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10 September 2020

## Business Update

Advanced battery materials developer, Australian Mines Limited (“Australian Mines” or “the Company”) (Australia ASX: AUZ; USA OTCQB: AMSLF; Frankfurt Stock Exchange: MJH) is pleased to provide an update on progressing the Company’s strategic objectives, including the development of its flagship, 100%-owned, Sconi Nickel-Cobalt-Scandium Project (“Sconi” or the “Sconi Project”) in North Queensland and other portfolio assets.

The primary focus for Australian Mines remains the successful conclusion of negotiations to secure a binding offtake agreement and project finance for Sconi. The successful development of the Sconi Project will position the Company as a low cost, long term, ethical supplier of battery grade materials, operating in a low risk jurisdiction.

Australian Mines believes the Sconi Project’s profile is an attractive proposition to global Electric Vehicle (“EV”) battery makers and the Energy Storage industry. We remain committed to successfully commercialising Sconi and the additional projects within our portfolio of assets to meet the surging demand for battery materials from the EV sector.

### Sconi Nickel-Cobalt-Project, Queensland, Australia

When fully developed, Australian Mines’ Sconi Project will be a globally significant, Tier 1 Nickel-Cobalt-Scandium asset, as demonstrated by the Sconi Bankable Feasibility Study (“BFS”) released in FY2019<sup>1,2</sup>.

The key characteristics<sup>3,4</sup> of the Sconi Project include:

- 30+ year life of mine
- Estimated to deliver \$5 billion in free cash flow

<sup>1</sup> Australian Mines Limited, Bankable Feasibility Study Announcement, released via the ASX Announcement platform on 20 November 2019

<sup>2</sup> Australian Mines Limited, Sconi to generate \$5 billion in free cashflow over 30-year mine life, released via the ASX Announcement platform on 13 June 2019

<sup>3</sup> Australian Mines Limited, Sconi to generate \$5 billion in free cashflow over 30-year mine life, released via the ASX Announcement platform on 13 June 2019

<sup>4</sup> Australian Mines Limited, Bankable Feasibility Study Announcement, released via the ASX Announcement platform on 20 November 2019

- Average annual revenue from production (life of mine) \$512 million
- Average annual EBITDA (life of mine) \$295 million
- Project payback period 5.8 years
- The total Mineral Resource for Sconi is estimated at 115 million tonnes delivering an estimated<sup>5</sup>:
  - 738,359 tonnes of nickel and
  - 71,757 tonnes of cobalt
- Opportunity to expand EV battery resources from the project to include Manganese Sulphate
- Independently assessed as a first quartile, low cost, producer<sup>6</sup>

In May 2020, an additional 14 Nickel and Cobalt exploration targets<sup>7</sup> were identified within or close to the Sconi tenements and additional land adjacent to Sconi has been pegged to ensure Australia Mines is in a position to maximise this opportunity.

The new targets will be the subject of an exploration and testing program over the coming year, the results of which will have the potential to drive an upward revision of the Sconi Mineral Resource<sup>5</sup> and the project life span.

## Offtake partnerships

Throughout FY2020 and into FY2021, Australian Mines' primary focus has been securing a binding offtake agreement for the advanced technology metals that will be produced at Sconi.

Discussions with multiple offtake partners have progressed to an advanced negotiation stage including key terms such as pricing, volumes and timelines. Australian Mines' offtake negotiations have been supported by an expansion of the battery precursor materials that can be produced from Sconi and are responsive to the rapid developments in the EV battery market.

