AUSTRALIAN MINES LIMITED

11 August 2017

Drilling doubles cobalt footprint, triples scandium footprint at Flemington, and mineralisation still remains open

- **Resource drilling doubles the previous cobalt mineralisation footprint at the Flemington Cobalt-Scandium-Nickel Project**

- **Scandium footprint now three-times larger following drilling with thick, high-grade scandium mineralisation confirmed to outcrop across the project area**

- **Better cobalt intercepts included:**
  - **5 metres at 3,152 ppm Co from 4 metres (drill hole FMA17_151)**
  - **3 metres at 3,010 ppm Co from 4 metres (drill hole FMA17_224)**
  - **2 metres at 2,445 ppm Co from 7 metres (drill hole FMA17_227)**
  - **8 metres at 3,017 ppm Co from 5 metres (drill hole FMA17_282)**
  - **9 metres at 2,476 ppm Co from 12 metres (drill hole FMA17_286)**

- **Scandium intercepts from the assay results included:**
  - **16 metres at 556 ppm Sc from surface (drill hole FMA17_220)**
  - **21 metres at 577 ppm Sc from surface (drill hole FMA17_221)**
  - **17 metres at 547 ppm Sc from surface (drill hole FMA17_222)**
  - **23 metres at 543 ppm Sc from surface (drill hole FMA17_286)**
  - **14 metres at 600 ppm Sc from surface (drill hole FMA17_291)**

- **Mineralisation remains open in all directions (**except to the south where the mineralisation becomes Clean TeQ's Syerston ore body which has an established Mineral Resource grading 1,000 ppm cobalt)

- **Clearly demonstrates Flemington and Syerston deposits are the same mineralised body** (divided by a single tenement boundary)

- **Maiden Cobalt Mineral Resource and upgraded Scandium Mineral Resource Estimates for Flemington Project to be released within 6 weeks**

Australian Mines Limited ("Australian Mines" or "the Company") is pleased to announce that it has received the assay results[1] from its 239-hole resource extension drilling program at the Flemington Cobalt-Scandium-Nickel Project, located within 400 kilometres of Sydney, Australia.

In addition to demonstrating consistent cobalt grades approaching 1%[2] over individual metres across the deposit, the resource extension drill program also identified instances of outcropping cobalt and scandium mineralisation at Flemington, with outstanding shallow cobalt intersections including[3]:

- **13 metres @ 2,060 ppm (or 0.20%) Cobalt from 7 metres (drill hole FMA17_148);**
- **5 metres @ 3,152 ppm (or 0.31%) Cobalt from 4 metres (drill hole FMA17_151);**
- **19 metres @ 1,748 ppm (or 0.17%) Cobalt from 7 metres (drill hole FMA17_208)**
- **3 metres @ 3,010 ppm (or 0.30%) Cobalt from 4 metres (drill hole FMA17_224);**
- **2 metres @ 2,445 ppm (or 0.24%) Cobalt from 7 metres (drill hole FMA17_227);**
- **4 metres @ 2,097 ppm (or 0.20%) Cobalt from 18 metres (drill hole FMA17_253);**
- **8 metres @ 3,017 ppm (or 0.30%) Cobalt from 5 metres (drill hole FMA17_282);**
- **9 metres @ 2,476 ppm (or 0.24%) Cobalt from 12 metres (drill hole FMA17_286);**
- **8 metres @ 2,013 ppm (or 0.20%) Cobalt from 9 metres (drill hole FMA17_288);**
- **11 metres @ 2,020 ppm (or 0.20%) Cobalt from 18 metres (drill hole FMA17_289).**

The quoted 1,000ppm (or 0.1%) cobalt grade for Clean TeQ's adjoining Syerston deposit is based on their Mineral Resource Statement, which was released to the market via the ASX platform on 22 August 2016. Australian Mines is unaware of any Material Change or Re-estimation of Clean TeQ's Syerston Mineral Resource since their 22 August 2016 announcement.

[1] Assaying of the samples from the previous Jervois Mining drilling indicated that platinum mineralisation appears to be elevated within the cobalt-rich zone across the Flemington project area. Platinum grades of >0.3 g/t, for example, are not uncommon at Flemington as per Jervois Mining's announcement of 10 September 2012.
However, as pressure acid leach processing is unable to extract platinum from a laterite ore, Australian Mines did not analyse for platinum in samples from its recent resource extension drill program. The Company has stored the samples from this drilling and should an economically viable method of extracting platinum (or any other precious metal) from laterite ore via an acid leaching processing become available, Australian Mines will resubmit these samples for precious metal analysis.

[2] See Appendix 1 of this report full details.
The maximum single-metre assay returned from this drill program was 9,280ppm (or 0.92%) cobalt returned form hole FMA17_151 between metres five and six.
A more typical grade of the cobalt within the mineralized zones is 1,000ppm to 3,000ppm (or 0.1% to 0.3%).
ASX-listed (Australia-listed) and TSX-listed (Canadian-listed) cobalt-focussed companies typically refer to any cobalt grade above at or above 1,000ppm (0.1%) as being "high-grade". Thus, based on the assays return from this resource extension drill program, it would appear reasonable to view Flemington as a high-grade cobalt project.

[3] **All holes were drilled vertically, and as the laterite sequence is close to flat-lying, the intersected widths of cobalt mineralisation approximate true widths**

These results have successfully doubled the previous footprint of the project's cobalt mineralisation and have confirmed beyond doubt that the Flemington and Syerston mineralisation are part of the same ore body, which is divided by a single tenement boundary[4].

Australian Mines' recently completed resource extension drill program also effectively trebled the footprint of the known scandium mineralisation, as well as confirming high-grade scandium outcrops across the Flemington project area.

Scandium intersections returned for the Company's drill program include[5]:

- **18 metres @ 472 ppm Sc from surface (drill hole FMA17_123);**
- **15 metres @ 478 ppm Sc from surface (drill hole FMA17_155);**
- **16 metres @ 556 ppm Sc from surface (drill hole FMA17_220);**
- **21 metres @ 577 ppm Sc from surface (drill hole FMA17_221);**
- **17 metres @ 547 ppm Sc from surface (drill hole FMA17_222);**
- **23 metres @ 459 ppm Sc from surface (drill hole FMA17_228);**
- **14 metres @ 477 ppm Sc from surface (drill hole FMA17_280);**
- **21 metres @ 485 ppm Sc from surface (drill hole FMA17_283);**
- **23 metres @ 543 ppm Sc from surface (drill hole FMA17_286); and**
- **14 metres @ 600 ppm Sc from surface (drill hole FMA17_291).**

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[4] SRK Consulting, an international mining consultancy with no links or association with Australian Mines, had already concluded in their March 2017 Scoping Study of the Flemington Cobalt-Scandium-Nickel Project that the Flemington deposit and neighbouring Syerston mineralisation constituted the same ore body (see Australian Mines announcements of 15 March 2017 titled *Flemington Scoping Study advances project to Pre-Feasibility Study phase* and the Company's 31 March 2017 announced titled *Technical Reports*). Australian Mines is in no doubt, following this drill program, that the Flemington and Syerston deposits are indeed the two parts of the same ore body.
The geological and geochemical data acquired by an independent geological consulting firm, Rangott Mineral Exploration, during the Company's resource extension drilling program at Flemington served to re-affirm the interpretation that if it were not for the EL7805 (Australian Mines) – EL4573 (Clean TeQ) tenement boundary, then these two cobalt-scandium-nickel deposits would be, without question, treated by the project holder as a single deposit.
For illustration purposes, consider the Super Pit in Kalgoorlie. For the first 100 years of its life, this gold deposit was referred to by many names to reflect the numerous smaller operations along its 3.5-kilometre strike length. But once the land was acquired by a single company, being KCGM, the mine is correctly referred to as a single large-scale deposit – the Fimiston Open Pit (or colloquially, the Super Pit). The same would hold true should the Flemington - Syerston mineralisation be held by a single company at some point in the future.

[5] See Appendix 1 of this report for full details
All holes were drilled vertically, and as the laterite sequence is close to flat-lying, the intersected widths of scandium mineralisation approximate true widths

Importantly, both the cobalt and scandium mineralisation at Flemington remains open in all directions (except to the south where the mineralisation becomes Clean TeQ Holding's Syerston resource[6]).

These drilling results will inform a maiden cobalt Mineral Resource, which Australian Mines anticipates releasing in September, along with an upgraded scandium Mineral Resource Estimate, ahead of the planned start of a Pre-Feasibility Study at Flemington in October[7].

Australian Mines has also commenced planning a further follow-up resource extension drilling program, which will seek to test a further 250 acres of prospective geology surrounding the known cobalt and scandium mineralisation at Flemington. The Company will release details of this phase-two resource extension drilling program prior to its commencement.

Commenting on the resource extension drill program, **Managing Director Benjamin Bell said**, *"We are extremely pleased by the tenor of cobalt results returned from this drilling, which includes some outstanding shallow, high-grade intersections with mineralisation often averaging more than 0.2% cobalt and approaching 1% over individual metres in places.*

"These results have confirmed our confidence in the Flemington project delivering a robust cobalt resource in the near-term as well as re-affirming that this project does indeed host a true world-class deposit.

"The recent Flemington drilling also confirms the relationship between Australian Mines' Flemington mineralisation and the neighbouring Syerston project. It is clear that Flemington and Syerston are two halves of the same deposit and that the only material difference between the Flemington and Syerston deposit is where you draw the tenement boundary.

"Australian Mines is an experienced miner, having previously owned and operated the Blair underground nickel sulphide mine in Western Australia, and the Company is committed to delivering on its strategy of becoming a significant producer of key technology metals by bring its world class cobalt-nickel-scandium ore bodies into production in the shortest time possible.

