



13 July 2006

ASX Announcement/MediaRelease

DUPLEX HILL SOUTH DELIVERS JORC COMPLIANT 12,245 OUNCE GOLD RESOURCE

WOODLINE 1 ORE BODY GOLD RESOURCE STATEMENT

Australian Mines Limited (ASX: AUZ) is pleased to announce Duplex Hill South's gold resource calculation of the Woodline 1 Orebody located 30 km South East of Kalgoorlie and 7 km from the company's Blair underground nickel mine, Western Australia.

The resource model, completed by Resource Evaluations Pty Ltd, has calculated that the Woodline 1 Orebody contains an Indicated and Inferred resource of 132,366 tonnes at 2.88 g/t equivalent to 12,245 ounces of gold.

The current gold resource calculation runs over a 215 metre strike length and commences at 10 metres depth below the surface.

Chief Operating Officer Mr Brett Young said, "Establishing a gold resource at this shallow depth (10 metres) that is suitable for low cost mining is an excellent outcome for the company. In addition, cash flow generated will be maximised given the resource's close proximity to our Blair Nickel operation and associated infrastructure which enables us to bring Woodline into production quickly"

OPEN PIT OPTIMISATION AND ENVIRONMENTAL STUDIES HAVE COMMENCED

The Woodline 1 resource model is currently being optimised in preparation for an open pit mining scenario along with the commencement of baseline environmental surveys.

Native title negotiations have been completed with the granting of the Duplex Hill South mining lease expected to be finalised in the upcoming 2006 September.

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RESOURCE CALCULATION DETAILS AND METHODOLOGY

Table 1: Woodline 1 Resource by category

Resource Category	Tonnes	Gold Grade g/t	Gold Ounces
Indicated	127,606	2.81	11,527
Inferred	4,760	4.69	718
Total	132,366	2.88	12,245

The Ore System

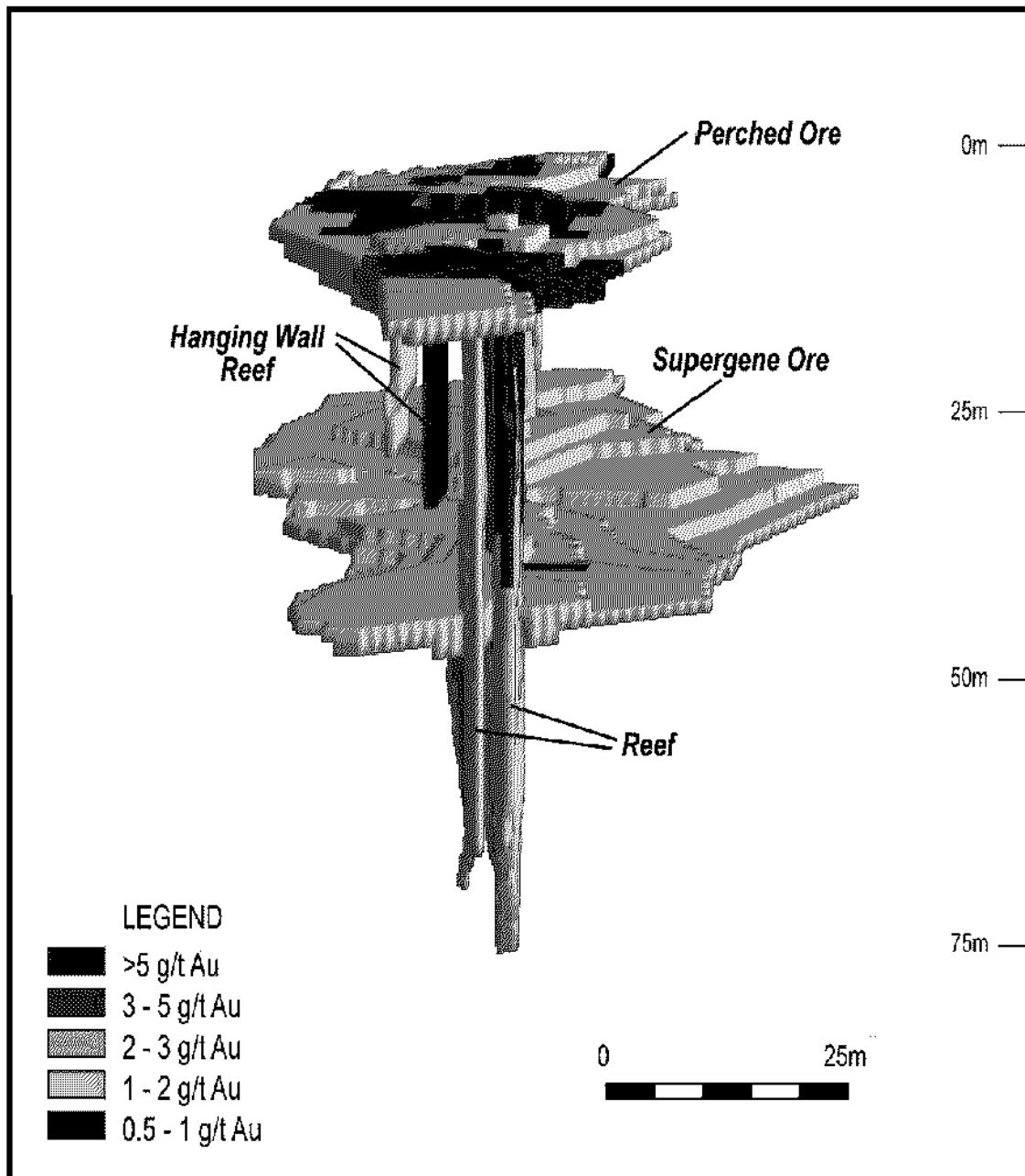
The north east striking reef system at Woodline 1 has been modelled over a strike length of 215 metres. The gold mineralisation is masked by 10 metres of transported soils, and the base of weathering is approximately 50 to 60 metres below surface.

