



22 October 2009

ASX Announcement

WOODLINE EXPLORATION UPDATE

Australian Mines Limited (ASX:AUZ) is pleased to announce further results from preliminary exploration work performed on the Woodline gold project located 40kms south east of Kalgoorlie, WA. Follow up programs of further RC drilling and auger drilling are proposed on the two separate areas of the Woodline Project.

Woodline 1- Follow up RC Drilling

AUZ has previously announced gold intercepts at Woodline 1 of **12m @ 6.7g/t in AMRC131 and 3m @ 7.7g/t in AMRC132** to the ASX on 21 September 2009. A follow up RC drilling program at Woodline 1 has been pegged before the end of the month to drill down dip.

Woodline North - Auger Program

A wide-spaced auger drilling program 1.2km to the north east of the Woodline 1 Pit has highlighted a large + 90 ppb gold anomaly on the company's tenements, and a follow up auger program will commence immediately.

The geochemical auger sampling program which was drilled in September 2009 was highly successful in defining a strong surface gold anomaly on the company's tenements. The auger holes were drilled every 80 metres along 320 metre spaced east-west lines. Holes were drilled to a depth of 1.5 metres into transported cover and the geochemical sample was taken from the most carbonate-rich horizon.

The surface gold anomaly may represent a buried gold system and the next phase of exploration will be to infill drill the augers to a pattern of approximately 50 metres by 70 metres over the most anomalous area. The target area has a peak value of 90 ppb gold and is directly across the boundary from gold anomalous zones on the neighbouring tenements. (see fig 1 & 2).

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The information in this report that relates to Exploration Results is based on information compiled by Mr M Elias who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Elias is employed by CSA Global Pty Ltd and is a Non-Executive Director of AUZ. Mr Elias has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Elias consents to the inclusion of the information in the form and context in which it appears.

