

24 July 2020

Quarterly Activities Report **For the period ended 30 June 2020**

Advanced battery materials development company, Australian Mines Limited (Australian Mines or the Company) (Australian ASX: AUZ; USA OTCQB: AMSLF; Frankfurt Stock Exchange: MJH) is pleased to provide its Quarterly Activities Report for the period ending 30 June 2020.

During the quarter, Australian Mines maintained its focus on the successful development of its 100%-owned Sconi Cobalt-Nickel-Scandium Project in North Queensland. The Company's priority remains advancing discussions with potential offtake partners for the Sconi Project which, when fully operational, will position Australian Mines at the forefront of the battery materials industry¹. These ongoing discussions are underpinned by the Bankable Feasibility Study², which clearly demonstrates the commercial case for developing the Tier 1 Sconi Project.

Commenting on the June 2020 quarter, Australian Mines' Managing Director, Benjamin Bell, said: "The Company remains well positioned to take advantage of the expected increase in global demand for nickel and cobalt as they are essential commodities used by electric vehicle ("EV") battery makers, auto manufacturers (also called "OEMs", or original equipment manufacturers) and in the storage and delivery of clean, sustainable energy sources."

"Our profile as a potential low cost, long term supplier of battery grade materials, operating in a low risk jurisdiction and producing ethically derived cobalt and nickel sulphate should be an attractive proposition to global OEMs and EV battery makers alike.

"The Board believes Australian Mines' Bankable Feasibility Study³ on its Sconi Project demonstrates the Company's potential to be a leading supplier into the nickel and cobalt market for EV battery makers. This is supported by the production of high purity, EV supply chain ready, battery materials at the Company's demonstration-scale processing plant in Australia⁴. We are continuing to engage, either virtually and/or directly as the current global

¹ Australian Mines Limited, Independent market study places Sconi in the 1st quartile of cost curve for global cobalt sulphate and nickel sulphate production, released 12 February 2019

² Australian Mines Limited, Sconi to generate \$5 billion in free cashflow, released 13 June 2019

³ Australian Mines Limited, Sconi to generate \$5 billion in free cashflow, released 13 June 2019

⁴ Australian Mines Limited, Sconi offtake sample production runs completed, released 19 June 2020

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situation dictates, with a range of potential offtake parties to ensure that all due diligence conditions are satisfied to allow offtake discussions to progress beyond the current stage into formal contracts.”

The findings of a new independent study⁵ of the available Sconi drilling and geological datasets were released during the June 2020 quarter and allowed for some significant additional nickel, cobalt and scandium mineralisation targets to be defined both within Sconi’s existing tenements and in close proximity to Sconi’s current tenement package. To ensure Australian Mines can maximise the opportunity represented by these new targets, the Company has pegged additional ground adjacent to the Sconi Project.

Trial Production Runs

Australian Mines announced in March 2020⁶ that potential offtake partners had requested the Company supply them with battery grade nickel sulphate and cobalt sulphate crystals, and high purity scandium oxide for independent testing. In June 2020, the Company announced that the production runs to produce those samples were completed⁷.

The production runs carried out at Australian Mines’ demonstration plant in Perth, processed ore from our Queensland-based Sconi Project to create high purity on-spec battery grade nickel sulphate and cobalt sulphate crystals. The quality and purity of these samples were confirmed by an independent NATA-accredited laboratory, with the samples now also being tested by the individual potential offtake partners.

The output from the production runs also included a scandium-rich residual solution. This solution is being processed to create high-purity scandium oxide for supply to potential research and development (R&D) partners seeking to expand the industrial applications of scandium. The Australian and USA Governments as well as the European Union recently classified scandium as a ‘critical commodity’, which has highlighted the Sconi Project as a potential source of high purity scandium.

All the samples produced are supporting Australian Mines’ preliminary, incomplete and confidential discussions with potential offtake partners to secure a binding offtake agreement and financing for its Sconi Project. It is expected our selected partner will make a meaningful financial commitment to the project financing of Sconi as part of any offtake agreement.

Mr Bell said, “The recent successful production runs further demonstrate our ability to consistently deliver battery-grade precursor chemicals of cobalt sulphate and nickel sulphate that can be applied directly into the manufacturing process of electric vehicle batteries, and support our negotiations with potential offtake and financing partners.

“We will continue to operate the demonstration plant to produce premium-grade scandium oxide for a potential R&D partner that is working on new uses for scandium, which is now recognised as a critical commodity.

⁵ Australian Mines Limited, Additional nickel and cobalt targets identified at Sconi Project, North Queensland, released 15 May 2020

⁶ Australian Mines Limited, Company Update, released 9 March 2020

⁷ Australian Mines Limited, Sconi offtake sample production runs completed, released 19 June 2020

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Sconi Site Development

Australian Mines is also continuing to undertake pre-development work for the Sconi mine site. Ultimately, this will include shared public-use infrastructure and continued investment in North Queensland to deliver benefits to local businesses and the community with the view to providing secure, long term jobs. In the short term, pre-construction work is being tempered by COVID-19 related community restrictions which are currently in place.

Australian Mines' commitment to investing in North Queensland is a central part of developing the Sconi Project into a sustainable business that has the potential to deliver outstanding returns for the Company's shareholders. Our commitment to sustainability is already delivering business benefits. The Sconi Project has been granted "Prescribed Project" status by the Queensland Government⁸. Being a Prescribed Project will help with the smooth and methodical development of the Sconi mine site into a world-class, Tier 1 project. Australian Mines maintains regular contact with the Queensland Government to ensure the advantages of having "Prescribed Project" status are maximised.

The Queensland Government, subsequent to the June 2020 quarter, has also offered a conditional financial support package to Sconi⁹. The conditions for the support package include:

- executing an offtake agreement by 30 September 2020 on terms acceptable to the State;
- delivering and obtaining approval from the State for a detailed project execution plan by 30 September 2020;
- obtaining sufficient approved financing for construction of the Sconi Project and making a final investment decision by 31 December 2020;
- appointing an engineering, procurement and construction management contractor for the project by 31 December 2020;
- achieving construction completion of the Sconi Project by 30 July 2023;
- employing at least 191 people in Queensland (on a full-time and ongoing basis) by 30 June 2024 and maintaining that number for the duration of the Agreement; and
- engaging, as independent contractors, at least 57 full-time additional people working directly in connection with the Sconi Project from 30 June 2024.

Australian Mines views the terms of the proposed financial support package and the timetable to meet them as being consistent with the Company's current expectations for the development milestones at Sconi.

