

5 February 2019

Dear Shareholder

**NON-RENOUNCEABLE PRO-RATA RIGHTS ISSUE
ELIGIBLE SHAREHOLDER**

Tasman Resources Ltd (the **Company**) has announced to ASX Limited (**ASX**) a non-renounceable pro-rata rights offer to the Company's shareholders (the **Offer**).

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

Overview

Under the Offer the Company will issue to each Eligible Shareholder, at a price of \$0.05 per share, one (1) new ordinary fully paid share of the Company (**Share**) for every ten (10) Shares held by the Eligible Shareholder as at 5.00pm WST on 7 February 2019 (the **Record Date**).

In addition, one (1) free Company TASOC option will issue with every two (2) new Shares issued under the Offer, exercisable at \$0.06 at any time on or before 5.00pm WST on 31 August 2020 (the **TASOC Options**).

In calculating entitlements under the Offer, fractions will be rounded up to the nearest whole number.

The Company lodged the Prospectus with ASIC on 1 February 2019, and provided a copy to ASX on 4 February 2019.

If fully subscribed, and assuming none of the existing TASOC Options currently held by the Company's shareholders are converted to Shares prior to the Record Date, the Offer will result in the issue of approximately 49,473,416 Shares and 24,736,708 TASOC Options, and will raise up to approximately \$2,473,671 (before expenses of the Offer). All of the Shares and TASOC Options issued under the Offer will rank equally with the Company's existing Shares (Code: TAS) and existing TASOC Options (Code: TASOC).

Funds raised from the Offer will be used to augment the Company's existing funds to enable it:

1. to fund the expenses of the Offer;
2. to continue exploration on the mineral exploration licences that the Company holds in South Australia;
3. to participate, through its wholly owned subsidiary, in the Eden Innovations Ltd (ASX Code: EDE) rights issue (as announced by Eden to ASX on 31 January 2018) ("Eden Rights Issue") to a value of \$1,600,000 (representing approximately 49.83% of its total entitlement under the Eden Rights Issue);
4. to provide ongoing working capital to cover operating expenses, assuming this Rights Issue is fully subscribed, for the next twelve months; and
5. to continue to financially support Eden and Conico Ltd (ASX Code: CNJ) by way of a loan or by subscription to further equity issues if and when this may be required.

Given the speculative nature of the Company's business, the intended allocation of funds as set out above may change depending upon market conditions.

This Offer is not underwritten.

If not all entitlements are taken up under the Offer, the portion not taken up will form part of the shortfall (**Shortfall Shares**). Eligible Shareholders who take up their entitlement in full may, in addition thereto, also apply for additional Shares comprising part of the Shortfall Shares. However, the Shortfall Shares will be placed at the discretion of the Company. In assessing any applications by Eligible Shareholders for the Shortfall Shares, the Directors intend to take into account the number of Shares held by that Eligible Shareholder, and it is not intended that Eligible Shareholders with a small shareholding in the Company will be issued a large portion of the Shortfall Shares (if any). The directors of the Company also reserve the power of placement of any Shortfall Shares not issued to Eligible Shareholders under this offer of the Shortfall Shares.

Disclosure

The Offer is being made in accordance with section 713 of the Act. This means that the Prospectus that will be mailed to Eligible Shareholders will not be required to, and will not, contain all of the information that is generally required to be set out in a prospectus, including general information in relation to the assets and liabilities, financial position, profits and losses or prospects of the Company. The Prospectus will generally only contain information in relation to the effect of the Offer on the Company and the rights and liabilities attaching to the Shares and Options offered to Eligible Shareholders under the Offer.

Eligibility

Only shareholders whose registered addresses are in Australia or New Zealand as at the Record Date are eligible to participate in the Offer (**Eligible Shareholders**). The Company has determined, in accordance with the *Corporations Act 2001* (the **Act**) and ASX Listing Rule 7.7, that it would be unreasonable to make the Offer to shareholders whose registered addresses are outside of Australia and New Zealand (**Non-Resident Shareholders**) having regard to the number of Non-Resident Shareholders in each country other than Australia or New Zealand, the number and value of Shares (and attaching TASOC Options) that would be offered to them and the cost of complying with the legal requirements in other countries. Non-Resident Shareholders will therefore not be entitled to participate in the Offer and will not be sent a copy of the Prospectus.

As an Eligible Shareholder, you will be entitled to participate in the Offer. Details of the Offer will be contained in the Prospectus, which will be mailed to you. You should read the Prospectus carefully.

A copy of the Prospectus has been lodged with the ASX and is available on the ASX website, www.asx.com.au, and on the Company's website at www.tasmanresources.com.au.

Effect on capital structure

The capital structure of the Company on completion of the Offer will be as follows*:

Shares	
Shares currently on issue	494,734,162
Shares offered under the Offer (est)	49,473,416
Total Shares on issue on completion of the Offer (est)	544,207,578
TASOC Options	
TASOC Options currently on issue	40,486,828
TASOC Options offered under the Offer (est)	24,736,708
Total TASOC Options on issue on completion of the Offer (est)	65,223,536

*Assuming the Offer is fully subscribed and that none of the existing TASOC Options currently held by the Company's shareholders are converted to Shares prior to the Record Date.

Offer timetable*

The timetable and important dates of the Offer are set out below:

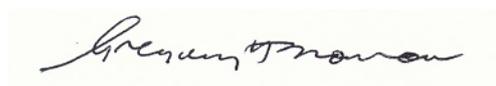
Offer announcement	22 January 2019
Lodgement of Prospectus at ASIC	1 February 2019
Lodgement of Prospectus and Appendix 3B with ASX	4 February 2019
Notice sent to shareholders	5 February 2019
Ex date	6 February 2019
Record Date for determining entitlements	7 February 2019
Prospectus despatched to Qualifying Shareholders	12 February 2019
Closing date of the Offer	22 February 2019
Securities quoted on a deferred settlement basis	25 February 2019
Company notifies ASX of under subscriptions	27 February 2019
<u>Issue Date (end of any deferred settlement trading), dispatch of holding statements</u>	<u>1 March 2019</u>

*This timetable is indicative only and subject to change.

Further information

If you require further information about the Offer, you should contact the Company Secretary.

Yours faithfully



Gregory H Solomon
Chairman