



PROMESA

6 August 2014

Dear Shareholder

The Board is pleased to extend to you an opportunity to increase your shareholding in the Company via a Share Purchase Plan (**SPP**), as the Company enters an exciting phase with its copper, gold and molybdenum exploration program at the highly prospective Alumbre Project in Peru.

Under the SPP, which was announced to the ASX on 6 August 2014, eligible PRA shareholders in Australia and New Zealand will exclusively be entitled to purchase a maximum of up to \$15,000 of additional shares in the Company subject to the enclosed terms and conditions of the SPP.

Shares in the SPP are being offered at the discounted price of AUD\$0.025c per share, free of any brokerage or other transaction costs. This represents a 7.25% discount to the market price of PRA shares on 5 August 2014, being the last day that shares were traded on ASX before the SPP was announced and a discount of 15% to the five day volume weighted average price of the Company's shares up to and including 5 August 2014.

The proceeds raised from the SPP will enable Promesa to expedite Stage 2 of its drill program. This follows the approximately 1,950m drilled in Stage 1, which in discovery hole 5 intersected significant copper mineralisation. As previously announced by the Company in its ASX announcement of 30 July 2014, remodelling of the Company's geophysics, using Magnetic Vector Inversion (MVI) has confirmed an association between Alumbre's magnetic susceptibility, surface and subsurface copper, gold and molybdenum mineralisation and proximity to a large magnetic subsurface anomaly some 1.9km by 2.1km in dimension, which appears to be open in all directions. The Company is not aware of any new information or data that materially affects this information (or the information disclosed by the Company in its announcement of 30 July 2014). All material assumptions and parameters underpinning this information (as disclosed in the ASX announcement of 30 July 2014) continue to apply and have not materially changed.

The Board's view is that the Alumbre Project appears to represent part of a major new Cu-Mo-Au porphyry camp in a logistically superb area for mine development and that geology, recent magnetic susceptibility readings, magnetic modelling using the MVI method, geochemistry, structure, alteration and geophysics combine to indicate the district scale potential for Alumbre.

The Company is now finalising preparations for Stage 2 drilling planned to commence in mid-August 2014. Stage 2 will include 4 diamond drill holes over 1,910m. Significantly this next phase of drilling will be based on a combination of surface geochemistry, field mapping, regional ground based magnetic modelling and Induced Polarisation geophysics.

You are encouraged to carefully review the terms of the SPP which are set out in the SPP Offer Document and Application Form accompanying this letter.

Participation in the SPP is optional and is open exclusively to eligible shareholders who, as at 5.00pm (Perth time) on 5 August 2014 (Record Date), were registered as holders of fully paid ordinary PRA shares and whose address on the share register is in Australia or New Zealand.

The SPP is also being extended to eligible shareholders who are custodians for them to participate in the SPP on behalf of certain beneficiaries on the terms and conditions of the SPP.

The SPP will open on 7 August 2014, and New Shares issued under the SPP are expected to be issued on 19 August 2014 and will rank equally with all PRA shares on issue from that date. Trading in New Shares on ASX is expected to commence on 21 August 2014.

Proceeds from the SPP will be capped at \$1.25 million and PRA will scale back applications on a pro rata basis if they exceed \$1.25 million in aggregate. The SPP is not underwritten. Full details of the SPP are set out in the attached SPP Offer Document.

To participate in the SPP, you must:

- complete and return your Application Form, together with your cheque, bank draft or money order drawn on an Australian bank in Australian dollars; or
- pay directly by BPAY® (registered to BPAY Pty Limited ABN 69 079 137 518) via the internet or telephone banking (for shareholders with an eligible Australian bank account only), in accordance with the instructions contained in the SPP Offer document and Application Form, by no later than close of the SPP at 5.00pm (Perth time) on 14 August 2014.

The SPP does not take into account the individual investment objectives, financial situation or particular needs of any person. You should consider seeking independent advice before making a decision as to whether or not to participate in the SPP.

