



AUSTRALIAN MINES
LIMITED

Investor Presentation

NOVEMBER 2021

Decarbonising and electrifying the world
through the development of ethically sourced
nickel and cobalt materials



australianmines.com.au
ASX | AUZ

Disclaimer



Forward Looking Statement: This document may contain forward looking statements. Forward looking statements can generally be identified by the use of forward looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance', 'potential' and other similar expressions within the meaning of securities laws of applicable jurisdictions.

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Previously Reported Information: This document does not contain any new data, results or information, with all references clearly stated.

Any exploration and/or resource data, or statements referenced within this document have previously been lodged by Australian Mines Limited with the ASX via announcements dated 20 November 2018, 30 November 2018, 6 December 2018, 3 January 2019, 15 January 2019, 21 January 2019, 22 January 2019, 25 January 2019, 12 February 2019, 13 February 2019, 14 February 2019, 21 February 2019, 27 February 2019, 26 April 2019, 29 April 2019, 12 June 2019, 13 June 2019, 17 June 2019, 8 July 2019, 6 August 2019, 12 August 2019, 1 October 2019, 2 October 2019, 21 October 2019, 1 November 2019, 25 November 2019, 14 April 2020, 12 June 2020, 19 June 2020, 23 June 2020, 29 June 2020, 15 July, 2020, 13 August 2020, 18 August 2020, 26 August 2020, 10 September 2020, 6 October 2020, 12 October 2020, 26 October 2020, 10 November 2020, 19 January 2021, 29 January 2021, 6 April 2021, 29 April 2021, 5 May 2021, 2 June 2021, 3 June 2021, 7 June 2021, 24 June 2021, 25 June 2021, 28 June 2021, 27 July 2021, 28 July 2021, 30 July 2021, 16 August 2021, 15 September 2021 and 25 October 2021. Australian Mines Limited is not aware of any other new information or data that materially affects the information included in the original market announcements referred to above, and that all material assumptions and technical parameters have not materially changed.

Cautionary Note For U.S. Investors Regarding Reserve and Resource Estimates: Unless stated otherwise, all resource estimates by the Company in this Presentation were calculated in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code", 2012 Edition), a professional code of practice that sets minimum standards for the public reporting of mineral exploration results, Mineral Resources, and Ore Reserves.

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Agenda

Company Overview
Market Opportunity
Sconi Project
Summary



Company Overview



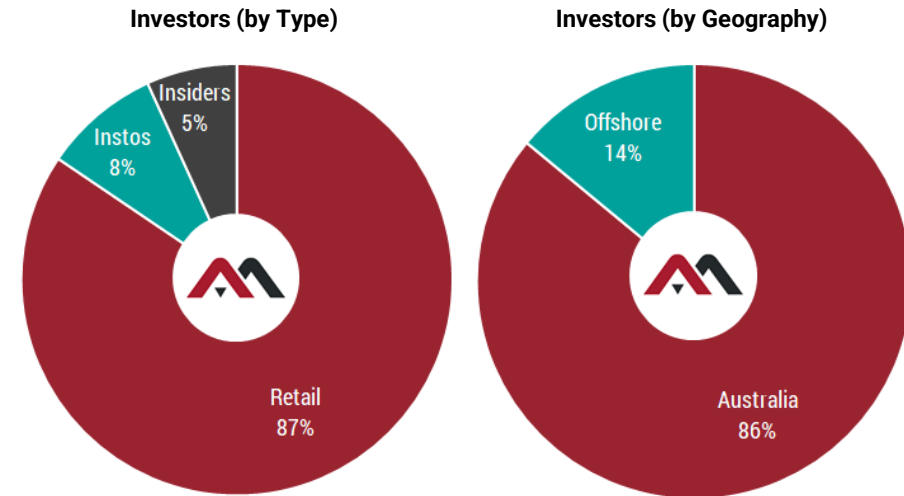
Capital Structure

Market Cap (16 November 2021)	~ A\$99M
Share Price (16 November 2021)	A\$0.023
Issued Share Capital (16 November 2021)	4,304M
Net Cash (30 September 2021)	~ A\$7.3M
Listings	ASX: AUZ; USA: OTCQB; AMSLF: FSX

Share Price Performance (18 months)



Ownership (16 November 2021)



Total Holders	11,508
Top-20 Holders (% of ISC; grouped)	26%
Liquidity (% of ISC; 12 months; ASX+CXA)	145%
Research Coverage	MST Financial

Why Australian Mines?



World Class Sconi Project

- ✓ Development ready, nickel-cobalt-scandium project in Queensland, Australia
- ✓ Tier-1 asset, lowest cost quartile with a 30+ year mine life
- ✓ Binding long form offtake agreement with LG Energy Solution (6+5 years)¹
- ✓ Project finance progressing – targeting completion on/before 30 June 2022²
- ✓ Mixed nickel-cobalt hydroxide precipitate (MHP) production from 2024

Strong Board and Experienced Team

- ✓ Strong, experienced, and disciplined team
- ✓ Diverse skills mix, stable tenure, and well integrated
- ✓ Positioned well for next phase of growth and development

Ethical, Sustainable, Future Facing Metals Focus

- ✓ Achieved industry-first Carbon Neutral certification (Climate Active program)
- ✓ *Prescribed Project* status declared for Sconi in recognition of our social commitment
- ✓ Committed to third-party verification and certification processes against comprehensive ESG standards
- ✓ Highly leveraged to global mega trends (decarbonisation, electrification, and EV transition) and surging demand

^{1,2} Australian Mines Limited, *Binding offtake agreement with LG Energy Solution for supply of mixed nickel-cobalt hydroxide from the Sconi Project, Queensland* (ASX: 16 August 2021). The binding long form offtake agreement has only one condition Precedent, which is that Australian Mines secures financing for construction on the Sconi Project on or before 30 June 2022 (or such later date at the parties may agree).

FY2021 Operating Highlights



Sconi Project

- ✓ Binding long form offtake agreement with LG Energy Solution (6+5 years)
- ✓ Offtake agreement accounts for 100% of the projected future production of Sconi
- ✓ Deed of Access for Resource Extraction granted from the Australian Government
- ✓ Progressed financing discussions with banks, credit export agencies, and other institutions

Corporate

- ✓ Achieved industry first Carbon Neutral certification
- ✓ Fully funded beyond the current financial year
- ✓ Cost discipline – refocussed project portfolio and clear path to production at Sconi



Offtake Partner and Project Financing

Offtake Partner

- ✓ Entered into a binding long form offtake agreement with LG Energy Solution, a subsidiary of LG Chem
- ✓ Supply agreement (commencing 2024) is for mixed nickel-cobalt hydroxide precipitate (MHP) product
- ✓ During the initial term (6 years), LG Energy Solution to purchase 71,000 dmt¹ of nickel and 7,000 dmt of cobalt (MHP form)
- ✓ Demonstrated technical and production capability (pilot plant operating since 2018)
- ✓ At full production, Sconi is projected to be one of the lowest cost, cobalt producing nickel operations in the world
- ✓ Australian Mines playing a key role in providing a stable, high quality, and ethical battery materials supply chain

¹ 'dmt' means dry metric tonnes.

² Australian Mines Limited, *Binding offtake agreement with LG Energy Solution for supply of mixed nickel-cobalt hydroxide from the Sconi Project, Queensland* (ASX: 16 August 2021). The binding long form offtake agreement has only one condition Precedent, which is that Australian Mines secures financing for construction on the Sconi Project on or before 30 June 2022 (or such later date at the parties may agree).

