

Australian Mines Ltd

09:03 06 Aug 2019

Australian Mines signs nickel cobalt off-take with SK Innovation

Australian Mines Ltd (ASX:AUZ) has signed a new off-take for product from its flagship Sconi Cobalt-Nickel-Scandium Project in North Queensland.

The off-take deal is with SK Innovation and replaces and expands upon the February 2018 binding term sheet.

SK Innovation has conditionally agreed to purchase 100% of the battery-grade cobalt sulphate and nickel sulphate produced by Sconi for an initial seven-year period.

Sales prices under the agreement are linked to the corresponding London Metal Exchange nickel price and Metal Bulletin cobalt price.

READ: Australian Mines directors take part in \$5.8 million share purchase plan There are two key conditions, firstly that legally binding documents for financing are obtained before 30 September 2019 for the construction and commissioning of Sconi.

Secondly, that SK Innovation is satisfied with the due diligence it conducts on Sconi on or before 30 September 2019.

READ: Australian Mines drill results support extension to Flemington resource The Sconi Project was valued at \$697 million in the November 2018 bankable feasibility study (BFS) and is the company's flagship project.

The Flemington Cobalt-Scandium-Nickel Project is AUZ's second battery materials project and the first phase of the resource expansion drilling has recently been complete.

Drilling confirmed high-grade mineralisation continues to extend westward from the JORC resource and a second phase of resource expansion drilling is set to commence.

Bell reflects on busy June quarter

In the recent June quarter report, AUZ's managing director Benjamin Bell said: "As clearly apparent from this quarter's work, the entire team at Australian Mines remains steadfastly committed to delivering on the company's goal of becoming a major future producer of cobalt sulphate and nickel sulphate chemicals with a fully auditable supply chain for the electric vehicle sector.

"The revised financials and Ore Reserve for the Sconi Cobalt-Nickel-Scandium Project released this quarter have materially improved the already favourable economics of this project and highlighted its potential as a significant, long-life, world-class development.

"With a mine life now estimated to be in excess of 30 years, Australian Mines intends to be a feature of the Queensland mining landscape for decades to come."

Price: 0.011

Market Cap: \$37.89 m

1 Year Share Price Graph



Share Information

Code: AUZ

Listing: ASX

52 week High Low
0.041 0.006

Sector: Battery Metals

Website: www.australianmines.com.au

Company Synopsis:

Australian Mines Limited (ASX:AUZ) is listed on the Australian Securities Exchange.

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Working towards securing financing

Bell added: "With the economics and updated mine plan now finalised, we are working with our financial advisers and potential off-take partner to develop and execute a financing structure so that we can progress project construction as soon as possible.

"While a Final Investment Decision is getting nearer, in reality, this is just the beginning as we embark on transforming Australian Mines into a significant Australian mining house."

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