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<sup>5</sup> The Mineral Resource for the Sconi Project is reported under JORC 2012 Guidelines and was reported by Australian Mines on 14 February 2019. The Mineral Resource for the Sconi Project's Greenvale, Kokomo and Lucknow deposits, as outlined in the 14 February 2019 report is: Measured 8.27Mt @ 0.75% Ni & 0.09% Co; Indicated 49.24Mt @ 0.60% Ni & 0.08% Co; Inferred 18.2 Mt @ 0.54% Ni & 0.05% Co. There has been no Material Change or Re-estimation of the Mineral Resource since this 29 April 2019 announcement by the company. The Mineral Resource for the Sconi Project's Bell Creek deposit, as outlined in the 29 April 2019 report is: Measured 11.4Mt @ 0.84% Ni & 0.05% Co; Indicated 12.7Mt @ 0.74% Ni & 0.03% Co; Inferred 1.7Mt @ 0.55% Ni & 0.03% Co. There has been no Material Change or Re-estimation of the Mineral Resource since this 29 April 2019 announcement by the company. The Mineral Resource for the Sconi Project's Minnamoolka deposit, as outlined in the 21 October 2019 report is: Indicated 11.9Mt @ 0.67% Ni & 0.03% Co; Inferred 2.4Mt @ 0.60% Ni & 0.02% Co. There has been no Material Change or Re-estimation of the Mineral Resource since this 21 October 2019 announcement by the company. <sup>2</sup> See Tables 1 to 5 in Appendix of this report. The information outlined on this page relating to Sconi was previously released to the market by Australian Mines via the ASX platform on 13 June 2019. Australian Mines confirms in the subsequent public report that all the material assumptions underpinning the forecast financial information derived from a production target, in the initial public report referred to in Listing Rule 5.17 continues to apply and have not materially changed.

<sup>6</sup> Compared to other existing and proposed analogous operations globally (see Australian Mines Limited, Independent market study places Sconi in the 1st quartile of cost curve for global cobalt sulphate and nickel sulphate production, released via the ASX Announcement platform on 12 February 2019)

<sup>7</sup> Australian Mines Limited, Additional nickel and cobalt targets identified at Sconi, released via the ASX Announcement platform on 15 May 2020

Alongside the battery-ready Nickel Sulphate crystals, Cobalt Sulphate crystals and high purity Scandium Oxide to be produced from Sconi ore<sup>8</sup>, the Company is in the process of investigating the potential production of Manganese Sulphate crystals. This would allow Australian Mines to supply the full suite of Nickel-Cobalt-Manganese (“NCM”) cathode precursor materials, widely used in the EV market<sup>9</sup>, and permit Australian Mines to access more of the EV value chain, delivering greater value to its customers and shareholders.

A key EV battery industry event is the upcoming Tesla Battery Day, which was originally scheduled for April 2020 and has been postponed to 22 September 2020. Australian Mines anticipates information presented at this event will be critical to determining the quantum, nature and timing of future global demand for EV battery materials.

In particular, Tesla have indicated they will use this event to showcase their battery technology development roadmap. The Tesla roadmap is expected to influence the development of battery technology across the broader EV sector and may, therefore, have implications for the volume and composition of the battery materials that Australian Mines would potentially produce. The details of the battery technology announcements to be made at the Tesla Battery Day have not been communicated, however the EV battery industry’s expectation is Tesla is focusing on nickel-rich battery technologies.

In consultation with potential offtake partners and financiers, Australian Mines considers it prudent to extend its offtake negotiation period to create the flexibility to respond to potential changes to the future profile of demand for EV battery materials that emerge at Tesla’s event, including allowing the Company’s technical team to optimise the mine and production plans for Sconi.

The Queensland Government continued its ongoing support of Sconi with the offer, in July 2020, of a financial support package<sup>10</sup> that is linked to the execution of an offtake agreement. Australian Mines is very appreciative of the support the Sconi Project continues to receive from the Queensland Government and the Company maintains regular contact with the Queensland Government and its agencies to ensure they are remain informed of the progress being made to advance Sconi to full production.

Good progress is being made on the range of variables that need to be agreed as part of Australian Mines’ negotiations with potential offtake partners. It would, however, be unhelpful and potentially prejudicial to these negotiations to attempt to impose a short term deadline for concluding them. The offtake negotiations are bound by strict non-disclosure agreements meaning any details of an offtake partnership cannot be discussed until a binding offtake agreement is in place. As soon as a binding offtake agreement is in place it will be communicated to the market in line with the Company’s continuous disclosure obligations.

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<sup>8</sup> Australian Mines Limited, Sconi offtake sample production runs completed, released via the ASX Announcement platform on 19 June 2020

<sup>9</sup> Australian Mines Limited, Australian Mines demonstrates ability to produce NCM battery materials, released via the ASX Announcement platform on 13 August 2020

<sup>10</sup> Australian Mines Limited, Queensland Government offers support package to Sconi, released via the ASX Announcement platform on 15 July 2020

## Project financing and technology metals pricing

Discussions with project financiers are progressing in parallel with the advanced negotiations with potential offtake partners.

