



**ASX RELEASE**  
**10 OCTOBER 2016**

## **METALLICA - AUSTRALIAN MINES JOINT VENTURE AT SCONI PROJECT**

### **Highlights**

- **Binding agreement for farm-in and joint venture with Australian Mines Ltd over the SCONI project near Townsville, Queensland**
- **\$250,000 cash payment to Metallica on executing the binding agreement**
- **Australian Mines can earn up to 75% at SCONI upon completing a DFS, or expending \$10m, and arranging finance for project development**

Metallica Minerals Limited (Metallica) ([ASX:MLM](#)) is pleased to advise that it has executed a binding agreement to enter into a Farm-in and Joint Venture Agreement (Agreement) with Australian Mines Ltd (Australian Mines) (ASX:AUZ) over Metallica's 100% owned scandium, cobalt and nickel (SCONI) project northwest of Townsville in Queensland.

Key terms of the Agreement include:

#### Stage 1 Earn-In

- Payment of \$250,000 to Metallica on execution of the Agreement
- Australian Mines is able to earn 50% of SCONI after completing a Definitive Feasibility Study (DFS), or having expended \$10million on the DFS within 4 years

#### Stage 2 Earn-In

- Australian Mines is able to earn a further 25% (total 75%) in the project after arranging suitable finance to fund the development plan laid out in the DFS within 18 months of completing Stage 1.

Other terms within the Agreement are typical of these type of agreements and include; maintaining the tenements, dilution, buy-out rights, change of control provisions, etc.



## **Metallica CEO, Mr Simon Slesarewich:**

*"Metallica is delighted to be able to enter into this farm-in and joint venture with Australian Mines. Australian Mines has identified SCONI as an advanced project that is capable of being developed in the medium term and realises the significant intrinsic value and investment that Metallica has expended in developing the project thus far. This joint venture allows Metallica to preserve that investment, as SCONI is progressed by Australian Mines, whilst Metallica continues to progress its north Queensland Urquhart bauxite project to production in the first half of 2017."*

## **For more information please contact:-**

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## **About Australian Mines Ltd**

Australian Mines Limited (ASX: AUZ) is an ASX-listed resource company targeting copper, nickel and gold deposits across Australia.

The Company is actively exploring the Doolgunna-Marymia region of Western Australia, which has demonstrated the potential to host significant base metal and gold mineralisation including Sandfire's DeGrussa Copper-Gold Mine and recently discovered Monty copper mineralisation..

Australian Mines is also advancing its 100% - owned Marriotts Nickel Project near Leinster, Western Australia that hosts a current Mineral Resource of: Indicated 460,000t @ 1.12% Ni plus inferred 370,000t @ 1.13% Ni (reported at 0.5% Ni lower cut-off grade).