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[6] See Clean TeQ Holdings announcement of 22 August 2016 for full details regarding their Syerston resource.

[7] As part of the ALS ME-XRF12n analysis protocol, Australian Mines assayed for Al_2O_3, CaO, Co, Cr_2O_3, Cu, Fe_2O_3, K_2O, MgO, Na_2O, Ni, P_2O_5, Pb, Sc, SiO_2, TiO_2 and Zn. The Company notes that platinum is present within the laterite at Flemington as is the case for the majority of the laterites across the Fifield region.
However, Australian Mines has not included the analysis for platinum group metals (PGM) in its standard suite as it is presently no possible to economically extract platinum using a pressure acid leach (PAL) processing plant. Should this situation change regarding the effectiveness of PAL systems or atmospheric leaching (AL) systems for PGM, the Company will submit the samples from the recent resource extension drilling for analysis and look to include the result in any future economic and technical study of the Flemington project.
As the Company has assayed for nickel as part of its resource extension drill program, it may also seek to estimate a nickel Mineral Resource for the Flemington project once the cobalt and scandium Mineral Resources have been released to shareholders via the normal ASX platform.

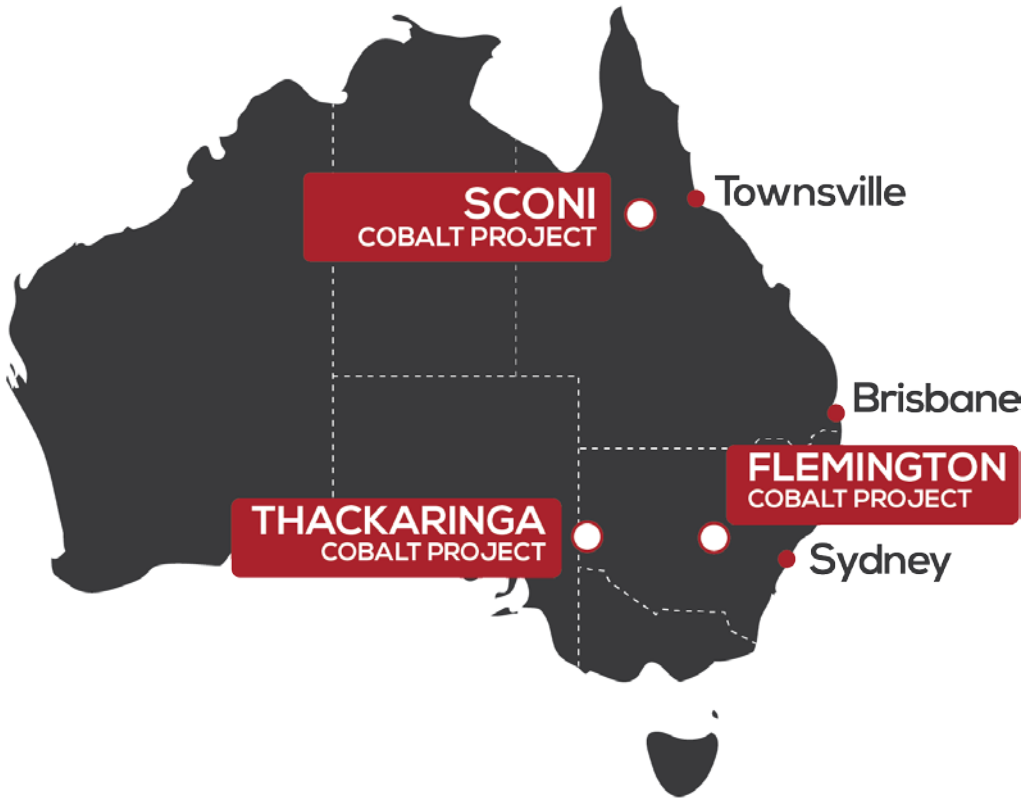
“The recent appointment of Chief Operating Officer, Tim Maclean, who has built and operated multi-billion-dollar laterite processing plants in the past serves as confirmation of our plans to take the Sconi and Flemington projects through to a final investment decision and build a full-scale processing plant.

*****ENDS*****

For further information:

Shareholders contact:
Benjamin Bell
Managing Director
Ph: +61 8 9481 5811
E: bbell@australianmines.com.au

Media contact:
Michael Cairnduff
Cannings Purple
Ph: + 61 406 775 241
E: mcairnduff@canningspurple.com.au



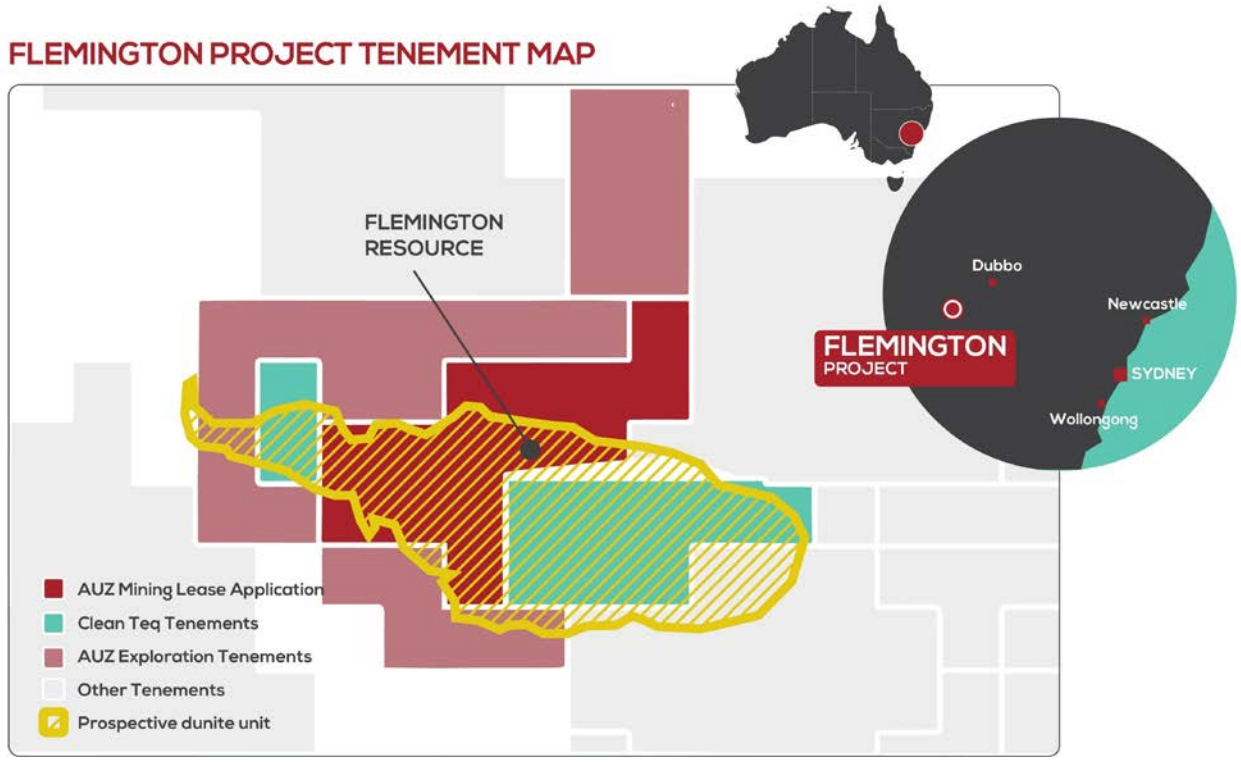


Figure 1: Located in central New South Wales, 370 kilometres west of Sydney, the Flemington Cobalt-Scandium-Nickel Project already hosts a world class resource[8] and Australian Mines' recently completed drill program indicates there is potential to further expand on this resource given that the prospective geological unit extends across almost the entire length of the Company's Mining Lease Application area.

[8] See Australian Mines announcement dated 31 March 2017 for full details of the Flemington Mineral Resource Flemington Mineral Resource: Measured 2.67Mt @ 435g/t Sc, Indicated 0.47Mt @ 426g/t Sc for total Mineral Resource of 3.14Mt @ 434g/t Sc. There has been no Material Change or Re-estimation of the Mineral Resource since this 31 March 2017 announcement by Australian Mines.
See Australian Mines announcement of 15 March 2017 titled *Flemington Scoping Study advances project to Pre-Feasibility Study phase* and the Company's 31 March 2017 announced titled *Technical Reports* for further details on the Flemington Project's status as a world class deposit.

