



AUSTRALIA UNITED MINING LIMITED

ABN 35 126 540 547

SUITE6, LEVEL14, 97-99 BATHURST STREET, SYDNEY NSW 2000

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# Notice of annual general meeting and explanatory memorandum

**Australia United Mining Limited**

ACN 126 540 547

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**Date:** Wednesday, 30 November 2016

**Time:** 2.00 pm (AEDT)

**Place:** Suite6, Level14, 97-99 Bathurst st,  
Sydney NSW 2000

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## NOTICE OF 2016 ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of **AUSTRALIA UNITED MINING LIMITED** ACN 126 540 547 ('the Company') will be held at **Suite 6, Level 14, 97-99 Bathurst Street, Sydney NSW 2000** on **30 November 2016**, at **2.00 pm (AEDT)**.

### AGENDA

#### ORDINARY BUSINESS

##### 1. Financial Reports

	Financial Reports
Description	To receive and consider the Company's Annual Report comprising the Chairman's Report, Directors' Report, Remuneration Report, Auditor's Independence Declaration, Corporate Governance Statement, Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, Notes to the Financial Statements, Directors' Declaration and Independent Auditor's Report for the Company and its controlled entities for the financial year ended 30 June 2016.

##### 2. Adoption of Remuneration Report

Resolution 1	Adoption of Remuneration Report
Resolution (Ordinary)	To consider and, if thought fit, pass the following Advisory Resolution, as an Ordinary Resolution of the Company:  <i>"That the Remuneration Report of the Company and its controlled entities for the year ended 30 June 2016 as set out in the 2016 Annual Report be adopted."</i>
Note to Shareholders	In accordance with section 250R(3) of the <i>Corporations Act 2001</i> ('the Act'), the vote on the resolution is advisory only and does not bind the Directors or the Company.
Voting Exclusion	In accordance with section 250R(4) of the Act, a vote on Resolution 1 must not be cast (in any capacity, whether as proxy or as shareholders) by or on

	<p>behalf of either of the following persons:</p> <p>(a) a member of the key management personnel details of whose remuneration are included in the remuneration report;</p> <p>(b) a closely related party of such a member.</p> <p>However, the above persons may cast a vote on Resolution 1 if:</p> <p>(c) the person does so as a proxy appointed in accordance with the directions of the proxy form that specifies how the proxy is to vote on Resolution 1; and the vote is not cast on behalf a person described in subparagraphs (a) and (b) above; or</p> <p>(d) the person is the chair of the meeting appointed as proxy in accordance with the directions of the proxy form for a person who is entitled to vote, and such appointment on the proxy form expressly authorises the chair to exercise the proxy even if the resolution is connected directly with the remuneration report; and the vote is not cast on behalf of a person described in subparagraphs (a) and (b) above.</p>
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### 3. Re-election of Directors

<b>Resolution 2</b>	<b>Re-election of Mr Jianbing Zhang as Director</b>
<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:</p> <p><i>“That Mr Jianbing Zhang, having retired from his office as a Director in accordance with Article 59.1 of the Company’s Constitution and, being eligible for re-election under Article 59.5 of the Constitution, having offered himself for re-election, be re-elected as a Director of the Company.”</i></p>
<b>Resolution 3</b>	<b>Re-election of Ms Jia Yu as Director</b>
<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:</p> <p><i>“That Ms Jia Yu, having retired from her office as a Director in accordance with Article 59.1 of the Company’s Constitution and, being eligible for re-election under Article 59.5 of the Constitution, having offered herself for re-election, be re-elected as a Director of the Company.”</i></p>