Australian Mines Managing Director, Benjamin Bell, commented: "I am highly appreciative of the Queensland Government's offer to broaden its ongoing support of the Sconi Project, which sends a strong message about the quality of the project and Australian Mines' ability to progress its development."

⁸ Australian Mines Limited, Queensland Government provides Sconi *Prescribed Project* status, released 25 January 2019

⁹ Australian Mines Limited, Queensland Government offers support to Sconi Project, released 15 July 2020

Carbon Neutral Future

As part of the Company's ongoing commitment to leading Environmental, Social and Governance (ESG) practices, Australian Mines aims to become certified Carbon Neutral under the Australian Government's Climate Action Program during the current calendar year.

Our focus on becoming 100% carbon neutral is a further investment in building a long-term sustainable future for Australian Mines. It follows on from the Company having had its application for membership to the Initiative for Responsible Mining Assurance (IRMA) approved.

Australian Mines' Managing Director, Benjamin Bell, noted: "Being 100% carbon neutral is a natural extension of Australian Mines' commitment to taking a leadership position on ESG. It follows on from the March 2020 approval of our membership of IRMA and Sconi being given 'Prescribed Project' status in early 2019 by the Queensland Government, which is a recognition of our commitment to the communities where we operate. Australian Mines is a responsible corporate citizen that plans to deliver a globally significant, ethical, reliable and sustainable source of technology metals to the rapidly growing Electric Vehicle and Energy Storage industries.

"Australian Mines has partnered with Pangolin Associates to develop a Carbon Neutrality plan. Pangolin Associates is the leading sustainability, carbon and energy management consultancy working with the Australian Government's Climate Active Program. The Company has begun to implement its Carbon Neutrality plan and anticipates being formally certified Carbon Neutral by the Australian Government before the end of the year.

"Investing in becoming a carbon neutral business is investing to build a long-term sustainable future for Australian Mines and long-term value creation for our shareholders. We will join more than 90 organisations across Australia that have attained certified carbon neutrality, leading to over 15 million tonnes of carbon emissions being offset, or the equivalent of 4 million cars being taken off the road for a year."



Sconi Cobalt-Nickel-Scandium Project, Queensland

Australian Mines' 100%-owned Sconi Project, once developed, is forecast to be one of the most cost-competitive cobalt-producing nickel operations in the world^{10,11} and places the Sconi Project in the lowest cost quartile compared to other existing and proposed analogous operations globally^{12,13}.

The Project is estimated¹⁴ to produce 1,405,000 tonnes of nickel sulphate and 209,000 tonnes of cobalt sulphate over the project's initial 30-year mine life¹⁵, which is sufficient cobalt and nickel to produce the equivalent of 3 million to 6 million electric vehicle battery packs.

Once in production, the Sconi Project¹⁶ is estimated to produce a total free cashflow after tax of \$5 billion over the initial 30-year project life, for a simple payback of capital of 4.4 years on a pre-tax basis and 5.8 years on a post-tax basis¹⁷.

With a pre-tax Net Present Value (NPV) of \$1.47 billion, the Sconi Project can genuinely be classed as a world-class cobalt and nickel asset¹⁸.

During the quarter the Company continued offtake negotiations with a number of interested third parties. These preliminary, incomplete and confidential discussions led to the Company completing a series of production runs at its demonstration plant in Perth. The production runs are necessary as part of the due diligence process, to secure binding offtake agreement(s) and financing for the Sconi Project. The negotiation process is ongoing, and the Company will update the market at the time any agreement(s) are reached.

The output from the production runs also included a scandium-rich residual solution, which is presently being processed to create high-purity scandium oxide for supply to potential research and development (R&D) partners seeking to expand the industrial applications of scandium. The Australian and USA Governments as well as the European Union recently classified scandium as a 'critical commodity', which is driving significant additional interest in the Sconi Project as a source of high purity scandium.

¹⁰ Australian Mines Limited, Independent market study places Sconi in the 1st quartile of cost curve for global cobalt sulphate and nickel sulphate production, released 12 February 2019

¹¹ The Nickel & Cobalt Sulphate Market Study was commissioned by Australian Mines Limited and completed by commodities research specialist CRU International Limited.

¹² Australian Mines Limited, Independent market study places Sconi in the 1st quartile of cost curve for global cobalt sulphate and nickel sulphate production, released 12 February 2019

¹³ Based on the outcomes of the financial modelling that was released in Australian Mines' base case Bankable Feasibility Study (BFS) – see Australian Mines' announcement titled BFS supports strong commercial case for developing Sconi, which was released via the ASX on 20 November 2018

¹⁴ Australian Mines Limited, Sconi to generate \$5 billion in free cashflow, released 13 June 2019

¹⁵ The information outlined on this page was previously released to the market by Australian Mines via the ASX platform on 13 June 2019. Australian Mines confirms in the subsequent public report that all the material assumptions underpinning the production targets in the initial public report referred to in rule 5.17 continues to apply and have not materially changed.

¹⁶ Australian Mines Limited, Sconi to generate \$5 billion in free cashflow, released 13 June 2019

¹⁷ The information outlined on this page was previously released to the market by Australian Mines via the ASX platform on 13 June 2019. Australian Mines confirms in the subsequent public report that all the material assumptions underpinning the forecast financial information derived from a production target, in the initial public report referred to in rule 5.17 continues to apply and have not materially changed.

¹⁸ The mineral industry's accepted definition of a "world-class" deposit is a project that exceeds the NPV \$250m threshold. See - <https://www.bhp.com/-/media/bhp/documents/investors/reports/2006/ameconference.pdf>

