



25 November 2014

Dear Shareholder

**Australia United Mining Limited  
Pro-Rata Non-Renounceable Rights Issue**

On 24 November 2014, Australia United Mining Limited ACN 126 540 547 (**AUML** or the **Company**) announced that it would undertake a pro-rata non-renounceable rights issue on a 1-for-3 basis (**Offer**) to holders of ordinary shares (**Shares**) in the Company (**Shareholders**) with a registered address in Australia or New Zealand (**Eligible Shareholders**) as at 7:00pm (AEDT) on Friday 28 November 2014 (**Record Date**).

The Company has prepared an Offer Document in relation to the Offer. The Offer Document was lodged with the Australian Securities Exchange (**ASX**) on Monday 24 November 2014 and a copy is available on the ASX website at [www.asx.com.au](http://www.asx.com.au) (ASX: AYM).

The Offer Document will be despatched to Eligible Shareholders in Australia and New Zealand on Monday 1 December 2014.

**Treatment of ineligible shareholders**

The Company has determined that it would be unreasonable to extend the Offer to shareholders with a registered address outside Australia or New Zealand, (**Ineligible Shareholders**) having regard to:

- the small number of shareholders with addresses in such other countries;
- the number and value of the shares they hold; and
- the cost to the Company of complying with applicable legal and regulatory requirements in such other countries.

Accordingly, Eligible Shareholders are those shareholders who:

- will be on the Company's register of shareholders as at the Record Date; and
- have a registered address in Australia or New Zealand.

**Details of the Offer**

Pursuant to the Offer, which is made on a 1-for-3 basis, the Company will issue up to 223,495,923 fully paid ordinary Shares (**New Shares**) in the capital of the Company (which number may vary due to rounding up of fractional entitlements under the Offer) at an issue price of 1 cent each, to raise up to \$2,234,959 (before costs of the Offer).

The rights issue offers Eligible Shareholders the right to take up 1 New Share for every 3 Shares held as at the Record Date at an issue price of 1 cent per New Share (**Entitlement**). The right to subscribe for New Shares in accordance with an Entitlement under the Offer will be non-renounceable. Shareholders who subscribe for their full Entitlement will also be entitled to apply for additional New Shares in excess of their full Entitlement under a shortfall facility. The Company will only issue up to the aggregate number of New Shares that are offered under the Offer, being 223,495,923 Shares, therefore it may be necessary to scale-back applications for additional shares under the shortfall facility if all applications exceed this number.

The Offer will not be underwritten. In the event that, following the close of the Offer a shortfall remains, the Directors reserve the right to place such shortfall shares at their discretion with persons interested in subscribing for shares in the Company within 3 months of the close of the Offer. The New Shares issued under the Offer will be fully paid and will rank equally with the Company's existing Shares. The Company will make an application to the ASX for official quotation of the New Shares.

The number of Shares on issue in the Company at the date of this letter and the total number of Shares that will be on issue in the Company following the Offer, assuming the Offer is fully subscribed, are as follows:

EVENT	NO. OF SHARES
Shares on issue at date of Offer Document	670,487,770
Maximum New Shares issued pursuant to the Offer	223,495,923
<b>Maximum total Shares on issue after completion of the Offer</b>	<b>893,983,693</b>

### Purpose of Offer and use of funds

AUML is making the Offer to raise funds. After payment of the costs and expenses of the Offer, the proceeds from the Rights Issue will firstly be used to strengthen AUML's balance sheet and discharge current liabilities. Any remaining funds will be applied to meet AUML's general working capital requirements, including payment of overheads, and to enable the Company to implement and execute its business objectives in relation to its exploration projects. In particular, the Company intends to apply funds to continue with its development of a regional exploration and mining strategy in both Queensland and NSW, as described in the Company's quarterly activities report for the period ended 30 September 2014, with the aim of developing future JORC compliant resources.

### Offer timetable

EVENT	DATE (2014)
Announcement of the Offer	Monday 24 November
Lodgement of the following documents with ASX: <ul style="list-style-type: none"> <li>an Appendix 3B;</li> <li>this Offer Document; and</li> <li>a cleansing notice under section 708AA(2)(f) of the Corporations Act</li> </ul>	Monday 24 November
Notice sent to Shareholders containing ASX Appendix 3B details and indicative timetable	Tuesday 25 November
"Ex" date where the Company's existing shares will commence trading without the entitlement to participate in the Offer	Wednesday 26 November
Record date to determine Entitlements under the Offer	7.00pm (AEDT) Friday 28 November
Opening Date for the Rights Issue	Monday 1 December
Mailing of Offer Document and Entitlement and Acceptance Form to Eligible Shareholders	
Last date to extend Offer closing date	Friday 5 December
Closing Date for the Rights Issue	5.00pm (AEDT) Wednesday 10 December
Shares quoted on a deferred settlement basis	Thursday 11 December
ASX notified of under subscriptions	Friday 12 December
New Shares for which valid applications have been received and accepted by the Company will be issued	Tuesday 16 December
Deferred settlement trading ends	Tuesday 16 December
Normal trading of New Shares on ASX expected to commence	Wednesday 17 December
Mail out of holding statements for the New Shares	Monday 22 December
Deadline for placement of remaining shortfall	Monday 9 March 2015

This timetable is indicative only and subject to change. Subject to the Corporations Act and the ASX Listing Rules, the Company reserves the right to vary these dates, including the closing date of the Offer, without prior notice.

The Company also reserves the right not to proceed with the whole or part of the Offer at any time prior to the issue date. In that event, application monies will be refunded in full without interest.

### **Dealing with Entitlements**

Eligible Shareholders have the following alternatives available in relation to the Rights Issue:

1. accept their Entitlement in full;
2. accept their Entitlement in full and apply for additional shares under the shortfall facility;
3. partially accept their Entitlement; or
4. allow their Entitlement to lapse.

To the extent that Shareholders do not take up their Entitlement, their interest in the Company will be diluted.

Full details of the terms and conditions of the Offer will be contained in the Offer Document lodged with ASX and to be despatched to Eligible Shareholders in accordance with the timetable set out above.

For further information on your Entitlement please contact the AUML rights issue information line on +61 3 9286 7500 9.00am to 5.00pm (Melbourne time) Monday to Friday.

Yours faithfully



Mr John Zee

**Executive Director and Company Secretary**