#### 4. Conditional Spill Resolution

Resolution 4	Conditional Spill Resolution
<p><b>Resolution (Ordinary)</b></p>	<p>To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:</p> <p><i>“That, subject to and conditional on at least 25% of the votes cast on Resolution 1 being cast against the adoption of the Remuneration Report in the 2015 and the 2016 Annual General Meeting:</i></p> <p><i>(a) an extraordinary general meeting of the Company (<b>Spill Meeting</b>) be held within 90 days after the passing of this resolution;</i></p> <p><i>(b) all of the directors of the Company in office at the time when the board resolution to make the Directors’ Report for the financial year ended 30 June 2016 was passed (other than the executive director), and who remain directors at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and</i></p> <p><i>(c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote of shareholders at the Spill Meeting.”</i></p>
<p><b>Note to Shareholders</b></p>	<p>This Resolution 4 is conditional on at least 25% of the votes cast on Resolution 1 being against the adoption of the Remuneration Report in the 2015 and the 2016 Annual General Meeting.</p>
<p><b>Voting Exclusion</b></p>	<p>In accordance with section 250V(2) and section 250R(4) of the Act, a vote on Resolution 4 must not be cast (in any capacity, whether as proxy or as shareholders) by or on behalf of either of the following persons:</p> <p>(a) a member of the key management personnel details of whose remuneration are included in the remuneration report;</p> <p>(b) a closely related party of such a member.</p> <p>However, the above persons may cast a vote on Resolution 4 if:</p> <p>(c) the person does so as a proxy appointed in accordance with the directions of the proxy form that specifies how the proxy is to vote on Resolution 4; and the vote is not cast on behalf a person described in subparagraphs (a) and (b) above; or</p> <p>(d) the person is the chair of the meeting appointed as proxy in accordance with the directions of the proxy form for a person who is entitled to vote,</p>

	and such appointment on the proxy form expressly authorises the chair to exercise the proxy even if the resolution is connected directly with the remuneration report; and the vote is not cast on behalf of a person described in subparagraphs (a) and (b) above.
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**BY ORDER OF THE BOARD**

Jing Yuan  
Company Secretary  
02 November 2016

## EXPLANATORY MEMORANDUM

### 1. INTRODUCTION

This Explanatory Memorandum is provided to shareholders of the Company to explain the resolutions to be put to shareholders at the Annual General Meeting to be held at **Suite 6, Level 14, 97-99 Bathurst Street, Sydney NSW 2000** on **30 November 2016**, at **2.00 pm (AEDT)**.

The Directors recommend shareholders read the accompanying Notice of 2016 Annual General Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

This Explanatory Memorandum provides shareholders with all information known to the Company that is material to the decision on how to vote on the Resolutions to be put to the Annual General Meeting, other than such information that has been previously disclosed by the Company to its shareholders.

### 2. FINANCIAL REPORTS

	Financial Reports
Explanation	<p>Section 317(1) of the Act requires the Company's financial report, director's report and the auditor's report for the financial year ended 30 June 2016 to be laid before the Company's 2016 Annual General Meeting. There is no requirement for a formal resolution on this item.</p> <p>The 2016 Annual Report, which contains the Directors' Report, the Financial Report and the Remuneration Report, is available from ASX's website (<a href="http://www.asx.com.au">www.asx.com.au</a>) (ASX: AYM).</p>

### 3. ADOPTION OF REMUNERATION REPORT

Resolution 1	Adoption of Remuneration Report
Explanation	<p>In accordance with section 250R(2) of the Act, the Remuneration Report has been submitted to shareholders for consideration and adoption by way of a non-binding advisory resolution.</p> <p>The Remuneration Report is set out in the Company's 2016 Annual</p>

	<p>Report and is available from ASX's website (<a href="http://www.asx.com.au">www.asx.com.au</a>) (ASX: AYM). The Remuneration Report:</p> <ul style="list-style-type: none"> <li>• describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance;</li> <li>• sets out the remuneration arrangements in place for each director and for certain members of the senior managements team; and</li> <li>• explains the differences between the basis of remunerating non-executive directors and senior executives, including the Chief Executive Officer.</li> </ul> <p>The vote on this resolution is advisory only and does not bind the Directors. However, the Directors will take into account any discussion on this Resolution and the outcome of the vote when considering the future remuneration policies and practices of the Company.</p>
<b>Voting Exclusion</b>	A voting exclusion statement applies to this Resolution, as set out in the Notice of 2016 Annual General Meeting.
<b>Board Recommendation</b>	The Directors unanimously recommend that shareholders vote in favour of adopting the Remuneration Report.
<b>Chair's available proxies</b>	The Chair of the Meeting intends to vote all available proxies in favour of this Resolution.

