Australian Mines Limited

Golden Ridge and Mt Martin Gold Projects

Chairman's address

AGM Nov 2010

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Location and Tenure.

Location and Tenure

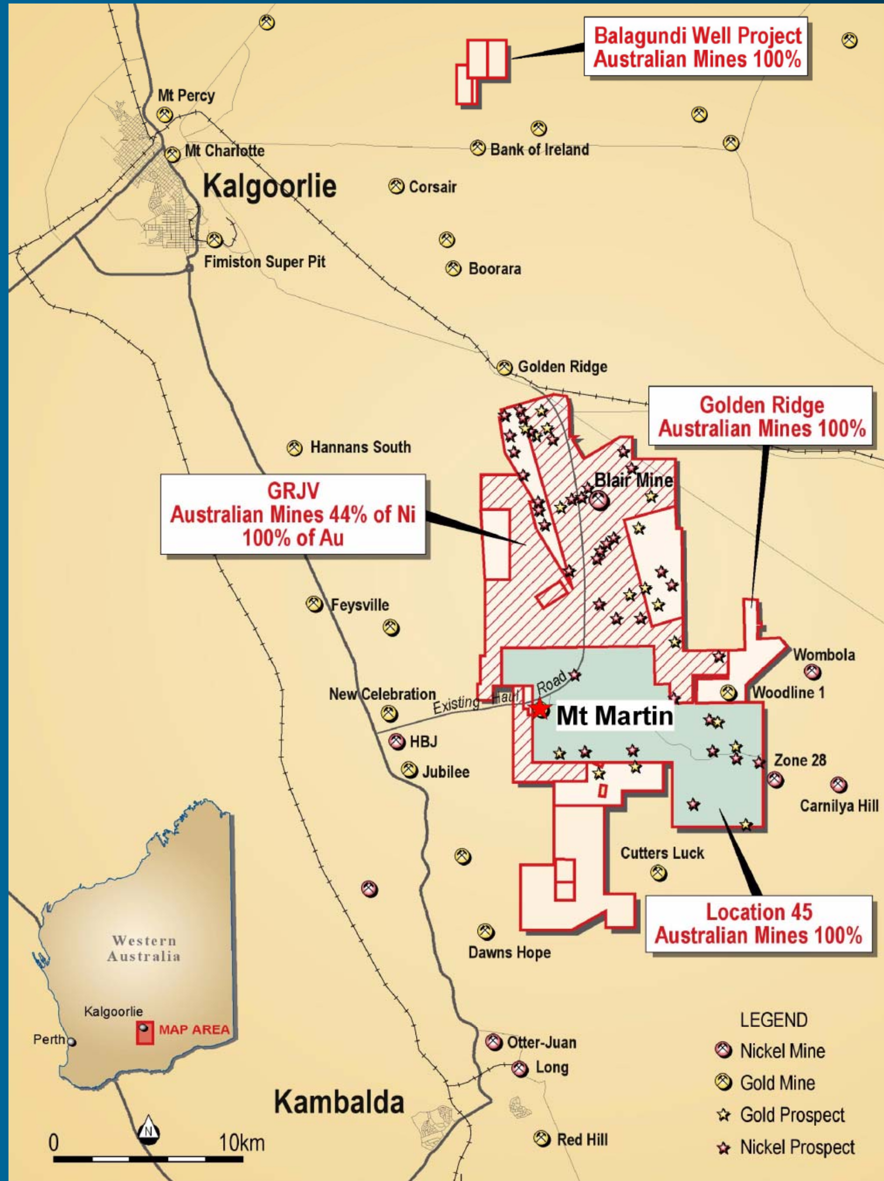
- Ideally located approximately 35 km from Kalgoorlie.
- Approximately 240 sq km of exploration and mining leases, plus a long term lease over an 80 sq km freehold title at East Location 45.

Infrastructure

- Established all weather roads and licenced haul roads.
- Proximal to a number of modern CIL gold treatment plants.
- Proximal to a skilled workforce and efficient mining contractors.
- Major gold resource at Mt Martin.
- Remnant gold ore at Woodline 1 pit.
- Mothballed nickel sulphide mine at Blair.

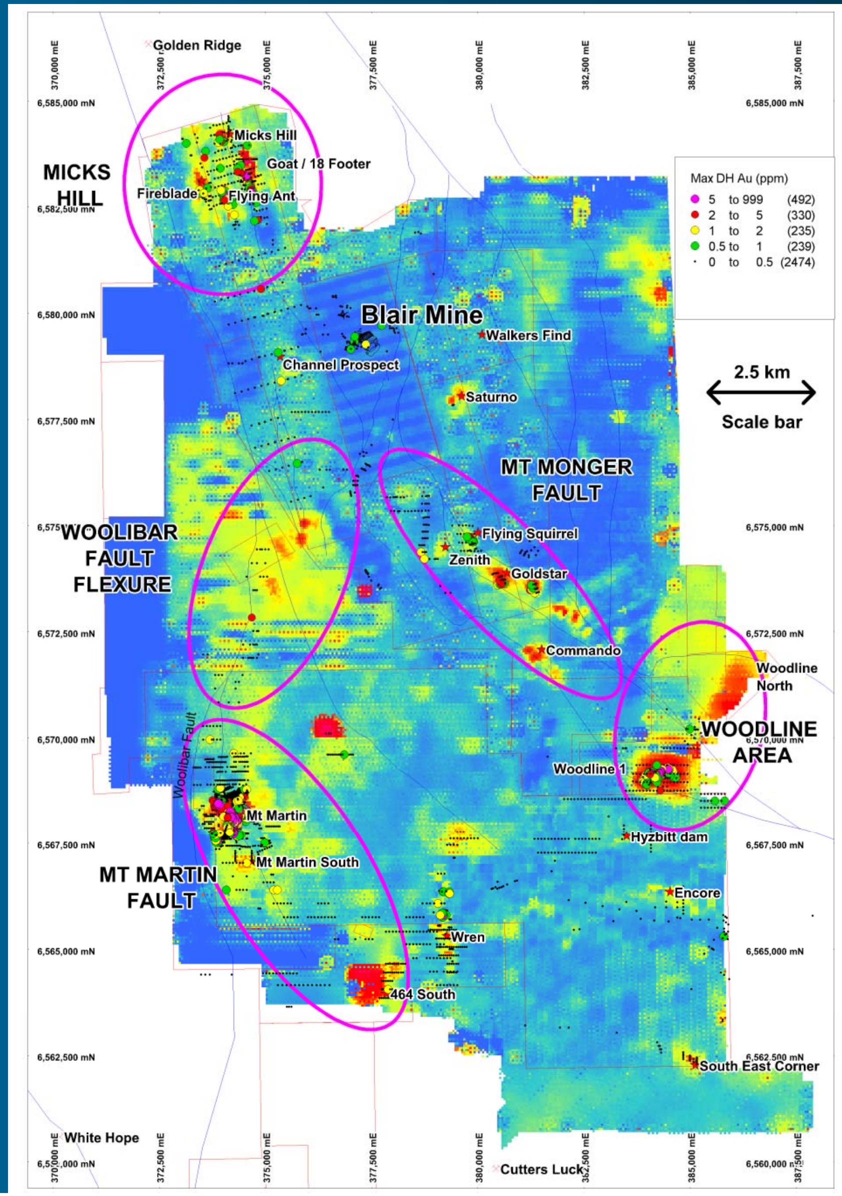
Exploration

- Actively being explored for gold and nickel sulphides.

