

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Proto Resources and Investments Ltd

ABN

35 108 507 517

Quarter ended ("current quarter")

31 March 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	4
1.2 Payments for		
(a) exploration and evaluation	(630)	(1,499)
(b) development	-	-
(c) production	-	-
(d) administration	(698)	(1,781)
1.3 Dividends received	1	3
1.4 Interest and other items of a similar nature received	15	37
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other		
- R&D rebate	-	88
Net Operating Cash Flows	(1,312)	(3,148)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	(60)
(b)equity investments	(681)	(1,425)
(c) other fixed assets	(65)	(65)
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	63	351
(c)other fixed assets	-	-
1.10 Loans to other entities	(296)	(341)
1.11 Loans repaid by other entities	6	6
1.12 Other - loan repaid to other entity	-	-
Net investing cash flows	(973)	(1,534)
1.13 Total operating and investing cash flows (carried forward)	(2,285)	(4,682)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,285)	(4,682)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3,135	4,976
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other		
	- costs of share issues	(29)	(165)
	- proceeds for intended issue of securities	15	15
	Net financing cash flows	3,121	4,826
	Net increase (decrease) in cash held	836	144
1.20	Cash at beginning of quarter/year to date	730	1,422
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter *	1,566	1,566

* The total cash has previously included term deposits held as security. These amounts have been reclassified and are no longer included in the cash balance.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	166
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.2 includes payments for directors fees and salaries

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

--

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

--

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	100	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	140
4.2 Development	-
4.3 Production	-
4.4 Administration	340
Total	480

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,566	730
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (bank security deposits) *	-	-
Total: cash at end of quarter (item 1.22)	1,566	730

* In addition to the total cash above, the Company has approximately \$87,000 held in term deposits as security bonds.

Appendix 5B
Mining exploration entity quarterly report

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements acquired or increased	Nil		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities			
7.2	<i>(description)</i> Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	*Ordinary securities	399,334,558	399,334,558	
7.4	Changes during quarter; (a) Increase through issues (b) Decreases through returns of capital, buy-backs (c) Escrow release	54,199,316	54,199,316	
7.5	*Convertible debt securities			
	<i>(description)</i>			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)			Exercise price	Expiry date
	(a) 23,650,555	(a) 23,650,555	\$0.20		31 st August 2011
	(b) 51,727,811	(b) 51,727,811	\$0.25		31 st December 2013
	(c) 136,734,784	(c) 136,734,784	\$0.05		31 st December 2011
	(d) 5,000,000	-	\$0.08		28 th February 2013
	(e) 3,500,000	-	\$0.10		28 th February 2013
	(f) 2,000,000	-	\$0.125		28 th February 2013
	(g) 22,250,000	-	Moving strike price		28 th February 2013
7.8	Issued during quarter	(d) 5,000,000	-	\$0.08	28 th February 2013
		(e) 3,500,000	-	\$0.10	28 th February 2013
		(f) 2,000,000	-	\$0.125	28 th February 2013
		(g) 29,500,000	-	Moving strike price	28 th February 2013
7.9	Exercised during quarter	(c) 3,949,316	(c) 3,949,316	\$0.05	31 st December 2011
7.10	Expired during quarter	(g) 7,250,000	-	Moving strike price	28 th February 2013
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- This statement does give a true and fair view of the matters disclosed.

Lia Darby

Sign here:

Director

Date: 28 April 2011

Print name:

Lia Darby

Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

+ See chapter 19 for defined terms.