



**ASX Announcement
3 March 2011**

MARKET UPDATE

HIGHLIGHTS

- NI 43-101 report increases resource at the Apex uranium project by 52% to 1.452 million pounds averaging 0.07% (700ppm).
- NI 43-101 recommends more drilling to hopefully further increase the resource. Exploration target at Apex is 3 million pounds U₃O₈ (1).
- The NI 43-101 states that considerable exploration potential exists at the adjoining Lowboy uranium prospect. The exploration target at Lowboy is between 2 million and 15 million pounds U₃O₈ (2).
- Company exploration target is between 28 million and 42 million pounds U₃O₈ JORC/ 43-101 at its three uranium projects by the end of 2011 (3).
- Company well funded with \$6.2 million in bank to fund 2011 exploration programme.
- The Company is intending to apply to have their ordinary shares listed for trading on the Toronto Stock Exchange (“TSX”).
- Two new Canadian based Directors appointed to the Board of Directors.

Australian-American Mining Corporation Limited (“AusAmerican” or “Company”) is pleased to give the following market update on its projects in the United States of America (“USA”).

Project update

The Company recently completed a NI 43-101 technical report on its Apex uranium project in Nevada.

The table below presents the JORC compliant inferred mineral resource estimates for the Apex property.

Cut off (%U₃O₈)	Tonnes > than cut-off	Grade > than cut- off (%U₃O₈)	Tonnes U₃O₈	lbs U₃O₈
0.01	1,015,999	0.070% (700ppm)	707	1,452,300
0.02	639,995	0.098%(980 ppm)	630	1,276,815
0.05	358,146	0.147% (1470 ppm)	530	1,057,675
0.1	231,061	0.188% (1880 ppm)	435	850,440

The most recent JORC resource estimation at the Apex project prior to this new resource estimation was a JORC inferred resource of 950,000 pounds grading 0.07% using a 0.02% cut-off.



The report has been prepared by qualified persons David S. Boyer, CPG, who works as a consultant for the company, and Erik Ostenoe, P.Geo. who is an independent Qualified Person and reviewed by Denis Geldard, CEO of AusAmerican (see competent person statement below).

The report states that *“potential to increase the resource exists along strike of the meta-sedimentary-intrusive contact, as this area is untested to the east and west. Although the defined resource occurs within 550 feet (170 metres) of the surface, the possibility of increasing the resource at depth also exists”*.

The report also recommends further work which includes detailed structured analysis to better understand controls on mineralisation, further metallurgical test work to determine uranium recoveries at low grades, uranium equilibrium determination and additional drilling to validate historical data, define deposit limits and potentially expand the resource.

The report goes on to state *“Considerable exploration potential also exists on the Lowboy uranium prospect, located on the eastern end of the Toiyabe Range and along the WNW trend with the Apex property. The Lowboy property was not addressed in detail in this technical report, however preliminary review of the data by the authors indicates that prospective targets do exist on the Lowboy property and along the WNW trend. Successful testing of these targets would significantly add to the inferred resource defined in this report”*.

The Company intends carrying out this recommended work immediately and has received all approvals for a drilling programme to test the Lowboy targets. This drilling programme has been delayed due to the poor weather conditions being experienced in the USA this winter but is due to commence in the next four weeks. A full copy of the NI 43-101 report is posted on the Company’s website www.ausamerican.com.

The Company hopes to increase the resource to at least 3 million pounds U_3O_8 with the recommended drilling at Apex (4). The drill program will target historical high grade areas and extensions of these areas, with the goal of increasing the overall size and economic grades of the resource. Additionally, the Company hopes to add between 2 million and 15 million pounds of U_3O_8 at the Lowboy project by carrying out the planned drill program (5).

The Company announced on Tuesday 1st March 2011 that it would commence drilling at both its New Mexico and Texas uranium projects in March 2011. The Company’s exploration target at all of its uranium projects in New Mexico, Nevada and Texas of between 28 and 42 million pounds of U_3O_8 grading between 500 ppm (0.05%) and 1200 ppm (0.12%) by the end of 2011 (6).



Exploration target table

Project	Location	Current resource	Grade	Exploration Target by Dec 2011	Target grade (ppm)	Target grade (%)
Rio Puerco	New Mexico	11.4 million lbs	900 ppm (0.09%)	20 million lbs	500-1200	0.05%-0.12%
Apex	Nevada	1.45 million lbs	700 ppm (0.07%)	3 million lbs	500-1000	0.05%-0.1%
Lowboy	Nevada	nil		2-15 million lbs	500-1200	0.05%-0.12%
Lone Star	Texas	nil	1	3-4 million lbs	700-1200	0.07%-0.12%
Total	NM, NV	12.85 million lbs	700ppm (0.07%)-900ppm (0.09%)	28-42 million lbs	500-1200	0.05%-0.12%

Precautionary Notes

Notes (1),(2),(3),(4),(5), (6) - These exploration targets are speculative in nature and are not yet classified a resource JORC or NI 43-101. There is insufficient data or work completed by the company to define a mineral resource other than that already reported under the JORC or NI 43-101 and it is uncertain if further exploration will result in the determination of a mineral resource.

Toronto Stock Exchange Listing

The Company is intending to apply to have its ordinary shares listed on the Toronto Stock Exchange ("TSX"). Much of the documentation for this application has been completed, as has the NI 43-101 on the Apex project, and the application is intended to be formally made in the next few weeks. The Company is hopeful it will be accepted by the TSX and have its ordinary shares trading on the TSX by Easter 2011.