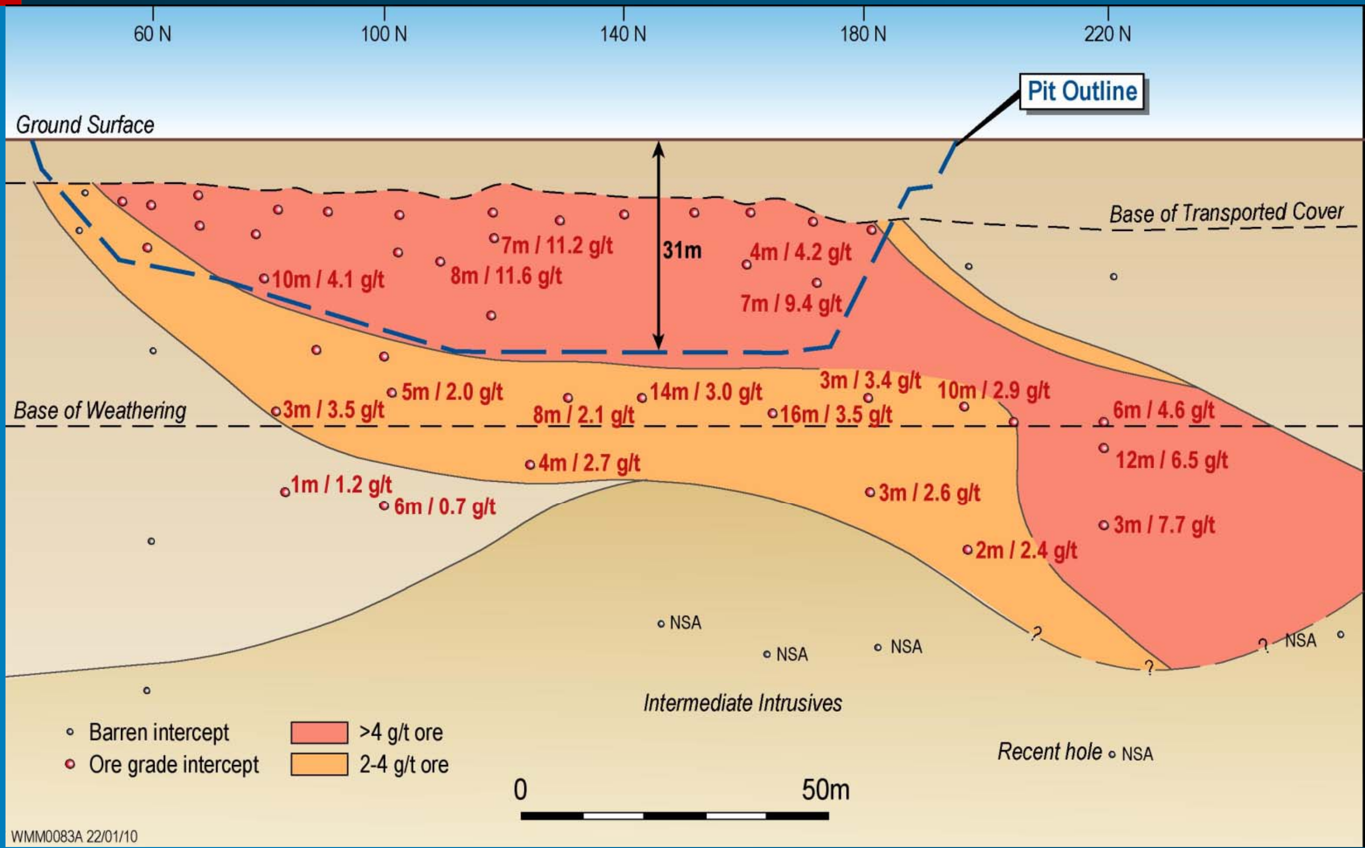


Gold Exploration.

- Contiguous block of tenements, with exposure to highly prospective regional fault systems.
- Auger drilling has defined new Au in soils anomalies at Woolibar Fault Flexure and North Woodline.
- RAB drilling was completed at Mick's Hill , Commando and Goldstar.
- RAB drilling was completed at 464 South.
- Woodline 1 Resource was extended down plunge by RC drilling.
- Since acquiring Mt Martin in january 2010 AUZ has progressed Mt Martin to mine design stage.

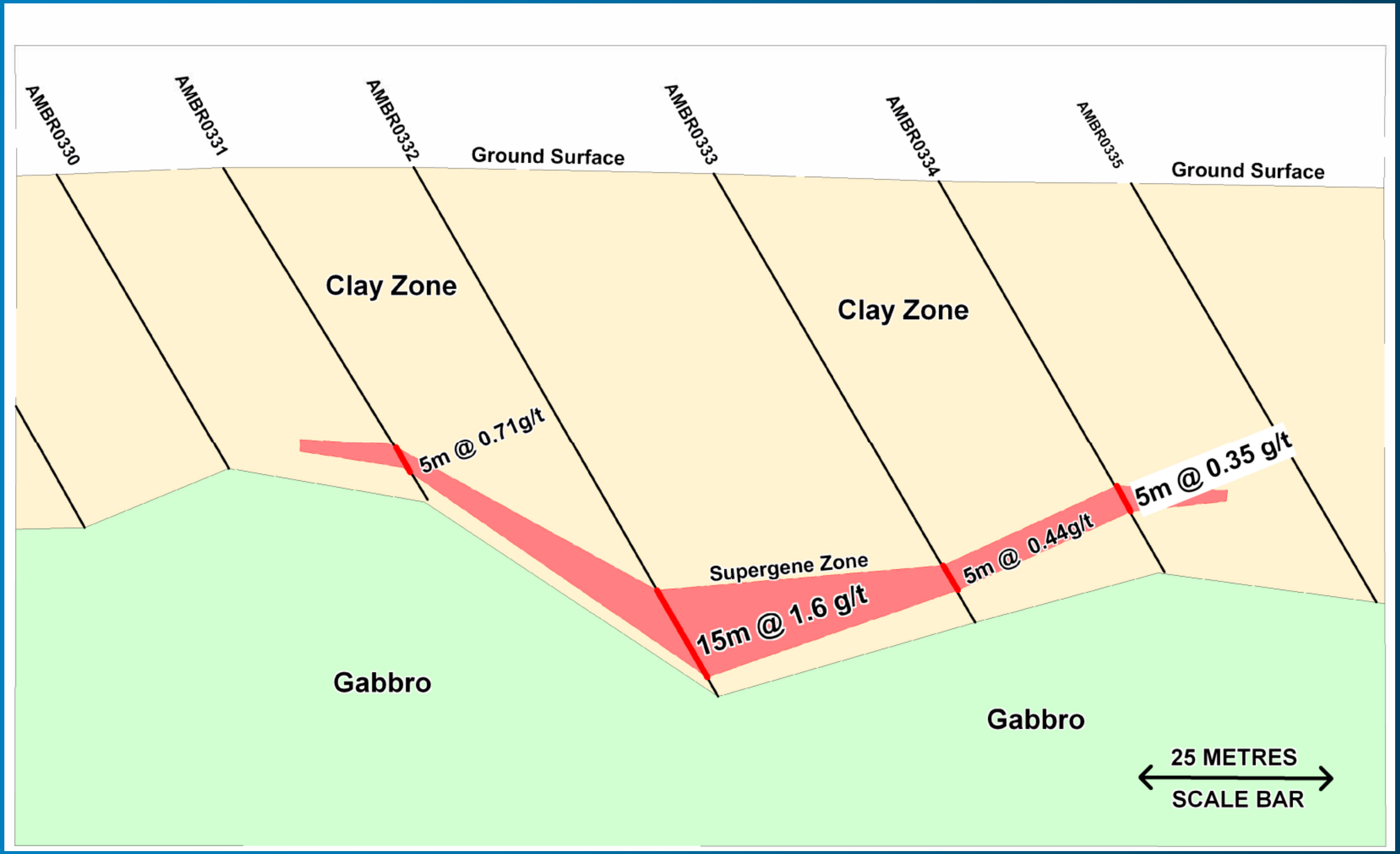


Woodline 1.



- The pit produced about 45,000 tonnes at 2.8 g/t for 4,000 ounces.
- The remnant Indicated Resource is 90,000t @ 2.19 g/t for 6,300 ounces.
- May be potential for a cutback at current gold price.
- Porphyry Interference in deepest holes, but system may re-commence at depth.

Goldstar.



- A strong soil anomaly within a structural corridor along the Mt Monger Fault.
- RAB drilling has defined a zone of deeper weathering and regolith anomalism.
- Holes are pegged for follow up drilling in november 2010.

Mt Martin - Strategic Gold Asset

- 1,306 metres of RC precollars and 2,310 metres of diamond tails has been completed in the testing of the Main Shear shoots and the exploration of the East Shear.
- Extensional drilling into the East Shear located nearby the main shear has added potential for underground mining reserves.
- 578 metres of RC drilling was completed to add shallow open pittable resources on East Shear.
- The drilling done by AUZ has established a reported Indicated and Inferred Resource of 4 million tonnes at 2.0 g/t for 265,000 gold ounces.
- Further exploration potential has been identified to increase the gold ounces in the resource.
- Mine design studies have been completed for Mt Martin which indicate that an open-pit cutback would be profitable under the current gold price and using various treatment scenarios. The cutback could produce potentially + 50,000 ounces of gold.
- AUZ is rapidly advancing the Mt Martin Gold Project toward production status, and currently AUZ want to maximise this value for shareholders.

Mt Martin Pit – October 2010

West wall showing Main Lode ore and 4 Level workings.

Mt Martin Pit looking south toward the existing haulage ramp.

