



AUSMINERALS LIMITED

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August 2, 2010

NSX Announcement – Ausminerals Limited (AUE)

The board of directors has reviewed the current operations of the company and in view of the lack of capital and the inability to raise further equity funds to develop its gold assets the majority of its promising potential gold tenements have been relinquished.

The ongoing operations of the Lime extraction and processing business have become increasing unprofitable due to cost pressures and limited cash reserves. This has also exacerbated the development of pelletised and blended mineral products which was the corner stone of planned improvement in profitability.

Regrettably the Directors having exhausted all avenues to restore the company's financial position have resolved to place the company into voluntary administration with effect from August 2, 2010.

Yours faithfully,

Erwin B Bouverie
Managing Director