AUSTRALIAN MINES LIMITED

Annual General Meeting

22 November 2016

Important note on these slides

This document is a visual aid accompanying a presentation to shareholders by the Managing Director on 22 November 2016. It is not intended to be read as a stand-alone document. It contains select information, in abbreviated or summary form, and does not purport to be complete. It intended to be read by an audience familiar with Australian Mines Limited and its 2016 Annual Report and September 2016 Quarterly Activities and Cash Flow Reports, and to be accompanied by the verbal presentation.

This document should not be read without first reading Australian Mines Limited's 2016 Annual Report and September 2016 Quarterly Activities and Cash Flow Reports, which have previously been lodged with the Australian Securities Exchange and are available at www.australianmines.com.au.

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The Sconi Scandium-Cobalt Project is at Feasibility Study phase and though reasonable care has been taken to ensure that the facts are accurate and/or that the opinions expressed are fair and reasonable, no reliance can be placed for any purpose whatsoever on the information contained in this document or on its completeness. Actual results and developments of projects and the scandium market development may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. A key conclusion of the Feasibility Study, which is based on forward looking statements, is that the Sconi Scandium-Cobalt Project is considered to have positive economic potential.

This presentation does not contain any new information. Any figures, exploration and/or resource data, or statements referenced within this presentation have previously been lodged by Australian Mines Limited with the Australian Securities Exchange via the company's announcements dated 10 October 2016, 14 October 2016, 27 October 2016 and 15 November 2016.

Unless otherwise stated, all figure quoted in this document are in Australian dollars.

Scandium oxide prices quoted in this document are as stated by the Platina Resources (ASX:PGM) in their announcement dated 23 June 2016 and refers to scandium oxide product of 99.9% purity, which is the minimum purity of the scandium oxide product contemplated by Metallica Minerals (ASX: MLM) Sconi Pre-Feasibility Study as announced on 28 March 2013.

Australian Mines objective

… to become the world's largest producer of scandium

"The world wants scandium – there just isn't enough of it available today in sufficient quantities …" *Richard Karn, Streetwise Report, August 2011*

The Sconi Project is "uniquely positioned to deliver unprecedented tonnages of scandium and to be instrumental in the growth of a whole new market for this remarkable metal" *Richard Karn, Streetwise Report, August 2011*

"Nature has been kind to the Australian state of New South Wales. Nowhere else on the planet has it bestowed such high grades of scandium" *InvestorIntel Report, September 2015*

Australian Mines - a global scandium company

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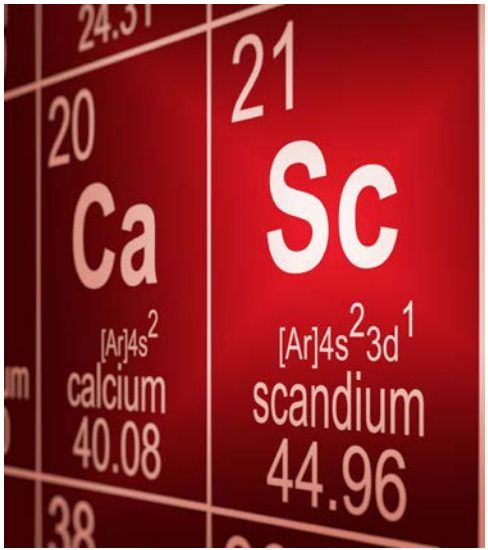
- Acquiring 100% interest in the Flemington Scandium Project in NSW
  - one of the highest-grade scandium deposits in the world
  - a continuation of Clean TeQ's Syerston ore body
- Acquiring up to 75% interest in the Sconi Scandium Project in Qld
  - arguably one of Australia's most advanced scandium mining projects
  - off-the-shelf solvent extraction plant achieving >97% recovery
  - produces the highest possible purity of saleable scandium oxide (99.99%)
- Development of these deposits to deliver positive cash flow
  - recent PFS of Sconi indicated an average EBITDA of $59 million per year and 20+ year mine life from this project alone and the final Definitive Feasibility Study is under way
  - second revenue opportunity from a potential mining operation at Flemington to be determined during the current Scoping Study

Scandium - *the* technology metal

- Scandium Oxide (Sc_2O_3) is a relatively scarce, high-value mineral used to produce aluminium alloys

- Resulting alloys suitable for the manufacture of weldable aluminium products such as car chassis & panels, and aircraft fuselages

