16 September 2008

AUSMINERALS SHAREHOLDER UPDATE

Dear Investor

National Stock Exchange (NSX) Listing

Our shares started trading on the National Stock Exchange on the 22 August 2008 and we now look forward to building value in your investment in the company for you. We were able to do a compliance listing at a share price of sixteen cents per share.

Gold/Nickel

Metallurgical studies to determine the best method of extracting gold from the WA ore are continuing with results expected in due course. If positive as expected we will then be able to design the optimum process.

We are still awaiting approvals from the DOIR for planned exploration drilling which we hope will be forthcoming fairly soon.

Agricultural Products

Sales to the stock feed manufacturing industry have improved over the past two months and recent rainfall in our market area should lead to a good season for lime sales.

We took possession of a new bulk storage facility at Timboon on 1 September 2008 and we are now preparing products and advertising in preparation for the marketing effort. Samples of newly developed products have been submitted for analysis and results are expected within two weeks and if suitable, advertising will commence.

The upgrading of the pelletizing plant is progressing well and we look forward to full production fairly soon. We have also received quotes for a fine grinding plant which we will seek to finance through a bank facility. If approved we should have this plant operational early in 2009 thus further expanding the range of products for the higher value niche markets. Profits from this business are expected to grow significantly over the next few years once the proposed changes take effect.

Thank you again for your continued support; please visit our website at www.ausminerals.com.au for updates of a material nature.

Yours sincerely

Erwin Bouverie
MANAGING DIRECTOR