

17 December 2020

Deed of Access for Resource Extraction executed for proposed mining operations at the Sconi Project, North Queensland

Australian Mines Limited (“Australian Mines” or “the Company”) (Australia ASX: AUZ; USA OTCQB: AMSLF; Frankfurt Stock Exchange: MJH) welcomes the Media Release from the Australian Government in relation to the execution of a Deed of Access for Resource Extraction between the Australian Government Department of Defence (“Defence”) and the Company.

The Deed of Access for Resource Extraction moves the Company one step closer to commencing mining operations of its world-class Sconi Nickel-Cobalt-Scandium Project in North Queensland.

Australian Mines Managing Director, Benjamin Bell, commented: *“I am highly appreciative of the Department of Defence for the ease and efficiency with which the Deed of Access for Resource Extraction arrangements was agreed. Securing this Deed adds greater certainty to our plans to develop the Sconi Project, which is underpinned by compelling economics as defined in the Project’s Bankable Feasibility Study¹.*

“The Deed of Access for Resource Extraction also supports our commitment to making Sconi a source of hundreds of long-term jobs, significant economic growth and infrastructure benefits to Greenvale and North Queensland for at least the next three decades.”

A copy of the Media Release is appended to this ASX Announcement.

*** ENDS ***

¹ Australian Mines Limited, Sconi to generate \$5 billion in free cashflow, released 13 June 2019

This ASX announcement has been approved and authorised for release by Benjamin Bell, Managing Director of Australian Mines Limited.

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Australian Mines is a member of IRMA, the Initiative for Responsible Mining Assurance. This means we are participating in, and supporting, credible independent third-party verification and certification against a comprehensive best-practice standard that addresses the range of environmental and social issues related to industrial-scale mines.

Additionally, Australian Mines supports the vision of a world where the mining industry respects the human rights and aspirations of affected communities, provides safe, healthy and supportive workplaces, minimizes harm to the environment, and leaves positive legacies.





SENATOR THE HON LINDA REYNOLDS CSC
Minister for Defence
Senator for Western Australia

THE HON MELISSA PRICE MP
Minister for Defence Industry
Member for Durack

SENATOR THE HON SUSAN MCDONALD
Senator for Queensland

PHILLIP THOMPSON OAM MP
Member for Herbert

JOINT MEDIA RELEASE

DEFENCE AND RESOURCE INDUSTRY TO COEXIST AT GREENVALE TRAINING AREA

17 December 2020

Defence has executed its first Deed of Access for resource extraction on Defence land near Greenvale, North Queensland, as part of the Australia-Singapore Military Training Initiative (ASMTI).

The signing of the Deed of Access for resource extraction with Sconi Mining Operation Pty Ltd will showcase Defence's commitment to coexist with the resource industry and provide certainty for the company's planned development of its nickel and cobalt mine and processing plant to proceed.

Minister for Defence, Senator the Hon Linda Reynolds CSC said the Deed of Access would complement the ASMTI.

"The signing of this deed with Sconi demonstrates Defence's commitment to coexist with the resources industry on the land that Defence has acquired for training under the ASMTI," Minister Reynolds said.

“When the ASMTI initiative reaches maturity, up to 14,000 Singapore Armed Forces personnel will conduct training in Central and North Queensland for up to 18 weeks per year, for 25 years, which will providing significant economic benefits to the region.

“Realisation of the ASMTI, and the SCONI project also, shows the economic development potential of regional North Queensland and provides a vital boost to the local economy and jobs as the economy recovers from COVID-19.”

Minister for Defence Industry Melissa Price said Defence had already entered into Deeds of Access for resource exploration with two companies who would now be able to proceed with exploring for minerals within the Greenvale Training Area.

“We also recently announced the appointment of CPB Contractors Pty Ltd for the first phase of works for the new Defence Training Area near Greenvale,” Minister Price said.

“The construction workforce for the new Greenvale Training Area is expected to peak at 350 workers as part of the works, whilst CPB Contractors will be committed to sourcing about 90 per cent of work from the North Queensland region surrounding ASMTI.

“Upon the successful completion of the development phase of the \$23.5 million contract with Defence, CPB Contractors will then be engaged to deliver the \$800 million of facilities under the ASMTI with construction anticipated to commence by mid-2022.”

Senator McDonald said the Sconi nickel and cobalt mining and processing plant was of significance in the Queensland region.

“The mining and processing project will generate more than 300 full-time employment opportunities in the region for the initial 30-year life,” Senator McDonald said.

“Sconi has also committed to local operational expenditure and significant upgrades to infrastructure in the Greenvale region and surrounds.”

Member for Herbert, Phillip Thompson said the Morrison Government was delivering on its commitment to bring economic benefits to North Queensland.

“I’m a big supporter of Defence and a big supporter of the resource industry. This announcement is a boost to two of the biggest sectors of the North Queensland economy.” Mr Thompson said.

“I’m looking forward to seeing a further increase in economic activity when construction of the Greenvale Training Area commences in mid-2022.”

To learn more about the ASMTI or to get involved, visit: www.defence.gov.au/Initiatives/ASMTI/

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Authorised by Senator the Hon Linda Reynolds CSC, Minister for Defence, Australia.