Australian Mines Limited

Acquisition of Nigeria Gold Pty Ltd

March 2011

Presented by Neil Warburton/Dominic Marinelli

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Corporate - Post acquisition NGL

ASX CODE:	AUZ
Shares on Issue post acquisition of NGL	576,910,315
Listed Options June 2013 exercise price 4.0c	59,563,754
Directors and executives unlisted Options	13,600,000
Share Price	2.4c
Share Price Range (post recapitalisation)	2.0c – 3.7 c
Market Cap	$13.8m
Cash	$1.3 m
Debt	Nil
TOP 5 SHAREHOLDERS:	
Forty Traders Limited	4.08%
Danjuma Aliyu	3.46
Inverness Gold SPV Limited	3.27
Dominic Marinelli	2.78
Michael Ramsden	2.63
BOARD OF DIRECTORS:	
Neil Warburton	Non Executive Chairman
Michael Ramsden	Non Executive Director
Dominic Marinelli	Non Executive Director
Mick Elias	Non Executive Director
Brett Young	Executive Director

Nigerian Gold Acquisition

AUZ SHARE ISSUE Issued shares are stated on a post consolidation basis		
CONDITION FOR ISSUE OF SECURITIES	**NGL secures approval for at least 2 high priority ELA's**	**NGL if approval for at least 2 high priority ELA's is not secured.**
Tranche 1. Unconditional	180,000,000 fully paid ordinary AUZ shares	180,000,000 fully paid ordinary AUZ shares
Tranche 2. - If AUZ achieves certain milestones from its Australian gold assets:	Issue 30,000,000 fully paid ordinary AUZ shares	Issue 15,000,000 fully paid ordinary AUZ shares
- If AUZ fails to achieve certain milestones from its Australian gold assets:	Issue 120,000,000 fully paid ordinary AUZ shares	Issue 60,000,000 fully paid ordinary shares
Tranche 3. if exploration results identify a JORC Indicated Resource of 500,000 ozs of gold within 2 years of acquisition	Issue 36,000,000 fully paid ordinary AUZ shares.	Issue 36,000,000 fully paid ordinary AUZ shares.

