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Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

ASX RELEASE

2021 AGM Address to Shareholders

Michael Ramsden – Chairman

Good morning everyone and thanks for joining us today.

The 2021 financial year has been unlike any other in recent living memory and the impact of the Coronavirus (COVID-19) pandemic has been challenging and pervasive for Australian Mines, including the critical minerals sector and associated global supply chains.

Notwithstanding this, Australian Mines made significant advances over the past year. We are well positioned to become a leading supplier of cost-competitive and ethically derived nickel and cobalt materials to the rapidly expanding electric vehicle and clean energy storage industries.

Critical Minerals at a Critical Time

The core of our strategy is developing the 100% owned, Sconi Nickel-Cobalt-Scandium Project in North Queensland to its full productive capability. The Sconi Project is world class by scale, quality, and ESG parameters.

Since we acquired the asset four years ago for \$10 million, we have materially increased the tenement portfolio and expanded the Mineral Resource to 115 million tonnes to support a 30-year mine life. This equates to over 700,000 tonnes of contained nickel and over 70,000 tonnes of contained cobalt, as well as significant quantities of contained scandium and manganese – all future facing, critical minerals.

FY2021 Highlights

Looking back at the 2021 Financial Year, we made significant progress in several areas of our business. In July 2020, the Queensland Government offered a conditional financial support package for the Sconi Project that has been extended to account for the impact of the Coronavirus (COVID-19) pandemic. This follows the granting of *Prescribed Project* status to the Sconi Project in November 2019, which has and continues to play a significant role in the planning and approval processes on the project's path to production from mid-2024.

Importantly, we were the first mineral resources company to be Carbon Neutral certified in August last year under the Australian Government's Climate Active program. We are committed to leadership on ESG (Environmental, Social and Governance) arising from the simple view that it is the right way to operate a business.

In December last year, Australian Mines moved one step closer to commencing mining operations at Sconi following the execution of a Deed of Access for Resource Extraction between the Australian Government Department of Defence and the Company.

On the corporate front, we continued to focus on productivity reducing operating and fixed costs while refocusing our project portfolio. Pleasingly, we improved our project exploration, development efficiencies, and introduced innovative studies.

During the year, we also developed potential enhancements to the Sconi production circuit, including the production of nickel-cobalt-manganese (NCM) precursor cathode active material (P-CAM). The work undertaken over the last three years on processing options at the Sconi Project gives us relevance and flexibility to future market conditions and demand scenarios.

Subsequent to the 2021 financial year end, Australian Mines executed a binding long form offtake agreement with leading battery manufacturer, LG Energy Solution. LG Energy Solution, a wholly owned subsidiary of LG Chem, is the world's largest producer of advanced batteries for the electric vehicle industry.

Offtake Partner and Project Financing

The offtake agreement with LG Energy Solution is strategically important for the Company, accounting for 100 per cent of the projected future production from the Sconi Project. The offtake agreement with LG Energy Solution, which is conditional only on financing, will run for an initial term of six years from 2024, with an option to extend it by a further five years by mutual agreement.

This agreement provides a sound customer foundation supporting the development of the Sconi Project, which is expected to create hundreds of permanent local jobs, and deliver significant social and economic benefits to Queensland and the local communities within the region.

The presence of a respected offtake partner, supported by a robust business case for the Sconi Project, provides a strong platform for Australian Mines to continue its discussions with a range of project financiers, including various export credit agencies (both Australian and international), green energy funds, commercial banks, mezzanine financiers, and international banks for both debt and equity capital.

Importantly, we remain fully funded until project financing is secured on or before 30 June 2022 for construction of the Sconi Project.

Corporate and Capital Structure Review

As part of our Sconi Project financing and growth aspirations, Australian Mines has also recently undertaken a review of its corporate and capital structure. The aim of this review is to ensure all elements of the capital and corporate structure are appropriate and to maximise shareholder value going forward. To achieve this objective, the Board has sought shareholder approval at today's 2021 Annual General Meeting for a consolidation of share capital in the Company through the conversion of one new share for every ten existing shares on issue.

Responsible Corporate Citizen

One of the key features of the Sconi Project will be an ethical, fully auditable, and transparent supply chain. Australian Mines is committed to being an industry leader on

Environmental, Social and Governance (ESG) measures and we are deeply committed to the communities where we operate in.

Our commitment to regional communities as well as the significance of the Sconi Project has been recognised by the Queensland Government when providing a conditional financial support package and granting *Prescribed Project* status last year.

Australian Mines has also commenced a third-party verification and certification process for the Sconi Project against comprehensive ESG standards, further demonstrating its strong and unique ESG credentials.

The Electric Vehicle Revolution

I'm sure you would agree the electric vehicle revolution is upon us. Aggressive targets for the electric vehicle and clean energy storage transition are being progressively introduced by governments globally to meet the Paris Agreement and Glasgow Climate Pact (COP26) targets, including meeting the energy-related components of the Sustainable Development Goals.

The key challenge for the industry globally will be providing these future facing metals in vastly higher quantities over the coming decades – ethically, responsibly, and at reasonable cost to meet Australia's and the World's future emissions targets.

Demand Surge

Over the next thirty years, natural resources leader Glencore estimates nickel and cobalt demand will need to almost quadruple from current levels to meet the rapid energy transition required to limit global temperature rises to 1.5°C by 2050.

Over the current decade, nickel and cobalt supply growth will need to double versus what was achieved in the 2010's to meet anticipated market demand.

This is where the Sconi Project is expected to play a role in meeting this challenge – as we move towards reaching these global emissions targets as quickly as possible.



Outlook and FY2022 Strategic Priorities

The long-term demand outlook for ethically sourced nickel and cobalt materials continues to increase as the electric vehicle market rapidly expands and the transition to clean energy storage accelerates. The dynamics of the electric vehicle and energy storage industries combined with the progress we have made by securing an offtake agreement for our Sconi Project give the Board of Australian Mines confidence in the Company's ability to generate significant value for our shareholders and other stakeholders over time.

By the end of this financial year, we are aiming to complete our refined studies (to account for the MHP product), secure financing, and make a final investment decision prior to commencing construction of the Sconi Project.

As we rapidly transition into the clean energy age, Australian Mines is well positioned to realise our vision to be one of the world's most cost competitive and sustainable, cobalt producing nickel suppliers in the world.

I thank you for your continuing support as an Australian Mines shareholder.

ENDS



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Authorised for release by the Board of Directors of Australian Mines Limited



Australian Mines Limited supports the vision of a world where the mining industry respects the human rights and aspirations of affected communities, provides safe, healthy, and supportive workplaces, minimises harm to the environment, and leaves positive legacies.

Appendix I: Forward Looking Statements

This announcement contains 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.

Any forward looking statements in this document relating to the outcomes of the Sconi Project Feasibility Studies and ongoing refinement work as outlined in this report. Actual results and developments of projects and the market development may differ materially from those expressed or implied by these forward looking statements. These, and all other forward looking statements contained in this announcement are subject to uncertainties, risks and contingencies and other factors, including risk factors associated with exploration, mining, and production businesses. It is believed that the expectations represented in the forward looking statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and productions results, resource estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

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