

3 APRIL 2017

## **Mining Lease application submitted over Flemington Cobalt – Scandium Resource**

- **Mining Lease application at Flemington covers an area of 3,900 hectares, which enables any future expansion of the resource to be contained within this single Mining Lease**
- **Test work confirmed the Flemington Project is capable of producing cobalt sulphate and nickel sulphate in addition to high quality scandium oxide**
- **New South Wales is recognised internationally as a stable mining jurisdiction**
- **Resource extension drilling program, targeting high-grade cobalt, nickel and scandium mineralisation scheduled to commence this quarter**
- **Updated Mineral Resource anticipated in second half of this year**

Commenting on the application submission, Managing Director Benjamin Bell said, *“Converting the tenement containing the Mineral Resource at Flemington in New South Wales into a Mining Lease represents a major milestone for this project and reflects our confidence in its potential to become a significant future cobalt, scandium and nickel mining operation.”*

*“The Mining Lease, once approved, will enable us to rapidly progress the development of the Flemington project alongside our flagship Sconi Cobalt-Nickel-Scandium Project in Queensland, which is the most advanced project of its type in Australia with a Mining Licence and Environmental Approvals in place and a Definitive Feasibility Study under way.”*

*“I have been on a road show in Europe and Asia meeting with both potential project financiers and, more importantly, future off-take partners for all three strategic metals identified at Sconi and Flemington. That Australian Mines’ projects offer international manufacturers the ability to obtain strategic battery and technology metals from a proven and stable mining jurisdiction like Australia has been well received in all meetings.”*

*“This feedback supports our strategy to become one of Australia’s larger suppliers of cobalt sulphate and scandium oxide, as well as a significant contributor to the nickel sulphate market”.*

*“The legal requirement for all American companies<sup>1</sup>, including the major technology and automotive companies like Tesla, Apple, General Motors and The Linde Group to declare on an annual basis that their supply chains are compliant with applicable international laws and regulations around human rights, labour standards and protection of the environment makes Australian production an appealing jurisdiction from which to source materials.”*

*“The United Nations’ guidance on responsible business in conflict countries and guidelines set down by the OECD<sup>2</sup> on responsible mineral supply chains, similarly ensures Australian Mines is well-positioned to capitalise on the rapidly expanding electric vehicle market as manufacturers move to source their cobalt and other metals from countries like Australia where the supply chains are both clean and transparent”.*

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Following the release of the positive findings of its recently completed Scoping Study on the Flemington Cobalt-Scandium Project, Australian Mines Limited (“Australian Mines” or “the Company”) is pleased to announce it has submitted a Mining Lease application for the Flemington Project to the New South Wales Department of Industry (Division of Resources and Energy).

The Company’s Mining Lease application at Flemington covers an area of 3,900 hectares and includes the existing Mineral Resource<sup>3</sup> as well as a significant percentage of the prospective dunite geology unit (host of the cobalt, nickel and scandium mineralisation at Flemington as well as at the adjoining Syerston project<sup>4</sup>), which is currently untested by drilling.

Resource extension drilling targeting the expected continuation of the high-grade cobalt and scandium ore body at Flemington, as well as the project’s promising nickel potential is proposed to commence in the coming quarter with a Mineral Resource update expected to be released in the second half of the year.

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<sup>1</sup> Section 1502 of the Dodd-Frank Act, which was passed by the United States Congress in 2010 - U.S. Securities and Exchange Commission, <https://www.sec.gov/node/85831>

<sup>2</sup> Organisation for Economic Co-operation and Development (OECD), <http://www.oecd.org/daf/inv/mne/mining.htm>

<sup>3</sup> See Australian Mines announcement dated 31 March 2017 for full details of the Flemington Mineral Resource  
Flemington Mineral Resource: Measured 2.67Mt @ 435g/t Sc, Indicated 0.47Mt @ 426g/t Sc for total Mineral Resource of 3.14Mt @ 434g/t Sc. There has been no Material Change or Re-estimation of the Mineral Resource since this 31 March 2017 announcement by Australian Mines Limited

<sup>4</sup> Clean TeQ Holdings Limited, Presentation – BMO Capital Markets Conference, released 27 February 2017



The Flemington Mining Lease application, being 25% larger in area than the neighbouring Syerston application, is also more than sufficient in size to host the commercial processing facility contemplated under the Company's Scoping Study.

Having now submitted the Mining Lease application, Australian Mines expects to finalise its purchase of a water licence for the project within the next 4 to 6 weeks. The Company will then look to move quickly to commence its Pre-Feasibility Study of this promising project.

### **Background**

Australian Mines' Flemington Project is located in Australia's emerging cobalt-nickel-scandium province, 370 kilometers west of Sydney near the town of Fifield.

The Project hosts an existing Mineral Resource, with the ore body being contiguous with Clean TeQ's Syerston deposit, separated only by a tenement boundary as clearly shown by the work done by independent mining company, SRK Consulting and reported by Australian Mines on 31 March 2017.

SRK also noted in their Scoping Study report, completed for Australian Mines, that the Flemington ore body is a lateritic deposit not dissimilar to Australian Mines' Sconi Cobalt-Nickel-Scandium deposit, which would result in a future mining operation at Flemington also producing a nickel sulphate product alongside a cobalt sulphate and high grade scandium oxide product.