Interest in financing the Sconi Project has been maintained since the publication of the BFS in FY2019<sup>11,12</sup>, but remains contingent on a binding offtake agreement/s.

The battery precursor materials that will be produced at Sconi are not commodities quoted on the London Metal Exchange (“LME”). Consequently, any financing agreement will likely require an agreed pricing mechanism to be included in a binding offtake agreement.

As part of current offtake agreement negotiations, consideration is being given to various pricing mechanisms, including an LME-linked price; a long-term fixed price contract; a floating price linked to an LME commodity price but including a pricing floor and ceiling, amongst others. Agreeing a pricing mechanism in a binding offtake agreement will allow project financiers to gain an understanding of the potential revenue outcomes from the Sconi Project, supporting the finalisation of Sconi project financing.

Australian Mines notes that it has significant commercial flexibility to consider a broad range of potential pricing mechanisms because the Sconi Project, once in production, will be in the lowest cost quartile producers of EV battery materials<sup>13</sup>.

Australian Mines is working with its potential financiers and offtake partners to ensure the price mechanism included in any binding offtake agreement/s is acceptable to all parties and maximises value for Australian Mines’ shareholders.

## COVID-19 impact

COVID-19 is having some indirect impacts on Australian Mines. COVID-19 was responsible for Tesla’s Battery Day being postponed from April 2020 to July 2020 and then subsequently being rescheduled for 22 September 2020. This repeated COVID-19 linked rescheduling of the Tesla Battery Day together with the scheduled (temporary) shutdown of some EV-related manufacturing plants in the northern hemisphere over their summer period due to the COVID-19 pandemic, has had the material effect of elongating Australian Mines’ negotiating period with potential offtake partners.

COVID-19 linked travel restrictions have also prevented the ease and immediacy of face-to-face negotiations with potential offtake partners and project financiers and delayed resource

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<sup>11</sup> Australian Mines Limited, Bankable Feasibility Study Announcement, released via the ASX Announcement platform on 20 November 2019

<sup>12</sup> Australian Mines Limited, Sconi to generate \$5 billion in free cashflow over 30-year mine life, released via the ASX Announcement platform on 13 June 2019

<sup>13</sup> Compared to other existing and proposed analogous operations globally (see Australian Mines Limited, Independent market study places Sconi in the 1st quartile of cost curve for global cobalt sulphate and nickel sulphate production, released via the ASX platform on 12 February 2019)

expansion work at Sconi. (This expansion work has the potential to significantly expand Sconi's existing Cobalt & Nickel mineralisation footprint<sup>14</sup>).

Australian Mines has embraced digital technologies to ensure the Company maintains its focus on securing a binding offtake agreement/s and the project financing that will progress Sconi to production.

The Company has continued pre-development work at Sconi, despite pre-construction work being tempered by COVID-19 restrictions. The Company has also developed plans to commence resource expansion work at Sconi, which is ready to be executed immediately travel restrictions are eased.

## Sconi Processing Plant

Australian Mines' proposed Sconi processing plant will utilise proven, industry-standard technology, which has been comprehensively tested via the Company's demonstration-scale plant in Perth, Western Australia.

Sample Nickel Sulphate and Cobalt Sulphate crystals produced from Sconi ore using Australian Mines' demonstration plant have already been independently assessed by a range of potential offtake partners and found to meet their exacting standards.

In addition, the intermediate Mixed Nickel-Cobalt Sulphide Precipitate ("MSP") created from Sconi ore, from which the Company's Nickel Sulphate and Cobalt Sulphate crystals are derived, is an attractive product when compared to the MSP currently broadly available in the market.

With a composition of 56.4% Nickel and 5.64% Cobalt, the MSP being produced by Australian Mines from its Sconi ore would compete very favourably with that of Sumitomo Metal Mining, for example, whose Coral Bay HPAL plant produces an MSP containing 55 to 57% Nickel and 4 to 5% Cobalt<sup>15</sup>.

MSP is a saleable product in its own right and the quality of Australian Mines' MSP may make it an attractive source for a potential offtake partner.

