
PROTO RESOURCES & INVESTMENTS LTD

ABN 35 108 507 517

**NOTICE OF GENERAL MEETING AND EXPLANATORY
STATEMENT**

TIME: 9.30am WST

DATE: Thursday 8 September 2011

**PLACE: Suite 1A, 661 Newcastle Street,
LEEDERVILLE WA 6007**

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 General Meeting of the Shareholders of Proto Resources & Investments Ltd which this Notice of Meeting relates to will be held at 9.30am WST on Thursday, 8 September 2011 at:

<p>Suite 1A, 661 Newcastle Street, LEEDERVILLE WA 6007</p>

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

To vote in person, attend the 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 Proto Resources & Investments Ltd, PO Box 1905, Subiaco WA 6904 Australia; or
- (b) send the proxy form by facsimile to (08) 9388 8042

so that it is received not later than 9.30am WST on Tuesday, 6 September 2011.

Proxy forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Proto Resources & Investments Ltd will be held at Suite 1A 661 Newcastle Street, Leederville WA 6007 at 9.30am WST on Thursday, 8 September 2011.

The Explanatory Statement annexed to this Notice of Meeting provides additional information on matters to be considered at the 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 General Meeting are those who are registered Shareholders at 5.00pm WST on Tuesday, 6 September 2011.

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

AGENDA

Resolution 1 - Approval for 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 General Meeting approves and authorises the Directors to issue and allot up to 60,000,000 Shares at an issue 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 1 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 1 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 2 – Participation of Directors in Placement

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

"That, subject to passing of Resolution 1, approval be given for the purposes of Listing Rule 10.11 and for all other purposes for the issue to each of the Directors, being Andrew Mortimer, Lia Darby, Ian Campbell, Greg Melick and Kay Philip (or their respective nominee(s)), of up to an aggregate maximum of 10,000,000 million Shares, that may be issued under Resolution 2 and otherwise on the terms and conditions set out in the attached Explanatory Statement."

Voting Exclusion: For the purposes of ASX Listing Rule 10.11 and section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 2 by Andrew Mortimer, Lia Darby, Ian Campbell, Greg Melick and Kay Philip (and/or their nominee(s)) and any of their associates.

NOTICE OF GENERAL MEETING

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 3 - Ratification of Share Issue to Sunrise Financial Group, Inc.

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 1,200,000 Shares at a deemed price of \$0.05 per Share to Sunrise Financial Group, Inc., 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 3 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.

DATED: 25 JULY 2011

BY ORDER OF THE BOARD

**KENT HUNTER
COMPANY SECRETARY
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 General Meeting of Proto Resources & Investments Ltd to be held at Suite 1A 661 Newcastle Street, Leederville WA 6007 at 9.30am WST on Thursday, 8 September 2011.

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 - APPROVAL FOR THE FUTURE PLACEMENT OF UP TO 60,000,000 SHARES

Resolution 1 seeks Shareholder approval for the issue of up to 60,000,000 Shares on the terms set out below ("Placement").

1.1 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 1 to allow Shareholders to assess the proposed facility for the future issue of up to 60,000,000 Shares:

- (a) the maximum number of securities to be issued pursuant to the Placement is 60,000,000 Shares;
- (b) the Shares the subject of Resolution 1 will be issued and allotted no later than three (3) months after the date of this General Meeting or such later date as approved by ASX;
- (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 the Placement 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 Placement. The allottees will not be a Related Party of the Company and will fall within one of the exceptions contained in Section 708 of the Corporations Act. Under no circumstances will the Company issue and allot shares such that any person would hold a relevant interest of more than 19.9% in the share capital 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 General Meeting or such later date as approved by ASX.
- (g) the Company intends to use the funds raised by the Placement for continued work on application of the nickel laterite technology to further projects through both licensing, joint venturing and direct acquisition and development.

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RESOLUTION 2 - PARTICIPATION OF DIRECTORS IN PLACEMENT

2.1 Background to Resolution 2

Under this resolution, it is proposed to grant to Mr Andrew Mortimer, Ms Lia Darby, Mr Aziz Melick, Ms Patricia Philip and Mr Ian Campbell, being Directors of the Company or their respective nominees, the entitlement to participate in the placement of fully paid shares, subject to the passing of Resolution 1.

2.2 ASX Listing Rule 10.11

In accordance with the Listing Rules, shareholder approval is required for the issue of equity securities to a Related Party of the Company. Mr Andrew Mortimer, Ms Lia Darby, Mr Aziz Melick, Ms Patricia Philip and Mr Ian Campbell are Directors of the Company and are therefore Related Parties of the Company. Consequently, in accordance with the Listing Rule 10.11, shareholder approval is required for the issue of equity securities to a Related Party of the Company.

