

PROTO



RESOURCES & INVESTMENTS LTD

STOCK EXCHANGE ANNOUNCEMENT

June 9, 2011

New Development Project in Germany

ASX Release Stock Code: PRW

Proto Resources & Investments Ltd ("Proto", "the Company") has acquired rights over a nickel-cobalt development project located in Saxony, Germany. The Kiefernberg project area is within the Granulite Mountains licence that Proto has entered into an option to acquire from Deutsche Rohstoff AG. The licence also contains a brownfield former nickel mine as well as several other known mineralisations.

The Granulite Mountains licence has already been the subject of extensive drilling, with over 1200 holes having been completed to varying depths. A project to compile all historical geochemical results into a digital database is already underway. This will be followed by the design of a programme of confirmatory drilling to allow sufficient quality assurance/quality control ("QAQC") to define a JORC-compliant resource using the historical data.

Executive Summary

- Proto has entered an option to purchase the Granulite Mountains licence in Saxony, Germany from Deutsche Rohstoff AG. The licence covers over 600km² and includes both known mineralised zones and the site of a historical nickel-cobalt mine.
- The Granulite Mountains licence contains several known nickel laterite mineralisations including an advanced nickel laterite development project at Kiefernberg. The Kiefernberg project is intended to become Proto's second nickel-cobalt development, and will use the same technology as Proto's flagship Barnes Hill project in Northern Tasmania which is currently in approvals.
- A project to compile all historical geochemical results into a digital database is underway. Proto will then prepare and implement a programme of targeted drilling to provide the necessary confirmatory information to define a JORC-compliant resource using the extensive existing geological and exploration data.

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Acquisition of the Granulite Mountains Licence

Proto Resources & Investments Ltd is pleased to announce that it has executed an agreement with Deutsche Rohstoff AG that will allow it to acquire the Granulite Mountains licence (No: 32-4741.1/649). This licence is in Saxony, Germany located approximately 50km west of Dresden (see Figure 1).

The licence is considered prospective for nickel, cobalt, copper, chrome, silver and gold. The project acquisition is through an initial option payment of €40,000 which will be followed by a due diligence period of three months, after which a payment of €160,000 would give Proto 100% ownership of the project.



Figure 1 – Location of the Granulite Mountains Licence Area.

The Granulite Mountains licence covers 670.4 km² and contains a brownfield former nickel mine as well as several already identified unexploited mineralised areas. The licence area is shown in Figure 2 below.

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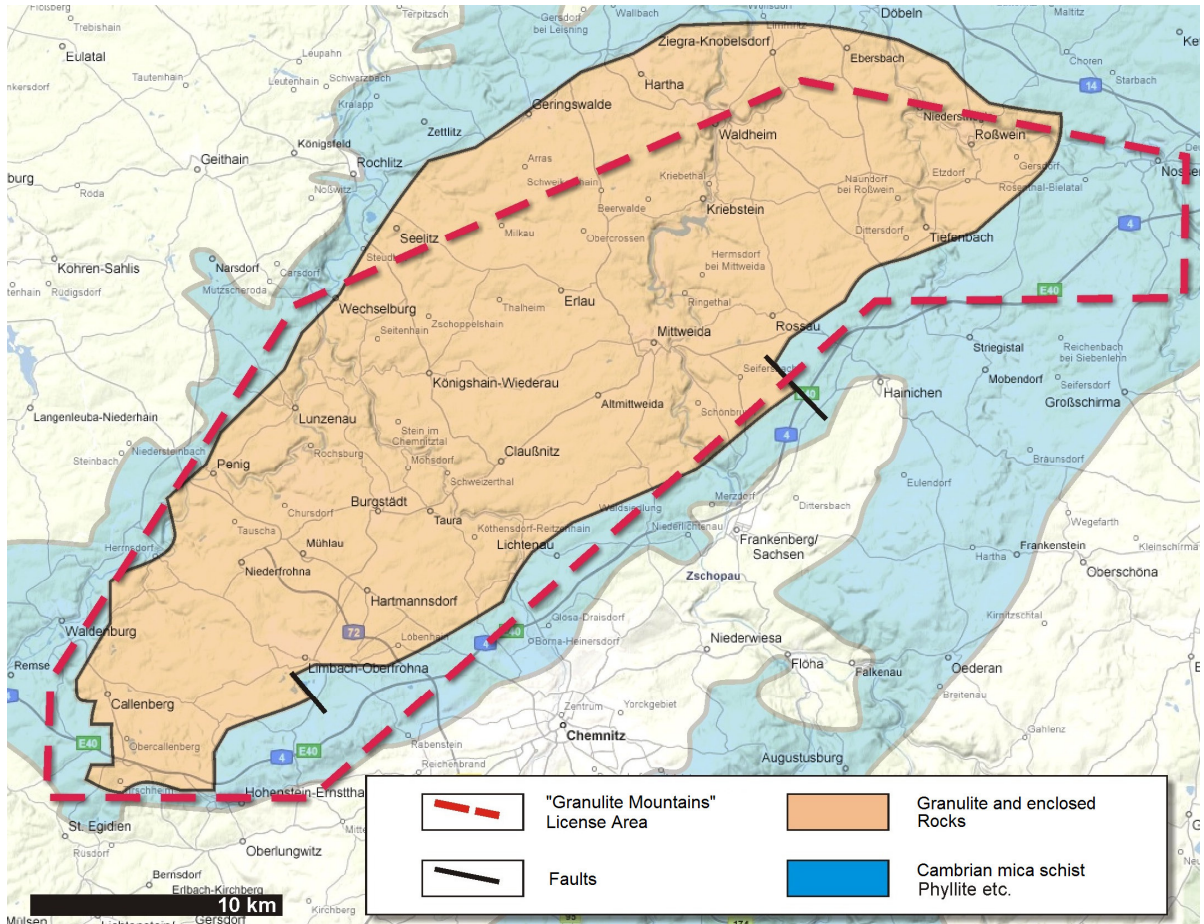


