

Not for release to US wire services or distribution in the United States

6 October 2020

Positive results support additional drilling at Broken Hill Project, New South Wales

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 positive results from the Company’s maiden drilling program at its 100% owned Thackaringa asset (“Thackaringa”) in the Broken Hill region in New South Wales, Australia.

The positive exploration results combined with Thackaringa’s proximity to Broken Hill (see Figure 1 of this report), the birthplace of mining major BHP, coupled with Australian Mines’ project being located along strike of, and hosting the same geology as, the supergiant lead-zinc-silver orebody at Broken Hill, gives the Company the impetus to redesignate Thackaringa the *Broken Hill Project*.

In 2017, Australian Mines completed an airborne Versatile Time Domain Electromagnetic (VTEM) survey¹ over its Broken Hill Project, which successfully detected nine separate anomalies with the potential to contain base metal mineralisation. Of these anomalies, targets Alpha 1 and Alpha 5 (see Figure 2 of this report) warranted follow-up drill testing².

The subsequent drill testing of these anomalies by the Company included three reverse circulation (RC) holes³ at Alpha 1 and two RC holes⁴ at Alpha 5.

All five RC drill holes intersected the same host geology as the nearby supergiant lead-zinc-silver orebody at Broken Hill, including sulphide mineralisation with anomalous lead, zinc, silver and copper⁵.

¹ Australian Mines Limited, Helicopter-borne geophysical survey to test greenfield Thackaringa cobalt project, New South Wales, released 29 September 2017

² Australian Mines Limited, Drilling of base metal targets commences at Thackaringa, released 29 June 2020

³ Hole numbers THRC001, THRC002 and THRC003

⁴ Hole numbers THRC004 and THRC005

⁵ See Appendix 1 and Appendix 2 of this report for a detailed description of the sulphide mineralisation intersected by Australian Mines during its recent (maiden) reverse circulation drilling campaign of the Alpha 1 and Alpha 5 targets at Broken Hill.

This recently completed drill program at Broken Hill also included down-hole electromagnetic (DHEM) surveys of the Alpha 1 and Alpha 5 targets together with a moving loop electromagnetic (MLEM) survey and Induced Polarisation (IP) survey over the Alpha 5 target (see Figures 3 and 4 of this report).

In combination, the RC drilling program and DHEM survey at Alpha 1 successfully identified off-hole conductive sources suggestive of sulphide mineralisation (see Figure 3 of this report).

Australian Mines proposes a follow-up drill program targeting these off-hole conductors (once government-imposed COVID-related travel restrictions have been lifted) to further assist the Company in vectoring towards any potential significant sulphide mineralisation at this location.

Interpretation of the results from the drill testing, MLEM and IP surveys at Alpha 5 similarly indicates that a conductive source is located near to where Australian Mines drilled its recent RC holes. In this case, the MLEM and IP data suggests that this body is located immediately east of the Company's recent drilling, has a low resistivity, dips to the west with the conductivity of the body becoming stronger with depth.

As with the Alpha 1 target, Australian Mines proposes to drill test the buried conductor at Alpha 5 once government-imposed COVID-related travel restrictions have been lifted⁶ (see Figure 4 of this report).

Australian Mines Managing Director, Benjamin Bell, commented, “We are pleased with the results from the test drilling program at, what is now, our Broken Hill Project. They indicate the geology at the project is consistent with Broken Hill-style sulphide mineralisation and confirm the presence of anomalous lead, zinc, silver and copper.

“At the Alpha 1 target we have identified conductive sources close to our test drill holes; we intersected a significant, 22-metre-thick zone of copper enrichment and silver at grades of up to 113 grams per tonne.

“The recommendation from the test drilling program is for immediate⁷ testing of the prospective base metal anomalies at Alpha 5 and for three additional test drill holes at Alpha 1. Our follow up drill program will be targeted, efficient and low-cost because we have a clear understanding of the geophysics at the Broken Hill Project and know where to drill.

“Our primary focus remains advancing our flagship Sconi Project to full production and we are continuing to make good progress in our negotiations with potential offtake and financing partners. Our test drilling program at the Broken Hill project is part of our longer-term strategy to maximise the value from both the Broken Hill and Flemington projects.”

⁶ including the COVID-related travel restrictions imposed by the Western Australian government, given Australian Mines' exploration is presently located in that State.

