



SHAREHOLDER UPDATE – 16th September 2016

- **Third highly promising licence application submitted to the Ministry of Mines**
- **Capital raising plans for 2017**

THIRD LICENCE APPLICATION

AAM is pleased to report that it submitted its third exploration licence application to the Myanmar Ministry of Mines on the 8th of September. The application covers a gold-prospective area of ~ 586 sq km in the Mandalay Subdivision of Central Myanmar.

Again, our third licence application satisfies many of the criteria that we have been actively searching for through our project generation process:

- Direct evidence of gold mineralisation existing in the form of small scale open pit mining, which has been ongoing in the area since 1985. Previous exploration carried out in the 1980's by the Department of Geological Survey and Exploration (DGSE) in proximity to the operating small scale mine identified non JORC compliant resources of up to **3.2 Mt @ 4.8 g/t Au (0.5 Moz)** within a 500m long x 300m wide mineralisation zone;
- Gold mineralisation hosted within quartzite beds in spatial association with an extensive, NS-trending regional anticline. The sediment-hosted replacement style of mineralisation represents an attractive target with respect to potential large scale mineralisation, as the host sedimentary sequence and controlling structures have been mapped over a strike length of +30km. Despite the potential large-scale of regional mineralisation, the area has undergone limited systematic exploration since the mid 1980's and therefore contains significant upside.
- Mandalay Subdivision, in central Myanmar, is regarded as one of the best parts of Myanmar to conduct business. It is well situated with respect to regional infrastructure, including the main national highway from Yangon. It has an international airport and an extensive network of all weather paved roads.



Exposed sediment-hosted ore zone at the small scale gold mine



Boulder of sediment-hosted ore

CAPITAL RAISING

On the 5th August 2016, the Board of Directors passed a resolution to raise additional capital, this will provide sufficient funding to support operations until mid 2017. Given the promising outlook the use of internal funding is intended to minimise dilution to existing shareholders.

The additional funds will be raised in two stages. Initially by way of a rights issue, whereby existing shareholders will have the right, but not the obligation, to subscribe for new shares amounting to 1/20 of their current holding at an issue price of SGD 0.25 per share. With 16,874,452 shares currently on issue, the rights issue will result in the issue of up to an additional 843,722 shares and **raise up to SGD 210,930**. The Board will seek to place any shortfall from this rights issue. Share subscription forms will be sent out to eligible shareholders in the next week.

Following the rights issue, the company will raise up to an additional **SGD 250,000** through a share placement of 1,000,000 new shares @ SGD 0.25 per share to existing and potential new investors.

Upon completion of the capital raising the Board has resolved to issue 1,250,000 new shares to AAM management and staff in lieu of payment for services rendered during 2016. All AAM management and staff members provide contract services to the company for below industry standard cash day rates and shares, maximising funds spent on field exploration, incentivising the team for long term success and ensuring our decision making is aligned with the best interests of all stakeholders.

Table 1 below outlines the company share structure post the intended capital raise and issue of new shares.

Table 1 – AAM Capital Structure

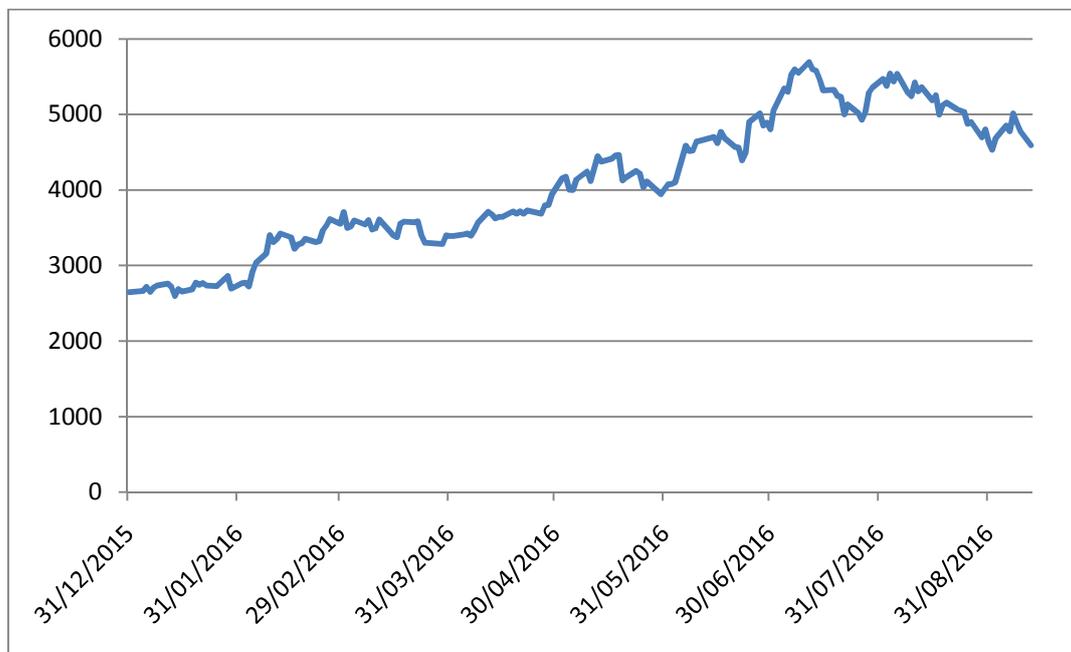
Current Shares on Issue (16/09/16)	16,874,452
Rights Issue	843,723
Share Placement	1,000,000
Staff Salary Shares	1,250,000
Total Shares post Issue	19,968,175

Why SGD 0.25 per Share?

Since our previous (SGD 0.125) capital raising that was completed in early 2016, the company has made significant progress with our strategy in Myanmar, including;

- Formation of a Joint Venture with Future Engineering Group, founded by one of Myanmar’s most respected mining industry figures
- Three exploration licence applications, covering a total of ~ 1,840 sq km of highly prospective ground located across Myanmar’s three major gold belts
- Acquisition and interpretation of high value data from previous exploration
- Improved understanding of the most promising gold exploration areas through systematic field evaluations and further targeting studies, resulting in the generation of several new, highly prospective target areas; and
- Strengthening of our in country relationships, including the DGSE and Ministry of Mines

Furthermore, in the eight months since our previous capital raise, the global gold equities market has experienced a significant appreciation in value, as illustrated by the ASX-Gold Index (below) which shows an increase of 74% since January 2016.



ASX Gold Index



OPERATIONAL UPDATE

The field season will commence again in early October and we are well advanced in our planning, having already submitted proposals to the DGSE for the first two project evaluation field trips. At this stage, we expect to evaluate a further six prospect areas in October and November and expect to apply for additional exploration licences by year's end.

On 8 September, AAM management met with the Ministry of Mines in Nay Pyi Daw to discuss the progress of our current licence applications. Feedback was positive and we expect to receive the necessary confirmatory documents from the Ministry in coming weeks, which will then allow us to commence the grant process with state and local level stakeholders.

Pursuant to our original capital plans, AAM management has also recently stepped up dialogue with potential strategic partners. Alongside the expected progress on the ground, these discussions will be ongoing with the aim of providing AAM with the resources to fully exploit the land package that is being assembled thereby optimising the value to shareholders over the long term.

As a final note, in the last twenty four hours the US President announced that he would seek to lift all remaining US sanctions on Myanmar. This is an extremely positive development. When sanctions are eventually lifted those companies, such as AAM, with an established presence and networks will benefit from the influx of new participants to the country.

From the AAM Team