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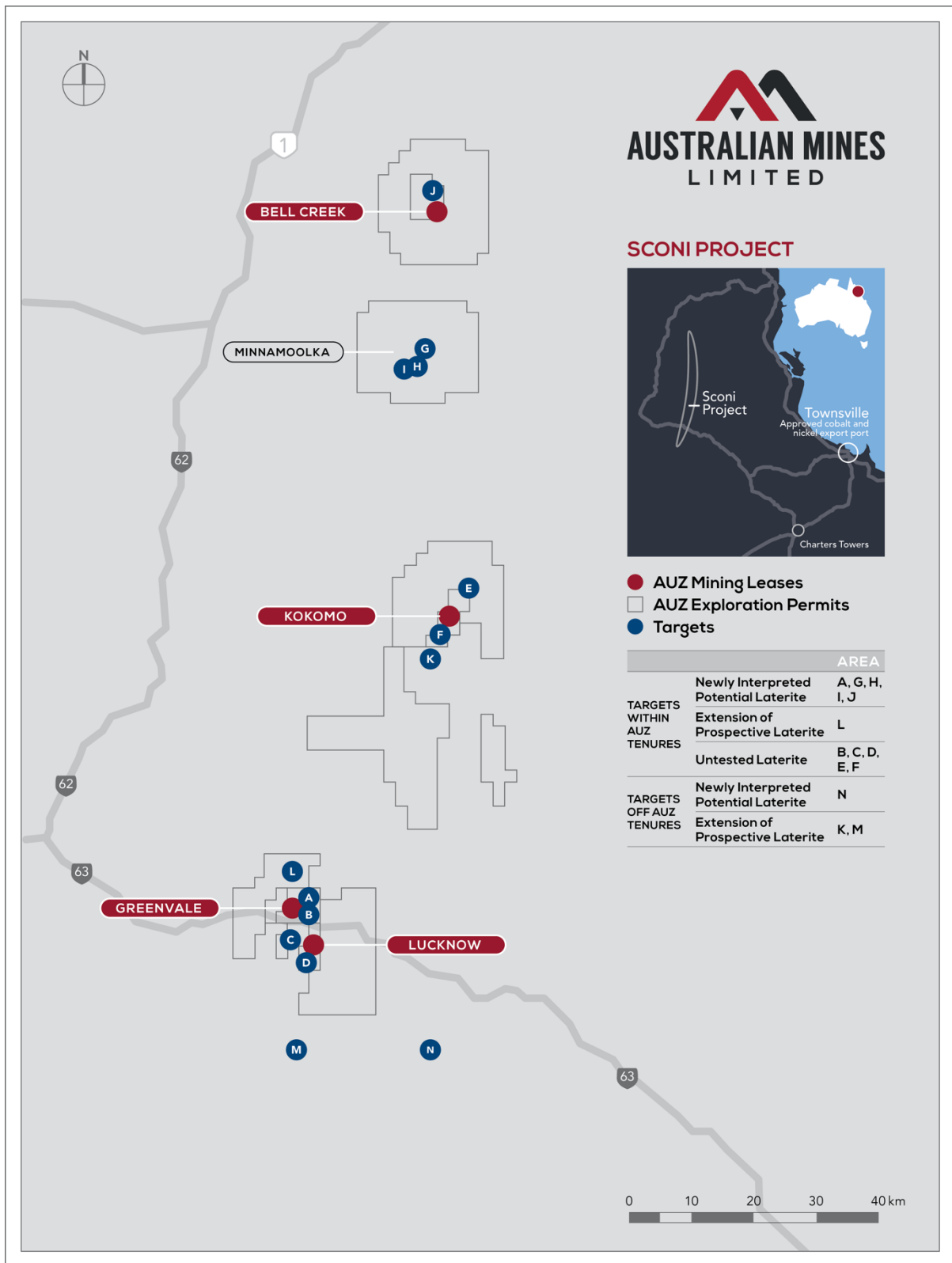


Figure 1: The Sconi Project is located in North Queensland, approximately 250 kilometres on sealed roads from an existing export port at the regional centre of Townsville.

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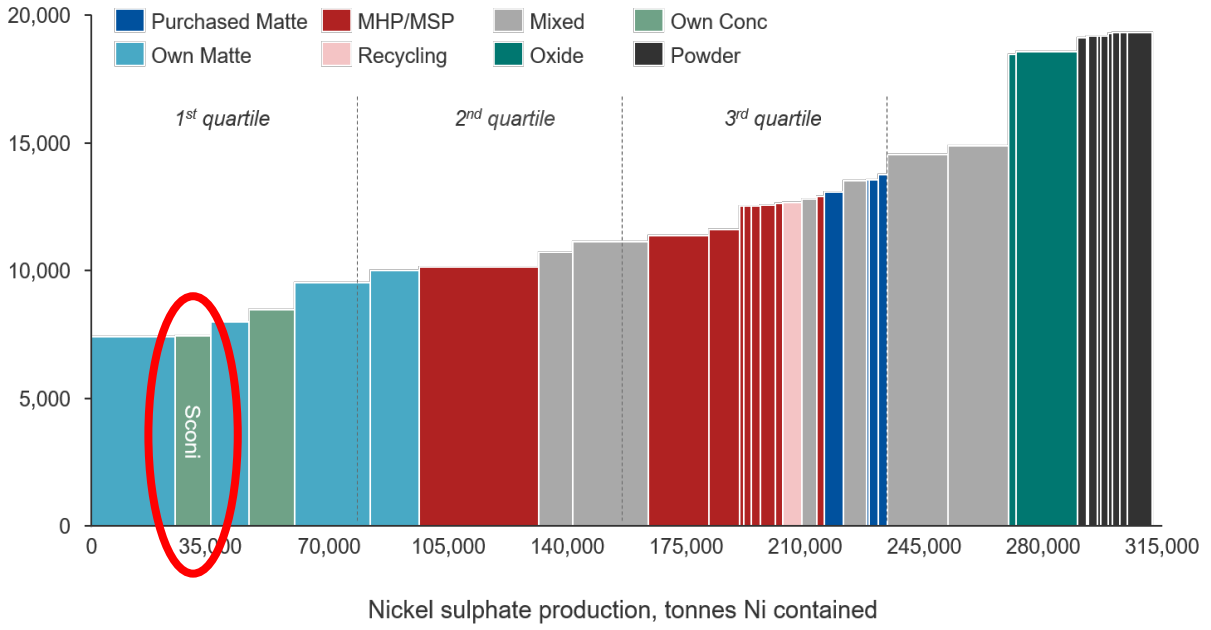


Figure 2: Nickel sulphate cost curve 2025, nominal USD per tonne of nickel contained¹⁹

