



ACN 125301206

PROSPECTUS

For the offer of 25,000,000 shares at an issue price of 20 cents each to raise \$5,000,000.

Oversubscriptions of up to a further 12,500,000 shares at an issue price of 20 cents each to raise an additional \$2,500,000 may be accepted.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.

If you do not understand it you should consult your professional advisers without delay. The Securities offered by this Prospectus should be considered speculative.

Broker to the Issue

GPS
Securities

Cunningham Peterson Sharbanee Securities Pty Ltd



CORPORATE DIRECTORY

Directors

Luke Frederick Atkins Chairman
Daniel Lewis Tenardi
David John Brook
Christopher John Forrester

Company Secretary

David John Brook

Share Registry

Security Transfer Registrars Pty Ltd
Suite 1, 770 Canning Highway
Applecross WA 6953
Telephone (08) 9315 2333
Facsimile (08) 9315 2233

Broker to the Issue

CPS Securities
Level 34 Exchange Plaza
2 The Esplanade
Perth WA 6000
Telephone (08) 9223 2222
Facsimile (08) 9223 2211

Solicitors to the Company

Steinpreis Paganin
Lawyers and Consultants
Level 4, Next Building
16 Milligan Street
Perth WA 6000
Telephone (08) 9321 4000
Facsimile (08) 9321 4333

Registered Office

3 Bay Road
Claremont WA 6010
Telephone (08) 9389 5557
Facsimile (08) 9389 5510

Auditors

Moore Stephens
12 St George Terrace
Perth WA 6000
Telephone (08) 9225 5355
Facsimile (08) 9225 6181

Investigating Accountant

Moore Stephens Perth Corporate Services Pty Ltd
12 St George's Terrace
Perth WA 6000
Telephone (08) 9225 5355
Facsimile (08) 9225 6181

Independent Geologist

Broad Tree Group - Geological Services
7 Hermes St
Riverton WA 6148

Bankers

Australia & New Zealand Banking Group Ltd

Tenement Officers

Australian Mining Administrative Professionals
P O Box 2085
Warwick WA 6024

Website

www.ammg.com.au

Stock Exchange Listing – ASX

ASX Code – AKA

CONTENTS

1	IMPORTANT NOTICE	2
2	CHAIRMAN'S LETTER	3
3	INVESTMENT HIGHLIGHTS & OVERVIEW	4
4	DETAILS OF THE OFFER	7
5	COMPANY AND PROJECT OVERVIEW	10
6	MANAGEMENT AND KEY PERSONNEL	18
7	INDEPENDENT GEOLOGIST'S REPORT	21
8	INVESTIGATING ACCOUNTANT'S REPORT	56
9	SOLICITOR'S REPORT ON TENEMENTS	66
10	RISK FACTORS	86
11	MATERIAL CONTRACTS	89
12	ADDITIONAL INFORMATION	90
13	DIRECTORS' AUTHORISATION	98
14	GLOSSARY	99
15	APPLICATION FORMS	101

1 IMPORTANT NOTICE

This Prospectus is dated 6 October 2009 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

The expiry date of this Prospectus is at 5.00pm WST on that date which is 13 months after the date this Prospectus was lodged with the ASIC (**Expiry Date**). No securities may be issued on the basis of this Prospectus after the Expiry Date.

Application will be made to ASX within seven (7) days after the date of this Prospectus for Official Quotation of the Shares, the subject of this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares which are the subject of this Prospectus should be considered speculative.

WEB SITE – ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the website of the Company at www.ammg.com.au. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an application form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

1.1 EXPOSURE PERIOD

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act.

Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

2 CHAIRMAN'S LETTER



Dear Investor,

I am pleased to present to you, on behalf of the Board of Directors, an offer to become a shareholder in Australia Minerals & Mining Group Limited, (**AMMG or Company**). The purpose of the Offer is to raise \$5,000,000 by the issue of 25,000,000 Shares at \$0.20 per Share to fund exploration and resource evaluation of the Company's diversified tenement holdings and projects in Western Australia and Queensland.

The Company has one granted tenement and 18 applications in Western Australia and Queensland covering an area in excess of 4,000 square kilometres. The ground held comprises of five distinct project areas targeting iron ore, gypsum, mineral sands and gold.

The Company's projects have been carefully evaluated and selected based on:

- access to existing historical geological reporting;
- proximity to existing infrastructure and/ or proximity to existing world class resources;
- ease of extraction; and
- leverage to growth markets with attractive medium to long term fundamentals.

The projects in summary are:

- Iron Ore, Constance Range, Queensland.
- Iron Ore, West Pilbara, Western Australia.
- Gypsum, Lake Macleod, Western Australia.
- Mineral Sands, East Augusta, Western Australia.
- Gold, Maytown, Queensland.

Further details of these projects are included in the "Overview of Projects" section and are reviewed in the Independent Geologists Report.

Our strategy is to seek to identify sufficient resources with the potential to develop the bulk mineral projects, (iron ore, gypsum and mineral sands), as Direct Shipping Operations (DSO), or in the case of gold, as a potential longer term operation either, internally or with suitable strategic joint venture partners. The diversity of projects and the value propositions ensure that a number of different potential resource development options are available to the Company.

The Company has a proven energetic and resourceful board and management team possessing the skills and experience, spanning capital raising, corporate, exploration, mine development and production, required for competently evaluating and progressing these projects. The Board has a proven track record in attracting any additional management skills necessary to support the projects as they advance.

The Board believes this offer represents an attractive and timely opportunity to become a shareholder in a company with a number of exciting projects with excellent growth prospects.

Yours faithfully

Luke F Atkins
CHAIRMAN

3 INVESTMENT HIGHLIGHTS AND OVERVIEW

- **Experienced board and management team**

Strong corporate, operational and exploration experience.
Diversified range of professional attributes.
Extensive international networks of industry and market contacts.

- **Positive results in historical data**

The Company has access to extensive historical data, for its iron ore, gypsum, gold and minerals sands projects.

- **Potential fast tracking of projects**

Potential for certain projects to be fast tracked through the verification of historical data and access to existing transport infrastructure.

- **Close proximity to export markets**

The Company's tenement application areas are well located to supply both China and India's demand for commodities.

- **Timely exposure to diversified growth commodities with attractive long term fundamentals**

Timely opportunity to gain exposure to a diversified suite of key growth commodities – Iron Ore, Gypsum, Mineral Sands and Gold. The diversity of projects and the value propositions ensure that a number of different resource development options are available to the Company based on market demand.

- **Demand for Iron Ore**

Global demand for iron ore volume is greater than demand for any other mineral commodity and the sector is expected to continue to be one of the highest margin sectors to operate in. AMMG has identified two potential iron ore projects, one of which has substantial historical exploration data.

- **Demand for Gypsum**

Gypsum is a key ingredient in the manufacture of cement or concrete as well as plasterboard products. Global demand for these building products remains resilient and is projected to grow with the expansion of the Chinese and Indian economies.

- **Entitlement issue of options after listing**

Shareholders are entitled to participate in a non-renounceable entitlement of Options approximately 12 weeks after listing.

3.1 IMPORTANT NOTICE

This section is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

3.2 STRATEGIC OBJECTIVE

The objective of the Company is to carry out a strategic exploration program of resource definition in conjunction with local communities, environmental and key stakeholders. The Company's goal is to develop sustainable iron ore, gypsum and mineral sands export industries and to further assess the exploration potential of its gold project.

3.3 INDICATIVE TIMETABLE

Lodgement of Prospectus with the ASIC	6 October 2009
Opening Date	13 October 2009
Closing Date	26 November 2009
Despatch of Holding Statements	7 December 2009
Expected date for listing on ASX	10 December 2009

3.4 PURPOSE OF THE OFFER AND USE OF PROCEEDS

It is intended to apply funds raised from the Offer of \$5,000,000 and existing cash reserves of approximately \$1,200,000 as follows:

Item	Year 1 (\$)	Year 2 (\$)	Total (\$)
Evaluation and exploration	1,145,000	1,565,000	2,710,000
Loan Repayment	140,000		140,000
Plant and Equipment	90,000	75,000	165,000
Expenses of the Offer	521,000		521,000
Administration Costs	680,000	610,000	1,290,000
Working Capital			1,374,000
Total			6,200,000

The minimum subscription for the Offer is \$4,000,000. Should the minimum subscription be raised, the ability of the Company to meet all of the expenditure conditions of the Tenements and other expenditure requirements in general will not be affected. If less than the full subscription is received, the amount of unallocated working capital will be reduced by a maximum of \$1,000,000.

Following the completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives.

“The Company's goal is to generate shareholder wealth by adding value to our diversified suite of mineral resource projects”

3.5 CAPITAL STRUCTURE

The capital structure of the Company following completion of the Offer is summarised below:

Ordinary Shares (Note 1)	Number	%
Foundation Shares	30,000,002	42
Private Fundraising Shares	16,475,000	23
Shares now offered	25,000,000	35
Total Ordinary Shares on issue at the completion of the Offer	71,475,002	100

Options	Number
Unlisted options	8,000,000
Total options	8,000,000

Note 1

The Company also has 17,000,000 Class A Performance Shares on issue, the terms and conditions of the Performance Shares are set out in Section 12.1.2 Class A Performance Shares.

Restricted securities

Subject to the Company being admitted to the Official List, certain of the Shares and Options on issue prior to the Offer are likely to be classified by ASX as restricted securities and will be required to be held in escrow.



AMMG Project Locations

4 DETAILS OF THE OFFER

4.1 THE OFFER

By this Prospectus, the Company offers for subscription 25,000,000 Shares at 20 cents each to raise \$5,000,000. The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

4.2 HOW TO APPLY

If you wish to participate in the offer, you should complete the Application Form enclosed with this Prospectus.

Payment for the Shares must be made in full at the issue price of 20 cents per Share. Applicants may apply for a minimum parcel of 10,000 Shares, representing a minimum investment of \$2,000, and thereafter in multiples of 2,000 Shares. Completed application forms and accompanying cheques must be mailed or delivered to:

By Hand Security Transfer Registrars Pty Ltd
Suite 1, 770 Canning Highway
Applecross WA 6153

or

By Mail Security Transfer Registrars Pty Ltd
PO Box 535
Applecross WA 6953

Cheques should be made payable to “Australia Minerals & Mining Group Limited – Share Offer Account” and crossed “Not Negotiable”. Completed Application Forms must reach one of the above addresses by no later than the Closing Date. The Company reserves the right to close the Offer early.

4.3 OVERSUBSCRIPTIONS

The Company may accept oversubscriptions of up to a further 12,500,000 Shares at an issue price of 20 cents each to raise up to an additional \$2,500,000. The maximum amount which may be raised under this Prospectus is therefore \$7,500,000.

4.4 ALLOTMENT

Subject to ASX granting approval for the Company to be admitted to the Official List, allotment of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date. Prior to allotment, all application monies shall be held by the Company on trust. The Company, irrespective of whether the allotment of Shares takes place, will retain any interest earned on the application monies.

The Directors reserve the right to allot Shares in full for any application or to allot any lesser number or to decline any application. Where the number of Shares allotted is less than the number applied for, or where no allotment is made, the surplus application monies will be returned by cheque to the applicant within fourteen (14) days of the allotment date.

4.5 MINIMUM SUBSCRIPTION

The minimum subscription to be raised pursuant to this Prospectus is \$4,000,000. If the minimum subscription has not been raised within four (4) months after the date of this Prospectus, all applications will be dealt with in accordance with the Corporations Act.

4.6 ENTITLEMENT ISSUE OF OPTIONS AFTER LISTING

No Options are being issued by this Prospectus. All Shareholders registered at a record date to be determined approximately 12 weeks after the Shares are admitted to the Official List of ASX will be entitled to participate in a non-renounceable entitlement of Options on the basis of one Option for every two Shares held. The Options will be issued at 1 cent each with an exercise price of 20 cents each and an expiry date being approximately 18 months after the issue of the Options. A disclosure document for the entitlement issue of Options will be issued when the Options are offered. Shareholders registered at the record date who wish to subscribe for Options will need to complete the application form that will accompany and form part of the disclosure document at that time.

4.7 ASX LISTING

The Company will apply to ASX within seven (7) days after the date of this Prospectus for admission to the Official List and for Official Quotation of the Shares offered under this Prospectus. If ASX does not grant permission for Official Quotation of the Shares within three (3) months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Shares offered by this Prospectus will be allotted or issued. In that circumstance, all applications will be dealt with in accordance with the Corporations Act.

4.8 APPLICANTS OUTSIDE AUSTRALIA

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify these Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia.

It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

4.9 BROKER TO THE ISSUE

Cunningham Peterson Sharbanee Securities Pty Ltd is a holder of Australian Financial Services Licence Number 294848 and is the Broker to the Issue. Full details of the terms of the agreement are set out in Section 11.4 of this Prospectus.

4.10 COMMISSIONS ON APPLICATIONS FORMS

The Company reserves the right to pay a commission of 6.6% (inclusive of goods and services tax) of amounts subscribed to any licensed securities dealers or Australian Financial Services licensee in respect of valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian Financial Services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services licensee.

4.11 CHESS

The Company will apply to participate in the Clearing House Electronic Subregister System (CHESS). CHESS is operated by ASX Settlement and Transfer Corporation Pty Ltd (ASTC), a wholly owned subsidiary of ASX, in accordance with the Listing Rules and the ASTC Settlement Rules.

Under CHESS, the Company will not issue certificates to investors. Instead, Shareholders will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASTC will send a CHESS statement.

4.12 RISK FACTORS

Prospective investors in the Company should be aware that subscribing for Shares the subject of this Prospectus involves a number of risks. These risks are set out in Section 10 of this Prospectus and investors are urged to consider those risks carefully (and if necessary, consult their professional adviser) before deciding whether to invest in the Company.

The risk factors set out in Section 10, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Shares offer pursuant to this Prospectus. Accordingly, an investment in the Company should be considered speculative.

4.13 PRIVACY STATEMENT

If you complete an Application Form for Shares, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Shares in the context of takeovers; regulatory bodies, including the Australian Taxation Office; authorised securities brokers; print service providers; mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

4.14 ADDITIONAL TENEMENT APPLICATIONS

The Company may make application for additional tenements prior to or during the offer period.

5 COMPANY AND PROJECT OVERVIEW

5.1 BACKGROUND SUMMARY

The Company was incorporated on 8 May 2007 for the purpose of securing tenements over ground identified as having the potential for resource definition and economical extraction. The Company has identified five separate project areas which the Directors believe may have the potential for the realisation of economic resources of these commodities, being iron ore, gypsum, mineral sands and gold. The Company has one granted tenement and 18 applications for tenements covering these five project areas, located in Western Australia and Queensland.

Ground was selected primarily on the basis of the existence of historical reports indicating potential for resource definition. Other considerations included proximity to existing infrastructure, ease of extraction, exposure to improving market sentiment, and leverage to growth markets with attractive medium to long term fundamentals.

In conjunction with local communities, environmental and key stakeholders, the Company intends to carry out a strategic exploration program of resource definition, infrastructure review and feasibility studies in order to grow a diversified mineral extraction and export industry.

5.2 VISION

The Company's goal is to generate shareholder wealth by adding value to our diversified suite of mineral resource projects. We aim to achieve this by:

- carrying out a strategic exploration program of resource definition, infrastructure review and feasibility studies
- developing sustainable iron ore, gypsum and mineral sands export industries either as direct shipping operations, or in the case of gold, as a potential longer term operation, either internally or with suitable strategic joint venture partners.

5.3 THE MARKET OPPORTUNITY

A number of indicators point to the beginnings of an economic recovery. Global leading indicators are suggesting that the world ex-China is entering a cyclical recovery, driven by restocking and fiscal stimulus. Whilst the Director's consider that the timing and strength of the recovery in the global economy remains uncertain and that the true underlying demand for commodity products will not be evident before 2010, the Directors are confident that the medium to long term economic fundamentals for developing and industrialising economies such as China and India remain strong. Ongoing development in emerging growth markets will continue to drive metals demand and exports of Australian commodities. It is considered that current conditions are an anomaly in a longer term growth trend and that there remains scope for a significant increase in per capita metals consumption.

Importantly, the improving demand environment is expected to face supply conditions that are still largely geared for recession.

Recovery in China has been stronger than expected with economic growth rebounding to 7.9% in the second quarter of 2009 and a number of key developed countries including Japan, France and Germany exiting recession. Whilst there is some concern about the sustainability of Chinese growth and materials consumption, we are positive about future Chinese economic momentum, due to the significant monetary and fiscal stimulus in place.

It is in this context that the Directors consider AMMG's plans and aspirations present a timely opportunity to gain leverage to the improving market sentiment, and the strong medium to long term trajectory of key growth markets.

5.4 OVERVIEW OF THE PROJECTS

All the projects are either currently 100% beneficially held by the Company or a contract is in place whereby the project tenements become 100% beneficially held by the Company one year following the grant of these tenements (see Section 11.2 For a summary of the Joint Venture with Tailrain Pty Ltd).

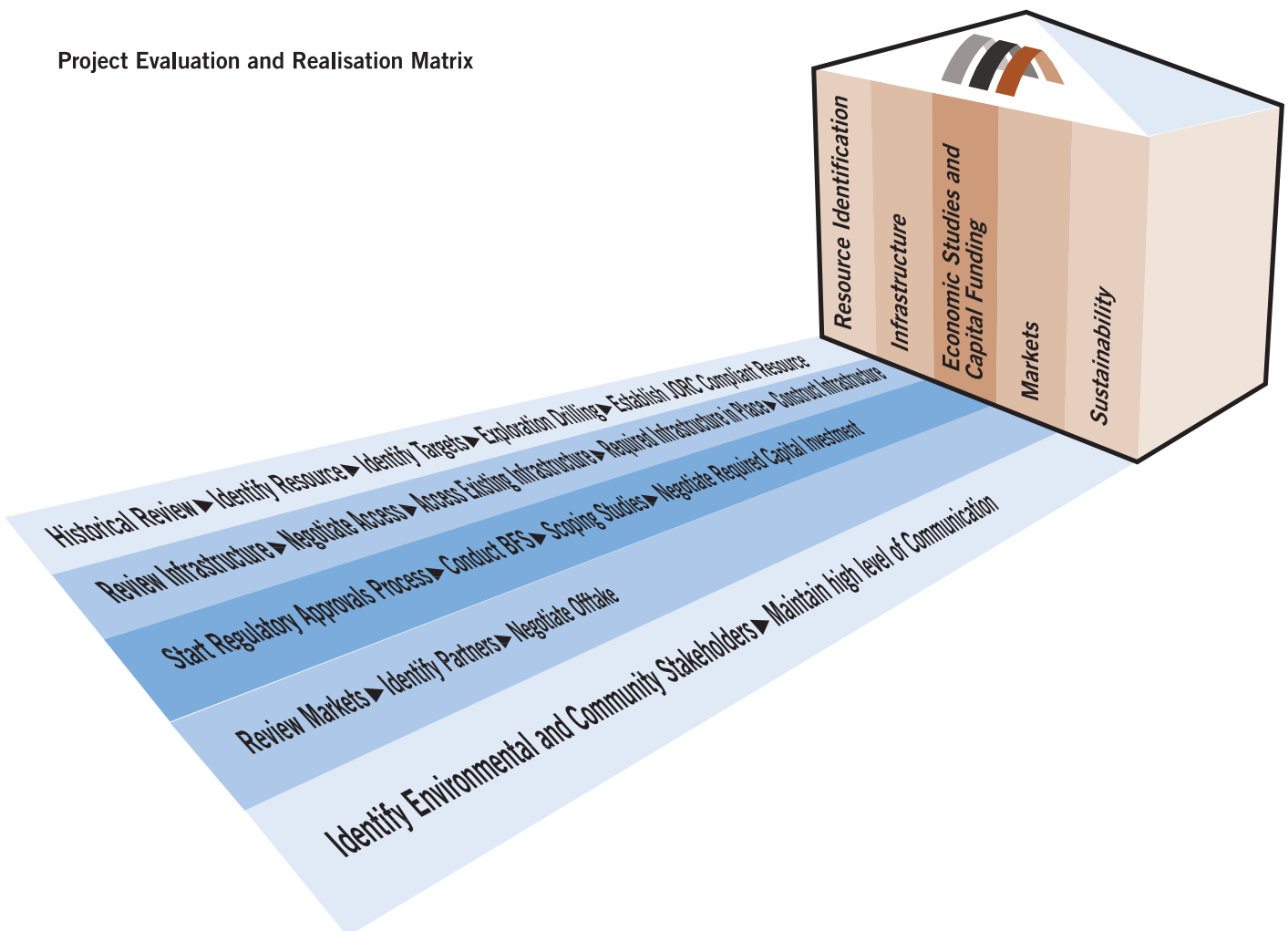
The five projects held by the Company are:

- Iron Ore – Constance Range, Northern Queensland
- Iron Ore – West Pilbara, Western Australia
- Gypsum – Lake Macleod, North West, Western Australia
- Mineral Sands – East Augusta, South West, Western Australia
- Gold – Maytown, North East, Queensland

Information on the projects, including the use and market demand for each commodity sought are detailed in the following sections.

Please refer to Section 7, Independent Geologist's Report, for the detailed geological review of the resource opportunity within the project areas and the previous historical reporting.

Project Evaluation and Realisation Matrix



5.5 IRON ORE

5.5.1 PROJECT – CONSTANCE RANGE, QUEENSLAND

The Constance Range project is located 180kms northwest of Mount Isa in Queensland. In 1957 BHP procured an exploration lease over the large Iron formation known as the Constance Range in the Lawn Hill Block in Northern Queensland. The style of mineralisation has been described as Clinton type oolitic ironstones.

In 1958 BHP carried out an intensive exploration and drilling program. A pre-feasibility study was completed in 1963 recommending development. Subsequently the Hamersley Ranges in Western Australia became the main iron project for BHP and development of the Constance Range area ceased.

The Constance Range Iron Ore Project strategy is to initially develop a data base of all the work previously carried out on the Company's tenements. A comprehensive drilling program is planned to endeavour to establish JORC compliant resource and reserve estimates. It is also proposed to undertake preliminary scoping studies and feasibility studies for a direct shipping operation (DSO) out of Burketown Port.

Further information can be found in Section 7, Independent Geologist's Report.

5.5.2 PROJECT – WEST PILBARA, WESTERN AUSTRALIA

The Pilbara is one of the world's richest iron ore producing regions. The Company has five tenement applications in the Pilbara. The West Pilbara Project area is in proximity to some significant iron ore projects, being located 50 kilometres east of Port Hedland, near the existing railway that transports iron ore from BHP Billiton's Yarrrie and Niningarra mines. The Company proposes to carry out a review of all historical data available to the Company on this project area followed by an extensive exploration program.

The Project provides the Company with some additional exploration ground, providing a potential basis for establishing a presence in this iron ore province on which the company may build through tenement acquisitions and possible joint ventures.

5.5.3 USES

Iron ore is the raw material used to make pig iron, the key ingredient in the production of steel, one of the most important and enduring products in the world today. 98% of mined iron ore is used to make steel.

- Steel is the most common form of iron. It contains about 1 per cent carbon and has properties that make it an excellent material for thousands of different uses.
- Stainless steel contains chromium, making it highly resistant to rusting. It is ideal for use in motor vehicle parts, food preparation tools, utensils and hospital equipment.
- Tool steel is extremely hard, and is used in metalworking tools. It is produced by tempering certain types of steels by putting them through quick heating and cooling cycles.
- Cast iron is a partly refined iron that contains up to 5 per cent carbon, making it very hard, but brittle. These properties make it ideal for moulded parts, like car engine blocks.
- Wrought iron is nearly pure iron mixed with a glasslike material. It is rust resistant and softer than cast iron, making it ideal for use in outdoor furniture, porch railings and other decorations.

5.5.4 Market Demand

Global steel production is beginning to recover though Asian countries appear to be moving more quickly than the USA or Europe.

The dramatic increase in Chinese iron ore imports during 2009 appears to have been driven by a strong recovery in domestic steel production coupled with declining domestic iron ore supply given the large decline in spot iron ore prices.

Demand is expected to exceed supply over the next two to three years even if producers operate at full capacity. Longer term, production capability growth should catch up, however demand is expected to remain strong in the long term with healthy margins maintained.

5.6 GYPSUM

5.6.1 PROJECT – LAKE MACLEOD, WESTERN AUSTRALIA

The Company's Lake Macleod project consists of four tenement applications over previously drilled Gypsum deposits in the Lake Macleod area. Two are located to the east of Rio Tinto's existing Gypsum and Salt operations and two to the north of Lake Macleod. Areas of the ground have been subject to previous exploration and the Company has reports detailing the identification of substantial high grade Gypsum deposits within the ground held.

Local infrastructure includes a ship-loading facility located at Cape Cuvier, currently used by Dampier Salt (a subsidiary of Rio Tinto). The gypsum from the Dampier Salt operation is transported by haul trucks to the port of Cape Cuvier for stockpiling. Vessels are loaded by conveyor from the stockpile along the jetty. Cape Cuvier is a deep-water port capable of accommodating vessels of up to 100,000 tonnes and is in relatively close proximity to the Lake Macleod tenements.

Gypsum currently produced at Lake Macleod by Rio Tinto is of a high purity level, offering advantages for production processes associated with wallboard, cement, and plasters. The finer particle sizing of Rio Tinto's Lake MacLeod gypsum offers capital and operating cost saving potential and exhibits minimal dust generation.

The Company intends to carry out verification drilling of the deposits in order to define JORC compliant resources in conjunction with negotiating access to the existing port load-out facilities and negotiating an off-take agreement with interested parties. Preliminary negotiations in relation to Gypsum off-take have already commenced.

Further information can be found in Section 7, Independent Geologist's Report. Also see Section 11.2 detailing the Joint Venture Agreement with Tailrain Pty Ltd with respect to these tenements.

5.6.2 USES

Gypsum is a key ingredient in the wallboard, building and decorative plaster, cement and agriculture markets.

The uses include:

- **Wallboard:** Gypsum forms the hardened core of wall board in the building and construction industry. Gypsum currently produced at Lake MacLeod by Rio Tinto is considered to be globally competitive in the wallboard industry given the high quality requirements of this industry.
- **Plaster:** Natural gypsum is the main component in the manufacture of plaster compounds, including plaster mouldings for internal decorations in buildings and some wall coatings.
- **Cement:** Gypsum is used in large quantities by the cement industry as a setting retardant.
- **Agriculture:** Natural gypsum is used as a soil conditioner in heavy soils to improve soil structure and water penetration. The high quality, low moisture content and very low sodium chloride levels of the Lake MacLeod gypsum offers significant benefits to farming – soil treatment and associated applications. The lack of impurities allows extensive soil conditioning with little or no negative effect on the actual soil structure. In comparison to some chemical fertilisers, natural gypsum is regarded as an effective low cost source of sulphate sulphur for crops such as canola.

Gypsum is also used in tennis court construction, beer production, pottery plaster, toothpaste, food additives, paint manufacture, casts and sculpture.

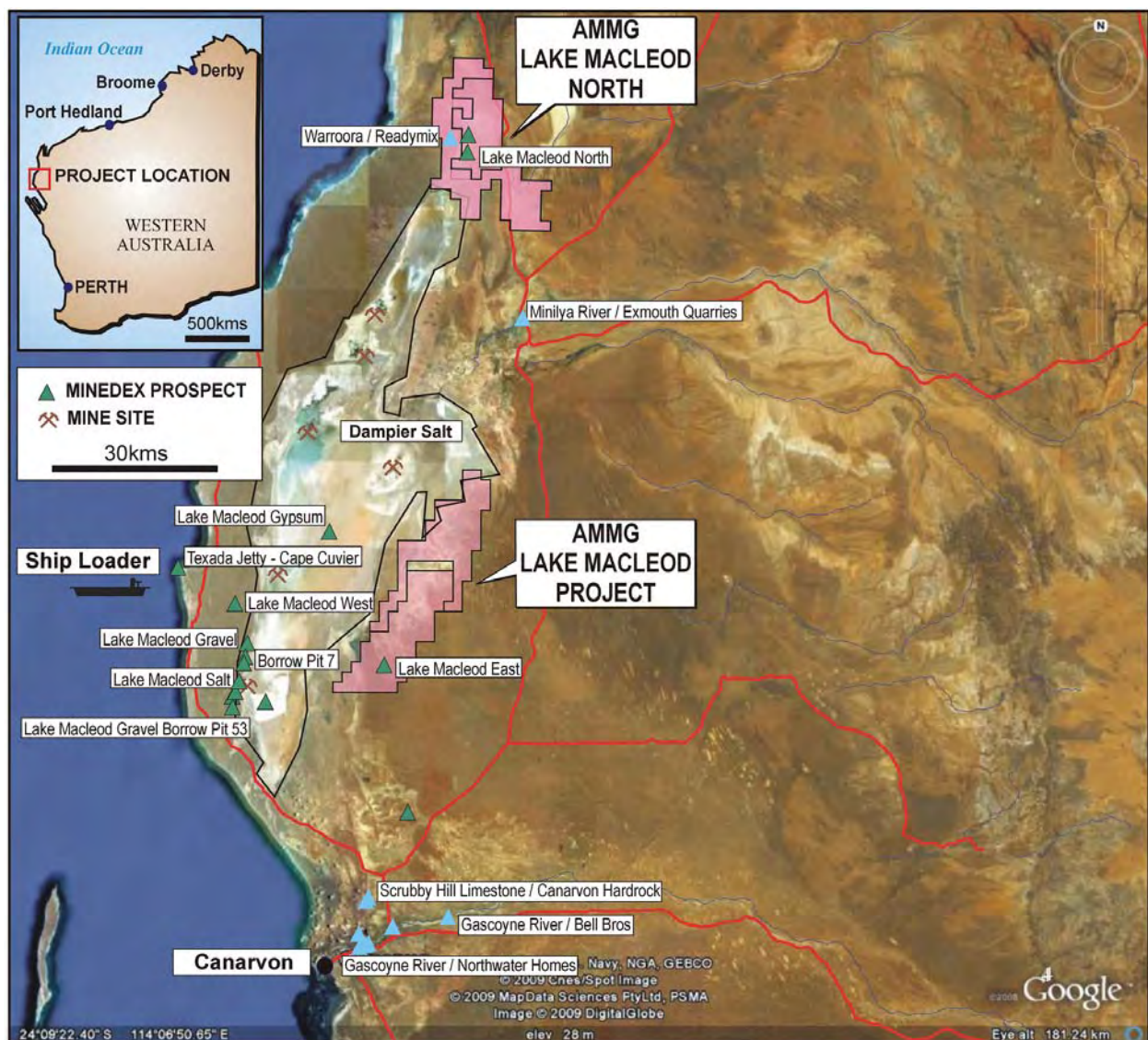
5.6.3 MARKET DEMAND

Worldwide natural gypsum production exceeds 100 million tonnes per year. Domestic production of Gypsum is based predominantly in South Australia and Western Australia, through Rio Tinto's Operations at Lake Macleod.