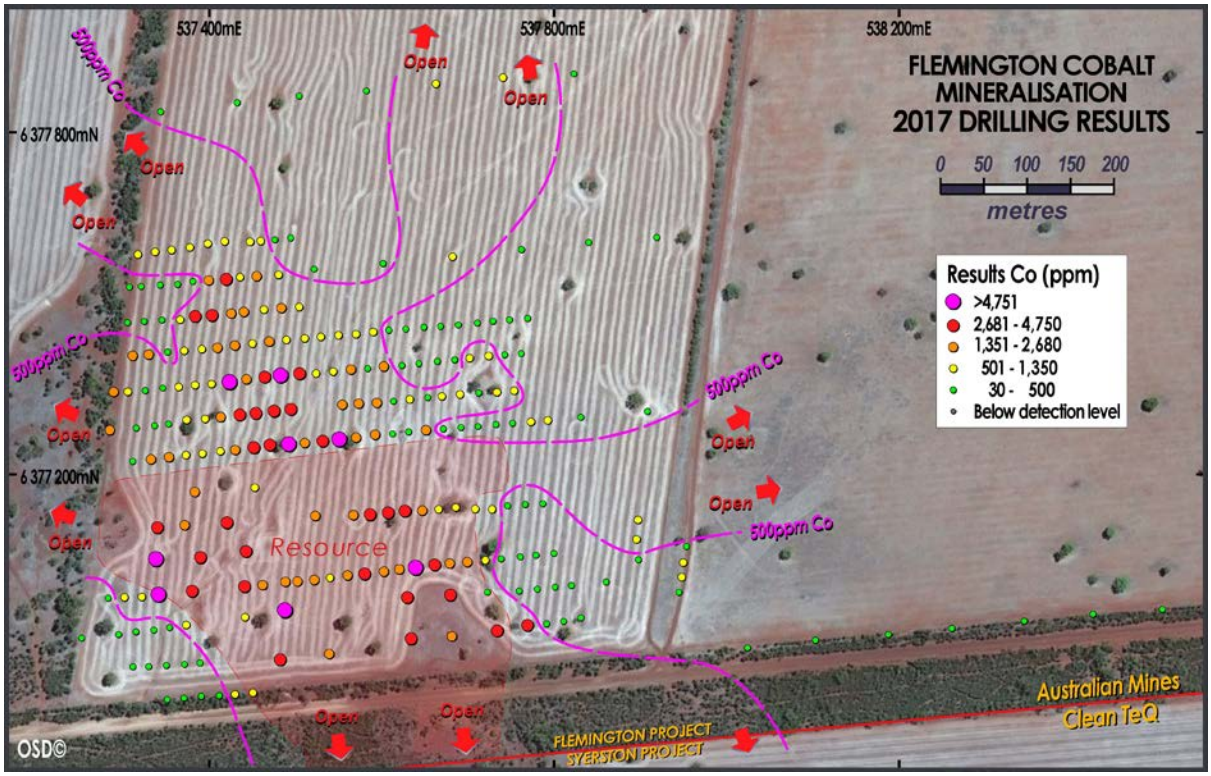


Figure 2: Australian Mines' recent air core drilling program has confirmed thick zones of high-grade cobalt mineralisation continues beyond the Company's current Flemington resource area[9], such that the area defined as hosting cobalt mineralisation is now double that reported in March 2017[10]. Significantly, the cobalt mineralisation at Flemington remains open suggesting that further expansion of this mineralisation may be revealed during any follow-up drill programs.

[9] See Australian Mines announcement dated 31 March 2017 for full details of the Flemington Mineral Resource Flemington Mineral Resource: Measured 2.67Mt @ 435g/t Sc, Indicated 0.47Mt @ 426g/t Sc for total Mineral Resource of 3.14Mt @ 434g/t Sc. There has been no Material Change or Re-estimation of the Mineral Resource since this 31 March 2017 announcement by Australian Mines

[10] Australian Mines, *Technical Reports*, released 31 March 2017

Consistent with other ASX-listed cobalt companies, Australian Mines is presently reporting against a lower cut-off of 500ppm for its cobalt mineralisation. SRK Consulting, in their March 2017 Scoping Study of the Flemington Project, independently adopted a 500ppm lower cut-off for cobalt mineralisation for this project, with the subsequent Scoping Study indicating that the Flemington Project is economically and technically viable using such cut-off grades.

See Australian Mines announcement of 15 March 2017 titled *Flemington Scoping Study advances project to Pre-Feasibility Study phase* and the Company's 31 March 2017 announced titled *Technical Reports* for further details on SRK Consulting's Flemington Scoping Study.

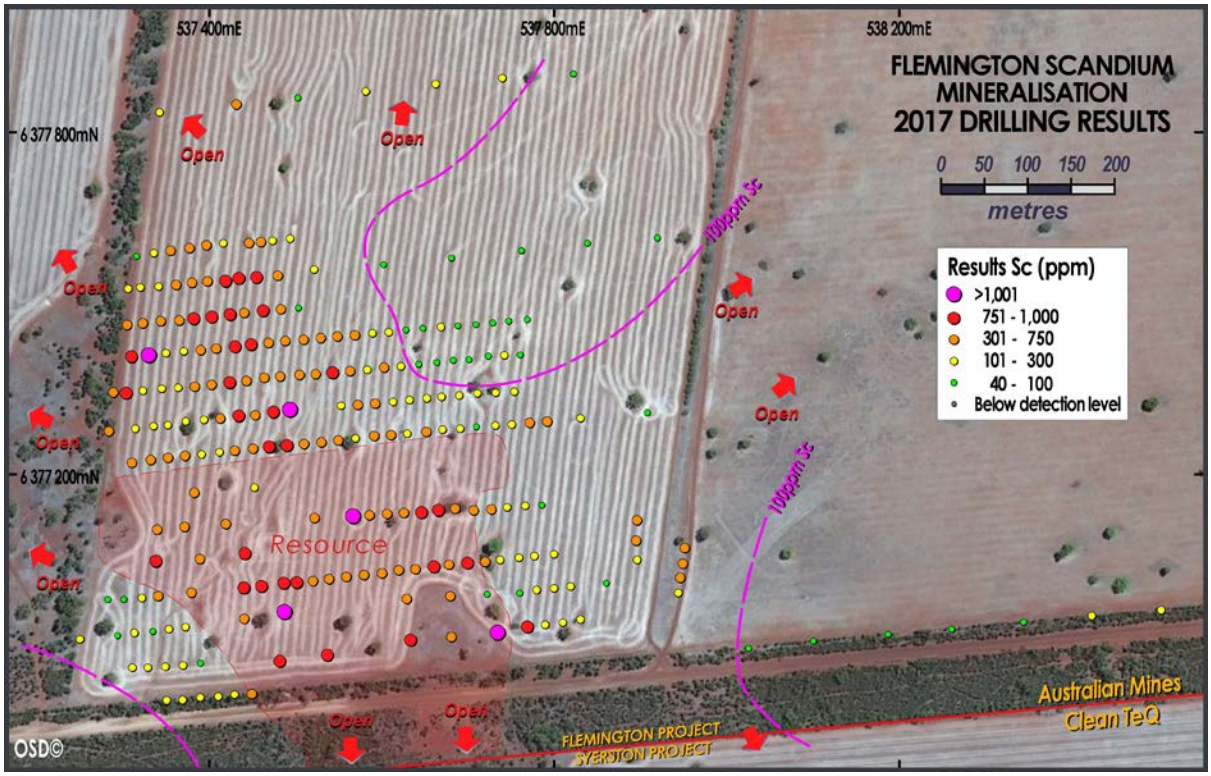


Figure 3: Drill collar location plan of Australian Mines' recent resource extension drilling with the maximum scandium assay returned from each hole indicated by its assigned colour. As SRK Consulting suggested in their Scoping Study of the Flemington project that the breakeven grade for any future mining operation at Flemington would be less than 50 ppm scandium[11], Australian Mines considers it is being conservative when using a 100 ppm lower cut-off when determining a scandium mineralisation envelope[12]. The result is effectively a trebling of the scandium footprint at Flemington, with the mineralisation remaining open in all directions (except to the immediate south where it becomes Clean TeQ's Syerston ore body).

[11] See Australian Mines announcement of 15 March 2017 titled *Flemington Scoping Study advances project to Pre-Feasibility Study phase* and the Company's 31 March 2017 announced titled *Technical Reports* for further details on SRK Consulting's Flemington Scoping Study.

[12] A review of technical studies of comparable cobalt-scandium-nickel projects released via the ASX platform over recent years indicates that an average scandium feed grade of <80 ppm is considered sufficient to be support an economically viable mining and processing operation for this style of laterite-hosted mineralisation.

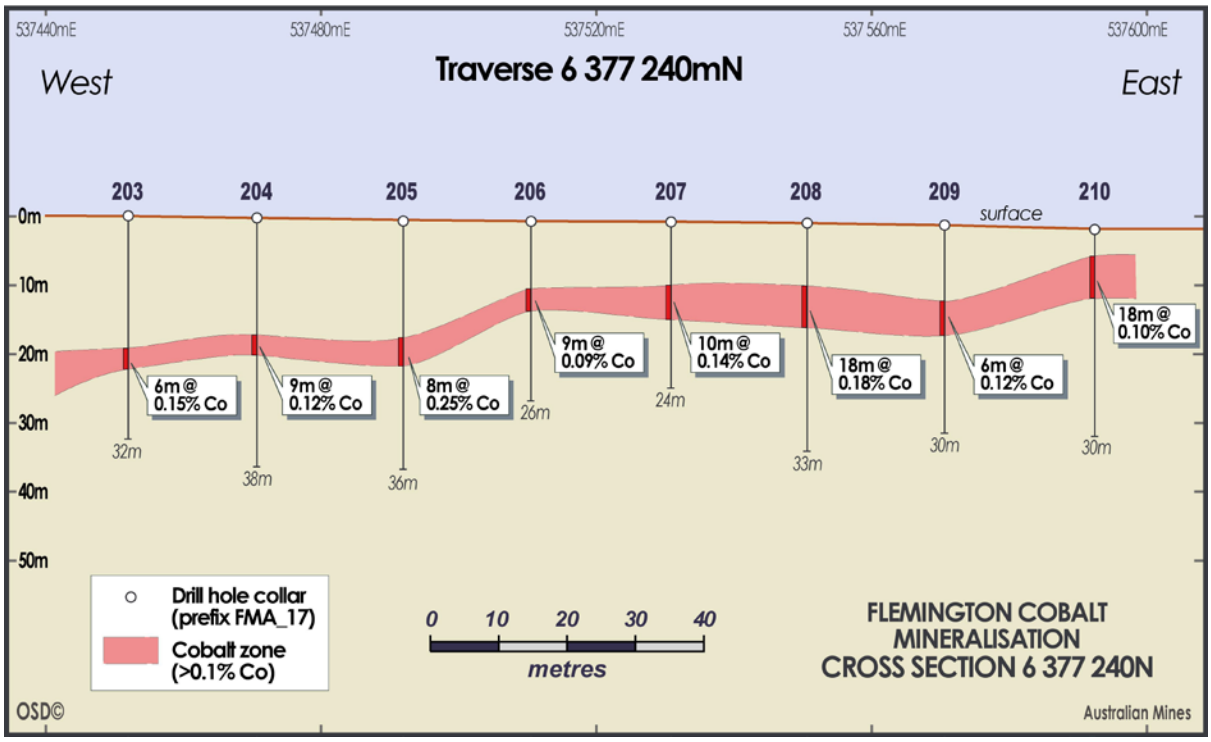


Figure 4: Schematic cross-section of the cobalt-rich zone at Flemington. A previously completed surface soil and rock chip sampling indicates that this cobalt (and scandium mineralisation)[13] may continue along strike of the zone tested by the Australian Mines' recent air core program, and the Company is presently designing a phase-two resource extension drilling program to test a further 250 acres of prospective ground.

