

# PROTO



RESOURCES & INVESTMENTS LTD

## STOCK EXCHANGE ANNOUNCEMENT

August 16, 2011

### New Proto Chairman Appointed

#### ASX Release Stock Code: PRW

##### *Executive Summary*

- The Board of Proto Resources & Investments Ltd (“Proto”, “the Company”) has appointed the Honourable Ian Campbell as new Chairman of the Company.
- The appointment comes as the Company prepares to commence the operational phase at the Barnes Hill nickel-cobalt-iron-magnesium joint venture in northern Tasmania at the end of 2012. Developments are moving rapidly at Barnes Hill, with Proto having now selected Caterpillar Inc. (NYSE: CAT) as the equipment supplier and Caterpillar Financial SÀRL (“Caterpillar Financial”) in Zurich to manage the financing of the project.

##### *The Hon. Ian Campbell Appointed Chairman*

In preparation for first production, the Directors of Proto have agreed that the Honourable Ian Campbell is to take on the role of Chairman of the Company from September 1, 2011. Mr Campbell has been an independent non-executive director of Proto since 2008, when he retired from Federal politics after a distinguished career spanning 17 years in the Australian Senate. This included serving in the Cabinet as the Minister for the Environment and Heritage from 2004 and as Parliamentary Secretary to the Treasurer with responsibility for the Corporate Law Economic Reform Program (CLERP) from 1997.

Mr Campbell replaces Mr Andrew Mortimer in the role of Chairman. This will enable Mr Mortimer, who will continue in the capacity of Managing Director, to focus more closely on achieving production at Barnes Hill where first shipments are planned for early 2013 and where the equipment supplier and finance arranger have recently been selected.

As also announced today, Proto has appointed Caterpillar Inc. (NYSE: CAT) as the equipment supplier to Barnes Hill and has concluded a financing arrangement with Caterpillar Financial SÀRL (“Caterpillar Financial”) in Zurich. Caterpillar Financial is the financing arm of Caterpillar Inc., itself the world's largest manufacturer of construction and mining equipment, diesel and gas engines, and industrial gas turbines and is very well supported locally in northern Tasmania. This agreement will see Caterpillar Financial deliver the debt financing of the Barnes Hill project by 31 April 2012, in time to meet the approvals timeline on the proposed nickel-cobalt-iron-magnesium mine located northwest of Launceston.

In accepting his new role, Mr Campbell commented that: “I have been on the Proto Board for three years and have watched the development program at Barnes Hill and the development of the Barrier Bay

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technology. I am keen to see the company build to its next stage, bringing both of these projects onstream, with consequent benefits to shareholders. I am particularly excited about the possibilities of the Barrier Bay technology and its potential to deliver not only a positive impact on the environment, but also operating expense savings. By potentially reducing wet tailings by as much as 80% it will deliver tangible results to not only mining project proponents, but also hosts and neighbours of large mining projects worldwide.”

“Proto's Barrier Bay technology has the potential to be a game changer for those projects utilising sulphuric acid as a concentrating solution. Often the environmental impact is the largest hold-up for any proposed mine. By cutting tailings by 80%, because we would sell what otherwise would be re-buried, we minimise future environmental disturbance. Moreover, the economic impact both in capex and opex of a smaller sulphuric acid plant, less effluent, less tailings, and greater revenue by selling poly metallic by-products are winners both for projects themselves and for their environments. The Board has a strong focus on building our Company's management team to deliver these important projects and a pipeline of new projects to apply the technology to our own resources, and the projects of other companies.”

Noting the appointment of Mr Campbell, Mr Mortimer continued, "We are pleased to be entering the development phase and I'm very pleased Mr Campbell has been able to take on this additional role. This will allow me to continue to focus my efforts on optimally utilising the new patented technology. The signing with Caterpillar reflects this technological advance, where we were able to reduce the capex at Barnes Hill from approximately \$150m to just \$50m, with similar knock-on effects for profitability. We anticipate future announcements regarding the equity components from our joint venture partner Metals Finance, who is responsible for the equity to develop Barnes Hill into production."

Proto looks forward to updating the market shortly on continuing progress at its other exploration projects. Recent work has included the planning of follow-up programs at its 100% owned Wave Hill project (EL27413, EL27617 and EL27618) 380km south-west of Katherine in the Northern Territory. Here, focus has concentrated on the elongated, 5km long A-trend anomaly with several attractive targets for drill testing. 2D inversion showed shallow (<200m) conductive features below this magnetic anomaly that could be responding to structural controls. A fixed loop ground electromagnetic survey is planned, prior to drilling towards the end of this year.

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