

1 October 2018

# R&D tax rebate received from Commonwealth Government for work on demonstration processing plant

## HIGHLIGHTS:

- **\$295,765 R&D tax rebate received for 2016-17 financial year**
- **Rebate paid in relation to work completed on the demonstration-size plant in Western Australia**

**Australian Mines Limited** (“Australian Mines” or “the Company”) (Australia ASX: AUZ; USA OTCQB: AMSLF; Frankfurt Stock Exchange: MJH) is pleased to announce it has received a rebate from the Australian Taxation Office of \$295,765 in relation to the Company’s research and development (R&D) expenditure during the 2016-17 financial year.

The Research and development (R&D) tax incentive is a program run by the Australian Commonwealth Government to encourage companies to engage in R&D benefiting Australia, by providing a tax offset for eligible R&D activities.

Australian Mines’ expenditure relates specifically to development work completed at the Company’s demonstration-size High-Pressure Acid Leach (HPAL) and solvent extraction (SX) plant<sup>1</sup> located in Perth, Western Australia, in conjunction with Simulus Group’s laboratories.

Australian Mines invested in the development of a demonstration plant to hone the processing flow-sheet for the ore to be mined from the Company’s Sconi Cobalt-Nickel-Scandium Project in northern Queensland, for the production of nickel sulphate and cobalt sulphate, and scandium oxide. Scandium oxide in particular, given its relative scarcity and the limited processing information available on a worldwide basis, does not have a well-known process flow sheet. Australian Mines has successfully used the work conducted to develop a process flow sheet that has produced scandium oxide of purity levels over 99.9%.

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<sup>1</sup> Australian Mines Limited, Construction commences of processing plant, released 15 May 2017

R&D is a critical component of Australian Mines' current and future plans, as demonstrated by the company's partnership with United Kingdom-based technology company Metalysis, to support their continued research and development program around a solid-state process to produce a low-cost yet superior aluminium - scandium alloy for potential use by the automotive and aerospace industries<sup>2</sup>.

**Australian Mines Managing Director, Benjamin Bell, commented:** *"In addition to representing a small boost to our balance sheet, I believe the Commonwealth Government's continued incentive program has a real impact on encouraging Australian exploration and mining companies to invest in research and development of benefit to Australia."*

*"The operation of the demonstration plant has played a critical role for Australian Mines as it has enabled optimisation of the extraction process for the Bankable Feasibility Study on the Sconi Project. The processing tests have significantly improved equipment reliability, recovery and purity levels of the nickel, cobalt and scandium products."*

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

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<sup>2</sup> Australian Mines enters international research partnership to develop next-generation scandium alloy, released 11 June 2018