The financial crisis has had significantly less affect on growth in demand for plasterboard in the BRIC countries (Brazil, Russia, India and China), the Middle East, and Eastern Europe. A primary driver for demand growth in these regions is the conversion to western construction technologies, including the use of plasterboard for building interiors.

The use of concrete for housing and road building is an essential building block of the emerging economies. The substantial investment in infrastructure, urban renewal and programs for housing renovation and construction under the aggressive economic stimulus packages are already reviving demand for cement and plasterboard and demand growth is set to return to pre-recession rates.

Global demand for gypsum related building products remains resilient to global recession and continues to grow with the expansion of the Chinese and Indian economies.



Lake Macleod Project

5.7 MINERAL SANDS

5.7.1 PROJECT – EAST AUGUSTA, WESTERN AUSTRALIA

BHP Billiton carried out exploration and development of the Beenup minerals sands project over a number of years and undertook substantial infrastructure projects and geological investigations within the East Augusta area in the South West of Western Australia. The project was shelved in the late 1990's and a number of the areas originally retained by BHP Billiton have since been relinquished.

AMMG has an application over approximately 90 square kilometres of area located at East Augusta. The application covers a number of areas reported by BHP Billiton as containing mineral sands, including ilmenite and zircon.

Further information can be found in Section 7, Independent Geologist's Report.

5.7.2 USES

Initially mined for paint pigmentation, minerals sands are now recognised as being of strategic importance for developments in industrial and scientific technology.

Titanium minerals

Titanium pigments are pure white, highly refractive, ultra-violet-absorbing, non-toxic and inert. They are used in a wide and growing range of products: protective coatings, such as house, car paints and sunscreens, as well as in plastics, paper and textiles. Titanium pigments are also increasingly used in a range of foodstuffs and cosmetics.

Titanium minerals also act as a fluxing agent in welding electrodes that are used extensively in shipbuilding and construction. Titanium minerals are also used for the production of titanium sponge, used in the manufacture of titanium metal. The strength and lightness of titanium metal makes it ideal for advanced engineering applications, particularly in the aerospace industry, and in a range of other applications, including sports equipment and jewellery.

Zircon

Over 50 per cent of zircon is used in the production of ceramics, including tiles, sanitary ware and tableware. Zircon is also used in refractories, television glass and foundry applications, such as the casting of jet turbine blades.

In addition, it is the source material for zirconia and a wide range of zirconium-based chemicals. These products are used in a multitude of high-tech industrial applications, including autocatalysts, fuel cell technology, electronics and abrasives.

5.7.3 MARKET DEMAND

Australia is a pioneer of the mineral sands industry and is the world's largest mineral sands producer. The Australian mineral sands industry currently generates approximately AUD\$1.2 billion in export income per annum.

Continuing international growth in demand for titanium and zirconium minerals offers an opportunity to develop new mineral sands resources in the south west of Western Australia where a significant amount of Australia's heavy mineral sands are located.

Historically, demand for titanium minerals and zircon has shown generally steady, GDP-related, growth characteristics. Increasing demand for mineral sand products from developing countries has also become increasingly evident over recent years. Titanium minerals and zircon constitute a relatively secure input source to a range of industrial and end-consumer applications, with relatively low threats from substitutes. The medium to long term outlook for the industry and prices is considered positive in line with expected improvements in GDP growth.

In 2008, the global titanium minerals market was estimated at approximately 5.9 million tonnes of TiO_2 units. Pigment is the largest consumer of titanium minerals with an estimated total world pigment production of approximately 4.7 million tonnes of TiO_2 units. Titanium sponge production, which is used mainly in the aerospace industry, as well as other industrial applications, was estimated at approximately 175 thousand tonnes in 2008.

Global zircon consumption in 2008 was an estimated 1.3 million tonnes of zircon product. Whilst inventory levels are still high, the Director's believe that zircon market fundamentals are recovering and are positive about the long term fundamentals for Zircon, given the ongoing urbanisation occurring in China, the biggest market for Zircon, and the lack of any effective substitutes for Zircon.

5.8 GOLD

5.8.1 PROJECT – MAYTOWN, QUEENSLAND

The Company holds four tenement applications for ground in Maytown and Laura, Queensland, areas that have historically and currently been renowned for gold production. The ground held by the Company has had some previous exploration carried out and deposits have been identified. The Company believes there exists the potential for epithermal gold mineralisation and intends to carry out a strategic exploration program to endeavour to define an economic resource.

The Maytown Project and Maytown North Project areas are located approximately 150km and 175km north-west of Cairns respectively. The tenements cover a total area of approximately 1,000 square kilometres in the Palmer River Goldfield of far North Queensland.

The Palmer River Goldfield is one of the richest alluvial gold fields ever discovered in Queensland with records indicating total production of between 1-2 million ounces of gold from 1878.

Further information can be found in Section 7, Independent Geologist's Report.

5.8.2 USES

Gold is used in a wide range of industrial applications, with jewellery being the most common. Other applications include electronics, for printed circuitry and electrical devices, dentistry as fillings and tooth restoration, glass manufacturing, aerospace, medicine, the arts, porcelain dinnerware, decorations in architecture, medallions, coins, and gold bars purchased as investments.

Gold has long held a place in financial markets as a reserve currency and an inflation hedge. The proportion of reserves held as gold by Central Banks varies markedly between countries. The USA currently holds just less than 80% of its foreign reserves as gold.

5.8.3 MARKET DEMAND AND OUTLOOK

Gold has long been regarded as a basic store of value to which the market looks in times of high uncertainty and a weak US dollar. Some market participants see gold as a proxy currency with its own 'value', frequently having an inverse relationship to the value of the US dollar.

Demand for Gold may swing from jewellery to investment oriented consumption according to the market forces in play. Over the past four years, the demand for gold was dominated by the jewellery markets, however as gold prices increased into the high US\$900 levels, physical demand for major markets reduced markedly, with marked reduction in consumption by the traditional Indian jewellery markets.

The response of the gold market to the global economic crisis was impacted by both changes to the gold price and perception of risk. The immediate response to the crisis was for an increased off-take of physical gold, but with a much higher proportion being directed to net retail investment and to Exchange Traded Funds (ETF) and similar funds.

In line with a number of forecasters, the Director's believe that with a relatively weak US dollar, the macroeconomic environment is supportive of gold, and that gold may provide an attractive potential development option in AMMG's suite of projects.

The Director's note forecasts that the prospects of a weaker US dollar from 2010 onwards will keep gold moving higher in 2010.

Timing of changes in the gold price is also expected to depend on performance of Chinese GDP growth and economic behaviour of OECD countries among other factors.

5.9 ENVIRONMENTAL SUSTAINABILITY

The Company is committed to carrying out its business in an environmentally sustainable manner. To this end the Company intends to develop a comprehensive environmental policy with key stakeholders.

5.10 COMMUNITY AND INDIGENOUS RELATIONS

The Company is committed to building mutually beneficial relationships with indigenous stakeholders and all community groups. The Company considers good communication, negotiation and ongoing participation between parties as one of the key success factors by which it will measure its performance.

5.11 COMPANY APPROACH

The Company proposes to use the following staged mineral exploration in order to evaluate and extract full value from each target opportunity that presents itself:

- Area Selection
- Target definition
- Resources evaluation
- Reserve definition
- Extraction

The ongoing implementation of the Company's exploration program will involve a regular assessment of its exploration results. The Company will regularly review its exploration program based on these assessments and may from time to time alter its exploration focus and direction so as to maximise the value of the Company's asset base.

6 MANAGEMENT AND KEY PERSONNEL

The AMMG Board is an energetic, skilled and experienced team possessing a broad spread of corporate, commercial, operational and technical skills with a proven track record across the Australian and global resources industry. The Board is well positioned to deliver AMMG's strategic direction and growth and to maximise shareholder value. The Board proposes to engage additional management skills as necessary to support the projects as they advance.

6.1 DIRECTORS

Luke Frederick Atkins, LLB – Chairman



Luke Atkins is currently the Executive Chairman of the successful ASX listed mining and exploration company, Bauxite Resources Ltd, a role which he has held since co-founding the company in 2007. He has played a key role in third party negotiations to successfully access funding, joint venture partnerships, land and infrastructure.

Mr Atkins has extensive experience in capital raisings and has held a number of executive and non executive directorships of private and publicly listed companies including a number of mining and exploration companies.

Mr Atkins is a lawyer by profession and was previously the principal of Atkins and Co Lawyers, a Perth based legal firm which he owned and managed for 7 years. Mr Atkins brings to the board extensive experience in the areas of minerals exploration and corporate governance.

Daniel Lewis Tenardi – Non Executive Director



Dan Tenardi is a highly experienced mining executive with some 40 years in the industry, including experience with a number of global resource industry leaders across a range of commodities, including iron ore, gold, bauxite, and copper. His wealth of knowledge and depth of experience in developing and managing bulk ore operations is ideally suited to the Company's ongoing business plan.

Mr Tenardi is currently Managing Director of Bauxite Resources Ltd, where he is overseeing the rapid growth of the company from its initial exploration phase to the forthcoming direct shipping operations.

Mr Tenardi previously spent 13 years with Alcoa World Alumina Australia, at its bauxite mines in Western Australia, and a further two years at Alcoa's Kwinana refinery. He has substantial gold mining experience, including experience with Roche Mining at the Kalgoorlie Superpit and at Anglo Gold Ashanti's Sunrise Dam. Mr Tenardi has worked at an executive level for Rio Tinto's Robe River Iron Associates and their East Pilbara Division, and was appointed as a Director of Robe River Iron Associates in the latter years of his employment with Rio Tinto.

Prior to his current role, at Bauxite Resources Ltd, Mr Tenardi held the positions of General Manager of Operations and Chief Operating Manager at CITIC Pacific Mining. At CITIC Pacific, Mr Tenardi helped develop the largest magnetite iron ore mine in Australia and was responsible for the strategic development of the Company's Australian and global mining operations.

David John Brook, BA (Hons, First Class) – Non Executive Director



David Brook is an experienced mining industry executive and consultant, specialising in the fields of investor relations, financial and corporate communications, government and community relations and sustainability. He has almost 20 years experience in the global resources sector and government in Australia, New Zealand and Asia, including experience with resource industry leaders Rio Tinto and Alcoa.

Prior to starting his own investor relations and financial corporate communications consultancy, Mr Brook was Head of Investor Relations and Corporate Affairs for Consolidated Minerals Limited, an ASX 200 and AIM listed diversified mining company. He managed investor relations and corporate communications

strategy during one of the most highly competitive corporate actions in recent years – a \$1.2 billion, 15 month transaction, involving multiple global bidders and diverse market and government stakeholders. Mr Brook has extensive networks in the Australian, UK and US financial and investment markets.

Mr Brook brings to the Board extensive corporate experience in the mining and government sectors. As a government relations and issues management adviser for Alcoa Australia, Mr Brook managed Alcoa's state and federal government relations strategies for major growth projects in Australia. Previously Mr Brook worked in corporate communication management roles with Western Australian minerals sands miner, Iluka Resources Limited, and Rio Tinto subsidiary, Robe River Iron Associates.

Between 1990 and 2000, Mr Brook served as a diplomat, posted in Wellington, Canberra and Thailand. He has an excellent knowledge of Asian trade and investment practices and government regulatory regimes, as well as significant experience, and networks, in international trade, economics and government relations.

Christopher John Forrester – Non Executive Director



Chris Forrester brings to the board extensive strategic development, operational and marketing skills, with over 30 years business and management experience.

Mr Forrester was responsible for the establishment and development of Entyre Rubber Systems Pty Ltd and after selling the company, played a key role in the growth transformation of the company into an ASX listed enterprise, trading as Reclaim Ltd. Reclaim went on to become the Australian industry leader in its sector, undergoing significant expansion nationally and internationally, securing markets in Asia, the Middle East, the US and the UK.

As Executive Director of Reclaim Ltd, Mr Forrester was responsible for overseeing the day to day operational management of the company, the ongoing review of process improvement and the identification and implementation of expansion strategies. Mr Forrester has had extensive business dealings in China and the Middle East.

Prior to his work with Reclaim Ltd, Mr Forrester worked in the agriculture industry, the mining industry, as a sub contract miner, and as the Assistant Manager of the blast hole division of Thomson Drilling.

6.2 KEY PERSONNEL

William Witham BSc (Hons) – Consulting Geologist

William Witham is a qualified Geologist with broad experience gained over a 21 year period working in the technical, government and financial sectors of the resources industry. This experience includes exposure to a number of countries, exploration techniques, and commodities including uranium, base metals, gold, water, iron-ore, tantalum and platinum group metals. Mr Witham was previously the Managing Director of ASX listed Whinnett Resources Limited.

Mr Witham has worked for a number of international and Australian companies including Mount Isa Mines, Aerodata Holdings Ltd, World Geoscience Corporation Ltd, Mineral Securities Limited, Northern Gold NL and the Goldfields-Esperance Development Commission. During a nine year term at Aerodata Holdings Ltd he held General Manager positions in South America, Africa and Australia Asia Pacific.

Mr Witham also holds positions on the board of DSF International Ltd, GSF Corporation and a number of unlisted companies.

6.3 CORPORATE GOVERNANCE

The Directors monitor the business affairs of the Company on behalf of Shareholders and have formally adopted a corporate governance policy which is designed to focus Directors' attention on accountability, risk management, ethical conduct and conflicts of interest.

The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

Further information about the Company's corporate governance practices will be set out on the Company's website at **www.ammg.com.au**. In accordance with the recommendations of the ASX, information published on the Company's website will include charters (for the board and its sub-committees), codes of conduct and other policies and procedures relating to the board and its responsibilities.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

“Directors consider AMMG’s plans and aspirations present a timely opportunity to gain leverage to the improving market sentiment and the strong medium to long term trajectory of key growth markets”.



Broad Tree Group

ABN 13 042 699 201

Geological Services – Global Mineral Exploration and Mining

7 INDEPENDENT GEOLOGIST'S REPORT

28 September 2009

The Directors
Australia Minerals & Mining Group Limited
3 Bay Road
Claremont, WA 6010

Dear Directors,

Re:

INDEPENDENT GEOLOGIST'S REPORT ON THE MINERAL PROPERTIES in WESTERN AUSTRALIA and QUEENSLAND

I have been commissioned by Australia Minerals & Mining Group Limited (AMMG) to provide an independent technical report on the company's projects in Queensland and Western Australia. This report is to be included in a Prospectus to be lodged by AMMG with the Australian Securities and Investments Commission, offering for subscription a maximum of 25 million Shares at an issue price of \$0.20 per Share (the Prospectus), to raise up to a maximum of \$ 5 million (before costs associated with the issue) on or about 6 October 2009. The funds raised will be used for the purpose of exploration and evaluation of the mineral properties held by AMMG.

AMMG intend to explore two project areas in Queensland and three project areas in Western Australia. These include the Constance Range Iron Ore Project (Qld), Maytown Gold Project (Qld), the Lake Macleod Gypsum Project (Gascoyne WA), West Pilbara Iron Ore Project (Pilbara WA) and Augusta Mineral Sands Project (South West WA).

DECLARATIONS

Relevant codes and guidelines

This report has been prepared in accordance with the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission ("ASIC") and the Australian Securities Exchange ("ASX"), which pertain to Independent Expert Reports. Where mineral resources have been referred to in this Report, the classifications are consistent with the *Australasian Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code")*, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, effective December 2004. The report complies with section 716(2) of the *Corporations Act 2001* where consent is required if statements have been attributed to third parties.

Under the definition provided by the ASX and in the JORC Code, these properties are classified as 'exploration projects', which are inherently speculative in nature. The properties are considered to be sufficiently prospective, subject to varying degrees of risk, to warrant further exploration and development of their economic potential, consistent with the programs proposed by AMMG.

Sources of Information

The statements and opinion contained in this report are given in good faith and this review is based on information provided by the title holders, along with technical reports by consultants, previous tenement holders and other relevant published and unpublished data for the area. I have endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy and completeness of the technical data upon which this report is based. A final draft of this report was provided to AMMG, along with a written request to identify any material errors or omissions prior to lodgement.

The independent technical report has been compiled based on information available up to and including the date of this report. Consent has been given for the distribution of this report in the form and context in which it appears. I have no reason to doubt the authenticity or substance of the information provided.

Qualifications and Experience

The person responsible for the preparation of this report is:

D V Horn

D V Horn has over 20 years experience as a geologist in the mineral exploration and evaluation industry since 1989 working on gold, diamonds and other precious stones, base metal and platinum group minerals, iron ore, coal, mineral sands and industrial minerals projects. Mr Horn is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM), Member of the Australian Institute of Geoscientists (MAIG) and satisfies Australian Stock Exchange Limited (ASX) and Australian Securities and Investments Commission (ASIC) regulations and requirements to provide independent expert reports for listed and unlisted public companies.

Mr Horn is the founder and Principal Consultant of Broad Tree Group and consults to the mineral exploration industry on Australian and overseas projects.

Independence

I am not, nor intend to be a director, officer or other direct employee of AMMG and have no material interest in the Projects or AMMG. The relationship with AMMG is solely one of professional association between client and independent consultant. The review work and this report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Yours faithfully



D V Horn
BAppSc (Geology)
MAusIMM MAIG

TABLE OF CONTENTS

1	SUMMARY	25
2	CONSTANCE RANGE PROJECT	27
2.1	Exploration Potential	27
2.2	Location and Tenure	29
2.3	Geological Setting	31
2.4	Previous Exploration	32
2.5	Exploration Budget	34
3	LAKE MACLEOD GYPSUM PROJECT	35
3.1	Exploration Potential	35
3.2	Location and Tenure	36
3.3	Geological Setting	36
3.4	Previous Exploration	37
3.5	Exploration Budget	39
4	MAYTOWN GOLD PROJECT	40
4.1	Exploration Potential	40
4.2	Location and Tenure	41
4.3	Geological Setting	41
4.4	Previous Exploration	43
4.5	Exploration Budget	44
5	EAST AUGUSTA MINERAL SANDS PROJECT	45
5.1	Exploration Potential	45
5.2	Location and Tenure	45
5.3	Geological Setting	46
5.4	Previous Exploration	47
5.5	Exploration Budget	48
6	WEST PILBARA IRON ORE PROJECT	49
6.1	Exploration Potential	49
6.2	Location and Tenure	49
6.3	Geological Setting	50
6.4	Previous Exploration	50
6.5	Exploration Budget	51
7	EXPLORATION PROGRAM and BUDGET	51
8	PRINCIPAL SOURCES OF INFORMATION	52
9	GLOSSARY OF TECHNICAL TERMS	54

LIST OF FIGURES

1. Project Locations
2. Historical BHP Map of Constance Range Area
3. Regional Geology at Constance Range
4. Map Showing Historical Iron Stones at Constance Range Area
5. Regional Geology of Mount Isa Area
6. Lake Macleod Licence Applications
7. Regional geology at Lake Macleod
8. Map Showing the Location of the Maytown Gold Project
9. Geology and Prospect Locations at the Maytown Gold Project
10. Map Showing the East Augusta Exploration Licence Application
11. Geological setting of the East Augusta Mineral Sands Project
12. Map Showing Location of the West Pilbara Iron Ore Project

LIST OF TABLES

1. Tenement details for the licences at Constance Range
2. Proposed Year 1-2 Budget for Constance Range Project
3. Tenement Details for the Lake MacLeod Gypsum Project
4. Proposed Year 1-2 Budget for the Lake MacLeod Gypsum Project
5. Tenement Details for the Maytown Gold Project
6. Proposed Year 1-2 Budget for the Maytown Gold Project
7. Heavy Mineral Sands Prospects within E70/3198 from the DoIR Minedex Database and first Reported by the Project Mining Corporation – Samedan of Australia Mineral Sands Joint Venture 1973.
8. Proposed Year 1-2 Budget for the East Augusta Mineral Sands Project
9. Tenement Details for the West Pilbara Iron Ore Project
10. Proposed Year 1-2 Budget for the West Pilbara Iron Ore Project
11. Proposed Year 1-2 Budget for all AMMG Projects

1 SUMMARY

The AMMG project portfolio includes two projects in Queensland and three projects in Western Australia. The Queensland projects are the Constance Range Iron Ore Project and the Maytown Gold Project. Those in Western Australia are the Lake Macleod Gypsum Project (Gascoyne), the West Pilbara Iron Ore Project and the East Augusta Mineral Sands Project (South West).

The **Constance Range Project** is located 180kms northwest of Mount Isa in Queensland. In 1956 BHP procured an exploration lease over the large iron formation known as the Constance Range in the Lawn Hill Block in far north-western Queensland. The bedded hematite style mineralisation occurs within three gently dipping beds between 3 and 18 metres thick containing sometimes “oolitic” or rounded nodules of hematite.

Between 1956 and 1964 BHP carried out detailed exploration and drilling programs to evaluate the iron formations. A pre-feasibility study was completed in 1963 which outlined the economic potential of the iron deposits at that time. This potential was hindered by unsatisfactory beneficiation test work and also the consideration for an underground development of the deposits. Subsequently the Hamersley Ranges in WA became the main iron ore focus for BHP and the Constance Range Project was not given further consideration.

At the **Maytown Gold Project**, a number of EPMs have been applied for in the Palmer River Goldfield. Gold rushes following the discovery of payable deposits on the Palmer River in 1873 resulted in up to 50,000 people moving to the field: Palmerville, Maytown, Uhrstown, Byerstown, and Groganville became booming though short-lived settlements. Gold was worked mainly from alluvial deposits, but this area still has potential to host auriferous quartz reefs in the surrounding hills. The auriferous reefs are thin lenticular quartz-filled fissure veins within a belt of sheared dark phyllite and greywacke. The thickness of veining varies from a 0.1 to 1m. In addition to the reefs mined, many thin unpayable leaders exist in the country rock. The reefs strike northwest or north-northwest, and dip steeply to the south-west. They are composed of milky vein quartz containing native gold, some pyrite, arsenopyrite, and a minor stibnite (antimony).

AMMG has secured Exploration Licence Applications over outlying deposits to the north and east of **Lake Macleod**. Rio Tinto quotes that Lake Macleod contains large deposits of gypsum. Dampier Salt committed to the development of a gypsum mine in 1997 and they now produce 1.5 million tonnes per year. In terms of quality, high purity, colour, consistency and uniformity, Lake Macleod gypsum has provided advantages to customers in the cement and wallboard industries.

The Company has secured an Exploration Licence Application over the **East Augusta Mineral Sands** which is located on the south coast of Western Australia. This area was explored extensively during the 1970s and 1980s, and contains known placer deposits of titanium rich mineral sands.

The company has five exploration licence applications in the **Pilbara** region of Western Australia. They are located to the south of the Shay Gap - Port Hedland Railway line over Archaean rocks of the Pilbara Block. These tenements contain some meta-sedimentary rocks that could host iron mineralisation, as well as granites with possible tantalum/lithium potential. Previous exploration in the area for diamonds has located indicator minerals which may be derived from kimberlite or other mantle intrusive rocks. No source for these indicator minerals has been located to date.



Figure 1 - AMMG Project Locations

2 CONSTANCE RANGE PROJECT

The Constance Range Project is located 180kms to the north-west of Mount Isa on the Northern Territory border.

2.1 EXPLORATION POTENTIAL

Between the years of 1956 and 1964 BHP conducted investigations into the iron ore deposits contained within the Constance Range area.

These investigations included detailed core drilling (25,762m), mineralogical examinations and beneficiation studies. Two shafts were sunk in 1961 with drives excavated for further ore sampling and studies. Investigations into rail and Port access, labour requirements, ship loading and jetty facilities were also carried out on the Gulf of Carpentaria 100km to the north east of the area.

Based on this information the Company has set "Exploration Targets" under JORC guidelines for the reporting of mineral resources. It is feasible that an exploration target exists at Constance Range in the order of:

*350 to 400 million tonnes at 45 to 50% Fe and 9 to 10% SiO₂ (contained in at least 15 individual deposits).

The key deposits "A", "I" and "P" would constitute the bulk of this exploration target being in the range of 240 to 250 million tonnes at 50 to 55% Fe, 9 to 9.5% SiO₂. These figures are based on considerable work by BHP on the ironstones and recent drilling and validation work on Deposits "A" and "P" by Kimberley Metals (wholly owned subsidiary of CBH Resources Limited) has confirmed and validated previous BHP work on these two deposits. In 2007 Kimberley Metals released results including a three dimensional geological model based on historical data and an additional 14 drill holes for 1,275m. Details of this work can be found on their website This work by Kimberley Metals helps demonstrate the robust nature of historic work at Constance Range by BHP.

A portion of the "P" Deposit is located within the AMMG granted tenement EPM16620. It should be noted however that AMMG has no arrangement or agreement with Kimberley Metals over the remainder of Deposit "P" or other parts of Kimberley Metals Constance Range Project.

AMMG also currently have historical BHP Deposit "H" under tenement application as well as several kilometres of strike of the host formation, the Train Range Ironstone.

At that time in 1964 (and with the available technologies) the iron deposits identified by BHP were considered sub-economic. Following the discoveries of iron ore in the Pilbara region of Western Australia at that time saw BHP leave the Constance Range area and the ground was later incorporated into Mineral Reserves and National Park without further work being completed.

Significantly, not all of the Train Range Ironstone Member (host rock of the iron deposits) is considered properly tested at Constance Range. Potential exists for extensions to the known mineralisation and the discovery of new iron ore deposits with potentially higher grades. Higher demand, better prices and advancements in mining and beneficiation technologies have impacted significantly on today's Iron Ore industry. In light of this, further evaluation of the Constance Range deposits is considered warranted and is currently being undertaken by a number of exploration companies on some of the BHP discoveries at Constance Range.

* In accordance with Section 18 of the JORC Code, the writer wishes to state that the potential quantity and quality of these mineralisation targets are conceptual in nature, with insufficient verification of exploration completed to date to define a mineral resource. The potential mineralisation targets are based on historical drilling and estimates that cannot be verified. It is uncertain if exploration drilling will result in the determination of a mineral resource for these targets or any resource at all.

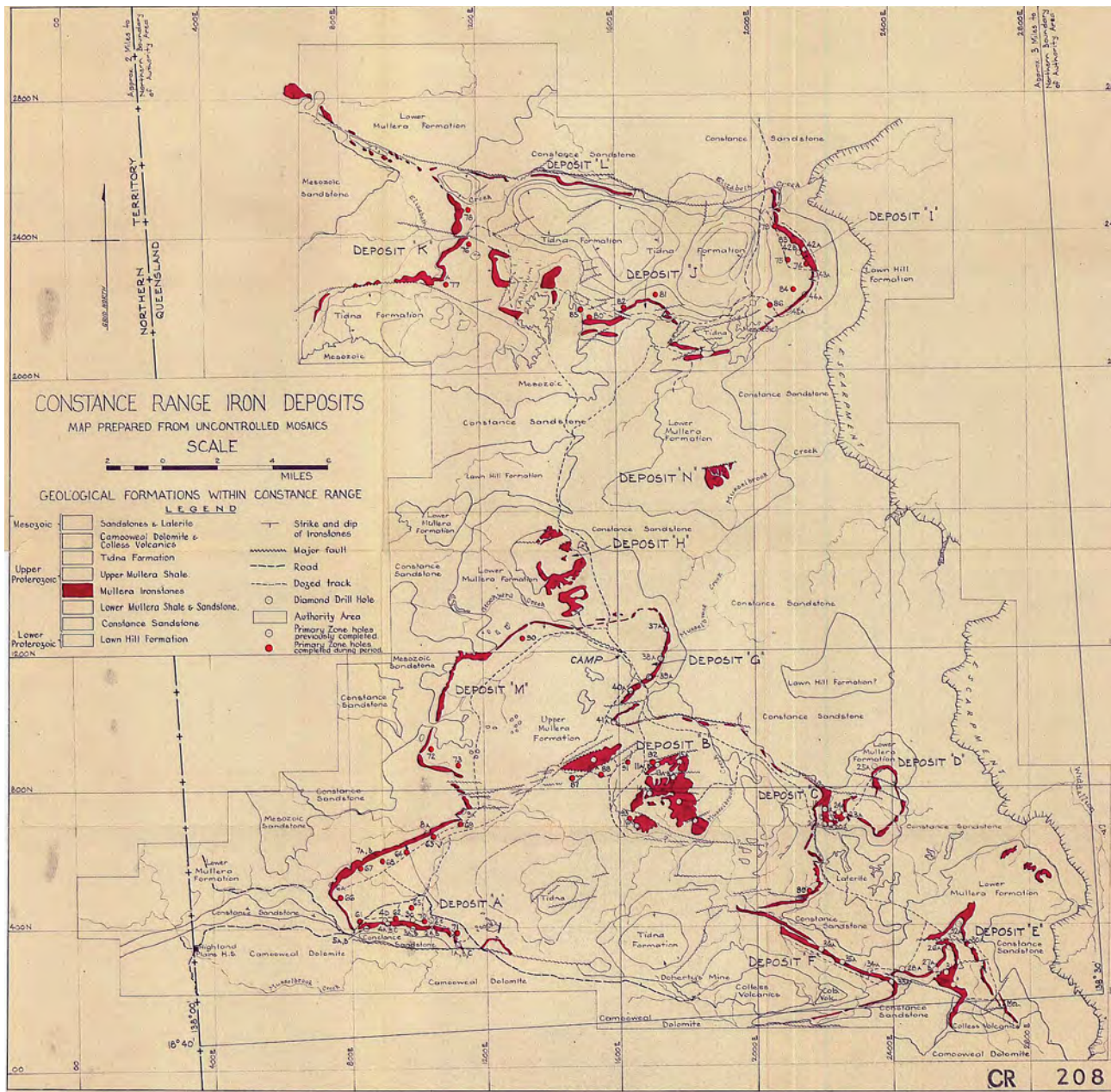


Figure 2 – Historical BHP Map of Constance Range Area

2.2 LOCATION AND TENURE

There are 3 exploration permit mineral applications and 1 granted exploration permit mineral licence within the Constance Range Iron Ore Project held by AMMG in the name of Archeoptryx Resources Pty Ltd. Archeoptryx Resources Pty Ltd is the former name of the AMMG. The licences cover a total of approximately 610 square kilometres.

