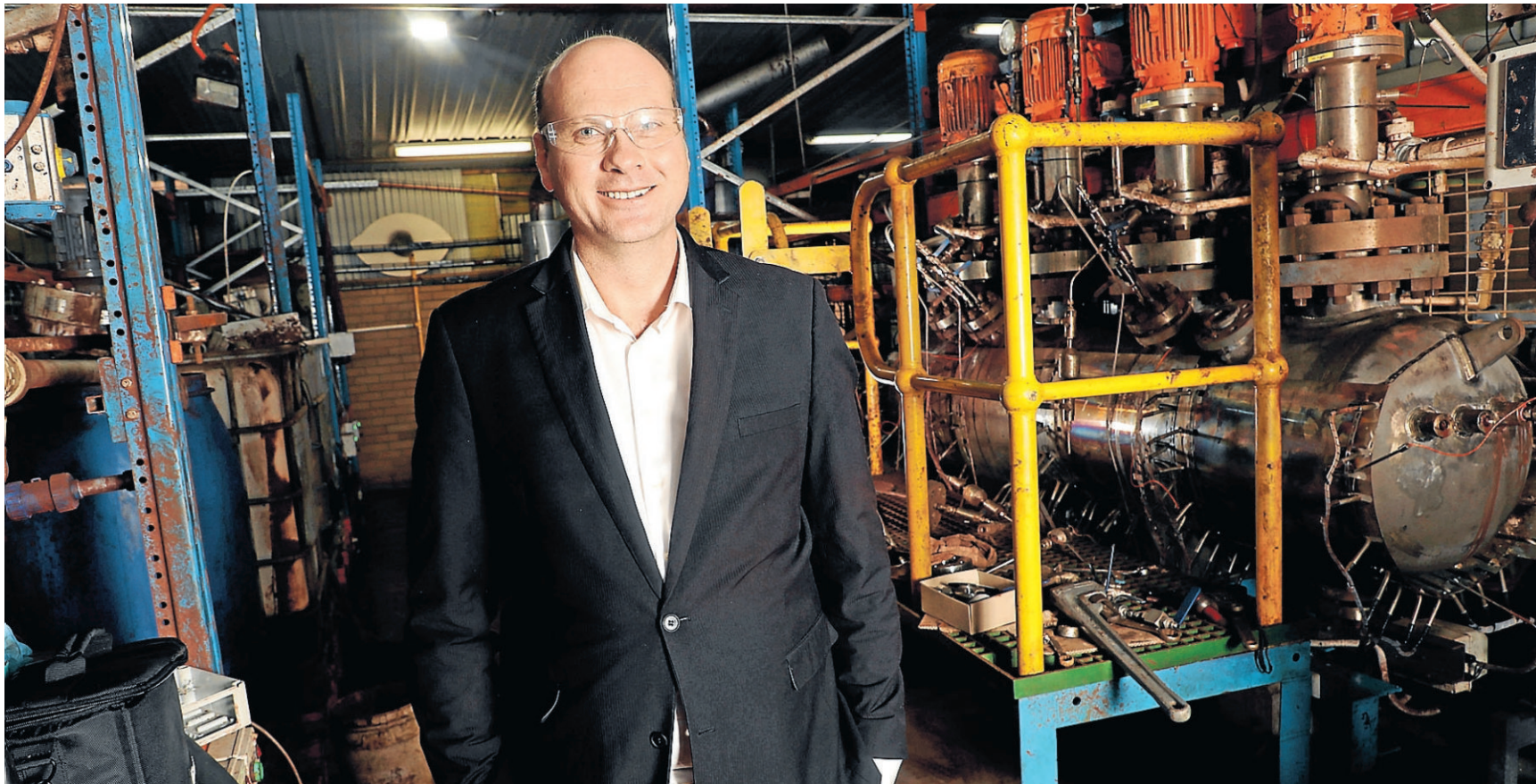


ADVERTISING FEATURE

## Battery metal projects



Australian Mines' managing director Benjamin Bell inside the company's demonstration plant in Perth: soon to release the bankable feasibility study for the company's top-flight cobalt-nickel-scandium project in northern Queensland.

# Renewables push driving Sconi project

These are exciting times for energy innovation: from solar power to electric cars, battery technology is set to redefine renewable energy. Australian Mines identified this trend years ago, which is why the group has been systematically moving towards developing battery metal projects in Australia necessary for harnessing the energy sources needed to drive this revolution.

Now, the ASX-listed company has reached a critical juncture in its progression as it prepares to release a bankable feasibility study for its 100 per cent-owned Sconi cobalt-nickel-scandium project in northern Queensland, which it believes will fire the starting gun on the development of this world-class project.

Benjamin Bell, managing director of Australian Mines, believes the company is on the cusp of an exciting development phase.

"Australian Mines' Sconi project is already Australia's most advanced cobalt project and we should be in a position to release the bankable feasibility study very soon, which we will use to secure the funding for this project," he said.

"What we've been focused on until now is securing an off-take agreement for all the cobalt and nickel production at Sconi, which we completed in March when giant Korean company SK Holdings signed a binding agreement.

"What the agreement means is that SK Innovation [part of SK Holdings] will take all our output from Sconi for seven years, which can be extended for another six years.

"That means we've got a secure buyer for our

**"The perception in mining is that you dig it and ship it, whereas we're taking the approach that we'll be processing the ore on-site to the final chemical stage used in battery production."**

Benjamin Bell

production for the next 13 years. It's that type of deal which means we can go and secure the funding for the project."

Meanwhile, SKI can bank on Sconi to feed the massive battery plants it is building across the world to supply car makers.

Australian Mines' plan for Sconi, following the release of the feasibility study, is to secure the project's funding by early 2019, probably at a 60:40 debt-to-equity ratio, although the company will try to reduce this if possible.

The company would then require about three months of preparations before undertaking construction, which is expected to take approximately two years. Ultimately, Australian Mines expects Sconi to be operational by 2021.



In preparing for the development of Sconi, the company has already been engaging with Queensland and local governments to ensure it will have access to a trained and engaged workforce, along with local suppliers.

"We want to engage with the local community in Charters Towers and Townsville because we need to build the local expertise in the construction and ongoing maintenance of our Sconi project, which is why we've set a target of having at least 80 per cent Australian staffing and 80 per cent of our infrastructure needs to be sourced in Australia," Bell said.

Running in parallel with its plans for Sconi, Australian Mines is also progressing another 100 per cent-owned project in NSW – the Flemington

cobalt-nickel-scandium project – which cleared a preliminary environmental assessment study earlier this year.

"The Flemington project is running about 18 months behind Sconi and that's deliberate so that once the construction and development team at Sconi have finished they can move on to Flemington, Bell continued. "The two projects are very well matched – their ore is a good match.

"We had interest from many other off-take parties at Sconi, so we are confident we will also find a buyer for the ore at Flemington before we begin developing it."

A full Joint Ore Reserve Committee (JORC) study of Flemington is planned for early in the new year, ahead of fast-tracking the development.

"The perception in mining is that you dig it and ship it, whereas we're taking the approach that we'll be processing the ore on-site to the final chemical stage used in battery production," said Bell.

"That's good news for our workers and the team we need for that value-adding process. This is also good news for the company and our shareholders because of the higher price we get for the end product."

Certainly, foreign investors are excited by the company's prospects; Australian Mines recently secured a \$12 million investment from a US fund, with many shareholders US or European-based.

Now the group is poised to play a significant role in the future of renewable energy and in the burgeoning global electric vehicle market.

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