



1st July 2020

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

\$4 Million Contract Enhances Order Intake for the Mt Carbine Quarrying Operations

- **Continued improvement of order intake throughout May and June, supported by the easing of Covid-19 restrictions**
- **Large purchase order received for road construction project, further strong project pipeline driven by the Government's economic recovery initiatives**
- **Operational alignment of tungsten- and quarrying operations extended through installation of X-ray sorter at quarry site, allowing the Company to sustainably lower its OPEX and minimize its environmental footprint**

Speciality Metals International ("**SEI**") or (the "**Company**") through its wholly owned subsidiary Mt Carbine Quarrying Operations Pty Ltd, is pleased to announce that the Company has received a Purchase Order ("**PO**") for approximately \$4 million (including GST) from Bama Civil Pty Ltd ("**Bama**") for the supply of various quarry materials. Delivery of the material - and revenue recognition - is scheduled for the December half, as Bama complete a major road construction project on the Queensland Government Peninsula Development Road located in the Cook Shire in Far North Queensland.

The Company's order intake improved throughout May and June 2020, with the easing of Covid-19 travel restrictions and the (re)commencement of various construction projects around Far North Queensland. Those orders come at a time where there is renewed focus on the quarrying operation becoming a consistent cash generating business unit for the Company. Given the positive outlook, preparation of additional quarry material stockpiles has begun with several products produced and ready for dispatch.

Installation and testing of the X-ray sorter has been completed, allowing for efficient recovery of tungsten units from the quarry feedstock. Further commissioning and trial operations are planned for the coming weeks.

Chief Executive Officer, Mr Kevin MacNeill stated, "*This is a critical step for the Mt Carbine quarry becoming a consistent cash generating asset for the group. As we move forward with the further ramp-up of the tailings retreatment operation and the reassessment of the open pit and underground resource, efforts to modernize the quarry and expand marketing efforts on the various products produced will be key to increasing profitability. It will also give the Company financial flexibility to implement its strategy beyond the Mt Carbine asset. We are confident we will continue to develop our quarry project pipeline with the focus on industrial development and infrastructure projects in Far North Queensland. The Company has several tenders outstanding at present.*"

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 sector.

The Company 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 Snr Technical Advisor

Speciality Metals International Limited

This news release may contain forward-looking statements. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. Particular risks applicable to this press release include risks associated with planned production, including the ability of the company to achieve its targeted production outline due to regulatory, technical, or economic factors. In addition, there are risks associated with estimates of resources, and there is no guarantee that a resource will have demonstrated economic viability as necessary to be classified as a reserve. There is no guarantee that additional exploration work will result in significant increases to resource estimates. Neither the Australian Securities Exchange nor its Regulation Services Provider (as that term is defined in policies of the Australian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.