

PROTO



RESOURCES & INVESTMENTS LTD

STOCK EXCHANGE ANNOUNCEMENT

14 May 2010

RESEARCH REPORT & LETTER TO SHAREHOLDERS

ASX Release: PRW

The Directors of Proto Resources & Investments Ltd are pleased to advise that a research report has been prepared by Wise-Owl Research and is available on the company's website, under the Investor Information section.

The Company has also despatched the attached letter to shareholders today together with a copy of the WiseOwl Research report.

For further information please contact:

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14 May 2010

Dear Fellow Shareholder

PROTO RIGHTS ISSUE AND WISE-OWL REPORT

Firstly, we are pleased to include a new research report on Proto by Wise-Owl. Wise-Owl is a team of equity analysts based in Sydney who have initiated coverage on Proto. They will follow Proto as we bring the Barnes Hill project in Tasmania into production, and we will send you further reports in due course.

Secondly, this letter is to remind you of the Proto Entitlement Issue that is currently open. Under the Entitlement Issue you have the right to purchase two shares for every five shares you held at the Record Date of 28 April 2010 at \$0.025 (2.5 cents), along with an attached PRWOB option for every new share issued to you. These options expire at an exercise price of \$0.05 (five cents) on 31 December 2011, and will be tradeable on the Australian Stock Exchange under the code PRWOB. **The Entitlement Issue closes next Thursday, 20 May 2010, so make sure your cheques are in on time.** Alternatively you can subscribe through the BPAY details on your form. If you have any questions in relation to this offer please contact the PRW Entitlement Offer Information Line on **(02) 8256 3396** and they will be able to assist with any enquiries.

We have structured this Entitlement Issue as a reward to long term shareholders however note it is fully underwritten by SA Capital Pty Ltd. Notably a Shortfall Application Form is included with your Entitlement Issue paperwork, which allows shareholders to apply for additional shares to their formal Entitlement. We will give due consideration to all shortfall applicants and will endeavour to satisfy all applications.

Please feel free to contact us should you wish any further information. I commend the Company to you and can assure you that as the largest shareholder, I will be taking up my full entitlement myself. Finally I have been asked to speak on the **Sky Business Channel** after 2pm next **Monday, 17th May 2010**, so please tune in for an update on the Company on Sky! Alternatively, the broadcast will be uploaded onto the Proto website – www.protoresources.com.au - allowing you to view the interview at your leisure. This is an excellent opportunity to inform the public about our progress at Proto, particularly at Barnes Hill, which is looking extremely positive.

Best regards

Andrew Mortimer
Chairman and Managing Director