



## 2019 Annual General Meeting

19 November 2019



# Disclaimer

## Forward Looking Statements

This document may contain 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. 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 document 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 presentation 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.

# Disclaimer

## Previously Reported Information

This document does not contain any new data, results or information, with all references clearly stated.

Any exploration and/or resource data, or statements referenced within this document have previously been lodged by Australian Mines Limited with the ASX via announcements dated, 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, 6 March 2018, 29 May 2018, 12 June 2018, 14 September 2018, 15 October 2018, 5 November 2018, 7 November 2018, 20 November 2018, 21 January 2019, 22 January 2019, 25 January 2019, 12 February 2019, 14 February 2019, 29 April 2019, 7 May 2019, 13 June 2019 and 17 June 2019, 20 June 2019, 8 July 2019, 17 July 2019, 22 July 2019, 24 July 2019, 26 July 2019, 6 August 2019, 12 August 2019, 26 September 2019, 27 September 2019, 1 October 2019, 2 October 2019, 18 October 2019, 21 October 2019, 22 October 2019, 24 October 2019, and 1 November 2019. Australian Mines Limited is not aware of any other new information or data that materially affects the information included in the original market announcements referred to above, and that all material assumptions and technical parameters have not materially changed.

## Cautionary Note For U.S. Investors Regarding Reserve and Resource Estimates

Unless stated otherwise, 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", 2012 Edition), 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 document 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.

## Company Objective

### Production of cobalt sulphate and nickel sulphate battery precursor chemicals with a fully auditable supply chain for the electric vehicle sector

- ▶ **Owner of quality Tier 1 cobalt-nickel asset** in a stable jurisdiction
- ▶ **Reliable supply** anticipated for at least the next 30 years
- ▶ **Planned production of:**
  - 46,800 tonnes of nickel sulphate per annum
  - 7,000 tonnes of cobalt sulphate per annum
  - (equivalent to at least 3 million to 6 million electric vehicle battery packs)*
- ▶ **On track to become one of the world's most cost-competitive cobalt-producing nickel operations**

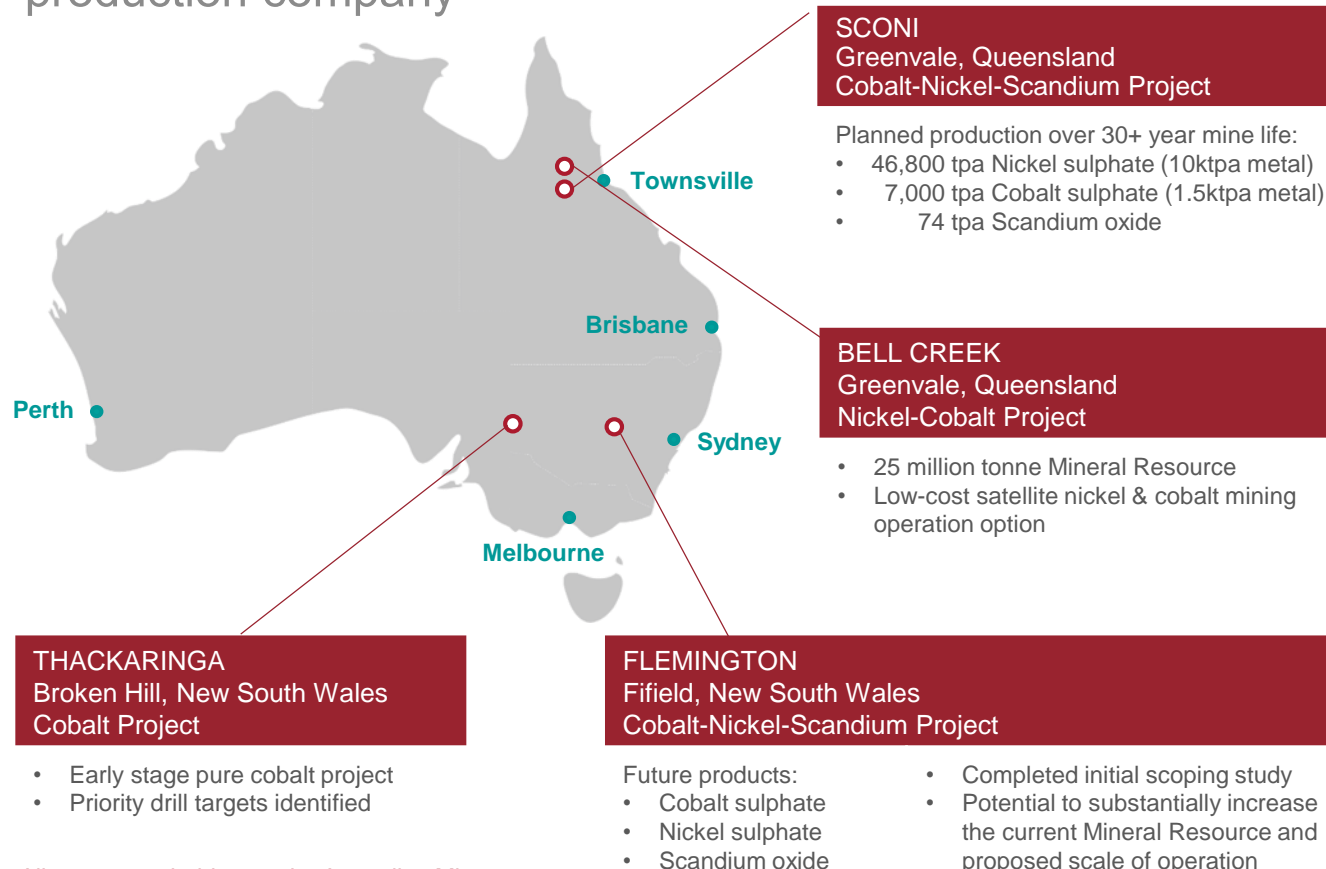
The information outlined on this page was previously released to the market by Australian Mines via the ASX platform on 12 February 2019 and 13 June 2019. Australian Mines confirms in the subsequent public report that all the material assumptions underpinning the forecast financial information derived from a production target, in the initial public report referred to in Listing Rule 5.17 continues to apply and have not materially changed.