⁷ subject to government-imposed COVID-related travel restrictions

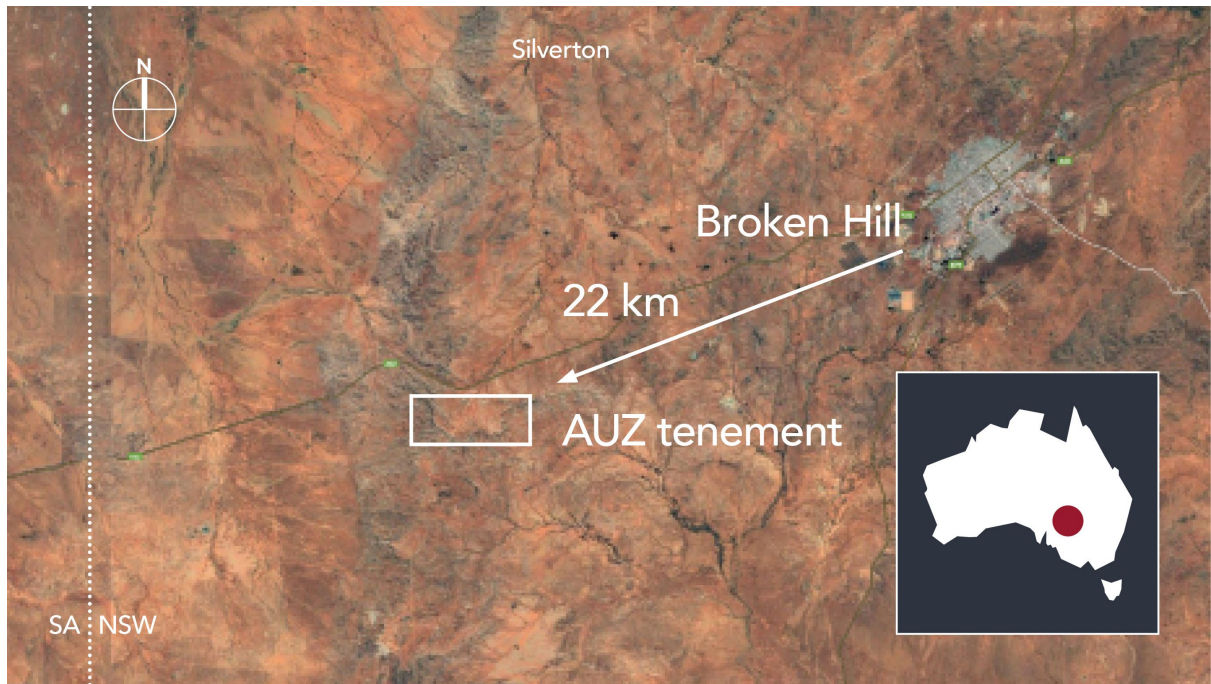


Figure 1: Australian Mines' Broken Hill Project is located along strike of, and has the same interpreted geology as, the nearby supergiant Broken Hill lead-zinc-silver deposit.