The decision to dual list on the TSX was influenced by the following factors:

1. Size of market - the TSX is the largest market in the world for mining and resource stocks in terms of dollars invested and number of companies.
2. Proximity of projects - 100% of AusAmerican's resource projects are located in North America which we believe will assist the TSX investors in better understanding the projects; and



3. Valuation - TSX valuation per enterprise value per pound of JORC /NI 43-101 pound of U₃O₈ (EV/lb) for uranium junior exploration/development companies is currently on average between \$3.50 and \$4 per pound. The same average ASX EV/lb valuation is lower than the TSX's and AusAmerica's current EV/lb is \$1.10 per lb.

Changes to the Board of Directors

With the TSX listing in mind, and in order to bolster the expertise of the Board, the Company has made three changes to the Board of Directors. Joining the Board as non-executive Directors are Simon Jackson and Don Falconer. Mike Duncan has resigned as a Director of the Company. The composition of the Board will now be as follows;

Name	Position	Executive	Independent	Location
Jim Malone	Executive Chairman	Yes	No	Perth, Australia
Denis Geldard	CEO, Executive Director	Yes	No	Tucson, USA
Greg Barns	Non Executive Director	No	Yes	Melbourne/Hobart, Australia
Don Falconer	Non Executive Director	No	Yes	Toronto, Canada
Simon Jackson	Non Executive Director	No	Yes	Vancouver, Canada

Messrs Barns, Jackson and Falconer will comprise the Audit Committee which will be chaired by Mr. Jackson.

Simon Jackson is a Chartered Accountant with over 20 years experience in the gold industry. Most recently, Mr Jackson was Vice President – Corporate Development with Red Back Mining Inc (“Red Back”). His 11 year tenure with Red Back commenced with the 1999 discovery of the Chirano Gold Project in Ghana and his initial role with Red Back was as Chief Financial Officer.

In this position, Mr. Jackson organized project financing for Chirano and oversaw finances during the 14 month construction of the mine through to the first gold sale in late 2005. He drove the process by which Red Back become a Canadian company and listed on the TSX.

As Red Back grew, Mr Jackson moved full time into the corporate development role. Red Back was active in the merger & acquisition space with profitable investments in peers, the successful acquisition of the Tasiast project in Mauritania and a friendly deal with Moto Goldmines which was ultimately sold to a higher bidder.

Red Back was acquired by Kinross Gold Corporation in September 2010 in a transaction approaching \$9 billion, the fourth largest gold transaction in history.



Mr. Jackson lives in Vancouver, Canada with his wife and four children.

Don Falconer is a uranium veteran and a seasoned senior executive with extensive industry experience in the mining and electric utility sectors, including:

- 30 years in a variety of senior management positions in both the uranium mining and nuclear utility sectors.
- 13 years on Boards of uranium mining companies as a Director and Corporate Secretary.
- In-depth knowledge of the nuclear fuel cycle/uranium market.
- A track record of contributing dedicated effort, skills and experience to assisting the development of start-up and junior mining companies.

Mr. Falconer has worked at Fronteer Gold's subsidiary, Aurora Energy Resources, as Vice President-Corporate Development with responsibilities for investor relations, uranium market analysis, uranium marketing and off-take sales and communications with the Michelin Project host communities, as a Director at Energy Fuels Resources, at Uranium One Inc as VP-Investor Relations and Marketing, as Vice President – Corporate Development, Director, and Corporate Secretary at Southern Cross Resources and prior to that in a number of managerial positions at the corporate and business unit levels in various divisions of Ontario Hydro (now Ontario Power Generation) including as a member of the nuclear executive team working directly with the Managing Director of the nuclear division.

Mr. Falconer resides in Toronto, Canada.

Both Mr. Jackson and Mr. Falconer are highly talented individuals who bring a great deal of expertise to the AusAmerican Board of Directors, and the Company is delighted they have agreed to join the Board.

The Company would also like to thank Mike Duncan, a founding Director of the Company, for his efforts over the past five years. Mike will remain an executive and a shareholder of the Company.

In other changes, Nerida Schmidt will become Company Secretary. Ms. Schmidt is an experienced Company Secretary. Ms. Schmidt has considerable experience working with listed companies on both the ASX and the TSX.

Outgoing Company Secretary Mr. Martin Stein will take up the role of Chief Financial Officer.



The splitting of these roles will add to the capacity and experience of the financial and compliance management team and reflects the added responsibility on the financial and compliance aspects of the company reporting requirements that is expected should our application to list on the TSX be accepted, as well as reflecting the increased number, size and advanced state of the company's various resource projects.

Jim Malone
Executive Chairman

ENDS

Further information:

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Competent person

The review of exploration activities, reports and results contained in this report is based on information compiled and reviewed by Mr Denis Geldard: Chief Executive Officer and Executive Director of Australian- American Mining Corporation Limited ("AusAmerican" or "the Company"). Mr Geldard is a member of the Australasian Institute of Mining and Metallurgy. The information on the NI 43-101 was prepared by David S Boyer M.Sc. CPG RG and Erik Ostensoe, who are Qualified Person's as outlined under the guidelines of the National Instrument 43-101.

Mr Geldard has significant experience relevant to the style of mineralization and types of deposits under consideration and included in the relevant report and consents to the inclusion of this information in the form and context of this announcement.