



24 June 2009

## **ASX ANNOUNCEMENT**

### **GENERAL MEETING OF SHAREHOLDERS**

The Notice of General Meeting and Proxy Form for Australian Mines Limited to be held on 24 July 2009 at 10.00am were dispatched to shareholders today.

Shareholders will vote on the revised terms for the capital reconstruction as set out in the Notice of Meeting.

The revised terms of the Entitlement Issue and Placement were announced to the ASX on 18 June 2009.

**For further information contact:**

**Brett Young**  
**Chief Operating Officer**  
**Australian Mines Limited**  
**Tel: 08 9481 5811**

**AUSTRALIAN MINES LIMITED**  
**ABN 68 073 914 191**

**NOTICE OF GENERAL MEETING**

**AND**

**EXPLANATORY STATEMENT**

**For the General Meeting to be held on**  
**24 July 2009 at 10.00am (WST)**

**The Celtic Club**  
**48 Ord St**  
**West Perth, Western Australia**

*This is an important document. Please read it carefully and in its entirety.  
If you do not understand it please consult with your professional advisers.*

*If you are unable to attend the Meeting, please complete the Proxy Form enclosed and return it  
in accordance with the instructions set out on that form.*

## **TIME AND PLACE OF GENERAL MEETING AND HOW TO VOTE**

This General Meeting of the Shareholders of Australian Mines Limited will be held at:

**Seminar Room 2  
The Celtic Club  
48 Ord St  
West Perth, Western Australia**

**Commencing  
at 10.00am (WST)  
on 24 July 2009**

### **How to Vote**

You may vote by attending the Meeting in person, by proxy or authorised representative.

### **Voting in Person**

To vote in person you need to attend the Meeting on the date and at the place set out above. The meeting will commence at 10.00am (WST).

### **Voting by Proxy**

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of General Meeting as soon as possible and either:

- return the Proxy Form to the Company's registered office at Level 1, 681 Murray Street, West Perth, Western Australia;
- post the Proxy Form addressed to Australian Mines Limited, PO Box 883, West Perth, WA 6872; or
- send the Proxy Form by facsimile to facsimile number (08) 9481 5611,

so that it is received not later than 10.00am (WST) on 22 July 2009.

Your Proxy Form is enclosed.

**AUSTRALIAN MINES LIMITED**  
**ABN 68 073 914 191**

**NOTICE OF GENERAL MEETING**

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Notice is hereby given that the General Meeting of the Shareholders of  
AUSTRALIAN MINES LIMITED  
will be held on 24 July 2009 at 10.00am (WST) at

**The Celtic Club**  
**48 Ord St**  
**West Perth, Western Australia**

for the purpose of transacting the following business.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

**AGENDA**

**SPECIAL BUSINESS**

**1. Resolution 1 – Issue of Placement Shares and Options**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to Resolutions 2 and 3 being passed, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue 2,416,500,000 Shares at an issue price of 0.1 cent each together with 1 free attaching Option for every 20 Shares subscribed for and allotted, on the terms and conditions set out in the Explanatory Statement.”*

**Short Explanation:** Listing Rule 7.1 provides that the prior approval of shareholders is required if the number of securities issued by the Company exceeds 15% of its issued capital in any 12 month period. The Company proposes to issue 2,416,500,000 Shares (together with 1 free attaching Option for every 20 Shares subscribed for and allotted) to sophisticated investors to raise \$2,416,500.

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if this Resolution is passed and any associate of those persons. However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- (b) it is cast by a person chairing that meeting as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form to vote as the proxy decides.

## 2. Resolution 2 – Approval of Entitlement Issue

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to Resolutions 1 and 3 being passed, for the purposes of ASX Listing Rule 7.11.3, approval is given for the Company to proceed with a non-renounceable entitlement issue of fully paid ordinary shares on the basis of 7 new Shares for every 1 Share held by a Shareholder on the Record Date at an issue price of 0.1 cent per Share together with 1 free attaching Option for every 20 Shares subscribed for and allotted on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”*

**Short Explanation:** Listing Rule 7.11.3 prohibits an entity from conducting a non-renounceable entitlement issue if the ratio of securities offered is greater than one security for each security held. On 17 June 2009, ASX granted a waiver from Listing Rule 7.11.3 to allow the Company to offer a 7 for 1 non-renounceable entitlement issue of Shares together with 1 Option for every 20 Shares subscribed for and allotted. A condition of the waiver is that Shareholder approval for the issue is obtained. Please refer to the Explanatory Statement for details.

