

ARUNTA PROJECT

2007 WORK PROGRAM FOR EXPLORATION LICENCE 24357

Introduction

Exploration Licence 24357 is a part of PROTO Resource and Investment Limited's (PROTO) Arunta Project which comprises exploration tenements 23391, 23392, 23393, 23395, 23629, 23271, 24357 and tenement applications 23394, 23396, 23397, 23398 and 23399. PROTO is primarily exploring the Palaeo-proterozoic rocks of the Arunta Province for Voisey's Bay style nickel-copper deposits, along with a suite of other economic metals. PROTO acquired the Arunta Project from Discovery Nickel Limited (DNL) on 30 June 2006.

Most significant nickel-copper massive sulphide deposits are extremely good conductors. Proto's exploration approach relies heavily on airborne electromagnetic (EM) surveying, followed by ground EM to define targets. Earlier DNL work on adjacent EL's defined targets (nickel) that were later covered with ground EM (smartem) and drilled. Results including 2 x 20m intersections of mineralised stratigraphy on EL 23392 show the techniques work well in this environment. A similar approach is proposed for EL 24357.

Work Program

PROTO plans to review all historical work over EL 24357 along with detailed assessment regional magnetic, gravity and geology (recently re-mapped) to see if there area any obvious targets for ground EM. Proto will be prepared to collect Airborne EM, either VTEM or GEOTEM, over selected areas on EL 24357 if our first approach fails to define drillable targets.

The allocated budget for further work on EL 24357 including funds for ground EM, followed by RC drilling is \$27050. Included in this budget are the following items:

- 2 days of ground EM surveying
- Interpretation and processing of the ground EM data
- Clearance of the proposed drill sites by Traditional Owners
- 150m of RC drilling
- Contract geologist/geophysicist
- Field Support (vehicle hire, field technician, travel)
- Rehabilitation
- Tenement Fees

The detailed exploration budget for EL 24357 is shown in Table One.

Table One – Exploration Program Budget

Project	Arunta - 24357		AUD\$
Land Access			\$1,000.0
Airborne EM	0	line/km	\$0.0
Ground EM	2	days	\$6000.0
RC drilling	150	metres	\$15000.0
Geologist / Geophysicist	3	Days	\$1500.0
Geochemistry	25	Samples	\$1250.0
Field Tech	2	Days	\$500.0
Vehicle Hire	3	Days	\$300.0
Travel			\$500.0
Rehab	1	Days	\$1000.0
Tenement Fee			\$583.0
Total			\$27050.0