

22 January 2019

Greenvale land acquisition reinforces Australian Mines' commitment to developing the Sconi Project, North Queensland

HIGHLIGHTS:

- Purchased 13 acres of freehold land within the town of Greenvale
- Marks Australian Mines' first step in joining the Greenvale community

Australian Mines Limited (“**Australian Mines**” or “**the Company**”) (Australia ASX: AUZ; USA OTCQB: AMSLF; Frankfurt Stock Exchange: MJH) is pleased to announce that the Company has purchased a 13-acre parcel of freehold land within the regional township of Greenvale, North Queensland.

This land, which was purchased on the open market¹ via a local real estate agency, is serviced by grid power and scheme water, has two bitumen road frontages and is located across the road from the town's pool and sporting grounds. The Greenvale State School is an easy five-minute walk from land acquired by Australian Mines, and it is less than a kilometre to the Greenvale golf course.

Greenvale is located within 10 kilometres of the Company's 100% owned Sconi Cobalt-Nickel-Scandium Project, which based on the positive Bankable Feasibility Study² (BFS) released to the market in November 2018, is expected to create more than 300 on-going full-time jobs for at least the next 20 years.

¹ Total purchase price for the land was \$78,000

² Australian Mines Limited, Bankable Feasibility Study supports strong commercial case for developing Sconi Cobalt-Nickel Scandium Project, located in North Queensland, released 20 November 2018

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From the outset of this project, Australian Mines has remained steadfastly committed to the Sconi Project operating with a predominantly residential workforce, with minimal use of fly-in fly-out workers. This acquisition of freehold land in Greenvale marks the first tangible example of the Company's commitment towards achieving this objective.

In addition to the construction of new housing and other community social infrastructure including a medical facility in the town, Australian Mines is committed to investing significant funds towards upgrading the region's existing public infrastructure (such as water, sewerage, roads and airport)³ in close consultation with the Greenvale community and the local government.

As a supporter of local businesses, and in accordance with the project's November BFS⁴, Australian Mines has set a goal that 90% of the ongoing annual operational expenditure at the Sconi Project will be spent with businesses from the surrounding region of North Queensland. This is in addition to the \$922 million that Australian Mines anticipates spending with Australian businesses, with a preference for Queensland companies, during the project's initial construction period⁵, which subject to finalising funding, is expected to commence from the middle of this year⁶.

Australian Mines Managing Director, Benjamin Bell, commented: *"Mercedes Benz, Volkswagen, Ford, General Motors ... even Porsche, are all in agreement that electric vehicles represent the future for the automotive industry⁷. As a result, almost every global car manufacturer is expanding their range of battery-powered vehicles to accommodate this.*

"Fundamental to the success of vehicle manufacturers delivering on their electric vehicle strategy is their ability to secure ethnically-sourced, stable long-term supply of battery precursor chemicals – principally cobalt sulphate.

"Once in production, the Sconi Project in North Queensland is expected to be one of the 10 largest producers of cobalt in the world, with expected average annual revenue of more than half a billion dollars for at least the next 18 to 20 years⁸.

"Australian Mines is keen to ensure that not only do we, as a company, capture the full value-add of the Sconi Project by converting our own raw ore to the final battery precursor chemicals of cobalt sulphate and nickel sulphate for direct input into EV batteries, but that the local community also directly benefits from the development of this project through secure employment, improved public infrastructure and my personal commitment that at least 90% of every dollar spent by this operation will be spent with businesses from North Queensland.

³ Australian Mines Limited, Bankable Feasibility Study supports strong commercial case for developing Sconi Cobalt-Nickel Scandium Project, located in North Queensland, released 20 November 2018

⁴ Australian Mines Limited, Bankable Feasibility Study supports strong commercial case for developing Sconi Cobalt-Nickel Scandium Project, located in North Queensland, released 20 November 2018

⁵ Australian Mines Limited, Bankable Feasibility Study supports strong commercial case for developing Sconi Cobalt-Nickel Scandium Project, located in North Queensland, released 20 November 2018

⁶ Australian Mines Limited, SK Innovation and Australian Mines: committed partners developing the Sconi Cobalt-Nickel-Scandium Project in North Queensland, released 3 January 2019.

⁷ <https://www.volkswagenag.com/en/group/e-mobility.html>

⁸ Australian Mines Limited, Bankable Feasibility Study supports strong commercial case for developing Sconi Cobalt-Nickel Scandium Project, located in North Queensland, released 20 November 2018

"This land purchase in Greenvale marks our first step in delivering on our promise of employing local, living local, buying local".

*****ENDS*****

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