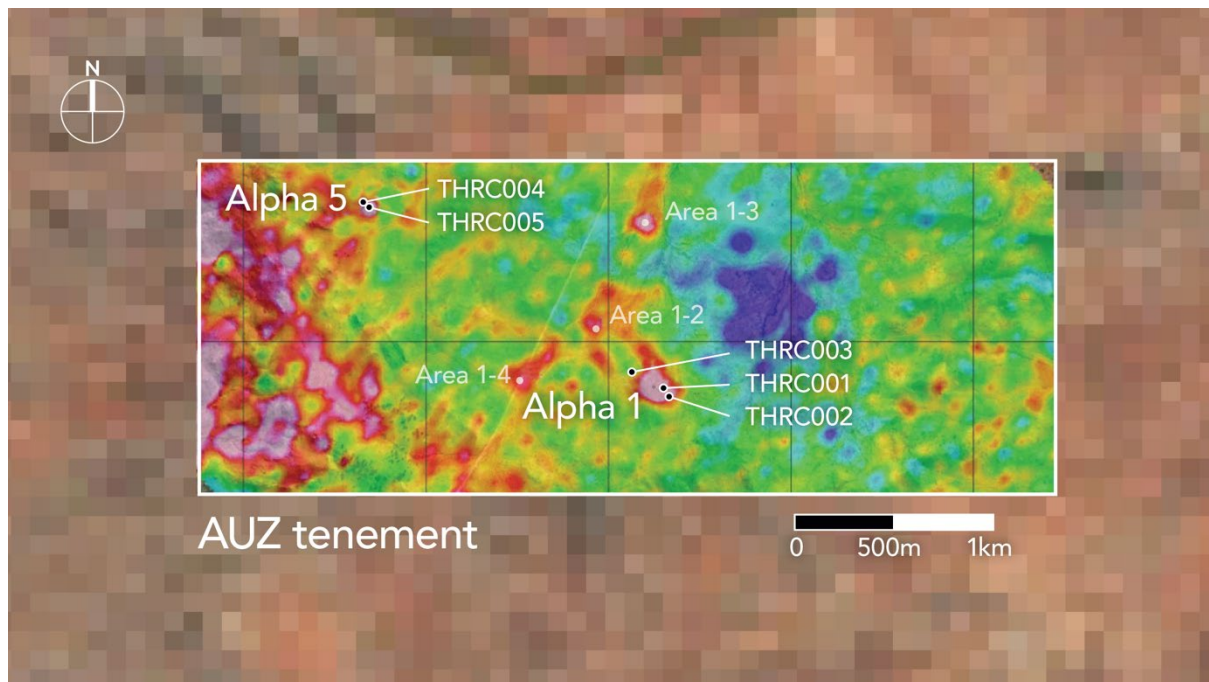


Figure 2: Drill collar location map relative to airborne Versatile Time Domain Electromagnetic (VTEM) anomalies at Australian Mines' Broken Hill Project in New South Wales, Australia.

