
PROTO RESOURCES & INVESTMENTS LTD

ABN 35 108 507 517

**NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY
STATEMENT**

TIME: 1.00pm AEDT

DATE: Monday 29 November 2010

PLACE: The Club Hotel
147 Weld Street
BEACONSFIELD TAS 7270

This Notice of Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9388 8041.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Proto Resources & Investments Ltd which this Notice of Meeting relates to will be held at 1.00pm AEDT on Monday 29 November 2010 at:

<p>The Club Hotel 147 Weld Street BEACONSFIELD TAS 7270</p>
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YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and either:

- (a) send the proxy form by post to PO Box 1905, Subiaco WA 6904 Australia; or
- (b) send the proxy form by facsimile to +618 9388 8042,

so that it is received not later than 1.00pm AEDT on Thursday, 25 November 2010.

Proxy forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Proto Resources & Investments Ltd will be held at The Club Hotel, 147 Weld Street, Beaconsfield, TASMANIA 7270 at 1.00pm AEDT on Monday, 29 November 2010.

The Explanatory Statement annexed to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7pm EDT on 25 November 2010.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

Reports and Accounts

To receive the financial report of the Company for the year ended 30 June 2010, together with the Directors' report and the auditor's report.

A copy of the financial report can be downloaded from the Company's website: <http://www.protoresources.com.au/quarterlies.aspx>

Resolution 1 – Adoption of Remuneration Report (Non-binding)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **advisory only resolution**:

“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report.”

Short Explanation: The Corporations Act provides that a resolution that the remuneration report be adopted must be put to vote at a listed company's annual general meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

Resolution 2 – Re-election of Ms Kay Philip

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, Ms Kay Philip, being a Director, retires in accordance with clause 6.1 of the Constitution and, being eligible for re-election, is hereby re-elected as a Director.”

Resolution 3 – Re-election of Mr Ian Campbell

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, Mr Ian Campbell, being a Director, retires in accordance with clause 6.1 of the Constitution and, being eligible for re-election, is hereby re-elected as a Director.”

NOTICE OF ANNUAL GENERAL MEETING

Resolution 4 - Ratification of Placement

To consider and if thought fit to pass, with or without amendment, the following **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the Company ratifies the allotment and issue of 39,617,639 Shares at a price of \$0.023 per Share to subscribers to the Placement, on the date and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on Resolution 4 by any person who participated in the issue and any associate of such allottee. However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 - Approval to the Future Placement of Shares

To consider and, if thought fit, to pass, with or without amendment, the following **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, this meeting approves and authorises the Directors to issue and allot up to 40,000,000 Shares at a price that is at least 80% of the average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the date on which the issue is made; and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on Resolution 5 by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if Resolution 5 is passed and any associate of those persons.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6 – Approval of Grant of Options to RESCON Resource Consultants AG

To consider and, if thought fit, to pass, with or without amendment, the following **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Company approves and authorises the Directors to issue and allot 3,000,000 Options to RESCON Resource Consultants AG, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on Resolution 6 by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if Resolution 6 is passed and any associate of those persons.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

NOTICE OF ANNUAL GENERAL MEETING

Resolution 7 – Approval of Grant of Options to SA Capital Pty Ltd

To consider and, if thought fit, to pass, with or without amendment, the following **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Company approves and authorises the Directors to issue and allot 1,500,000 Options to SA Capital Pty Ltd, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 7 by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if Resolution 7 is passed and any associate of those persons.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

DATED: 18 OCTOBER 2010

BY ORDER OF THE BOARD

**LIA DARBY
CHAIRPERSON
PROTO RESOURCES & INVESTMENTS LTD**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting of Proto Resources & Investments Ltd to be held at The Club Hotel, 147 Weld Street, Beaconsfield TASMANIA 7270 at 1.00pm AEDT on Monday, 29 November 2010.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting (of which this Explanatory Statement forms a part).

RESOLUTION 1 – REMUNERATION REPORT (NON-BINDING RESOLUTION)

In accordance with Section 250R(2) of the Corporations Act, the Company must put a resolution that the Remuneration Report be adopted to vote at the Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

The Remuneration Report includes all of the information required by Section 300A of the Corporations Act, including:

- (a) board policy for determining, or in relation to, the nature and amount (or value, as appropriate) of remuneration of Directors, secretaries and senior managers of the Company;
- (b) discussion of the relationship between such policy and the Company's performance; and
- (c) the prescribed details in relation to the remuneration of each Director and certain executives.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

RESOLUTION 2 – RE-ELECTION OF MS KAY PHILIP

In accordance with Listing Rule 14.4 and Clause 6.1 of the Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

Ms Kay Philip retires by rotation at this meeting and, being eligible, offers herself for re-election.