Table 1 below shows the tenement details for the licences at Constance Range.

Tenement	Size (Sq Km)	Application Date	Grant Date	Holder
EPM17920	254.3	4/11/2008		AMMG (Archeoptryx)
EPM17164	248.3	2/01/2008		AMMG (Archeoptryx)
EPM17919	71.7	4/11/2008		AMMG (Archeoptryx)
EPM16620	35.8	29/06/2007	4/11/2008	AMMG (Archeoptryx)
	610.1			

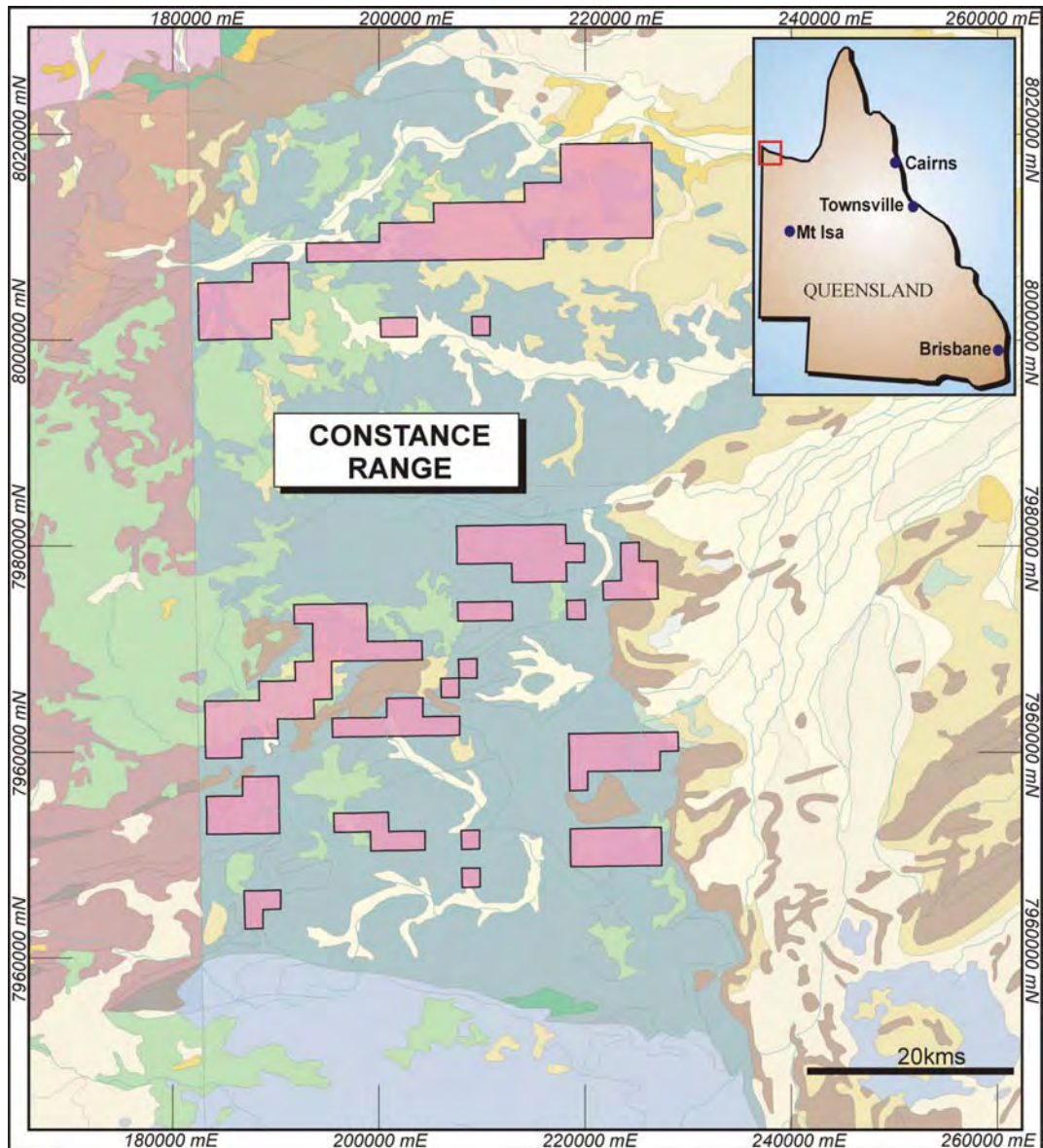


Figure 3 – Regional Geology at Constance Range

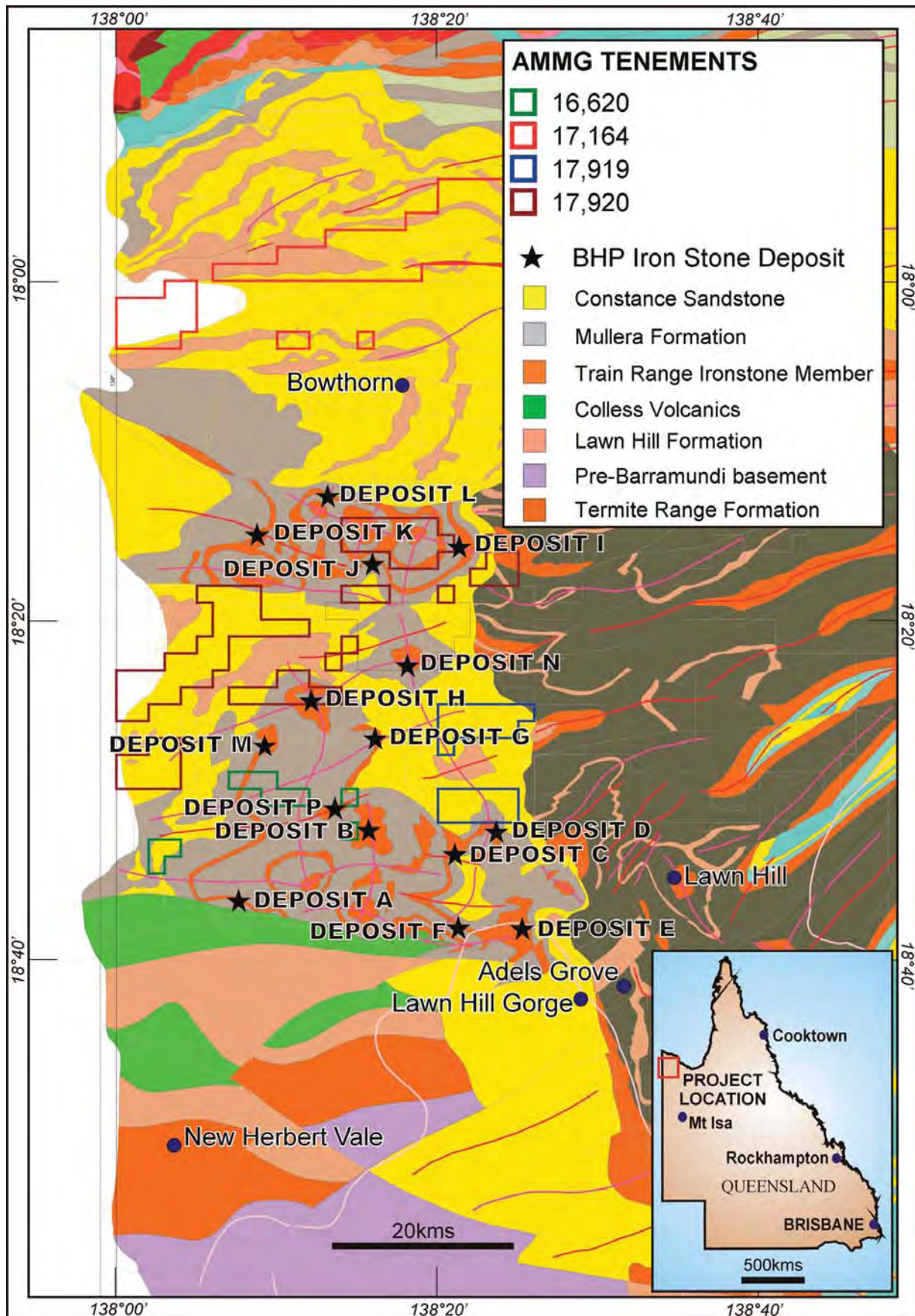


Figure 4 – Map Showing Historical Iron Stones at Constance Range Area

2.3 GEOLOGICAL SETTING

Rocks of the Mount Isa Orogen crop out over an area in excess of 50 000km² in north-west Queensland, roughly centred on the township of Mount Isa (Figure 3). Rocks of the Mount Isa Orogen have been subdivided into three broad north-trending Provinces - the Western Fold Belt Province, the Kalkadoon-Ewen Province and the Eastern Fold Belt Province (Figure 3).

The Western Fold Belt Province is subdivided into the Lawn Hill Sub province in the west and the Leichhardt River Sub province in the east separated by the Mount Gordon Fault Zone.

Detailed summaries of the geology of the Mount Isa area were given by Blake (1987), Blake & others (1990) and Blake & Stewart (1992). Recent dating of basin phases in the Western part of the Mount Isa Orogen and their implication for basin development were reported by Page & Sweet (1998) whilst recent dating of rocks in the Eastern Fold Belt Province and their implications for crustal evolution is reported in Page & Sun (1998).

Two major Proterozoic tectonostratigraphic cycles have been recognised. The early cycle is a basement sequence of sedimentary, volcanic and intrusive rocks deformed and metamorphosed at around 1870Ma during the Barramundi Orogeny. The second cycle is represented by three cover sequences, as defined by Blake (1987), deposited during extensional tectonism and terminated by the compressional 1620 to 1520Ma Isan Orogeny.

Most sedimentary rocks of the cover sequences were deposited in shallow marine and fluvial environments and most of the volcanic rocks were sub-aerial indicating the presence of pre-existing continental basement.

Granites and mafic intrusions were emplaced at various times before about 1100Ma; those older than 1550Ma are metamorphosed and generally deformed.

The South Nicholson Basin unconformably overlies rocks of the Lawn Hill Sub province of the Western Fold Belt Province, across the Queensland-Northern Territory border (Figure 3). The basin fill consists predominantly of sandstone, siltstone and shale of the South Nicholson Group. The only significant mineralisation recorded within the rocks of the basin is sedimentary ironstone in the Constance Range area (Harms, 1965) where oolitic hematite, siderite and chamosite beds occur within the Train Range Ironstone Member.

The Train Range Ironstone Member is located between 275m to 520m above the base of the Mullera Formation and comprises up to 10 lenticular, iron-rich beds of oolitic sandstone. The Train Range Member also contains thin-bedded horizons of shales, siltstones and sandstones. The thickness of the ironstone horizons is reported by BHP from 3 metres to 18 metres with relatively flat dips of between 15° to 30°. Adjacent to faulted contact zones these dips steepen to as much as 60°. Reportedly, between one and four ironstone beds are present at any one locality with potentially economic mineralisation occurring in the Main Ironstone Member, the lowest iron-rich unit of significant thickness (Harms 1965). The iron formations commonly crop out around the rims of two major, and several smaller structural basins, that are complicated by folding and faulting. Local relief is generally less than 100m. A typical analysis of Train Range Ironstone Member was between 51-60% iron with deleterious elements phosphorous (0.03%), alumina (1.5%), titanium (0.1%), sulphur (0.1%) and manganese (0.3%) at generally within acceptable limits whereas silica was a major impurity (>10% SiO₂).

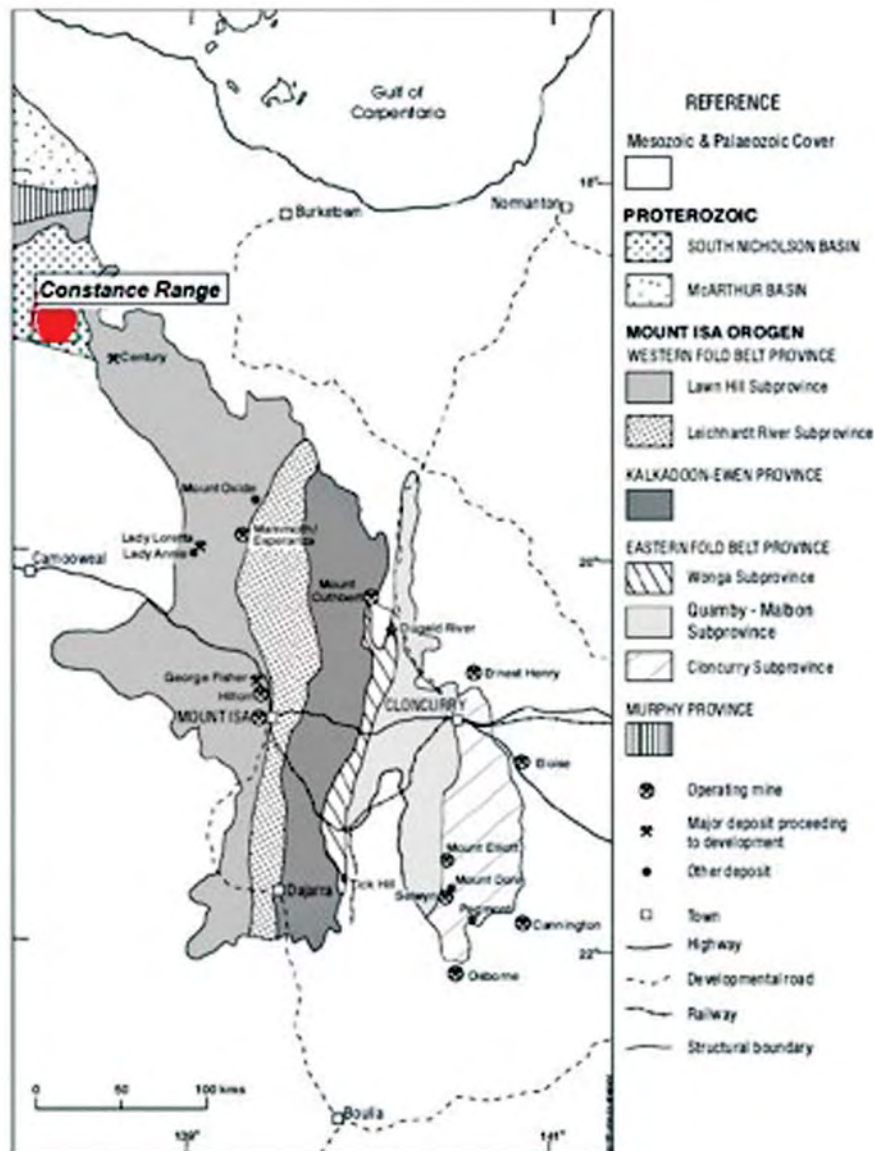


Figure 5 – Regional Geology of Mount Isa Area

2.4 PREVIOUS EXPLORATION

Historical records indicate small ironstone deposits in the Constance Range were mined for copper smelting pre 1950. However the first significant investigations of the iron deposits in the Constance Range were completed during regional geological mapping by the Queensland and Australian (BMR) Geological Surveys in 1950 -1954. Subsequent to this work, Broken Hill Pty Company (BHP) investigated the deposits in detail from 1956 to 1963, carrying out a program of mapping, drilling and beneficiation studies.

The following points summarise BHP's investigations:

- Sampling of ironstone scarps and outcrops and delineation of up to 16 individual occurrences (“**Deposits A – P**”).
- Reconnaissance geological mapping coupled with air photo interpretation.
- Systematic shallow diamond drilling down-dip, to determine grade and thickness of ferruginous beds above the water table (oxide component), and the feasibility for open-cut, mineable resources. **A total of 95 holes for 9,186m**
- Deep diamond drilling (600m) of “**Deposit A**” to determine structure and grade of iron mineralisation containing siderite (FeCO_3) horizons (deeper primary component). **A total of 110 holes for 16,576m**
- Detailed geological mapping and surveying of selected areas.
- Underground exploration by way of shafts, drives and crosscuts (>700 feet) to provide bulk samples for beneficiation tests and information about mining characteristics (2,300 samples).
- Infrastructure studies including investigating the construction of a 145km railway to Bayley Point and the dredging of a 26 mile long, 500 foot wide, 13 metre deep shipping channel and a 5,000 foot long jetty with ship loading facilities.
- Field reconnaissance and air photo survey to investigate rail access from the coast to “**Deposit A**”
- Metallurgical testing of bulk samples identifying magnetic roasting able to produce a 66.4% Fe and 6.5% SiO_2 concentrate with 90.5% iron recovery.

BHP's program included 25,762 m (84,521 feet) of drilling in 205 holes, 214m of subsurface workings (shaft, drives and crosscuts) and analysis of about 2,300 samples.

The Company has set valid exploration targets at Constance Range and demonstrate the potential size of the ironstones but these targets require subsequent validation drilling and analysis. The exploration targets are**:

- “**Deposit A**”: 240-250Mt @ 50-55% Fe, 9-9.5% SiO_2
- “**Deposit P**”: 40-50Mt @ 45-50% Fe, 7.5-8% SiO_2
- “**Deposit I**”: 20-25 Mt @ 40-45% Fe, 7-7.5% SiO_2

** In accordance with Section 18 of the JORC Code, the writer wishes to state that the potential quantity and quality of these mineralisation targets are conceptual in nature, with insufficient verification of exploration completed to date to define a mineral resource. The potential mineralisation targets are based on historical drilling and estimates that cannot be verified. It is uncertain if exploration drilling will result in the determination of a mineral resource for these targets or any resource at all.

BHP's exploration indicated that some acceptable tonnage-grade combinations could be mined by open-cut methods, although at that time it was believed that the bulk of the ironstones could only be extracted by underground mining. This is unlikely to be a present day mining scenario due to prohibitive costs and overheads.

The licences held by AMMG (formerly Archeoptryx Resources Pty Ltd) include the area described as Area “H” and part of Area “P” within the “Summary Report at Constance Range” prepared in July 1963 by BHP. There is also more than 14km of the prospective Train Range Ironstone Member within AMMG tenements. A number of other areas outlined by BHP, including Areas “B” and “I” are adjacent to AMMG licences as shown in Figure 4. BHP abandoned the Constance Range Project in 1965 to focus on their Pilbara iron ore projects. The original BHP Deposits B, C, F, E, G, M, K and L now fall within the Constance Range National Park.

Since the original investigations the relative price of iron ore has increased substantially and there is increased infrastructure in the area.

A number of companies hold tenements over the area and are investigating the potential of the iron ore targets defined by BHP as well as exploring the Train Range member for new iron ore deposits.

2.5 EXPLORATION BUDGET

The AMMG Constance Range Project has potential to contain significant iron deposits which may be substantial enough to produce a DSO product. Previous test work by BHP found that floatation failed to adequately separate iron and silica and the most efficient beneficiation was by magnetic roasting followed by wet magnetic separation. This produced a 66.4% iron and 6.5% silica concentrate with 90.5% iron recovery. Forty years later the advances in iron ore beneficiation technology have been substantial. This has been driven by a rise in price and a decline in ore grades generally. New ore bodies are continually being assessed and developed both to expand production capacity and to replace existing ore bodies that are being depleted.

While the BHP work is detailed and well recorded, it cannot be validated and therefore would require field exploration and validation at the “H” and “P” Deposits as well as new target generation and exploration drilling within the Train Range Ironstone Member.

It is recommended that further investigation be pursued to determine the economic viability of the Company’s ground as a stand alone project and / or as a joint venture with one or more of the other parties holding adjacent ground at Constance Range. Licence EPM16620 is granted and contains a large portion of the Deposit “P”. This provides an immediate drill target for AMMG in Year 1 at the Constance Range Project.

Table 2. Proposed Year 1-2 Budget for Constance Range Project

Constance Range Project Budget (AUD)

	Year 1	Year 2	Total
Data Review	25,000	25,000	50,000
Field Survey	65,000	55,000	120,000
Mapping	60,000	60,000	120,000
Geophysics	100,000	50,000	150,000
RC Drilling	400,000	600,000	1,000,000
Sampling / Assaying	100,000	120,000	220,000
Annual Total	750,000	910,000	1,660,000

3 LAKE MACLEOD GYPSUM PROJECT

The Lake Macleod Gypsum Project lies near the northwest coast of Western Australia, 900kms north of Perth.

3.1 EXPLORATION POTENTIAL

The licences cover part of Lake Macleod, a very large saline playa lake near the mid-west coastline of Western Australia. The lake is known to host substantial gypsum deposits, some of which are currently being mined by Dampier Salt (a subsidiary company of Rio Tinto). These deposits represent high quality, low impurity sources of gypsum which are suitable for use in wallboard and plaster products as well as the cement and agriculture industries. Dampier Salt has been producing gypsum from Lake Macleod since 1997 at a rate of 1.5 million tonnes per annum. Dampier Salt indicate very large gypsum deposits which can sustain an increased production rate depending on market demand. Lake Macleod gypsum is primarily exported to Asian markets.

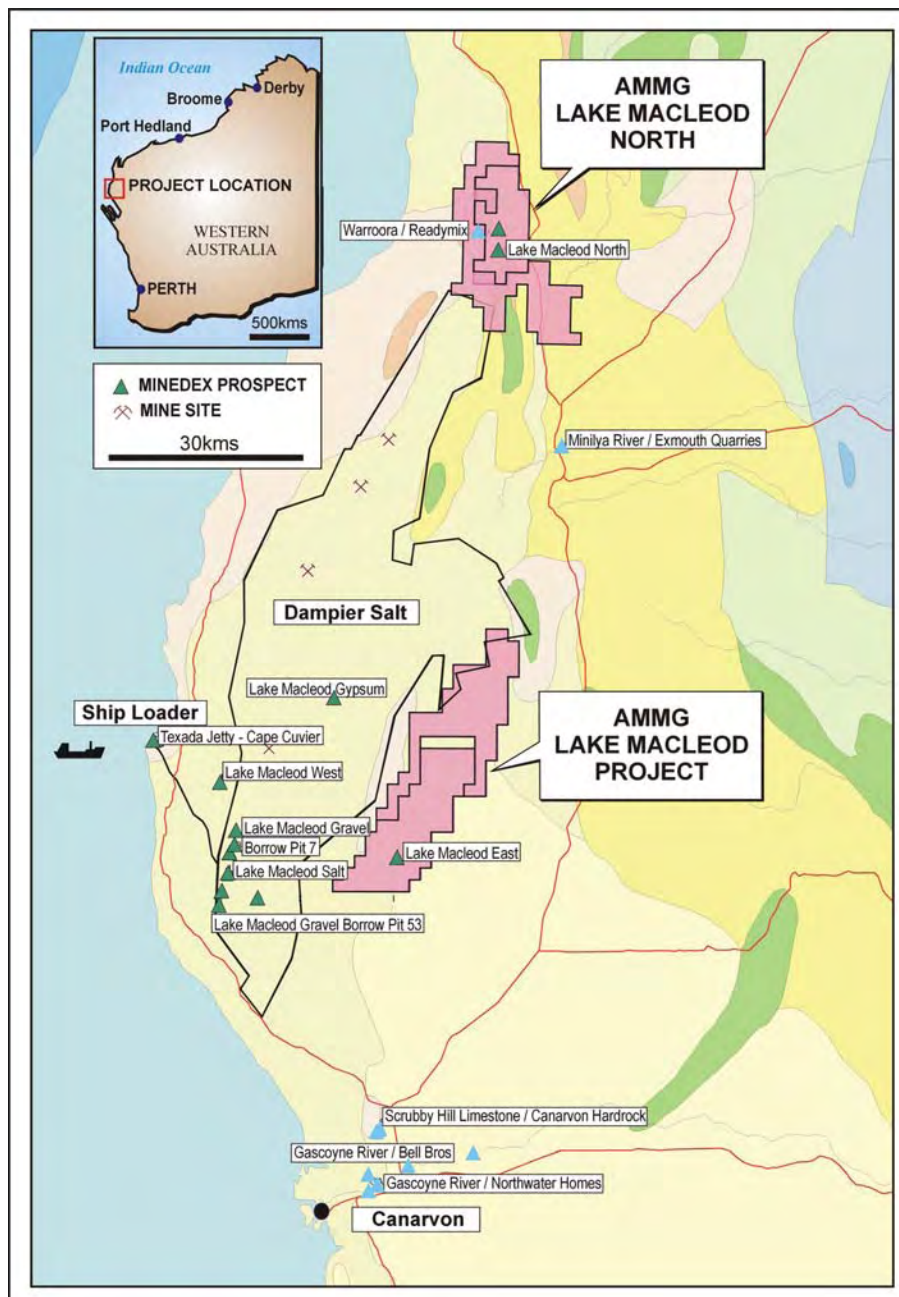


Figure 6 – Lake Macleod Licence Applications

The outlook for crude gypsum appears positive with a steady increase in demand and good prices. The size, quality and characteristics of gypsum deposits from the Lake Macleod area are world class. Infrastructure is available that may support a simple Direct Shipping Ore (DSO) operation in competition with or in co-operation with Dampier Salt. Numerous avenues may be available to AMMG to commercialise the project depending upon research and exploration results upon successful listing and once the tenements are granted.

The AMMG tenements are on the margins or shoreline of Lake Macleod proper and contain four recorded gypsum deposits (Western Australian Mines Department MINEDEX database). These occurrences are Lake Macleod North, Lake Macleod East 1, 2 and 3 (shown on Figure 6.). The Lake Macleod East occurrence is recorded as a closed open pit however no production history was noted in the database.

These deposits represent immediate exploration targets and essentially are the focus of first pass reconnaissance exploration programs for AMMG. A comprehensive literature search is recommended incorporating previous exploration/mining at Lake Macleod as well as a study of potential local and international markets. An exploration target for a viable gypsum resource should be clarified with minimum tonnage and grade characteristics clearly defined before commencing exploration. This may need to incorporate both a lower quality product for domestic markets as well as a premium gypsum product such as that which is exported by Dampier Salt from Cape Cuvier. There is potential for these premium gypsum deposits to exist beneath surficial cover at the margins of the lake within AMMG tenements that are displaced to the current active lake surface.

3.2 LOCATION AND TENURE

The Lake Macleod Project is located approximately 950 kilometres north of Perth in the Gascoyne region of Western Australia. It is 50 kilometres north of the regional centre of Carnarvon and 20 kilometres from the coast. Vehicle access is by sealed road to within a few kilometres of the tenements and daily commercial flights to Carnarvon are available.

The climate of Carnarvon is strongly influenced by south easterly winds which blow persistently on the northern side of the sub-tropical ridge line. The winter sees occasional cold fronts bringing cloud bands and rain and average overnight minimum and daily maximum temperatures between 11°C and 22°C. In summer thunderstorms and tropical cyclones can affect the area with temperatures averaging 23°C to 33°C. Most of the annual average rainfall of 233mm falls in the period between May and July, however this is subject to cyclone activity.

The town services a large agricultural fruit and vegetable industry as well as commercial fishing and mining sectors.

There are three exploration licence applications at Lake Macleod in the name of Tailrain Pty Ltd over which AMMG have agreements to acquire. Details of the applications are shown in Table 3 below:

Table 3. Tenement Details for The Lake Macleod Gypsum Project

Tenement	Size (Ha)	Application Date	Holder
E09/1572	21,900	11/08/08	Tailrain Pty Ltd
E09/1592	20,680	12/11/08	Tailrain Pty Ltd
E08/1891	12,600	5/08/08	Tailrain Pty Ltd
	55,180		

3.3 GEOLOGICAL SETTING

Much of the region is covered by a large sedimentary basin known as the Carnarvon Basin. The sedimentary Carnarvon Basin slopes gently towards the coast and is characterised by low relief, open drainage and large gently undulating sand plains. Rocks in the region are highly weathered or overlain by soil or eolian sand. Extensive evaporite deposits of gypsum and salt occur in natural depressions near the coast such as Lake Macleod.

The coastal playa of Lake Macleod (Logan, 1991) forms one of the world's best Holocene analog or shallow-water massive evaporites. This feature occurs in Western Australia, just north of Carnarvon and Shark Bay.

At Lake Macleod a coastal lagoon or playa overlies a structured depression that is bounded on the ocean side by north-trending horsts and grabens, which formed by faulting in the late Miocene. Subsequently, the region has been modified by marine and fluvial deposition, wind deflation, and changing sea levels during the Pleistocene.