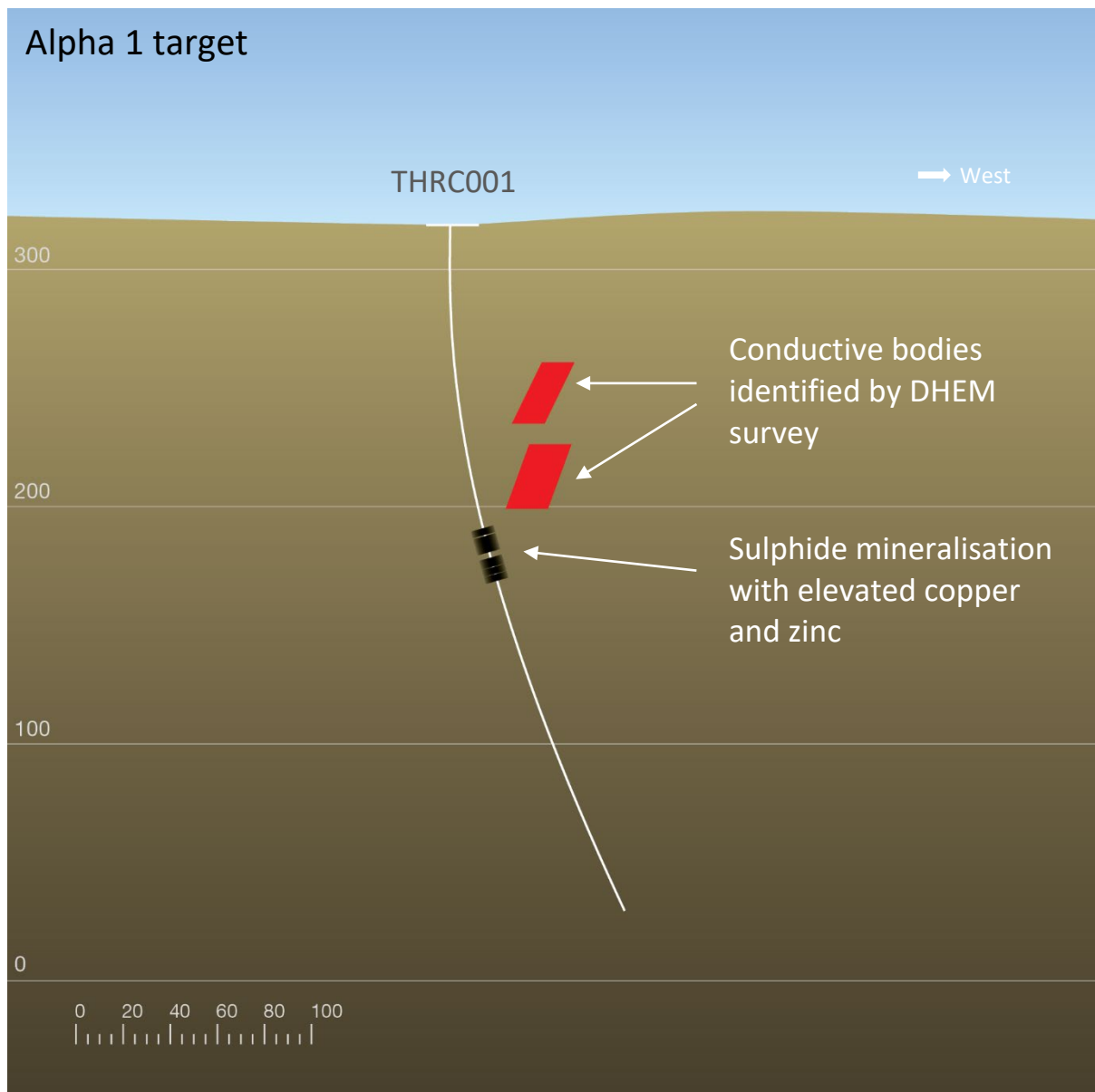


Figure 3: Modelling of the down hole electromagnetic (DHEM) data acquired during Australian Mines' maiden drilling program at Broken Hill suggests that the main conductive source at Alpha 1 is nearby to the significant zone of copper enrichment logged in drill hole THRC001. These off-hole conductors are interpreted as weak to moderate conductors and are considered by the Company's consulting geophysicists to be worthy of follow-up drilling. Australian Mines proposes to drill test these DHEM conductors at Alpha 1 once government-imposed COVID-related travel restrictions have been lifted.

