

EGM Presentation

30 May 2018



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This document is a visual aid accompanying a presentation by the Managing Director at Australian Mines' General Meeting of Shareholders held on 30 May 2018.

It is not intended to be read as a stand-alone document. It contains selected information, in abbreviated or summary form, and does not purport to be complete.

This document should not be read without first reading Australian Mines Limited's 2017 Annual Report and December 2017 Quarterly Activities and Cash Flow Reports, the Company's announcement dated 31 March 2017 titled *Technical Report* and 6 March 2018 announcement, which have previously been lodged with the Australian Securities Exchange and are available at www.australianmines.com.au.

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The Sconi 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 market development may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. A key premise of the Feasibility Study, which is to be based on forward looking statements, is that the Sconi Project is considered to have positive economic potential.

This presentation does not contain any new data, results or information, with all references clearly stated in Appendix 2 of this presentation.

Any exploration and/or resource data, or statements referenced within this presentation have previously been lodged by Australian Mines Limited with the Australian Securities Exchange (ASX) via the company's announcements dated 10 October 2016, 14 October 2016, 27 October 2016, 15 November 2016, 24 January 2017, 21 February 2017, 15 March 2017, 23 March 2017, 31 March 2017, 15 May 2017, 26 June 2017, 11 August 2017, 6 September 2017, 28 September 2017, 29 September 2017, 3 October 2017, 31 October 2017, 6 November 2017, 31 January 2018, 19 February 2018 and 6 March 2018.



Disclaimer

CAUTIONARY NOTE FOR U.S. INVESTORS REGARDING RESERVE AND RESOURCE ESTIMATES

All resource estimates by the Company in this Presentation were calculated in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"), a professional code of practice that sets minimum standards for the public reporting of mineral exploration results, Mineral Resources, and Ore Reserves.

These standards differ significantly from the requirements of the U.S. Securities and Exchange Commission for descriptions of mineral properties, which requirements are set forth in SEC Industry Guide 7, under Regulation S-K of the United States Securities Act of 1933, as amended. Information concerning mineralization, deposits, mineral reserve and resource information contained or referred to herein may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, this Presentation uses the terms "Resource", "Mineral Resource", "Measured Resource", "Indicated Resource", and "Inferred Resource". U.S. investors are advised that, while such terms are recognized and required under Australian securities laws, the United States Securities and Exchange Commission does not recognize them. Under U.S. standards, mineral resources may not be classified as "reserves" unless the determination has been made the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. U.S. investors are cautioned not to assume that any part of a "measured resource" or "indicated resource" will ever be converted into a "reserve". U.S. investors should also understand the "inferred resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of "inferred resources" will ever be upgraded to a higher category.

Accordingly, the information in this Presentation containing descriptions of the Company's mineral properties may not be comparable to the information disclosed by companies that report in accordance with U.S. standards.

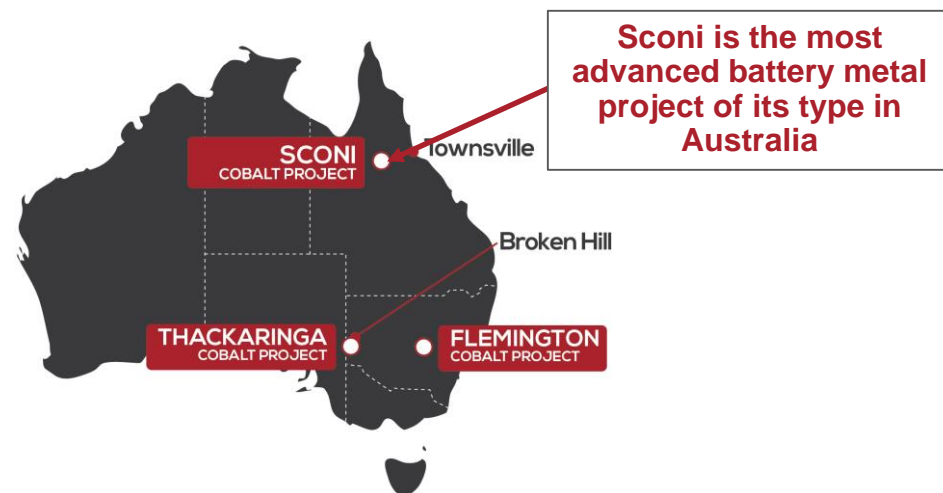


Australian Mines: at a glance

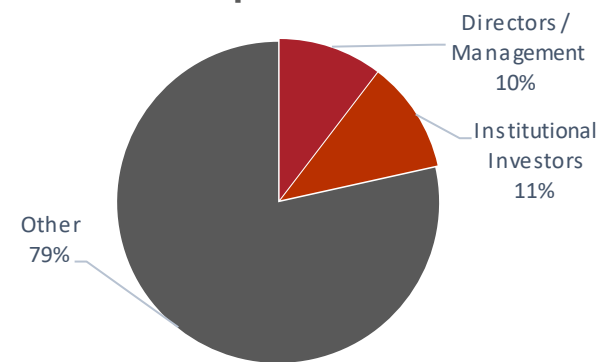
Rapidly growing resource and battery metals company

- Proven track record, having successfully operated an underground nickel mine in Western Australia
- Expanded operations into battery metals in 2016
- **The only battery metals company in Australia with a 100% off-take agreement secured for cobalt and nickel**
 - Binding agreement with leading global industrial conglomerate, Korean-based SK Innovation¹
- Investing to build a state-of-the-art battery metals processing plant in Queensland, Australia
- Australian ASX Ticker: AUZ
USA OTCQB Ticker: AMSLF
Frankfurt Stock Exchange Ticker: MJH
- Included in ASX / S & P Dow Jones All Ordinaries Index
- Market Capitalisation: A\$238 million

100% owner of multiple battery metals projects²



Share Ownership



Note: As at 26 April 2018.



