Investor Presentation

April 2018

AUSTRALIAN MINES LIMITED

Disclaimer

This document is a visual aid accompanying a presentation by the Managing Director during Australian Mines' international roadshow in April and May 2018.

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

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

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The Sconi Project is at Feasibility Study phase and though reasonable care has been taken to ensure that the facts are accurate and/or that the opinions expressed are fair and reasonable, no reliance can be placed for any purpose whatsoever on the information contained in this document or on its completeness. Actual results and developments of projects and the market development may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. A key conclusion of the Feasibility Study, which is to be based on forward looking statements, is that the Sconi Project is considered to have positive economic potential.

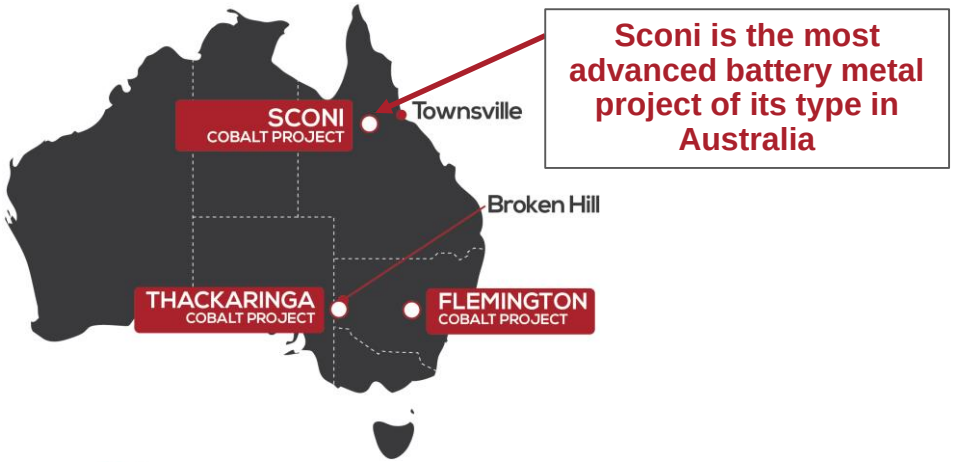
This presentation does not contain any new data, results or information, with all references clearly stated in Appendix 1 of this presentation.

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

Australian Mines – at a glance

- Rapidly growing resource and battery chemical company
- Successfully operated an underground nickel mine in Western Australia
- Expanded operations into battery metals in 2016
- The only exploration company in Australia for Cobalt with a 100% off-take agreement secured
  - Binding agreement with leading global industrial conglomerate, Korean-based SK Innovation[1]
- Investing to build a state-of-the-art battery metals processing plant in Queensland, Australia

100% owner of multiple battery metals projects[2]

