

2 October 2019

Resource extension drilling commences at Flemington Cobalt-Nickel-Scandium Project, New South Wales

HIGHLIGHTS:

- Targeting extension of the high-grade cobalt mineralised zone including continuity of the Project's existing Mineral Resource¹
- 10,000 metres of resource extension drilling being completed over the next 3 months
- Represents the largest drilling program undertaken across the Flemington Project

Advanced battery materials developer, **Australian Mines Limited** ("Australian Mines" or "the Company") (Australia ASX: AUZ; USA OTCQB: AMSLF; Frankfurt Stock Exchange: MJH) is pleased to announce it has initiated the largest resource extensional drilling program to date at the Company's 100%-owned Flemington Project in New South Wales.

This new drilling program follows the successful resource expansion drilling at the Flemington Project, which resulted in a tripling of the cobalt mineralisation footprint² and confirmed that the project's high-grade cobalt zone continues to remain open along strike³.

¹ 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

² Australian Mines Limited, Cobalt mineralisation footprint tripled at Flemington Project; mineralisation continues to remain open along strike, released 12 August 2019

³ Australian Mines Limited, Cobalt mineralisation footprint tripled at Flemington Project; mineralisation continues to remain open along strike, released 12 August 2019

Up to 10,000 metres of drilling is planned as part of this resource extensional drilling program and will specifically target the additional west and southwest extensions of the previously identified mineralisation within Australian Mines' tenement boundaries (see Figure 1). Results from this program are anticipated to become available in early 2020.

Australian Mines Managing Director, Benjamin Bell, commented: *“This latest phase of extensional drilling at Flemington represents the largest program ever completed over the project area and is a clear indication of Australian Mines' confidence in the project's ability to represent a future potential second production source of nickel and cobalt sulphate for the Company.*

“Our previous drilling program had already tripled the cobalt mineralisation footprint and the current program has the potential to further increase the cobalt mineralisation footprint and provide a strong foundation from which a large-scale economic resource may evolve”.

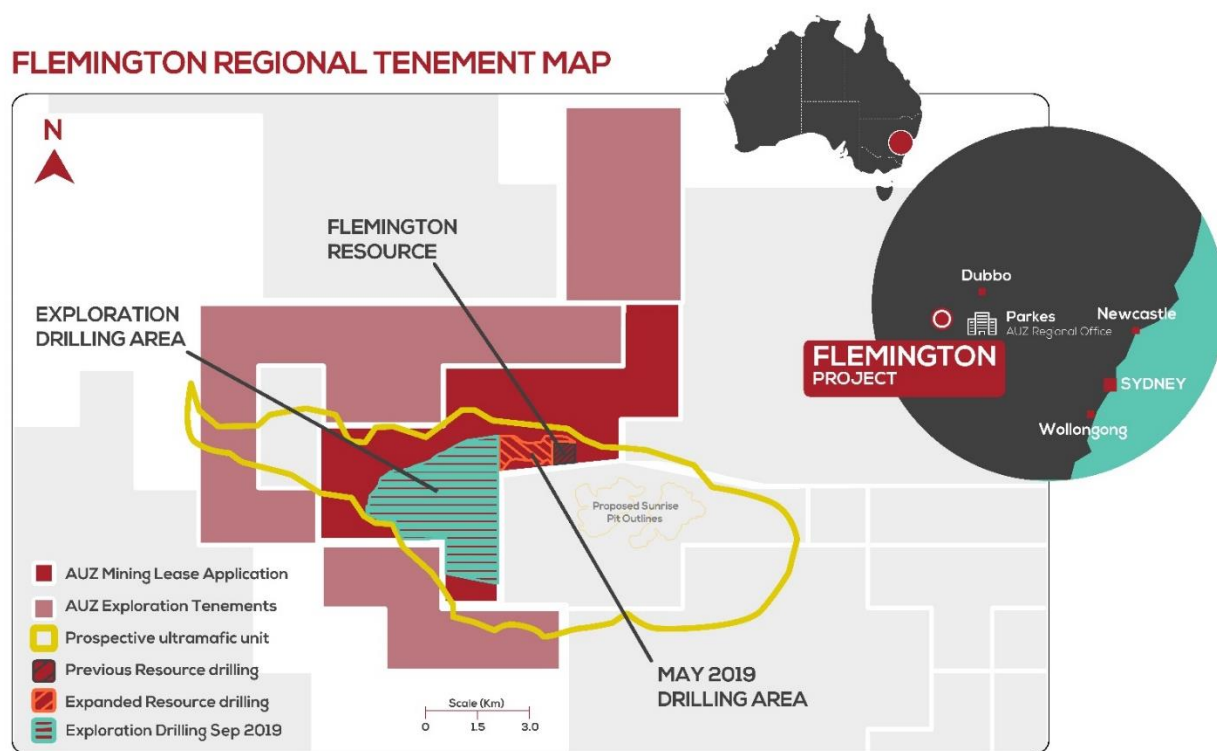


Figure 1: Located in central New South Wales, the Flemington Project covers a significant portion of the prospective Tout Complex (as outlined in yellow in this figure), being the geological unit that hosts both Australian Mines' Flemington cobalt-nickel-scandium deposit and neighbouring Sunrise deposit⁴.

⁴ 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. There is significant potential to expand the Mineral Resource given only a fraction of the interpreted prospective geology at Flemington has been comprehensively tested to date. (The Sunrise deposit is not an Australian Mines asset)



Figure 2: Photo of Australian Mines' current resource extensional drilling program at the Company's 100%-owned Flemington Cobalt-Nickel-Scandium Project in New South Wales. Results from this program are anticipated to become available in early 2020.

*****ENDS*****

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Competent Persons Statement

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 is appears.