As portrayed in Figure 1 and Figure 2 below, the deposit was modelled as four separate geological domains namely:

- A horizontal 'perched' zone some 10 metres below the surface and containing 2,072 ounces.
- A steeply dipping quartz 'reef' system containing 7,549 ounces.
- A horizontal 'supergene' zone some 40 metres below the surface and containing 1,906 ounces.
- An inferred hangingwall reef containing 718 ounces.



Fig 1: Woodline 1 model viewed from south and above

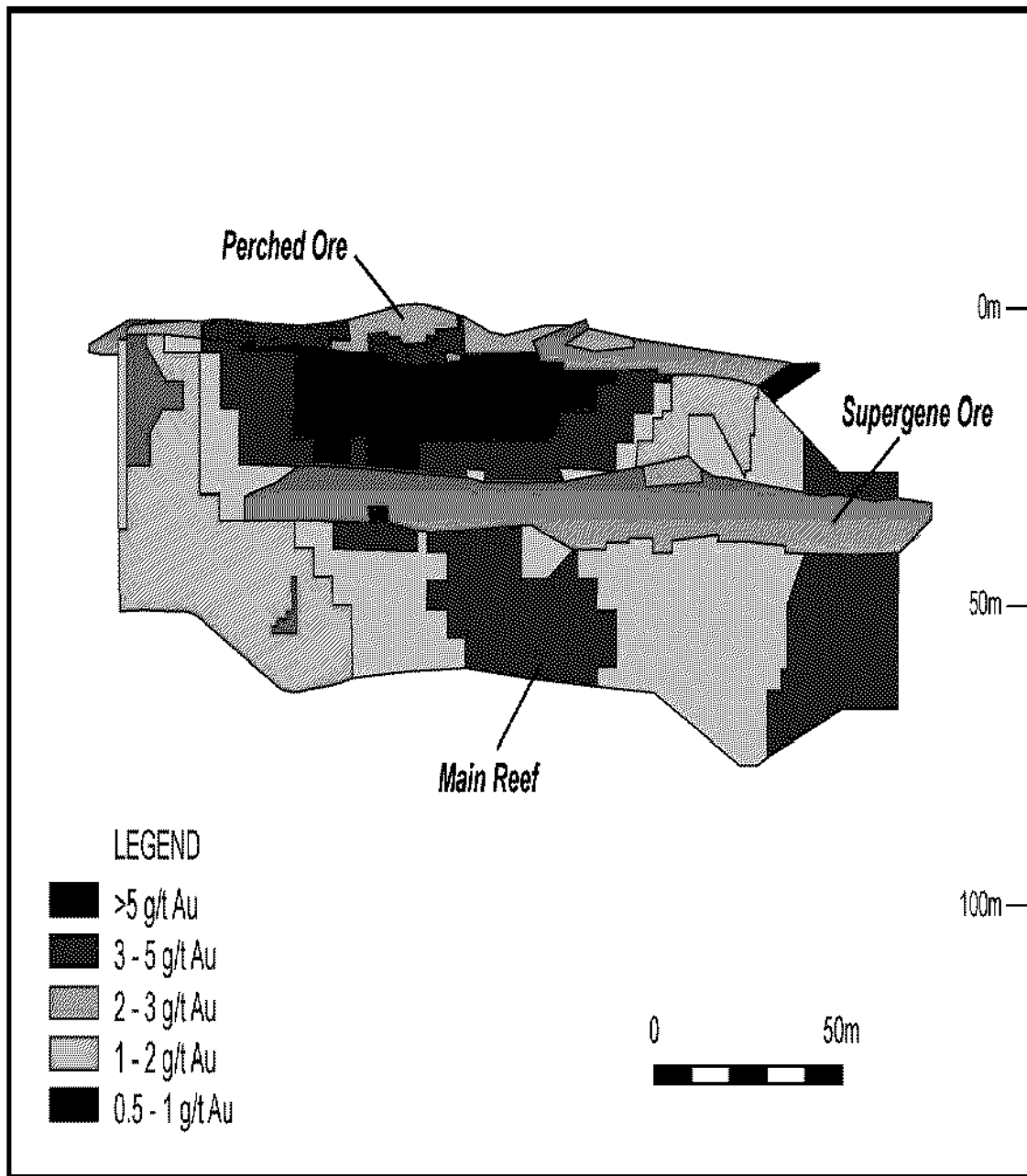


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Figure 2: Woodline 1 model viewed from East and below



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Resource Table by Category

Ore commences from 10 metres below the surface, and therefore has been reported at indicative 5 m bench RL's, to highlight the economic potential of Woodline.

Table 2: **Woodline 1 by Resource Category and 5 metre bench.**

Bench Top RI (m)	Perched		Supergene		Reef		Total		
	Tonnes (t)	Grade (g/t)	Tonnes (t)	Grade (g/t)	Tonnes (t)	Grade (g/t)	Tonnes (t)	Grade (g/t)	Ounces (oz)
380	953	1.96					953	1.96	60
375	18,061	3.14			1,099	5.98	19,160	3.30	2,035
370	3,621	1.62			4,753	6.97	8,374	4.66	1,254
365					4,690	5.93	4,690	5.93	894