[13] Cobalt grades can be referred to in both parts per million (ppm) or as a percentage (%). Both ppm and % are interchangeable within a report with 1,000 ppm = 0.1%.
ASX-listed (Australia-listed) and TSX-listed (Canadian-listed) cobalt-focussed companies often refer to any cobalt grade above at or above 0.1% (1,000ppm) as being "high-grade".
Thus, this section, whilst by no means showing the best / highest grade cobalt zone within the Flemington project, would nonetheless be viewed as being a "high-grade cross section" by others in the cobalt space.

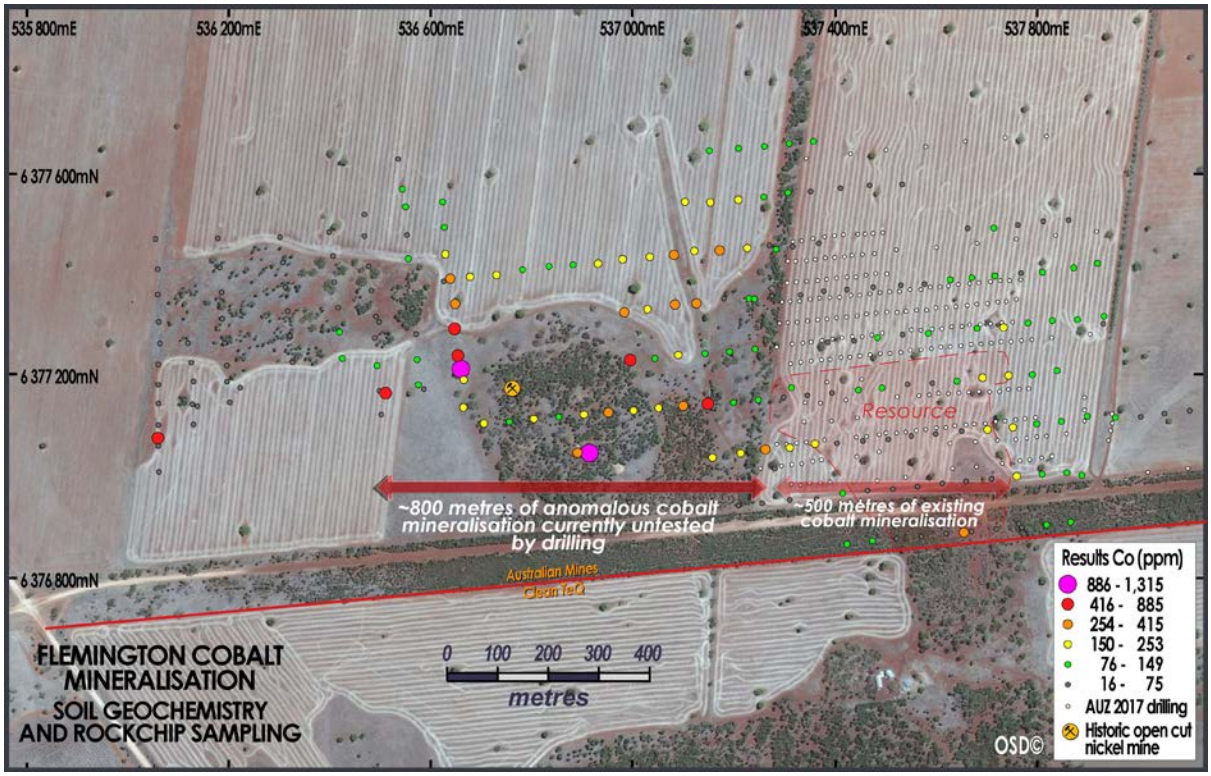


Figure 5: Open-file surface sampling data acquired prior to Australian Mines' involvement with the Flemington Project indicates that the cobalt (and scandium) mineralisation continues to extend further west of known deposit for a distance of at least 800 metres[14]. The area immediately to the west and northwest of the Company's recent resource extension drill program, therefore, represents a priority resource expansion target area for future testing by Australian Mines[15]. Present within this possible resource expansion area is a historic open cut nickel-cobalt mine, which records held by the New South Wales' mining register indicate graded up to 1.42% nickel[16]. Cobalt mineralisation was recorded as being associated with the nickel ore body.

[14] The subdued surface expression of the known high-grade cobalt mineralisation within the current Flemington deposit may be a result of the cobalt-rich zone within the immediate resource are typically commences within from five to ten metres from the surface. As such, the surface geochemical sampling over the Flemington ore body appears to return assays about an order of magnitude lower than the actual grade of the cobalt in the ore zone. The substantially higher cobalt assays returned from the surface sampling program west of the known resource, therefore, may suggest that either the overall cobalt grade continues to increase the further Australian Mines expands its activities to the west, or that any cobalt mineralisation within this western expansion area is closer to surface than the mineralisation intersected to date.
This soil sampling was completed by Rangott Mineral Exploration on behalf of Jervois Mining. All surface samples were submitted to ALS laboratory in Perth for multi-element MEICP61 analysis. These results are now publicly available via the New South Wales Government's Department of Planning and Environment's MinView system.
[15] The Company wishes to advise that it has yet to enter into a land access agreement with the pastoralist regarding the western expansion area and that such an agreement will need to be in place before the commencement of any drilling. As evident in the satellite land image in this figure, the western expansion area appears to be of limited agricultural value and the New South Wales' mining register indicates that a historic nickel mine, which had an average feed grade of 1% nickel is present within this uncropped area (The New South Wales Geological Survey report – reference GS1970/571).
[16] The New South Wales Geological Survey report – reference GS1970/571.

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Appendix 1: Resource Extension Drilling Program Results

Table 1: Flemington Air Core Drill Program – Drill Hole Information Summary

Hole Number	Northing (MGA55)	Easting (MGA55)	Elevation (metres)	Hole Depth (metres)	Azimuth (degrees)	Dip
FMA17_007	6377419	537307	297	30	0	-90
FMA17_008	6377423	537363	296	30	0	-90
FMA17_009	6377430	537436	296	21	0	-90
FMA17_100	6377440	537522	296	18	0	-90
FMA17_011	6377447	537602	295	6	0	-90
FMA17_012	6377454	537682	295	9	0	-90
FMA17_013	6377462	537762	294	18	0	-90
FMA17_014	6377470	537840	293	9	0	-90
FMA17_015	6377476	537920	291	6	0	-90
FMA17_019	6377268	537831	295	9	0	-90
FMA17_020	6377275	537908	294	12	0	-90
FMA17_022	6377077	537860	298	6	0	-90
FMA17_023	6377083	537948	296	21	0	-90
FMA17_024	6377000	538024	296	3	0	-90
FMA17_025	6377011	537251	306	6	0	-90
FMA17_028	6377009	538103	295	5	0	-90
FMA17_029	6377016	538188	294	3	0	-90
FMA17_030	6377023	538262	293	25	0	-90
FMA17_031	6377030	538346	292	9	0	-90
FMA17_032	6377039	538425	291	24	0	-90
FMA17_033	6377045	538505	290	38	0	-90
FMA17_044	6377623	537343	294	33	0	-90
FMA17_045	6377633	537432	293	30	0	-90
FMA17_046	6377640	537504	293	24	0	-90
FMA17_047	6377647	537582	293	24	0	-90
FMA17_049	6377663	537741	292	18	0	-90
FMA17_048	6377656	537663	293	18	0	-90
FMA17_050	6377667	537823	291	30	0	-90
FMA17_072	6377257	537711	296	9	0	-90
FMA17_073	6377259	537732	296	9	0	-90
FMA17_074	6377261	537752	296	9	0	-90
FMA17_075	6377263	537773	296	9	0	-90
FMA17_076	6377264	537793	295	12	0	-90
FMA17_077	6377162	537728	298	15	0	-90
FMA17_078	6377165	537747	298	6	0	-90
FMA17_079	6377060	537323	304	9	0	-90
FMA17_080	6377059	537301	304	4	0	-90
FMA17_081	6377058	537282	305	3	0	-90
FMA17_082	6377024	537354	303	6	0	-90
FMA17_083	6377020	537334	304	3	0	-90
FMA17_084	6377019	537314	304	3	0	-90
FMA17_085	6377015	537294	304	5	0	-90