AUZ

Corporate Summary

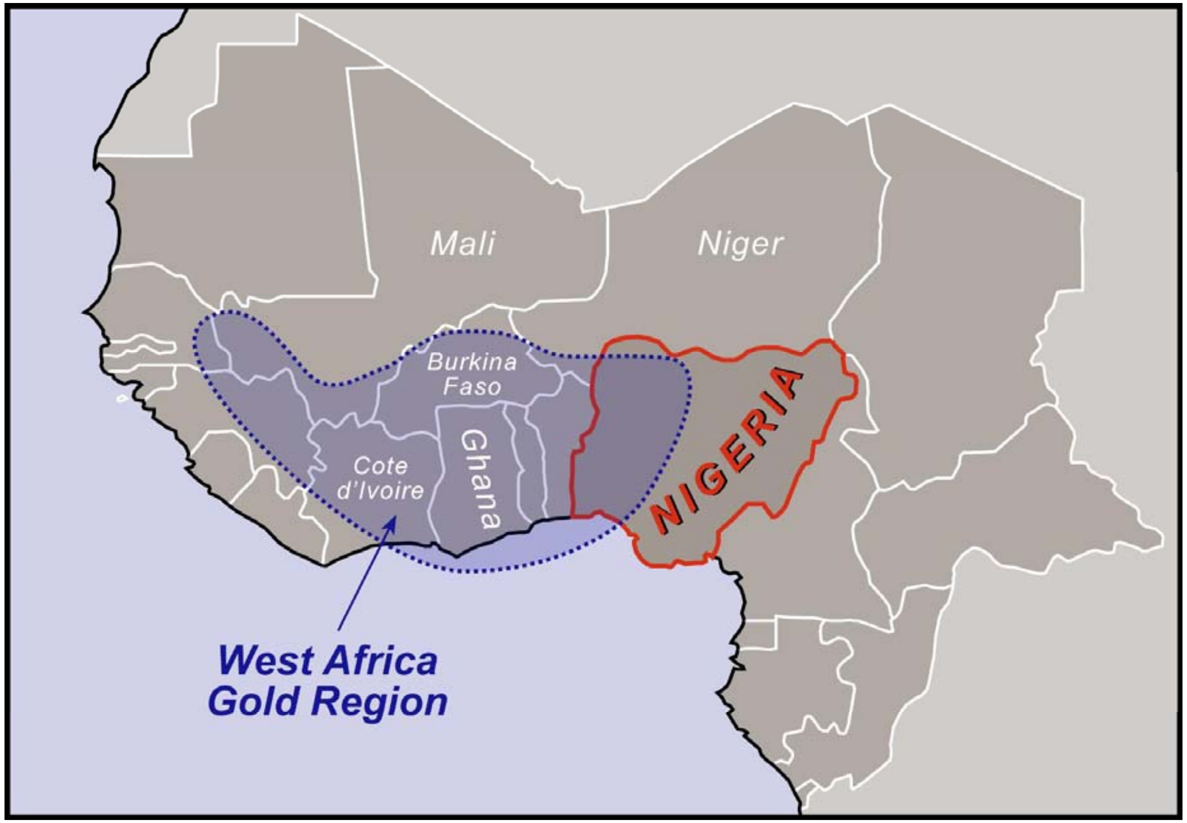
AUZ SECURITIES	NGL :2 additional high priority ELs awarded		NGL:No additional high priority ELs awarded	
	AUZ gold milestones achieved	AUZ gold milestones not achieved	AUZ gold milestones achieved	AUZ gold milestones not achieved
AUZ Issued ordinary shares	396,909,440	396,909,440	396,909,440	396,909,440
Issue of shares once certain conditions are met and post shareholder approval	210,000,000	300,000,000	195,000,000	240,000,000
AUZ Total Issued capital	**606,909,440**	**696,909,440**	**591,909,440**	**636,909,440**
Issue of shares on reaching JORC Indicated Resource of 500,000 ozs Au	36,000,000	36,000,000	36,000,000	36,000,000
Total potential AUZ securities on issue	**642,909,440**	**732,909,440**	**627,909,440**	**672,909,440**

West African Focus

AUZ is acquiring a 100% interest in Nigeria Gold Pty Ltd (‘NGL”)

Its Nigerian subsidiary Mines Geotechniques Limited, owns:-

- 46 granted exploration licences covering 2,170km2
- further 18 exploration licence applications over 1,931km2
- Total of 4,101km2 in three main areas in north-western Nigeria



Nigerian Mining Scene

- Nigerian Government passed Minerals and Mining Act 2007.

- The new act is aimed at developing a private sector mining industry, administered and regulated by the government.

- Applications for mineral tenements are processed on a ‘first come, first served’ basis.

- ELs are granted for an initial 3 year term and may be renewed twice for 2 year periods. MLs are granted initially for 25 years and are renewable every 24 years.

