

9 June 2017

ASX: AUZ

Land Access Agreement clears way for exploration at Thackaringa Cobalt Project in New South Wales

Highlights

- **Australian Mines' *Thackaringa Cobalt Project* immediately adjoins Cobalt Blue's (ASX: COB) Pyrite Hill / Railway / Thackaringa Cobalt Project in New South Wales**
- **Australian Mines holds 100% interest in its Thackaringa Project with no royalty or any other payments attached to the tenements**
- **The Thackaringa Cobalt Project complements the company's existing world-class Sconi Cobalt-Nickel-Scandium and Flemington Cobalt-Scandium-Nickel Projects¹, and cements Australian Mines as one of the country's major emerging cobalt companies**
- **The signing of this Land Access Agreement by Australian Mines with the relevant landholders immediately allows exploration across the company's entire Thackaringa Cobalt Project**
- **Three high-priority cobalt target areas identified within the project area**
- **Field exploration to commence next quarter**

Australian Mines Managing Director, Benjamin Bell commented: *"We are pleased to announce the signing of the land access agreement for our Thackaringa Cobalt Project. This represents a significant step forward in what is a pure cobalt play for Australian Mines on highly promising ground adjacent to a known cobalt resource in the west of New South Wales."*

¹ Australian Mines Limited, Technical Reports, released 31 March 2017

“Technology metals like cobalt are considered essential to the forecast rapid growth in the electric vehicle market. Australian Mines has its sights set on meeting the burgeoning global demand for technology metals through its Thackaringa Cobalt Project, the Flemington Cobalt-Scandium-Nickel Project, also in NSW, and our flagship Sconi Cobalt-Nickel-Scandium Project in Queensland.”

“Australian Mines notes the recent resource upgrade in relation to Cobalt Blue’s adjoining tenements at Thackaringa. We believe this underlines the highly prospective nature of the tenements held by Australian Mines and targeted for exploration.”

Australian Mines Limited (“Australian Mines” or “the Company”) is pleased to advise that it has signed an exploration land access agreement with the relevant landholders in relation to tenements within a property known as “Thackaringa” near Broken Hill in New South Wales.

The tenement covered under the company’s land access agreement is Exploration Licence 8477 acquired by Australian Mines from Dashell Pty Ltd² in February 2017.