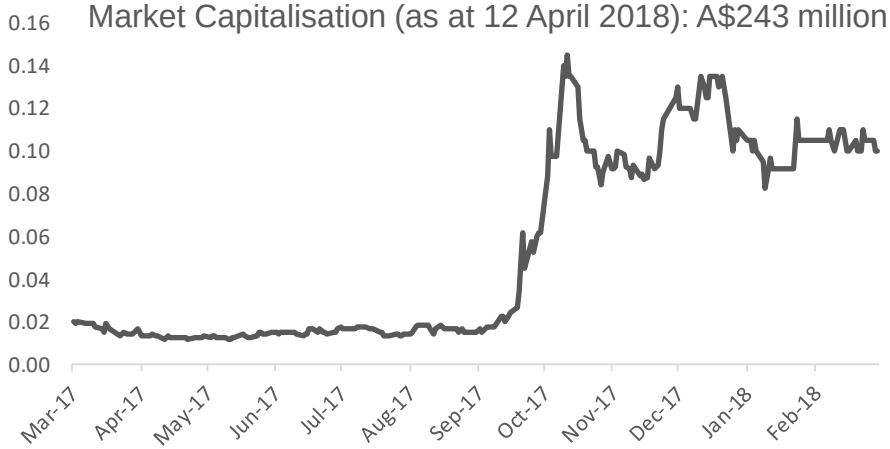


Sconi is the most advanced battery metal project of its type in Australia

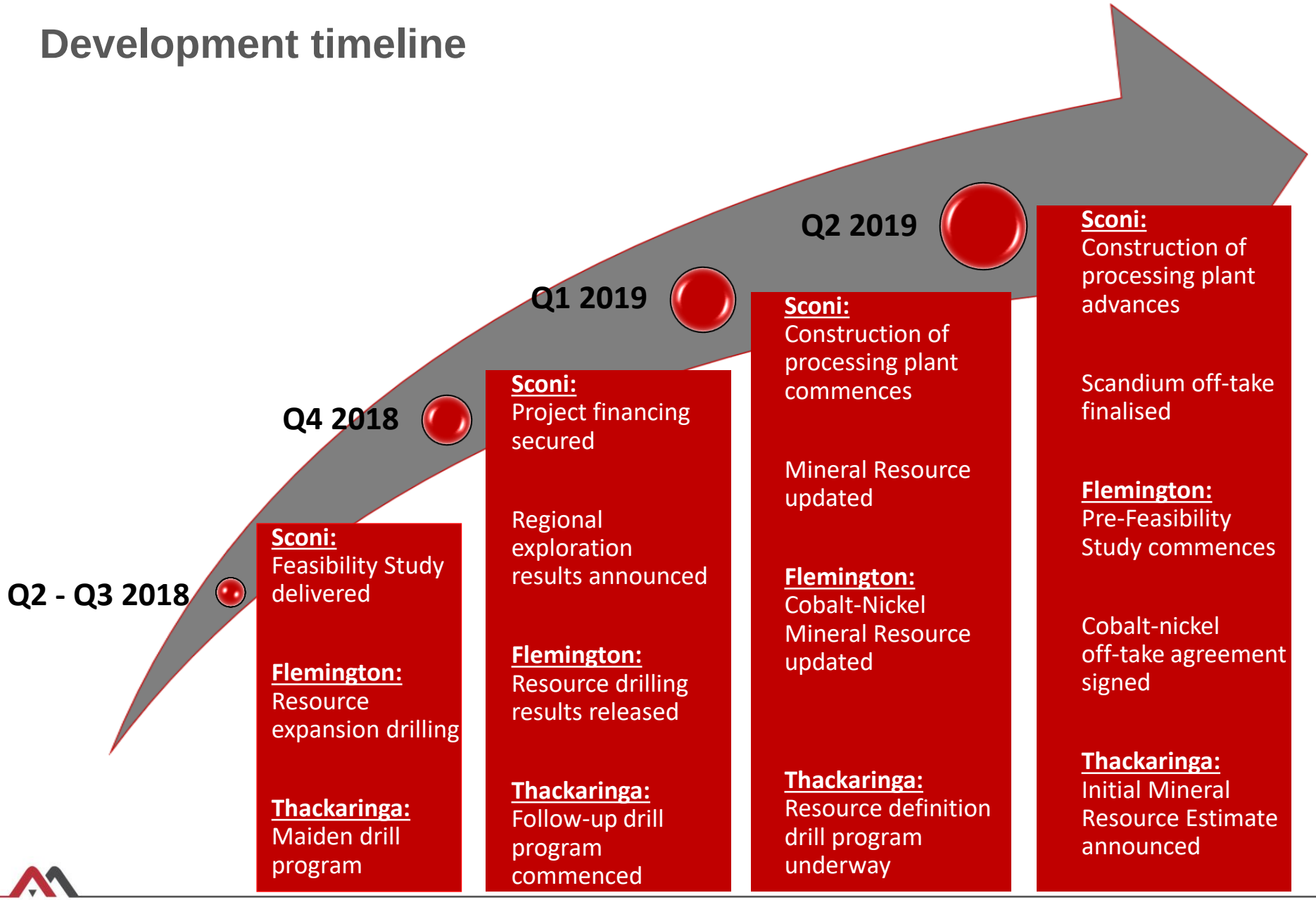
Share Price Performance (A$)

