



31 January 2011

ASX Announcement

SHARE SALE AGREEMENT AND PLACEMENT FINALISED NIGERIA GOLD PTY LTD

The Board of Australian Mines Limited (**ASX: AUZ**, "**Australian Mines**") is pleased to announce that the company has signed the binding Share Sale Agreement with the major shareholders of Nigeria Gold Pty Ltd. The share sale agreement is still subject to obtaining approval from minority shareholders of Nigeria Gold Pty Ltd as well as AUZ shareholder approval.

In conjunction with the signing AUZ has successfully completed a small capital raising that will contribute to exploration work to be undertaken in Nigeria.

The capital raising, managed by Patersons Securities, raised \$1.1m at 2.3 cents per share from sophisticated investors. Placement shares are expected to be allotted on 7 February 2011.

Executive Director, Brett Young said that "Nigeria would now become the primary focus for the company's future development".

"Funds raised by the placement will increase our cash position, and enable us to commence an exploration program in Nigeria. Our goal is to advance exploration on the high priority exploration licence applications as soon as they are granted."

"In respect to AUZ's Australian assets, commercial discussions for the Mt Martin gold mine are continuing", Mr Young added.

The shareholder meeting to approve the acquisition of Nigeria Gold is expected to be held early March 2011.

For further information contact:

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