



ASX Announcement

31May 2010

AusAmerican raises \$1 million in an oversubscribed placement to further develop US uranium assets

- Raising of \$1 million under 15% placement capacity to be completed in two tranches
- Funds to be used to
 - Progress drilling programmes
 - Advance feasibility studies
 - Acquire additional uranium properties
- Placement made to sophisticated and institutional clients of DJ Carmichael
- US investors take stock for the first time indicating an increased awareness and appreciation of AusAmerican's strategic assets.

Australian-American Mining Corporation N.L ("AusAmerican" and/or "the company") is pleased to announce a placement to institutional and sophisticated investors of 25 million shares at 4 cents to raise \$1 million.

The placement was strongly supported among a range of institutional and sophisticated investors and was well oversubscribed. The placement was issued pursuant to section 708 of the Corporations Act.

The funds raised will be for drilling programmes at the Company's US uranium properties, and to acquire addition uranium properties in the US.

The company is pleased that some of the placement was taken up by sophisticated US based investors who have been following the company and its progress in the USA for some time. This is the first time that any USA based investors have participated in a placement and the company is excited and encouraged by this development and welcomes them to the registry.



Commenting on the raising, AusAmerican Executive Chairman, Jim Malone said:

“We are delighted to have completed this raising. To have attracted such a strong response which saw the placement well oversubscribed in what was a difficult week is very encouraging. This show of confidence by investors is most encouraging and we are grateful for the support of DJ Carmichaels. We are especially delighted to welcome a number of important US investors onto the registry for the first time. We are hopeful that this North American support will increase over time through their support and the commencement of the ADR facility on the OTC market in the USA. This raising allows us to commence a programme of drilling at three of our projects as well as to continue our acquisition of uranium properties in Texas”.

Funds raised will be allocated to support a series of exploration and development programmes the company has planned which includes drilling programmes at the Apex project in Nevada, the Rio Puerco project in New Mexico and the Lone Star project in Texas. Drilling at these projects will consist of in-fill drilling to confirm old drilling data as well as exploration drilling to expand the current JORC resource of 11.4 million pounds at Rio and 900,000 pounds at Apex. At the Lone Star project, drilling will be planned to confirm the historic results that were produced by Union Carbide in the 1960's and 1970's. The company intends to deliver a maiden JORC resource will be able to be released to the market by the end of the year.

The company also plans to use funds from the capital raising to continue to acquire leases over uranium projects in Texas and is hopeful of announcing these acquisitions in the next three months. It is envisaged that drilling will commence on these projects with three months of their acquisition.

The shares issued will also have an option attached on a one option for every two shares purchased basis. These options will require shareholder approval at a general meeting which will be called shortly and will be held in July 2010. The options will be quoted and listed on the ASX shortly thereafter. The options will have a strike price of 10 cents and will expire on 31 December 2012.

FURTHER INFORMATION

For further information please contact Jim Malone, Executive Chairman on +61 419 537 714

Media enquiries: Fortbridge on +61 2 9331 0655 or Bill Kemmery on mob +61 400 122 449.

ENDS