



10 February 2009

ASX Announcement

Company Update

TERMINATION OF BOUNTY NICKEL RIGHTS OPTION AGREEMENT, WA

Australian Mines (ASX: AUZ) has moved to rationalise its exploration portfolio by terminating its option agreement to acquire the Bounty nickel rights from Azure Minerals Limited (ASX: AZS).

While the Company had identified the Bounty nickel rights as a highly prospective package of tenements, it was felt that the Company had to conserve cash and therefore has withdrawn before completing the agreement.

The Bounty project is located on the northern portion of the Forresteria greenstone belt in WA, some 80kms south of Southern Cross. During the period of the option agreement, the Company completed preliminary drilling exploration on the project with moderate success.

The Bounty nickel rights were the subject of a Memorandum of Agreement between Montague Resources Australia Pty Ltd which was in administration and Azure Minerals Limited and were assigned to AUZ by way of an option agreement. This option agreement was not exercised by 1 December 2008 being the expiry date and therefore the Company will no longer have exposure to expenditure commitments from the Bounty Project.

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