

12 April 2022

Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

ASX RELEASE

Exploration update – West Kimberley Project

Australian Mines Limited (“Australian Mines” or “the Company”) is pleased to provide the accompanying update in relation to exploration activities recently completed at the West Kimberley Project¹ in Western Australia by the Company’s wholly owned subsidiary, Eos Resources Pty Ltd.

As previously announced by the Company², and as part of the Board’s review of Australian Mines’ capital and corporate structure, the Board intends to seek shareholder approval during the 2022 calendar year to demerge the Company’s non-core exploration assets into a new exploration-focused company³.

The intention of demerging non-core assets is to simplify Australian Mines’ investment proposition while focusing its efforts on maximising shareholder returns through the development of its laterite hosted Sconi and Flemington Projects and the ongoing optimisation of the production stream thereafter.

Following the demerger, the Company’s Sconi Project and the laterite-hosted cobalt, nickel, and scandium mineral rights⁴ of the Flemington Project (including the existing cobalt-scandium Mineral Resource)⁵ will be retained within Australian Mines.

¹ previously the Lennard Project.

² Australian Mines Limited, Quarterly Activities Report for the period ended 30 September 2021 (ASX: 25 October 2021).

³ As announced by the Company on 25 October 2021 (Quarterly Activities Report for the period ended 30 September 2021), Australian Mines also intends to seek shareholder approval in 2022 to demerge the Company’s non-core exploration assets into a new copper-gold-nickel (sulphide) exploration focussed company.

⁴ ‘Mineral Rights’ means the rights to lateritic nickel, cobalt, and scandium minerals from New South Wales exploration licence EL7805.

⁵ 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



ENDS

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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.

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.

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 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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ASX ANNOUNCEMENT | APRIL 2022

Priority targets identified at West Kimberley Project, Western Australia



eos
RESOURCES



Highlights

- Exploration work targeting massive nickel sulphide mineralisation identified priority Targets A, C and T for follow up studies
- Drill testing recommended for priority Targets A and T, with drill collar location identified for priority Target T.
- The combination of airborne electromagnetic surveys, machine learning and artificial intelligence located a total of 23 potential targets.



Socially conscious, clean energy resources company, Eos Resources Pty Ltd (“Eos Resources” or the “Company”), has identified three priority sites at its West Kimberley Project in Western Australia (see Appendix 1: Figure 1 and Table 1). The discoveries were made as part of an airborne electromagnetic (AEM) survey that integrated artificial intelligence and machine learning to analyse the AEM data in conjunction with other remotely sensed information.

The AEM surveys objective was to assess the likelihood of massive nickel sulphide mineralisation at the West Kimberley Project. As part of that process, multiple secondary sites were identified (see Appendix 1: Figure 2) with recommendations for immediate follow up work on priority Targets A, C and T.

Priority Target T is a magnetic bullseye and a near symmetric anomaly . It is modelled as a south-dipping body and a drill hole for 300 metres is being designed to test the modelling (see Appendix 1: Figure 3), with the indicative drill collar position as shown in Figure 4 of Appendix 1 of this report .

Priority Target A is a 3-kilometre-long linear magnetic anomaly (see Appendix 1: Figure 5) and is the strongest AEM anomaly recorded during the Company’s 2021 AEM survey. A two-stage exploration program is recommended for Target A. Stage 1, involves a geological mapping, gossan search, and soil geochemistry program to be undertaken immediately this tenement is granted to rule out any AEM interference from a surface conductor such as a fence. It should be noted that while Target A follows a track there is no fencing evident in the AEM survey imagery. Stage 2 involves drill testing once interference from a surface conductor has been ruled out.

Priority Target C, (see Appendix 1: Figure 6) is a low amplitude short strike length AEM anomaly that is possibly plunging west. Target C appears to have a real bedrock source and is recommended for ground follow up by the Company's geophysical consultants.

Eos Resources commented: "Identifying three priority sites is highly positive news for Eos Resources and our ambition to resource the global clean energy economy. West Kimberley is adjacent to and shares the same geological setting as, Chalice Mining's Hawkstone Project and Independence Group's West Kimberley Joint Venture, both targeting nickel sulphide mineralisation".