## Proposition

- ✓ 100% owner of multiple battery metals projects in Australia
- ✓ Advanced project pipeline with a **development-ready flagship project**
- ✓ **Australian Mines plans to own and operate the entire process:** from mining its own ore through to producing the final battery-grade cobalt and nickel precursor chemicals (all on the one site in Australia)
- ✓ Processing plant to use **proven technology** and design
- ✓ **Already producing battery precursor chemicals** from the company's demonstration-scale processing plant
- ✓ On track to become one of the **lowest cost cobalt-producing nickel operations in the world**

# Company Assets

## Building Australia's pre-eminent cobalt + nickel sulphate production company



The information outlined on this page relating to Sconi 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 Listing Rule 5.17 continues to apply and have not materially changed.

Scandium oxide production based on 1,441 tonnes of scandium metal produced over 30 year period (65% metal:oxide ratio).

The Mineral Resource Estimate for the Bell Creek Nickel-Cobalt Project is reported under JORC 2012 Guidelines and was reported by Australian Mines Limited on 29 April 2019. The Mineral Resource for Bell Creek, as announced on 29 April 2019 is: Measured 11.4Mt @ 0.84% Ni & 0.05% Co, Indicated 12.7Mt @ 0.64% Ni & 0.03% Co, Inferred 1.7Mt @ 0.55% Ni & 0.03% Co There has been no Material Change or Re-estimation of the Mineral Resource since this 29 April 2019 announcement by Australian Mines.

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 @ 0.076% 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.

All assets are held 100% by Australian Mines

## 2019 Operating and Financial Highlights

### Sconi Project

- Delivered Bankable Feasibility Study and revised 30+ year mine plan<sup>1</sup>
- Updated Mineral Resource
- *Prescribed Project status* provided by Government of Queensland
- Produced battery chemicals from demonstration-scale processing plant using Sconi ore
- Progressed financing discussions with banks, credit export agencies and other institutions

### Other Projects

- Drilling of the **Flemington** resource, tripled the project's mineralised footprint
- **Bell Creek** Mineral Resource Estimate recently upgraded to JORC 2012 standard

### Financial

- Funded beyond the current financial year
- Cost discipline ongoing - reducing corporate overheads and prioritising project financing activities

<sup>1</sup> Australian Mines Limited, Sconi to generate \$5 billion in free cashflow over 30-year mine life, released via the ASX announcement platform 13 June 2019



