

29 October 2014

AMMG RECEIVES AU\$0.46 MILLION R&D TAX INCENTIVE REFUND

Highlights

- R&D Tax Incentive refund of A\$0.46 million for costs of R&D activities during 2013/2014 financial year
- Increases AMMG's total cash reserves to A\$1.73 million ¹
- Reinforces the Australian Government's support for the development of the Company's HPA project

Australia Minerals and Mining Group Limited (ASX: AKA) (AMMG/the Company) is pleased to advise it has received a research and development (R&D) tax refund of A\$462,172 under the federal government's R&D Tax Incentive Scheme.

The Company's claim relates to the costs of its R&D activities conducted during the 2013/2014 financial year, particularly in relation to the development and test work of the Company's 100%-owned high purity alumina (HPA) project.

The R&D Tax Incentive program is jointly administered by the federal government's AusIndustry program and the Australian Taxation Office. It is a targeted program that helps businesses offset a portion of costs relating to eligible R&D activities and innovation.

¹ As of 30 September 2014

-End-

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About AMMG (ASX: AKA)

AMMG is aiming to become one of the world's leading suppliers of a high-value product, 99.99% (4N) high purity alumina (HPA) (Al₂O₃). HPA is the major source material for scratch-resistant artificial sapphire glass, which is used in the next generation of smartphones as well as a growing range of high performance electronic applications such as LED's, semi-conductors, and phosphor TV screens. The global HPA market is approximately 19,040tpa and is expected to double over the coming decade.



Current HPA producers use an expensive and highly processed feedstock material such as aluminum metal to produce HPA. AMMG has reported the ability to produce 4N HPA directly from its aluminous clay feedstock at Meckering, Western Australia. The Company is now advancing a Bankable Feasibility Study (BFS) to develop a full-scale 3,000tpa HPA production facility. The AMMG process employs conventional and proven "off-the-shelf" plant and technology to extract HPA from its low-cost and low-impurity aluminous clay feedstock deposit which results in lower operating costs.

AMMG is a chemical processing group focused on creating a high-margin product to meet the growing global demand for the next generation of high-performance technologies.

Forward-looking Statements

This announcement contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.