Authorised for release by the Board of Eos Resources

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- 1) Newexco, An Interpretation of the Airborne Electromagnetic Survey at Lennard River, October 2021.
- 2) Newexco, Parametric model of Anomaly T magnetic response, March 2022
- 3) The Company proposed to undertake a ground electromagnetic (EM) survey over the modelled body prior to drilling to enable Eos Resources to confirm the optimal drill collar location
- 4) The southern part of the West Kimberley Project (tenement E04/2529) falls within the proposed Fitzroy River National Park. The Company understands that its tenement application may not be finalised by the Government of Western Australia Department of Mines, Industry Regulation and Safety until after the determination of the proposed National Park. Targets A and C are situated outside the area of the proposed Fitzroy River National Park, whereas Target T occurs near the boundary of the proposed National Park.
- 5) Newexco, An Interpretation of the Airborne Electromagnetic Survey at Lennard River, October 2021
- 6) <https://chalicemining.com/project/hawkstone-nickel-copper-cobalt-project>
- 7) <https://www.igo.com.au/site/exploration/kimberley-project>



West Kimberley Project



Figure 1

West Kimberley Project adjoins the Independence Group’s West Kimberley Joint venture and Chalice Mining’s Hawkstone Project who, like Eos Resources, are targeting magmatic nickel-copper sulphide mineralisation across this emerging nickel belt



Table 1: Priority anomalies summary table

Name	Priority	Comment
T	1	350 nanotesla (nT) bullseye magnetic anomaly
A	1	Conductive body that appears to follow geology and track/road
C	1	Short strike length conductive body, with unknown dip, and which is represented by a change on vegetation on surface

8) <https://www.igo.com.au/site/exploration/kimberley-project>

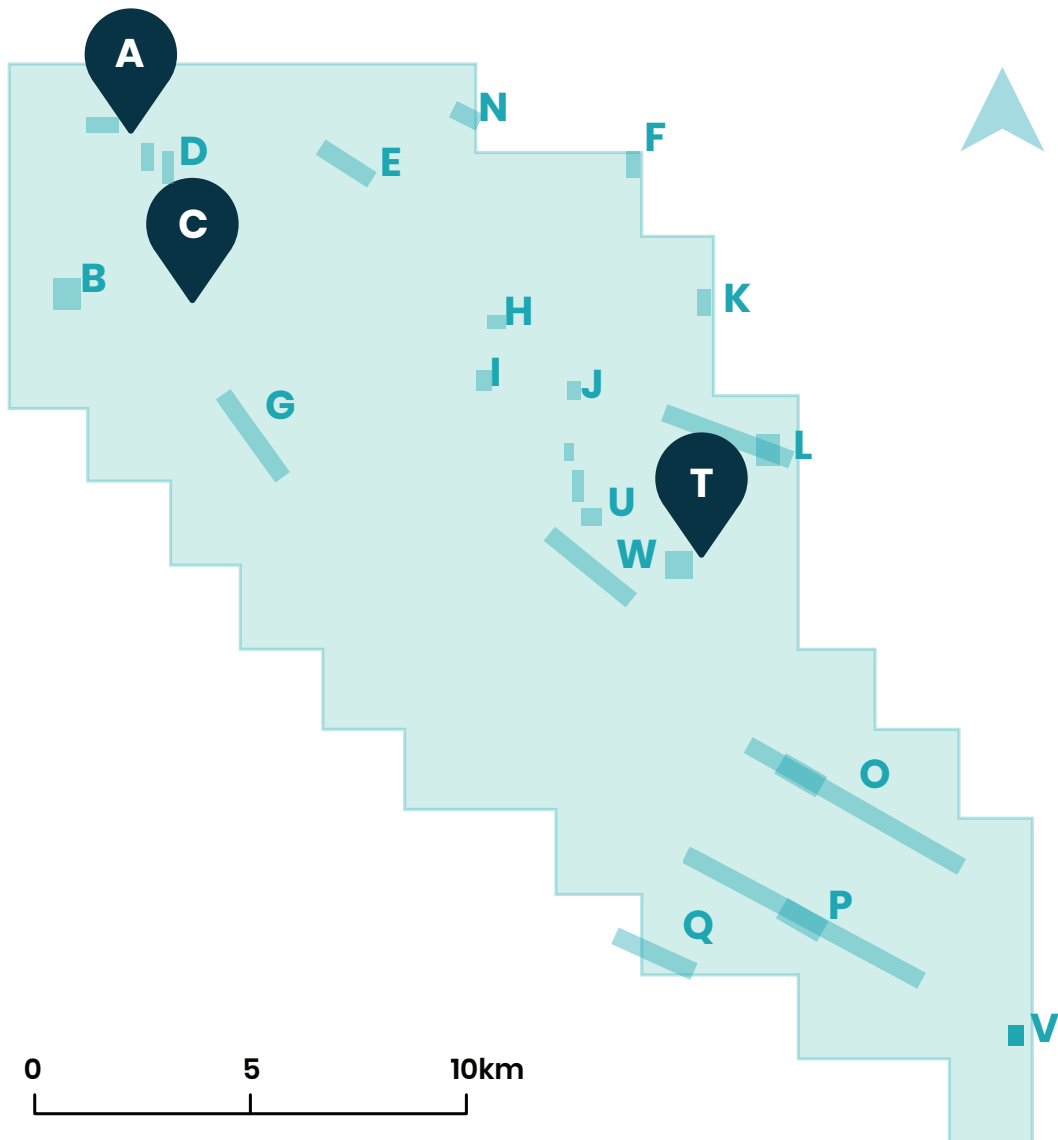
9) <https://chalicemining.com/project/hawkstone-nickel-copper-cobalt-project>



