



11<sup>th</sup> July 2014

Dear Option Holder

**YOUR OPTIONS TO ACQUIRE SPECTRUM RARE EARTHS LIMITED SHARES AT \$0.20 PER SHARE  
EXPIRE ON 15<sup>TH</sup> AUGUST 2014**

We are writing to you as a registered holder of listed options in **SPECTRUM RARE EARTHS LIMITED** to remind you that the options will expire at 5:00pm (WST) on 15<sup>th</sup> August 2014.

Your option holding may be exercised in whole or in part by payment of \$0.20 for each option by no later than 15<sup>th</sup> August 2014. If payment is not received by 5:00pm (WST) on 15<sup>th</sup> August 2014 the options will lapse and all rights under the options will cease at that time.

Some of the courses of action available to you as a holder of these soon to expire options are:

- a) Exercise the options on or before 15<sup>th</sup> August 2014.
- b) Sell your options. Quotation of the options will cease at the close of trading on 15<sup>th</sup> August 2014.
- c) Do nothing (ie, allow your options to expire). If you do not exercise or sell your options they will expire on 15<sup>th</sup> August 2014 and your right to subscribe for ordinary shares in **SPECTRUM RARE EARTHS LIMITED** at \$0.20 per share will lapse.

There is no obligation on option holders to exercise their options. However, under paragraph 6.1 of Appendix 6A of the Australian Securities Exchange (**ASX**) Listing Rules, the Company is required to advise option holders of the information contained in this notice.

The market sale price of ordinary shares in **SPECTRUM RARE EARTHS LIMITED** on ASX was 4.9 cents on 10<sup>th</sup> July 2014, being the last trading day in Perth prior to the date of this notice.

During the three (3) months preceding the date of this notice:

- the highest market sale price of ordinary shares on ASX was 6.7 cents on 28<sup>th</sup> April 2014; and
- the lowest market sale price of ordinary shares on ASX was 4.1 cents on 22, 23 and 26 May 2014.

If you wish to exercise your options then you must complete your "Notice of Exercise of Options" form on the reverse of this notice and forward it together with payment of \$0.20 per option exercised to be received no later than 5:00pm (WST) on **15<sup>th</sup> August 2014** to the Company's share registry, being:

**Security Transfer Registrars Pty Ltd**

**PO Box 535  
APPLECROSS WA 6953**

OR 770 Canning Highway  
APPLECROSS WA 6153

Cheques should be made payable to "**SPECTRUM RARE EARTHS LIMITED**" in Australian dollars only and should be crossed "Not negotiable". If you have any further questions please do not hesitate to contact our Registry on telephone (08) 9315 2333, facsimile (08) 9315 2233, or e-mail [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au).

Yours faithfully

**SPECTRUM RARE EARTHS LIMITED**

A handwritten signature in black ink, appearing to read "G Boden", is written over a white background.

Graeme Boden  
**COMPANY SECRETARY**