AUZ

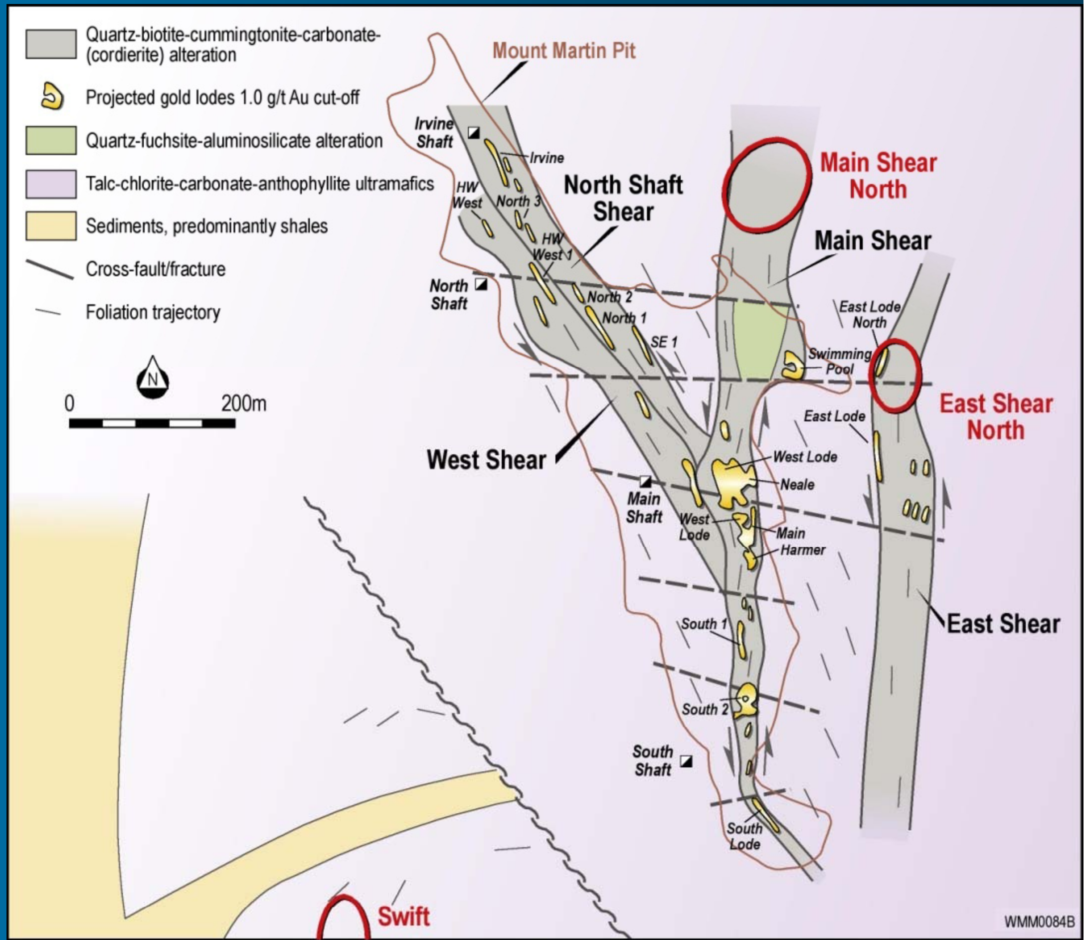
Mt Martin Interpreted Surface Geology

Regional Geology

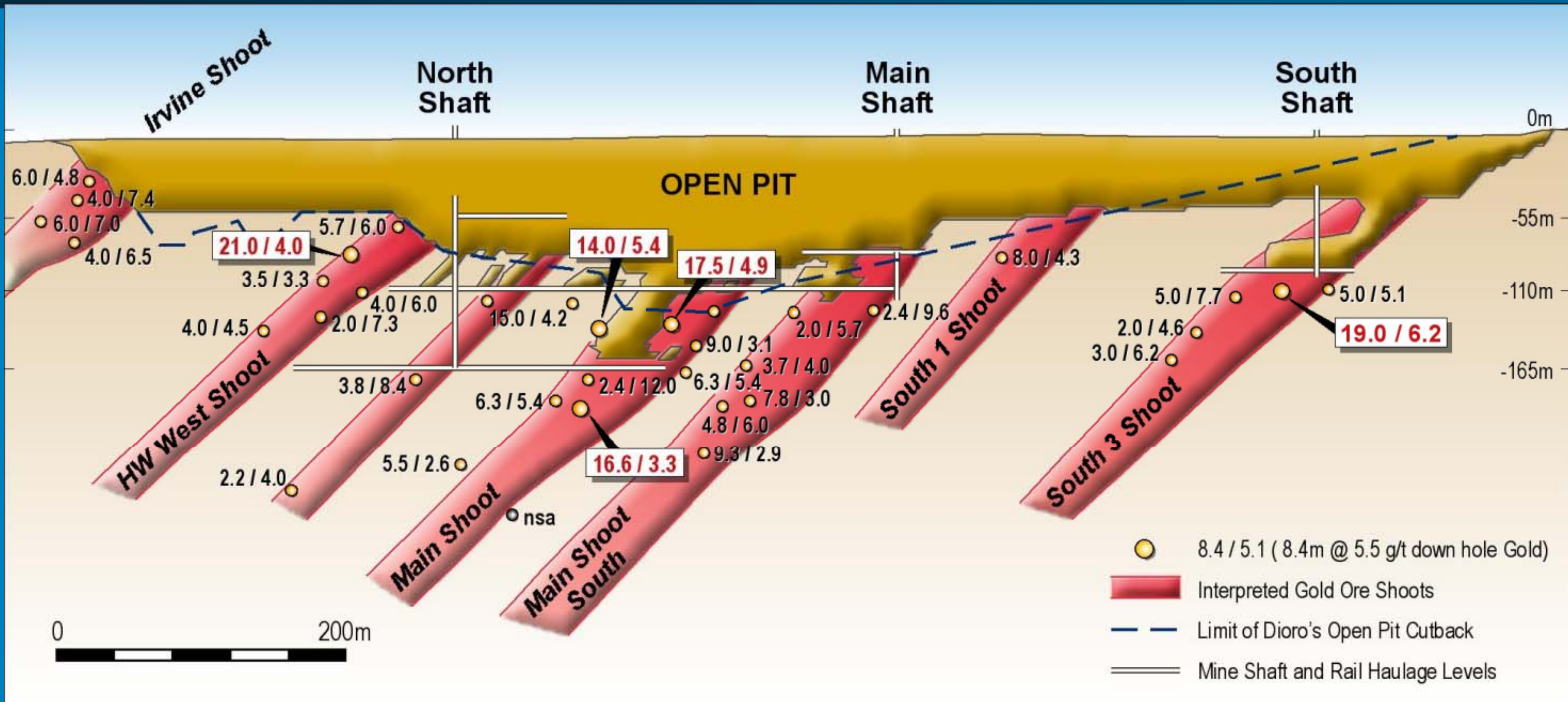
- Located on the Mt Martin Fault, which is a splay off the regional ‘Woolibar to Boorara Shear’.

Local Geology

- Ore shoots are hosted within carbonate altered ultramafic rocks.
- Ore shoots generally plunge at 40 degrees toward the NW.
- The best ore is located at the junction of the West Shear and the Main Shear.
- A number of satellite projects have shallow oxide resources and potential to grow.

