



19 February 2015

EXECUTES MEMORANDUM OF UNDERSTANDING WITH INDONESIA'S LARGEST STEEL PRODUCER

AUS ASIA MINERALS
ASX CODE: AQJ

CORPORATE SUMMARY

ASX Code AQJ
Shares on issue 765M
Share Price \$0.005
52 Week Range A\$0.028 – A\$0.003
Market Cap ~\$4M

Major Shareholders

Charbella Investments Pty Ltd	43.7%
Alpha Prime Holdings Ltd	5.22%
Bryan Kelly and Associates	5.22%

Directors

Robert Swarbrick
Executive Chairman

Ben Donovan
**Non-Executive Director &
Company Secretary**

Evan Ball
Non-Executive Director

Moo Huan Chong
Non-Executive Director

Contact

Mr Robert Swarbrick
Executive Chairman
38/18 Stirling Highway, Nedlands,
Western Australia 6009

Mobile: +61 438 994 445
Email: admin@ausasiaminerals.com

The Board of Directors of Aus Asia Minerals Limited (**Aus Asia**) are delighted to announce that its subsidiary PT Mineral Sukses Makmur (**PT MSM**) has executed a Memorandum of Understanding (**MOU**) with PT Krakatau National Resources (**Krakatau**), a subsidiary of Krakatau Steel TBK.

The MOU is for an initial period of 12 months with the option to extend further, where both parties agree to work together regarding the sale and marketing of iron ore, including the working together for the establishment of joint venture operations aimed at developing producing mines.

Under the MOU, PT MSM will deliver 300,000 MT of iron ore from its mine in Solok, West Sumatra and deliver it to the Krakatoa Steel Mill in Cilegon, Java, Indonesia by barge from Teluk Bayur Port at Padang, West Sumatra.

Krakatau Steel is the largest domestic steel maker in Indonesia. It is listed on the Jakarta Stock Exchange with a market capitalisation of US\$500M and revenues of US\$2B. It has foundations which date back to the 1970's but in recent times has a Joint Venture with South Korean Steel Maker POSCO. Krakatau Steel has a 30% interest in this Joint venture. Under that Joint Venture, an Integrated Steel Mill with a Blast furnace Technology was constructed which took 3 years to complete with production having commenced in 2014. Krakatau Steel capacity production is 3M Mt per year.

The signing of the MOU builds on the Aus Asia board's vision of growing a company with high margin projects from producing assets which generate strong and recurring revenue for shareholders.

While the MOU stipulates the sales price of iron ore as being the market price, Aus Asia Minerals are happy to announce that this is a premium to the current spot market.

PT MSM are currently finalising the delivery contract with Krakatau and expect to ship its maiden delivery within the next 90 days.

Commenting on the MOU, Executive Chairman Robert Swarbrick said "This is a significant milestone in getting PT MSM into full production, allowing us to sell to one of Indonesia's biggest domestic buyers thereby reducing shipping and export risk. Additionally it allows us to receive a premium to market and achieve a healthy margin, at a time when we are working to reducing our operating costs. The board continues to work to building a portfolio of high margin projects to build revenue for shareholders."