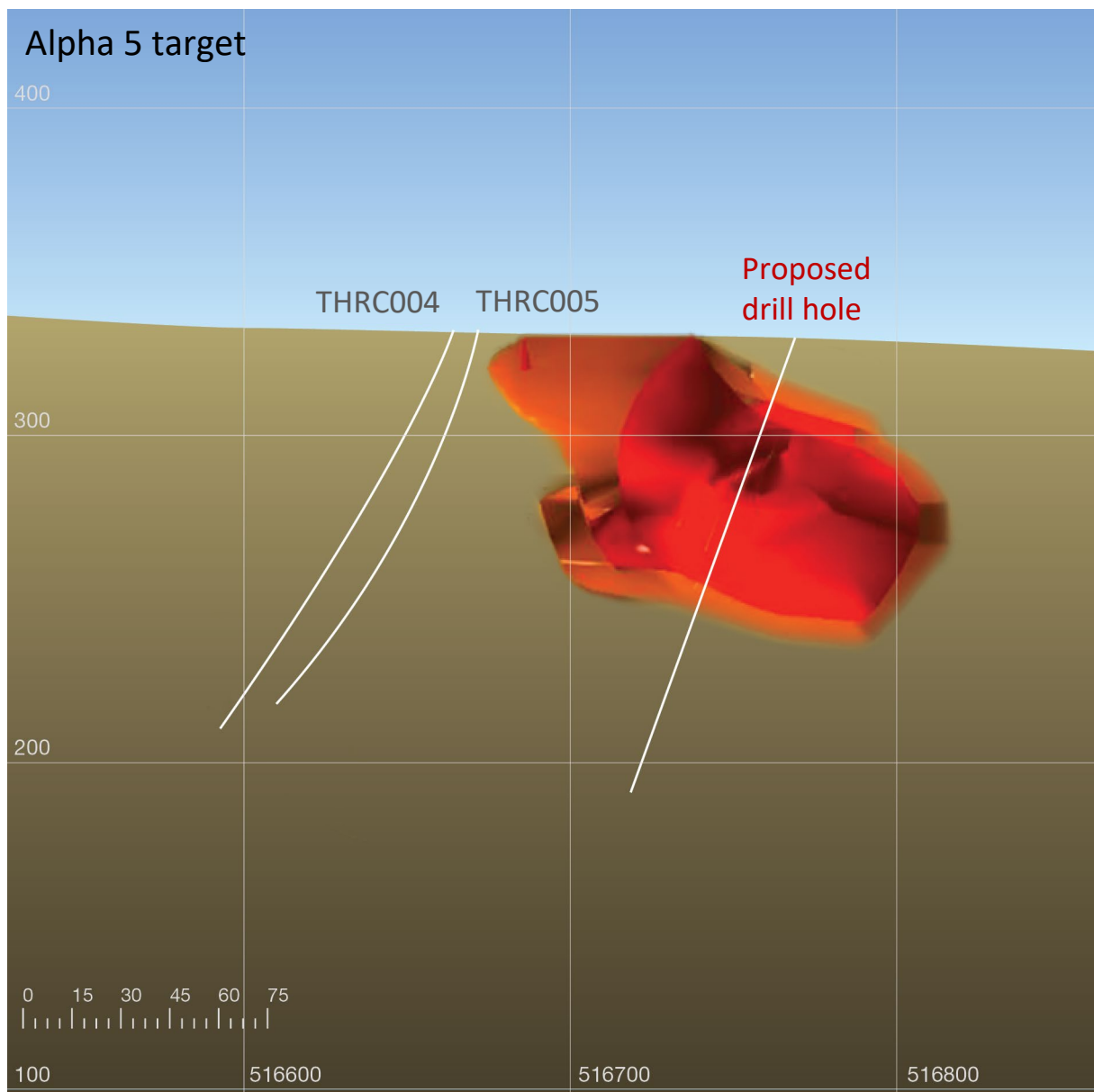


Figure 4: Drill holes THRC004 and THRC005 were targeting a speculative Versatile Time Domain Electromagnetic (VTEM) anomaly at the Alpha 5 target. Interpretation of the moving loop electromagnetics (MLEM) and Induced Polarisation (IP) surveys, post drilling, suggest that the weak VTEM anomaly is sourced to the east of the original target, has a low resistivity, dips to the west and is stronger at depth (as shown by the red polygon in this image). Holes THRC004 and THRC005 have low metal values throughout their entire length, except for a small interval of 2 metres @ 0.13 g/t gold and 0.14% copper from 81 metres down hole in THRC005. This interval, which contains trace amount of sphalerite (zinc sulphide) and galena (lead sulphide) highlights that a source for these metals (namely, lead-zinc-silver+gold) is potentially present proximally to these holes at the Alpha 5 target. Australian Mines, therefore, proposes to drill test the EM conductor at Alpha 5 (as shown by the red polygon in this image) once government-imposed COVID-related travel restrictions have been lifted.

*** ENDS ***

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

Benjamin Bell
Managing Director
Australian Mines Limited
info@australianmines.com.au
www.australianmines.com.au



Australian Mines is a member of IRMA, the Initiative for Responsible Mining Assurance. This means we are participating in, and supporting, credible independent third-party verification and certification against a comprehensive best-practice standard that addresses the range of environmental and social issues related to industrial-scale mines.

Additionally, Australian Mines 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, minimizes harm to the environment, and leaves positive legacies.



Appendix 1: Drill hole location and depths in Geocentric Datum of Australia
(GDA94 / MGA Zone 54)

Hole ID	Easting (Metres)	Northing (Metres)	Elevation (Metres)	Hole Depth (Metres)	Azimuth (Degrees)	Dip
THRC001	518299	6452749	316	306	000	-90
THRC002	518333	6452701	317	312	282	-60
THRC003	518128	6452833	318	300	117	-60
THCR004	516664	6453751	332	156	307	-60
THRC005	516670	6453745	331	138	310	-70



Appendix 2: Laboratory assay results⁸ indicate sulphide mineralisation within anomalous lead, zinc, silver and copper were observed across all five holes drilled at the Alpha 1 and Alpha 5 targets⁹ within Australian Mines' Broken Hill Project in New South Wales, Australia.