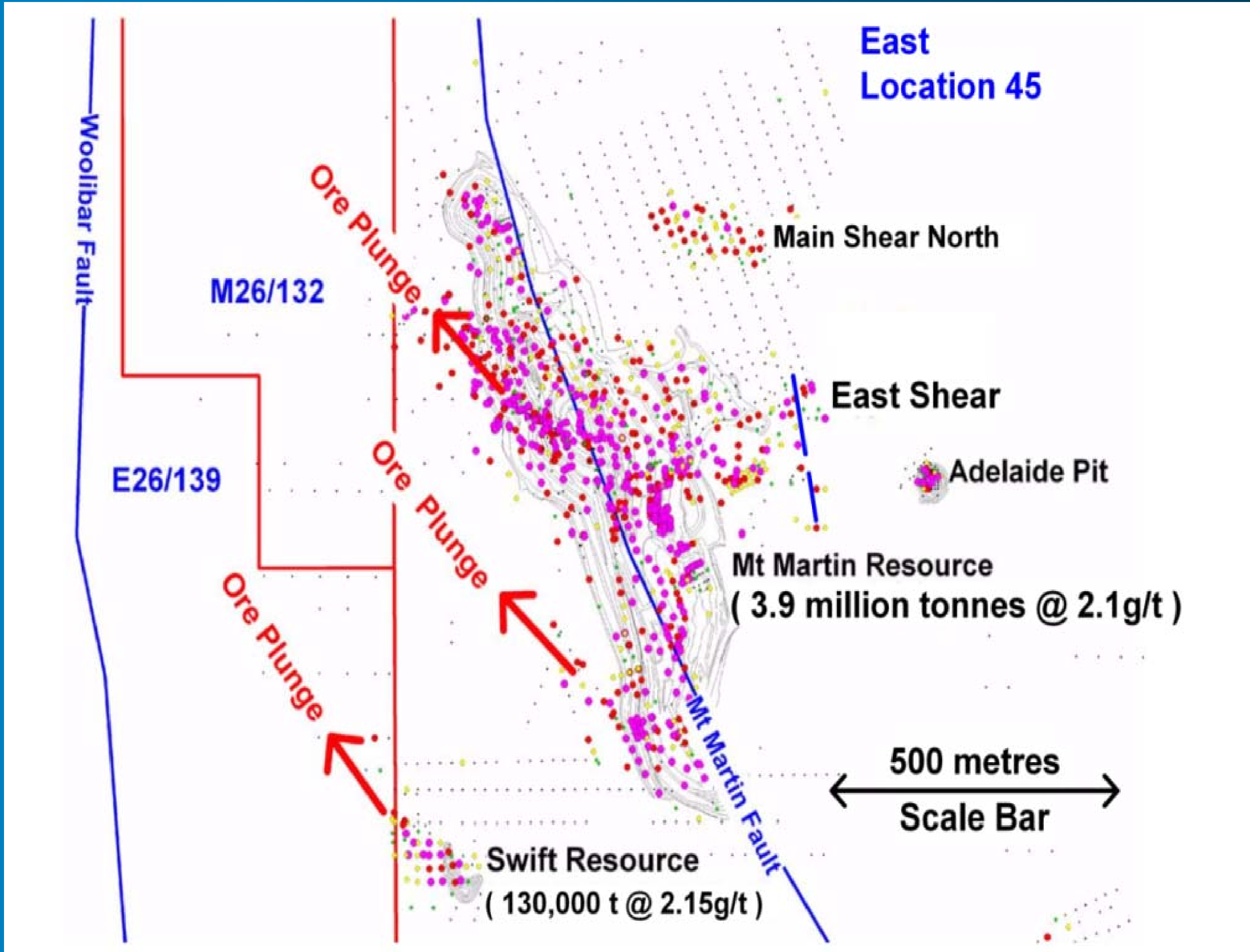


Mt Martin Past Production



- Mined by underground and open pit methods for a total production of 231,000 ounces.
- The latest mining was by Dioro in 2009, which involved steepening the ramp and digging ore from below the old 4 level workings to recover 743,000 tonnes at 1.5 g/t for 31,200 ounces.
- The deepest workings are 165 metres below surface, and there is potential to add significant ounces at depth.

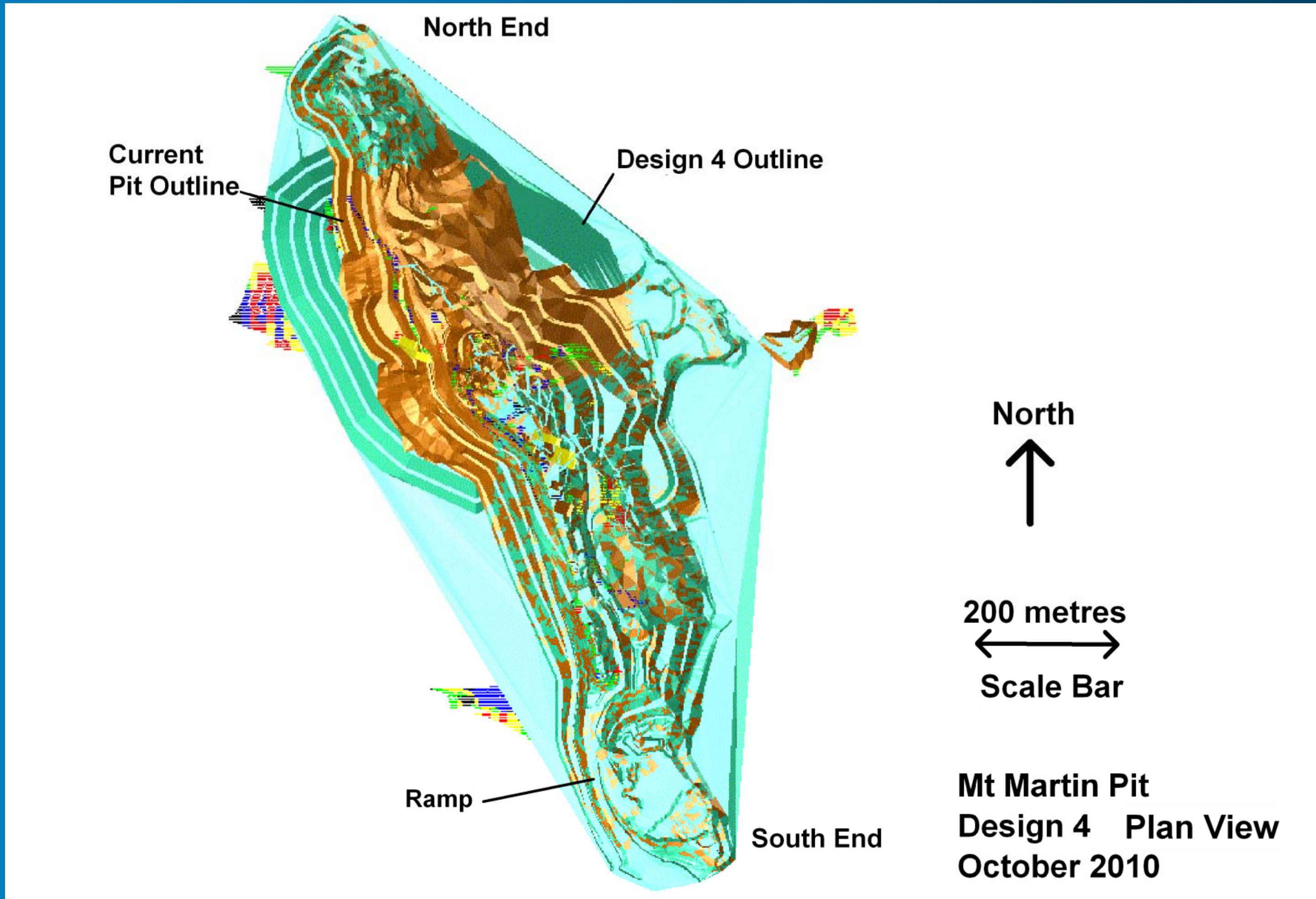
Mt Martin Mine and Satellite Deposits



Mt Martin Current Resources (using a 0.5 g/t Au cut off)

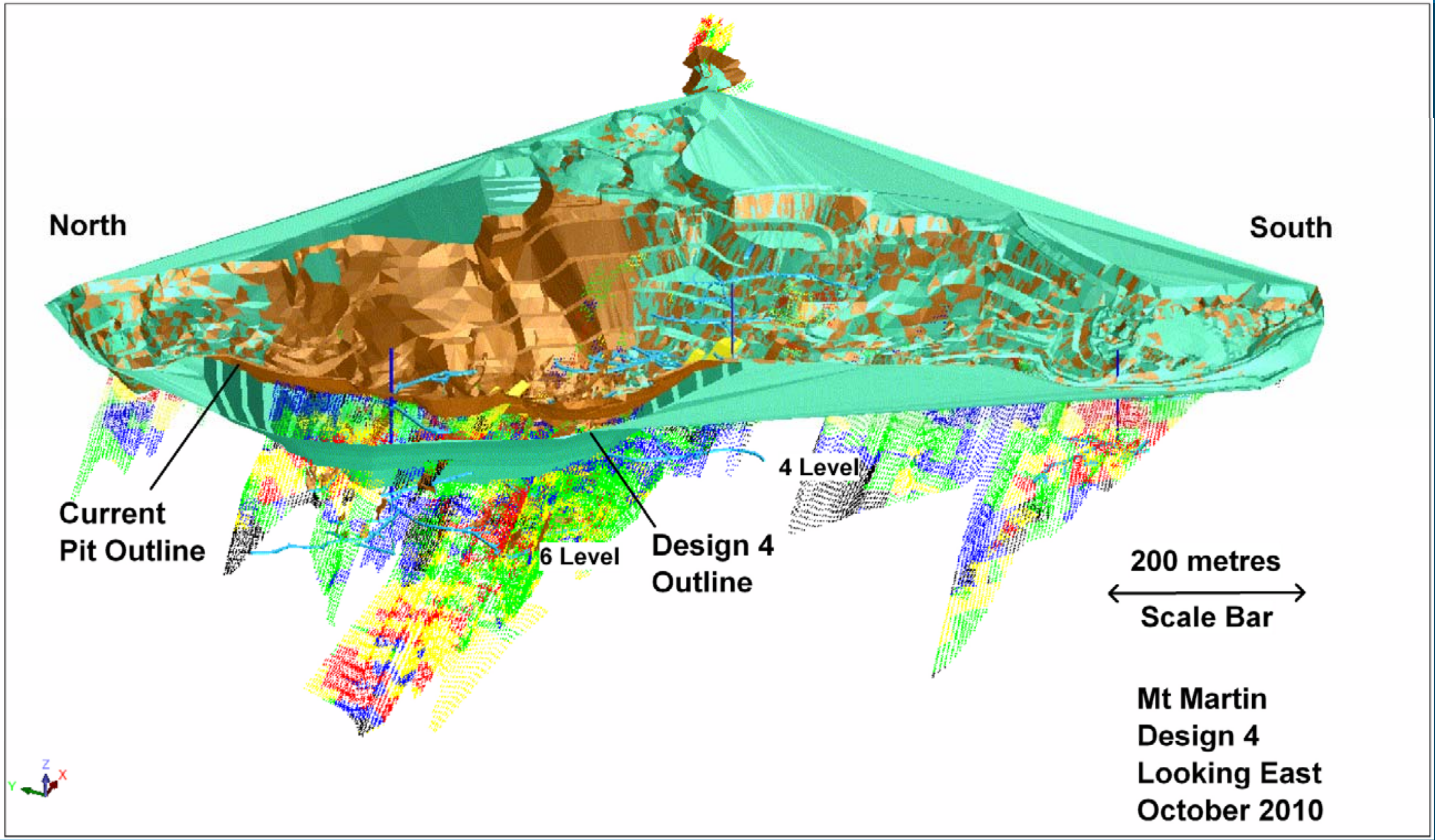
Project Name	Resource Category	Tonnes (t)	Grade (g/t)	Ounces (ozs)
Mt Martin	Indicated	2,847,000	1.90	176,500
Mt Martin	Inferred	1,194,500	2.30	88,000
	Total	4,042,000	2.00	264,500
Swift	Indicated	129,000	2.15	8,900
	Total	129,000	2.15	8,900
Main Shear Nth	Inferred	260,000	1.1	8,800
	Total	260,000	1.1	8,800

