

24 June 2021

Gold returned from rock chip sampling over copper-gold target at Flemington Project, New South Wales

Highlights

- Up to 3.90 g/t gold returned from rock chips at porphyry copper-gold target
- Weathered sulphides observed within the rocks hosting gold mineralisation
- Geology at the Flemington Target 1 chargeability anomaly resembles the host geology of copper-gold deposits across the Lachlan Transverse Zone in NSW
- Drilling to commence within four weeks

Australian Mines Limited ("Australian Mines" or "the Company") (Australia ASX: AUZ; USA OTCQB: AMSLF; Frankfurt Stock Exchange: MJH) is pleased to report that a rock chip sampling program undertaken across the distinct chargeability (induced polarisation or IP) anomaly recently reported¹ at its Flemington Project returned strong gold values (up to 3.90g/t gold)².

In addition to the encouraging gold assays returned from this target zone, the geological team conducting this rock chip sampling program noted the presence of minor weathered sulphides (or 'limonite after sulphides') within the vein quartz which hosts gold mineralisation.

Furthermore, the geological team observed K-feldspar (also known as potassium feldspar) +/- epidote alteration within the host rocks at Flemington, which is consistent with the alteration recorded at both CMOC's Northparkes copper-gold deposit³ and Newcrest's Cadia copper-gold deposit⁴.

Encouragingly, the geological team likewise recorded that Australian Mines' Target 1 chargeability anomaly appears to coincide with a large quartz-hornblende monzonite outcrop. For reference, the host geology of CMOC's Northparkes copper-gold deposit is a quartz-hornblende monzonite⁵.

¹ Australian Mines Limited, Geophysical survey identifies porphyry copper-gold target at Flemington Project, New South Wales, released 7 June 2021

² See Table A of this report for the full suite of assays.

³ <https://smedg.org.au/wp-content/uploads/2015/05/Lyeab.pdf>

⁴ <https://link.springer.com/article/10.1007/s00126-001-0233-8>

⁵ <https://smedg.org.au/wp-content/uploads/2015/05/Lyeab.pdf>

The geological team also observed two small groups of old pits and backfilled shafts, approximately 160 metres apart and located near the centre of the Target 1 chargeability anomaly. These workings are collectively known as the “Flemington copper occurrence⁶”. However, no details of production or the period of working are available in the public domain⁷.

The positive results returned from the rock chip sampling program over the Company’s Target 1 at Flemington (both the assays and the associated geological notes / mapping) provide additional support that this area within the Flemington Project potentially hosts porphyry-style copper-gold mineralisation.

A reverse circulation (RC) drill program at the Target 1 anomaly has been designed (see Figure 2 of this report) and is expected to commence within four weeks, subject to the normal statutory approvals having been received.

Further details of the proposed RC drill program will be released prior to its commencement.