Hole ID	From	To	Length ¹⁰ (Metres)	Silver (g/t)	Copper (ppm)	Lead (ppm)	Sulphur (ppm)	Zinc (ppm)
THRC001	10	11	1	1	401	164	100	929
THRC001	12	13	1	5.3	679	92	400	535
THRC001	19	22	3	0.8	69	61	500	571
THRC001	29	30	1	0.9	722	35	6400	258
THRC001	38	40	2	0.7	97	55	650	743
THRC001	49	52	3	0	5	101	133	782
THRC001	65	70	5	2	132	69	500	560
THRC001	109	110	1	0	164	23	2000	44
THRC001	126	133	7	2	531	117	3643	557
THRC001	129	151	22	1	1013	56	17759	319
<i>includes</i>	<i>133</i>	<i>138</i>	<i>5</i>	<i>1</i>	<i>1540</i>	<i>19</i>	<i>31400</i>	<i>379</i>
THRC001	177	178	1	0.5	171	43	2800	524
THRC001	187	188	1	1	565	25	6800	272
THRC001	207	209	2	1	549	25	450	184
THRC002	44	51	7	17	1000	1455	3029	1553
<i>includes</i>	<i>49</i>	<i>50</i>	<i>1</i>	<i>113</i>	<i>6040</i>	<i>6860</i>	<i>10700</i>	<i>3470</i>
THRC002	62	63	1	0.8	80	79	300	625
THRC002	72	73	1	2.2	677	56	700	229
THRC002	97	100	3	0	3	677	100	21
THRC002	120	124	4	0.5	58	64	1200	896
THRC002	129	137	8	0.6	67	96	1000	521
THRC002	181	182	1	0.9	659	21	11400	528
THRC002	201	203	2	1	715	33	950	186
THRC003	1	10	9	0	63	84	144	851
THRC003	32	33	1	0	976	32	25000	374
THRC003	33	35	2	0	82	39	1550	570
THRC003	63	65	2	0	219	156	2700	817
THRC003	69	71	2	0.6	668	47	7950	379
THRC003	139	140	1	0	618	16	8800	216
THRC003	148	149	1	0	561	14	6000	203
THRC003	166	167	1	1.7	1580	17	1700	282

⁸ Further information, including cut-off grades, internal dilution intervals, and sample preparation and analysis techniques are described in detail in Appendix 3 of this report

⁹ Drill holes THRC001, THRC002 and THRC003 = Alpha 1 target

Drill holes THRC004 and THRC005 = Alpha 5 target

¹⁰ Lengths are reported at apparent (down hole) widths

THRC004	49	51	2	0	195	17	8450	74
THRC004	82	88	6	0	260	38	7267	178
THRC004	128	133	5	0	246	23	7000	54
THRC005	81	83	2	0	1254	29	19800	67
THRC005	101	102	1	0	818	43	10300	102



Appendix 3: JORC Code, 2012 Edition

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30-g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<p>The geophysical techniques used are deemed appropriate for the style of exploration.</p> <p>UTS Geophysics flew a Versatile Time domain Electromagnetic (VTEM-max) survey over Australian Mines Thackaringa tenement EL8477 on 100 metre spaced northwest-southeast lines.</p> <p>The VTEM system recorded the total magnetic intensity and the Z and X component of the coil EM response (SF(z,x)). The SF(z,x) which was then transformed to give an estimate of the B-field EM response (BF(z,x)). The Bfield transformation is useful because it highlights the responses from better conductors and dampens the overburden/weathering response.</p> <p>The VTEM data is digitally recorded with 50 channels for each of the Z+X SF coil responses, and 50 channels for each for the (calculated) Z+X BField responses.</p> <p>The ground electromagnetic (EM) survey was carried out at a 100 metre line spacing with 25 metre stations using Monex 3C dB/dt sensor and SMARTem24 receiver by Merlin Geophysical Solutions.</p> <p>EM configuration: Moving in-loop configuration was used. A 100 x 100 metre transmitter loop with 2 turns to generate 60amps equivalent with a base frequency of 1Hz. Three consistent readings taken at each station.</p> <p>EM and Induced Polarisation (IP) Survey locations collected by handheld 12 channel GPS.</p> <p>The DHTEM was carried out by Merlin Geophysical Solutions using a Geonics BH43 Bore hole probe and EMIT</p>

