

22 May 2013

Dear Optionholder

## Crest Minerals Limited - Non-Renounceable Offer

We write to you as a registered optionholder in Crest Minerals Limited (Crest).

As announced to ASX on 22 May 2013, Crest is undertaking a non-renounceable rights issue of up to 36,775,000 new fully paid ordinary shares in the capital of Crest (**Shares**), on the basis of 1 Share for every 1 Share held at the Record Date at an issue price of \$0.06 (six cents) per Share, together with 1 free attaching listed option to acquire a Share (**Listed Option**) for every 3 Shares issued, exercisable at \$0.06, on or before 30 November 2014, to raise approximately \$2.21 million before costs and expenses (**Offer**).

The issue price of the new Shares under the Offer represents a discount of 33% to the closing price of \$0.09 on 17 May 2013, being the last day on which trading of Shares occurred prior to lodgement of the prospectus for the Offer (**Prospectus**).

The Offer is available to Crest Shareholders registered on Crest's register of members as a holder of ordinary shares as at 6.30pm (Adelaide time) on the Record Date of 31 May 2013 with a registered address in Australia and New Zealand (**Eligible Shareholders**).

The Shares will rank equally with the Shares Crest already has on issue and the Listed Options will be exercisable at \$0.06, on or before 30 November 2014, with the full terms and conditions set out in the Prospectus. Crest will apply for the attaching options to be quoted and quotation will be subject to ASX approval.

The Offer is to be partially underwritten by Patersons Securities Limited (**Patersons**). Patersons will also act as lead manager to the Offer.

The Listed Options to be issued to the sub-underwriters will also be issued by way of an offer under the Prospectus.

Following completion of the Offer, and assuming full take up, the Company will have issued approximately 36,775,000 Shares and 12,258,333 Listed Options, resulting in total Shares on issue of approximately 73,550,000 and total Options on issue of approximately 24,558,333. A further 36,775,000 Listed Options may be issued to sub-underwriters as set out above, the issue of which would result in Crest having 61,333,333 Options on issue. These Listed Options will initially be issued under Crest's 15% placement capacity, with the remainder subject to shareholder approval at Crest's next general meeting and will incur a 2 cent per Listed Option cash payment where shareholder approval is not given to their issue.

A Prospectus in relation to the Offer has been lodged with the ASIC and the ASX setting out the timetable below for the Offer. The Prospectus is available at Crest's web site <a href="https://www.crestminerals.com.au">www.crestminerals.com.au</a>. A copy of the Prospectus together with a personalised entitlement and acceptance form will be sent to Eligible Shareholders shortly.

The funds raised under the Offer will be used to progress Crest's Majestic North Project and other exploration targets, to fund expenses of the offer and for working capital purposes.

The timetable for the Rights Issue is as follows:

Event	Date
Notice sent to Optionholders	22 May 2013
Lodgement of Prospectus with the ASIC	22 May 2013
Lodgement of Prospectus & Appendix 3B with ASX	22 May 2013
Notice sent to Shareholders	24 May 2013
Ex date	27 May 2013
Record Date for determining Entitlements	31 May 2013
Prospectus and personalised entitlement and acceptance forms despatched to Eligible Shareholders	5 June 2013
Offer Opens	5 June 2013
Closing Date* 5.00pm (Adelaide time)	20 June 2013
Shares and Listed Options quoted on a deferred settlement basis	21 June 2013
ASX notified of under subscriptions	24 June 2013
Issue of Shares and Listed Options under the Offer	27 June 2013
Deferred settlement trading ends	27 June 2013
Quotation of Shares and Listed Options issued under the Offer*	28 June 2013

<sup>\*</sup>The determination of these indicative dates are based upon the current expectations of the Directors and, subject to the Listing Rules, may be changed without notice. The Directors may extend the Closing Date by giving at least 6 Business Days' notice to ASX prior to the Closing Date. As such, the date the Shares are expected to commence trading on ASX may vary.

## **Option Holders**

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 onto the register as a shareholder on or before the Record Date.

If you wish to participate in the Offer, it will be necessary for you to exercise all or part of your options. Accordingly, you should complete a Notice of Exercise of Options (**Notice**) and lodge the Notice with the Company, together with your payment for the number of shares you wish to take up. If payment for the exercise of options is not received **prior to** 31 May 2013 (**Record Date**), you will not be able to participate in the Rights Offer.

If you do not wish to participate in the Offer (in respect of your options), you do not need to take any action. If you choose not to exercise your options, there will be no change in the exercise price of the options or of the number of underlying securities over which the options can be exercised, unless you hold options exercisable at \$0.19, on or before 22 November 2016, in which case the exercise price of your options will be reduced in accordance with the formula set out in the ASX Listing Rules.

Before deciding whether to exercise any or all of your options, you should consider the terms of the Offer carefully, including the fact that the closing price of the shares immediately prior to the announcement of the Offer was less than the exercise price of your options. If in any doubt, consult with your professional adviser.

Each share allotted as a result of the exercise of an option will rank pari-passu with all other shares on issue.

Should you have any questions in relation to the above matters, please contact Computershare Investor Services Pty Ltd on 1300 659 671.

Yours sincerely,

Jaroslaw (Jarek) Kopias Company Secretary

**Crest Minerals Limited**