ASX Ticker: AUZ / OTCQB Ticker: AMSLF

Market Capitalisation (as at 12 April 2018): A$243 million



Development timeline



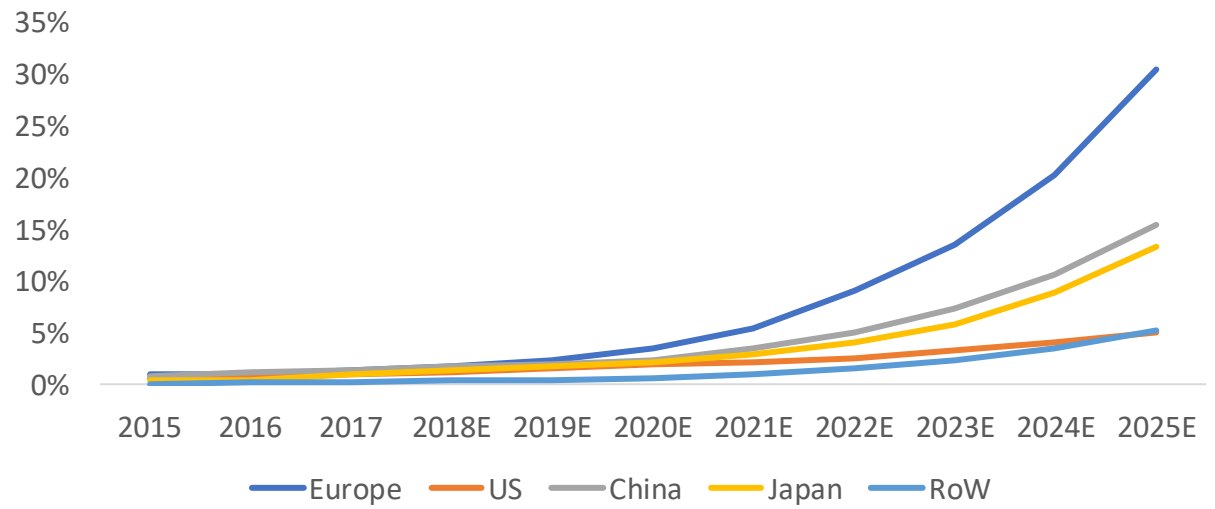
Investment Highlights

Favourable market fundamentals	• Demand for electric vehicles (EVs) expected to increase demand for critical battery metals • Ethical concerns mean that manufacturers are seeking suppliers with an auditable supply chain in order to meet the increasing scrutiny of consumers (ex-DRC in particular)
Advanced project pipeline with development-ready flagship project	• 100% interest in three battery metals projects[3]: Sconi (Cobalt-Nickel-Scandium), Flemington (Cobalt-Nickel-Scandium), Thackaringa (Cobalt) • The Sconi Project is the most advanced battery metal project of its type in Australia
Processing plant with proven technology and design	• Demonstration plant is presently producing battery metal samples using a conventional, industry standard processing flow chart and construction design (significantly de-risks the project from both a technical and financing perspective) • Value-add from producing cobalt sulphate and nickel sulphate required by battery manufacturers as opposed to raw materials or concentrates
Off-take agreement already secured with a global battery manufacturer	• Executed a binding 100% off-take agreement for Sconi with Korean-based SK Innovation, part of one of the world's largest industrial conglomerates • The only exploration company in Australia for Cobalt with a 100% off-take agreement secured
Potential upside from scandium	• Sconi and Flemington benefit from the potential upside from scandium, for potential use in high strength aluminum alloys • Established an R&D Division researching the application of MIG fighter-jet superalloy for the electric vehicle sector
Experienced management team	• Experienced leadership team with expertise across minerals processing, corporate fundraising and the development of large scale nickel-cobalt laterite projects • Key appointments dedicated to managing feasibility studies and to support the company as it manages its transition to project developer

Favourable market fundamentals

- **Electric vehicles to account for 30% of all new car sales across Europe by 2025[4]**
- **Each year, there will be 1 million more UK-registered electric vehicles cruising the English countryside, for example**
- **Globally, electric vehicles will account for 14% of all new car sales by 2025[4]**
- **That's 14 million new electric vehicles joining the world's roads each and every year**

Forecasted electric vehicle Sales by Region (as % of total new car sales)[4]



Source: UBS

Cobalt and nickel to drive the electric vehicle industry

- Electric vehicles are powered by lithium-ion batteries
- Composition of lithium-ion batteries may vary slightly between vehicle manufacturers
- Typical electric vehicle batteries comprise nickel and cobalt plus manganese / aluminum
- Approx. 140 kilograms of nickel, cobalt and manganese / aluminum in total is present within a typical electric vehicle battery pack
- Current NMC batteries used for electrical grid storage systems (e.g. Tesla Powerwall) typically have a 1-1-1 composition; being approximately 33% cobalt/nickel/manganese[5]
- Australian Mines' off-take for cobalt and nickel from Sconi with global battery manufacturer, SK Innovation, indicates that battery composition is not expected to change much for at least the next decade

Electric vehicle batteries being manufactured at SK Innovation's facility

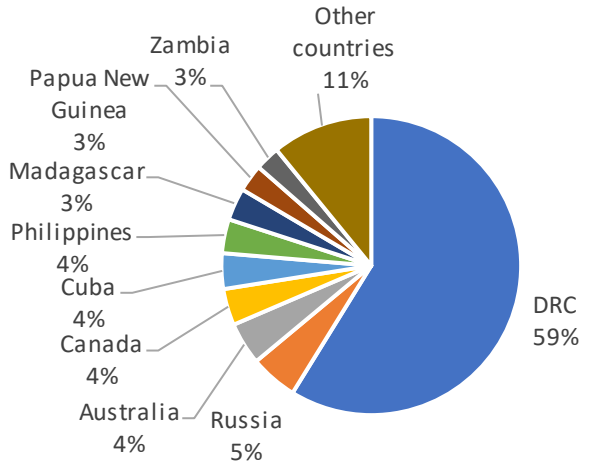
Despite what its name may suggest, lithium-ion batteries usually comprise only a modest, but nonetheless important, amount of lithium (usually less than 10% to the total metal in a battery)

Nickel and cobalt tend to account for the majority of the metal used in most lithium-ion batteries regardless of whether the battery is being manufactured for the electric vehicle or energy storage sectors.

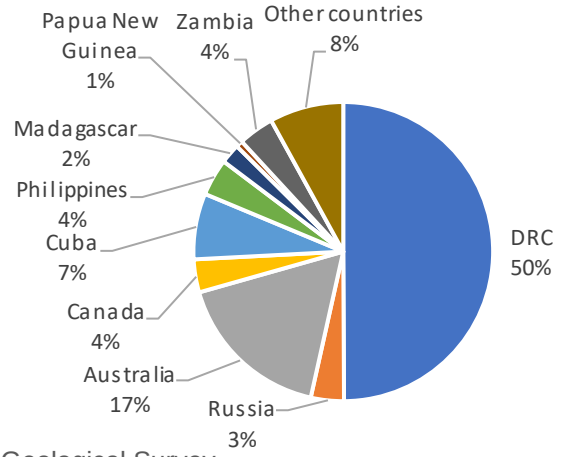
Cobalt's expected critical supply shortage

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

2017 Cobalt Mine Production by Region[6]



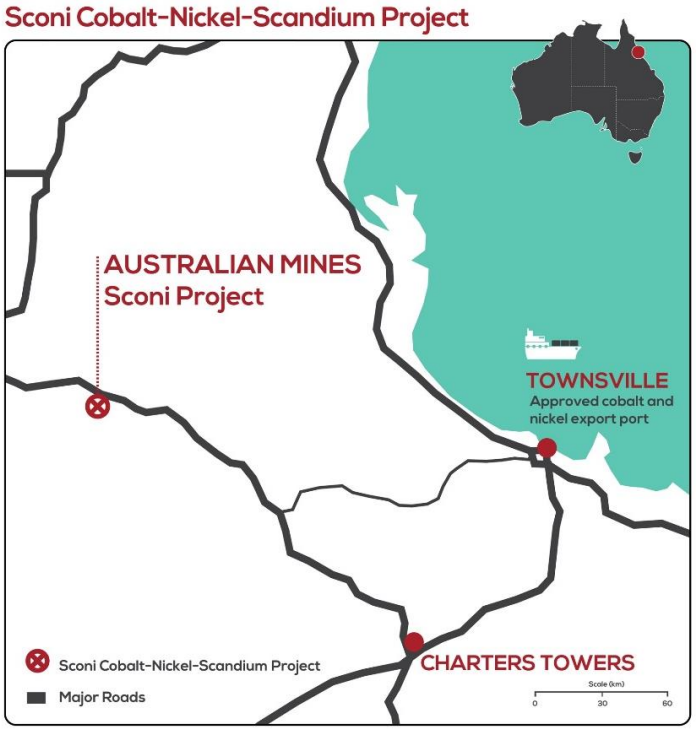
Cobalt Reserves by Region[6]