Details regarding Ms Philip are set out in the 2010 Annual Report.

The Directors, other than Ms Philip, recommend the re-election of Ms Kay Philip.

EXPLANATORY STATEMENT

RESOLUTION 3 – RE-ELECTION OF MR IAN CAMPBELL

In accordance with Listing Rule 14.4 and Clause 6.1 of the Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

Mr Ian Campbell retires by rotation at this meeting and, being eligible, offers himself for re-election.

Details regarding Mr Campbell are set out in the 2010 Annual Report.

The Directors, other than Mr Campbell, recommend the re-election of Mr Ian Campbell.

RESOLUTION 4 - RATIFICATION OF PLACEMENT

Resolution 4 seeks Shareholder ratification of the issue of 39,617,639 Shares on the terms set out below.

4.1 Background to Resolution 4

On 14 October 2010 the Company issued 79,617,639 Shares to placement subscribers. The Shares were issued at an issue price of 2.3 cents each to raise \$1,831,205.

Shareholder approval was received for a placement of 40,000,000 Shares at the general meeting held 5 October 2010. Approval is now sought to ratify the issue of an additional 39,617,639 Shares under the Placement.

4.2 ASX Listing Rule 7.4

Under Chapter 7 of the ASX Listing Rules, there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1

Approval is sought under Resolution 4 to allow the Company to ratify the issue and allotment of the 39,617,639 Shares issued in the Placement not previously approved by Shareholders pursuant to ASX Listing Rule 7.4. The reason for an approval under ASX Listing Rule 7.4 is to reinstate the Company's capacity to issue up to 15% of its issued Shares without the approval of its Shareholders in any 12 month period.

EXPLANATORY STATEMENT

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval of the share issue the subject of Resolution 4 in accordance with ASX Listing Rule 7.5:

- (a) the number of securities allotted by the Company was 79,617,639 Shares. Shareholder approval was received for a placement of 40,000,000 Shares at the general meeting held 5 October 2010. Approval is now sought to ratify the issue of an additional 39,617,639 Shares under the Placement;
- (b) the Shares were issued and allotted on 14 October 2010;
- (c) the Shares were allotted for consideration of 2.3 cents per Share;
- (d) the issued Shares are fully paid ordinary shares and rank equally with the existing Shares on issue;
- (f) the allottees of the Shares were subscribers to the Placement who are exempt from the disclosure requirements of the Corporations Act. None of the allottees is a related party of the Company; and
- (g) the Shares were issued for the purpose of raising additional funds to complete the Barnes Hill project work, which at the date of this meeting is in the detailed feasibility phase. Any additional funds will be used for additional working capital purposes, review and analysis of new projects and for the Company's other existing activities.

4.3 Directors' Recommendation

None of the Directors has a material personal interest in the subject matter of Resolution 4. The Board believes that the ratification of the Share issue the subject of Resolution 4 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 4 as it provides the Company with the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months without shareholder approval.

RESOLUTION 5 - APPROVAL TO THE FUTURE PLACEMENT OF UP TO 40,000,000 SHARES

Resolution 5 seeks Shareholder approval for the issue of up to 40,000,000 Shares on the terms set out below.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that (subject to certain exceptions, none of which is relevant here) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5 to allow Shareholders to assess the proposed Placement for the future issue of up to 40,000,000 Shares:

- (a) the maximum number of securities to be issued pursuant to the Placement is 40,000,000 Shares;
- (b) the Shares the subject of Resolution 5 will be issued and allotted no later than three (3) months after the date of this Meeting or such later date as approved by ASX;

EXPLANATORY STATEMENT

- (c) the issue price of the Shares proposed to be allotted and issued will be at a price that is at least 80% of the average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the date on which the issue is made;
- (d) the allottees in respect of Resolution 5 are not, as yet, identifiable, but will be subscribers to be identified by the Company and any brokers appointed by the Company to manage the issue. The allottees will not be related parties of the Company;
- (e) the Shares to be issued will rank pari-passu on allotment and issue with the existing Shares of the Company;
- (f) the Shares to be issued will be allotted progressively as allottees are identified, however no Shares will be issued or allotted after the date which is three (3) months after the date of the Meeting.
- (g) the Company intends to use the funds raised by the issue of Shares the subject of Resolution 5, for continued work on its flagship project Barnes Hill, as well as its nickel exploration in the Northern Territory and Western Australia.

