

6 December 2023

Australian Securities Exchange

20 Bridge Street

Sydney NSW 2000

ASX RELEASE

Acquisition of Brazil Rare Earth/ Niobium & Lithium Projects

Highlights

- Executed a binding agreement (subject to shareholder approval) with a local Brazilian Group RTB Geologia E Mineracao LTDA to acquire two, 100% owned, exploration projects in Brazil, namely the **Jequie Rare Earth Project (Bahia)** and the **Resende Lithium Project (Lithium Valley, Minas Gerais)**.
- The first, the Jequie project is targeting **rare earths/ niobium** and is located adjacent to Brazilian Rare Earth Limited^{1,2}.
- The second, the Resende project is located within the Sao Joao del Rey Pegmatite Province and lies to the east, within ~17km of AMG's³ Mibra Mine, a producer with annual total capacity of 130,000 tonne of lithium concentrate⁴.
- **Pegmatites and occurrences of lithium indicator minerals have been identified within the licences⁵, with no previous exploration for Lithium.**
- Completed a successful equity placement with strong demand for \$2,500,000 (gross) and is now well funded to expedite exploration in Brazil.
- The Company intends to seek shareholder approval for a name change to **EcoMetal Resources Limited**.

Australian Mines Limited (ASX: AUZ) ("**AUZ**" or "**Company**") is pleased to announce it has acquired 2 highly prospective exploration projects in Brazil. These newly acquired

¹ AUZ has no economic interest in Brazilian Rare Earths

² Brazilian Rare Earth Prospectus of 13 November 2023, Pg 164. Rocha da Rocha Inferred mineral resource statement as of 23 May 2023 (reported in accordance with the JORC Code (2012)). These results do not guarantee the same or similar levels of results at the Jequie Rare Earth Project.

³ AMG Lithium GmbH ("AMG")

⁴ AUZ has no economic interest in AMG's Mibra Mine. There is no guarantee that the Resende Lithium project will have the same or similar levels of results, or that it will become a producing project.

⁵ Based on Geological Survey of Brazil, <https://geoportal.sgb.gov.br/geosgb/>

projects namely the Jequie Rare Earth Project (Bahia State) and the Resende Lithium Project (Minas Gerais State) combined with AUZ's advanced Sconi Project (Nickel, Cobalt and Scandium) transforms AUZ into a company that offers its investors exposure to a diversified portfolio of battery metals.

AUZ's CEO, Andrew Nesbitt commented *"Getting on site to commence work as soon as possible on these very prospective Brazilian assets is a priority. Leveraging the geological and regulatory skills and knowledge of our local Brazilian vendor will hopefully result not only in a top tier discovery but positive news flow in the short-term. In addition, AUZ intends to continue with the de-risking the Sconi Project by fulfilling the regulatory and development milestones required for production, and simultaneously continue with our efforts to establish a collaborative partnership with, and commitment from, a strategic player for an Investment Decision. To reflect our increased exposure to the battery metals, I think a renaming of Australian Mines to EcoMetal Resources is appropriate."*

Project Details⁶

Project 1: Jequie Rare Earth Project (Bahia State)⁷

The project is located within the state of Bahia (Northeast Brazil). This renowned geological and government friendly jurisdiction has resulted in the establishment of several large-scale mining operations in the vicinity of the Jequie Rare Earth Project. The Jequie Rare Earth Project is expected to benefit from the associated complementary infrastructure of sealed roads and access to clean hydropower and a major deep-water port less than 200km distant.

The Jequie Rare Earth project comprises 45 mineral right claims covering a total aggregate land holding of **82,568 HA** or **~826km²** (Figure 1). The licences are located in the Jequié Block, a tectono-structural block of the northeastern Sao Francisco craton. The Jequié Block comprises granulite facies-metamorphosed intrusive rocks with demonstrated rare earth element ("REE") anomalism, with Ionic clay and hard rock REE occurrences in the district. The Jequie project which is targeting Rare Earths/ Niobium is located adjacent to Brazilian Rare Earth Limited, the highly anticipated newcomer to

⁶ Any reference to resources, reserves and/or production at third party projects does not guarantee the same or similar results for the Jequie Rare Earth Project or the Resende Lithium Project

⁷ The Jequie Rare Earth Project has no current or historical mineral resources

the ASX, seeking a \$315 million Initial Public Offering, with their Inferred Mineral Resource Estimate of 510Mt at 1,513ppm Total Rare Earth Oxide⁸. This has resulted in large scale pegging activity within the area. These results do not guarantee the same or similar levels of results at the Jequie Rare Earth Project.