Australian Mines: An emerging cobalt and nickel producer

Flagship = Sconi Project, Queensland, Australia

- Capable of producing
 - **3,000 tonnes of contained cobalt metal** and
 - **15,000 tonnes of contained nickel metal annually**³
 - Equating to c.3% of annual global cobalt supply
- Optimising production up to
 - 12,000 tonnes of cobalt sulphate and
 - 60,000 tonnes of nickel sulphate and per annum at full operating capacity⁴
- **Cobalt-to-nickel ratio of 0.20** (4 times higher than almost all other Australian cobalt-nickel projects)⁵
- Current Resource drilling program likely to significantly increase the project's already encouraging nickel and cobalt grades



Australian Mines on track to become a Top 10 global cobalt producer



Production scheduled to begin at Sconi Project by 2021

- 13-year off-take agreement with SK Innovation for **100% of the project's cobalt and nickel production**⁶
 - Initial period of 7 years + option to extend for a further 6 year
- Contract pricing linked to LME nickel and cobalt price, adjusted on a quarterly basis
- Sconi Project to provide **90% of SK Innovation's total global cobalt requirements**⁷
- Australian Mines' sulphate products destined for SK Innovation's European battery plant
 - Cobalt and nickel from Sconi Project to power Germany's marquee automaker's hybrid and electric vehicles

Favourable Operating Environment

- Mining and exporting from a world-class, stable mining jurisdiction with established infrastructure
- Existing infrastructure includes:
 - ✓ Fully-operational mains power sub-station on site
 - ✓ Sealed roads to port
 - ✓ Existing residential housing
 - ✓ Community sourced employment within close driving distance
 - ✓ Existing Townsville export facility



Utilising convectional, proven processing technology

- Two-third of the global nickel production currently comes from mining and processing laterite deposits
- High-Pressure Acid Leach (HPAL) is the most widely adopted technology for processing laterite ore and the only established option for producing battery grade sulphate⁸
- HPAL technology has been refined and continues to be utilised by the world's largest resource companies including Glencore, Vale and Sumitomo
- Australian Mines will further de-risk the process by:
 - Including back-up systems and redundancy measures within the plant design for added reliability
 - Scheduling a conservative ramp-up projection of 3 years
 - Factoring in an 85% up-time (ensuring appropriate, on-going plant maintenance)
 - Budgeting for realistic capex costs (that incorporates appropriate cost-overrun contingencies)
 - Constructing the plant in a region with high-quality, existing supporting infrastructure and staffing

Existing Projects Give Increased Visibility on Costs

- Capex of a HPAL plant averages US\$49,000 per tonne of nickel metal produced annually⁹
 - places the indicative cost of a plant producing 15,000 tonnes of nickel metal equivalent per year in order of US\$750 million
- Opex for existing HPAL plants around the world tends to be less than \$1 per pound of nickel metal equivalent after cobalt credits¹⁰



Shareholders benefit from a pipeline of multiple cobalt projects

- **In addition to its 100% owned Sconi Project**, Australian Mines is also working on developing its:

Flemington Project, New South Wales, Australia

- Confirmed as the immediate continuation of Clean TeQ's Sunrise deposit
- Drilling to date indicates cobalt grade at Flemington in line with that at CLQ's neighbouring Sunrise Project
- Mineral Resource expansion drilling commencing in Q3 2018

Thackaringa Project, New South Wales, Australia

- Adjoins Cobalt Blue's Pyrite Hill / Thackaringa project
- Ground geochemical sampling has delineated cobalt anomalies
- Geophysics identified bedrock conductor indicative of base metal mineralisation
- Maiden drill program commencing in Q3 2018



An aerial photograph showing a vast, hilly landscape covered in dense green forest. A prominent dirt road winds through the terrain. In the middle-left area, there is a small cluster of buildings, possibly a farm or a small settlement. The ground is a mix of green grass and reddish-brown soil. The overall scene is a natural, undeveloped area.

COBALT PROJECTS

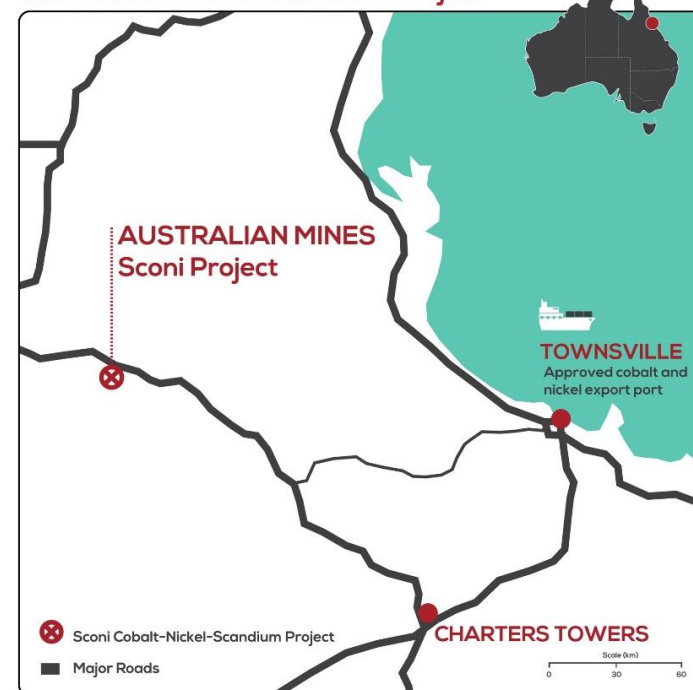
Aerial view of the Sconi Project

Sconi Cobalt-Nickel-Scandium Project

The most advanced cobalt project of its type in Australia

- Located within 250 kilometres of the approved cobalt & nickel exporting port of Townsville in northern Queensland, Australia
- 100% owned by Australian Mines¹¹
- Greenvale (base for the Sconi project) benefits from existing surrounding infrastructure including local housing, skilled workforce, airport, schools and amenities
- Mineral Resources¹² within granted Mining Leases
 - Expected feed grade 0.81% nickel + 0.11% cobalt¹³
- Project financing negotiations in progress

