



LETTER TO SHAREHOLDERS

12 March, 2020.

Dear Shareholder,

Since our last letter, the Company has achieved significant milestones with the refurbishment of its processing plant in China, shipment of bulk sample ore to China for processing and the implementation of its IPO capital raising program.

Refurbishment of the processing plant to produce HPQ at the rate of 1,000 tonnes per annum is now completed and is to commence trial production. The Company has shipped approximately 200 tonnes of bulk sample quartz ore from the Iceberg mine stockpile to Townsville port and is expecting its delayed shipment to China for processing to depart 1st April 2020.

The Company has mandated Empire Capital Partners as lead manager to the IPO to provide all necessary assistance in managing and arranging the IPO. To that end extensive discussions have been held with ASX during February and March regarding the Company's business development programs in China and Australia and its draft IPO Prospectus offering. This has resulted in an "Application for In-principle Advice" being lodged with the ASX and the Prospectus being substantially updated to comply with current ASX and ASIC listing requirements. The Company expects to lodge its Prospectus with ASIC on 27 March 2020. At this time, assuming no further delays from ASX or ASIC, the Company is scheduling to achieve a listing by the end of April.

To minimise the risks associated with unexpected delays from ASX and/or ASIC in their reviews and other possible delays such as the impact of COVID-19 on the markets, general prudence dictates that the Company maintains sufficient working capital at the ready to support its IPO program through to at least the middle of 2020. To ensure the Company has sufficient working capital we are now seeking to undertake a private placement of \$500,000 at a discount price of 10 cents per share and two 3 year free attached options with an exercise price of 20 cents ("**Offer**").

Given the timeline for lodging the Prospectus, it is important that any shareholders wishing to participate in the Offer have the attached application for shares and funds received by the Company before 20th March, 2020. The Company cannot accept funds under this Offer once the Prospectus is lodged. In addition, should you choose to participate in this Offer please be aware that half of these shares are likely to be subject to escrow as determined by the ASX for 12 months from the date of listing.

The Directors look forward to your ongoing support for this private placement to ensure the Company in a stronger financial position to successfully complete the IPO.

Yours sincerely,

Clive Trist,
Chairman.

Attached: Application Form

Application Form

The Directors
Yilgarn Minerals Limited
Unit 7/ 3 Gibbes Street,
Chatswood, N.S.W. 2067

The person named below (the "Applicant") applies for the number of ordinary shares in the Company at a subscription price of 10 cents per fully paid ordinary share and two 3 year free attached options with an exercise price of 20 cents ("**Share**").

The applicant agrees to be bound by the Constitution of the Company and acknowledges the following:

- A prospectus or other disclosure document is not required to be lodged with the Australian Securities & Investments commission under the Corporations Act 2001 (Cth) in respect of any offer or invitation to the Applicant for the issue of the shares to the Applicant;
- The Applicant confirms that they meet the definition of one of the following (**tick as appropriate**):
 - A "**Sophisticated Investor**" as defined by the Corporations Act 2001 (Cth) (Note: if the amount payable by the Applicant for the shares and the amounts previously paid for the Company's securities that are held by the Applicant does not equal or exceed \$500,000 a certificate given by a qualified accountant dated no more than six months before the date of this Dealer Sheet, must accompany this Application Form); or
 - A "**Professional Investor**" as defined by the Corporations Act 2001 (Cth).

If another exemption under section 708 of the Act applies to you please state below:

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- Neither the Company nor any other person makes, or has made, any representations or warranty to the Applicant in respect of the Company, its business, assets, liabilities, financial position, losses or prospects, or the value of the Shares
 - An investment in shares is speculative; and
 - Neither the Company nor any of its directors, officers, employees or any other person will be liable to the Applicant for negligence or otherwise for any loss or damage arising as a result of the investment by the Applicant in the shares (except to the extent that statutory liability cannot be excluded)

Name of applicant _____

Contact Name _____

ABN/ACN/ARBN: _____ Tax File Number: _____

Address: _____

Chess Participant Details (if applicable): _____

Email: _____ Phone: _____

Number of Shares _____

Issue Price: \$0.10 per Share

Total Consideration: _____

Signed: _____ Date _____

Capacity: _____

Application monies may be paid by cheque or, preferably, by EFT. Cheques must be drawn on and payable at an Australian bank in Australian currency and made payable to "YILGARN MINERALS LIMITED" and be crossed "NOT NEGOTIABLE". Cheques should be sent by registered mail to Mr Hugh Dai, Managing Director, Yilgarn Minerals Limited, c/- Unit 7, 3 Gibbes St Chatswood, NSW, 2067. EFT details are over leaf.

EFT Details

Account Name: Yilgarn Minerals Limited
Bank: Commonwealth of Australia Bank
BSB: 062-000
Account: 1167-8913
Bank Address: 48 Martin Place Sydney, NSW, 2000, Australia
SWIFT Code: CTBAAU2S

Important Notice:

If paying by EFT make clear reference to the transaction and email an EFT receipt and accompanying application form to the Company att: Company Secretary Mr Ross Lorking at ross@yilgarnminerals.com.au.