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FMA17_086	6376982	537389	304	6	0	-90
FMA17_087	6376981	537370	304	3	0	-90
FMA17_088	6376979	537349	304	3	0	-90
FMA17_089	6376979	537329	304	4	0	-90
FMA17_090	6376978	537311	304	3	0	-90
FMA17_091	6376948	537450	305	14	0	-90
FMA17_092	6376947	537430	305	3	0	-90
FMA17_093	6376945	537411	305	3	0	-90
FMA17_094	6376944	537390	305	3	0	-90
FMA17_095	6376941	537370	305	3	0	-90
FMA17_096	6376940	537351	305	3	0	-90
FMA17_100	6377167	537767	297	6	0	-90
FMA17_101	6377168	537787	297	6	0	-90
FMA17_102	6377104	537738	299	12	0	-90
FMA17_103	6377106	537760	299	3	0	-90
FMA17_104	6377108	537779	298	3	0	-90
FMA17_105	6377110	537800	298	3	0	-90
FMA17_106	6377026	537769	301	21	0	-90
FMA17_107	6377028	537791	300	15	0	-90
FMA17_108	6377031	537811	300	9	0	-90
FMA17_109	6377035	537831	299	3	0	-90
FMA17_110	6377066	537759	300	9	0	-90
FMA17_111	6377069	537781	299	6	0	-90
FMA17_112	6377071	537801	299	3	0	-90
FMA17_113	6377072	537820	299	6	0	-90
FMA17_114	6377256	537315	300	27	0	-90
FMA17_115	6377259	537336	300	30	0	-90
FMA17_116	6377260	537353	299	38	0	-90
FMA17_117	6377264	537374	299	30	0	-90
FMA17_118	6377266	537395	299	30	0	-90
FMA17_119	6377268	537414	299	30	0	-90
FMA17_120	6377270	537435	299	27	0	-90
FMA17_121	6377272	537454	299	27	0	-90
FMA17_122	6377275	537475	299	27	0	-90
FMA17_123	6377278	537494	299	24	0	-90
FMA17_124	6377283	537554	298	21	0	-90
FMA17_125	6377284	537573	298	21	0	-90
FMA17_126	6377285	537594	298	27	0	-90
FMA17_127	6377287	537613	297	15	0	-90
FMA17_128	6377289	537633	297	6	0	-90
FMA17_129	6377291	537653	297	9	0	-90
FMA17_130	6377292	537670	297	12	0	-90
FMA17_131	6377294	537691	296	6	0	-90
FMA17_132	6377297	537712	296	6	0	-90
FMA17_133	6377298	537734	295	6	0	-90
FMA17_134	6377299	537754	295	12	0	-90
FMA17_135	6377253	537284	301	24	0	-90
FMA17_141	6377297	537290	300	24	0	-90
FMA17_142	6377298	537305	300	30	0	-90
FMA17_143	6377300	537324	299	27	0	-90
FMA17_144	6377302	537346	299	24	0	-90

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FMA17_145	6377304	537365	299	27	0	-90
FMA17_146	6377305	537384	298	27	0	-90
FMA17_147	6377307	537403	298	27	0	-90
FMA17_148	6377309	537424	298	27	0	-90
FMA17_149	6377312	537444	298	27	0	-90
FMA17_150	6377315	537465	298	24	0	-90
FMA17_151	6377316	537483	298	15	0	-90
FMA17_152	6377318	537505	298	21	0	-90
FMA17_153	6377319	537524	298	30	0	-90
FMA17_154	6377321	537544	297	27	0	-90
FMA17_155	6377323	537563	297	30	0	-90
FMA17_156	6377324	537584	297	12	0	-90
FMA17_157	6377327	537603	297	24	0	-90
FMA17_158	6377328	537623	297	24	0	-90
FMA17_159	6377330	537643	296	12	0	-90
FMA17_160	6377333	537664	296	12	0	-90
FMA17_161	6377335	537684	296	6	0	-90
FMA17_162	6377336	537702	295	9	0	-90
FMA17_163	6377340	537724	295	3	0	-90
FMA17_164	6377341	537743	295	3	0	-90
FMA17_165	6377342	537762	294	3	0	-90
FMA17_171	6377338	537296	299	30	0	-90
FMA17_172	6377340	537311	299	30	0	-90
FMA17_173	6377341	537330	298	30	0	-90
FMA17_174	6377344	537351	298	27	0	-90
FMA17_175	6377345	537371	298	30	0	-90
FMA17_176	6377347	537391	298	27	0	-90
FMA17_177	6377349	537409	297	26	0	-90
FMA17_178	6377351	537430	297	24	0	-90
FMA17_179	6377353	537450	297	24	0	-90
FMA17_180	6377356	537469	297	21	0	-90
FMA17_181	6377358	537489	297	21	0	-90
FMA17_182	6377360	537510	297	24	0	-90
FMA17_183	6377361	537529	297	20	0	-90
FMA17_184	6377363	537549	297	22	0	-90
FMA17_185	6377365	537570	297	24	0	-90
FMA17_186	6377367	537590	296	15	0	-90
FMA17_187	6377368	537609	296	9	0	-90
FMA17_188	6377370	537628	296	6	0	-90
FMA17_189	6377372	537648	296	9	0	-90
FMA17_190	6377374	537669	295	6	0	-90
FMA17_191	6377375	537689	295	6	0	-90
FMA17_192	6377378	537710	295	3	0	-90
FMA17_193	6377380	537729	295	6	0	-90
FMA17_194	6377381	537748	294	6	0	-90
FMA17_195	6377382	537769	294	6	0	-90
FMA17_196	6377217	537311	301	24	0	-90
FMA17_197	6377219	537333	301	33	0	-90
FMA17_198	6377222	537353	300	35	0	-90
FMA17_199	6377224	537373	300	36	0	-90
FMA17_200	6377226	537392	300	30	0	-90

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FMA17_201	6377228	537412	300	27	0	-90
FMA17_202	6377230	537431	300	36	0	-90
FMA17_203	6377232	537452	300	32	0	-90
FMA17_204	6377235	537471	300	35.5	0	-90
FMA17_205	6377236	537492	299	36	0	-90
FMA17_206	6377238	537511	299	26	0	-90
FMA17_207	6377240	537531	299	24	0	-90
FMA17_208	6377242	537550	299	33	0	-90
FMA17_209	6377244	537571	298	30	0	-90
FMA17_210	6377247	537592	298	30	0	-90
FMA17_211	6377249	537612	298	21	0	-90
FMA17_212	6377251	537631	298	15	0	-90
FMA17_213	6377253	537652	297	12	0	-90
FMA17_214	6377254	537671	297	9	0	-90
FMA17_215	6377256	537692	297	6	0	-90
FMA17_216	6377154	537567	301	30	0	-90
FMA17_217	6377156	537587	301	44	0	-90
FMA17_218	6377157	537607	301	30	0	-90
FMA17_219	6377158	537627	300	33	0	-90
FMA17_220	6377159	537647	300	21	0	-90
FMA17_221	6377161	537667	299	27	0	-90
FMA17_222	6377163	537686	299	21	0	-90
FMA17_223	6377161	537708	299	18	0	-90
FMA17_224	6377061	537342	303	8	0	-90
FMA17_225	6377026	537374	303	3	0	-90
FMA17_226	6377035	537441	303	27	0	-90
FMA17_227	6377065	537380	303	15	0	-90
FMA17_228	6377071	537441	302	34	0	-90
FMA17_229	6377073	537462	302	36	0	-90
FMA17_230	6377076	537488	302	33	0	-90
FMA17_231	6377077	537501	302	36	0	-90
FMA17_232	6377080	537521	302	42	0	-90
FMA17_233	6377081	537540	302	39	0	-90
FMA17_234	6377084	537561	302	36	0	-90
FMA17_235	6377086	537580	302	36	0	-90
FMA17_236	6377088	537602	302	39	0	-90
FMA17_237	6377091	537620	302	30	0	-90
FMA17_238	6377093	537639	302	39	0	-90
FMA17_239	6377096	537661	301	21	0	-90
FMA17_240	6377098	537679	301	12	0	-90
FMA17_241	6377100	537700	300	21	0	-90
FMA17_242	6377101	537721	300	15	0	-90
FMA17_243	6377099	537950	295	12	0	-90
FMA17_244	6377117	537953	295	6	0	-90
FMA17_245	6377065	537945	296	3	0	-90
FMA17_246	6377104	537898	296	9	0	-90
FMA17_247	6377126	537896	296	15	0	-90
FMA17_248	6377149	537897	296	9	0	-90
FMA17_249	6377377	537306	298	41	0	-90
FMA17_250	6377379	537324	297	39	0	-90
FMA17_251	6377380	537345	297	42	0	-90