Sconi Cobalt-Nickel-Scandium Project



Historic photo of Greenvale nickel mine, which is now owned 100% by Australian Mines

**Bankable Feasibility Study
due in mid-2018**

Outcropping, laterally-extensive ore body

- Sconi is a laterite ore deposit
- Two-third of the world's nickel currently comes from laterite deposits¹⁴
- Ore body outcrops at Sconi and is friable, meaning easy (low cost) open pit mining operation
- Strip ratio for life of mine is very low at 0.6 (waste) : 1.0 (ore)
 - For comparison, typical mining operations of this nature can run at 2.5 (waste) : 1.0 (ore)
- Mineralisation remains open
 - allows for further expansion and upgrading of the Mineral Resource¹⁵
- **50,000 metre resource drilling program to commence shortly**
 - Aimed at substantial increasing the Sconi Project's current 89 million tonne Mineral Resource¹⁶



- Previously drilling still to be incorporated within the current Mineral Resource includes¹⁷ :
 - 13 metres @ 1.46% Nickel from 21 metres
 - 17 metres @ 1.25% Nickel from 5 metres
 - 10 metres @ 0.17% Cobalt from 21 metres
 - 18 metres @ 0.17% Cobalt from 4 metres



Sconi's development program

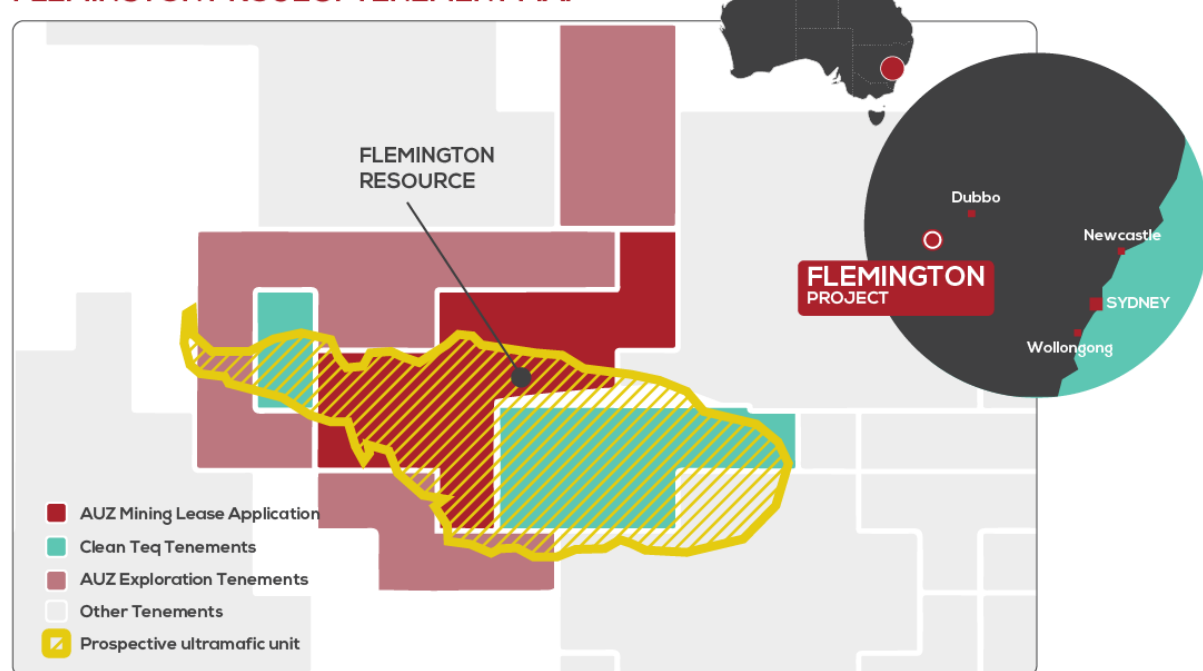
- Workforce to be employed on a residential basis with emphasis on recruiting locally – existing community of Greenvale located within 10 kilometres of proposed operation
- Investigating renewable energy options to part-power the Sconi processing plant
- Longest lead item for the processing plant is the US-made autoclave, at approximately 10 months to construct, freight, install and certify (cost of the two autoclaves required for a 2Mtpa plant totals approx. USD20 million)
- **Estimated build time of 2 years for processing plant**
- Ramp-up period of 36 months to full production
- **Construction scheduled to commence from February 2019**
- Final cost (capex) to be released in June 2018
- Low magnesium content of ore
= low acid consumption
= low expected opex



Flemington Cobalt-Nickel-Scandium Project

- Located 370 kilometres west of Sydney, New South Wales
- Maiden Mineral Resource of 2.7 million tonnes at 0.101% cobalt¹⁸
- Only 1% of the tenement area tested to date
- Mineralisation from surface
- **Unlocking further value through on-going regional exploration**
- Mining Lease application submitted
- Water Licence secured
- Preliminary Environmental Impact Study (EIS) accepted by NSW Gov.
- Final EIS currently in progress

