



LAFAYETTE MINING LIMITED

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13 March 2007

Dear Shareholder

SHARE PURCHASE PLAN

The Board of Directors of Lafayette Mining Limited (Lafayette or the Company) is pleased to invite you to participate in the Company's Share Purchase Plan (SPP).

During the last 12 months, your Company has successfully addressed a series of significant challenges, including restoration of its social and legal licences to operate in the Philippines as well as withstanding extremely adverse weather conditions in the form of three typhoons during a three month period, and restarting production of base and precious metals.

In meeting these challenges, your Company has had to raise significant amounts of capital. This has involved the issue of new shares and convertible notes as well as the establishment of a range of new debt facilities. As a condition of implementing some of these funding initiatives, certain debt providers have been issued options to acquire shares in Lafayette as part payment of establishment fees. In addition, professional investors have also been granted the right to convert interest bearing notes into new shares in Lafayette at attractive equity prices.

Your Board of Directors wishes to provide all shareholders with the opportunity to acquire shares at similarly attractive prices and has therefore decided to make this offer of participation in the Lafayette SPP (the Offer).

By participating in the SPP, you will increase your investment in an emerging resources company that is poised to commence full scale production of gold, copper, zinc and silver from the Rapu Rapu Polymetallic deposit on Rapu Rapu Island in the Philippines. Your Company is now in a position to complete the commissioning of a modern base metals plant that is capable of producing copper, gold and silver bearing copper concentrate and zinc bearing zinc concentrate. The management team of your Company has successfully installed a 'world class' environmental management system that has demonstrated its capacity to withstand extreme weather conditions. Your Company is confident that it can maintain the highest standards of responsible mining and at the same time achieve its aim of generating wealth for its many local and overseas stakeholders.

Your funds will be used to provide your Company with additional working capital which may be required to fund unforeseen contingencies during the period of ramping up production of metals by the base metals plant.



TERMS OF SPP

Specific terms of the SPP are as follows:

(a) Participation

Participation in the SPP is open to all persons registered as holders of shares in the Company as at the close of business on Monday, 12 March 2007 (the Record Date) who have an address (as recorded in the Company's register of members) in Australia or New Zealand (Eligible Members). The Offer will not be extended to shareholders in jurisdictions outside Australia or New Zealand. Participation in the SPP is entirely at the discretion of Eligible Members. An Eligible Member may apply for one of five parcels of shares as follows:

- Offer A – 71,428 shares of total value of A\$4,999.96; or
- Offer B – 57,142 shares of total value of A\$3,999.94; or
- Offer C – 42,857 shares of total value of A\$2,999.94; or
- Offer D – 28,571 shares of total value of A\$1,999.97; or
- Offer E – 14,285 shares of total value of A\$ 999.95.

Offers are non-renounceable, meaning that Eligible Members are not able to transfer their entitlement to purchase shares under this offer to another person. Eligible shareholders who wish to participate in the SPP must complete and lodge an application form, together with payment in full for the shares they wish to subscribe for, with the Company. By forwarding your Application Form and cheque, you acknowledge that you have read, understood, and agree to be bound by the terms and conditions of the SPP. **The Offer will close at 5.00pm (EST) on Thursday, 12 April 2007.**

The Offer is made pursuant to the Australian Securities and Investments Commission's Class Order 02/831 "Small Offers of Shares to Existing Shareholders by Listed Companies – Share Purchase Plans" and will comply with the requirements for relief under that Class Order. Class Order 02/831 allows companies listed on the ASX to make small offers of shares to existing shareholders without a prospectus.

In order to comply with the requirements of ASIC Class Order 02/831, an Eligible Member is not permitted to acquire more than A\$5,000 worth of shares under a SPP in any 12 month period, taking into account all applications by the Eligible Member, including joint applications and other beneficial interests. The maximum subscription limitation will apply even if an Eligible Member has received more than one Offer (whether in respect of a joint holding or because the Eligible Member has more than one holding under separate share accounts).

By agreeing to purchase shares under the SPP, shareholders will be required to agree to be bound by the terms and conditions of the SPP. The Company will also reserve the right to reject any acceptance where there is non-compliance with this requirement or any other term of the SPP.

(b) Pricing

The pricing for shares under the SPP has been set at a level that is approximately a 15% discount to the volume weighted average closing price of the Company's shares for the 5 trading days prior to and including 12 March 2007. This translates to an **Offer Price of 7.0 cents per share.**

(c) Status of shares issued under the SPP

All shares that are issued under the SPP will rank equally with the existing fully paid ordinary shares of the Company and will carry the same voting rights, dividend and other entitlements. The Company will seek quotation of the shares issued pursuant to the SPP on the Australian Stock Exchange (ASX) as soon as possible, or in any event, within 10 business days after allotment.

**(d) Underwriting**

This offer will be not be underwritten.