Mt Martin – Plan View of Mine Design 4



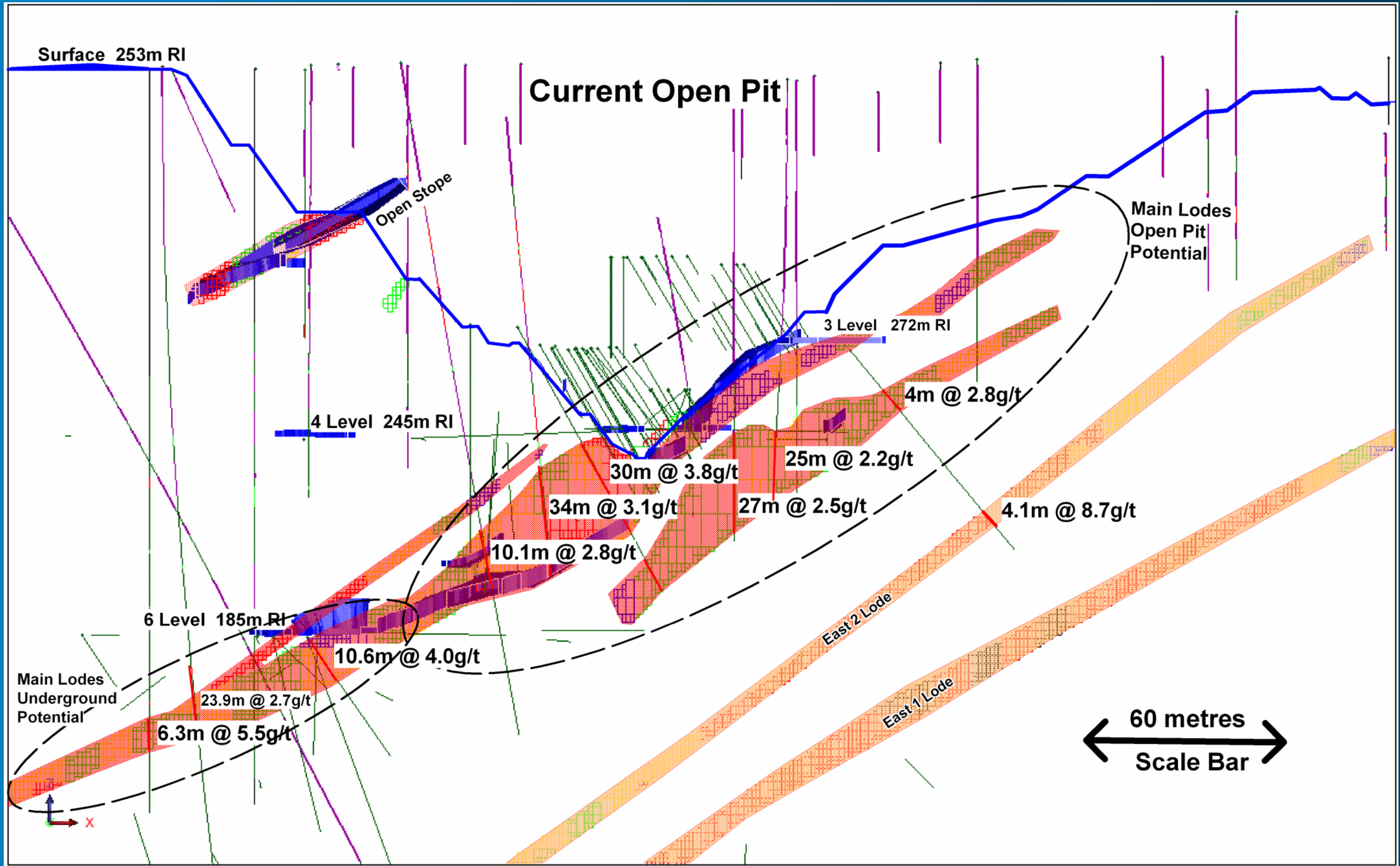
- Design 4 utilises the existing ramp at the south end of the pit.
- Mines ore in the NW wall from the West Shear Lodes.
- Mines ore from the Main Shear lodes below the current floor.

Mine Design 4 – Looking East

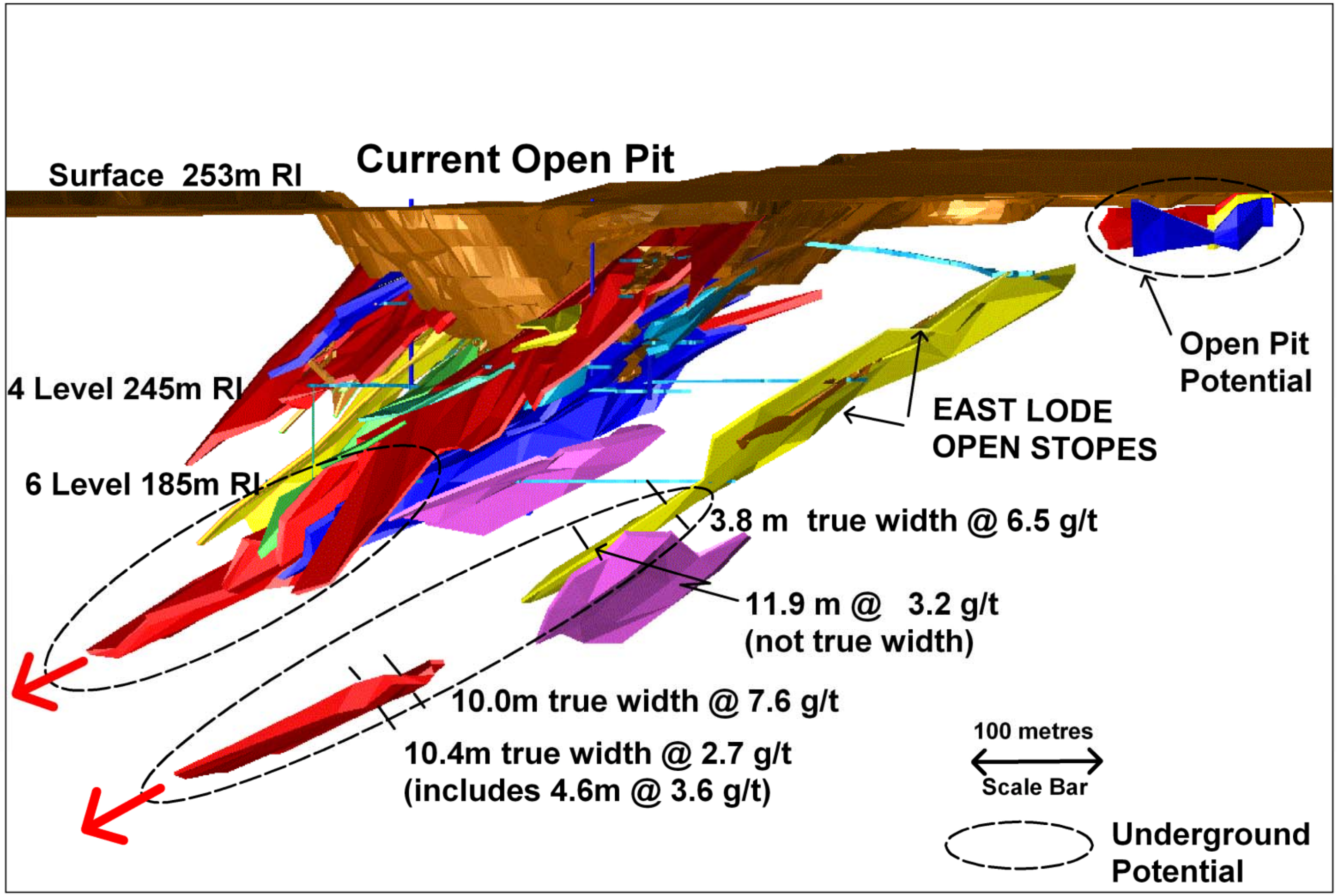


- Pit Design 4 has a waste to ore ratio of 11.7 : 1
- Designed to produce 50,000 ounces at a gold price of AUS $ 1,350 and appropriate milling costs.
- Underground potential remains below the Design 4 shape.