Figure 2 – The Granulite Mountains Licence and Geology.

The licence has already been the subject of extensive drilling, with over 1200 holes having been completed to varying depths. This drilling has identified a non-compliant nickel-cobalt-chrome resource at Kierfernberg. This non-compliant resource was defined as a German Democratic Republic ("GDR") B-classification resource. Classes A and B in the GDR system correspond to "secure reserves" according to UN-classification 331 and "measured resources" according to the JORC Code. The Kierfernberg project will be Proto's initial focus within the Granulite Mountains licence. The first stage of work will be to complete confirmatory exploration required to transform the GDR work into a JORC-compliant resource during 2011.

The Granulite Mountains licence also hosts several other smaller laterite bodies identified including two at Moosheim and Kuhschnappel. Proto will also be examining the potential of magnetic imagery and other modern exploration methods to identify potential sulphide mineralisations associated with the rocks that were the source of the nickel that has weathered into the laterite profile.

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The Kiefernberg Development Project

The Kiefernberg project has had material non-JORC compliant drilling completed by the GDR's former Communist Government. Historical drill results were assayed at 0.5m intervals, with tight drill spacing of less than 30x30m. This should allow rapid completion of the necessary geological work to define a JORC-compliant resource and reserve in order to support mine planning and plant engineering.

Proto considers that Kiefernberg represents an excellent opportunity to replicate the plant that has been designed for its flagship project at Barnes Hill in Tasmania. The initial assessment of historical drilling results has identified several high grade nickel zones that would allow the fast-tracking of the plant and suggest sound economic potential. The economic potential of the project is reinforced by the proximity of infrastructure, with roads and electricity passing over the licence just a few hundred metres from the mineralisation. A high intensity 220kV power line is also just 1.5km from the project area. Proto's processing technology is also well suited to the project, offering first-class environmental outcomes.

Proto Managing Director, Mr Andrew Mortimer, pointed to the strategic significance of the acquisition. "Kiefernberg is the perfect fit for Proto, and will allow us to leverage the nickel processing technology we have been piloting for Barnes Hill into an environment marked by excellent infrastructure. Our ability to cheaply and rapidly replicate the extensive development work undertaken for Barnes Hill will be key to our plans to build nickel production tonnage over the next few years", he said.

Proto is to engage German mining consultants, Beak Consultants GmbH ("Beak Consultants") to undertake integrated tenement management and to compile the historical data into a comprehensive geological database. Beak Consultants will also support exploration fieldwork. Once the data is compiled, Proto will engage an international consultant with specialised laterite experience to assess the existing data and design a programme to provide sufficient QAQC to estimate a JORC-compliant resource utilising the historical database.

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