



30th August 2005

Australian Stock Exchange
Company Announcements Office
10th Floor
20 Bond Street
SYDNEY NSW 2000

Via Electronic Lodgement

Pages: 3

Dear Sir

Blair Nickel Mine Production for July above Budget and Exploration Program

Mine Production July

The company is very pleased to advise that production from the Blair Mine for July was 14% above budget production at 153 contained Ni Tonnes. Production was 4010 ore tonnes at 3.81 % Ni delivered to the Kambalda concentrator. This continues on from the good production results announced in the June quarter.

Exploration Targets

The Company is reviewing its exploration program with a strong priority towards providing early results at the following targets: -

1. Area 57 – EM Targets

Underground diamond drilling is planned to test existing targets up-plunge and along strike from known ore positions. In addition, a surface survey using BHP Billiton's proprietary Geoferrret EM technology will be employed to test for depth extensions. This target is near existing mine workings and is considered a high priority target to extend the Area 57 ore body which is open up- and down-plunge.

2. Anomaly 11 – Oxides

RC drilling is planned to test a number of shallow responses from the recent fixed loop surface EM survey, and to further define the plunge potential of known Ni sulphide mineralisation,

Existing WMC drilling has indicated the presence of near-surface oxide mineralisation grading 0.5-0.6% Ni overlying the Ni sulphide mineralisation. Preliminary testing has shown that a substantial proportion of the Ni contained in the oxide resource may be soluble in water or weak acid and recoverable by heap leaching.

RC drilling is planned to provide samples of the nickel oxide mineralisation for further metallurgical testing and mineralogical characterisation of the weathering profile.

3. Duplex Hill South - West & East Lodes

Previous RAB drilling by AUZ has confirmed an insitu source for the anomalous surface geochemistry and identified high grade gold mineralisation related to quartz veining (best intersection 4m @ 15g/t Au). The anomaly remains open to the northeast and southwest and further drilling will be undertaken to identify the extent and significance of the intersections in this promising prospect.

4. Blair South

BHP Billiton's proprietary Geoferrret EM technology will be deployed in areas tested for Ni in the January 2005 RAB drill program at the BSA nickel prospect, approximately 3 km south of the Blair Mine.

Results from these programs will be advised as they become available.

The abovementioned targets have been identified as prospective with a limited amount of drilling undertaken. The Company has previously announced the focus on accelerating work on prospective targets over the next 12 months utilising funds raised from the recent entitlements issue.

Yours faithfully

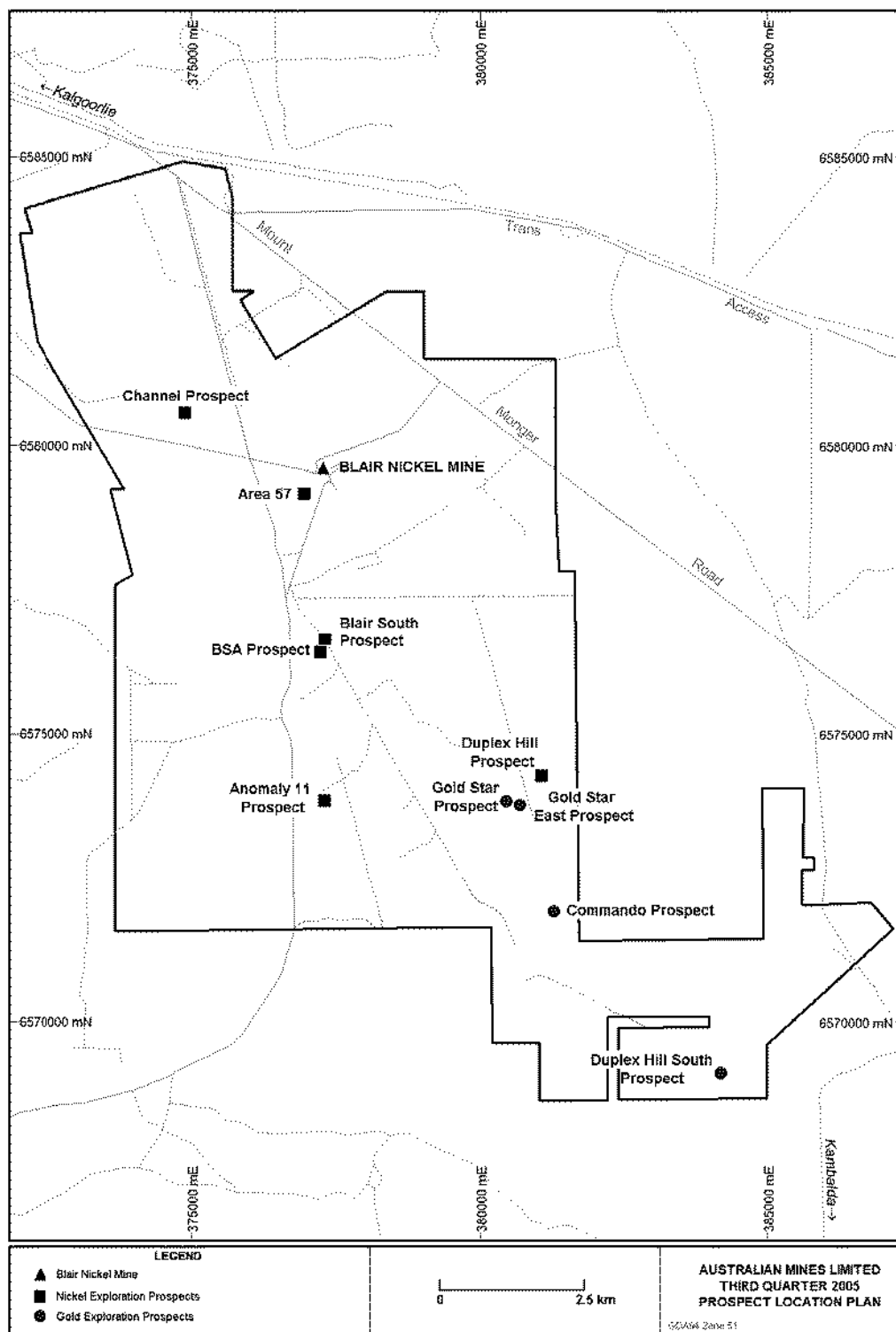
Brett Young
Chief Operating Officer

The information in this report that relates to Exploration Results is based on information compiled by Mr M Elias who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Elias is employed by CSA Australia Pty Ltd 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.'

LEVEL 1, 681 MURRAY STREET, WEST PERTH, 6005
(PO BOX 883, West Perth, WA 6872)

Tel: (08) 9481 5811 Fax: (08) 9481 5611
Email: office@australianmines.com.au

Appendix 1: Location Plan of Blair Projects



LEVEL 1, 681 MURRAY STREET, WEST PERTH, 6005
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