



09 March 2023

**ASX:AUN**

## ABOUT AURUMIN

Aurumin Limited (ACN 639 427 099) is an Australian exploration company with advanced projects.

## AURUMIN BOARD

**Piers Lewis**

Non Executive Chairman

**Brad Valiukas**

Managing Director

**Shaun Day**

Non Executive Director

**Darren Holden**

Non Executive Director

## CAPITAL STRUCTURE

178.7 million shares

29.6 million listed options

37.2 million unlisted options

## PROJECTS

Central Sandstone

Mt Dimer

Mt Palmer

Johnson Range

Karramindie

## CONTACT US

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# CAPITAL RAISING TO FUND CONTINUED ADVANCEMENT AT SANDSTONE

**Aurumin Limited (ASX: AUN)** ("**Aurumin**" or "the **Company**") is pleased to announce it is undertaking a capital raising of up to approximately \$4.7 million (before costs) consisting of the following:

- **Placement:** firm commitments have been received to raise \$760,000 (before costs) at \$0.04 per fully paid ordinary share (**Share**), with one (1) free attaching option for every one (1) Share subscribed for under the Placement (expected to be listed under ticker ASX:AUNOB, exercisable at \$0.07 each and having an expiry date of 31 August 2024) (**Quoted Options**); and
- **Entitlement Offer:** Aurumin is undertaking a non-renounceable entitlement offer, to raise up to approximately \$3.9 million (before costs) at a price of \$0.04 per Share, on the basis of one (1) new Share for every two (2) Shares held as at 5.00pm (AWST) on the record date (**Record Date**) and one (1) free attaching Quoted Option for every one (1) Share subscribed for and issued under the Entitlement Offer (**Entitlement Offer**),

(collectively, the **Capital Raising**).

The Entitlement Offer is partially underwritten by GBA Capital for up to \$1,240,000, which along with the Placement ensures a minimum capital raising of \$2,000,000 before costs.

### **Aurumin's Managing Director, Brad Valiukas, commented:**

*"The Company appreciates the support of new and existing shareholders in the Capital Raising. The Capital Raising will enable Aurumin to continue to explore and expand our Sandstone Operations."*

*"We will continue our dual focussed approach at the Central Sandstone Project, to both optimise existing resources and identify new resources. As part of this approach, the next drill programme at Sandstone will focus on near surface geochemical and structural targets, which are already identified on the mining leases."*

*"Other ongoing activity at Sandstone will continue to build the project overall with ongoing early stage target identification through geochemistry and geological mapping on the exploration tenements and we hope to expand the tenement footprint further with the upcoming ballot process, where a 14 exploration applications are lodged, including immediately adjacent to Aurumin's Central Sandstone Project"*

## CAPITAL RAISING

### Placement

The Company is pleased to announce that it has received firm commitments for 19,000,000 Shares to raise \$760,000 (before costs) pursuant to a placement with sophisticated and professional investors qualifying under s708 of the *Corporations Act 2001* (Cth) at a price per share of \$0.04 per Share (**Placement Price**) (**Placement**).

Placement participants will be issued with one (1) Quoted Option for every one (1) Share subscribed for and issued under the Entitlement Offer. The Quoted Options are expected to be listed under ticker ASX:AUNOB and are exercisable at \$0.07 each and have an expiry date of 31 August 2024.

The Shares to be issued pursuant to the Placement will be issued under the Company's existing Listing Rule 7.1/7.1A placement capacity.

The Quoted Options to be issued pursuant to the Placement will be issued to a prospectus.

The Placement is expected to complete on or around 13 March 2023.

### Entitlement Offer

Aurumin will offer all eligible shareholders who have a registered address in Australia and New Zealand (**Eligible Shareholders**), the opportunity to participate in the Entitlement Offer, being a non-renounceable pro rata entitlement offer on the basis of one (1) Share for every two (2) Shares held at the record date and one (1) free attaching Quoted Option for every one (1) Share subscribed for under the Entitlement Offer, at an issue price of \$0.04 per Share to raise up to approximately \$3.9 million (before costs). The Quoted Options are expected to be listed under ticker ASX:AUNOB and are exercisable at \$0.07 each and have an expiry date of 31 August 2024.

