



18 December 2009

## ASX Announcement

### MT MARTIN GOLD MINE Australian Mines set to regain control of gold resource

The Board of Australian Mines Limited (**ASX: AUZ**, "**Australian Mines**") is pleased to announce that the company has taken a significant step in its strategy and its ambition to mine gold at Mt Martin gold mine.

Australian Mines has successfully completed a capital raising that will supplement further definition and extension drilling of the current resource at the Mt Martin goldmine, which it will regain control and ownership of from Dioro Exploration NL in January 2010.

The capital raising, managed by Patersons Securities, was over-subscribed and raised \$910,000 at 0.1 cent from sophisticated investors including a new cornerstone investor who was issued 45% of the placement. Placement shares are expected to be allotted on 24<sup>th</sup> December 2009.

The Mt Martin mine, located 40 km from Kalgoorlie, has historically produced ~200,000 ounces of gold. At present, the mine has some 213,000 ounces of gold resources across two deposits, Mt Martin and the adjacent Swift deposit (see below Resource Table).

Dioro Exploration currently holds the sublease to Mt Martin, which it acquired when it purchased the South Kalgoorlie Project from Harmony Gold and, during 2009, conducted an open pit operation at Mt Martin, recovering in excess of 15,000 ounces of gold. The sublease is set to expire on 25 January 2010, at which time Australian Mines will resume total control of the mine.

Executive Director, Brett Young said that Mt Martin would now become the primary focus for the company going forward.

"Mt Martin already has a JORC-compliant gold resource, as well as several ready-to-drill targets which will expedite exploration activities. The mine is ideally located near to the largest gold mining centre in Australia and toll milling treatment facilities, in a region that we have been operating in for many years now."

"Funds raised by the placement will increase our cash position, and enable us to commence a drilling programme at Mt Martin and Swift following formal handover of the project in January. Our goal is to further upgrade the current resource and extend the resource along strike and down plunge in the near term and complete open pit optimisation studies using the improved gold price." Mr Young added.

Level 1, 681 Murray Street, West Perth WA 6005  
(PO BOX 883, West Perth, WA 6872  
Tel: 08-9481 5811 Fax: 08-9481 5611  
Email: [office@australianmines.com.au](mailto:office@australianmines.com.au)



## Indicated Mineral Resources

	Ore (million t)	Grade (g/t gold)	Gold (oz)
Mt Martin	4.2	1.5	202,500
Swift	0.13	2.6	10,700

*For further information contact:*

Brett Young  
**Executive Director**  
**Australian Mines**  
**08 9481 5811**

*Media enquiries*  
Robert Williams  
**Farrington National**  
**02 9332 4448**

*The information in this report that relates to Resources is based on information compiled by Mr E Poole who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Poole is employed by Australian Mines Limited. Mr Poole 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 Poole consents to his name being used in this report.*