FLEMINGTON PROJECT TENEMENT MAP

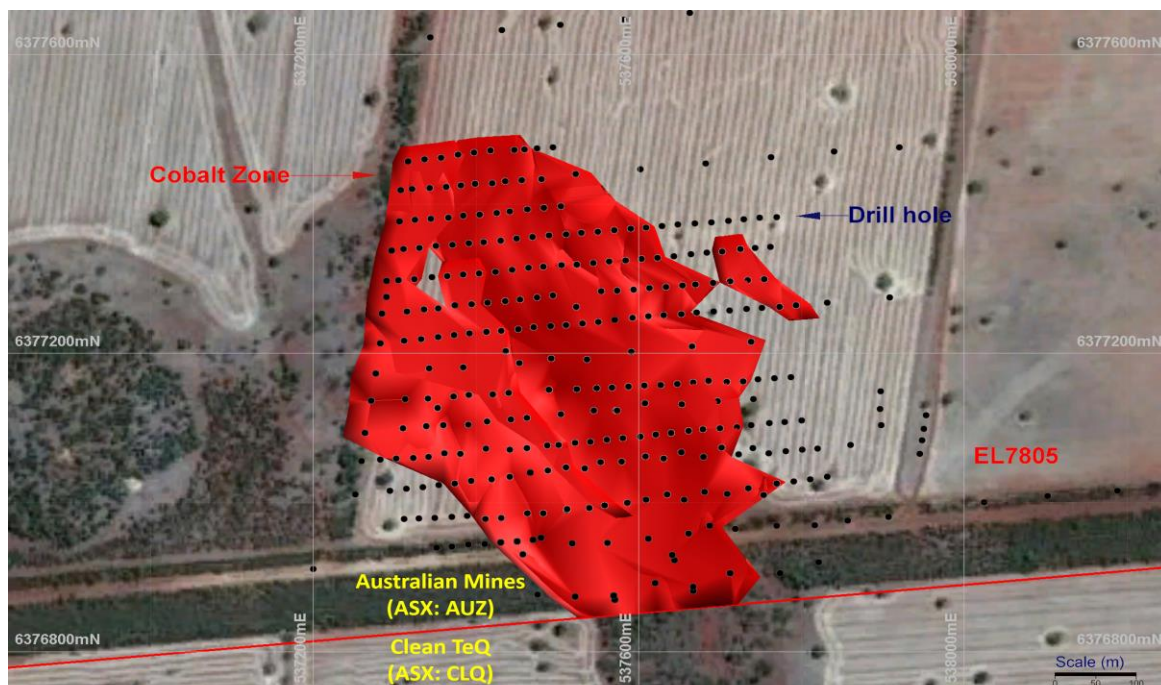


Work on updated Mineral Resource the priority in 2018
Pre-Feasibility Study to commence immediately thereafter



Flemington: Potential second production hub

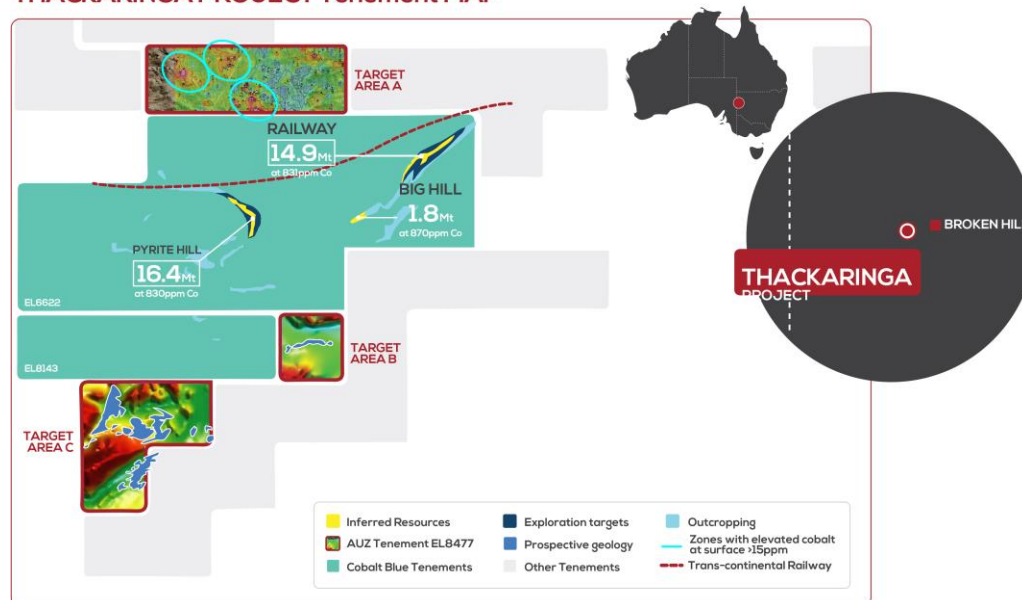
- Flemington mineralisation is the continuation of Clean TeQ Holding's (ASX: CLQ) Sunrise project
- Flemington / Sunrise mineralisation separated only by a tenement boundary
- Historic nickel mining within Flemington tenements presenting additional target for evaluation
- Interest from potential off-take partners regarding any future cobalt and nickel production
- **Ore body remains open**
 - **Potential to significantly expand the tonnage (and further increase the grade) of the Flemington Resource¹⁹**
- Similar metallurgy as Australian Mines' Sconi Project
 - **Enables fast-tracking of Feasibility Studies and testing through demonstration plant**



Thackaringa Cobalt Project

- Located within 25 kilometres of established mining centre Broken Hill, New South Wales
- Similar geology and cobalt potential as adjoining Cobalt Blue's (COB) deposits
- Thackaringa provides Australian Mines with significant exploration upside
- Three zones of anomalous cobalt-in-soils recently identified in Target Area A at Thackaringa Project²⁰
- Amplitude of cobalt-in-soil anomalies similar to the surface expression of the region's known cobalt deposits²¹
- Potential to identify additional cobalt anomalism in Target Areas B and C of project