³ The nature of any non-disclosure agreement (NDA) with potential project financiers signed by Australian Mines, coupled with ASX Listing Rules, prevent the company from commenting on the NDAs, including providing any indication of the number of such agreements signed by Australian Mines, the name / nationality / type of business of the other signatory, or even confirmation by Australian Mines that such an agreement exists.

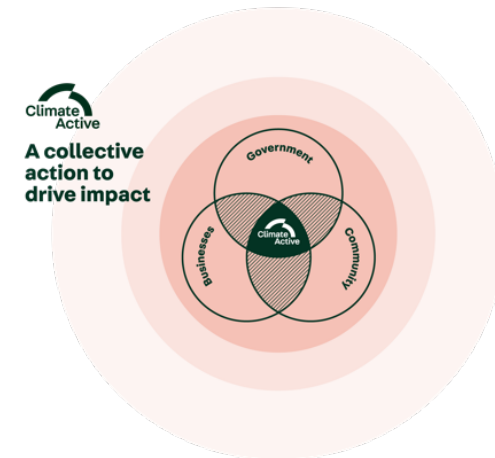
Project Financing

- ✓ Financing negotiations projected to be completed on/before 30 June 2022²
- ✓ Active negotiations with potential project financiers continuing³



Achieved Industry First Carbon Neutral Certification

- ✓ First mineral resources company to be certified a Carbon Neutral organisation¹ by the Australian Government’s Climate Active program
- ✓ Climate Active is the only Australian Government recognised certification, awarded to organisations who have reached a state of achieving net zero emissions (such as Australian Mines)
- ✓ Third-party verification and certification process underway against comprehensive environmental, social and governance (ESG) standards
- ✓ Commitment to local communities recognised by the Queensland Government when granting *Prescribed Project* status for Sconi



¹ Australian Mines Limited, *Australian Mines achieves industry first carbon neutral certification* (ASX: 18 August 2020).

The Electric Vehicle Revolution



Focus on Becoming a Leading Producer and Supplier of Ethically Sourced Nickel and Cobalt Materials

- ✓ Long term commitment to the EV and energy storage industries
- ✓ Source of ethically produced nickel and cobalt from a certified Carbon Neutral organisation
- ✓ Supplying essential intermediate/MHP materials for EV batteries
- ✓ Supporting clean energy technologies to decarbonise the global economy
- ✓ Aggressive targets for EV transition being introduced by governments globally





Market Opportunity



Demand Surge

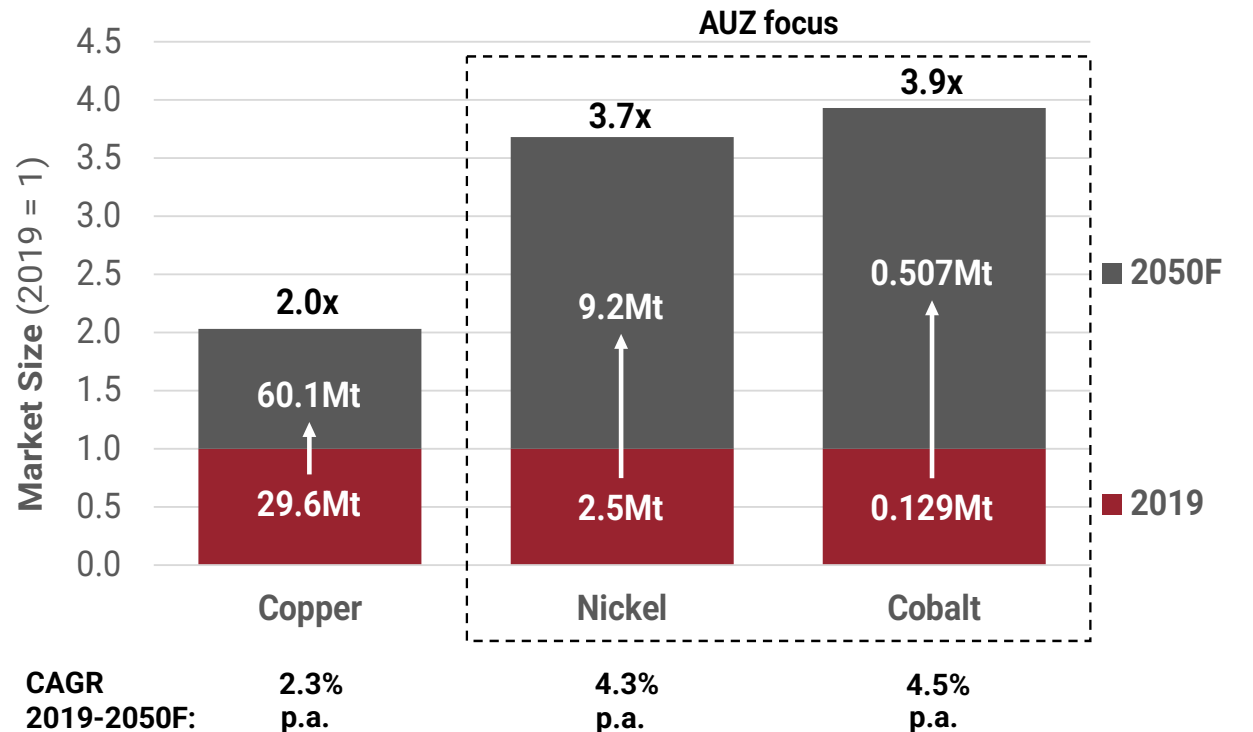


ESG Mega Trends Driving Demand

- ✓ Future facing metals (including nickel and cobalt) to drive decarbonisation and electrification, supporting future emissions targets
- ✓ Transition to electric vehicles (EV) continues to accelerate
- ✓ Nickel rich chemistries have grown to dominate the EV battery cell market, accounting for 53% of global battery demand this year¹
- ✓ Nickel and cobalt supply growth this decade required to double (versus 2010s) in order to meet anticipated market demand²

Projected Metal Demand Growth (2019-2050F)³

(Under a Rapid Transition (IEA SDS) scenario (+1.5°C) to 2050F)



¹ Benchmark Mineral Intelligence, *Renault backs NCM cathodes as it establishes French battery cell pipeline*, 9 July 2021 (www.benchmarkminerals.com).

^{2,3} Glencore, *Preliminary Results 2020 Presentation*, 16 February 2021 (www.glencore.com).

