



Southern Crown Resources Limited
Level 4, 100 Albert Road
South Melbourne VIC 3205
P 03 9813 3882 F 03 9813 4882
ACN 143 416 531
E info@southerncrown.com.au
W southerncrown.com.au

11 May 2015

[Insert address]

Dear Shareholder

SOUTHERN CROWN RESOURCES LIMITED – PRO-RATA NON-RENOUCEABLE RIGHTS ISSUE

As announced on 29 April 2015, Southern Crown Resources Limited (**Company**) is undertaking a non-renounceable entitlement issue of one (1) new share for every four (4) Shares held by Eligible Shareholders (**Offer**) registered at the Record Date (as defined in the timetable below) at an issue price of \$0.03 per Share (**New Share**). Fractional entitlements will be rounded up to the nearest whole number. The Company lodged an offer document for the Offer (**Offer Document**) with ASX on 11 May 2015. The Offer is not underwritten.

The issue price under the Offer is the same as the recently announced placement by the Company of approximately 10.75 million Shares to raise approximately \$322,500 (**Placement**).

Indicative use of proceeds of Offer

As a result of the Offer and Placement, the Company is raising approximately \$645,000.

The Company currently intends to apply the funds raised under the Offer predominantly to assist with the coverage of costs associated with the acquisition of ROMIO (announced on 29 April 2015) (**Transaction**), including costs associated with conducting due diligence investigations appropriate for the Transaction in both Australia and the United States and to supplement the Company's working capital so that the costs of undertaking the Transaction do not have a negative impact on the Company's working capital. Funds raised from the Offer will also be used to meet the expenses of the Offer, estimated to be approximately \$45,000.

Summary of the Entitlement Offer

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (WST) on 15 May 2015, whose registered address is in Australia or New Zealand.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company already on issue.

On completion of the Offer, the Company will have issued approximately 10.75 million Shares, resulting in total Shares on issue of approximately 64.5 million¹.

A copy of the Offer Document is available on the website of the ASX (www.asx.com.au) and the Company (www.southerncrown.com.au). Eligible Shareholders will be mailed an Offer Document together with an Entitlement and Acceptance Form no later than 20 May 2015. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Offer Document.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

Ineligible shareholders

A Shareholder who has a registered address outside Australia and New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Offer Document. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

If you have any queries concerning the Offer, or the action you are required to take to subscribe for new shares, please contact your financial adviser or the Company on +61 3 9813 3882.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rhod Grivas', with a stylized flourish at the end.

Rhod Grivas
Chairman

¹ This number assumes that no Options are exercised prior to the Record Date, the Offer is fully subscribed and includes the issue of 10.75 million Shares under the Placement.