The Company will disregard any votes cast on this Resolution by a substantial holder of the Company (as that term is defined in the Listing Rules) and any proposed underwriter or sub-underwriter of the Entitlement Issue and any associate of those persons. However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- (b) it is cast by a person chairing that meeting as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form to vote as the proxy decides.

## 3. Resolution 3 – Issue of Options to Underwriter

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to Resolutions 2 and 3 being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 79,517,160 Options to the Underwriter (or its nominees) on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”*

**Short Explanation:** Subject to the agreement by the Underwriter to underwrite the Entitlement Issue, the Company shall issue up to a total of 910,642,675 Options to the Underwriter (or its nominees) under the terms of an Underwriting Agreement to induce sub-underwriting commitments in relation to the underwriting. At the Annual General Meeting of the Company held on 2 June 2009, Shareholders approved the issue of up to 831,125,515 Options to the Underwriter (or its nominees). The Company is seeking Shareholder approval to issue an additional 79,517,160 to the Underwriting (or its nominees) based on the revised terms of the Entitlement Issue. The Options will be issued on the same terms as the free attaching Options to be issued under the Entitlement Issue.

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if this Resolution is passed and any associate of those persons. However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- (b) it is cast by a person chairing that meeting as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form to vote as the proxy decides.

## **VOTING AND PROXIES**

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.
3. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 22 July 2009 at 10.00am (WST).
4. A Proxy Form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

### **By order of the Board**

Mr Brett Young  
Executive Director and Chief Operating Officer  
Dated: 24 June 2009

**AUSTRALIAN MINES LIMITED**  
**ABN 68 073 914 191**

**EXPLANATORY STATEMENT**

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This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

**1. BACKGROUND**

At the Annual General Meeting of the Company held on 2 June 2009, Shareholder approval was obtained for, inter alia, the following resolutions:

- (a) the Company to proceed with a non-renounceable entitlement issue of Shares on the basis of 5 new Shares for every 1 Share held by a Shareholder on the Record Date at an issue price of 0.1 cent per Share together with 1 free attaching Option for every 20 Shares subscribed for and allotted;
- (b) a placement of up to 2,800,000,000 Shares at an issue price of 0.1 cent each together with 1 free attaching Option for every 20 Shares subscribed for and allotted to Creditors of the Company for no consideration in satisfaction of the total net outstanding debt owing to Creditors (“Creditor Placement”); and
- (c) the issue of up to 831,125,515 Options to the Underwriter (or its nominees) as part consideration for underwriting the proposed entitlement issue.

As announced to ASX on 18 June 2009, in light of improving market conditions and as a result of strong demand from sophisticated investor clients of Patersons Securities Limited, the Company has revised its recapitalisation strategy and the originally contemplated offers will be varied.

The Creditor Placement will no longer be required and Creditors will now be repaid in full with cash from the proceeds of the Placement and Entitlement Issue. The terms of the proposed entitlement issue has also changed to increase the ratio of the offer on the basis of 7 new Shares for every 1 Share held by Shareholders on the Record Date to raise approximately \$3,197,645 (before expenses).

The funds raised by the Placement and the Entitlement Issue will be used to pay outstanding statutory and non-statutory debts, fund exploration on the Company’s prospective gold tenements and for general working capital.

The capital structure of the Company assuming all the Resolutions in the Notice are carried into effect is as follows:

<b>Capital Structure</b>	<b>Number of Shares</b>	<b>Number of Options</b>
Securities currently on issue	456,806,396	8,750,000
Placement	2,416,500,000	120,825,000
Entitlement Issue	3,197,644,772	159,882,239
Underwriter Options	-	910,642,675
<b>Total</b>	<b>6,070,951,168</b>	<b>1,200,099,914</b>

## **2. RESOLUTION 1 – ISSUE OF PLACEMENT SHARES AND OPTIONS**

Resolution 1 seeks Shareholder approval under Listing Rule 7.1 for the allotment and issue of 2,416,500,000 Shares together with 1 free attaching Option for every 20 Shares allotted and issued to raise \$2,416,500.