The Rise of Nickel-Based Cathode Chemistries

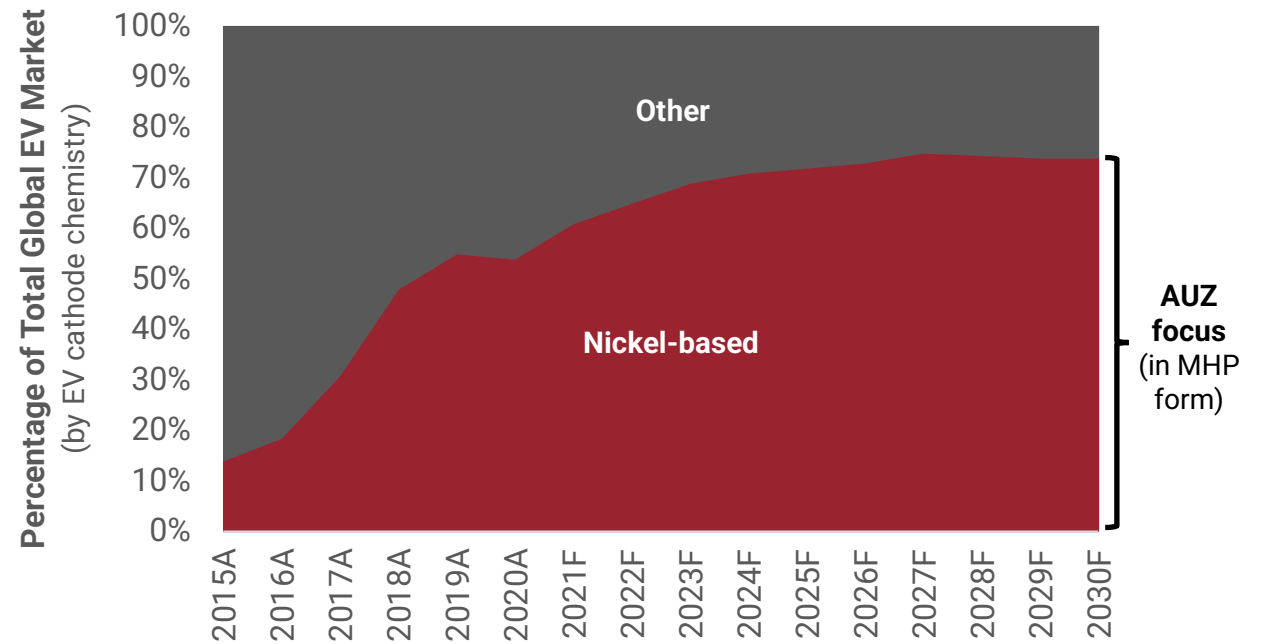


Nickel's Vital Role

- ✓ Nickel-based cathodes are projected to represent 75% of the market by 2030¹
- ✓ High nickel cathodes are being adopted because of their high energy density and good rate capability
- ✓ Increasing nickel content in cathodes lowers the cost of EV batteries by reducing the use of more expensive cobalt and lithium

Distribution of EV Market by Battery Chemistry²

(split between nickel and non-nickel based battery cathode chemistries 2015A-2030F)



^{1,2} Benchmark Mineral Intelligence, *The rise of nickel-based cathode chemistries*, 22 October 2021 (www.benchmarkminerals.com); 'Other' cathode chemistries include LCO, LFP and LMO.

1.6 Mt New Nickel Supply Needed by 2040

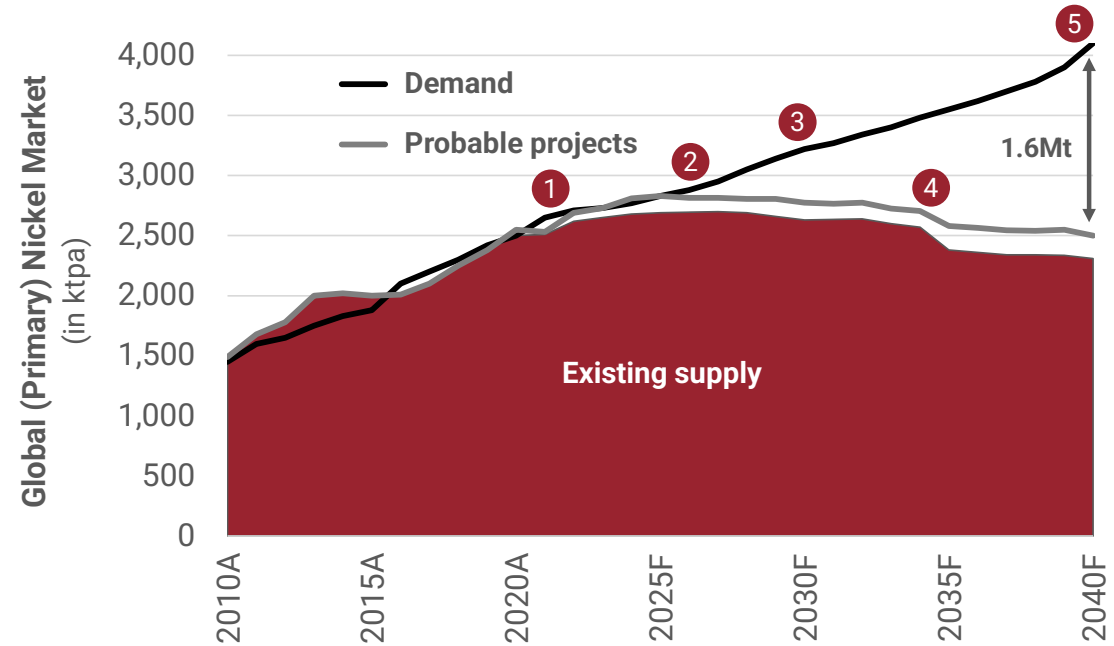


Nickel Demand to Outstrip Supply¹

- 1 From 2021, 115 ktpa new nickel in chemicals supplied from new HPALs²
- 2 New nickel supply needed by 2027 just as EV demand starts to accelerate³
- 3 230 ktpa new nickel supply needed by 2030 (including 'probable' projects)⁴
- 4 Exhaustion of stated reserves could close 200 ktpa of production from 2029F-2034F⁵
- 5 1.6 Mt new nickel supply needed by 2040⁶

Global Nickel Market Overview (2010A-2040F)⁷

(Existing supply, probable projects and demand in ktpa)



^{1,2,3,4,5,6,7} Wood Mackenzie, Nickel 2021 update to 2040, 23 June 2021 (www.woodmac.com/reports/metals-nickel-2021-update-to-2040-503694).

Nickel Supply Inelasticity

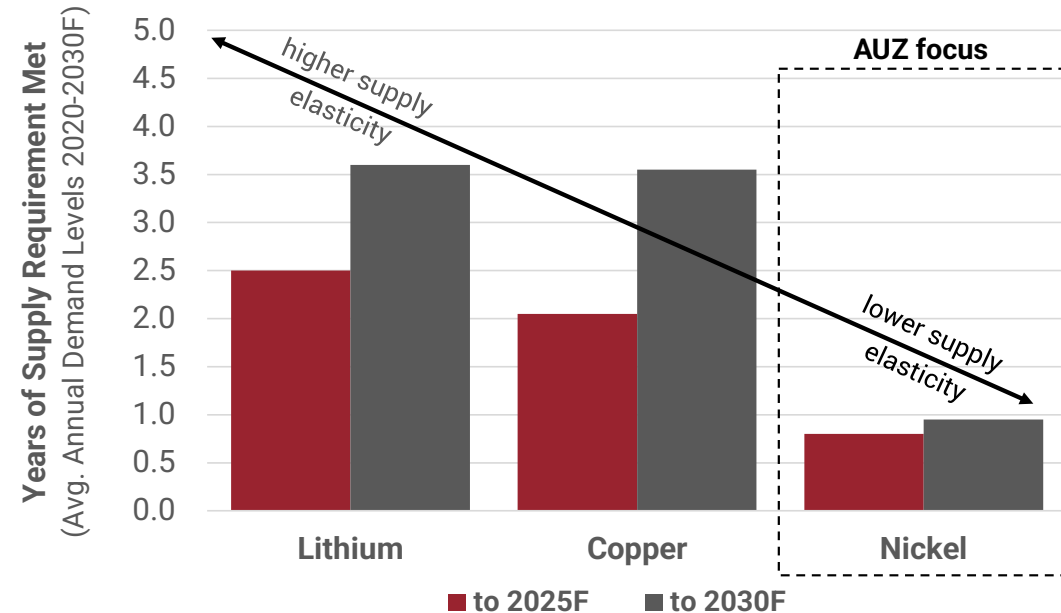


Nickel Supply/Demand Imbalance

- ✓ Growing demand for Electric Vehicles set to double demand for nickel by 2040¹
- ✓ Long project lead times and a lack of advanced projects creates supply inelasticity²
- ✓ Pipeline of ‘probable’ nickel projects to add less than 1 years’ worth of the required supply by 2030³
- ✓ Accelerating transition to decarbonise the global economy expected to further increase demand⁴
- ✓ Sconi targeting production from 2024

