



press clip

Tasmanian nickel mine takes “great steps forward”

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SYDNEY-based explorer Proto Resources is a step closer to production at its Barnes Hill project in Tasmania after the State Government awarded the company a mining lease.

Just four kilometres west of Beaconsfield in northern Tasmania, Barnes Hill is the company's flagship nickel project and is anticipated to yield Proto annual net profits of more than \$15 million.

The granting of the mining lease was recommended by Mineral Resources Tasmania (MRT), which is a division of the state's Department of Infrastructure, Energy and Resources. The purpose of MRT is to give effect to government policy in relation to minerals and petroleum resources.

As part of the lease, which will run through to 2026, Proto has submitted a security deposit of \$250,000 to MRT. This will allow for the delivery of a detailed feasibility study by Proto's joint-venture partner Metals Finance. This security deposit will increase to \$1.5 million on the granting of the land use permit for mining.

In addition to allowing Proto to accelerate development at Barnes Hill, the granting of the mining lease by the Tasmanian Government enables the

company to advance the project's financing stage.

“These are great steps forward for us as all parts of the Barnes Hill project are now coming together very well, and allowing us to now concentrate on the up and coming production phase,” Proto chairman and managing director Andrew Mortimer said in a statement in June.

“The mining licence has been in preparation for three years, and it was a great pleasure to sign it and arrange for its return to the Government's MRT.

“The progression in the project finance discussions is very pleasing and we eagerly await Metals Finance's definitive feasibility study late next month.”

In October 2010, the company announced a total resource for Barnes Hill of 6.6 million tonnes at 0.82 per cent nickel and 0.06 per cent cobalt. Of this resource, more than 5.6mt now falls within the indicated category of the Joint Ore Reserves Committee [JORC] Code.

At a proposed mining rate of 250,000 tonnes per annum, the currently defined resource represents a potential mine life of 26 years. The company expects to begin exporting its first nickel in June 2013.



Aircore drilling at Barnes Hill in late 2009