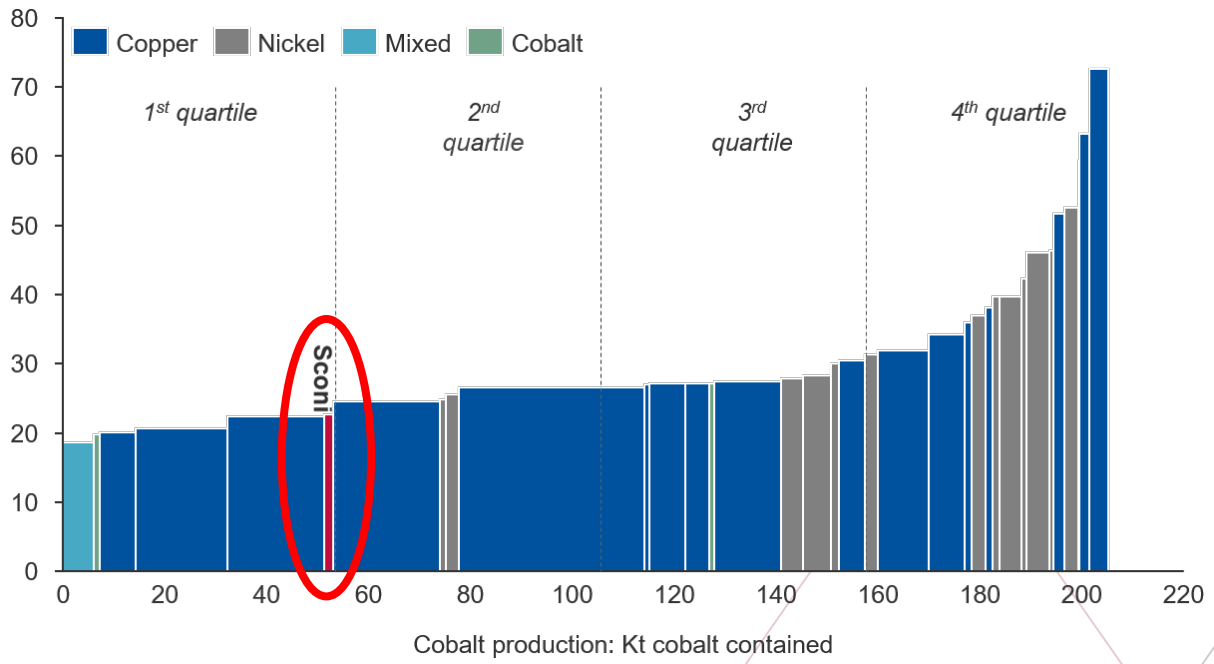


Figure 3: Pro rata cost curve of cobalt producers 2025, Nominal USD per lb cobalt²⁰

¹⁹ Australian Mines Limited, Independent market study places Sconl in the 1st quartile of cost curve for global cobalt sulphate and nickel sulphate production, released 12 February 2019

²⁰ Australian Mines Limited, Independent market study places Sconl in the 1st quartile of cost curve for global cobalt sulphate and nickel sulphate production, released 12 February 2019

Australian Mines' track record of delivering multiple samples of battery-grade cobalt sulphate and nickel sulphate chemicals demonstrates the Company's consistency, competency and reliability in converting raw cobalt-nickel-scandium ore from its Sconi Project into supply chain ready technology metals.

In addition, Australian Mines' work to broaden the industrial applications and commercialisation opportunities for the high-quality scandium oxide produced from the Sconi Project has the potential to expand the current global market for scandium, which is estimated to be around 15 tonnes per year.

Following two years of test work, Australian Mines has a firm understanding of the processing flowchart for the Sconi Project.

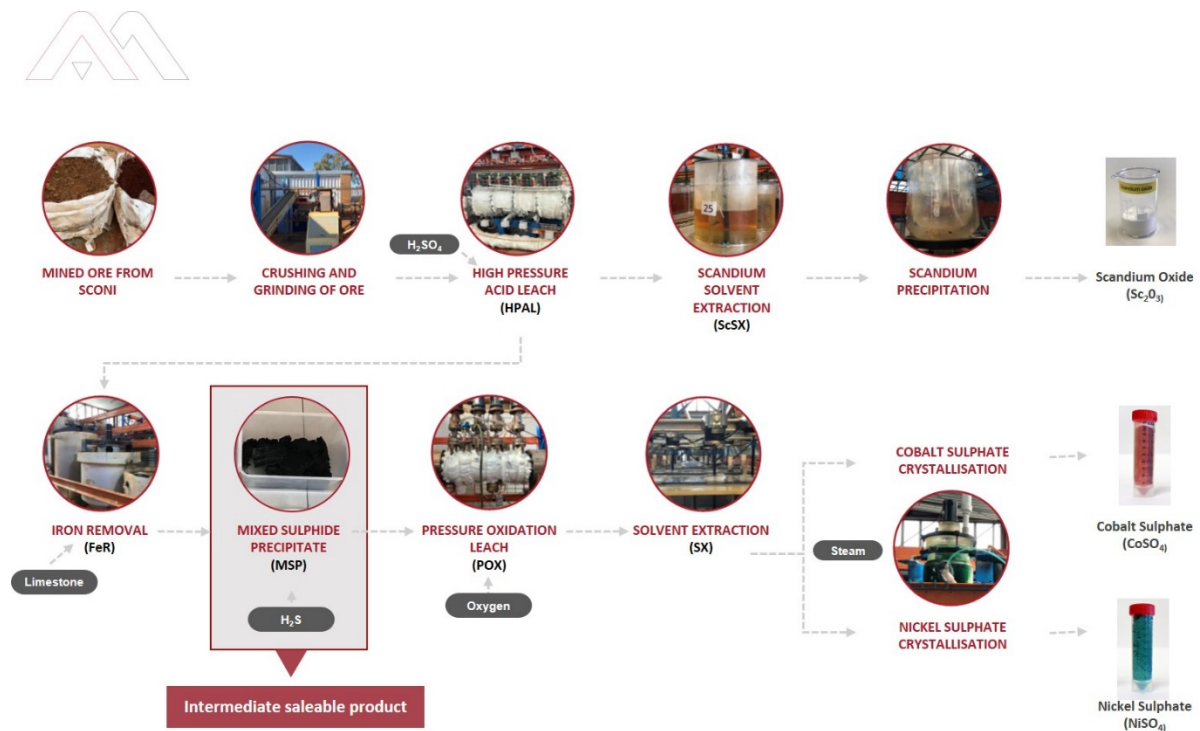


Figure 4: Australian Mines' proposed processing flowsheet that utilises proven, industry-standard technology, which has been comprehensively tested via the Company's demonstration-scale processing plant in Perth, Western Australia.

(The photos used in this image are of Australian Mines' demonstration-size processing plant).

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Flemington Project, New South Wales

Australian Mines' 100%-owned Flemington Project is located approximately 370 kilometres west of Sydney in New South Wales, Australia.

This Project hosts a Mineral Resource of 2.5 million tonnes at 0.103% cobalt and 403ppm scandium in the Measured category and 0.2 million tonnes at 0.076% cobalt and 408ppm scandium in the Indicated category²¹.