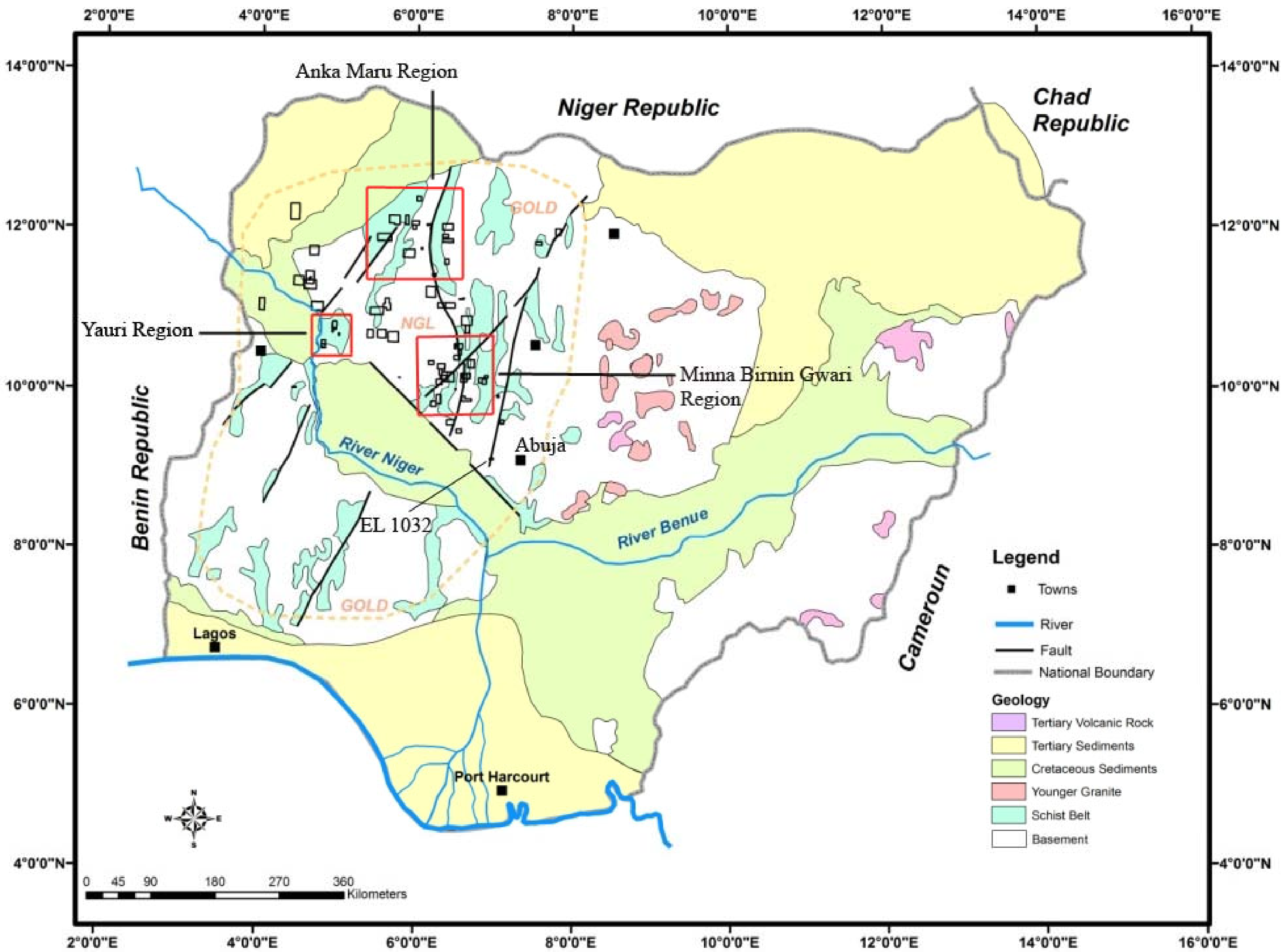
Mines Geotechniques Limited

- Nigeria Gold’s 100% owned Nigerian subsidiary is Mines Geotechniques Ltd.

- While underexplored by modern exploration techniques, Nigeria is considered to have potential to host major precious and base metals deposits.

- The Nigerian schist belts have often been compared with the better known, highly mineral endowed Birimian schist belt of Ghana, Mali and Burkina Faso.

Tenement Locations



Anka/Maru

- The large, mineral-rich Anka and Maru schist belts dominate AUZ's holdings in the region.

- High priority tenements ELA 1,2, 3 & 4 are still in the application process.

- Widespread historic British and current artisanal gold workings indicate the presence of gold mineralisation and possibly base metals.

- A large, well equipped and long established miners' camp near a cluster of artisanal workings on a high priority ELA # 1 helped to delineate target areas for immediate follow-up.

- Similar workings on high priority ELAs # 2, 3 & 4 have also established high priority targets for follow-up.