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities or other securities with rights of conversion to equity if the number of those securities exceeds 15% of the total ordinary securities on issue at the commencement of that 12 month period. One circumstance where an issue is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of Shareholders in a general meeting. The effect of Resolution 1 will be to allow the Directors to issue Shares and Options pursuant to the Placement during the period of 3 months after the Meeting (or a longer period if allowed by the ASX), without using the Company's annual 15% placement capacity.

ASX Listing Rule 7.3 sets out the matters which must be included in the notice of meeting convened to seek shareholder approval under ASX Listing Rule 7.1. For the purposes of ASX Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 1:

- (a) the maximum number of securities to be issued is 2,416,500,000 Shares and 120,825,000 Options;
- (b) the Shares and Options will be issued and allotted on one date contemporaneously with the issue of Shares and Options under the Entitlement Issue and in any event no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the Shares will be issued at 0.1 cent each and the Options will be issued for free;
- (d) the Shares and Options will be issued to sophisticated investor clients of Patersons Securities Limited, none of whom are related parties of the Company;
- (e) the Shares and Options (when exercised) will be fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares;
- (f) the Options will be issued on the terms and conditions set out in the Schedule; and
- (g) the funds raised from the Placement will be used to repay outstanding debts owing to Creditors of the Company.

## **3. RESOLUTION 2 – ENTITLEMENT ISSUE**

### **3.1 Purpose of Entitlement Issue**

Resolution 2 seeks Shareholder approval for a pro-rata non-renounceable Entitlement Issue of securities to Shareholders who are registered on the Record Date.

The offer is proposed to be made on the basis that for every 1 Share held as at a record date, Shareholders as Eligible Participants will have the right to subscribe for 7 new Shares at an issue price of 0.1 cent pursuant to a prospectus. Each Eligible Participant will also be entitled to 1 free attaching Option for every 20 Shares subscribed for and allotted. The Options are exercisable at 0.2 cents each on or before 30 June 2013 and will be issued on the terms and conditions set out in the Schedule.

Based on the capital structure of the Company at the date of this Notice approximately 3,197,644,772 Shares and 159,882,239 Options will be offered to raise up to approximately \$3,197,645 (before expenses).

The Entitlement Issue will be made on a non-renounceable basis such that Eligible Participants may not sell or transfer all or any part of their entitlement.

The Entitlement Issue is proposed to be underwritten by Patersons Securities Limited, subject to approval by Shareholders of all resolutions pursuant to this Notice.

The funds raised by the Entitlement Issue will be used to fund exploration on gold prospects on the Blair tenements south of Kalgoorlie known as Golden Ridge, East Location 45 containing the Mt Martin gold mine and Duplex Hill South which contains the Woodline Project, to supplement payments to statutory creditors and to provide working capital for the Company.

The Company considers that the funds raised from the Entitlement Issue will provide sufficient capital for it to fund exploration on its tenements together with providing a solution to restructure debt and also for the current working capital requirements of the Company.

### 3.2 Shareholder Approval

ASX Listing Rule 7.11.3 does not allow a company to offer a pro-rata Entitlement Issue of securities that is greater than 1 security for each security held unless the offer is renounceable (that is, the rights may be traded as a separate entitlement before the closing date of the Entitlement Issue).

The Company has a commercial need for funds beyond what is obtainable on a 1 for 1 basis. Accordingly, the Company applied for and ASX has granted a waiver on 17 June 2009 from Listing Rule 7.11.3 to allow the Company to proceed with the Entitlement Issue as proposed.

The waiver was granted on condition that the Company obtains Shareholder approval for the issue and that the notice of meeting contains a voting exclusion statement excluding the votes cast on the resolution by all substantial Shareholders of the Company (as that term is defined in the Listing Rules) and any proposed underwriter or sub-underwriter of the Entitlement Issue. The only substantial Shareholder of the Company whose votes will be excluded is Michlange Pty Ltd, an entity associated with Mr Neil Warburton, a Director of the Company.