In late 2019, the Company completed a resource expansion drilling program at Flemington.²² Assay results from that program²³ indicated that the cobalt and scandium mineralisation remains open to the west and north of the existing Resource. This provides Australian Mines with the opportunity to update the current Mineral Resource Estimate by completing a diamond core drilling program over the areas of known mineralisation at Flemington to acquire additional lithology density measurements.

Given Australian Mines' primary focus remains the development of its globally significant, 100%-owned Sconi Cobalt-Nickel-Scandium Project in North Queensland, the Company would anticipate that any diamond core drilling program at Flemington may occur in the second half of the 2020/21 financial year. Once this additional diamond core drilling program is completed and assays are received, validated and released in accordance with its continuous disclosure obligations, any Mineral Resource update for Flemington will follow.

Encouragingly, in addition to indicating that the cobalt mineralisation remains open to the west and north of the existing Mineral Resource, results from the Company's most recent drilling program also returned elevated copper, gold, bismuth and tellurium²⁴, with the latter two being potential pathfinder elements of porphyry copper-gold systems in the Lachlan Fold Belt of New South Wales in which the Company's Flemington Project lies.

With its Flemington Project located within the same geological setting as several world-class copper-gold deposits/mineralisation such as Newcrest's Cadia operation and CMOC's Northparkes operation, Australian Mines commissioned independent consultants to prepare a comprehensive exploration targeting report that covered all three of the Australian Mines Flemington tenements. The resulting report identified two new prospective copper-gold porphyry targets, one new gold-platinum target and one new cobalt-scandium-nickel target.

The two copper-gold porphyry targets identified by the independent consultants, nominally called Target A and Target B (see Figure 5 of this report), are analogous to discoveries at nearby tenements in the Flemington area and share similar geological characteristics. Australian Mines is encouraged that surface copper has been observed by the Company's exploration team in the vicinity of Target A.

²¹ The Company is not aware of any new information or data that materially affects the information included in the market announcement released by the Company on 31 October 2017 in respect of the Flemington Project and all material assumptions and technical parameters underpinning the Mineral Resource estimates in that announcement continue to apply and have not materially changed.

²² Australian Mines Limited, Resource extension drilling commences at Flemington project, released 2 October 2019

²³ Australian Mines limited, New copper-gold porphyry targets and potential extensions to cobalt-scandium-nickel mineralisation identified at Flemington Project, New South Wales, released 23 June 2020

²⁴ Australian Mines limited, New copper-gold porphyry targets and potential extensions to cobalt-scandium-nickel mineralisation identified at Flemington Project, New South Wales, released 23 June 2020

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The gold-platinum Target C (see Figure 5 of this report), encompasses previously mapped intrusion-related gold mineralised quartz veins linked to the mafic-ultramafic intrusion in the north of the project area.

The cobalt-nickel-scandium Target D (see Figure 5 of this report) is interpreted as a possible eastern extension of the existing Mineral Resource²⁵ at Flemington.

Australian Mines is in the process of designing an induced polarisation (IP) survey over Targets A and B. This survey, which may detect the presence of buried chargeable bodies such as disseminated copper-gold porphyry mineralisation will enable Australian Mines to ascertain an approximate scale of any copper-gold anomalism located within the targets in advance of commencing a drilling campaign during the 2020/21 field season.

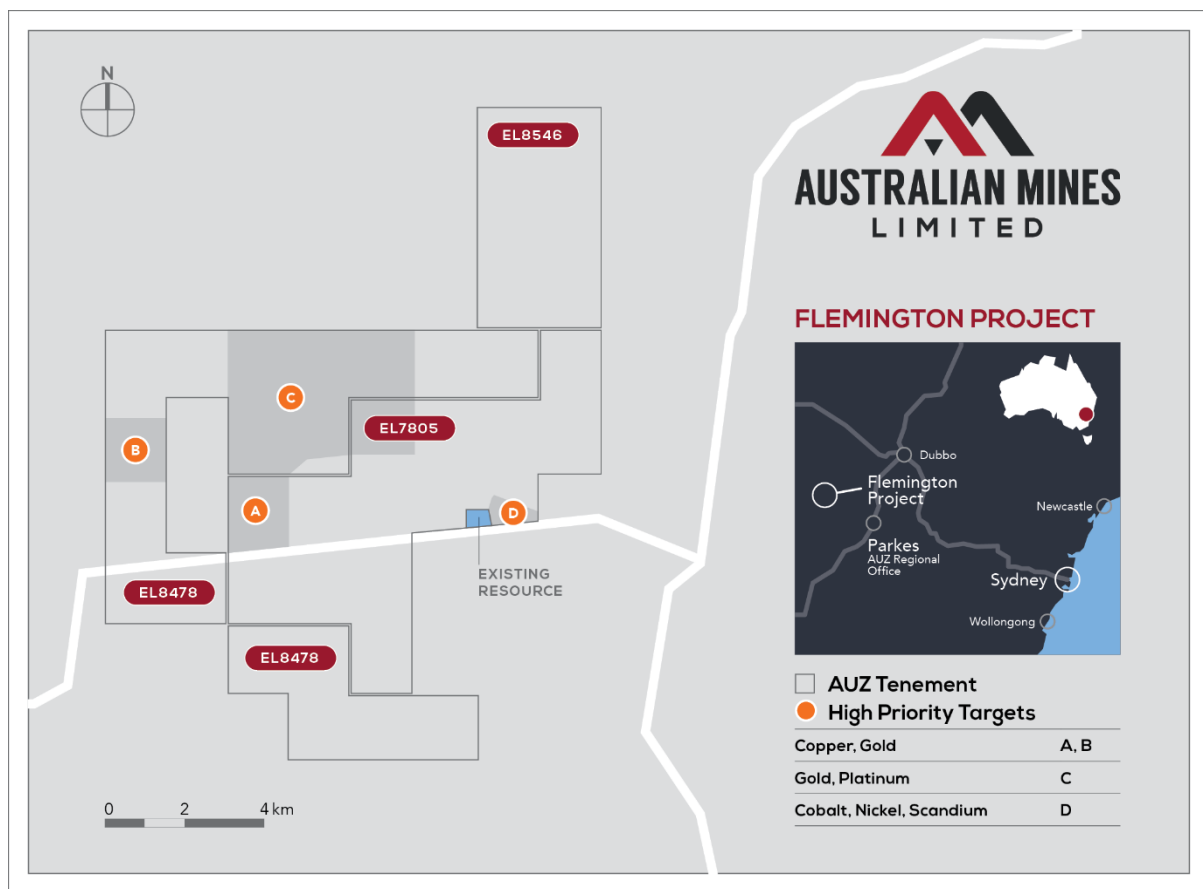


Figure 5: Australian Mines' 100%-owned Flemington Project is located approximately 370 kilometres west of Sydney in New South Wales, Australia. An independent review, which included utilising machine learning, identified four prospective target areas within the Company's Flemington Project (labelled targets A, B, C and D in this figure) that warrant follow-up exploration

²⁵ The Mineral Resource Estimate for the Flemington Project is reported under JORC Code 2012 Guidelines and was first 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 @ 0.076% Co & 408ppm Sc. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified

Thackaringa Project, New South Wales

Australian Mines' 100%-owned Thackaringa Project is an early-stage exploration project located near Broken Hill in New South Wales, Australia.

