

PROTO



RESOURCES & INVESTMENTS LTD

August 26, 2009

Attention: Mr Justin Nelson
Australian Securities Exchange
91 King William St
Adelaide SA 5000

Dear Mr Nelson,

RE: LINDEMAN'S BORE ANNOUNCEMENTS

We acknowledge your letter of 24 August 2009 regarding our announcements on Lindeman's Bore. We wish answer your queries as follows.

Yours sincerely,

Andrew Mortimer
Chairman and Managing Director

**Proto Resources &
Investments Ltd**
ACN: 108 507 517

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Response to ASX Queries

Visual Observations of Core

1. *The absence of significant copper assays reported in the August Announcement would appear to suggest that the visual observations of the core reported in the June Announcement, June BRR Announcement and Response were unreliable. Please provide a detailed explanation of the basis on which the Company reported in June a 15 metre wide zone containing 5% visible chalcopyrite mineralisation (copper) in light of the copper assays reported in August.*

The clarification announcement issued by the Company on 22 June 2009 indicated that the 15m wide interval between 384 to 399m in drill hole LBD 1 was interpreted to contain between trace amounts and 5% visible chalcopyrite. This was not meant to imply that 5% chalcopyrite occurred across the entire 15m interval but that 5% was the peak amount of chalcopyrite present within any portion of the 15m interval. It would also appear that the interval, in addition to chalcopyrite, contains pyrite and cobalt minerals and some gold.

We have been advised to conduct further test work on the interval in question, especially in relation to the gold and cobalt mineralisation. This test work will include examination of thin sections through this zone to provide details of the mineralogy present and it is also intended to re-submit the pulps from this interval to an alternative laboratory for cross-checking. It should be noted though that the Company's own quality control suggests that the assay results obtained were accurate.

XRF Analysis of Core

2. *The absence of significant copper assays reported in the August Announcement would appear to suggest that the XRF analysis reported in the June Announcement, June BRR Announcement and Response was unreliable. Please provide a detailed explanation of the basis on which the Company reported in June that XRF analysis revealed chalcopyrite grades ranging from 0.05% to 40% in light of the copper assays reported in August. Please ensure the response includes details of the Niton XLt handheld portable XRF analyser results obtained by the Company on the standard referred to in the Response (OREAS50Pb). Also please ensure that a clear explanation of the manner in which the drill core samples were presented to the Niton XLt handheld portable XRF analyser for analysis is included in the response.*

It appears that reference in the June Announcement and BRR Announcement to copper grades provided by the Niton XLt XRF analyser only included results obtained from directly testing the area of sulphide minerals located in cavities (vugs) within the sandstones. Thus, in relation to the XRF analysis, we do not believe that the results were unreliable but that they simply represent point sampling within a much larger interval. The grades mentioned were not meant to be interpreted as average grades across the entire 15m interval.

Two standard samples were also routinely tested in the field. One of these (OREAS50Pb) contains 0.744% Cu. During testing of this standard sample in the field the results obtained by the Niton XLt XRF analyser for Cu always appeared within the error limitations of the machine during analysis.

Selected dry core samples, generally between 5 to 15cm in length, were removed from the core trays and placed on a wooden platform during testing. This was done to eliminate potential contamination from the ground and/or core trays. The Niton XLt analyser was directed at a particular point on the drill core for a 30 second recording interval.



Geological Concept

3. *The "geological concept" the Company has sought to prove would appear to be the presence of gabbro mafic intrusions which may represent the intrusive source of the Antrim Plateau Volcanics in the Northern Territory and that this suite of rocks was of Norilsk style in nature and strongly implied the presence of Norilsk-style Ni-Cu-PGE mineralisation. In light of the statement in the August Announcement that new data combined with geological logging indicates that the intrusive mafic sills are not related to the Cambrian Antrim Plateau Basalts, the feeder zones that the Company has been targeting for potential Norilsk-style Ni-Cu-PGE mineralisation, please provide a detailed explanation of the basis on which the Company reported in June that it had concluded "with a high level of confidence that (the Company) has now proved its geological concept.", and a detailed explanation of the information which now forms the basis for refuting that assertion.*

At the Lindeman's Bore Project the Company is targeting Norilsk style Ni-Cu-PGE mineralisation within intrusive feeder zones to the Cambrian Antrim Plateau Volcanics.

Basalts of the Antrim Plateau Volcanics are mapped as outcropping only two kilometres to the South of drill hole LBD 1 and also in other areas of the Lindeman's Bore exploration licence. As such, when the Company intersected mafic intrusions in LBD 1 it was interpreted that these were related to the Antrim Plateau Volcanics. This is why it was interpreted that the geological model had been proven by the drilling.

