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RESOURCES & INVESTMENTS LTD

STOCK EXCHANGE ANNOUNCEMENT

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Interview on Finance News Network

Stock Codes ASX: PRW, OTCQX: POOOY

Proto Resources & Investments Ltd ("Proto", "the Company") is pleased to provide investors with a recent interview with the Company's Managing Director, Andrew Mortimer, and Business & Technology Development Manager, Hugh Minson. A range of topics are covered across all of Proto's three core strategic areas: the flagship nickel-cobalt Barnes Hill project, the innovative processing technology and the world-class exploration efforts in the Northern Territory and Western Australia.

To view the interview, copy the following hyperlink into your browser (the full transcript is included below):

finnewsnetwork.com.au/Display.aspx?Site=FNN264&Vs=FNN264&Vc=INTERVIEWS&Vm=Int_Proto_180612_L.mp4

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Competent Persons Statement

The information in this release that relates to Exploration Results, Mineral Resources or Ore Reserves pertaining to the Barnes Hill project is based on information compiled by Patrick Anthony Treasure, who is a Member of the Australasian Institute of Mining & Metallurgy. Mr Treasure is a director of Metals Finance Limited 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 Treasure consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

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Transcription of Finance News Network Interview with Proto Resources & Investments Ltd Managing Director, Andrew Mortimer and Technical Manager, Hugh Minson

Clive Tompkins: Hello Clive Tompkins reporting for the Finance News Network. Joining me from Proto Resources & Investments Ltd (ASX: PRW) is Managing Director, Andrew Mortimer and Technical Manager, Hugh Minson. Gentlemen welcome to you both, Andrew to you first. Proto has a nickel cobalt iron ore project in northern Tasmania, as well as a suite of exploration targets on the mainland. Can you tell us about your strategy?

Andrew Mortimer: Yeah look essentially what we're looking to do is bring our flagship Barnes Hill project into production over the next 12 months. It's in Tasmania right next to the Beaconsfield gold mine just outside of Launceston. Its 10 kilometres from a deep water port, very close to a power station, so it suits us as a junior company bringing a straight forward project into production. So our strategy is to go into production there, generate earnings from that project and then fund the rest of our Company development from the earnings of that project, as well as looking to pay a dividend to shareholders as well.

Clive Tompkins: Thanks Andrew. So what stage is the Barnes Hill project and what is the next key milestone?

Andrew Mortimer: Look we're going to get the final feasibility study on the Barnes Hill project by June 30, 2012; so only a couple of weeks away. And from there we're going to move to financing the project. Caterpillar Finance has already signed an agreement with us to provide a debt funding for the project and equipment supply. And we're talking with our joint venture partner Metals Finance (ASX: MFC), to other finance groups as well, to finance the project. But essentially it's ready to go. There's a mining lease granted on the project, the development proposals in - it's been in for eight months and we're expecting final approval over the next three to five months. So it's essentially ready to go and it's very close to logistics, so it really makes it a walk-up target in terms of early production and earnings for the Company.

Clive Tompkins: Good. So what's the economics of the project and what is Proto's stake?

Andrew Mortimer: Look Proto's stake in the project, when it's in production, is 50 per cent. Essentially the capex we believe will be approximately \$80 million in total over the phased development of the project. That includes some iron ore production; Barnes Hill was Australia's first iron ore mine many moons ago. But then obviously the nickel side of the project, at about 0.5 million tonnes per annum, is where we make the majority of the earnings from the project. And we expect an under three year payback for the capex, so it's a very robust project even with lower nickel prices. And of course, with higher nickel prices which we are expecting, the project becomes extremely profitable.

So the project economics are very robust, they always have been, but we've worked hard on our cost structure. We can't control the nickel price, but we've worked hard on our cost structure to get it down with our asset recycling technology and our variety of other efforts, so that we can increase our margin through being mindful of our cost structure.

Clive Tompkins: Good, so you're targeting production for 2013. Is that right?

Andrew Mortimer: Yeah that is, in the latter half of 2013. Obviously we've got a lot of work to do before then, but a lot of work has been done, we're already talking to several engineering firms. Firms have been



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retained by our joint venture partner, MFC and the net result is we think we are very much on track for commencement second half of 2013.

Clive Tompkins: And Andrew what will this increase to, once you're in full production?