If you require further assistance, please call Promesa Ltd, Monday to Friday, 8.30am – 5.00pm (Perth time) on + 61 8 9389 8884.

Yours sincerely,



Ananda Kathiravelu, Executive Director
for and on behalf of the Board



PROMESA

Terms and conditions

Offer

1. Under this Plan, Eligible Shareholders (defined below) have the opportunity to participate in the Offer by subscribing for up to \$15,000 of new fully paid ordinary Promesa shares (**New Shares**) (subject to any scale back at Promesa's absolute discretion) without incurring brokerage and subject to the following Terms and Conditions.
2. All New Shares issued under this Offer will rank equally with existing ordinary Promesa shares from the date of issue, and carry the same voting rights, dividend rights and other entitlements as existing shares.
3. All amounts referred to in these Terms and Conditions are in Australian dollars.

Key Dates

Record Date:	5.00pm (Perth time) on 5 August 2014
Offer Date:	7 August 2014
Closing Date:	15 August 2014
Issue of new shares:	19 August 2014
Dispatch date for holding statements:	20 August 2014
Quotation of new Shares on ASX:	21 August 2014

4. Promesa reserves the right to vary the timetable for the Offer at its discretion, including the Closing Date of the Offer, even if the Offer has opened or applications have been received.

Eligible Shareholders

5. You are eligible to participate in this Plan (an **Eligible Shareholder**) if:
 - a. you were registered on the Promesa share register as a holder of Promesa Shares at 5.00pm (Perth time) on 5 August, 2014 (**Record Date**); and
 - b. you have a registered address in either Australia or New Zealand at that time;unless you hold shares on behalf of a person who resides outside Australia or New Zealand (in which case you will not be eligible to participate in respect of the shares of that person). Further, you are not eligible if you are a "U.S. person" (as defined in Regulation S under the US Securities Act of 1933, as amended) (**US Person**) or are acting for the account or benefit of a US Person.
6. Promesa has determined that it is not practical for holders of Promesa Shares with addresses on the share register in other jurisdictions to participate in this Plan.
7. Eligible Shareholders can only apply for a maximum of \$15,000 worth of New Shares in aggregate under this Plan. Promesa has the absolute discretion to scale back applications as set out in paragraph 32.

Custodian

8. Eligible Shareholders who hold Promesa Shares as a Custodian, trustee or nominee Custodian may participate on behalf of each beneficiary on whose behalf the Custodian is holding Promesa Shares, subject to providing us with a certificate in accordance with paragraph 38(d).
9. To the extent that a Custodian holds Promesa shares on behalf of a beneficiary resident outside Australia and New Zealand, it is the responsibility of the Custodian to ensure that any acceptance complies with all acceptable foreign laws.

Joint holders/joint beneficiaries

10. If two or more persons are registered on the Promesa share register as jointly holding Promesa shares, they are taken to be a single registered holder of Promesa shares and a certification given by any of them is taken to be a certification given by all of them.

Application procedure for New Shares

11. Eligible Shareholders may apply for a maximum of \$15,000 worth of New Shares under this Plan. The following options to acquire New Shares under this Plan are available:

- a. \$2,000
- b. \$5,000
- c. \$10,000
- d. \$15,000

Permitted Subscription Amount	\$2,000	\$5,000	\$10,000	\$15,000
Number of New Shares	80,000	200,000	400,000	600,000

12. The number of New Shares is rounded down to the nearest whole number after dividing the dollar amount by the issue price and the residual balance will form part of the assets of the Company or (in the event of a scale back) will be returned to you along with the refund you receive from the scale back.
13. If you wish to apply for New Shares under this Plan, Eligible Shareholders must either:
- a. Provided they are not a Custodian, pay by BPAY, using an Australian bank account, in accordance with the instructions on the Application Form to ensure cleared funds are received by the Closing Date. If paying by BPAY you do not need to return the Application Form; or
 - b. Complete the enclosed Application Form and forward it with a cheque, bank draft or money order to Promesa Ltd drawn on an Australian bank account and in Australian dollars for the correct amount in accordance with the instructions on the Application Form so that it is received prior to the close of the offer on the Closing Date.