## Sconi Project



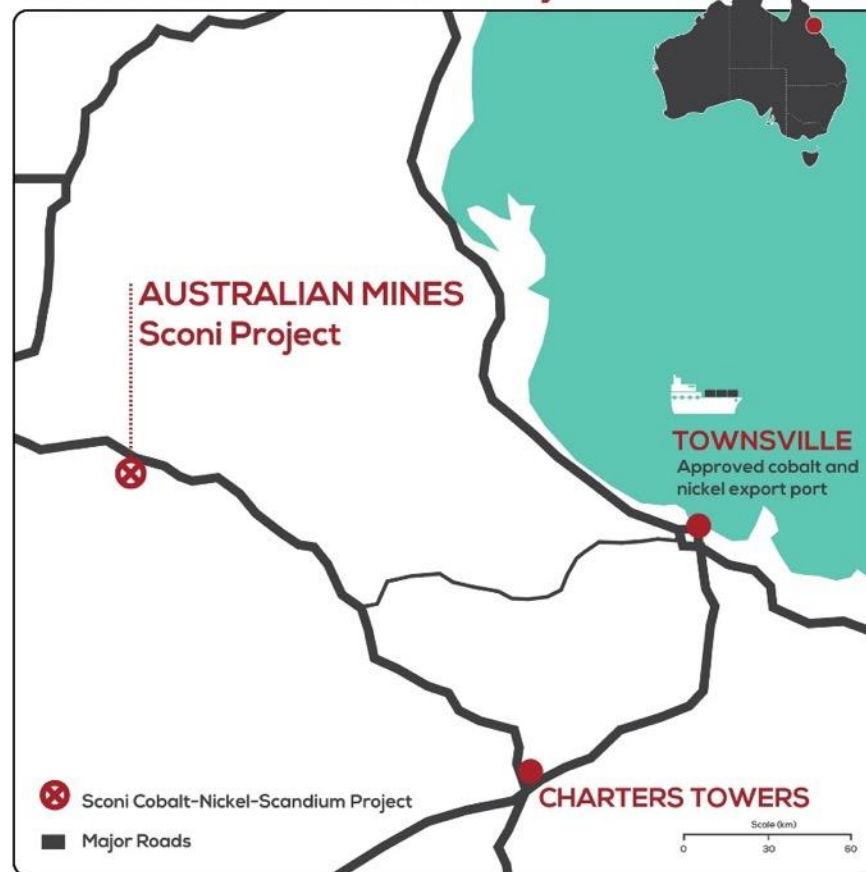


## SCONI COBALT-NICKEL-SCANDIUM PROJECT

# Australian Mines' Flagship Project

- ▶ Located 250 kilometres inland from Townsville, Queensland
- ▶ Approved exporting port with excess capacity located within easy trucking distance along existing sealed, all-weather roads
- ▶ Large scale, fully-integrated production plant planned. Existing grid power to site, access to abundant water and skilled workforce
- ▶ Utilising industry standard technology capable of reliably producing high purity battery precursor chemicals
- ▶ Long production life exceeding 30 years
- ▶ Awarded *Prescribed Project Status* by Queensland Government streamlines approvals and fast-tracks delivery of the project. Strong support from local communities.
- ▶ Operating cost of US\$1.46 per pound Nickel (post by-product credits)

### Sconi Cobalt-Nickel-Scandium Project



The information outlined on this page was previously released to the market by Australian Mines via the ASX platform on 12 February 2019 and 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 Listing Rule 5.17 continues to apply and have not materially changed.

## SCONI COBALT-NICKEL-SCANDIUM PROJECT

# Strategic Plan for 2019

Completed milestones:

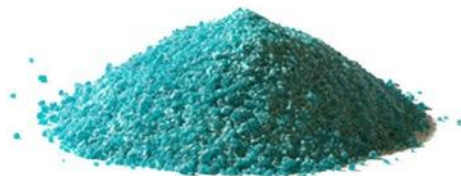
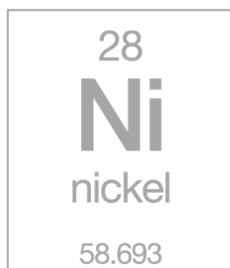
- ✓ Built demonstration-scale plant
- ✓ Confirmed processing flow sheet
- ✓ Produced battery chemicals
- ✓ Delivered Bankable Feasibility Study
- ✓ Updated Mineral Resource
- ✓ Revised 30+ year mine plan