Subsequent to the June Announcement and June BRR Announcement detailed geological logging of the drill core from LBD 1 combined with the results of whole rock, trace element and rare earth element analysis of samples from the drill core has indicated that the mafic intrusions intersected in LBD 1 are different, and interpreted to be much older, than the basalts of the Antrim Plateau Volcanics which outcrop on the surface.

Conclusion

While we are certainly very disappointed with the copper results returned this has not altered the Company's view of the prospectivity of the Lindeman's Bore Project or of the Antrim Plateau Volcanics. The Company is planning on increasing rather than reducing its efforts in the Northern Territory. As part of this effort the Company has recently pegged over 3000 km² of new ground in the Northern Territory which includes known fault zones that may potentially represent feeder zones to the Antrim Plateau Volcanics. Further geochemistry work on LBD 1 is being conducted, focusing on how the mafic intrusions may relate to each other. Finally, a second drill hole approximately one kilometre to the north of LBD 1 is planned before the end of this calendar year.

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Enquiries:

Mr Andrew Mortimer
Chairman and Managing Director
Proto Resources & Investments Ltd
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Fax: +61 (02) 9232 5359
Mobile: +61 (0)433 894 923

The information in this report that relates to Exploration Results is based on information compiled by Andrew Jones, who is a Member of the Australasian Institute of Mining & Metallurgy. Mr Jones is a full-time employee of TasEx Geological Services Pty Ltd 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 Jones consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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Competent Person's Consent Form

Pursuant to the requirements of ASX Listing Rule 5.6 and clause 8 of the 2004 JORC Code (Written Consent Statement)

Report Description

**New NT Minerals Discovery at Lindeman's Bore
includes 15-metre visible copper intersection**

(insert name or heading of report to be publicly released) ("Report")

Proto Resources & Investments Ltd

(insert name of company releasing the Report)

Lindeman's Bore Project, NT

(insert name of the deposit to which the Report refers) If there is insufficient space, complete the following sheet and sign it in the same manner as this original sheet.

15 June 2009

(Date of Report)

Statement

I,**Andrew Jones**..... confirm that:

(insert full name)

- I have read and understood the requirements of the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("2004 JORC Code").
- I am a Competent Person as defined by the 2004 JORC Code, having five years experience which is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Member or Fellow of *The Australasian Institute of Mining and Metallurgy* or the *Australian Institute of Geoscientists* or a 'Recognised Overseas Professional Organisation' ("ROPO") included in a list promulgated by ASX from time to time.
- I have reviewed the Report to which this Consent Statement applies.

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- I am a full time employee of (insert company name)

OR

- I am a consultant working for ... **TasEx Geological Services Pty Ltd** and have been engaged by**Proto Resources & Investments Ltd** to prepare the documentation for**the Lindeman's Bore Project** on which the Report is based, for the period ended ...**15 June 2009**.

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Exploration Results. It was noticed that some information in this release needed further explanation and the 15 June release "**New NT Minerals Discovery at Lindeman's Bore includes 15-metre visible copper intersection**" should be read in conjunction with the 22 June release "**RE: DRILLING ANNOUNCEMENT – LINDEMAN'S BORE [Response to ASX Queries]**" where more detailed explanation was made about the nature of visible copper mineralisation and what the company was targeting at the Lindeman's Bore project.

CONSENT

I consent to the release of the Report and this Consent Statement by the directors of:

Proto Resources & Investments Ltd

22 July 2009

Signature of Competent Person:

Date:

Member

Australasian Institute of Mining and Metallurgy

110663

Professional Membership:

Membership Number:

blacked out for privacy reasons

blacked out for privacy reasons

Signature of Witness:

Print Witness Name and Residence (eg. Town/Suburb):

PROTO

RESOURCES & INVESTMENTS LTD

Competent Person's Consent Form

Pursuant to the requirements of ASX Listing Rule 5.6 and clause 8 of the 2004 JORC Code (Written Consent Statement)

Report Description

RE: DRILLING ANNOUNCEMENT – LINDEMAN'S BORE

[Response to ASX Queries]

(insert name or heading of report to be publicly released) ("Report")

Proto Resources & Investments Ltd

(insert name of company releasing the Report)

Lindeman's Bore Project, NT

(insert name of the deposit to which the Report refers) If there is insufficient space, complete the following sheet and sign it in the same manner as this original sheet.

22 June 2009

(Date of Report)

Statement

I,**Andrew Jones**..... confirm that:

(insert full name)

- I have read and understood the requirements of the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("2004 JORC Code").
- I am a Competent Person as defined by the 2004 JORC Code, having five years experience which is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Member or Fellow of *The Australasian Institute of Mining and Metallurgy* or the *Australian Institute of Geoscientists* or a 'Recognised Overseas Professional Organisation' ("ROPO") included in a list promulgated by ASX from time to time.
- I have reviewed the Report to which this Consent Statement applies.