RESOLUTION 6 - APPROVAL OF GRANT OF OPTIONS TO RESCON RESOURCE CONSULTANTS AG

Resolution 6 seeks Shareholder approval for the issue of 3,000,000 Options to RESCON Resource Consultants AG on the terms set out below.

6.1 Background to Resolution 6

Resolution 6 seeks Shareholder approval for the issue of 3,000,000 Options to RESCON Resource Consultants AG (and/or Nominee(s)). The securities are proposed to be issued to RESCON Resource Consultants AG as part consideration for their marketing services in Switzerland for the twelve months commencing 1 October 2010. An additional 3,000,000 Options are due to be issued to RESCON Resource Consultants AG on or about 1 April 2011 which do not form part of this approval.

The ASX Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied in connection with the proposed issue of securities to RESCON Resource Consultants AG. These are summarised below.

6.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that without the approval of holders of ordinary securities, a company must not issue during a 12 month period any equity securities, or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the total ordinary shares on issue at the commencement of that 12 month period.

The number of securities to be issued to RESCON Resource Consultants AG exceeds 15% of the total ordinary securities on issue. Accordingly, Shareholder approval is required to issue 3,000,000 Options to RESCON Resource Consultants AG (and/or nominee(s)).

The following information in connection with Resolution 6 is provided to Shareholders in accordance with Listing Rule 7.3:

EXPLANATORY STATEMENT

- (a) the maximum number of securities to be issued to RESCON Resource Consultants AG (and/ or its nominee(s)) is 3,000,000 Options;
- (b) the Options will be issued for no cash consideration. The Options will be issued as part consideration for marketing services provided by RESCON Resource Consultants AG on behalf of the Company;
- (c) the Options to be issued pursuant to Resolution 6 will be issued on the terms set out in Annexure "A" of the Explanatory Memorandum;
- (d) the allottees will not be related parties of the Company;
- (e) the Company proposes to issue and allot the Options on the same date and as soon as possible after the date of the meeting however will not be issued later than 3 months after the date of the Meeting or such later date to the extent permitted by any ASX waiver; and
- (f) no funds will be raised from the issue of the Options as they are proposed to be issued as consideration for services provided to the Company, as set out above.

6.3 Directors' Recommendation

None of the Directors has a material personal interest in the subject matter of Resolution 6. The Board believes that the proposed Resolution is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 6 as the securities represent reasonable remuneration for services provided to the Company, will preserve the Company's cash reserves and will provide an incentive for RESCON Resource Consultants AG to provide ongoing services to the Company.

RESOLUTION 7 - APPROVAL OF GRANT OF OPTIONS TO SA CAPITAL PTY LTD

Resolution 7 seeks Shareholder approval for the issue of 1,500,000 Options to SA Capital Pty Ltd on the terms set out below.

7.1 Background to Resolution 7

Resolution 7 seeks Shareholder approval for the issue of 1,500,000 Options to SA Capital Pty Ltd (and/or Nominee(s)). The securities are proposed to be issued to SA Capital Pty Ltd as consideration for marketing and facilitation services in connection with the Frankfurt listing of Proto, as well as general marketing services in Australia, for the twelve months commencing 1 October 2010.

The ASX Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied in connection with the proposed issue of securities to SA Capital Pty Ltd. These are summarised below.

7.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that without the approval of holders of ordinary securities, a company must not issue during a 12 month period any equity securities, or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the total ordinary shares on issue at the commencement of that 12 month period.

The number of securities to be issued to SA Capital Pty Ltd exceeds 15% of the total ordinary securities on issue. Accordingly, Shareholder approval is required to issue 1,500,000 Options to SA Capital Pty Ltd (and/or nominee(s)).

The following information in connection with Resolution 7 is provided to Shareholders in accordance with Listing Rule 7.3:

EXPLANATORY STATEMENT

- (a) the maximum number of securities to be issued to SA Capital Pty Ltd (and/ or its nominee(s)) is 1,500,000 Options;
- (b) the Options will be issued for no cash consideration. The Options will be issued as consideration for marketing services provided by SA Capital Pty Ltd on behalf of the Company;
- (c) the Options to be issued pursuant to Resolution 7 will be issued on the terms set out in Annexure "A" of the Explanatory Memorandum;
- (d) the allottees will not be related parties of the Company;
- (e) the Company proposes to issue and allot the Options on the same date and as soon as possible after the date of the meeting however will not be issued later than 3 months after the date of the Meeting or such later date to the extent permitted by any ASX waiver; and
- (f) no funds will be raised from the issue of the Options as they are proposed to be issued as consideration for services provided to the Company, as set out above.

