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Australian Securities Exchange

20 Bridge Street

Sydney NSW 2000

## ASX RELEASE

### Review and Potential for Expansion of Scandium Resources at Flemington

Australian Mines Limited (“**Australian Mines**”, “the **Company**” or “**AUZ**”) is pleased to inform shareholders that due to significant interest in the Company’s recent advancements in its Solid-State Hydrogen Storage project, AUZ has commenced a review of the Flemington Scandium Scoping Study, as initially announced on 15 March 2017.

#### Flemington Scoping Project Highlights

The review is intended to update the capital, operating and revenue estimates for the 2017 Flemington Scoping Study, which indicated the following:

- Demonstrated NPV of up to A\$255 million (8% discount rate) and IRR of 37.3%, using a scandium oxide price of USD1,500,000 per tonne<sup>1</sup>
- 18-year life processing 100,000t annually, producing 50t of scandium oxide per annum with the potential to extend the life of mine up to 45 years<sup>1</sup>
- A capital cost of A\$74 million to build processing plant<sup>1</sup>
- The scoping study review will consider updating the Mineral Resource (JORC code, 2012) of **2.7mt grading at 403 grams per tonne of scandium** (Measured Resources of 2.5mt at 403 grams per tonne scandium)<sup>2</sup> to which approximately **500 drillholes** completed between 2019 and 2020<sup>3</sup> will be added.

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<sup>1</sup> ASX Announcement 15 March 2017

<sup>2</sup> ASX Announcement 31 October 2017

<sup>3</sup> ASX Announcement 17 June 2019, 8 July 2019, 12 August 2019, 2 October 2019, 23 June 2020

This review is motivated by the potential strategic synergy between our Solid-State Hydrogen Storage advancements, the hydrogen economy, and the potential applications of scandium.

The US Geological Survey estimates that scandium supply and demand has doubled, from 15-25 metric tons in 2021, to 30-40 metric tons in 2023<sup>4</sup>, and according to Mordor Intelligence is expected to have a compounded annual growth rate of 14.7% through to 2030<sup>5</sup>. Noting that scandium is a critical mineral<sup>6</sup> and 80% of scandium production is sourced from China<sup>7</sup> combined with the significant interest in the hydrogen economy and AUZ' s Solid-State Hydrogen Storage advancements has prompted a review and update of the Flemington Scoping Study.

### **Key Areas of Demand Growth**

- **Hydrogen Economy:** Scandium plays an essential role in solid oxide fuel cells (SOFCs), a highly efficient clean energy technology used in power generation aiming to reduce carbon footprints.
- **Aluminium-Scandium Alloys:** lightweight, strong, and highly resistant to corrosion which reduces the weight of vehicles, airplanes and spacecraft to improve fuel efficiency and reduce emission for increased sustainability.
- **Electronics:** Scandium is also used in electronics, to improve the performance of semiconductors and advanced communications technologies like 5G.

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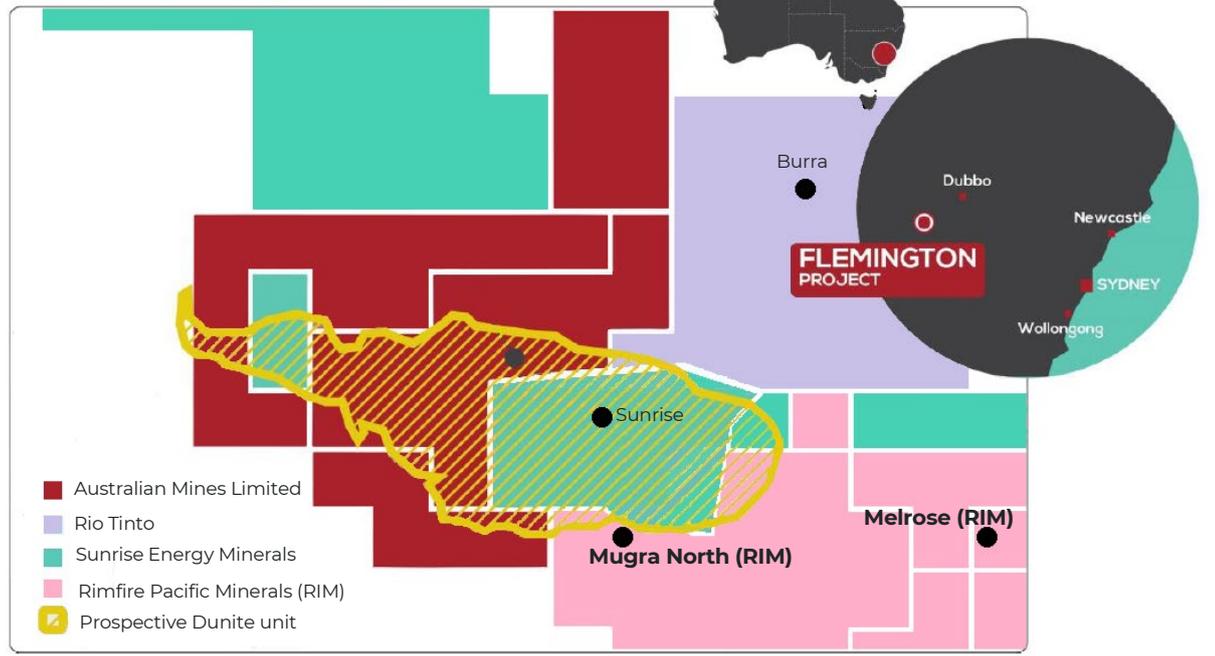
<sup>4</sup> <https://theoregongroup.com/investment-insights/the-hunt-for-scandium-has-started/>

<sup>5</sup> <https://www.mordorintelligence.com/industry-reports/scandium-market>

<sup>6</sup> Australia's Critical Minerals List and Strategic Materials List | Department of Industry Science and Resources

<sup>7</sup> <https://theoregongroup.com/investment-insights/the-hunt-for-scandium-has-started/>

### FLEMINGTON PROJECT TENEMENT MAP



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*Authorised for release by the Board of Directors of Australian Mines*



Australian Mines supports the vision of a world where the mining industry respects the human rights and aspirations of affected communities, provides safe, healthy, and supportive workplaces, minimises harm to the environment, and leaves positive legacies.