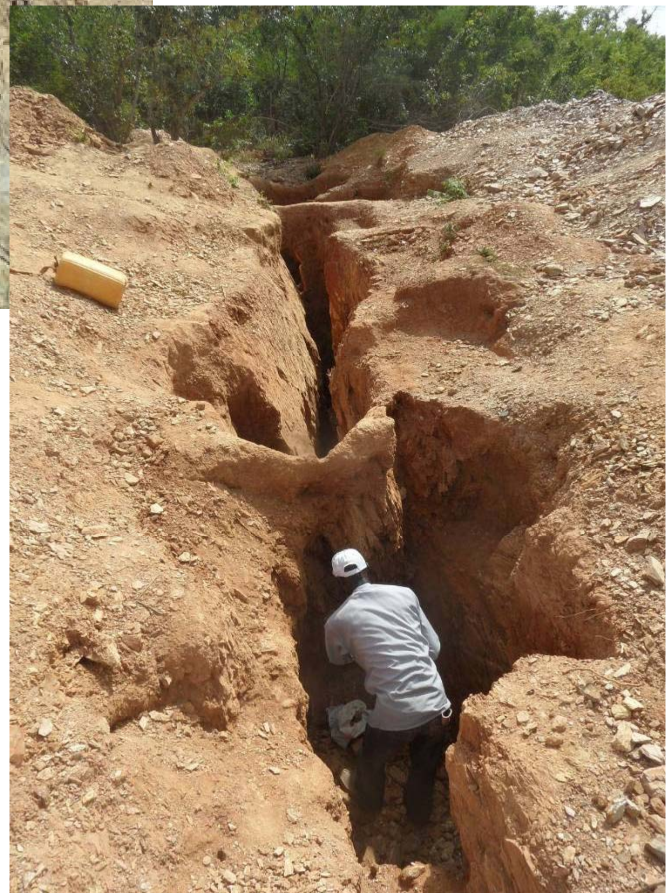
- Mapping and Soil sampling, together with interpretation of government flown geophysics and regional structural controls, a systematic modern day exploration and evaluation program is planned.

- The style and intensity of workings on these high priority Anka tenements, suggest the potential for large-scale, shallow, bulk tonnage deposits, suitable for open pit development.

Anka/Maru – Old British Workings

Anka/Maru – Recent Workings

- Workings have been halted due to recently introduced ban on illegal mining.



Tsauni – EL 1032

- A series of substantial, high-grade gold/copper artisanal workings extend over more than 500m strike length.

- Rock chip and trench samples from this zone have returned assays up to 19 g/t gold, 400 g/t silver, 0.1% copper and 36% lead.

- The licence is easily accessible and only 1.5 hours drive from the capital city Abuja.

- Preliminary mapping and limited trenching require follow-up through a detailed geophysical program, to delineate the extent of mineralised quartz vein development within the licence, and to guide more extensive surface and sub-surface exploration.

Tsauni – EL 1032

Yauri region

- Gold exploration and mining in the Yauri region extends back to the British colonial period, with widespread artisanal workings continuing to the present day.

- Significant artisanal workings within and immediately adjacent to the tenement package, make this another highly prospective area.

- Nigeria Gold has four granted licences and one application.

- Geophysical interpretation, first-pass mapping and sampling along with the presence of artisanal workings, have delineated several attractive target areas on all of the tenements

Minna/Birnin Gwari region

- The Minna/Birnin Gwari schist belt is another significant gold producing region, with many areas of artisanal workings.

- AUZ has a large tenement package in this area.

- A strong aeromagnetic feature extends for some 15km through a number of exploration licences. Reconnaissance mapping suggests the possibility that this feature may represent a highly sheared, potentially mineralised contact between the schist belt metasediments and the granitic rocks.

- While the tenements in the Minna/Birnin Gwari region are very much at the greenfields stage, preliminary geophysical interpretation and the limited field mapping carried out to date, indicate excellent potential for hosting gold and possibly base metal deposits.

SUMMARY

- Nigeria is going to be the focus for the Company going forward

- The Company is currently reviewing the Mt Martin open pit and how to exploit the current gold resource.

- A commercial arrangement such as toll milling or purchase agreement for the sale of Mt Martin gold ore may be sufficient to fund the Company in Nigeria for 2011and beyond.