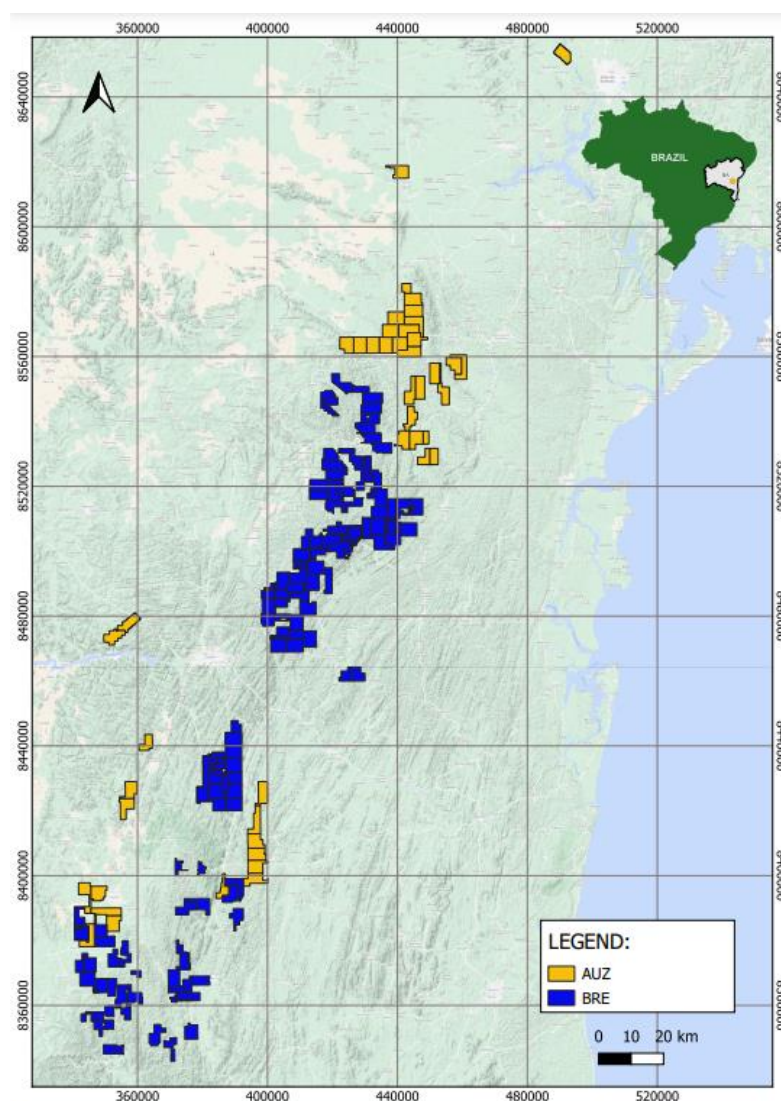


Figure 1: Location of Jequie Rare Earth Project (Orange)

⁸ Brazilian Rare Earth Prospectus of 13 November 2023, Pg 164. Rocha da Rocha Inferred mineral resource statement as of 23 May 2023 (reported in accordance with the JORC Code (2012)). These results do not guarantee the same or similar levels of results at the Jequie Rare Earth Project.

