



11 February 2010

ASX Announcement

Mt Martin Exploration Drilling Update.

Australian Mines Limited (ASX:AUZ) is pleased to announce that exploration drilling at the Mt Martin gold project located 40kms south east of Kalgoorlie WA is progressing as planned with 6 RC pre-collars completed and the samples delivered to a laboratory in Kalgoorlie for fire assay.

To date 2 of the diamond tails have been completed, and the remaining 4 diamond tails will take a fortnight to complete.

The current programme of surface holes is designed to test the resource model, and also to provide core for a geotechnical assessment of the ground conditions below the deepest workings on the 6 level, which is at 160 metres depth below the natural ground surface.

To date the drilling has been as expected with some broad zones of biotite and fuchsite alteration with sulphides which is likely to carry gold mineralisation.

As a general observation, the ground conditions in the two diamond holes drilled to date are good and there is a general absence of major fracturing or shearing in the core.

Further information will be released as assay results are returned in approximately 4 to 5 weeks.

The Company has also made encouraging progress with updating the Mt Martin resource model. Calculations undertaken by external consultants have **broadly** confirmed the resource estimates previously announced and included in our gold inventory. It is planned to further update the resource estimate as the results from this drilling become available.

For further information contact:

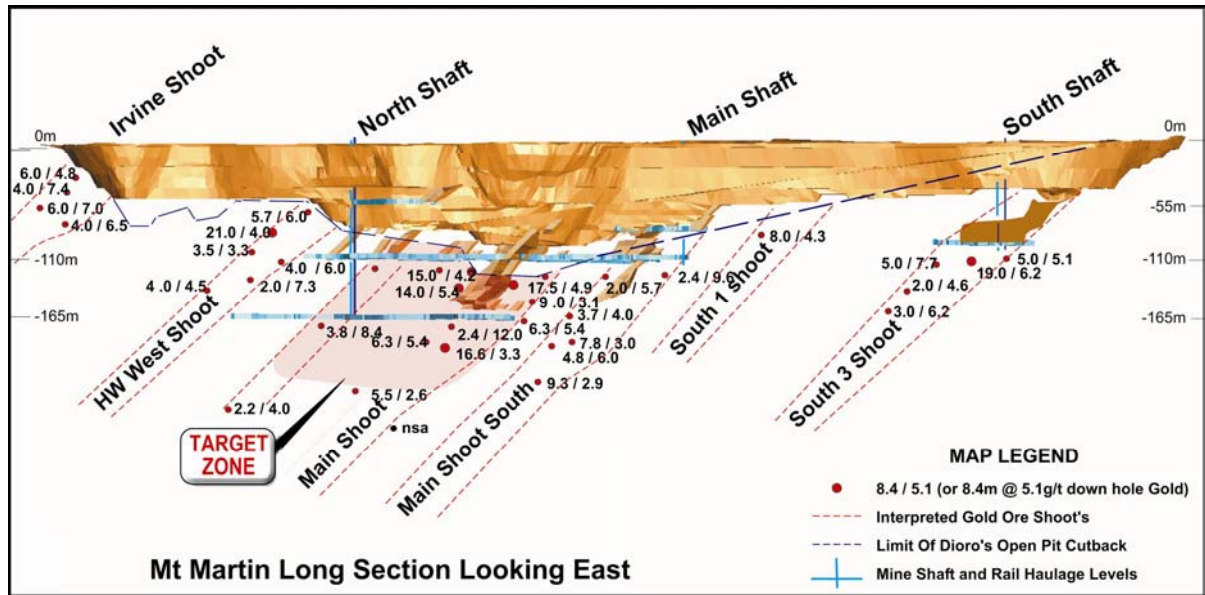
Brett Young

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The information in this report that relates to Exploration Results is based on information compiled by Mr E Poole who is a member 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.



Mt Martin long section looking east

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