THACKARINGA PROJECT Tenement MAP



Detailed surface geochemical sampling nearing completion in Target Areas B and C

Maiden drill program to test coincident geophysical conductors by the end of 2018



DEMONSTRATION PROCESSING PLANT

Solvent Extraction circuit for cobalt at the company's Perth demonstration plant

Processing Plant: proven technology and design

Proven process

- Australian Mines' proposed Pressure Acid Leach (front end) + Solvent Extraction (back end) processing plant uses a proven “ore to finished product” flow chart – utilising both a *conventional, industry standard processing flow chart and construction design*

Battery-grade products

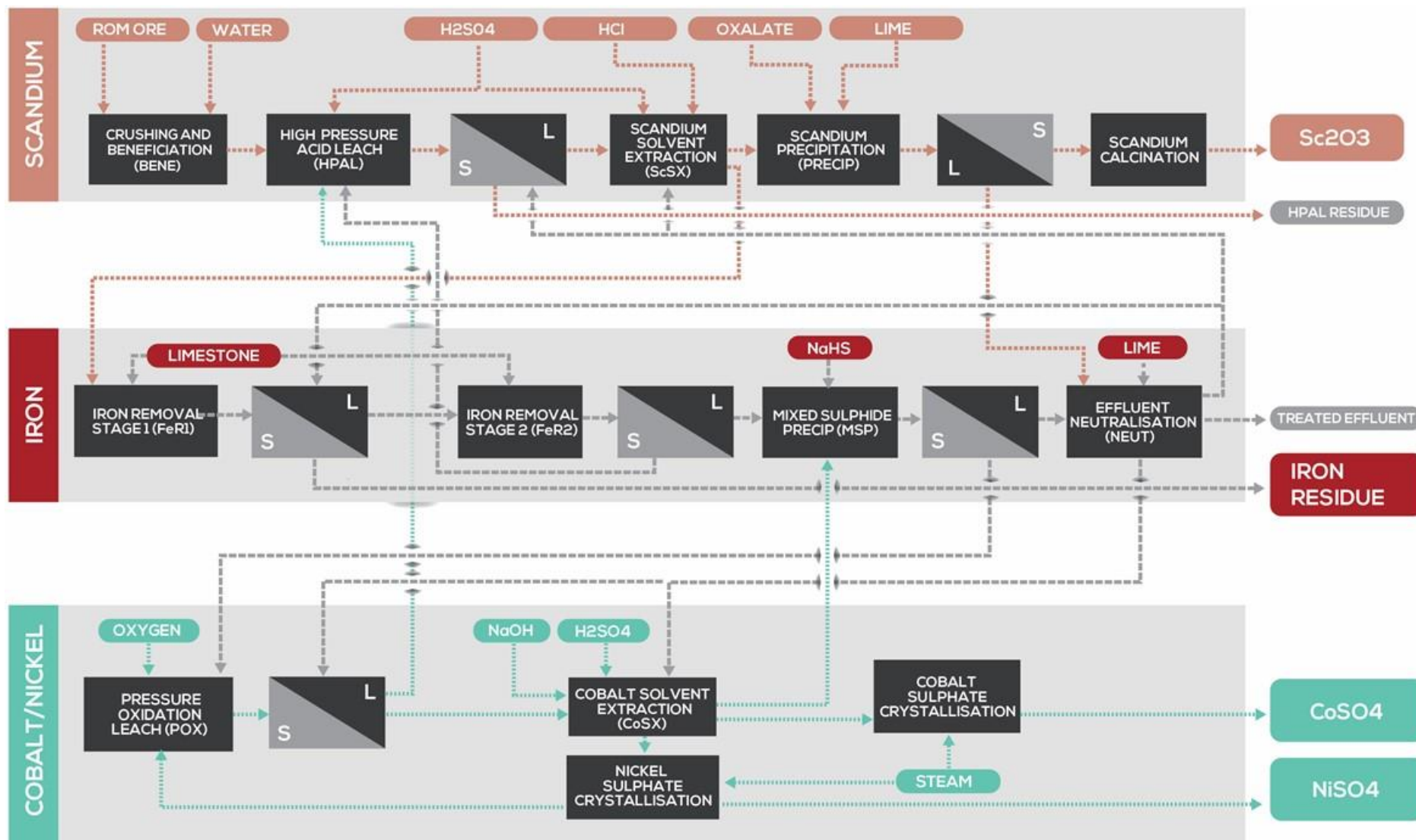
- Capable of consistently and reliably delivering Class 1 (battery grade) cobalt sulphate and nickel sulphate products for direct use in battery manufacturing plants

Significantly de-risks the project from:

- **Technical perspective:** the proposed processing technology is now 5th Generation and has already had 50 years of refinement, improvement and validation
- **Financing perspective:** competitive financing packages are more likely to be available when funding technology that has been proven to work at a commercial scale across multiple projects for an extended period

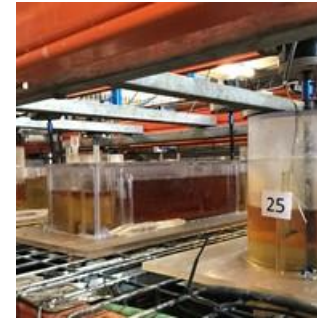


Sconi Project's proposed processing plant flowsheet



Australian Mines already operating Australia's largest demo plant

- Australian Mines, in conjunction with Simulus Engineering, has commissioned and is currently conducting continuous ore processing tests at the demonstration-scale plant in Perth, Australia
- This processing plant is the largest test plant of its type operating in Australia
- Presently producing battery metals (cobalt sulphate and nickel sulphate) for our off-take partner, SK Innovation
- Low acid consumption of c.320 kilograms per 1 tonne of ore



Above left to right:

Beneficiation plant • Autoclave • Scandium solvent extraction

Bottom left to right:

