Australian Mines Limited
ABN 68 073 914 191

19 February 2013

ASX Announcement ASX: AUZ

Australian Mines receives $700,000 from Sale of Golden Ridge Project

Australian Mines Limited ("Australian Mines" or "the Company") is pleased to announce it has received a cash payment of $700,000 from ASX-listed Pioneer Resources ("Pioneer") having satisfied all conditions associated with the Sale of Tenements Agreement ("the Agreement") for the Company's Blair Nickel / Golden Ridge tenements.

The Company announced on 10 July 2012 it had entered into a Sale and Purchase Agreement for a cash consideration of $700,000 and the replacement by Pioneer of performance bonds of $207,000.

The Agreement is a result of a strategic review of the Company's Australian projects, aimed at maximising the value of the assets for shareholders. The Agreement does not include the Marriott's nickel project near Leinster, Western Australia, which is the Company's only remaining Australian asset and contains an Indicated and Inferred Mineral Resource of 460,000 tonnes at 1.12% Ni and 370,000 tonnes at 1.15% Ni respectively for a combined 9,400 Ni tonnes (Australian Mines Annual Report 2012).

The receipt of the $700,000 from Pioneer in addition to $2.5 million due to Australian Mines by HBJ Pty Ltd (a subsidiary of ASX and TSX-listed Alacer Gold Limited) on 28 June 2013 will result in the Company having sufficient cash-in-bank to fund its Nigerian exploration activities through to mid-2014.

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Australian Mines' Managing Director Benjamin Bell commented:

"In a time where resource companies are struggling to raise capital to develop their projects, it is significant that Australian Mines has secured sufficient funding to continue its exploration program across our extensive tenement portfolio in Nigeria.

The funds will be utilised to further progress our current drilling campaign across our Yargarma and Kasele project areas, and accelerate the exploration of our highly-prospective Tegina project area.

I look forward to updating our shareholders as results from these exploration program become available."

*****ENDS*****

For further information, shareholders and media please contact:

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Competent Person's Statement

Information in this report that relates to Mineral Resources is based on information compiled by by Mr Mick Elias who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Elias is a director of Australian Mines Limited. Mr Elias has sufficient experience that is relevant to the style of mineralisation and type of deposit 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 the inclusion in the report of the matters based on his information in the form and context in which it appears.

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 100%-owned 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 and Tegina project areas, with this program being fully-funded through to mid-2014.