

29 May 2023

Dear Optionholder

Notice to Optionholders of Non-Renounceable Entitlement Offer

We write to you as the registered holder of options (**Options**) to acquire fully paid ordinary shares in the capital of Forrestania Resources Limited (ACN 647 899 698) (ASX:FRS) (**Forrestania or Company**) (**Shares**) as at today's date. As advised in the ASX announcement on 29 May 2023, Forrestania is undertaking a non-renounceable pro rata entitlement offer to eligible shareholders (**Eligible Shareholders**) at an issue price of \$0.07 per Share on the basis of 2 new Shares for every 5 Shares held as at the record date, being 5.00pm (AWST) on 2 June 2023 (**Record Date**), together with 1 free-attaching Option for every 1 new Share subscribed for and issued (**Entitlement Offer**). The Options are exercisable at \$0.15 each and expiring 30 June 2026. The Company will seek quotation of the new Options.

Eligible Shareholders will also be entitled to subscribe for (in excess of their entitlements) any Shares not subscribed for by other Eligible Shareholders in accordance with the Entitlement Offer (**Shortfall Offer**). Applications pursuant to the Shortfall Offer will only be satisfied to the extent that there is a shortfall pursuant to the Entitlement Offer and will be subject to the terms and conditions outlined in the prospectus lodged with ASX and ASIC on 29 May 2023 (**Prospectus**).

Capitalised terms used, but not defined, in this letter have the meaning ascribed to them in the Prospectus.

The Entitlement Offer and Shortfall Offer are fully underwritten by RM Corporate Finance Pty Ltd (**Underwriter**). The Prospectus also includes a separate offer of 2,000,000 Underwriter Options to be issued to the Underwriter (or its nominees), on the same terms as the New Options, as part consideration for underwriting services pursuant to the Underwriting Agreement.

The Entitlement Offer is being made to Eligible Shareholders named on the Company's register of members at 5:00pm (AWST) on the Record Date whose registered address is in Australia or New Zealand.

The Entitlement Offer is not being extended to any shareholders with addresses outside these jurisdictions.

Your Participation

Pursuant to the terms and conditions of the Options you currently hold, there is no entitlement to participate in the Entitlement Offer unless you exercise your Options in time for new Shares to be allotted and to be entered onto the register as a Shareholder of the Company by 5:00pm (AWST) on the Record Date.

To exercise your options and thereby participate in the Entitlement Offer, you will need to deliver the following to the Company's share registry, Automic Pty Ltd:

1. a notice of Options exercise; and
2. payment of the Options' exercise price.

To ensure that your new Shares are allotted prior to the Record Date, the above must be received by not later than 5:00pm (AWST) on the Record Date 2 June 2023. If received after this date, allotment of new shares prior to the Record Date cannot be assured.

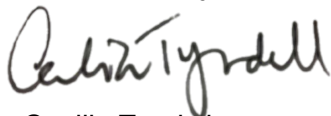
If you do not wish to participate in the Entitlement Offer, no action is required.

Further details

Details of the Offers are contained in the Prospectus. The Prospectus can be accessed from the ASX and Company websites, www.asx.com.au and www.forrestaniresources.com.au respectively. It is important that you read the Prospectus carefully before deciding whether to exercise your Options and participate in the Entitlement Offer.

For all enquiries concerning the Offers, please contact the Company Secretary on +61 8 6391 0113. For general enquiries, please contact the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia). You should also consult your stockbroker, solicitor, accountant or other suitably qualified professional adviser to evaluate whether or not to participate in the Entitlement Offer.

Yours faithfully



Cecilia Tyndall
Company Secretary
Forrestania Resources Limited