

Nigeria – The Future of West African Gold

Australian Mines Limited



Company Overview

- Targeting gold mineralisation within Nigeria's goldfields
- Nigeria – a long history of gold production and part of the West African gold province
- Expansive 100% owned tenement portfolio exceeding 2,500 km²
- Confirmed gold mineralisation within AUZ Nigerian tenements
- Fully funded exploration program through to 2014
- Experienced team with track record of discovering gold deposits
- Active on-ground exploration program continuing



Experienced Board of Directors

Non Executive Chairman Michael Ramsden	<ul style="list-style-type: none">• Qualified Lawyer with over 25 years' experience as a corporate advisor• Chairman of Lowell Capital Limited - the responsible entity for a small cap resource fund• Managing Director of Terrain Capital and Chairman of African Mahogany Australia
Managing Director Benjamin Bell	<ul style="list-style-type: none">• Geologist and geophysicist with over 15 years' experience in mineral exploration• Masters degree in Exploration Technologies• Member of Nigerian Mining and Geosciences Society
Non Executive Director Mick Elias	<ul style="list-style-type: none">• Over 25 years' international experience from project generation to resource economics• Director of Silver Swan Group Limited• Holds a Bachelor of Science (Honours) in Geology from the University of Melbourne
Non Executive Director Dominic Marinelli	<ul style="list-style-type: none">• Director of Terrain Capital• Over 20 years' corporate fundraising experience spanning many industries• Extensive UK network and experience, including a reverse takeover of an LSE investment trust
Non Executive Director Neil Warburton	<ul style="list-style-type: none">• Qualified Mining Engineer with over 25 years' experience in mining operations• Has held executive management positions within several publicly listed companies• Chairman of Red Mountain Mining Limited



Nigeria – an Emerging Economic Power

- Second largest economy in Africa
 - Gross Domestic Product of \$238 billion in 2011
 - Highest average GDP growth in the world predicted for the next 40 years
 - 5th largest economy in the world by 2050 (Citigroup, 2011)
- Politically stable democracy & Member of Commonwealth
- Transparent legal system based on English common law
- Actively working towards official G20 membership by 2020
- Low risk of sporadic regional security issues intensifying (EIU, 2012)



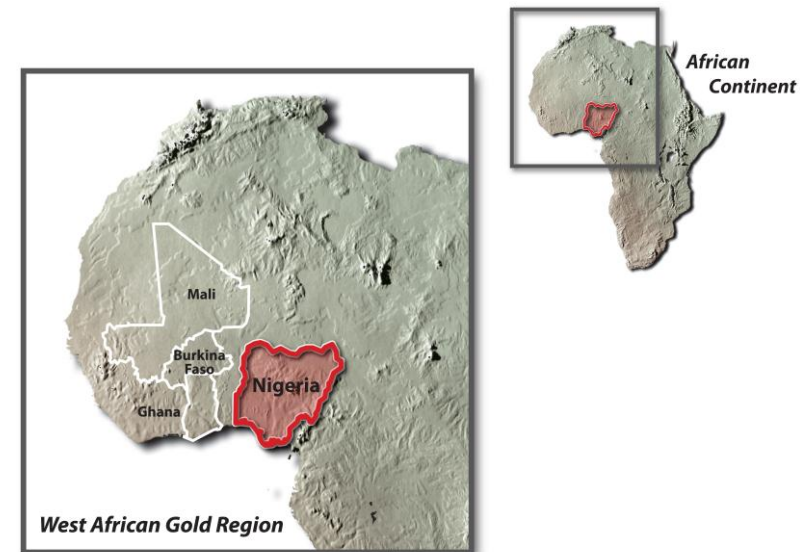
Typical West African Risk Profile

- Same risk profile as Burkina Faso, Brazil
- Similar corporate tax rates and royalty system to Australia
- No government partnership/ownership or BEE policies
- Security of tenure



Re-emergence of Nigeria's Gold Sector

- Long history of gold production across Nigeria
 - 3.2 million ounces produced between 1933 & 1943
- Limited mineral exploration across Nigeria over the past 60 years
 - Stems from country's success as an international oil producer and exporter
- Similar geology to other West African countries where world class deposits continue to be discovered
- New Mineral and Mining Act ensures security of tenure