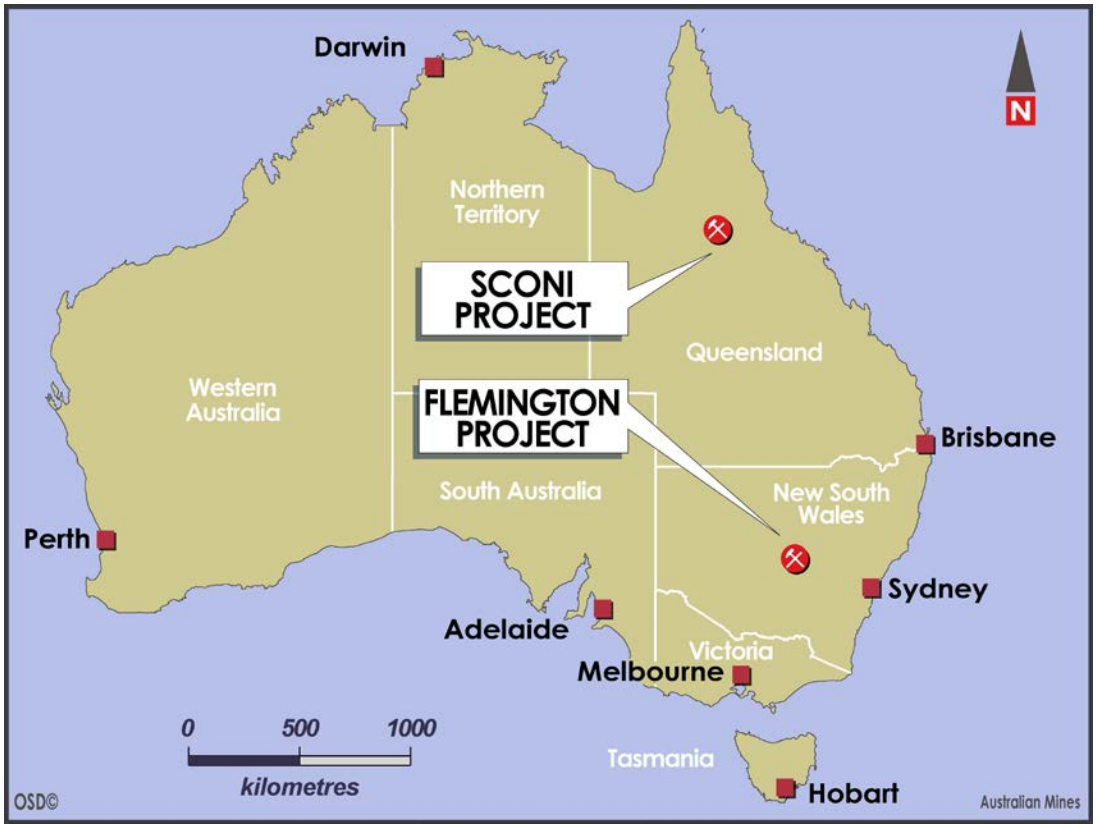
- Favourable characteristics include:
  - ✓ Increased overall strength of alloy
  - ✓ Reduced overall weight
  - ✓ High level of heat resistance
  - ✓ High level of corrosion resistance



The Market: 800% increase in demand by 2026

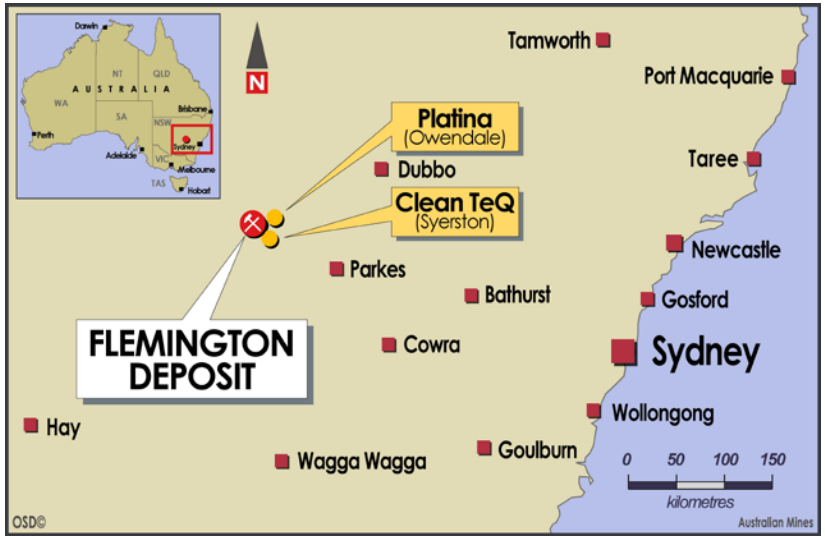
- Existing demand across multiple existing civilian and military applications, including:
  - automotive & aircraft manufacturing
  - solid oxide fuel cell batteries
  - sporting equipment
- Current scandium supply is produced as a by-product from other mining
  - Supply (and product quality) therefore is presently inconsistent
- Annual demand of scandium is anticipated to increase by 800% over the next decade
- The largest and most likely future growth market for scandium will be the automotive manufacturing sector

Mine Development Operations



Flemington Scandium-Cobalt Project

- Located in Australia's premier scandium-cobalt province, 450 kilometres west of Sydney
- Australian Mines reached agreement to acquire 100% interest in this project
- Flemington ore body is the continuation of Clean TeQ's Syerston Project
  - separated only by a tenement boundary
- Cobalt-rich zone present at Flemington
  - 14m @ 0.21% Cobalt from 6m



