ACN 108 753 608 ♦ ABN 86 108 753 608

20 June 2019

Dear Option Holder,

NON RENOUNCEABLE RIGHTS OFFER

The Company on 20 June 2019, lodged a Prospectus with ASIC and ASX, seeking to raise approximately $2,941,309 by a non-renounceable rights offer ("**Offer**") of up to approximately 13,369,587 new shares ("**New Shares**") and 6,684,793 new options ("**New Options**") (together "**New Securities**") on the basis of 1 New Share for every 4 shares held at an issue price of 22 cents per New Share together with 1 free New Option for every 2 New Shares subscribed for under the Prospectus. The New Options have an exercise price of 27 cents and an expiry date of 30 June 2021.

Option holders are not entitled to participate in the Offer. Should option holders with a registered address in Australia or New Zealand wish to participate in the Offer they should exercise their options in accordance with the terms and conditions of the options in a timely manner and in any event to ensure the exercise and issue of the shares is completed by the Record Date of 26 June 2019.

The funds raised under the Offer will primarily be used to accelerate exploration upon the Company's Projects.

The Offer is not underwritten. Panthea Capital Pty Ltd is the Lead Manager. Minimum Subscription under the Offer is $1.

The timetable for the Offer is as follows:

Lodgement of Prospectus with ASIC and ASX	20 June 2019
Application to ASX for quotation of shares and options under the Prospectus	20 June 2019
Notice to Shareholders	24 June 2019
Current Shares "Ex" the entitlements issue on the ASX	25 June 2019
Record Date to identify Shareholders and to determine Entitlements to shares and options under the Prospectus	26 June 2019
Despatch of Prospectus and Entitlement and Acceptance Form (**Opening Date**)	1 July 2019
Closing Date	22 July 2019
Securities quoted on a deferred settlement basis	23 July 2019
ASX notified of undersubscriptions	25 July 2019
Issue Date and end of deferred settlement trading	29 July 2019

159 Stirling Highway Nedlands WA 6009 ♦ PO Box 1104 Nedlands WA 6909
T 61 8 9389 9021 ♦ **F** 61 8 9386 9473 ♦ **E** yandal@yandalresources.com.au ♦ **W** www.yandalresources.com.au

Subject to the Listing Rules, the above dates may be changed without notice.

The Offer will be made to the Company's shareholders with a registered address in Australia or New Zealand on the Record Date ("**Eligible Shareholders**").

The capital structure of the Company post-completion of the Offer at full subscription will be as follows:

Shares	**Full Subscription ($2,941,309)**
Existing Shares	53,478,348
New Shares issued under the Offer	13,369,587
Total Shares on issue after completion of the Offer	**66,847,935**
Options	**Full Subscription**
Existing Options – unlisted (exercise price 25 cents expiry date 31 December 2021)	6,450,000
New Options issued under the Offer (exercise price 27 cents expiry date 30 June 2021)	6,684,793
Total Options on issue after completion of the Offer	**13,134,793**

It is anticipated that the Prospectus offering the New Securities for subscription will be mailed to Eligible Shareholders on 1 July 2019. The Prospectus may be viewed on the Australian Securities Exchange's website at www.asx.com.au or alternatively on the Company's website at www.yandalresources.com.au.

Application will be made to ASX for official quotation of the New Shares. No application will be made for quotation of the New Options. In the calculation of any entitlement, fractions will be rounded up to the nearest whole number. No shareholder approval is required to the Offer.

If you have any questions please do not hesitate to contact the Company.

Yours faithfully

Lorry Hughes
Managing Director