

Proto Resources & Investments Limited (Subject to Deed of Company Arrangement)

ACN 108 507 517 (ASX Code: PRW)

('the Company')

2 September 2015

Execution of Deed of Company Arrangement ('DOCA')

We refer to the announcement dated 9 July 2015 advising that creditors would be asked to make a decision regarding the future of the Company at the second meeting of creditors of the Company to be held on 22 July 2015. We advise that at this meeting creditors resolved in favour of the Company executing a DOCA.

The DOCA was executed on 11 August 2015 and Daniel Bredenkamp and I were appointed Joint and Several Deed Administrators of the Company that same day.

For your reference we confirm that the purpose of the DOCA is to provide additional time for the Deed Administrators to:

- conduct further investigations into the Company's business, property and affairs to form an opinion on the likely outcome to creditors in the event of the winding up of the Company; and
- explore the possibility of a restructure and recapitalisation of the Company with a view to obtaining an improved outcome to creditors compared to the immediate winding up of the Company.

Financial Reporting Relief

We advise that the Company has relied on the Australian Securities and Investment Commission ('ASIC') Class Order 03/392 ('CO 03/392') which provides relief in respect of the Company's obligation to prepare, lodge and have audited its annual financial report and

directors' report in respect of the period ending 30 June 2015 for a period of up to six months from the date of the Administrators' appointment.

We note that we are also currently in the process of formally applying to the ASIC to obtain relief from the Company's requirement to hold the 2015 Annual General Meeting for a period of up to nine months from the date of our appointment as Administrators. Should this application be successful, we will advise shareholders by way of an announcement to the ASX.

In accordance with CO 03/392, shareholders may address any reasonable inquiries about the consequences of the administration of the Company prior to the lodgement of the Company's annual financial report to Philip Girling of Pitcher Partners on 08 9322 2022 or via email on girlingp@pitcher-wa.com.au.

Notwithstanding the above, we request shareholders refer to the Deed Administrators' updates lodged by way of announcements to the ASX in the first instance. Please also initially refer to the following link to the ASIC website which provides general information for shareholders regarding the voluntary administration process and its impact on shareholders

<http://asic.gov.au/regulatory-resources/insolvency/insolvency-for-shareholders/insolvency-a-guide-for-shareholders/>

PRW will continue to be suspended from trading throughout the administration process.

BRYAN HUGHES
Joint and Several Deed Administrator

MELBOURNE

+61 3 8610 5000
partners@pitcher.com.au

ADELAIDE

+61 8 8179 2800
partners@pitcher-sa.com.au

SYDNEY

+61 2 9221 2099
partners@pitcher-nsw.com.au

BRISBANE


+61 7 3222 8444
partners@pitcherpartners.com.au

PERTH

+61 8 9322 2022
partners@pitcher-wa.com.au

NEWCASTLE

+61 2 4911 2000
newcastle@pitcher.com.au

 PITCHER.COM.AU

 an independent member of
BAKER TILLY
INTERNATIONAL