



ASX ANNOUNCEMENT

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8 September 2014

Drilling commenced at Simmons prospect, Western Australia

Australian Mines Limited (“Australian Mines” or “the Company”) is pleased to advise shareholders that the Company has commenced its diamond core drilling program at the recently identified Simmons prospect in Western Australia. The Simmons prospect is located within the Company’s broader Marymia project area, which is situated 55 kilometres northeast of Sandfire Resources’ DeGrussa copper-gold mine.

This drilling program follows the completion of a ground-based electromagnetic (EM) survey over selected base metal targets across the Marymia project area, which successfully detected a strongly conductive body adjacent to an historic nickel-in-soil anomaly at Simmons¹. The geophysical characteristics of the buried conductor indicate that this EM anomaly could be related to nickel (-copper) sulphides or possibly DeGrussa-style VMS copper-gold mineralisation.

The initial drill program is anticipated to take one month to complete, and Australian Mines will seek to expedite the analysis of the resulting drill core.

As announced on 13 August 2014, Australian Mines is also undertaking a fully underwritten \$1.48 million pro-rata Entitlement Offer to the Company’s existing shareholders. The funds received from this Offer will further strengthen Australian Mines’ financial position and provide the Company with the necessary funding to expand the drilling program at Simmons.

Managing Director Benjamin Bell commented: “The team at Australian Mines is very pleased with the results returned from the Simmons prospect to date, and we enthusiastically await the results from the current drill program.

“We also look forward to advancing our exploration over a number of other nickel and copper-gold targets recently identified across our Marymia project.”

*****ENDS*****

¹ Australian Mines Limited, Strong EM conductor identified at Marymia, released 1 August 2014



Figure 1: The diamond rig has commenced drilling the maiden hole (hole number SMDD001) at Australian Mines' Simmons prospect. This drill hole is designed to test the source of the bedrock conductor identified adjacent to an historic nickel-in-soil anomaly.

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.



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

Australian Mines has entered into a Heads of Agreement with Riedel Resources covering the Marymia nickel-copper-gold project, located 55 kilometres northeast and along strike of Sandfire Resources' world class DeGrussa copper-gold mine. Under the terms of this 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.