High-grade resource with significant upside

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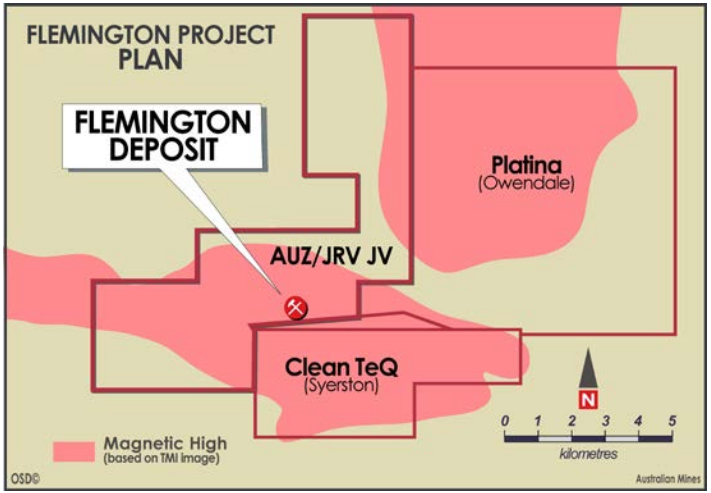
- Flemington ore body is one of the highest-grade scandium deposits in the world
- Mineralisation remains open
  - Potential to significantly increase the current Mineral Resource
- Flemington project area also covers western section of Owendale Ultramafic Complex – host of Platina Resources' scandium project
  - Providing a further opportunity to grow the current Mineral Resource

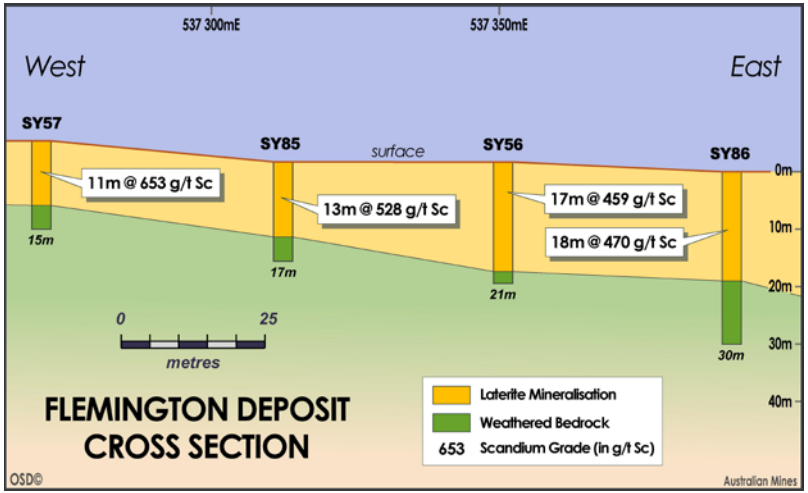
Measured Resource:	2.67 million tonnes	435 g/t Scandium
Indicated Resource:	0.47 million tonnes	426 g/t Scandium
Total Resource:	3.14 million tonnes	434 g/t Scandium
Total Scandium Oxide (Sc_2O_3)*:	2,085 tonnes	(using a 200 g/t Sc lower cut-off)

* Total contained scandium metal tonnage multiplied by 1.53 to convert to total Sc_2O_3, being the saleable scandium product

Results of scoping study due March 2017

- Scoping study of Flemington Scandium deposit is anticipated to be completed by March 2017
  - Study being undertaken by international resource consulting firm, SRK Consulting
  - As scandium mineralisation occurs from surface, a shallow low-cost open-pit mining operation is contemplated





Sconi Scandium-Cobalt Project

- Located near the nickel and cobalt mining centre of Greenvale, 250 kilometres west of Townsville

- Pre-Feasibility Study completed demonstrating production of at least 51 tonnes of scandium oxide per year for 20+ years

- Potential for a mining operation at Sconi to deliver an average pre-tax profit of $59 million per annum on the back of the scandium production alone
  - ➢ The average operating margin increases to $179 million per year for 20 years should the project's cobalt and nickel ore also be processed

Sconi is almost ready to go

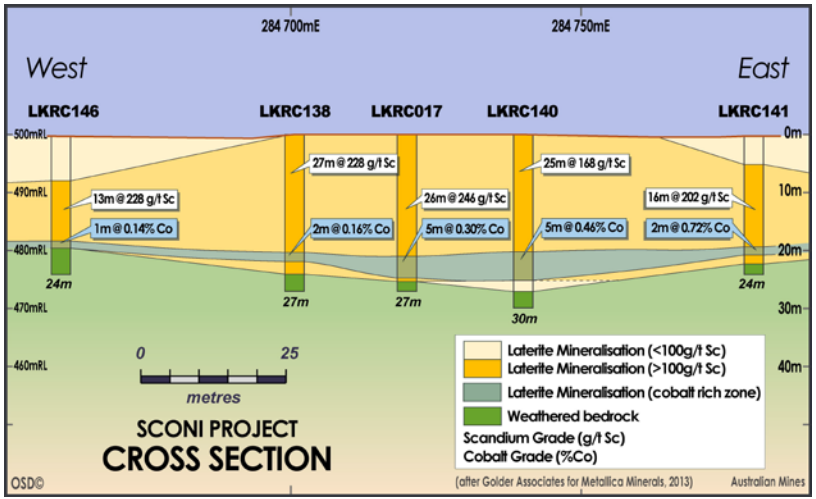
- Sconi already ticks a lot of boxes:
  - ✓ Mining Lease granted
  - ✓ Plant design identified
  - ✓ Electricity source confirmed
  - ✓ Proposed water supply on site
  - ✓ Commonwealth environmental assessment completed