Previous surface geochemical sampling programs completed by Australian Mines across the Thackaringa project area identified areas of elevated cobalt²⁶. Subsequent geophysical surveys across these geochemical anomalies detected a cluster of interpreted bedrock-hosted conductive bodies²⁷. Of these anomalies, targets A1 and A5 (see figure 6 of this report) in the northern section of the tenement have been classified as "high priority targets" by two separate and independent consulting firms who both concluded these targets represent areas of potential base metal mineralisation that warrant follow up test drilling²⁸.

At the end of the reporting period, the Company announced the commencement of a targeted, low-cost reverse circulation (RC) maiden drill program that was designed to test the A1 and A5 targets to determine if there is any base metal mineralisation at this location.

The results of this drill program are anticipated to be available in September 2020.

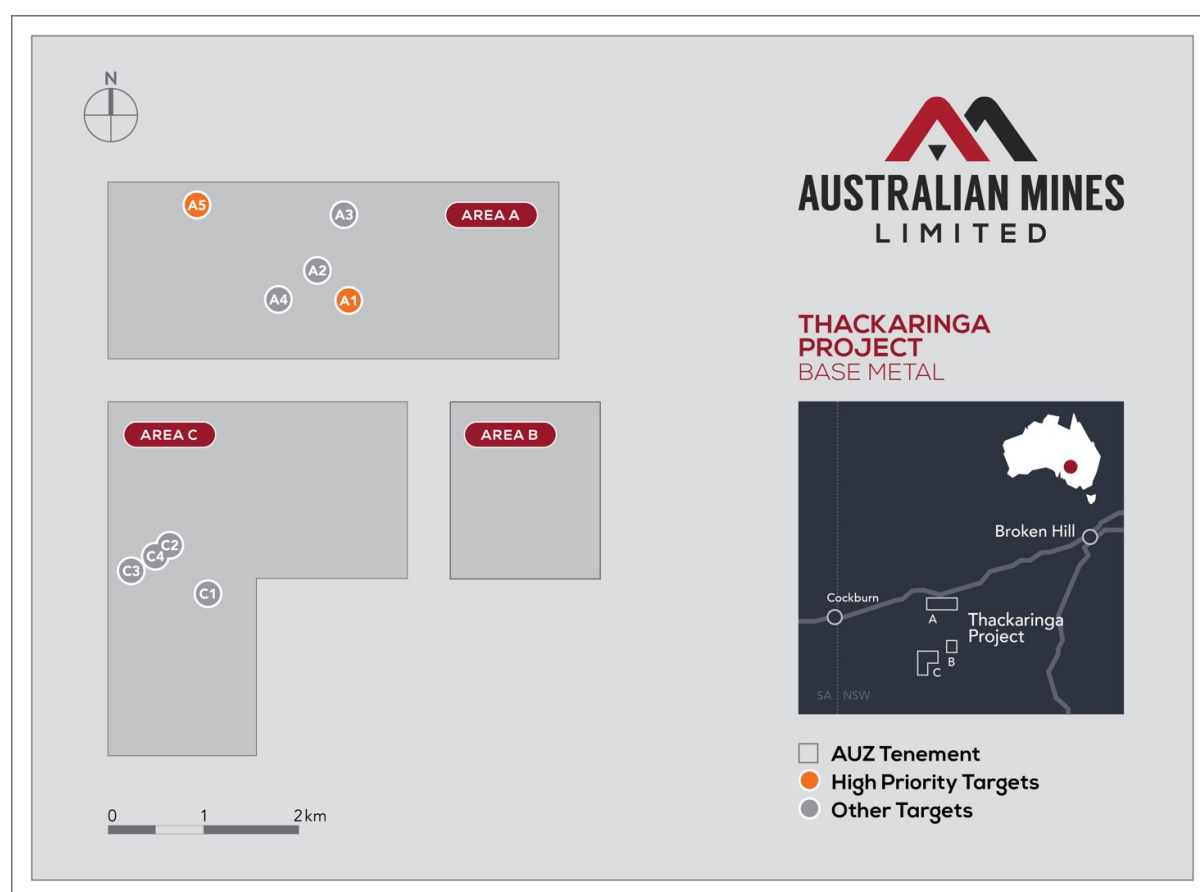


Figure 6: Australian Mines' 100%-owned Thackaringa Project is located 22 kilometres southwest of Broken Hill, New South Wales.

²⁶ Australian Mines Limited, Large-scale cobalt-in-soil anomalies identified at Thackaringa Project; Sconi continues to advance towards development milestones, released 29 May 2018

²⁷ Australian Mines Limited, High-priority bedrock conductors detected at Thackaringa Project, New South Wales, released 7 March 2018

²⁸ Australian Mines Limited, Drilling of base metal targets commences at Thackaringa Project; New South Wales, released 29 June 2020

*** ENDS ***

This ASX announcement has been approved and authorised for release by Benjamin Bell, Managing Director of Australian Mines Limited.

Benjamin Bell
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Australian Mines is a member of IRMA, the Initiative for Responsible Mining Assurance. This means we are participating in, and supporting, credible independent third-party verification and certification against a comprehensive best-practice standard that addresses the range of environmental and social issues related to industrial-scale mines.

Additionally, Australian Mines supports the vision of a world where the mining industry respects the human rights and aspirations of affected communities, provides safe, healthy and supportive workplaces, minimizes harm to the environment, and leaves positive legacies.

