

# PROTO



RESOURCES & INVESTMENTS LTD

## STOCK EXCHANGE ANNOUNCEMENT

6 February, 2012

### Australia's First Iron Ore Mine to Re-Open

#### ASX Release Stock Code: PRW

*Proto Resources & Investments Ltd ("Proto", "the Company") is preparing plans to re-open Australia's first iron ore mine as part of the Barnes Hill mining project development. The Barnes Hill development has an iron ore cap that sits on top of part of the nickel laterite ore body. Following scoping work, Proto now intends to mine both the ironstone and nickel laterite.*

#### **Executive Summary**

- Part of the area of Australia's first iron ore mine, discovered in 1804, would be re-opened under plans being developed by Proto. Confirmation of upgrading grade and recovery, and of market inputs to support an independently calculated JORC-compliant iron ore resource are currently being assessed.
- Iron ore production at Barnes Hill will greatly increase the overall operating cash flow previously assessed for the nickel-cobalt resource that has been defined at Barnes Hill, which is already the subject of the 500,000 tonnes per annum feasibility study due to be delivered in the next quarter.

#### **Proto Plans to Re-open Australia's First Metal Mine**

The Board and Management of Proto are pleased to announce that work is continuing on the iron ore potential of the Barnes Hill nickel project. Barnes Hill has been commercially mined in the past for both iron ore and chromite, and a local historian has recently made public research strongly suggesting that Barnes Hill was both Australia's first iron ore and metallic mine. Figure 1 below shows the Barnes Hill ironstone.



*Figure 1 – Barnes Hill area ironstone (left: in stock, right: on collection)*

**Proto Resources & Investments Ltd**

ACN: 108 507 517

Suite 1901, Level 19, 109 Pitt St,  
Sydney 2000 NSW Australia

PO Box R1870  
Royal Exchange NSW 1225

**p:** +61 2 9225 4000

**f:** +61 2 9235 3889

**e:** [info@protoresources.com.au](mailto:info@protoresources.com.au)

**w:** [www.protoresources.com.au](http://www.protoresources.com.au)



# STOCK EXCHANGE ANNOUNCEMENT

The mine was found in 1804 by Lieutenant Colonel William Patterson who made use of drilling equipment supplied and paid for by Sir Joseph Banks, who assessed mineral samples from Barnes Hill that were sent back to him in the early 19<sup>th</sup> century.

### ***Iron Ore Resource Currently Being Assessed***

Proto has conducted extensive drilling programs over the Barnes Hill project (641 drill holes) that complement historic drill hole data (73 drill holes). This extensive drill data will be used to calculate an iron ore resource subject to metallurgical test results that are examining the upgrading and recovery of iron. The iron caprock material is a lump mixture of haematite-goethite-limonite up to approximately 30cm in size. Proto has been encouraged to undertake testwork as aircore drill holes BHA140, 552 and 553 delivered assays of Fe<sub>2</sub>O<sub>3</sub> up to 61.2% within the upper few metres of the holes. The testwork aims to rigorously show that commercial grades can be achieved and that gangue waste rock can be efficiently separated out.

Proto has already sourced ferruginous caprock and ferruginous laterite materials for testing from the January 2011 Reverse Circulation drilling program and through subsequent collection of two tonnes of bulk sample from two specific sites in October 2011. This consisted of primarily of weathered hematite ironstone with minor goethite and limonite. Testwork will address the full range of processing options, including wet and dry sizing, scrubbing, coarse silicate rejection on screens, jigging and tabling, Wet High Intensity Magnetic Separation ("WHIMS") and flotation.

Snowdens Mining Industry Consultants, who estimated the Barnes Hill nickel-cobalt resource, have been engaged to provide independent oversight of the beneficiation testwork being undertaken and will then estimate an initial independent iron ore resource for inclusion in the definitive feasibility study of the Barnes Hill project. Proto intends to concentrate the iron ore at Barnes Hill for sale as DSO to overseas smelters as part of the commercial operation at Barnes Hill. This is an economically strong proposition given the negligible incremental mining costs involved, as the majority of the iron ore would need to be moved for the mining of the nickel laterite deposit and the proximity to the Bell Bay port facility.

Enquiries:

Mr Andrew Mortimer  
Managing Director  
Proto Resources & Investments Ltd  
Office: +61 (2) 9225 4000  
Mobile: +61 (0) 433 894 923

### ***Competent Persons Statement***

*The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves, together with any related assessments and interpretations, is based on information reviewed by Mr Peter Peebles a full-time employee of Darlington Geological Services Pty Ltd. Mr Peebles is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation 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 Mineral Resources and Ore Reserves". Mr Peebles consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.*