

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002.

Name of entity

AUSTRALIAN MINES LIMITED

ABN

68 073 914 191

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|------------------------------------|
| 1 | +Class of +securities issued or to be issued | ORDINARY SHARES |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 150,000 FULLY PAID ORDINARY SHARES |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	YES - ORDINARY						
5 Issue price or consideration	20 cents per share for exercise of options						
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	EXERCISE OF 150,000 31 MARCH 2004 LISTED OPTIONS.						
7 Dates of entering +securities into uncertificated holdings or despatch of certificates.	12 February 2004 for ordinary shares						
8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table> <tr> <th data-bbox="706 1354 876 1396">Number</th><th data-bbox="876 1354 1256 1396">+Class</th></tr> <tr> <td data-bbox="706 1396 876 1438">124,429,977</td><td data-bbox="876 1396 1256 1438">Ordinary fully paid (AUZ)</td></tr> <tr> <td data-bbox="706 1438 876 1629">17,218,300</td><td data-bbox="876 1438 1256 1629">Listed Options expiring 31 March 2004 exercisable at \$0.20 (AUZO)</td></tr> </table>	Number	+Class	124,429,977	Ordinary fully paid (AUZ)	17,218,300	Listed Options expiring 31 March 2004 exercisable at \$0.20 (AUZO)
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124,429,977	Ordinary fully paid (AUZ)						
17,218,300	Listed Options expiring 31 March 2004 exercisable at \$0.20 (AUZO)						

+ See chapter 19 for defined terms.

	Number	+Class										
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><td>700,000</td><td>Unlisted Employee Options expiring 31 December 2005 exercisable at \$0.20.</td></tr><tr><td>4,350,000</td><td>Unlisted Options expiring 31 December 2005 exercisable at \$0.20 (AUZAU and AUZAK)</td></tr><tr><td>10,846,351</td><td>Unlisted Options expiring 31 December 2005 exercisable at \$0.20 (AUZAQ) released from escrow on 28 September 2003.</td></tr><tr><td>2,650,000</td><td>Director Unlisted Options expiring 31 December 2005 exercisable at \$0.20 (AUZAS) released from escrow on 28 September 2003</td></tr><tr><td>37,500,000</td><td>Unlisted options expiring 1 February 2006 and exercisable at \$0.20 (AUZAM)</td></tr></table>	700,000	Unlisted Employee Options expiring 31 December 2005 exercisable at \$0.20.	4,350,000	Unlisted Options expiring 31 December 2005 exercisable at \$0.20 (AUZAU and AUZAK)	10,846,351	Unlisted Options expiring 31 December 2005 exercisable at \$0.20 (AUZAQ) released from escrow on 28 September 2003.	2,650,000	Director Unlisted Options expiring 31 December 2005 exercisable at \$0.20 (AUZAS) released from escrow on 28 September 2003	37,500,000	Unlisted options expiring 1 February 2006 and exercisable at \$0.20 (AUZAM)
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10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A										

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 18 Names of countries in which the entity has ⁺security holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.

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- 19 Closing date for receipt of acceptances or renunciations

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⁺ See chapter 19 for defined terms.

20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	

+ See chapter 19 for defined terms.

- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)

(a) ☒ Ordinary Shares described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

(now go to 43)

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	N/A				
39	Class of +securities for which quotation is sought					
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)					
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left; padding: 5px;">Number</th> <th style="width: 50%; text-align: left; padding: 5px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 80px;"></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

(now go to 43)

+ See chapter 19 for defined terms.

All entities

Fees

43 Payment method (tick one)

☐

Cheque attached

☐

Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

☐

Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

+ See chapter 19 for defined terms.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.


Sign here: _____ Date: ..12 February 2004...
(Director/Company secretary)

Print name: ..MELVIN CAMPBELL.....

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+ See chapter 19 for defined terms.