

14 October 2021

Austin partnership boosts Americas offering

Global mining equipment design and manufacturer, **Austin Engineering Limited** (ASX: ANG, 'Austin' or 'the Company') announces it has entered into an agreement with Mexican-based equipment manufacturer, Melter, to broaden its product delivery and service capabilities in the US and the northern region of South America. This agreement has already delivered a significant new contract with a world class miner.

Melter will manufacture Austin-designed truck bodies for the initial supply of five lightweight Ultima bodies for Newmont's Peñasquito gold operations in Mexico. Newmont is the world's largest gold miner and there is potential for further sales to this customer. In addition to building truck bodies, Melter will also provide local support and maintenance assistance to Newmont, supported by Austin's US-based teams in Casper, Wyoming.

The Melter partnership is the latest iteration of Austin's roll out of "hub-and-spoke" networks in the Americas to support Austin's central US manufacturing hub in Casper.

Austin is establishing "spokes" closer to significant mining areas via new facilities or through partnerships and preferred supplier arrangements. The objective of this approach is to reduce the logistics cost and complexities of delivering truck bodies over large distances. Under this strategy, in instances where transport costs are high, the Casper facility will provide designs and kits for local assembly to the end user facilities. This approach is intended to improve the competitiveness of Austin's Casper facility and increase market share.

The hub-and-spoke initiative is part of an Advanced Manufacturing strategy being deployed by Austin following its strategic review of global operations completed in July¹, which identified several business optimisation and growth opportunities.

Austin's Casper base has been further supported by the lease of a 23,000 square feet manufacturing site at Fort McMurray in Alberta² from which Austin is able to better service its customers in the remote regions of Western Canada through better product delivery logistics, shorter travel times, and local service and maintenance teams.

Austin CEO and Managing Director, David Singleton said:

"We are very pleased to have formed a partnership with Melter, which enables Austin to grow its service offering in a market where we don't currently have manufacturing capabilities. Our partnership with Melter allows Austin to competitively deliver on its contract to supply Austin-designed truck bodies to Newmont's Peñasquito operations and we look forward to growing our partnership in the future.

"We are continuing to review other potential spoke locations to support our Casper facility and delivering on our US strategy to improve our equipment delivery logistics and reduce overall transport costs, especially into remote areas, making our product offering more cost competitive."

Melter Chief Executive Officer, Carlos Uribe said:

"We are pleased to develop our strong relationship with Austin Engineering, one of the leading OEMs in the global mining industry, as their regional supplier to build and support their truck bodies and other equipment on and off mine sites in Mexico including at Newmont.

¹ Refer to ASX announcement dated 2 August 2021 'Austin Completes Global Strategic Review'

² Refer to ASX Announcement dated 20 August 2021 'Austin Widens North America Presence Into Canada'

“Over the last 30+ years Melter has built a completely integrated manufacturing system for high-spec metal-mechanic components as well as a highly committed and qualified 800 people strong team aimed at delivering the highest client satisfaction in the USMCA market; we are honoured to be able to use our capabilities to deliver Austin’s mining products both locally and potentially overseas. Melter and Austin are joined by a mutual commitment to deliver quality and performance to our customers.”

-ENDS-

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Announcement Authorisation

This announcement was authorised by the CEO.

About Austin Engineering

Austin is a global engineering company. For over 50 years, Austin has partnered with mining companies, contractors and original equipment manufacturers to create innovative engineering solutions that deliver productivity improvements to their operations.

Austin is a market leader in the design and manufacture of loading and hauling solutions, including off-highway dump truck bodies, buckets, water tanks and related attachments, supporting both open-cut and underground operations. Complementing its proprietary product range are repair and maintenance services performed in our workshops and on clients’ mine sites, and spare parts.

Through Austin’s own design and engineering IP and range of tailored products, it delivers solutions for all commodity applications and drives increased efficiencies in productivity and safety in both open cut and underground mining operations.

Austin’s products can create more sustainable mining operations by delivering the lowest cost per tonne to end user, reducing fuel usage per material carried.

The company is headquartered in Perth and has operations around Australia as well as in Asia, North and South America with two key engineering hubs operating from Perth, Australia and Casper, Wyoming USA, with strategic partnerships and representation in Africa, Brazil and Eastern Europe.

About Melter

Melter is one of the leading companies in the design and manufacturing of heat transfer equipment, pressure vessels and custom-made industrial solutions in North America. Melter has highly integrated manufacturing capabilities and a complete commitment and support to product performance. Melter is committed to quality, growth and continuous improvement. It has 30 years of technical service to its customers and is a preferred supplier for both end users and engineering firms.