

26 February 2024

Australian Securities Exchange

20 Bridge Street

Sydney NSW 2000

## ASX RELEASE

### SUCCESSFUL EQUITY PLACEMENT AND NO FURTHER SHARES TO BE ISSUED UNDER SHARE SUBSCRIPTION AGREEMENTS

**Australian Mines Limited**<sup>1</sup> (ASX: AUZ) (“AUZ” or the “Company”) is pleased to advise the successful completion of an Equity placement for \$3,000,000 (gross). Funds raised will be used to satisfy all payment and share issue obligations to Lind Global Fund II, LP (“Lind”) and SBC Global Investment Fund (“SBC”). On payment, neither Lind nor SBC will have any remaining rights to subscribe for shares pursuant to the Share Subscription Agreements<sup>2</sup>.

#### Key Details

- Firm commitments to raise \$3.00 million (gross) for the issue of 176,470,590 new fully paid ordinary shares (“New Shares”) at an offer price of \$0.017 per New Share.
- The issue price per New Share represents a 4.8% discount to the 5-day VWAP.
- The net funds raised will be used to:
  - make payments to Lind and SBC, satisfying their separate rights to subscribe for shares under the Share Subscription Agreements;
  - satisfy any existing share issue obligations to Lind or SBC by cash payment;
  - for Brazil exploration, drilling and working capital.
- The Company is debt free.
- No further shares will be issued under the Share Subscription Agreements.

**AUZ’s CEO, Andrew Nesbitt commented** *“We are delighted with the support from our shareholders and would like to thank Lind and SBC for their support and assistance. We*

<sup>1</sup> To be renamed EcoMetal Resources Limited

<sup>2</sup> Refer ASX announcement 22 November 2022, ‘Secures \$4.55m investment and launch of entitlement offer’

*are also, very pleased with the continuous support from GBA during this transformative phase for AUZ.”*

#### Details of the Placement

The Company is pleased to announce that it has accepted firm commitments to raise \$3.00 million (gross) for the issue of 176,470,590 New Shares at an offer price of \$0.017 per New Share, with a 1 for 2 free attaching option (subject to shareholder approval) at a strike price of \$0.032 and an expiry date of 3-years from the date of issue (“Placement Options”), for every New Share (“Placement”).

The Placement by GBA Capital (as Sole Lead Manager) resulted in bids in excess of the \$3.00m on offer. GBA Capital will receive a fee of 6% of the gross amount raised under the capital raising and 20 million Lead Manager Options (The Lead Manager Options will be the same terms as the Placement Options.)

The New Shares will be issued utilising the Company's Listing Rule 7.1 and 7.1A placement capacity. 113,003,943 New Shares will be issued utilising 7.1A capacity and remaining 63,466,647 New Shares being issued from 7.1 capacity. The Issue Price of \$0.017 per New Share represents a 4.8% discount to the 5-day VWAP and a 12.0% premium to the 15-day trading day VWAP.

The issue of the options is subject to shareholder approval. The Company will call a shareholder meeting to approve the issue of the Placement Options in due course.

#### The Share Subscription Agreements

On 22 November 2022 the Company announced that it had executed agreements with Lind, and SBC for a combined investment of \$4.55 million before costs by way of the Share Subscription Agreements. Key Terms of the Share Subscription Agreements were provided in the 22 November 2022 announcement.

The Company has separately agreed with SBC and exercised its rights under its agreement with Lind to pay a total of \$1.34 million in return for: reducing the Unused Advanced Payment Credit in the Share Subscription Agreements to zero; and to satisfy all outstanding subscription requests by way of payment in cash, instead of issuing shares. Following the payment by the Company Lind and SBC will not have any remaining rights

to subscribe for shares, nor will any further shares be issued under the Share Subscription Agreements.

The Company decided to make this cash payment instead of issuing shares, as the Share Subscription Agreements gave Lind and SBC the right to subscribe for shares at a discount based on the five lowest daily VWAPs during the 20 trading days before the subscription right was exercised. The Company takes this opportunity to thank Lind and SBC for their support and funding of the Company.

Use of Funds (millions)

Payment to Lind and SBC	\$1.34
Exploration Brazil	\$1.13
General working capital	\$0.35
Expenses	\$0.18
<b>Total</b>	<b>\$3.00</b>

Key Dates

Lodgement of ASX Appendix 3B and lifting of trading halt	26 February 2024
allotment of New Shares	5 March 2024
Lodgement of ASX Appendix 2A to list New Shares	5 March 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.