Andrew Mortimer: Look the final figures will come out in the feasibility study, but full production will be 4,000 to 4,500 tonnes of nickel metal. We'll produce a finish nickel metal under the current parameters of the project. We are going to do a staged ramp up into production, as I say, with some iron ore production as well. But at the end of the day, it'll be about 0.5 million tonnes of throughput for slightly over 4,000 tonnes of nickel metal production.

Clive Tompkins: Thanks Andrew. Now to you Hugh, I see the Company has developed its own unique nickel laterite processing technology. What does this involve and what will that do for costs?

Hugh Minson: Firstly when we talk about the technology that Proto is involved in, there's really two technologies. The first one which Proto owns 50 per cent of is the back end processing technology, housed within the private company Barrier Bay. And the front end technology is a process developed by our joint venture partner, Metals Finance and they've had success with that in South Africa on the Palabora mine owned by Rio Tinto Limited (ASX:RIO).

The front end process extracts nickel and cobalt using ion exchange and the back end technology extracts iron and magnesium products while recycling up to 90 per cent of the acid used in the leaching process. The front end process has been proven and will be used at Barnes Hill and the back end process we're in the process of proving. We've done bench top trialling, we're now in the process of finishing the piloting, then we'll look to do a demonstration facility and then use it onsite at Barnes Hill.

Clive Tompkins: And will this also have application to your other nickel project in the former East Germany?

Hugh Minson: Yes our second project after Barnes Hill is Kiefernberg which is in 50 kilometres west of Dresden, in East Germany in Saxony. That project is slightly smaller than Barnes Hill, but similar to Barnes Hill, has great logistics. So it's close to sealed roads, close to power lines and obviously there're fantastic in-country capabilities in Germany. Importantly the Germans drilled it out quite extensively in the Fifties and Eighties, and it's already got over 1,200 drill holes in it. So we hope to use the same flow sheet at Barnes Hill, at Kiefernberg and have Kiefernberg put into production closely after Barnes Hill.

Clive Tompkins: Andrew, now I see you have a number of brownfields and exploration targets. What's taking place and what's planned for the second half?

Andrew Mortimer: Look that's a very exciting part of what we're doing. We've been looking for several years now in the Northern Territory for nickel-copper-PGE mineralisation and also for iron copper gold mineralisation as well. We're focusing on our Lindeman's Bore project which is about 350 square kilometres, about 400 kilometres south of Katherine close to the Buntine Highway, so it's very close to logistics. But we have another 15,000 kilometres square approximately, in the Northern Territory of ground that we're sort of working on in the background.

But we did two holes into the Lindeman's Bore project in 2009, we turned up some interesting mineralisation in those two holes, but then we had to step back and do some geophysics. So we did Australia's first commercial survey ZTEM and that tracks the ambient fields created by lightning - the EM

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(electromagnetic) fields created by lightning strikes. And that gave us a target. We then followed that target up with ground EM to make sure that it was a real anomaly and not a spurious anomaly. And that ground electromagnetic survey showed that it was real.

We then did a third hole at the start of this year and we intersected very interesting quartz-carbonate stringers, chloride alteration hematite and magnetite alteration. And the assays showed copper, gold and a variety of other precious and base metals.

Clive Tompkins: Now to corporate matters Andrew. You're here today at the Gold Coast Resources Conference. How's it going and what interest are you receiving?

Andrew Mortimer: Look it's been a great Conference; we're receiving a lot of interest. We are a diversified company. We have technology, we have an earnings project that we are looking to put into production and we have very exciting exploration. So we have several shots on goal, if you like, and certainly investors find a lot of reasons to have a good look at us. We've got very strong international interest in the Company. So yeah, we've run out of all of our printed information and paperwork, and we've had an extremely good reception from the Conference.

Clive Tompkins: Last question Andrew. Where would you like to see the Company by the end of the year?

Andrew Mortimer: Look by the end of the year, we will have our final feasibility study out. We would like to have all of the financing in place for Barnes Hill. And to have had our operating permits and to have commenced site works at Barnes Hill, as well as development of the iron ore operation which we think can stack up at Barnes Hill.

And then on the mainland, we would hope to have had an exploration success in the Northern Territory. We've certainly spent a lot of time and money in the Northern Territory, approximately five years now. We've got several universities assisting us including the British Open University, Oxford University in Britain and the Queensland University of Technology. So we would hope to have an exploration success under our belt there, more than what we've had so far.

Clive Tompkins: Thank you Andrew, thanks Hugh. Good luck for the next six months.

Andrew Mortimer: Thank you.

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