This depression was cut off from the sea by prograding clastic deltaic sediments and carbonates, and has accumulated up to 12 m (40 ft) of halite, gypsum, and carbonate.

Its natural surface now lies between 0 and 4.3 m (0 and 14 ft) below sea level, is replenished by Indian Ocean water that penetrates the Pleistocene coastal dunes through fractures and caves to form a series of springs and rises within the Lake Macleod basin. This water has almost normal marine salinity as it enters Lake Macleod. Logan (1991) believed that, in the early stages of the development of Lake Macleod, these normal marine waters filled the lake and precipitated carbonate. Then, by a process of both evaporation, downward seepage into the underlying sediments, and spill-over, the waters of the playa evolved and precipitated a unique pattern of evaporite fill.

The initial water entering the system was removed through seepage and spillover with sufficient loss by evaporation to precipitate a carbonate layer on the floor of the lagoon. As these carbonates collected, they formed what Logan (1991) termed a “hydroseal.” This seal caused the seepage of water through the base of the lagoon to be reduced, so that higher salinity water evaporated further, instead of being lost. This resulted in the salinity of the brine being further elevated. Thus, while some water of the saline body continued to escape by seepage, the salinity was elevated sufficiently for gypsum to be precipitated across the floor of the deeper parts of the playa.

Once this gypsum formed a continuous layer over these deeper areas, it became an even more effective lake-floor seal than the carbonate. Logan (1991) showed that, at this point, the rate of water loss through seepage became less than that of water loss through evaporation, and the lake was drawn down to a smaller body of water to the south. In response, the salinity of the playa was further elevated, and the lake began to precipitate halite, particularly at this southern end.

A north-south longitudinal profile recording precipitation down the lake shows carbonates being precipitated at its northern end, with a belt of calcium sulfate being precipitated close by to the south, while over most of the rest of the lake depression halite was being precipitated.

Eventually, the lake became so filled with halite that the waters of the playa spread beyond its initial borders. Seepage through the floor of this extended playa was then sufficient to prevent the build-up of higher salinity waters, so ending the further precipitation of halite. In consequence, the lake is now the site of calcium carbonate precipitation to the north and calcium sulphate precipitation to the south, with halite having ceased to form except by artificial means in the ponds of a salt plant to the south.

The character of the Lake Macleod fill is such that, to the north, a massive gypsum layer of 5 m (16 ft) thick overlies a halite fill (locally up to 6 m or 19.5 ft thick) and the original carbonate lagoon floor (Handford et al., 1984; Logan, 1991).

To the south, halite extends over much of the playa, so that the vertical profile of the fill of the lake there is of a massive sodium chloride layer overlying the thin lagoonal carbonates. Today, much of the surface of the playa is formed by a mush of small gypsum prisms that lacks a marked carbonate matrix.

3.4 PREVIOUS EXPLORATION

Gypsum was discovered in the area as early as the 1830s and was not properly explored until TEXADA MINES PTY. LIMITED developed the Lake Macleod deposits in the mid 1960's.

In 1992 Rio Tinto had a team of Dampier Salt technicians begin working on a process to recover gypsum from the surface of Lake MacLeod. Their success in this task resulted in the commitment of the company to development of the deposit and the operation was commissioned in 1997. The operation produces a premium product to customers in regards to quality, high purity, colour, consistency and uniformity. A naturally finer particle size reduces the costs of crushing and other downstream processing energy savings.

Gypsum appears as a white or colourless evaporate mineral and is composed of calcium sulfate dihydrate. Rio Tinto mine gypsum at Lake Macleod using a floating dredge. The dredge pumps a slurry of gypsum and brine to a cluster of classifying cyclones that remove ultra fine material from the slurry and returns it to the lake.

The remaining slurry is pumped to a leaching stockpile near the shore of the lake. The stockpile is levelled to create a flat surface on which is placed a sprinkler system. Water from the sprinkler then permeates through the heap, leaching out unwanted salts. Potable water created on site using a reverse osmosis plant is used in the final stage of the leaching process.

The gypsum is then loaded into 240 tonne capacity haul trucks and transported to the dedicated gypsum stockpile at the port of Cape Cuvier, a deep-water port capable of accommodating vessels of up to 100,000 tonne.

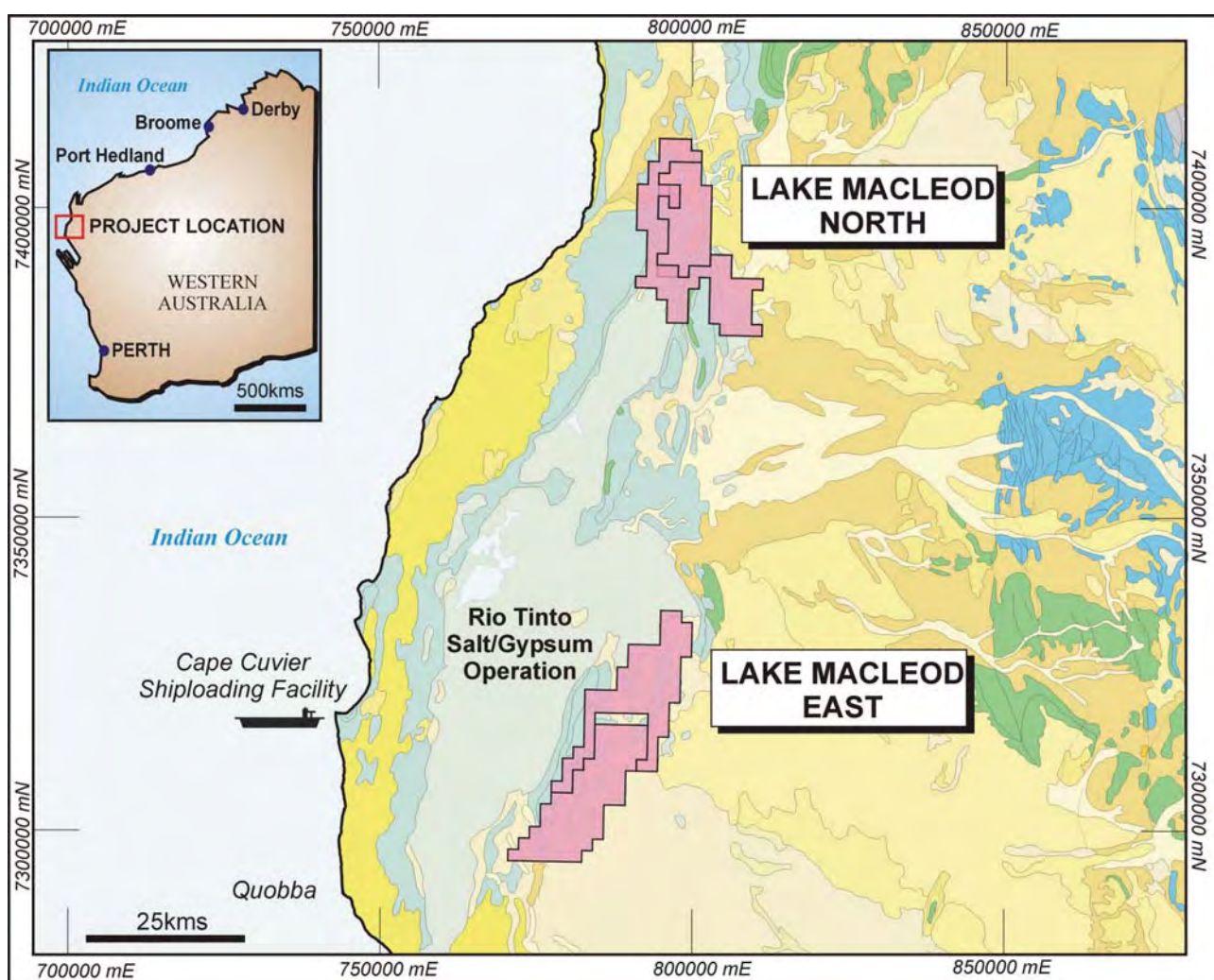


Figure 7 – Regional Geology at Lake Macleod

Prima Resources NL assessed the potential of the northern part of Lake MacLeod for gypsum and lime potential in 1995-1998. This area is now covered by the E08/1891 application by Tailrain Pty Ltd and held under contract to AMMG.

Prima defined both a gypsum deposit and also limestone of suitable quality for supplying lime to the cement industry. They conducted baseline environmental studies, metallurgical test work, as well as the commissioning of a small scoping and development proposal at the then named Lyndon River Gypsum Project. To assist in assessing the potential of AMMG's tenements at Lake Macleod it is relevant to report the company has set exploration targets when considering the geological setting and the nature of gypsum deposits in the region as demonstrated in nearby operations run by Dampier Salt. From Prima

reports to the Department of Minerals and Energy, it is concluded that their exploration could relate to a valid exploration target of between **60-70 Mt of material at greater than 85% gypsum to a maximum depth of 3m below surface.

The Project area was also found to be underlain by a hard clean limestone unit called the Trealla Limestone. This unit forms the Quobba Barrier Ridge to the west of the gypsum deposits and has potential for cement grade limestone. Lime sands in the area are also potential sources of a low contaminant source of high grade CaO in a readily available form.

Both Gypsum and Limestone are low value bulk commodities and therefore large, low margin projects are particularly susceptible to variations in costs and also the existence of stable sales contracts with customers. Initial work by Prima included plans for lowering transport costs through the construction of a dedicated ship loading facility close to the Project. Initial approaches to Dampier Salt for sharing infrastructure at the time were unsuccessful. Other options such as using existing infrastructure at Exmouth were considered however these were cost prohibitive. Prima actively sought to secure sales contracts for any possible development of the gypsum deposit at Lake Macleod. Several potential buyers of the product were taken to site in the late 1990's. There is no reason given for Prima abandoning the projects at Lake Macleod in the late 1990's.

3.5 EXPLORATION BUDGET

Field work would include a detailed study of previous exploration and geological modelling. This review should also include market research for gypsum products suited for both export and domestic use. Tailor made gypsum products pitched at the right domestic markets including building products and supply to agriculture may be an opportunity for the AMMG Lake Macleod Project to take advantage of growing demand and higher prices. A premium export quality product may also be defined at the site and provide a commercial option to AMMG competing with Dampier Salt for Asian export markets. All possibilities should be investigated to provide clear objectives and targets before the licences are granted and field exploration commences.

Upon grant of the licences and completion of the review, field investigations are considered the second phase of work at Lake MacLeod. These activities will be used to locate drill targets for deeper examination and target areas for future ground work.

Assuming the maximum amount raised under the Offer and depending on the success of the first year exploration, follow up work in the second year will consist primarily of closer spaced drilling and sampling to further define the mineral resources.

Table 4. Proposed Year 1-2 Budget for the Lake MacLeod Gypsum Project

Lake Macleod Gypsum Project Budget (AUD)

	Year 1	Year 2	Total
Data Review	10,000	10,000	20,000
Field Survey	35,000	40,000	75,000
Mapping	10,000	10,000	20,000
Geophysics	35,000	40,000	75,000
Aircore Drilling	25,000	100,000	125,000
Sampling / Assaying	20,000	40,000	60,000
Annual Total	135,000	240,000	375,000

** In accordance with Section 18 of the JORC Code, the writer wishes to state that the potential quantity and quality of these mineralisation targets are conceptual in nature, with insufficient verification of exploration completed to date to define a mineral resource. The potential mineralisation targets are based on historical drilling and estimates that cannot be verified. It is uncertain if exploration drilling will result in the determination of a mineral resource for these targets or any resource at all.

4 MAYTOWN GOLD PROJECT

The Maytown Project and Maytown North Project (EPM18030) areas are located approximately 150km and 175km north-west of Cairns respectively. The tenements cover a total area of approximately 1,000 square kilometres in Palmer River Goldfield of far North Queensland.

The Palmer River goldfield was first gazetted on 27 November 1873. The main mining centres were in Maytown, Palmerville and Jessops Hill with the goldfield totalling an area close on 9000km square. The Palmer River and all of its tributaries were worked from the junction of Campbell creek (65km north of Maytown) to Strathleven. The most productive region was between Byerstown and Fish Creek Junction. Some of the creeks and gullies worked were Jessop's, Sandy, Cradle and Oakey Creek. Locations such as Revolver Point, Milkman's flat, McGann's and White Horse all yielded plentiful gold.

With a large population of Chinese diggers it was hard to tell what the total gold removed was, as the Chinese often sent their winnings home in burial jars. At the time, gold prices in Australia were around 3p 17s an ounce and the same gold in Hong Kong went for around 5 pound per ounce. The total estimated return was approximately 1,300,000 ounces of gold.

4.1 EXPLORATION POTENTIAL

The Palmer River Goldfield is one of the richest alluvial gold fields ever discovered in Queensland with records indicating total production of between 1-2 Million ounces of gold from 1878. Very little of this was from hard rock sources and numerous companies have failed to define a significant source for the alluvial gold in the area.

Several primary mineralisation styles have been identified including gold-quartz veins in Proterozoic rocks west of the Palmerville Fault, skarn sand metasomatic style mineralisation in breccia pipes in the Chillagoe Formation and gold-quartz and gold-quartz-antimony veins within shear zones in the Hodgkinson Formation. It is the latter two which are relevant to the AMMG Maytown Project area and should be the focus of exploration activities. Potential exists within broad zones of alteration containing swarms of gold bearing quartz stringers and leaders that crop out between previously mined clusters of quartz fissure reefs.

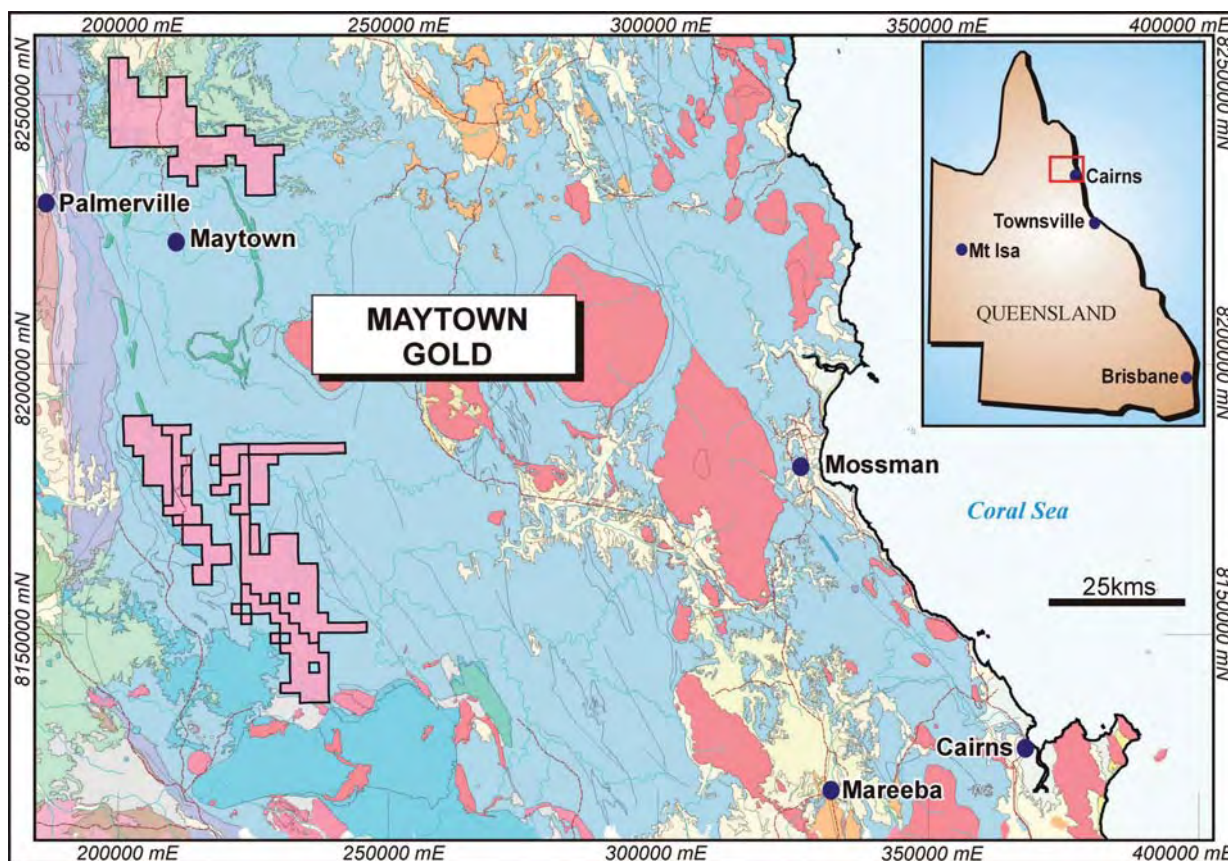


Figure 8 – Map Showing the Location of the Maytown Gold Project

4.2 LOCATION AND TENURE

The project is made up of four exploration permit applications in north Queensland. Each application is held by AMMG in the name of Archeoptryx Resources Pty Ltd. Archeoptryx Resources Pty Ltd is the former name of AMMG.

Table 5. Tenement Details for the Maytown Gold Project

Tenement	Size (sq km)	Application Date	Holder
EPM17064	256.7	29/11/2007	Archeoptryx Resources Pty Ltd
EPM17331	269.9	5/02/2008	Archeoptryx Resources Pty Ltd
EPM18030	330.3	11/03/2009	Archeoptryx Resources Pty Ltd
EPM17065	154.8	29/11/2007	Archeoptryx Resources Pty Ltd
	1,011.7		

Access to the project area from Cairns is via Palmer Roadhouse on the Peninsular Development Road and west on tracks through the old Maytown Prospect areas. Access from the west can be made via Mareeba, on the Captain Cook and Kennedy Highways to Chillagoe and gravel roads to Palmerville Station and station tracks to Maytown.

4.3 GEOLOGICAL SETTING

The Project is located in the north-western corner of the Hodgkinson Basin, a deformed marine sedimentary sequence of Siluro-Devonian age which forms the northern part of the Tasman Fold Belt. The province is bounded to the west by the Palmerville Fault and has been sub-divided into the Chillagoe and Hodgkinson Formations. These have been intruded by rocks of Permo-Carboniferous age, mainly granitoids.

The Chillagoe Formation includes a large proportion of shallow marine facies and is situated along the eastern margin of the Palmerville Fault corridor.

The Hodgkinson Formation is dominated by laterally discontinuous arenites, siltstones and shales with minor conglomerate, chert, basalt and limestone. The sedimentary structures and bedding features are diagnostic of turbidity current deposits in a deep water submarine fan system (Bain & Draper, 1997a). The geological age of the formation is Devonian. The Formation has been subjected to a complex brittle and ductile structural history in the Late Devonian to Early Permian. Cratonisation of the Hodgkinson Province took place in the Early Permian after numerous granitic plutons were emplaced and several major sub-aerial volcanic sequences were erupted (Bain & Draper, 1997).

The area has at least four episodes of deformation recognised resulting in a progressive sequence of overprinting structures ranging from early isoclinal folds and brittle ductile protomylonite zones to later more open steeply plunging folds and reverse faults (Dugdale, 1989).

The major regional structural feature of the basin is the Palmerville Fault that separates the Proterozoic Dargalong Metamorphics to the west from the Siluro-Devonian rocks of the east. The fault runs north south and just 10km west of the AMMG Maytown Project. The Palmerville Fault was active during the Siluro-Devonian and appears to have had a strong influence on the development of sedimentation along the western margin of the province (Shepard, A.1992).

Large batholiths of muscovite-biotite-microcline granite of Permian-Carboniferous age intrude these sediments to the south-east. The Hodgkinson Formation is intensely folded along N-S axial planes throughout the area. Less extensive jointing and faulting is developed and to a large extent reflects stratigraphy and elements of the fold pattern.

The areas are dominated by tightly folded north-north west trending greywackes and siltstones.

The auriferous reefs are thin lenticular quartz-filled fissure veins within a belt of sheared dark phyllite and greywacke. The thickness ranged from a few inches to about 2 feet. In addition to the reefs mined, many thin unpayable leaders exist in the country rock. The reefs strike northwest or north-northwest, and dip steeply to the southwest. They are composed of milky vein quartz containing native gold, some pyrite, arsenopyrite, and a little stibnite..

Gold also occurs in the basal conglomerate of the Mesozoic Dalrymple Sandstone to the north of the Palmer River, in the headwater region of the Mossman River and Cradle Creek. The conglomerate is up to 4 or 5 feet thick, and fills old stream courses running north on the pre-Mesozoic surface of erosion. The gold, where present, is concentrated near the bottom of the conglomerate.

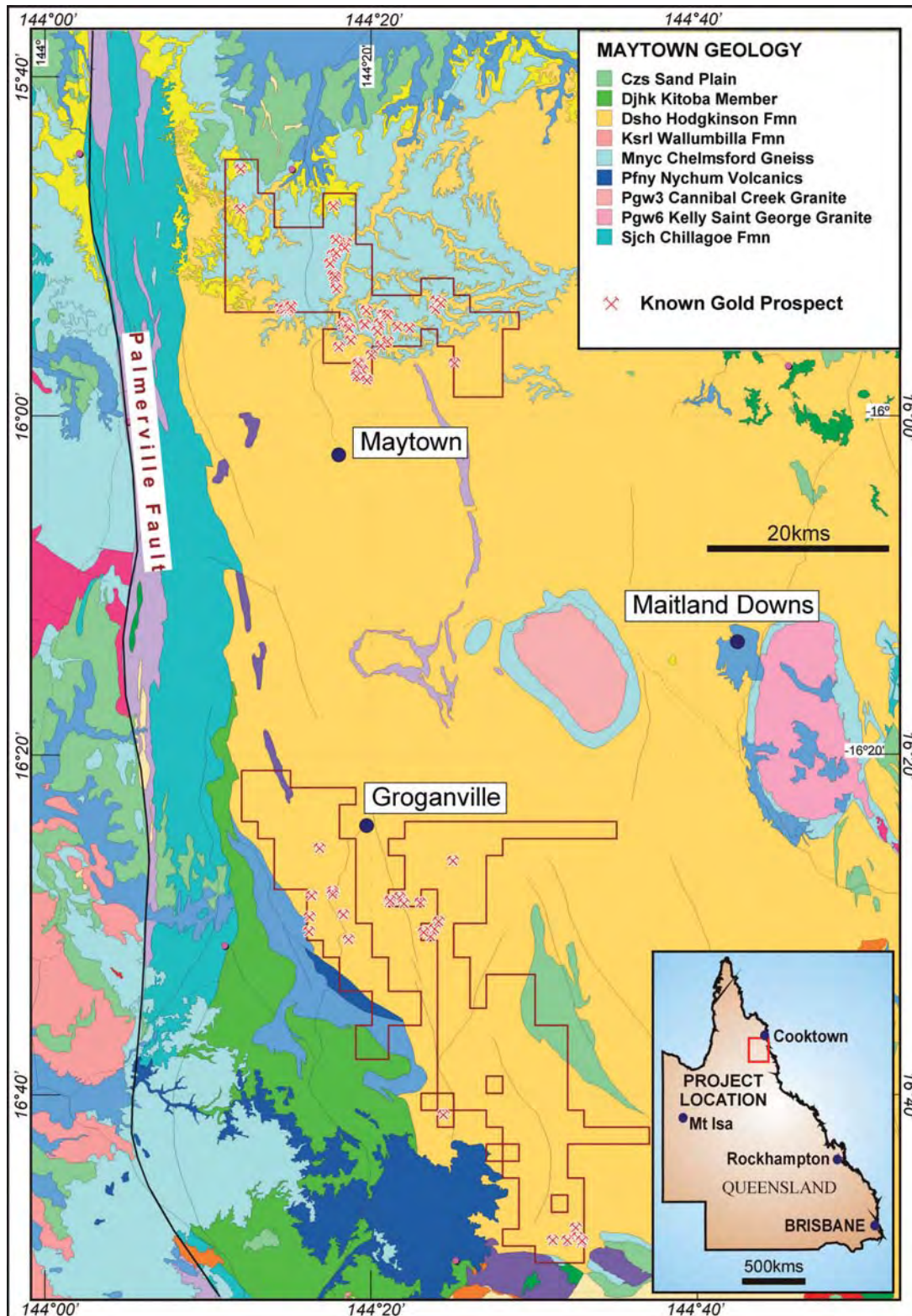


Figure 9 – Geology and Prospect Locations at the Maytown Gold Project

4.4 PREVIOUS EXPLORATION

The previous historical activities have been focused on alluvial resources and those that were locked out of alluvial material focussed on work for hard rock resources. This has been biased towards small high-grade, lode type deposit. Modern exploration stream sediment anomalies remain unexplained in terms of their hard-rock sources throughout the area.

Gold rushes following the discovery of payable deposits on the Palmer River in 1873 soon brought up to 50,000 people to the field: Palmerville, Maytown, Uhrstown, Byerstown, and Groganville became booming though short-lived settlements.

The total gold output was undoubtedly higher than the estimated 1,334,500oz because large numbers of Chinese miners are reputed to have commonly evaded the official channels for the sale of gold. More than 90% of the gold was obtained from the alluvials along the river and its tributaries, mainly between Fish Creek (5 miles east of Palmerville) and Byerstown (about 45 miles east of Palmerville). Although gold was won over a distance of more than 100 miles, from near Strathleven west of Palmerville to Campbell Creek upstream of Byerstown.

The alluvial production soared to a peak of more than 250 000oz in 1875. The total output of gold for the alluvial workings in the Palmer River catchment was recorded at 1.335 million ounces. Approximately 10% of this was from hard rock mines at the Maytown reefs which are 9 kilometres from the AMMG project.

The setting and hard-rock mineralisation style of the area is similar to the orogenic gold deposits in Central Victoria. These similarities include:

- Margine turbidite rock sequence,
- Significant past alluvial gold production
- Proximity to granites
- Alteration consist of silicification and sulphide mineralisation
- Structural control, with plunges to mineralisation being important in developing a gold resource,
- Refractory nature of the gold, with gold occurring in solid solution in pyrite and arsenopyrite.
- An antimony association

In all there are 74 known gold occurrences within the AMMG Maytown gold project according the Queensland Mines and Energy database (qmin).

Several companies have explored the area during the last two decades including Houston Oil and Minerals Company, Odin Australia Ltd, Cambrian Resources NL, Dominion Mining Ltd, Gold Copper Exploration, Strike Exploration Ltd, Newmont Holdings Ltd and Republic Gold Ltd (Joint Venture with BHP Billiton).

Houston Oil and Minerals Company collected 1,000 ridge and spur soil samples over some of the Maytown Project area and identified existing historical shaft workings as well as identifying several other anomalies. These were however not followed-up. BP Minerals Pty Ltd completed satellite imagery interpretation, grid geochemical soil sampling, rock chip sampling and grid geological mapping. They concluded that drilling of several lines of working was warranted.

Cambrian Resources NL in 1988 identified several hard rock drill targets for gold within the area but abandoned the project after drilling in a neighbouring EPM was unsuccessful. This drilling had concluded that chert sequences were not volcanogenic derivatives and more likely to be secondary silica mobilisation and therefore low priority. Cambrian found access to the greater part of the project difficult and put follow-up gold targets “on hold”. They did conclude that workings upstream in the north Palmer Valley did pose good exploration targets for broad stringer gold mineralisation overlooked by the ‘high graders’.

Strike focused work around the “Queen of the North” and “Ida” workings 8km south of the Maytown Project. They conducted a small drill program confirming low grade gold values present in narrow quartz vein lodes beneath the workings.

4.5 EXPLORATION BUDGET

Work within the AMMG project would initially be a data compilation exercise involving all previous exploration data sets and other historic information into a complete and accurate database. All regional remote sensing and geophysical data sets should also be acquired to assist in assessing potential gold targets and helping to prioritise follow-up field work.

Assuming the maximum amount raised under the Prospectus and the success of the first year exploration, follow up work in the subsequent year may consist primarily of closer spaced drilling and sampling to further define the mineral resources.

Table 6. Proposed Year 1-2 Budget for the Maytown Gold Project

Maytown Gold Project Budget (AUD)

	Year 1	Year 2	Total
Data Review	5,000	10,000	15,000
Field Survey	10,000	10,000	20,000
Mapping	5,000		5,000
Geophysics	10,000	15,000	25,000
RC Drilling	40,000	75,000	115,000
Sampling / Assaying	10,000	25,000	35,000
Annual Total	80,000	135,000	215,000

5 EAST AUGUSTA MINERAL SANDS PROJECT

Australia is a pioneer of the mineral sands industry and a leading producer of titanium and zirconium minerals. The mineral sands industry in Australia currently generates approximately AUD\$1.2 billion in export income per annum.

Continuing international growth in demand for titanium and zirconium minerals offers an opportunity to develop new mineral sands resources in the south west of Western Australia where a significant amount of Australia's heavy mineral sands are located.

Australia is the world's largest producer of mineral sands. Over 90% of titanium feed stocks are used in pigment production. Zircon is a key raw material for refractory applications in foundries and ceramics and is also used in metal alloys in engineering.

5.1 EXPLORATION POTENTIAL

Mining of ilmenite began in the mid-1950s near Bunbury in south-west WA.

The ilmenite-rich deposits of WA produce six to nine times more ilmenite and more than twice as much zircon as the east coast deposits. However, WA rutile production is about half that from east coast deposits.

AMMG (formerly Archeoptryx Resources Pty Ltd) holds a pending tenement application over approximately 90 square kilometres, the ground contains a number of sites reported by BHP as containing heavy mineral sands.

The information in table 7 below is from reports prepared by BHP, Project Mining Corporation Ltd and Samedan of Australia provided to the Department of Industry and Resources. Information reported from detailed work has been reviewed and indicates that the deposits contain a valid exploration target of between 20 and 25 million tonnes at between 6 and 7% heavy mineral sand which may include between 3.5 and 4.5% ilmenite.

