

**ASX ANNOUNCEMENT****ASX : AUZ****1 AUGUST 2013**

Change of Company Strategy

Australian Mines Limited ("Australian Mines" or "the Company") wishes to advise shareholders of a change in strategy following a strategic review of the company's assets and the potential opportunities to acquire advanced projects in the current depressed exploration environment.

For the past two years, Australian Mines has been systematically exploring its tenements in northwest Nigeria. During this period the Company has completed a number of detailed geophysical and geochemical surveys, in addition to undertaking a comprehensive review of country's historic exploration activities. This has resulted in Australian Mines gaining a thorough understanding of the controls on gold (and other) mineralisation in Nigeria.

Positive progress has been made in identifying gold targets, in particular at Yargarma and Kasele, where the Company carried out a drill program which confirmed the presence of primary gold mineralisation. The results from this drill program, however, demonstrated that the thickness and continuity of this mineralisation may be insufficient to support a commercial gold operation of the scale targeted by the Company.

Given the current economic climate and fluctuating gold price, and following the strategic review of the existing projects, the Company has therefore elected to reduce its footprint in Nigeria and look for further advanced projects in other mining friendly jurisdictions.

Australian Mines will maintain four key tenement areas in Nigeria (Yargarma, Kasele, Tsauni and Kwali) which cover a combined area of 330 square kilometres. However the primary focus for the coming period will now be to review further advanced projects in jurisdictions including, but not limited to, Africa, Australia and South America.



Managing Director Benjamin Bell stated, "In these difficult market conditions, companies need to be flexible in their approach to which projects they are targeting and make decisions early which will benefit their shareholders in the long run. As such, the Board has decided that whilst we are in a very favourable cash position with \$3 million in the bank, we should refocus our efforts on identifying projects that are further advanced, with the intention of becoming a producer, rather than focusing on greenfield exploration.

*****ENDS*****

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