



24 July 2017

Chief Operating Officer appointed to support project development activities

- **Operations executive Tim Maclean appointed Australian Mines' Chief Operating Officer**
- **Brings over 25 years of building and operating nickel laterite processing plants for some of the world's largest miners**

Australian Mines Limited ("Australian Mines" or "the Company") is pleased to announce it has appointed Mr. Tim Maclean to the newly created role of Chief Operating Officer (COO) to support the Company through its transition to project developer.

Mr. Maclean brings more than 25 years of senior management and hands-on technical and production experience in the mining industry, including:

- building from scratch the US\$3 billion Mineração Onça Puma nickel laterite processing plant in Brazil for Vale and managing its subsequent operation, including the plant's 1,900-person workforce,
- managing Inco's (now Vale) Indonesian nickel laterite operations, which has an annual average output of 169 million pounds of nickel, and
- running Rio Tinto's Palabora copper smelter and refinery in South Africa, which produces around 120,000 tonnes of copper metal per year.

His most recent role involved managing Alcoa's Kwinana aluminum refinery in Western Australia including its 950-person workforce. This refinery, which produces over \$1 billion of specialty alumina products per year, is located within the Perth metropolitan area and, thus, is proximal to numerous residual communities. That the Kwinana operation achieved some of its best safety and environmental performance during his time at this plant is a testament to Mr. Maclean's strong personal commitment to the environment, local community engagement, and workforce safety.



Mr. Maclean started in his role as COO on 24 July 2017 and builds Australia's Mines' management and technical capacity in this crucial stage of development for the Company, as it moves its advanced Sconi Cobalt-Nickel-Scandium Project in Queensland through its current Bankable Feasibility Study and towards a final investment decision.

With the Company anticipating reporting the results from its resource extension drilling program¹ at its Flemington Cobalt-Scandium-Nickel Project in New South Wales within the coming fortnight, and the release of an updated Mineral Resource estimate² for the Flemington Project in August, Mr. Maclean will also play a vital role in the preparation of the Company's Pre-Feasibility Study (PFS) for this project, which is scheduled to start in October 2017.

His years of experience in pre-operations planning, hot commissioning, plant start-up and production ramp up across numerous global nickel laterite operations will also be invaluable during the current construction, and subsequent operation of the demonstration-size pressure acid leach (PAL) and solvent extraction (SX) plant³ in Perth.

Commenting on the appointment, **Managing Director Benjamin Bell said**, *"We are very pleased to have attracted an operations executive of the calibre and experience of Tim Maclean. I look forward to working closely with Tim as we develop our portfolio of world class assets, with an initial focus on the successful delivery of the demonstration plant and production of saleable cobalt sulphate, nickel sulphate and scandium oxide samples to progress our negotiations with potential customers."*

"Tim will also provide valuable input as we continue our Bankable Feasibility Study on Sconi and prepare for a Pre-Feasibility Study on Flemington, following the recent completion of the extension drilling program that was designed to better define the project's cobalt and nickel resource, as well as potentially upgrade and extend the existing scandium resource."

¹ Australian Mines Limited, Resource extension drilling commences at Flemington, released 11 May 2017

² See Australian Mines announcement dated 31 March 2017 for full details of the Flemington Mineral Resource
Flemington Mineral Resource: Measured 2.67Mt @ 435g/t Sc, Indicated 0.47Mt @ 426g/t Sc for total Mineral Resource of 3.14Mt @ 434g/t Sc. There has been no Material Change or Re-estimation of the Mineral Resource since this 31 March 2017 announcement by Australian Mines Limited

³ Australian Mines, Construction commences of demonstration-size processing plant, released 15 May 2017



Changes to Australian Mines' Executive Remuneration

Australian Mines' Remuneration Committee ("the Committee") recently commissioned independent consultant, BDO, to conduct a remuneration benchmarking exercise for Company's directors and its executives.

The purpose of the review was to ensure that Australian Mines is appropriately remunerating directors and executives, in comparison to its peers, to attract and retain high-calibre professionals within the Company's decision-making ranks to best guide value realisation for shareholders.

A comparator group was identified by BDO with the selection criteria stipulating companies operating in the mining and metals sector with a similar operational relatedness and market capitalisation range to Australian Mines.

The Board and Executive Remuneration Report was completed by Allan Feinberg of BDO and was subsequently tabled at a meeting of Australian Mines' Remuneration Committee.

The Committee determined that the Company's Managing Director's annual total fixed remuneration should be set at approximately the 50th percentile level as reported in the Executive Remuneration Report. As such it was decided, effective 1 July 2017, the Managing Director's annual salary will therefore become \$325,000 per annum inclusive of superannuation plus Long Term Incentive (LTI) Performance Shares valued up to \$250,000 subject to shareholder approval (refer Table 1).

The Committee similarly determined that the Chief Operating Officer's annual total fixed remuneration should be set at \$273,750 inclusive of superannuation plus LTI Performance Shares valued up to \$135,000 (refer Table 2).

BDO's Executive Remuneration Report also provided guidance on the appropriate fee level of for the Company's Chairman and non-executive directors, including a recommendation that the LTI's of Australian Mines' non-executive directors, which will vest on an annual basis, are not performance based but subject to shareholder approval.

Full details on the executive and director's remuneration will be included in the Company's 2017 Annual Report

*****ENDS*****

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Figure 1: Location map of Australian Mines' Sconi Cobalt-Nickel-Scandium Project in northern Queensland and the Flemington Cobalt-Scandium-Nickel Project located in central New South Wales



Table 1: Summary of terms for Managing Director

Commencement date	1 July 2017
Total Fixed Remuneration	\$325,000 inclusive of superannuation
Short Term Incentive	Not Applicable
Long Term Incentive	Up to \$250,000 (value)
Cash Bonus	\$50,000 (payable for FY17)

Table 2: Summary of terms for Chief Operating Officer

Commencement date	24 July 2017
Total Fixed Remuneration	\$273,750 inclusive of superannuation
Short Term Incentive	Not Applicable
Long Term Incentive	Up to \$135,000 (value)