Source: US Geological Survey

Sconi Cobalt-Nickel-Scandium Project

- The most advanced cobalt project of its type in Australia
- Located within 250 kilometres of the approved cobalt & nickel exporting port of Townsville in northern Queensland, Australia
- 100% owned by Australian Mines[7]
- Greenvale (base for the Sconi project) benefits from existing surrounding infrastructure including local housing, skilled workforce, airport, schools and amenities
- Mineral Resources[8] within granted Mining Leases
- Off-take agreement signed for 100% of the cobalt and nickel produced from Sconi[9]
- Project financing negotiations in progress



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

Bankable Feasibility Study due in June 2018

Outcropping, laterally-extensive ore body

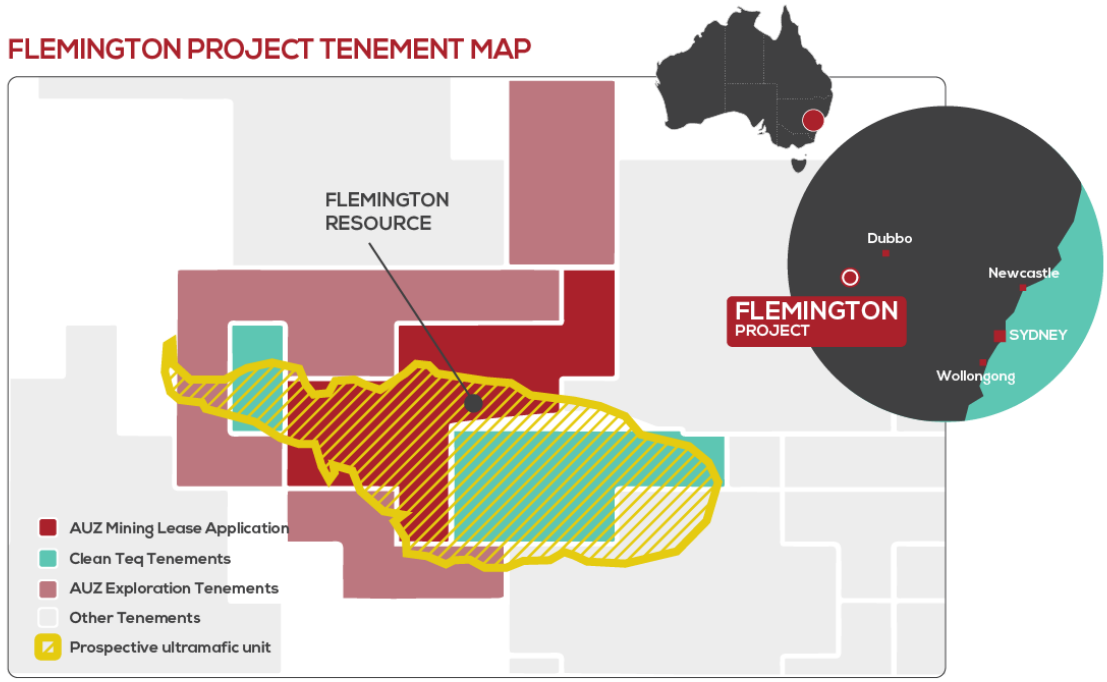
- **Sconi is a laterite deposit**
- **64% of the world's nickel currently comes from laterite deposits**[10]
- **Ore body outcrops at Sconi and is friable, meaning easy (low cost) open pit mining operation**
- **Strip ratio for life of mine is very low 0.6 (waste) : 1.0 (ore)**
- For comparison, typical mining operations of this nature can run at 2.5 (waste) : 1.0 (ore)
- **Mineralisation remains open, allowing for further expansion and upgrading of the Mineral Resource**[11]

Sconi's development program

- Workforce to be employed on a residential basis with emphasis on recruiting locally
  - Existing community of Greenvale located within 10 kilometres of proposed operation
- Investigating renewable energy options to part-power the Sconi processing plant
- Longest lead item for the processing plant is the USA-made autoclave, at approximately 10 months to construct, freight, install and certify (cost of the two autoclaves required for a 2Mtpa plant totals approx. USD20 million)
- Estimated build time of 2 years for processing plant
- Ramp-up period of 36 months to full production[12]
- Construction scheduled to commence from February 2019
- Final cost (capex) to be released in June 2018
- Low magnesium content of ore
  = low acid consumption
  = low expected opex

Flemington Cobalt-Nickel-Scandium Project

- Located 370 kilometres west of Sydney
- Extensive tenement package
- Acquiring 100% interest in the project[13]
- Existing cobalt Mineral Resource[14]
- Mineralisation from surface
- Only a fraction of the tenement area currently explored
- Mining Lease application submitted
- Water licence secured
- Potential to unlock significant value at Flemington by increasing the cobalt, nickel and scandium resource