7.3 Directors' Recommendation

None of the Directors has a material personal interest in the subject matter of Resolution 7. The Board believes that the proposed Resolution is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 7 as the securities represent reasonable remuneration for services provided to the Company, will preserve the Company's cash reserves and will provide an incentive for SA Capital Pty Ltd to provide ongoing services to the Company.

GLOSSARY

2010 Annual Report means the Company's annual report including the reports of the Directors and auditor and the financial statements of the Company for the year ended 30 June 2010, which can be downloaded from the Company's website at www.protoresources.com.au

AEDT means Australia Eastern Daylight Time.

ASX means ASX Limited (ACN 008 724 791).

Annual General Meeting means the Annual General Meeting of the Company to be held on Monday 29 November 2010.

ASX Listing Rules or **Listing Rules** means the Listing Rules of the ASX and any other rules of the ASX which are applicable while the entity is admitted to the Official List of the ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Board means the board of Directors.

Company or **Proto Resources** means Proto Resources & Investments Ltd (ABN 35 108 507 517).

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

Notice means the Notice of Meeting attached to this Explanatory Statement.

Option means an option to acquire 1 Share.

Remuneration Report means that section of the Directors' Report under the heading "Remuneration Report" set out in the 2010 Annual Report.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means a shareholder of the Company.

WST means Western Standard Time.

Terms and Condition of Options

1. Each Option entitles the holder to acquire one fully paid ordinary share in the Company.
2. The Options may be exercised at any time until 31 December 2011. Each Option may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of five cents (5 cents) per Option exercised. The Options will lapse at 5.00pm EST on 31 December 2011.
3. The Options may be transferred by an instrument (duly stamped where necessary) in the form commonly used for transfer of Options at any time until 31 December 2011. This right is subject to any restrictions on the transfer of an Option that may be imposed by ASX in circumstances where the Company is Listed on ASX.
4. Optionholders shall be permitted to participate in new issues of securities on the prior exercise of options in which case the Optionholders shall be afforded the period of at least nine (9) business days prior to and inclusive of the record date (to determine entitlements to the issue) to exercise the Option.
5. Shares issued on the exercise of Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys. Shares allotted pursuant to the exercise of an Option will rank equally with the then issued ordinary shares of the Company in all respects. If the Company is listed on ASX it will, pursuant to the exercise of an Option, apply to ASX for Quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the Listing Rules.
6. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
7. If there is a bonus issue to shareholders, the number of shares over which the Option is exercisable may be increased by the number of shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
8. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced in accordance with Listing Rule 6.22.

PROXY FORM

**APPOINTMENT OF PROXY
PROTO RESOURCES & INVESTMENTS LTD
ABN 35 108 507 517**

I/We

being a shareholder of Proto Resources & Investments Ltd entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting or the Chair's nominee, as my/our proxy to act generally for me/us and to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at The Club Hotel, 147 Weld Street, Beaconsfield, Tasmania 7270 at 1.00pm AEDT on Monday, 29 November 2010 and at any adjournment thereof.

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do not wish to direct your proxy how to vote as your proxy in respect of a Resolution, please place a mark in the box below. Proxies appointing the Chair which do not specify the way in which the proxy is to vote on a particular Resolution will be recorded as voting in favour of the Resolution.

Voting on Business of the Annual General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Ms Kay Philip	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Mr Ian Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Future Placement of up to 40,000,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval of Grant of Options to RESCON Resources Consultants AG	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Approval of Grant of Options to SA Capital Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.

PROTO RESOURCES & INVESTMENTS LTD
ABN 35 108 507 517
Instructions for Completing "Appointment of Proxy" Form

1. A Shareholder entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. Where more than one proxy is to be appointed or voting intentions cannot be adequately expressed using this form an additional form of proxy is available from the Company or you may copy this form.
2. A duly appointed proxy need not be a Shareholder of the Company. In the case of joint holders, all must sign.
3. Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For a company to rely on the assumptions set out in Section 129(5) and (7) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual Shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
7. To vote by proxy, please complete and sign the proxy form enclosed and either:
 - (a) send the proxy form by post to PO Box 1905, Subiaco WA 6904, Australia; or
 - (b) send the proxy form by facsimile to +61 8 9388 8042,

so that it is received not later than 1.00pm AEDT on Thursday, 25 November 2010.

Proxy forms received later than this time will be invalid.