



**AUSTRALIAN MINES
LIMITED**

Sconi and Flemington:

**Two near-production
cobalt-nickel-scandium
deposits**

ASX: AUZ

October 2017

www.australianmines.com.au

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Important notes on these slides

This document is a visual aid accompanying a presentation to investors by the Managing Director from October 2017. It is not intended to be read as a stand-alone document. It contains select information, in abbreviated or summary form, and does not purport to be complete. It is intended to be read by an audience familiar with Australian Mines Limited and its 2017 Annual Report, June 2017 Activities and Cash Flow Reports, and the Company's announcement dated 31 March 2017 titled *Technical Reports*, and to be accompanied by the verbal presentation.

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

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The Sconi 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 conclusion of the Feasibility Study, which is 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.

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 and 31 October 2017.

Unless otherwise stated, all figures quoted in this document are in Australian dollars (AUD).

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Investment Criteria	Australian Mines Sconi Project	Clean TeQ Syerston Project
Mineral Resource	89 million tonnes	109 million tonnes
Expected feed grade (for the first 20 years Life of Mine)	0.11% Co & 0.80% Ni	0.13% Co & 0.59% Ni
Processing efficiency	93% Co & 93% Ni	93% Co & 94% Ni
Waste to ore ratio	0.6 : 1.0	0.8 : 1.0
Final products	Co and Ni sulphates	Co and Ni sulphates
All approvals in place	YES	NO (awaiting grant of Mining Lease)
Billionaire on the Board	NO	YES
Exploration Upside	YES Sconi – deposits remain open Flemington – only 1% of target tested	?? (Probably only if they acquire Australian Mines for its adjoining Flemington Project?)
Market Capitalisation	\$208 million	\$720 million

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Australian Mines – a market leader

Sconi Cobalt-Nickel-Scandium Project

Production and processing facility

Flemington Cobalt-Scandium-Nickel Project

Thackaringa Cobalt Project

Key upcoming value drivers



Australian Mines ticks ALL the boxes

Company	Mining Lease Granted	Environmental Approval	Mine Study Completed	Average Cobalt Feed Grade	20+ year Mine Life
Australian Mines Sconi Project	✓	✓	✓	0.11%	✓
Metals X Wingellina Project	X	✓	✓	0.08%	✓
Clean TeQ Holdings Syerston Project	X	✓	✓	0.14%	✓
GME Resources NiWest Project	✓	✓	X	--	X
Ardea Resources Kalgoorlie Nickel Project	✓	X	✓	0.07%	✓
Cassini Resources West Musgrave Project	✓	X	X	--	X
Cobalt Blue Holdings Thackaringa Project	✓	X	X	--	--
Hammer Metals Millenium Project	✓	X	X	--	--
Barra Resources Mt Thirsty Project	X	X	X	--	--
Aeon Metals Walford Creek Project	X	X	X	--	X
Corazon Mining Mount Gilmore Project	X	X	X	--	--
Platina Resources Owendale Project	X	X	X	--	X



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Source: Apex Geoscience Pty Ltd
Table based on publicly available information as at 10 July 2017

**Whilst Platina Resources has a low grade 0.06% cobalt resource, their PFS of 10 July 2017 stated that the cobalt is insignificant in any future mining operation, and does not contribute to the economics of the project

According to ASX Listing Rules and the JORC Code, only projects with publicly released Pre-Feasibility Study or Bankable Feasibility Studies are permitted to report an expected average feed grade

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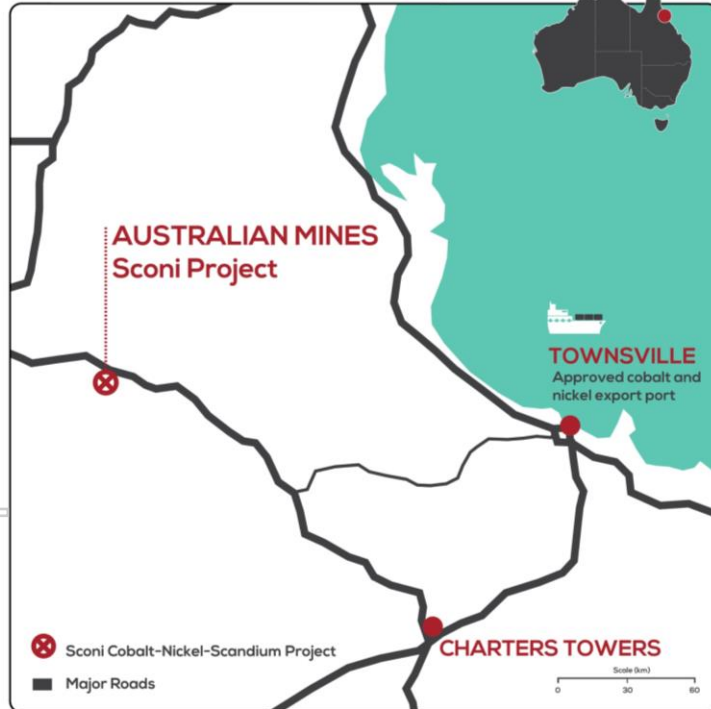
Thackaringa Cobalt Project