360					4,697	4.68	4,697	4.68	707
355					4,549	3.76	4,549	3.76	550
350					5,716	3.36	5,716	3.36	617
345			22,867	1.54	7,364	2.95	30,231	1.88	1,831
340			16,047	1.50	8,307	2.80	24,354	1.94	1,522
335					8,352	2.89	8,352	2.89	776
330					7,456	2.90	7,456	2.90	695
325					5,826	2.97	5,826	2.97	556
320					4,917	2.89	4,917	2.89	457
315					2,233	2.85	2,233	2.85	205
310					650	3.34	650	3.34	70
305					199	2.87	199	2.87	18
300							0	0.00	0
Total	22,635	2.85	38,914	1.52	70,808	3.63	132,357	2.88	12,246

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Resource Model Parameters

Resource Evaluations modelled the resource using the following parameters:

- 1g/t cut off grade
- RC holes used to construct and grade the model (RAB holes were excluded)
- Grade Interpolation by Inverse distance Square
- Specific Gravity as follows:

Ore Type	Specific Gravity (tonnes / cubic metre)
Perched	2.0
Supergene	2.0
Oxidised Reef	2.4
Fresh reef	2.65

For further information contact:

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Chief Operating Officer
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**Released on behalf of Australian Mines
by Farrington Corporate Services Pty Limited
Phone 02 9332 4448**