For the purpose of obtaining the approval of shareholders under Listing Rule 10.11 shareholders are advised that:

- (a) the maximum number of fully paid Shares which may be issued to Related Parties is a total of 10,000,000 Shares and that each of the Directors may be issued a maximum of 2,000,000 Fully Paid Shares;
- (b) the Company may not necessarily issue the full complement of Shares and may issue a lesser number;
- (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, and will be identical terms to the placement the subject of Resolution 1;
- (d) the fully paid Shares will be allotted and issued no later than one (1) month after the date of this General Meeting (or such later date to the extent permitted by any ASX waiver of the Listing Rules);
- (e) application will be made for Official Quotation on ASX of the fully paid Shares to be issued pursuant to Resolution 1;
- (f) the Shares allotted and issued will rank equally with the existing ordinary fully paid Shares on issue;
- (g) if approval is given to this resolution for the purposes of Listing Rule 10.11, approval for the issue under this resolution is not required under Listing Rule 7.1;
- (h) the Company intends to use the funds raised by the Placement for continued work on application of the nickel laterite technology to further projects through both licensing, joint venturing and direct acquisition and development; and
- (i) the Directors do not make a recommendation in respect to this resolution as this relates to them.

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RESOLUTION 3 - RATIFICATION OF ISSUE OF SHARES TO SUNRISE FINANCIAL GROUP, INC.

Resolution 3 seeks Shareholder ratification of the issue of 1,200,000 Shares on the terms set out below.

3.1 Background to Resolution 3

On 22 July 2011 the Company issued 1,200,000 Shares to Sunrise Financial Group, Inc. as consideration for corporate and investor relations services provided to the Company in the USA for the period from 1 July 2011 to 31 December 2011 to the total value of \$60,000.

Approval is now sought to ratify the issue of 1,200,000 Shares to Sunrise Financial Group, Inc.

3.2 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 3 to allow the Company to ratify the issue and allotment of the 1,200,000 Shares 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.

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval of the share issue the subject of Resolution 3 in accordance with ASX Listing Rule 7.5:

- (a) the number of securities allotted by the Company was 1,200,000 Shares;
- (b) the Shares were issued and allotted on 22 July 2011;
- (c) the Shares were allotted for nil cash consideration. The Shares were issued in consideration for the services referred to above;
- (d) the issued Shares are fully paid ordinary shares and rank equally with the existing Shares on issue;
- (e) the allottee of the Shares was Sunrise Financial Group, Inc., who is not a related party of the Company; and

EXPLANATORY STATEMENT

- (f) the Shares were issued in lieu of cash consideration otherwise payable by the Company for the purpose of preserving cash reserves and to provide an incentive to Sunrise Financial Group, Inc. to participate in future activities to the Company.

3.3 Directors' Recommendation

None of the Directors has a material personal interest in the subject matter of Resolution 3. The Board believes that the ratification of the Share issue the subject of Resolution 3 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 3 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.

GLOSSARY

ASX means ASX Limited (ACN 008 724 791).

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.

General Meeting means the General Meeting of the Company to be held on Thursday 8 September 2011.

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

Related Party has the meaning given in section 228 of the Corporations Act.

Resolution means a resolution to be considered by the Shareholders at the General Meeting as contained in the Notice.

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

Shareholder means the holder of a Share.

WST means Western Standard Time.

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 General Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chair of the 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 General Meeting to be held at Suite 1A 661 Newcastle Street, Leederville WA 6007 at 9.30am WST on Thursday, 8 September 2011 and at any adjournment thereof.

Important Note – Resolution 2

If the Chair of the 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. By marking this box, you acknowledge that the Chair may exercise your proxy even if he/she has an interest in the outcome of the Resolutions and that votes cast by the Chair of the meeting for those Resolutions other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the Resolution and your votes will not be counted in calculating the required majority if a poll is called on the Resolution.

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 Approval for the Future Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Participation of Directors in Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Ratification of issue of Shares to Sunrise Financial Group, Inc.	<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.
6. To vote by proxy, please complete and sign the proxy form enclosed and either:
 - (a) send the proxy form by post to Proto Resources & Investments Ltd, PO Box 1905, Subiaco, Western Australia 6904; or
 - (a) send the proxy form by facsimile to the Company on facsimile number (08) 9388 8042,

so that it is received not later than 9.30am WST on Tuesday, 6 September 2011.

Proxy forms received later than this time will be invalid.