



15 July 2013

Dear Shareholder

Non Renounceable Pro Rata Offer of New Shares and Options

On 11 July 2013, the Directors of Proto Resources & Investments Ltd ("Proto Resources") lodged a prospectus for a two (2) for three (3) non-renounceable entitlements issue ("Entitlements Issue") to its shareholders to raise approximately \$1,098,092 through the issue of up to 1,098,091,714 fully paid ordinary shares ("New Shares") with an attaching one (1) for one (1) option. The Options are exercisable at 0.55 cents (\$0.0055) each on or before 26 March 2017 (New Options).

All Shareholders whose registered address is in Australia or New Zealand and are registered at **close of business on 22 July 2013** will be entitled to participate in the non-renounceable entitlements issue of New Share and New Options on the basis of two (2) New Shares for every three (3) shares then held. Shareholders whose registered address is outside of Australia or New Zealand are not entitled to participate in the offer.

Generally, shares purchased on market in the period from 16 July 2013 to 22 July 2013 are NOT entitled to participate in the entitlement issue. If you have any doubt, please consult your sponsoring broker.

The New Shares will be issued at a price of \$0.001 (0.1 cent) per New Share. The latest trading price on ASX of the ordinary fully paid shares prior to the date of this letter was \$0.001 cents on 12 July 2013.

Full details of the issue are contained in **the Prospectus dated 11 July 2013, which was lodged with the Australian Securities & Investments Commission and the Australian Stock Exchange Limited on Thursday, 11 July 2013.** The Prospectus is available on ASX's website and the Company's website at www.protoresources.com.au.

The Prospectus together with an Entitlement and Acceptance Form will be mailed to all eligible shareholders on or about 26 July 2013. Other key dates which shareholders should note are as follows:

16 July 2013	Ordinary Shares trade ex-Entitlements on ASX
22 July 2013.....	Record date for determining Entitlements
12 August 2013	Closing date for acceptances
16 August 2013.....	Expected date for allotment of New Shares and New Options

Application for New Shares and Options under the Entitlements Issue may only be made by completing the Entitlement and Acceptance Form which accompanies the Prospectus. Shareholders eligible to participate in the Entitlements issue should read the Prospectus carefully. For further information on the Proto Resources Entitlements Issue you should contact your professional adviser.

Yours faithfully
PROTO RESOURCES & INVESTMENTS LTD

Andrew Mortimer
Managing Director