Iron removal • Mixed sulphide precipitation • Impurity removal (back end)





PARTNERSHIP WITH SK INNOVATION

Electric vehicle batteries being
manufactured at SK Innovation's facility

Off-take agreement secured with leading battery manufacturer

- Australian Mines has executed a binding off-take term sheet agreement with SK Innovation
- *Australian Mines will be the sole supplier of cobalt to SK Innovation²²*
- Off-take quantities are up to:
 - 12,000 tonnes of cobalt sulphate per year, and
 - 60,000 tonnes of nickel sulphate per year,
 - for initial period of 7 years + option to extend for a further 6 year²³
- SK Innovation's major customer is Mercedes Benz, with SK Innovation manufacturing the batteries for Mercedes Benz's range of electric and hybrid-electric vehicles



Mercedes-Benz recently released the SLS AMG E-cell Coupe, which is fully-electric and punches out an impressive 600kW of power (~800 horsepower)

SK Innovation's Hungarian battery plant manufactures the E-cell battery pack for this true supercar (as well as the batteries for Mercedes Benz's C, E & S-class electric vehicles).

Following its binding off-take agreement with SK Innovation, cobalt and nickel for SK's E-cell batteries will be sourced from Australian Mines' Sconi Project



Public statements from the SK Innovation's President Kim Jun

SK Innovation's President, Mr Kim Jun, stated at a press conference held in Seoul, Korea on 11 April 2018 that:

- ✓ Australian Mines' proposed processing flow chart for the Sconi Project has the ability to produce the 'battery metal' of cobalt sulphate and nickel sulphate²⁴
- ✓ The cobalt sulphate and nickel sulphate to be produced by Australian Mines at its Sconi processing plant in Queensland is able to go directly into SK Innovation's electric vehicle batteries without the need for any further processing / purification / refinement
- ✓ Their binding off-take agreement with Australian Mines ensures SK Innovation has a stable supply for cobalt for up to 13 years



SK Innovation: Australian Mines' electric vehicle battery partner



Significant Part of Korean Economy



- Korean-headquartered, SK Innovation is the world's 57th largest company
- 3rd largest Korean company
- Annual revenue in excess of US\$120 billion

- Ranked 1st in the Korean oil & gas sector
- Ranked 1st in the Korean telecommunication sector
- World's second largest semi-conductor company
- Electric vehicle battery producer since 2011
- Committed to building 3 additional battery manufacturing plants including in USA and Europe



Australian Mines' electric vehicle battery partner



SK Innovation to invest US\$790 million on its new EV battery plant in Hungary

Construction began in
March 2018

Mass production to
start in 2020 for the
European market

Producing third-generation EV
batteries (which allow EVs to
cover 500km on a single charge)



Australian Mines: Driving shareholder value in the immediate, medium and longer term

Key Catalysts on the horizon

- Sconi Definitive Feasibility Study: **End Q2 2018**
- Engineering, Construction & Procurement construction contract: **late Q3/early Q4 2018**
- Completion of Sconi project financing: **Q4 2018**
- Mineral Resource update for Flemington: **Q4 2018**
- Sconi mine and plant construction to commence: **Early 2019**

Continued balance sheet strength

- SK Innovation holds option to purchase up to 19.9% of Australian Mines for \$0.12 per share
 - Option priced at a 25% premium to current share price
 - Expires 3 months after BFS being completed
- Net cash position: \$12 million (as at 31 March 2018)
- Monthly cash outflows (including the extensive exploration and development program, and continuous operation of the demonstration plant and sample delivery) is estimated at \$1 million per month



Experienced management team



Michael Ramsden

Chairman

Lawyer with 30 years experience as a corporate advisor



Benjamin Bell

Managing Director

Geophysicist with 20 years experience in the minerals industry



Mick Elias

Director

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



Tim Maclean

Chief Operating Officer

Metallurgist with 25 years experience building and operating large-scale nickel laterite processing plants



Dominic Marinelli

Director

Over 20 years corporate fundraising experience



Graeme Robinson

Study Manager

Engineer with 35 years industry experience including feasibility studies and project management



Stuart Peterson

Exploration Manager

Exploration geologist with more than a decade of experience, including in battery metals



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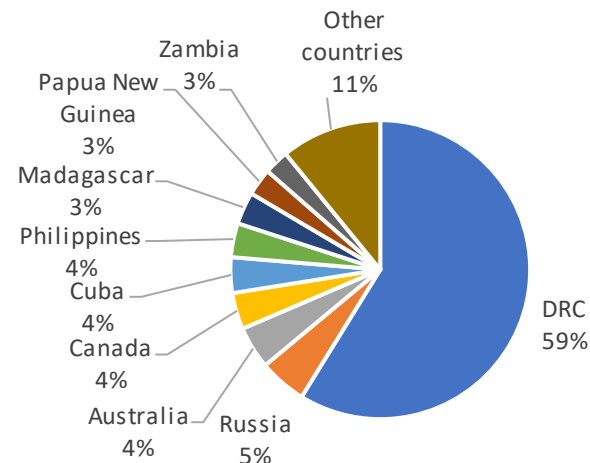


AUSTRALIAN MINES LIMITED

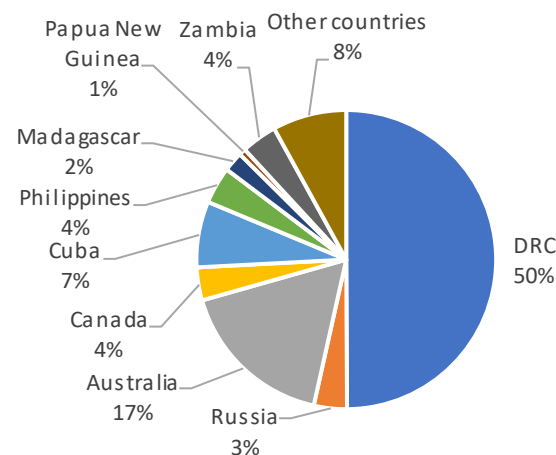
Appendix 1: Cobalt's expected critical supply shortage

