

30 August 2019

Dear Shareholder

Hylea Metals Limited – pro-rata non-renounceable entitlement issue

As announced on 29 August 2019 Hylea Metals Limited (ACN 119 992 175) (the **Company** or **HCO**) is undertaking a 1:2 non-renounceable entitlement issue (**Offer**) of approximately 50,000,000 fully paid ordinary shares (**Share**) to raise approximately \$1,000,000. The price of Shares under the Offer is \$0.02 each (**Issue Price**). The Company will also issue one free attaching option (exercisable at \$0.04 each on or before three years from the date of grant) (**Option**) for every two Shares subscribed for and issued under the Offer. The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 29 August 2019.

BW Equities Pty Ltd has agreed to fully underwrite the Offer and has agreed to act as lead manager to the Offer.

The Company intends on using the funds raised under the Offer towards the following:

- exploration and studies works on the Kayelekera project;
- exploration of the Company's existing projects;
- refund of a \$200,000 option fee paid by the Company's joint venture partner to acquire the Kayelekera project;
- environmental bond first instalment;
- underwriting fees; and
- working capital.

The Offer is being made to all shareholders of the Company named on its register of members at 5:00pm (AWST) on 4 September 2019, whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Unfortunately, as you do not satisfy the eligibility criteria for an Eligible Shareholder stated above, you will not be sent the Prospectus relating to the Offer and you will not be able to subscribe for Shares or Options under the Offer.

As the Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any Shares that would have been offered to you if you were eligible.

This notice is to inform you about the Offer. This letter is not an offer to issue Shares or Options to you, or an invitation for you to apply for Shares or Options under the Offer. You are not required to do anything in response to this letter.

If you have any queries concerning the Offer please contact your financial adviser or Amanda Burgess, HCO's Company Secretary, on +61 8 9278 2441.

Yours sincerely



Simon Andrew
Managing Director