Measured Resource:	0.7 million tonnes	208 g/t Scandium
Indicated Resource:	6.5 million tonnes	174 g/t Scandium
Total Resource:	7.2 million tonnes	177 g/t Scandium
Total Scandium Oxide (Sc_2O_3)*:	1,950 tonnes	(using a 100g/t Sc lower cut-off)

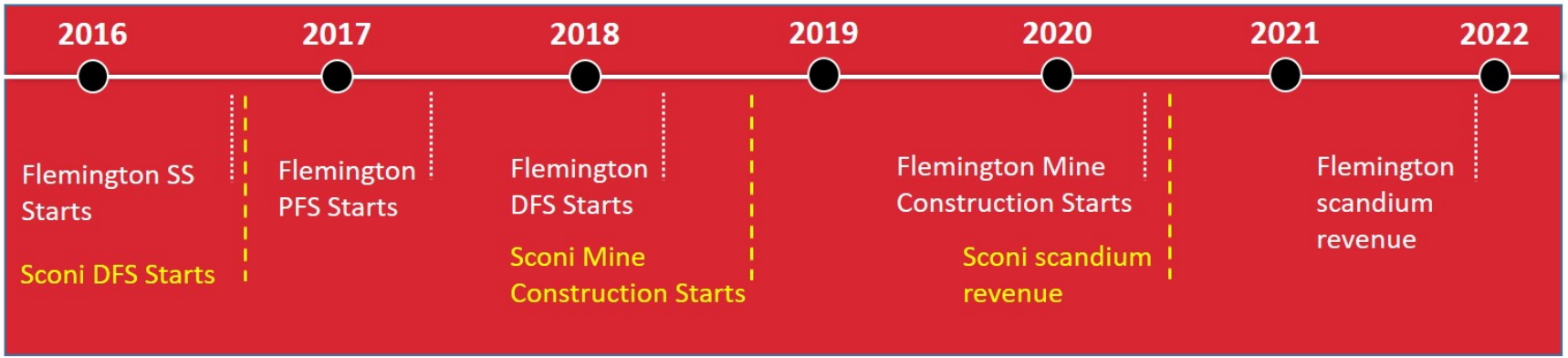
* Total contained scandium metal tonnage multiplied by 1.53 to convert to total Sc_2O_3, being the saleable scandium product

Final mining approval process underway

- Definitive Feasibility Study being undertaken by SRK Consulting
  - anticipated to be completed within 2 years
- Off-take Heads of Agreements for scandium oxide from Sconi operations previously in place
  - Discussions with potential customers and off-take partner for scandium, cobalt and nickel ongoing
- Final statutory mining approvals underway