FMA17_252	6377382	537366	297	42	0	-90
FMA17_253	6377384	537384	297	39	0	-90
FMA17_254	6377386	537404	297	33	0	-90
FMA17_255	6377388	537425	297	30	0	-90
FMA17_256	6377390	537441	297	30	0	-90
FMA17_257	6377393	537463	297	24	0	-90
FMA17_258	6377395	537484	297	27	0	-90
FMA17_259	6377397	537504	297	13	0	-90
FMA17_260	6377434	537481	296	18	0	-90
FMA17_261	6377432	537456	296	18	0	-90
FMA17_262	6377427	537420	296	30	0	-90
FMA17_263	6377427	537399	296	33	0	-90
FMA17_264	6377425	537381	296	33	0	-90
FMA17_265	6377421	537343	297	36	0	-90
FMA17_266	6377420	537321	297	33	0	-90
FMA17_267	6377457	537317	296	30	0	-90
FMA17_268	6377460	537337	296	27	0	-90
FMA17_269	6377462	537356	296	33	0	-90
FMA17_270	6377466	537378	296	27	0	-90
FMA17_271	6377469	537397	296	27	0	-90
FMA17_272	6377472	537417	296	24	0	-90
FMA17_273	6377472	537447	296	23	0	-90
FMA17_274	6377473	537460	296	18	0	-90
FMA17_275	6377474	537475	295	15	0	-90
FMA17_276	6377476	537495	295	6	0	-90
FMA17_277	6377181	537384	301	30	0	-90
FMA17_278	6377187	537453	301	30	0	-90
FMA17_279	6377140	537341	303	19	0	-90
FMA17_280	6377142	537372	302	24	0	-90
FMA17_281	6377145	537421	301	27	0	-90
FMA17_282	6377103	537339	304	18	0	-90
FMA17_283	6377105	537390	302	21	0	-90
FMA17_284	6377112	537443	302	30	0	-90
FMA17_285	6377152	537523	301	39	0	-90
FMA17_286	6377043	537488	301	27	0	-90
FMA17_287	6376993	537539	305	30	0	-90
FMA17_288	6376986	537483	304	27	0	-90
FMA17_289	6377011	537634	305	33	0	-90
FMA17_290	6377014	537681	306	36	0	-90
FMA17_291	6377019	537735	302	18	0	-90
FMA17_292	6377065	537723	301	6	0	-90
FMA17_293	6377061	537680	303	21	0	-90
FMA17_294	6377059	537631	304	39	0	-90

Drill contractor: Wallis Drilling
Drill type: Air core
Hole diameter: 95 mm
Supervising geologist: Michael Ostrowski
Drill hole position: Trimble DGPS Geoexplorer 6000

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Table 2: Flemington Air Core Drill Program – Significant Cobalt Assay Summary[17]

Hole Number	From (metres)	To (metres)	Interval (metres)	Cobalt (ppm)	Interval and composite grade
FMA17_009	12	16	4	735	4m @735 ppm Co from 12m
FMA17_076	1	5	4	583	4m @582 ppm Co from 1m
FMA17_077	2	6	4	743	4m @742 ppm Co from 2m
FMA17_079	3	6	3	767	3m @766 ppm Co from 3m
FMA17_080	1	3	2	825	2m @825 ppm Co from 1m
FMA17_091	10	14	4	855	4m @855 ppm Co from 10m
FMA17_092	1	3	2	925	2m @925 ppm Co from 1m
FMA17_106	1	4	3	2120	3m @2120 ppm Co from 1m
FMA17_118	19	21	2	1230	2m @1230 ppm Co from 19m
FMA17_119	17	21	4	1288	4m @1287 ppm Co from 17m
FMA17_120	15	18	3	1787	3m @1786 ppm Co from 15m
FMA17_121	12	18	6	1867	6m @1866 ppm Co from 12m
FMA17_122	10	19	9	1950	9m @1950 ppm Co from 10m
FMA17_123	6	17	11	1277	11m @1277 ppm Co from 6m
FMA17_124	1	6	5	1320	5m @1320 ppm Co from 1m
FMA17_125	3	8	5	1058	5m @1058 ppm Co from 3m
FMA17_126	1	5	4	1400	4m @1400 ppm Co from 1m
FMA17_130	6	9	3	610	3m @610 ppm Co from 6m
FMA17_133	1	3	2	560	2m @560 ppm Co from 1m
FMA17_134	1	3	2	545	2m @545 ppm Co from 1m
FMA17_135	18	19	1	1400	1m @1400 ppm Co from 18m
FMA17_141	17	22	5	958	5m @958 ppm Co from 17m
FMA17_142	20	23	3	1067	3m @1066 ppm Co from 20m
FMA17_146	18	20	2	595	2m @595 ppm Co from 18m
FMA17_147	19	22	3	633	3m @633 ppm Co from 19m
FMA17_148	7	20	13	2060	13m @2060 ppm Co from 7m
FMA17_149	6	18	12	888	12m @888 ppm Co from 6m
FMA17_150	8	13	5	1476	5m @1476 ppm Co from 8m
FMA17_151	4	8	4	3850	4m @3850 ppm Co from 4m
FMA17_152	5	6	1	4630	1m @4630 ppm Co from 5m
FMA17_154	4	6	2	990	2m @990 ppm Co from 4m

[17] All holes were drilled vertically, and as the laterite sequence is close to flat-lying, the intersected widths of cobalt mineralisation approximate true widths.

Lower cut-off grade: 500ppm cobalt
No upper cut-off grade applied
Internal dilution: 2 metres

Any drill hole not included in Table 2 of Appendix 1 did not intersect any significant cobalt mineralisation.

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FMA17_155	3	8	5	1570	5m @1570 ppm Co from 3m
FMA17_157	5	8	3	1097	3m @1096 ppm Co from 5m
FMA17_162	4	8	4	538	4m @537 ppm Co from 4m
FMA17_172	18	24	6	1002	6m @1001 ppm Co from 18m
FMA17_173	18	20	2	2335	2m @2335 ppm Co from 18m
FMA17_176	16	21	5	888	5m @888 ppm Co from 16m
FMA17_177	13	21	8	850	8m @850 ppm Co from 13m
FMA17_178	14	18	4	1145	4m @1145 ppm Co from 14m
FMA17_179	14	18	4	783	4m @782 ppm Co from 14m
FMA17_180	7	15	8	825	8m @825 ppm Co from 7m
FMA17_181	12	14	2	655	2m @655 ppm Co from 12m
FMA17_182	2	4	2	875	2m @875 ppm Co from 2m
FMA17_183	11	16	5	774	5m @774 ppm Co from 11m
FMA17_185	7	12	5	696	5m @696 ppm Co from 7m
FMA17_186	7	12	5	758	5m @758 ppm Co from 7m
FMA17_197	18	22	4	848	4m @847 ppm Co from 18m
FMA17_198	19	22	3	1393	3m @1393 ppm Co from 19m
FMA17_202	21	34	13	700	13m @700 ppm Co from 21m
FMA17_203	18	24	6	1515	6m @1515 ppm Co from 18m
FMA17_204	16	25	9	1260	9m @1260 ppm Co from 16m
FMA17_205	13	21	8	2518	8m @2517 ppm Co from 13m
FMA17_206	7	16	9	931	9m @931 ppm Co from 7m
FMA17_207	5	15	10	1459	10m @1459 ppm Co from 5m
FMA17_208	7	25	18	1820	18m @1820 ppm Co from 7m
FMA17_209	10	16	6	1212	6m @1211 ppm Co from 10m
FMA17_210	2	20	18	1008	18m @1008 ppm Co from 2m
FMA17_213	4	6	2	1670	2m @1670 ppm Co from 4m
FMA17_216	13	18	5	1340	5m @1340 ppm Co from 13m
FMA17_217	7	19	12	1398	12m @1398 ppm Co from 7m
FMA17_218	8	19	11	1661	11m @1660 ppm Co from 8m
FMA17_219	10	29	19	1585	19m @1584 ppm Co from 10m
FMA17_220	5	16	11	707	11m @707 ppm Co from 5m
FMA17_221	0	19	19	750	19m @750 ppm Co from 0m
FMA17_222	10	15	5	752	5m @752 ppm Co from 10m
FMA17_223	1	7	6	560	6m @560 ppm Co from 1m
FMA17_224	4	7	3	3010	3m @3010 ppm Co from 4m
FMA17_227	7	9	2	2445	2m @2445 ppm Co from 7m
FMA17_228	5	6	1	1550	1m @1550 ppm Co from 5m
FMA17_229	15	22	7	980	7m @980 ppm Co from 15m
FMA17_23	9	14	5	672	5m @672 ppm Co from 9m
FMA17_230	17	22	5	1582	5m @1582 ppm Co from 17m
FMA17_231	18	24	6	1268	6m @1268 ppm Co from 18m
FMA17_232	20	34	14	1016	14m @1015 ppm Co from 20m
FMA17_233	22	24	2	825	2m @825 ppm Co from 22m

FMA17_234	15	21	6	1218	6m @1218 ppm Co from 15m
FMA17_235	10	20	10	1808	10m @1808 ppm Co from 10m
FMA17_236	8	18	10	1092	10m @1092 ppm Co from 8m
FMA17_237	10	21	11	1470	11m @1470 ppm Co from 10m
FMA17_238	4	19	15	1761	15m @1761 ppm Co from 4m
FMA17_239	3	9	6	1585	6m @1585 ppm Co from 3m
FMA17_240	1	5	4	1053	4m @1052 ppm Co from 1m
FMA17_241	1	11	10	1062	10m @1062 ppm Co from 1m
FMA17_242	0	2	2	700	2m @700 ppm Co from 0m
FMA17_243	2	4	2	535	2m @535 ppm Co from 2m
FMA17_247	5	7	2	550	2m @550 ppm Co from 5m
FMA17_248	2	4	2	535	2m @535 ppm Co from 2m
FMA17_253	18	21	3	2647	3m @2646 ppm Co from 18m
FMA17_254	14	18	4	1915	4m @1915 ppm Co from 14m
FMA17_255	11	18	7	1043	7m @1042 ppm Co from 11m
FMA17_256	13	17	4	1050	4m @1050 ppm Co from 13m
FMA17_257	14	18	4	610	4m @610 ppm Co from 14m
FMA17_258	10	17	7	746	7m @745 ppm Co from 10m
FMA17_259	1	3	2	995	2m @995 ppm Co from 1m
FMA17_261	5	14	9	1024	9m @1024 ppm Co from 5m
FMA17_262	12	18	6	1422	6m @1421 ppm Co from 12m
FMA17_263	15	18	3	1213	3m @1213 ppm Co from 15m
FMA17_268	2	4	2	525	2m @525 ppm Co from 2m
FMA17_271	16	18	2	615	2m @615 ppm Co from 16m
FMA17_274	6	7	1	1200	1m @1200 ppm Co from 6m
FMA17_277	17	21	4	1800	4m @1800 ppm Co from 17m
FMA17_278	25	27	2	550	2m @550 ppm Co from 25m
FMA17_279	9	18	9	1424	9m @1424 ppm Co from 9m
FMA17_280	8	17	9	1302	9m @1302 ppm Co from 8m
FMA17_281	13	21	8	1563	8m @1562 ppm Co from 13m
FMA17_282	6	13	7	3393	7m @3392 ppm Co from 6m
FMA17_283	9	18	9	1453	9m @1453 ppm Co from 9m
FMA17_284	15	21	6	2058	6m @2058 ppm Co from 15m
FMA17_285	19	28	9	1060	9m @1060 ppm Co from 19m
FMA17_286	12	20	8	2734	8m @2733 ppm Co from 12m
FMA17_287	13	22	9	968	9m @967 ppm Co from 13m
FMA17_288	9	17	8	2014	8m @2013 ppm Co from 9m
FMA17_289	18	28	10	2178	10m @2178 ppm Co from 18m
FMA17_290	10	19	9	1101	9m @1101 ppm Co from 10m
FMA17_291	4	12	8	1836	8m @1836 ppm Co from 4m
FMA17_293	7	14	7	1506	7m @1505 ppm Co from 7m
FMA17_294	16	25	9	2201	9m @2201 ppm Co from 16m