Table 7. Heavy Mineral Sands Prospects within E70/3198 from the DoIR Minedex Database and first Reported by the Project Mining Corporation – Samedan of Australia Mineral Sands Joint Venture 1973.

Site Code	Name	Type	Stage	Locality	Commodity
S19536	Swan Lake E	deposit	undeveloped	3km east of Augusta	heavy mineral sands
S01473	Swan Lake	deposit	undeveloped	3km east of Augusta	heavy mineral sands
S02703	Hardy Inlet	deposit	undeveloped	1km south of Augusta	heavy mineral sands
S02746	Ledge Point	deposit	undeveloped	6km east of Augusta	heavy mineral sands
S01356	Molloy Hardy Inlet	deposit	undeveloped	6km NE of Augusta	heavy mineral sands

5.2 LOCATION AND TENURE

The East Augusta Mineral Sands Project lies on the southwest corner of Australia, near the township of Augusta. The project consists of a single exploration licence application E70/3198 covering 91 square kilometres (32 graticular blocks). The application was lodged on the 14th May 2007 by Archeoptryx Resources Pty Ltd, (Now AMMG).

5.3 GEOLOGICAL SETTING

Heavy mineral sands deposits are placed into two main categories. The majority of economic deposits being mined are the coarser grained “strand” type deposits. The less common and finer grained type of heavy mineral sand accumulation is known as the “WIM” type of deposit. Both types are found throughout Australia.

Strand style deposits form along the foreshore or beach barrier where wind and wave action have concentrated the heavy minerals. This process usually results in coarse grained deposits which have been cleaned and well sorted by constant reworking or “winnowing” during their accumulation. This process can be observed in present day active beach environments. As sea levels fluctuate and shorelines retreat, deposition of these strands continues and can form a series of parallel concentrations of mineral sands over several kilometres.

WIM style deposits are typically a sheet-like accumulation formed in an offshore environment. Grain sizes are very fine, around 50 µm (0.05 mm), which is about a quarter of that in many producing deposits. These deposits form below the active wave base near the shoreline and can be associated with strand style deposits.

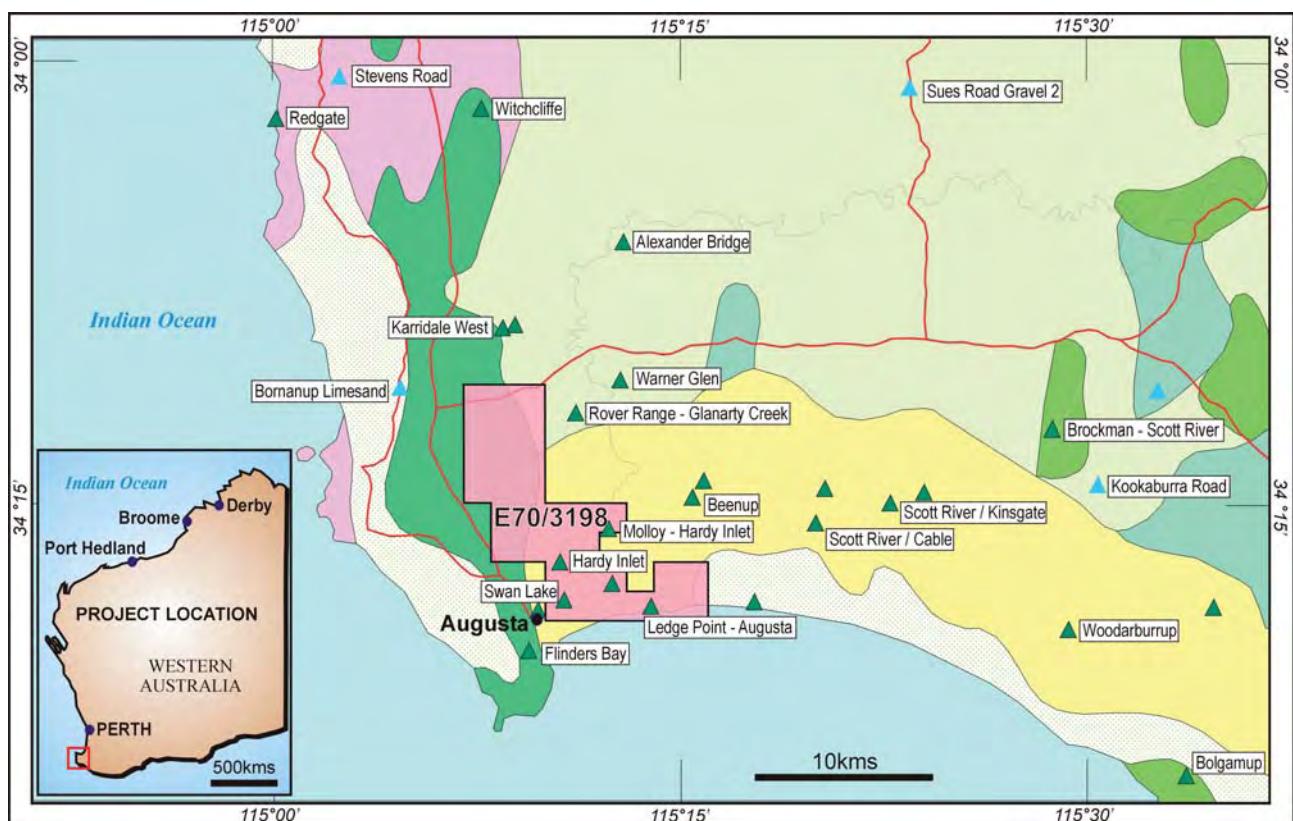


Figure 10 – Map Showing the East Augusta Exploration Licence Application

A marine transgression deposited the heavy mineral accumulations at East Augusta within Cainozoic sediments overlying the Leeuwin Block. Heavy minerals are derived from weathering of Proterozoic granulites and gneiss of the Leeuwin Block. These clastics have undergone subsequent regressions and wave/tidal action resulting in a migration of the shoreline and development of extensive shoreline dunes and parallel concentrations of heavy mineral strand lines. The quality and extent of these deposits is determined by coincident and favourable factors including: continued sediment supply, steady climatic conditions, stable sea levels and low to moderate subsidence rates.

Typically at East Augusta Cainozoic lithologies comprise recent Pleistocene dune and beach sands which pass laterally southwards into sandy limestones with corals and bivalve shells. The Mesozoic sediments are tentatively assigned Cretaceous ages and consist of a variety of sands, gravels and clays containing charcoal fragments. Heavy minerals are present throughout both units as strand lines in the Cainozoic or as disseminations throughout the Cretaceous lithologies.

Ilmenite dominates the heavy mineral suite with minor zircon and leucoxene. Rutile is rare while pyrite and garnet are common, especially in the older sediments.

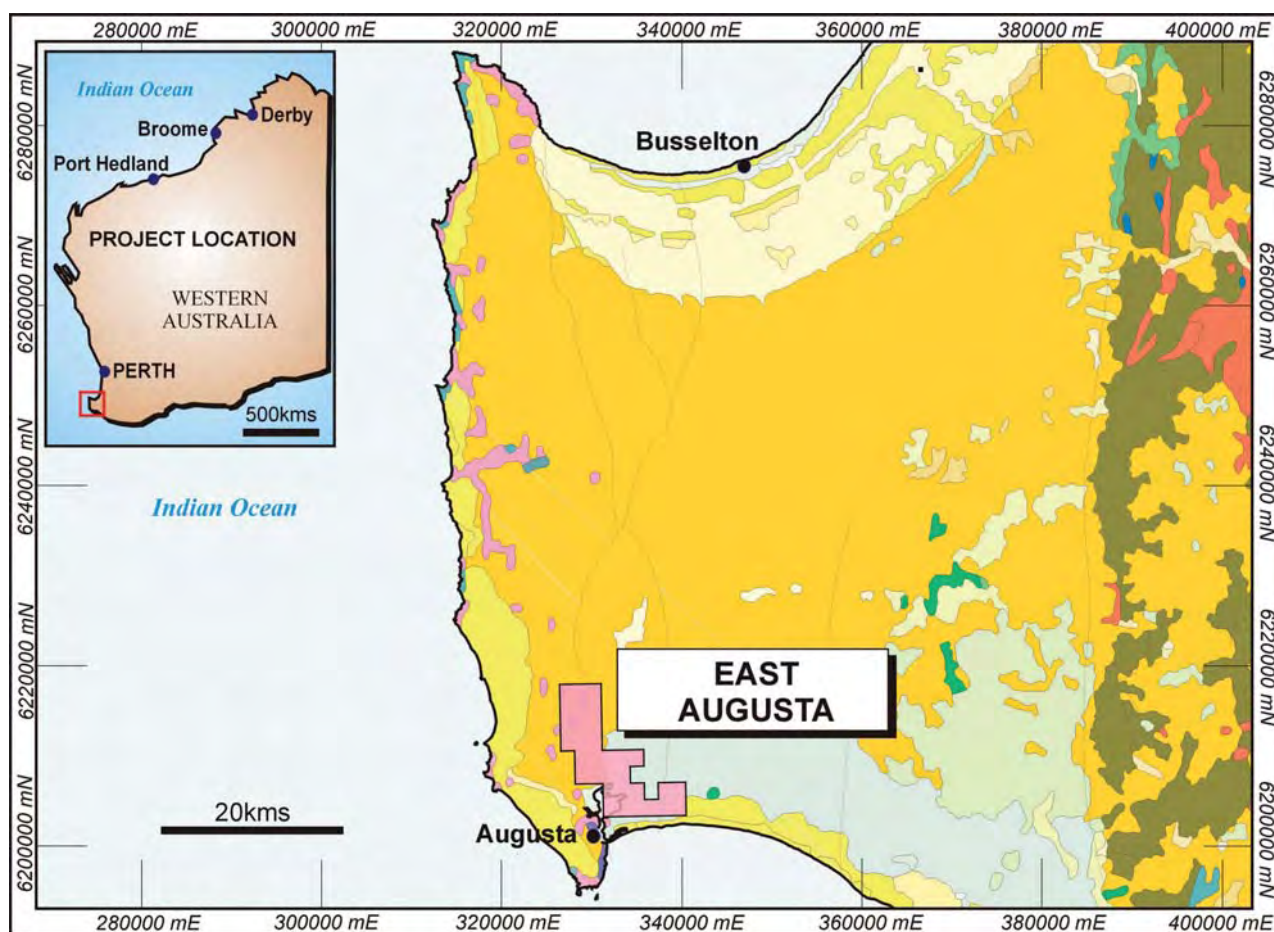


Figure 11 – Geological setting of the East Augusta Mineral Sands Project

5.4 PREVIOUS EXPLORATION

Production of heavy mineral sands (titanium, zirconium and rare-earth) commenced on the Capel shoreline near Bunbury in 1956. The Waroona and Yoganup Shoreline deposits, which lie partially within the South-West Forest region, were also tested in 1956. A significant discovery of heavy mineral sands at Beenup within the southern part of the region was announced in 1988. This deposit started production in 1995. Other recent discoveries of heavy mineral sands in the South-West Forest region include Jangardup, Jangardup South and Metricup.

In 1971 Project Mining Corporation Ltd carried out scout drilling over the lower reaches of the Blackwood and Scott Rivers, Hardy Inlet and an offshore area at the mouth of the Hardy Inlet. During 1972-1973, strand lines between Hardy Inlet and Ledge Point were drill tested by Samedan of Australia during their mineral sands JV with Project Mining Corporation Ltd.

Several small deposits were tested. The Joint Venture outlined the Swan Lakes deposits (referred to in reports as deposits "A" to "E"). The information on these deposits is available on open file reporting to the DoIR and for the purpose of this review it was concluded that they constitute valid exploration targets for AMMG possibly containing between 1 and 1.5 million tonnes of heavy minerals with an average grade of between 3.5 and 4% ilmenite. These deposits are included in the Department of Mining and Energy mineral occurrence database (Minedex).

BHP carried out exploration over the Beenup, Karridale and Scott River Minerals Sands Projects over a number of years in the 1980's and 90's and commenced substantial infrastructure projects and geological investigations within the East Augusta area in the South West of Western Australia. The project was mothballed in the late 90's and a number of the areas originally retained by BHP have since been relinquished. As part of the Beenup mineral sands project a number of resources were identified within the area.

5.5 EXPLORATION BUDGET

Field work during the first year may include a detailed study of previous exploration and geological modelling as well as compiling other data by conducting airborne magnetic surveys. These activities will be used to identify potential target areas for future ground work.

Assuming the maximum amount raised under the Offer and depending on date of grant of the second tenement and the success of the first year exploration, follow up work in the second year may consist primarily of closer spaced drilling and sampling to further define the mineralised zones.

The budgeted expenditure is contingent on the granting of these exploration licences.

Table 8. Proposed Year 1-2 Budget for the East Augusta Mineral Sands Project

EAST AUGUSTA Mineral Sands Project Budget (AUD)

	Year 1	Year 2	Total
Data Review	10,000	10,000	20,000
Field Survey	20,000	15,000	35,000
Mapping	5,000	10,000	15,000
Geophysics	15,000		15,000
RC Drilling	25,000	75,000	100,000
Sampling / Assaying	25,000	35,000	60,000
Annual Total	100,000	145,000	245,000

6 WEST PILBARA IRON ORE PROJECT

The West Pilbara Iron Ore Project provides AMMG with some additional grass roots exploration ground in The Pilbara region of Western Australia. This project is considered a basis for establishing a presence in this iron ore province on which the company may build through ground acquisitions and possible Joint Ventures. The ground itself contains no evidence of iron ore mineralisation or greenstone basement however little modern exploration has been completed to date. The area is surrounded by some significant iron ore projects as well as remnant greenstone with precious metals potential.

6.1 EXPLORATION POTENTIAL

There is a remote possibility the Project could contain concealed drainage and palaeochannels that run south from the main iron ore ridge. Detrital iron deposits (DIDs) concealed under alluvials and gravel scree slopes will also be included in the exploration.

Most of the project area is covered by aeolian sands and any exploration target of note will be concealed under sand cover. The sand comes from local granitic sources.

Mineralisation models would be to target metamorphosed basic and ultrabasic volcanic and intrusive rocks within the granite terrane for iron rich units as well as possible detrital iron concentrations. There is also some potential for deep mantle intrusives in the area as evidence by previous diamond exploration that has produced low order indicator mineral anomalies. These have been determined to be unlikely to be from diamond bearing kimberlite however the source of chromium spinel and garnet has not been discovered to date.

There may be potential for tantalum and tin bearing pegmatite intrusives in the area such as those that occur at the Wodgina Project located approximately 80km to the south west of the West Pilbara Iron Ore Project. No evidence of previous exploration for tantalum, tin, niobium or lithium was found during a review and no evidence of pegmatite is seen in mapping to date over the AMMG tenements.

6.2 LOCATION AND TENURE

The West Pilbara Iron Ore Project is located 50 kilometres east of Port Headland in Western Australia near the Mount Goldsworthy.

The Project consists of five exploration licence applications in the name of Tailrain Pty Ltd lodged in 2008. AMMG has an arrangement to acquire the applications 100% from Tailrain Pty Ltd. Details of the tenement applications are shown in table 9 below:

Table 9 Tenement Application Details – West Pilbara Iron Ore Project

Tenement	Size (sq km)	Application Date	Holder
E45/3264	225	23/6/2008	Tailrain Pty Ltd
E45/3265	225	23/6/2008	Tailrain Pty Ltd
E45/3266	225	23/6/2008	Tailrain Pty Ltd
E45/3267	225	23/6/2008	Tailrain Pty Ltd
E45/3282	225	8/7/2008	Tailrain Pty Ltd
	1,125		

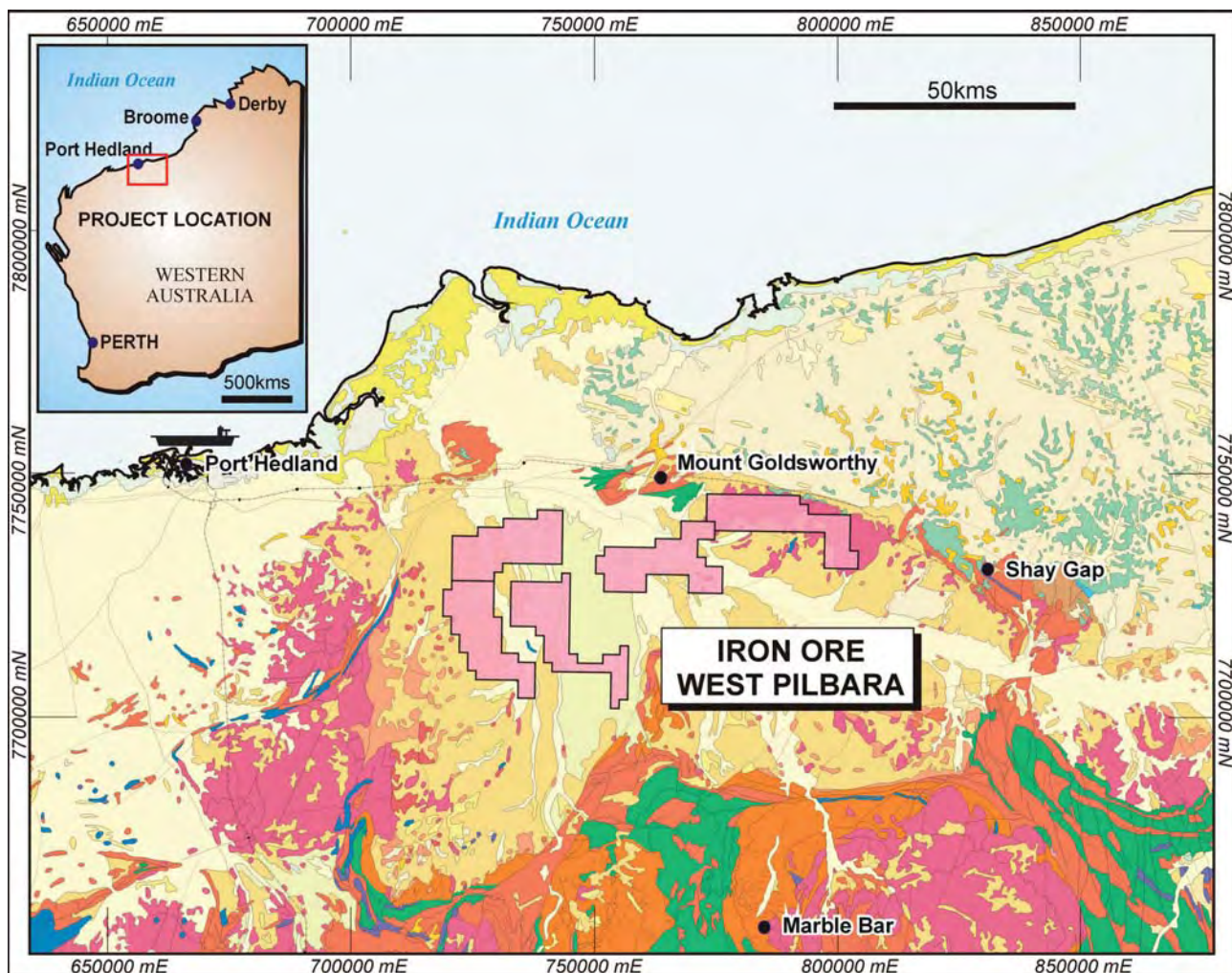


Figure 12. Map Showing Location of the West Pilbara Iron Ore Project

6.3 GEOLOGICAL SETTING

The Archaean rocks of the north Pilbara contain iron ore deposits similar to those in the south-central iron province. An assemblage of banded iron formations (BIFs), inter-bedded with metamorphosed sedimentary and volcanic rocks, has been intruded by granites. The most significant iron ore deposits in this region are those of BHP Iron Ore (Goldsworthy) Limited. The main ore lens at Mount Goldsworthy just north of AMMG's West Pilbara Iron Ore Project extended at least 270 m below the surface. When the economically exploitable reserves had been depleted at Mount Goldsworthy, the mining of hematite deposits moved to Shay Gap and Sunrise Hill. By mid 2006 a resource expansion program had increased the ore in this area for BHP mines including Yarrie, Nimingarra and Mount Goldsworthy.

6.4 PREVIOUS EXPLORATION

Some areas adjacent to and now included in the AMMG tenement applications have been explored by Stockdale Prospecting Ltd (subsidiary of De Beers) for diamonds between 1999 and 2001. Stockdale conducted stream sediment and soil sampling for kimberlitic indicator minerals as well as examined TM Landsat spectral data and geophysical data sets for magnetic dipole anomalies that may represent deep mantle intrusive rocks such as kimberlite. This work recovered chromium spinel and garnet which was determined not likely to be derived from kimberlite however no source was found.

6.5 EXPLORATION BUDGET

Field work during the first year may comprise a detailed study of previous exploration and geological modelling, as well as compiling other data.

Assuming the maximum amount raised under the Prospectus and the success of the first year exploration, follow up work in the subsequent year may consist primarily of closer spaced drilling and sampling to further define the mineral resources.

Table 10. Proposed Year 1-2 Budget for the West Pilbara Iron Ore Project

West Pilbara Iron Ore Project Budget (AUD)

	Year 1	Year 2	Total
Data Review	5,000	10,000	15,000
Field Survey	10,000	10,000	20,000
Mapping	5,000		5,000
Geophysics	10,000	15,000	25,000
RC Drilling	40,000	75,000	115,000
Sampling / Assaying	10,000	25,000	35,000
Annual Total	80,000	135,000	215,000

7 EXPLORATION PROGRAM AND BUDGET

AMMG is focusing on three projects in Western Australia and two in Queensland. The projects are prospective for iron ore, gold, gypsum, lime, diamonds, tin, tantalum and mineral sands mineralisation. The five projects are Lake Macleod Gypsum, East Augusta Mineral Sands, Constance Range, West Pilbara Iron Ore and Maytown Gold. The proposed detailed work programs are presented in the body of this report. They are conceptual in nature and will depend on a number of factors including the successful grant of the tenements and subsequent transfer to AMMG. The budget for Constance Range reflects the initial focus of AMMG upon a successful listing and raising of capital. This project also contains granted licence EPM16620 covering part of the Deposit "P" from historical BHP work. A total proposed budget for Year 1 and 2 at Constance Range is estimated to be \$1,660,000 with a large component of RC drilling planned.

The suggested work is in multiple phases and subject to constant review based upon results, interpretations, development of exploration targets and models and target prioritisation. This is an evolving process and will be driven by many factors including success of the previous phase before moving on to the next stage. Therefore some flexibility in changing the programs and budgetary requirements is needed as results are received.

Field work in the first year encompasses detailed research of previous exploration, geological modelling and geophysical and geochemical data acquisition. This will be followed by more detailed geological and geophysical surveys as appropriate and drilling in areas of significant anomalism. Depending on the success of the first year exploration, follow up work in the second year will consist primarily of closer spaced drilling and sampling to further define the mineral mineralisation. The amount of money AMMG expect to raise from the IPO is considered sufficient and adequate to explore the projects effectively for the first two years of activity as shown by the expected budgets in table 11 below:

Table 11. Proposed Year 1-2 Budget for all AMMG Projects

Australian Minerals Mining Group Ltd Budget (AUD)

	Year 1	Year 2	
Lake Macleod Gypsum Project	135,000	240,000	375,000
East Augusta Mineral Sands Project	100,000	145,000	245,000
Constance Range Project	750,000	910,000	1,660,000
Maytown Gold Project	80,000	135,000	215,000
West Pilbara Iron Ore Project	80,000	135,000	215,000
Annual Total	1,145,000	1,565,000	2,710,000

8 PRINCIPAL SOURCES OF INFORMATION

- Bain, J.H.C., Draper, J.J.**, North Queensland Geology, AGSO Bulletin 240, Queensland Geology 9
- Denaro, T.J., Culpeper, L.G.**, Mineral Exploration in the Lawn Hill 1:250 000 Sheet Area, North-West Queensland
- Dendle, P. K.**, Exploration Licence 70/467 Karridale West – South West Mineral Field, Annual Report for Period 19 October 1992 to 18 October 1993, BHP Minerals Ltd, October 1993
- Dendle, P. K.**, Exploration Licence 70/467 Karridale West – South West Mineral Field, Annual Report for Period 19 October 1991 to 18 October 1992, BHP Minerals Ltd, November 1992
- Dendle, P. K.**, Exploration Licence 70/467 Karridale West – South West Mineral Field, Annual Report for Period 19 October 1987 to 18 October 1988, BHP Minerals Ltd, November 1988
- Dendle, P. K.**, Exploration Licence 70/322 Witchcliffe – South West Mineral Field, Annual Report for Period 3 February 1987 to 2 February 1988, BHP Minerals Ltd, February 1988
- Evans, P., Duck, B.**, First Six Monthly Report to 1st May, 1988 on A to P 5024M Fish Creek, Regent Resources NL
- Evans, P., Duck, B.**, Annual Report to 1st November, 1988 on A to P 5024M Fish Creek, Regent Resources NL
- Felderhof, J. B., Turner, R., B.**, Laura Prospect Final Report on Authority to Prospect 1107M Queensland December 1972
- Flint, D.J., Abeyasinghe**, Geology and Mineral Resources of the Gascoyne Region, Record 2000/7 Geological Survey of Western Australia, Perth 2000
- Forbes, M.**, Final Report on Authority to Prospect 2007 M (Maytown), 1979, Houston Oil and Minerals Australia Inc.
- Forrester, M.B.**, Annual Report E08/453 Lake MacLeod North – Carnarvon Western Australia, 25 November 1993
- Gallo, J.B.**, Exploration Permit for Minerals 9444 “Maytown” – Maytown Joint Venture, December 1998, Strike Exploration Pty Limited
- Gibson, B.**, Technical Report Iluka-TR-2000/147 Surrender Report for M70/924 Scott River, 25 November 2000
- Ivezich, M.**, EPM 9444 Maytown Gold Field – Annual Report for Period 3rd November 1993 – 2nd November 1994, Odin Australia Ltd
- Jackson, T.J., Cochrane, D.**, Partial Relinquishment Maytown-EPM11540 For The Period Ending February 2008, Republic Gold Ltd
- Kimber, P.B.**, E08/860 and E08/841 Lyndon River Project, February 1997, Interim Exploration Report – Prima Resources NL
- Kimber, P.B.**, Annual Report E08/664, E08/667, and E08/723 Lyndon River Gypsum Deposit, January 1997 - Prima Resources NL
- Kimber, P.B.**, Annual Report E08/664, E08/667, and E08/723 Lake MacLeod Gypsum Deposit, January 1995 - Prima Resources NL
- Kimber, P.B.**, Annual Report E08/664, E08/667 Lake MacLeod Gypsum Deposit, December 1995 - Prima Resources NL
- Larson, C.E.**, Flinders Bay, WA (Mineral Claim Nos. 4191, 4192, 4193, 4194, 4196, 4197, 7227, Southwest Mineral Field), Project Mining Corporation Ltd – Samedan of Australia Mineral Sands Joint Venture, June 22 1973
- Larson, C.E.**, Flinders Bay, WA, Quarterly Reports March 22 1972 – June 22 1972. Project Mining Corporation Ltd – Samedan of Australia Mineral Sands Joint Venture, June 30 1973
- Monks, T.F.**, Lake MacLeod Gypsum Project – Geological Report No.2, 19th October 1983, Unmil Pty Limited
- Open File Report**, Terminal Report E08/56, Western Mining Corporation Limited
- Moller, Cape Cuvier Gypsum Area Tenements 09/53 – 09/54 and ML09/16, May 1987, Cape Cuvier Exploration and Mining
- Open File Report**, Lake MacLeod Mineral Claims 08/1076-1079, 1081-1092, 1094-1096, 1098-1101, Western Mining Corporation Limited
- Open File Report**, Annual Report E08/664, E08/667, E08/723 - Lake MacLeod Gypsum Deposit, July 1995 - Prima Resources NL
- Open File Reports**, Shay Gap Iron Ore Exploration, 1992 – 1995, BHP Iron Ore Pty Ltd
- Powell, K.A.**, Summary Report of Investigations at Constance Range, Queensland 1956-63, July 1963 BHP Internal Report
- Seymour, D.L.**, Authority to Prospect 4016M Cradle Creek, Maytown District, N.Q. Annual Report 31st May 1988, Cambrian Resources N.L.
- Stocklmayer, V.**, Exploration Licence 70/467 Karridale West – South West Mineral Field, Annual Report for Period 19 October 1988 to 18 October 1989, BHP Minerals Ltd, March 1990
- Stocklmayer, V.**, Exploration Licence 70/579 Scott River – South West Mineral Field, Annual Report for Period 9 April 1989 to 8 April 1990, BHP Minerals Ltd, April 1990
- Vukotich, P.**, Half Yearly Report on Exploration in Authority to Prospect 2318M ‘Maytown’ Palmer River District North Queensland, 10 August 1980,
- Woodget, A. L.**, Exploration Licence 70/467 Karridale West – South West Mineral Field, Annual Report for Period 19 October 1990 to 18 October 1991, BHP Minerals Ltd, December 1991

Woodget, A. L., Exploration Licence 70/579 Scott River – South West Mineral Field, Annual Report for Period 9 April 1990 to 8 April 1991, BHP Minerals Ltd, April 1991

Woodget, A. L., Exploration Licence 70/467 Karridale West – South West Mineral Field, Annual Report for Period 19 October 1989 to 18 October 1990, BHP Minerals Ltd, November 1990

Zuvela, J. P., C102/1999 Second Annual Report for EL E45/1980, E45/1982, E45/1983, E45/1988, E45/1989, E45/1992, and E45/1993, October 2000

Websites:

