

ASX ANNOUNCEMENT

\$12 Million Capital Raising and Elimination of \$24.5 Million in Debt

Energy and Minerals Australia Limited (**EMA** or **the Company**) is pleased to advise of a capital raising and restructure of the Company's balance sheet.

Highlights

- **\$12 million of new capital by way of an equity raising to Forrest Family Investments**
- **\$24.5 million of debt converted into equity demonstrating strong support by EMA's long-term financial supporters**
- **EMA remains focused on completing the feasibility study on its Mulga Rock Project and achieving its target of production by the end of 2016**

The Company is pleased to announce that it has entered into a binding term sheet with Forrest Family Investments Pty Ltd, an Andrew Forrest entity within the Munderoo Group, to raise \$12 million by way of an equity capital raising (**Placement**).

In addition, the Company's note holders, leading Australian resource investment groups Acorn Capital Limited and its clients (Acorn), Macquarie Bank (Macquarie) and the Element Resources Fund, have agreed that the debt owed to them shall be repaid in shares (**Notes Conversion**), subject to certain conditions as outlined below. As a result \$24.5 million of debt will be eliminated and converted into shares.

These two transactions will restructure the Company's balance sheet and increase its net assets by \$36.5 million.

Andrew Forrest noted that "my investment is a strong vote of confidence in the executive management team of Mike Young and Julian Tapp with whom I have had a long and successful working relationship".

Mike Young, Managing Director of EMA, said, "Julian and I have always worked extremely well with Andrew Forrest. We are confident this investment in the new management team will unlock EMA's potential and future growth."

"Raising \$12 million in equity and eliminating all of EMA's \$24.5 million debt will increase the Company's net assets by \$36.5 million and provide EMA with a strong balance sheet and a more normalised capital structure. EMA is now set up to move the Mulga Rock Uranium project forward to meet uranium demand which is expected to grow at phenomenal rate in coming years."

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Placement

Subject to the conditions outlined below, EMA will issue 400 million shares (each a **Placement Share**) to Forrest Family Investments Pty Ltd at \$0.03 for each Placement Share to raise \$12 million. One free unlisted option will be attached to each Placement Share (**Placement Options**). The Placement Options will have an exercise price of \$0.05 and an expiry date of 30 June 2016. Upon completion of the Placement and the Notes Conversion, it is expected that Forrest Family Investments Pty Ltd will have an interest of 27.86% in the Company.

The conditions of the Placement are:

- the Company's noteholders converting all of their convertible notes to equity and the Company issuing shares to repay all of the promissory notes (collectively known as the **Notes Conversion**); and
- shareholder approval by EMA's shareholders, for all purposes, of the Placement and the Notes Conversion.

Notes Conversion

Leading Australian resource investment groups Acorn Capital Limited and its clients (**Acorn**), and Macquarie Bank (**Macquarie**), have previously provided funding to the Company in the form of promissory notes to the principal value of \$3.6 million (**Promissory Notes**). Acorn, Macquarie and the Element Resources Fund (**Noteholders**) also currently hold convertible notes in the Company (**Convertible Notes**).

Subject to a number of conditions including shareholder approvals being received and the completion of the Placement, the Noteholders have agreed to convert all of their Convertible Notes and for EMA to issue shares to repay the Promissory Notes. The issue price of each share issued to repay the Promissory Notes and the conversion price for the Convertible Notes will be \$0.038.

Following the issue of the Placement Shares and the shares for the Notes Conversion, it is expected that:

- Macquarie will hold an interest of 20.98% in the Company; and
- Acorn will hold a relevant interest of 23.21% in the Company.

In the meantime, the Noteholders have also agreed to extend the repayment date of the Promissory Notes, and all other ancillary dates relating to the Promissory Notes and Convertible Notes from 2 May 2014 to 31 July 2014.

Next steps

The Placement and Notes Conversion will be subject to shareholder approval for the purposes of ASX Listing Rules and the Corporations Act. An extraordinary general meeting is currently anticipated to be held in early July 2014. An independent expert's report will be prepared and provided to shareholders together with a notice of meeting and explanatory memorandum for consideration before voting on any of the resolutions relating to the Notes Conversion and the Placement.

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The Company will issue the Placement Shares, Placement Options and the shares for the Notes Conversion shortly after shareholder approval has been received.

Status of voluntary suspension

The Company requests that the securities of the Company be reinstated to trading on release of this announcement.



Mike Young

Chief Executive Officer and Managing Director
5 May 2014

ABOUT EMA

Energy and Minerals Australia (ASX: EMA) is a Perth-based resource development company. EMA's primary focus is the development of the Mulga Rock Project, located about 240 km northeast of the regional city of Kalgoorlie-Boulder. The project shares access infrastructure with the large Tropicana Gold Project, owned by AngloGold Ashanti and the Independence Group.

Mulga Rock, which consists of four separate deposits named Ambassador, Emperor, Shogun and Princess, is one of Australia's largest undeveloped uranium resources. The deposits also contain nickel, cobalt, rare earth elements (REE), yttrium, scandium, vanadium, copper, zinc and gold.

EMA holds title to approximately 1,000 square kilometres of land at Mulga Rock. The discoveries to date demonstrate the significant exploration potential of this land-holding for the low-cost discovery of additional uranium resources.

For a comprehensive view of information has been lodged on the ASX online lodgement system and the Company website please visit at asx.com.au and eama.com.au respectively.

GENERAL INFORMATION

ASX Symbol:	EMA
Shareholder Enquiries:	
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DIRECTORS AND MANAGEMENT

The Hon. Cheryl Edwardes	Non-Executive Chairman elect
Mike Young	Managing Director and CEO
Julian Tapp	Executive Director and COO
David Cornell	Non-Executive Director
Shane McBride	CFO and Company Secretary
Xavier Moreau	General Manager – Geology and Exploration

PROJECT LOCATION

