

## **HIGHLY ENCOURAGING COARSER GRIND DTR RESULTS AT BENCUBBIN MAGNETITE PROJECT**

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### **HIGHLIGHTS**

- AMMG conducted further metallurgical test work at its **100% owned** Bencubbin Magnetite Project.
- The highly encouraging results indicate a **very ‘coarse’** liberation of magnetite at a grind size of 150 microns.
- Average iron concentrate results of **above 70%** with an average **mass recovery of 38.6%** with a **‘coarser’ grind size of 150 microns**.
- Additionally concentrate impurities contained **low phosphorus (P)**, **low silica (SiO<sub>2</sub>)**, low alumina (Al<sub>2</sub>O<sub>3</sub>) and low sulphur (S).
- This further metallurgical test work was conducted to determine the optimum grind size and metallurgical characteristics of the Bencubbin magnetite body.
- The test work involved pulverising to different grind sizes, followed by Davis Tube Recovery magnetic separation.
- These results follow AMMG’s previous metallurgical test work; with average **iron concentrate results of above 70%** with an average **mass recovery of 42.8%** with a **‘coarser’ grind size of 75 microns** (*refer to ASX announcement, June 12 2012*).
- AMMG’s stage 1 RC drill program was conducted in February 2012, with stage 2 scheduled to commence in 2013.
- The Bencubbin tenement is **bisected by rail**, is strategically located approximately 220kms from Perth and the geological structure has a **strike length of 14 kilometres**.

Australia Minerals and Mining Group Limited (**ASX: AKA**) (“AMMG” or “the Company”) is pleased to announce that it has received new metallurgical test work results at its Bencubbin Magnetite Project. The highly encouraging results indicate a **very ‘coarse’ liberation of magnetite** at a grind size of **150 microns**. The average iron (Fe) concentrate was above 70% with an average mass recovery of 38.6% with a ‘coarser’ grind size of 150 microns. Detailed results can be found in appendix I below.

“These results are highly encouraging for magnetite in the Western Australian iron ore regions, in that they allow for much lower operating costs for this style of deposit”, AMMG Managing Director Mr Ric Dawson said.



“A coarser grind size (than has previously been reported in the Mid-West area and that of Western Australia) has the benefit of lower energy input due to lower crushing costs in a potential processing plant”, he added.

This further testing follows the Company’s previous announcement dated 12<sup>th</sup> June 2012 ([click here to view the announcement](#)) reporting the initial Davis Tube Recovery (DTR) findings, with an average **concentrate grade of above 70% iron**, an average **mass recovery of 42.8%**, low contaminants, with grind size of 75 microns.

Hole ID	Co-ordinates	Depth From	Depth To	Mass Rec. (%)	Fe (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	S (%)	SiO <sub>2</sub> (%)	Ig. loss (%)
BNRC003	580033E 6582555N	24	34	<b>34.3</b>	<b>71.5</b>	0.18	0.002	0.014	0.63	-3.28
BNRC004	579998E 6582555N	33	40	<b>40.4</b>	<b>71.7</b>	0.23	0.001	0.001	0.42	-3.30
BNRC005	579626E 6583078N	21	32	<b>34.6</b>	<b>71.5</b>	0.22	0.003	0.008	0.57	-3.34
BNRC008	579599E 6583107N	37	42	<b>45.1</b>	<b>71.4</b>	0.26	0.002	0.152	0.27	-3.36

**Notes:** The grind size was P<sub>80</sub> minus 150 micron; Ig. loss: Loss of ignition (chemically bound water); Co-ordinates are GDA94 Zone 50; Refer to Appendix 1 for detailed results.

**Table 1.** Significant concentrate results from the new metallurgical test work

## Stage 2 Drill Program

Based on the highly encouraging metallurgical test work results, and the new enhanced EIS aeromagnetic imagery, the Company now has the confidence to evaluate a follow-up stage 2 RC drill program or advance potential joint venture participation over the length of the Bencubbin project. The Company will announce further exploration updates as they occur.

## Bencubbin Project Background

AMMG’s 100% owned Bencubbin project (through its wholly owned subsidiary, Yilgarn Iron Pty Ltd) is made up of one granted tenement E70/4087, which was granted in January 2011, with a tenement area of approximately 250km<sup>2</sup>. The tenement is approximately 220kms from Perth, Western Australia, bisected by an existing rail line and approximately 240kms from the Kwinana port.

The properties upon which the tenement is situated are relatively large rural cleared farmland currently used for cropping and grazing. Landowners in the area have expressed a strong desire to pursue alternative land use activities and rehabilitation practices. Native Title is extinguished due to the areas being cleared private freehold land. The original vegetation has been cleared for cropping approximately 90 years ago.