Eastern Goldfields Assets

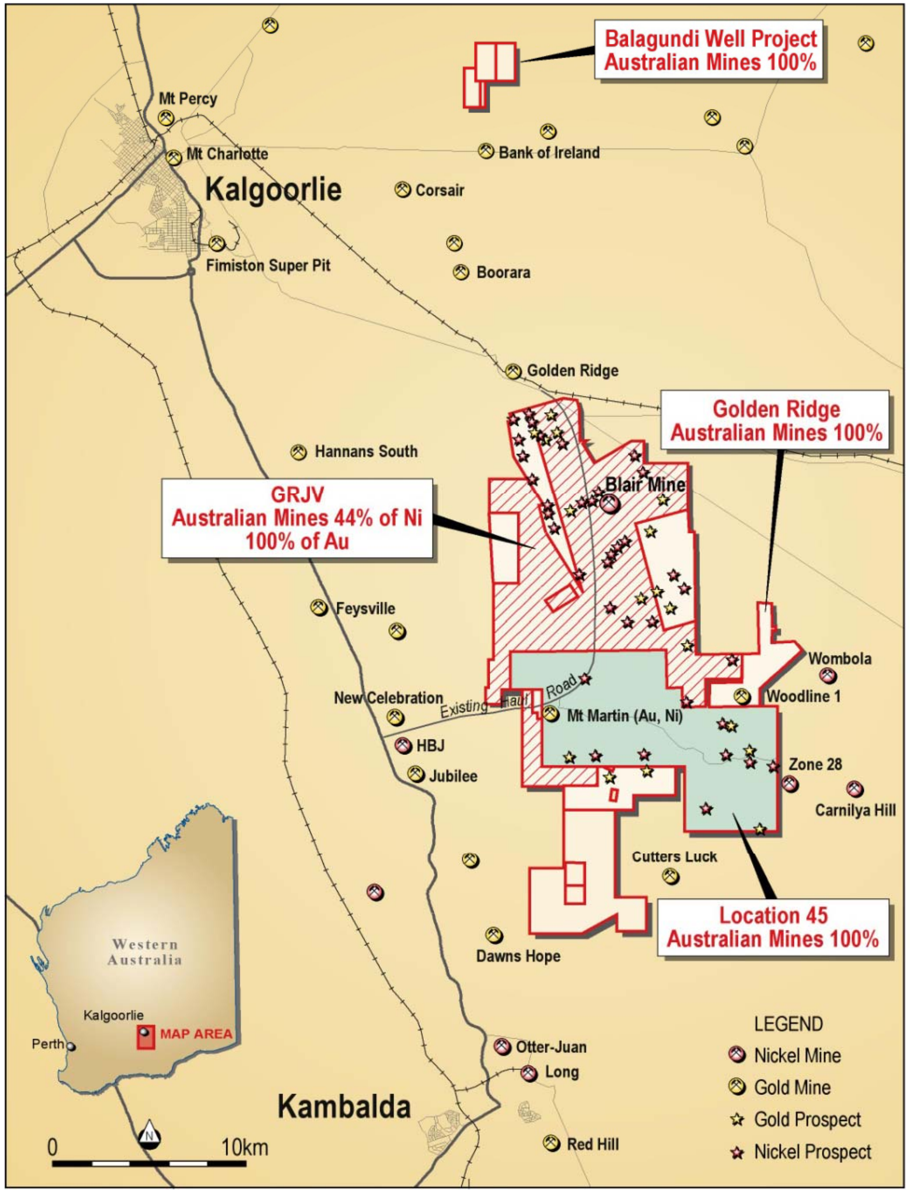
- AUZ retains the Golden Ridge and Mt Martin tenements which are located in close proximity to Kalgoorlie and includes mines with past production.

- Golden Ridge pit (located north of AUZ tenements) which produced 250,000 ozs of gold

- Mt Martin deposit historical production total of approx 200,000 ounces of gold.

- Mt Martin was recently mined producing 743,223 tonnes of ore at 1.5g/t to recover 31,231 ounces of gold up to January 2010 by steepening the ramp and digging into the pit floor.

