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3 April 2020

Quarterly Activities Report
For the period ended 31 March 2020

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 31 March 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 industry. These ongoing discussions are underpinned by the Bankable Feasibility Study, which clearly demonstrates the commercial case for developing the Tier 1 Sconi Project.

Thus far, progressing discussions with potential offtake partners has been largely unaffected by the disruptions resulting from the current measures put in place to combat the spread of the COVID-19 virus. During these unprecedented times, however, the safety, health and wellbeing of all our staff is paramount to ensure we are able to deliver on our development goals for the Sconi Project.

We announced in March 2020 that potential offtake partners had requested we supply them with battery grade nickel sulphate and cobalt sulphate crystals, and high purity scandium oxide for independent testing. The test samples are being produced from Sconi ore that is being processed at our Perth-based demonstration plant. The test sample production runs are continuing as planned and we are not experiencing any operational impact, at this time, from restrictions associated with the global COVID-19 pandemic.

The current sample production runs 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.

Commenting on the March 2020 quarter, Australian Mines' Managing Director, Benjamin Bell, said: "The Company is well positioned to take advantage of the expected increase in global demand for nickel and cobalt, despite the current challenges, as they are key required 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 Study for 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 Australia. We are currently producing samples of battery grade nickel sulphate and cobalt sulphate crystals for potential offtake and financing partners. We are also continuing to engage, either virtually and/or directly as the current global situation dictates, with a range of potential project financiers to ensure that all due diligence conditions are satisfied to allow offtake discussions to progress beyond the current stage into formal contracts."

Australian Mines is also continuing to develop the production and processing capacity at the Sconi mine site. In Financial Year 2020, this will include pre-construction work on 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. This will of course be tempered, in the short term, by 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 our shareholders. Our commitment to sustainability is already delivering business benefits. The Sconi Project has been granted "Prescribed Project" status by the Queensland Government. 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.

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. 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 of the Initiative for Responsible Mining Assurance (IRMA) approved and ongoing work on IRMA certification for the Sconi Project.

Sconi Cobalt-Nickel-Scandium Project

Australian Mines' 100%-owned Sconi Project, once developed, is forecasted to be one of the most cost-competitive cobalt-producing nickel operations in the world[1,2] and places the Sconi Project in the lowest cost quartile compared to other existing and proposed analogous operations globally[3,4].

The Project is estimated[5] to produce 1,405,000 tonnes of nickel sulphate and 209,000 tonnes of cobalt sulphate over the project's initial 30-year mine life[6], which is sufficient cobalt and nickel to produce the equivalent of at least 3 million to 6 million electric vehicle battery packs.

Once in production, the Sconi Project[7] 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 basis[8].

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 asset[9].

During the quarter, and prior to the end of the previous quarter, the Company re-engaged offtake negotiations with a number of interested third parties. These preliminary, incomplete and confidential discussions led to the Company commencing 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 process is ongoing, and the Company will update the market at the time any agreement(s) are reached.

Importantly the planned production runs are also being used to create high purity scandium oxide for supply to a potential R&D partner (if terms are agreed) seeking to expand the industrial applications of scandium. We note that the Australian and US governments and the European Union recently classified scandium as a 'critical commodity'. This has driven significant additional interest in the Sconi Project as a source of high purity scandium oxide.

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[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] The Nickel & Cobalt Sulphate Market Study was commissioned by Australian Mines Limited and completed by commodities research specialist CRU International Limited.
[3] 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
[4] 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
[5] Australian Mines Limited, Sconi to generate $5 billion in free cashflow, released 13 June 2019
[6] 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.
[7] Australian Mines Limited, Sconi to generate $5 billion in free cashflow, released 13 June 2019
[8] 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.
[9] 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/amecconference.pdf

