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RESOURCES & INVESTMENTS LTD

STOCK EXCHANGE ANNOUNCEMENT

July 9, 2012

Boardroom Radio as Feasibility Study Released

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Proto Resources & Investments Ltd (“Proto”, “the Company”) is pleased to provide an audio broadcast with **Mr Andrew Mortimer, Managing Director** titled “**Proto and Metals Finance Release Robust Feasibility Study**”. It details Proto’s substantial recent progress and in particular the completion of the final feasibility study at the Barnes Hill project in Northern Tasmania.

The interview discusses in detail the recent announcement from Proto’s joint venture partner, Metals Finance Limited (“Metals Finance”, ASX: MFC), regarding the completion of the definitive feasibility study on the Barnes Hill. Proto’s 19.1% stake in Metals Finance is also raised, and is noted to be a reflection of the importance of Metals Finance as a strategic partner providing key front-end technologies, alongside the Barrier Bay back-end that Proto has a controlling interest in. The interview also covers the upcoming fourth drill hole, LBD-4, at Lindeman’s Bore in the Northern Territory. LBD-4 that will target the middle of the electromagnetic anomaly that the recent third hole intersected the margin of.

The Barnes Hill feasibility remains strong at current nickel prices, and the company is confident that further gains as the nickel price appreciates in-line with positive expectations that are held by prominent market analysts. Finally, the interview considers the recently announced sale of several joint venture interests in the Sandfire/Doolgunna region of Western Australia to Victory Mines Limited.

To listen, copy the following details into your web browser: brr.com.au/event/99086

The presentation details are as follows:

- Proto Announces Robust Barnes Hill Feasibility Study, with Mr Andrew Mortimer, Managing Director
- Monday, 9 July 2012 10:30am AEST

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Interview with Andrew Mortimer from Proto Resources

BRR **Joining us today on BRR Media is Mr Andrew Mortimer, the Managing Director of Proto Resources. Andrew thank you very much for joining us today.**

AM Thank you very much Tom.

BRR **Andrew there's quite a lot to get through, there's been a lot happening with the final feasibility study on Barnes Hill, Proto's increasing stake in MFC, a fourth hole at Lindeman's Bore ready to go and you're also working on joint ventures. Andrew to begin with we'll talk about the feasibility study released by MFC on Barnes Hill, could you comment on the results for us?**

AM Yeah look that's the final feasibility study, obviously it's quite important as the final document and it comes up with a very robust NPV on less than half the project. Less than half the project is covered in it so there's plenty of room for expansion, and yeah current numbers and predicted numbers the project's quite strong so we don't expect there to be too much difficulty in finalising, permitting and financing of the project, and that will be our focus from here on in.

BRR **The study's based on resources which were calculated by Snowden back in 2010, so is it your view that there's quite a bit more potential there?**

AM Yeah well that was only done on about less than half the resource, so there's Barnes Hill, Scott's Hill, Mt Vulcan so we just worked on the Barnes Hill portion of it, it doesn't take into account the global resource that we had stated in the past.

BRR **Recent news you've increased your stake in MFC to 19.1%, do you have an intention to go higher?**

AM Look we'll keep on investing in the company, it's a very good business and its share price is unreasonable low in our opinion, obviously the first half of this year's been quite difficult and that's presented us with an opportunity to jump from about 13% to 19%, they're a very important strategic partner with their technology in conjunction with Dow Chemicals on the low PH Nickel system that operates at the front end of the technology, obviously we've got the back end technology with Barrier Bay, for treatment of the waste stream. But they've got the important front end of the technology with Dow so it's important for us to have a strong stake there in the same way that we own approximately half of Barrier Bay. So very important for our plants to become globally significant in the nickel space.

BRR **Yep, okay. If we move across to Lindeman's Bore for a second. The fourth drill hole is pending, what are your expectations there Andrew?**

AM Well look I mean I think the third hole, which was 1500 metres south east of the first hole, gave us a strong indication of mineralogically what's going on, we hit that chloride alteration which we announced, the copper and gold numbers, the quartz sericite and



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that appears to be on the western margin of the EM target that we spent two years defining with air borne EM, first use of – commercial use of ZTEM in Australia and the ground EM to follow it up to make sure it wasn't a spurious anomaly. So we expect the fourth hole to be targeted straight through the middle of the EM anomaly once we down some ground magnetics, in the short term, and we believe that that will finally tell us what is there at Lindeman's Bore, but yeah after the third hole we are very confident because of the mineralogy that we encountered which of course is coincident with an EM anomaly. So very happy with that, very excited about that and looking forward to finally coming to grips with that project.

BRR **Okay we'll look forward to seeing that release come out. Over in WA you signed some JVs on two out of the five Doolgunna tenements.**

AM We have.

BRR **What are you plans there and then can you comment on those JVs for us?**

AM Yeah look I mean this came out of work that we were doing after bedding down our Northern Territory strategy, gaining more ground in the Northern Territory. We looked at WA at the recent Sandfire discovery as it then was and did research for about 12/15 months into that area to see whether there was more opportunity there, and at first we thought there wasn't and then once we did more research we found that there was still quite a bit of room in the Yerrida Basin, where we pegged those five projects. We also have the Clara Hills project in WA, nickel, copper PG project and that project also forms part of the joint ventures that we've signed with the new company Victory Mines, the Great Doolgunna Tenement and the Station Bore Tenement, part of which used to be held by Xstrata and look those three projects Clara Hills, Great Doolgunna and Station Bore are incredibly prospective and we expect them to deliver very good exploration results for Victory Mines, it's a very good joint venture for us because we still have project equity; we have some company equity and the cash payment as well, but we believe that those projects will deliver Victory Mines early success. We still have three other tenements there that we're working on looking at the aeromagnetics, Mt Clara in particular, but also the Casey Project which is about 200 square kilometres, we're working on that and we expect that those projects will turn up good results for us 100% owned, but it will be great to have Victory Mines in there doing work as well so we can actually sort of work together on a very large belt of rocks.

BRR **Something that's always significant when you talk about Proto is the nickel price.**

AM Yes.

BRR **Has been moving higher. Is it your view that that will continue Andrew?**

AM Look it is, I mean \$7.50 I think it was \$7.78 per pound overnight, we expect it to go higher, that is certainly the Macquarie research, the ABARES research which MFC has used in the final feasibility study. So we're very comfortable with that and we don't see prices staying this low for much longer, and it's basically US\$17,100 a tonne for nickel, we can make money at these levels though. I should point out that it's \$7.50 a pound,



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the project's probably got a pay back of three years on the CAPEX and that's without the iron ore potential, that's without using Barrier Bay, that's just using Lucky Break circuit flow sheet which MFC developed. So it's a very strong project that we've got there and the nickel price should simply provide us with more project when it hopefully tracks the forecast that we've received from MFC, but they received from the Macquarie research and the ABARES research.

BRR **Very good. Andrew thank you very much for joining us today, we really appreciate your time.**

AM Thanks a lot Tom.

Competent Persons Statement

The information in this release that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Carl Swensson, who is a Member of the Australasian Institute of Mining & Metallurgy. Mr Swensson is a director of Swensson Integrated Resource Management Services 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 Swensson consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.