



8th August, 2011,

Mineral Resources Tasmania,

P.O. Box 56,

Rosny Park,

Tasmania, 7018.

Dear Sir,

Subject: Proposed exploration drilling Scotts Hill & Mt Vulcan– EL17/2006.

Please find herewith a WORKPROG application form and accompanying A3-size map of a proposed Air Core drilling program by Proto Resources & Investments Ltd at their Scotts Hill and Mt Vulcan nickel/cobalt laterite resource located on tenement EL17/2006, west of Beaconsfield Township and north of Proto's existing Barnes Hill nickel/cobalt laterite resource, on the recently approved Mining Lease 1872P/M (see location map below).

Proto Resources & Investments Ltd would like to conduct an exploration Air Core drilling program as follow up from historical exploration Air Core drilling and Diamond drilling results, located at the Scotts Hill and Mt Vulcan nickel/cobalt deposits on Exploration Licence 17/2006.

The aim of the program is to increase the level of confidence in the current JORC resource established by Jervois Mining NL in 2001(see taulation below) at the Scotts Hill and Mt Vulcan laterite deposits, and to upgrade the current resource towards reserve category, with further delineation and extensional drilling to known nickel/cobalt occurrences.

BEACONSFIELD, TAS
RESOURCE CALCULATION SHEET
Lower Cut-off grade 0.6%Ni equivalent
SCOTTS / VULCAN: ALL LITHOLOGIES

March 2001

Lithology	Ni %	Co %	Sc ppm	Area	Volume	Density	Tonnes	Tonnes x %Ni	Tonnes x %Co	Tonnes x ppm Sc	%Ni Equivalent	Percentage		
												Tonnes	Ni	Co
Hematite	0.29	0.18			46262	1.8	83271.6	23830.5	15188.3		0.92	2.3%	0.9%	4.8%
Limonite	0.37	0.16			205884	1.8	370591.2	135635.0	57457.7		0.91	10.2%	5.2%	18.0%
Saprolite	0.75	0.09			1272492	1.8	2290485.6	1715397.6	199959.3		1.05	62.9%	66.0%	62.7%
Weathered Serpentinite	0.81	0.05			497752.5	1.8	895954.5	725297.0	46143.2		0.99	24.6%	27.9%	14.5%
TOTALS	0.71	0.09			2022390.5		3640302.9	2600160.1	318748.5		1.02			



The area of the proposed 2 phases of exploration drilling shown on the accompanying A3-size map, is located between historical drill holes designated by a prefix "S" (air core), "SD" and "KIS" (diamond core). These historical holes exist on an approximate 100mx150m grid pattern, and in part on a 150mx200m grid.

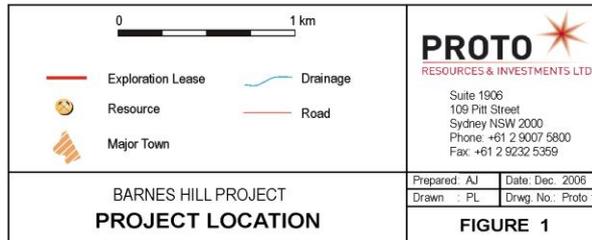
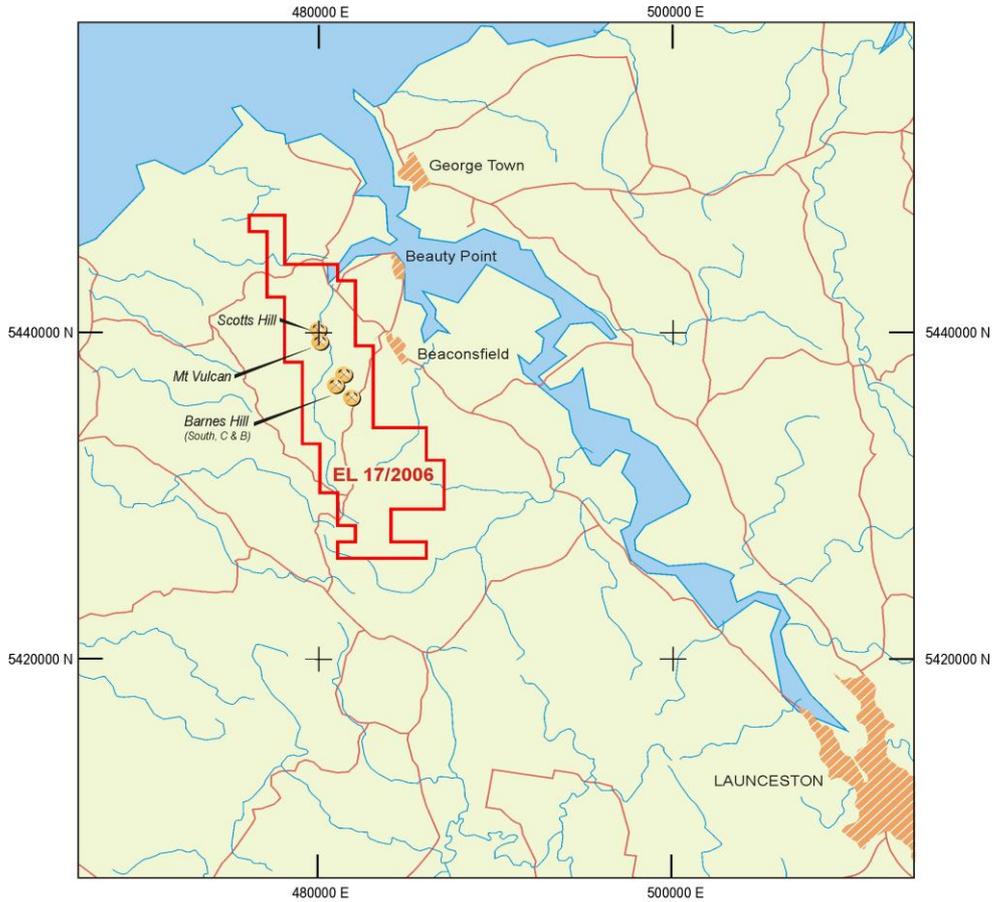
The proposed program is to drill a phase1 group of 81 holes on an approximate 100mx100m coverage, followed by a phase2 group of 166 holes over a 50mx50m coverage, wherever nickel/cobalt mineralisation is indicated by the phase1 program.

All drill holes will be vertical to an approximate average drilling depth of 15m. Holes will be plugged and buried upon completion and plastic bags containing drilled samples, removed to the bag farm which Proto has established on approved private property.

The proposed drilling is expected to occur at some time between August and December 2011.

Proposed Work Program Summary:

- Air Core drilling using Tasmanian Drilling Services
- Approximately 247 vertical drill holes
- Lines in between existing historical drill lines
- Threatened flora *Epacris Virgata* to be avoided
- Where required, proposed drill lines are to be initially hand cut by chainsaw and then cleared with an excavator limited to cut scrub and natural fallen vegetation debris only, avoiding large established trees in the process.
- Drill hole collars plugged and buried immediately after drilling
- Plastic sample bags to be removed from drill sites to approved bag farm
- All rubbish, hydrocarbons, mechanical parts/equipment removed from work sites



Any further information can be provided on request and please contact me below, with any queries.

Yours sincerely,

Dan Hampton – Senior Geologist

On behalf of Proto Resources & Investments Ltd,

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