



Limited • ABN 33 119 826 907

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24 June 2015

Dear Shareholder

#### NON-RENOUNCEABLE ENTITLEMENT ISSUE

On 22 June 2015, Stavely Minerals Limited (**Stavely Minerals** or the **Company**) announced that it will be offering eligible shareholders the opportunity to acquire fully paid ordinary shares in the capital of Stavely Minerals (**New Shares**) via a non-renounceable entitlement issue on the basis of one (1) New Share for every ten (10) shares held by shareholders registered at 5.00 pm (AWST) on 29 June 2015 (**Record Date**) at an issue price of \$0.25 per New Share, together with one (1) free option for every two (2) New Shares subscribed for (**New Option**) to raise approximately \$2.04 million (**Offer**). The lead manager to the offer is Morgans Corporate Limited. For information relating to the fee payable to the lead manager please refer to the Company's Prospectus relating to the Offer (details below).

The funds raised will be used to underpin the next phase of exploration and evaluation of the exciting Thursday's Gossan porphyry copper target at the Stavely Project and to undertake further drilling at both an emerging Stawell-style gold prospect and a VMS-style copper-gold-zinc deposit at the Ararat Project (see ASX announcements on 29 April, 8 May and 12 May 2015).

Assuming all entitlements are accepted, following completion of the Offer, the Company will have issued approximately 8,151,020 New Shares and 4,075,510 New Options resulting in total fully paid ordinary shares on issue of approximately 89,661,227.

Stavely Minerals is also completing a placement to sophisticated and institutional investors to raise \$1.4 million less costs through the issue of 5,600,000 New Shares at an issue price of \$0.25 per New Share, together with one (1) free New Option for every two (2) New Shares placed (**Placement**).



## Use of Funds

The funds raised pursuant to the Offer are planned to be used for the following purposes:

Item	Proceeds of the Offer	Full Subscription \$	%
1.	Exploration expenditure <ul style="list-style-type: none"> <li>- Drilling &amp; Assays</li> <li>- Geophysical Surveys</li> <li>- Surface Geochemical Surveys</li> </ul>	1,065,000 165,000 170,000 <hr/> 1,400,000	68.7%
2.	Expenses of the Offer	49,000	2.4%
3.	Admin & Corporate	300,000	14.7%
4.	Working capital	288,755	14.2%
	<b>Total</b>	<b>\$2,037,755</b>	<b>100%</b>

## Eligible Shareholders

The Offer is being made to all shareholders who:

1. are registered as a holder of fully paid ordinary shares in Stavelly Minerals as at 5.00 pm (Perth time) on the Record Date;
2. have a registered address in Australia or New Zealand;
3. are not in the United States or acting for the account or benefit of a person in the United States; and
4. are eligible under all applicable securities laws to receive the Offer without any requirement for a prospectus or disclosure document (as defined in the Corporations Act 2001 (Cth) (Corporations Act)) to be lodged or registered, (**Eligible Shareholders**).

## Further details about the Offer

New Shares issued under the Entitlement Offer will rank equally with all fully paid ordinary shares in the capital of the Company.

The Entitlement Offer is non-renounceable. Accordingly, entitlements do not trade on ASX, nor can they be transferred or otherwise disposed of.

Eligible Shareholders who take up their full entitlement, may subscribe for additional New Shares and New Options from a pool of those not taken up by Eligible Shareholders as at the closing date of the Offer (**Shortfall Offer**). There is no guarantee that applicants under the Shortfall Offer will receive the number of New Shares and New Options applied for under the Shortfall Offer, or any. The Directors reserve the right to allot and issue New Shares and New Options under the Shortfall Offer at their discretion.

As required under the ASX Listing Rules, the Company informs you that no Shareholder approval is required for the Offer and, therefore, no Shareholder approval will be sought.

## Prospectus

The Offer is being made under a prospectus in accordance with section 713 of the Corporations Act 2001 (Cth) (**Corporations Act**) (**Prospectus**).