- Electric vehicle companies expected to increase demand for critical battery metals including cobalt (and nickel)
- Historically, cobalt supplies have mainly come from the Democratic Republic of Congo (DRC)
- Cobalt expected to have widening supply deficit in the near future, even with the DRC producing at full rate
- Ethical concerns mean that manufacturers are seeking alternative suppliers with an auditable supply chain in order to meet the increasing scrutiny of consumers
- Outside the DRC, Australia is the richest source of Cobalt in the world
- Australian Mines owns the most advanced Cobalt-Nickel (Scandium) Project in Australia

2017 Cobalt Mine Production by Region



Cobalt Reserves by Region



Source: US Geological Survey



Appendix 2: References

Slide 4 : Australian Mines - at a glance

¹ See Australian Mines' announcement to the ASX dated 6 March 2018 for full details of the terms of its binding off-take agreement with SK Innovation, which include the following key commercial terms:

- A seven-year contract term from the first shipment after commencement of commercial mining operations at the Sconi Project, with an option for SK Innovation to extend the agreement for a further six years at SK Innovation's election.
- Following an initial ramp up period, the indicative agreed annualised quantities are for the delivery of up to 12,000 tonnes of battery-grade cobalt sulphate and up to 60,000 tonnes of battery-grade nickel sulphate.
- The US dollar Base Price for product will be either calculated at the average trading price for cobalt or nickel (as the case requires) as quoted on the London Metals Exchange (LME) in the quarter immediately preceding the product delivery, adjusted for the percentage of contained cobalt or nickel and impurities in the product, plus a commercially-confidential adjustment that takes into consideration a market premium for delivery of the metals in this preferred concentrate form.
- SK Innovation will be entitled to a modest commercial-in-confidence buyer discount on the base price, provided it exercises an option to subscribe for up to 19.9% Australian Mines' ordinary shares (on issue 19 February 2018) 12 cents per share or equivalent level of asset investment for the Sconi Project within three months following the release of the Bankable Feasibility Study (BFS) on the Sconi Project. (The BFS is scheduled to be completed in June 2018).
- The subscription option is subject to Australian Mines' shareholder approval and the requirements of the ASX and relevant laws.
- The off-take is subject to an ongoing, industry-standard off-take condition that during the life of the off-take the specifications of the products contained within each shipment of cobalt sulphate and nickel sulphate received by SK Innovation from Australian Mines' operations are validated to be within agreed specifications and tolerances.



References

Slide 4 : Australian Mines: at a glance (continued)

² See Australian Mines' announcement to the ASX dated 8 December 2017 for full details of the Sconi transaction.

Australian Mines has an option to acquire 100% of the Flemington project from Jervois Mining Limited. The last option payment paid to Jervois Mining made in February 2018, with a final \$4 million payment due in September 2018. Jervois Mining retains 1.5% net smelter royalty should Australian Mines exercise its option. See Australian Mines' announcement to the ASX dated 10 October 2016 for full details of the Flemington transaction.

Australian Mines holds 100% interest in the Thackaringa Project with no royalties, claw-backs or any other forms of payments to third-parties.

Slide 5 : Australian Mines: An emerging cobalt and nickel producer

³ See Australian Mines' announcement to the ASX dated 6 March 2018 for full details

⁴ See Australian Mines' announcement to the ASX dated 6 March 2018 for full details

Slide 6 : Production scheduled to begin at Sconi Project by 2021

⁶ See Australian Mines' announcement to the ASX dated 6 March 2018 for full details of the terms of its binding off-take agreement with SK Innovation

⁷https://translate.google.com.au/translate?hl=en&sl=ko&u=http://www.fntimes.com/html/view.php%3Fud%3D2018041112571223671ab245d71a_18&prev=search

Slide 7 : Utilising conventional, proven processing technology

⁸ Global Mining Research report dated March 2018 and titled *HPAL: Upping the pressure* (www.globalminingresearch.com)

⁹ Global Mining Research report dated March 2018 and titled *HPAL: Upping the pressure* (www.globalminingresearch.com)



⁹ Global Mining Research report dated March 2018 and titled *HPAL: Upping the pressure* (www.globalminingresearch.com)

References

Slide 10 : Sconi Cobalt-Nickel-Scandium Project

¹¹ See Australian Mines' announcement to the ASX dated 8 December 2017 for full details of the Sconi transaction.

¹² See Australian Mines Limited's announcement to the ASX dated 31 March 2017 for further details on the Sconi Project. The Mineral Resource Estimate for the Sconi Cobalt-Nickel-Scandium Project is reported under JORC 2012 Guidelines and was reported by Australian Mines Limited on 31 March 2017. The global Mineral Resource for Sconi, as announced on 31 March 2017 is: Measured 17Mt @ 0.80% Ni, 0.07% Co, Indicated 48Mt @ 0.58% Ni, 0.07% Co, Inferred, 24Mt @ 0.41% Ni, 0.06% Co. There has been no Material Change or Re-estimation of the Mineral Resource since this 31 March 2017 announcement by Australian Mines.

