

PROTO



RESOURCES & INVESTMENTS LTD

STOCK EXCHANGE ANNOUNCEMENT

March 18, 2011

Boardroom Radio as Pilot Plant Commences

ASX Release Stock Code: PRW

Proto Resources & Investments Ltd ("Proto") is pleased to provide an audio broadcast update with **Mr Andrew Mortimer, Managing Director** titled "**Proto Pilot Plant Commences**".

With the ore under leach and showing expectedly sound leach characteristics, international markets are showing positive responses to the advancement of the Barnes Hill nickel-cobalt project. Following the successful and expectedly smooth commencement of leaching, confirmatory quantitative data is expected over the next few weeks. In accordance with results to date, the technology shows potential for application across other metals including copper, zinc and rare earths. The Development Proposal and Environmental Management Plan ("DPEMP") for Barnes Hill is complete and is currently being worked through by instrumentalities in Tasmania prior to final lodgement. Macquarie Bank has become a financier under an option arrangement. This provides ongoing funding as work continues towards mining at Barnes Hill.

In the Northern Territory, Z-axis Tipper Electromagnetic system ("ZTEM") data from the geophysical programs completed in December is now awaited. Initial data has been received, and the data inversions is complete and has been provided by Geotech Airborne Limited to Proto's consulting geophysicist. In Western Australia, petrology results from Clara Hill are also awaited imminently.

To listen, copy the following details into your web browser: brr.com.au/event/77435

The presentation details are as follows and a transcript is attached:

- Proto Pilot Plant Commences, presented by Mr Andrew Mortimer, Chairman and Managing Director
- Thurs, 18 March 2010 12:00pm AEST

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RADIO INTERVIEW WITH ANDREW MORTIMER, CHAIRMAN AND MANAGING DIRECTOR, PROTO RESOURCES, ON THURSDAY, 18 MARCH 2011

Q1 Hello and welcome to Boardroom Radio. Today I'm pleased to be joined by Mr Andrew Mortimer, the Chairman and the Joint Managing Director of Proto Resources, and Andrew is joining us all the way from Toronto.

A1 Thanks a lot, Tom.

Q2 Now, Andrew, I understand before you arrived in Canada that you were road-showing around New York City. How did it all go?

A2 Look, it went very well. We put our presentation out to market and it was received quite well. I think they understood what we're trying to do in terms of getting Barnes Hill into production as a small facility, and then essentially move up from there into larger nickel laterite projects with our technology, which is coming along well. And they received well what we discussed in relation to exploration projects in WA and the Northern Territory as well. So, all in all, with the nickel and the copper price being so strong and global markets recovering quite well, it was a good reception.

Q3 That's good to hear. Now, how is the pilot plant and your technology coming along?

A3 Look, essentially the Barnes Hill leach has started as we announced. That's working quite well. We had the ore leach breakthrough a lot quicker than we thought, so we're quite happy with that. It shows that the Barnes Hill ore is quite reactive, so that's moving along nicely. In relation to the pilot plant with our technology, I think we're just waiting on a rectifier there to complete the plant's construction so that we can start putting PLS through it. So we should have some data on both the Barnes Hill leach and the pilot plant open next fortnight but, as yet, we don't have anything to release.

Q4 Okay. And I understand this might be applicable to copper, zinc and now Rare Earth as well.

A4 Yeah. Look, I mean, it is working a lot better than we thought, the technology. We're looking to apply it to other metals as well. We can't say for sure that they are applicable yet, but there's no reason why they shouldn't be, and that could potentially significantly increase the value of the technology to us, obviously. Rare Earth have a significant capex so we are looking to apply the technology anywhere where we can reduce people's opex and capex, which obviously increases the profitability of those projects. So, you know, it's coming along nicely. It's early days, but obviously we want to apply it to as much as possible to unlock all the value possible.

Q5 Andrew, how is everything going with the mining licence and the development proposal?

A5 Yeah. Look, essentially, we're still in the process of going back now to MRT with a submission in relation to our security bond. That should happen this week. In relation to the development proposal, that's now fully complete and it's just sitting with a couple of instrumentalities down in Tasmania who are informally looking at it before we formally lodge it. So, basically, we've finalised both documents. It's just a matter of interfacing with the government departments and making sure that everything is in order so that we can get lodgement of the DPEMP and the mining licence grant without any further delays.

Q6 **Andrew, there's mention in one of the latest releases about this placement of options to Macquarie Bank. What have you agreed with Macquarie?**

A6 Look, essentially, Macquarie Bank has, off its own balance sheet, become a financier for Proto to the tune of approximately \$4 million. That obviously looks after capital requirements for quite some time, and in terms of what we have in the bank and the options we have out there. So basically it means that we can focus on the operations which we need to do now that we're coming into the completion of the definitive feasibility study and engineering study in July this year. Obviously, we're looking to finance the project as well MFC as well as doing all the other stuff in terms of the technology, the Barnes Hill leach, the mining licence grant and development proposal. So it's a great additional source of capital whilst we basically look to develop the Barnes Hill project, essentially, I suppose, as a demonstrator of our technology before we go on to do bigger and better projects. So it basically allows us to focus on operations a great deal more, which is fantastic.

Q7 **And how is everything progressing at your other projects?**

A7 Look, essentially, the Northern Territory is coming along well. We have been delayed on hearing about our ZTEM data which we flew at the end of last year. It was the first big commercial use of ZTEM in Australia, and so there's data interpretation packages that are being used for the first time. So that has slowed us up somewhat, but we're hoping to hear back on that over the next couple of weeks. In relation to personnel on the ground, we're looking to get more assistance out of the British Open University and the Queensland University of Technology over the next six to nine months, so we're working on that in the background. And then, in WA, we're just waiting on some pathology back on the Clara Hills project, which will give us a good idea of how to move forward there.

Q8 **Andrew, thank you very much for that comprehensive wrap-up, and best of luck on the rest of your trip.**

A8 Thanks a lot, Tom.

INTERVIEW CONCLUDED