

10 May 2022

Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

ASX RELEASE

Commencement of Proceedings by ASIC

Australian Mines Limited (“Australian Mines” or “the Company” AUZ:ASX) advises that the Company has received proceedings filed today by the Australian Securities and Investments Commission (**ASIC**) in the Federal Court of Australia against the Company and its Managing Director Benjamin Bell.

The proceedings focus on certain announcements by the Company to the ASX between 19 February 2018 and 27 June 2018 with respect to the Sconi Project and the Term Sheet for an Offtake Agreement entered into between the Company and SKI Innovation Co Ltd (**SKI**) on 9 February 2018 (**Term Sheet**), and related statements by the Managing Director.

ASIC alleges that the Company contravened its continuous disclosure obligations under section 674(2) of the Corporations Act by failing to inform the market of material information concerning: the value and funding of the Sconi Project and the Offtake Agreement, being the Buyer’s Discount available in some circumstances to SKI (referred to in the announcement to ASX dated 6 March 2018); SKI’s commitment or obligations with respect to funding of the Sconi Project, and the value of the Offtake Agreement (from a statement contained in an Investor Presentation lodged on 21 February 2018 and retracted by Australian Mines on 28 February 2018 after having gone into a trading halt on 22 February 2018).

ASIC also alleges that the Managing Director breached his duty of care and diligence in s180(1) of the Corporations Act in connection with the making of the representations with respect to the Sconi Project and the Offtake Agreement.



The Originating Process claims various declarations, a civil pecuniary penalty against the company and Managing Director to be fixed by the Court and a disqualification order against the Managing Director for such period as the Court considers appropriate.

The Company intends to defend the proceedings.

For and on behalf of the Board

Michael Ramsden
(Non-Executive Chairman)

Authorised for release by the Board of Directors of Australian Mines Limited

For more information, please contact:

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