PROTO RESOURCES & INVESTMENTS LTD (ADMINISTRATORS APPOINTED) ACN 108 507 517 (ASX CODE: PRW) ('THE COMPANY')

ADMINISTRATORS' UPDATE TO SHAREHOLDERS 9 July 2015

Please find below an update on the status of the Company following the appointment of Bryan Hughes and Daniel Bredenkamp as Joint and Several Administrators on 17 June 2015 by Inosite Limited, an entity with security over the whole or substantially the whole of the Company's assets, pursuant to section 436C of the Corporations Act 2001 ('the Act').

Meeting of creditors

The first meeting of creditors of the Company was held on Monday, 29 June 2015 pursuant to section 436E of the Act. At the meeting, creditors ratified the appointment of the Administrators.

The second meeting of creditors of the Company is scheduled to be held on Wednesday, 22 July 2015. At this meeting the Company's creditors will be asked to make a decision regarding the future of the Company. The Administrators will advise shareholders of the outcome of this meeting by way of an announcement to the ASX.

Notice of general meeting pursuant to section 249D of the Act ('the Notice')

We refer to the announcements on 9 June 2015 regarding the proceedings that were commenced in the Federal Court of Australia (NSD 651 of 2015) to prevent the Company from proceeding with the general meeting of creditors to be held on 10 June 2015 in accordance with the Notice.

On 2 July 2015 the Court ordered that the Company be restrained permanently from proceeding with any business at the general meeting scheduled to be held on 10 June 2015 or any other general meeting purportedly convened in accordance with the Notice. Costs were awarded against the second to fifth defendants to the proceedings.

This judgement has no impact on the administration or the Company going forward.

Updates on the progress of the administration

The Administrators will continue to provide updates throughout the administration by way of announcements to the ASX and we ask that shareholders refrain from contacting the Administrators' office at this time.

BRYAN HUGHES

Joint and Several Administrator