



ASX ANNOUNCEMENT

14 November 2017

AYM SECURES FUNDING WITH FOCUS ON GROWTH

- Placement to raise capital, increase liquidity and reset the balance sheet.
 - Placement to raise \$1.5M at A\$0.0006 per share (or A\$0.006 on a post-consolidation basis of 1:10).
 - One attaching option to be issued for every 4 ordinary shares at an exercise price A\$0.001 (or A\$0.01 on a post-consolidation basis of 1:10).
 - 1:10 share consolidation on completion or soon after the placement.
- Placement proceeds to fund:
 - Minimum expenditure exploration activities;
 - Ongoing technical review of the existing gold projects;
 - Review of business growth opportunities; and
 - Working capital.
- Two new members of the Board to be appointed.
- Transaction subject to AYM shareholder approval, with current AYM board agreeing to recommend shareholders vote in favour of the Placement.

PLACEMENT

Australia United Mining Limited (AYM or the Company) is pleased to advise that it has received commitments from new sophisticated and professional investors to raise \$1.5 million (before costs) to reposition the Company for growth (**Placement**). The Placement is to be facilitated by Longreach Capital Pty Ltd.

AYM will also undertake a 1 for 10 share consolidation on completion or soon after the placement, in accordance with the ASX Listings Rules.

The maximum number of new shares that will be issued pursuant to the Placement is 2,500 million new fully paid ordinary shares (or 250 million on a post-consolidation basis of 1:10) at an issue price of A\$0.0006 per share (or A\$0.006 on a post-consolidation basis of 1:10) (**Placement Shares**).

Participants in the Placement will receive one attaching option to be issued for every 4 Placement Shares, at an exercise price A\$0.001 (or A\$0.01 on a post-consolidation basis of 1:10) and expiring 2 years from the date of issue (**Placement Options**).

The Placement Shares and Placement Options will be issued, subject to AYM shareholder approval, which will be sought at a General Meeting to be held by the end of December 2017. A notice of meeting will be released shortly.

PURPOSE OF THE ISSUE

As outlined in the recently Quarterly Activities Report, the Company holds tenure over four projects in NSW and QLD, all of which contain prospects with targets identified. Three of the projects show evidence of significant historical gold production and AYM plans to advance these prospects to drill ready status.

The Placement proceeds will be used to:

- Meet minimum expenditure exploration activities;
- Expedite ongoing technical reviews of the existing projects;
- Evaluate new business growth opportunities; and
- Working capital.

The Company is unaware of the dollar value placed on each of the above mentioned categories for the purpose of funds.

NEW BOARD MEMBERS

Upon completion of the transaction or beforehand at the director's election, two new Board members will be appointed by Longreach Capital and existing directors Messrs Jianbing Zhang and Jia Yu will step down from the Board. Mr Xiaojing Wang will remain as a Director of the Board. The Company is currently unaware of the identity of the new board members.

CONDITION PRECEDENT TO THE PLACEMENT

The completion of the Placement will be subject to, amongst other conditions, shareholder approval of the Transaction by shareholders.

The transaction is further conditional on the extinguishment of approximately \$700,000 worth of director loans either through conversion to shares (including Longreach acquiring \$350,000 worth of debt and subsequently converting). The extinguishment shall be subject to any requisite shareholder approval.

The notice of meeting will contain all relevant details and will be dispatched shortly.

For and on behalf of the Board.

Australia United Mining Limited

XIAOJING WANG

Chairman and Managing Director