

Australian Mines Ltd

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Australian Mines assigned royalty agreements for two tenements at Sconi

Australian Mines Limited (ASX:AUZ) (FRA:MJH) (OTCMKTS:AMSLF) has been assigned royalty agreements covering the Bell Creek and Minnamoolka tenements within the Sconi project in Queensland.

These royalties were not assigned to Australian Mines when the Sconi project was acquired in December 2017.

Reduced payment

Australian Mines has agreed to assume the royalties in exchange for Metallica Minerals Limited (ASX:MLM) reducing the payment due to upon the start of commercial production at Sconi by 50% to \$2.5 million.

Metallica has entered into a Deed of Settlement, Release and Undertaking, which has the effect of releasing it and wholly-owned subsidiary Nornico Pty Limited from all current and potential liabilities and claims in association with the unassigned royalty agreements.

Nornico was placed into Voluntary Administration following the discovery that the two royalty agreements were not assigned by prior directors and management as part of the sale of the Sconi project to AUZ.

Royalties assigned to subsidiary

This deed has seen the royalties assigned to AUZ's wholly-owned subsidiary Sconi Mining Operations Pty Ltd.

Given that any decision to develop the Bell Creek and/or Minnamoolka projects would follow the start of production at Sconi, Australian Mines considers the reduction in the up-front commercial production payment to be beneficial to the company and its shareholders.

Shares have been up as much as 14% in early trade to a high of 1.7 cents.

Price: 0.0145

Market Cap: \$57.44 m

1 Year Share Price Graph



Share Information

Code: AUZ

Listing: ASX

52 week High Low
0.027 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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