NOTE: By using BPAY facility to apply for New Shares, you represent that the total of the application price for the following does not exceed \$15,000:

- a. the New Shares you are applying for;
- b. any other shares you are applying for under this Plan, or shares or interests in the class issued under a similar arrangement in the 12 months before this application;
- c. any other shares or interests in the class which you have instructed a Custodian to acquire on your behalf under this Plan; and
- d. any other shares or interests in the class issued to a Custodian under an arrangement similar to this Plan in the 12 months before this application as a result of you instructing the Custodian or another Custodian which resulted in you holding a beneficial interest in the shares or interests.

Payment by BPAY may not be processed and may not be valid if it has not been received by the Company by the time and date specified as the Closing Date. You should be aware that the BPAY system closes at 5.00pm (Sydney time) and your financial institution may implement earlier cut-off times with regard to electronic payment. You should therefore take this into consideration when making payment.

14. Do not forward cash. Cheques, bank drafts and money orders should be made payable to "Promesa Limited". Receipts for payment will not be issued.
15. Any application money received in excess of the amount required for the number of New Shares you successfully apply for will be refunded to you without interest.
16. Promesa reserves the right to reject any application for New Shares under this Plan, including any that it believes does not comply with these Terms and Conditions or ASIC policy or the ASX Listing Rules.

Issue price

17. The issue price for New Shares will be 2.5 cents per share.

18. **Promesa's share price may rise or fall between the date of this offer and the date when New Shares are allotted and issued to you under this Plan. This means that the price you pay per New Share pursuant to this offer may be either higher or lower than the Promesa share price at the time of the offer or at the time the New Shares are issued and allotted to you under this Plan.**

Participation is optional

19. Participation in this Plan is entirely optional (subject to the eligibility criteria set out in these Terms and Conditions). The offer to acquire New Shares is not a recommendation.
20. If you do not wish to accept this Offer, you do not need to take any action.
21. You should consider seeking independent financial and taxation advice before making a decision as to whether or not to accept this offer.

Issue date

22. The New Shares will be issued on or around 19 August, 2014 or as soon as possible after that date.
23. Allotment confirmations will be despatched on or around 20 August, 2014.

No transfer

24. This Plan Offer is non-renounceable and non-transferable and, therefore, Eligible Shareholders cannot transfer their right to purchase New Shares under this Plan to a third party.

Brokerage and transaction costs

25. No brokerage or other transaction costs will apply to the acquisition of New Shares under this Plan. The only cost to you is the issue price of the New Shares.

Quotation

26. Promesa will apply for New Shares issued under this Plan to be quoted on the ASX.

Class Order and ASX Listing Rules compliance

27. The Offer of New Shares under this Plan is made in accordance with ASIC Class Order (CO 09/425), which grants relief from the requirement to prepare a prospectus for this Offer of New Shares, and the ASX Listing Rules.

Notice to New Zealand shareholders

28. The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).
29. This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

No US offer

30. If you apply to participate in the Plan, you acknowledge and agree that:
- a. The New Shares have not, and will not be, registered under the US Securities Act or the securities laws of any state or any other jurisdictions in the United States, or in any other jurisdiction outside Australia and New Zealand;
 - b. The New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
 - c. You must not send copies of these Terms and Conditions or any other material relating to the Plan to any person in the United States or any person who is, or is acting for the account or benefit of, a US Person;

- d. You must not submit an Application Form or make payment by BPAY for any person resident in the United States or elsewhere outside Australia and New Zealand or who, or is acting for the benefit of, a US Person; and
- e. If you do not comply with these restrictions, it may result in violations of applicable securities laws.