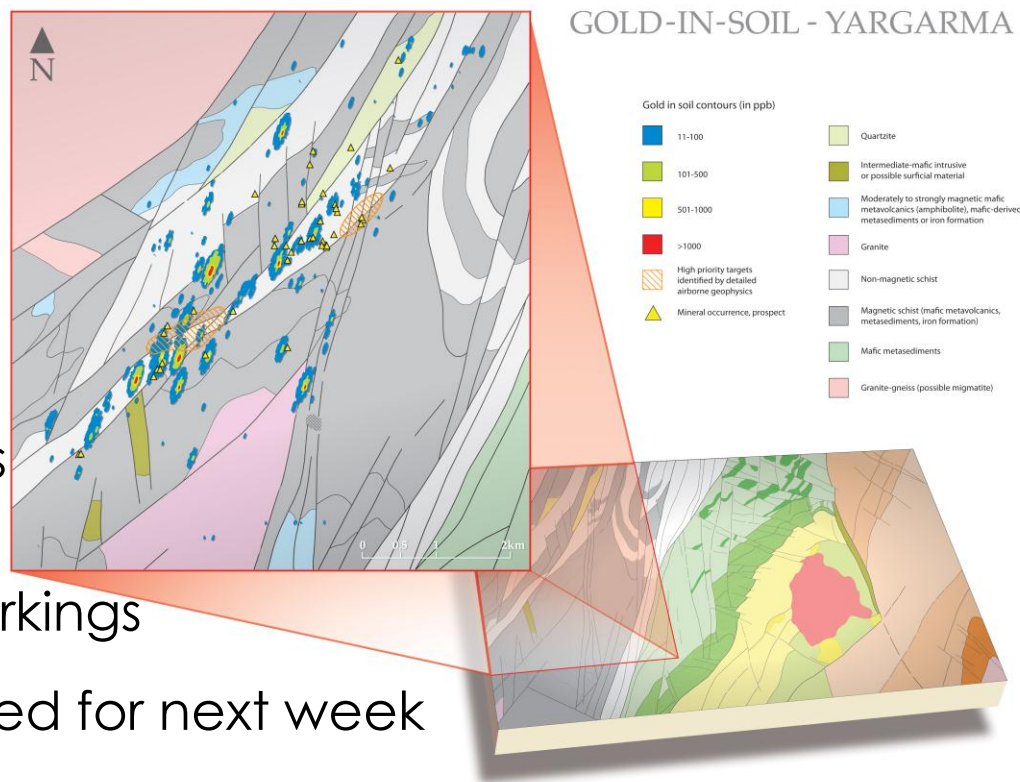
Key Project Areas

- Targeting shear-hosted gold across Nigeria's northwest goldfields
- Highly prospective projects
 - Yargarma
 - Kasele
 - Tegna
- All projects 100% AUZ
- Numerous high priority targets being drill tested from next week



Yargarma

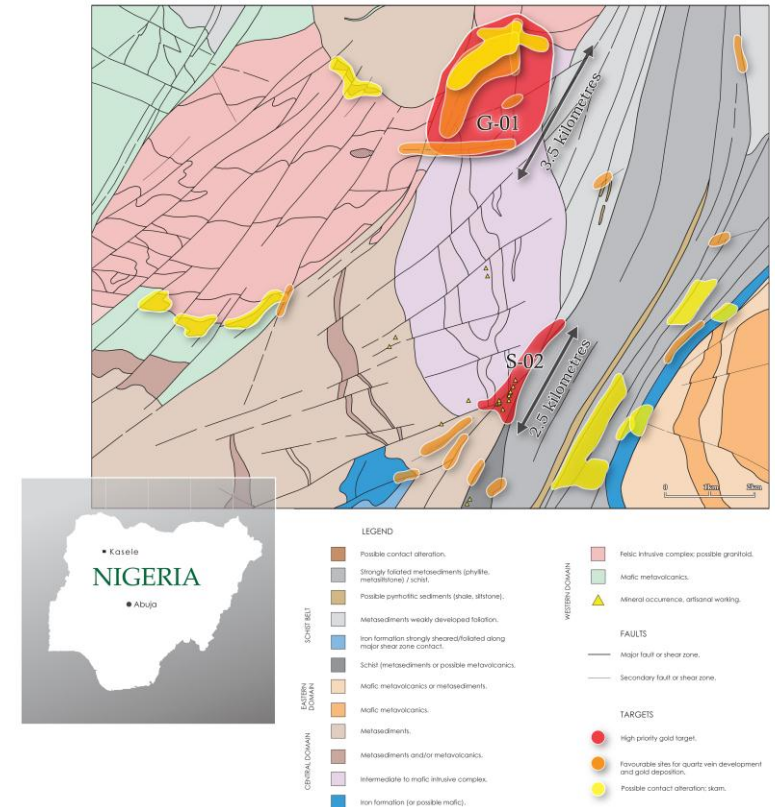
- 350 kilometres NW of Abuja
- 9 kilometre long shear zone
- Initial rock chips returned:
 - **9.83 g/t gold** **7.73 g/t gold**
 - **7.45 g/t gold** **5.65 g/t gold**
- Multiple gold-in-soil anomalies coincident with shear zone
- Numerous active artisanal workings
- Maiden drill program scheduled for next week



