

23 May 2022

Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

ASX RELEASE

Institutional Placement Raises A\$3.7M and Launch of Entitlement Offer

Highlights

- Australian Mines Limited has received commitments to raise approximately A\$3.7 million (before costs), led by new domestic and offshore institutional investors.
- Launch of a 1 for 13.38 pro-rata non-renounceable Entitlement Offer to existing shareholders to raise approximately A\$3.7m (before costs).
- All new fully paid ordinary shares issued under the Capital Raising will receive a 1 for 1 attaching Option with an exercise price of \$0.14 per option and an expiry date 2 years from the date of issue. Australian Mines will apply to list¹ the Options on ASX.

Capital Raising Overview

Australian Mines Limited (ASX: AUZ) ("Australian Mines", "the Company" or "AUZ") is pleased to advise that it has successfully secured commitments from new institutional, sophisticated, and professional investors to raise approximately A\$3.7 million ("Placement").

The Placement will result in the issue of approximately:

- 32.2m shares; and
- 32.2m attaching options,

¹ The quotation of the Options is subject to Australian Mines satisfying ASX requirements for quotation of a new class of securities (which includes, among other things, there being a minimum of 100,000 Options on issue, with at least 50 holders holding a marketable parcel).

utilising the Company's existing placement capacity under ASX Listing Rule 7.1.

Australian Mines is also pleased to announce a 1 for 13.38 pro-rata non-renounceable entitlement offer ("Entitlement Offer") to existing shareholders on the same terms as the Placement. Each of the Directors of Australian Mines has committed to take up their full entitlement under the Entitlement Offer.

The Entitlement Offer will include a top up facility under which eligible shareholders who take up their full Entitlement will be invited to apply for additional shares in the Entitlement Offer from a pool of those not taken up by other eligible retail shareholders. There is no guarantee that applicants under this top up facility will receive all or any of the shares they apply for under the facility.

Australian Mines will also seek to place any shortfall under the Entitlement Offer within three months of the Entitlement Offer closing.

Capital Raising Terms

All new shares issued under Placement and Entitlement Offer (together, "the Capital Raising") will be issued at an offer price of \$0.115 per new share ("Offer Price").

The Offer Price represents a 14.8% discount to the last closing price of Australian Mines' shares on ASX on 19 May 2022 of \$0.135 per share (the last day of trading before the announcement of Capital Raising).

All shares issued in the Placement and the Entitlement Offer will receive a 1 for 1 attaching option with an exercise price of \$0.14 and an expiry date 2 years from the date of issue ("Option"). Australian Mines will apply to list the Options on ASX.

All new shares issued under the Capital Raising will rank equally with existing fully paid ordinary shares in the Company as of the date of this announcement.

The proceeds from the Placement and Entitlement Offer are to be used for:

- Exploration programs at Sconi to seek to increase size of resource,
- Additional studies to support Sconi Project Financing process,
- Expansion of senior leadership team, and
- Working capital and costs of offer.

Bell Potter Securities acted as Lead Manager and bookrunner to the Capital Raising.

Executive Director and Interim CEO, Les Guthrie, commented:

"I am very pleased with the support that Australian Mines has received from new institutional, sophisticated, and professional investors as the Company executes its plan to bring its flagship Sconi Project into production. We are also pleased to offer our existing shareholders the opportunity to participate in the Capital Raising on the same terms as those offered to our new shareholders.

Over the coming months, the funds will be applied to project financing activities, to bolster the management team and exploration² outside the Sconi Project's current Ore Reserve and Mineral Resource as we progress the project toward development."

Indicative Timetable³

Event	Date
Trading Halt	Friday 20 May 2022
Trading Halt ends, announcement of the Placement results, announcement of the Entitlement Offer and lodgement of Appendix 3B	Monday 23 May 2022
Trading on an ex-entitlement basis	Wednesday 25 May 2022
Entitlement Offer Record Date	Thursday 26 May 2022
Settlement of Shares issued under the Placement	Friday 27 May 2022
Allotment of New Shares issued under the Placement	Monday 30 May 2022
Entitlement Offer prospectus dispatched and Entitlement Offer opens	Monday 30 May 2022
Entitlement Offer closes	5:00pm, Friday 10 June 2022
Securities trading on a deferred settlement basis	Thursday 16 June 2022
Announcement of results of Entitlement Offer and shortfall	Friday 17 June 2022

² Australian Mines Limited, *Australian Mines seeks to enhance commercial potential of the Sconi Project with additional nickel and cobalt exploration* (ASX: 22 April 2022)

³ The dates set out in the timetable above are indicative only and are subject to change without notice. Any change in the timetable does not affect the rights or obligations an investor or shareholder has following acceptance of an allocation in the Placement and/or the Entitlement Offer.



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For more information, please contact:

David Loch
Investor Relations Manager
Australian Mines Limited
+61 456 799 967
dloch@australianmines.com.au

Authorised for release by the Board of Directors of Australian Mines Limited



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, minimises harm to the environment, and leaves positive legacies.

Appendix 1: 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 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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