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Australian Mines makes scandium play

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BY: [ESMARIE SWANEOEL](#)
CREAMER MEDIA SENIOR DEPUTY EDITOR:
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PERTH (miningweekly.com) – ASX-listed Australian Mines has increased its scandium footprint through two separate acquisitions.

Australian Mines told shareholders on Monday that it had inked an option agreement with fellow-listed [Jervois Mining](#) to acquire the [Flemington](#) scandium/cobalt project, in [New South Wales](#).

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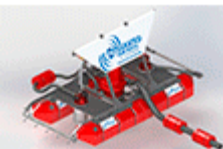
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The option agreement is for a series of rolling options for up to two years, subject to the payment of a A\$2-million option fee. If the option is exercised, Australian Mines will pay A\$6-million for the project, less the total amount paid to the date of exercise as option fees.

The Flemington project is estimated to host a total of 2 085 t of scandium oxide. The project hosts a mineral resource of 3.14-million tonnes, at 434 parts per million scandium, and is considered one of the highest grade scandium deposits in the world.

Australian Mines has now commissioned SRK Consulting to start a scoping study on the Flemington project, with results expected in March 2017.

Meanwhile, Australian Mines has also entered into an agreement with ASX-listed Metallica Minerals to earn a



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75% interest in the Sconi scandium/cobalt project, in Queensland.

Australian Mines will make an initial payment of A\$250 000 to Metallica on execution of the agreement, and will earn a 50% stake in the project after completing a definitive feasibility study (DFS) or spending A\$10-million within a four-year period.

A further 25% interest in the project can be earned if Australian Mines arranges suitable financing to fund the development plan laid out in the DFS within 18 months of completing the Stage 1 earn-in.

A prefeasibility study recently completed at Sconi estimates that the project can produce some 50 t/y of high-purity scandium oxide over a 20-year mine life.

Australian Mines said that SRK Consulting would also start a DFS on the Sconi project, which would take up to two years to complete, ahead of a decision to mine.

The company is hoping to start production at Sconi in 2020.

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MD **Benjamin Bell** that the completion of the two transactions would be a significant milestone for Australian Mines, providing the company with a clear pathway to production.

“These transactions enable Australian Mines to take a globally significant position in a strategic metal via two established projects that offer near-term development potential. It also puts the company in a strong position to fund its existing gold and copper projects in the longer term, to ultimately deliver significant value to investors across a diversified portfolio.” 🏢

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