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BFS TEAM APPOINTED FOR 3,000 TPA HIGH PURITY ALUMINA (HPA) PROJECT

Highlights

- Appointments made for the Bankable Feasibility Study (BFS) team
- Team composed of reputable experts in mine design, environment management and chemical processing
- Target 3,000tpa high purity alumina (HPA) operation
- BFS progressing well alongside development planning, approvals, funding and off-take negotiations

Australia Minerals and Mining Group Limited (ASX: AKA) ("AMMG" or "the Company") is pleased to announce it has appointed the Bankable Feasibility Study (BFS) team for the development of its high purity alumina (HPA) project targeting 3,000tpa operation. The BFS team is composed of reputable and dynamic experts in the fields of mine design, beneficiation, chemical processing, plant engineering and environmental management. Continuous pilot plant test work to optimise and de-risk the project will be conducted as part of the BFS.

The BFS team will work closely with the Company's corporate operations team to ensure the successful development of the HPA project. The following appointments have been made:

Orelogy - Mining

Orelogy mining consultant, Mr Robert Reimers has joined the Company's BFS team. Robert has worked in the global mining industry since 1987 including Australia, Tanzania, Romania, Egypt and the Philippines, where he was exposed to a broad range of underground and open-pit mining projects within gold, copper, nickel and iron ore. Orelogy is an experienced West Australian mining consultancy company that delivers a range of professional mine planning services that include study & project management, open pit mine design, scheduling, technical reports, mine tenders, and mining contracts. Orelogy clients include a number of the world's largest miners in Australia, Africa and Asia.

Clark Lindbeck & Associates – Environmental

Keith Lindbeck, with 30 years of environmental experience, has joined the Company's BFS team and is responsible for environmental management at the Meckering aluminous clay project. Keith is charged to assist with the mining and processing approvals at Meckering. Clark Lindbeck & Associates Pty Ltd is a specialist environmental consultancy group directed towards the Australian resources sector. Established in 1997, Clark Lindbeck & Associates Pty Ltd has worked in

Australia Minerals and Mining Group Ltd
ABN 45 125 301 206

3 Bay Road
Claremont, Western Australia
6010 Australia

Telephone: +61 8 9389 5557
Facsimile: +61 8 9389 5510
Website: www.ammg.com.au

all aspects of the environmental consulting industry - including impact and site assessment, environmental management, compliance and environmental reporting, environmental training, flora and fauna surveys and rehabilitation.

Geos Mining – Geology & Resource Estimation

Ms Sue Border, director of Geos Mining with over 30 years' experience in the minerals industry, has also joined the BFS team. Ms Border specialises in project management and resources/reserve estimation. Ms Border is an expert of the Meckering deposit having previously completed resource estimation work on the project for previous owner, Swan River Kaolin. Ms Border also completed a Meckering resource update for AMMG in March 2012. Geos Mining is a specialist geology consultancy group that specialises in the preparation of commodity resource estimations.

Simulus Engineering – Chemical Processing

Simulus Engineering is a multidisciplinary engineering company that has conducted project assessments in over 25 countries around the world for over 75 companies. Simulus has laboratory test work facilities as well as process simulation, which are critical aspects of the BFS' engineering process. The Simulus team previously conducted the Company's laboratory pilot plant test work and Integrated Plant Study (IPS). The two lead Simulus process engineers will be Mr Brett Lawson and Dr Simon Willis.

Mr Lawson has a wealth of experience in the minerals processing and chemical industries, in both Australia and Brazil. He has a broad range of experience from previous roles in operations, process design, project engineering, engineering management and commissioning management. Dr Willis leads the simulation team at Simulus. He has 11 years' post-doctoral simulation and engineering experience in the metallurgical industry.

TSW Analytical – Laboratory & Analytical Design

TSW Analytical was established in 2007 to offer research-based scientific services. Since its' inception, the company has grown to become one of the leading suppliers of forensic and analytical chemistry in Australia and abroad. TSW Analytical provided the initial bench testwork to produce 99.99% (4N) quality high purity alumina for AMMG which formed the basis for the process design work. The lead chemist from TSW will be Mr Cameron Scadding. Mr Scadding is an analytical chemist and one of the founders of TSW. He is very experienced with the inorganic chemistry research and analytical methods.

Financial Modelling & Markets

The financial modelling for the BFS will be conducted in house by AMMG personnel. The HPA market analysis and forecast will also be collated and incorporated by the AMMG team based on commercial research reports.

Comments

Managing Director, Iggy Tan welcomed the recent appointments to the BFS team. The BFS work is progressing well with the current focus on optimisation test work and design of the process plant.

"This is an important phase where we are optimising and de-risking the process flow sheet before we launch into the full plant and engineering design and costing.

Recently, a further tonne of aluminous clay was delivered from Meckering to the Simulus laboratory to commence next stage of optimisation test work" said Mr Tan.

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For more information, please contact:

Corporate
Iggy Tan
Managing Director
Australia Minerals & Mining Group Ltd
Tel: +61 8 9389 5557
Email: info@ammg.com.au

Media Contact
Tony Dawe
Senior Counsel
Professional Public Relations
Tel (office): +61 8 9388 0944
Email: tony.dawe@ppr.com.au

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 it's 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.