

ASX Announcement

12 September 2016

Fully Underwritten Non-Renounceable Rights Issue to Raise Approximately \$6.1M

Energia Minerals Ltd (**ASX: EMX** or **Energia**) is pleased to announce that it will be undertaking a fully underwritten 2 for 7 non-renounceable pro-rata rights issue of fully paid ordinary shares in Energia (**New Shares**) at an offer price of \$0.035 (3.5 cents) per New Share (**Offer Price**) to raise up to approximately \$6.1 million (before costs) (**Rights Issue**).

The funds raised by the Rights Issue will primarily be used to enhance and accelerate the Gorno Zinc Project to:

- complete the Definitive Feasibility Study based on the expanded drilling program by the end of January 2017, and
- commence preliminary work on the Riso-Parina adit rehabilitation.

In addition, funds will also be applied to:

- continue with specific, value enhancing activities on other exploration projects; and
- meet general working capital requirements as they arise.

The Rights Issue is an offer to all shareholders on Energia's share register as at 7.00pm AEST on 15 September 2016 (**Eligible Shareholders**) to apply for New Shares at an offer price representing a 27.1% discount to the closing share price on the ASX (\$0.048 (4.8 cents)) on 9 September 2016.

The Rights Issue will be fully underwritten by Euroz Securities Limited (**Euroz**). An entity with which a Non-Executive Director of the Company, Mr Marcello Cardaci, has a current association in respect of its Energia shareholding together with an additional related party, will sub-underwrite a portion of Euroz's commitment. Further information regarding the underwriting agreement and sub-underwriting arrangements are included in the Offer Document released to ASX today (**Offer Document**). A copy of the Offer Document will be sent to Eligible Shareholders on 20 September 2016.

Following completion of the Rights Issue, Energia will have issued approximately 174,005,994 New Shares, resulting in a total of approximately 783,026,973 Energia shares on issue. This number excludes any allowance for shares issued in the event that any option holders exercise their right to convert their securities to ordinary shares prior to the Record Date. All entitlements will be rounded up to the nearest whole number of New Shares. The New Shares will rank equally with all other fully paid ordinary shares of Energia from the date of allotment.

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Board of Directors

Alex Burns
Executive Chairman
Kim Robinson
Managing Director
Marcello Cardaci
Non-Executive Director

Company Secretary

Jamie Armes

Like many investments in mining exploration companies, an investment in the Company involves risks. A number of these are summarised in the Offer Document, including but not limited to risks associated with exploration activities, approvals and permitting processes, reliance on key management personnel, and commodity price and exchange rate risks.

An Appendix 3B in relation to the Rights Issue and a notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) have been lodged with ASX.

Further details about the Rights Issue are set out in the Offer Document.

Timetable

The timetable for the Rights Issue is set out in the table below:

Event	Date
Announcement of the Rights Issue	12 September 2016
Ex-Date	14 September 2016
Record Date to determine Rights	7.00pm (AEST) on 15 September 2016
Offer Document and Entitlement and Acceptance Form dispatched	20 September 2016
Opening date of the Rights Issue	
Closing Date – last date for lodgement of Entitlement and Acceptance Forms and Application Money	5.00pm (AEDT) on 7 October 2016
Trading of New Shares commences on a deferred settlement basis	10 October 2016
ASX notified of under-subscriptions	12 October 2016
Issue of New Shares and despatch of transaction confirmation statements for New Shares	14 October 2016
Normal trading of New Shares expected to commence on ASX	17 October 2016

Subject to the Listing Rules, Energia reserves the right to vary the timetable without prior notice, in consultation with Euroz, including by extending the Closing Date or closing the Rights Issue early. Energia also reserves the right not to proceed with the whole or part of the Rights Issue at any time prior to allotment.

Management Comment

Energia's Executive Chairman, Mr Alex Burns, said "This Rights Issue is a strategic and timely fund raising to meet the Company's stated objectives to expand the drilling program, complete the Definitive Feasibility Study (DFS) early in the new year and, without pre-empting the outcomes of the DFS, complete preparatory work to fast-track the development of the Gorno Zinc Project in Italy."

“The Company made the decision to do a capital raising in this manner and at this time in light of the positive results achieved to date, support for the project at all levels and given the strengthening outlook for the zinc market. The Rights Issue path was selected after having considered a range of alternative funding options in a market that continues to challenge smaller mining companies and priced in a way to encourage participation by Shareholders.”

“As owners of the Company, you have the right to increase the number of shares that you own at this time, should you wish to participate, on the terms and conditions set out the Offer Document.”

“For my part, I intend to take up my full Entitlement of 39,956,306 New Shares in respect of the 139,847,071 Shares I own and control, thereby investing a further \$1.4 million in the Company and bringing my total investment to date to over \$5 million. Mr Cardaci has also confirmed the entities in which he has a disclosed interest or association with also intend to take up their full Entitlements.”

“Together with the Managing Director, Mr Kim Robinson, and our competent team of professionals, we are all committed to ensure the funds will be utilised in continuing to add shareholder value.”

For further information, please contact:

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