



TOPTUNG LIMITED

ABN 12 118 788 846

Level 8, 46 Edward Street, Brisbane QLD 4000
PO Box 15505, City East, Brisbane QLD 4002
Australia

Tel: (07) 3232 3405 - Fax: (07) 3232 3499
info@toptung.com.au - www.toptung.com.au

25 January 2017

Dear Shareholder

TopTung Ltd Non-Renounceable Rights Issue

On Monday 23 January 2017, TopTung Ltd ACN 118 788 846 (**TopTung** or the **Company**) announced a non-renounceable rights issue offer of fully paid ordinary shares (**Offer**). An offer document setting out the terms and conditions of the Rights Issue Offer was lodged with the ASX Limited (ASX) on 23 January 2017 (**Offer Document**) and will be sent to all eligible shareholders together with a personalised Entitlement and Acceptance Form on 31 January 2017.

This letter gives shareholders brief details of the Offer, certain information required under the ASX Listing Rules, proposed use of funds and the important dates of the Offer. The Offer is non-renounceable which means that rights cannot be traded or sold.

The Offer is only open to eligible shareholders, being shareholders whose registered address is in Australia or New Zealand at 7.00pm (Sydney time) on 30 January 2017 (**Record Date**).

Treatment of ineligible shareholders

The Company has determined that it would be unreasonable to extend the Offer to shareholders with a registered address outside Australia or New Zealand, (**Ineligible Shareholders**) having regard to:

- the small number of shareholders with addresses in such other countries;
- the number and value of the shares they hold; and
- the cost to the Company of complying with applicable legal and regulatory requirements in such other countries.

Accordingly, Eligible Shareholders are those shareholders who:

- will be on the Company's register of shareholders as at the Record Date; and
- have a registered address in Australia or New Zealand.

If you hold shares in the Company as nominee or custodian of an Ineligible Shareholder(s), the Company requests you do not:

- send any Offer Document to Ineligible Shareholders; and
- submit any Entitlement or Acceptance Form for the Entitlement Offer or otherwise purchase shares under the Offer Document on behalf of any such Ineligible Shareholder.

Details of the Offer

Details of the Offer are as follows:

Type of issue	Pro-rata non-renounceable rights issue of fully paid ordinary shares (Shares) of one (1) Share for each three (3) Shares held.
Issue price	\$0.035 (3.5 cents) per Share.
Number of shares to be issued	38,311,913
Amount to be raised	\$1,390,917 (before costs)

Rights trading

Rights cannot be traded or sold.

Additional Shares and shortfall

Eligible shareholders can apply for additional Shares (Shortfall shares), in excess of their entitlement, under the Shortfall Offer. Shortfall Shares will be allocated in accordance with the allocation policy set out in the Offer Document. The directors of the Company reserve the right to place any entitlement and Shortfall Shares not taken by eligible shareholders at their absolute discretion.

Listing

The Company has applied to ASX for quotation of the Shares.

The number of Shares on issue in the Company at the date of this letter and the total number of Shares that will be on issue in the Company following the Offer, assuming the Offer is fully subscribed, are as follows:

EVENT	NO. OF SHARES
Shares on issue at date of Prospectus	114,935,740
Maximum New Shares issued pursuant to the Offer	38,311,913
Maximum total Shares on issue after completion of the Offer	153,247,653

Purpose of Offer and use of funds

TopTung Ltd is making the Offer to raise funds for:

- Ongoing exploration and feasibility study costs on the Torrington Tungsten and Topaz project
- Funding of the Topaz research project at the UNSW
- Corporate and general administration costs

Offer timetable

Event	Date
Announcement of Offer	Monday 23 January 2017
Lodgement Date - Offer document lodged with ASX - Appendix 3B lodged with ASX	Monday 23 January 2017
Lodgement of cleansing notice with ASX	Monday 23 January 2017
Despatch of Shareholder Notice	Wednesday 25 January 2017
Ex Date - The date on which Existing Shares commence trading without the Entitlement to participate in the Offer	Friday 27 January 2017
Record Date - The date for determining Entitlements of Eligible Shareholders to participate in the Offer (7.00pm Sydney local time)	Monday 30 January 2017
Offer Document sent to Shareholders - Anticipated despatch of Offer Document and Entitlement and Acceptance Forms - Offer opens	Tuesday 31 January 2017
Closing Date - The last day for receipt of Entitlement and Acceptance Forms (5.00pm Sydney time)	Friday 10 February 2017
New shares quoted on a deferred settlement basis	Monday 13 February 2017
Under-subscription notification to ASX (if any)	Wednesday 15 February 2017

Issue Date
Deferred settlement trading ends

Friday 17 February 2017

Expected commencement of normal trading in New Shares on ASX Monday 20 February 2017

This timetable is indicative only and subject to change. Subject to the Corporations Act and the ASX Listing Rules, the Company reserves the right to vary these dates, including the closing date of the Offer, without prior notice. All times and dates are a reference to Sydney time unless otherwise stated.

The Company also reserves the right not to proceed with the whole or part of the Offer at any time prior to the issue date. In that event, application monies will be refunded in full without interest.

Dealing with Entitlements

Eligible Shareholders have the following alternatives available in relation to the Offer:

1. accept their Entitlement in full;
2. accept their Entitlement in full and apply for additional Shares under the shortfall offer;
3. partially accept their Entitlement; or
4. allow their Entitlement to lapse.

To the extent that Shareholders do not take up their Entitlement, their interest in the Company will be diluted.

Full details of the terms and conditions of the Offer are contained in the Rights Issue Offer Document lodged with ASX and to be despatched to Eligible Shareholders in accordance with the timetable set out above.

Yours faithfully



Suzanne Yeates
Company Secretary