West Kimberley Project

Figure 2

Multiple anomalies identified across the survey area (as labelled), with recommendations for priority Targets A, C and T to be the focus of follow up field studies and, in the case of priority Target T, drill testing.



West Kimberley Project

Figure 3

West Kimberley magnetic modelling view of priority Target T, with Magnetic Peak grid (adjusted)

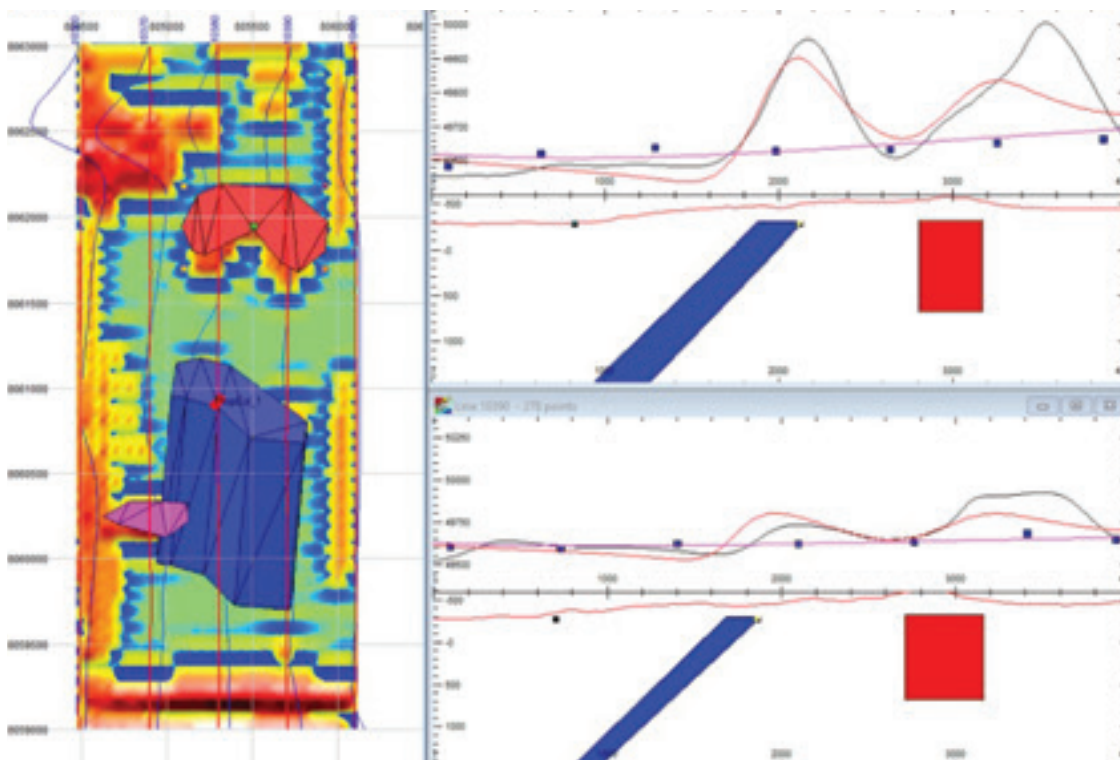
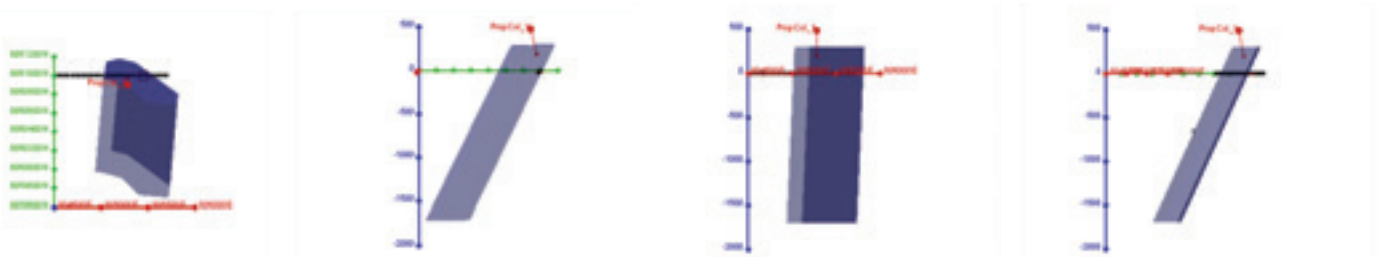