Section 6,568,140 m North +/- 10m



Mt Martin underground Potential



AUZ diamond drilling intercepts on the East Lode below current workings include:

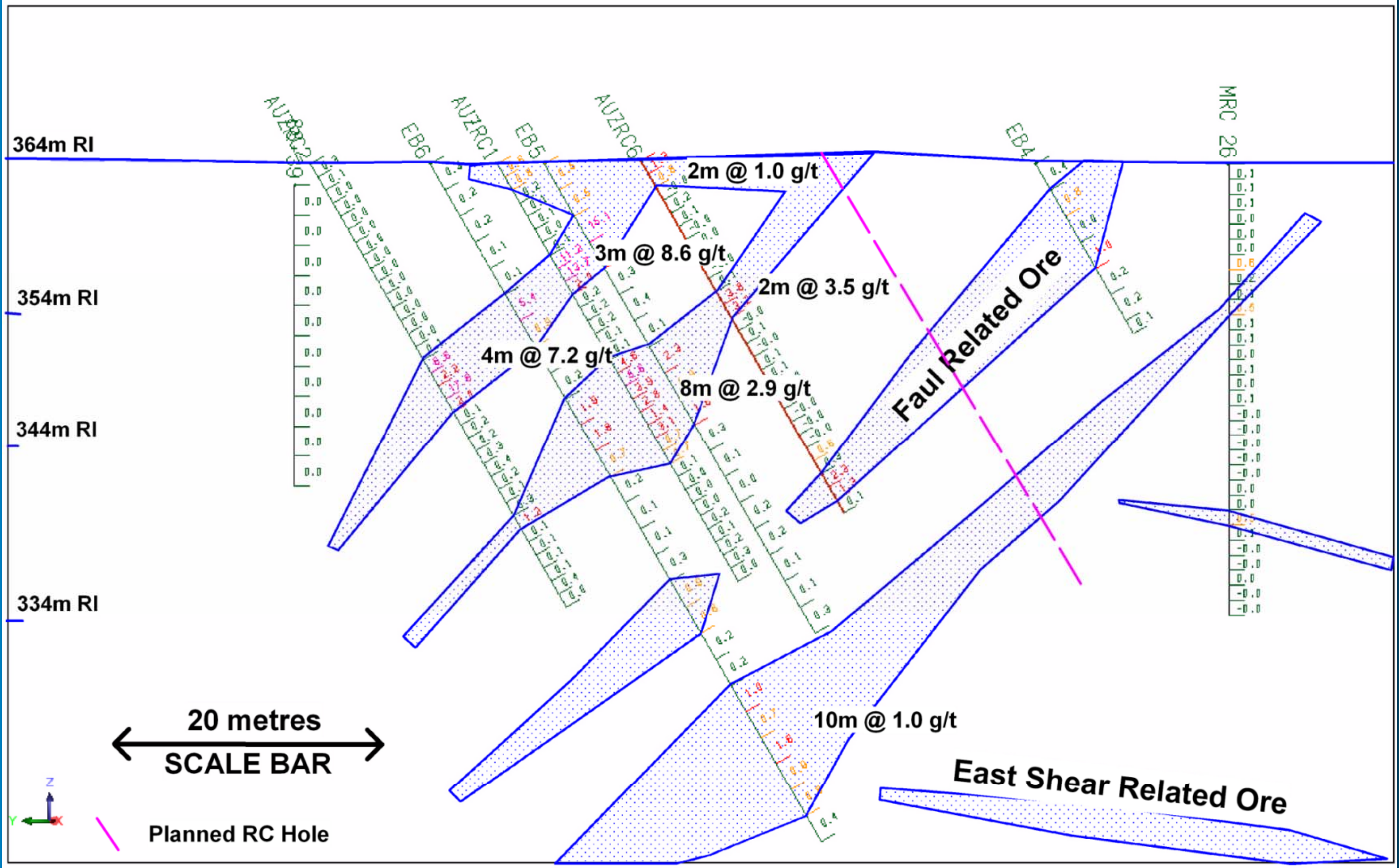
AUZD1, 7.4m @ 1.8g/t, including 2.5m @ 4.3g/t

AUZD2,10.4m @ 2.7g/t, including 4.6m @ 3.6g/t

AUZD3,10.0m @ 7.6g/t

AUZD14, 11.9m @ 3.2g/t

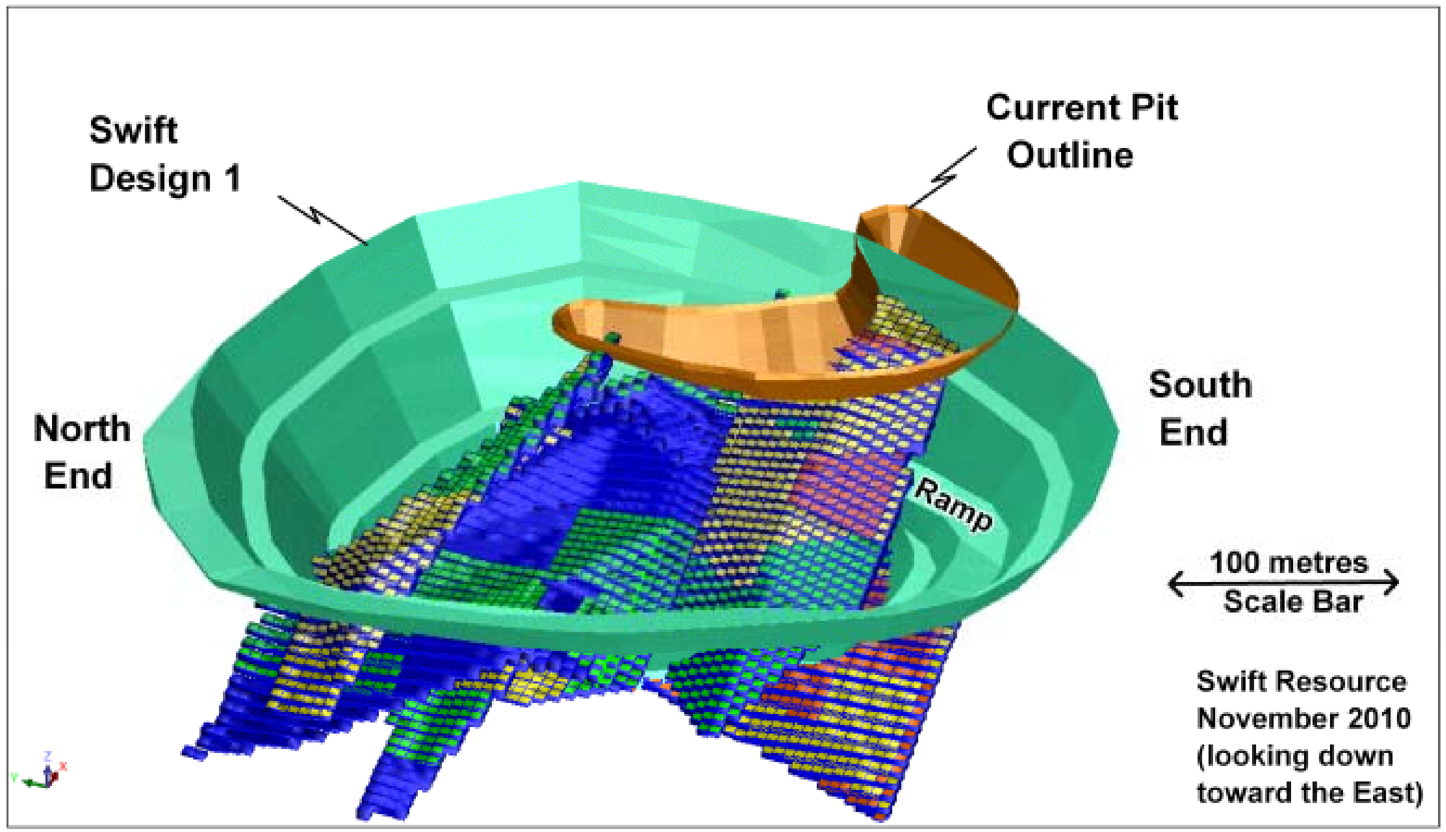
Shallow ore potential on the East Shear.



- Mapping and RC drilling has defined excellent near surface ore on the East Shear.

