

# PROTO



RESOURCES & INVESTMENTS LTD

## STOCK EXCHANGE ANNOUNCEMENT

September 28, 2011

### Lodgement of the Application to Mine at Barnes Hill

#### ASX Release Stock Code: PRW

*Proto Resources & Investments Ltd ("Proto", the "Company") is pleased to announce the lodgement of the Development Application ("DA") and Development Proposal and Environmental Management Plan ("DPEMP") for the Company's Barnes Hill nickel-cobalt deposit near Beaconsfield in Tasmania. This application, which follows the recent granting of the Mining Lease for the Barnes Hill project, covers the approvals required for the construction of processing facilities, the commencement of mining, and ongoing environmental management.*

*Lodgement follows the signing of a binding option that provides Proto with the right to purchase 105 ha of private land adjacent to the mine site. This land includes 87 ha of native habitat to offset environmental impacts. Proto is also already advancing conservation activities at Barnes Hill by building enclosures to protect local populations of *Tetratheca gunnii* from wallaby grazing.*

#### Executive Summary

- Proto has lodged the DA and DPEMP for the Barnes Hill nickel-cobalt deposit. The DA has been lodged with the West Tamar Council and the DPEMP with Tasmanian government authorities.
- Proto has signed an agreement with the landholder adjacent to the proposed Barnes Hill mine that gives Proto the right to acquire that land to donate it as an environmental reserve to offset impacts. The land covers 105 ha, including 87 ha of higher conservation value native habitat.
- The site layout and mine plan will completely avoid the two highest value plant populations (being *Tetratheca gunnii* and *Spyridium obcordatum*) and have reduced the impact on *Epacris virgata* to just 2% of the surveyed local population of approximately 3,200,000 individual plants.
- Proto is advancing conservation activities at Barnes Hill, and has completed construction of the first of two enclosures to protect local populations of *Tetratheca gunnii* from wallaby grazing. These enclosures have been constructed with permission from the Tasmanian government's Department of Primary Industries, Parks, Water and Environment.

#### Application to Develop Mine Lodged

The Directors of Proto Resources & Investments Ltd are pleased to advise that the DA and DPEMP for the Barnes Hill nickel-cobalt deposit have been lodged. Located near Beaconsfield in northern Tasmania, Proto plans to apply the innovative Barrier Bay technology at Barnes Hill to produce polymetallic products

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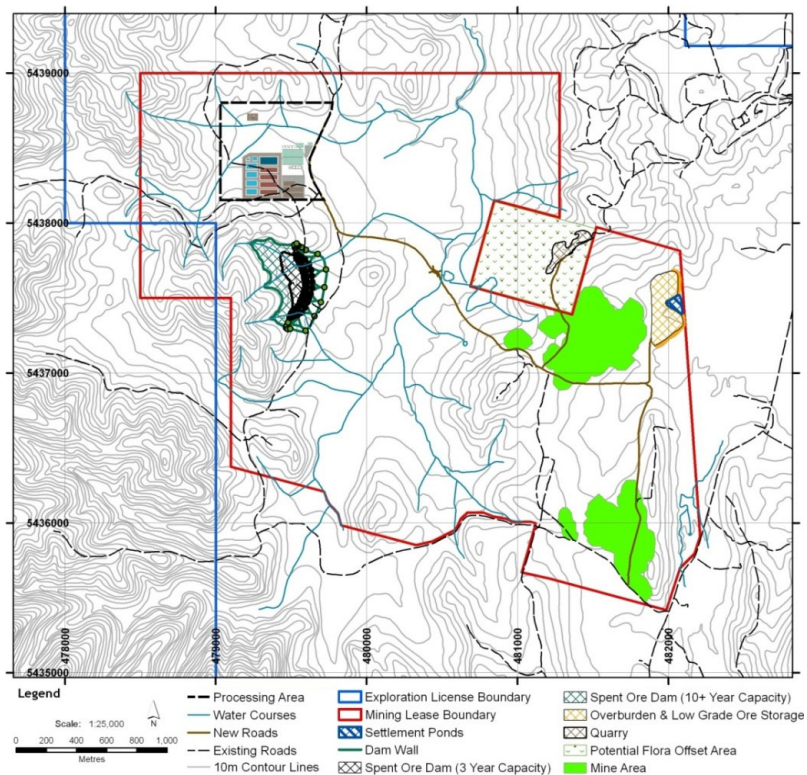
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including iron and magnesium salts. Barnes Hill sits on exploration licence (EL17/2006) and the recently granted Mining Lease (1872P/M) held over the central part of the deposit.

The DA has been lodged with the West Tamar Council which will assess planning impacts, while the DPEMP will be assessed by the government’s Board of the Environment Protection Authority, Tasmania (“EPA”) under the *Environmental Management and Pollution Control Act 1994 (Tas)* and associated regulations. The EPA will also manage the assessment under the *Environment Protection and Biodiversity Conservation Act 1999 (Cth)* under referral from the Commonwealth Department of Sustainability, Environment, Water, Population and Communities (“SEWPAC”). The full DPEMP will be available on the EPA’s website and paper copies will also be available on request.

### **Environmental Management and Offsets**

Lodgement follows the signing of a binding option that gives Proto the right to purchase 105 ha of private land adjacent to the mine site to add to conservation reserves. This land includes 87 ha of native habitat to offset the impact of mining. This area is shown in Figure 1 below. Under the terms of the Mining Lease, only 65 ha of area will be being utilised for mining and processing at any point with ongoing rehabilitation of mined areas to be undertaken on a rolling basis. This will create a situation where the offsets surpass the impacted area at all times during the operation of the mine.



**Figure 1 – Barnes Hill site layout with offset area marked**

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As previously announced, the Terrestrial Botanical Survey and Fauna Habitat Assessment on the impact on flora and fauna of mining concluded that the layout in Figure 1 successfully minimises the environmental impact. Botanical surveys have confirmed that the proposed mining pits and plant layout will have no direct impact on existing populations of *Tetradlea gunnii* or *Spyridium obcordatum*. The impact on *Epacris virgata* under the revised layout has also been vastly reduced. This is now estimated to be just 2% of the approximately 3,200,000 individual plants in the area.

Proto is now already advancing environmental management activities at Barnes Hill, and has completed construction of the first of two enclosures to protect local populations of *Tetradlea gunnii* from wallaby grazing (see Figure 2 below). These enclosures have been constructed with permission from the Department of Primary Industries, Parks, Water and Environment. Proto considers the utilisation of its extensive environmental surveys to support conservation activities is an important side-benefit of the work that has been completed to minimise the impact of the mine.



**Figure 2 – Enclosure to protect *Tetradlea gunnii* from wallaby grazing**

The fencing approach is supported by past scientific interventions to protect those populations, especially in the face of grazing after cyclical fires. Such interventions will form the core of the “recovery plan” for threatened flora that Proto is designing for implementation at Barnes Hill. The Board of Proto strongly support initiatives to propagate such populations, and the Company intends to continue to support and promote scientific research and conservation interventions. For instance, the DPMP includes a commitment to undertake the active propagation of *Tetradlea gunnii* at five sites at Barnes Hill.

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