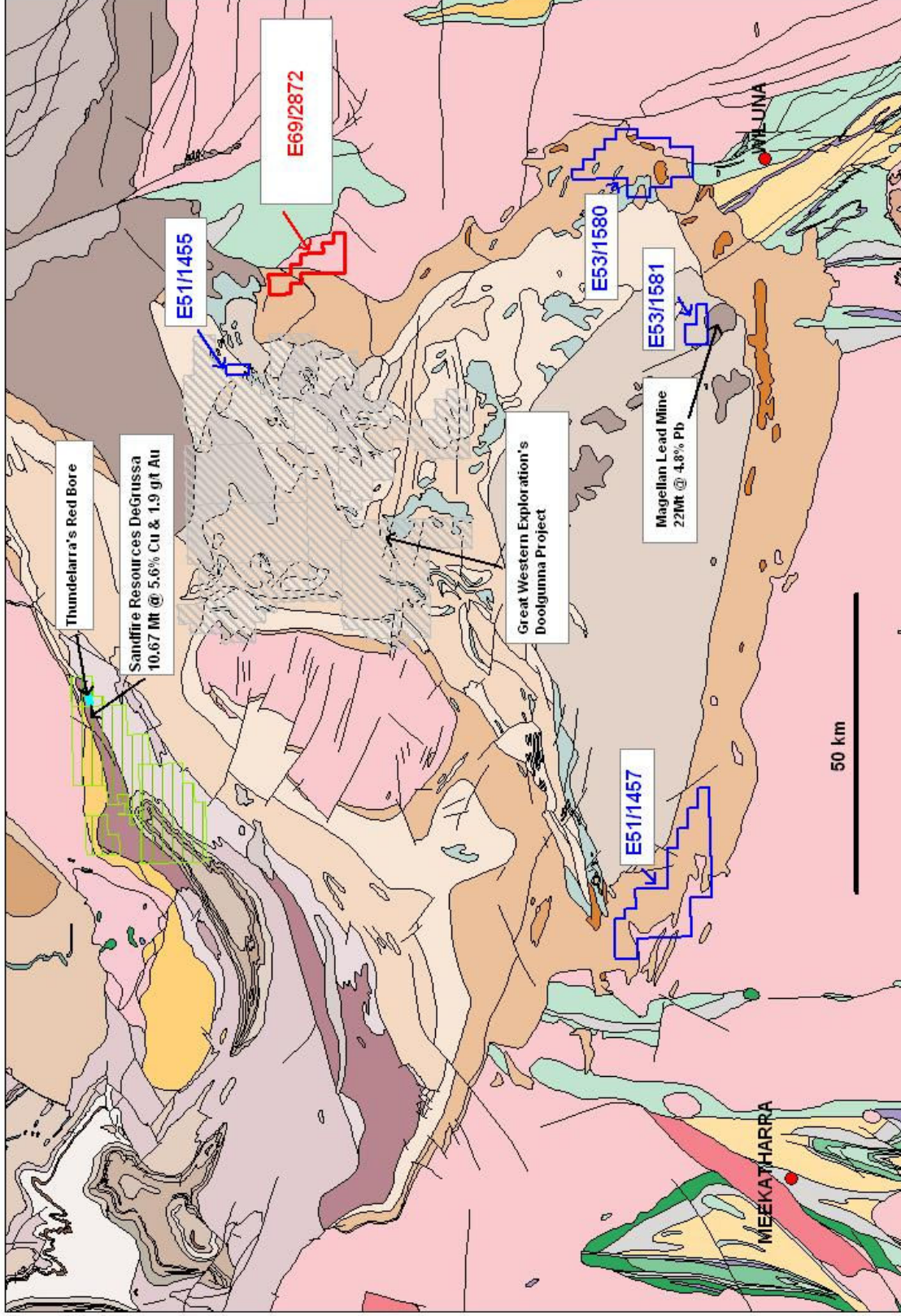


Figure 1 – Location of Proto's new exploration licence application E69/2872 (shown in red) and previously reported licence applications (shown in blue) in the Doolgunna Region of Western Australia with geology as background.

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