

24 Oct 2022

Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

ASX RELEASE

CEO letter to Shareholders

Dear fellow Australian Mines shareholders

It has now been 6 weeks since my appointment as CEO. I am very excited to be leading the team at Australian Mines and pleased to provide you with an update on our strategy.

I have over 30 years' experience in mining project development and operations in Australia, New Zealand, the Philippines and North and South America. I am thrilled by the challenge of advancing the Sconi Nickel/Cobalt/Scandium Project in North Queensland, as I believe there are significant and continuing growth prospects for these strategic minerals in the ever-expanding green energy and energy storage markets.

What is clear to me is that the demand for the commodity mix is stronger than ever and the outlook is for that demand to continue substantial growth. As highlighted in a recent Benchmark Mineral Intelligence Report, "More than 300 new mines could need to be built over the next decade to meet the projected demand for electric vehicle and energy storage batteries". To help meet the commodity demands Australian Mines is fortunate to have a high-quality project in a highly desirable jurisdiction such as Australia. The recoverable metals from the Sconi Project are sufficient to supply approximately 5-6 million high performance electric vehicles.

Following a review of recent technical and financial studies, Australian Mines has made the strategic decision to revert to develop the Sconi Project to produce battery grade nickel sulphate, cobalt sulphate and scandium oxide from a MHP project. We believe this will maximise value of the project, return for shareholders and provide a clear line-

of-sight to construction. As part of this strategic shift, with the collaboration of our technical owner's team, we are working on mapping a pathway to construction for the project for nickel sulphate, cobalt sulphate and scandium oxide which will include further technical studies, test work, environmental monitoring, permitting and approval and strategies for project funding as we move to the Final Investment Decision (FID) milestone which is highlighted in the attached presentation slide deck.

The Company remains committed to assisting our current offtake partner LG Energy Solution to meet its future cobalt and nickel requirements. A delegation from Australian Mines recently returned from Korea where the Company and LG Energy Solution have commenced discussions with respect to required amendments to the Offtake Agreement and potential collaboration on the development of the Sconi Project. The Company will update the market in due course with respect to such amendments and collaboration if they are finalised.

I understand that shareholders are disappointed with the Company's share price performance. Following the Company's announcement that it has settled the proceedings with ASIC subject to Federal Court approval, Australian Mines and ASIC have made a joint submission to the Federal Court, for a hearing at the end of October, which we hope will be determined shortly thereafter and we thank shareholders for their patience as this matter is resolved.

I want to let the Company's shareholders know that I am extremely enthusiastic about the project and the Company's prospects. The Company will continue to keep the market informed of developments with our programs as they arise in the coming months as has been highlighted in the attached presentation slide deck. The Australian Mines team is committed to building shareholder value and are genuinely excited by what's to come. Thank you for your support and please feel free to contact me if you feel I can provide any further clarification.

ENDS

For more information, please contact:

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Authorised for release by the Board of Directors 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: 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.



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