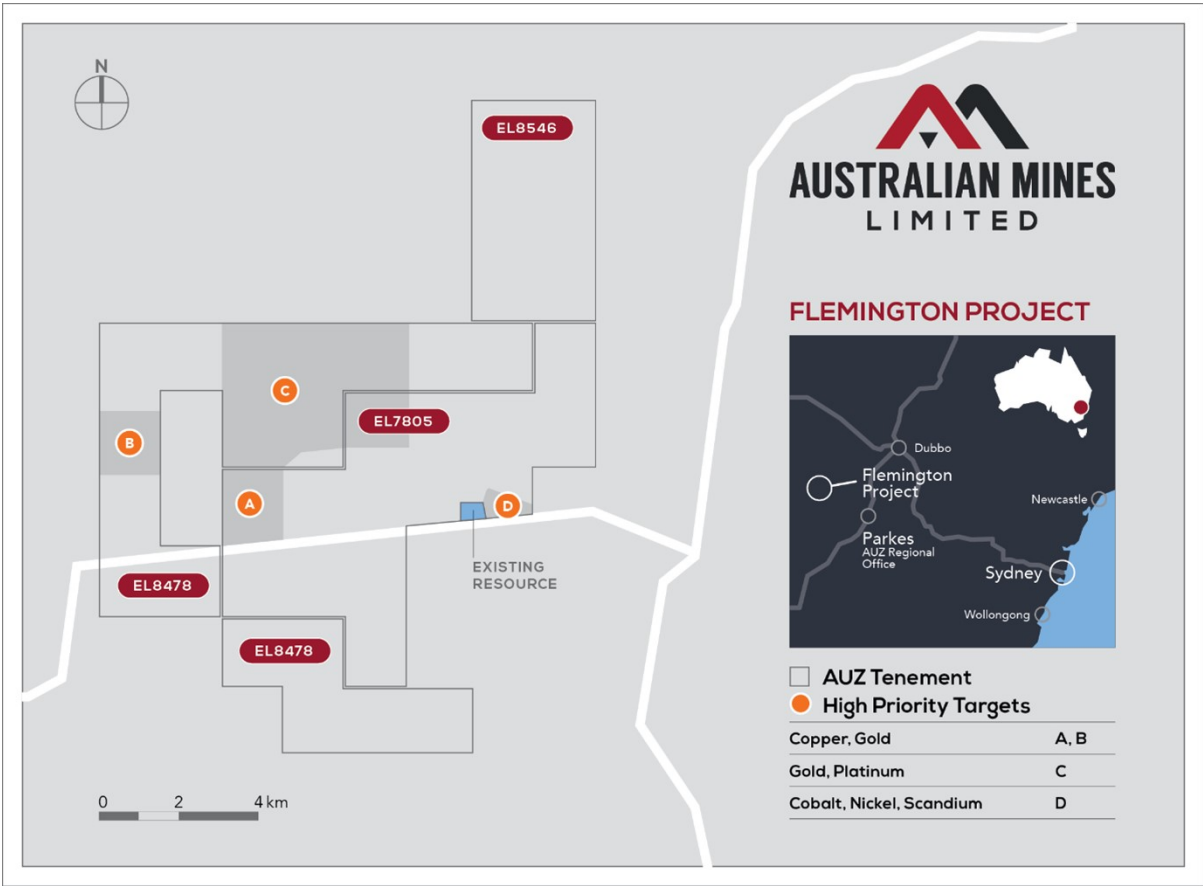


Figure 1: Australian Mines’ 100%-owned Flemington Project is located approximately 370 kilometres west of Sydney in New South Wales, Australia. An independent review, which included utilising machine learning, identified four prospective target areas within the Company’s Flemington Project (labelled targets A, B, C and D in this figure) that warrant follow-up exploration. Copper-gold target (Target A) was the subject of the Induced Polarisation, or IP. Given the highly encouraging results returned from the IP survey over Target A, Australian Mines is proposing to undertake a similar IP survey of the Target B (copper-gold target) towards the end of the current calendar year.

⁶ The Shell Company of Australia Limited (Metals Division), internal company report, November 1986
⁷ Deposit 58 on the Narromine 1:250,000 Metallogenic Sheet (1981)