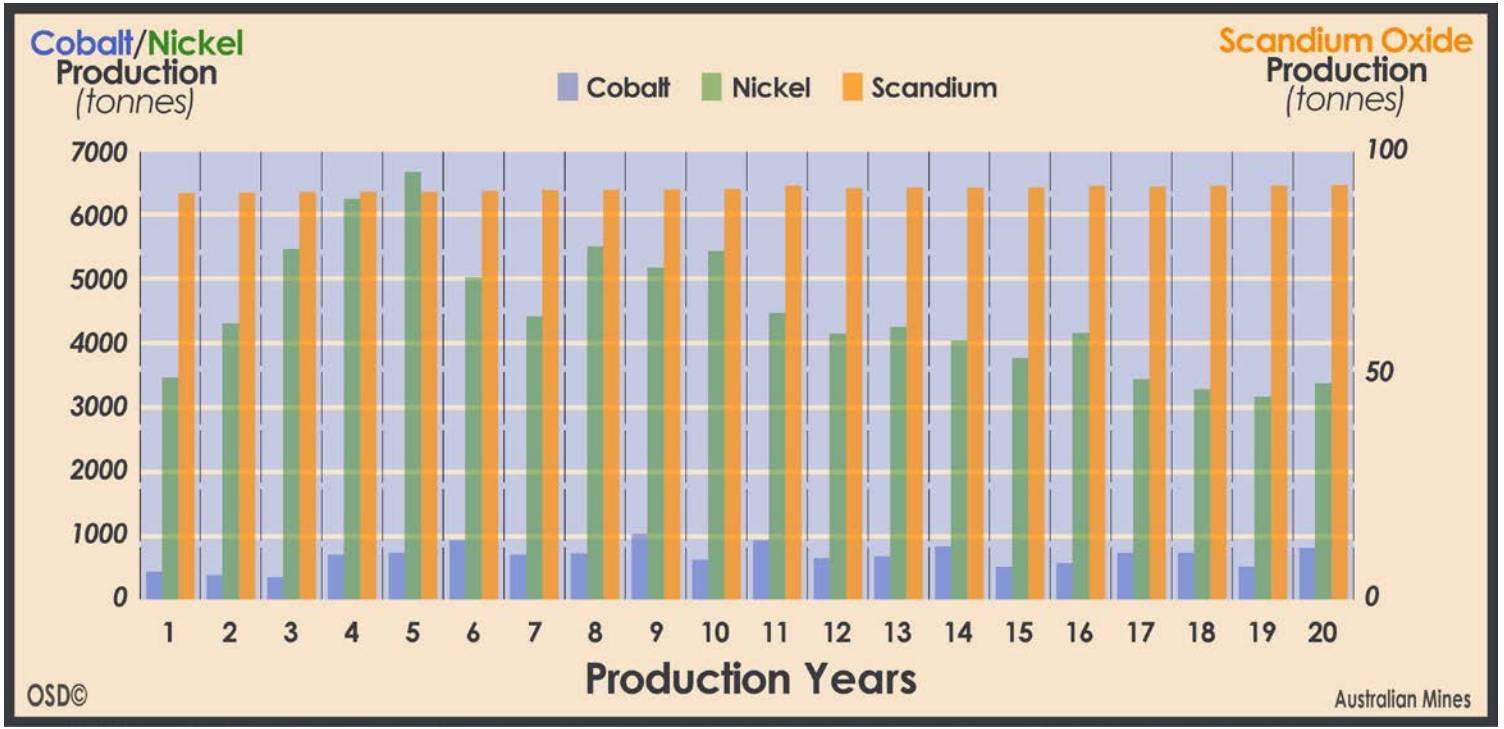


Proposed Development Timeline



- Australian Mines' strategy:
  - ✓ develop the Sconi Scandium-Cobalt Project to generate revenue in 2020
  - ✓ to be followed by production at Flemington Scandium-Cobalt Project by 2022

Estimated production from Sconi Mining Op.

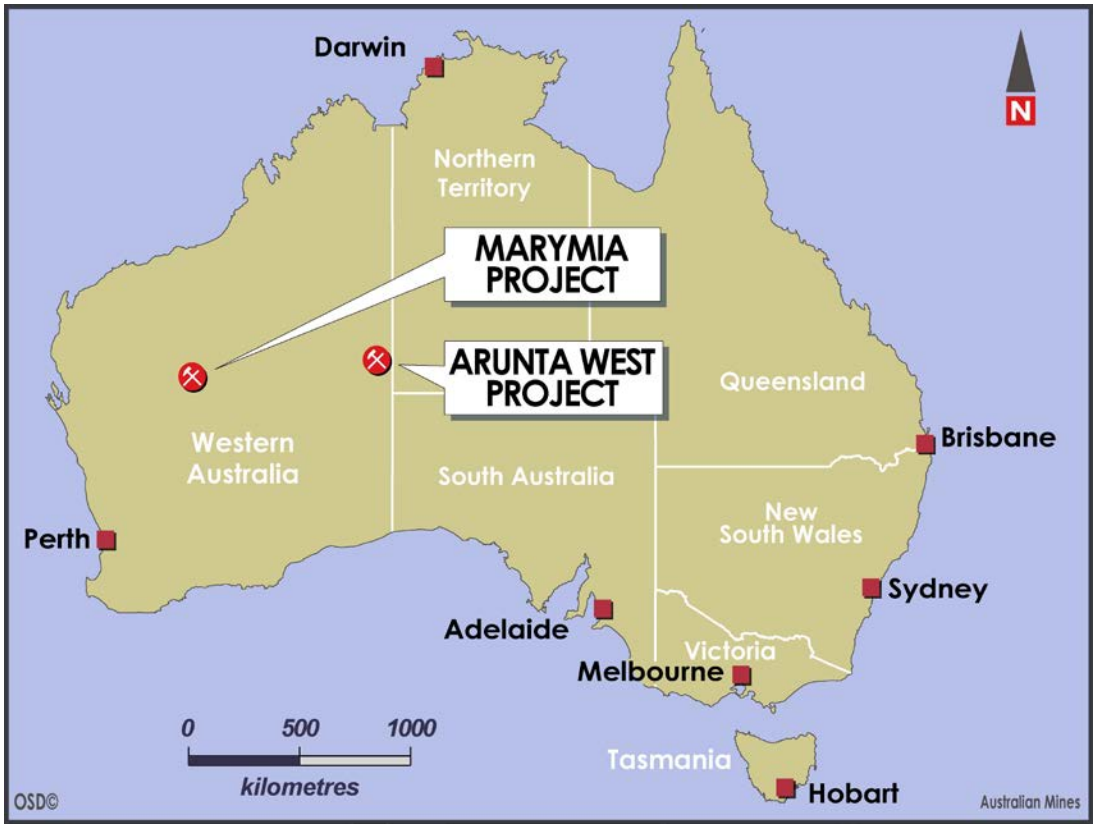


Fluctuation in anticipated annual cobalt and nickel production is a result of Australian Mines optimising its Sconi mining operation for scandium oxide production. (See Metallica Minerals' announcement of 16 October 2012)