Government of Western Australia – Department of Mines and Petroleum

<http://www.dmp.wa.gov.au/index.aspx>

Queensland Government – Department of Mines and Energy

<http://www.dme.qld.gov.au/home.cfm>

Kimberley Metals Ltd

<http://www.kimberleymetals.com.au/irm/content/home.html>

Icon Resources Ltd

<http://www.iconresources.com.au/index.htm>

Dampier Salt Limited

<http://www.dampiersalt.com.au/tnpn002785/prod/dsl/dslhome.nsf>

Summit Resources Limited

<http://www.summitresources.com.au>

9 GLOSSARY OF TECHNICAL TERMS

aeolian	Formed or deposited by wind.
aeromagnetic	A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the earth's magnetic field.
alluvial	Pertaining to silt, sand and gravel material, transported and deposited by a river.
alluvium	Clay silt, sand, gravel, or other rock materials transported by flowing water and deposited in comparatively recent geologic time as sorted or semi-sorted sediments in riverbeds, estuaries, and flood plains, on lakes, shores and in fans at the base of mountain slopes and estuaries.
alteration	The change in the mineral composition of a rock, commonly due to hydrothermal activity.
amphibolite facies	An assemblage of minerals formed at moderate to high temperatures (450°C to 700°C) during regional metamorphism.
andesite	An intermediate volcanic rock composed of andesine and one or more mafic minerals.
anomalies	An area where exploration has revealed results higher than the local background level.
anticline	A fold in the rocks in which strata dip in opposite directions away from the central axis.
antiformal	An anticline-like structure.
Archaean	The oldest rocks of the Precambrian era, older than about 2,500 million years.
basalts	A volcanic rock of low silica (less than 55%) and high iron and magnesium composition, composed primarily of plagioclase and pyroxene.
BIF	A rock consisting essentially of iron oxides and cherty silica, and possessing a marked banded appearance.
BLEG sampling	Bulk leach extractable gold analysis; an analytical method for accurately determining low levels of gold.
chert	Fine grained sedimentary rock composed of cryptocrystalline silica.
chlorite	A green coloured hydrated aluminium-iron-magnesium silicate mineral (mica) common in metamorphic rocks.
colluvium	A loose, heterogeneous and incoherent mass of soil material deposited by slope processes.
conglomerate	A rock type composed predominantly of rounded pebbles, cobbles or boulders deposited by the action of water.
dacite	An extrusive rock composed mainly of plagioclase, quartz and pyroxene or hornblende or both.
dilational	Open space within a rock mass commonly produced in response to folding or faulting.
dolerite	A medium grained mafic intrusive rock composed mostly of pyroxenes and sodium-calcium feldspar.
dykes	A tabular body of intrusive igneous rock, crosscutting the host strata at a high angle.
erosional	The group of physical and chemical processes by which earth or rock material is loosened or dissolved and removed from any part of the earth's surface.
fault zone	A wide zone of structural dislocation and faulting.
felsic	An adjective indicating that a rock contains abundant feldspar and silica.
foliated	Banded rocks, usually due to crystal differentiation as a result of metamorphic processes.
g/t	Grams per tonne, a standard volumetric unit for demonstrating the concentration of precious metals in a rock.
gabbro	A fine to coarse grained, dark coloured, igneous rock composed mainly of calcic plagioclase, clinopyroxene and sometimes olivine.
geochemical	Pertains to the concentration of an element.
geophysical	Pertains to the physical properties of a rock mass.
gneissic	Coarse grained metamorphic rocks characterised by mineral banding of the light and dark coloured constituent minerals.
granite	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.
greenschist	A metamorphosed basic igneous rock which owes its colour and schistosity to abundant chlorite.

greenstone belt	A broad term used to describe an elongate belt of rocks that have undergone regional metamorphism to greenschist facies.
igneous	Rocks that have solidified from magma.
infill	Refers to sampling or drilling undertaken between pre-existing sample points.
intermediate	A rock unit which contains a mix of felsic and mafic minerals.
intrusions	A body of igneous rock which has forced itself into pre-existing rocks.
intrusive contact	The zone around the margins of an intrusive rock.
ironstone	A rock formed by cemented iron oxides.
kimberlite	An ultramafic igneous rock with potential to host diamonds
laterite	A cemented residuum of weathering, generally leached in silica with a high alumina and/or iron content.
lineament	A significant linear feature of the earth's crust, usually equating a major fault or shear structure.
lithological contacts	The contacts between different rock types.
metamorphic	A rock that has been altered by physical and chemical processes involving heat, pressure and derived fluids.
nickel	Silvery-white metal used in alloys.
outcrops	Surface expression of underlying rocks.
palaeochannels	An ancient preserved stream or river.
pegmatite	A very coarse grained intrusive igneous rock which commonly occurs in dyke-like bodies containing lithium-boron-fluorine-rare earth bearing minerals.
playa lake	Broad shallow lakes that quickly fill with water and quickly evaporate, characteristic of deserts.
porphyries	Felsic intrusive or sub-volcanic rock with larger crystals set in a fine groundmass.
ppb	Parts per billion; a measure of low level concentration.
pyroxenite	A coarse grained igneous intrusive rock dominated by the mineral pyroxene.
quartz reefs	Old mining term used to describe large quartz veins.
RAB drilling	A relatively inexpensive and less accurate drilling technique involving the collection of sample returned by compressed air from outside the drill rods.
RC drilling	A drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
regolith	The layer of unconsolidated material which overlies or covers in situ basement rock.
residual	Soil and regolith which has not been transported from its point of origin.
rhyolite	Fine-grained felsic igneous rock containing high proportion of silica and felspar.
rock chip sampling	The collection of rock specimens for mineral analysis.
schist	A crystalline metamorphic rock having a foliated or parallel structure due to the recrystallisation of the constituent minerals.
sedimentary	A term describing a rock formed from sediment.
shale	A fine grained, laminated sedimentary rock formed from clay, mud and silt.
sheared	A zone in which rocks have been deformed primarily in a ductile manner in response to applied stress.
soil sampling	The collection of soil specimens for mineral analysis.
stratigraphic	Composition, sequence and correlation of stratified rocks.
stream sediment sampling	The collection of samples of stream sediment with the intention of analysing them for trace elements.
strike	Horizontal direction or trend of a geological structure.
sulphide	A general term to cover minerals containing sulphur and commonly associated with mineralisation.
supergene	Process of mineral enrichment produced by the chemical remobilisation of metals in an oxidised or transitional environment.
syncline	A fold in rocks in which the strata dip inward from both sides towards the axis.
tholeiitic	A descriptive term for basalt with little or no olivine.
ultramafic	Igneous rocks consisting essentially of ferromagnesian minerals with trace quartz and feldspar.
veins	A thin infill of a fissure or crack, commonly bearing quartz.
volcaniclastics	Pertaining to clastic rock containing volcanic material.
volcanics	Formed or derived from a volcano.

8 INVESTIGATING ACCOUNTANT'S REPORT

23 September 2009

The Directors
Australia Minerals & Mining Group Limited
3 Bay Road
CLAREMONT WA 6010

Dear Sirs

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

This report has been prepared at the request of the Directors' of Australia Minerals & Mining Group Limited ("AMMG" or "the Company") for inclusion in the Prospectus.

The Company is offering for subscription a total of 25,000,000 Shares, at an issue price of 20 cents per share payable in full on application, to raise \$4,000,000 ("Capital Raising" or "the Offer"), with a minimum level of subscription of \$4,000,000. The Company will also accept oversubscriptions of up to a further \$2,500,000, through the issues of up to a further 12,500,000 shares at an issue price of 20 cents each. Upon completion of the Capital Raising, application is to be made for admission of the Company's shares to the official list of the Australian Securities Exchange ("ASX").

The Company also proposes, within three months of its shares being listed on ASX, an issue of one option for each two shares held at an issue price of 1 cent each, the terms of which are set out in Section 4.6 of the Prospectus. A separate disclosure document in respect of the options entitlement issue will be issued at a later date.

Expressions defined in the Prospectus have the same meaning in this report.

2. Basis of Preparation

This report has been prepared to provide investors with information on the Income Statement, the Balance Sheet of the Company and a pro-forma Balance Sheet of the Company as at 18 September 2009 adjusted on the basis that the Capital Raising and certain proposed transactions are completed.

The historical and pro-forma financial information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to financial reports in accordance with the Corporations Act 2001.

The report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer.

Moore Stephens Perth Corporate Services Pty Ltd has not been requested to consider the prospects for AMMG nor the merits and risks associated with becoming a shareholder and accordingly has not done so, nor purports to do so.

Consequently Moore Stephens Perth Corporate Services Pty Ltd has not made and will not make any recommendation, through the issue of this report, to potential investors of the Company, as to the merits of the investment and takes no responsibility for any matter or omission in the Prospectus, other than responsibility for this report.

3. Background

The Company was incorporated in Western Australia on 8 May 2007, as Archeoptryx Resources Pty Ltd. On 16 June 2009, the members of the Company resolved to change its name to Australia Minerals & Mining Group Limited and its status to that of a public company, which was approved by the Australian Securities and Investments Commission on 30 July 2009.

The Company was formed for the purpose of acquiring tenements that had been subject to historical exploration and where significant resources had been reported and or the land was considered to be sufficiently prospective due to proximity to existing resources and infrastructure.

The Company has applied for 18 exploration licences, as outlined in Section 7 of the Prospectus, which comprise a number of tenements in Western Australia and Queensland covering an area in excess of 4,000 square kilometres. The tenements comprise of five distinct project areas targeting the following minerals;

- Iron Ore, Constance Range, Queensland
- Iron Ore, Goldsworthy, Western Australia
- Gypsum, Lake Macleod, Western Australia
- Mineral Sands, East Augusta, Western Australia
- Gold, Maytown, Queensland

Since incorporation the activities undertaken by the Company have comprised the lodgement of applications for a number of tenements, the maintenance of those tenements, the raising of seed capital and preparation of the Prospectus to facilitate the Capital Raising.

From the date of incorporation to the date of this report, ordinary shares were issued as follows:

	Number of Shares	Paid Up Capital \$
• To subscribers on incorporation	2	2
• Shares issued on 19 June 2009	47,000,000	470
• Share consolidation on 17 September 2009	(17,000,000)	-
• Shares issued on 17 September 2009	16,475,000	1,318,000
	46,475,002	1,318,474

The Company also has on issue 17,000,000 Class A Preference Shares, issued to the vendors of the tenements comprising the Company's Lake Macleod project. These shares will not be quoted on ASX and are convertible to ordinary shares on the achievement of certain milestones. If the milestones are not achieved within five years of allotment date they will be redeemed for total consideration of \$170. Full terms and conditions attached to these shares are set out in Section 12.1.2 of the prospectus.

At present the Company also has on issue 8,000,000 options to acquire ordinary shares, the terms of which are set out in Section 12.1.3 of the Prospectus.

4. Scope of Report

You have requested Moore Stephens Perth Corporate Services Pty Ltd to prepare an Investigating Accountant's Report on:

- a) The Operating Results (Income Statement) of AMMG for the period from incorporation to 18 September 2009.
- b) The Balance Sheet of AMMG as at 18 September 2009.
- c) The pro-forma Balance Sheet of AMMG as at 18 September 2009 adjusted to include funds to be raised by the Prospectus and the completion of certain transactions as disclosed in this report.

We have not separately disclosed all related party transactions, as these are disclosed elsewhere in the Prospectus.

5. Scope of Review

The historical financial information has been extracted from the Company's unaudited management accounts for the period from incorporation to 18 September 2009. The Directors of AMMG are responsible for the preparation and presentation of the historical and pro-forma financial information, including the determination of the pro-forma transactions.

We have conducted our review of the historical financial information in accordance with Australian Auditing Standard ASRE 2410 "Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity". We made such inquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- a) A review of contractual arrangements;
- b) a review of work papers, accounting records and other documents;
- c) a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, with the accounting policies adopted by the Company;
- d) a review of the assumptions used to compile the pro-forma Balance Sheet; and
- e) enquiry of directors, management and others.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

The Operating Results of the Company for the period from incorporation to 18 September 2009 are included in Appendix 1.

The Balance Sheet as at 18 September 2009 of the Company is included in Appendix 2.

Also included in Appendix 2 is the pro-forma Balance Sheet of the Company which incorporates the Balance Sheet as at 18 September 2009 adjusted as if certain transactions as disclosed in this report had been finalised at that date. Details of these transactions are set out in Note 2 of Appendix 3.

6. Valuation of Interests in Exploration and Mining Tenements

The principal assets of AMMG will be its interests in exploration and mining tenements, comprising tenement acquisition and exploration costs, which have been capitalised in the Balance Sheet.

The interests in exploration and mining tenements have been included at cost in the pro forma Balance Sheet. We have not performed our own valuations of the tenements and do not express a view on whether the carrying values of the tenements are fairly stated. The value of the tenements may rise or fall depending on future exploration results and world prices for minerals being sought.

7. Opinion

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- The Income Statement, set out in Appendix 1, does not present fairly the operating results of the Company for the period from incorporation to 18 September 2009, in accordance with the accounting methodologies required by Australian Accounting Standards.
- The Balance Sheet of the Company, as set out in Appendix 2, does not present fairly the assets and liabilities of the Company as at 18 September 2009 in accordance with the accounting methodologies required by Australian Accounting Standards.

- The pro-forma Balance Sheet of the Company, as set out in Appendix 2, does not present fairly the assets and liabilities of the Company as at 18 September 2009 in accordance with the accounting methodologies required by Australian Accounting Standards and on the basis of assumptions and transactions set out in Note 2 of Appendix 3.

8. Subsequent Events

To the best of our knowledge and belief, there have been no material items, transactions or events subsequent to 18 September 2009 not otherwise disclosed in this report, that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

9. Other Matters

Moore Stephens Perth Corporate Services Pty Ltd does not have any pecuniary interest that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion on this matter.

Moore Stephens Perth Corporate Services Pty Ltd will receive a professional fee for the preparation of this Investigating Accountant's Report.

Moore Stephens Perth Corporate Services Pty Ltd were not involved in the preparation of any other part of the Prospectus and accordingly make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Yours faithfully



Neil Pace
Director

APPENDIX 1

AUSTRALIA MINERALS & MINING GROUP LIMITED Unaudited Income Statement

Set out below are the operating results of the Company for the period 8 May 2007 (date of incorporation) to 18 September 2009;

	1 May 2007 to 18 September 2009 \$
Operating Revenue	-
Operating Costs before income tax	2,867
Income tax expense	-
Operating loss after income tax	2,867

To be read in conjunction with Appendix 3

APPENDIX 2

AUSTRALIA MINERALS & MINING GROUP LIMITED Unaudited Balance Sheet

	Notes	Actual 18 Sept 2009 \$	Pro-forma 18 Sept 2009 \$
Current Assets			
Cash Assets	3	1,289,083	5,648,522
GST Receivable		2,144	2,144
Total Current Assets		1,291,227	5,650,666
Non Current Assets			
Tenement Acquisition & Exploration Costs	4	124,637	124,637
Total Non Current Assets		124,637	124,637
Total Assets		1,415,864	5,775,303
Current Liabilities			
Other Payables	5	119,561	-
Total Current Liabilities		119,561	-
Total Liabilities		119,561	-
Net Assets		1,296,303	5,775,303
Equity			
Contributed Equity	6	1,299,170	5,778,170
Accumulated Losses		(2,867)	(2,867)
Total Equity		1,296,303	5,775,303

To be read in conjunction with Appendix 3

APPENDIX 3**AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE INCOME STATEMENT AND BALANCE SHEET****Note 1 Statement of Accounting Policies**

The Income Statement and Balance Sheets have been prepared in accordance with applicable Accounting Standards, including the Australian Equivalents of International Financial Reporting Standards ("AIFRS"), the Corporations Act 2001 and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial information has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial information.

a) Tenement Acquisition & Exploration Costs

Exploration and evaluation expenditure incurred (including tenement acquisition costs) is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest (or alternatively by its sale) or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, and active operations are continuing.

Accumulated costs in relation to an abandoned area are written off to the income statement in the period in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs will be determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

b) Going Concern

The financial statements have been prepared on a going concern basis, which anticipates the ability of the Company to meet its obligations in the normal course of business. The ability of the Company to meet its existing and future obligations will depend on the ability to raise funds pursuant to the Prospectus, or from other sources, and to raise further funds through the issue of additional share capital to meet future exploration commitments, as and when required.

c) Share Issue Costs

In accordance with Australian Accounting Standard AASB 132.37 Financial Instruments: Presentation, all transaction costs on the issue of equity instruments are to be recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate.

d) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non assessable or disallowed items.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

e) Plant & Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset at the following rates:

Plant and equipment – 20% to 40%

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate the carrying value may be impaired.

An impairment exists when the carrying value of an asset or cash generating unit exceeds its estimated recoverable amount. The assets or cash-generating units are then written down to their recoverable amount.

Derecognition and disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

f) Impairment of Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Recoverable amount is the higher of its fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset or cash generating unit exceeds its estimated recoverable amount the assets or cash generating unit is considered impaired and is written down to its recoverable amount.

g) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reasonable estimate is made of the amount of the obligation.

The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

h) Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Note 2 The Preparation of the Pro-Forma Balance Sheet

The 18 September 2009 Balance Sheet of the Company has been adjusted to reflect the impact of the following proposed transactions:

- The issue pursuant to this Prospectus of 25,000,000 ordinary shares at 20 cents each, raising \$5,000,000 cash.
- The payment of an estimated \$521,000 in costs incurred by the Company in relation to the capital raising and the subsequent write off of these costs against the issued capital.
- The repayment of loans owing to related parties amounting to \$119,561.

Note 3 Cash

	Actual 18 Sept 2009 \$	Pro-forma 18 Sept 2009 \$
Cash	1,289,083	5,648,522
The movements in cash at bank are as follows:		
Actual 31 August 2009		1,289,083
Issue of shares pursuant to Prospectus (assuming full subscription)		5,000,000
Estimated share issue costs		(521,000)
Repayment of related party loans		(119,561)
		5,648,522

Note: The Company is offering for subscription 25,000,000 shares at \$0.20 per share to raise \$5,000,000. The pro-forma cash balance has been prepared on this basis and does not include the potential impact of only the minimum subscription of \$4,000,000 being raised or oversubscriptions of up to \$2,500,000. In the event that only the minimum subscription is raised or oversubscriptions are received the pro-forma cash balance and contributed equity would be decreased / increased by up to \$1,000,000 / \$2,500,000, less any associated share issue costs.

Note 4 Tenement Acquisition & Exploration Costs

	Actual 18 Sept 2009 \$	Pro-forma 18 Sept 2009 \$
Non Current		
Capitalised tenement acquisition and exploration costs	124,637	124,637
The movements in tenement acquisition and exploration costs are as follows;		
Actual 31 August 2009		124,637
Proforma transactions		-
		124,637

Note 5 Other Payables

Loans payable to related parties	119,561	-
	119,561	-
The movements in payables are as follows:		
Actual 31 August 2009		119,561
Repayment of loans		(119,561)
		-
Note 6 Contributed Equity		
71,475,002 ordinary shares fully paid		5,778,170

Movements during the Period:	No of Shares	
Ordinary issued and paid up share capital		
Opening balance as at 18 September 2009	46,475,002	1,299,170
Issue of fully paid ordinary shares pursuant to the prospectus	25,000,000	5,000,000
Transaction costs relating to share issue	-	(521,000)
At reporting date	71,475,002	5,778,170

Options

At present the Company has on issue 8,000,000 options to acquire ordinary shares, the terms of which are set out in Section 12.1.3 of the prospectus.

Class A Performance Shares

At present the Company has 17,000,000 Class A Preference shares on issue, the terms of which are set out in Section 12.1.2 of the Prospectus.

Note 6 Contributed Equity

Within three months of its shares being listed on ASX the Company proposes to issue up to 35,737,501 options at an issue price of 1 cent each, the terms of which will be set out in a disclosure document when the options are offered. The number of options issued may increase depending on the level of oversubscriptions, if any, received.

Note 7 Contingent Assets and Liabilities

There are no material contingent assets or liabilities existing at 18 September 2009 or at the date of this report other than;

- Various tenements may be subject to native title claims with further details outlined in the Solicitor's Report on Mining Tenements. The Company is unable to determine whether or not and to what extent, if any, the claims will affect the Company's liabilities.
- Under the terms of the executive services agreement between the Company and Executive Services Personnel Pty Ltd, as set out in Section 11.1, the Company may be liable for a termination notice in certain circumstances, of up to 12 months of the consultancy fee (currently \$4,400 per week).

Note 8 Exploration Commitments

For details of proposed exploration commitments refer to the proposed exploration expenditure budgets in Section 7 of the Prospectus. It should however be noted that actual expenditure levels may differ from the estimates provided due to such factors as market conditions, the results from exploration activities carried out, etc.

Level 4, Next Building
16 Milligan Street
Perth WA 6000

GPO Box 2799
Perth WA 6001

Telephone: +61 8 9321 4000

Facsimile: +61 8 9321 4333

Web: www.steinpag.com.au

9 SOLICITOR'S REPORT ON TENEMENTS

29 September 2009

The Board of Directors
Australia Minerals & Mining Group Limited
3 Bay Rd,
CLAREMONT WA 6010

Dear Sirs

SOLICITOR'S REPORT ON TENEMENTS

This Report is prepared for inclusion in a prospectus for the initial public offer of 25,000,000 shares in the capital of Australia Minerals & Mining Group Limited (**Company**) at an issue price of 20 cents per share to raise \$5,000,000 (**Prospectus**).

1. SCOPE

We have been requested to report on certain mining tenements in which the Company has an interest (the **Tenements**).

The Tenements are located in Western Australia and Queensland. A schedule of the Tenements is attached to and forms part of this Report (Schedule). Part I of the Schedule contains a list of the Tenements. Part II of the Schedule contains a summary of the status of the native title claims existing over the Tenements.

The Tenements are divided into five classes in Part I of the Schedule being:

- (a) Lake Macleod Tenements;
- (b) Constance Range Tenements;
- (c) Pilbara Tenements;
- (d) East Augusta Tenement; and
- (e) Maytown Tenements.

Lake Macleod Tenements

The Lake Macleod Tenements are five Tenements located in Western Australia which are subject to tenement applications in which the Company has an interest. The Company will obtain an interest in the Tenements upon grant after which time the Company, pursuant to a Joint Venture Agreement with Tailrain Pty Ltd (**Joint Venture Agreement**), will be required to comply with all terms and conditions, native title obligations and other statutory obligations relating to the Tenements.

Constance Range Tenements

The Constance Range Tenements are four Tenements located in Queensland, one of which is held by the Company. The remaining three Tenements have been applied for by the Company and upon grant, the Company will obtain title to. The Company will then be required to comply with all terms and conditions, native title obligations and other statutory obligations relating to the Tenements.

Pilbara Tenements

The Pilbara Tenements are five Tenements located in Western Australia which are subject to tenement applications in which the Company has an interest. Upon grant of the Tenements, pursuant to the Joint Venture Agreement, the Company will be required to comply with all terms and conditions, native title obligations and other statutory obligations relating to the Tenements.

East Augusta Tenement

The East Augusta Tenement is one Tenement located in Western Australia and has been applied for by the Company (under the Company's previous name, Archeoptryx Resources Pty Ltd). The Company will obtain title to the Tenement upon grant after which time the Company will be required to comply with all terms and conditions, native title obligations and other statutory obligations relating to the Tenements.

Maytown Tenements

The Maytown Tenements are four Tenements located in Queensland and have been applied for by the Company. Upon grant of the Tenements, the Company will be required to comply with all terms and conditions, native title obligations and other statutory obligations relating to the Tenements.

2. SEARCHES

For the purposes of this Report, we have conducted searches and made enquiries in respect of all of the Tenements as follows:

- (a) we have obtained searches of the Tenements from the registers maintained by the Western Australian Department of Industry and Resources (**DOIR**) and the Queensland Department of Mines and Energy (**QDME**). These searches were conducted on 21 August 2009. Key details on the status of the Tenements are set out in Part I of the Schedule;
- (b) we have obtained extracts of any registered native title claims, native title determinations and Indigenous Land Use Agreements (ILUAs) that apply to the Tenements, as determined by the National Native Title Tribunal (**NNTT**). This material was obtained on 21 August 2009. Details of any native title claims, native title determinations and ILUAs are set out in Section 6 of this Report and Part II of the Schedule; and
- (c) we have reviewed all material agreements relating to the Tenements provided to us or registered as dealings against the Tenements as at the date of the DOIR searches and have summarised the material terms (details of which are set out in Part III of the Schedule).

3. OPINION

As a result of our searches and enquiries, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant searches:

- (a) (**Company's Interest**): this Report provides an accurate statement as to the Company's interest in the Tenements;
- (b) (**Good Standing**): this Report provides an accurate statement as to the validity and good standing of the Tenements; and
- (c) (**Third party interests**): this Report provides an accurate statement as to third party interests, including encumbrances, in relation to the Tenements.

4. DESCRIPTION OF THE TENEMENTS

4.1 QUEENSLAND TENEMENTS

The Constance Range and Maytown Tenements (together, **Qld Tenements**) comprise one granted, and seven applications for, Exploration Permits under the Mineral Resources Act 1989 (Qld) (**Qld Mining Act**). The Qld Tenements are listed in Schedule 1. The following provides a description of the nature and key terms of these types of mining tenements as set out in the Qld Mining Act.

Exploration Permit

An exploration permit (**EPM**) issued under the Qld Mining Act is issued for the purpose of exploring for minerals (other than coal) and allows the holder to take action to determine the existence, quality and quantity of minerals on, in or under land by methods which include prospecting, geophysical surveys, drilling, and sampling and testing of materials. An EPM can be granted for a period of up to 5 years and is capable of renewal, although there is no automatic right to renewal.

EPMs are granted subject to general conditions prescribed by the Qld Mining Act. The conditions include that the holder must carry out exploration programs and studies for the purpose for which the EPM was granted and for no other purpose, that the holder must carry out improvement restoration to the EPM, that the holder must remove all plant and equipment prior to termination of the term of the EPM and that subject to the Minister's discretion, the area of an EPM must be reduced by at least 50% after two years from the date of the grant of the EPM, and for each year after that, a further 50% of the remaining area must be relinquished.

The holder of an EPM must make a submission identifying the blocks which the holder wishes to retain under the EPM at least 20 business days prior to the date on which relinquishment is to occur.

The holder of an EPM may transfer an EPM with the consent of the Minister.

4.2 WESTERN AUSTRALIA TENEMENTS

The Lake Macleod, Pilbara and East Augusta Tenements (together, **WA Tenements**) comprise applications for Exploration Permits under the Mining Act 1978 (WA) (**WA Mining Act**). Schedule 1 provides a list of the WA Tenements. The following provides a description of the nature and key terms of these types of mining tenements as set out in the WA Mining Act.

Exploration Permit

An exploration licence has a term of 5 years from the date of grant. The Minister may extend the term by a further period of 5 years followed by a further period or periods of 2 years (where the exploration licence was granted after 10 February 2006).

An application for an exploration licence (unless a reversion application) cannot be legally transferred and continues in the name of the applicant.

The holder of an exploration licence is entitled to enter the land and undertake operations for the purposes of exploration for minerals. Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. A failure to comply with these conditions may lead to forfeiture of the exploration licence.

The holder of an exploration licence granted after 10 February 2006 may apply for approval of retention status for the exploration licence. The Minister may approve the application where there is an identified mineral resource within the exploration licence but it is impractical to mine the resource for prescribed reasons. Where retention status is granted, the minimum expenditure requirements are reduced in the year of grant and cease in future years. However, the Minister has the right to impose a programme of works or require the holder to apply for a mining lease. The holder of an exploration licence applied for or granted before 10 February 2006, can apply for a retention licence (see below).

The holder of an exploration licence granted or applied for before 10 February 2006 must relinquish not less than half of the blocks comprising the licence at the end of the third year. A further relinquishment of not less than half of the remaining

blocks is required at the end of the fourth year. The holder of an exploration licence applied for and granted after 10 February 2006 must relinquish not less than 40% of the blocks comprising the licence at the end of the fifth year. The holder of an exploration licence has priority to apply for a mining lease over any of the land subject to the exploration licence. Any application for a mining lease must be made prior to the expiry of the exploration licence. The exploration licence remains in force until the application for the mining lease is determined.

No legal or equitable interest in an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister. Thereafter, there is no restriction on transfer or other dealing.

5. ABORIGINAL HERITAGE

There may be areas or objects of Aboriginal heritage located on the Tenements.

We have not undertaken searches to ascertain if any Aboriginal sites or objects have been registered in the vicinity of the Tenements, as there is no obligation under the relevant legislation to register sites or objects. Furthermore, the exact location of Aboriginal sites cannot be ascertained from these searches.

The Company must ensure that it does not breach the Commonwealth and applicable State legislation relating to Aboriginal heritage as set out below. To ensure that it does not contravene such legislation, it would be prudent for the Company (and it would accord with industry practice and Aboriginal expectations) to conduct heritage surveys to determine if any Aboriginal sites or objects exist within the area of the Tenements. Any interference with these sites or objects must be in strict conformity with the provisions of the relevant legislation. It may also be necessary for the Company to enter into separate arrangements with the traditional owners of the sites.

5.1 COMMONWEALTH LEGISLATION

The Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

5.2 WESTERN AUSTRALIAN LEGISLATION

The WA Tenements are granted subject to a condition requiring observance of the Aboriginal Heritage Act 1972 (WA) (**WA Heritage Act**).

The WA Heritage Act makes it an offence to alter or damage sacred ritual or ceremonial Aboriginal sites and areas of significance to Aboriginal persons.

The Minister's consent is required where any use of land is likely to result in the excavation, alteration or damage to an Aboriginal site or any objects on or under that site.

Aboriginal sites may be registered under the WA Heritage Act. However, there is no requirement for a site to be registered and the WA Heritage Act protects all registered and unregistered sites.

