

15 May 2020

Additional nickel and cobalt targets identified at Sconi Project, North Queensland

Advanced battery materials company, Australian Mines Limited (“Australian Mines” or “the Company”) (Australia ASX: AUZ; USA OTCQB: AMSLF; Frankfurt Stock Exchange: MJH) is pleased to announce that an independent review has identified fourteen new nickel and cobalt exploration target areas within, and adjacent to, the Company’s flagship and 100%-owned Sconi Cobalt-Nickel-Scandium Project (“Sconi”) in North Queensland, Australia.

The independent study, conducted by SRK Consulting, re-evaluated existing Australian Mines drilling data (outlined in Table 1) alongside detailed digital mapping data sourced from the Geological Survey of Queensland’s 2018 ‘Detailed Solid Geography-Queensland’ map and the latest State of Queensland’s Department of Natural Resources, Mines and Energy (DNRME) regional airborne magnetics imagery.

The analysis of these datasets allowed for some significant, additional nickel, cobalt and scandium mineralisation targets to be defined, both within Sconi’s existing tenements and in close proximity to Sconi’s current tenement package (see Figure 1).

Australian Mines has divided these new, untested exploration targets into high priority targets within Sconi’s tenements (see Table 2) and high priority targets across the broader Sconi region (see Table 3).

To ensure Australian Mines is positioned to maximise the opportunity represented by the high priority targets identified in the independent study, the Company has recently pegged additional ground adjacent to the Sconi Project area. The newly pegged ground encompasses priority Target K (see Figure 1), which represents a prospective cobalt-nickel target located along the proposed trucking route from the Company’s Kokomo prospect to the planned processing plant at Sconi.

The list of high priority targets identified within the SRK consultancy study gives Australian Mines the opportunity to commence an exploration and testing program during the 2020/21 financial year.

The objective of this proposed exploration and testing programme is to delineate additional mineralisation that may result in an upward revision of the Sconi Mineral Resource¹ and the Project's life span².

Australian Mines Managing Director, Benjamin Bell, commented: "While our primary focus remains securing binding offtake and financing agreements for our world-class Sconi Project, there is still a lot that we can do to add even more value to this project.

"The new nickel and cobalt targets, uncovered through the study we commissioned from international mining experts SRK Consulting, is a very positive development and indicates just how much untapped nickel and cobalt potential may still exist in and around Australian Mines' current Sconi tenement package.

"These new targets reinforce the exploration upside of the Sconi Project; have the potential to deliver significant value to shareholders and to significantly extend the lifespan of the Sconi Project beyond the current estimate of 30 years³."

*** ENDS ***

This ASX announcement has been approved and authorised for release by Benjamin Bell, Managing Director of Australian Mines Limited.

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¹ The Mineral Resource for the Sconi Project is reported under JORC 2012 Guidelines and was reported by Australian Mines on 14 February 2019. The Mineral Resource for the Sconi Project's Greenvale, Kokomo and Lucknow deposits, as outlined in the 14 February 2019 report is: Measured 8.27Mt @ 0.75% Ni & 0.09% Co; Indicated 49.24Mt @ 0.60% Ni & 0.08% Co; Inferred 18.2 Mt @ 0.54% Ni & 0.05% Co. There has been no Material Change or Re-estimation of the Mineral Resource since this 29 April 2019 announcement by the company. The Mineral Resource for the Sconi Project's Bell Creek deposit, as outlined in the 29 April 2019 report is: Measured 11.4Mt @ 0.84% Ni & 0.05% Co; Indicated 12.7Mt @ 0.74% Ni & 0.03% Co; Inferred 1.7Mt @ 0.55% Ni & 0.03% Co. There has been no Material Change or Re-estimation of the Mineral Resource since this 29 April 2019 announcement by the company. The Mineral Resource for the Sconi Project's Minnamoolka deposit, as outlined in the 21 October 2019 report is: Indicated 11.9Mt @ 0.67% Ni & 0.03% Co; Inferred 2.4Mt @ 0.60% Ni & 0.02% Co. There has been no Material Change or Re-estimation of the Mineral Resource since this 21 October 2019 announcement by the company

² The information outlined on this page was previously released to the market by Australian Mines via the ASX platform on 13 June 2019. Australian Mines confirms in the subsequent public report that all the material assumptions underpinning the forecast financial information derived from a production target, in the initial public report referred to in rule 5.17 continues to apply and have not materially changed.