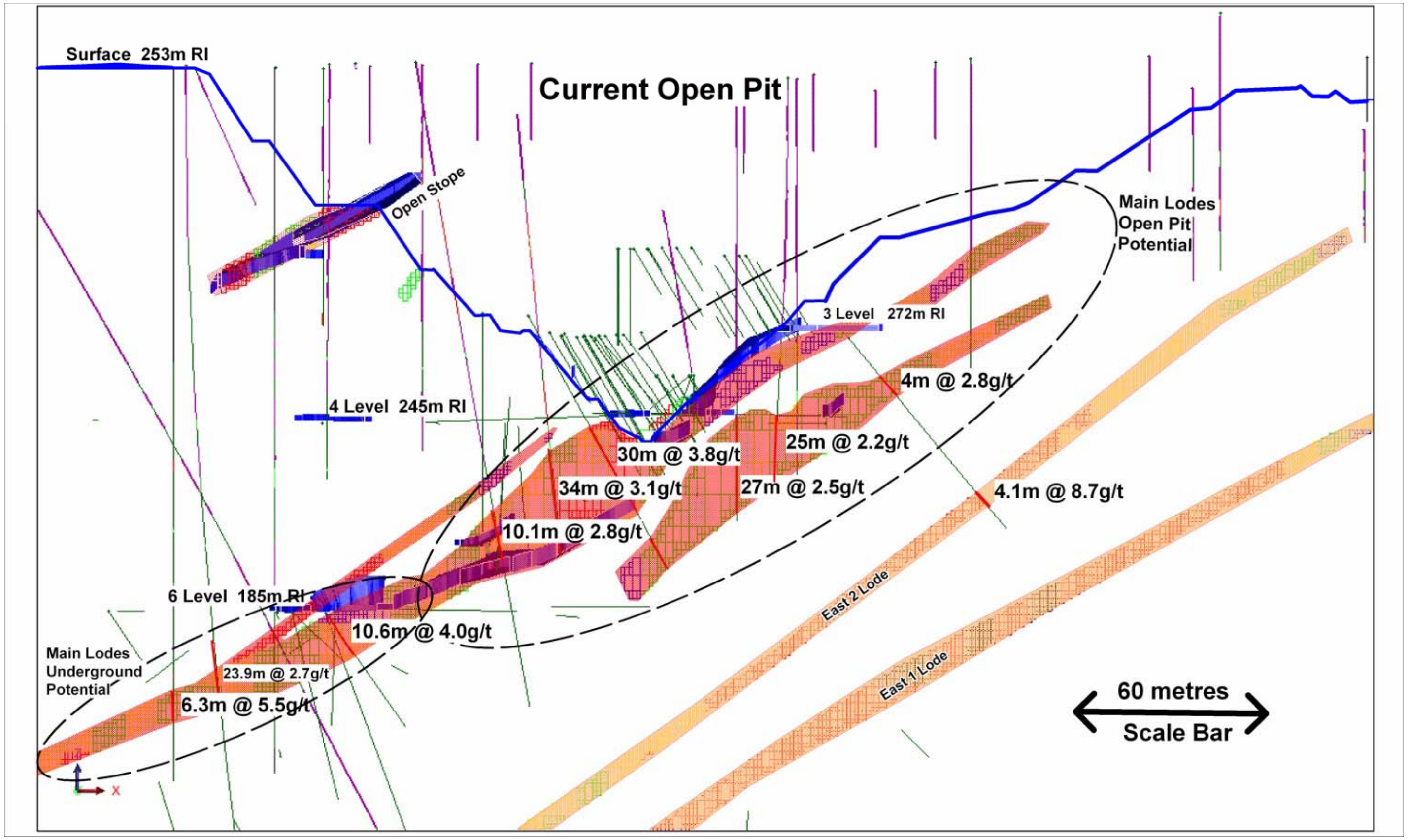
- AUZ is looking to realise a commercial outcome with its Eastern Goldfields assets.



AUZ Gold Resources

Location	Resource Category	Resource Tonnes	Gold g/t	Gold Ounces
Woodline 1	Measured			
	Indicated	90,000	2.19	6,300
	Inferred	2,000	2.12	150
	Sub-total	92,000	2.19	6,450
Mt Martin Mine	Measured			
	Indicated	2,847,500	1.90	176,500
	Inferred	1,194,500	2.30	88,000
	Sub-total	4,042,000	2.0	264,500
Swift	Measured			
	Indicated	130,000	2.56	10,700
	Inferred			
	Sub-total	130,000	2.56	10,700
	Grand Total	4,264,000	2.05	281,650