5.3 QUEENSLAND LEGISLATION

The Qld Tenements are granted subject to the Aboriginal Cultural Heritage Act 2003 (**Qld Heritage Act**). Pursuant to the Act, a person carrying out an activity on Crown land owes a duty of care not to cause harm to an area or object of Aboriginal cultural heritage. A person is required to exercise due diligence and reasonable precaution before undertaking an activity which may cause harm.

There may be areas or objects of Aboriginal heritage located on the Qld Tenements. We have not undertaken searches to ascertain if any Aboriginal sites or objects have been registered in the vicinity of the Tenements, as there is no obligation under the relevant legislation to register sites or objects. Furthermore the exact location of Aboriginal sites cannot be ascertained from these searches.

6. NATIVE TITLE

6.1 INTRODUCTION

This section of the Report examines the effect of native title on the Tenements.

The existence of native title rights held by indigenous Australians was first recognised in Australia in 1992 by the High Court in the case *Mabo v. Queensland (no.2)* (1992) 175 CLR 1 (**Mabo no.2**).

Mabo no. 2 held that certain land tenure existing as at the date of that case, including mining tenements, were granted or renewed without due regard to native title rights, were invalid.

As a result of *Mabo no. 2*, the Native Title Act 1993 (Cth) (**NTA**) was passed to:

- (a) provide a process for indigenous people to lodge claims for native title rights over land, for those claims to be registered by the National Native Title Tribunal (**NNTT**) and for the Courts to assess native title claims and determine if native title rights exist. Where a Court completes the assessment of a native title claim, it will issue a native title determination that specifies whether or not native title rights exist;
- (b) provide (together with associated State legislation) that any land tenures granted or renewed before 1 January 1994 were valid despite *Mabo no. 2*. This retrospective validation of land tenure was subsequently extended by the NTA to include freehold and certain leasehold (including pastoral leases) granted or renewed before 23 December 1996; and
- (c) provide that an act that may affect native title rights (such as the grant or renewal of a mining tenement) carried out after 23 December 1996 (a **Future Act**) must comply with certain requirements for the Future Act to be valid under the NTA. These requirements are called the **Future Act Provisions**.

6.2 FUTURE ACT PROVISIONS

The Future Act Provisions vary depending on the Future Act to be carried out. In the case of the grant of a mining tenement, typically there are three alternatives: the Right to Negotiate, an Indigenous Land Use Agreement (ILUA) and the Expedited Procedure. These are summarised below.

Right to Negotiate

The Right to Negotiate involves a formal negotiation between the State, the applicant for the Tenement and any registered native title claimants and holders of native title rights. The aim is to agree the terms on which the Tenement can be granted. The applicant for the Tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title. The parties may also agree on conditions that will apply to activities carried out on the Tenement (eg in relation to heritage surveys).

If agreement is not reached to enable the Tenement to be granted, the matter may be referred to arbitration before the NNTT, which has six (6) months to decide whether the Tenement can be granted and if so, on what conditions. The NNTT usually requires the parties to have had at least 6 months of negotiations before it will accept a referral for arbitration.

ILUA

An ILUA is a contractual arrangement governed by the NTA. Under the NTA, an ILUA must be negotiated with all registered native title claimants for a relevant area. The State and the applicant for the Tenement are usually the other parties to the ILUA.

An ILUA must set out the terms on which a tenement can be granted. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that

the parties agree to pay to the registered native title claimants and holders of native title in return for the grant of the Tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.

Expedited Procedure

The NTA establishes a simplified process for the carrying out of a Future Act that is unlikely to adversely affect native title rights (Expedited Procedure). The grant of a tenement can occur under the Expedited Procedure if:

- (a) the grant will not interfere directly with the carrying on of the community or social activities of the persons who are the holders of native title in relation to the land;
- (b) the grant is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of native title in relation to the land; and
- (c) the grant is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land.

If the State considers the above criteria are satisfied, it commences the Expedited Procedure by giving notice of the proposed grant of the Tenement in accordance with the NTA. Persons have until three (3) months after the notification date to take steps to become a registered native title claimant or native title holder in relation to the land to be subject to the Tenement.

If there is no objection lodged by a registered native title claimant or a native title holder within four (4) months of the notification date, the State may grant the Tenement.

If one or more registered native title claimants or native title holders object within that four (4) month notice period, the NNTT must determine whether the grant is an act attracting the Expedited Procedure. If the NNTT determines that the Expedited Procedure applies, the State may grant the Tenement. Otherwise, the Future Act Provisions (eg Right to Negotiate or ILUA) must be followed before the Tenement can be granted.

The State of Western Australia currently follows a policy of granting prospecting and exploration licenses under the Expedited Procedure where the applicant has entered into a standard aboriginal heritage agreement with the relevant registered native title claimants and native title holders. The standard heritage agreement (and ancillary agreements) usually provide for payment of compensation by the applicant for the tenement and conditions that apply to activities carried out within the tenement.

Exception to requirement to comply with Future Act Provisions

The grant of a Tenement does not need to comply with the Future Act Provisions if in fact native title has never existed over the land covered by the Tenement, or has been validly extinguished prior to the grant of the Tenement. We have not undertaken the extensive research needed to determine if in fact native title does not exist, or has been validly extinguished in relation to the Tenements.

Unless it is clear that native title does not exist (eg in relation to freehold land), the usual practice of the State is to comply with the Future Act Provisions when granting a Tenement. This ensures the grant will be valid in the event a court determines that native title rights do exist over the land subject to the Tenement and as such, the Future Act Provisions apply.

Where a Tenement has been retrospectively validated or validly granted under the NTA, the rights under the Tenement prevail over any inconsistent native title rights.

Application to the Tenements

The following sections of the Report identify:

- (a) any native title claims, native title determinations and ILUAs that are registered against the Tenements (see Section 6.3);

- (b) any Tenements which have been retrospectively validated under the NTA as being granted before 23 December 1996 (see Section 6.4);
- (c) any Tenements which have been granted after 23 December 1996 and as such will need to have been granted following compliance with the Future Act Provisions to be valid under the NTA. This Report assumes that the Future Act Provisions have been complied with in relation to these Tenements (see Section 6.4); and
- (d) any Tenements which are yet to be granted and as such may need to be granted in compliance with the Future Act Provisions in order to be valid under the NTA (see Section 6.4).

6.3 REGISTERED NATIVE TITLE CLAIMS AND DETERMINATIONS AND ILUAS

Our searches indicate that the Tenements are subject to the following registered native title claims and determinations and ILUA's.

WA Tenements

Tenement	Native Title Claim	Native Title Determination	ILUA
E 70/3198	WC 03/6 (WAD 6006/03) WC 06/4 (WAD 253/06) WC 98/63 (WAD 6279/98)	-	-
E 08/1891	WC 97/28 (WAD 6161/98)	-	-
E 08/2007	WC 97/28 (WAD 6161/98)	-	-
E 09/1572	WC 97/28 (WAD 6161/98)	-	-
E 45/3264	WC 99/26 (WAD 6185/98) WC 00/5 (WAD 6003/00) WC 05/2 (WAD 77/05) WC 95/61 (WAD 82/98)	WC 99/26determ (WAD 6185/98)	WI 2006/002 (ILUA)
E 45/3265	WC 99/8 (WAD 6028/98)	-	-
E 45/3266	WC 99/8 (WAD 6028/98)	-	-
E 45/3267	WC 99/8 (WAD 6028/98) WC 00/5 (WAD 6003/00)	-	-
E 45/3282	WC 99/8 (WAD 6028/98) WC 00/5 (WAD 6003/00)	-	-
E 09/1592	WC 97/28 (WAD 6161/98)	-	-
E 09/1686	WC 97/28 (WAD 6161/98)	-	-

Queensland Tenements

Tenement	Native Title Claim	Native Title Determination	ILUA
EPM17919	QC 99/23 (QUD 6022/99)	-	-
EPM18030	QC 99/12 (QUD 6008/99)	-	QI 2004/064 QI 2005/009
EPM17064	-	QC 95/10 (QUD 6002/96) QC 98/39 (QUD 6089/98)	QI 2003/045 QI 2005/007 QI 2003/055 QI 2005/009 QI 2005/015
EPM16620	QC 99/23 (QUD 6022/99)	-	-
EPM17065	QC 07/4 (QUD 6003/01)	-	QI 2005/007 QI 2005/009
EPM17164	QC 99/23 (QUD 6022/99)	-	-
EPM17331	QC 07/4 (QUD 6003/01)	QC 95/10 (QUD 6002/96) QC 98/39 (QUD 6089/98)	QI 2003/045 QI 2005/007 QI 2003/055 QI 2005/009 QI 2005/015
EPM17920	QC 99/23 (QUD 6022/99)	-	-

The status of any native title claims, native title determinations and ILUAs is summarised in Part II of the Schedule.

Native title claimants, holders of native title under the determinations and native title parties under ILUAs are entitled to certain rights under the Future Act Provisions.

6.4 VALIDITY OF TENEMENTS UNDER THE NTA

The sections below examine the validity of the Tenements under the NTA.

Tenements granted before 23 December 1996

Our searches indicate that none of the Tenements were granted before 1 January 1994.

Tenements granted after 23 December 1996

Our searches indicate that the following Tenements were granted after 23 December 1996.

Tenement	Date of Grant
EPM16620	04/11/2008

We have assumed that this Tenement was granted in accordance with the Future Act Provisions and as such are valid under the NTA.

The remainder of the Tenements have not yet been granted and accordingly, we assume that these Tenements will be granted in accordance with the Future Act Provisions and as such, will be valid under the NTA.

Tenements renewed after 23 December 1996

Renewals of mining tenements made after 23 December 1996 must comply with the Future Act Provisions in order to be valid under the NTA.

An exception is where the renewal is the first renewal of a mining tenement that was validly granted before 23 December 1996 and the following criteria are satisfied:

- the area to which the mining tenement applies is not extended;
- the term of the renewed mining tenement is not longer than the term of the old mining tenement; and
- the rights to be created are not greater than the rights conferred by the old mining tenement.

In such cases, the mining tenement can be renewed without complying with the Future Act Provisions. It is currently uncertain whether this exemption applies to a second or subsequent renewal of such a mining tenement.

Our searches indicate that none of the Tenements were renewed after 23 December 1996.

Renewals of Tenements in the future will need to comply with the Future Act Provisions in order to be valid under the NTA. The registered native title claimants and holders of native title identified in Section 6.3 of this Report will need to be involved as appropriate under the Future Act Provisions.

Valid grant of Applications for Tenements

The following Tenements are all currently applications and as such the grant of the Tenements will need to satisfy the Future Act Provisions in order to be valid under the NTA.

Applicant	Tenement
Tairrain Pty Ltd	E 45/3264, E 45/3265, E 45/3266, E 45/3267, E 45/3282, E 09/1592, E 09/1572, E 08/2007, E 08/1891
Archeoptryx Resources Pty Ltd (the former name of the Company)	E 70/3198, EPM 17064, EPM 17065, EPM 17331, EPM 17164, EPM17920, EPM 17919, EPM 18030
Australia Minerals & Mining Group Limited	E 09/1686

The registered native title claimants, holders of native title and native title parties to any ILUA identified in Section 6.3 of this Report will be involved in accordance with the Future Act Provisions.

7. WARDENS COURT PROCEEDINGS

We have obtained details regarding several proceedings in the Warden's Court of Western Australia pursuant to which certain Tenements are the subject of objections under the WA Mining Act. The details of these proceedings are outlined below.

Objections KR334/089 and KR312/089

Tenement E08/1891 is subject to the following objections:

- (a) Objection KR334/089 was lodged by WR Carpenter Agriculture Pty Ltd (**Carpenter**) on 11 September 2008. Carpenter is objecting to the application for grant of the exploration permit on the grounds that the Tenement will interfere with Pastoral Lease 3114/420.

Carpenter is requesting that the Warden refuse the application, or alternatively, impose pastoral conditions, the particulars of which are to provided prior to the hearing;

- (b) Objection KR312/089 was lodged by Norman Paul Richardson (**Richardson**) on 20 August 2008. Richardson has requested that Tairrain provide him with certain information relating to the proposed scope of works in light of the fact that the Tenement encroaches on parts of Gnarloo Station.

As at the date of this Report, Tairrain is to prepare a timetable for discussions with Richardson and in any event, such

discussions must take place prior to 1 January 2010. The matter has been adjourned until 16 October 2009 at which time the Warden is to be provided with confirmation that Tailrain is arranging the discussions.

Objections KR520/089, KR524/089 and KR525/089

Tenement E08/2007 is subject to the following objections:

- (a) Objection KR520/089 was lodged by Norman Paul Richardson (**Richardson**) on 16 June 2009. Richardson has requested that Tailrain provide him with certain information relating to the proposed scope of works in light of the fact that the Tenement encroaches on parts of Gnarloo Station.

As at the date of this Report, Tailrain is to prepare a timetable for discussions with Richardson and in any event, such discussions must take place prior to 1 January 2010. The matter has been adjourned until 16 October 2009 at which time the Warden is to be provided with confirmation that Tailrain is arranging the discussions;

- (b) Objection KR524/089 was lodged by WR Carpenter Agriculture Pty Ltd (**Carpenter**) on 24 June 2009. Carpenter is objecting to the application for grant of the exploration permit on the grounds that the Tenement will interfere with Pastoral Lease 3114/420.

Carpenter is requesting that the Warden refuse the application, or alternatively, impose pastoral conditions, the particulars of which are to be provided prior to the hearing.

As at the date of this Report, the matter is adjourned until 16 October 2009 and shall, at which time, be heard in conjunction with Objection KR432/089.

- (c) Objection KR525/089 was lodged by Dampier Salt Limited (**Dampier**) on 22 June 2009. Dampier is objecting to the application for grant of the exploration permit on the grounds that the Tenement will interfere with the rights afforded by Mineral Lease 70/245.

Dampier is requesting that the Warden refuse the application on these grounds, or alternatively, on the grounds that the Tailrain failed to apply for the Tenement in accordance with the provisions of the Mining Act 1978 (WA) and the Mining Regulations 1981 (WA).

As at the date of this Report, Tailrain is to provide Dampier with a copy of the Section 58(1) statement lodged in support of the application for the Tenement and a copy of the timetable for discussions with Richardson as required pursuant to Objections KR520/089 and KR312/089. The matter has been adjourned until 16 October 2009.

Objection KR432/089

Tenement E09/1592 is subject to Objection KR432/089 which was lodged by WR Carpenter Agriculture Pty Ltd (**Carpenter**) on 16 December 2008. Carpenter is objecting to the application for grant of the exploration permit on the grounds that the Tenement will have a detrimental effect on and interfere with Pastoral Lease 3114/420.

Carpenter is requesting that the Warden refuse the application, or alternatively, impose pastoral conditions, the particulars of which are to be provided prior to the hearing.

As at the date of this Report, the matter has been adjourned until 16 October 2009 and shall be heard in conjunction with KR334/089 and KR524/089.

Objection KR57/090

Tenement E09/1686 is subject to Objection KR57/090 which was lodged by WR Carpenter Agriculture Pty Ltd (**Carpenter**) on 18 September 2009. Carpenter is objecting to the application for grant of the exploration permit on the grounds that the Tenement will have a detrimental effect on and interfere with Pastoral Lease 3114/420.

This is currently listed for mention hearing on the 16th December, 2009, however can possibly be negotiated along with Carpenter's prior objections KR334/089, KR432/089 & KR524/089.

8. QUALIFICATIONS AND ASSUMPTIONS

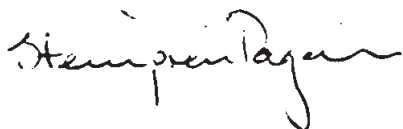
This Report is subject to the following qualifications and assumptions:

- (a) we have assumed the accuracy and completeness of all Tenement searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNTT;
- (b) we assume that the registered holder of a Tenement has valid legal title to the Tenement;
- (c) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our searches and the information provided to us;
- (d) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;
- (e) with respect to the granting of the Tenements, we have assumed that the State and the applicant for the Tenements have complied with, or will comply with, the applicable Future Act Provisions;
- (f) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;
- (g) unless apparent from our searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;
- (h) with respect to the application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;
- (i) references in the Schedule to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey; and
- (j) the information in the Schedule is accurate as at the date the relevant searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the searches and the date of the Prospectus.

9. CONSENT

This report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully



STEINEPREIS PAGANIN

PART I TENEMENT SCHEDULE WA TENEMENTS – Lake Macleod Tenements

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE / APPLICATION DATE	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (NEXT RENTAL YEAR)	MINIMUM ANNUAL EXPENDITURE	ENCUM BRANCES/ DEALINGS	NATIVE TITLE CLAIMS / DETERMINATIONS / ILUAs	NOTES
E 09/1592	Tailrain Pty Ltd	100/100	12/11/2008	N/A	66 BL	N/A	No Expenditure Required Yet	Objection – KR 432/089	WC97/28 (Registered)	-
E 09/1572	Tailrain Pty Ltd	100/100	05/08/2008	N/A	70 BL	N/A	No Expenditure Required Yet	N/A	WC97/28 (Registered)	-
E 08/2007	Tailrain Pty Ltd	100/100	05/06/2009	N/A	70 BL	N/A	No Expenditure Required Yet	Application to Amend – 323031 Objection – KR 520/089 Objection – KR 524/089 Objection – KR 525/089	WC97/28 (Registered)	-
E 08/1891	Tailrain Pty Ltd	100/100	11/08/2008	N/A	40 BL	N/A	No Expenditure Required Yet	Application to Amend – 297637 Objection – KR 312/089 Objection – KR 334/089	WC97/28 (Registered)	-
E 09/1686	Australia Minerals & Mining Group Ltd	100/100	27/08/2009	N/A	70	N/A	No Expenditure Required Yet	As at the date of this Report there are no encumbrances or dealings.	WC97/28 (Registered)	-

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE / APPLICATION DATE	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (NEXT RENTAL YEAR)	MINIMUM ANNUAL EXPENDITURE	ENCUM BRANCES/ DEALINGS	NATIVE TITLE CLAIMS / DETERMINATIONS / ILUAs	NOTES
E 45/3264	Tailrain Pty Ltd	100/100	23/06/2008	N/A	70 BL	N/A	No Expenditure Required Yet	Extension of Time - 296309	WC 95/61 (Registered) WC 05/2 (Registered) WC 00/5 (Registered) WC 99/8 (Registered) WC 99/26 (Registered) WC 99/26determ (Registered) WI 2006/002 (ILUA)	-
E 45/3265	Tailrain Pty Ltd	100/100	23/06/2008	N/A	70 BL	N/A	No Expenditure Required Yet	Extension of Time - 296309	WC 99/8 (Registered)	-
E 45/3266	Tailrain Pty Ltd	100/100	23/06/2008	N/A	70 BL	N/A	No Expenditure Required Yet	Extension of Time - 296309	WC 99/8 (Registered)	-
E 45/3267	Tailrain Pty Ltd	100/100	23/06/2008	N/A	70 BL	N/A	No Expenditure Required Yet	Extension of Time - 296309	WC 00/5 (Registered) WC 99/8 (Registered)	-
E 45/3282	Tailrain Pty Ltd	100/100	08/07/2008	N/A	70 BL	N/A	No Expenditure Required Yet	N/A	WC 00/5 (Registered) WC 99/8 (Registered)	-

East Augusta Tenement

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE / APPLICATION DATE	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (NEXT RENTAL YEAR)	MINIMUM ANNUAL EXPENDITURE	ENCUMBRANCES/ DEALINGS	NATIVE TITLE CLAIMS / DETERMINATIONS / ILUAs	NOTES
E 70/3198	Archeoptryx Resources Pty Ltd	96/96	14/05/2007	N/A	32 BL	N/A	No Expenditure Required Yet	Application to Amend - 327460	WC 06/4 (Registered) WC 03/6 (Not Registered) WC 98/63 (Not Registered)	-

Key to Tenement Schedule

E – Exploration Licence under Mining Act (WA).

All of the native title claims listed in the Schedule have been accepted and entered on the Register of Native Title Claims. Please refer to Part III of this Report for the status of the native title claims. Unless otherwise indicated, capitalised terms have the same meaning given to them in the [admission document].

Key to Tenement Schedule

EPM – Exploration Licence under Mineral Resources Act (Qld).

1. Subject to the Native Title Protection Conditions, Version 1.1(a) and the General Conditions, Version 2.
2. High Preservation Area:

- a) Other than Watercourses and Lakes: only low impact activities apply;
- b) Watercourses and Lakes or Nominated Waterways: Within 100 metres, limited hand sampling techniques apply.

Preservation Area:

Nominated Waterways: No exploration within 50 lateral metres. All of the native title claims listed in the Schedule have been accepted and entered on the Register of Native Title Claims. Please refer to Part III of this Report for the status of the native title claims. Unless otherwise indicated, capitalised terms have the same meaning given to them in the Prospectus.



QLD TENEMENTS – Constance Range Tenements

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE / APPLICATION DATE	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (NEXT RENTAL YEAR)	MINIMUM ANNUAL EXPENDITURE	ENCUM BRANCES/ DEALINGS	NATIVE TITLE CLAIMS / DETERMINATIONS / ILUAS	NOTES
EPM 16620	Archeoptryx Resources Pty Ltd	100/100	4/11/2008	3/11/2010	11 BL	\$1,456.40	Minimum Annual Expenditure is not provided.	Commencement of the Exploration Permit through Expedited Procedure - 1010563 (completed)	QC99/23 (Registered)	1
EPM 17164	Archeoptryx Resources Pty Ltd	100/100	02/01/2008	N/A	76 BL	N/A	No Expenditure Required Yet	-	QC99/23 (Registered)	2
EPM 17920	Archeoptryx Resources Pty Ltd	100/100	4/11/2008	N/A	78 BL	N/A	No Expenditure Required Yet	-	QC99/23 (Registered)	-
EPM 17919	Archeoptryx Resources Pty Ltd	100/100	4/11/2008	N/A	22 BL	N/A	No Expenditure Required Yet	Brief Requesting to Commence Through Expedited Procedures – 1015853 (expected completion 03/10/2009)	QC99/23 (Registered)	-

Maytown Tenements

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE / APPLICATION DATE	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (NEXT RENTAL YEAR)	MINIMUM ANNUAL EXPENDITURE	ENCUM- BRANCES/ DEALINGS	NATIVE TITLE CLAIMS / DETERMINATIONS / ILUAs	NOTES
EPM 17064	Archeoptryx Resources Pty Ltd	100/100	29/11/2007	N/A	78 BL	N/A	No Expenditure Required Yet	Brief Requesting to Commence Through Expedited Procedures – 1015178 (approved on 14/08/09)	QC95/10 (Not Registered) QC98/39 (Not Registered) QI2003/045 (ILUA) QI2005/007 (ILUA) QI2003/055 (ILUA) QI2005/009 (ILUA) QI2005/015 (ILUA)	-
EPM 17065	Archeoptryx Resources Pty Ltd	100/100	29/11/2007	N/A	47 BL	N/A	No Expenditure Required Yet	Brief Requesting to Commence Through Expedited Procedures – 1015178 (approved on 14/08/09)	QC07/4 (Registered) QI2005/007 (ILUA) QI2005/009 (ILUA)	-
EPM 17331	Archeoptryx Resources Pty Ltd	100/100	05/02/2008	N/A	82 BL	N/A	No Expenditure Required Yet	-	QC07/4 (Registered) QC95/10 (Not Registered) QC98/39 (Not Registered) QI2003/045 (ILUA) QI2005/007 (ILUA) QI2003/055 (ILUA) QI2005/009 (ILUA) QI2005/015 (ILUA)	-
EPM 18030	Archeoptryx Resources Pty Ltd	100/100	11/03/2009	N/A	100 BL	N/A	No Expenditure Required Yet	-	QC99/12 (Registered) QI2004/064 (ILUA) QI2005/009 (ILUA)	-

PART II

STATUS OF NATIVE TITLE CLAIMS AND NATIVE TITLE DETERMINATIONS

TRIBUNAL NUMBER	FEDERAL COURT NUMBER	APPLICATION NAME	REGISTERED	IN MEDIATION	STATUS
QC99/23	QUD6022/99	Waanyi Peoples	Registered	Yes	Active
QC99/12	QUD6008/99	Western Yalanji People #4	Registered	Yes	Active
QC07/4	QUD6003/01	Western Yalanji Combined #5 and #7	Registered	No	Active
QC95/10	QUD6002/96	Western Yalanji Peoples	Not Registered	No	Finalised - Full Approved Determination
QC98/39	QUD6089/98	Western Yalanji People #3	Not Registered	No	Finalised - Full Approved Determination
WC99/8	WAD6028/98	Njama	Registered	No	Active
WC99/26 determ	WAD6185/98	Brown (on behalf of the Ngarla People) v State of Western Australia	Registered	No	Finalised - Pre-combination
WC99/26	WAD6185/98	Alexander brown and Others on behalf of the Ngarla People	Registered	No	Active
WC00/5	WAD6003/00	Peter Coppin, Teddy Allen, Doris Monaghan and others v State of Western Australia	Registered	Yes	Active
WC03/6	WAD6006/03	Anthony Bennell & Ors v State of Western Australia	Not Registered	Yes	Active
WC05/2	WAD77/05	Alexander Brown & Ors v State of Western Australia & Ors (Ngarla #2)	Registered	Yes	Active
WC95/61	WAD82/98	Warrarn # 1	Registered	Yes	Active
WC06/4	WAD253/06	William Webb & Others and the State of Western Australia (South West Boojarah #2)	Registered	Yes	Active
WC97/28	WAD6161/98	Gnulli	Registered	Yes	Active
WC98/63	WAD6279/98	Ken Colburg & Others v State of Western Australia & Ors (South West Boojarah)	Not Registered	Yes	Active

STATUS OF ILUAs**Western Yalanji & Cook Shire Council**

The land under Tenement EPM18030 is subject to an ILUA designated as QI2004/064 that was registered on 18/05/2006. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is Cook Shire Council.

The subject matter of the ILUA relates to public development and infrastructure.

Small Scale Mining and Exploration Activities – Western Yalanji People ILUA

The land under Tenements EPM18030, EPM 17064, EPM 17065 and EPM 17331, is subject to an ILUA designated as QI2005/009 that was registered on 06/06/2006. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is the State of Queensland.

The subject matter of the ILUA relates to exploration and mining.

Djungan Small Scale Mining and Exploration

The land under Tenements EPM 17064 and EPM 17331 is subject to an ILUA designated as QI2003/045 that was registered on 29/11/2004. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is the Executive Director of the Department of Natural Resources and Mines for the State of Queensland. The subject matter of the ILUA relates to exploration and mining.

Western Yalanji and Mareeba Shire Council

The land under Tenements EPM 17064, EPM 17065, and EPM 17331 is subject to an ILUA designated as QI2005/007 that was registered on 18/05/2006. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is the Mareeba Shire Council.

The subject matter of the ILUA relates to public development and infrastructure.

Western Yalanji – Pedersen ILUA

The land under Tenements EPM 17064 and EPM 17331 is subject to an ILUA designated as QI2003/055 that was registered on 02/09/2005. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is Alan and Karen Pedersen.

The subject matter of the ILUA relates to commercial development.

Western Yalanji # 3 Fossicking ILUA

The land under Tenements EPM 17064 and EPM 17331 is subject to an ILUA designated as QI2005/015 that was registered on 18/05/2006. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is Queensland Lapidary & Allied Craft Clubs Association Inc.

The subject matter of the ILUA relates to fossicking and mining.

Ngarla Pastoral ILUA

The land under Tenement E 45/3264 is subject to an ILUA designated as WI2006/002 that was registered on 21/11/2007. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicants are:

- (a) John J. Bettini;
- (b) Ethel M. Bettini;
- (c) Anthony B. Bettini;
- (d) Mary E. Bettini;
- (e) Mark J. Bettini;
- (f) David F. Bettini;
- (g) Paul D. Bettini;
- (h) Graham E. Rogers; and
- (i) Judith A. Rogers.

The subject matter of the ILUA relates to access and consultation protocol.

PART III

MATERIAL CONTRACT SUMMARIES

Joint Venture Agreement

On 23 September 2009, the Company and Tailrain Pty Ltd (**Tailrain**) entered into a Joint Venture Agreement (**Agreement**). The relevant tenements are E 45/3264, E 45/3265, E 45/3266, E 45/3267, E 45/3282, E 09/1592, E 09/1572, E 08/2007 and E 08/1891 (**JV Tenements**).

Pursuant to the Agreement, an unincorporated joint venture was formed whereby the initial joint venture interests of the participants were:

(a) Tailrain – 100%; and

(b) Company – 0%.

The Company is entitled to be the manager of the JV Tenements during the term of the Agreement. The Company, as manager, is required to carry out the day to day operations of the joint venture, including managing and supervising all approved programmes and budgets, maintaining complete and accurate books, records and accounts of all transactions relating to the joint venture.

The Company may earn a 100% interest in the JV Tenements by meeting the costs of all expenditure required under the Mining Act to maintain the JV Tenements in good standing, together with expenditure required to meet all rates, rental and other holding costs relating to the JV Tenements for the period of one year from date on which all JV Tenements are granted. In the event the Company decides not, or is not able, to commence mining operations on the JV Tenements and wish to assign or transfer its interest in the Joint Venture to a third party, the Company must first offer the JV Tenements to Tailrain.

10 RISK FACTORS

10.1 INTRODUCTION

An investment in the Company is not risk free and prospective new investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities. The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

10.2 ECONOMIC RISKS

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

10.3 MARKET CONDITIONS

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

10.4 EXPLORATION SUCCESS

The mineral tenements of the Company as described in this Prospectus are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

The mineral tenements of the Company as described in this Prospectus are at various stages of application and grant. There can be no assurance that the tenement applications that are currently in the pending status will be granted.

There can be no assurance that when a tenement is granted, that it will be granted in its entirety. Some of the tenement area applied for may be excluded.

