



AUS AMERICAN
MINING

ASX Announcement

12 October 2010

APEX DRILLING PROGRAMME UPDATE

Australian-American Mining Corporation Limited (“AusAmerican” or “The company”) is pleased to announce that it has completed five drill holes of the planned ten hole drill programme at the company’s Apex uranium project in Nevada. These five diamond cored (HQ) drill holes total 1454 feet (443.2m).

Highlights include;

- **Uranium mineralisation was detected in each of the five drill holes**
- **Analytical results and validated down-hole logs from the drilling could add to the historic resource**
- **Additionally, preliminary results from this drilling open new targets for exploration**
- **The current JORC inferred resource at Apex is 950,000 lbs at 700 ppm (0.07%). The exploration target at Apex is 3-5 million pounds (i)**

Preliminary results of the first five holes are summarised below. Specific uranium values will be released in a future announcement once down-hole QA/QC procedures have been completed.

AP-01-10 was drilled to a depth of 314 feet (95.7). This hole was designed to test lateral and down dip extensions of exposed mineralisation in the underground workings and geologic models. This hole drifted off course due to geologic conditions and defined the southeast margin of mineralised ground. Several small zones of anomalous mineralisation were detected by down hole-logging.

AP-02-10 was drilled to a depth of 217 feet (66.1m). This hole was designed to test the lateral extent of exposed mineralisation in underground workings. Preliminary results show several zones of mineralisation. Analytical results and validated down-hole logs from this hole could add to the historic resource.



AP-03-10 was drilled to a depth of 359 feet (109.4m). This hole was designed to test the lateral extent of mineralisation in underground workings. Preliminary results from the down hole logs and visible uranium mineralisation suggest this hole will add to the historic resource. Additionally, preliminary results from this hole open new targets for exploration.

AP-04-10 was drilled to a depth of 281 feet (85.6m). This hole was designed to test the lateral extension of mineralisation in historic drill holes. Small zones of anomalous mineralisation were detected in the down-hole logs.

AP-05-10 was drilled to a depth of 283 feet (86.2m). This hole was designed to test lateral and down dip extensions of mineralisation in underground workings. Several zones of significant mineralisation were detected by the down-hole logging.

AusAmerican Mining Executive Chairman Jim Malone said the Company “is encouraged with these preliminary results as they potentially validate and add to historic resources, and define new areas for exploration.”

Completed drill holes have been probed using a down-hole gamma tool. Down-hole gamma logging tools have been an industry standard of collecting drill hole information for uranium exploration since the 1960’s. The drill holes were probed (gamma logged) by independent logging contractor COLOG, a division of Layne Christensen.

The next two drill holes will be logged by a second independent contractor, Geophysical Logging Services from Prescott, Arizona and used as a QA/QC check on COLOG’s data. Additionally all drill holes will be sampled to industry standards and the samples will be sent to an ISO certified lab for analysis , which is a standard company practice on all geological samples and associated work.

The drilling is expected to be completed by the end of October and final results should be due in November 2010. This is the first of what is hoped to be a significant, continuous drilling programme for AusAmerican which will be followed by drilling programmes at its Lowboy, Rio Puerco and Lone Star uranium projects. These drilling programmes, which will predominately be diamond core drilling for approximately 8,000 metres will take place continuously between now and March 2011.

Regards,

Jim Malone
Executive Chairman



Cautionary note (i)

The exploration targets are conceptual in nature. The targets have been calculated by our geologists using existing and historic data and by calculating the conceptual size of the possible ore body by calculating the length, width and depth of the mineralised zone. These parameters were calculated using all data as well as by observation of outcropping mineralisation and observation of the mineralised zone through the numerous old workings and adits that have been accessed to assist with this estimation.

In addition, there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

Competent person

The review of exploration activities and results contained in this report is based on information compiled by Mr D. 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 technical disclosure in this press release has been reviewed by David S. Boyer. Mr. Boyer is a licensed geologist registered in the State of Washington No 2400 and is a member of the Society of Economic Geology and Arizona Geological Society. Both Gentlemen have significant experience relevant to the style of mineralisation and types of deposits under consideration. Both Gentlemen consent to the inclusion of this information in the form and context of this announcement.

Cautionary note to U.S investors

The United States Securities and Exchange Commission limits disclosure for US reporting purposes to mineral deposits that a company can economically and legally extract or produce. We may use terms in the release such as “reserves”, “resources”, “geological”, “resources”, “proven”, “probable”, “measured”, “indicated” or “inferred” which may not be consistent with the reserve definitions established by the SEC. US investors are urged to consider closely the disclosure in our annual reports. You can review and obtain copies of these filings from our website.



This announcement contains forward looking statements. These statements relate to future events, or our future financial performance. We have attempted to identify forward looking statements by terminology including “anticipates”, “believes”, “can”, “continue”, “could”, “estimates”, “expects”, “intends”, “may”, “plans”, “potential”, “predicts”, “should” or “will” or the negative of these terms or other comparable terminology. The statements are only predictions and involve known and unknown risks, uncertainties and other factors. The following factors, among others, could cause our actual results and performances to differ materially from the results and performance projected in, or implied by, the forward looking statements;

Our history of losses and expectation of further losses;

The effect of poor operating results on our company;

Our ability to expand our operations in both new and existing prospects and our ability to develop or acquire new prospects;

Or ability to develop new prospects and our performance in detecting and producing uranium for yellow cake;

Our ability to raise capital;

Our ability to fully utilize and retain new executives;

Negative publicity surrounding our product;

Trends in consumer tastes in energy;

The impact of litigation;

The impact of Federal, state, local or foreign government regulations;

The effect of competition in our industry; and

Economic and political conditions generally.

Further information

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