Kasele

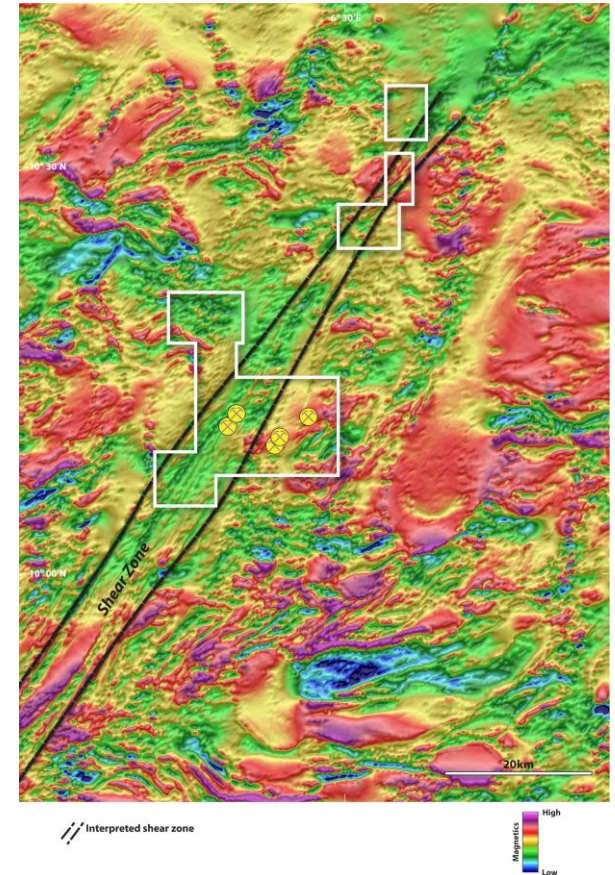
- Located 300 kilometres NW of Abuja
- Extensive artisanal workings present
- Rock chips from shear included:
 - 65.0 g/t gold
 - 7.1 g/t gold
 - 6.9 g/t gold
- Significant gold-in-soil anomaly
 - Assays exceeded 1 g/t (1,000 ppb) gold
- Drill testing of priority targets commencing next month

KASELE GOLD TARGETS



Tegina

- Located 130 kilometres northwest of Abuja
- Artisanal workings recorded within project area
- 38 kilometre strike length of shear zone
- Detailed geochemical sampling programs commencing next quarter



12 Month Exploration Program

PROJECT	Q3/12	Q4/12	Q1/13	Q2/13
	Peak Wet Season			
	Wet Season Shoulder			
		Dry Season		
Yargarma	Map artisanal workings for drill testing	DRILLING	DRILL ASSAYS DUE	Organise follow-up drilling program
	SOIL ASSAYS DUE			
	Prepare sites for drilling			
Kasele	Prepare sites for drilling	DRILLING	DRILL ASSAYS DUE	Organise follow-up drilling program
	Map artisanal workings for drill testing			
Tegina			Regional Stream Sediment Sampling Program	ASSAYS DUE



Capital Structure

	AUZ
ASX Code	
Share price	1.9 cents
Fully paid Ordinary Shares	666.9 million
Options (4 cents expiring 30 June 2013)	59.5 million
Unlisted Options (2 -12 cents expiring November 2014)	54.7 million
Market Capitalisation	12.6 million
Cash	\$2.2 million
	(as at 16 October 2012)

AUZ to receive \$2.5 million cash payment from Alacer Gold on 28 June 2013 and \$0.7 million cash payment from Pioneer Resources in March 2013 following the divestment of non-core Australian assets

All amounts expressed in Australian Dollars

Australian Mines Limited



Reasons to Invest in Australian Mines

- First mover advantage in emerging West African gold province
- Large tenement package
- Potential for multiple gold deposits
- Gold workings within key projects
- Experienced board leading established Nigerian-based team
- Fully funded program to 2014
- Drill testing targets from next week



Artisanal gold working within Australian Mines' Kasele project area



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Typical landscape observed across the Yargarma project

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