In addition to the information set out above, the Company provides the following information:

- (a) based on the Company's current share capital, the total number of Shares to be issued under the Entitlement Issue will be approximately 3,197,644,772 Shares and 159,882,239 free attaching Options. The actual number of Shares and Options that are issued on completion of the Offer will depend on whether any of the existing option holders exercise their options into Shares before the record date determining entitlements;
- (b) the Company will raise approximately \$3,197,645 from the Entitlement Issue and these funds will be used:
  - (i) to conduct further exploration on the Company's tenements of \$1,721,907;
  - (ii) to supplement payments to statutory creditors of approximately \$500,000;
  - (iii) to repay the loan amount outstanding to Michlange Pty Ltd, a company associated with Mr Neil Warburton, a Director of the Company, of \$155,000;
  - (iv) for general working capital of \$345,000; and
  - (v) to pay for the expenses of the issue of \$475,738;
- (c) the Entitlement Issue offer will be made under a prospectus to be sent to Shareholders;
- (d) the issue price of 0.1 cent will enable small Shareholders to maintain their proportionate holding in the Company without outlaying large sums and therefore not being significantly diluted;

- (e) the free attaching Options will be issued on the terms and conditions set out in the Schedule; and
- (f) an indicative timetable for completion of the Entitlement Issue is set out below:

Lodgement of prospectus with ASIC and ASX	24 June 2009
Notice sent to Shareholders containing information required by Appendix 3B	26 June 2009
Ex Date	29 June 2009
Record Date for determining Shareholder entitlements	3 July 2009
Opening date and dispatch of prospectus to Shareholders	7 July 2009
Closing date of Entitlement Issue	31 July 2009
Shares quoted on deferred settlement basis	4 August 2009
Notify ASX of under-subscriptions	6 August 2009
Dispatch date. Shares entered into Shareholders security holdings	11 August 2009

#### **4. RESOLUTION 3 – ISSUE OF OPTIONS TO UNDERWRITER**

##### **4.1 General**

Resolution 3 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the allotment and issue of up to 79,517,160 Options to Patersons Securities Limited (or its nominees) ("Underwriter"), subject to the agreement by the Underwriter to underwrite the Entitlement Issue. At the Annual General Meeting of the Company held on 2 June 2009, Shareholders approved the issue of up to 831,125,515 Options to the Underwriter (or its nominees). The Company is seeking Shareholder approval to issue an additional 79,517,160 to the Underwriting (or its nominees) based on the revised terms of the Entitlement Issue, as set out in Section 1 above. The Options will be issued on the same terms as the free attaching Options to be issued under the Entitlement Issue. The Options are proposed to be issued to induce sub-underwriting commitments in relation to the underwriting and equate to 15% of the expanded share capital post the Entitlement Issue and Creditor Placement.

A summary of ASX Listing Rule 7.1 is set out in Section 2 above.

The effect of Resolution 3 will be to allow the Directors to issue the Options to the Underwriter during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

##### **4.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 3:

- (a) the maximum number of Securities to be issued is 79,517,160 Options (in addition to 831,125,515 Options approved at the Annual General Meeting held on 2 June 2009);

- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment and issue of the Options will occur on one and the same date;
- (c) the Options will be issued to Patersons Securities Limited (or its nominees);
- (d) the Options will be issued on the terms and conditions set out in the Schedule; and
- (e) the Options will be issued for nil consideration to induce sub-underwriting commitments as part of the terms of an underwriting of the Entitlement Issue. Accordingly, no funds will be raised from the issue of the Options.

## AUSTRALIAN MINES LIMITED

ABN 68 073 914 191

### GLOSSARY

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In this Explanatory Statement the following expressions have the following meanings:

"**ASX**" means ASX Limited.

"**ASX Listing Rules**" or "**Listing Rules**" means the Listing Rules of ASX Limited.

"**Board**" means the board of directors of the Company.

"**Chairman**" means the chairman of the Company.

"**Company**" or "**Australian Mines**" means Australian Mines Limited (ABN 68 073 914 191).

"**Constitution**" means the Constitution of the Company.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Creditor**" means a trade creditor of the Company or any of its subsidiaries incurred and still outstanding as at 31 March 2009 not including statutory creditors.

"**Directors**" means the directors of the Company from time to time.

"**Eligible Participant**" means Shareholders who are registered on a specified record date who are entitled to subscribe under the Entitlement Issue offer.

"**Explanatory Statement**" means this explanatory statement.

"**General Meeting**" and "**Meeting**" means the meeting convened by this Notice.

"**Notice**" means the notice of meeting that accompanies this Explanatory Statement.

"**Options**" means an option to subscribe for a Share on the terms and conditions set out in the Schedule.

"**Placement**" means the proposed placement by the Company of 2,416,500,000 Shares together with 1 free attaching Option for every 20 Shares allotted and issued to sophisticated investor clients of Patersons Securities Limited to raise \$2,416,500, the subject of Resolution 1.