Figure 4

Priority Target T proposed drill hole, clockwise: plan looking north, looking east and oblique sections



West Kimberley Project

Figure 5

Priority Target A with modelled plates over clusters from AEM, of particular interest are the correlation with geological and magnetic features which support further field work to define this anomaly

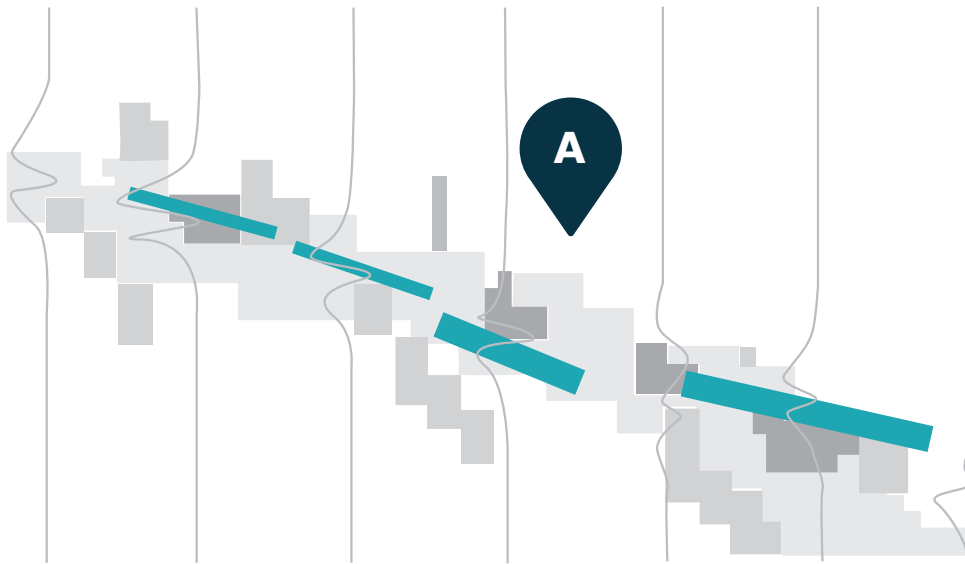
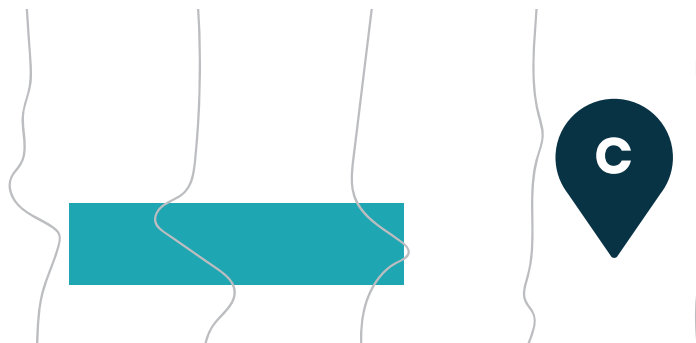