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Appendix 1: Sconi Project Ore Reserve Estimate

Classification	Pit	Ore (Million tonnes)	Nickel (%)	Cobalt (%)	Scandium (ppm)
Proved	Greenvale	4.49	0.83	0.07	36
	Kokomo	1.52	0.72	0.15	58
	Lucknow	2.07	0.47	0.09	51
	Sub-total	8.08	0.72	0.09	44
Probable	Greenvale	13.08	0.73	0.05	29
	Kokomo	17.43	0.57	0.09	31
	Lucknow	18.71	0.42	0.08	38
	Sub-total	49.22	0.55	0.08	33
Total	Greenvale	17.57	0.76	0.06	31
	Kokomo	18.96	0.58	0.10	33
	Lucknow	20.77	0.42	0.08	39
	TOTAL	57.30	0.58	0.08	35

Table A1-1: Sconi Project Ore Reserve summary based on variable nickel equivalent cut-off between 0.40% and 0.45%.

Ore Reserve as per Australian Mines' announcement released via the ASX platform on 13 June 2019. Prepared by specialist mine planning consultants, Orelogy, in accordance with the current 2012 JORC Code.

There has been no Material Change or Re-estimation of the Ore Reserve since this 13 June 2019 announcement by Australian Mines.

The Mineral Resource figures in Tables A2-1 to A2-3 of Appendix 2 are inclusive of the Ore Reserve figures above. Approximately 14% of the Ore Reserves (outlined in the table above) are classified as Proved and 86% are classified as Probable. It should be noted that the Proved and Probable Reserves are inclusive of allowance for mining dilution and ore loss.



Appendix 2: Mineral Resource Estimates

Sconi Project, Queensland, Australia

(Effective 14 February 2019)²⁹

Classification	Tonnes (million tonnes)	Nickel equivalent (%)	Nickel (%)	Cobalt (%)
Measured	5.05	1.06	0.83	0.07
Indicated	17.24	0.90	0.73	0.05
Inferred	10.34	0.63	0.54	0.04
TOTAL	32.63	0.84	0.69	0.05

Table A2-1: Greenvale Mineral Resource

(Lower cut-off grade: Nickel equivalent 0.40%)

Classification	Tonnes (million tonnes)	Nickel equivalent (%)	Nickel (%)	Cobalt (%)
Measured	1.60	0.91	0.53	0.11
Indicated	12.63	0.83	0.47	0.11
Inferred	0.38	0.66	0.55	0.03
TOTAL	14.62	0.83	0.48	0.11

Table A2-2: Lucknow Mineral Resource

(Lower cut-off grade: Nickel equivalent 0.55%)

Classification	Tonnes (million tonnes)	Nickel equivalent (%)	Nickel (%)	Cobalt (%)
Measured	1.62	1.17	0.73	0.15
Indicated	19.37	0.83	0.57	0.09
Inferred	7.48	0.70	0.53	0.07
TOTAL	28.47	0.81	0.57	0.09

Table A2-3: Kokomo Mineral Resource

(Lower cut-off grade: Nickel equivalent 0.45%)

²⁹ The Mineral Resource Estimates for the Greenvale, Lucknow and Kokomo deposits are reported under JORC 2012 Guidelines and were reported by Australian Mines Limited on 14 February 2019. There has been no Material Change or Re-estimation of the Mineral Resource since this 14 February 2019 announcement by Australian Mines.

Nickel equivalent (NiEq) calculations are described in detail in Appendix 5 of this report.

Classification	Tonnes (million tonnes)	Nickel equivalent (%)	Nickel (%)	Cobalt (%)
Measured	11.4	1.02	0.84	0.05
Indicated	12.7	0.74	0.64	0.03
Inferred	1.7	0.66	0.55	0.03
Total	25.8	0.86	0.72	0.04

Table A2-4: Bell Creek Mineral Resource³⁰

(Lower cut-off grade: Nickel equivalent 0.45%).

Classification	Tonnes (million tonnes)	Nickel (%)	Cobalt (%)
Indicated	11.9	0.67	0.03
Inferred	2.4	0.60	0.02
Total	14.3	0.66	0.03

Table A2-5: Minnamoolka Mineral Resource³¹

(Lower cut-off grade: Nickel 0.45%)

³⁰ The Mineral Resource Estimate for the Bell Creek deposit is reported under JORC 2012 Guidelines and was reported by Australian Mines Limited on 29 April 2019. There has been no Material Change or Re-estimation of the Mineral Resource since this 29 April 2019 announcement by Australian Mines.

³¹ The Mineral Resource Estimate for the Minnamoolka deposit is reported under JORC 2012 Guidelines and was reported by Australian Mines Limited on 21 October 2019. There has been no Material Change or Re-estimation of the Mineral Resource since this 21 October 2019 announcement by Australian Mines.

Nickel equivalent (NiEq) calculations are described in detail in Appendix 5 of this report.

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Flemington Project, New South Wales, Australia

(Effective 31 October 2017)³²

Classification	Tonnes (million tonnes)	Cobalt (%)	Scandium (ppm)
Measured	2.5	0.103	403
Indicated	0.2	0.076	408
Total	2.7	0.101	403

Table A2-6: Flemington Mineral Resource

(Lower cut-off grade: Cobalt 0.03%)

³² The Mineral Resource Estimates for the Flemington deposit is reported under JORC 2012 Guidelines and were 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.

Appendix 3: Competent Persons' Statements

Sconi Project, Queensland, Australia

The Mineral Resource for the Sconi Project contained within this document is reported under JORC 2012 Guidelines. This Mineral Resource for the Greenvale, Lucknow and Kokomo deposits within the Sconi Project were first reported by Australian Mines Limited on 14 February 2019. There has been no Material Change or Re-estimation of the Mineral Resource since this 14 February 2019 announcement by Australian Mines Limited.

The information in this report that relates to Sconi Project's Greenvale, Lucknow and Kokomo Mineral Resources is based on, and fairly reflects, information compiled by Mr David Williams, a Competent Person, who is an employee of CSA Global Pty Ltd and a Member of the Australian Institute of Geoscientists (#4176). Mr Williams has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Mr Williams consents to the disclosure of information in this report in the form and context in which it appears.

The Ore Reserve for the Sconi Project contained within this document is reported under JORC 2012 Guidelines. This Ore Reserve was first reported by Australian Mines Limited on 13 June 2019. There has been no Material Change or Re-estimation of the Ore Reserve since this 13 June 2019 announcement by Australian Mines Limited.

The information in this report that relates to Ore Reserves is based on, and fairly reflects, information compiled by Mr Jake Fitzsimons, a Competent Person, who is an employee of Orelogy Consulting Pty Ltd and a Member of the Australian Institute of Mining and Metallurgy (MAusIMM #110318). Mr Fitzsimons has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Mr Fitzsimons consents to the disclosure of information in this report in the form and context in which it appears.