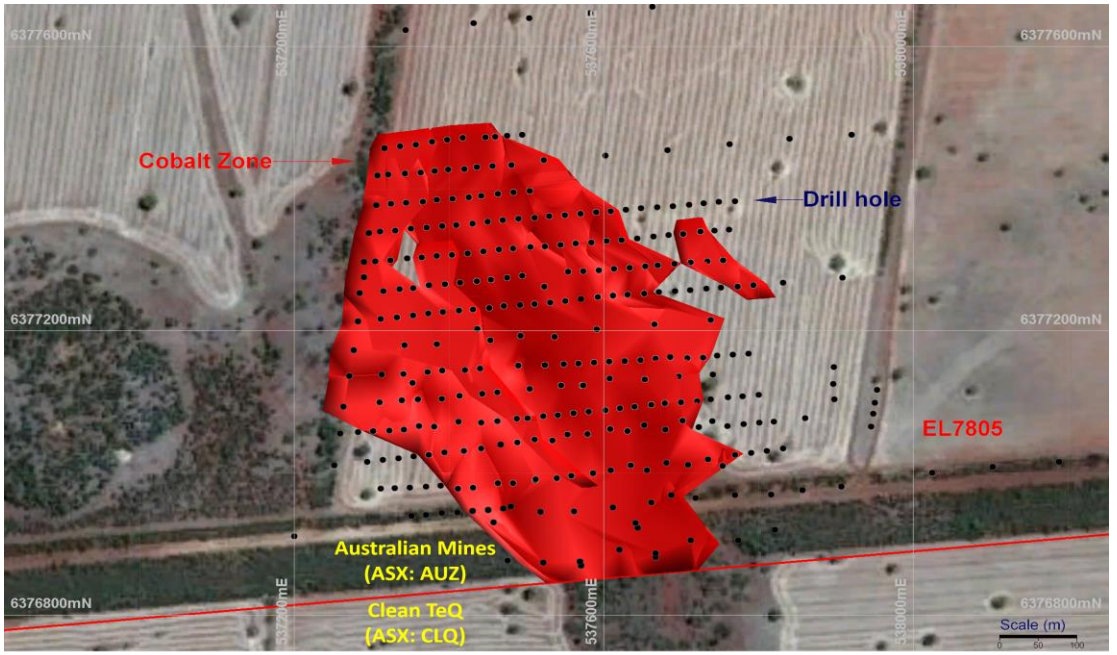


Announcement of updated Mineral Resource in early 2019

Pre-Feasibility Study to commence immediately thereafter

Flemington: Potential second production hub

- Flemington mineralisation is the continuation of Clean TeQ Holding's (ASX: CLQ) Sunrise project
- Flemington / Sunrise mineralisation separated only by a tenement boundary
- Regional field mapping and sampling in progress to test entire Flemington project area
- Historic nickel mining within Flemington tenements presenting additional target for evaluation
- Australian Mines in discussion with potential off-take partners regarding any future cobalt and nickel production from its Flemington Project
- Ore body remains open
  - Potential to significantly expand the tonnage (and further increase the grade) of the Flemington Resource[15]
- Similar metallurgy as Australian Mines' Sconi Project
  - Enables fast-tracking of Feasibility Studies

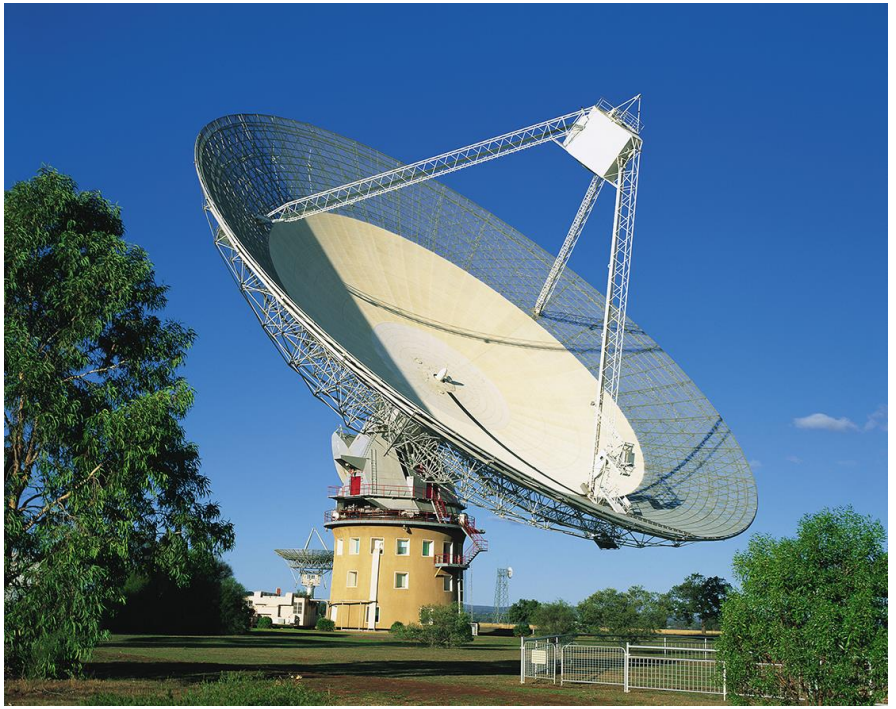


Flemington status and work program

- **Potential to unlock significant value at Flemington by increasing the cobalt, scandium and nickel Mineral Resource[16]**
- **Additional air core and reverse circulation (RC) drilling commencing this quarter**
- **Maiden cobalt Mineral Resource of 2.7 million tonnes at 0.101% (or 1,010 ppm)[16] cobalt with only 1% of the tenement area tested to date**
- **Preliminary Environmental Impact Study (EIS) accepted by NSW Department of Planning**
- **Final EIS currently in progress**

