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16 June 2014

**FARM IN AND JOINT VENTURE – AUSTRALIAN MINES LIMITED –
MARYMIA PROJECT**

Following Riedel Resources Limited's (ASX: RIE) announcement on 30 April 2014 regarding the farm-in and joint venture arrangement with Australian Mines Limited (ASX: AUZ) over exploration licences 52/2394 and 52/2395 (the 'Marymia Project') RIE is pleased to confirm that AUZ has commenced a moving loop electromagnetic survey on the Marymia Project.

Attached is a copy of AUZ's announcement.

Jeff Moore
Managing Director



ASX ANNOUNCEMENT

ASX : AUZ

16 June 2014

Electromagnetic survey commenced at Marymia copper-gold-nickel project, Western Australia

Australian Mines Limited (“Australian Mines” or “the Company”) is pleased to report that the Company has commenced a moving loop electromagnetic (EM) survey at its Marymia copper-gold-nickel project in Western Australia. The Marymia project is located along strike from Sandfire Resources’ world class DeGrussa Copper-Gold Mine where a total mineral resource of 13.4 million tonnes @ 4.7% copper and 1.9 g/t gold for a total of 634,000 tonnes of copper and 795,000 ounces of gold has been defined¹.

The Jenkin Fault, being the major geological structure that controls the DeGrussa copper-gold ore bodies, extends through Australian Mines’ Marymia project area. Historic exploration, completed prior to the discovery of the nearby DeGrussa mineralisation, delineated three gold-in-soil anomalies within the Company’s project area which are coincident with the Jenkin Fault. A subsequent reconnaissance rotary air blast (RAB) drill program testing the oxide layer at one of these soil anomalies returned encouraging results including 1 metre @ 30.4 g/t gold from 9 metres (hole number NKB388)². Significantly, none of these drill holes were assayed for copper or associated minerals and no exploration programs targeting primary mineralisation have previously been reported for these targets.

The favourable geological setting and positive historic exploration results returned from the Company’s Marymia project confirm its potential to host copper-gold mineralisation. As ground EM was instrumental in the discovery of the primary copper-gold mineralisation at DeGrussa³, Australian Mines has just commenced an EM survey over a number of priority target areas where historic shallow drilling has returned encouraging results in the weathered rock or areas where previous surface geochemistry sampling has delineated soil anomalies.

This survey is scheduled to take four weeks to complete with the final interpreted data being received by the Company in late August.

Australian Mines would seek to commence drill testing of any resulting EM anomalies in the September quarter. Included in any future drill program by Australian Mines are four Plutonic-style gold targets recently identified by the Company. Independent geologists have previously recognised significant similarities between the geology of the Marymia project and the rocks hosting the nearby 5 million ounce Plutonic Gold Mine⁴, and historic drill intersections of 3 metres @ 9.53 g/t gold from 51 metres (BRC23), and 2 metres @ 7.15 g/t gold from 4 metres (RB620)⁴ lend support to the Company’s position that this project has the potential to host repetitions of Plutonic-style gold mineralisation in addition to DeGrussa-style copper-gold mineralisation.

