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ASX: AUZ
13 November 2017
australianmines.com.au

Annual General Meeting

Important notes on these slides

This document is a visual aid accompanying a presentation to shareholders by the Managing Director on 13 November 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 intended to be read by an audience familiar with Australian Mines Limited and its 2017 Annual Report, September 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 September 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, 31 October 2017 and 6 November 2017.

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



Investment Criteria	Australian Mines Sconi Project	Clean TeQ Sunrise Project
Mineral Resource	89 million tonnes	109 million tonnes
Expected feed grade (for first 20 years Life of Mine)	0.11% Cobalt & 0.81% Nickel	0.14% Cobalt & 0.80% Nickel
Processing efficiency	93% Cobalt & 93% Nickel	93% Cobalt & 94% Nickel
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)
Exploration Upside	YES Sconi – deposit remains open Flemington – only 1% of target tested	??
Market Capitalisation (as at 12 November 2017)	\$350 million	\$915 million



Australian Mines – a market leader



Australian Mines ticks ALL the boxes

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



A project is required to have completed a Pre-Feasibility Study or Bankable Feasibility Study in order to report a “feed grade”
 Pre-Feasibility Studies or Bankable Feasibility Studies are only permitted to consider the first 20 years of a project’s life irrespective of the mine’s total potential life
 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



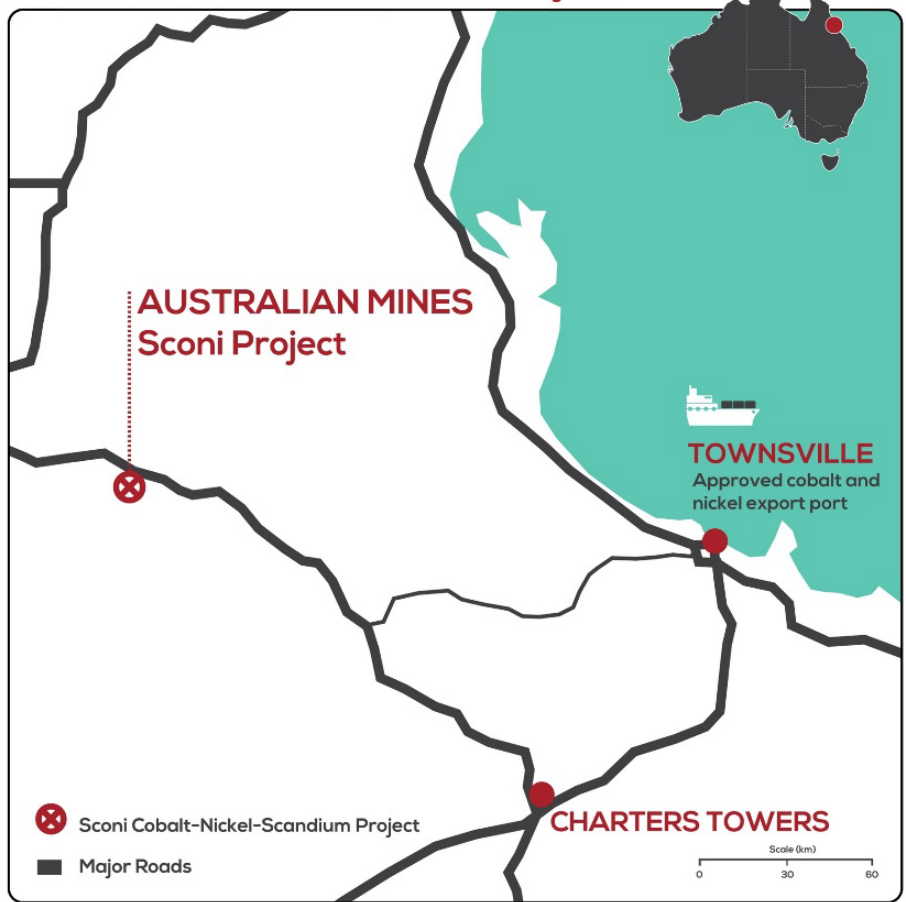
Sconi Cobalt-Nickel-Scandium Project



Sconi Project

- 100%-owned Australian Mines' project
- Located within 250 kilometres of the **approved cobalt & nickel exporting port** of Townsville in northern Queensland, Australia
- Sconi Project benefits from existing surrounding infrastructure including;
 - ✓ sealed roads,
 - ✓ exporting port,
 - ✓ electricity,
 - ✓ water,
 - ✓ local housing,
 - ✓ telecommunications and
 - ✓ skilled local workforce