## SCONI COBALT-NICKEL-SCANDIUM PROJECT

### Fully-integrated operation on a single site

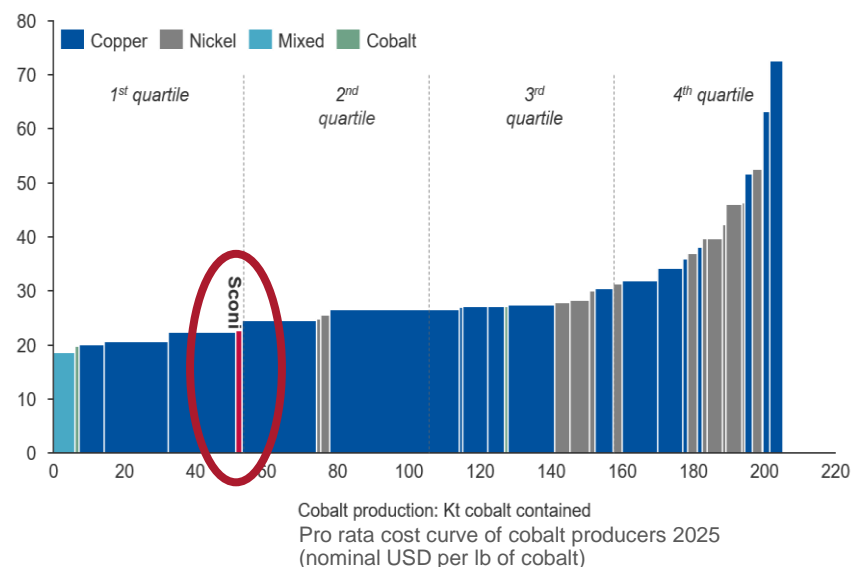
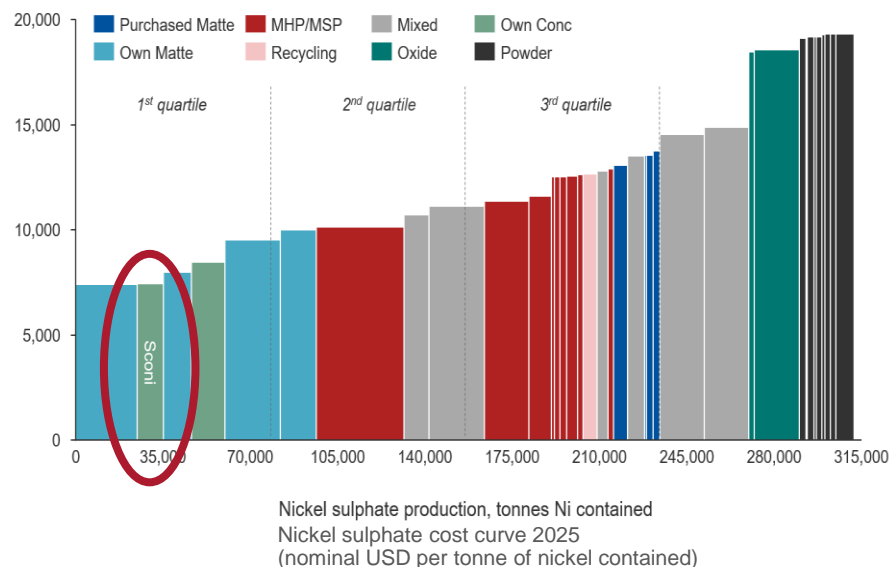
- Converting raw cobalt and nickel ore into high-purity battery chemicals
- **Ensures full value-add is captured on site**  
(no further purification of the exported product will be required for use by electric vehicle sector once the product leaves the Sconi site)
- Utilising a proven, conventional, industry standard processing flow sheet and construction design



## SCONI COBALT-NICKEL-SCANDIUM PROJECT

# Future low-cost producer of precursor battery chemicals

- Positioned to be one of the cheapest and most cost-competitive cobalt-producing nickel operations in the world
- 30+ years of future production
- Planned production
  - 46,800 tonnes of nickel sulphate per annum plus
  - 7,000 tonnes of cobalt sulphate per annum



Source: CRU International. Refer to Australian Mines' announcement released on 12 February 2019 for further information

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 Listing Rule 5.17 continues to apply and have not materially changed.

# SCONI COBALT-NICKEL-SCANDIUM PROJECT

## Bankable Feasibility Study

### Impressive Economic Outcomes

#### 30+ Year Project Life



**Pre-Tax IRR: 20%**  
**Post-Tax IRR: 15%**



**Pre-Tax NPV: \$1.47 Billion**  
**Post-Tax NPV: \$817 million**  
(@ 8% discount rate)

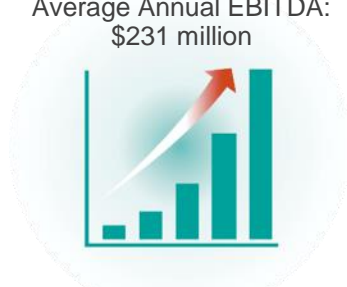


**5.8 Year Payback Period**  
(post tax)



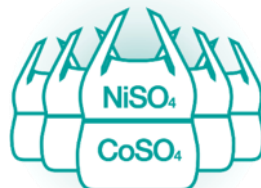
#### Strong Forecasted Financials

Average Annual Revenue:  
\$442 million  
Average Annual EBITDA:  
\$231 million



#### Life-of-Mine Average Production

Nickel sulphate:  
46,800 tonnes per annum  
Cobalt sulphate:  
7,000 tonnes per annum



**Operating Costs:**  
**US\$1.46 per pound Nickel**  
(post by-product credits)



**Capital Cost Estimate:**  
**US\$974 million**  
Including US\$110 million contingencies



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 Listing Rule 5.17 continues to apply and have not materially changed.