The Company is intending to shortly lodge with ASIC its prospectus in respect of the Entitlement Offer and the offer of the Quoted Options under the Placement (**Prospectus**).

### Top-Up Offer

Any securities in the Company (**Securities**) not validly subscribed for pursuant to the Entitlement Offer will form a top-up offer (**Top-Up Offer**).

The issue price for each new Share to be issued under the Top-Up Offer shall be \$0.04, being the price at which Shares are being offered under the Entitlement Offer. Participants in the Top-Up Offer will also be issued 1 free Quoted Option for every 1 new Share subscribed for under the Top-Up Offer.

Eligible Shareholders who have applied for their full Entitlement, will be able to apply for additional Securities under the Top-Up Offer subject to such applications being received by the Closing Date of the Entitlement Offer and Top-Up Offer (**Closing Date**).

Any Securities to be issued pursuant to the Top-Up Offer will be allocated at the discretion of the Company's directors (**Directors**) (in consultation with GBA Capital Pty Ltd (**GBA Capital**)), pursuant to the allocation policy to be outlined in the Prospectus. Accordingly, there is no guarantee that Eligible Shareholders who apply for Securities in excess of the Entitlement, pursuant to the Top-Up Offer will receive such Securities.

### Shortfall Offer

Any Shares which are not taken up in accordance with the Entitlement Offer or the Top Up Offer (**Remaining Shortfall Securities**) may be placed by GBA Capital in consultation with the Company to new investors within three months of the Closing Date.

Accordingly, the Prospectus will also incorporate an offer to new investors who have received an invitation to apply for Remaining Shortfall Securities (**Shortfall Offer**).

The issue price for each new Share to be issued under the Shortfall Offer shall be \$0.04, being the price at which new Shares are being offered under the Entitlement Offer. Participants in the Shortfall Offer will also be issued 1 free attaching Quoted Option for every 1 new Share subscribed for under the Shortfall Offer.

Any Remaining Shortfall Securities will be allocated by GBA Capital in consultation with the Company pursuant to the allocation policy to be outlined in the Prospectus. Accordingly, there is no guarantee that new investors will receive any Securities pursuant to the Shortfall Offer.

### **Use of Funds**

Funds raised from the Capital Raising will be applied to fund exploration on the Company's projects, including the Company's wholly owned Central Sandstone Project, in partial reduction of the outstanding balance of the Convertible Note Agreement to which the Company is party (refer ASX announcement dated 15 December 2021), for general working capital and to pay the costs of the Capital Raising.

The Entitlement Offer and Top-Up Offer provide eligible shareholders with the opportunity to take up new Shares (and Quoted Options) proportional to their shareholding and mitigate the effect of dilution. Eligible shareholders who do not take up their entitlement under the Entitlement Offer in full or in part, will not receive any value in respect to those entitlements not taken up.

Further details in respect of the Entitlement Offer (and associated secondary offers) will be provided in the Prospectus.

### **Lead Manager Fees**

GBA Capital has acted as Lead Manager to the Placement and will receive the following aggregate consideration (in addition to reimbursement for expenses properly incurred by GBA Capital in performing its obligations thereunder) in connection with the Placement:

- (a) a placement capital raising fee of 7% of the gross proceeds under the Placement; and
- (b) 5 million Quoted Options, subject to Shareholder approval (failing which the Company will pay the cash equivalent of the same determined utilising a Black & Scholes valuation of the Quoted Options).

Further details in respect of GBA Capital's interests in the Company, the Placement and the Entitlement Offer will be set out in the Prospectus.

### **Underwriting Agreement**

The Entitlement Offer and Shortfall Offer are partially underwritten by GBA Capital for up to \$1,240,000 (**Underwritten Amount**), being up to 31,000,000 Shares pursuant to the Underwriting Agreement.

Any Shares and Quoted Options which are not taken up in accordance with the Entitlement Offer and Top-Up Offer may be placed by GBA Capital (in consultation with the Company) within three months of the Closing Date (**Remaining Shortfall Securities**).

The obligations of GBA Capital pursuant to the Underwriting Agreement are subject to various conditions precedent.