Sconi Cobalt-Nickel-Scandium Project



Sconi – One giant battery

- The Sconi Project can produce the raw materials required in a Tesla Model S battery pack cathode (which is comprised of 80% nickel and 15% cobalt)
- The existing Pre-Feasibility Study (PFS) 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
- Current Bankable Feasibility Study (BFS) is considering increasing the Sconi Project's output to:
100,000 tonnes of nickel sulphate and
12,000 tonnes of cobalt sulphate per annum
- Average feed grade of 0.11% cobalt and 0.81% nickel for the first 20 years of operation



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.



Sconi – Ready for development

- ✓ Trial mining in completed
- ✓ Mining Lease granted
- ✓ Plant design identified
- ✓ Electricity source confirmed
- ✓ Proposed water supply on site
- ✓ Environmental Licence granted
- ✓ **Final investment decision on Sconi development in April 2018**



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



Production and processing facility



Demonstration-scale plant under construction

- Construction underway of demonstration-size processing plant in Perth, Western Australia
- Uses a proven, industry standard processing flow chart that has been independently verified by engineers from potential off-take partners
- Will produce saleable cobalt sulphate, nickel sulphate & scandium oxide samples to progress our negotiations with potential customers
- **First commercial battery grade products scheduled to be delivered in January 2018**

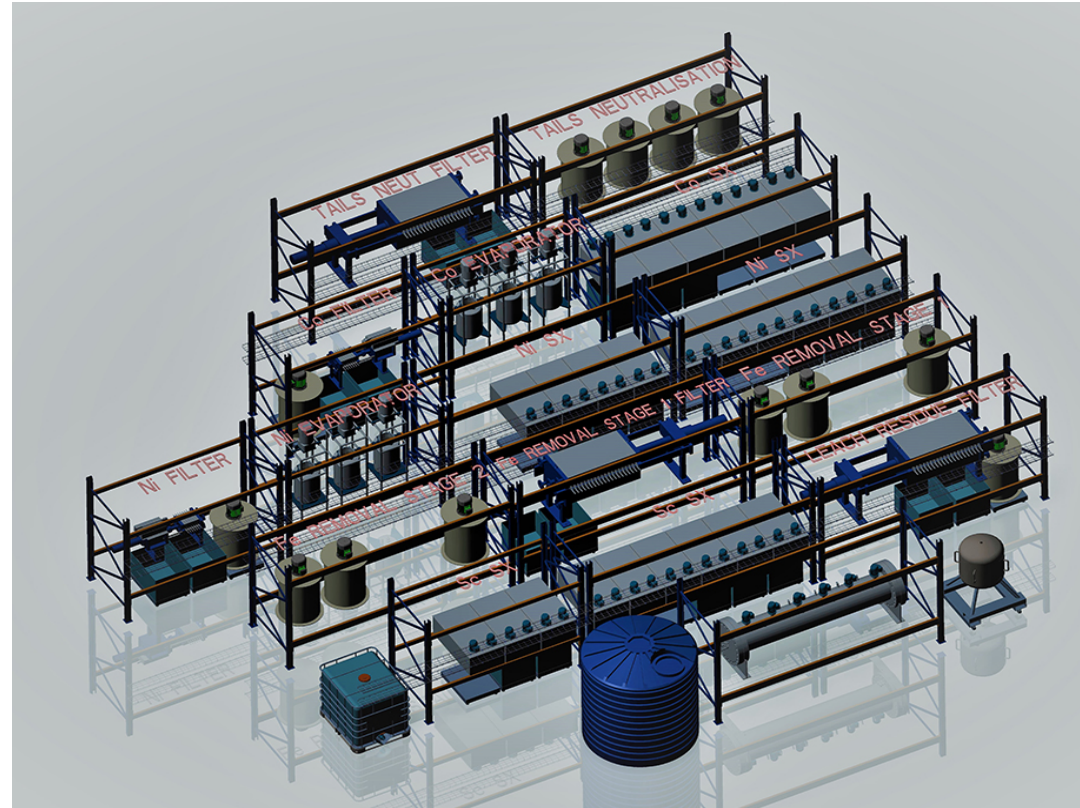


One of the largest test plants in Australia

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)