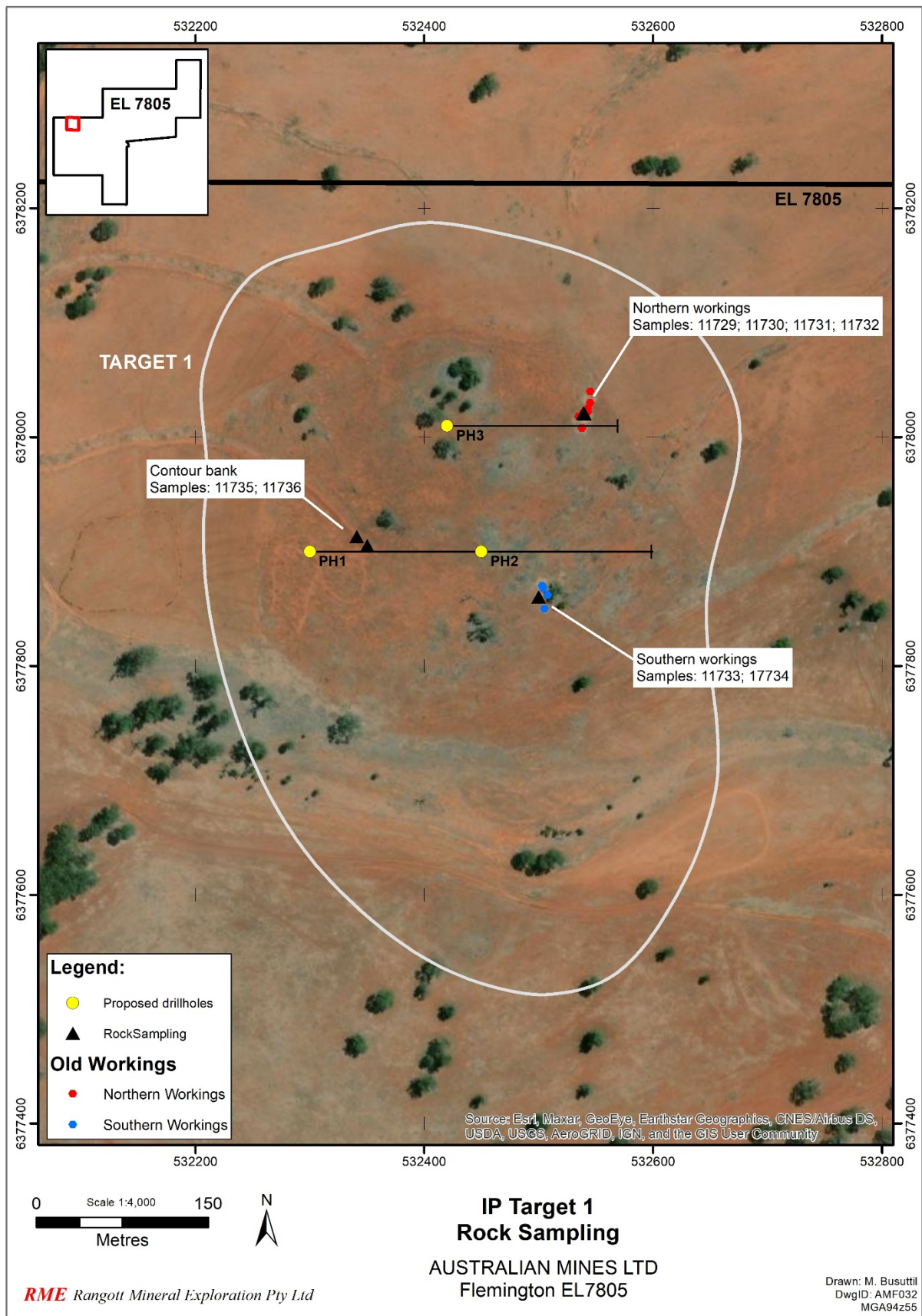


Figure 2: Rock chip sampling location map and induced polarisation (IP) chargeability anomaly (outlined in white) at Australian Mines' 100%-owned Flemington Project in New South Wales. See Table A of this report for the full suite of assays returned from this rock chip sampling program.