## Other Projects

Flemington

Bell Creek

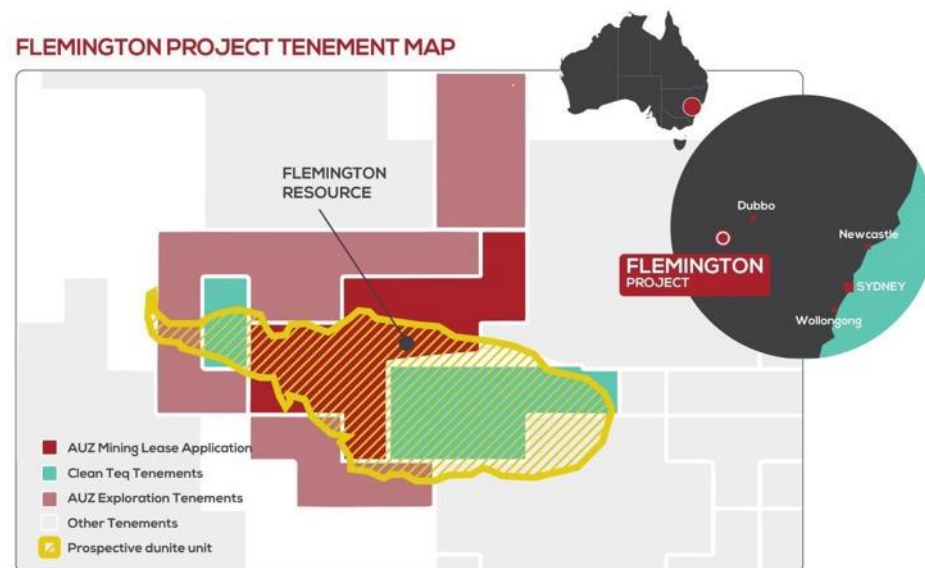
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## FLEMINGTON COBALT-NICKEL-SCANDIUM PROJECT

# A Potential Second Production Hub for Australian Mines

- Recent drilling continued to intersect thick zones of high-grade cobalt
- Results from follow-up resource expansion drilling to be released in 2020
- Significant potential to materially expand the current Mineral Resource
- Mining and processing plant approvals in progress



Refer to Australian Mines' announcement released on 17 June 2019 for full details of the drill results returned from the Company's drill program referred to in the first dot point of this slide.

Initial 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 category. Mineral Resources as per Australian Mines' announcement released via the ASX platform 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.

## BELL CREEK NICKEL-COBALT PROJECT

# Low-Cost Satellite Operation Potential

- Potential low-cost satellite nickel-cobalt operation to the Sconi Project
- Boosts the cobalt and nickel metal quantities contained within Australian Mines' Mineral Resources in Queensland projects to:
  - 738,359 tonnes of contained nickel and
  - 71,575 tonnes of contained cobalt

Refer to Australian Mines' announcement released on 29 April 2019 for further information on the nickel and cobalt tonnages referred to on this page.

This breakdown of the individual Mineral Resources that results in the 738,359 tonnes of contained nickel and 71,575 tonnes of contained cobalt referred to on this page is as follows:

The Mineral Resource for the Sconi Project is reported under JORC 2012 Guidelines and was reported by Australian Mines on 14 February 2019. The Mineral Resource for the Sconi Project, as outlined in the 14 February 2019 report is: Measured 8.27Mt @ 0.75% Ni & 0.09% Co; Indicated 49.24Mt @ 0.60% Ni & 0.08% Co; Inferred 18.2 Mt @ 0.54% Ni & 0.05% Co.

There has been no Material Change or Re-estimation of the Mineral Resource since this 29 April 2019 announcement the company

The Mineral Resource Estimate for the Bell Creek Project is reported under JORC 2012 Guidelines and was reported by Australian Mines Limited on 29 April 2019. The Mineral Resource for Bell Creek, as announced on 29 April 2019 is: Measured 11.4Mt @ 0.84% Ni & 0.05% Co, Indicated 12.7Mt @ 0.64% Ni & 0.03% Co, Inferred 1.7Mt @ 0.55% Ni & 0.03% Co There has been no Material Change or Re-estimation of the Mineral Resource since this 29 April 2019 announcement by the company

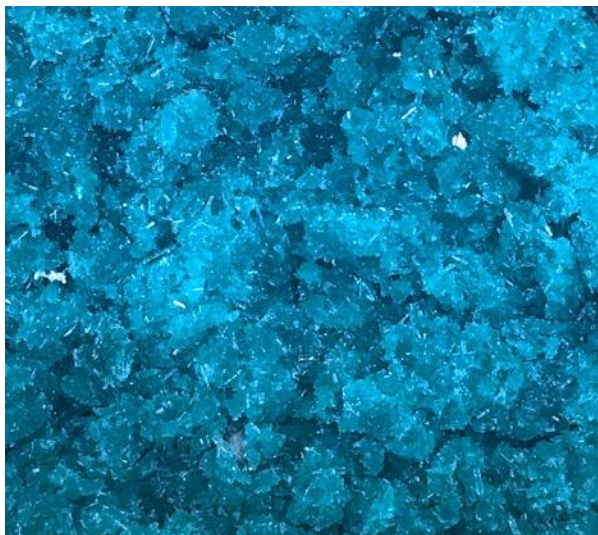
The Mineral Resource Estimate for the Minnamoolka Project is reported under JORC 2012 Guidelines and was reported by Australian Mines on 21 October 2019. The Mineral Resource for Minnamoolka, as outlined in this report is: Indicated 11.9Mt @ 0.67% Ni & 0.03% Co; Inferred 2.4Mt @ 0.6% Ni & 0.02% Co. There has been no Material Change or Re-estimation of the Mineral Resource since this 29 April 2019 announcement by the company



