



AUSMINERALS LIMITED

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21 May 2010

National Stock Exchange of Australia
Ground Floor,
384 Hunter Street,
Newcastle NSW, 2300

NOTICE PURSUANT TO SECTION 708AA(2)(f) OF THE CORPORATIONS ACT 2001

Ausminerals Limited (the "Company") today announced a non-renounceable rights issue ("Rights Issue") of 1 fully paid share in the Company ("New Share") for every 2 existing shares in the Company held by shareholders with a registered address in Australia on 24 May 2010 at 5.00 pm (AEST) ("Qualifying Shareholder") at an issue price of 6 cents per New Share.

An Offer Summary for the Rights Issue will be despatched to Qualifying Shareholders on 24 May 2010.

In accordance with section 708AA(2)(f) of the Corporations Act 2001, the Company gives the following notice.

1. Issue without disclosure:

The Company will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act 2001.

2. Notice:

The Company gives this notice under section 708AA(2)(f) of the Corporations Act 2001.

3. Compliance with Corporations Act 2001:

The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Corporations Act 2001 as they apply to the Company; and
- (b) section 674 of the Corporations Act 2001.

4. Excluded information:

There is no excluded information for the purposes of section 708AA(7)(d) of the Corporations Act 2001.

5. Potential effect on control and consequences of that effect:

The Board believes that the issue of New Shares through the Rights Issue as announced on 21 May 2010 will not have a significant or adverse impact on the control of the Company.

Yours faithfully,

E B Bouverie
Managing Director