Base Case ‘Probable’ Category Mine Project Potential Measured in Years of Supply Requirement Met⁵

(at average annual demand levels 2020A-2030F)



^{1,2,3,4,5} Wood Mackenzie, *Faster decarbonisation: back to basics for the mining industry?*, 2 November 2021 (www.woodmac.com/news/opinion/faster-decarbonisation-back-to-basics-for-the-mining-industry).



SCONI
PROJECT

sconi.com.au



Sconi Investment Highlights



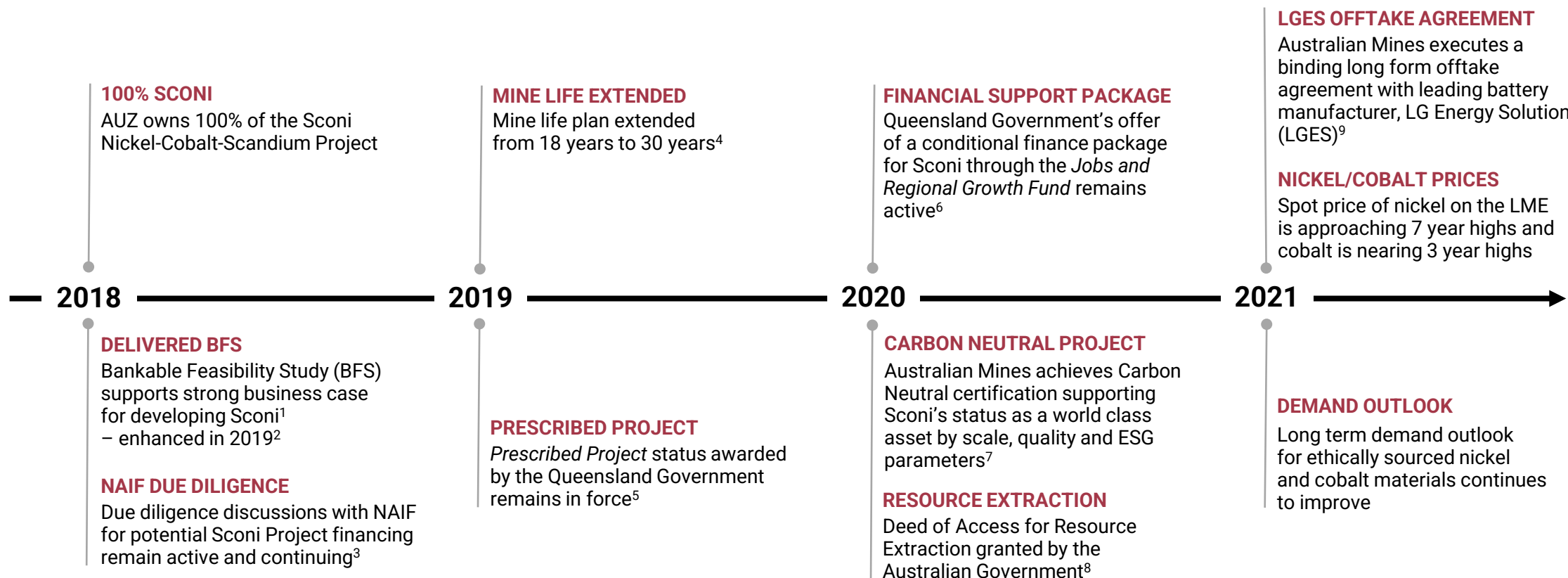
World Class Project

- ✓ 100% owned, nickel-cobalt-scandium materials project
- ✓ Lowest cost quartile (nickel and cobalt) – operating costs US\$1.96/lb Ni (All-In Sustaining Cost/AISC)
- ✓ Sconi site well serviced by existing infrastructure (e.g., ports, roads, power, water, comms, and airports) and skilled labour
- ✓ Long term supply agreement with world leader, LG Energy Solution
- ✓ Ethical and sustainable project focus, leading ESG credentials

MHP Production Process

- ✓ Simple process, minimal technical risk – successfully demonstrating nickel and cobalt production from Sconi ore since 2018
- ✓ Less capital intensive, easy materials handling (versus MSP/sulphate/P-CAM product)
- ✓ Utilises a sustainable dry stacking method (e.g., no tailings dams)
- ✓ Potential to add value to the project over time (e.g., scandium/manganese sales)

Key Developments Since 2018



¹ Australian Mines Limited, *Bankable Feasibility Study supports strong commercial case for developing Sconi Cobalt-Nickel Scandium Project, located in North Queensland* (ASX: 20 November 2018).

^{2,4} Australian Mines Limited, *Sconi to produce \$5 billion in free cashflow over 30-year mine life* (ASX: 13 June 2019).

³ Australian Mines Limited, *Sconi Project in Due Diligence Phase for NAIF funding* (ASX: 15 October 2018). ⁵ Australian Mines Limited, *Queensland Government provides Sconi Prescribed Project status* (ASX: 25 January 2019).

⁶ Australian Mines Limited, *Queensland Government offers support to Sconi Project* (ASX: 15 July 2020). ⁷ Australian Mines Limited, *Australian Mines achieves industry first carbon neutral certification* (ASX: 18 August 2020).

⁸ Australian Mines Limited, *Deed of Access for Resource Extraction executed for proposed mining operations at the Sconi Project, North Queensland* (ASX: 17 December 2020).

⁹ Australian Mines Limited, *Binding offtake agreement with LG Energy Solution for supply of mixed nickel-cobalt hydroxide from the Sconi Project, Queensland* (ASX: 16 August 2021).

Ideally Located, Long Life



Expected Mine Life of 30+ Years

- ✓ Mineral Resource tonnage exceeds 115 million tonnes¹
- ✓ Contained metal quantities²:
 - 738,359 tonnes of nickel, plus
 - 71,757 tonnes of cobalt
- ✓ Development ready, with supporting infrastructure already in place

Sconi Nickel-Cobalt-Scandium Project



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 See Tables 1 to 5 in Appendix of this report. The information outlined on this page relating to Sconi 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 Listing Rule 5.17 continues to apply and have not materially changed. Scandium oxide production based on 1,441 tonnes of scandium metal produced over a 30-year period (65% metal:oxide ratio).

