

15 January 2013

Dear Optionholder

Notice to Optionholders of Pro Rata Loyalty Option Offer

We write to you as the registered holder of Select Exploration Limited ("Select" or the "Company") options as at today's date.

As advised in the ASX announcement dated 2 November 2012 and as detailed by the Company in the recompliance prospectus lodged by the Company on 11 September 2012, Select is undertaking a non renounceable pro-rata offer to Eligible Shareholders of loyalty options each exercisable at \$0.35 on or before 30 September 2015 ("Loyalty Options") at an issue price of \$0.001 per Loyalty Option and on the basis of one (1) Loyalty Option for every two (2) shares held at the record date ("Offer").

On exercise of each Loyalty Option, the holder will be issued one share and one secondary option which will have an exercise price of \$0.45 and an expiry date of 31 March 2017.

The Offer will be available to all Select shareholders registered on the record date ("Eligible Shareholders")

The Offer is non-renounceable and is not underwritten. The final amount raised by the Offer will be determined by the amount of Shareholders who participate in the Offer and the ability of Directors to place shortfall Loyalty Options.

A prospectus in relation to the Offer will be lodged with ASIC and sent to Eligible Shareholders.

Under the terms of the options you currently hold, there is no entitlement to participate in the Offer unless you exercise your options, and are entered into the register as a shareholder of the Company on or before the record date. The record date will be at least 10 business days after the date of this letter.

If you wish to participate in the Offer, you need to exercise your options so that you are registered as a shareholder of the Company at 5pm (WST) on the record date. A notice of exercise of options and payment of the exercise price of the options should be lodged with the Company's Share Registry, Security Transfer Registrars, with sufficient time to ensure that you are registered as a shareholder of the Company by the record date.

If you do not wish to participate in the Offer, you do not need to take any action.

Yours sincerely

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lan Macliver Chairman