The Mineral Resource for the Bell Creek deposit, located within the Sconi Project, contained within this document is reported under JORC 2012 Guidelines. This Mineral Resource was first reported by Australian Mines Limited on 29 April 2019. There has been no Material Change or Re-estimation of the Mineral Resource since this 29 April 2019 announcement by Australian Mines Limited.

The information in this report that relates to the Sconi Project's Bell Creek Mineral Resource is based on, and fairly reflects, information compiled by Mr David Williams, a Competent Person, who is an employee of CSA Global Pty Ltd and a Member of the Australian Institute of Geoscientists (#4176). Mr Williams has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Mr Williams consents to the disclosure of information in this report in the form and context in which it appears.

The Mineral Resource for the Minnamoolka deposit, located within the Sconi Project, contained within this document is reported under JORC 2012 Guidelines. This Mineral Resource was first reported by Australian Mines Limited on 21 October 2019. There has been no Material Change or Re-estimation of the Mineral Resource since this 21 October 2019 announcement by Australian Mines Limited.

The information in this report that relates to the Sconi Project's Minnamoolka Mineral Resources is based on, and fairly reflects, information compiled by Mr David Williams, a Competent Person, who is an employee of CSA Global Pty Ltd and a Member of the Australian Institute of Geoscientists (#4176). Mr Williams has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in

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the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Mr Williams consents to the disclosure of information in this report in the form and context in which it appears.

Flemington Project, New South Wales, Australia

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 Limited.

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 his information in the form and context in which it appears.

Thackaringa Project, New South Wales, Australia

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

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Appendix 4: Forward Looking Statements

This announcement contains forward looking statements. Forward looking statements can generally be identified by the use of forward looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance', 'potential' and other similar expressions within the meaning of securities laws of applicable jurisdictions.

There are forward looking statements in this document relating to the outcomes of the Sconi Project Bankable Feasibility Study and ongoing refinement work as outlined in this report. Actual results and developments of projects and the market development may differ materially from those expressed or implied by these forward-looking statements. These, and all other forward-looking statements contained in this announcement are subject to uncertainties, risks and contingencies and other factors, including risk factors associated with exploration, mining and production businesses. It is believed that the expectations represented in the forward looking statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and productions results, resource estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

Any forward-looking statement is included as a general guide only and speak only as of the date of this document. No reliance can be placed for any purpose whatsoever on the information contained in this document or its completeness. No representation or warranty, express or implied, is made as to the accuracy, likelihood or achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this document. Australian Mines does not undertake to update or revised forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange listing requirements. To the maximum extent permitted by law, Australian Mines Limited and its Associates disclaim all responsibility and liability for the forward-looking statements, including, without limitation, any liability arising from negligence. Recipients of this document must make their own investigations and inquiries regarding all assumptions, risks, uncertainties and contingencies which may affect the future operations of Australian Mines Limited or Australian Mines Limited's securities.

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Appendix 5: Nickel equivalent calculation – Sconi Project, Queensland

NiEq grades reference in this report were calculated according to the following formula:

$$\text{NiEq} = \frac{[(\text{nickel grade} \times \text{nickel price} \times \text{nickel recovery}) + (\text{cobalt grade} \times \text{cobalt price} \times \text{cobalt recovery})]}{(\text{nickel price} \times \text{nickel recovery})}$$

The formula was derived using the following commodity prices and recoveries:

Forex US\$:A\$ = 0.71,

Nickel – A\$27,946/t and 94.8% recovery,

Cobalt – A\$93,153/t and 95.7% recovery.

Prices and recoveries effective as at 10th February 2019.

Metal recovery data was determined by variability test work of nickel and cobalt solvent extraction during the inhouse pilot plant test work program. Results typically achieved between 90% and 99% from samples with nickel and cobalt grades aligned with expected mine grades as reported from the Mineral Resource model. Lower recoveries of between 85% and 90% were achieved from some lower-grade samples to determine economic cut off grades.

It is the opinion of Australian Mines that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold. Detail supporting the formula are provided further on in this document.

The Competent Person and Australian Mines believe there are reasonable prospects for eventual economic extraction of the Mineral Resources from the Sconi Project. Consideration was given to the relatively shallow depth of the mineralisation, existing infrastructure near to the project including sealed road access, power, labour and water, and positive results from the 2018 Feasibility Study.

The Competent Person and Australian Mines also believe there are reasonable prospects for eventual economic extraction of the Mineral Resources from the Bell Creek and Minnamoolka deposits. Consideration was given to the relatively shallow depth of the mineralisation, and positive results from the 2018 Feasibility Study for the Greenvale and Lucknow deposits located to the south of Bell Creek and Minnamoolka deposits, which share similar geological characteristics to the Bell Creek and Minnamoolka deposits.

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Appendix 6: Tenement Information

Mining tenements held at end of the quarter

Location	Project	Tenement	Status	Interest
AUSTRALIA				
Queensland	Sconi	ML 10366	Granted	100%
Queensland	Sconi	ML10342	Granted	100%
Queensland	Sconi	ML10324	Granted	100%
Queensland	Sconi	ML 10332	Granted	100%
Queensland	Sconi	ML 20549	Granted	100%
Queensland	Sconi	MLA 10368	Pending	100%
Queensland	Sconi	MDL 515	Granted	100%
Queensland	Sconi	MDL 387	Granted	100%
Queensland	Sconi	EPM 25834	Granted	100%
Queensland	Sconi	EPM 25865	Granted	100%
Queensland	Sconi	EPM 25833	Granted	100%
Queensland	Sconi	EPM 26575	Granted	100%
Queensland	Sconi	EPM 26577	Granted	100%
Queensland	Sconi	EPM 26578	Granted	100%
Queensland	Sconi	EPM 26579	Granted	100%
Queensland	Sconi	EPM 26559	Granted	100%
New South Wales	Flemington	EL 7805	Granted	100%
New South Wales	Flemington	EL 8546	Granted	100%
New South Wales	Flemington	EL 8478	Granted	100%
New South Wales	Flemington	EL 8855	Granted	100%
New South Wales	Broken Hill	EL 8870	Granted	100%
New South Wales	Thackaringa	EL 8477	Granted	100%

Mining tenements acquired and disposed of during the quarter

Location	Project	Tenement	Status	Interest	Comments
-	-	-	-	-	-

Beneficial percentage interests held in farm-in or farm-out agreements at end of the quarter

Location	Project	Agreement	Parties	Interest	Comments
-	-	-	-	-	-

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Location	Project	Agreement	Parties	Interest	Comments
-	-	-	-	-	-

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