Infrastructure Ready



Port

Port facilities secured
(import and export)



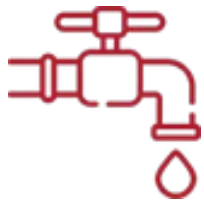
Road

Sealed, all-weather roads
from site to port



Power

Power (grid)
already on site



Water

Water supply
available



Comms

Telecommunications
infrastructure
in close proximity



Airport

Existing airport
facilities at Greenvale
and Townsville



Accom

Developed on
freehold land

Capital Expenditure



Indicative Capital Cost Inputs (MHP production)

- ✓ Life-of-mine average production of contained nickel and cobalt: 11,997 tonnes per annum¹
- ✓ Expected installed capacity cost (processing plant): circa US\$49,000/tonne produced annually (average)²

On Site
Processing Plant



Proven
Technology



Shared
Infrastructure
Investment



¹ Based on Ausenco's updated Bankable Feasibility Study (BFS) for the Sconi Project published on 13 June 2019. Life-of-mine average production of nickel and cobalt sulphate (53,800tpa) grading 22.3% contained nickel and cobalt (or 11,997tpa contained nickel and cobalt).

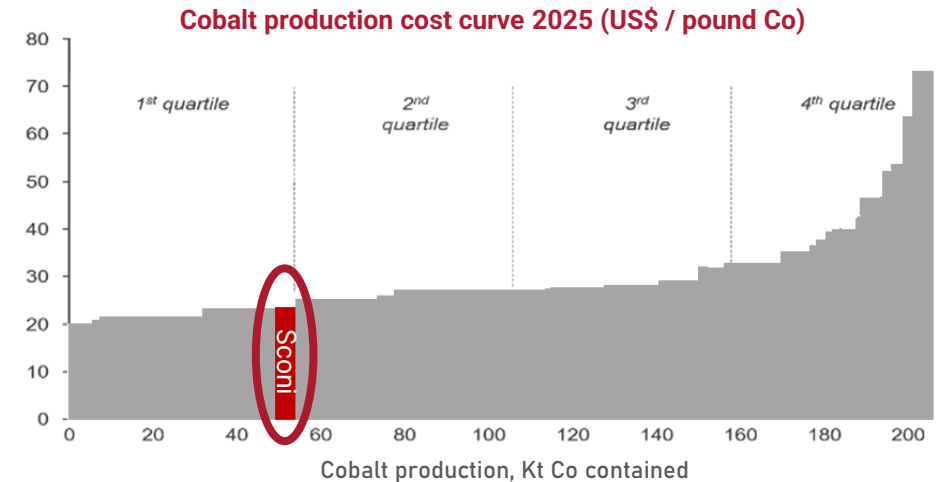
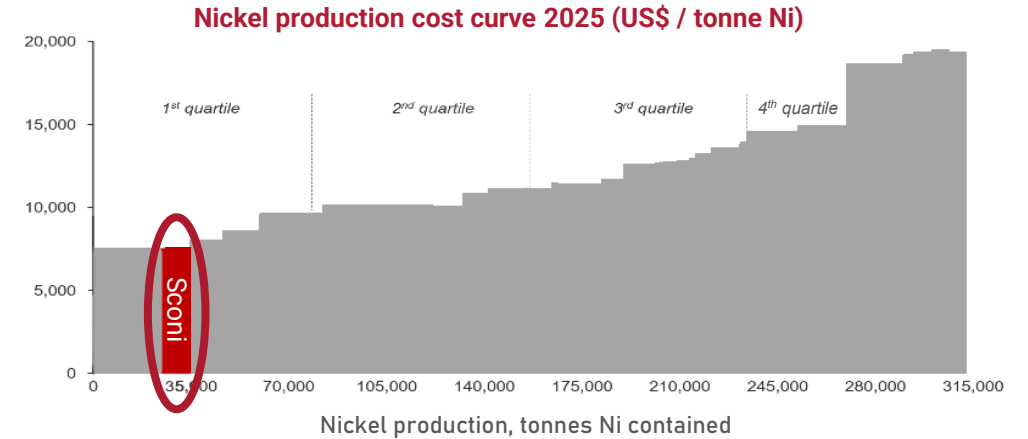
² Global Mining Research report dated March 2018, *HPAL: Upping the pressure* (www.globalminingresearch.com)
Australian Mines notes the disclosure echoes the Companies' announcement released on 30 May 2018 (see Slide 7).

Lowest Cost Quartile



Market Study Forecast by CRU International

- ✓ 1st quartile of cost curve for both nickel and cobalt production
- ✓ 1.3 million tonne nickel supply gap expected between 2023 and 2025
- ✓ Cobalt supply to remain tight to at least 2029
- ✓ EV sector will require multiple Sconi-size nickel-cobalt projects to come into production over the next 3 to 5 years to meet anticipated demand

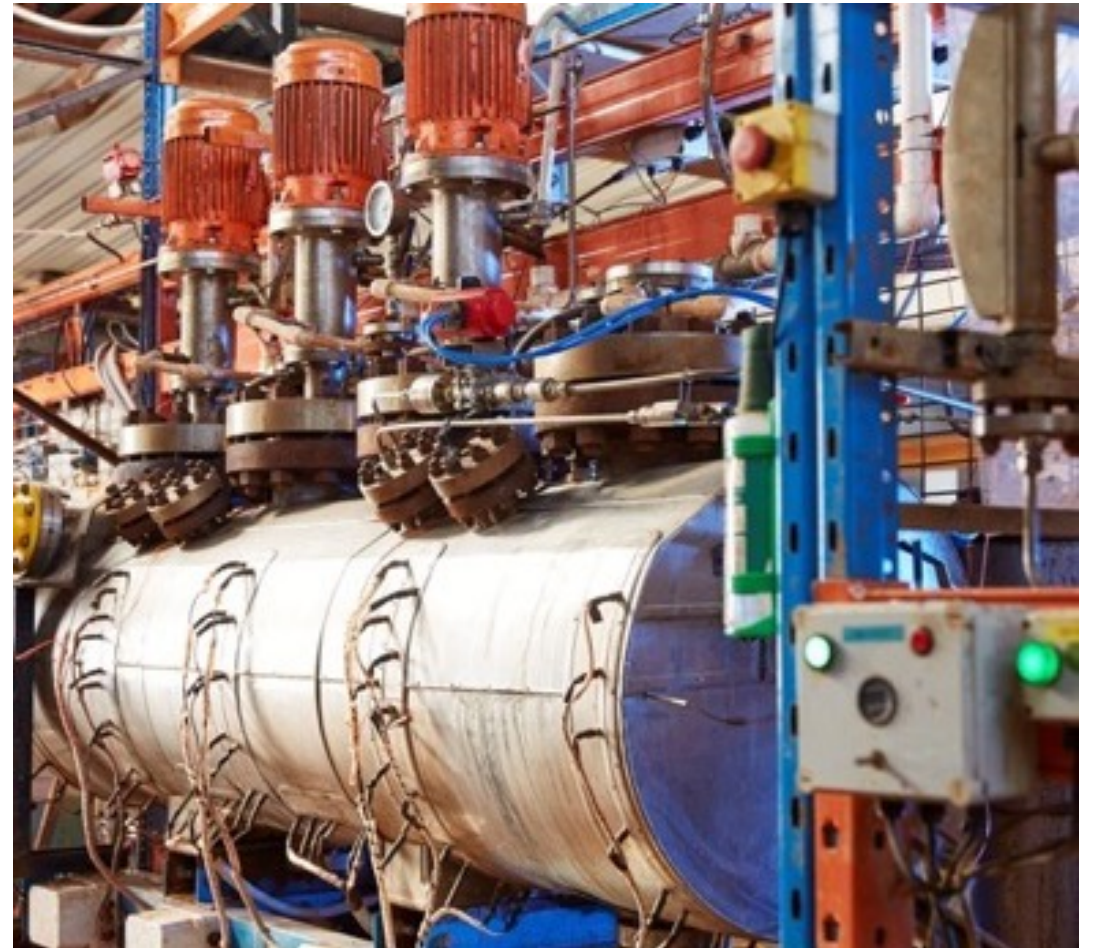


Source: CRU International. Refer to Australian Mines' announcement released on 12 February 2019 for further information

