



AMMG's booth (#3322) at PDAC, Toronto
March 2 - 5, 2014



HPA optimisation testwork and integrated
study underway to optimise the flowsheet
developed by AMMG



HPA-based artificial sapphire
increasing demand from handheld electronic
technology producers

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INFORMATION (as at 09/04/2014)

ASX Code:	AKA
Ordinary Shares:	107.75m
Share Price:	0.10
Market Cap:	10.77m
Cash:	2.3m (as at 31 Dec 2013)
Debt:	Nil

Optimisation test work & integrated study underway to optimise AMMG's HPA process flowsheet

Optimisation Test Work Underway

Specialist engineering consultants have commenced optimisation test work on AMMG's high purity alumina (HPA) processing technology.

The **test work** is aimed at identifying areas of **potential economic optimisation** by incorporating several efficiencies into the process flowsheet developed by AMMG.

Continuous Leaching Process Test Work

During the optimisation test work the leaching phase of AMMG's process was conducted as a continuous process.

This means that the conditions of the leaching stage can be determined for the **full scale pilot plant**. This is a significant step forward as it means the data from the continuous operation will be applicable to AMMG's proposed HPA plant.

Integrated Study

During the current test work AMMG's consultants will also conduct an '**integrated study**', which aims to provide **capex and opex based on** the optimised process and proposed plant, including a complete **mass and energy balance** for AMMG's flowsheet.

AMMG anticipates its **optimisation test work** and **integrated study** will be concluded around mid year.

Bulk Trade Samples

As part of the optimisation test work a **bulk trade sample** of HPA product will be produced.

To ensure its target purity of 4N and other specifications are met, AMMG plans to firstly verify the sample of HPA before proceeding with sample production.

Off-Take Negotiations

AMMG believes this will further enhance its off-take negotiations as the sample is derived as a result of its successful continuous HPA process. It will also further validate the process flowsheet developed by AMMG.

Looking Ahead

AMMG continues to evaluate the benefit of conducting a complete **continuous trial process** to demonstrate the continuous nature of its process.

This proposed **continual trial process** testing program may also involve the production of larger commercial quantities of HPA.



Trade samples of HPA to support off-take negotiations

AMMG has received a series of requests for trade samples of its high purity alumina (HPA) product from some major existing HPA producers and potential off-take partners.

To prepare the export trade samples, AMMG engaged specialist consultants with suitable expertise in chemical processing and production plants (refer to previous article).

Using its low impurity kaolin feedstock (screened grades of circa 38% alumina), the test work aims to produce bulk trade samples

targeting 99.99% (4N) purity for export. As the test work stages continue, preliminary product specifications have been exchanged between AMMG and several international HPA end-users.

The end-user interest that the Company has received ranges from several HPA applications such as electronics manufacturers, advanced ceramics, artificial sapphires and specialty precision tools.



AMMG's 4N HPA product

Increasing global demand for HPA

Through extensive economic research and analysis, AMMG has compiled a significant database of global industry networks and target markets for HPA.

Along with its uses in high-end electronics, such as LEDs, HPA is the main component found in artificial sapphires - a hard, transparent material made by crystallising >99.99% (>4N) aluminum oxide.

Artificial sapphire crystals are used by electronic manufacturers to produce LEDs (light-emitting diodes).

The LED market utilises up to 60% of HPA, which is reportedly driving demand; an anticipated increase from 15,000tpa (2013) to 25,000tpa by 2015 has been reported.

Along with LEDs, artificial sapphire is a major component in today's superior 'smart' electronics (smartphones, tablets), boasting

scratch-resistant screens and unbreakable hardware.

Extreme electrical insulation, high bending strength and corrosion resistance are some of the properties made possible from extraordinarily pure aluminium oxide.

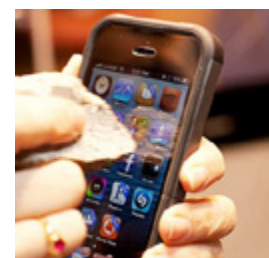
These 'miracle' qualities are being increasingly depended upon by electronic manufacturers to enhance existing products while making new ones possible.

A leading producer of high-end electronic handheld devices has reportedly invested **over half a billion dollars** for **artificial sapphire** production.

Demand for the **HPA-based sapphire crystal** end product is reported (Direct Search) to at least double over the next several years, reportedly worth \$35 billion by 2018.



Artificial sapphire made from >4N Al₂O₃



Sapphire glass inherits HPA's superior hardness & scratch-resistant qualities



Sapphire glass is now being used to enhance and improve existing products

Heads of Agreement with METS for mineral sands joint venture

AMMG has signed a Heads of Agreement (HoA) with METS Engineering for a joint venture at the Glenarty Creek mineral sands project ([click here to view the ASX announcement](#)).

The JV signifies the parties' co-operation for the advancement of the project, 100% owned by AMMG (via its wholly owned subsidiaries).

The agreement is in line with AMMG's **strategic objective** to spin-out and joint venture its projects to focus on its key projects.

According to the HoA terms, METS will conduct a series of engineering studies to confirm the economic viability of the Glenarty Creek project. METS' earn-in is up to 50% interest, subject to the completion and verification of the studies.

AMMG's Glenarty Creek project is located in a known mineral sands region in the south-west region of Western Australia.

Locating within close proximity to infrastructure, the project is bisected by the Brockman Highway and has a direct route to the Bunbury port via BHP-constructed sealed road.