In September last year, AMMG was successful in its submission to the Western Australian Government’s Exploration Incentive Scheme (EIS) co-funding drilling program. The program is funded out of the Royalties for Regions Initiative, and provides funding to geoscience exploration including mineral, petroleum and geothermal exploration. The Company will be refunded up to a total of \$66,000 towards Bencubbin’s direct drilling costs.





**Figure 1.** Photo of the RC drill rig used for the February drilling program at Bencubbin, Western Australia.

#### **Competent Persons Statement**

*Technical information in this report is based on information compiled by Mr Michael O'Mara, B.Sc. Geology, AMMG Chief Geologist and a member of the Australasian Institute of Geoscientists. Mr O'Mara has sufficient exploration experience, which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC 2004"). Mr O'Mara consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.*

**ENDS**

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#### **About AMMG**

AMMG was established for the purpose of securing exploration ground over areas that have typically been subject to **historical exploration** and where **significant geological data** was available and/or the land was considered sufficiently prospective. Areas with existing or potential access to infrastructure were also targeted.

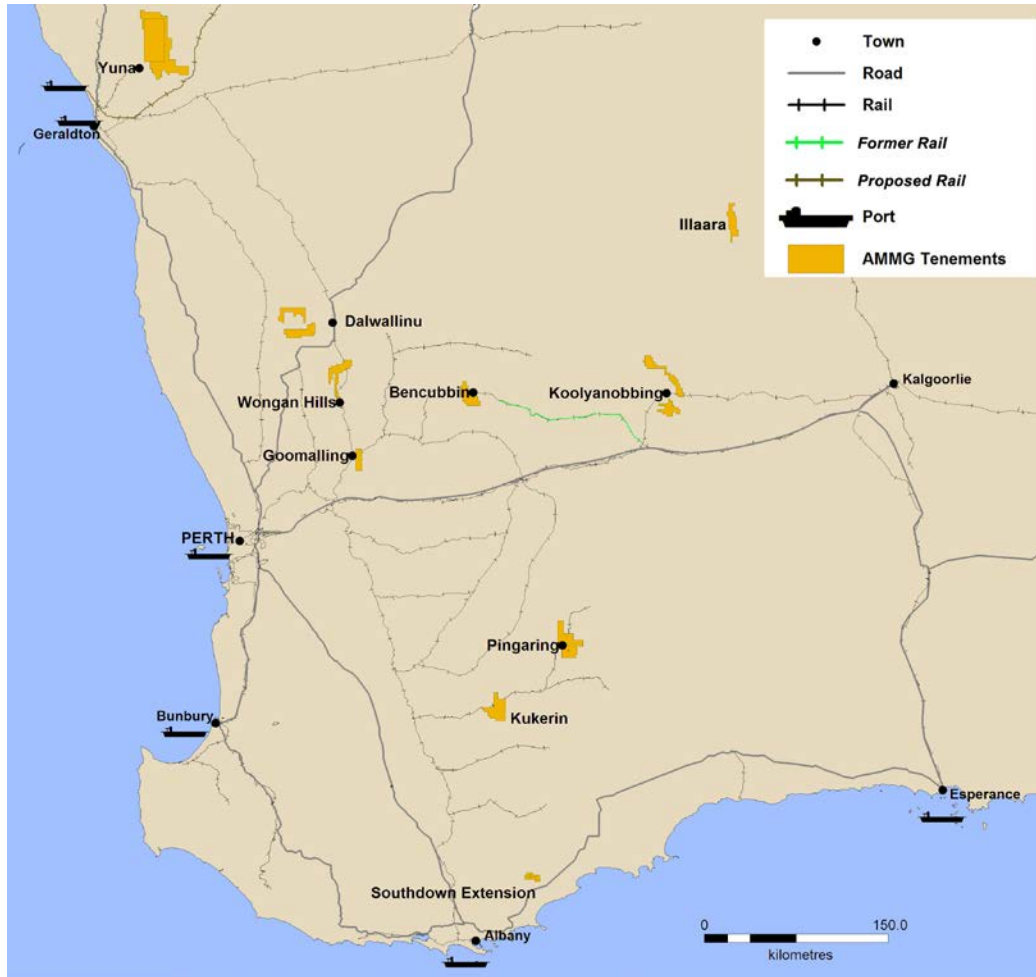
To date, the Company has identified project areas located in Western Australia and Queensland, which the directors believe may have the potential for the realisation of economic resources of these commodities currently targeted, being - **iron ore, gypsum, kaolin/aluminous clay, mineral sands, salt and coal.**

The Company itself or under joint venture now has **20 granted tenements and 42 applications** for tenements covering approximately **11,480km<sup>2</sup>** over the project areas. AMMG is pursuing a **diversification strategy** at this stage of the Company's development in order to provide additional development options and potential production opportunities.