Due to be fully-operational in January 2018

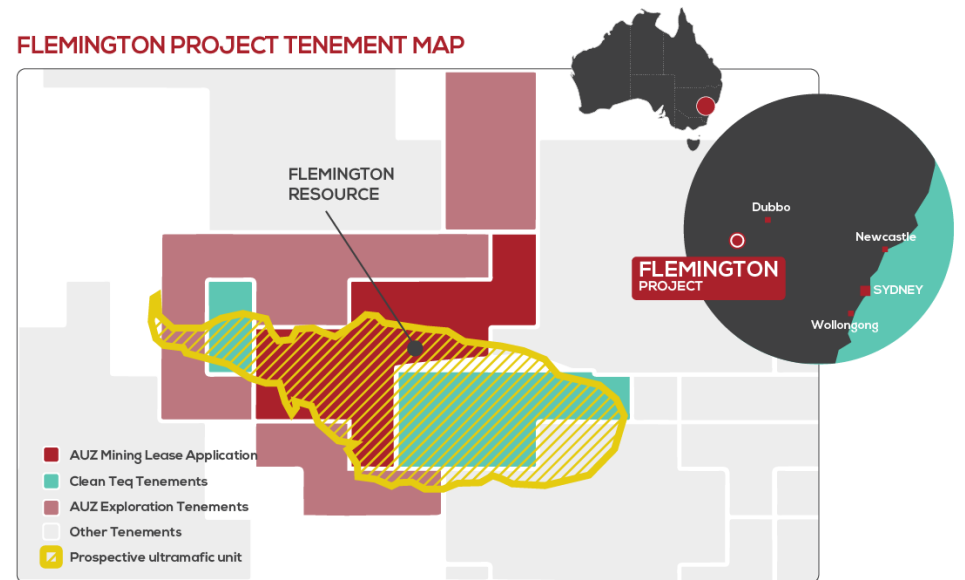


Flemington Cobalt-Scandium-Nickel Project



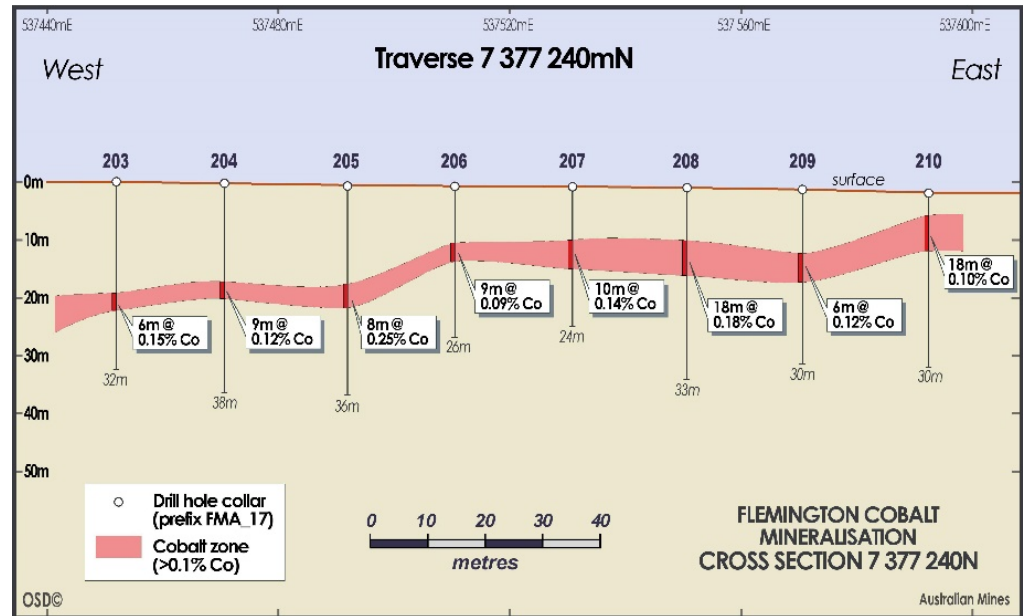
Flemington Project

- Located in central New South Wales, 370 kilometres west of Sydney
- Direct continuation of Clean TeQ's Sunrise deposit, separated purely by a tenement boundary
- Continuing to expand and increase the mineral endowment at Flemington through a series of drilling campaigns
- Mining Lease application submitted
- Environmental studies commenced
- Water allocation already secured for any future mining operation