**\*\*\*ENDS\*\*\***

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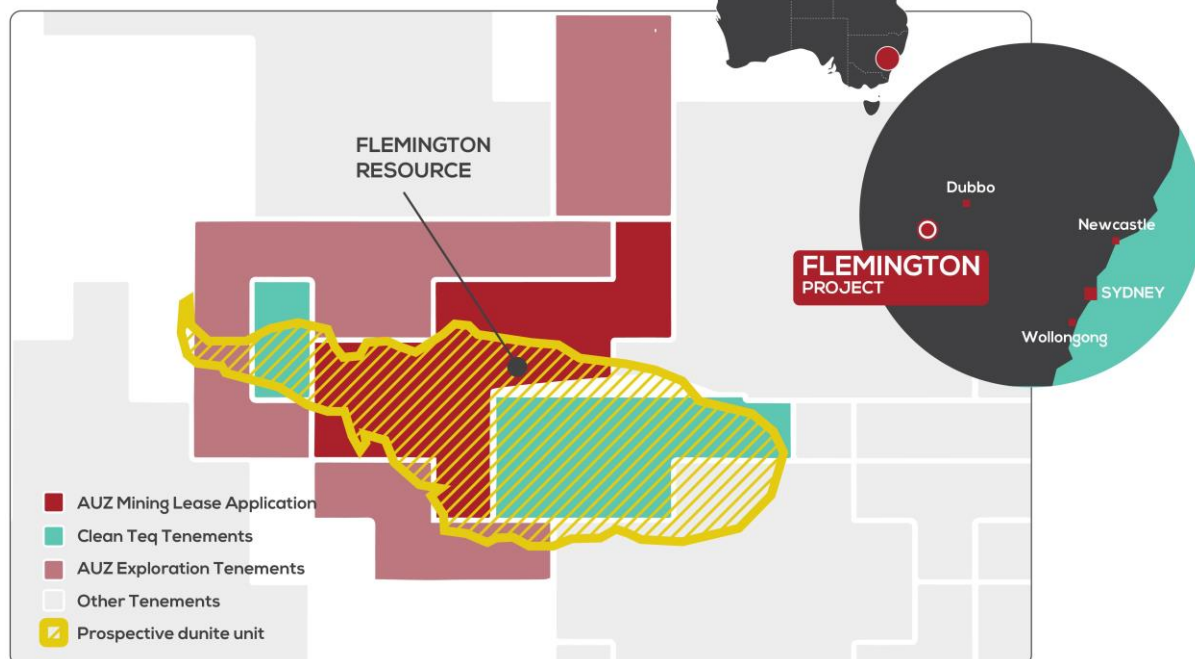
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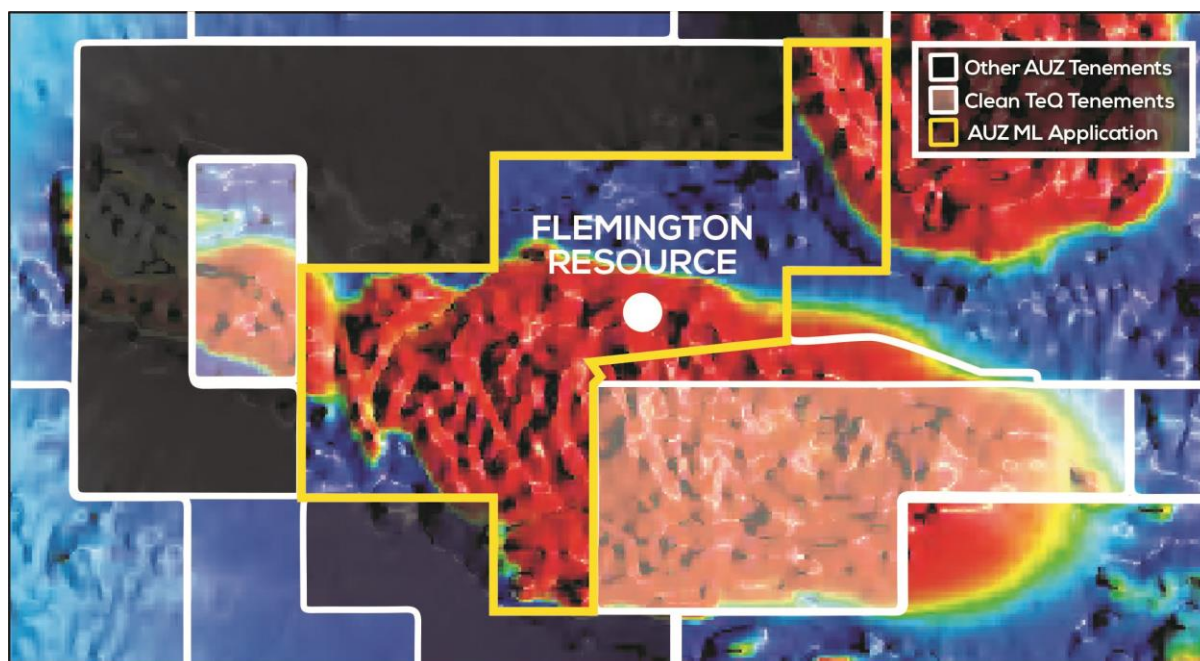


Location map of Australian Mines' Flemington Cobalt-Scandium Project in central New South Wales and the Sconi Cobalt-Nickel-Scandium Project located in northern Queensland.

**FLEMINGTON PROJECT TENEMENT MAP**



**Figure 1:** Location of Australian Mines' Flemington Project in New South Wales, Australia. The Flemington project has the potential to offer international technology and automotive companies a reliable future source for their cobalt, scandium and possibly nickel sulphate from a region whose mining practices are aligned with international laws and regulations including the United Nations and OECD guidelines, and United States Dodd-Frank legislation.



**Figure 2:** Aeromagnetic image of the magnetic high zone associated with prospective geology hosting both Australian Mines' Flemington ore body and Clean TeQ's adjoining Syerston project. The 3,900 hectare Flemington Mining Lease application area is indicated in yellow along with Australia Mines' dominant surrounding tenement position in this highly prospective region.