Scandium operations: A peer comparison

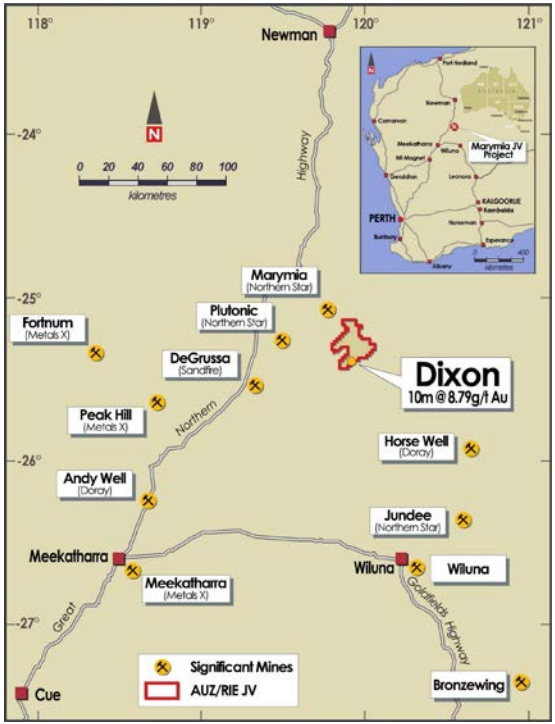
	Flemington	Sconi	Syerston
Company	Australian Mines (ASX: AUZ)	Australian Mines (ASX: AUZ)	Clean TeQ (ASX: CLQ)
Market cap (as at 21 Nov. 2016)	$10 million	-	$191 million
Resource (for economic study)	Measured + Indicated 3.14 Mt @ 434ppm Sc	Measured + Indicated 7.2 Mt @ 177ppm Sc	Proved + Probable 1.20 Mt @ 583ppm Sc
Status	Scoping study commenced	Definitive Feasibility Study commenced	Feasibility Study completed
Co-Products	**Cobalt** Mineral Resource calculation in progress **Nickel** Mineral Resource calculation in progress	**Cobalt** 54,500 tonnes of contained cobalt metal in Resource **Nickel** 514,000 tonnes of contained nickel metal in Resource	**Cobalt** 114,000 tonnes of contained cobalt metal in Resource **Nickel** 700,000 tonnes of contained nickel metal in Resource

Exploration Projects



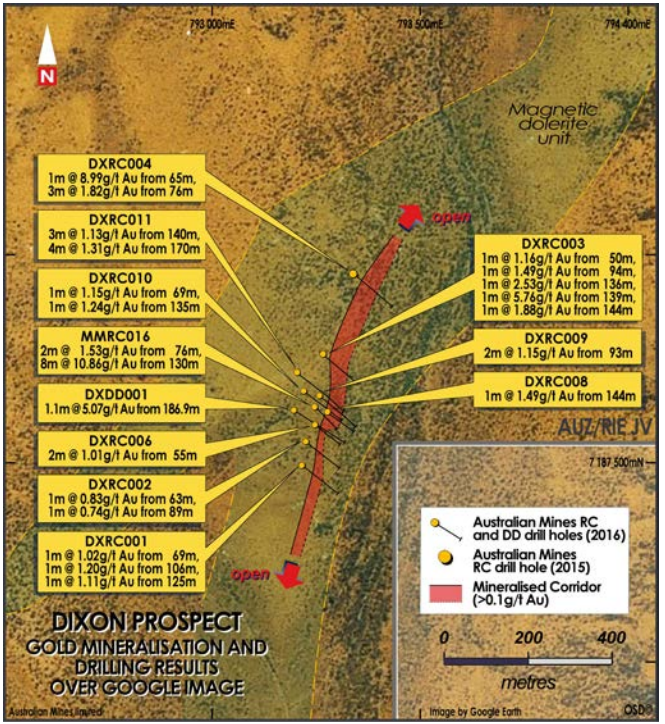
Doolgunna – Marymia Gold Project

- Located within 50 kilometres of the Plutonic and Marymia Gold Mines, 900 kilometres north of Perth
- Australian Mines on track to earn 80% interest in the project
- High-grade gold discovered within project area in late 2015
  - 10 metres @ 8.79 g/t gold from 130 metres
- Mineralisation hosted within fractionated dolerite unit
- 6 kilometre strike length of prospective geology identified



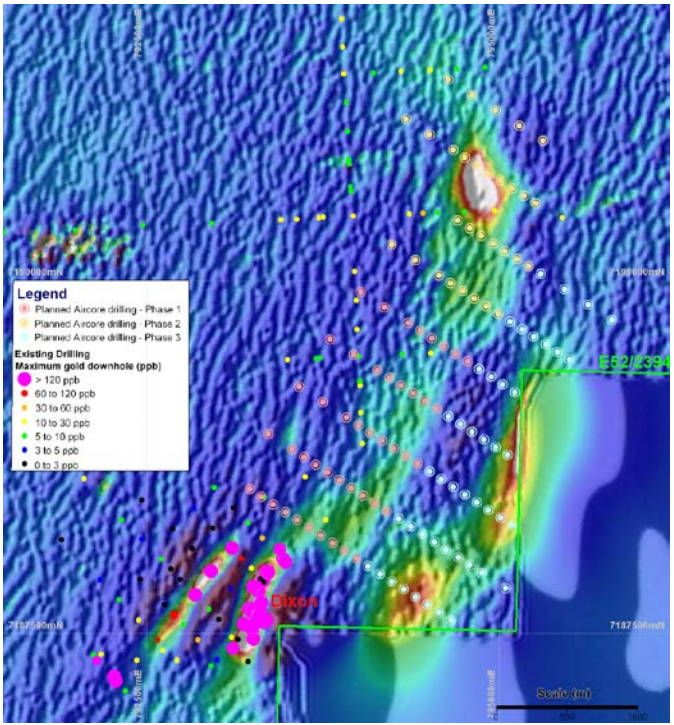
Mineralised corridor confirmed during 2016