³ The information outlined on this page was previously released to the market by Australian Mines via the ASX platform on 13 June 2019. Australian Mines confirms in the subsequent public report that all the material assumptions underpinning the forecast financial information derived from a production target, in the initial public report referred to in rule 5.17 continues to apply and have not materially changed

Table 1: Summary of drilling by prospect

Prospect	Metres	Number of holes
Greenvale	44,355	1,490
Lucknow	21,521	995
Kokomo	29,044	1,058
Minnamoolka	6,608	345
Bell Creek	25,765	1,382
Total	127,293	5,270

Table 2: Summary of priority targets located within Australian Mines' existing Sconi tenure

Prospect	Target Area	Description
Greenvale	A	Newly interpreted potential laterite
	B	Untested laterite
	C	Untested laterite
	L	Extension of prospective laterite
Lucknow	D	Untested laterite
Kokomo	E	Untested laterite
	F	Untested laterite
Minnamoolka	G	Newly interpreted potential laterite
	H	Newly interpreted potential laterite
	I	Newly interpreted potential laterite
Bell Creek	J	Newly interpreted potential laterite

Table 3: Summary priority targets areas external to Australian Mines' existing Sconi tenure

Location	Target Area	Description
Kokomo Southern extension	K	Extension of prospective laterite Australian Mines applied for an exploration licence over this target in May 2020 (EPM 27529)
Southern Lucknow extension	M	Extension of prospective laterite
South-southeast Lucknow	N	Newly interpreted potential laterite