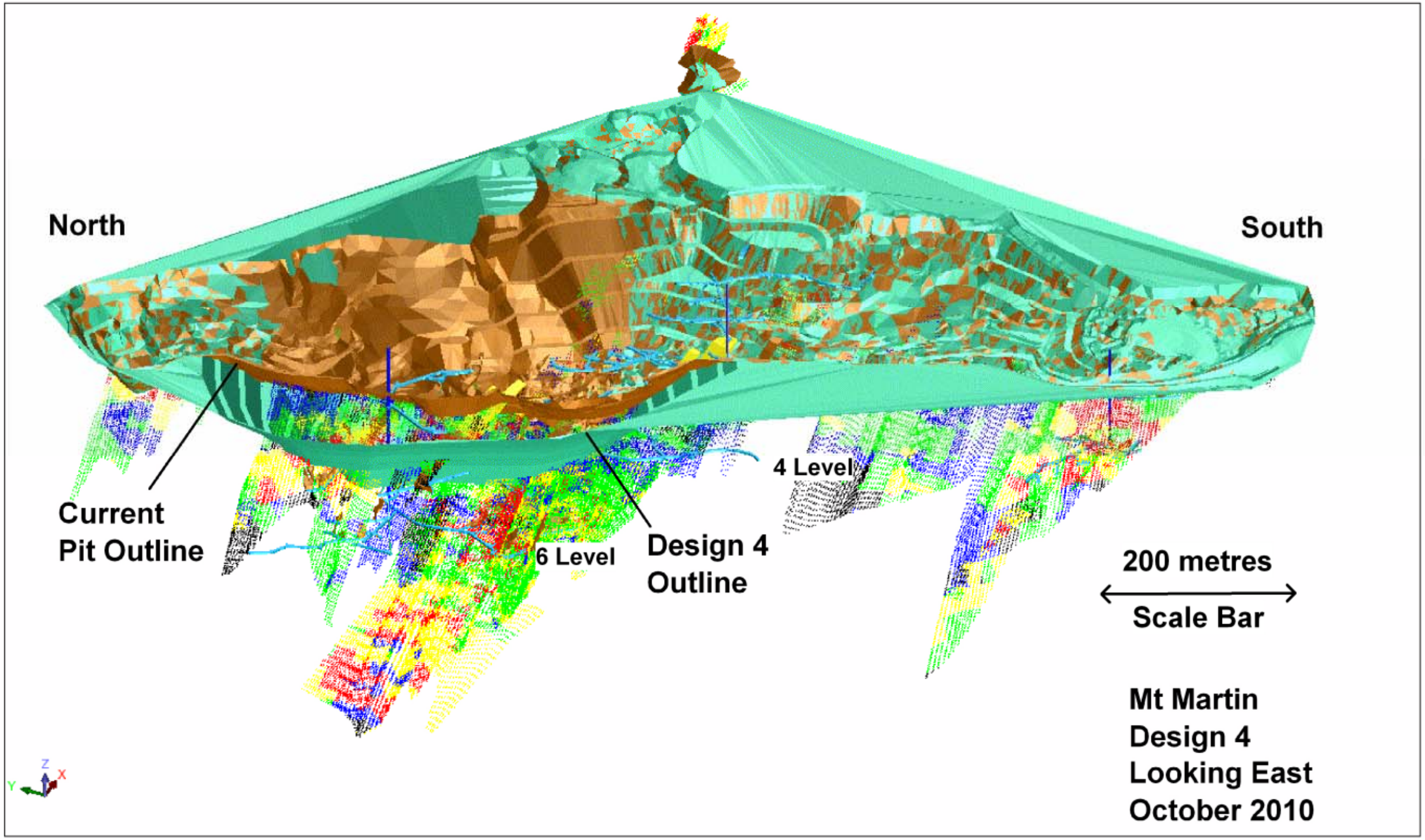
Mt Martin Potential



Mt Martin interpreted cross- section 6,568,140 North (+/- 10 metres) with drill holes, underground stopes and current pit outline.

Potential exists to establish underground mining from the base of the pit

Mt Martin Design in Long Section



Long section view of the Mt Martin open pit design

Competent Person's Statement

The information in this report that relates to Exploration Results and Resources is based on information compiled by Mr Mick Elias who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Elias is employed by CSA Global and is a non-executive director of AUZ. Mr Elias 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 Elias consents to his name being used in this report.