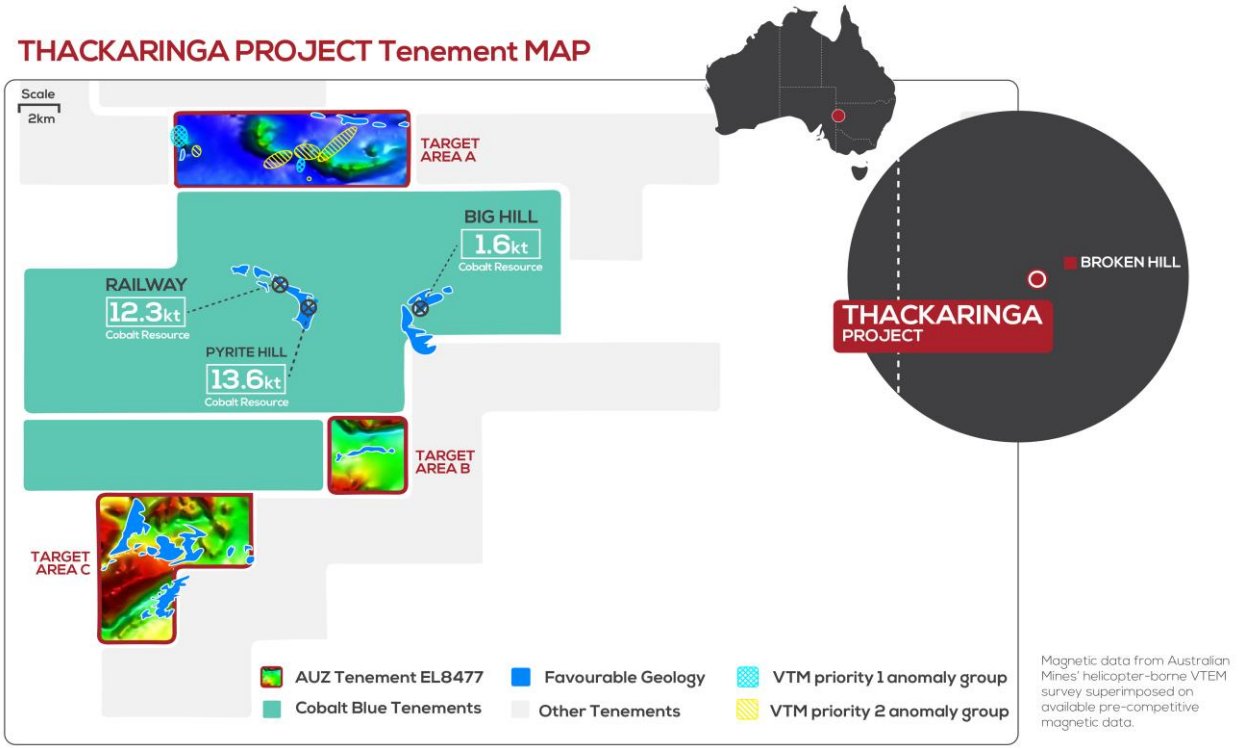
Flemington community engagement

- Employed Community Liaison person from within local Parkes community
  - Cindy Nutley
  - cnutley@australianmines.com.au
- Establishing a shop front office in the heart of the Parkes shopping district
  - information centre for future mining development at Flemington
- Plan to employ locally and for workforce to reside within the local community
- Working with local governments over the coming 12 months to identify housing options within the surrounding towns



Thackaringa Cobalt Project

- 100% owned by Australian Mines
- Located within 25 kilometres of Broken Hill in central New South Wales
- No third-party royalties or claw back
- Similar geology and cobalt potential as adjoining Cobalt Blue Holdings
- Thackaringa provides significant cobalt exploration upside