**About Australian Mines in Brazil**

**Resende Lithium Project (Lithium Valley, Minas Gerais)<sup>3</sup>**

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 several ASX explorers. The notable producers include the Mina da Cachoeira underground mine with a production capacity of 45,000t per annum of 5.5% Li<sub>2</sub>O spodumene concentrate<sup>4</sup>, AMG

<sup>3</sup> The Resende Lithium Project has no current or historical minerals resources

<sup>4</sup> [Mina da Cachoeira underground mine, https://www.cblitio.com.br/nossas-operacoes/c3a7c3b5es](https://www.cblitio.com.br/nossas-operacoes/c3a7c3b5es), production rates and grades are not compliant with JORC 2012 reporting guidelines.

Lithium GmbH's Mibra lithium-tantalum-niobium-tin mine, which is expected to produce 130,000t lithium concentrate per annum<sup>5</sup> and Sigma Lithium Corporation's (NASDAQ: SGML) Grota do Cirio operation, which is ramping up to 270,000t per annum of lithium concentrate<sup>6</sup>. 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 Lithium Project comprises 8 mineral right claims with total aggregate land holding of **13,314 HA** or **~133km<sup>2</sup>** (Figure 3). The Jequie Rare Earth Project is subject to acquisition terms as per ASX Announcement, 6 December 2023 and subject to transfer as per ASX Announcement 19 February 2024. 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 contain the eastern extensions of the geological structures and intrusive rocks, responsible for the forming the mineralised pegmatites that are 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 licences<sup>7</sup> and have not been previously tested/explored for lithium.**

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<sup>5</sup> <https://amglithium.com/solutions/resources>

<sup>6</sup> Sigma Lithium, NI 43-101 TECHNICAL REPORT GROTA DO CIRILO LITHIUM PROJECT, 31 October 2022, <https://sigmalithiumresources.com/wp-content/uploads/2023/05/2023-01-SGML-Updated-Technical-Report-1.pdf>

<sup>7</sup> Based on Geological Survey of Brazil, <https://geoportalsgb.gov.br/geosgb/>

