

PROTO



RESOURCES & INVESTMENTS LTD

STOCK EXCHANGE ANNOUNCEMENT

13 January 2012

Barnes Hill Electricity Connection Update

ASX Release Stock Code: PRW

Proto Resources & Investments Ltd (“Proto”, “the Company”) has set electricity usage parameters for the Barnes Hill project. This has allowed a revised Connection Enquiry to be submitted to Transend Networks Pty Ltd (“Transend”), the Tasmanian government’s transmission network operator. Proto expects a response early in 2012 setting out the timeline for connection works.

Executive Summary

- Proto formally lodged a revised connection enquiry with Transend. Transend’s response will set-out the plan for detailed design and construction of the electricity infrastructure for Barnes Hill.
- The estimated maximum power demand for the site is 22.5MW (approximately 25MVA) on expected energy consumption of approximately 16 GWh per month.

Connection Request Submitted

In late December 2011, Proto formally lodged a revised connection enquiry request with Transend, the Tasmanian transmission network operator. The enquiry sets firm usage parameters in relation to the Barnes Hill nickel-cobalt project located approximately 5 km west of Beaconsfield, Tasmania. The power usage at Barnes Hill will enable the extraction of iron and magnesium products in addition to the nickel and cobalt produced, enhancing project economics and drastically reducing the environmental footprint.

The enquiry was submitted in accordance with Clause 5.3.2 of the National Electricity Rules (“NER”) to provide an 110kV connection to Transend’s network. Proto has also advised Transend to consider the construction of the transmission line along with the required 110/22kV site substation that will step-down the power for mine site usage. Proto considers that Transend is well positioned and experienced to provide this service in line with Proto’s operational requirements and so is seeking to have Transend provide the complete connection package. The layout of onsite transmission is shown in Figure 1 below.

The estimated maximum power demand for the site is 22.5MW (approximately 25MVA) on expected energy consumption of approximately 16 GWh per month. The electrolytic processing plant will involve four stages, each with various stack configurations of electrolytic cells. These electrolytic cells will be supplied via rectifiers and this will comprise approximately 85% of the connected load at Barnes Hill.

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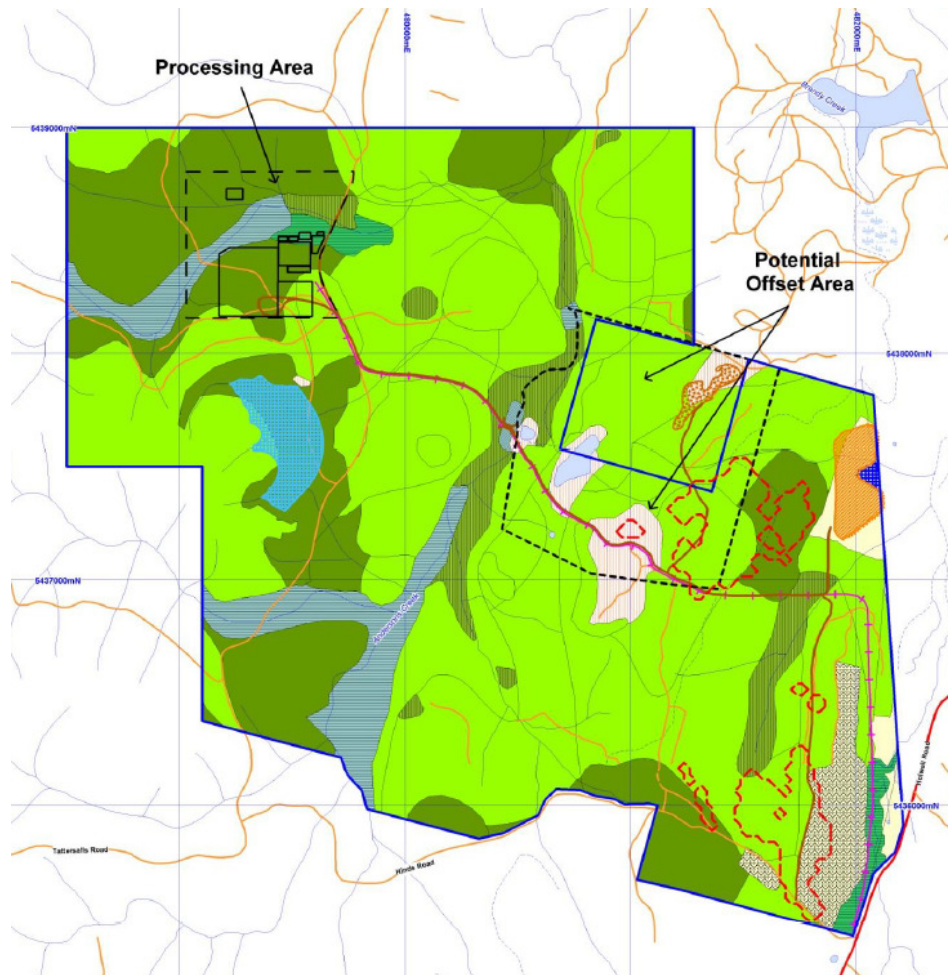


Figure 1 – Barnes Hill electricity route (pink crossed line)

Transend has advised that it explicitly recognises that electricity infrastructure for mining needs to be location suitable and constructed to a specification that reflects the life of the mine. This gives Proto great confidence in the solution that will be pursued at Barnes Hill.

Proto Managing Director Mr Andrew Mortimer commented; “This is another important step forward for the development of the Barnes Hill nickel project. We have been working with our joint venture partner and consulting engineers for a while now to firm up our detailed request for electrical power. We look forward to achieving other advanced milestones on the path towards commissioning the Barnes Hill project.”

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