Scale back of offer

- 31. Promesa may in its absolute discretion allocate to you less than the number of New Shares you have applied for. Promesa expects to exercise this discretion if application for New Shares under the Plan exceed 50 million shares in aggregate (being less than the maximum number of New Shares which may be issued at the offer price without shareholder approval under paragraph 15 of ASX Listing Rule 7.2).
- 32. If there is a scale back, any excess application money will be refunded to you without interest.

Variation and termination

- 33. Promesa reserves the right to amend or vary these Terms and Conditions and to suspend or terminate this Plan at any time.
- 34. Failure to notify shareholders of a change to or termination of this Plan or the non-receipt of notice will not invalidate the change or termination.
- 35. Promesa reserves the right not to issue New Shares or to issue fewer New Shares than that applied for under this Plan by an Eligible Shareholder (including a Custodian applying on behalf of its Beneficiaries) if Promesa believes that the issue of those New Shares would contravene any law or the ASX Listing Rules.
- 36. In the event that this Plan is terminated prior to the issue of New Shares, all application monies will be refunded. No interest will be paid on any monies returned to you.

Acknowledgements

- 37. If you apply to participate in the Plan:
 - a. You agree that once you have sent in your application or made your BPAY payment, you cannot withdraw or cancel your application and your application is unconditional;
 - b. You confirm that you are an Eligible Shareholder and that you are lawfully permitted to accept the Offer under the Plan and participate in the Plan in accordance with these Terms and Conditions and any applicable laws and specifically that you are not a US Person or acting for the account or benefit of a US Person;
 - c. You certify that, even if you have received more than one offer under the Plan or received offers in more than one capacity, the aggregate application money paid by you in any capacity (except as a custodian) for:
 - (a) The New Shares the subject of the application form or the BPAY payment; and
 - (b) Any other shares issued to you, or to a Custodian on your behalf and at your instruction, under the Plan or any similar arrangement operated by the Company in the 12 months before the date we received your application,
 is not more than \$15,000.
 - d. If you are Custodian and applying for New Shares with a total application price exceeding \$15,000, you agree to certify to us in writing the matters required by ASIC Class Order 09/425 condition 9, in accordance with the Custodian certificate, a copy of which can be obtained from the Share Registry:
 - e. You agree to these Terms and Conditions and you agree not to do anything which would be contrary to the spirit, intention or purpose of the Plan;
 - f. You agree to be bound by the constitution of the Company;
 - g. You authorise the Company (and its offers or agents) to correct any error or omission in your application form and to complete the application form by inserting missing details if we elect to do so;
 - h. You agree that the Company may determine that your application form is valid in accordance with these Terms and Conditions, even if it is incomplete, contains errors or is otherwise defective;
 - i. You agree that your application is only effective when received by us and not when posted;

- j. You accept the risk associated with any refund that may be sent to you by direct credit or cheque to your address shown on the Company's register;
- k. You are responsible for any dishonour fees or other costs which the Company may incur if your cheque for payment is dishonoured;
- l. You agree that the if there is a rounding down of the number of New Shares and no scale back, any remaining balance of your payment after your allotment will form part of the assets of the Company and will not be refunded;
- m. You acknowledge that no interest will be paid on any application money held pending the allotment of New Shares or subsequently refunded to you for any reason;
- n. You agree that if you have previously provided the Company or the share registry with bank account details for the purposes of direct credit of dividends, any refund to be paid to you under these Terms and Conditions may be directed to that nominated account;
- o. You agree that the Company and the share registry have not provided you with investment or financial product advice, and that they have no obligation to provide advice to you about your decision to apply for and buy New Shares; and
- p. You agree that the Company is not liable for any exercise of its discretions referred to in these Terms and Conditions.

Governing law

38. These Terms and Conditions are governed by the laws in force in Western Australia.