Key upcoming value drivers



Sconi Project

Sconi Cobalt-Nickel-Scandium Project



100%-owned Australian Mines' project

Located within 250 kilometres of the approved cobalt exporting port of Townsville in northern Queensland, Australia

Existing surrounding infrastructure including;

- * roads
- * electivity
- * housing
- * skilled workforce
- * port
- * water
- * telecommunications

Sconi: One Giant Battery

The existing Pre-Feasibility Study has projected the Sconi Project, once in production, could supply at least;

24,000 tonnes of nickel sulphate and
3,000 tonnes of cobalt sulphate per annum
for its first 20 years of operation

Estimated breakdown of cobalt v nickel revenue
at today's commodity prices:

Cobalt = 42%
Nickel = 58%

Average feed grade of 0.11% cobalt and 0.81% nickel
for the projected Life of Mine, with 54,500 tonnes of
contained cobalt in resource



See Australian Mines announcement dated 31 March 2017 and 28 April 2017 for detailed information on Sconi PFS
See Australian Mines announcement dated 31 March 2017 for full details of the Sconi Mineral Resource
Sconi global Mineral Resource: Measured 17Mt @ 0.07% Co, Indicated 48Mt @ 0.07% Co, Inferred 24Mt @ 0.04% Co
for total Mineral Resource of 89Mt @ 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.
Cobalt price-<http://www.lme.com/metals/minor-metals/cobalt/>;
Nickel price-<http://www.lme.com/metals/non-ferrous/nickel/>

Sconi: Ready for development

Sconi is de-risked and on the road to a final investment decision

- ✓ **Trial mining in completed**
- ✓ Mining Lease granted
- ✓ Plant design identified
- ✓ Electricity source confirmed
- ✓ Proposed water supply on site
- ✓ Environmental Licence granted
- ✓ **Bankable Feasibility Study completed by April 2018**



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Key upcoming value drivers



Demonstration-scale plant under construction

Construction underway of demonstration-size processing plant in Perth, Western Australia

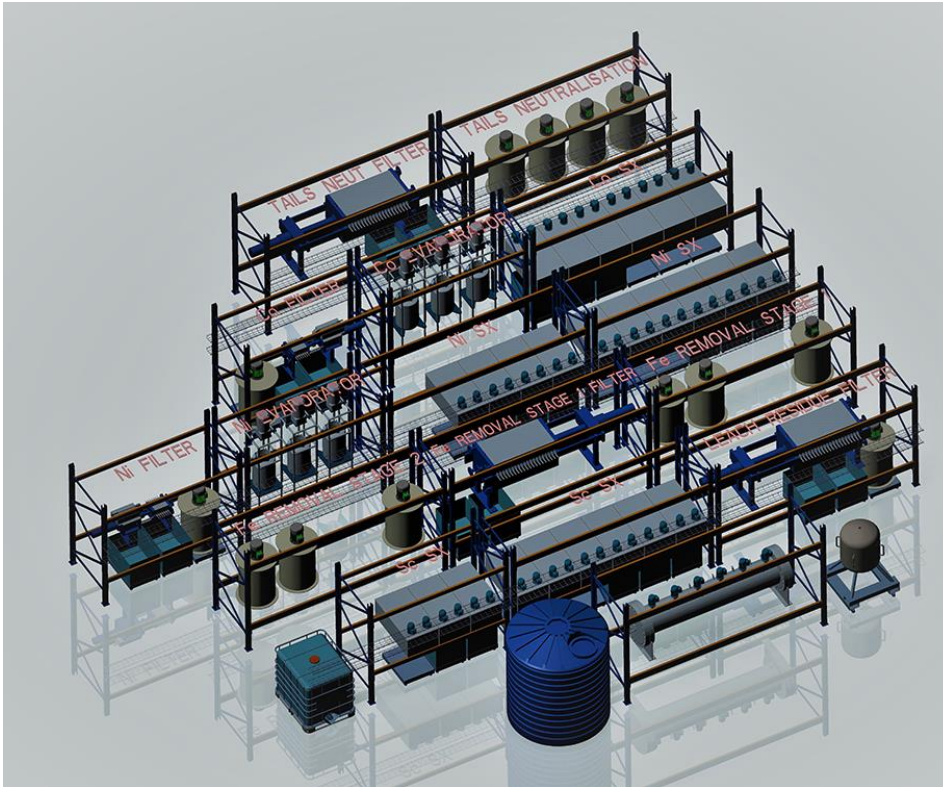
Will produce saleable cobalt sulphate, nickel sulphate and scandium oxide samples to progress our negotiations with potential customers

