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Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

ASX RELEASE

Quarterly Activities Report for period ended 30 September 2021

Australian Mines Limited ("Australian Mines" or "the Company") is pleased to provide its Quarterly Activities Report for the period ending 30 September 2021.

During the reporting period, Australian Mines announced that it had successfully entered into a binding long form offtake agreement with LG Energy Solution for mixed nickel-cobalt hydroxide sourced from Australian Mines' world class, 100%-owned, Sconi Nickel-Cobalt-Scandium Project in North Queensland.

LG Energy Solution, a subsidiary of LG Chem, is one of the world's largest producers of advanced batteries for the electric vehicle industry.¹

Key activities & achievements during the quarter include:

- Secured a binding offtake agreement with Korean-based LG Energy Solution for 100% of the projected future nickel and cobalt production from the Sconi Project²
- Continued negotiations with potential project finance partners
- Completed a well-supported Institutional Placement, which raised A\$6.5 million³

¹ <https://www.lgessbattery.com/us/home-battery>

² See Table 1 of this report for the key terms of Australian Mines' offtake agreement with LG Energy Solution

³ before costs

Australian Mines' primary focus is progressing the development of Sconi and the execution of the offtake agreement with LG Energy Solution is a major milestone in that process.

The offtake quantities covered by the agreement with LG Energy Solution will account for 100% of the projected future production of the Sconi Project over its first six years and be supplied in the form of a mixed nickel-cobalt hydroxide precipitate (MHP).

The agreement has only a single condition precedent, being that Australian Mines is to secure financing for construction of the Sconi Project by 30 June 2022 (or such later date as the parties may agree).

Australian Mines' confidence in meeting this condition is supported by the pricing structure of the offtake agreement and the investment grade credit rating of LG Energy Solution's parent company LG Chem,⁴ which makes LG Energy Solution a highly credible counterparty.

Long form, binding Sconi offtake agreement

The mixed nickel-cobalt hydroxide to be supplied under the terms of the binding long form offtake agreement with LG Energy Solution is an essential commodity used by electric vehicle battery makers, automotive manufacturers (also called 'OEMs', or original equipment manufacturers) and in the storage and delivery of clean, sustainable energy sources.

LG Energy Solution is a global leader in the production of advanced batteries for the electric vehicle industry.⁵

During the initial six-year term of the offtake agreement, LG Energy Solution will purchase 71,000 tonnes of nickel and 7,000 tonnes of cobalt in the form of MHP.

The offtake agreement with LG Energy Solution will account for 100% of the projected future production of Sconi over its first six years creating a sound customer

⁴ LG Energy Solution is a subsidiary of LG Chem (S&P: BBB+/Stable).

⁵ <https://www.lgessbattery.com/us/home-battery/news-view.lg?blcSn=1163&devonTargetRow=1&devonOrderBy=&searchType=all&searchKey=>

foundation to underpin its development (see Table 1 of this report) for an expected mine life in excess of 30 years.

Key Term	Description
Quantity	71,000 dry metric tonnes of nickel, plus 7,000 dry metric tonnes of cobalt
Term	Six years (initial term), with the potential to extend by another five years by mutual agreement
Commencement	On or before 1 July 2024, with an option to extend by up to 6 months by mutual agreement
Pricing	Pricing is on a US\$ basis, and is linked to market prices quoted on the London Metal Exchange (LME) for nickel and published by Fastmarkets MB for cobalt at the time of sale via a pricing formula

Table 1: Key terms – LG Energy Solution binding Offtake Agreement

Project financing

The Sconi Project's technical and economic fundamentals provide a strong platform for Australian Mines to continue its discussions with a range of project financiers, including various export credit agencies (both Australian and international), green energy funds, commercial banks, mezzanine financiers, and international banks (for both debt and equity capital).

As part of the ongoing Sconi Project financing discussions, it is noteworthy that:

- The Queensland Government's *Prescribed Project* status for Sconi⁶ is still in force and project-related assistance is continuing,

⁶ Australian Mines Limited, *Queensland Government provides Sconi Prescribed Project status* (ASX: 25 January 2019).

- The Queensland Government's conditional financial package for Sconi through the *Jobs and Regional Growth Fund* (subject to certain conditions)⁷ is still active,
- Due diligence discussions with the Northern Australia Infrastructure Facility (NAIF) for potential Sconi project financing⁸ are also active and continuing. Australian Mines remains committed to providing the required project information to complete NAIF's due diligence,
- Global debt and equity finance availability for high-quality nickel projects remains robust,
- Australian Mines has executed a binding long form offtake agreement with leading battery manufacturer, LG Energy Solution, for 100% of the projected future production from the Sconi Project over its first six years,⁹
- The Sconi Project is world class by scale, quality and ESG parameters,
- Australian Mines owns 100% of the Sconi Nickel-Cobalt-Scandium Project and is fully funded until it secures project financing (on or before 30 June 2022) for construction of the Sconi Project,
- The spot price of nickel on the London Metal Exchange (LME) is approaching 7-year highs (US\$19,860/t) and cobalt is nearing 3-year highs (US\$56,070/t)¹⁰ driven by surging demand,
- The long-term demand outlook for ethically sourced nickel and cobalt materials continues to increase as the electric vehicle market rapidly expands and the transition to clean energy storage accelerates, and

⁷ Australian Mines Limited, *Queensland Government offers support to Sconi Project* (ASX: 15 July 2020).

