

Eumeralla Resources Limited

ACN 148 860 299

Level 6,
105 St Georges Terrace,
Perth WA 6000
Australia

Tel: + 61 8 6558 0886

Fax: + 61 8 6316 3337

Email: info@eumerallaresources.com



ASX RELEASE [ASX:EUM]

29 December 2016

EUMERALLA EXECUTES SHARE SALE AGREEMENT

Eumeralla Resources Limited (**Eumeralla** or **the Company**) is pleased to announce that, in accordance with the binding heads of agreement entered into by the Company and Ausmex Mining Limited (**Ausmex**) on 5 December 2016 (**Proposed Acquisition**), it has now executed a formal Share Sale Agreement with Ausmex's security holders (**Ausmex Vendors**).

The effect of the Share Sale Agreement is that, subject to the satisfaction of certain conditions precedent, Eumeralla will acquire all the outstanding shares in Ausmex for consideration of 207,000,000 Eumeralla shares to be issued to the Ausmex Vendors. As at the date of this announcement, Ausmex has a total of 11 security holders (holding Ausmex shares, convertible notes or both). Its largest shareholder is C4 Shares Pty Ltd (**C4 Shares**), which will be entitled to approximately 48.3% of the Company's shares to be issued to the Ausmex Vendors. As a consequence of the Proposed Acquisition, if approved, C4 Shares is expected to hold approximately 25.6% of the listed merged entity.

Completion of the Proposed Acquisition remains subject to various conditions precedent including shareholder approval and re-compliance with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules. The indicative timing for the shareholder meeting, lodgement of the prospectus for a proposed \$5 million capital raising and re-compliance are detailed in the indicative timetable below.

Indicative Timetable

An indicative timetable for the transaction is set out below. The Company notes that the timetable may be subject to change.

Event	Date (week ending)
Despatch notice of general meeting of Eumeralla shareholders	20 January 2017
Lodge prospectus with ASIC & ASX	3 February 2017
Opening date of Public Offer	3 February 2017
Hold general meeting	24 February 2017
Closing date of Public Offer	3 March 2017
Settlement date	24 March 2017
Re-quotations date	7 April 2017

About Eumeralla Resources Ltd

Eumeralla is an emerging ASX-listed (ASX:EUM) metals explorer. The Company was listed on the ASX on 3 May 2012 for the primary purpose of acquiring and exploring mining projects initially in Mongolia and more recently, Myanmar. The company's strategic vision includes discovering commercially significant minerals deposits. In Mongolia, the license covers an area of 2,786 hectares and encompasses the historical Chuluun Khoroot tungsten mine, which was active during the period 1945-1955. The License area is located in NE Mongolia approximately 20 km north of the town of Dashbalbar, 850 km NE of Ulaanbaatar and 85 km NW of the Solowevs-Choibalsan railway. In Myanmar, the company has three separate JV partners with applications pending for several mining leases. The biggest of which is a 400km² concession in Kayah State, which plays host to the historical Mawchi Tungsten mine. The Company's initial metal focus will be on tin and tungsten, although other commodities may be targeted in the future. Eumeralla is constantly assessing other projects throughout SEA with a view to add value to shareholders.

Indicative Capital Structure

Following completion of the acquisition of Ausmex and re-instatement on ASX, the indicative capital structure of the Company is set out below.

	Shares	Other securities	% interest in issued capital
Shares currently on issue	99,165,607		25.3%
Shares to be issued to Ausmex Vendors	207,000,000		52.9%
Share to be issued under the Cloncurry Option Agreement (subject to confirmation of the issue price under the Public Offer)	12,500,000		3.2%
Shares to be issued to parties facilitating the Proposed Acquisition	10,350,000		2.6%
Shares to be issued under the Public Offer at an indicative issue price of \$0.08 (subject to confirmation under the Public Offer)	62,500,000		16%
Total Shares upon completion of the Proposed Acquisition	391,515,607		100%
Options currently on issue (exercisable @ \$0.045 on or before 31 December 2018)		10,000,000	15.8%
Options to be issued to directors (exercisable @ \$0.045 on or before 31 December 2018)		3,500,000	5.5%
Options to be issued to parties facilitating the Proposed Acquisition			
- exercisable 150% of the Public Offer issue price on or before the date that is 3 years after the date of issue		20,000,000	31.5%
- exercisable 175% of the Public Offer issue price on or before the date that is 3 years after the date of issue		30,000,000	47.2%
Total Options upon completion of the Proposed Acquisition		63,500,000	100%

Yours faithfully

Tim Slate
Company Secretary