

**ASX ANNOUNCEMENT****ASX : AUZ****5 December 2014**

Withdrawal from Jumbulyer Joint Venture

Australian Mines Limited (“Australian Mines” or “the Company”) wishes to advise shareholders that it has withdrawn from the Jumbulyer / Foothills Farm-in and Joint Venture Agreement with Mount Magnet South NL (ASX: MUM) effective from 5 January 2015.

This decision will enable the Company to concentrate its resources on advancing a number of high priority nickel, copper and gold targets recently identified across its Marymia Project in Western Australia, including the Burton prospect where a strong bedrock conductor was recently detected directly below a thick layer of nickel oxide mineralisation¹.

Since entering into the Jumbulyer joint venture within Mount Magnet South in March 2014, Australian Mines has conducted a comprehensive review of the historic drilling that included the construction of a detailed three-dimensional geological model of the Foothills gold and copper prospect, followed by two ground based geophysical surveys and a targeted reverse circulation (RC) drill program.

Whilst results from this work indicated that the project has the potential to host a Quasar-style gold deposit, Australian Mines elected to review its options in relation to Jumbulyer given the success of its ongoing exploration program at Marymia.

Managing Director Benjamin Bell stated, “The decision to withdraw from the Jumbulyer joint venture is in no way reflective of the potential prospectivity of this project. Australian Mines felt that given our recent successes at Marymia, it would be prudent for the Company to focus all available funds on the ongoing exploration at Marymia, which is shaping up to have a number of highly prospective targets.”

*****ENDS*****

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¹ Australian Mines Limited, Conductor detected below nickel oxide mineralisation, released 18 November 2014