Project 2: Resende Lithium Project (Lithium Valley, Minas Gerais)⁹

Minas Gerais is a global leading mining jurisdiction. The government is well known for supporting productive and sustainable operations in the state. Recently the government is focused on encouraging the development of the lithium minerals sector within the province. The Lithium Valley is home to 3 notable lithium producers and a number of ASX explorers. The notable producers include the Mina da Cachoeira underground mine with a production capacity of 45,000t per annum of 5.5% Li₂O spodumene concentrate¹⁰, AMG's¹¹ Mibra lithium-tantalum-niobium-tin mine which has capacity to produce 130,000t lithium concentrate per annum¹², and Sigma Lithium Corporation's (NASDAQ: SGML) Grota do Cirio operation, which is ramping up to 270,000t per annum of lithium concentrate¹³. There is no guarantee that the Resende Lithium project will have the same or similar levels of results, or that it will become a producing project.

The Resende project comprises 8 mineral right claims with total aggregate land holding of **13,314 HA** or **~133km²** (Figure 2). The licences are in the Sao Joao del Rey Pegmatite Province, which is widely known for the presence of various mineralised bodies and is located ~17km west of the AMG Mibra Spodumene producing Mine.

The licences are believed to be the eastern extension of the pegmatite body that is currently being mined at AMG's Mibra lithium-tantalum-niobium-tin mine. The district is characterised by numerous pegmatite bodies of varying mineralogical composition dominated by spodumene but including beryl, tantalite-columbite and monazite. **Several historically mapped pegmatite and tantalum occurrences have been mapped within the boundaries of the exploration licences¹⁴ and have not been previously tested/explored for lithium.**

⁹ The Resende Lithium Project has no current or historical minerals resources

¹⁰ [Mina da Cachoeira underground mine, https://www.cblitio.com.br/nossas-operacoes/producao-e-grades](https://www.cblitio.com.br/nossas-operacoes/producao-e-grades) and grades are not compliant with JORC 2012 reporting guidelines.

¹¹ AMG Lithium GmbH ("AMG")

¹² <https://amglithium.com/solutions/resources>

¹³ Sigma Lithium, NI 43-101 TECHNICAL REPORT GROTA DO CIRILO LITHIUM PROJECT, 31 October 2022