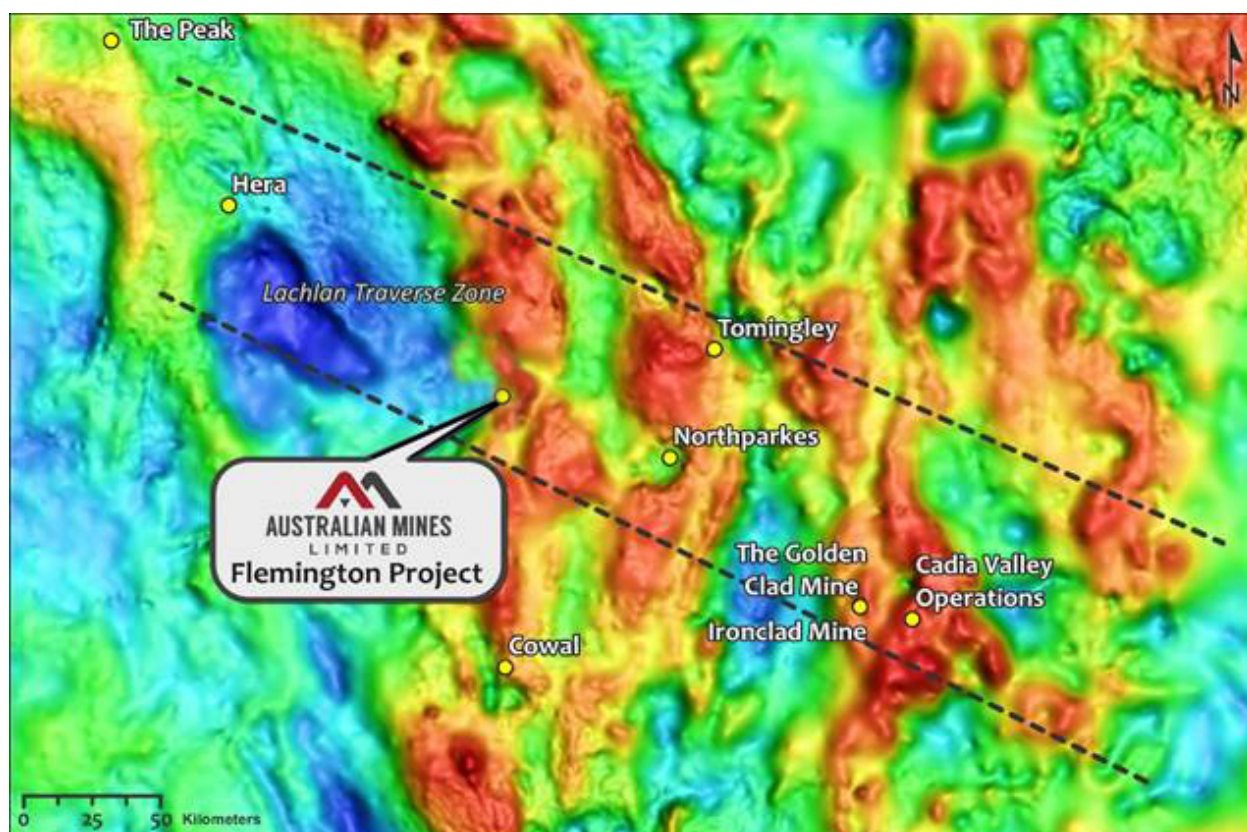


Figure 3: Australian Mines' Flemington Project is located within the Lachlan Traverse Zone (as bounded by the black dashed lines in this figure), which hosts some of New South Wales' largest producing copper and gold mines including Newcrest's Cadia Mine and the Northparkes Mine.

RME RANGOTT MINERAL EXPLORATION PTY			ROCK SAMPLE LEDGER			Client: Australian Mines Ltd.									
TITLE: EL 7805			LABORATORY: ALS, Orange			ANALYTICAL TECHNIQUES:									
SAMPLE TYPE: Rock Grab			● Au-AA24: Au 50g FA AAS finish ● ME-ICP61: 33 element four acid ICP-AES												
COLLECTED BY: Max Rangott / Mathilde Busuttill															
SAMPLE NO.	AREA PROSPECT	ROCK DESCRIPTION	COORDINATES (MGA)		SAMPLE DESCRIPTION	ANALYTICAL RESULTS									
			EASTING	NORTHING		Au (ppm)	Ag (ppm)	As (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)	Mo (ppm)	V (ppm)	P (ppm)	Fe (%)
11729	IP Target 1	Quartz with minor K-feldspar and rare green Cu stains. Rare iron oxides in cavities	532539	6378021	Rubble from dumps of Northern old workings	1.240	2.10	<5	572	8	7	2	23	40	1.46
11730	IP Target 1	Milky quartz with minor K-feldspar, limonite after sulfides in scattered fractures and cavities	532540	6378020	Rubble from dumps of Northern old workings	1.925	2.00	<5	322	7	4	3	18	60	1.34
11731	IP Target 1	Milky quartz , occasionally laminated, limonite after sulfides in scattered cavities	532540	6378020	Rubble from dumps of Northern old workings	3.900	2.00	<5	469	12	6	2	30	40	1.08
11732	IP Target 1	Monzonite, medium-grained and hornblende-rich, frequently epidote-altered, some K-feldspar in veins and fractures	532540	6378020	Rubble from dumps of Northern old workings	0.026	<0.5	<5	574	9	77	1	206	1730	5.62
11733	IP Target 1	Strongly epidote-altered monzonite	532350	6377905	Float from contour bank over 20m length	0.025	<0.5	28	51	31	18	1	352	620	9.06
11734	IP Target 1	Laminated milky vein quartz with minor FeOx on laminae. One piece of limonitic brecciated quartz	532341	6377913	Scattered float from contour bank over 30m length	0.018	<0.5	<5	9	3	3	1	13	50	1.03
11735	IP Target 1	Quartz with rare malachite/chrysocolla, FeOx on fractures and hexagonal carbonate plates and rare limonite in cavities	532500	6377860	Rubble from dumps of Southern old workings	0.413	0.60	<5	272	4	2	1	8	40	0.78
11736	IP Target 1	Medium to coarse-grained hornblende monzonite, with minor epidote alteration and K-feldspar in fractures	532500	6377860	Rubble from dumps of Southern old workings	0.007	<0.5	<5	40	7	83	1	245	2420	6.40
11737	IP Target 2	"Ironstone" - some pieces appear to be a weathered fractured, strongly altered and gossanous mafic rock, others may be pebbles of laterite	532105	6377350	Scattered small pieces of float	0.005	<0.5	15	167	30	239	<1	491	760	40.60
11738	IP Target 2	Milky quartz, some pieces with limonite-coated fractures. Probably alluvium	532105	6377350	Scattered pieces of sub-angular to sub-rounded float	<0.005	<0.5	<5	5	7	8	1	16	50	1.16
11739	IP Target 2	Mid-grey to white banded chert (rarely hematitic and red) with thin secondary quartz-carbonate veinlets, and rare gossan-filled fractures	532105	6377350	Scattered angular pieces of float	0.005	<0.5	<5	16	11	23	1	24	150	1.50