First commercial battery grade products scheduled to be delivered in December 2017



Discussions with potential off-take and funding partners well-advanced

One of the largest test plants in Australia



With a throughput capacity of 2,200 kilograms of ore per day the demonstration-scale plant has the potential to deliver a weekly output of:

✓ 67 kilograms of cobalt sulphate ($\text{CoSO}_4 \cdot 7\text{H}_2\text{O}$)

✓ 500 kilograms of nickel sulphate ($\text{NiSO}_4 \cdot 6\text{H}_2\text{O}$)

✓ 8 kilograms of scandium oxide (Sc_2O_3)

See Australian Mines announcement of 15 May 2017 for more details on assumptions underpinned production rates

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Flemington Project

Located in central New South Wales, 370 kilometres west of Sydney

Direct continuation of Clean TeQ's Syerston ore body, separated purely by a tenement boundary

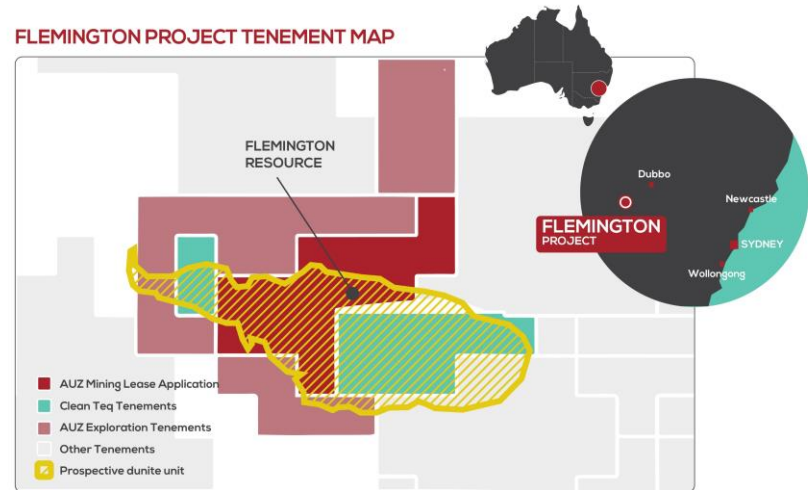
Continuing to extend and increase the mineral endowment at Flemington through a series of drilling campaigns

AUZ acquiring 100% interest

Mining Lease application submitted

Environmental studies commenced

Water allocation already secured for any future mining operation



Flemington Project

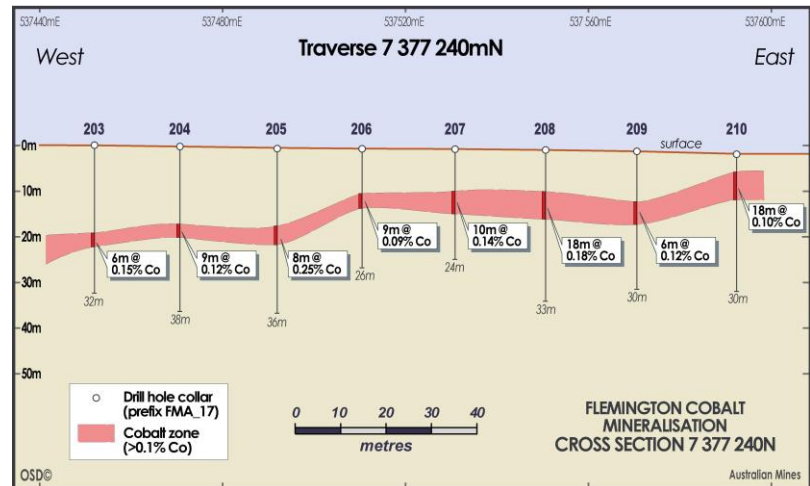
Flemington represents a potential second cobalt production source for Australian Mines

Present Mineral Resource area covers only 1% of the interpreted prospective host geology within the Flemington project area

Resource expansion drilling program to commence; incorporating multiple rigs

Pre-Feasibility Study (PFS) to be completed mid- 2018

PFS expected to confirm project's positive economics as outlined in Scoping Study



See Australian Mines announcement dated 31 March 2017 for details of Flemington Scoping Study

