Australian Mines Limited
ABN 68 073 914 191

24 April 2012

ASX Announcement **ASX: AUZ**

Acquisition of Nigeria Gold finalised

Australian Mines Limited ("Australian Mines" or "the Company") (ASX: AUZ) is pleased to advise that the Company has entered into deeds of settlement with the vendors of Nigeria Gold Pty Ltd ("Nigeria Gold") regarding the number of shares to be issued as full and final settlement of the Tranche 2 shares. The shares were to be issued under the terms of the Transaction as approved by Company shareholders on 9th March 2011.

Following legal counsel on the matter, Australian Mines offered 29,999,998 shares to Nigeria Gold shareholders as final settlement for Tranche 2, in place of the 60 million being claimed. This was accepted by the Nigeria Gold shareholders. The Company will now proceed to issue the shares, subject to any related party shareholder approvals that may be required.

A further 36 million Australian Mines shares may be issued to the Nigeria Gold vendors if the Company's Nigerian exploration results identify a JORC Indicated Resource of 500,000 ounces of gold before 9 March 2013.

Australian Mines' Managing Director Benjamin Bell commented: *"This settlement marks a highly successful quarter for the Company; with the completion of the high-resolution aeromagnetic surveys at Yargarma and Kasele projects and on-going work at Kagara, the Company is looking forward to updating the market with developments in the coming weeks."*

*****ENDS*****

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About Australian Mines:

Australian Mines (ASX: AUZ) is an Australian-listed resource company targeting gold and base metals.

Australian Mines' key asset is its extensive tenement holding in Nigeria's northwest gold province that contain similar geology to the better known gold producing countries of Ghana, Cote d'ivoire and Burkina Faso – where a combination of advanced exploration and development programs is leading to rapidly expanding output.

Nigeria has a history of gold production and the majority of Australian Mines' tenements contain historic artisanal workings.

The Nigerian Government, which is democratically elected, is actively encouraging foreign investment into the country's mineral sector. The Nigerian *Minerals and Mining Act 2007* guarantees security of tenure and the right of explorers to convert exploration licences into Mining Leases following the delineation of an ore resource.

Australian Mines has commenced systematic exploration of its highly-prospective Yargarma, Kasele, Kagara and Tsauni project areas, with this program being fully-funded through to 2014.