

19 September 2016

Dear Shareholder,

**NON-RENOUNCEABLE RIGHTS ISSUE OF SHARES
NOTICE TO INELIGIBLE SHAREHOLDERS**

On 19 September 2016 the Company announced that it is undertaking a non-renounceable rights issue of approximately 68,798,552 fully paid ordinary shares (**Rights Issue**) to raise approximately \$1.032 million before the costs of the offer. The offer will be made to eligible shareholders on a 1-for-2 basis at an issue price of 1.5 cents.

The Rights Issue is fully underwritten by CPS Capital Group Pty Ltd.

The proceeds of the Rights Issue will be used to conduct further review, evaluation and exploration programs on the Company's existing and future projects, costs of the issue, and for general working capital and administration purposes.

Who are eligible shareholders?

Shareholders who are eligible to participate are holders of ordinary shares in the Company with a registered address in Australia or New Zealand as at 5.00pm (WST) on 22 September 2016 (**Record Date**).

Ineligibility

Unfortunately, as you do not satisfy the eligibility criteria for an eligible shareholder, you are not eligible to subscribe for new shares and you will not be sent a copy of the offer document.

Further information

You are not required to do anything in response to this letter. This letter is to inform you of the Rights Issue, the details of which are available from ASX announcements dated 19 September 2016 and the Rights Issue Offer Document which the Company has lodged at ASX and is available at www.asx.com.au.

Yours sincerely

John Geary
Company Secretary