



8 February 2017

## **Sophisticated investors secure \$1 million position in Australian Mines**

- **Australian Mines raises \$807,527 through private placement to sophisticated and professional investors**
- **Sophisticated investors acquire a further \$192,473 in shares via the Less than Marketable Parcels facility**

Australian Mines Limited (“Australian Mines” or “the Company”) is pleased to announce it has raised \$807,527 in working capital, before costs, through the placement of 128,179,029 fully paid ordinary shares at \$0.0063 per share.

The placement, which was undertaken in accordance to Section 708 of the Corporations Act and Listing Rule 7.1 of the ASX Listing Rules, was made to sophisticated and professional investors, capitalising on the opportunity presented by demand for the Company’s shares as part of its previously announced sale of Less than Marketable Parcels<sup>1</sup> exceeding the availability under that facility.

Australian Mines advises that it has closed the share sale facility established for Less than Marketable Parcels – defined by ASX Listing Rules as a parcel of securities of less than \$500 in value – which was put in place by the Company in response to a significant number of shareholders seeking to realise the value of their small parcels while avoiding the difficulty and expense of disposing of them through normal means.

The results of the Less than Marketable Parcels sale process is that a total of 2,487 shareholders with an aggregate of 30,551,129 shares will participate. The shares will be sold off-market to unrelated parties at \$0.0063 per share (being the same price as the placement) and the \$192,473 proceeds distributed to participants on or around 8 March 2017. All costs associated with the sale process were borne by Australian Mines.

The Company will use funds raised through the placement for the development and operation of a pilot processing operation, as part of the evaluation work being carried out on the Sconi Scandium-Cobalt Project near Greenvale in Queensland, where a Definitive Feasibility Study (DFS) is currently under way.

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<sup>1</sup> Sale of less than marketable parcels, released 19 December 2016



Australian Mines is acquiring a 75% interest in the Sconi project from Metallica Minerals Limited (ASX: MLM), where a previously completed Pre-Feasibility Study confirmed it to be an economic and technically viable mining project capable of producing 50 tonnes of high purity scandium oxide per annum over a 20-year mine life and generating an average EBITDA of \$59 million per year<sup>2</sup>.

Sconi also benefits from an existing cobalt resource of 89 million tonnes at 0.06% for 54,500 tonnes of contained cobalt, which will be considered as part of mine design being prepared for the DFS to optimise the extraction of both the scandium and coincident cobalt. This resource contains a higher-grade zone of 16.3 million tonnes at 0.12% for 19,500 tonnes of contained cobalt<sup>3</sup>.

The pilot processing operation will also be used to produce samples from Australian Mines' earlier stage Flemington Scandium-Cobalt Project, near Fifield in New South Wales, which is the continuation of Clean TeQ's adjoining Syerston deposit<sup>4</sup>.

Australian Mines is acquiring 100% of the Flemington Project from Jervois Mining Limited (ASX: JRV), which is arguably one of the highest-grade scandium deposits in the world and is similar in nature to the adjoining Syerston deposit<sup>5</sup>.

The Flemington ore body, like Sconi, also has cobalt mineralisation co-existing with the scandium and the current Scoping Study being completed on the project is considering the cobalt as part of development modelling. Previous drilling at Flemington has returned relatively thick intersections of cobalt mineralisation, including 14 metres at 0.21% cobalt from 6 metres and 9 metres at 0.21% cobalt from 10 metres<sup>6</sup>.

**Managing Director, Benjamin Bell commented,** "The aim of the pilot processing operation is to deliver high purity scandium oxide, initially sourced from the Sconi Project, for evaluation by potential customers for the end product. The pilot operation will also benefit the Flemington Project, where the Company is progressing a Scoping Study that we expect to be completed in March."

"I am very pleased that professional investors in Australia continue to offer significant financial support to Australian Mines' scandium development strategy, and recognise the value and potential of our projects to service the growing global demand for this relatively rare and valuable technology metal."

