

5 May 2021

Drill program to test for lead-zinc-silver mineralisation commences at Broken Hill Project, New South Wales

Australian Mines Limited (“Australian Mines” or “the Company”) (Australia ASX: AUZ; USA OTCQB: AMSLF; Frankfurt Stock Exchange: MJH) advises that it has commenced a follow up reverse circulation (RC) drilling program at its 100% owned Broken Hill Project in the iconic Broken Hill mining region of New South Wales, Australia.

The five-hole drill program (totalling approximately 1,200 metres of drilling), which is expected to take three weeks to complete¹, is designed to test the downhole electromagnetic (DHEM) anomalies identified during the Company’s successful October 2020 RC drill program².

These DHEM anomalies pointed to off-hole conductive sources, suggestive of sulphide mineralization, at both the Alpha 1 and Alpha 5 targets³.

The positive exploration results to date⁴, which suggest the presence of several encouraging Broken Hill style lead-zinc-silver targets at the Broken Hill Project, coupled with Australian Mines’ project being located along strike of, and hosting the same geology as, the supergiant lead-zinc-silver orebody at Broken Hill⁵ (see Figure 1), gives the Company a great deal of encouragement to pursue this low cost, follow up work.

Whilst Australian Mines’ primary focus remains the advancement and development of our flagship Sconi Project in North Queensland, the Board is committed to maximizing value for shareholders by endeavouring to unlock the full potential of each project within the Company’s asset portfolio, including both the Broken Hill and Flemington Projects⁶.

¹ Results from this program are anticipated to be received eight to ten weeks after the completion of drilling.

² Australian Mines Limited, Positive results support additional drilling at Broken Hill Project, New South Wales, released 6 October 2020

³ Australian Mines Limited, Positive results support additional drilling at Broken Hill Project, New South Wales, released 6 October 2020

⁴ Australian Mines Limited, Positive results support additional drilling at Broken Hill Project, New South Wales, released 6 October 2020

⁵ Australian Mines Limited, Positive results support additional drilling at Broken Hill Project, New South Wales, released 6 October 2020

⁶ See Australian Mines Limited’s announcement of 6 April 2021 titled *Geophysical survey commenced over porphyry copper-gold target at Flemington Project, New South Wales* for more information on the Company’s exploration program for its 100% owned Flemington Project in New South Wales, Australia.

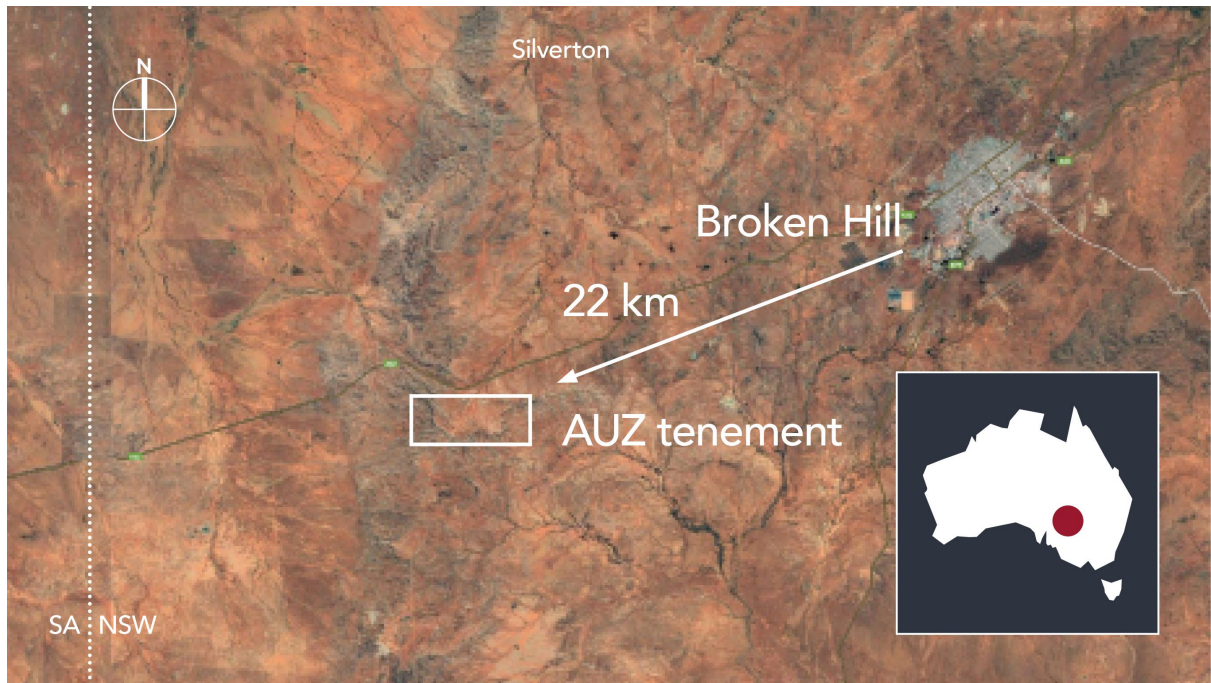


Figure 1: Australian Mines' 100%-owned Broken Hill Project is located along strike of, and has the same interpreted geology as, the nearby supergiant Broken Hill lead-zinc-silver deposit.

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

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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.



Competent Person's Statement

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 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.

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