¹³ See Australian Mines Limited's announcement to the ASX dated 31 March 2017 for details

Slide 11 : Outcropping, laterally-extensive ore body

¹⁴ Global Mining Research report dated March 2018 and titled *HPAL: Upping the pressure* (www.globalminingresearch.com)

¹⁵ See Australian Mines Limited's announcement to the ASX dated 31 March 2017 for further details on the Sconi Project. The Mineral Resource Estimate for the Sconi Cobalt-Nickel-Scandium Project is reported under JORC 2012 Guidelines and was reported by Australian Mines Limited on 31 March 2017. The global Mineral Resource for Sconi, as announced on 31 March 2017 is: Measured 17Mt @ 0.80% Ni, 0.07% Co, Indicated 48Mt @ 0.58% Ni, 0.07% Co, Inferred, 24Mt @ 0.41% Ni, 0.06% Co. There has been no Material Change or Re-estimation of the Mineral Resource since this 31 March 2017 announcement by Australian Mines.

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¹⁷ See Australian Mines Limited's announcement to the ASX dated 31 April 2018 for details



References

Slide 13 : Flemington Cobalt-Nickel-Scandium Project

¹⁸ Australian Mines has an option to acquire 100% of the Flemington project from Jervois Mining Limited. The last option payment paid to Jervois Mining made in February 2018, with a final \$4 million payment due in September 2018. Jervois Mining retains 1.5% net smelter royalty should Australian Mines exercise its option. See Australian Mines' announcement to the ASX dated 10 October 2016 for full details of the Flemington transaction.

Slide 14 : Flemington: Potential second production hub

¹⁹ See Australian Mines Limited's announcement to the ASX dated 11 August 2017 for further details on the Flemington Project and its exploration potential.

The Mineral Resource Estimate for the Flemington Cobalt-Scandium-Nickel Project is reported under JORC 2012 Guidelines and was reported by Australian Mines Limited on 31 October 2017. The Mineral Resource for Flemington, as announced on 31 October 2017 is: Measured 2.5Mt @ 0.103% Co & 403ppm Sc, Indicated 0.2Mt @ 0.76% Co & 408ppm Sc. There has been no Material Change or Re-estimation of the Mineral Resource since this 31 October 2017 announcement by Australian Mines.

Slide 15 : Thackaringa Project

²⁰ See Australian Mines Limited's announcement to the ASX dated 29 May 2018 for details

²¹ See Australian Mines Limited's announcement to the ASX dated 29 May 2018 for details



References

Slide 21 : Off-take agreement secured with leading battery manufacturer

²²https://translate.google.com.au/translate?hl=en&sl=ko&u=http://www.fntimes.com/html/view.php%3Fud%3D2018041112571223671ab245d71a_18&prev=search

²³ See Australian Mines' announcement to the ASX dated 6 March 2018 for full details of the terms of its binding off-take agreement with SK Innovation, which include the the following key commercial terms:

- A seven-year contract term from the first shipment after commencement of commercial mining operations at the Sconi Project, with an option for SK Innovation to extend the agreement for a further (6) six years at SK Innovation's election.
- Following an initial two year ramp up, the indicative agreed annualised quantities are for the delivery of up to 12,000 tonnes of battery-grade cobalt sulphate and up to 60,000 tonnes of battery-grade nickel sulphate.
- The US dollar Base Price for product will be either calculated at the average trading price for cobalt or nickel (as the case requires) as quoted on the London Metals Exchange (LME) in the quarter immediately preceding the product delivery, adjusted for the percentage of contained cobalt or nickel and impurities in the product, plus a commercially-confidential adjustment that takes into consideration a market premium for delivery of the metals in this preferred concentrate form.
- SK Innovation will be entitled to a modest commercial-in-confidence buyer discount on the base price, provided it exercises an option to subscribe for up to 19.9% Australian Mines' ordinary shares at 12 cents per share or equivalent level of asset investment for the Sconi Project within three months following the release of the Definitive Feasibility Study (DFS) on the Sconi Project. (The DFS is now scheduled to be completed in June 2018).
- The subscription option is subject to Australian Mines' shareholder approval and the requirements of the ASX and relevant laws.
- The off-take is subject to an ongoing, industry-standard off-take condition that during the life of the off-take the specifications of the products contained within each shipment of cobalt sulphate and nickel sulphate received by SK Innovation from Australian Mines' operations are validated to be within agreed specifications and tolerances.

See Australian Mines' announcements to the ASX dated 19 February 2018 and 6 March 2018 for further details.



References

Slide 22 : Public statements from the SK Innovation's President Kim Jun

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https://translate.google.com.au/translate?hl=en&sl=ko&u=http://www.fntimes.com/html/view.php%3Fud%3D2018041112571223671ab245d71a_18&p%3Frev=search



Appendix 3: Competent Persons Statement

Sconi Project, Queensland

The Mineral Resource for the Sconi Project contained within this document is reported under JORC 2012 Guidelines. This Mineral Resource was first reported by Australian Mines on 31 March 2017. There has been no Material Change or Re-estimation of the Mineral Resource since this 31 March 2017 announcement by Australian Mines.

Information in this report that relates to Sconi Project's Exploration Results is based on information compiled by Mr. Mick Elias, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Elias is a director of Australian Mines Limited. Mr. Elias has sufficient experience relevant to this style of mineralisation and type 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. Elias consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Flemington Project, New South Wales

The Mineral Resource for the Flemington Project contained within this document is reported under JORC 2012 Guidelines. This Mineral Resource was first reported by Australian Mines Limited on 31 October 2017. There has been no Material Change or Re-estimation of the Mineral Resource since this 31 October 2017 announcement by Australian Mines.

Information in this report that relates to Flemington Project's Exploration Results is based on information compiled by Mr. Mick Elias, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Elias is a director of Australian Mines Limited. Mr. Elias has sufficient experience relevant to this style of mineralisation and type 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. Elias consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Thackaringa Project, New South Wales

The information in this report that relates to the Thackaringa Project Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Mick Elias, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Elias is a director of Australian Mines Limited. Mr. Elias has sufficient experience relevant to this style of mineralisation and type 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. Elias consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