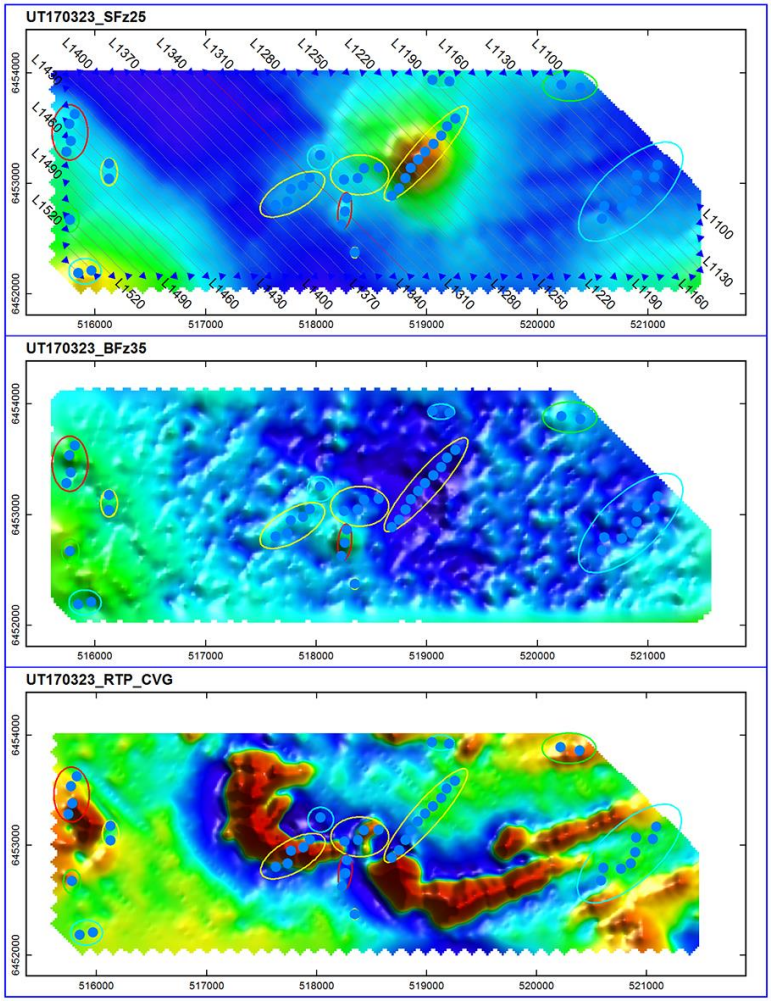


Detailed surface geochemical sampling currently in progress

Maiden drill program of geophysical conductors imminent

Thackaringa early results offer upside

- Adjoins Cobalt Blue's (ASX: COB) Railway and Pyrite Hill project to the north and south in New South Wales
- Surface sampling of Target Areas A and B completed in March quarter
- Surface sampling of Target Areas C in progress
- Anticipate final results for all three areas in June 2018
- Helicopter electromagnetic (EM) survey completed in late 2017, identified seven priority targets[17]
- Ground based detailed geophysical survey completed over priority targets in Area A
- Results and final interpretation from geophysical survey due in May 2018



Processing Plant: Proven technology and design

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

- **Capable of consistently and reliably delivering Class 1 (battery grade) cobalt sulphate and nickel sulphate**

- **Significantly de-risks the project from:**
  - **technical perspective**

    (the proposed processing technology is now 5th Generation and has already had 50 years of refinement, improvement and validation)

  - **financing perspective**

    (competitive financing packages are more likely to be available when funding technology that has been proven to work at a commercial scale across multiple projects for an extended period)

Indicative design - Sconi Project's 2Mtpa processing plant

Australian Mines already operating Australia's largest demo plant

- **Australian Mines, in conjunction with Simulus Engineering, is currently operating a demonstration-scale processing plant in Perth, Australia**
- **This processing plant is the largest test plant of its type operating in Australia**
- **Presently producing battery metals (cobalt sulphate and nickel sulphate) for our partner, SK Innovation**

Off-take agreement secured with leading battery manufacturer

- Australian Mines has executed a binding off-take term sheet agreement with SK Innovation
- **Australian Mines will be the sole supplier of cobalt to SK Innovation**[18]
- Off-take quantities are up to:
  - 12,000 tonnes of cobalt sulphate per year, and
  - 60,000 tonnes of nickel sulphate per year,
  - for initial period of 7 years + option to extend for a further 6 years[19]
- SK Innovation's major customer is Mercedes Benz, with SK Innovation manufacturing the batteries for Mercedes Benz's range of electric and hybrid-electric vehicles
- **All Mercedes Benz electric and hybrid vehicles will, therefore, be powered by SK batteries using cobalt sourced exclusively from Australian Mines' Sconi Project from 2021**

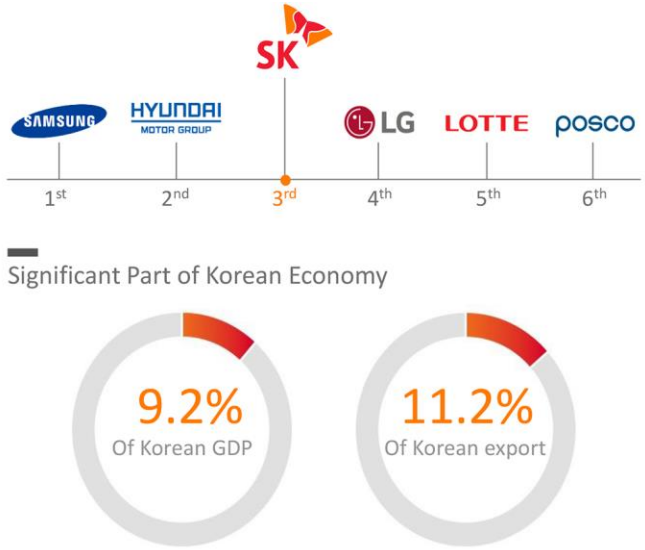
Mercedes-Benz recently released the SLS AMG E-cell Coupe, which is fully-electric and punches out an impressive 600kW of power (~800 horsepower)

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

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

SK: Australian Mines' electric vehicle battery partner

- Korean-headquartered, SK is the world's 57th largest company
- 3rd largest Korean company
- Annual revenue in excess of US$120 billion
- Ranked 1st in the Korean oil & gas sector
- Ranked 1st in the Korean telecommunication sector
- World's second largest semi-conductor company



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

- Mass production to start by early 2020 for the European market
- Will produce third-generation EV batteries (which allow EVs to cover 500km on a single charge)

