

26 March 2013

Company Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

BOARDROOM RADIO BROADCAST

HIGHLIGHTS

- **Successful completion of the Optimised Definitive Feasibility Study at Barnes Hill**
- **Update on the potential financiers for the Barnes Hill Project**
- **Next Steps to advance the Barnes Hill Project**
- **Update on Mt Veters Project in Western Australia**

The Board of Proto Resources & Investments Limited ("Proto") is pleased to provide an audio broadcast with Mr Andrew Mortimer, Managing Director on the completion of the Barnes Hill, Optimised Definitive Feasibility Study.

To listen to the audio broadcast, please copy and paste the details below into your web browser:

<http://www.brrmedia.com/event/110883>

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Proto Resources

Andrew Mortimer, Managing Director at Proto Resources

BRR Today on BRR I'm joined by the Managing Director of Proto Resources, Mr Andrew Mortimer. Andrew thank you for speaking with me today.

AM Thanks a lot Skye.

BRR Now you have just completed the definitive feasibility study at the Barnes Hill Nickel Project, are you able to start by running us through the key results that came out of this study?

AM Sure absolutely. It was MFC our joint venture partner who has conducted this study over the past three years, building on the last three years of studies that they've been working on, and it's now been complete and a base case scenario, as their announcement shows has a net present value of approximately \$150 million, as value of the project on which MFC and Proto are 50/50 joint venture partners. Obviously it has a positive cash flow over the life of the project revenue of about \$1,040, \$1,050 million over the 10 year mine life, so a head line, top line revenue per annum over \$100 million from sales of nickel and cobalt. It's a nickel metal, and all up I think it's about 4800 tonnes of nickel and cobalt in total. So we are extremely pleased with it, obviously it's been a long time in coming, we've put a lot of work and time and money and effort into it, along with MFC and we're extremely pleased to have such a positive result, as a result of this definitive feasibility study.

BRR Well that's certainly great news Andrew. And in terms of financing what is the current status of Barnes Hill?

AM Okay well we've been working with MFC and potential financiers for some time, as the market's aware we've signed off with Caterpillar for them to assist us with that, but also all of these other sources are financing, because obviously there's a CAPEX there of \$78 to \$80 million that has to be covered, so we're talking to off takers at the moment as well as people like Caterpillar and other companies who strategically will benefit substantially from these new era nickel projects that move away from the technology of the past which have so bedevilled nickel laterite when actually its reasonably straight forward to process. So we have the ability to gain finance from some of the equipment suppliers and that's who we are aiming at as well as the off takers and then some conventional equipment leasing and equity finance as well. So those are the discussions that we're having at the moment, obviously they're commercial in confidence but they are

ongoing, they're obviously heating up now that the definitive feasibility study is finished and we can actually hand a 300 page document with annexures to potential investors. And this is the document on which we are or the joint venture is seeking funding for the project, this is our final statement and this is what we're seeking incoming investors and financiers to make an investment decision on.

BRR **Okay so what are the next steps you will take from here?**

AM Look the next steps concurrently will be continuing the work on the financing, finalising the permitting phase of the project, which we're working on at the moment with Metals Finance and essentially drawing all of those aspects together as well as, as we announced recently, taking a trial shipment of iron ore from Barnes Hill, because obviously we're looking for the project to provide iron ore earnings and production as well. So obviously working all those different aspects together, but they're all complimentary and you know we look forward to updating the market on that now that we're at this brown fields development stage.

BRR **And finally Andrew, the last time we spoke to you, you had just confirmed a gold discovery at Mt Veters, you said you were planning to conduct further drilling, how is this progressing?**

AM Look we took the samples, we then did a diamond core drill hole down to about 375 metres, which gave us a lot of interesting stratigraphic information about the type of geology on the tenement and we announced that several weeks ago, basically covering off on the fact that there's some interesting trending fault structures there in terms of some of the quartz that we intersected what that may potentially mean. However we're likely to recommence drilling very soon for nickel, chasing up a Silver Swan target that we also announced recently in that same announcement that has gravity low and an EM anomaly as well as looking at the Northern Territory. So in the short term we're actually going to be chasing the nickel, sulphide and copper gold potential before actually going back and following up the gold discovery.

BRR **Well Andrew thank you for keeping us updated once again and for joining me today on BRR.**

AM No trouble at all Skye, thanks a lot.