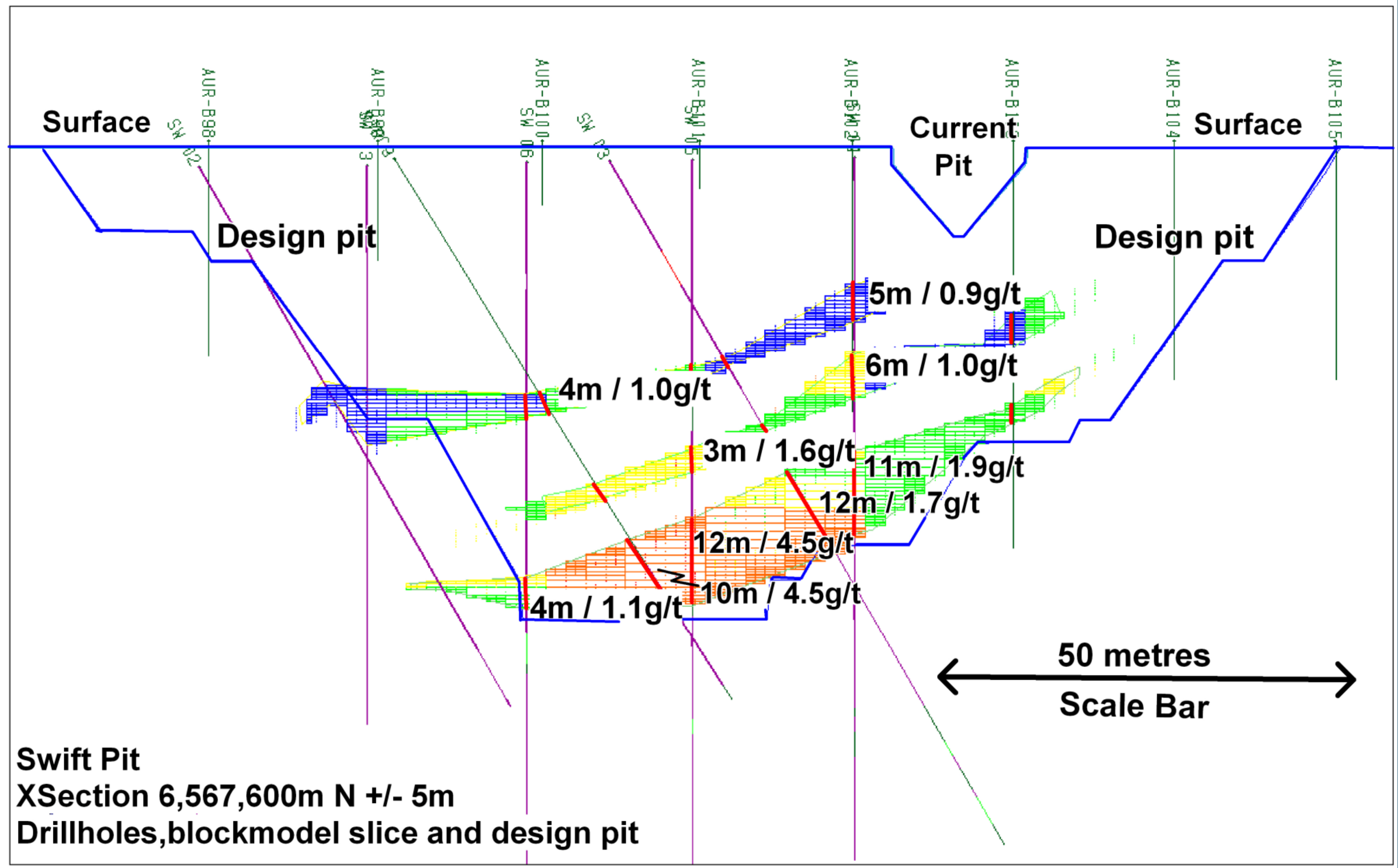
- RC drilling is planned to test along a 200m strike length up dip of the underground stopes.

Swift Pit - Mine Design 1

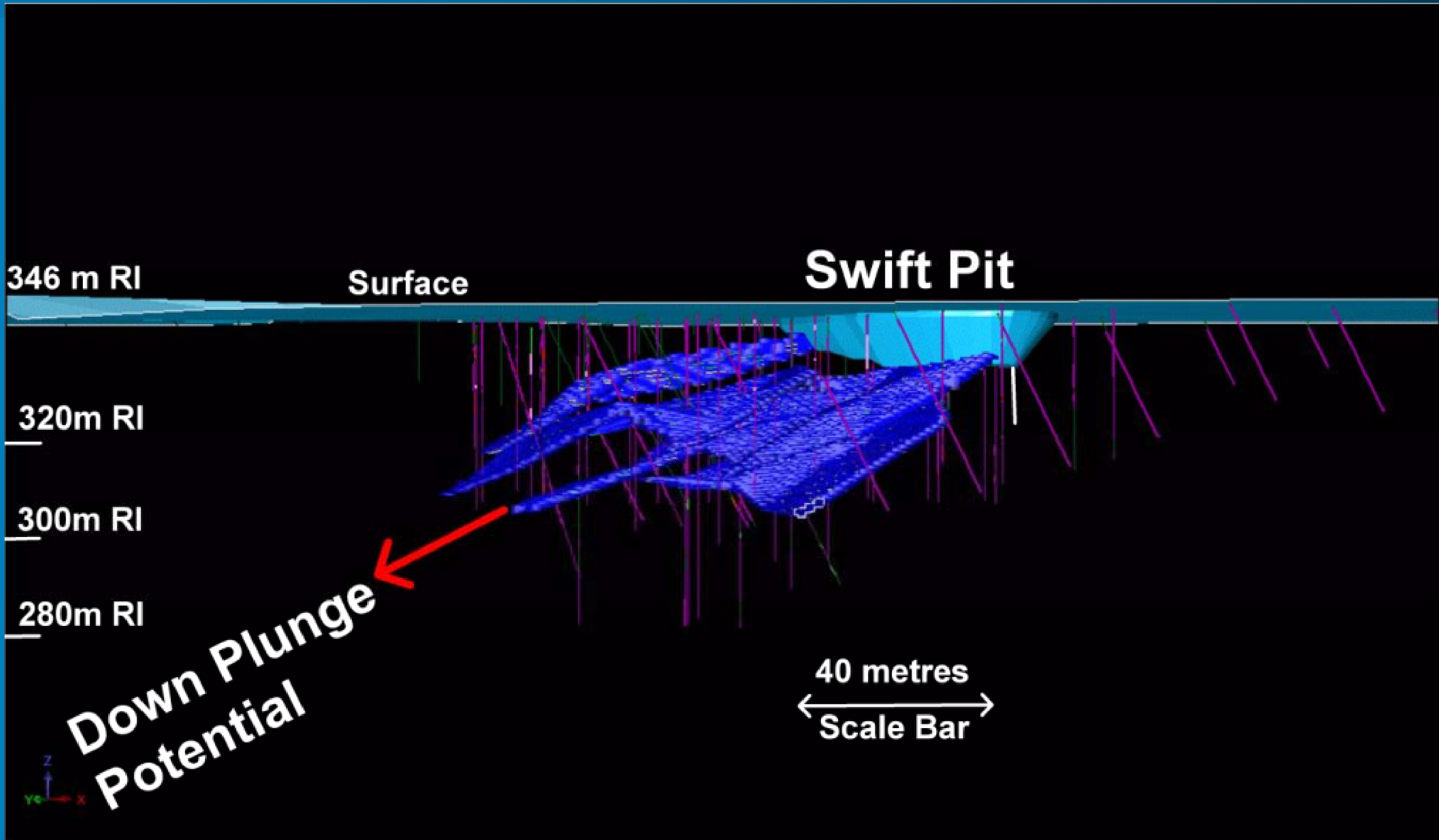


- Swift Design 1 has a waste to ore ratio of 11.7 : 1.0
- Swift Design 1 could potentially produce 5,800 ounces at a gold price of A $ 1,350 and appropriate milling costs.

Swift Design 1 Pit.