Flemington: Only 1% of prospective geology tested

- Surface sampling confirms cobalt mineralisation extends far beyond the current drilling
- Potential to substantially grow the project's cobalt mineralisation foot print
- Pre-Feasibility Study (PFS) to be completed by mid-2018
- Flemington Project represents a potential second production source for Australian Mines

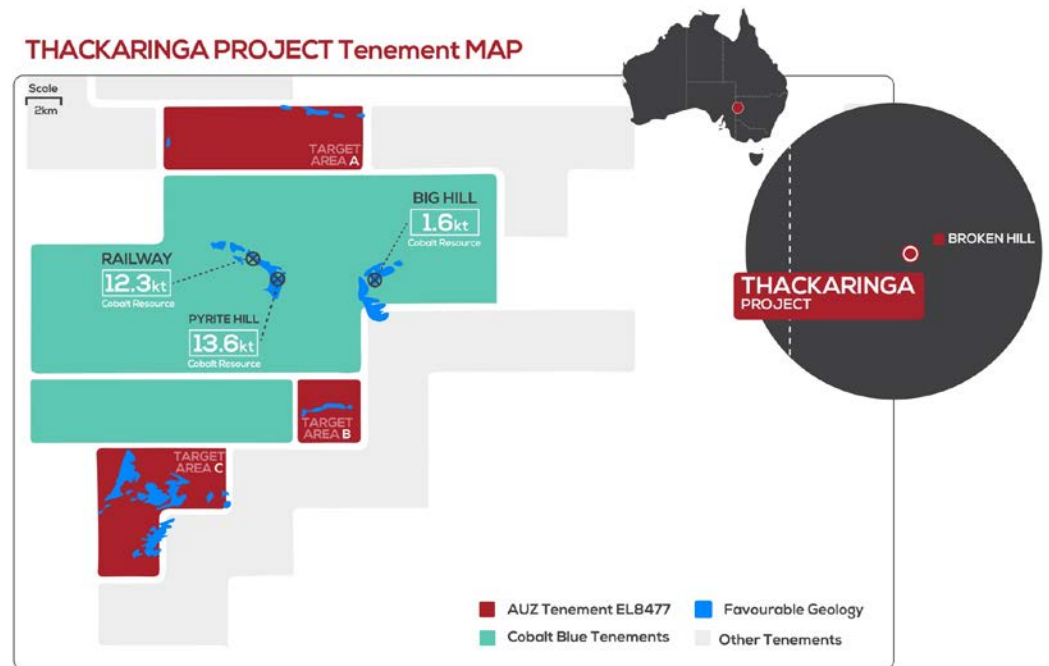


Thackaringa Cobalt Project



Thackaringa: Offers additional cobalt upside

- 100%-owned by Australian Mines
- Immediately adjoins Cobalt Blue's Pyrite Hill cobalt project in New South Wales
- Complements the company's existing world-class Sconi and Flemington Projects
- Cements Australian Mines as one of the country's major emerging cobalt companies
- Exploration program in progress at Thackaringa with results expected from December 2017



Frequently Asked Questions



FAQs

Is it reasonable to directly compare Clean TeQ and Australian Mines on the back of their respective Sunrise and Sconi Projects?

Yes – there is no material difference between the cobalt and nickel mineralisation at Clean TeQ's Sunrise Project and Australian Mines' Sconi Project. Thus a 'like-for-like' comparison between these two projects is valid

Then, is it also reasonable to directly compare the market capitalisation of Australian Mines with Clean TeQ, which is fast approaching \$1 billion?