¹⁴ Based on Geological Survey of Brazil, <https://geoportal.sgb.gov.br/geosgb/>

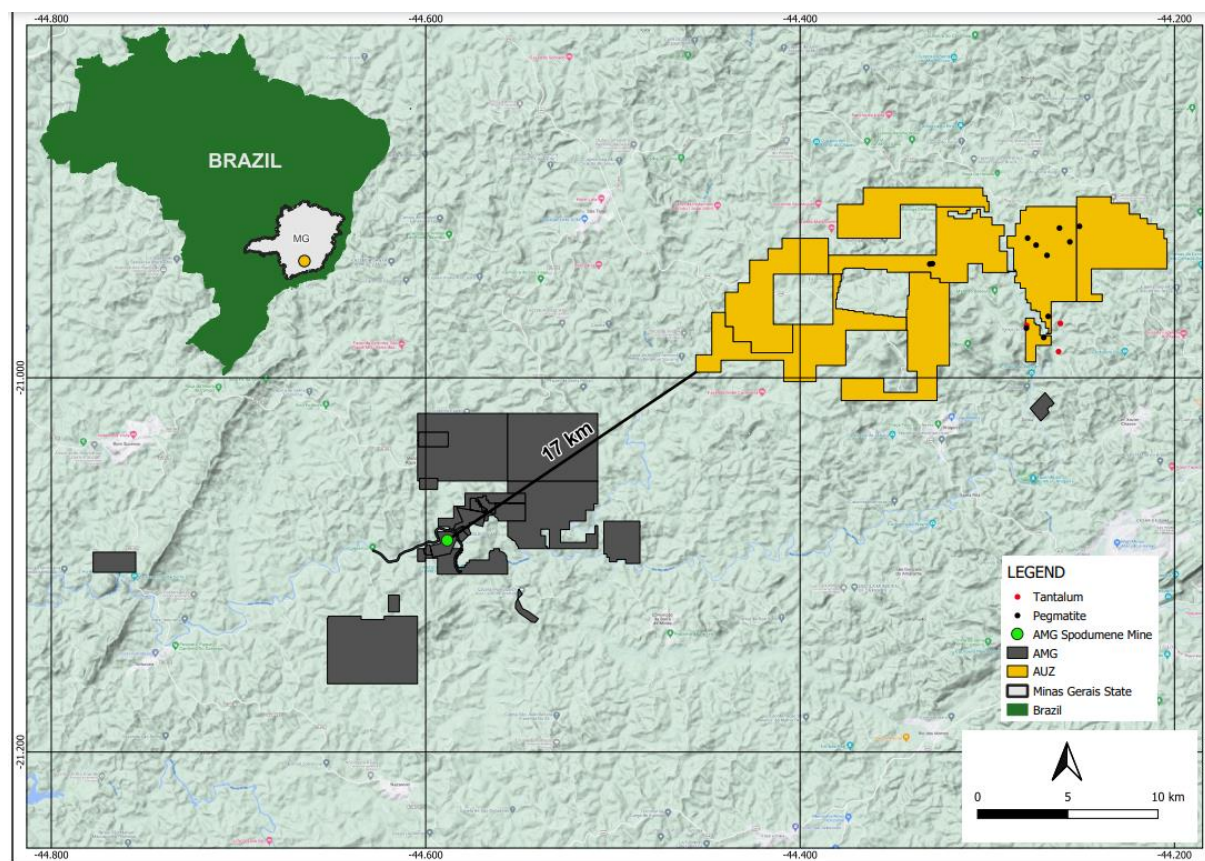


Figure 2: Location of Resende Lithium Project

Details of Equity Placement

The Company is pleased to announce that it has accepted firm commitments to raise \$2.50 million (before costs) for the issue of 227,272,728 new fully paid ordinary shares ("New Shares") at an offer price of \$0.011 per New Share, with a 1 for 2 free attaching option at a strike price of \$0.022 and an expiry date of 3-years from the date of issue ("Placement Options"), for every New Share ("Placement").

The Placement by GBA Capital (and Sole Lead Manager) resulted in bids in excess of the \$2.5m on offer. GBA Capital will receive a fee of 6% of the gross amount raised under the capital raising and 20m Lead Manager Options (The Lead Manager Options will be the same terms as the Placement Options.)

66,678,642 New Shares will be issued from the existing capacity under LR 7.1 and 75,603,943 will be issued under 7.1A (First Tranche), with the remaining New Shares, the

Placement Options and Lead Manager Options (Second Tranche) being subject to shareholder approval.

The Issue Price of \$0.011 per New Share represents a 21.4% discount to the last trading price of \$0.014 and a 22.1% discount to the 15-day trading day VWAP.

Key Terms of the Acquisition

The total cost of the acquisition is deemed to be \$1,140,000 consisting of \$150,000 in cash and 90,000,000 AUZ shares at a deemed price of \$0.011 per share (Consideration Shares).

AUZ has the Right to acquire the licences by paying AUD \$50,000 (fifty thousand dollars) within 5 days of executing the term sheet. The Closing of the acquisition is subject to the following Conditions which must be completed by the 28 Feb 2024 ("Closing Date"). AUZ has the right to waive any of the Conditions or extend the Closing Date

Conditions:

- 1) AUZ obtains all required shareholder approval(s) for the transaction.
- 2) GBA Capital has completed, on behalf of AUZ, an equity placement. GBA has completed, on behalf of AUZ, the equity placement referred to in this announcement.
- 3) AUZ has the legal right to form a local Brazilian Company 100% owned by AUZ to hold the licences on transfer.
- 4) All the licences (consisting of no less than 90% of the combined area) have been granted to the vendor, and the vendor has filed with National Mining Agency the transfer of the granted licences in favour of AUZ.

Payments, Royalties, Milestone Payments and the Share Issuance are as follows:

- a) On the Resende Licences (consisting of no less than 90% of the combined area) having been transferred successfully to AUZ and on satisfying Condition 1, 2 and 3 \$50,000 (fifty thousand dollars) shall be paid to the vendor by AUZ.

