



29 June 2012

ASX Announcement

ASX: AUZ

Mt Martin Divestment –\$2.5 Million Second Instalment Received

Australian Mines Limited ("Australian Mines" or "the Company") is pleased to announce that it has received the second instalment of \$2.5 million relating to the divestment of the Mt Martin gold project as announced on 4 October 2011.

The Mt Martin tenements are being transferred from Australian Mines to HBJ Minerals Pty Ltd ("HBJ"), a wholly-owned subsidiary of Alacer Gold Corp (TSX: ASR, ASX: AQG) under a formal Tenement Purchase Agreement ("TPA").

Under the TPA, HBJ is to pay a third and final instalment of \$2.5 million to Australian Mines on 28 June 2013.

With the contribution of funding from this divestment, Australian Mines remains fully funded to continue its targeted exploration program at the highly-prospective, 100% owned Yargarma, Kasele and Teginia (formerly Kagara) project areas in Nigeria's north-west gold province. This exploration includes Australian Mines' maiden drilling program, scheduled to commence immediately following the cessation of the Nigerian wet season. The drill program is designed to test the primary bedrock gold mineralisation of priority targets within the Yargarma and Kasele project areas.

Australian Mines' Managing Director, Benjamin Bell stated, *"This instalment comes at an excellent time for us as we move forward with our accelerated exploration program across our tenement portfolio. Australian Mines is in a very advantageous position, being fully funded as we continue to build our business in West Africa."*

*****ENDS*****



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About Australian Mines:

Australian Mines (ASX: AUZ) is an Australian-listed resource company targeting gold and base metals.

Australian Mines' key asset is its extensive tenement holding in Nigeria's northwest gold province that contain similar geology to the better known gold producing countries of Ghana, Cote d'Ivoire and Burkina Faso – where a combination of advanced exploration and development programs is leading to rapidly expanding output.

Nigeria has a history of gold production and the majority of Australian Mines' tenements contain historic artisanal workings.

The Nigerian Government, which is democratically elected, is actively encouraging foreign investment into the country's mineral sector. The Nigerian *Minerals and Mining Act 2007* guarantees security of tenure and the right of explorers to convert exploration licences into Mining Leases following the delineation of an ore resource.

Australian Mines has commenced systematic exploration of its highly prospective Yargarma, Kasele and Tegna project areas, with this program being fully-funded through to 2014.