Project location

In 2013 AMMG delineated a **JORC resource** at its Rover Range Deposit of **701Mt at 3.8% heavy mineral (HM)** containing 2.6% ilmenite, using a lower cut-off of 2% ilmenite ([click here to view the ASX announcement](#)).

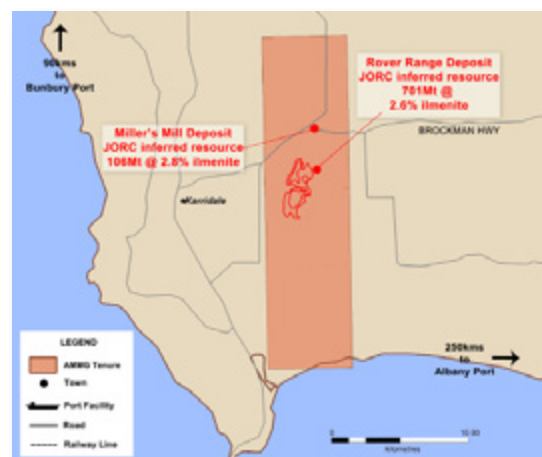
Nearby Miller's Mill deposit contains a **JORC resource** of **106Mt at 3.6% HM** containing 2.8% ilmenite, using a lower cut-off of 2.5% ilmenite over the entire thickness of the resource.

The HM ilmenite, which is a titanium mineral, is used as a feedstock for the titanium pigment industry and is favoured by the predominantly Chinese-based sulphate processing plants.

METS is a globally-recognised dynamic engineering consultancy with an excellent reputation and relevant expertise in the resource sector. It has a dedicated team of engineers providing customised services to the resource sector. METS has been operating for over 25 years.



AMMG conducting a site visit to the project area



AMMG's Glenarty Creek mineral sands project

Targeting Canadian investment and capital markets

In line with its strategy of **advancing** its **key projects**, AMMG has recently explored the investment opportunities and capital markets in Vancouver and Toronto, where there is an appreciation and depth of understanding of the HPA space.

Potential fundraising opportunities were discussed with stockbrokers, fund managers and high net worth individuals during the investor road show. Discussions were also held with several alumina-specific contacts and suitably qualified investors.

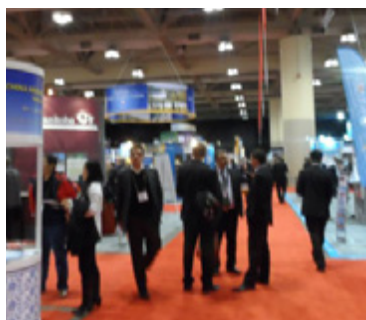
Whilst in Canada AMMG took the opportunity of attending two Vancouver investment conferences, which were at a minimal cost to the Company.

Vancouver Resource Investment Conference (VRIC)

AMMG attended the Vancouver-based **Cambridge House VRIC** from January 17. The VRIC is reportedly Vancouver's largest investment event.

Association for Mineral Exploration British Columbia (AMEBC)

AMMG then attended the **Mineral Exploration Round-Up**, held by the AMEBC in Vancouver. Some significant contacts were established at both events.



Metro Toronto Convention Centre
PDAC 2014

Prospectors & Developers Association of Canada (PDAC)

AMMG travelled to Toronto to participate in the PDAC investor conference held from March 2.

At its exhibition booth AMMG featured its HPA project; the positive investor interest in potential near-term production, low cost capex, processing and commercialisation opportunities was noted.

PDAC's attendance was slightly lower this year, as reported by the Industrial Minerals publication, but this year "the attendees were more upbeat and the level of engagement was more serious".

Investor Road Shows

AMMG gained a greater awareness of the opportunities that the Canadian capital market represents.

The strong awareness, appreciate and knowledge of the HPA space among the participants in the Canadian capital markets was noted.

One significant HPA player in Canada has successfully raised around \$70m for its HPA project through equity finance and government funding. The HPA producer received \$14m from the Quebec government during PDAC, which was one of the major fundraising announcements during the conference.

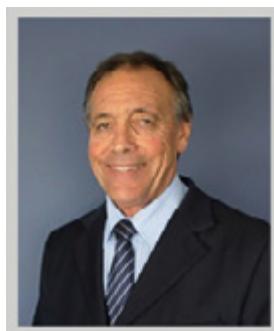
AMMG established some significant leads within the Canadian and HPA space.

A funding strategy has now been developed for the Canadian capital markets in parallel to ongoing fundraising activities in Australia.



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PDAC 2014

OTHER NEWS



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Any shareholders wishing to perform any of the following tasks should visit our share registry on

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Seek information about their shareholdings or related administrative matters, including account details, balances, payments; or download the forms necessary to initiate changes to the details held on the shareholder records.

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AUSTRALIA MINERALS & MINING GROUP (AMMG) LTD

was incorporated on 8th May 2007, for the purpose of securing tenements over land that had been subject to historical exploration and where significant geological data was available and/or the land was considered sufficiently prospective due to proximity to existing resources and infrastructure. The Company has identified 10 separate project areas, located in Western Australia and Queensland, which the Directors believe have the potential for the realisation of economic resources of the following commodities: kaolin, iron ore, coal, gypsum, graphite, mineral sands, salt and gold. The Company has 14 granted tenements and 20 applications for tenements covering in excess of 8,900km² over the 10 project areas.

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