- b) On the Jequie (REE) Licences (consisting of no less than 50% of the combined area) having been transferred successfully to AUZ and satisfying CP 1, 2 and 3 \$ 50,000 (fifty thousand dollars) shall be paid to the vendor by AUZ.
- c) On satisfying Condition 1, 2, 3 and 4 by the 28 February 2024, the Consideration Shares;
- d) A milestone Payment to the vendor for declaring an Inferred Resource (or greater) of 10 million tonnes @ greater than or equal to 1% Li₂O (in spodumene or other lithium bearing mineral), on or within any of the licences. The milestone payment of \$1,000,000 shall, at AUZ's election, be in cash or, subject to shareholder approval, shares (shares to be priced at the 10-day VWAP immediately preceding such announcement on the ASX).
- e) The licences are subject to a 2% royalty, which AUZ has the right to buy-back half for \$500,000 within 3 years of initial production.

The Consideration Shares are subject to the following escrow arrangements.

- a) 33% free trading from the issuance date.
- b) 33% escrowed for 6-months from the issuance date.
- c) The remaining escrowed for 12 -months from the issuance date.

Use of Funds (millions)

Exploration Australia	\$1.00
Exploration Brazil	\$1.00
General working capital	\$0.35
Expenses	\$0.15
Total	\$2.50

Key Dates

Issue of placement of First Tranche	12 December 2023
Shareholder meeting to approve Consideration Shares and Second Tranche	17 January 2024
Complete change of name	17 January 2024
Issue second tranche shares and options	18 January 2024
Completion of acquisition	28 February 2024

These dates are estimates at this time and actual dates may vary. AUZ is not bound by the above timetable and may vary it at its discretion subject to the ASX Listing Rules and Corporations Act.

Mining Rights subject to the Acquisition

Resende Lithium Project

#	Exploration Licence ID	Area (ha)	Project Name	Commodity	State
1	833027/2023	1923.98	Resende	Lithium	MG
2	833028/2023	1989.79	Resende	Lithium	MG
3	833029/2023	1974.24	Resende	Lithium	MG
4	833030/2023	1423.63	Resende	Lithium	MG
5	833031/2023	1931.35	Resende	Lithium	MG
6	833032/2023	1876.37	Resende	Lithium	MG
7	833053/2023	1986.76	Resende	Lithium	MG
8	833054/2023	208.46	Resende	Lithium	MG
	Total:	13,314.58			

Jequie Rare Earth Project

#	License ID	Ownership	Substance	State	Área (ha)
1	872.461/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1964.49
2	872.460/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1927.98
3	872.459/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1975.67
4	872.458/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1982.5
5	872.456/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1985.69
6	872.455/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1928.55
7	872.454/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1987.4
8	872.453/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	809.54
9	872.451/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1938.18
10	872.450/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1973.2
11	872.449/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1841.09
12	872.448/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1986.3
13	872.447/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1981.77
14	872.446/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1982.06
15	872.445/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1788.28
16	872.444/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1928.76
17	872.443/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1948.65
18	872.442/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1953.23
19	872.441/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1861.72
20	872.440/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1970.88
21	872.437/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1975.90
22	872.436/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1984.87
23	872.435/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1963.99
24	872.434/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1982.33
25	872.433/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1948.09
26	872.409/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	693.04
27	872.408/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1978.04
28	872.407/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1260.72
29	872.406/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1277.81
30	872.405/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1983.41
31	872.404/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1986.43
32	872.403/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1844.54
33	872.402/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1817.42
34	872.401/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1875.13
35	872.400/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1864.77
36	872.399/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1930.85
37	872.397/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1979.39
38	872.396/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1983.6
39	872.395/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1986.22
40	872.394/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1986.81
41	872.393/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1986.48
42	872.392/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1417.55
43	872.391/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1326.29
44	872.390/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1852.88
45	872.389/2023	RTB GEOLOGIA E MINERACAO LTDA.	REE	BAHIA	1984.03
					82586.53

ENDS

For more information, please contact:

Andrew Luke Nesbitt
Chief Executive Officer
Australian Mines Limited
+61 8 9481 5811
investorrelations@australianmines.com.au

Authorised for release by the Board of Directors of Australian Mines Limited



Australian Mines Limited 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.

COMPETENT PERSONS STATEMENT

The information in this report is based on and fairly represents information and supporting documentation reviewed by Michael 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.