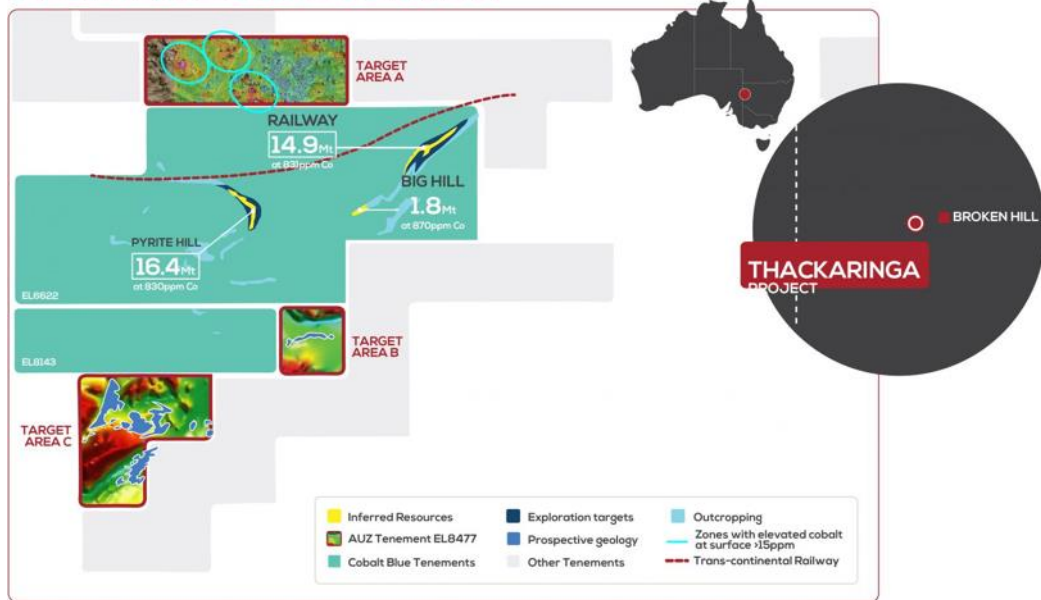
# THACKARINGA COBALT PROJECT

## Early stage cobalt project

- Located in a prospective region of New South Wales, near Broken Hill
- Priority targets identified for follow-up assessment



THACKARINGA PROJECT Tenement MAP



The Railway, Big Hill and Pyrite Hill deposits are not Australian Mines' assets.



## Outlook and Priorities

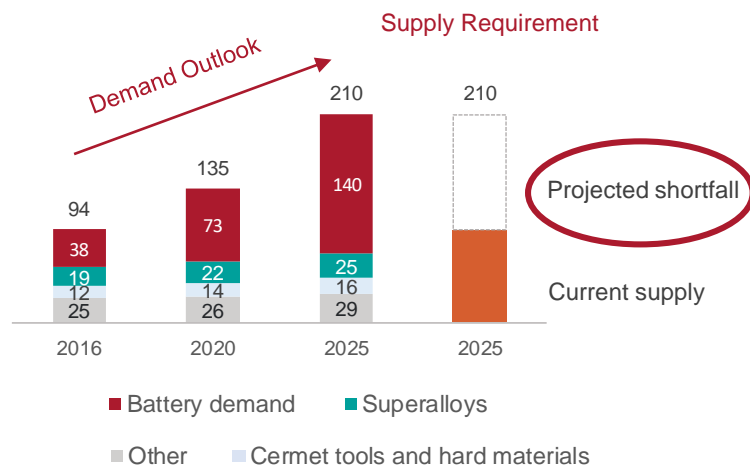


# Cobalt Market Fundamentals

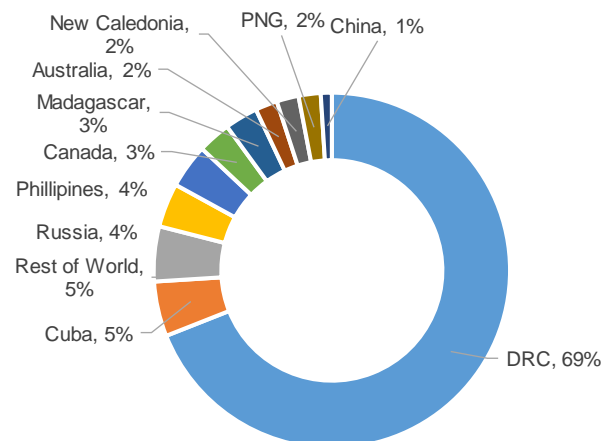
Constrained supply with high-risk geographical concentration

- Demand for cobalt forecast to increase substantially reflecting continued global uptake in lithium-ion batteries and pursuit of higher performing batteries
- Increasing focus by end-users on diversifying cobalt supply chain into jurisdictions with greater auditability and less regulatory and political risk (including Tier 1 jurisdictions such as Australia)

Cobalt supply-demand balance (kt)



Cobalt Supply by Country (in 2018)



Source: McKinsey Energy Insights, April 2018, *Metal Mining constraints on the electric mobility horizon*.

