

25 January 2019

Queensland Government provides *Sconi Prescribed Project* status

HIGHLIGHTS:

- Queensland Government recognises potential of Sconi Cobalt-Nickel-Scandium Project to boost Far North Queensland regional economy
- Prescribed Project status to streamline approval processes and fast-track the project's development
- The construction of Sconi will generate 500 jobs, while steady-state operations will provide 300 full-time employment opportunities in the region for the initial 18-year life of the proposed mining and processing operation
- Commitment to local operational expenditure and significant upgrades to infrastructure in the Greenvale region and surrounds endorsed by Minister Cameron Dick

Australian Mines Limited (“**Australian Mines**” or “**the Company**”) (Australia ASX: AUZ; USA OTCQB: AMSLF; Frankfurt Stock Exchange: MJH) is pleased to announce that the Sconi Cobalt-Nickel-Scandium Project has been declared a Prescribed Project by the Government of Queensland, in a move that will assist in streamlining Sconi's progress through the final stages of regulatory approvals and fast-track its future development.

Sconi is located in the historic mining town of Greenvale, approximately 250 kilometres north-west of Townsville in North Queensland, where Australian Mines has committed to a predominantly residential workforce as part of a Bankable Feasibility Study on the Project, released in November¹, as well as committing to the majority of ongoing expenditure for the operation to be focused on local services and suppliers in the greater region across the life of the Project.

Queensland's independent Coordinator-General recommended that Minister for State Development, Manufacturing, Infrastructure and Planning Cameron Dick declare Sconi a Prescribed Project, a recommendation the Minister has endorsed to provide co-ordinated assistance to the Company as it finalises development approvals for what has been recognised as a significant mining project for the State of Queensland.

Australian Mines Managing Director, Benjamin Bell, commented: *"I am delighted that Minister Cameron Dick has formally recognised the regional economic development potential of our Sconi Project in regional North Queensland with this decision. The announcement from the Minister today is a continuation of the positive engagement and support we have received to date from Premier Annastacia Palaszczuk's Government."*

"The declaration of Prescribed Project status for Sconi will provide us with co-ordinated agency support from the State Government as we move into the final stages of our approvals and development pathway for the Project, outlined in a Bankable Feasibility Study released in November 2018."

"We prepared a Bankable Feasibility Study on Sconi with the sincere target of allocating 90% of the ongoing annual operational expenditure to local businesses from the surrounding Charters Towers and Townsville local government areas. In total, the Study indicated \$922 million of the Project's total capital expenditure was anticipated to be spent with Australian businesses, with a preference for North Queensland companies."

"We have also committed to significant upgrades to local infrastructure in the Greenvale region including upgrading the water supply, regional public roads and the Greenvale regional airport as well as the construction of an accommodation village and establishment of a 24/7 medical facility."

*****ENDS*****

¹ 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

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Media release

JOINT STATEMENT

Premier and Minister for Trade

The Honourable Anastacia Palaszczuk

Minister for State Development, Manufacturing,
Infrastructure and Planning

The Honourable Cameron Dick



New year promises new resources project for North Queensland

Hundreds of jobs are a step closer for North Queensland with the \$1.4 billion Sconi project near Greenvale today being declared a prescribed project.

Premier Anastacia Palaszczuk said the project would deliver much-needed jobs for the region and make significant contributions to the local economy.

“It’s a very happy new year for North Queensland,” Ms Palaszczuk said.

“We’re talking about a project set to create up to 500 jobs during its two-year construction period.

“And we’ll see more than 300 full-time equivalent jobs for the 18-year operational period.

“I met with the proponents of this project during the trade mission to South Korea last year and I’m pleased this project is progressing because it means jobs for North Queensland.”

Minister for State Development, Manufacturing, Infrastructure and Planning Cameron Dick said the proponent, Australian Mines Limited (ASX: AUZ), had also set a strong mandate to invest in the region - \$500,000 each year for training and skills development for process workers, with youth and Indigenous programs to feature.

“Upgrades to local Greenvale infrastructure will be made by the proponent,” he said.

“This will help improve water supply, regional public roads and the Greenvale regional airport, while an accommodation village and 24/7 medical facility will also be constructed.

“There’s over \$1bn of capital expenditure proposed, and Queensland companies will be prioritised for this work, which AUZ should be commended for.

“This prescribed project status will help streamline approvals and fast-track delivery for AUZ. This status is also recognition of the significant positive benefits the project will bring to North Queensland and our state as a whole.”

The \$1.4 billion project aims to produce nickel, cobalt and scandium for use in battery manufacturing, electric vehicles and similar high technology applications for export markets.

Two million tonnes of ore per annum would be processed at the Greenvale site producing an estimated annual average production of 8500 tonnes of cobalt, 53,500 tonnes of nickel sulphate and 77 tonnes of scandium oxide for at least 18 years.

Construction for the Sconi project is anticipated to start in 2019, with Australian Mines Limited also set to open a regional office in either Townsville, Charters Towers or Greenvale.

Australian Mines Limited Managing Director Ben Bell welcomed the prescribed project declaration.

“With at least 80 per cent of the workforce for the project anticipated to be employed from the local region, and almost \$1 billion of the project’s total capex expected to be spent with Australian businesses – with a preference for Queensland

companies – Australian Mines Limited is committed to ensuring local communities and businesses continue to benefit from the development and ongoing operation of the Sconi Project,” Mr Bell said.

“I would like to thank the Coordinator-General for granting prescribed project status to the Sconi project, and to the Queensland Government more broadly for its support and guidance to date.”

Declaring a project a prescribed project helps to streamline approvals and fast-track delivery of the project. It enables the Coordinator-General, if necessary, to intervene in the approvals process to ensure timely decision making for the project.

ENDS

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