



11 July 2019

Company Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

MT CARBINE ACQUISITION UPDATE

Speciality Metals International Limited (ASX:SEI) (**Speciality Metals** or **Company**) wishes to advise the following:

Mt Carbine Quarry Acquisition

The quarrying operations at Mt Carbine has transitioned smoothly from an operational and customer perspective following the 100% acquisition of Mt Carbine Quarries. It is business as usual.

The Company's wholly owned subsidiary, Mt Carbine Quarrying Operations Pty Ltd (**Quarry**), has retained all operational staff previously employed by Mt Carbine Quarries Pty Ltd to ensure that the Quarry's product and service standards are maintained.

Speciality Metals would also like to thank the former proprietor who has been extremely helpful in this process and remains available to assist with any operational or customer service requirements that may arise over the next few months.

The Quarry is also in the process of contacting all customers and suppliers advising them of the change of ownership. We are committed to remaining price competitive whilst maintaining, and wherever possible, exceeding the Quarry's pre-existing service standards.

The Company's Operations Manager, Chris Godfrey, will oversee the quarry and will also be responsible for the future development of the business. The Company's office has also been relocated to the Mt Carbine site with the Company's Administration Manager, Natasha Troughton and staff now based at this location.

The Company will strive to continue to develop the quarry's client base in order to expand upon the Quarry's existing business.

Mt Carbine Retreatment Operations

As announced on 27 June 2019 the unincorporated Joint Venture between Speciality Metals and Cronimet Asia Pte Ltd for the development of the Mt Carbine Tungsten Tailings Retreatment and Stockpile Projects has commenced.

Cronimet's Processing Engineer is currently at Mt Carbine overseeing and reviewing the agreed retreatment plant upgrades.

Orders have been placed for the specific pieces of new equipment which have longer delivery times. Most of this equipment is being sourced from offshore.

Upgrades to electrical circuits have largely been completed. Various pumps and motors have been serviced or replaced and additional concrete work is currently being quoted.

We are anticipating plant upgrade completion and production commissioning in the 4th quarter of 2019.

About Speciality Metals International Limited

Speciality Metals has concluded the acquisition of the Mt Carbine Quarry and Mining Leases ML 4867 and ML 4919 along with entering into an unincorporated Joint Venture with Cronimet Asia Pte Ltd for the development of its world-Tungsten Mine at Mt Carbine in Far North Queensland. The Company expects to be in production from the Tailings Retreatment during the 4th Quarter in 2019.

The Company's exploration portfolio also includes 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; and
- Gold Exploration Licences (Panama Hat and Crow Mt) in New South Wales, Australia.
- Iron Duke and Pertersens Lode EPMs at Mt Carbine, Queensland, Australia which complement the Company's existing Tungsten assets.

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.



RH Krause

Executive Chairman
Speciality Metals International Limited