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- I am a full time employee of (insert company name)

OR

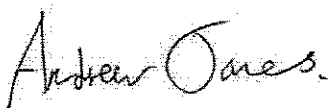
- I am a consultant working for ... **TasEx Geological Services Pty Ltd** and have been engaged by **Proto Resources & Investments Ltd** to prepare the documentation for **the Lindeman's Bore Project** on which the Report is based, for the period ended ... **6 July 2009**.

I verify that the Report as it relates to previous announcement queries, but not to comments on BRR, is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Exploration Results.

CONSENT

I consent to the release of the Report and this Consent Statement by the directors of:

Proto Resources & Investments Ltd



22 July 2009

Signature of Competent Person:

Date:

Member

110663

Australasian Institute of Mining and Metallurgy

Professional Membership:

Membership Number:

blacked out for privacy reasons

blacked out for privacy reasons

Signature of Witness:

Print Witness Name and Residence (eg. Town/Suburb):

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RESOURCES & INVESTMENTS LTD



Competent Person's Consent Form

Pursuant to the requirements of ASX Listing Rule 5.6 and clause 8 of the 2004 JORC Code (Written Consent Statement)

Report Description

Lindeman's Bore Drilling Update, Northern Territory

(insert name or heading of report to be publicly released) ("Report")

Proto Resources & Investments Ltd

(insert name of company releasing the Report)

Lindeman's Bore Project, NT

(insert name of the deposit to which the Report refers) If there is insufficient space, complete the following sheet and sign it in the same manner as this original sheet

19 August 2009

(Date of Report)

Statement

I, **Andrew Jones** confirm that:

(insert full name)

- I have read and understood the requirements of the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("2004 JORC Code").
- I am a Competent Person as defined by the 2004 JORC Code, having five years experience which is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Member or Fellow of *The Australasian Institute of Mining and Metallurgy* or the *Australian Institute of Geoscientists* or a 'Recognised Overseas Professional Organisation' ("ROPO") included in a list promulgated by ASX from time to time.
- I have reviewed the Report to which this Consent Statement applies.

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- I am a full time employee of (insert company name)

OR

- I am a consultant working for ... **TasEx Geological Services Pty Ltd** and have been engaged by **Proto Resources & Investments Ltd** to prepare the documentation for **the Lindeman's Bore Project** on which the Report is based, for the period ended ... **19 August 2009**.

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Exploration Results, Mineral Resources and/or Ore Reserves (select as appropriate).

CONSENT

I consent to the release of the Report and this Consent Statement by the directors of:

Proto Resources & Investments Ltd

Andrew Jones

19 August 2009

Signature of Competent Person:

Date:

Member

110663

Australasian Institute of Mining and Metallurgy

Professional Membership

Membership Number:

blacked out for privacy reasons

blacked out for privacy reasons

Signature of Witness:

Print Witness Name and Residence (eg. Town/Suburb):



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24 August 2009

Andrew Mortimer
Managing Director
Proto Resources & Investments Limited
Suite 1901, Level 19, 109 Pitt Street
Sydney NSW 2000

By email: andrew.mortimer@protoresources.com.au

Dear Mr Mortimer,

Proto Resources & Investments Limited (the "Company")

ASX Limited ("ASX") refers to the following:

1. The Company's announcement released on 15 June 2009 entitled "New NT Minerals Discovery at Lindeman's Bore" (the "June Announcement"). The June Announcement refers to a 15 metre wide zone containing 5% visible chalcopyrite mineralisation (copper) intersected at a depth of 384m and states that "The presence of high grade chalcopyrite has been confirmed by results obtained from a Niton XLt handheld portable XRF analyser on loan from Poseidon Nickel Ltd." The June Announcement also states that it is the Company's intention to commence petrographic studies on the mafic rock units and, on receipt of final drill core assay results, to assess what further exploration should be completed.
2. The announcement released on 15 June 2009 entitled "PRW – Copper Discovery – Lindeman's Bore" attaching a link to an interview on Boardroom Radio given by the Chairman and Managing Director of the Company, Mr Andrew Mortimer (the "June BRR Announcement"). In the June BRR Announcement the Chairman says "the 15 metres runs at a pretty high grade; we don't know exactly but we think it will be an average of about 5 per cent. There's hits from 0.5 of a per cent to 40 per cent copper, so we think it will average.....5, 10 per cent, something like that, over 15 metres. Obviously that's a mineable width and a mineable grade, but only if we find enough of an extension; but its an extremely good first hole". Further, in the June BRR Announcement the Chairman stated "it has the potential to be a very large poly-metallic mine, what we're looking at is a very large low to medium - grade mine, hopefully, that spans several hundred metres. Now obviously we've got a lot of work to do before we can prove that sort of concept up, I suspect that our discovery today proves that we have certainly the potential to find an entire mineral province, with many mines;" and, later "...we proved a geological target that has the potential deliver not just a massive mine, but a massive group of mines."
3. The letter sent to the Company by ASX on 19 June 2009 seeking clarification in respect of information reported in the June Announcement and June BRR Announcement, and to the Company's response to that letter, (the "Response"), both of which were released to the market on 22 June 2009. The Response states as follows:

Australian Securities Exchange

Australian Stock Exchange
Sydney Futures Exchange

Australian Clearing House
SFE Clearing Corporation

ASX Settlement and Transfer Corporation
Austraclear

- *The visual amount of chalcopyrite in the 15m interval between 384-399m varied between trace amounts and 5%.*
 - *Visually, the core was traced from a low sub 1% chalcopyrite grade to a visual grade of approximately 5%. It was then revealed in XRF analysis that the grades revealed by that machine ranged from 0.05% to 40%.*
 - *The Company has concluded with a high level of confidence that it has now proved its geological concept, which is the presence of gabbro mafic intrusions which may represent the intrusive source of the Antrim Plateau Volcanics in the Northern Territory and that this mineralisation is Norilsk in nature as the result of the presence of a Continental Flood Basalt Complex and mineralised mafic intrusives.*
4. The Company's announcement entitled "Lindeman's Bore Drilling Update, NT" released to the market on 19 August 2009 (the "August Announcement"). The August Announcement reports that assay results that have been received from diamond drill hole LBD 1 with the highest one-metre half core assay results being 0.22g/t Au, 0.06% Co & 0.07% Cu. Further, the August Announcement states:
- "The new data combined with geological logging indicates that the intrusive mafic sills are not related to the Cambrian Antrim Plateau Basalts, the feeder zones that the Company has been targeting for potential Norilsk-style Ni-Cu-PGE mineralisation".*

In light of the assay results reported in the August Announcement, in the interests of keeping the market fully informed, please respond to the following questions in a format suitable for release to the market.

1. The absence of significant copper assays reported in the August Announcement would appear to suggest that the visual observations of the core reported in the June Announcement, June BRR Announcement and Response were unreliable. Please provide a detailed explanation of the basis on which the Company reported in June a 15 metre wide zone containing 5% visible chalcopyrite mineralisation (copper) in light of the copper assays reported in August.
2. The absence of significant copper assays reported in the August Announcement would appear to suggest that the XRF analysis reported in the June Announcement, June BRR Announcement and Response was unreliable. Please provide a detailed explanation of the basis on which the Company reported in June that XRF analysis revealed chalcopyrite grades ranging from 0.05% to 40% in light of the copper assays reported in August. Please ensure the response includes details of the Niton XLt handheld portable XRF analyser results obtained by the Company on the standard referred to in the Response (OREAS50Pb). Also please ensure that a clear explanation of the manner in which the drill core samples were presented to the Niton XLt handheld portable XRF analyser for analysis is included in the response.
3. The "geological concept" the Company has sought to prove would appear to be the presence of gabbro mafic intrusions which may represent the intrusive source of the Antrim Plateau Volcanics in the Northern Territory and that this suite of rocks was of Norilsk style in nature and strongly implied the presence of Norilsk-style Ni-Cu-PGE mineralisation. In light of the statement in the August Announcement that new data combined with geological logging indicates that the intrusive mafic sills are not related to the Cambrian Antrim Plateau Basalts, the feeder zones that the Company has been targeting for potential Norilsk-style Ni-Cu-PGE mineralisation, please provide a detailed explanation of the basis on which the Company reported in June that it had concluded "with a high level of confidence that (the Company) has now proved its geological concept.", and a detailed explanation of the information which now forms the basis for refuting that assertion.

As you know, under clause 8 of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code") listed companies must ensure that a public report containing Exploration Results, Mineral Resources or Ore Reserves is issued with the prior written consent of the Competent Person or Persons as to the form and context in which it appears. We request that you attach to your response to this

letter a copy of the Competent Person Consent Statement or other written statement that the Company obtained the relevant consent from the competent person prior to the release of the June Announcement, Response and August Announcement.


Your response should be sent to me by facsimile on facsimile number 08 8216 5099. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, by no later than **5:00pm EST on Wednesday, 26 August 2009**.

Under listing rule 18.7A, ASX confirms that it reserves the right to release a copy of this query and your response to the market and that it intends to do so.

If you have any queries regarding the above, please contact me.

Yours sincerely,


Justin Nelson
Manager, Issuers (Adelaide)

Direct Line: (08) 8216 5026