

UPDATE ON HIGH PURITY ALUMINA (HPA) INTEGRATED PLANT STUDY

Australia Minerals and Mining Group Limited (**ASX: AKA**) (AMMG or the Company) wishes to address the market speculation regarding the operating expense (**Opex**) figure that was not specifically detailed in the recent ASX announcement dated June 5th, 2014 ([click here to view the announcement](#)).

The Company would like to clarify that the findings of its high purity alumina (HPA) integrated plant study (**Study**) estimated the **Opex** of an HPA processing pilot plant (**Plant**) at **\$8.56/kg**, which is inclusive of a +/- 20% accuracy. The Opex is based on a 2t/day (or 700t/year) off mine site Plant.

The Study was based on the **kaolin to HPA** process flowsheet specifically researched and developed by AMMG. The Study was conducted by AMMG's specialist engineering consultants (**Consultants**).

The objective of the Study was to further develop major operating parameters within AMMG's process flowsheet by incorporating several efficiencies. The Study was conducted in conjunction with an **optimisation test work program (Test Work)**, which was commenced by the Consultants in February 2014 and is nearing completion.

Off-take Negotiations & Funding

AMMG continues to market its HPA product to **major end-users** and potential **off-take customers** from around the world, as well as some of the major HPA producers who have expressed an interest in potential Plant funding. The Company looks forward to providing samples to those interested parties and believes the samples will assist off-take negotiations. The bulk sample preparation is proposed following the completion of the current Test Work. The Company is also advancing various fundraising options.

Alternative Kaolin Marketing Opportunities

Following strong interest from international third parties and in view of the size of the current kaolin resource, the Company is investigating opportunities in supplying kaolin for a wide variety of applications using a dry screening process. The Company will provide further updates as more information becomes available.

ENDS



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About AMMG

AMMG was established for the purpose of securing exploration ground over areas that have typically been subject to **historical exploration** and where **significant geological data** was available and/or the land was considered sufficiently prospective. Areas with existing or potential access to infrastructure were also targeted.

To date, the Company has identified project areas located in Western Australia and Queensland, which the directors believe may have the potential for the realisation of economic resources of these commodities currently targeted, being – HPA **alumina, kaolin , iron ore, coal, mineral sands, salt, gypsum and gold.**

The Company itself or under joint venture now has **12 granted tenements and 20 applications** for tenements covering approximately **6,450km²** over the project areas. AMMG is pursuing a **diversification strategy** at this stage of the Company's development in order to provide additional development options and potential production opportunities.