Public statements from the SK Innovation's President Kim Jun

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

- ✓ **Australian Mines' proposed processing flow chart for the Sconi Project has the ability to produce the 'battery metal' of cobalt sulfate and nickel sulfate**[20]
- ✓ **The cobalt sulfate and nickel sulfate to be produced by Australian Mines at its Sconi processing plant in Queensland is able to go directly into SK Innovation's electric vehicle batteries without the need for any further processing / purification / refinement.**
- ✓ **Their binding off-take agreement with Australian Mines ensures SK Innovation has a stable supply for cobalt for up to 13 years**

Potential upside from scandium

- In addition to developing multiple battery metal operations, Australian Mines has established a Research and Development Division researching the application of MIG fighter-jet superalloy for the electric vehicle sector
- The advantage of this superalloy over conventional metal includes:
  - Light as aluminum (reduces vehicle weight)
  - Strong as steel (increases vehicle safety)
  - Weldable (faster vehicle build times)
  - Significantly cheaper than Carbon Fibre
- Australian Mines continues to work collaboratively with a third-party to test and refine this superalloy

The Sconi Project Feasibility Study is being prepared on the assumption that Australian Mines does not sell a single gram of scandium oxide over the course of the operation.

With an apparent sale price of US$1,000kg and an estimated 70,000 kg of high-purity scandium oxide being produced at Sconi through the course of producing the cobalt sulphate and nickel sulphate, scandium oxide does offer significant upside for the Sconi Operation.

Experienced management team

Michael Ramsden
Chairman
Lawyer with 30 years experience as a corporate advisor

Benjamin Bell
Managing Director
Geophysicist with 20 years experience in the minerals industry

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

Tim Maclean
Chief Operating Officer
Metallurgist with 25 years experience building and operating large-scale nickel laterite processing plants

Dominic Marinelli
Director
Over 20 years corporate fundraising experience

Graeme Robinson
Study Manager
Engineer with 35 years industry experience including feasibility studies and project management

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

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AUSTRALIAN MINES
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Appendix 1: References

Slide 3 : Australian Mines - at a glance

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

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

References

Slide 3 : Australian mines - at a glance (continued)

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

Australian Mines has an option to acquire 100% of the Flemington project from Jervois Mining Limited. The last option payment paid to Jervois Mining made in February 2018, with a final $4 million payment due in September 2018. Jervois Mining retains 1.5% net smelter royalty should Australian Mines exercise its option. See Australian Mines' announcement to the ASX dated 6 October 2017 for full details of the Flemington transaction.

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

Slide 5 : Investment Highlights

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

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Slide 6 : Favourable Market Fundamentals

[4] UBS Evidence Lab Electric Car Teardown – Disruption Ahead? https://neo.ubs.com/shared/d1wkuDlEbYPjF/

Slide 7 : Cobalt and nickel to drive the electric vehicle industry

[5]ACS Cent Sci. 2015 Jul 22; 1(4): 161–162.

http://www.visualcapitalist.com/critical-ingredients-fuel-battery-boom/

References

Slide 8 : Cobalt's expected critical supply shortage

[6] US Geological Survey 2018 Mineral Commodity Summary (Cobalt)

Slide 9 : Sconi Cobalt-Nickel-Scandium Project

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

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

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

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References

Slide 10 : Outcropping, laterally-extensive ore body

[10] Macquarie Research Commodities Comment - The right sort of nickel for batteries – it's complicated 22 March 2018

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

Slide 11 : Sconi's development program

[12] Laterite nickel Pressure Acid Leach processing plants around the world typically operate at 85% name-plate capacity and take , on average, three years to achieve this level to throughput / production. Thus, Australian Mines assumption of a three year ramp-up period and a sustained throughput production of 85% name-plate is consistent with the real-world experience of constructing and commissioning laterite nickel(cobalt) processing plants.

Slide 12 : Flemington Cobalt-Nickel-Scandium Project

[13] Australian Mines has an option to acquire 100% of the Flemington project from Jervois Mining Limited. The last option payment paid to Jervois Mining made in February 2018, with a final $4 million payment due in September 2018. Jervois Mining retains 1.5% net smelter royalty should Australian Mines exercise its option. See Australian Mines' announcement to the ASX dated 6 October 2017 for full details of the Flemington transaction.

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

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

References

Slide 13 : Flemington: Potential second production hub

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

Slide 14 : Flemington status and work program

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

Slide 17 : Thackaringa early results offer upside

[17] See Australian Mines Limited's announcement to the ASX dated 7 March 2018 titled *High priority conductors detected at Thackaringa Project*

References

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

[18]https://translate.google.com.au/translate?hl=en&sl=ko&u=http://www.fntimes.com/html/view.php%3Fud%3D20180411125712236 71ab245d71a_18&prev=search

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

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

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

References

Slide 23 : Public statements from the SK Innovation's President Kim Jun

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

Appendix 2: Competent Persons Statement

Sconi Project

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

Flemington Project

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

Information in this report that relates to Flemington Cobalt-Scandium-Nickel Project's Exploration Results is based on information compiled by Mr. Mick Elias, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Elias is a director of Australian Mines Limited. Mr. Elias has sufficient experience relevant to this style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Elias consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Thackaringa Project

The information in this report that relates to the Thackaringa Project Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Mick Elias, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Elias is a director of Australian Mines Limited. Mr. Elias has sufficient experience relevant to this style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Elias consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.