(e) Pricing Risk

There is a risk that the market price for shares in the Company may change between the date of this Offer and the date when the shares are issued to the applicant. In the event that this occurs the issue price of shares issued pursuant to this SPP may be more or less than the market price of shares on the date of issue of the shares.

LODGEMENT INSTRUCTIONS

If you are an Eligible Member and would like to participate in the SPP, please return your completed application form, together with your cheque for the subscription amount, to reach Lafayette Mining Limited, on or before the **CLOSING DATE OF: 5.00PM ON THURSDAY, 12 APRIL 2007.**

Your completed form may be mailed or delivered to:

| | |
|--|--|
| Lafayette Mining Limited Level 13 190 Queen Street MELBOURNE Victoria 3000 | Lafayette Mining Limited GPO Box 5123 MELBOURNE Victoria 3001 |
|--|--|

Once an application has been made it cannot be revoked. Valid applications will be taken to have been accepted on the Closing Date.

DECLARATIONS AND ACKNOWLEDGEMENTS

By forwarding a cheque and completing the application form, you:

- acknowledge that you have read, understood and agree to be bound by the terms and conditions of the SPP;
- confirm that the total cost of all shares purchased by you (including through joint and beneficial holdings) under the SPP and any similar offer in the 12 months prior to this application does not exceed A\$5,000; and
- agree to be bound by the constitution of Lafayette Mining Limited in respect of the shares issued to you.

Yours sincerely

LAFAYETTE MINING LIMITED

RN Gillard
Chairman

Lafayette Mining Limited ACN 076 390 451
Share Purchase Plan Entitlement and Acceptance Form
Offer closes 5.00pm Eastern Standard Time Thursday, 12 April 2007

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH IT,
PLEASE CONTACT YOUR PROFESSIONAL ADVISER

Record Date: 5.00pm EDST 12 March 2007
Date of which offer closes: 5.00pm EST 12 April 2007
Anticipated Issue Date: 22 April 2007

NON-RENOUNCEABLE OFFER OF NEW LAFAYETTE MINING LIMITED ("THE COMPANY") SHARES TO EACH HOLDER OF EXISTING FULLY PAID ORDINARY SHARES IN THE COMPANY AS AT THE RECORD DATE.

I/WE _____ HIN / SRN: _____

Insert Shareholder/s Full Name

- A. being registered at 5.00pm EDST on 12 March 2007 as the holder(s) of shares in the Company hereby accept the offer made in the Share Purchase Plan dated 13 March 2007 issued by the Company to subscribe for the number of Shares specified at section F below.
- B. I/We authorise you to place my/our name(s) on the register of members in respect of the number of Shares issued to me/us pursuant to this application.
- C. I/We agree to be bound by the Constitution of the Company, and the attached terms and conditions of the Share Purchase Plan.
- D. I/We enclose my/our cheque made payable to Lafayette Mining Limited.
- E. I/We certify that the aggregate of the application price for the new Lafayette Mining Limited Shares the subject of this application and any other Lafayette Mining Limited shares applied for in the 12 months prior to the date of this application under the Share Purchase Plan or any similar arrangement, does not exceed \$5,000.

F. Application for Shares

To participate in the Share Purchase Plan shareholders must select **only one** of the 5 following alternatives. Please mark the selected box.

| Offer A | Offer B | Offer C | Offer D | Offer E |
|-------------------------------------|---------|-------------------------------------|-----------------------------|-------------------------------------|
| <input checked="" type="checkbox"/> | OR | <input checked="" type="checkbox"/> | OR | <input checked="" type="checkbox"/> |
| <input checked="" type="checkbox"/> | OR | <input checked="" type="checkbox"/> | OR | <input checked="" type="checkbox"/> |
| 71,428 Shares \$4,999.96 | | 57,142 Shares \$3,999.94 | | 42,857 Shares \$2,999.99 |
| | | | 28,571 Shares \$1,999.97 | 14,285 Shares \$999.95 |

Return of this document with the required remittance will constitute your acceptance of the New Lafayette Mining Limited Shares being offered.

The subscription price will be **7.0 cents**.

Please complete the following cheque payment details:

| Drawer | Bank | Branch or BSB | Amount |
|--------|------|---------------|--------|
| | | | |

Cheques should be made payable to "Lafayette Mining Limited" and crossed "Not Negotiable" and sent to:

| | |
|--|--|
| Lafayette Mining Limited Level 13 190 Queen Street MELBOURNE VIC 3000 | Lafayette Mining Limited GPO Box 5123 MELBOURNE VIC 3001 |
|--|--|

Please ensure you submit the correct amount and allow sufficient time for your application to be received by Lafayette Mining Limited by 5.00pm EST on Thursday, 12 April 2007. Incorrect payments may result in your application being rejected.

Telephone number where we may contact you during business hours. (____) _____ Contact Name: _____

Offer Closes 5.00pm Eastern Standard Time Thursday, 12 April 2007