- Gold-bearing sulphidic corridor confirmed by Australian Mines' 2016 reconnaissance drilling campaign
  - ➢ Mineralised corridor remains open along strike in both directions
- Potential for multiple zones of high-grade gold mineralisation along doleritic unit
- Thin transported cover limits the effectiveness of surface sampling across the project area
  - ➢ Interface sampling using air core drilling often the most effective regional exploration tool in such environments



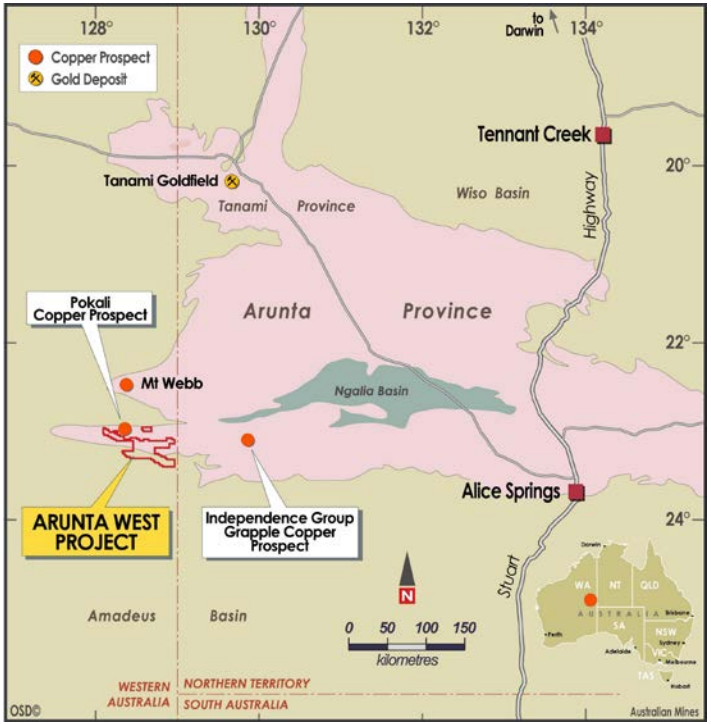
Targeting potential ore zones in 2017

- 120 hole air core drill program designed to test gold potential of entire 6 kilometres of prospective geology
- Drilling approval received from WA Mines Department in mid November
- Heritage Survey slated for March – April 2017
- Commencement of drilling proposed for May 2017
- Resulting gold anomalies to be targeted with follow-up RC drilling



Arunta West Copper-Gold Project

- Located along strike of Independence Group's Lake Mackay Project, 600 kilometres from Alice Springs
- Australian Mines earning up to an 80% interest in the project
- Deemed highly prospective for Olympic Dam-style copper-gold by BHP Billiton
- Recent copper-gold discoveries by Independence Group along strike of project area strongly supports BHP's analysis



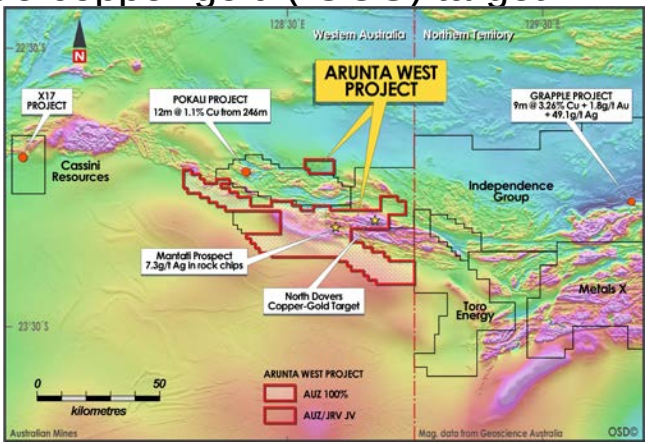
Australia's newest emerging copper province

- Consecutive drill programs by IGO targeting two separate anomalies successfully intersected significant copper-gold mineralisation
  - Grapple – 9 metres @ 3.2% copper + 1.8 g/t gold + 49.1 g/t silver
  - Bumblebee – 7 metres @ 3.2% copper + 3.3 g/t gold + 37.7 g/t silver

- BHP's #1 priority copper-gold target across their vast Arunta ground holding was the North Dovers iron-oxide copper-gold (IOCG) target

