

ASX ANNOUNCEMENT

1 November 2019

Sconi Project Offtake Agreement with SK Innovation

Australian Mines Limited (“**Australian Mines**” or “the Company”) (Australia ASX: AUZ; USA OTCQB: AMSLF; Frankfurt Stock Exchange: MJH) refers to:

- (a) the offtake agreement between Australian Mines, its subsidiary Sconi Mining Operations Pty Ltd (“SMO”) and SK Innovation, announced by the Company on 6 August 2019¹ (“Offtake Agreement”); and
- (b) the Company’s announcement to the ASX dated 1 October 2019 entitled “Sconi Project Offtake Agreement with SK Innovation” (“1 October Announcement”).

As stated in the 1 October Announcement, Australian Mines and SK Innovation agreed to extend the date for satisfaction of the two conditions precedent² to the Offtake Agreement to 31 October 2019.

The conditions precedent to the Offtake Agreement were:

Conditions Precedent (CPs):	<ol style="list-style-type: none"> 1. SMO obtaining legally binding documents for financing to complete the construction and commissioning of the Sconi Project on terms acceptable to SMO; and 2. SKI completing, and being satisfied (in its absolute discretion) with the results of, its due diligence conducted on the Sconi Project.
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SK Innovation and Australian Mines further agreed, as stated in the 1 October Announcement, that if SK Innovation issued an agreed pre-payment / finance letter to Australian Mines by 31 October 2019, the parties will proceed to negotiate and finalise the formal documentation (including the specific terms and conditions) with respect to that support by 31 January 2020. The Offtake Agreement would remain effective pending such formal documentation being finalised and signed.

¹ Australian Mines Limited, Long-form off-take agreement signed with SK Innovation for Sconi Project, released 6 August 2019.

² Australian Mines Limited, Long-form off-take agreement signed with SK Innovation for Sconi Project, released 6 August 2019.

Australian Mines advises that SK Innovation has not issued an agreed pre-payment / finance letter to the Company and as a result the Offtake Agreement has automatically terminated on the basis that one or both of the conditions precedent to the Offtake Agreement as described above were not satisfied by that date.

Notwithstanding the termination of the Offtake Agreement, Australian Mines remains committed to progressing the development of the Sconi Project.

To this end, in the near term, the Company intends to commence offtake negotiations with interested third parties, and to continue project finance discussions with potential financiers including banks and export credit agencies.

For and on behalf of the Board

Benjamin Bell

Benjamin Bell
Managing Director and Chief Executive Officer