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

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<sup>2</sup> Metallica Minerals Limited, Sconi Scandium Project – Positive Pre-Feasibility Study, released 28 March 2013

<sup>3</sup> Metallica Minerals Limited, NORNICO Scoping Study - Positive, released 4 July 2012

<sup>4</sup> Jervois Mining Limited, EL7805 Syerston Updated Mineral Resource Estimate, released 20 August 2015

<sup>5</sup> Clean Teq Holdings Limited, Syerston Scandium Mineral Resource update, released 17 March 2016

<sup>6</sup> Jervois Mining Limited, Quarterly Activities Report to 30 June 2014, released 30 July 2014

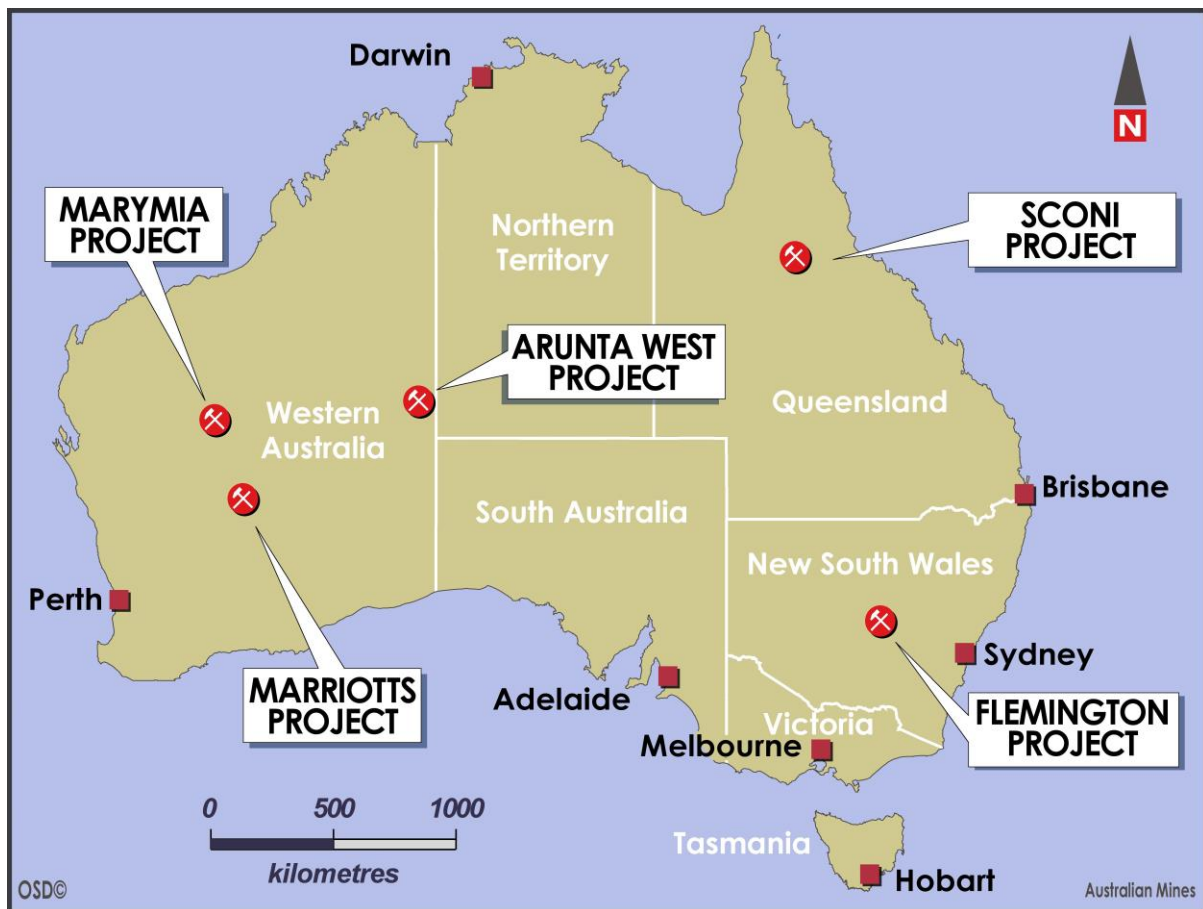
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Location map of Australian Mines' projects, including the Flemington Scandium-Cobalt Project in central New South Wales and the Sconi Scandium-Cobalt Project located in northern Queensland.