

14 October 2024

Australian Securities Exchange

20 Bridge Street

Sydney NSW 2000

ASX RELEASE

Review and Potential for Expansion of Scandium Resources at Flemington - updated

Australian Mines Limited ("**Australian Mines**", "the **Company**" or "**AUZ**") is pleased to inform shareholders that due to significant interest in the Company's recent advancements in its Solid-State Hydrogen Storage project, AUZ has commenced a review of the Flemington Scandium Scoping Study, as initially announced on 15 March 2017.

Flemington Scoping Project Highlights

The review is intended to update the capital, operating and revenue estimates for the 2017 Flemington Scoping Study, which indicated the following:

- Demonstrated NPV of up to A\$255 million (8% discount rate) and IRR of 37.3%, using a scandium oxide price of USD1,500,000 per tonne¹, and
- Contemplated a 18-year life processing 100,000t annually, producing 50t of scandium oxide per annum with the potential to extend the life of mine up to 45 years¹, and
- Estimated a capital cost, at the time, of A\$74 million to build processing plant¹
- The scoping study review will consider updating the Mineral Resource (JORC code, 2012) of **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

¹ ASX Announcement 15 March 2017



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grams per tonne scandium)² to which approximately **500 drillholes** completed between 2019 and 2020³ will be added.

As the forecast financial information referred to in this announcement and derived from the Scoping Study in the ASX Announcement dated 15 March 2017 is historical in nature and is subject to material change it should not be relied on. This information will be reviewed as part of the Scoping Study review.

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 2023⁴, and according to Mordor Intelligence is expected to have a compounded annual growth rate of 14.7% through to 2030⁵. Noting that scandium is a critical mineral⁶ and 80% of scandium production is sourced from China⁷ 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.

Key Areas of Demand Growth

- **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 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. Further, all the material assumptions underpinning the production target in the initial public report continue to apply and have not materially changed.

² ASX Announcement 31 October 2017

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

⁴ <https://theoregongroup.com/investment-insights/the-hunt-for-scandium-has-started/>

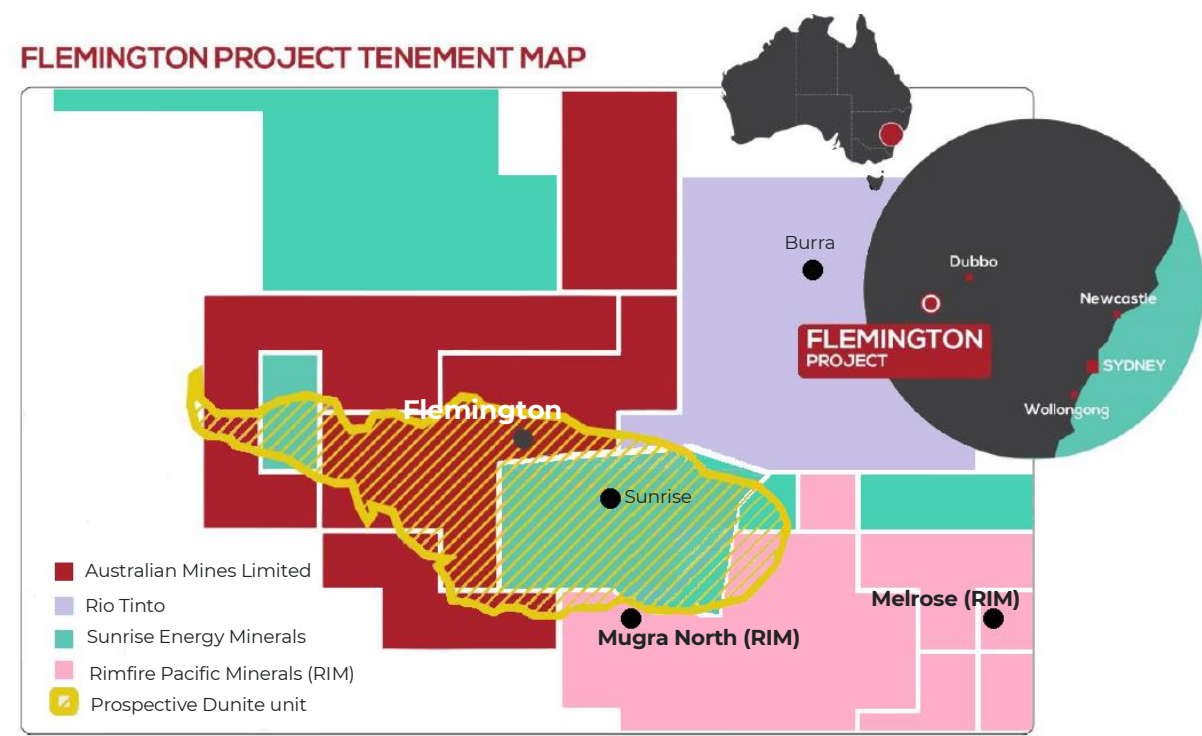
⁵ <https://www.mordorintelligence.com/industry-reports/scandium-market>

⁶ Australia's Critical Minerals List and Strategic Materials List | Department of Industry Science and Resources

⁷ <https://theoregongroup.com/investment-insights/the-hunt-for-scandium-has-started/>

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.



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Authorised for release by the Board of Directors of Australian Mines



Australian Mines supports the vision of a world where the mining industry respects the human rights and aspirations of affected communities, provides safe, healthy, and supportive workplaces, minimises harm to the environment, and leaves positive legacies.