



15 October 2018

Dear Shareholder

Non-Renounceable Pro Rata Offer

On 11 October 2018, Rafaella Resources Limited (“Rafaella” or “the Company”) lodged a prospectus with ASIC and ASX (“Prospectus”) for a 1 for 3 pro rata non-renounceable entitlement issue of up to 12,597,917 Loyalty Options (**Options**) at an issue price of \$0.01 per Option exercisable at \$0.30 on or before 31 October 2021 for every three shares held to eligible shareholders (**Offer**).

For the purposes of calculating each eligible shareholder’s entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares. New Shares will rank equally with all fully paid ordinary shares in the capital of the Company already on issue.

The Company has engaged EverBlu Capital Pty Ltd (“EverBlu”) as lead manager of the Offer. The Company has agreed to pay EverBlu \$20,000 and 4,500,000 options for providing these services. The options received by the EverBlu (or its nominee) will be on the same terms as those issued under the Offer.

All Shareholders registered at **5:00pm WST on 17 October 2018** with a registered address in Australia or New Zealand will be entitled to participate in the Entitlement Issue. **Shares purchased on market on or after the “Ex Date” of 16 October 2018 will NOT be entitled to participate in the Entitlement Issue. If you have any doubt, please consult your sponsoring broker. Full details of the Entitlement Issue (including the use of funds) are contained in the Prospectus.** The Prospectus is available on ASX’s website and the Company’s website at www.rafaellaresources.com.au.

The Prospectus together with an Entitlement and Acceptance Form will be mailed to all eligible shareholders on 22 October 2018. Other key dates which shareholders should note are as follows:

EVENT	DATE
‘Ex’ Date	16 October 2018
Record Date for determining Entitlements (5:00pm WST)	17 October 2018
Closing Date (5:00pm WST*)	31 October 2018
Issue date/New Shares and New Options entered into shareholders’ security holdings	7 November 2018
Quotation of New Shares and New Options issued under the Offer	7 November 2018

Application for New Shares and New Options under the Entitlement Issue may only be made by completing the Entitlement and Acceptance Form which accompanies the Prospectus. Shareholders eligible to participate in the Entitlement Issue should read the Prospectus carefully. For further information on the Entitlement Issue you should contact your professional adviser.

Yours faithfully
Amanda Wilton-Heald
Company Secretary

Rafaella Resources Limited

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