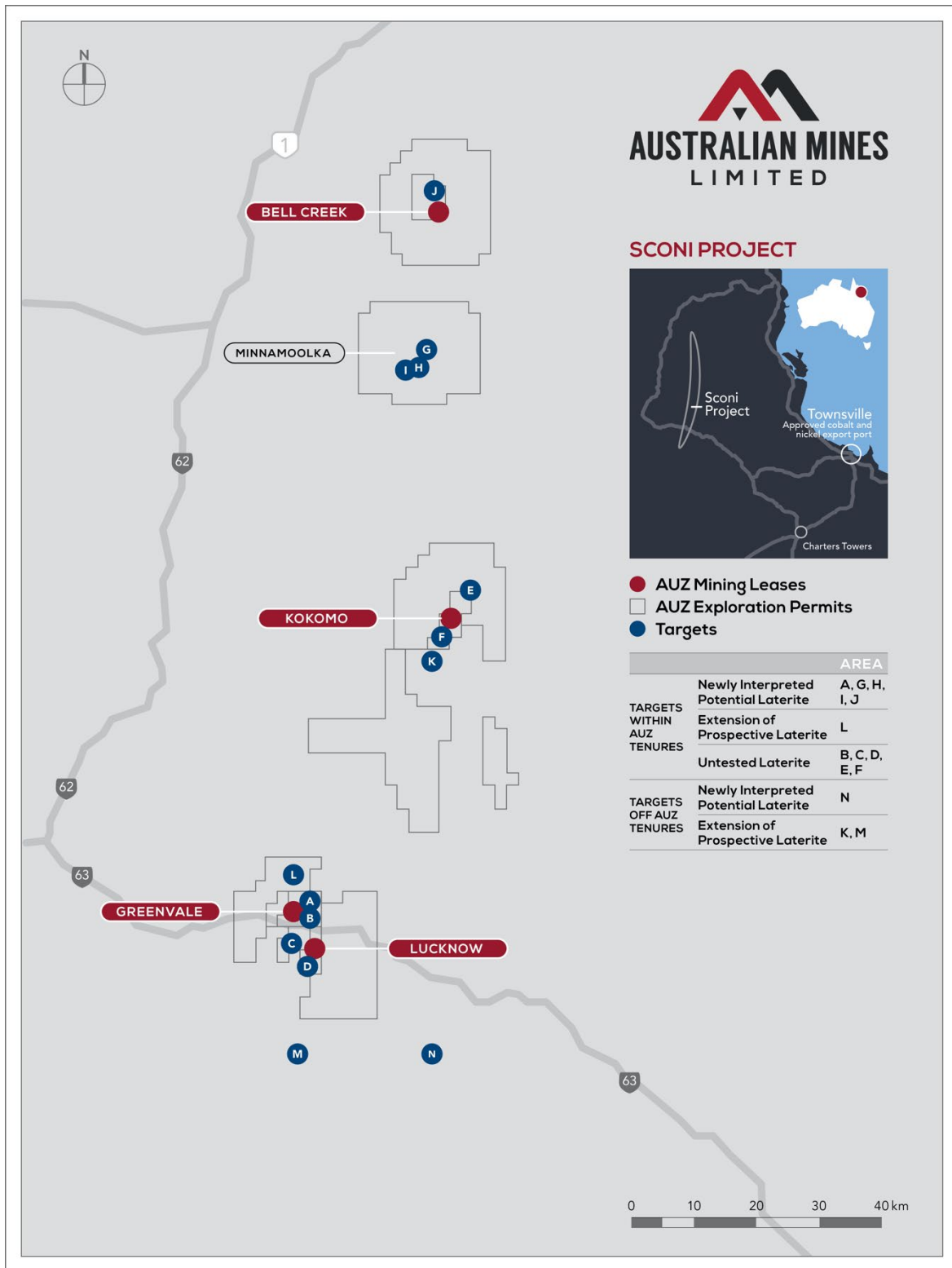


Figure 1: Nickel and cobalt exploration target areas located within, and adjacent to, the Australian Mines’ Sconi Cobalt-Nickel-Scandium Project as identified by a recent independent study.

