



CASHMERE IRON

10th April 2015

Dear Shareholder

This letter provides an update on the Company since the date of our 2014 Annual General Meeting (held 28 November 2014) and the presentation given by David Hendrie at the end of the meeting (which is on the Company website should you like to read it <http://www.cashmereiron.com>).

The key statistics relating to the Company's iron ore body remain unchanged at:

1. Hematite/Detrital JORC resource of 47.5m tonnes;
2. Combined Magnetite and Hematite resource of over 1b tonnes;
3. An additional 7b tonnes inferred potential resource.

Minimum expenditure commitments on the tenements within which our iron ore interests are located have been satisfied (between expenditure undertaken by Mabrouk Minerals Pty Ltd and the Company) until September 2015.

Cash at bank is approximately \$300,000 with the Company expending approximately \$20,000 per month.

One new development that has arisen since November of last year is that the Company has entered into a Memorandum of Understanding (MOU) with Cashmere Mining Pty Ltd (CAM).

The directors of CAM are Raquel Barrerio, Dan Le and Danny Tan. They are associated with the Thai Son Group of Vietnam. CAM and its associated parties are interested in securing a long term supply of a high grade magnetite concentrate for pelletizing. Thai Son Group of Vietnam is a significant state owned company of the Government of Vietnam.

A brief summary of the proposed transaction is:

1. The Company is to grant CAM a sub license of its iron ore rights;
2. A series of milestones are to be set which are to deal with the essential aspects of:
 - a. The staged development of the mine and commencement of production;
 - b. Establishment of necessary infrastructure;
 - c. Entering into offtake agreements.
3. The construction phase of mine development is to be completed by June 2020.

The parties have agreed to seek to enter into a Formal Agreement by 30 June 2015. This Formal Agreement will encompass agreed project valuation and pricing parameters.

Cashmere Iron Ltd

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Conditions precedent to the grant of the sub license include the approval of shareholders of the Company to the transaction, the carrying out of due diligence by both parties, and the granting of Foreign Investment Review Board approvals (if necessary).

The entering into of the MOU is a significant and positive step forward for the Company. However, it is important to note that the completion of satisfactory due diligence by both parties and the entering into of the Formal Agreements is critical to the proposed commercialisation of the Company's iron ore project..

We will provide a further update as soon as any further material developments take place.

Yours faithfully

Derek La Ferla
Chairman