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Table 3: Flemington Air Core Drill Program – Significant Scandium Assay Summary[18]

Hole Number	From (metres)	To (metres)	Interval (metres)	Scandium (ppm)	Interval and composite grade
FMA17_009	0	21	21	334	21m @334 ppm Sc from 0m
FMA17_019	0	6	6	155	6m @155 ppm Sc from 0m
FMA17_077	0	12	12	313	12m @312 ppm Sc from 0m
FMA17_079	0	6	6	132	6m @131 ppm Sc from 0m
FMA17_102	0	12	12	123	12m @122 ppm Sc from 0m
FMA17_106	0	20	20	289	20m @289 ppm Sc from 0m
FMA17_114	1	27	26	150	26m @149 ppm Sc from 1m
FMA17_118	0	25	25	148	25m @148 ppm Sc from 0m
FMA17_119	0	24	24	267	24m @267 ppm Sc from 0m
FMA17_120	0	27	27	281	27m @280 ppm Sc from 0m
FMA17_121	0	26	26	324	26m @323 ppm Sc from 0m
FMA17_122	0	21	21	440	21m @440 ppm Sc from 0m
FMA17_123	0	18	18	473	18m @472 ppm Sc from 0m
FMA17_124	0	7	7	199	7m @198 ppm Sc from 0m
FMA17_125	0	13	13	202	13m @202 ppm Sc from 0m
FMA17_126	0	5	5	268	5m @268 ppm Sc from 0m
FMA17_127	1	3	2	105	2m @105 ppm Sc from 1m
FMA17_134	0	12	12	136	12m @135 ppm Sc from 0m
FMA17_135	0	20	20	207	20m @207 ppm Sc from 0m
FMA17_141	0	23	23	255	23m @254 ppm Sc from 0m
FMA17_142	0	30	30	239	30m @239 ppm Sc from 0m
FMA17_143	0	27	27	164	27m @164 ppm Sc from 0m
FMA17_147	1	25	24	231	24m @230 ppm Sc from 1m
FMA17_148	0	23	23	369	23m @368 ppm Sc from 0m
FMA17_149	0	26	26	335	26m @334 ppm Sc from 0m
FMA17_150	0	15	15	334	15m @334 ppm Sc from 0m
FMA17_151	0	10	10	375	10m @375 ppm Sc from 0m

[18] All holes were drilled vertically, and as the laterite sequence is close to flat-lying, the intersected widths of scandium mineralisation approximate true widths.

Lower cut-off grade: 100ppm scandium
No upper cut-off grade applied
Internal dilution: 2 metres

Whilst a lower cut-off grade of 100ppm scandium was used for the scandium, a Scoping Study of the Flemington project completed by SRK Consulting and released by Australian Mines via its 31 March 2017 announcement titled *Technical Reports* suggest that a breakeven grade for any future mining operation at Flemington would be less than 50 ppm scandium.

Any drill hole not included in Table 3 of Appendix 1 did not intersect any significant scandium mineralisation.

FMA17_152	0	8	8	318	8m @317 ppm Sc from 0m
FMA17_153	0	12	12	398	12m @397 ppm Sc from 0m
FMA17_154	0	13	13	423	13m @423 ppm Sc from 0m
FMA17_155	0	15	15	478	15m @478 ppm Sc from 0m
FMA17_157	0	20	20	391	20m @391 ppm Sc from 0m
FMA17_172	0	30	30	303	30m @303 ppm Sc from 0m
FMA17_173	0	30	30	267	30m @266 ppm Sc from 0m
FMA17_177	0	25	25	330	25m @329 ppm Sc from 0m
FMA17_178	0	22	22	299	22m @299 ppm Sc from 0m
FMA17_179	0	22	22	358	22m @357 ppm Sc from 0m
FMA17_180	0	21	21	240	21m @239 ppm Sc from 0m
FMA17_186	2	15	13	175	13m @175 ppm Sc from 2m
FMA17_196	0	24	24	271	24m @271 ppm Sc from 0m
FMA17_197	0	32	32	244	32m @244 ppm Sc from 0m
FMA17_198	0	30	30	263	30m @263 ppm Sc from 0m
FMA17_199	0	22	22	267	22m @267 ppm Sc from 0m
FMA17_202	0	26	26	163	26m @163 ppm Sc from 0m
FMA17_203	11	32	21	307	21m @307 ppm Sc from 11m
FMA17_204	0	29	29	288	29m @288 ppm Sc from 0m
FMA17_205	0	26	26	338	26m @337 ppm Sc from 0m
FMA17_206	0	23	23	327	23m @327 ppm Sc from 0m
FMA17_207	0	16	16	223	16m @222 ppm Sc from 0m
FMA17_208	0	18	18	242	18m @242 ppm Sc from 0m
FMA17_209	0	16	16	186	16m @185 ppm Sc from 0m
FMA17_210	0	10	10	340	10m @340 ppm Sc from 0m
FMA17_211	0	10	10	229	10m @229 ppm Sc from 0m
FMA17_212	1	9	8	196	8m @196 ppm Sc from 1m
FMA17_213	0	12	12	224	12m @224 ppm Sc from 0m
FMA17_216	0	26	26	438	26m @438 ppm Sc from 0m
FMA17_217	0	31	31	347	31m @347 ppm Sc from 0m
FMA17_218	0	24	24	425	24m @424 ppm Sc from 0m
FMA17_219	0	31	31	404	31m @404 ppm Sc from 0m
FMA17_220	0	16	16	556	16m @556 ppm Sc from 0m
FMA17_221	0	21	21	577	21m @577 ppm Sc from 0m
FMA17_222	0	17	17	548	17m @547 ppm Sc from 0m
FMA17_223	0	16	16	304	16m @303 ppm Sc from 0m
FMA17_224	0	8	8	190	8m @190 ppm Sc from 0m
FMA17_226	0	23	23	365	23m @364 ppm Sc from 0m
FMA17_227	0	15	15	278	15m @278 ppm Sc from 0m
FMA17_228	0	23	23	459	23m @458 ppm Sc from 0m
FMA17_229	0	27	27	444	27m @444 ppm Sc from 0m
FMA17_230	0	23	23	397	23m @396 ppm Sc from 0m
FMA17_231	0	27	27	385	27m @384 ppm Sc from 0m
FMA17_232	0	38	38	287	38m @287 ppm Sc from 0m

FMA17_233	7	34	27	265	27m @265 ppm Sc from 7m
FMA17_234	6	27	21	260	21m @260 ppm Sc from 6m
FMA17_235	3	33	30	211	30m @210 ppm Sc from 3m
FMA17_236	0	24	24	281	24m @280 ppm Sc from 0m
FMA17_237	0	24	24	333	24m @332 ppm Sc from 0m
FMA17_238	0	37	37	314	37m @313 ppm Sc from 0m
FMA17_239	0	17	17	331	17m @331 ppm Sc from 0m
FMA17_240	0	7	7	370	7m @370 ppm Sc from 0m
FMA17_241	0	20	20	416	20m @415 ppm Sc from 0m
FMA17_242	0	15	15	295	15m @294 ppm Sc from 0m
FMA17_243	0	12	12	298	12m @298 ppm Sc from 0m
FMA17_244	0	6	6	210	6m @210 ppm Sc from 0m
FMA17_248	0	9	9	339	9m @338 ppm Sc from 0m
FMA17_249	0	24	24	266	24m @265 ppm Sc from 0m
FMA17_250	0	24	24	223	24m @222 ppm Sc from 0m
FMA17_253	0	23	23	291	23m @290 ppm Sc from 0m
FMA17_254	0	33	33	294	33m @294 ppm Sc from 0m
FMA17_255	0	29	29	303	29m @303 ppm Sc from 0m
FMA17_256	0	30	30	284	30m @283 ppm Sc from 0m
FMA17_257	0	24	24	336	24m @336 ppm Sc from 0m
FMA17_261	0	18	18	412	18m @411 ppm Sc from 0m
FMA17_262	0	25	25	336	25m @335 ppm Sc from 0m
FMA17_263	0	30	30	299	30m @299 ppm Sc from 0m
FMA17_277	0	30	30	270	30m @270 ppm Sc from 0m
FMA17_278	0	28	28	113	28m @113 ppm Sc from 0m
FMA17_279	0	19	19	404	19m @404 ppm Sc from 0m
FMA17_280	0	14	14	478	14m @477 ppm Sc from 0m
FMA17_281	0	27	27	322	27m @322 ppm Sc from 0m
FMA17_282	0	17	17	401	17m @401 ppm Sc from 0m
FMA17_283	0	21	21	485	21m @485 ppm Sc from 0m
FMA17_284	0	26	26	368	26m @368 ppm Sc from 0m
FMA17_285	8	32	24	262	24m @262 ppm Sc from 8m
FMA17_286	0	23	23	543	23m @542 ppm Sc from 0m
FMA17_287	0	28	28	411	28m @410 ppm Sc from 0m
FMA17_288	0	27	27	421	27m @420 ppm Sc from 0m
FMA17_289	0	31	31	326	31m @325 ppm Sc from 0m
FMA17_290	0	32	32	393	32m @392 ppm Sc from 0m
FMA17_291	0	14	14	601	14m @600 ppm Sc from 0m
FMA17_293	0	19	19	408	19m @407 ppm Sc from 0m
FMA17_294	1	39	38	248	38m @248 ppm Sc from 1m

