



**8 August 2011**

**ASX RELEASE  
By e-lodgement**

## **CANADIAN LISTING UPDATE**

### **KEY POINTS**

- *Application for TSX Venture Exchange (the “TSX-V”) listing has been lodged.*
- *As a result of TSX-V listing application, the Company will seek shareholder approval to consolidate share capital, make changes to the Constitution and adopt an Employee Share Option Plan to comply with TSX-V listing rules.*

The Directors of Australian-American Mining Corporation Limited (“AusAmerican” or the “Company”) wish to make the following announcement to the Australian Securities Exchange and to the Company’s shareholders (“Shareholders”).

### **Canadian Listing**

Earlier this year, the Company announced the intention to apply to have its ordinary shares (the “Shares”) listed for trading on the Toronto Stock Exchange (the “TSX”). With the decline in the market capitalisation of the Company resultant from the downturn in the uranium/nuclear market, it was later considered that a TSX-V listing was more appropriate.

The Directors of the Company, whilst maintaining their ambition to eventually be listed on the TSX main board, consider that it is still in the best interest of the Company and the Shareholders to list on the TSX-V and an application to the TSX-V has been made. We are pursuing this listing for the following reasons:

1. Size of market - The TSX is the largest market in the world for mining stocks in terms of dollars invested and number of companies.
2. Proximity of projects - AusAmerican’s resource projects are located 100% in North America which we believe will assist the investors in understanding the projects better; and
3. Valuation - TSX valuation per Enterprise value per pound of JORC /43-101 pound of U<sub>3</sub>O<sub>8</sub> (EV/lb) for uranium junior exploration/development companies is currently between \$2.50 and \$3 per pound. ASX EV/lb valuation is lower than the TSX’s and AIW’s current EV/lb is less than \$0.50 per lb.

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### **Notice of Meeting to be despatched soon to Shareholders**

As a result of the Company seeking to list on the TSX-V, a notice of meeting will soon be sent out to all Shareholders requesting the support of a number of resolutions.

Resolution 1 seeks Shareholder approval for the Company to undertake the consolidation of its issued and outstanding Shares and options on issue on a 1 for 5 basis (the “Consolidation”).

Resolution 2 seeks Shareholder approval to amend the Company’s Constitution so that all directors of the Company are required to be re-elected at the Annual General Meeting of the Company each year. The effect of this amendment is that Shareholders will have the opportunity to re-elect the Directors of the Company at each Annual General Meeting.

Resolution 3 seeks Shareholder approval for the adoption of an Employee Share Option Plan (the “ESOP”) that complies with TSX-V regulations.

The Company has been advised by the TSX-V that its successful listing on the TSX-V will be conditional upon these three resolutions being successfully approved by Shareholders and the satisfaction by the Company of other standard TSX-V listing conditions

### **Rationale for the Share Consolidation**

The TSX-V may refuse an application for listing if in its opinion, a company’s capital structure appears to be excessively dilutive or otherwise imbalanced. In particular, the TSX-V does not support the listing of companies where the value of the listed shares is below CDN\$0.05.

In an effort to ensure that the capital structure of the Company complies with TSX-V requirements, the Company has determined to consolidate the existing Shares on a 1 for 5 basis. This Consolidation is expected to ensure that the effective issue price of all shares of the Company is greater than CDN\$0.05 per Share.

The result of the Consolidation is that each Shareholder’s securityholding will be reduced by five times its current level. Each Shareholder’s proportional interest in the Company’s share capital will remain unchanged as a result of the Consolidation. Any fractional entitlements of Securityholders as a consequence of the Consolidation will be rounded up.

Full details of the Consolidation will be contained in the Notice of Meeting to be despatched soon to Shareholders.

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### **Rationale for Amendment to Constitution**

Under the TSX-V listing rules, the TSX-V may refuse an application for listing if in its opinion a company's constitution does not provide for annual re-election of all directors. The Company expects that the proposed amendment will allow the Constitution to comply with the TSX-V's requirements.

Full details of the Amendment to the Constitution will be contained in the Notice of Meeting to be despatched soon to Shareholders.

### **Rationale for Adoption of Employee Share option Plan (ESOP)**

The TSX-V requires that any stock option plan for the Company be compliant with TSX-V requirements. The Company seeks approval for the ESOP proposed so that it will satisfy the TSX-V requirements regarding option plans. The Company expects that the proposed ESOP will comply with the TSX-V's requirements.

Full details of the ESOP will be contained in the Notice of Meeting to be despatched soon to Shareholders.

Regards,

A handwritten signature in black ink, appearing to read 'Jim Malone', with a long horizontal flourish extending to the right.

Jim Malone  
Executive Chairman

### ***Further information***

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