Track Record of Delivery

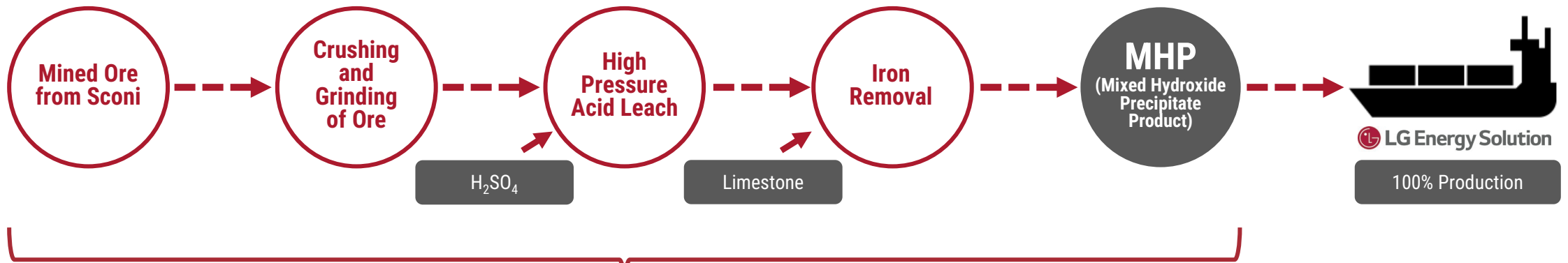
Producing Nickel and Cobalt Products Since 2018¹

- ✓ Ore processed at Australian Mines' pilot plant in Perth
- ✓ Full production process demonstration circuit from Sconi Project ore
- ✓ Existing Sconi processing flow built on proven industry standard technology



¹ On a campaign basis. Refer to Australian Mines' announcement released on 2 July 2018

MHP Processing Flowsheet



Existing Sconi processing flow built on proven 5th generation industry standard technology and design

Social and Economic Benefits



Committed to Queensland and Local Communities

- ✓ 80% of workforce sourced locally
- ✓ Upgrading and investing in shared infrastructure
- ✓ Upgrading sports and community facilities underway
- ✓ Establishment of 24/7 medical facilities proposed

500

Construction Jobs



300

Full Time Staff



Workforce

Primarily Residential



Working with Government and the Community



Ongoing Support from the Queensland Government

Offered conditional financial support package in July 2020¹

- ✓ Conditions include executing an offtake agreement and securing financing
- ✓ Support would be provided through the Jobs and Regional Growth Fund

Granted *Prescribed Project* status in 2019

- ✓ Streamlined regulatory approval process for fast-track development
- ✓ Supported by existing infrastructure, including the Port of Townsville



¹ Acknowledging the challenges faced by many companies resulting from the ongoing COVID-19 pandemic, the Queensland Government extended the dates linked to key conditions in their Sconi financial support package, initially announced in July 2020, by a further 4 months. See Australian Mines' announcements released on 25 January 2019 and 15 July 2020



Summary



Australian Mines



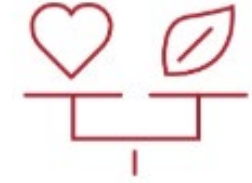
Development-Ready, World Class Sconi Project

- ✓ Long term offtake agreement (6+5 years) in place with LG Energy Solution
- ✓ Well serviced by existing infrastructure and skilled labour
- ✓ Lowest cost quartile and long expected mine life (30+ years)
- ✓ Potential to add value to the project over time
- ✓ Project financing negotiations targeted to be completed on/before 30 June 2022¹
- ✓ Ethical, fully auditable, and transparent supply chain
- ✓ Local community focus, industry leading ESG credentials

100% Auditable Supply Chain



Ethically Derived in Low Risk Jurisdiction



Positioned to Meet Surge in EV Demand



¹ Australian Mines Limited, *Binding offtake agreement with LG Energy Solution for supply of mixed nickel-cobalt hydroxide from the Sconi Project, Queensland* (ASX: 16 August 2021). The binding long form offtake agreement has only one condition Precedent, which is that Australian Mines secures financing for construction on the Sconi Project on or before 30 June 2022 (or such later date at the parties may agree).



AUSTRALIAN MINES LIMITED

FOR FURTHER INFORMATION,
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Appendix

Role of Critical Minerals
Board of Directors
Competent Persons' Statements
Sconi Project Mineral Resources
Sconi Project Ore Reserve

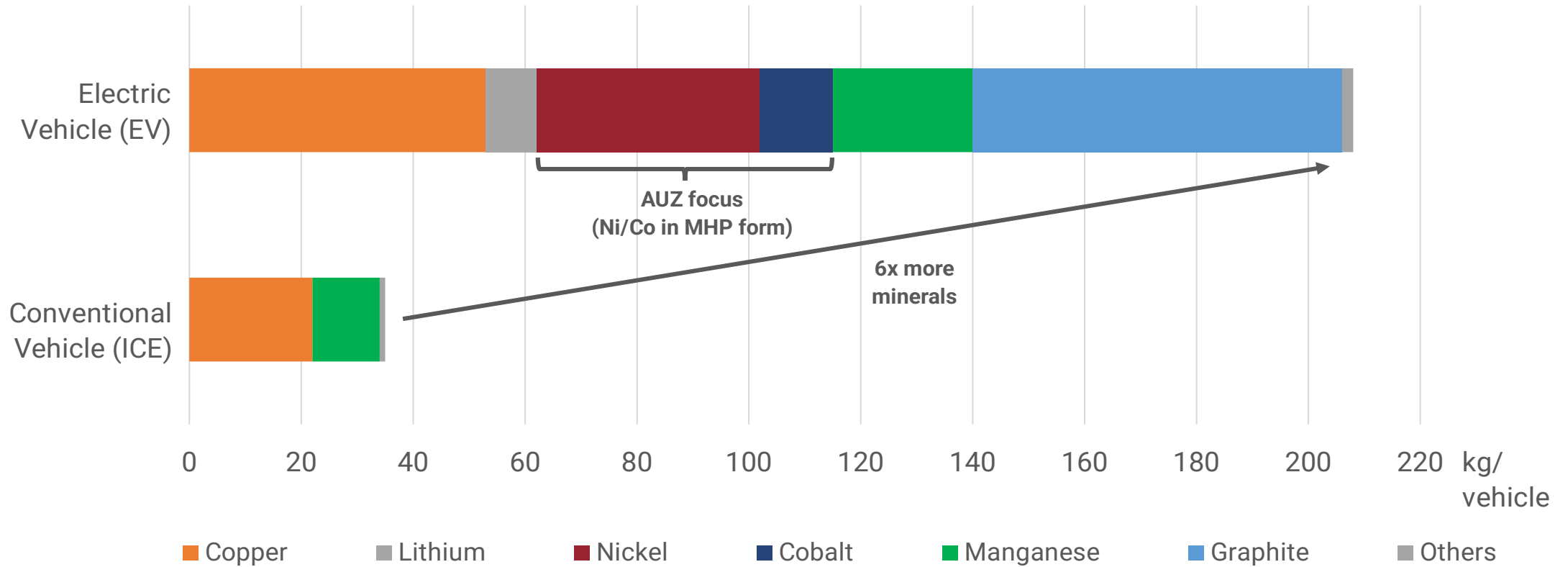


Role of Critical Minerals in the EV Revolution



Critical Minerals Used in Passenger Vehicles (EV vs ICE)¹

(in kg per vehicle)



¹ International Energy Agency (IEA), *The Role of Critical Minerals in Clean Energy Transitions*, 5 May 2021 (<https://www.iea.org/news/clean-energy-demand-for-critical-minerals-set-to-soar-as-the-world-pursues-net-zero-goals>).

