

28 November 2017

Dear Shareholder

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

The Directors are pleased to advise that the Company is undertaking a non-renounceable rights issue of approximately 27,924,449 fully paid ordinary shares (**Rights Issue**) to raise approximately \$977,356 before the costs of the offer. The offer will be made to eligible shareholders on a 1 for 8 basis at an issue price of 3.5 cents. The offer includes a top-up facility under which eligible shareholders may apply for additional shares.

Funds raised from the Rights Issue will be used to conduct further prospect reviews, market evaluations, exploration programs, testwork and feasibility studies on the Company's existing and future projects (including evaluating the recently announced Arrowsmith project to potentially supply sand to the construction, glass making and proppant industries), costs of the issue, and for general working capital and administration purposes.

The Rights Issue will be made to holders of ordinary shares in the Company with a registered address in Australia or New Zealand (Eligible Shareholders) as at 1 December 2017 (**Record Date**).

The proposed timetable for the Rights Issue is set out below:

Event	Date
Lodgment of Appendix 3B and s708AA notice	28 November 2017
Notices to Shareholders and Optionholders	28 November 2017
Existing Shares quoted on an "ex" basis	30 November 2017
Record Date	1 December 2017
Rights Issue Offer Document and Entitlement and Acceptance Form sent to Eligible Shareholders	6 December 2017
Closing Date (5.00pm WST)	15 December 2017
Shares quoted on a deferred settlement basis	18 December 2017
Company to notify ASX of under subscriptions (if any)	20 December 2017
Anticipated date for the issue of the New Shares	22 December 2017
Deferred settlement trading ends	22 December 2017
Normal trading (on a T+2 basis) commences	27 December 2017

The above dates are indicative only. The Company reserves the right to extend the Closing Date or to withdraw the offer at any time without prior notice, in which case all application monies will be refunded (without interest) as soon as practicable.

The Rights Issue is not underwritten.

Further details regarding the Rights Issue are set out in the Rights Issue Offer Document which the Company has lodged at ASX and is available at www.asx.com.au, to be dispatched to Eligible Shareholders in accordance with the above timetable.

Yours sincerely

John Geary
Company Secretary