#### 4. RE-ELECTION OF DIRECTORS

<b>Resolution 2 &amp; Resolution 3</b>	<b>Re-election of Mr Jianbing Zhang and Ms Jia Yu as Directors</b>
<b>Explanation</b>	<p>Article 59.1 of the Company's Constitution requires two directors to retire at the close of each Annual General Meeting of the Company.</p> <p>Accordingly, Mr Jianbing Zhang and Ms Jia Yu retire from their office as directors in accordance with Article 59.1 of the Company's Constitution and, being eligible under Article 59.5 of the Constitution,</p>

	<p>offer themselves for re-election as directors.</p> <p>Please refer to the 2016 Annual Report for information about Mr Zhang and Ms Yu.</p>
<b>Board Recommendation</b>	The Directors, with Mr Zhang and Ms Yu abstaining on the resolutions the subject of Resolutions 2 and 3 respectively, recommends that shareholders vote in favour of these re-elections.
<b>Chair's available proxies</b>	The Chair of the Meeting intends to vote all available proxies in favour of these two Resolutions.

## 5. CONDITIONAL SPILL RESOLUTION

<b>Resolution 4</b>	<b>Conditional Spill Resolution</b>
<b>Explanation</b>	<p>This Resolution is a conditional resolution. It will be put to the Annual General Meeting in the usual course. However, even if it is passed, it will only become effective if, based on the formal results of the poll, it is clear that 25% or more of the votes cast on Resolution 1 are cast against the adoption of the 2015 and the 2016 Remuneration Report.</p> <p>This Resolution will be considered as an Ordinary Resolution, which means that, to be passed, the Resolution requires the approval of a simple majority of the votes cast by or on behalf of shareholders entitled to vote on the Resolution.</p> <p>If this Resolution is passed, and becomes effective based upon the results of the poll on Resolution 1 in the 2015 and the 2016 Annual General Meeting, then the Company must hold a further general meeting (<b>Spill Meeting</b>) within 90 days after the Annual General Meeting to consider the composition of the board. If a Spill Meeting is required, the date of the meeting will be notified to the shareholders in due course.</p> <p>If a Spill Meeting is held, the following directors (<b>Relevant Directors</b>) will automatically cease to hold office as directors of the Company at the conclusion of the Spill Meeting, unless they are willing to stand for</p>



	<p>re-election and are re-elected at that meeting:</p> <ul style="list-style-type: none"> <li>- Mr Jianbing Zhang; and</li> <li>- Ms Jia Yu.</li> </ul> <p>Mr Xiaojing Wang is not included in the Relevant Directors as he is the executive director of the Company.</p> <p>Each of the Relevant Directors would be eligible to seek re-election at the Spill Meeting. However, there is no assurance that any of them would do so.</p>
<b>Voting Exclusion</b>	A voting exclusion statement applies to this Resolution, as set out in the Notice of 2016 Annual General Meeting.
<b>Board Recommendation</b>	The Directors unanimously recommend that shareholders vote <b>against</b> this Resolution.
<b>Chair's available proxies</b>	The Chair of the Meeting intends to vote all available proxies <b>against</b> this Resolution.

## GLOSSARY

In the Notice of 2016 General Meeting and the Explanatory Memorandum, the following words have the meanings hereinafter ascribed, unless inconsistent with the context:

**ASX** means the Australian Securities Exchange.

**Company** means Australia United Mining Limited ACN 126 540 547.

**Director** means a person appointed to the position of a director of the Company.

**Directors** means all or some of the Directors acting as a board.