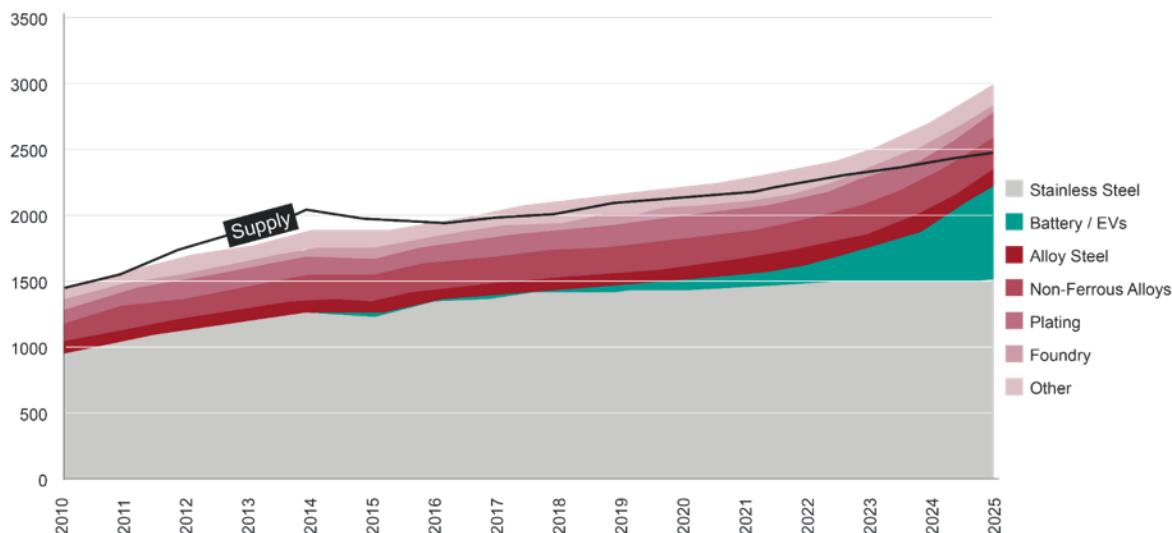
Benchmark Mineral Intelligence (5 Feb 2019 written testimony to US Senate Committee on Energy and Natural Resources Committee).

# Nickel Market Fundamentals

Significant supply growth required to meet rising ongoing demand

- Majority of current nickel production is not geared towards supplying the battery industry
- Nickel sulphate production needed to significantly increase over the next few years in order to meet the projected demands from the electric vehicle market
- Significant commodity price increase predicted driven by sustained market imbalance
  - **competition for feedstock materials is increasing**

Nickel supply-demand balance (kt)



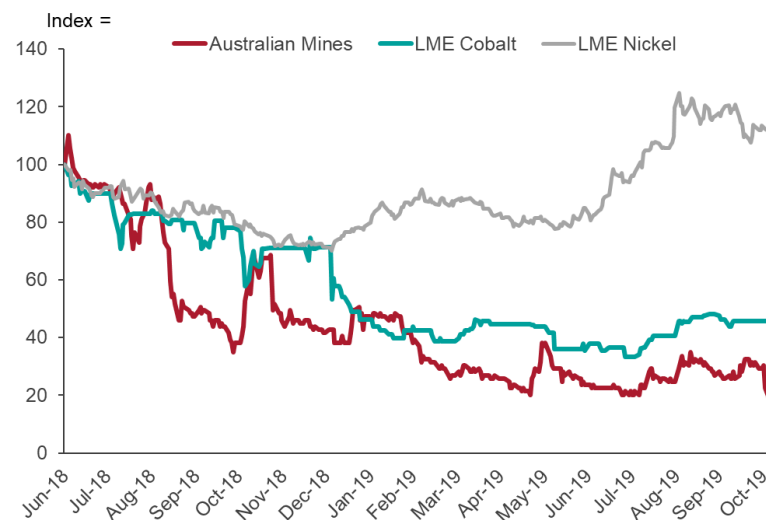
Source: UBS Research, November 2017, Nickel: Electric Vehicle Demand Refinement.