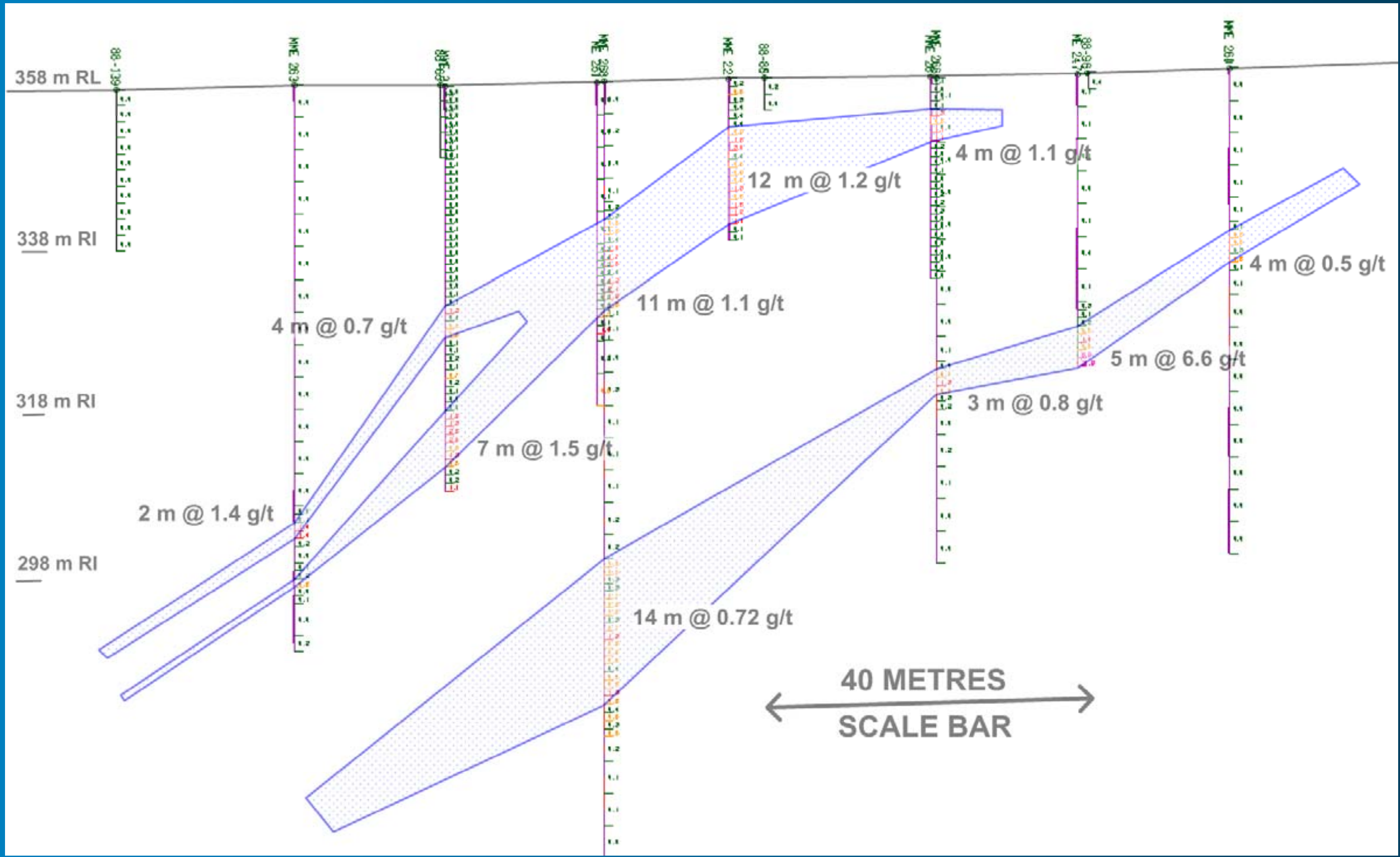


Swift - Down Plunge Potential



- Indicated Resource of 129,000 tonnes @ 2.15g/t for 8,900 ounces.
- Down plunge potential requires drill testing.

Main Shear North



- Inferred Resource is 260,000 t @ 1.1 g/t for 8,800 ounces.
- RC drilling is planned to test for better grades around 2 surface shafts.

AUZ

Mt Martin Exploration Summary

Underground Targets

- Main Shear at depth

The ore is not closed off at depth, and there may be potential to discover deeper pods of ore.

- East Shear at depth

AUZ diamond drilling has intercepted good ore down plunge of the old airleg stopes. (AUZD3, 10m @ 7.6g/t)

- South 3 Shoot at depth

A better understanding of structural controls of ore will unlock the potential of this area.

Surface Targets

- East Shear at surface

AUZ has intercepted high grade ore at the surface in RC drilling. (AUZRC1, 3m @ 8g/t from 6m vertical depth and 8m @ 2.9g/t from 13m vertical depth.

- Swift Down Plunge

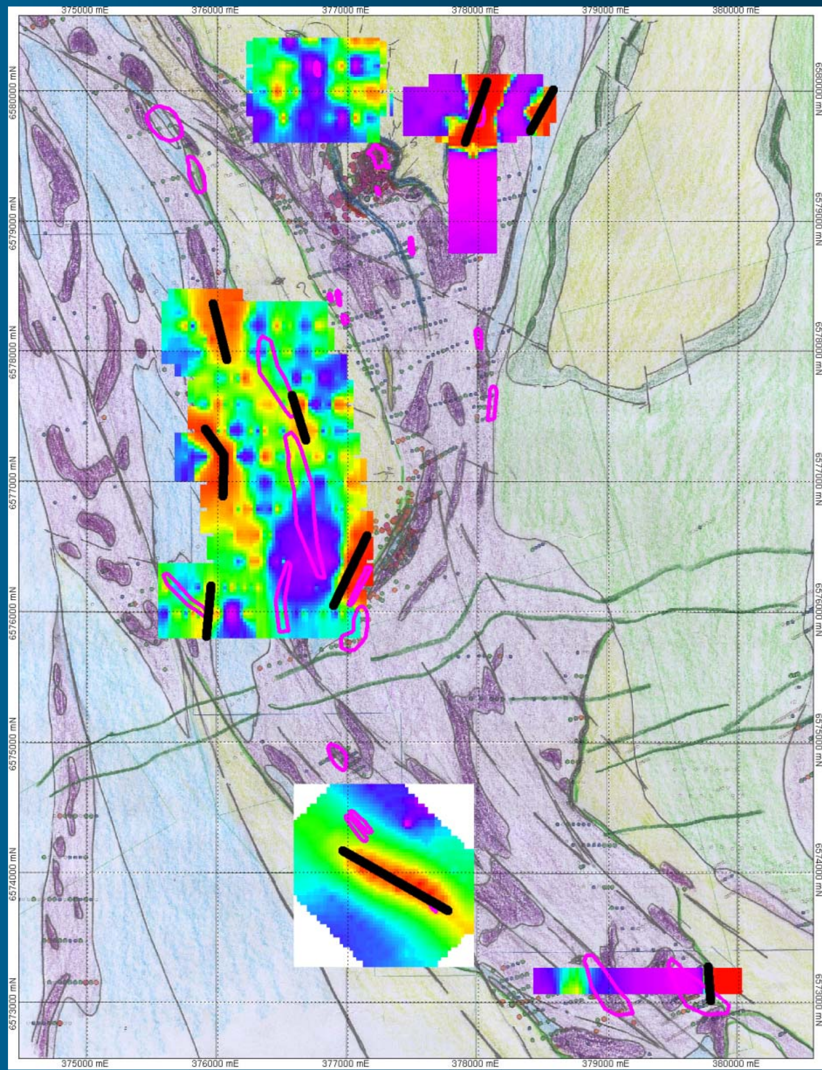
A magnetic anomaly down plunge of the Swift orebody has not been drill tested.

- Main Shear North

Historic RC has intersected long intercepts grading 1 – 2 g/t. (ME22 , 12m @ 1.2g/t from 6 metres) RC will test for better grades around 2 surface shafts.

Nickel Exploration by GRJV.

- GRJV formed in 2006 to advance Ni exploration.
  (PIO 56% and manager, AUZ 44%)
- Extensive SQUID surface EM programmes completed over untested areas of contact.
- Numerous conductive bodies located , some with co-incident Ni and Cu soil anomalism.
- A very late time conductor may be located along the Blair Mine contact.
- Detailed processing and interpretation by a consultant geophysicist is underway.
- Drill testing of the highest ranked targets will commence in 2011.



Nickel Sulphide Resources (AUZ 100%)

Project Name	Resource Category	Tonnes (t)	Ni Grade (%)	Ni Metal (t)
Blair Mine	Measured	33,000	4.2	1,400
Blair Mine	Indicated	28,000	4.1	1,100
Blair Mine	Inferred	52,000	3.5	1,800
	Sub Total	**113,000**	**3.8**	**4,300**
Marriott's	Indicated	460,000	1.12	5,100
Marriotts	Inferred	370,000	1.15	4,300
	Sub Total	**830,000**	**1.13**	**9,400**
Goodyear	Inferred	390,000	3.78	14,700
	Sub Total	**390,000**	**3.78**	**14,700**
	GRAND TOTAL	**1,332,000**	**2.13**	**28,400**

Summary

- Strategic ground acquisition has allowed exploration to define new gold anomalies, which have the potential to add to the current resource base.
- With the current strong gold price AUZ has a mine plan to develop an open pit operation at Mt Martin, and an exploration plan to increase the underground resource base.
- Nickel sulphide resources at Blair, Goodyear and Marriott's are retained for the future.
- Recent SQUID EM surveys have defined new nickel sulphide targets.

Competent Person Statement

- *The information in this report that relates to Exploration Results and Mineral Resources 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 AUZ. 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 has consented to the inclusion of the information in the form and context in which it appears*