⁸ Australian Mines Limited, *Sconi Project in Due Diligence Phase for NAIF funding* (ASX: 15 October 2018).

⁹ Australian Mines Limited, *Binding offtake agreement with LG Energy Solution for supply of mixed nickel-cobalt hydroxide from the Sconi Project, Queensland* (ASX: 16 August 2021).

¹⁰ Spot price of LME nickel and cobalt current as of 15 October 2021 (market close).

- The Company has achieved a strong track record of raising equity funds as and when required to further the exploration and evaluation of the Sconi Project.¹¹

Australian Mines is seeking to move swiftly to finalise agreements with a range of project financiers including various export credit agencies (both Australian and international), green energy funds, commercial banks, mezzanine financiers, and international banks (for both debt and equity capital).

These negotiations will be the subject of Non-Disclosure (NDA) or Confidentiality Agreements (CA) as is normal practice. Australia Mines will provide updates to the ASX regarding the project financing, in accordance with the Company's continuous disclosure obligations and its commercial confidentiality restrictions.

Interest in financing the Sconi Project has been maintained since the publication of the Bankable Feasibility Studies in 2018¹² and 2019,¹³ and has always been contingent on Australian Mines entering into binding offtake agreement(s) for the supply of nickel and/or cobalt products. The binding offtake agreement with LG Energy Solution now provides a high level of project certainty in our financing negotiations.

Leadership on ESG

Australian Mines is the first mineral resources company to be certified under the Climate Active Program as a Carbon Neutral organisation.¹⁴

¹¹ Australian Mines Limited, *Successful Institutional Placement Raises A\$6.5 Million* (ASX: 28 July 2021); Australian Mines Limited, *Institutional Placement Raises A\$5.2 Million* (ASX: 26 August 2020); Australian Mines Limited, *Share Placement Raises \$1.45 million* (ASX: 14 April 2020); Australian Mines Limited, *Australian Mines raises \$5.8 million via oversubscribed Share Purchase Plan* (ASX: 17 July 2019); Australian Mines Limited, *Australian Mines secures funds to accelerate cobalt and nickel projects* (ASX: 27 February 2019).

¹² Australian Mines Limited, *Bankable Feasibility Study supports strong commercial case for developing Sconi Cobalt-Nickel Scandium Project, located in North Queensland* (ASX: 20 November 2018).

¹³ Australian Mines Limited, *Sconi to generate \$5 billion in free cashflow over 30-year mine life* (ASX: 13 June 2019).

¹⁴ Australian Mines Limited, *Australian Mines achieves industry first carbon neutral certification* (ASX: 18 August 2020).

Climate Active is the only Australian Government recognised Carbon Neutral certification, and it is awarded to organisations that have credibly reached a state of achieving net zero emissions, otherwise known as carbon neutrality.

Events subsequent to the quarter

Following the September 2021 quarter, the Board initiated a review of Australian Mines' capital and corporate structure to ensure they will support securing the financing to bring Sconi to full production and maximise shareholder value. As a result of this review, the Board intends to seek shareholder approval at the 2021 Annual General Meeting, for a consolidation of the issued share capital in the Company through the conversion of every ten existing shares on issue into one new share.

The Board also intends to seek shareholder approval in early 2022 to demerge the Company's non-core exploration assets into a new copper-gold-nickel (sulphide) exploration-focused company. It should be noted that the Board proposes to retain the laterite-hosted cobalt, nickel, scandium mineral rights of the Flemington Project (including the existing cobalt-scandium Mineral Resource¹⁵) within Australian Mines.

Similarly, the Board also intends to seek shareholder approval in early 2022 to demerge the Company's non-core research and development (R&D) assets into a new battery/hydrogen R&D company.

Existing Australian Mines shareholders would hold the same percentage ownership in both proposed demerged companies (being the exploration-focused company and the separate battery/hydrogen R&D company) as they presently do in Australian Mines.

The intention of demerging these non-core assets is to allow the Company to focus on bringing Sconi to full production and optimising operation of the project thereafter.

¹⁵ The Mineral Resource Estimate for the Flemington Cobalt-Nickel-Scandium 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

ENDS

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Authorised for release by the Board of Australian Mines Limited



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

Appendix 1: Summary of Expenditure

	Total as per Cashflow Appendix 5B	Sconi Project	Flemington Project	Broken Hill Project	Australian Mines
Exploration & Evaluation	390,623	0	118,440	113,849	158,333
Development	820,998	820,998	0	0	0
Total	1,211,621	820,998	118,440	113,849	158,333

Table A1-1: Project development, exploration, and evaluation expenditure (in Australian dollars) by Australian Mines for the period ended 30 September 2021

The aggregate payments to related parties and their associates for the reporting period under item 6.1 of the Company's accompanying Appendix 5B (Quarterly Cashflow Report) was A\$174,000 which constitutes director fees, salaries and superannuation.

