

21 October 2024

Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

ASX RELEASE

Advancing the High-Grade Flemington Scandium Project

Australian Mines Limited (“**Australian Mines**”, “the **Company**” or “**AUZ**”) is pleased provide an update regarding the review and advancement of the Flemington Scandium Scoping Study, as initially announced on 15 March 2017 (“Scoping Study”).

The Flemington Scandium deposit is amongst the **highest-grade scandium deposits in the world**. AUZ is reviewing **500 drill holes not included** in the historical resource, which has the potential to increase the current Mineral Resource significantly

Highlights

- AUZ has engaged with an experienced independent resource geologist to update the **JORC 2012** Mineral Resource, which is currently measured and indicated **2.7mt grading at 403 grams per tonne of scandium** (Measured Resources of 2.5mt at 403 grams per tonne scandium and Indicated Resources of 0.2mt at 408 grams per tonne scandium)¹
- The current **surface/ near surface** Mineral Resource remains open in multiple directions and covers only **1%** of the prospective geology².
- Approximately **500 drillholes**, mostly extensional drill holes, completed between 2019 and 2020³ will be incorporated into an updated Mineral Resource, targeted for completion by year end.
- The Company’s Flemington deposit is situated in close proximity to Rio Tinto’s (ASX: RIO) Burra Project and Rimfire Pacific Mining’s (ASX: RIM) Scandium projects.

¹ ASX Announcement 31 October 2017

² ASX Announcement 31 October 2017

³ ASX Announcement 17 June 2019, 8 July 2019, 12 August 2019, 2 October 2019, 23 June 2020

- In anticipation for the potential requirement of additional infill and lateral extensional drilling, AUZ is progressing an Assessable Prospecting Operation (“APO”)⁴ submission to allow for the drilling campaign to commence ASAP.
- Significant Scandium intercepts included in the current Mineral Resource:⁵
 - **16m @ 556 ppm Sc from surface (drill hole FMA17_220)**
 - **21m @ 577 ppm Sc from surface (drill hole FMA17_221)**
 - **17m @ 547 ppm Sc from surface (drill hole FMA17_222)**
 - **23m @ 543 ppm Sc from surface (drill hole FMA17_286)**
 - **14m @ 600 ppm Sc from surface (drill hole FMA17_291)**
- Significant Scandium intercepts **NOT** included in the current Mineral Resource
 - **12m @ 402ppm Sc from 9 metres deep (drill hole FMA19_372) ^A**
 - **20m @ 425ppm Sc from 8 metres deep (drill hole FMA19_371) ^A**
 - **10m @ 390ppm Sc from 12 metres deep (drill hole FMA19_370) ^A**
 - **10m @ 267ppm Sc from 1 metre deep (drill hole FMA19_377) ^A**
 - **15m @ 576ppm Sc from 12 metres deep (drill hole FMA19_303) ^B**
 - **12m @ 500ppm Sc from surface (drill hole FMA19_333) ^B**
 - **10m @ 315ppm Sc from surface (drill hole FMA19_404) ^B**
 - **7m @ 362ppm Sc from 2m deep (drill hole MA19_397) ^B**
 - **36m @ 612ppm Sc from surface (drill hole MA19_332) ^C**
 - **15m @ 504ppm Sc from 5m depth (drill hole MA19_331) ^C**
 - **18m @ 419ppm Sc from surface (drill hole MA19_330) ^C**
 - **12m @ 500ppm Sc from surface (drill hole MA19_333) ^C**

⁴ The APO is a required submission to the New South Wales Department of Resources to commence drilling