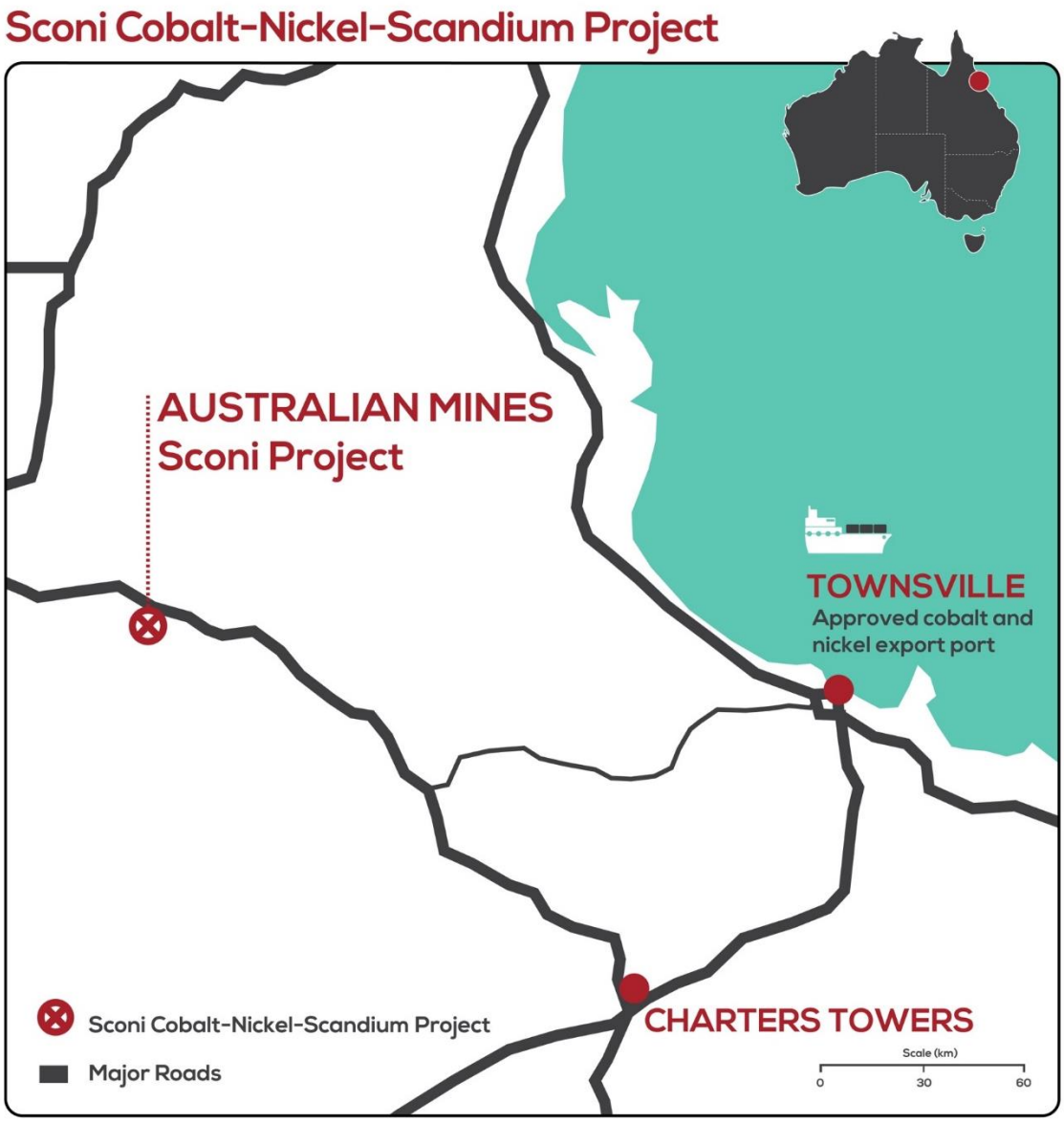

Figure 1: The Sconi Project is located in North Queensland, approximately 250 kilometres on sealed roads from an existing export port at the regional centre of Townsville.