Board of Directors



Michael Ramsden

Chairman
BEC, LLB, FFIN
Independent

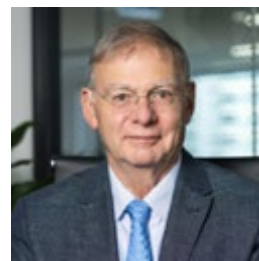
30 years' experience
as a corporate advisor



Benjamin Bell

Managing Director
BSc, MMET, MBA
Executive

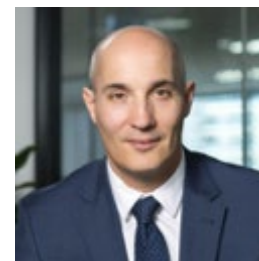
25 years' experience
in the resources
sector



Michael Elias

**Non-Executive
Director**
BSc(Hons),
FAusIMM, CPGeo
Independent

Internationally
recognised expert in
lateritic nickel-cobalt
deposits with 35
years' experience
in nickel resource
development



Dominic Marinelli

**Non-Executive
Director**
BEng, PGD Sc, MBA
Independent

Over 20 years'
corporate fundraising
experience



Les Guthrie

**Non-Executive
Director**
BSc, MAICD
Independent

Over 40 years'
experience in
project delivery across
the mining,
infrastructure, and
energy sectors



Oliver Canton

**Company
Secretary**
BJuris, LLB

Qualified lawyer with
over 30 years'
experience in a variety
of corporate roles

Competent Persons' Statements



Sconi Project, Queensland (Australia)

The Mineral Resource for the Sconi Project contained within this document is reported under JORC 2012 Guidelines. This Mineral Resource for the Greenvale, Lucknow and Kokomo deposits within the Sconi Project were first reported by Australian Mines Limited on 14 February 2019. The original source report can be accessed via the ASX or the Australian Mines' website. There has been no Material Change or Re-estimation of the Mineral Resource since this 14 February 2019 announcement by Australian Mines Limited.

The information in this report that relates to Sconi Project's Greenvale, Lucknow and Kokomo Mineral Resources is based on, and fairly reflects, information compiled by Mr David Williams, a Competent Person, who is an employee of CSA Global Pty Ltd and a Member of the Australian Institute of Geoscientists (#4176). Mr Williams has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Mr Williams consents to the disclosure of information in this report in the form and context in which it appears.

The Ore Reserve for the Sconi Project contained within this document is reported under JORC 2012 Guidelines. This Ore Reserve was first reported by Australian Mines Limited on 13 June 2019. There has been no Material Change or Re-estimation of the Ore Reserve since this 13 June 2019 announcement by Australian Mines Limited.

The information in this report that relates to Ore Reserves is based on, and fairly reflects, information compiled by Mr Jake Fitzsimons, a Competent Person, who is an employee of Orelogy Consulting Pty Ltd and a Member of the Australian Institute of Mining and Metallurgy (MAusIMM #110318). Mr Fitzsimons has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Mr Fitzsimons consents to the disclosure of information in this report in the form and context in which it appears.

The Mineral Resource for the Bell Creek deposit, located within the Sconi Project, contained within this document is reported under JORC 2012 Guidelines. This Mineral Resource was first reported by Australian Mines Limited on 29 April 2019. There has been no Material Change or Re-estimation of the Mineral Resource since this 29 April 2019 announcement by Australian Mines Limited.

The information in this report that relates to the Sconi Project's Bell Creek Mineral Resource is based on, and fairly reflects, information compiled by Mr David Williams, a Competent Person, who is an employee of CSA Global Pty Ltd and a Member of the Australian Institute of Geoscientists (#4176). Mr Williams has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Mr Williams consents to the disclosure of information in this report in the form and context in which it appears.

The Mineral Resource for the Minnamoolka deposit, located within the Sconi Project, contained within this document is reported under JORC 2012 Guidelines. This Mineral Resource was first reported by Australian Mines Limited on 21 October 2019. There has been no Material Change or Re-estimation of the Mineral Resource since this 21 October 2019 announcement by Australian Mines Limited.

The information in this report that relates to the Sconi Project's Minnamoolka Mineral Resources is based on, and fairly reflects, information compiled by Mr David Williams, a Competent Person, who is an employee of CSA Global Pty Ltd and a Member of the Australian Institute of Geoscientists (#4176). Mr Williams has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Mr Williams consents to the disclosure of information in this report in the form and context in which it appears.

Sconi Project Mineral Resources



Table 1: Greenvale Mineral Resource
Lower cut-off grade: 0.40% Nickel equivalent

Mineral Resources as per Australian Mines' announcement released via the ASX platform on 14 February 2019. Prepared by CSA Global in accordance with the current 2012 JORC Code. There has been no Material Change or Re-estimation of the Mineral Resource since this 14 February 2019 announcement by Australian Mines.

Classification	Tonnes (million tonnes)	Nickel equivalent (%)	Nickel (%)	Cobalt (%)
Measured	5.05	1.06	0.83	0.07
Indicated	17.24	0.90	0.73	0.05
Inferred	10.34	0.63	0.54	0.04
TOTAL	32.63	0.84	0.69	0.05

Table 2: Lucknow Mineral Resource
Lower cut-off grade: 0.55% Nickel equivalent

Mineral Resources as per Australian Mines' announcement released via the ASX platform on 14 February 2019. Prepared by CSA Global in accordance with the current 2012 JORC Code. There has been no Material Change or Re-estimation of the Mineral Resource since this 14 February 2019 announcement by Australian Mines.

Classification	Tonnes (million tonnes)	Nickel equivalent (%)	Nickel (%)	Cobalt (%)
Measured	1.60	0.91	0.53	0.11
Indicated	12.63	0.83	0.47	0.11
Inferred	0.38	0.66	0.55	0.03
TOTAL	14.62	0.83	0.48	0.11

Table 3: Kokomo Mineral Resource
Lower cut-off grade: 0.45% Nickel equivalent

Mineral Resources as per Australian Mines' announcement released via the ASX platform on 14 February 2019. Prepared by CSA Global in accordance with the current 2012 JORC Code. There has been no Material Change or Re-estimation of the Mineral Resource since this 14 February 2019 announcement by Australian Mines.

