



3 July 2019

SEI

MR SAM SAMPLE  
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123 SAMPLE STREET  
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SAMPLEVILLE VIC 3030

**Postal:**

PO Box 1496  
Mareeba QLD 4880

Dear Shareholder,

## NOTIFICATION TO ELIGIBLE SHAREHOLDERS

As announced on 2 July 2019, Speciality Metals International Limited (ASX:SEI) (**Speciality Metals** or **Company**) is conducting a pro rata non renounceable entitlement offer to raise up to approximately \$2.9 million before offer costs (**Entitlement Offer**).

### Details of the Entitlement Offer

The Entitlement Offer provides eligible shareholders with the opportunity to subscribe 1 new share for every 5 shares held at 7.00pm (Sydney time) on Friday, 5 July 2019 (**Record Date**) at an issue price of \$0.018 per new share.

The Entitlement Offer is fully underwritten by Rymill Global Venture Ltd.

### Issue price

The issue price of \$0.018 per new share under the Entitlement Offer represents a discount of approximately:

- 31.46% to the 5 day volume weighted average price up to and including Thursday, 27 June 2019; and
- 41.94% to the closing price on Thursday, 27 June 2019.

### Eligible Shareholders

Shareholders who are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) are those persons who:

- are registered as a holder of the Company's shares as at the Record Date;
- have a registered address on the Company's register of members in Australia, New Zealand, Singapore, Malaysia, the United Kingdom or the British Virgin Islands;
- are not located in the United States and are not a US Person or acting for the account of or benefit of a person in the United States or a US Person; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer,

(**Eligible Shareholders**).

The Company regrets that, having considered the number of shareholders with registered addresses outside Australia, New Zealand, Singapore Malaysia, the United Kingdom or the British Virgin Islands (**Ineligible Shareholders**), the number and value of the shareholdings held by Ineligible Shareholders, and the costs of complying with the laws and any requirements of any regulatory authority in each applicable jurisdiction, it will not offer the Entitlement Offer to Ineligible Shareholders.

## Entitlements

Entitlements in respect of new shares will be rounded up to the nearest whole number and holdings on different registers or sub-registers will not be aggregated to calculate entitlements. The Entitlement Offer is non-renounceable and entitlements cannot be traded on the ASX.

## Company's capital structure pro-forma

The table below provides a pro-forma capital structure of the Company after completion of the Entitlement Offer (assuming no other shares are issued by the Company and no share appreciation rights are exercised). The actual outcome of the Entitlement Offer may differ.

Share Capital	Shares
Shares on issue before announcement of the Capital Raising	798,107,881
New Shares to be issued under the Entitlement Offer	159,621,576
<b>Potential shares on issue after the Entitlement Offer</b>	<b>957,729,457</b>

## Further information

The Entitlement Offer will be made under section 708AA of the Corporations Act. Accordingly, the Company will not prepare a prospectus or other disclosure document.

A copy of the Entitlement Offer Booklet and the Entitlement and Acceptance Form will be sent to all Eligible Shareholders on Wednesday, 10 July 2019. The Entitlement Offer Booklet can be accessed from the ASX and Speciality Metal's website, [www.asx.com.au](http://www.asx.com.au) and [www.specialitymetalsintl.com.au](http://www.specialitymetalsintl.com.au) respectively.

Further details of the Entitlement Offer will be contained in the Entitlement Offer Booklet.

## Important dates

Date	Details
Tuesday, 2 July 2019	<b>Announcement of the Entitlement Offer</b> Announcement of the Entitlement Offer and lodgement of Entitlement Offer Booklet, Appendix 3B and 708AA cleansing notice with the ASX
Friday, 5 July 2019	<b>Record Date 7pm (Sydney time)</b> The date which the Company determines eligible shareholders.
Wednesday, 10 July 2019	<b>Open Date</b> The date on which the Entitlement Offer opens and Entitlement Offer Booklets are despatched to shareholders.
Tuesday, 23 July 2019	<b>Closing Date 5pm (Sydney time)</b> The date on which the Entitlement Offer closes. Applications and payments must be received by 5pm (Sydney time).
Friday, 26 July 2019	<b>Shortfall Notification Date</b> The date on which the Company will announce the shortfall (if any) under the Entitlement Offer.
Tuesday, 30 July 2019	<b>Issue Date</b> The date shares under the Entitlement Offer are issued.

Wednesday, 31 July 2019

**Holding Statement Despatch Date & Trading Commences**

The date on which holding statements are sent to shareholders and shares under the Entitlement Offer will commence trading on the ASX.

The timetable is subject to change and the Company reserves the right to withdraw or vary the timetable for the Entitlement Offer without notice. In particular, the Company reserves the right to extend the closing date for the Entitlement Offer, to accept late applications whether generally or in particular cases or to withdraw the Entitlement Offer without prior notice.

The Directors thank you for your ongoing support of the Company.



Yours sincerely,

RH Krause

**Executive Chairman**  
Speciality Metals International Limited