Figure 6

Priority Target C is of interest due to it being more conductive than the typical surface conductor at West Kimberley, thereby making it a priority site for ground follow up



West Kimberley Project

Table 1: Sampling Techniques and Data

Criteria

Sampling techniques

JORC Code explanation

- Nature and quality of sampling (e.g., 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.
- Include reference to measures taken to ensure sample representativity and the appropriate calibration of any measurement tools or systems used.
- Aspects of the determination of mineralisation that are Material to the Public Report.
- In cases where 'industry standard' work has been done this would be relatively simple (e.g., '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 (e.g., submarine nodules) may warrant disclosure of detailed information.

Commentary

Airborne electromagnetic (AEM) system Xcite was used as the West Kimberley Project. See below for specifications and calibration. This system is considered adequate for exploration for large conductive bodies in this highly resistive terrain.

Drilling techniques

JORC Code explanation

- Drill type (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.).

Commentary

Not applicable as no drilling was undertaken as part of this exploration program.

Table 1 continued: Sampling Techniques and Data

Criteria

Drill sample recovery

JORC Code explanation

- Method of recording and assessing core and chip sample recoveries and results assessed.
- Measures taken to maximise sample recovery and ensure representative nature of the samples.
- 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.

Commentary

Not applicable as no drilling was undertaken as part of this exploration program.

Logging

JORC Code explanation

- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.
- Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.
- The total length and percentage of the relevant intersections logged.

Commentary

Not applicable as no drilling was undertaken as part of this exploration program.

Table 1 continued: Sampling Techniques and Data

Criteria

Sub-sampling techniques and sample preparation

JORC Code explanation

- If core, whether cut or sawn and whether quarter, half or all core taken.
- If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.
- For all sample types, the nature, quality and appropriateness of the sample preparation technique.
- Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.
- 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.
- Whether sample sizes are appropriate to the grain size of the material being sampled.

Commentary

Not applicable as no drilling was undertaken as part of this exploration program.

Quality of assay data and laboratory tests

JORC Code explanation

- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.
- 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.
- Nature of quality control procedures adopted (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e., lack of bias) and precision have been established.

Commentary

<i>XCite AEM system</i>	<i>Gate timing 0.04ms onward</i>	<i>Calibration High level flights and system response removed from survey, DC offset applied.</i>
<i>Configuration Concentric</i>	<i>Magnetometry Scintrex CS3</i>	<i>Lag and Parallax correction calibrated on each flight and applied to data</i>
<i>Components dBxz/dt, Bxz.</i>	<i>Magnetometer sampling 20Hz</i>	<i>Laser calibrated on each flight.</i>
<i>Moment 300000NIA</i>	<i>Base station corrected, no tie lines</i>	
<i>Waveform Bipolar Square</i>	<i>Line direction NS</i>	
<i>Frequency 25hz</i>	<i>Line spacing 400m infill 200m</i>	
<i>Ontime 5.4ms</i>	<i>Navigation Novatel DL-V3L1L2</i>	
<i>Number gates 24</i>	<i>Rad Alt SF11/C and SF00(Helli)</i>	
	<i>Airframe: Inflatable</i>	



Table 1 continued: Sampling Techniques and Data

Criteria

Verification of sampling and assaying

JORC Code explanation

- The verification of significant intersections by either independent or alternative company personnel.
- The use of twinned holes.
- Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.
- Discuss any adjustment to assay data.

Commentary

Short strike length anomalies were verified and infilled using 200 metre flight line spacing.