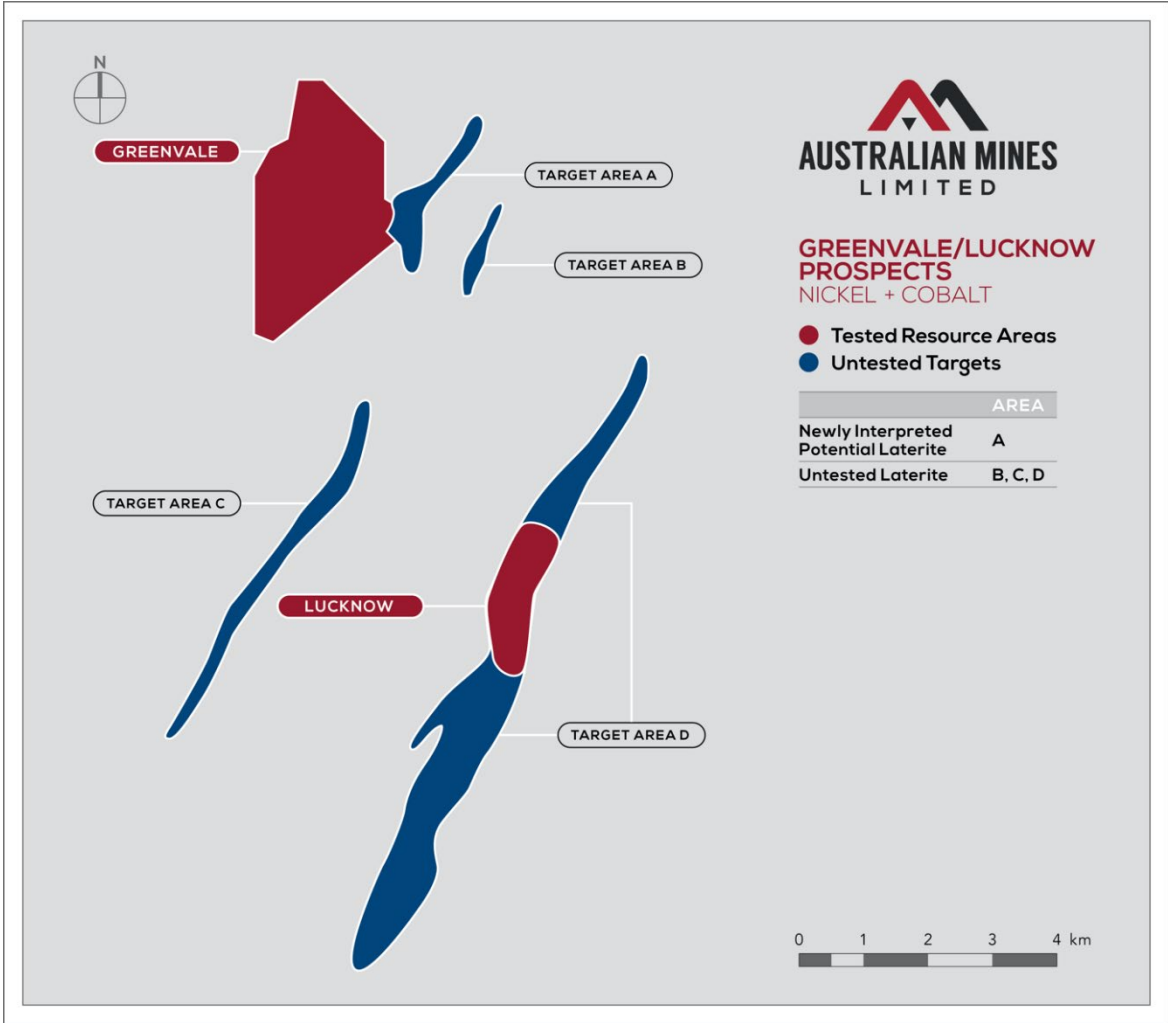


Figure 2: Untested nickel and cobalt targets within Australian Mines existing tenement package (Greenvale and Lucknow prospects)

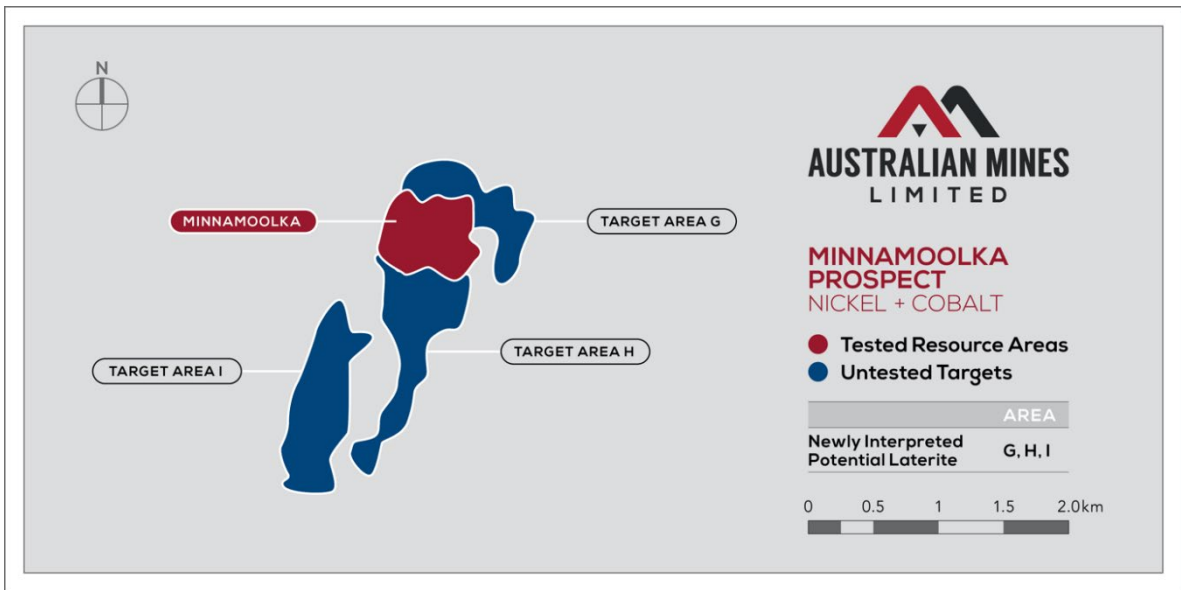


Figure 3: Untested nickel and cobalt targets within Australian Mines existing tenement package (Minnamoolka prospects)