***This letter is not an offer document but rather an advance notice of some key terms and conditions of the Offer. Full details of the Offer are set out in the Prospectus.***

On 1 July 2015, Eligible Shareholders will be sent a Prospectus and personalised application form which contains important information about the Offer and sets out the number of New Shares they are entitled to purchase under the Offer. A copy of the Prospectus has been lodged with ASX and will also be available on that date on the ASX website at [www.asx.com.au](http://www.asx.com.au) and Stavelly Minerals' website at [www.stavelly.com.au](http://www.stavelly.com.au).

Eligible Shareholders should read all of the Prospectus carefully before deciding whether to participate in the Offer. For the purposes of calculating the entitlements of Eligible Shareholders, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

## Action required by Eligible Shareholders

***Your entitlement may have value and it is important you determine whether to take up your entitlement (in whole or in part) or do nothing in respect of your entitlement.***

***Take up an entitlement:*** if you wish to take up all or part of your entitlement, you will need to complete and return the personalised application form together with the requisite application monies, or alternatively pay your application monies via BPAY® by following the instructions set out on the form. In each case, applications and application monies must be received by no later than 4.00 pm (AWST) if paying by BPAY®, and 5.00 pm (AWST) if paying by cheque, bank draft or money order, on 13 July 2015.

***Take up more than your entitlement:*** if you wish to apply for more New Shares and New Options than your entitlement you will need to complete the relevant section of the personalised application form and return it, with the requisite application monies, or alternatively pay your application monies via BPAY® by following the instructions set out on the form. In each case, applications and application monies must be received by no later than 4.00 pm (AWST) if paying by BPAY®, and 5.00pm (AWST) if paying by cheque, bank draft or money order, on 13 July 2015.

***Do nothing:*** entitlements not taken up will lapse and New Shares and New Options in respect of those entitlements will form part of the Shortfall Offer.

## Ineligible shareholders

Shareholders who are not Eligible Shareholders are ineligible shareholders (**Ineligible Shareholders**).

Ineligible Shareholders are not eligible to participate in the Offer and will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1 (a) of the ASX Listing Rules after having regard to:

- the number of Ineligible Shareholders;
- the number and value of the New Shares and New Options which would be offered to Ineligible Shareholders if they were Eligible Shareholders; and
- the cost of complying with the legal requirements, and requirements of the regulatory authorities in jurisdictions outside of Australia and New Zealand.

### Key dates for Eligible Shareholders

Lodgement of Prospectus with the ASIC	22 June 2015
Lodgement of Prospectus & Appendix 3B with ASX	22 June 2015
Notice sent to Optionholders	24 June 2015
Notice sent to Shareholders	24 June 2015
Ex date	25 June 2015
Record Date for determining Entitlements	29 June 2015
Prospectus despatched to Shareholders & Company announces despatch has been completed	1 July 2015
Closing Date*	13 July 2015
Securities quoted on a deferred settlement basis	14 July 2015
ASX notified of under subscriptions	16 July 2015
Despatch of holding statements	20 July 2015
Quotation of Securities issued under the Offer*	21 July 2015

These dates are indicative only and are subject to change. Stavely Minerals' reserves the right to vary these dates, including extending the closing date of the Offer or accepting late applications, without prior notice but subject to the Corporations Act, ASX Listing Rules and other applicable laws.

Stavely Minerals also reserves the right to withdraw the Offer at any time, in which case application monies (being the amount paid for New Shares applied for on a duly completed application form) will be refunded in accordance with the Corporations Act. No interest will be paid on any application monies received or refunded.

### Further details

A copy of the Prospectus may be viewed on the ASX website at [www.asx.com.au](http://www.asx.com.au), or alternatively at the Company's website at [www.stavely.com.au](http://www.stavely.com.au).

For further information on the Offer you should contact Stavely Minerals' share registry by telephone on 1800 187 991 (within Australia) or +61 2 8767 1015 (outside Australia) or consult your professional adviser.

Yours Sincerely



Chris Cairns  
 Managing Director