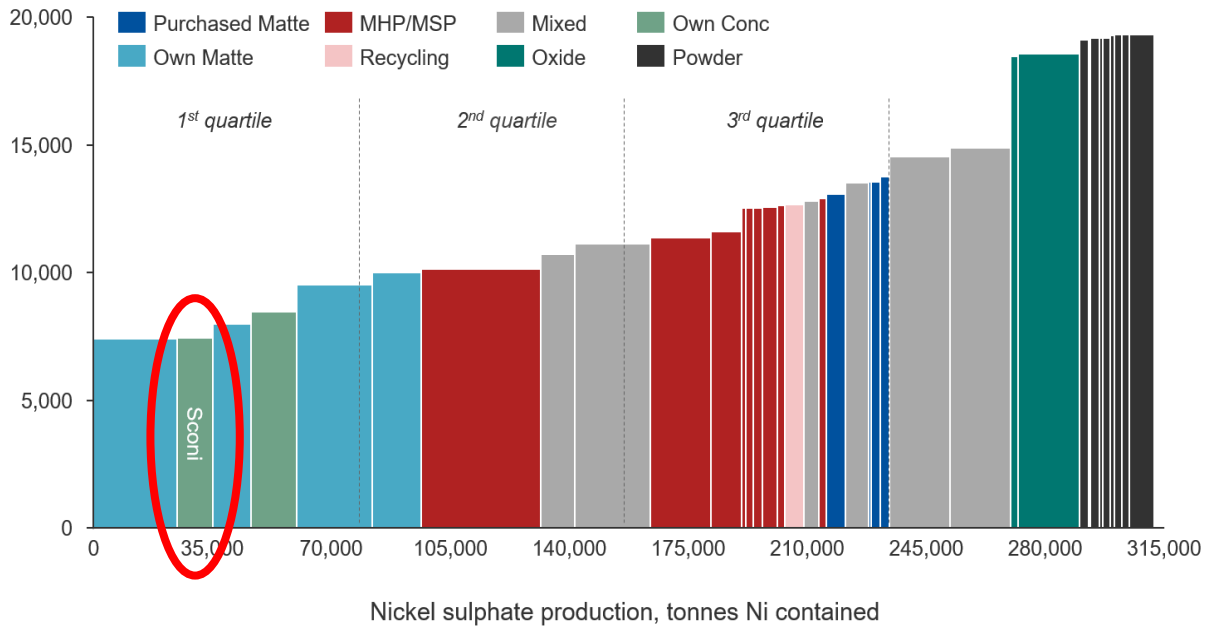

Figure 2: Nickel sulphate cost curve 2025, nominal USD per tonne of nickel contained[10]

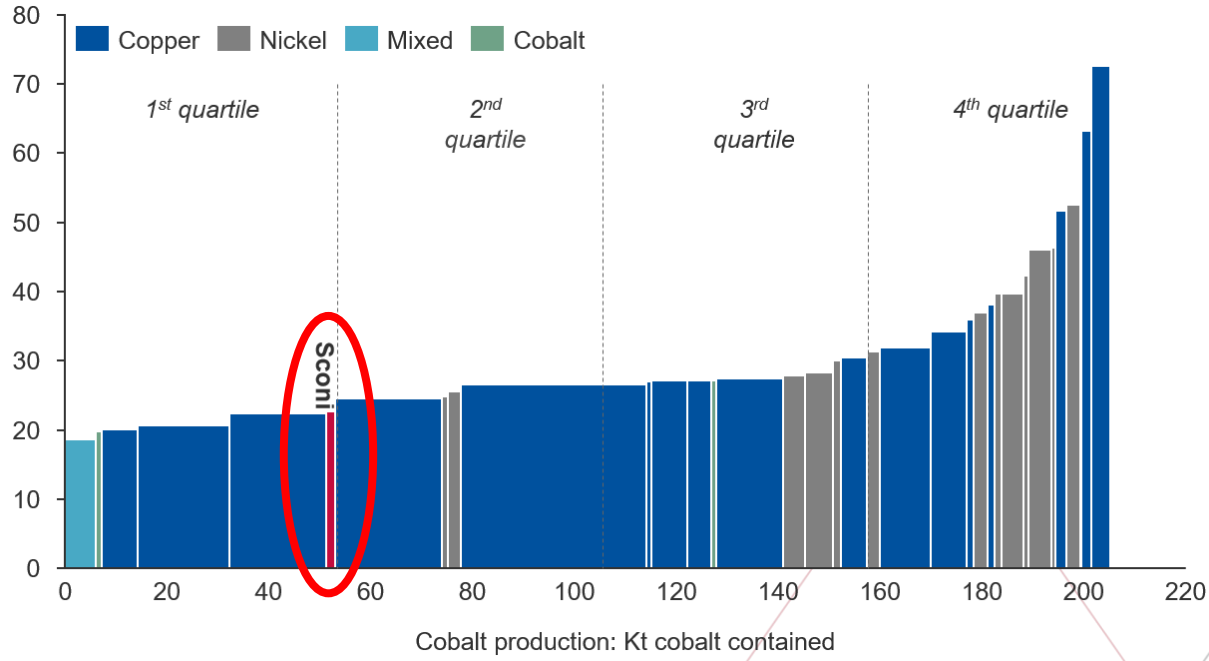

Figure 3: Pro rata cost curve of cobalt producers 2025, Nominal USD per lb cobalt[11]

[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] 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

Australian Mines' track record of delivering samples of battery-grade cobalt sulphate and nickel sulphate chemicals confirms the Company's competency in reliably 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 market size for scandium, which is estimated to be 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 actual photos taken of Australian Mines' demonstration-size processing plant).