Pursuant to the Underwriting Agreement, GBA Capital will receive the following aggregate consideration (in addition to reimbursement for expenses properly incurred by GBA Capital in performing its obligations thereunder):

- (a) an underwriting fee totalling 7% of the underwritten amount pursuant to the Underwriting Agreement;
- (b) 10,000,000 Quoted Options, subject to Shareholder approval (failing which the Company will pay the cash equivalent of the same determined utilising a Black & Scholes valuation of the Quoted Options);
- (c) a selling fee of 7% of the gross proceeds received from the sale of all Remaining Shortfall Securities; and
- (d) 8 Quoted Options for every 1\$ of Remaining Shortfall Securities placed up to a maximum of 10 million Quoted Options, subject to Shareholder approval (failing which the Company will pay the cash equivalent of the same determined utilising a Black & Scholes valuation of the Quoted Options).

The obligation of GBA Capital to underwrite the Entitlement Offer up to the Underwritten Amount is subject to certain absolute rights of termination. They key termination rights include, but are not limited to:

- (a) the S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 10% or below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
- (b) the Shares finish trading on the ASX under the ASX code of "AUN" on any three (3) consecutive trading days with a closing price equal to the Price minus 15% (\$0.034);
- (c) it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to the Underwritten Securities;
- (d) it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of Sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (e) the Company is prevented from issuing the Underwritten Securities within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or
- (f) a director or senior manager of a Relevant Company is charged with an indictable offence.

GBA Capital may also terminate the Underwriting Agreement for certain termination events which cause a material adverse event. These termination events include, but are not limited to:

- (a) there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China or any member of the European Union other than hostilities involving Libya, Afghanistan, Iraq, Iran, Syria, Lebanon or, Israel and the Underwriter believes (on reasonable grounds) that the outbreak or escalation is likely to result in the S&P ASX 200 Index falling by the percentage contemplated by the Underwriting Agreement;
- (b) default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
- (c) any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
- (d) a material contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (e) an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a likely Material Adverse Effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of

- any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
- (f) a "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
  - (g) without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
  - (h) any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
  - (i) the Company suspends payment of its debts generally;
  - (j) an Event of Insolvency occurs in respect of a Relevant Company;
  - (k) litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any Relevant Company except as disclosed in the Prospectus;
  - (l) there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter (such consent not to be unreasonably withheld); or
  - (m) there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company.

The Underwriting Agreement otherwise contains terms and conditions considered standard for an agreement of this nature.

09 March 2023

**ASX:AUN**



### **Authorisation for release**

The Aurumin Board has authorised this announcement for release.

### **For further information please contact**

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### **About Aurumin Limited**

Aurumin Limited is an ASX-listed mineral exploration company focused on two project areas in Western Australia.

The **Sandstone Gold Operations** were cornerstone by the acquisition of the **Central Sandstone Project** by the Company in early 2022.

- The **Central Sandstone Project** comprises an **881,300 ounce gold mineral resource** and significant project infrastructure that the Company aims to use to support a gold mining operation in the future.
- The Company's **Johnson Range Project** has a Mineral Resource of **64,700 ounces at a grade of 2.51g/t Au**, located midway between Southern Cross and Sandstone.
- The **Birrigrin Project** area was added in late 2023 and is 70km north of the Central Sandstone Project. The Project has 39 mapped shafts dating to the early 1900s with recorded production grades up to 196g/t Au.

In addition to the Sandstone Gold Operations, the Company has a significant landholding at its **Southern Cross Operations**, including two historical high-grade production centres, Mt Dimer and Mt Palmer.

- The **Mt Dimer Project** produced over 125,000 ounces of gold from open pit and underground production of approximately 600,000 tonnes @ 6.4 g/t, and has a substantial tenure footprint.
- The historical **Mt Palmer Project** produced via open pit and underground methods, generating approximately 158,000 ounces of gold at an average grade of 15.9 g/t.

The Company is actively exploring its tenements and pursuing further acquisitions that complement its existing focus and create additional Shareholder value.

### **Subscribe for Announcements**

To keep abreast of the Company's latest announcements and developments available to investors please subscribe to our mailing list at <https://aurumin.com.au/contact/>.