

15 January 2018

Off-take samples on track for delivery in February from demonstration plant

- Autoclave arrived and installed in demonstration-size plant over Christmas period
- Commissioning of the processing plant on schedule for the end of this month
- Potential off-take partners to receive cobalt sulphate, nickel sulphate and scandium oxide samples in February

Australian Mines Limited (**Australian Mines** or the Company) (AUZ: ASX) is pleased to announce that the critical autoclave component for its demonstration-size processing plant arrived and was installed over the Christmas period at the Simulus Laboratories site in Perth, Western Australia.

The demonstration plant remains on track for completion and commissioning before the end of this month with the plant expected to commence processing ore previously delivered from trial mining at the Sconi Cobalt-Nickel-Scandium project in Queensland within the next three weeks.

Australian Mines' Managing Director, Benjamin Bell, commented: *"With the autoclave in place, we look forward to producing commercial grade cobalt sulphate, nickel sulphate and scandium oxide, which will be delivered to the potential off-take partners on a priority basis in February."*

"Following our oversubscribed capital raising late last year, we are fully-funded to complete our Bankable Feasibility Study on Sconi and take that project through to a final investment decision, including a comprehensive program of ore processing through the demonstration plant to fine-tune the larger scale engineering studies."

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Figure 1: The autoclave has been installed as part of the demonstration-size plant, with commissioning scheduled to be completed in January. One of the world's leading inspection, verification, testing and certification companies completed a series of stringent quality assurance and control testing of the autoclave and subsequently certified that it complies with Australian standards.



Figure 2: The demonstration plant is being constructed by Simulus Engineers at the Welshpool laboratory site in Perth, Western Australia.

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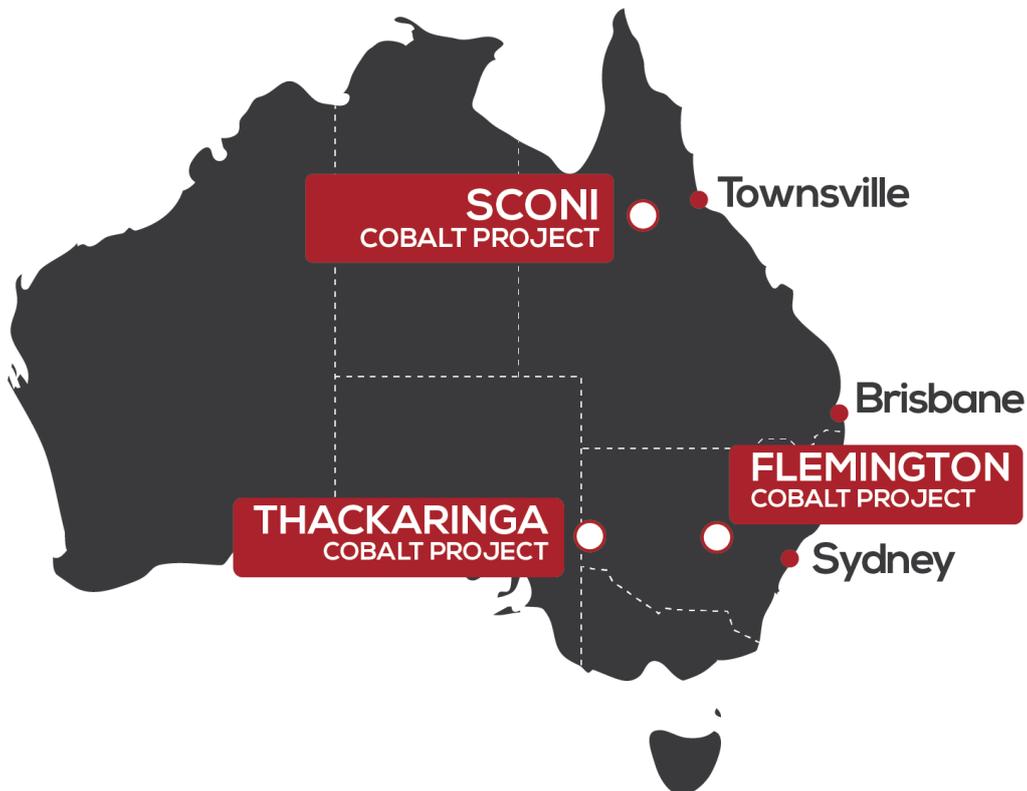
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Australian Mines' Projects: The Sconi Cobalt-Nickel-Scandium Project located in northern Queensland; the Flemington Cobalt-Scandium-Nickel Project in central New South Wales; the greenfields Thackaringa Cobalt Project in western New South Wales.

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