An amount of A\$5,000 is also shown in item 6.2 of the Company's accompanying Appendix 5B for this period. This figure does not reflect a payment to any related party and their associates but is, instead, simply a partial allocation of an executive director's salary to "*exploration & evaluation*" within Australian Mines' accounts for working closely on some specific exploration activities during the reporting period.

No consulting fees were paid to any related parties or their associates during the quarter.

Similarly, no payments in any form (except for the standard director fees, salaries, and superannuation) were paid to any related party of Australian Mines or their associates during this reporting period.

The administration and corporate costs shown in item 1.2(e) of Australian Mines' accompanying Appendix 5B for the period ended 30 September 2021 represent the general costs associated with operating a publicly listed entity, including (but not limited to): ASX listing and share settlement fees; share registry fees and charges; annual insurance fees; legal and accounting fees (including the annual audit of the

Company's accounts by BDO, as released via the ASX on 23 September 2021), preparation of the Company's 2021 Notice of General Meeting to shareholders; investor and public relations costs; community sponsorships; R & D related costs; and office rents and services.

Appendix 2: 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
	Sub-total	57.30	0.58	0.08	35

Table A2-1: Sconi Project Ore Reserve summary based on variable nickel equivalent cut-off between 0.4% 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 A3-1 to A3-3 of Appendix 3 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 3: Sconi Project Mineral Resource Estimates¹⁶

Classification	Tonnes (millions)	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 A3-1: Greenvale Mineral Resource
(Lower cut-off grade: Nickel equivalent 0.40%)

Classification	Tonnes (millions)	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 A3-2: Lucknow Mineral Resource
(Lower cut-off grade: Nickel equivalent 0.55%)

¹⁶ The Mineral Resource Estimates for the Greenvale, Lucknow and Kokomo deposits are reported under JORC 2012 Guidelines and were reported by Australian Mines 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 9 of this report.

Classification	Tonnes (millions)	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 A3-3: Kokomo Mineral Resource
(Lower cut-off grade: Nickel equivalent 0.45%)

Classification	Tonnes (millions)	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 A3-4: Bell Creek Mineral Resource¹⁷
(Lower cut-off grade: Nickel equivalent 0.45%)

¹⁷ The Mineral Resource Estimate for the Bell Creek deposit is reported under JORC 2012 Guidelines and was reported by Australian Mines 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.

Nickel equivalent (NiEq) calculations are described in detail in Appendix 9 of this report.

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

Table A3-5: Minnamoolka Mineral Resource¹⁸
(Lower cut-off grade: Nickel equivalent 0.45%)

¹⁸ The Mineral Resource Estimate for the Minnamoolka deposit is reported under JORC 2012 Guidelines and was reported by Australian Mines 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.

Appendix 4: Flemington Project Mineral Resource Estimates¹⁹

Classification	Tonnes (millions)	Cobalt (%)	Scandium (ppm)
Indicated	2.5	0.103	403
Inferred	0.2	0.076	408
Total	2.7	0.101	403

Table A4-1: Flemington Mineral Resource
(Lower cut-off grade: Cobalt equivalent 0.03%)

¹⁹ The Mineral Resource Estimates for the Flemington deposit is reported under JORC 2012 Guidelines and were reported by Australian Mines 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 5: 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 for the Greenvale, Lucknow and Kokomo deposits within the Sconi Project were first reported by Australian Mines 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.

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 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.

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 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.

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 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.

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.

Appendix 6: Competent Persons Statement – 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 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 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. 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.

Appendix 7: Competent Persons Statement – Broken Hill Project

The information in this report that relates to the Broken Hill 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. 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 8: 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.

Any forward looking statements in this document relating to the outcomes of the Sconi Project Feasibility Studies 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 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 or Australian Mines' securities.

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Appendix 9: Nickel Equivalent Calculations – Sconi Project

Nickel equivalent (NiEq) grades referenced in this report were calculated according to the following formula:

$$NiEq = [(nickel\ grade \times nickel\ price \times nickel\ recovery) + (cobalt\ grade \times cobalt\ price \times cobalt\ recovery)] / (nickel\ price \times nickel\ recovery)$$

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

Foreign exchange rate – AUD/USD: 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.

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 10: Tenement Information

Mining tenements held at end of the quarter

Location	Project	Tenement	Status	Interest
AUSTRALIA				
Queensland	Sconi	ML 10366	Granted	100%
Queensland	Sconi	ML 10342	Granted	100%
Queensland	Sconi	ML 10324	Granted	100%
Queensland	Sconi	ML 10332	Granted	100%
Queensland	Sconi	ML 20549	Granted	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%
Queensland	Sconi	EPM 26853	Granted	100%
Queensland	Sconi	EPM 26857	Granted	100%
Queensland	Sconi	EPM 26918	Granted	100%
Queensland	Sconi	EPM 27529	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 8477	Granted	100%
New South Wales	Broken Hill	EL 9300	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
-	-	-	-	-	-