



18 April 2018

Company Announcements Office
ASX Limited
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SYDNEY NSW 2000

CONTRACT OF SALE EXECUTED - MT CARBINE QUARRY & MINING LEASES

Speciality Metals International Limited (ASX:SEI, Speciality Metals or the Company) is pleased to announce the achievement of a significant milestone in the development of the Company's world-class Mt Carbine Tungsten Project with the Sale and Purchase Agreement (SPA) with Mt Carbine Quarries Pty Ltd (MCQ) being executed today along with required deposit being paid. This Agreement covers the acquisition of the Mt Carbine Quarry, as a going-concern including all plant and equipment, along with Mining Leases ML 4867 and ML 4919.

The parties have agreed that the specific terms of the Contract are to remain Commercial-In-Confidence and Speciality Metals will advise the market once the SPA becomes unconditional. The Company expects to have the SPA settled by late July 2018 at which time it will take over the operation of the Mt Carbine Quarry and its invaluable revenue stream.

Executive Chairman of Speciality Metals, Mr Russell Krause stated:

"A major milestone has been reached today with the execution of the SPA for the purchase of the Mt Carbine Quarry and Mining Leases with MCQ. Whilst the terms of the SPA cannot be disclosed at this stage the Board is seeking to finance a large portion of this transaction using a combination of offtake and debt funding."

"In this regard negotiations are well advanced with several interested offtake and debt funders in an attempt to minimise the transaction's dilutionary impact upon existing shareholders. The Company is also continuing to progress and refine its plans for the recommissioning the Tailings Retreatment Plant along with its intention to commence early production via the use of ore-sorting technology and high-grading the ore contained within the Low Grade Stockpile. The relatively firm European Tungsten APT price (Ammonium Paratungstate) has also greatly assisted in the negotiation process having restored a degree of confidence in the tungsten market. As at 16 April 2018 the APT price was sitting at US\$323 – US\$328 (per 10kg MTU)."

"Despite the process taking a little longer than initially anticipated both parties are extremely pleased with the progress made to date."

Mr Krause added:

"The Board is extremely excited to have reached this important milestone. We are all working tirelessly to ensure that the SPA is completed within the stipulated timeframes and that the Company is in a position to re-awakening its world-class Mt Carbine Tungsten Project and take full advantage of the synergies between the Quarry and the Company's future mining activities." Mr Krause concluded.

About Speciality Metals International Limited

Speciality Metals International Limited (ASX:SEI), formerly Carbine Tungsten Limited (ASX:CNQ) plans to be a pre-eminent Australian tungsten producer from the historic Mt Carbine tungsten mine in Far North Queensland.

The Company has expanded its exploration portfolio to include the following diversified projects:

- Lithium and other valuable mineral resources such as potassium, iodine and boron contained in subsurface brines within its Chilean exploration concessions;
- Gold Exploration Licences (Panama Hat and Crow Mt) in New South Wales, Australia;

Whilst

- Maintaining its world-class tungsten assets at Mt Carbine in Far North Queensland, Australia which consist of the Mt Carbine Tungsten Mine and the Iron Duke and Petersens Lode Exploration Permits.

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

R H Krause

Executive Chairman

Speciality Metals International Limited