Australian Mines, through its negotiations with potential offtake partners, gains insights into the requirements of the EV battery industry. We have built flexibility into the design of the proposed processing flowsheet to ensure the output from the Sconi processing plant continues to meet the required specifications and so the products required by our potential offtake partners can be adapted to any evolution in EV battery chemistry in the future.

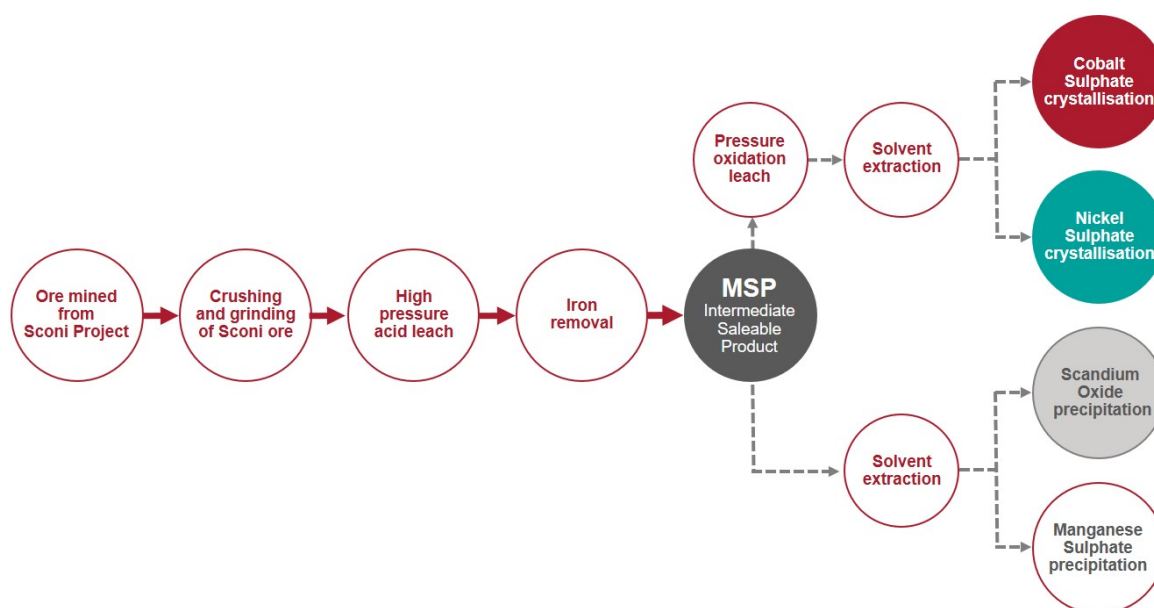
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<sup>14</sup> Australian Mines Limited, Additional nickel and cobalt targets identified at Sconi, released via the ASX Announcement platform 15 May 2020

<sup>15</sup> From: Coral Bay Nickel HPAL Plant Expansion Project, In: Alta 2011 Nickel / Cobalt / Copper Conference, May 23 - 25, 2011, Burwood Convention Centre, Perth, Australia

Currently, the design of the Sconi processing plant is configured to produce 7 units of Nickel Sulphate for every 1 part of Cobalt Sulphate. This approximates the requirements for the emerging NCM 811 battery, which utilises 8 parts Nickel, 1 part Cobalt and 1 part Manganese. The high nickel content in NCM 811 batteries leads to higher energy density, which means the battery can store more energy.

Australian Mines has successfully bench tested the extraction of Manganese Sulphate crystals from Sconi ore and has the flexibility within the proposed Sconi processing plant, to potentially produce the same number of Manganese Sulphate units per year as Cobalt. This mean Sconi could align its annual output to mirror an 811 battery chemistry in all three key battery precursor materials.



MSP – Mixed Sulphide Precipitate

**Figure 1:** Australian Mines’ proposed flowsheet for its 2 million tonnes per annum plant at the Sconi Project in North Queensland, Australia. This proposed processing flowsheet is based on proven, industry-standard technology that has been optimised by Australian Mines through the development and operation of the Company’s demonstration-scale process plant in Perth, Western Australia.

## Scandium

Australian Mines is also well positioned to be a stable, low cost supplier of high purity Scandium Oxide derived from Sconi ore<sup>16</sup>.