Classification	Tonnes (million tonnes)	Nickel equivalent (%)	Nickel (%)	Cobalt (%)
Measured	1.62	1.17	0.73	0.15
Indicated	19.37	0.83	0.57	0.09
Inferred	7.48	0.70	0.53	0.07
TOTAL	28.47	0.81	0.57	0.09

Nickel equivalent grades were calculated according to the following formula:

$$\text{NiEq} = \frac{(\text{nickel grade} \times \text{nickel price} \times \text{nickel recovery}) + (\text{cobalt grade} \times \text{cobalt price} \times \text{cobalt recovery})}{(\text{nickel price} \times \text{nickel recovery})}$$
 The formula was derived using the following commodity prices and recoveries: Forex US\$:A\$ = 0.71, Nickel – A\$27,946/t and 94.8% recovery, Cobalt – A\$93,153/t and 95.7% recovery. Prices and recoveries effective as at 10th February 2019.

Metal recovery data was determined by variability test work of nickel and cobalt solvent extraction during the inhouse pilot plant test work program. Results typically achieved between 90% and 99% from samples with nickel and cobalt grades aligned with expected mine grades as reported from the Mineral Resource model. Lower recoveries of between 85% and 90% were achieved from some lower-grade samples to determine economic cut-off grades. It is the opinion of Australian Mines that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold. Detail supporting the formula are provided within the Company's 14 February 2019 announcement. The Competent Person and Australian Mines believe there are reasonable prospects for eventual economic extraction of the Mineral Resources. Consideration was given to the relatively shallow depth of the mineralisation, existing infrastructure near to the project including sealed road access, power, labour and water, and positive results from the 2018 Feasibility Study.

Sconi Project Mineral Resources



Table 4: Bell Creek Mineral Resource

Lower cut-off grade: 0.45% Nickel equivalent

Mineral Resources as per Australian Mines' announcement released via the ASX platform on 29 April 2019. Prepared by CSA Global in accordance with the current 2012 JORC Code. There has been no Material Change or Re-estimation of the Mineral Resource since this 29 April 2019 announcement by Australian Mines.

Classification	Tonnes (million tonnes)	Nickel equivalent (%)	Nickel (%)	Cobalt (%)
Measured	11.4	1.02	0.84	0.05
Indicated	12.7	0.74	0.64	0.03
Inferred	1.7	0.66	0.55	0.03
TOTAL	25.8	0.86	0.72	0.04

Table 5: Minnamoolka Mineral Resource

Lower cut-off grade: 0.45% Nickel

Mineral Resources as per Australian Mines' announcement released via the ASX platform on 21 October 2019. Prepared by CSA Global in accordance with the current 2012 JORC Code. There has been no Material Change or Re-estimation of the Mineral Resource since this 21 October 2019 announcement by Australian Mines.

Classification	Tonnes (million tonnes)	Nickel (%)	Cobalt (%)
Indicated	11.9	0.67	0.03
Inferred	2.4	0.60	0.02
TOTAL	14.2	0.66	0.03

Nickel equivalent grades were calculated according to the following formula: $NiEq = [(nickel\ grade \times nickel\ price \times nickel\ recovery) + (cobalt\ grade \times cobalt\ price \times cobalt\ recovery)] / (nickel\ price \times nickel\ recovery)$. The formula was derived using the following commodity prices and recoveries: Forex US\$:A\$ = 0.71, Nickel – A\$27,946/t and 94.8% recovery, Cobalt – A\$93,153/t and 95.7% recovery. Prices and recoveries effective as at 10 February 2019.

Metal recovery data was determined by variability test work of nickel and cobalt solvent extraction during the inhouse pilot plant test work program. Results typically achieved between 90% and 99% from samples with nickel and cobalt grades aligned with expected mine grades as reported from the Mineral Resource model. Lower recoveries of between 85% and 90% were achieved from some lower-grade samples to determine economic cut-off grades. It is the opinion of Australian Mines that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold. Detail supporting the formula are provided within the Company's 14 February 2019 and 29 April 2019 announcements. The Competent Person and Australian Mines believe there are reasonable prospects for eventual economic extraction of the Mineral Resources. Consideration was given to the relatively shallow depth of the mineralisation, existing infrastructure near to the project including sealed road access, power, labour and water, and positive results from the 2018 Feasibility Study.

Sconi Project Ore Reserve



Ore Reserve as per Australian Mines' announcement released via the ASX platform on 13 June 2019. Prepared by specialist mine planning consultants, Orelogy, in accordance with the current 2012 JORC Code. There has been no Material Change or Re-estimation of the Ore Reserve since this 13 June 2019 announcement by Australian Mines.

Classification	Pit	Ore (Million tonnes)	Nickel (%)	Cobalt (%)	Scandium (ppm)
Proved	Greenvale	4.49	0.83	0.07	36
	Kokomo	1.52	0.72	0.15	58
	Lucknow	2.07	0.47	0.09	51
	Sub-total	8.08	0.72	0.09	44
Probable	Greenvale	13.08	0.73	0.05	29
	Kokomo	17.43	0.57	0.09	31
	Lucknow	18.71	0.42	0.08	38
	Sub-total	49.22	0.55	0.08	33
Total	Greenvale	17.57	0.76	0.06	31
	Kokomo	18.96	0.58	0.10	33
	Lucknow	20.77	0.42	0.08	39
	TOTAL	57.30	0.58	0.08	35

Sconi Project Ore Reserve summary based on variable nickel equivalent cut-off between 0.40% and 0.45%.

The Mineral Resource figures in the preceding slide are inclusive of the Ore Reserve figures above. Approximately 14% of the Ore Reserves (outlined in the table above) are classified as Proved and 86% are classified as Probable. It should be noted that the Proved and Probable Reserves are inclusive of allowance for mining dilution and ore loss.

The breakeven cut-off grade was determined to be between 0.40% - 0.45% nickel equivalent using the formula: Nickel equivalent (%) = [(Ni grade x Ni price x Ni recovery) + (Co grade x Co price x Co recovery)] ÷ (Ni price x Ni recovery) where: nickel price = 27,946 AUD, cobalt price = 93,153 AUD, Nickel Recovery = 94.8%, Cobalt Recovery = 95.7%.

Open pit optimisation was undertaken using US\$7/lb for nickel and US\$30/lb for cobalt and an exchange rate of 0.71 AUD/USD. No value was applied to scandium.

Optimisation inputs parameters were:

- Ore processing rate of 2 million tonne per annum throughput.
- Dilution was applied through re-blocking to the 2m mining height.
- Overall slope angle of 45.
- Mining costs based on contractor rates averaging of US\$2.26/t mined.
- Ore costs for grade control, rehandle, reclaim and extra over for ore mining of US\$1.88/t ore.
- Mining overheads of US\$2.15/t ore.
- Road train haulage of US\$2.05/t ore and US\$10.04/t ore from Lucknow and Kokomo respectively.
- Variable processing costs (averaging US\$30.70/t ore) based on sulphur, limestone consumption linked primarily to magnesium and aluminium and NaOH consumption linked to nickel and cobalt.
- Fixed overheads of US\$33.21/t for G&A, plant labour, maintenance and sustaining capital.
- Selling costs of \$32.77/t product plus royalties of 3.2% and 5.0% for Ni and Co respectively. Due to the variable processing costs the pit optimisation was based on block value calculations for free cashflow. The breakeven cut-off grade was determined to be between a 0.4% and 0.45% nickel equivalent grade.



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