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Company Announcements Office
ASX Limited
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Operational Update on Retreatment Plant and X-ray Pilot Production Schedule

- **Retreatment Plant continues month-by-month production increase in throughput & recovery**
- **CRONIMET taking first deliveries, given positive responses from its global customer base**
- **X-ray sorter optimization close to completion, with a detailed test work program underway**

Speciality Metals International Limited (ASX: SEI) (“SEI” or “Company”) through its joint venture (“JV”) with CRONIMET Australia Pty Ltd (“CRONIMET”), is pleased to announce that the Retreatment Plant has in recent months, reached a stable production profile with a significant reduction in unplanned maintenance stops. Since the last operational update (see ASX announcement dated 8 April 2020), plant availability has continuously increased on a 15% month-by-month basis, with the target for July set at 70% and a long-term target set at 80-85%.

Following the successful tests performed on concentrate produced during the commissioning and ramp-up phase, i.e. for the separation of wolframite and scheelite in concentrate, various samples have been distributed by CRONIMET’s parent company, CRONIMET Asia Pte Ltd (CRONIMET Asia), to its customers in Asia, Europe, the US and South America. The feedback received from various APT producers and a ferrotungsten producer was positive. As a consequence and in accordance with the Offtake Agreement between the JV partners and CRONIMET Asia, CRONIMET Asia has, at the end of June, taken delivery of the May and June production. First material has been transported from site to Brisbane for export to an Asian customer.

SEI Chief Executive Officer, Mr Kevin MacNeill stated, “*While the COVID-19 pandemic has thrown global markets and industries into upheaval, we have, through strong teamwork and forward thinking, managed to limit the negative impact on our site and for our team. We definitely went through a major learning curve; particularly when all of our new equipment had to be commissioned and ramped-up without supplier representatives on site (who were unable to attend due to travel restrictions). It’s gratifying to have received positive feedback from CRONIMET on their initial concentrate sales. With stable production now reached, we’re looking forward to shipping the concentrate on a monthly basis.*”



Fig 1. Production batch for export



Fig 2 Concentrate Loading

X-ray Pilot Production Schedule

The X-ray pilot plant has been fully commissioned and tested. Sample materials from around the site had been used to customize and optimize the sorting algorithms, and in addition, the interface with the Company's quarrying operations at site has been taken into account to draw up the production schedule. The schedule has been carefully drawn so that the quarry will receive approx. 80% (by weight) from the X-ray unit as sorter waste material for the quarry's commercial use.

Initial batch production cycles have seen the pilot plant perform at its design capacity of up to 80 tons per hour of feed material.



Fig. 3 Commissioned X-ray Unit

SEI Chief Executive Officer, Mr Kevin MacNeill stated, "First batch runs have been very encouraging and the plant has been performing as we expected. It will nevertheless take us approximately 6 to 9 months until we have properly tested various materials from around the low-grade ore stockpile to define a cost-optimized mining plan for the 12 million tons. Throughout this period, we will see additional tungsten units from the X-ray sorter going to the Retreatment Plant for an expanded concentrate production."



Fig. 4 Feed conveyor to X-ray Unit

The Company aims to create shareholder value through the development of its current portfolio, whilst continuing to evaluate corporate and exploration opportunities within the specialty metals and critical minerals sector.

SEI will report its revenue and activities in its June quarter review at the end of July.

On Behalf of the Board

Kevin MacNeill
Interim CEO and Senior Technical Advisor
Speciality Metals International Limited

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