⁵ ASX Announcement 11 August 2017

^A ASX Announcement 17 June 2019

^B ASX Announcement 8 July 2019

^C ASX Announcement 12 August 2019

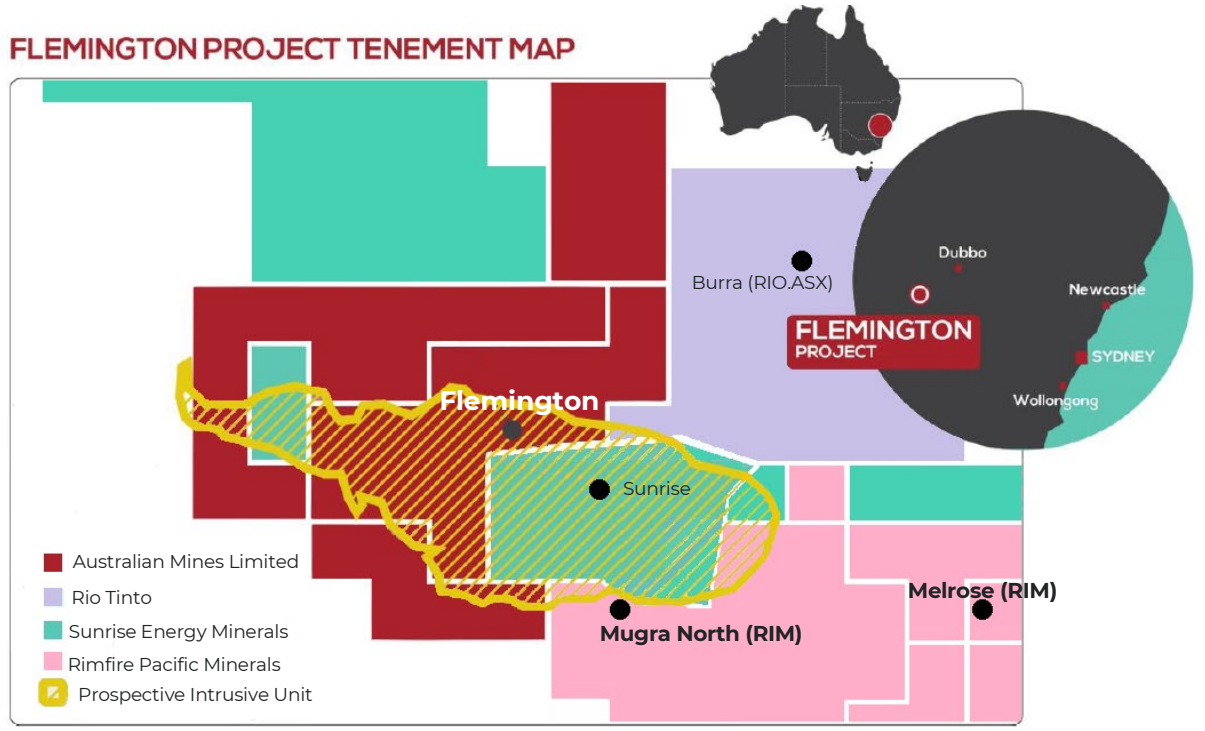


Figure 1: Flemington Location

This review is motivated by the potential strategic synergy between our Solid-State Hydrogen Storage advancements, the hydrogen economy, and the potential applications of scandium.

The US Geological Survey estimates that scandium supply and demand has doubled, from 15-25 metric tons in 2021, to 30-40 metric tons in 2023⁹, and according to Mordor Intelligence is expected to have a compounded annual growth rate of 14.7% through to 2030¹⁰. Noting that scandium is a critical mineral¹¹ and 80% of scandium production is sourced from China¹² combined with the significant interest in the hydrogen economy and AUZ' s Solid-State Hydrogen Storage advancements has prompted a review and update of the Flemington Scoping Study.

⁹ <https://theoregongroup.com/investment-insights/the-hunt-for-scandium-has-started/>

¹⁰ <https://www.mordorintelligence.com/industry-reports/scandium-market>

¹¹ Australia's Critical Minerals List and Strategic Materials List | Department of Industry Science and Resources

¹² <https://theoregongroup.com/investment-insights/the-hunt-for-scandium-has-started/>

Key Potential Uses

- **Hydrogen Economy:** Scandium plays an essential role in solid oxide fuel cells (SOFCs), a highly efficient clean energy technology used in power generation aiming to reduce carbon footprints.
- **Aluminium-Scandium Alloys:** lightweight, strong, and highly resistant to corrosion which reduces the weight of vehicles, airplanes and spacecraft and rocket cones to improve fuel efficiency and reduce emission for increased sustainability.
- **Electronics:** Scandium is also used in electronics, to improve the performance of semiconductors and advanced communications technologies like 5G.

AUZ confirms that all material assumptions and technical parameters underpinning the mineral resources referred to in this announcement continue to apply and have not materially changed.

COMPETENT PERSONS STATEMENT

The information in this report is based on and fairly represents information and supporting documentation reviewed by Mick Elias, who is a Director of Australian Mines Ltd. Mr. Elias is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Elias consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

ENDS

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Authorised for release by the Board of Directors of Australian Mines