

3 June 2021

Sconi Project's pilot P-CAM production plant enters construction phase

Highlights

- Design of Australian Mines' pilot P-CAM production plant now completed
- Assembly of Australian Mines' pilot P-CAM production plant on schedule to commence this month
- P-CAM production targeted from August 2021

Advanced battery materials development company, Australian Mines Limited ("Australian Mines" or "the Company") (Australia ASX: AUZ; USA OTCQB: AMSLF; Frankfurt Stock Exchange: MJH) is pleased to announce that, following the highly encouraging results from its recently completed precursor cathode active material (P-CAM) Scoping Study¹ for the Sconi Project, the Company has commissioned the construction phase of its pilot P-CAM production plant.

The Company's pilot P-CAM production plant will be a fully integrated extension to Australian Mines' existing demonstration-scale high pressure acid leach (HPAL) plant in Perth and will allow potential offtake partners to assess the fully integrated P-CAM production circuit proposed for the Sconi Project, from raw Sconi feedstock through to battery-grade nickel-cobalt-manganese (NCM) P-CAM.

By way of background, the Sconi Project's Bankable Feasibility Study (BFS)² was based on producing separate nickel sulphate and cobalt sulphate crystals as the final saleable product from the processing plant. These products sell at lower price points than the value-added P-CAM products³.

¹ Australian Mines Limited, Study indicates integrated Precursor Cathode Active Material (P-CAM) production circuit improves the already attractive economic profile of the Sconi Project, released 2 June 2021.

² Australian Mines Limited, Bankable Feasibility Study supports strong commercial case for developing Sconi Cobalt-Nickel Scandium Project, located in North Queensland, released 20 November 2018; and Australian Mines Limited, Sconi to generate \$5 billion in free cashflow over 30-year mine life, released 13 June 2019.

³ CRU Consulting Report ST2239-21 titled "Nickel intermediates & NMC precursor market study" dated 4 April 2021.

Ausenco's independent Scoping Study into the Sconi Project⁴ concluded that, conceptually, integrating a P-CAM circuit within the Sconi processing facility to replace the nickel and cobalt crystallisation circuit (to produce a value added-product at the Sconi Project) was economically attractive. As a result, Australian Mines is now incorporating a P-CAM process facility into our Perth demonstration plant.

The design of the pilot P-CAM production plant has now been completed, with the circuit configured to allow end-to-end production, at a single facility, of NCM P-CAM derived exclusively from Sconi ore.

The parts and equipment required to commence assembly have either arrived at Australian Mines' Perth demonstration plant facility or are presently en route.

The construction phase of the pilot P-CAM production plant is expected to ramp up to peak activity by late June 2021, with a target to initiate production of P-CAM in August 2021.

The initial P-CAM production runs will produce P-CAM for NCM 622 followed by NCM 811 battery chemistries, which are both currently being used across the electric vehicle sector.

Production runs of NCM 90/05/05 P-CAMs have also been slated to commence from the fourth quarter of the 2021 calendar year.

Australian Mines Managing Director, Benjamin Bell, commented: "Australian Mines is continuing to develop its P-CAM production capabilities in response to growing appetite amongst our potential Sconi offtake partners for P-CAM products and with the clear economic advantages of producing P-CAM.

Our pilot P-CAM production plant is progressing as planned and underpins our commitment to securing a binding offtake agreement/s for the Sconi Project."

ENDS

If you have any queries specific to this announcement, please contact David Loch, Investor Relations Manager at Australian Mines on +61 456 799 967 or dloch@australianmines.com.au

⁴ Australian Mines Limited, Study indicates integrated Precursor Cathode Active Material (P-CAM) production circuit improves the already attractive economic profile of the Sconi Project, released 2 June 2021.

This ASX announcement has been authorised for release by Benjamin Bell, Chief Executive and 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.



Appendix 1: 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.

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