

**ASX ANNOUNCEMENT****ASX : AUZ****15 April 2014**

Geophysics program commenced at Foothills

Australian Mines Limited (“Australian Mines” or “the Company”) is pleased to advise shareholders it has commenced a ground geophysics survey over its Foothills prospect, located within the Murchison Goldfields District of Western Australia. The Foothills prospect is the Company’s key target under the recently signed joint venture agreement with Mount Magnet South NL (ASX: MUM) for the Jumbulyer gold and copper project (see the Company’s announcement of 7 March 2014 for the terms of this joint venture agreement).

The geophysical program, which comprises a ground electromagnetic survey and subsequent sub-audio magnetic survey, is designed to assist Australian Mines to obtain a greater understanding of the bedrock geology of the Foothills prospect.

Drilling undertaken by previous owners of this prospect appears to be wholly focussed on delineating a gold resource in the shallow oxide layer. This absence of deeper drill holes across the project area means that little information is currently known about the fresh bedrock geology beneath the oxide mineralisation and its potential to host a primary gold or copper ore body. It is the Company’s intention, through this program, to map in detail the underlying geology, including the location of the Big Head Fault which is thought to control mineralisation at Foothills.

The Company anticipates that the data acquisition phase of this program will be complete within two weeks, with the final interpreted data being available by late May.

Managing Director Benjamin Bell stated, “Having only signed the joint venture agreement last month, we are eager to commence our exploration activities at Foothills. Historic drill results indicate the potential for this prospect to host high-grade mineralisation and we believe that the data from this geophysical survey will assist us to better define our future exploration program.”

*****ENDS*****



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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.



Figure 1: Australian Mines' *Foothills* prospect is situated 15 kilometres from the town of Mt Magnet and approximately 450 kilometres northeast of Perth, Western Australia.



Figure 2: Simplified geology of the *Foothills* prospect. The approximate positions of the Big Head Fault and Foothills Shear as shown are based on broad-spaced airborne geophysical data. As these geological structures are thought to play a role in controlling primary gold and copper mineralisation at Foothills, it is important that Australian Mines accurately determine their location at depth.