Location of data points

JORC Code explanation

- 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.
Specification of the grid system used.
Quality and adequacy of topographic control.

Commentary

Novatel DL-V31L12 considered adequate for this survey type using UTM WGS84.

Data spacing and distribution

JORC Code explanation

- 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.

Commentary

Line spacing 400 metre sensor height, 30 metre north-south data gridded to 80 metre cell size using Geosoft Billine.

Table 1 continued: Sampling Techniques and Data

Criteria

Orientation of data in relation to geological structure

JORC Code explanation

- 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.

Commentary

The line spacing and orientation of the survey is considered adequate for this style of target and geologic interpretation.

Sample security

JORC Code explanation

- The measures taken to ensure sample security.

Commentary

Data only released to Newexco

Audits or reviews

JORC Code explanation

- The results of any audits or reviews of sampling techniques and data.

Commentary

High level flights checked system noise.

West Kimberley Project

Table 2: Reporting of Exploration Results

Criteria

Mineral tenement and land tenure status

JORC Code explanation

- 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.

Commentary

The West Kimberley Project comprises tenement E04/2529 in Western Australia's Kimberley region. The tenement was acquired from the applicant Oladipo Minerals Pty Ltd by Eos Resources' subsidiary, Flemington Mining Operations.

The southern part of the West Kimberley Project (tenement E04/2529) falls within the proposed Fitzroy River National Park. The Company understands that its tenement application may not be finalised by the Government of Western Australia Department of Mines, Industry Regulation and Safety until after the determination of the proposed National Park.

Exploration done by other parties

JORC Code explanation

- Acknowledgment and appraisal of exploration by other parties.

Commentary

No previous AEM or geophysical studies used in this interpretation.

Geology

JORC Code explanation

- Deposit type, geological setting and style of mineralisation.

Commentary

Intrusive Massive Nickel Sulphide.



Table 2: Reporting of Exploration Results

Criteria

Drill hole Information

JORC Code explanation

- 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:
 - > 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.

Commentary

Not applicable as no drilling was undertaken as part of this exploration program.

Data aggregation methods

JORC Code explanation

- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. 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. No exploration results are reported for this study. Relationship between mineralisation widths and intercept lengths.
- 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 (e.g. 'down hole length, true width not known').

Commentary

Not applicable as no drilling was undertaken as part of this exploration program.

Table 2: Reporting of Exploration Results

Criteria

Relationship between mineralisation widths and intercept lengths

JORC Code explanation

- 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').

Commentary

Insufficient information is available at this stage to ascertain the true dip of structures and mineralisation.

Diagrams

JORC Code explanation

- 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 and appropriate sectional views.

Commentary

Appropriate maps and sections of IP results are included in the body of this report.

Balanced reporting

JORC Code explanation

- 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.

Commentary

The reported results reflect a full range of intersected widths and grades available to Eos Resources Limited as at the time of this report.

APPENDIX 2 | JORC CODE, 2012 EDITION

Table 2: Reporting of Exploration Results

Criteria

Other substantive exploration data

JORC Code explanation

- 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.

Commentary

Other exploration data collected by the Company is not considered as material to this report at this stage. Further data collection will be reviewed and reported when considered material.

Further work

JORC Code explanation

- The nature and scale of planned further work (e.g., 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.

Commentary

Geological ground inspection of anomalies with possible ground magnetics and electromagnetic (EM) surveys.

APPENDIX 3 | COMPETENT PERSON'S STATEMENT

The information in this report that relates to the West Kimberley Project's Exploration Results is based on information compiled by William Amann, who is a member of the Australian Institute of Geoscientists. Mr Amann is a full-time employee and Managing Director and Principal Geophysicist at Newexco Exploration Pty Ltd. Mr Amann 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 Amann consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

A hand is shown holding a blue and black power tool, possibly a drill or impact driver, against a background of solar panels. The scene is brightly lit, suggesting an outdoor setting. A light blue line graphic starts from the bottom left, loops around the tool, and extends towards the bottom right.

Creating a new standard
in best practice resources
to power our clean
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In the spirit of reconciliation Eos Resources acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