- North Dovers is located wholly within AUZ's Arunta West project area

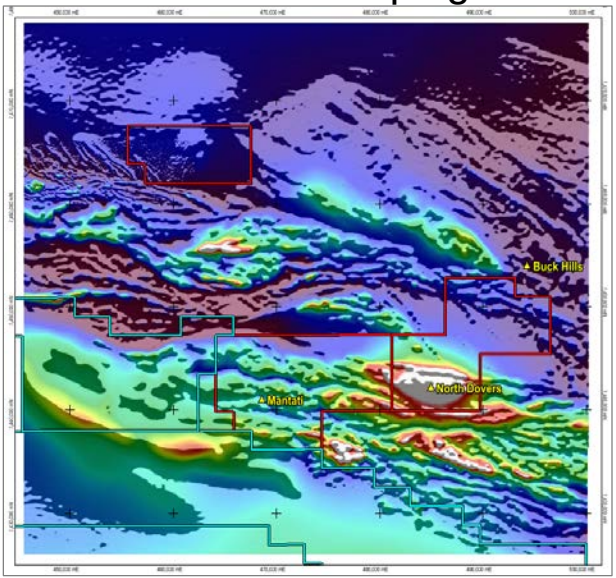
- Data suggestive of an IOCG deposit
  - ✓ Co-incident gravity & magnetic anomaly
  - ✓ Probable EM conductor
  - ✓ Subtle gold-in-soil anomaly



Drill program commencing in 2017

- North Dovers copper-gold target is currently untested by any drilling
- Australian Mines to conduct detailed gravity survey over North Dovers to enable accurate targeting of the project's maiden drill campaign
  - Gravity survey contract awarded last week
  - Survey commencing in April 2017
- Heritage Survey scheduled for June 2017
- Commencement of maiden drilling program proposed for August 2017

(The discovery hole of new copper deposits do have a tendency to deliver instant wealth to that company's shareholders – SFR is just one example of this - twice)



Investment Highlights

- Australian Mines is pursuing a strategy to become the world's largest supplier of scandium via the acquisition of two near-production projects
  - First mining operation (Sconi) expected to be in production by 2020
  - Second mining operation (Flemington) expected to be online in 2022

- Transactions equates to less than $2 per resource kilo of scandium oxide
  - Current market price for scandium oxide is ~ A$5,000 per kilo
  - Current Mineral Resource totals 4,035,000 kilos of scandium oxide

- Considerable resource and exploration upside across scandium projects

- Ideally timed transactions as worldwide demand for scandium is expected to increase by 800% over the next 10 years

- Significant differential in market capitalisation with peers

Investment Highlights

- Continued exposure to gold and copper markets through Australian Mines' on-going exploration programs at its Doolgunna-Marymia Gold and Arunta West Copper-Gold Projects
  - Exploration on both projects scheduled to commence at the start of the 2017 field season
  - Field programs include drilling campaigns of priority targets

- Potential also to participate in the growing lithium battery market
  - Cobalt and nickel, being two critical components of lithium batteries, are co-products of scandium mineralisation at both Flemington and Sconi

Thank You

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Mineral Resource Estimate: Sconi Project

Measured Resource:	17 million tonnes	0.80% Nickel	0.07% Cobalt
Indicated Resource:	48 million tonnes	0.58% Nickel	0.07% Cobalt
Inferred Resource:	24 million tonnes	0.41% Nickel	0.04% Cobalt
Total Resource:	89 million tonnes	0.58% Nickel	0.06% Cobalt
Total Contained Metal:	514,000 tonnes of Nickel metal 54,500 tonnes of Cobalt metal		Using a COG of 0.7% NiEq

This Mineral Resource for the Sconi Nickel and Cobalt Mineral Resources is reported under JORC 2012 Guidelines and was first reported by Australian Mines' joint venture partner, Metallica Minerals Limited on 21 October 2013. There has been no Material Change or Re-estimation of the Mineral Resource since this 21 October 2013 announcement by Metallica Minerals Limited. The NiEq is similarly described in their 21 October 2013 announcement.

Competent Persons Statements

Flemington Scandium-Cobalt Project

The Mineral Resource for the Flemington Scandium-Cobalt Project contained within this document is reported under JORC 2012 Guidelines. This Mineral Resource was first reported by Jervois Mining Limited on 20 August 2015. There has been no Material Change or Re-estimation of the Mineral Resource since this 20 August 2015 announcement by Jervois Mining Limited.

Sconi Scandium-Cobalt Project

The Mineral Resource for the Sconi Scandium-Cobalt Project contained within this document is reported under JORC 2012 Guidelines. This Mineral Resource was first reported by Australian Mines' joint venture partner, Metallica Minerals Limited on 21 October 2013. There has been no Material Change or Re-estimation of the Mineral Resource since this 21 October 2013 announcement by Metallica Minerals Limited

Doolgunna-Marymia Gold Project

Information in this report that relates to Doolgunna - Marymia Gold Project Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Benjamin Bell who is a member of the Australian Institute of Geoscientists. Mr. Bell is a full-time employee and Managing Director of Australian Mines Limited. Mr. Bell has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Bell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Arunta West Copper-Gold Project

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