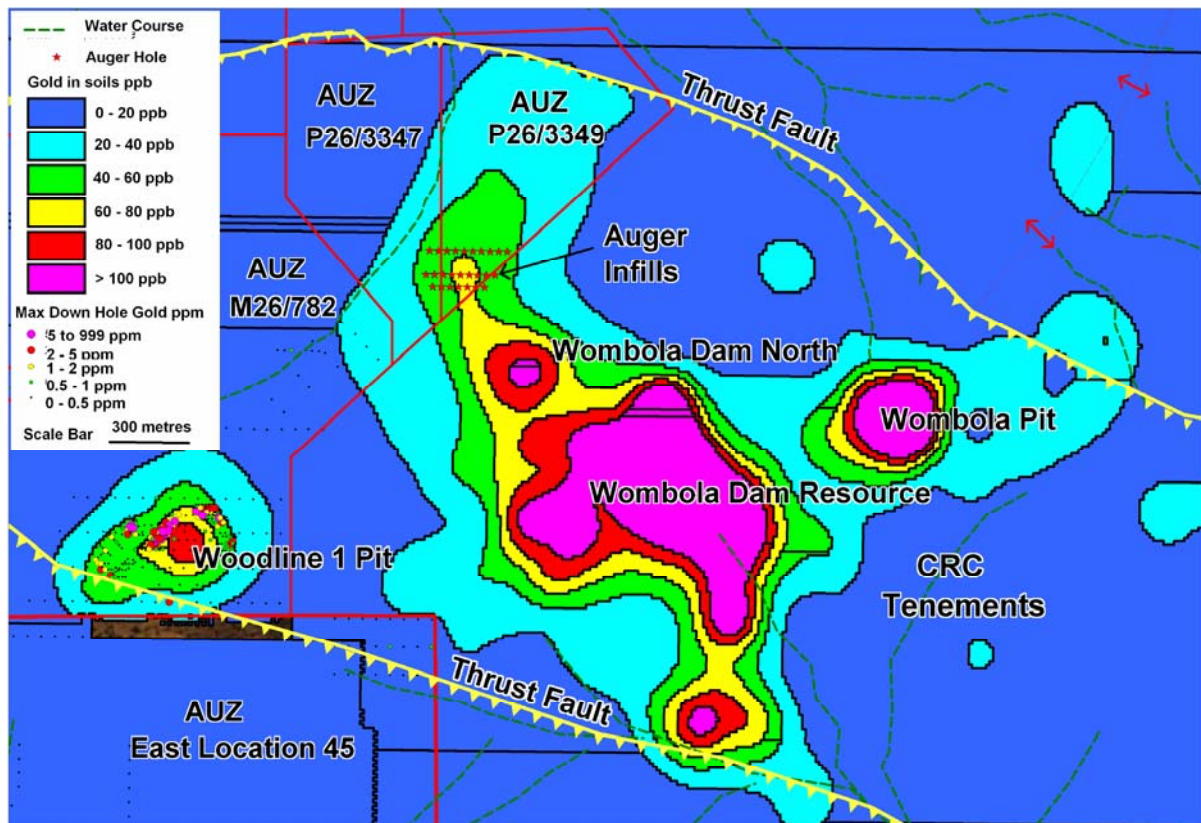


Figure 1: Australian Mines Limited (AUZ) geochemical auger anomaly on P26/3347 and P26/3349 adjacent to Cortona Resources Limited (ASX:CRC) tenements.

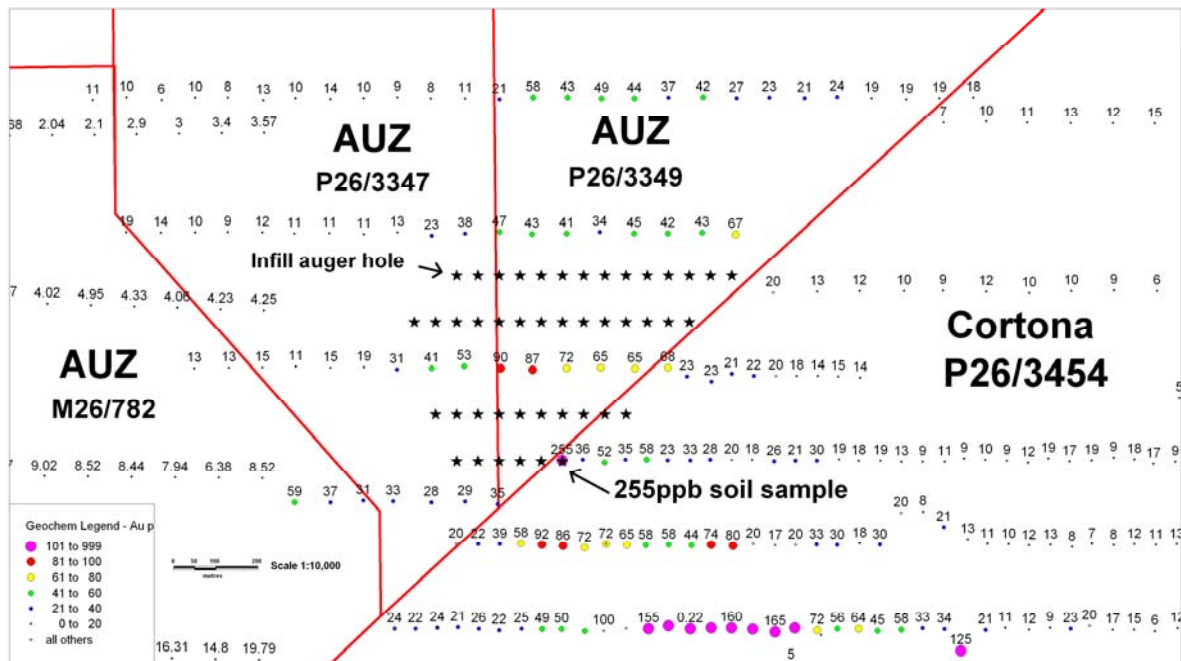


Figure 2: Infill auger geochemical programme for P26/3347 and P26/3349