ENDS

If you have any queries specific to this announcement, please contact David Loch, Investor Relations Manager, at Australian Mines on +61 456 799 967 or dloch@australianmines.com.au

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

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



Appendix 1: JORC Code, 2012 Edition

Table 1: Sampling Techniques and Data

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>Rock samples were collected from a number of sources.</p> <p>At Target 1, 4 (four) samples were collected from small remnant stockpiles of vein quartz adjacent to each old working, with up to 20 pieces (50 to 200g each in weight) included in each composite sample, with the aim of providing samples representative of the stockpiled material at each location.</p> <p>A similar sampling method was used to provide samples of monzonite from the northern and southern workings.</p> <p>Two other samples of very altered monzonite and laminated vein quartz float were collected along a section of an earthen contour bank and cannot be regarded as representative.</p> <p>At Target 2, an IP resistivity anomaly, three small samples of different float materials were collected to characterize possible source rocks. Given the material may be 'float' these samples may not be representative of the bedrock at this location.</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> 	Not applicable
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</i> 	Not applicable

	<i>grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	
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 appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> <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> 	Not applicable
Sub-sampling techniques and sample preparation	<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> 	As the sampling was essentially reconnaissance in nature, no sub-sampling was undertaken. However, the sample pulps are available if verification analyses are required
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</i> 	<p>The samples were submitted to the ALS Global laboratory in Orange, NSW.</p> <p>Each sample was crushed in its entirety and pulverized in LM5 mills.</p> <p>In the case of 4 (four) samples which exceeded the mill weight limit, the samples were split and pulverized separately, then recombined and homogenized.</p> <p>The samples were fire assayed using a 50g charge with an AAS finish (technique Au-AA24), and a second, smaller charge was taken, subjected to a four-acid digestion, and 33 elements were determined by ICP-AES analysis (technique ME-ICP61).</p>

	<i>accuracy (ie lack of bias) and precision have been established.</i>	No standards, blanks or duplicates were submitted with the rock samples, so the analytical values presented here rely on the laboratory group's rigorous internal QA/QC procedures.
Verification of sampling and assaying	<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> 	Not applicable
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> 	The MGA coordinates for the old workings and samples were taken using a hand-held Garmin 78 GPS meter, with a stated accuracy ranging from +/- 3 metres.
Data spacing and distribution	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>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.</i> <i>Whether sample compositing has been applied.</i> 	Not applicable
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>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</i> 	Not applicable

	<i>reported if material.</i>	
Sample security	<ul style="list-style-type: none"><i>The measures taken to ensure sample security.</i>	The samples were taken in an RME vehicle to their office in Orange, kept in a secure office overnight, then submitted to ALS next day
Audits or reviews	<ul style="list-style-type: none"><i>The results of any audits or reviews of sampling techniques and data.</i>	Not applicable



Table 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>The Flemington Project, located within 400 kilometres of Sydney (New South Wales, Australia), comprises Exploration Licence numbers (EL) 7805 and 8478.</p> <p>EL 7805, being the tenement within which the IP survey was conducted, is a granted tenement, held 100% by Australian Mines via a wholly owned Australian Mines subsidiary.</p> <p>There are no historical sites, wilderness, national park or environmental settings apparent which may affect either the security of the Flemington Project tenure or provide any impediment to Australian Mines operating in the area.</p>
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	No record of prior rock sampling or drilling has been found over the target area, which was the focus of the rock chip sampling program covered in this report.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	Quartz veins in an Ordovician monzonite
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. 	Not applicable
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 	Not applicable

	<p><i>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.</i></p> <ul style="list-style-type: none"> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>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').</i> 	Not applicable
Diagrams	<ul style="list-style-type: none"> <i>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.</i> 	Appropriate maps are included in the body of this report.
Balanced reporting	<ul style="list-style-type: none"> <i>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.</i> 	Not applicable
Other substantive exploration data	<ul style="list-style-type: none"> <i>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.</i> 	The sample sites are located within the broadly defined geophysical target area identified via a recently reported induced polarisation (IP) survey (see Australian Mines Limited's announcement of 7 June 2021)
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> 	Further work is likely to include a follow up drill program comprising up to four reverse circulation (RC) holes totalling approximately 1,200 metres.

	<ul style="list-style-type: none"> 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>Subject to normal statutory State Government approvals, follow up drill testing is anticipated to commence from July 2021.</p> <p>The specifications of any future drill program, including the location and targeted depth of these holes, will be announced by Australian Mines prior to the commencement of drilling.</p>
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Competent Person's Statement

The information in this report that relates to the Flemington 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.

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 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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