The Australian and USA Governments, as well as the European Union, recently classified Scandium as a ‘critical commodity’, which is driving significant additional interest in the Sconi Project.

<sup>16</sup> Australian Mines Limited, Sconi offtake sample production runs completed, released via the ASX Announcement platform on 19 June 2020



Once Sconi is fully developed, its low cost of production combined with a mine life in excess of 30 years<sup>17,18</sup> will allow Australian Mines to profitably supply high purity Scandium Oxide at significantly lower prices than the current market rates where the forecasted long term price is expected to stay below US\$700 per kilogram in order scandium it to become a cost-competitive solution for end-users.

Australian Mines has the potential to be one of the lowest cost providers, globally, of Scandium Oxide up to a purity level of 99.99%, described as 4N product.

## Portfolio development

Australian Mines' primary focus is the successful development of its Sconi Project. That said, the Company retains the capacity to progress its longer-term strategy of developing our 100%-owned Flemington Project ("Flemington") and Thackaringa Project ("Thackaringa") to create additional value for shareholders.

### Flemington Project, New South Wales, Australia

Flemington is one of the most advanced Cobalt-Scandium-Nickel projects in New South Wales, Australia, with an existing Mineral Resource<sup>19</sup> and a demonstrated potential to expand the project's mineralisation footprint<sup>20</sup>.

In addition to Cobalt, Scandium and Nickel mineralisation, a recently completed independent review of the Flemington Project identified several new Gold and Copper targets that warrant follow-up exploration<sup>21</sup>. Referred to as *Target A* and *Target B* in the Company's June 2020 announcement<sup>22</sup>, these targets are analogous to discoveries at nearby tenements in the Flemington area<sup>23</sup> and share similar geological characteristics<sup>24</sup>. Australian Mines is encouraged that surface copper has been observed by the Company's exploration team in the vicinity of *Target A*.

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<sup>17</sup> Compared to other existing and proposed analogous operations globally (see Australian Mines Limited, Independent market study places Sconi in the 1st quartile of cost curve for global cobalt sulphate and nickel sulphate production, released via the ASX platform on 12 February 2019)

<sup>18</sup> Australian Mines Limited, Sconi to generate \$5 billion in free cashflow over 30-year mine life, released via the ASX Announcement platform on 13 June 2019

<sup>19</sup> The Mineral Resource Estimate for the Flemington Cobalt-Scandium-Nickel Project is reported under JORC 2012 Guidelines and was first reported by Australian Mines Limited on 31 October 2017. The Mineral Resource for the Flemington Project, as announced on 31 October 2017 is: Measured 2.5 million tonnes @ 0.103% Cobalt & 403ppm Scandium, Indicated 0.2million tonnes @ 0.076% Cobalt & 408ppm Scandium. There has been no Material Change or Re-estimation of the Mineral Resource since this 31 October 2017 announcement by Australian Mines Limited.

<sup>20</sup> Australian Mines Limited, Additional targets identified at Flemington Project, NSW, released via the ASX Announcement platform on 23 June 2020

<sup>21</sup> Australian Mines Limited, Additional targets identified at Flemington Project, NSW, released via the ASX Announcement platform on 23 June 2020

<sup>22</sup> Australian Mines Limited, Drilling of base metal targets commences at Thackaringa, released via the ASX Announcement platform on 29 June 2020

<sup>23</sup> Alkane Resources Gold-Copper Mineralisation at Boda Prospect

[http://investors.alkane.com.au/site/PDF/2491\\_0/DiscoverSignificantPorphyryAuCuMineralisationatBoda](http://investors.alkane.com.au/site/PDF/2491_0/DiscoverSignificantPorphyryAuCuMineralisationatBoda)

<sup>24</sup> Australian Mines Limited, Quarterly Activities report, period ended 30 September 2019, released 22 October 2019

Australian Mines FY2021 exploration priorities at Flemington, therefore, includes commissioning an Induced Polarisation (“IP”) survey over these two prospective targets to define any geophysical anomalies that may be indicative of copper-gold mineralisation at depth, in advance of a targeted drilling program.