# Cobalt/Nickel Market Fundamentals

Reversal of supply/demand imbalance drives positive outlook for prices

- Australian Mines is well positioned to capitalise on the projected cobalt and nickel supply-demand imbalance over the medium to longer term
- Nickel price has recovered strongly over the last year and is now priced higher than the US\$7.0/lb used in the Sconi BFS.
- With 65% of the average life-of-mine revenue forecast from the Sconi Project to come from nickel sulphate, the strong recovery of the nickel price is very positive for Australian Mines
- Following a peak in March 2018, cobalt prices have been in decline but have reversed that trend over recent months. This is being driven by the impending supply-demand imbalance, and implies a positive outlook

*"As in the lithium miners sector, the cobalt miners have been heavily oversold. We expect a bounce back soon".  
Bayleaf Capital, November 2019*



# 2020 Priorities

Primary focus of Australian Mines remains the financing and construction of Sconi

## SCONI PROJECT

- ☐ Execute new long form offtake agreement
- ☐ Finalise project financing
- ☐ Commence pre-construction

The timetable for confirming offtake partners and project financing is a function of negotiations, which are uncertain and bound by strict non-disclosure agreements. Any agreements reached will be communicated to the market at that time.

## Offtake Partnerships & Project Financing

### Offtake

- Active discussions ongoing
- Encouraging potential offtake partners to make financial commitment to Sconi Project financing

### Project Finance

- Active engagement with potential project financiers is ongoing
- Progress negotiations from Letter of Interest (LOI) stage to formal contract is a priority

The nature of any non-disclosure agreement signed by Australian Mines, coupled with ASX Listing Rules, prevent the company from commenting on the NDAs, including providing any indication of the number of such agreements signed by Australian Mines, the name / nationality / type of business of the other signatory, of even confirmation by Australian Mines that such an agreement exists.





## Questions from shareholders





# Competent Persons' Statement

## Sconi Project, Queensland (Australia)

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 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 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 Oreology Consulting Pty Ltd and a Fellow of the Australian Institute of Mining and Metallurgy. 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.

# Competent Persons' Statement

## Bell Creek Project, Queensland (Australia)

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## 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 Cobalt-Nickel-Scandium 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.

## Sconi Project

# Mineral Resources (Effective 14 February 2019)

Mineral Resources as per Australian Mines' announcement released via the ASX platform on 14 February 2019. Prepared by CSA Global in accordance with the current 2012 JORC Code. There has been no Material Change or Re-estimation of the Mineral Resource since this 14 February 2019 announcement by Australian Mines.

### Greenvale Mineral Resource

Lower cut-off grade: Nickel equivalent 0.40%

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
<b>TOTAL</b>	<b>32.63</b>	<b>0.84</b>	<b>0.69</b>	<b>0.05</b>

Nickel equivalent grades were calculated according to the following formula:

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

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.

### Lucknow Mineral Resource

Lower cut-off grade: Nickel equivalent 0.55%

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
<b>TOTAL</b>	<b>14.62</b>	<b>0.83</b>	<b>0.48</b>	<b>0.11</b>

### Kokomo Mineral Resource

Lower cut-off grade: Nickel equivalent 0.45%

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
<b>TOTAL</b>	<b>28.47</b>	<b>0.81</b>	<b>0.57</b>	<b>0.09</b>

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 within the Company's 14 February 2019 announcement. The Competent Person and Australian Mines believe there are reasonable prospects for eventual economic extraction of the Mineral Resources. 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.

# Sconi Project

## Ore Reserve (Effective 13 June 2019)

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.

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
	<b>TOTAL</b>	<b>57.30</b>	<b>0.58</b>	<b>0.08</b>	<b>35</b>

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

The Mineral Resource figures in the preceding slide 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.

The breakeven cut-off grade was determined to be between 0.40% - 0.45% nickel equivalent using the formula: Nickel equivalent (%) = [(Ni grade x Ni price x Ni recovery) + (Co grade x Co price x Co recovery) + (Ni price x Ni recovery) where: nickel price = 27,946 AUD, cobalt price = 93,153 AUD, Nickel Recovery = 94.8%, Cobalt Recovery = 95.7%. Open pit optimisation was undertaken using US\$9/lb for nickel and US\$30/lb for cobalt and an exchange rate of 0.71 AUD/USD. No value was applied to scandium. Optimisation inputs parameters were:

- Ore processing rate of 2 million tonne per annum throughput
- Dilution was applied through re-blocking to the 2m mining height
- Overall slope angle of 45°.
- Mining costs based on contractor rates averaging of US\$2.26/t mined
- Ore costs for grade control, rehandle, reclaim and extra over for ore mining of US\$1.88/t ore
- Mining overheads of US\$2.15/t ore
- Road train haulage of US\$2.05/t ore and \$US\$10.04/t ore from Lucknow and Kokomo respectively
- Variable processing costs (averaging US\$30.70/t ore) based on sulphur, limestone consumption linked primarily to magnesium and aluminium and NaOH consumption linked to nickel and cobalt
- Fixed overheads of US\$33.21/t for G&A, plant labour, maintenance and sustaining capital
- Selling costs of \$32.77/t product plus royalties of 3.2% and 5.0% for Ni and Co respectively

Due to the variable processing costs the pit optimisation was based on block value calculations for free cash flow. The breakeven cut-off grade was determined to be between a 0.4% and 0.45% nickel equivalent grade.