

21 February 2019

## Sconi Off-take Update

Advanced battery materials developer, Australian Mines Limited (“**Australian Mines**” or “the **Company**”) (Australia ASX: AUZ; USA OTCQB: AMSLF; Frankfurt Stock Exchange: MJH) advises that the negotiations with SK Innovation on the long-form off-take contract for the sale and purchase of battery-grade cobalt sulphate and nickel sulphate to be produced from the Company’s Sconi Cobalt-Nickel-Scandium Project in North Queensland are continuing in line with the off-take term sheet signed by both parties in early 2018<sup>1</sup>.

Under the off-take term sheet, SK Innovation will purchase 100% of the battery-grade cobalt sulphate and nickel sulphate produced from Australian Mines’ wholly-owned Sconi Project for an initial seven-year period, with an option to extend the agreement for a further six years.

According to the recently released Bankable Feasibility Study (BFS)<sup>2</sup>, this equates to revenue of \$512 million per year in average annual sales of cobalt sulphate and nickel sulphate.

Previously, SK Innovation was entitled to a commercial-in-confidence buyer discount on the base price, provided it exercised an option to subscribe for 669 million Australian Mines ordinary shares at \$0.12 per share by 20 February 2019, being three months following the release of the BFS<sup>3</sup> for the Sconi Project. SK Innovation has not exercised this option. With the expiry of the option, SK Innovation’s entitlement to this buyer’s discount has also expired.

**\*\*\*ENDS\*\*\***

### **For further information:**

#### **Shareholders contact:**

Sophia Bolhassan  
Investor Relations Manager  
Ph: +61 488 022 944  
E: sbolhassan@australianmines.com.au

#### **Media contact:**

Michael Cairnduff  
Cannings Purple  
Ph: + 61 406 775 241  
E: mcairnduff@canningspurple.com.au

<sup>1</sup> Australian Mines, AUZ reaffirms binding off-take agreement for Sconi Project, released 6 March 2018

<sup>2</sup> Australian Mines, BFS supports strong commercial case for developing Sconi, released 20 November 2018

<sup>3</sup> Australian Mines, BFS supports strong commercial case for developing Sconi, released 20 November 2018