

Australian Mines Ltd

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Australian Mines well-positioned to service expected battery metals demand increase

Australian Mines Ltd (ASX:AUZ) remains focused on the development of its Sconi Cobalt-Nickel-Scandium Project in North Queensland to service the expected demand increase for battery metals.

During the March quarter priority remained on advancing discussions with potential offtake partners for the Sconi project which, when fully operational, will position Australian Mines at the forefront of the battery materials industry.

The ongoing discussions are underpinned by a bankable feasibility study, which demonstrates the commercial case for developing the Tier-1 project.

In its quarterly activities report, the company said that discussions with potential offtake partners had been largely unaffected by the disruptions resulting from the measures put in place to combat the spread of the COVID-19 virus.

During these unprecedented times, however, the company emphasised that the safety, health and well-being of its staff were paramount to ensure it can deliver on development goals for the Sconi Project.

"Well positioned"

Managing director Benjamin Bell said: "The company is well-positioned to take advantage of the expected increase in global demand for nickel and cobalt, despite the current challenges, as they are key required commodities used by electric vehicle battery makers, auto manufacturers and in the storage and delivery of clean, sustainable energy sources.

"Our profile as a potential low-cost, long-term supplier of battery-grade materials, operating in a low-risk jurisdiction and producing ethically derived cobalt and nickel sulphate should be an attractive proposition to global OEMs and EV battery makers alike."

Independent testing for Sconi ore

In March 2020 Australian Mines announced that potential offtake partners had requested the supply of battery-grade nickel sulphate and cobalt sulphate crystals as well as high-purity scandium oxide for independent testing.

The test samples are being produced from Sconi ore that and is being processed at the company's Perth-based demonstration plant.

Current sample production runs are supporting Australian Mines' preliminary, incomplete and confidential discussions with potential offtake partners to secure a binding offtake agreement and financing for its project.

It is expected the selected partner will make a meaningful financial commitment to the project financing of Sconi, as part of any offtake agreement

Price: 0.021

Market Cap: \$83.19 m

1 Year Share Price Graph



March 2020 September 2020 March 2021

Share Information

Code: AUZ

Listing: ASX

52 week High Low
0.04 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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Potential to be "leading supplier"

Bell continued: "The board believes Australian Mines' bankable feasibility study for its Sconi project demonstrates the company's potential to be a leading supplier into the nickel and cobalt market for EV battery makers.

"This is supported by the production of high-purity, EV supply chain ready, battery materials at the company's demonstration-scale processing plant in Australia.

"We are currently producing samples of battery-grade nickel sulphate and cobalt sulphate crystals for potential offtake and financing partners.

"We are also continuing to engage, either virtually and/or directly as the current global situation dictates, with a range of potential project financiers to ensure that all due diligence conditions are satisfied to allow offtake discussions to progress beyond the current stage into formal contracts."

Continuing to develop production capacity

Australian Mines is also continuing to develop the production and processing capacity at the Sconi mine site.

The company said financial year 2020 would include pre-construction work on shared public-use infrastructure and continued investment in North Queensland to deliver benefits to local businesses and the community with the view to providing secure, long-term jobs.

Australian Mines' commitment to investing in North Queensland is a central part of developing the project into a sustainable business, which has the potential to deliver outstanding returns for its shareholders.

The Sconi project has been granted 'Prescribed Project' status by the Queensland Government.

Being a Prescribed Project will help with the smooth and methodical development of the Sconi mine site into a world-class, Tier-1 project.

Plans to be certified Carbon Neutral

As part of the company's ongoing commitment to leading Environmental, Social and Governance (ESG) practices, Australian Mines aims to become certified Carbon Neutral under the Australian Government's Climate Action Program.

The company's focus on becoming 100% carbon neutral is a further investment in building a long-term sustainable future for Australian Mines.

It follows on from Australian Mines having had its application for membership of the Initiative for Responsible Mining Assurance (IRMA) approved and ongoing work on IRMA certification for the Sconi project.

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