"**Proxy Form**" means the proxy form accompanying the Notice.

"**Record Date**" means the record date for the Entitlement Issue, being on or about 2 July 2009.

"**Resolution**" means a resolution contained in this Notice.

"**Entitlement Issue**" means the proposed offer by the Company of a pro rata non-renounceable Entitlement Issue on the basis of 7 new Shares for every 1 Share held as at a record date at an issue price of 0.1 cent per Share together with 1 free attaching Option for every 20 Shares subscribed for and allotted.

"**Share**" means a fully paid ordinary share in the capital of the Company and "**Shares**" has a corresponding meaning.

"**Shareholder**" means a holder of Shares.

"**Underwriter**" means Patersons Securities Limited (ABN 69 008 896 311) AFSL 239052.

"**WST**" means Western Standard Time, Perth, Western Australia.

## AUSTRALIAN MINES LIMITED

ABN 68 073 914 191

### SCHEDULE

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The terms and conditions of the Options are as follows:

- (a) The options have an expiry date of 5.00pm (WST) on 30 June 2013 ("Expiry Date"). Any option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (b) Each option gives the optionholder the right to subscribe for one Share. To obtain the right given by each option, the optionholder must exercise the options in accordance with the terms and conditions of the options.
- (c) The exercise price payable upon exercise of each option will be 0.2 cents ("Exercise Price").
- (d) All or part of the options may be exercised at any time prior to the Expiry Date, from time to time.
- (e) An optionholder may exercise their options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of options specifying the number of options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of options being exercised, ("Exercise Notice").
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 5 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of options specified in the Exercise Notice.
- (h) All Shares allotted upon the exercise of options will upon allotment rank *pari passu* in all respects with other Shares.
- (i) The Company will apply for quotation of the options on ASX.
- (j) The Company will also apply for quotation by ASX of all Shares allotted pursuant to the exercise of options within 10 Business Days after the date of allotment of those Shares.
- (k) In the event of any reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company before the expiry of any options, the number of options to which an optionholder is entitled or the Exercise Price of the options or both will be reconstructed (as appropriate) in accordance with the Listing Rules.
- (l) An option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the option can be exercised.
- (m) There are no participating rights or entitlements inherent in the options and optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the options. However, the Company will ensure that for the purposes of the proposed issue notice of the new issue will be given to optionholders at least seven (7) business days before the record date. This will give optionholders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue.

**AUSTRALIAN MINES LIMITED**  
**(ABN 68 073 914 191)**

**PROXY FORM**  
**ANNUAL GENERAL MEETING**

I/We (name and address)

being a Member of Australian Mines Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the General Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting of Shareholders to be held at The Celtic Club, 48 Ord St, West Perth, Western Australia on 24 July 2009 at 10.00am (WST) and at any adjournment thereof. **If no directions are given on how to vote, the Chairman will vote in favour of all of the Resolutions.**

**Voting on Business of the General Meeting**

		FOR	AGAINST	ABSTAIN
Resolution 1	Issue of Placement Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of Entitlement Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Options to Underwriter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If the chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in the box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the Resolutions and that the votes cast by the Chair of the meeting for those Resolutions other than as proxy holder will be disregarded because of that interest. **The Chair intends to vote any such undirected proxies in favour of all Resolutions.** If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the Resolutions and your votes will not be counted in calculating the required majority if a poll is called on a Resolution.

If you mark the abstain box for a particular item, you are directing your proxy not vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority of a poll

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%.

Please return this Proxy Form to the Company Secretary, Australian Mines Limited Level 1, 681 Murray Street, West Perth, Western Australia, and post to Australian Mines Limited at PO Box 883, West Perth, WA 6872 or fax to (08) 9481 5611 by 10.00am (WST) on 22 July 2009.

Signed this                      day of                      2009.

**By:**

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature

Director

Signature

Director/Company Secretary

Signature

Sole Director and Sole Company Secretary

**AUSTRALIAN MINES LIMITED**  
**ABN 68 073 914 191**  
**Instructions for Completing 'Appointment of Proxy' Form**

1. **(Appointing a Proxy):** A member entitled to attend and vote at an General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Australian Mines Limited PO Box 883, West Perth, WA 6872; or
  - (b) facsimile to the Company on facsimile number +61 8 9481 5611,so that it is received not later than 10.00am (WST) on 22 July 2009.

**Proxy forms received later than this time will be invalid.**