

11 March 2014

Dear Shareholder

Non Renounceable Pro Rata Offer of New Shares and New Options

On 7 March 2014, the Directors of Proto Resources & Investments Ltd (“Proto Resources”) lodged a prospectus for a one (1) for one (1) non-renounceable entitlements issue (“Entitlements Issue”) to its shareholders to raise approximately \$741,793 through the issue of up to 741,793,705 New Shares, an attaching option will be issued on the basis of one (1) New Option for every one (1) New Share subscribed for and issued under the offer. Each New Option is exercisable on or before 5:00pm (WST) 17 December 2017 at \$0.0013 (0.13 cents) into one ordinary Share.

All Shareholders whose registered address is in Australia or New Zealand and are registered at **close of business on 18 March 2014** will be entitled to participate in the non-renounceable entitlements issue of New Shares and New Options on the basis of one (1) New Share with attaching New Option for every one (1) share 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 15 March 2013 to 18 March 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 cents) 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 10 March 2014.

Full details of the issue are contained in **the Prospectus dated 7 March 2014, which was lodged with the Australian Securities & Investments Commission and the Australian Stock Exchange Limited on Tuesday, 7 March 2014.** 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 19 March 2014. Other key dates which shareholders should note are as follows:

12 March 2014	Ordinary Shares trade ex-Entitlements on ASX
18 March 2014.....	Record date for determining Entitlements
3 April 2014	Closing date for acceptances
14 April 2014.....	Expected date for allotment of New Shares and New Options

Application for New Shares and New 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