## About the Yilgarn Iron Ore Projects

The Company itself or under joint venture now has **10 granted** exploration licence applications and **seven (7) pending applications** for tenements covering approximately **3,024km<sup>2</sup>** over the project areas.



## Appendix 1

### Results of the New Metallurgical Test Work at Bencubbin

Hole_ID	From	To	SAMPLE	Sieve Size um	Mass Rec. %	Al <sub>2</sub> O <sub>3</sub> %	Fe %	P %	S %	SiO <sub>2</sub> %	Total %	LOI %
BNRC002	9	18	BC001 (1) +250um	250	16.6	0.23	67.69	0.021	-0.001	3.27	100	-0.44
BNRC003	24	34	BC002 (1) +250um	250	35.1	0.2	70.71	0.003	0.017	1.42	99.99	-2.99
BNRC004	33	40	BC003 (1) +250um	250	41.2	0.23	71.4	0.003	0.007	0.56	99.98	-3.05
BNRC005	0	7	BC004 (1) +250um <sup>#</sup>	250	3.6	IS	IS	IS	IS	IS	IS	IS
BNRC005	10	21	BC005 (1) +250um	250	18.8	0.16	68.49	0.01	0.497	2.95	100	-2.78
BNRC005	21	32	BC006 (1) +250um	250	36.8	0.23	70.46	0.004	0.01	1.82	100	-3.16
BNRC005	32	45	BC007 (1) +250um	250	16.2	0.21	67.67	0.009	0.617	3.98	100	-2.89
BNRC006	9	23	BC008 (1) +250um	250	26.3	0.23	67.68	0.012	0.266	4.52	100	-2.80
BNRC007	23	30	BC009 (1) +250um	250	16.1	0.27	67.44	0.011	0.378	4.65	100	-2.90
BNRC008	8	14	BC0010 (1) +250um	250	19.8	0.37	64.15	0.019	0.719	7.37	100	-1.98
BNRC008	37	42	BC0011 (1) +250um	250	46.0	0.27	71.02	0.001	0.112	0.63	100	-3.02
BNRC002	9	18	BC001 (1) +150um	150	14.7	0.39	68.36	0.021	-0.001	2.32	100	-0.61
BNRC003	24	34	BC002 (1) +150um	150	34.8	0.18	71.54	0.002	0.014	0.63	100	-3.28
BNRC004	33	40	BC003 (1) +150um	150	40.4	0.23	71.72	0.001	0.001	0.42	100	-3.30
BNRC005	0	7	BC004 (1) +150um <sup>#</sup>	150	5.5	IS	IS	IS	IS	IS	IS	IS
BNRC005	10	21	BC005 (1) +150um	150	18.4	0.2	67.37	0.009	0.543	4.11	100	-2.69
BNRC005	21	32	BC006 (1) +150um	150	34.6	0.22	71.52	0.003	0.008	0.57	99.99	-3.34
BNRC005	32	45	BC007 (1) +150um	150	15.7	0.17	69.71	0.006	0.578	1.52	100	-3.12
BNRC006	9	23	BC008 (1) +150um	150	25.0	0.22	70.1	0.006	0.281	1.5	99.97	-3.04
BNRC007	23	30	BC009 (1) +150um	150	14.1	0.24	69.7	0.006	0.517	1.68	99.99	-3.32
BNRC008	8	14	BC0010 (1) +150um	150	17.2	0.29	67.48	0.012	0.896	3.04	100	-2.37
BNRC008	37	42	BC0011 (1) +150um	150	45.1	0.26	71.47	0.002	0.152	0.27	100.05	-3.36

# Oxidised Sample

IS: Insufficient Sample

## Appendix 2

### Stage 1 RC drilling program co-ordinates

Hole_ID	East	North	Dip	Azi	Depth (m)	Grid
BNRC001	579984	6582552	-60	270	51	GDA_94_50
BNRC002	580016	6582553	-60	270	96	GDA_94_50
BNRC003	580033	6582555	-60	270	96	GDA_94_50
BNRC004	579998	6582555	-60	90	50	GDA_94_50
BNRC005	579626	6583078	-60	220	50	GDA_94_50
BNRC006	579652	6583054	-60	210	50	GDA_94_50
BNRC007	579674	6583032	-60	220	50	GDA_94_50
BNRC008	579599	6583107	-60	215	50	GDA_94_50
BNRC009	580529	6581783	-60	215	81	GDA_94_50