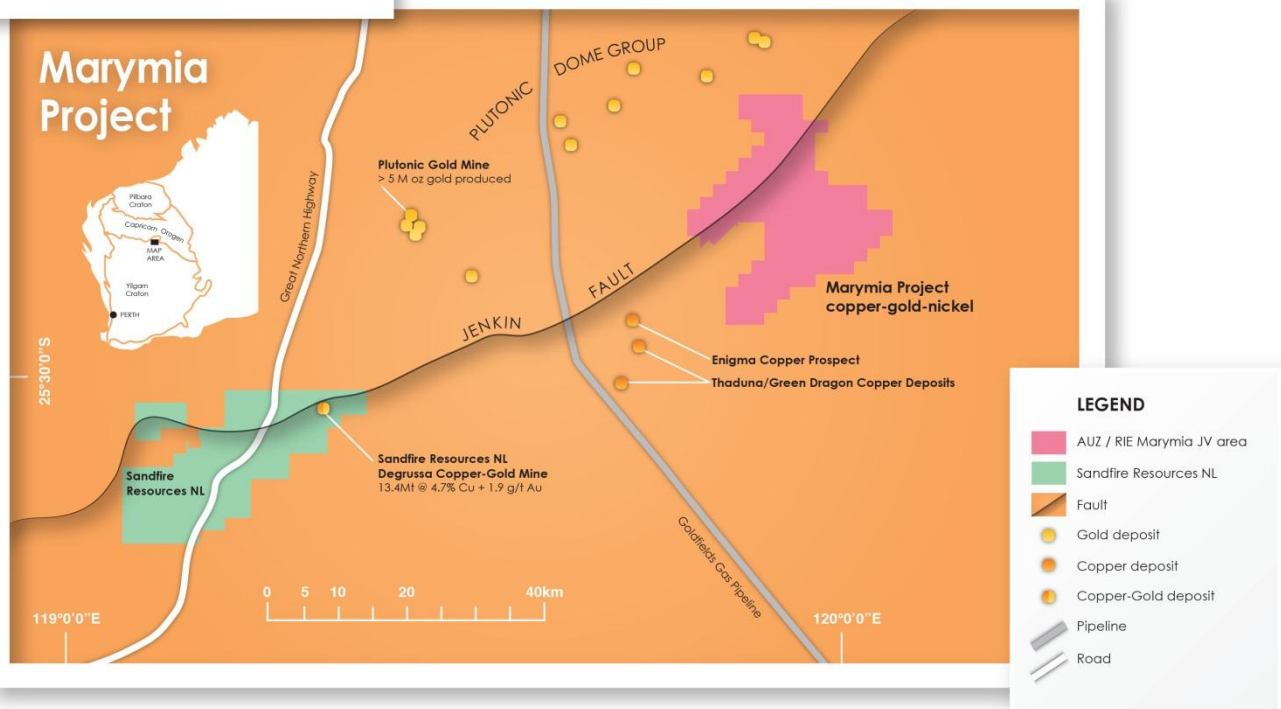


Figure 1: The Marymia Project is located 55 kilometres northeast and along strike of Sandfire Resources' DeGrussa Copper-Gold Mine. The Company's primary target at Marymia is the Jenkin Fault, which is thought to control the mineralisation at DeGrussa.

Managing Director Benjamin Bell commented, *"The EM survey at Marymia will allow the Company to gain a better understanding of the bedrock geology and detect possible primary mineralised zones located beneath the oxide mineralisation previously identified across the project area."*

"Furthermore, the survey will allow us to prioritise the follow-up drill program, which will be designed to further test any bedrock conductor related to potential gold and/or base metal mineralisation that may be present under these initial target zones."

"We are looking forward to updating our shareholders on the forthcoming developments at Marymia and also on our ongoing exploration activities at the Company's Foothills prospect in Western Australia."

*****ENDS*****

For further information, shareholders and media please contact:

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Competent Person's Statement

Information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves 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 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 Bell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

¹ Sandfire Resources NL, 2013 Annual Report

² Growth Resources NL, 1994 Annual Progress Report for Exploration Licence 52/592

³ Sandfire Resources NL, 2009 Annual General Meeting Presentation, released 27 November 2009

⁴ Reidel Resources Limited, Prospectus, released 23 November 2010



About Australian Mines:

Australian Mines Limited (ASX: AUZ) is an Australian-listed resource company targeting gold and base metals deposits. The company is currently acquiring an interest in two key assets in Western Australia, which have demonstrated a potential to host mineralisation.

Marymia Copper-Gold-Nickel Project (Agreement to earn up to 80%)

Australian Mines recently signed a Heads of Agreement with Riedel Resources covering the Marymia copper-gold-nickel project, located 55 kilometres northeast and along strike of Sandfire Resources' world class DeGrussa Copper-Gold Mine.

In addition to targeting VMS-style copper-gold mineralisation, Australian Mines will also be testing for nickel sulphide mineralisation across the Marymia project as historic drilling of the oxide zone has returned encouraging results including 8m @ 1.05% Ni from 16m, 4m @ 1.07% Ni from 28m, and 13m @ 0.74% Ni from 28m (AUZ release: 30 April 2014).

Under the terms of the Agreement announced on 30 April 2014, Australian Mines may acquire a 51% interest in the Marymia project by making a cash payment to Riedel Resources of \$250,000 by 30 October 2014 and spending \$1 million on exploration within an initial two year period. Following the acquisition of the initial 51% Australian Mines may elect to acquire an additional 29% interest (taking the total to 80%) in the project by spending a further \$2 million on exploration within a further 36 month period.

Foothills Gold and Copper Prospect (Farm-In Agreement to earn up to 80%)

In March 2014, Australian Mines entered into a Farm-In and Joint Venture Agreement with Mount Magnet South for the Jumbulyer tenements near Mt Magnet. Included within this tenement package is the advanced Foothills prospect.

Historic scout drilling at Foothills had defined a zone of gold mineralisation extending over 100 metres and remaining open both along strike and at depth. Results returned from this drilling included 16m @ 6.6 g/t Au from 9m, 10m @ 3.3 g/t Au from 20m and 14m @ 2.6 g/t Au from 38m (AUZ release: 7 March 2014).

The Foothills prospect also appears to be an emerging copper target with historic drilling intersecting 19m @ 1.3 % Cu from 1m (AUZ release: 7 March 2014).

Under the joint venture agreement, Australian Mines may acquire a 60% interest in the project by spending \$1 million on exploration within an initial two year period. On expending \$1 million, Australian Mines may acquire an additional 20% interest in the project (for a total of 80%) by spending a further \$2 million on exploration within 48 months of the completion of the initial 60% acquisition (AUZ release: 7 March 2014).



Project Location Map



Australian Mines' Foothills and Marymia projects are located approximately 450 and 850 kilometres northeast of Perth, Western Australia respectively.