Flemington Cobalt-Scandium-Nickel Project

Australian Mines' 100%-owned Flemington Cobalt-Scandium-Nickel 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 category[12].

In the September 2019 quarter, Australian Mines announced the final assay results from the Company's resource expansion drilling campaign, which was designed to test the western continuation of the previously established cobalt, nickel and scandium mineralisation.

Results from this drill program confirmed the continuity of a high-grade zone, which is contiguous with, and extends 1,200 metres west from, the existing Flemington Mineral Resource[13]. This drill program similarly indicated that the known mineralisation at Flemington remained open along strike.

During the December 2019 quarter, the Company announced it had initiated additional drilling at Flemington.[14] The results from this program are currently pending and are due during the current quarter.

Once these assays are received, validated and released in accordance with its continuous disclosure obligations, the Company had anticipated updating the Mineral Resource Estimate[15] for this project. However, any Mineral Resource update for Flemington will be temporarily on hold until at least such time that the government lifts its travel restrictions as, under the JORC Code, the Competent Person doing the Mineral Resource is required to complete a site visit. This site visit is currently not feasible under the current COVID-19 travel restrictions.

Australian Mines is not anticipating undertaking any additional work at Flemington during the 2020 calendar year to allow the Company to maintain its focus on the successful development of its world-class Sconi Cobalt-Nickel Scandium Project in North Queensland, Australia.

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[12] 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.

[13] Australian Mines Limited, Cobalt mineralisation footprint tripled at Flemington project, released 12 August 2019

[14] Australian Mines Limited, Resource extension drilling commences at Flemington project, released 2 October 2019

[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 @ 0.076% Co & 408ppm Sc. There has been no Material Change or Re-estimation of the Mineral Resource since this 31 October 2017 announcement by the company.

Thackaringa Cobalt Project

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 cobalt[16]. Subsequent geophysical surveys across these geochemical anomalies detected a cluster of interpreted bedrock-hosted conductive bodies[17], with at least one of the bodies identified as a *Priority One* target[18] - meaning that, in the opinion of the consulting geophysicist, this particular conductive body has the geophysical characteristics of sulphide mineralisation within the underlying bedrock[19].

Australian Mines is acutely aware that even quite small geophysical anomalies can be related to quite significant ore bodies. The Company, and its independent technical consultants, are equally conscious that the strength of geophysical response from *Priority One* conductor at Thackaringa is considered high enough to interpret the source as most probably being a massive sulphide body[20].

The Company is proposing to undertake its maiden drill program of this *Priority One* conductor during the current calendar year.

*** ENDS ***

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

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[16] Australian Mines Limited, Large-scale cobalt-in-soil anomalies identified at Thackaringa Project; Sconi continues to advance towards development milestones, released 29 May 2018
[17] Australian Mines Limited, High-priority bedrock conductors detected at Thackaringa Project, New South Wales, released 7 March 2018
[18] Mitre Geophysics, Barrier Range Project VTEM Report – Report for Australian Mines
[19] Mitre Geophysics notes that the AEM response is characteristic of sulphides or graphitic shales within the underlying bedrock. However, as graphitic shales are very rare in the Broken Hill / Thackaringa district, the anomaly is indicative of the presence of sulphides within the underlying bedrock. Mitre Geophysics has a long and extensive experience in base metal exploration, including within the Broken Hill District and it forms the core of their business. Their statement that the geophysical response returned from Australian Mines' AEM survey is characteristic of sulphides is based on their consideration of a range of important factors including; geological setting, the magnitude / amplitude of the anomaly and the decay rate of the electromagnetic response related to the anomaly.
[20] See Appendix 1 of Australian Mines' announced released via the ASX on 7 March 2018 (titled High-priority bedrock conductors detected at Thackaringa Project, New South Wales) for full details of the Indicative classification scheme (EM conductors) that supports this statement.

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)[21]

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%)

[21] 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 Resource[22]

(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 Resource[23]

(Lower cut-off grade: Nickel 0.45%)

[22] 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.
[23] 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.

Flemington Project, New South Wales, Australia

(Effective 31 October 2017)[24]

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 300ppm)

[24] 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

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.

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.

Appendix 5: Nickel equivalent calculation – Sconi Project, Queensland

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

NiEq = [(nickel grade x nickel price x nickel recovery) + (cobalt grade x cobalt price x cobalt recovery) / (nickel price x 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.

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
-	-	-	-	-	-