A shallow soil sampling program is also being planned to test the tenor of Gold and Platinum mineralisation previously noted within the Company’s project area<sup>25</sup>. Referred to as *Target C* in Australian Mines’ June 2020 announcement<sup>26</sup>, this impressive gold-platinum target encompasses previously mapped intrusion-related gold mineralised quartz veins linked to the mafic-ultramafic intrusion in the north of the project area.

### **Thackaringa Project, New South Wales, Australia**

Thackaringa is a 100%-owned, early stage exploration project situated within the Broken Hill region of New South Wales, Australia.

In June 2020, Australian Mines initiated a drill program to test two priority base metal targets<sup>27</sup>, which had been identified at Thackaringa by two independent consulting firms.

The results of the exploration drill program are anticipated to be available within the coming month at which time Australian Mines will be in a position to give an update on the direction of this project, including outlining any proposed follow-up exploration programs.

The work to progress Flemington and Thackaringa is fully funded from Australian Mines’ existing cash resources.

### **AML Advanced Materials Pty Ltd**

Consistent with Australian Mines’ focus on the EV and the Energy Storage industries, the Company has expanded its research and development (“R&D”) capabilities to establish the AML Advanced Materials Pty Ltd (“AML Advanced Materials”) subsidiary.

AML Advanced Materials will seek to leverage the Company’s existing R&D activities to become imbedded in the green energy sector. The two principal areas of focus for AML Advanced Materials are power storage and power transmission, which position it as a green energy infrastructure company.

AML Advanced Materials is working towards developing a battery that achieves an energy density target of at least 400 watt-hours per kilogram. This level of energy density would potentially give electric cars more than a 1,000 kilometre range between charges and would

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<sup>25</sup> Australian Mines Limited, Additional targets identified at Flemington Project, NSW, released via the ASX Announcement platform on 23 June 2020

<sup>26</sup> Australian Mines Limited, Drilling of base metal targets commences at Thackaringa, released via the ASX Announcement platform on 29 June 2020

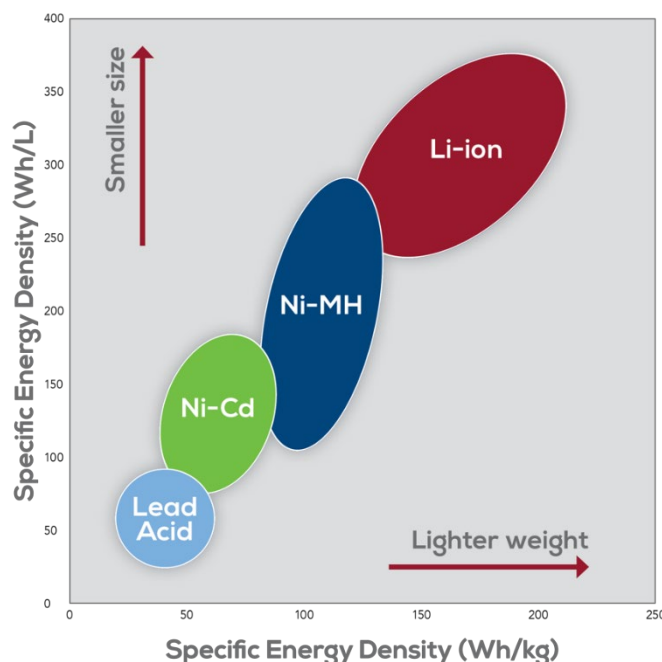
<sup>27</sup> Australian Mines Limited, Drilling of base metal targets commences at Thackaringa, released via the ASX Announcement platform on 29 June 2020



begin to make electric powered commercial airplanes an attractive proposition. It is estimated batteries with a minimum energy density of 400 Wh/kg will be required to outperform a kerosene (JET A-1) powered jet aircraft and make electric airplanes commercially viable.

The early-stage, preliminary results of this research to create a 400 watt-hours per kilogram battery are encouraging and more detailed information on this project will be made available if, and when, the appropriate patent protections are in place. Shareholders should note, though, that whilst the initial work is returning positive results, as with all R&D projects, there is no guarantee that this research will lead to a commercially viable product.

AML Advanced Materials is also undertaking research to optimise aluminium alloys containing scandium and Australian Mines expects to be in a position to make a more detailed announcement on this project before the end of the current calendar year.



