



Southern Crown Resources Limited
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11 May 2015

[Insert address]

Dear Optionholder

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**).

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.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00 pm (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.

Optionholders

The terms and conditions of the options you currently hold do not entitle you to participate in the Offer unless you exercise your options in time for new shares to be issued and to be entered on the Company's register of members on or before 5:00pm (WST) on 15 May 2015 (**Record Date**).

To exercise your options and thereby participate in the Offer, you will need to deliver the following to the Company at Level 4, 100 Albert Road, South Melbourne, Victoria 3205:

- (a) A notice of exercise of options (**attached** to this letter);
- (b) An option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- (c) Payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "Southern Crown Resources Limited".

To ensure that your new shares are issued prior to the Record Date, the above must be received by the Company **no later than** 12 May 2015. If received after this date, issue of new shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your options, you should read the Offer Document in its entirety.

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.