

29 February 2016

Dear Shareholder

**Non-Renounceable Pro-Rata Rights Issue - Notification to Ineligible Shareholders**

I refer to the non-renounceable pro-rata rights issue (**Offer**) announced by Rey Resources Ltd (**Company**) on 26 February 2016, under which the Company will seek to raise up to \$3,721,432 (before the costs of the Offer).

Pursuant to the Offer, Eligible Shareholders will be offered the opportunity to acquire additional fully paid ordinary shares in the Company on the basis of one (1) new fully paid ordinary share (**New Shares**) for every three (3) existing shares held (**Entitlement**) by Eligible Shareholders (defined below) at 4.00pm (Perth time) on 3 March 2016 (**Record Date**), at an issue price of \$0.015 per New Share (**Issue Price**).

This letter is to inform you about the Offer and to explain why you will not be able to subscribe for New Shares under the Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter.

The Offer is to be implemented under section 708AA of the Corporations Act 2001 (**Act**), as modified by Australian Securities and Investments Commission Class Order 08/35.

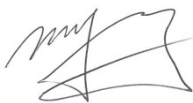
The Company has decided that it is unreasonable to extend the Offer to shareholders with a registered address outside Australia, New Zealand, the People's Republic of China and Hong Kong (**Ineligible Shareholders**), having regard to the number of such shareholders, their holdings and the compliance costs required to offer the New Shares under the Offer to those shareholders.

Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Act, the Company wishes to advise you are an Ineligible Shareholder and that it will not be extending the Offer to you.

If you have any additional questions regarding the Offer, please contact the Company's Share Registry on 1300 737 760 for callers within Australia and +61 2 9290 9600 for callers outside Australia or the Company between 9.00am and 5.00pm (Sydney time) on business days by calling (02) 8629 9620 from within Australia or + 61 2 8629 9620 from outside Australia.

Otherwise, on behalf of the Board and management of the Company, we thank you for your continued support of the Company.

Yours sincerely



**Ms Min Yang**  
**Chairman**