Criteria	JORC Code explanation	Commentary
		<p>Smartem 24 receiver. The Pheonix 30Kva transmitter powered the surface loops at 1Hz.</p> <p>The IP survey used the dipole dipole array in the time domain with a spacing of 50 metre recording to N=10 on 50 metre line spacing at 0.125Hz base frequency</p> <p>Reverse circulation drilling was used to obtain 1 metre samples from which 3 to 4 kilograms samples were rotary split for assay.</p> <p>Assay samples were completely pulverised before subsamples were split for fire assay and multi-element assay.</p> <p>Field duplicate samples were collected every 40 samples to test reproducibility of results.</p> <p>Careful drill operation allowed ground water to be controlled and dry samples collected. Over 99% of samples were recovered dry.</p> <p>Regular cleaning of drill rig sampling equipment undertaken to minimise contamination.</p>
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<p>Reverse circulation drilling using a track mounted UDR1200 rig with auxiliary and booster compressors. Nominal 140mm hole size.</p>
Drill sample recovery	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<p>Recovery considered good with between 30 and 35 kilograms per metre recovered.</p> <p>Careful drill operation allowed ground water to be controlled and dry samples collected. Over 99% of samples were recovered dry.</p>
Logging	<ul style="list-style-type: none"> <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support</i> 	<p>Systematic logging of all intervals at the rig as drilled.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <ul style="list-style-type: none"> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	<p>Logging includes lithology, grainsize, textures, vein quartz %, and ore mineralogy. No structural data was recorded due to the nature of RC drilling.</p> <p>Magnetic susceptibility recorded on 1metre intervals.</p> <p>Reverse circulation drilling was used to obtain 1 metre samples from which 3 to 4 kilogram samples were rotary split for assay.</p> <p>Assay samples were completely pulverised before subsamples were split for fire assay and multi-element assay.</p> <p>Field duplicate samples were collected every 40 samples to test reproducibility of results.</p> <p>Careful drill operation allowed ground water to be controlled and dry samples collected. Over 99% of samples were recovered dry.</p> <p>Regular cleaning of drill rig sampling equipment undertaken to minimise contamination.</p> <p>Sample sizes are considered appropriate to the grain size of the material being sampled.</p>
<p>Sub-sampling techniques and sample preparation</p>	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<p>Reverse circulation drilling was used to obtain 1 metre samples from which 3 to 4 kilogram samples were rotary split for assay.</p> <p>Assay samples were completely pulverised before subsamples were split for fire assay and multi-element assay.</p> <p>Field duplicate samples were collected every 40 samples to test reproducibility of results.</p> <p>Careful drill operation allowed ground water to be controlled and dry samples collected. Over 99% of samples were recovered dry.</p> <p>Regular cleaning of drill rig sampling equipment undertaken to minimise contamination.</p>

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<p>Sample sizes are considered appropriate to the grain size of the material being sampled.</p> <p>Assay performed by reputable laboratory, (ALS Chemex Orange and Brisbane).</p> <p>Assay samples were completely pulverised before subsamples were split for fire assay and multi-element assay.</p> <p>A 30 gram subsample was assayed by fire assay for gold, platinum and palladium (method PGM-ICP27).</p> <p>A 0.25g subsample was assayed for 33 elements after four-acid digestion (method ME-ICP61).</p> <p>Certified reference materials inserted every 40 samples. Field duplicates inserted every 40 samples.</p> <p>Acceptable levels of accuracy and precision have been established.</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<p>For the Geophysical surveys the data was inspected, and quality control was carried out using Newexco proprietary software and EMIT SMT24 software.</p> <p>All digital data was inspected on a daily basis to ensure that erroneous data was not present.</p> <p>From drilling, data entry directly into spreadsheets. Initial validation by field staff. Data passed on to data management group (Expedio), for validation and storage in a relational database.</p> <p>No twinned holes drilled.</p> <p>No adjustment of assay data.</p>
Location of data points	<ul style="list-style-type: none"> <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<p>The MGA94 UTM zone 54 coordinate system was used for all undertakings.</p> <p>GPS navigation system utilising the Novatel GPS receiver provided in-flight navigation control. This system determines the absolute position of the helicopter in three dimensions with as many as 11 GPS satellites monitored at any one time. This is deemed to provide an in-flight accuracy of approximately 3 metres.</p>