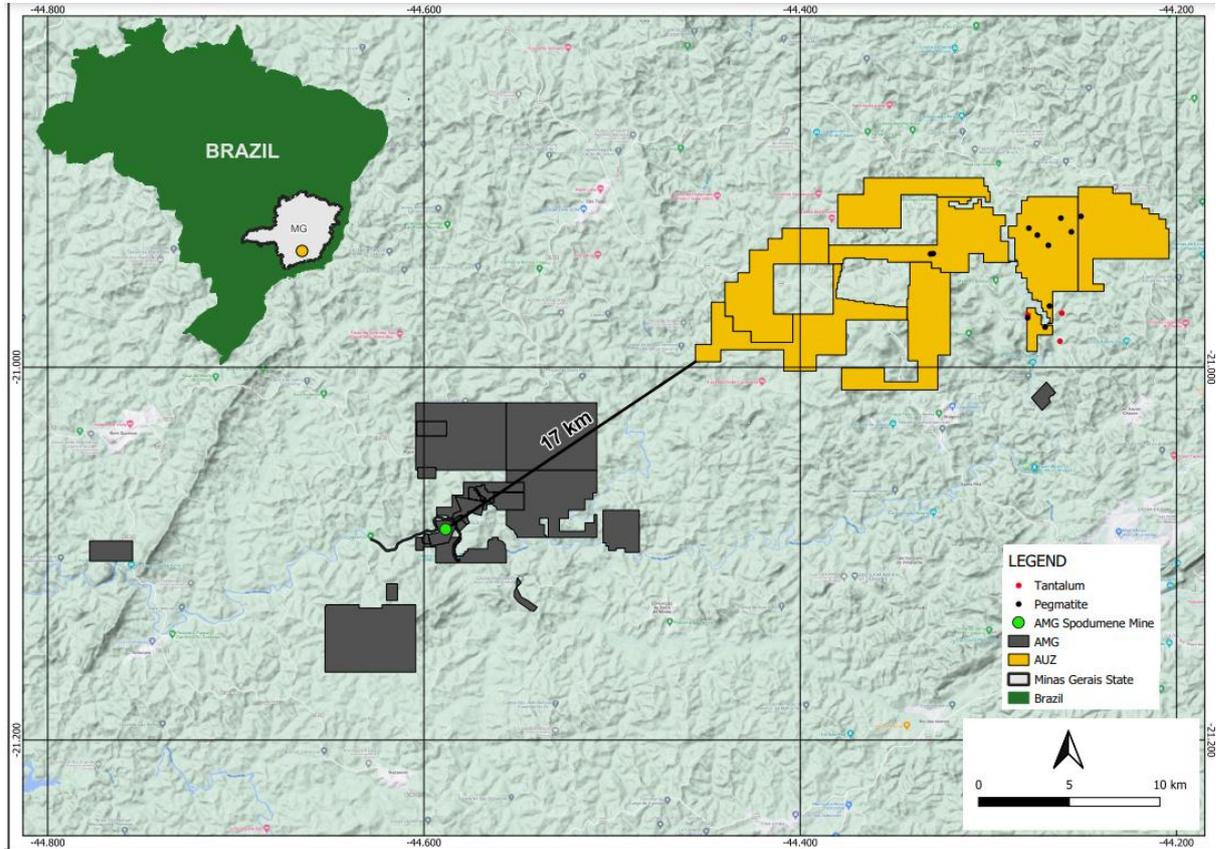


Figure 3: Location of Resende Lithium Project

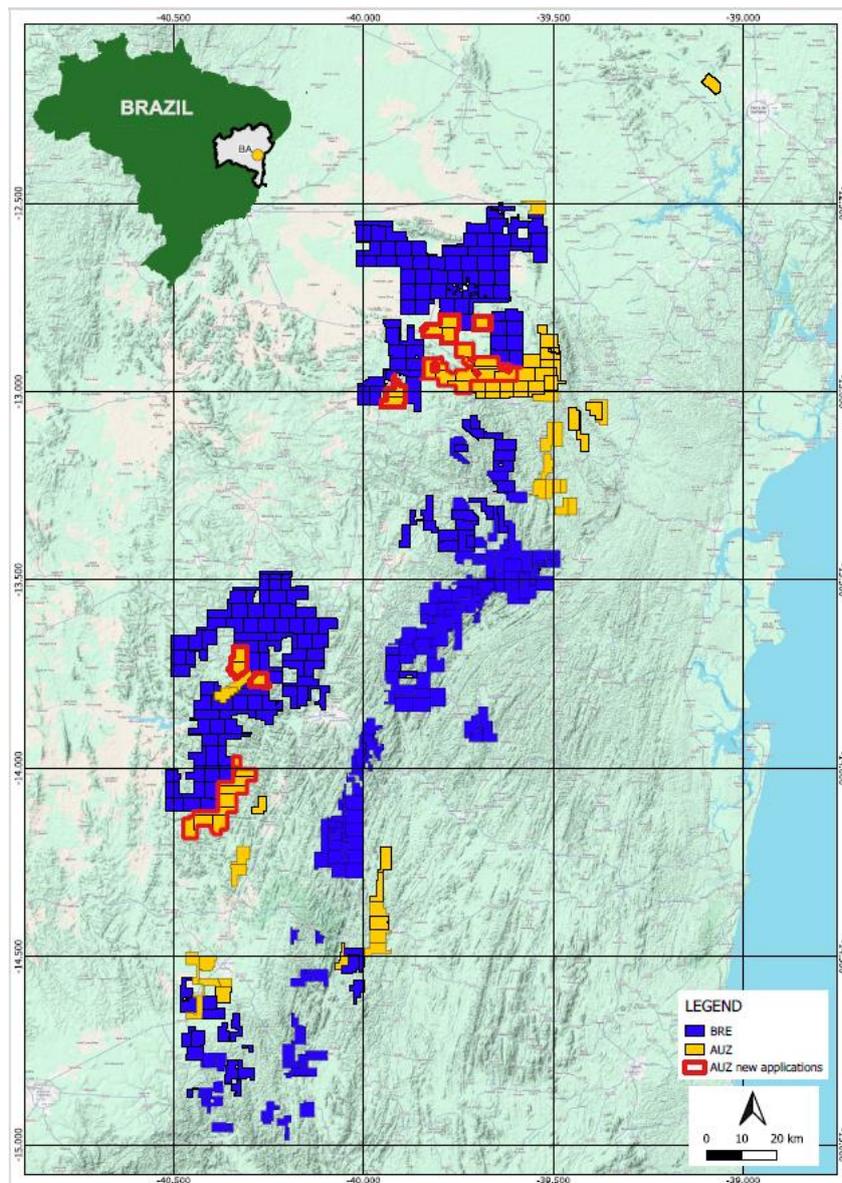
### **Jequie Rare Earth Project (Bahia State)<sup>8</sup>**

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 72 mineral right claims covering a total aggregate land holding of approx. **131,000 HA** or **~1,310km<sup>2</sup>** (Figure 4). 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

<sup>8</sup> The Jequie Rare Earth Project has no current or historical mineral resources

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 (BRE.AX), with their Inferred Mineral Resource Estimate of 510Mt at 1,513ppm Total Rare Earth Oxide<sup>9</sup>. 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.



<sup>9</sup> 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.

Figure 4: Location of Jequie Rare Earth Project (Orange)

ENDS

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*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 Rodrigo Mello, who is a consultant to Australian Mines Ltd. Mr. Mello 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. Mello consents to the inclusion in this report of the matters based on his information in the form and context in which they appear."