

6 November 2017

Australian Securities Exchange
Exchange Plaza
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PERTH WA 6000

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ASX Aware Letter Response

Australian Mines Limited (“AUZ” or “the Company”) provides the following responses to the questions contained in the Aware Letter from the Australian Securities Exchange dated 3 November 2017 in accordance with Listing Rule 18.7A.

1. Has AUZ, its officers or corporate advisers conveyed information to the media regarding the proposed placement’s pricing and structure?

Absolutely not

2. Is there any explanation AUZ may have regarding how the proposed pricing and structure of the placement appeared in the Article?

No – at no time has Australian Mines disclosed the proposed pricing or structure of its placement to strategic institutional funds and investors to any media outlet, journalist, blogger or similar.

On 3 November 2017, whilst the Company’s securities were in a trading halt, the Company was made aware by someone (who described themselves as an AUZ shareholder) of a post on the Hot Copper (ASX: HOT) website by an individual purporting to contain the key terms of the placement. The information in that post is consistent with the information in the Article.

Following receipt of this information, the Company immediately made enquiries both within Australian Mines and amongst its corporate advisors to the placement and is satisfied that the information was not provided to Hot Copper by any representative of Australian Mines or its corporate advisors.

Upon further investigation by the Company’s legal team, it appears that individual is an Australia broker, whose firm did not have any legal relationship with the Company in this placement.

It should be noted that the top of the term sheet associated with this placement are the words (in bold): Private & Confidential - NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION.

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The term sheet also contains the follow statement:

Please note that this Term Sheet and the information contained in it is both price sensitive and confidential and must not be distributed or disclosed to any other party without the prior written approval of the Joint Lead Managers.

3. In light of the information regarding pricing and structure of the proposed placement appearing in the Article, what enquiries has the Company undertaken to ensure its compliance with Listing Rule 15.7?

Australian Mines has a strict policy that no director, employee or agent acting on its behalf may participate on the Hot Copper forum or on any other investment-related social media platform.

As noted above, following receipt of this information, the Company immediately made enquiries both within Australian Mines and amongst its corporate advisors to the placement and is satisfied that the information was not provided to Hot Copper by any representative of Australian Mines or its corporate advisors.

Accordingly, the Company is satisfied that it is in compliance with Listing Rule 15.7.

4. If the current arrangements are inadequate or not being enforced, what additional steps does AUZ intend to take to ensure compliance with Listing Rule 15.7?

Not applicable – Australian Mines considers that its current policy of prohibiting its directors, employees and its corporate advisors from participating on the Hot Copper forum on any other investment-related social media platform will ensure that the Company continues to comply with Listing Rule 15.7.

5. Please confirm that AUZ is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Australian Mines confirms it is in compliance with the Listing Rules, including Listing Rule 3.1.

The Company did not make the allocations in relation to the placement until 13:12 (AWST) on 3 November 2017 and will lodge the announcement disclosing the details of the placement with the ASX prior to the market opening on 6 November 2017 in accordance with Listing Rule 3.1.

6. Please confirm that AUZ's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AUZ with delegated authority from the board to respond to AUZ on disclosure matters.

AUZ confirms that the responses to the above have been authorised and approved by its board of directors.

Sincerely

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Benjamin Bell
Managing Director
Australian Mines Limited



3 November 2017

Michael Ramsden
Australian Mines Limited
Level 1, 83 Havelock Street
WEST PERTH WA 6005

By email

Dear Mr Ramsden

AUSTRALIAN MINES LIMITED (“AUZ”)

ASX Limited (“ASX”) refers to the following.

- A. AUZ’s request for a trading halt lodged on the ASX Market Announcements Platform (“MAP”) and released on 2 November 2017 (the “Trading Halt Request”), disclosing AUZ’s request for a trading halt for its securities, pending the release of an announcement with regards to a share placement to institutional investors in the United Kingdom, Hong Kong and Australia.
- B. The article appearing on page 56 of *The West Australian* newspaper on 3 November 2017 entitled “Australian Mines eyes \$15m” (the “Article”), stating (inter alia):
“... It is understood that the placement will be priced at a discounted 8.5 cents, initially raising \$7 million to \$10.2 million, with the capacity to accept another \$5 million in oversubscriptions.”
- C. AUZ’s “Response to ASX Price Query” released on MAP on 31 October 2017.
- D. AUZ’s “Response to ASX Aware Letter” released on MAP on 2 November 2017.
- E. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
- F. Listing Rule 15.7, which requires that an entity must not release information which is for release to the market to any person (including the media, even on an embargoed basis) until it has given the information to ASX and received an acknowledgment that ASX has released it to the market.
- G. Listing Rule 18.6, which requires that on admission to the official list, an entity must comply with the Listing Rules.
- H. AUZ’s Continuous Disclosure and Shareholder Communication Policy available on its website, stating (inter alia):

“The Managing Director has been nominated as the person responsible for communication with Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with

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the continuous disclosure requirements in the ASX Listing Rules and overseeing, in conjunction with the Directors, information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.”

Listing Rule 15.7 prohibits an entity from releasing information which is for release to the market to any person (including the media, even on an embargoed basis) until it has given the information to ASX and received an acknowledgment that ASX has released it to the market.

As the Article appeared in *The West Australian* newspaper prior to any announcement being released to ASX, it appears that AUZ may be in breach of listing rules 3.1 and/or 15.7.

Having regard to the above, ASX asks AUZ to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A.

1. Has AUZ, its officers or corporate advisers conveyed information to the media regarding the proposed placement's pricing and structure?
2. Is there any explanation AUZ may have regarding how the proposed pricing and structure of the placement appeared in the Article?
3. In light of the information regarding pricing and structure of the proposed placement appearing in the Article, what enquiries has the Company undertaken to ensure its compliance with Listing Rule 15.7?
4. If the current arrangements are inadequate or not being enforced, what additional steps does AUZ intend to take to ensure compliance with Listing Rule 15.7?
5. Please confirm that AUZ is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that AUZ's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AUZ with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, **by not later than 6.30am AWST on Monday, 6 November 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in AUZ's securities under Listing Rule 17.3.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.



Your response should be sent to me by e-mail at tradinghaltspert@asx.com.au. It should **not** be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Please contact me if you have any queries about this matter.

Yours sincerely

[sent electronically without signature]

Ben Secrett
Senior Adviser, ASX Listings Compliance

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