Yes – as the 'like-for-like' comparison between these two projects is valid, the market capitalisation comparison between Clean TeQ's Syerston Project and Australian Mines' Sconi Project is equally valid given that there are no known material differences between these two projects that, at this time, could explain the value differential.

Of course this market cap comparison between Australian Mines and Clean TeQ is based solely on Sconi v Sunrise.

We shouldn't forget our Flemington Project. Every tonne of cobalt resource Australian Mines adds to its Flemington Project makes the investment case for the Company even more compelling.

And then there is our early-stage Thackaringa Cobalt Project too ...



more FAQs

But won't the Sunrise Project be processing ore with higher cobalt grades?

No, not materially – the grade of cobalt ore being treated at Sunrise is quoted by Clean TeQ to be 0.14% which is not materially different from Australian Mines' proposed cobalt feed grade of 0.11%

What about the Sunrise Project's platinum mineralisation? Isn't that worth something?

No – not to Macquarie, Canaccord Genuity or BMO's whose valuation of \$1.1 billion for Clean TeQ's Sunrise Project is based solely on that project's cobalt and nickel resource. None of these companies attributed any value to the platinum resource at Sunrise, nor did they attribute any value to the project's scandium resource

Doesn't Clean TeQ have the only technology that can produce cobalt and nickel sulphate for the battery and electric vehicle industry?

No – there is not a single electric vehicle on the road today that contains cobalt or nickel sulphate produced by Clean TeQ or its proprietary technology. Thus, there is obviously other established methods for producing cobalt and nickel sulphate to supply Tesla and the like, and Australian Mines intends to use one of these proven technologies in preference to a more 'novel' approach



and more FAQs

Isn't the Clean TeQ system cheaper to build and cheaper to operate?

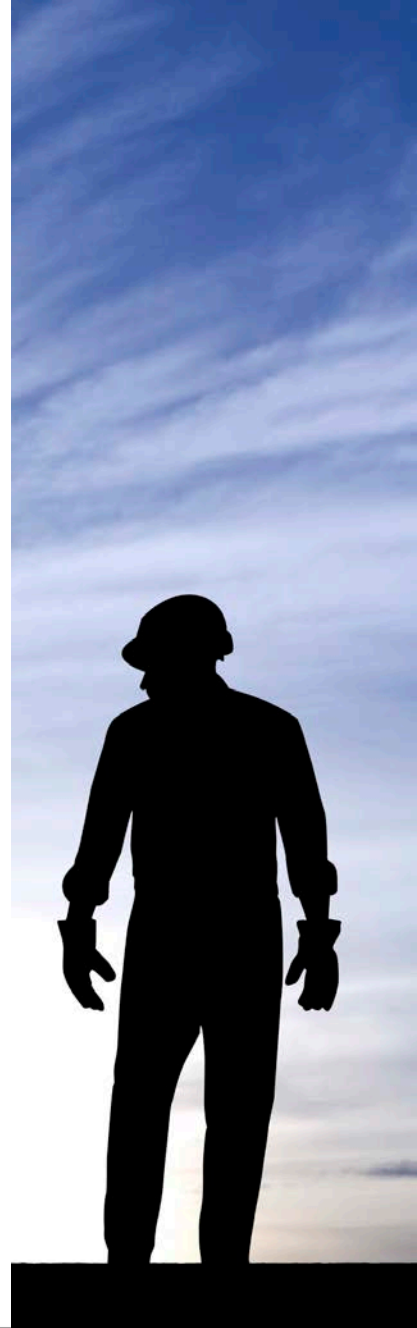
No – there is no evidence available to date that suggests that one processing option for processing Sunrise or Sconi-type ore is superior, or cheaper, than another.

Further, based on current analysis, there is no material difference in the expected cost to build and operate the type of processing plant Australian Mines is contemplating building at Sconi compared to that being proposed for Sunrise

Clean TeQ is better at marketing than Australian Mines.

Yes – but large institutional investors look past the marketing and promotion, and instead judge a project on its economics and ultimate viability.

Last week Australian Mines received applications from institutional investors totalling almost \$40 million, which was more than three times the initial amount sought. Therefore, whilst our marketing may not be as slick as others, it is not hampering our ability to attract funding (and potential off-take partners)



and a few more FAQs

What about Australian Mines' Flemington project? Isn't the mineralisation limited to Clean TeQ's tenement next door?

