

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

21 May 2010

STOCK EXCHANGE ANNOUNCEMENT
1 FOR 2 NON-RENOUNCEABLE RIGHTS ISSUE OF SHARES

Ausminerals Limited ("the Company") is pleased to announce that it intends to make 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 (the "Offer"). This issue price represents a discount of 12 cents to the closing price of AUE Shares last traded on NSX.

An Appendix 3B in relation to the Rights Issue accompanies this announcement.

The Rights Issue will raise up to \$1.37 million (less expected costs) in new capital. The new capital will be used to augment the working capital requirements of the Randwick Gold operation. The Rights Issue is not underwritten.

The key dates for shareholders are as follows:

Event	Date
1 Announcement of Rights Issue and lodge Appendix 3B prior to commencement of trading with NSX	21 May 2010
2 Lodge section 708AA cleansing notice and Offer Summary with NSX	21 May 2010
3 Notice sent to Shareholders and Option holders	24 May 2010
4 Record Date for determining entitlements	24 May 2010
5 Offer Summary and Entitlement Form despatched to Qualifying Shareholders	24 May 2010
6 Closing date	04 June 2010
7 Allotment of New Shares	08 June 2010
8 Despatch of holding statements for New Shares	11 June 2010
9 Trading on NSX of New Shares	14 June 2010

Note:

The dates in the above timetable are indicative only and the Company reserves the right, subject to the Corporations Act, the NSX Listing Rules and any other applicable law, to vary the dates of the Rights Issue, including to extend the Rights Issue, close the Rights Issue early, without notifying you.

All Shareholders with a registered address in Australia as at the Record Date are eligible to participate in the Rights Issue. Please note that unless the Company determines otherwise, shareholders as at the Record Date that have an address registered outside Australia will not be eligible to participate in the Rights Issue.

Details of the Rights Issue and other matters required by law to be disclosed will be set out in an Offer Summary, which will be lodged with NSX today and despatched to shareholders on 24 May 2010.

For further information on this Rights Issue, contact us on 03 5595 0395 or by email admin@ausminerals.com.au.

Yours Sincerely



Erwin B Bouverie
Managing Director