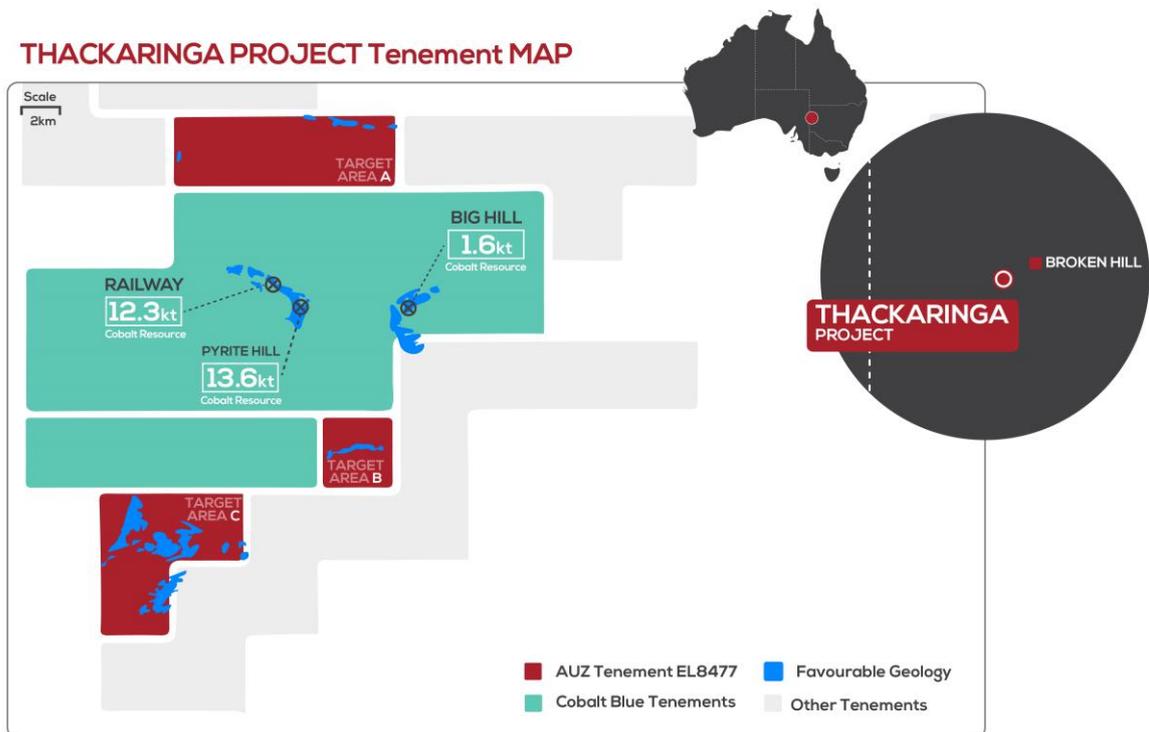


Figure 1: Australian Mines’ Thackaringa Cobalt Project tenements contain highly prospective terrain, with geological analogues to that hosting the cobalt Mineral Resources identified by Cobalt Blue in the neighbouring tenement³.

² Australian Mines Limited, Acquisition doubles AUZ scandium and cobalt portfolio, released 27 February 2017

³ Cobalt Blue Holdings, Significant resource upgrade for the Thackaringa Cobalt Project, released 5 June 2017 and Cobalt Blue Holdings, Replacement Prospectus, released 31 January 2017



Exploration Licence 8477 provides Australian Mines with a strategic ground position to the immediate north and south of Cobalt Blue's tenements and recently announced cobalt Mineral Resource⁴.

Mapping by the New South Wales Geological Survey indicated that the favourable geology hosting Cobalt Blue's mineralisation appears to continue into Australian Mines' 100% owned project.

Australian Mines is scheduled to commence its field exploration program at Thackaringa this coming quarter, and will target areas identified as having favourable geology on either side of the Cobalt Blue tenements (nominally referred to as targets 'A', 'B' and 'C' in Figure 1 of this report). The company looks forward to updating shareholders on progress of this field program.

Update on resource extension drilling at the Flemington Cobalt-Scandium-Nickel Project

Earlier this month, Australian Mines completed a 239-hole resource extension drilling program⁵ at its high-grade Flemington Cobalt-Scandium-Nickel Project in New South Wales, in preparation for a Pre-Feasibility Study scheduled to start in October.

Assay results from this drilling are anticipated to be received within the next four weeks.

Construction of a demonstration-size high-pressure acid leach (HPAL) + solvent extraction (SX) plant⁶ in Perth, which will treat ore from both the company's Flemington and Sconi Projects and produce cobalt sulphate and nickel sulphate products for potential off-take customers from the electric vehicle market, as well as producing scandium oxide destined for an interested European auto-manufacturer, remains on schedule to be in operation in October 2017.

*****ENDS*****

⁴ Cobalt Blue's global Mineral Resource estimate, as reported by Cobalt Blue on 5 June 2017 was 54.9Mt at 910ppm cobalt for 50,000 tonnes of contained cobalt (at a 500ppm cobalt cut-off). Australian Mines is unaware of any material change to this Resource since their 5 June 2017 announcement.

⁵ Australian Mines Limited, Resource extension drilling commences at Flemington, released 11 May 2017

⁶ Australian Mines Limited, Construction commences of demonstration-size processing plant, released 15 May 2017



For further information:

Shareholders contact:

Benjamin Bell
Managing Director
Ph: +61 8 9481 5811
E: bbell@australianmines.com.au

Media contact:

Michael Cairnduff
Cannings Purple
Ph: 0406 775 241
E: mcairnduff@canningspurple.com.au