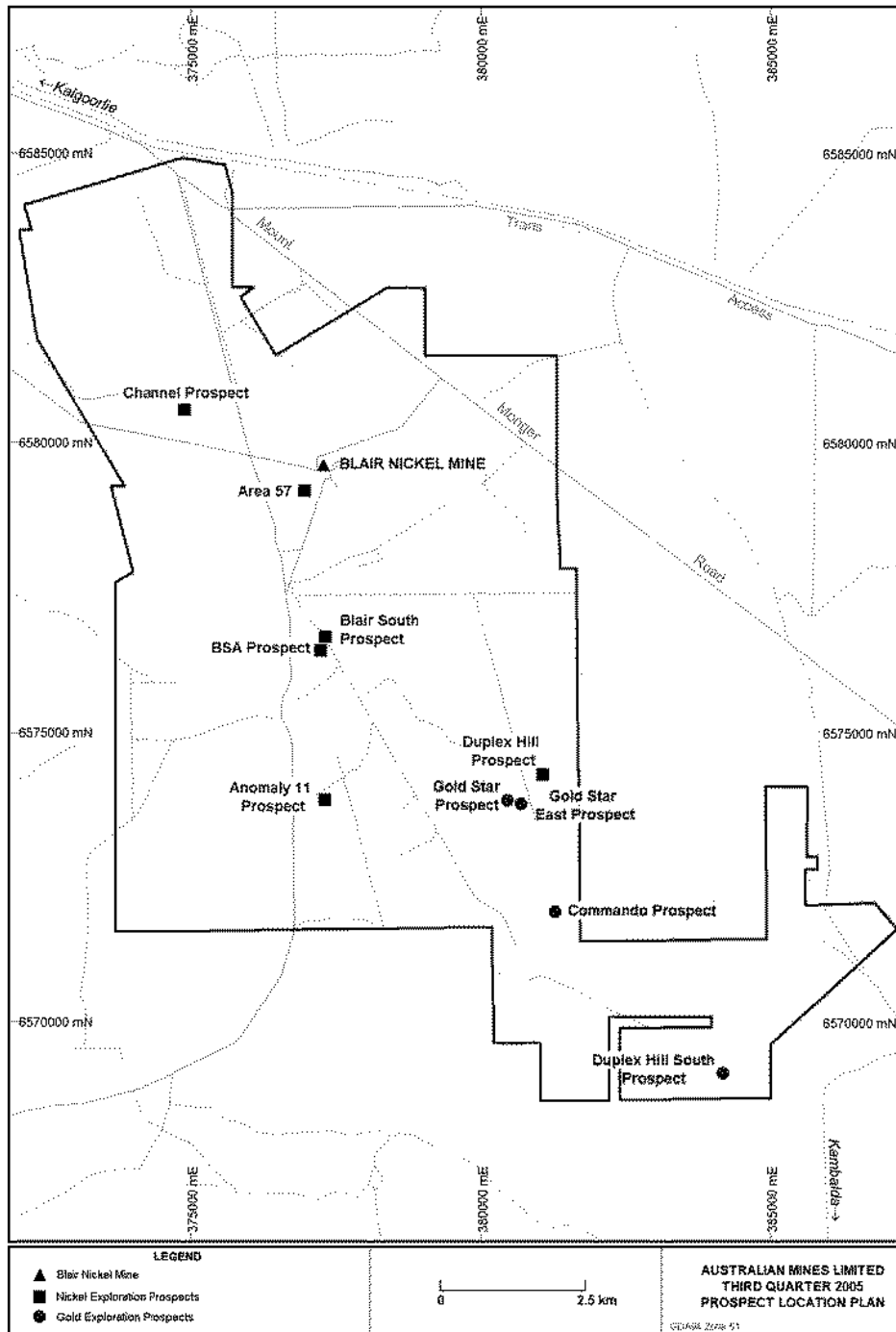
The information in this report that relates to Exploration Results is based on information compiled by Mr M Elias who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Elias is employed by CSA Australia Pty Ltd and is a Non-Executive Director of AUZ. Mr Elias has sufficient experience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

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Figure 3 :Location Map showing the Blair tenements with select gold and nickel prospects



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