



13 April 2016

The Manager Announcements
Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

MARKET UPDATE

Aus Asia Minerals Limited (“Company or AAM”) would like to update the market on its current situation and activities:

On the 16 March 2016, trading in the securities of AAM was put into suspension by the ASX following the non-lodgement of its Half Year report.

AAM had not lodged the report as the Company was in negotiations for funding and for the acquisition of a commercial project.

Projects Under Consideration:

The due diligence for the Philippines Iron Sands Project (“PISP”) described in our previous announcement has advanced significantly since the last announcement. The Managing Director, accompanied by an experienced consultant, has completed a visit to the site and held detailed discussions with the vendor and technical consultants.

Two other projects are also being evaluated, a gold project and a technology company in Australia.

The Company will make further announcements as matters progress.

Funding

The previously announced USD \$5 Million (AUD\$6.6m) facility negotiated by the Company from TCA Funds Management Limited (“TCA”) is still in place and has not been drawn down.

A decision whether or not to take up this offer and draw down funds is pending further due diligence by the Company and TCA, as well as a decision by the Company on alternative funding methods such as a capital raising.

Timing

It is expected that the due diligence, negotiations and final decision on projects and funding could be completed within a month to six weeks from today. In the meantime, the Company will keep the market informed of any major developments.

Once a decision has been made, an announcement will be made and the Half Year Report will then be lodged with an application made to lift the suspension on the Company’s stock.

The Company can confirm that it is in communication with all creditors and has received support whilst the negotiations are progressing.