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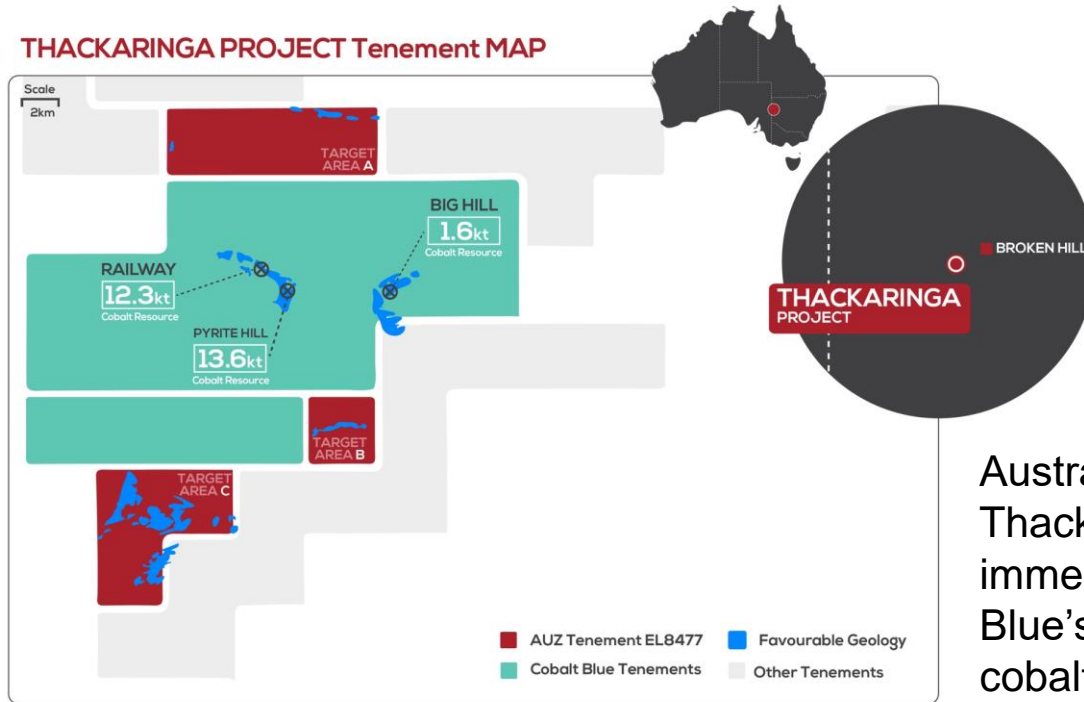
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Thackaringa Cobalt Project



Australian Mines' Thackaringa Cobalt Project immediately adjoins Cobalt Blue's Pyrite Hill and Railway cobalt projects in New South Wales, Australia

Thackaringa: Offers additional cobalt upside

Thackaringa Cobalt Project complements the company's existing world-class Sconi and Flemington Projects, and cements Australian Mines as one of the country's major emerging cobalt companies

Australian Mines holds 100% interest in this project with no royalty or any other payments attached to the project

Mineralisation modelled as repetition of Cobalt Blue's nearby Thackaringa (Pyrite Hill & Railway) projects

Land Access Agreement with relevant landholders immediately allows exploration across the company's entire landholding at Thackaringa

Testing of three high-priority cobalt target currently in progress (results to be announced in December 2017)

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2017

- Nov: Commencement of Resource Expansion Drilling at Flemington
Commissioning of demonstration-scale processing plant
- Dec: First shipment of cobalt, nickel and scandium products to potential customers
Release of assay results from Resource Expansion Drilling at Flemington
Release of exploration results from Thackaringa

2018

- Jan: Continuation of Resource Expansion Drilling at Flemington
Update on off-take agreement negotiations on Sconi (Cobalt and Nickel)
- April: Completion of Sconi Bankable Feasibility Study (BFS)
- May: Completion of Flemington Pre-Feasibility Study (PFS)

Corporate Overview

BOARD OF DIRECTORS

Michael Ramsden (Chairman)

Michael Ramsden is a lawyer with more than 25 years' experience as a corporate advisor. He has been involved with all forms of finance, including money markets, futures trade and foreign exchange.

Mick Elias (Director)

Mick Elias is an international recognised expert in lateritic nickel-cobalt deposits, with more than 35 years' of experience in all aspects of nickel resource development.

Dominic Marinelli (Director)

Dominic Marinelli has over 20 years' of corporate fundraising experience covering a wide range of industries including resources and other emerging technologies.

Neil Warburton (Director)

Neil Warburton is a qualified mining engineer with more than 30 years' experience in the development and mining of gold and nickel projects in Australia.

CAPITAL STRUCTURE

Market Cap at 8.8cps (30 October 2017)	\$208 million
Shares on Issue	2,373 million
Current Cash	\$5 million

Benjamin Bell (Managing Director)

Benjamin Bell is an geologist and geophysicist, with 20 years' experience in the minerals industry.

Tim Maclean (Chief Operating Officer)

Tim Maclean has three decades experience building and operated multi-billion-dollar laterite processing plants including, most recently, Vales' Mineraçao Onca Puma nickel laterite processing plant in Brazil



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