



31st December 2009

## ASX Announcement

### WOOLIBAR FAULT EXPLORATION UPDATE – MT MARTIN REGION

Australian Mines (ASX:AUZ) is pleased to announce the encouraging exploration results at the Woollibar fault flexure located immediately to the north of the Mt Martin gold mine located 40 kms south east of Kalgoorlie WA.

- A wide spaced auger drilling programme to the north of Mt Martin gold mine was drilled to explore a flexure in the Woollibar fault.
- The auger programme has outlined an extensive area of +10 ppb gold in soils anomalism with peak values to +80 ppb gold.
- The gold in soils anomaly is 3 kilometres long and is open to the northeast.

#### Background Information

The Woollibar fault is considered to be a regional feeder fault for gold mineralisation such as the 370,000 ounce Mt Martin camp, which is localised along the second order Mt Martin fault.

The area north of Mt Martin where the Woollibar fault changes direction was selected as a favourable structural setting with suitable host rocks and this has been confirmed by the discovery of a large gold in soil anomaly.

#### The exploration programme to date

The geochemical auger sampling programme which was drilled in two phases over recent months has been highly successful in defining a strong northwest trending surface gold anomaly on the company's tenements in an area with no previous exploration drilling.

The auger holes are currently drilled every 40 metres along 200 metre-spaced east-west lines.

The auger 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.

#### Future exploration

The northeast trending surface gold anomaly may represent a buried gold system and the next phase of exploration will be to infill drill to a pattern of 100 metres between lines and 40 metres between holes over the most anomalous areas, as well as extending the auger coverage to the northeast.

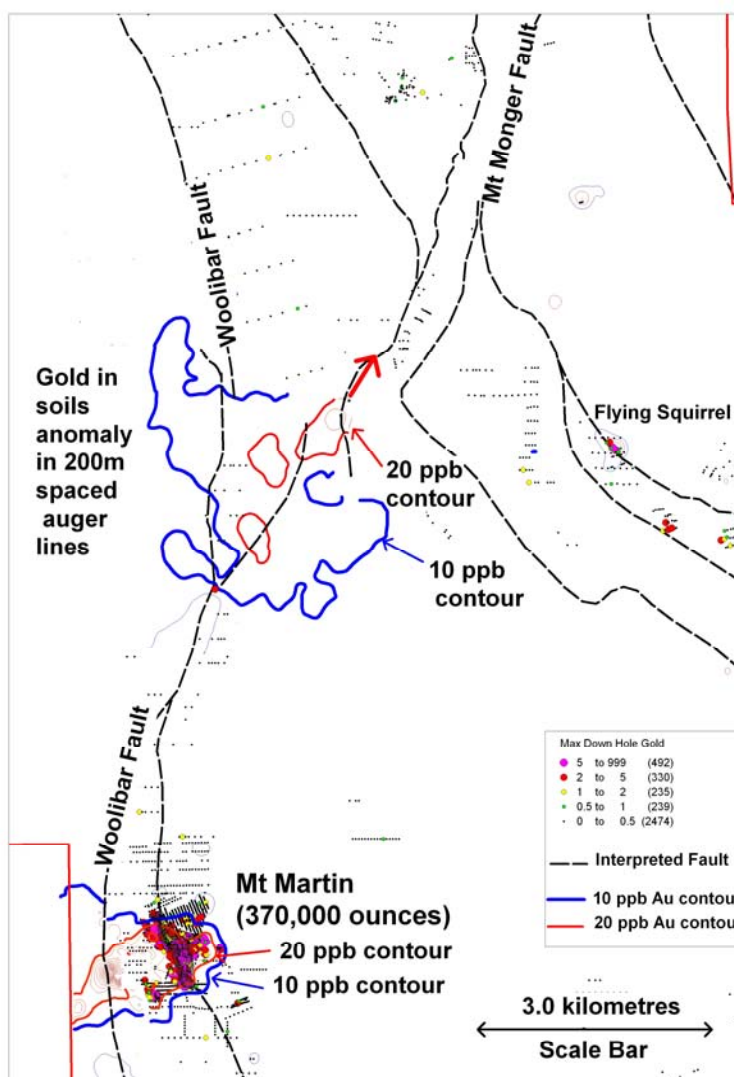


Figure 1: Geochemical auger anomalism with 10ppb contour lines and exploration drillholes.

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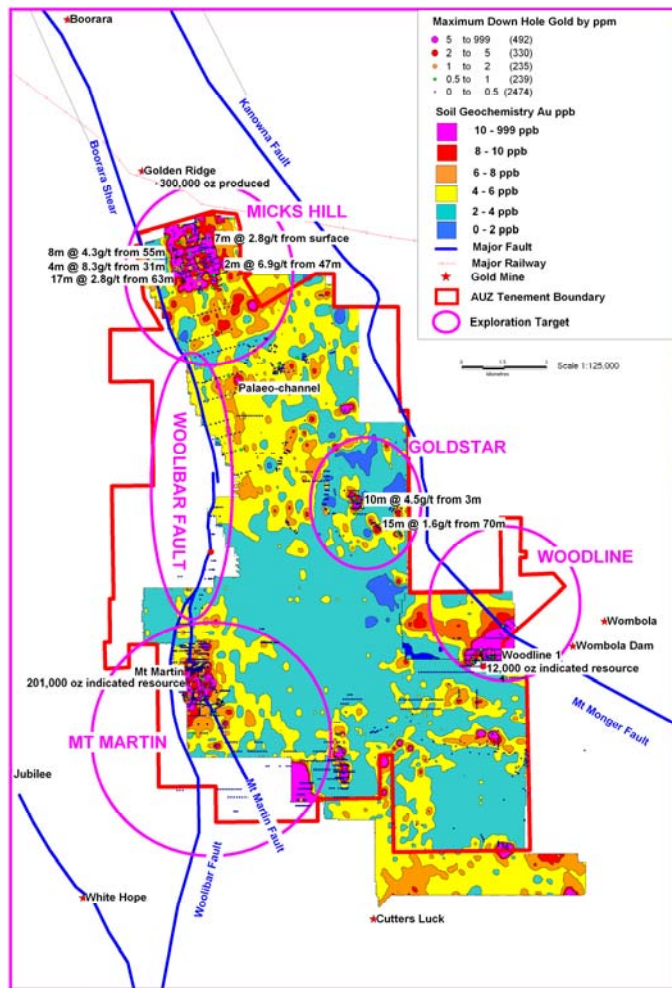
*The information in this report that relates to Exploration Results is based on information compiled by Mr E Poole who is a member of The Australasian Institute of Mining and Metallurgy. Mr Poole is employed by Australian Mines Limited. Mr Poole has sufficient experience which is relevant to the style 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.*

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Plan of the Company's tenements highlighting the Woolbar fault flexure