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Appendix 2: JORC Code, 2012 Edition

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30-g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Vertical air core holes were drilled, and sampled over successive one metre intervals via an on-board cyclone. The bulk samples from both drilling programs were passed through a cyclone-mounted rotary splitter, giving (1/8) 0.75-1.5kg samples for analysis, and (7/8) bulk samples for storage. Sampling is guided by Australian Mines' protocols and QA/QC procedures, which were design in consultation with SRK Consulting, Perth. All samples were submitted to ALS in Orange (New South Wales) for fusion XRF analysis (ALS reference code ME-XRF12n).
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• The holes relevant to this report were drilled by air core technique by Wallis Drilling. The nominal bit diameter used on the rig in was 95mm.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sample recovery from this air core program was high with more than 90% of the sample returned from most metres. All samples were visually checked for recovery, moisture and contamination with the appropriate notes being recorded in the sampling logs.

Criteria	JORC Code explanation	Commentary
		There is no observable relationship between recovery and grade, and there no sample bias is assumed. Australian Mines protocols, designed in consultation with SRK Consulting (Perth) are followed to preclude any issues of sample bias due to material loss or gain.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• The chip samples were logged during drilling by the site geologist Geological logging of drill chips included the recording of lithology, mineralogy, texture, weathering, oxidation, colour and other features of the samples, with the data considered sufficient by the Company's Competent Person to support a future Mineral Resource Estimation. 100% of the samples/holes were logged by the geologists.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples sent for analysis were approximately 1/8 of the total sample weight. The samples were rotary-split in the raw state, using a cyclone-mounted rotary splitter. The samples for analysis were prepared by an independent commercial laboratory (Australian Laboratory Services Pty Ltd, ALS, in Orange) to accepted industry standards. The laboratory dried and pulverised the entire sample, from which 0.25g was extracted for fusion XRF analyses. One metre duplicate sample was split from each hole during drilling, and the analytical values for the duplicates gave a high level of replication. Blank samples was also included for most holes. The laterite materials for the most part presented as damp, gritty clay, so 1kg samples are considered to be appropriate.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The technique ME-XRF12n was developed by ALS is considered to be a total extraction technique. All assay values were determined by this method • No geophysical tools or instruments were used during this drill program • See above regarding performance of duplicates and blanks. One industry-supplied Certified Reference Material (CRM or "standard") was inserted every 25th sample submitted to the assay laboratory. One industry-supplied blank CRM was inserted every 50th sample submitted to the assay laboratory. Similarly, a duplicate sample was taken every 30th sample submitted to ALS for analysis, resulting in nine check samples per hundred samples submitted to ALS from this resource extension drill program, which is consistent with the protocols established by Australian Mines in close consultation with SRK Consulting in Perth. In addition to Australian Mines check samples, ALS routinely include their own CRM during each assay run.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Each intersection has been separately verified by **two** unrelated and independent resource consulting firms - being Rangott Mineral Exploration in Orange (Australia) and Apex Geoscience in Edmonton (Canada). • Primary data was entered in Excel files by the site geologist, and stored on a secure server, and later checked by the Flemington Project's geologist in Mr. Michael Ostrowski • No adjustments were made to the analytical data.

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collars and relevant cadastral boundaries were picked up using a Trimble GEOEXPLORER 6000 differential GPS meter. Data was recorded in zone 55 MGA94. Accuracy was ±10 centimetres in most cases; a few readings were ±1 metre.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drill hole spacing was primarily completed on a 25 metre along traverses spacing, as shown in Figures 2 and 3 of this report • The data spacing and distribution is considered to be adequate for classifying the Mineral Resource as either Measured or Indicated, for this type of deposit. • The drill samples were not composited prior to assaying.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The orientation of syn- or post-mineralisation faulting is not known with any certainty but is believed to be generally north-south, and the drill hole distribution is optimal for such an orientation. • Second point is not applicable.
Sample security	• *The measures taken to ensure sample security.*	• Assay samples were left overnight in a locked metal box locked on the tray of a vehicle during the drilling and then taken to Rangott Mineral Exploration's premises in Orange, stored briefly in a secure shed, and then submitted to the ALS laboratory in Orange.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been carried out.

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Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Flemington Cobalt-Scandium-Nickel Project, located within 400 kilometres of Sydney (New South Wales, Australia), comprises Exploration Licence numbers (EL) 7805 and 8478, and Mining Lease Application (MLA) 538. Australian Mines is the registered owner of EL8478 and holds 100% interest in this tenement. There are no third-party agreements, royalties or similar associated with this tenement. Australian Mines is similarly the sole registered owner of MLA538, which covers the Flemington ore body. Jervois Mining is the registered owner of exploration licence 7805. In October 2016, Australian Mines announced that it had signed an Options Agreement with ASX-listed Jervois Mining, which allows Australian Mines to acquire a 100% interest in this tenement. Australian Mines remains on schedule to achieve its 100% interest in EL7805, with Jervois Mining to retain a 1.5% NSR. Tenement EL7805 has an expiry date of August 2017, and Australian Mines – Jervois Mining lodged a renewal application for this tenement in July 2017. Tenement EL8478 has an expiry date of October 2017, and Australian Mines will lodge a renewal application for this tenement in September 2017. Both EL7805 and EL8478 remained in good standing with the NSW Department of Industry, Trade and Investment with Australian Mines spending more than five-times the required expenditure on these tenements over their life.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Open-file data from previous explorers' exploration reports were obtained and assessed, particularly geochemical and drilling information. Under the relationship with Jervois Mining, Australian Mines has had access to exploration work conducted by Jervois Mining, and others, over EL7805 in regards to the cobalt, scandium, nickel, platinum and chromium mineralisation. All historic exploration data has previously been announced by Jervois Mining and Australian Mines, with a comprehensive summary of this information contained within Australian Mines' 31 March 2017 announcement to the market title *Technical Reports.*
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Cobalt, scandium, nickel, platinum and chromium occurs in a thick laterite sequence developed over the Ordovician-aged Tout ultramafic intrusive complex. The laterite sequence includes (from top to bottom) transported (alluvial and colluvial), haematitic, limonitic, transitional and saprolitic lithotypes. The higher cobalt, scandium, nickel and platinum grades dominantly occur in the limonitic laterite, and appear to have been derived from the long-term weathering of underlying Ordovician dunite and pyroxenite. In addition to hosting Australian Mines' Flemington ore body, the Tout ultramafic intrusive complex also hosts Clean TeQ Holdings' adjacent Syerston deposit.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	• Refer to Appendix 1 of this report.

Criteria	JORC Code explanation	Commentary
	o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• The reported intersections of Australian Mines' resource extension drilling at Flemington are based on a regular sample interval of one metre. The quoted intersections are based on a minimum cobalt threshold of 500ppm, and a minimum scandium threshold of 100ppm. Whilst a lower cut-off grade of 100ppm scandium was used for the scandium, a Scoping Study of the Flemington project completed by SRK Consulting and released by Australian Mines via its 31 March 2017 announcement titled *Technical Reports* suggest that a breakeven grade for any future mining operation at Flemington would be less than 50 ppm scandium. No upper cuts have been applied. An internal dilution of 2 metres has been used for the intersection calculations. No metal equivalents have been used in this report.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• All holes were drilled vertically, and as the laterite sequence is close to flat-lying, the intersected widths of cobalt and scandium mineralisation approximate true widths.

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate maps and sections are included in the body of this report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The reported results reflect a full range of intersected widths and, cobalt and scandium grades.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Other exploration data collected by the company is not considered as material to this report at this stage. Further data collection will be reviewed and reported when considered material.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Further work may include a follow-up "phase-two" resource extension drill program across the interpreted western, northern and possible eastern continuation of the cobalt and scandium mineralised zones. The specifications of any future drill program, including the location and targeted depth of these holes, will be announced by Australian Mines prior to the commencement of drilling.

Appendix 3: Competent Person's Statement

Flemington Cobalt-Scandium-Nickel project

Information in this document that relates to Exploration Results and Mineral Resources for the Flemington Project is based on information compiled by Mr. Max Rangott, who is a Fellow of The Australasian Institute of Mining and Metallurgy (AusIMM) and director of Rangott Mineral Exploration Pty Ltd.

Mr. Rangott has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Rangott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.