Criteria	JORC Code explanation	Commentary
		<p>A radar altimeter system records the ground clearance to an accuracy of approximately 1 metre</p> <p>All geophysical data is presented in GDA94 / MGA zone 54.</p> <p>Drill hole locations obtained using post-processed differential GPS to ± 0.1 metre</p> <p>Down hole path established using "Proshot" electromagnetic survey tool with magnetic interference assessed and considered minimal.</p> <p>All drilling data is presented in GDA94 / MGA zone 54.</p>
<p>Data spacing and distribution</p>	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<p>The VTEM data were acquired on tight line spacing of 100 metre which is deemed suitable for the geological terrain and targeted mineralisation styles.</p> <p>The ground EM survey was carried out at a 100 metre line spacing with 25 metre station spacing.</p> <p>The DHEM survey used 5 and 10 metre station spacing.</p> <p>The IP survey used a 50 metre station spacing.</p> <p>Initial drilling in this area. Data spacing and distribution is insufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource.</p> <p>Sample compositing has not been applied.</p>
<p>Orientation of data in relation to geological structure</p>	<p>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</p>	<p>The VTEM survey was completed on northwest-southeast orientated flight lines being perpendicular to the predominant geological strike. The orientation of structures and mineralisation is not known with certainty.</p> <p>The EM and IP survey was oriented east-west (lithological trends are unknown).</p> <p>Due to the initial nature of the drilling and the multiply deformed geology</p>

Criteria	JORC Code explanation	Commentary
		<p>present orientation sampling bias is unclear.</p> <p>Holes were orientated to cross modelled EM conductors at a high angle.</p>
Sample security	The measures taken to ensure sample security.	<p>For the EM survey, all data were acquired by Merlin Geophysical Solutions. Newexco Services provided data analysis, which was then reported to the Company's representatives.</p> <p>For drilling, samples delivered directly from drill rig to reputable courier company for transport to Rangott Mineral Exploration Orange where samples were checked prior to delivery to ALS Chemex Orange</p>
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	No audits or reviews have been carried out.



Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<p>Australian Mines' <i>Broken Hill Project</i> is located 22 kilometres southwest of the township of Broken Hill in New South Wales (Australia) and comprises Exploration Licence number (EL) 8477</p> <p>Australian Mines is the registered owner of EL8477 and holds 100% interest in this tenement.</p> <p>There are no third-party agreements, royalties or similar associated with this tenement.</p> <p>EL8477 is in 'good standing' with recent historic minimum expenditure met or exceeded.</p>
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<p>1970s – MacPhar Frequency Domain Induced Polarisation (IP) Suvey</p> <p>1984 – Geoterrex Fixed Loop Electromagnetic Survey</p> <p>1996 – BHP Geotem (electromagnetic) survey</p> <p>2000 – NSW Government aeromagnetic survey</p>
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<p>Australian Mines' Broken Hill tenement EL8477 lies 22 kilometres southwest of the township of Broken Hill.</p> <p>The tenement is considered prospective for Broken Hill-type lead-zinc-silver mineralisation.</p> <p>The area consists of the highly metamorphosed packages of the Willyama SuperGroup.</p> <p>Importantly, from the perspective of airborne electromagnetic (EM), the area has minimal conductive overburden and graphitic shales have not (yet) been detected. This means that:</p> <ol style="list-style-type: none"> depth of investigation using EM methods is much improved compared to areas with conductive overburden and there are likely to be fewer non-prospective responses to distract from sulphide EM responses

Criteria	JORC Code explanation	Commentary
Drill hole Information	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	See Appendix 1 and Appendix 2 of this report.
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<p>Samples reported on a distance weighted method with up to 1 metre of internal dilution.</p> <p>No cutting of high grades has been undertaken</p>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<p>Due to the preliminary nature of this drilling and the complex highly deformed nature of the area, the geometry of any mineralisation is not known.</p> <p>Holes were orientated to cross modelled EM conductors at a high angle.</p> <p>Only down hole lengths are reported.</p>
Diagrams	<ul style="list-style-type: none"> • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations 	Appropriate maps and sections are included in the body of this report.

Criteria	JORC Code explanation	Commentary
	<i>and appropriate sectional views.</i>	
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	All significantly anomalous results reported in tables in the body of this report.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<p>Other exploration data collected by the Company is not considered as material to this report at this stage.</p> <p>Further data collection will be reviewed and reported when considered material.</p>
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<p>Further exploration work may include additional RC or diamond drilling.</p> <p>Drill holes may be cased with PVC to enable DHEM surveys to be completed once each hole has been drilled.</p>



Competent Person's Statement

Information in this report that relates to the Broken Hill Project's Exploration Results are 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.

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 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 Limited does not undertake to update or revise 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.

Not for release or distribution in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