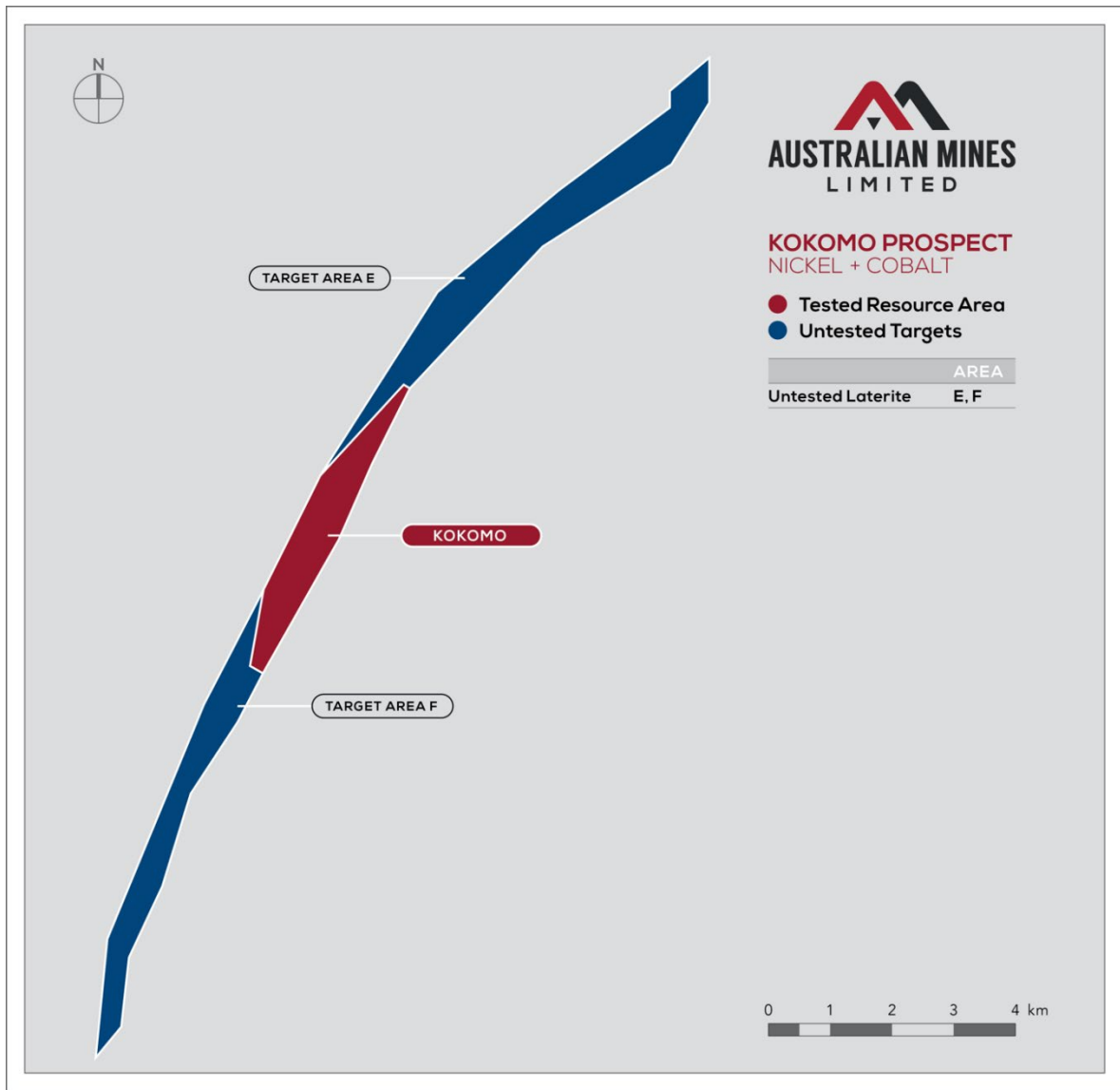


Figure 4: Untested nickel and cobalt targets within Australian Mines existing tenement package (Kokomo prospect)