**Figure 2:** Australian Mines' subsidiary, AML Advanced Materials, is working towards developing the next generation of battery technology with a target of creating a minimum of a 400 WH/kg battery that extends the industry trend to lighter weight batteries with greater energy density.

## Environmental, Social and Governance

Australian Mines is building a business that incorporates leading Environmental, Social and Governance (ESG) practices. In August 2020, Australian Mines became the first mineral resources company to be certified a Carbon Neutral Organisation<sup>28</sup> under the Australian Government's Climate Active program.

<sup>28</sup> Australian Mines Limited, Australian Mines achieves industry first carbon neutral certification, released via the ASX Announcement platform on 18 August 2020

Australian Mines became a member of the Initiative for Responsible Mining Assurance (IRMA) in March 2020<sup>29</sup>. The IRMA is an independent third-party organisation that verifies and certifies socially and environmentally responsible mining. Australian Mines is now working towards IRMA certification specifically for the Sconi Project.

Australian Mines' commitment to industry leading ESG practices is also reflected in the 2019 decision by the Queensland Government to grant Sconi 'Prescribed Project' status<sup>30</sup>. This support recognises the commitments within the Sconi development plan to deliver social, as well as economic, benefits to Queensland and the communities that are local to the project.

The Company's aim is for the operating and capital expenditure associated with the Sconi Project to be spent locally within Queensland, wherever possible. Over 90% of the operating costs and 80% of the workforce are expected to be sourced locally.

Australian Mines has purchased land at Greenvale, North Queensland<sup>31</sup> to develop into the accommodation and community infrastructure to support a largely, residential workforce at Sconi. The Company believes a community-based workforce model, as opposed to the more traditional fly in-fly out operation, will create significantly greater social and economic benefits for the Charters Towers, Hinchinbrook and Townsville areas that border the Sconi Project.

The development of the Sconi Project will, ultimately, include shared public-use infrastructure and this investment in North Queensland will deliver benefits to local businesses and the community with the aim of providing secure, long term jobs.

## Capital Management

Following the successful share placement to institutional, sophisticated and professional investors in August 2020, raising \$5.2 million before costs<sup>32</sup>, the Company's operations (ex. Sconi plant construction) are fully funded into CY2022, including allowing Australian Mines to continue to advance the Company's projects at a level consistent with the preceding year.

As a result, the Board currently has no intention to raise or re-organise its capital during the current financial year. However, the Board notes that an equity issue or capital re-organisation may be a requirement by potential financiers of the Sconi Project and, if required, will be announced at the time in accordance with Australian Mines' disclosure obligations.

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<sup>29</sup> Australian Mines Limited, Committed to Carbon Neutral Status, released via the ASX Announcement platform on 3 May 2020

<sup>30</sup> Australian Mines Limited, Queensland Government provides Sconi Prescribed Project status, released via the ASX Announcement platform on 25 January 2019

<sup>31</sup> Australian Mines Limited, Land acquisition reinforces Australian Mines' commitment to Sconi, released via the ASX Announcement platform on 22 January 2019

<sup>32</sup> Australian Mines Limited, Institutional Placement Raises \$5.2 Million, released via the ASX Announcement platform on 26 August 2020

This ASX announcement has been approved and authorised for release by Benjamin Bell, Managing Director of Australian Mines Limited.

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Australian Mines Limited is a member of IRMA, the Initiative for Responsible Mining Assurance. This means we are participating in, and supporting, credible independent third-party verification and certification against a comprehensive best-practice standard that addresses the range of environmental and social issues related to industrial-scale mines.

Additionally, 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, minimizes harm to the environment, and leaves positive legacies.



## Forward Looking Statements

*This announcement contains forward looking statements. Forward looking statements can generally be identified by the use of forward looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance', 'potential' and other similar expressions within the meaning of securities laws of applicable jurisdictions.*

*There are forward looking statements in this document relating to the outcomes of the Sconi Project Bankable Feasibility Study and ongoing refinement work as outlined in this report. Actual results and developments of projects and the market development may differ materially from those expressed or implied by these forward looking statements. These, and all other forward looking statements contained in this announcement are subject to uncertainties, risks and contingencies and other factors, including risk factors associated with exploration, mining and production businesses. It is believed that the expectations represented in the forward looking statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and productions results, resource estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.*

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