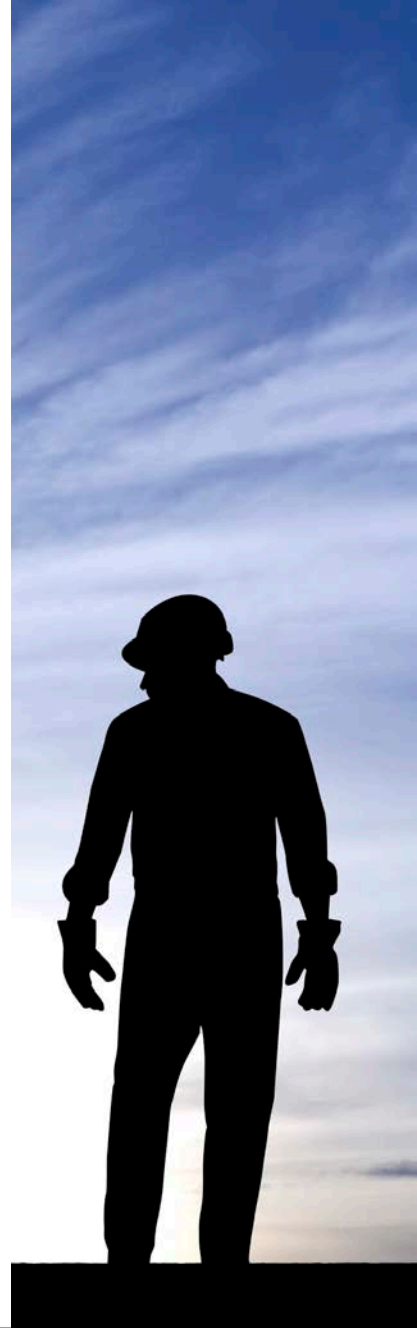
No – if it were then I wouldn't be receiving phone calls from non-AUZ investors urging Australian Mines to merge its Flemington Project with Clean TeQ. (We are not going to deal on the Flemington Project by the way – it's far too valuable and our 2018 resource expansion drilling program will clearly demonstrate this project's potential as a possible second production source for Australian Mines)

How about pure cobalt companies? Surely they must be better positioned than a company that is looking to produce cobalt and nickel products?

No – battery makers require cobalt and nickel for their batteries. By negotiating an off-take agreement with Australian Mines, a battery maker will be able to secure a reliable supply of both these vital metals from a single source. A cobalt-only supplier, in contrast, would only satisfy part (about 15%) of a battery makers supply chain.

It should also be remembered that Australian Mines' expected average cobalt feed grade of 0.11% is higher than that quoted by most pure-cobalt plays. That means that each tonne of ore at extracted from Australian Mines' Sconi Project contains more cobalt than its competitors.

Not only is there more cobalt per tonne mined at Sconi, but as this project also contains 0.81% nickel, the total metal value of each tonne of ore mined at Sconi is twice what is would be for a pure cobalt project with a 0.11% cobalt feed grade



and some final questions

Isn't it a case, though, of first into production wins?

No – due to the growth in the Electric Vehicle (EV) market, the expected global demand for cobalt sulphate and nickel sulphate is that large that Australia could see four or five Sconi – Sunrise-type deposits come into production without any of these operations cannibalising the market of another.

But the key is to secure off-take agreements as quickly as possible?

No – securing an off-take agreement in the current environment is rather easy. The key is who you sign agreements with.

Australian Mines is negotiating with potential partners (not customers). These are companies with strong balance sheets and an ability to assist Australian Mines finance the construction of the processing plant. This will ensure the processing plant is built as designed, with minimal dilution to current AUZ shareholders



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

Benjamin Bell (Managing Director)

Benjamin Bell is a 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' Mineração Onca Puma nickel laterite processing plant in Brazil

CAPITAL STRUCTURE

Market Cap at 13.5cps
(12 November 2017)

\$350 million

Shares on Issue

2,608 million

Current Cash

\$24 million

Following settlement of the placement announced on 6 November 2017





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