Where the tenements cover freehold land, the Company will be required to negotiate with landholders in order to gain access. There exists a number of conditions whereby freehold landowners are entitled to withhold permission to access their land for the purpose of exploration. While the Company will endeavour to secure access to these areas, there can be no guarantee that these endeavours will be successful.

There can be no assurance that exploration of the tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The exploration costs of the Company described in the Independent Geologist's Report are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

10.5 OPERATING RISKS

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, and labour.

Having been incorporated on 8 May 2007, the Company does not have any operating history, although it should be noted that the Company's directors have between them significant operational experience. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

10.6 RESOURCE ESTIMATES

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

10.7 COMMODITY PRICE VOLATILITY AND EXCHANGE RATE RISKS

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for commodities, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

10.8 ENVIRONMENTAL RISKS

The operations and proposed activities of the Company are subject to State and Federal laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental management, including compliance with all environmental laws.

In this regard, the Department of Industry & Resources in Western Australia from time to time reviews the environmental bonds that are placed on tenements. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

10.9 TITLE RISKS AND NATIVE TITLE

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting

commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

10.10 ADDITIONAL REQUIREMENTS FOR CAPITAL

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be.

10.11 RELIANCE ON KEY MANAGEMENT

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

10.12 INVESTMENT SPECULATIVE

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

11 MATERIAL CONTRACTS

11.1 EXECUTIVE SERVICES AGREEMENT

The Company has entered into an executive services agreement with Executive Resources Personnel Pty Ltd, (**ERP**), for the provision of services by Chairman of the Company, Luke Atkins. The terms of the agreement provide that, on successful listing of the Company's Shares on ASX, ERP will provide consulting services for which it will be remunerated at \$4,400 per week, plus a motor vehicle allowance of \$1,400 per month. The term of the agreement is for a period of three years and may be terminated by the Company by giving 12 months written notice. Executive Resource Personnel may terminate the agreement by giving the Company three months' written notice.

11.2 JOINT VENTURE WITH TAILRAIN PTY LTD

The Company has entered into an Exploration Joint Venture Agreement with Tailrain Pty Ltd (**Tailrain**), a company controlled by Luke Atkins. Tailrain is the registered applicant of a number of the tenement applications located in Western Australia, detailed in the project sections, hereafter described as the Joint Venture Area. The parties have entered into a farm in and joint venture agreement pursuant to which AMMG may earn a 100% interest in the Joint Venture Area by meeting the costs of all minimum annual expenditure relating to the Joint Venture Area for the duration of the first year after the grant of the tenements comprising the Joint Venture Area

11.3 LEASE OF 3 BAY ROAD, CLAREMONT

The Company has entered into a lease agreement (**Lease Agreement**) with Peter Henry Atkins and Elizabeth Mary Atkins (the parents of Luke Atkins) (**Registered Proprietors**) pursuant to which the Company leases the property situated at 3 Bay Road, Claremont, Western Australia (**Property**).

The rent payable in respect of the Lease is \$4333.33 per month and the Lease is for a 12 month term with the option to renew for a further 12 months.

The Property is held by the Registered Proprietors on trust for the PH Atkins Children's Trust of which Luke Atkins is a beneficiary.

11.4 LEAD MANAGER MANDATE

On 22 September 2009, the Company entered into a mandate agreement with Cunningham Petersen Sharbanee Securities Pty Ltd (**CPS**) pursuant to which CPS was appointed as the lead manager to the offer of Shares under this Prospectus (**Lead Manager Mandate**).

Under the Lead Manager Mandate, CPS will receive a fee of 6.6%, inclusive of GST, of all funds raised under this Prospectus. CPS is also entitled to a management fee of \$50,000 (exclusive of GST) for management services provided in respect of the Offer.

12 ADDITIONAL INFORMATION

12.1 RIGHTS ATTACHING TO SECURITIES

12.1.1 SHARES

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

12.1.1.1 GENERAL MEETINGS

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

12.1.1.2 VOTING RIGHTS

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

12.1.1.3 DIVIDEND RIGHTS

Subject to the rights of persons (if any) entitled to shares with special rights to dividend the Directors may declare a final dividend out of profits in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to shares with special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

12.1.1.4 WINDING-UP

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, shares classified by ASX as restricted securities at the time of the commencement of the winding up shall rank in priority after all other shares.

12.1.1.5 TRANSFER OF SHARES

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

12.1.1.6 VARIATION OF RIGHTS

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

12.1.2 CLASS A PERFORMANCE SHARES

The Company has on issue 17,000,000 Performance Shares. The Performance Shares will convert into fully paid ordinary shares in the capital of the Company upon the Company identifying a JORC compliant inferred resource of 25 million tonnes of gypsum from the Company's tenements located in Lake Macleod, Western Australia (**Milestone**).

The Performance Shares will convert into fully paid ordinary shares on one for one basis if the Milestone is achieved within 5 years from the date on which the Company becomes listed on the ASX. If the Milestone is not achieved within this timeframe, all Performance Shares will be redeemed for the sum of \$0.000001 per Performance Share.

The Performance Shares are subject to the following terms and conditions:

- (a) The Company includes sufficient information in any prospectus or offer document about the terms and conditions of the Performance Shares and in particular the relevant milestone.
- (b) The Performance Shares are not quoted and upon the Company becoming listed on the ASX the Performance Shares will not be transferable.
- (c) The Performance Shares do not have voting rights other than those required by law.
- (d) The Performance Shares do not permit the holder to participate in new issues of capital, including bonus issues and entitlement issues.
- (e) The Performance Shares do not carry an entitlement to a dividend.
- (f) The Performance Shares do not create an entitlement to participate in a return of capital or distribution of a surplus on winding up.
- (g) Each converting Performance Share is converted into 1 ordinary share on achievement of the relevant milestone.
- (h) If the milestone for the Performance Shares is not achieved prior to the expiry date of the Performance Shares, all the Performance Shares will be redeemed by the Company for \$0.000001 per Performance Share within 10 business days after the expiry date.
- (i) The Company makes an announcement immediately after satisfaction of a milestone event.
- (j) The Company makes an announcement upon the conversion of the Performance Shares, and provides details on the number of Performance Shares being converted and the number of Performance Shares remaining to be converted (if any).

The Company undertakes that it will disclose in each annual report for the periods in which the Performance Shares remain on issue or have been converted or cancelled:

- a summary of the terms and conditions of the Performance Shares;
- whether any of the Performance Shares have been converted or cancelled during that period; and
- whether the milestone for the Performance Shares has been met during that period.

12.1.3 OPTIONS

The rights, privileges and restrictions attaching to the Options can be summarised as follows:

- Each Option will entitle the holder to subscribe for one Share in the Company on the following terms:
- the Options are exercisable any time other than the first 12 months from the date of issue and expire on 31 May 2015 (**Expiry Date**);
- the exercise price of each Option is 20 cents;
- the Options may be exercised wholly or in part by completing an application form for Shares (**Notice of Exercise**) delivered to the Company's share registry and received by it any time prior to the Expiry Date;
- upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be allotted and issued a Share ranking pari passu with the then issued Shares. The Company will apply to ASX to have the Shares granted for Official Quotation. The Options will not be listed on ASX;
- there will be no participating entitlement inherent in the Options to participate in the new issues of capital which may be offered to Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, the holder of Options will be notified by the Company in accordance with the requirements of the ASX Listing Rules;
- in the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2;
- in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the expiry date, all rights of an Option holder are to be changed in a manner consistent with the ASX Listing Rules;
- Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the date of the Notice of Exercise; and
- The Options are subject to any escrow requirements that may be determined by the Listing Rules of ASX.

12.2 EMPLOYEE INCENTIVE OPTION PLAN

Under the terms of the Company's Incentive Option Plan (**Plan**), the Board may offer free Options to persons (**Eligible Persons**) who are:

- full-time or part-time employees (including a person engaged by the Company under a consultancy agreement); or
- Directors of the Company or any subsidiary based on a number of criteria including contribution to the Company, period of employment, potential contribution to the Company in the future and other factors the Board considers relevant.

Upon receipt of such an offer, the Eligible Person may nominate an associate to be issued with the options.

12.2.1 NUMBER OF OPTIONS

The maximum number of Options issued under the Plan at any one time is 5% of the total number of Shares on issue in the Company. The Board may increase this percentage, subject to the Corporations Act and the Listing Rules.

12.2.2 TERMS OF OPTIONS

Each Option entitles the holder, on exercise, to one ordinary fully paid share in the Company.

The exercise price for the Options will be such price as determined by the Board (in its discretion) on or before the date of issue provided that in no event shall the exercise price be less than the volume weighted average sale price of Shares sold on ASX during the five Business Days prior to the date of issue or such other period as determined by the Board (in its discretion).

Shares issued on exercise of Options will rank equally with other Shares of the Company.

Options may not be transferred other than to an associate of the holder. Quotation of Options on ASX will not be sought. However, the Company will apply to ASX for official quotation of Shares issued on the exercise of Options.

An Option may only be exercised after that Option has vested and any other conditions imposed by the Board on exercise satisfied. The Board may determine the vesting period (if any). An Option will lapse upon the first to occur of the expiry date, the holder acting fraudulently or dishonestly in relation to the Company, the employee ceasing to be employed by the Company or on certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.

If, in the opinion of the Board any of the following has occurred or is likely to occur, the Company entering into a scheme of arrangement, the commencement of a takeover bid for the Company's Shares, or a party acquiring a sufficient interest in the Company to enable them to replace the Board, the Board may declare an option to be free of any conditions of exercise. Options which are so declared may, subject to the lapsing conditions set out above, be exercised at any time on or before their expiry date and in any number.

12.2.3 FUTURE ISSUES OF SHARES

12.2.3.1 NEW ISSUES

There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least 6 Business Days after the issue is announced. Option holders shall be afforded the opportunity to exercise all Options which they are entitled to exercise pursuant to the Plan prior to the date for determining entitlements to participate in any such issue.

12.2.3.2 BONUS ISSUES

If the Company makes an issue of Shares to Shareholders by way of capitalisation of profits or reserves (**Bonus Issue**), each Option holder holding any Options which have not expired at the time of the record date for determining entitlements to the Bonus Issue shall be entitled to have issued to him upon exercise of any of those Options the number of Shares which would have been issued under the Bonus Issue (**Bonus Shares**) to a person registered as holding the same number of Shares as that number of Shares to which the Option holder may subscribe pursuant to the exercise of those Options immediately before the record date determining entitlements under the Bonus Issue (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise). The Bonus Shares will be paid by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the Bonus Issue and upon issue rank pari passu in all respects with the other Shares issued upon exercise of the options.

12.2.4 RECONSTRUCTION OF CAPITAL

In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any Options, the number of Options to which each Option holder is entitled or the exercise price of his or her Options or both or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the Listing Rules.

12.2.5 TAXATION

Under current taxation laws any taxation liability in relation to the Options, or the Shares issued on exercise of the Options, will fall on the participants. The Company will not be liable to fringe benefits tax in relation to Options or Shares issued under the Plan.

12.2.6 PARTICIPATION BY DIRECTORS

Although Directors are eligible to be offered Options under the Plan, this first requires specific Shareholder approval due to the requirements of the ASX Listing Rules and the Corporations Act.

The Options are exercisable by completing the application for exercise of Options and delivering the same together with payment for the number of shares in respect of which the Options are exercised to the registered office of the Company.

Subject to ASX Listing Rules the Options are freely transferable in whole or part at any time prior to expiry.

Within 10 days of the receipt of a properly executed notice of exercise and application monies the Company will issue to the Option holder the number of shares specified in that notice.

Option holders are permitted to participate in new issues of securities offered to shareholders on the prior exercise of the Option in which case the Option holder shall be afforded the period of at least 7 business days prior to and inclusive of the book's closing date (to determine the entitlements to the issue) to exercise the Option.

In the event of any reorganisation (including consolidation, subdivision, reduction or cancellation) of capital of the Company, the rights of Option holders are to be changed to the extent necessary to comply with ASX Listing Rules on a reorganisation of capital at the time of the reorganisation.

12.3 DISCLOSURE OF INTERESTS

Directors are not required under the Company's Constitution to hold any Shares. As at the date of this Prospectus, the Directors have relevant interests in Securities as set out in the table below:

Director	Ordinary Shares	Performance Shares	Options
Luke Atkins	2,000,000	nil	6,000,000
Daniel Tenardi ¹	5,968,085	2,531,915	nil
David Brook	nil	nil	2,000,000
Chris Forrester ²	2,207,447	542,553	nil

Note 1. Dan Tenardi acts as trustee for the Tenardi Family Trust and is a named beneficiary of the Tenardi Family Trust. 1,500,000 of these Shares will be escrowed for 12 months.

Note 2. Chris Forrester acts as trustee for the Forrester Family Trust and is a named beneficiary of the Trust. 1,250,000 of these Shares will be escrowed for 12 months.

12.4 REMUNERATION

The Constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors has been set at an amount not to exceed \$200,000 per annum.

A meeting of Directors has provided for Christopher Forrester and Daniel Tenardi to be paid Director's fees of \$35,000 per annum commencing on the listing date of the Company, David Brook to be paid Director's fees of \$35,000 per annum commencing from 11th July 2009, and payable following listing. Additionally, David Brook has provided to the Company, consulting services for which he will be remunerated \$15,000 payable following listing. Luke Atkins is to be paid the Chairman of Directors fee of \$45,000. Additionally, Luke Atkins is a Director of Executive Resources Personnel Pty Ltd which has a contract with AMMG to provide consultancy services in accordance with the contract. Luke Atkins is a nominated person to provide consultancy services under this contract, the details of which are contained in Section 11.1 of this Prospectus.

The remuneration of directors may be paid by way of fixed salary or consultancy fee.

12.5 LOAN ARRANGEMENT

On 30 June 2009, prior to AMMG converting from a proprietary company to a public company, the Directors resolved to repay Annette Atkins, the wife of Luke Atkins, for the costs incurred on behalf of the Company in respect of tenement applications and related expenses. The Directors agreed to repay Annette Atkins for costs up to a total of \$140,000 out of funds received pursuant to the offer of securities under this Prospectus.

As outlined in the Investigating Accountant's Report contained in Section 8 of this Prospectus, the total amount to be reimbursed to Annette Atkins is \$119,560.90.

12.6 FEES AND BENEFITS

Other than as set out below or elsewhere in this Prospectus, no:

- Director of the Company;
- person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in the Prospectus as a financial services licensee involved in the issue,

has, or had within 2 years before lodgement of this Prospectus with the ASIC, any interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the offer of Securities under this Prospectus; or
- the offer of Securities under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons as an inducement to become, or to qualify as, a Director of the Company or for services rendered in connection with the formation or promotion of the Company or the offer of Securities under this Prospectus.

Broad Tree Group – Geological Services has acted as the Independent Geologist and has prepared an Independent Geologist's Report which has been included in Section 7 of this Prospectus. The Company estimates that it will pay a total of \$8,000 for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Broad Tree Group – Geological Services has not received any other fees from the Company.

Moore Stephens has acted as auditor and Investigating Accountant and has prepared an Investigating Accountant's Report which has been included in Section 8 of this Prospectus. The Company estimates it will pay Moore Stephens a total of \$8,000 for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Moore Stephens has not received any other fees from the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer, has prepared a Solicitor's Report on Tenements which has been included in Section 9 of this Prospectus and has been involved in due diligence enquiries on legal matters. The Company estimates it will pay Steinepreis Paganin \$35,000 for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received any other fees for legal services.

Cunningham Peterson Sharbanee Securities Pty Ltd (**CPS**), has acted as Corporate Adviser and Manager to the Company in relation to the capital raising. In respect of this work, CPS is estimated to receive fees of \$50,000 for these services. Additionally CPS holds 3,829,787 ordinary shares and 2,170,213 Class A Performance Shares.

12.7 CONSENTS

Each of the parties referred to in this section:

- does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Broad Tree Group - Geological Services has given written consent to being named as the Independent Geologist to the Company in this Prospectus and to the inclusion of the Independent Geologist's Report in Section 7 of this Prospectus in the form and context in which the report is included. Broad Tree Group - Geological Services has not withdrawn this consent prior to the lodgement of this Prospectus with the ASIC.

Moore Stephens has given their written consent to being named as auditor and Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 8 in the form and context in which the report is included. Moore Stephens has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitor to the Company in this Prospectus and to the inclusion of the Solicitor's Report on Tenements in Section 9 in the form and context in which the report is included. Steinepreis Paganin have not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Cunningham Peterson Sharbanee Securities Pty Ltd, trading as CPS Securities, has given its written consent to being named as the Broker to the Issue in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Security Transfer Registrars Pty Ltd has given its written consent to being named the Company's Share Registry in this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Australian Mining Administrative Professionals has given its written consent to being named as the Tenements Officer in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

12.8 RESTRICTED SECURITIES

ASX has indicated that certain existing security holders may be required to enter into agreements which restrict dealings in Securities held by them. These agreements will be entered into in accordance with the Listing Rules.

12.9 EXPENSES OF THE OFFER

The total expenses of the Offer are estimated to be approximately \$521,000 and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Amount (\$)
ASIC & ASX fees	35,000
Geological Report	8,000
Legal Costs	35,000
Independent Accountants Report	8,000
Printing Prospectus	30,000
Brokers Commission	300,000
Advisers & Consultants	80,000
Sundry Costs	25,000
TOTAL	521,000

12.10 LITIGATION

As at the date of this Prospectus, other than objections relating to tenement applications which are detailed in the Solicitors Report on the Tenements as disclosed in Section 9, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

12.11 ELECTRONIC PROSPECTUS

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant application forms. If you have not, please email the Company at amresources.com.au and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website at www.ammg.com.au

The Company reserves the right not to accept an application form from a person if it has reason to believe that when that person was given access to the electronic application form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

12.12 TAXATION

The acquisition and disposal of Securities in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

12.13 FORECASTS

The Company is an exploration company with the intention to become a diversified minerals producer in the medium term. Given the speculative nature of exploration, mineral development and production, there are significant uncertainties associated with forecasting future revenue. On this basis, the Directors believe that reliable forecasts can not be prepared and accordingly have not included forecasts in this Prospectus.

13 DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



L F Atkins
Chairman

For and on behalf of
Australia Minerals & Mining Group Limited

14 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

A\$ or \$ means an Australian dollar.

Application Form means the application form accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691).

Board means the board of Directors as constituted from time to time.

Business Day means a weekday when trading banks are ordinarily open for business in Perth, Western Australia.

Company or Australia Minerals & Mining Group or AMMG means Australia Minerals & Mining Group Ltd (ACN 125 301 206).

Closing Date means the closing date of the Offer as set out in Section 3.3.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

Listing Rules means the official listing rules of ASX.

Offer means the offer of Shares pursuant to this Prospectus as outlined in Section 4.

Official List means the Official List of ASX.

Official Quotation means official quotation by ASX in accordance with the Listing Rules.

Option means an option to acquire a Share.

Prospectus means this prospectus.

Securities means Shares and Options.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Security Transfers Pty Ltd.

Shareholder means a holder of Shares.

WST means Western Standard Time, Perth, Western Australia.

This page was left blank intentionally.



ACN 122 958 178

APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCKBROKER OR LICENSED PROFESSIONAL ADVISER.

Before Completing this Application Form, you should read the Prospectus dated 6th October 2009 and the instructions overleaf. No Shares will be issued pursuant to the Prospectus later than 13 months after the date of the Prospectus.

Broker Stamp/Adviser Code

Share Registrar use only

PLEASE READ ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM

A I/We apply for

Shares at \$0.20 per Share = AUD\$ in Australia Minerals & Mining Group Ltd or such lesser number of Shares which may be allocated to me/us by the Directors.

B I/We lodge full application of monies of for the above shares:

C Full Name (please print using BLOCK LETTERS)

Joint Applicant #2 or <designated account>

Joint Applicant #3 or <designated account>

D Postal Address (please print using BLOCK LETTERS)

Street Number Street Name

City/Suburb/Town

State

Postcode

E Contact name

Home telephone number

Work telephone number

F ACN/ARBN (for companies only)

Email address

G Tax file number or exemption

Applicant 2

Applicant 3

H CHESS HIN (if applicable)

PAYMENT DETAILS

Please enter details of the cheque(s) that accompany this application

I Cheque Details

Drawer Bank Branch Amount of cheque

Drawer Bank Branch Amount of cheque

Declaration and Statements:

By lodging this Application Form:

I/We declare that all details and statements made by me/us are complete and accurate;

I/We agree to be bound by the terms and conditions set out in the Prospectus and by the Constitution of the Company;

I/We acknowledge that the Company will send me/us a paper copy of the Prospectus and any Supplementary Prospectus (if applicable) free of charge if I/we request so during the currency of the Prospectus;

I/We authorise the Company to complete and execute any documentation necessary to effect the issue of Shares to me/us; and

I/We have received personally a copy of the Prospectus accompanied by or attached to this Application Form or a copy of the Application Form or a direct derivative of the Application Form before applying for Shares.

I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Shares in Australia Minerals & Mining Group Ltd and that no notice of acceptance of the application will be provided.

TO MEET THE REQUIREMENTS OF THE CORPORATIONS ACT, THIS FORM MUST NOT BE HANDED TO ANY PERSON UNLESS IT IS ATTACHED TO OR ACCOMPANIED BY THE PROSPECTUS DATED 5th OCTOBER 2009 AND ANY RELEVANT SUPPLEMENTARY PROSPECTUS. (See application instructions overleaf) This Application Form relates to the Offer of Ordinary Shares in Australia Minerals & Mining Group Ltd pursuant to the Prospectus dated 6th October 2009.

APPLICATION FORM

Please complete all parts of the Application Form using BLOCK LETTERS. Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected. Current CHES participants should complete their name and address in the same format as they are presently registered in the CHES system.

Insert the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares and thereafter in multiples of 2000 Shares. The applicant(s) agree(s) upon and subject to the terms of the Prospectus to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the application.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is a query in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company's decision as to whether to treat your application as valid, and how to construe, amend or complete it shall be final.

PAYMENT

Applications for Shares must be accompanied by the application money of \$0.20 per Share (in Australian currency). Cheques should be made payable to Australia Minerals & Mining Group Ltd – Share Offer Account and crossed "Not Negotiable". Do not forward cash as receipts will not be issued.

LODGING OF APPLICATIONS

Completed Application Forms and cheques must be:

Posted to: OR

Australia Minerals & Mining Group Ltd

C/- Security Transfer Registrars Pty Ltd

PO Box 535

APPLECROSS WA 6953

Delivered to:

Australia Minerals & Mining Group Ltd

C/- Security Transfer Registrars Pty Ltd

770 Canning Highway

APPLECROSS WA 6153

Applications must be received by no later than 5:00PM WST on the Closing Date, 25th November 2009.

BROKER SPONSORED APPLICANTS

The Company intends to become an Issuer Sponsored participant in the ASX CHES System. This enables a holder to receive a statement of holding rather than a certificate. If you are already a Broker Sponsored participant in this system, you may complete this section or forward a signed Application Form to your sponsoring broker for completion prior to lodgement. Otherwise, leave this box blank and your Shares will automatically be Issuer Sponsored on allotment.

TAX FILE NUMBERS

The collection of tax file number ("TFN") information is authorised and the tax laws and the Privacy Act strictly regulate its use and disclosure. Please note that it is not against the law not to provide your TFN or claim an exemption, however, if you do not provide your TFN or claim an exemption, you should be aware that tax will be taken out of any unfranked dividend distribution at the maximum tax rate.

If you are completing the application with one or more joint applicants, and you do not wish to disclose your TFN or claim an exemption, a separate form may be obtained from the Australian Taxation Office to be used by you to provide this information to the Company. Certain persons are exempt from providing a TFN. For further information, please contact your taxation adviser or any Taxation Office.

CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Australia Minerals & Mining Group Ltd. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

TYPE OF INVESTOR	CORRECT FORM OF REGISTRATION	INCORRECT FORM OF REGISTRATION
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use trustee(s) personal name(s), Do not use the name of the trust	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Estate John Smith A/C>	Estate of Late John Smith, or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners' personal names. Do not use the name of the partnership	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son



ACN 122 958 178

APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCKBROKER OR LICENSED PROFESSIONAL ADVISER.

Before Completing this Application Form, you should read the Prospectus dated 6th October 2009 and the instructions overleaf. No Shares will be issued pursuant to the Prospectus later than 13 months after the date of the Prospectus.

Broker Stamp/Adviser Code

Share Registrar use only

PLEASE READ ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM

A I/We apply for

Shares at \$0.20 per Share = AUD\$ in Australia Minerals & Mining Group Ltd or such lesser number of Shares which may be allocated to me/us by the Directors.

B I/We lodge full application of monies of for the above shares:

C Full Name (please print using BLOCK LETTERS)

Joint Applicant #2 or <designated account>

Joint Applicant #3 or <designated account>

D Postal Address (please print using BLOCK LETTERS)

Street Number Street Name

City/Suburb/Town

State

Postcode

E Contact name

Home telephone number

Work telephone number

F ACN/ARBN (for companies only)

Email address

G Tax file number or exemption

Applicant 2

Applicant 3

H CHESS HIN (if applicable)

PAYMENT DETAILS

Please enter details of the cheque(s) that accompany this application

I Cheque Details

Drawer Bank Branch Amount of cheque

Drawer Bank Branch Amount of cheque

Declaration and Statements:

By lodging this Application Form:

I/We declare that all details and statements made by me/us are complete and accurate;

I/We agree to be bound by the terms and conditions set out in the Prospectus and by the Constitution of the Company;

I/We acknowledge that the Company will send me/us a paper copy of the Prospectus and any Supplementary Prospectus (if applicable) free of charge if I/we request so during the currency of the Prospectus;

I/We authorise the Company to complete and execute any documentation necessary to effect the issue of Shares to me/us; and

I/We have received personally a copy of the Prospectus accompanied by or attached to this Application Form or a copy of the Application Form or a direct derivative of the Application Form before applying for Shares.

I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Shares in Australia Minerals & Mining Group Ltd and that no notice of acceptance of the application will be provided.

TO MEET THE REQUIREMENTS OF THE CORPORATIONS ACT, THIS FORM MUST NOT BE HANDED TO ANY PERSON UNLESS IT IS ATTACHED TO OR ACCOMPANIED BY THE PROSPECTUS DATED 5th OCTOBER 2009 AND ANY RELEVANT SUPPLEMENTARY PROSPECTUS. (See application instructions overleaf) This Application Form relates to the Offer of Ordinary Shares in Australia Minerals & Mining Group Ltd pursuant to the Prospectus dated 6th October 2009.

APPLICATION FORM

Please complete all parts of the Application Form using BLOCK LETTERS. Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected. Current CHES participants should complete their name and address in the same format as they are presently registered in the CHES system.

Insert the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares and thereafter in multiples of 2000 Shares. The applicant(s) agree(s) upon and subject to the terms of the Prospectus to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the application.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is a query in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company's decision as to whether to treat your application as valid, and how to construe, amend or complete it shall be final.

PAYMENT

Applications for Shares must be accompanied by the application money of \$0.20 per Share (in Australian currency). Cheques should be made payable to Australia Minerals & Mining Group Ltd – Share Offer Account and crossed "Not Negotiable". Do not forward cash as receipts will not be issued.

LODGING OF APPLICATIONS

Completed Application Forms and cheques must be:

Posted to: OR

Australia Minerals & Mining Group Ltd

C/- Security Transfer Registrars Pty Ltd

PO Box 535

APPLECROSS WA 6953

Delivered to:

Australia Minerals & Mining Group Ltd

C/- Security Transfer Registrars Pty Ltd

770 Canning Highway

APPLECROSS WA 6153

Applications must be received by no later than 5:00PM WST on the Closing Date, 25th November 2009.

BROKER SPONSORED APPLICANTS

The Company intends to become an Issuer Sponsored participant in the ASX CHES System. This enables a holder to receive a statement of holding rather than a certificate. If you are already a Broker Sponsored participant in this system, you may complete this section or forward a signed Application Form to your sponsoring broker for completion prior to lodgement. Otherwise, leave this box blank and your Shares will automatically be Issuer Sponsored on allotment.

TAX FILE NUMBERS

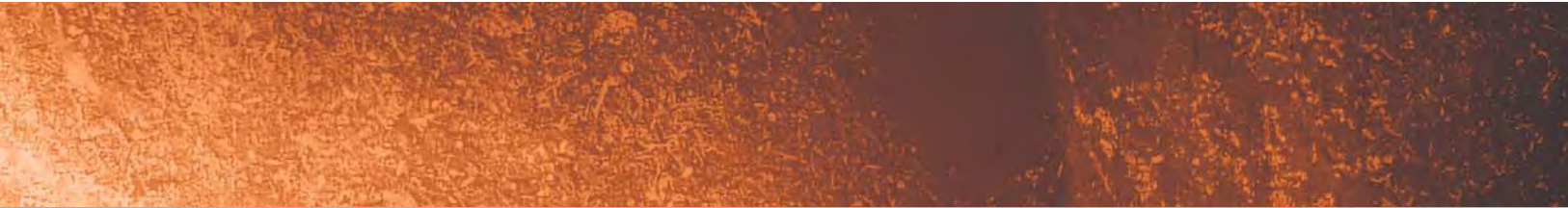
The collection of tax file number ("TFN") information is authorised and the tax laws and the Privacy Act strictly regulate its use and disclosure. Please note that it is not against the law not to provide your TFN or claim an exemption, however, if you do not provide your TFN or claim an exemption, you should be aware that tax will be taken out of any unfranked dividend distribution at the maximum tax rate.

If you are completing the application with one or more joint applicants, and you do not wish to disclose your TFN or claim an exemption, a separate form may be obtained from the Australian Taxation Office to be used by you to provide this information to the Company. Certain persons are exempt from providing a TFN. For further information, please contact your taxation adviser or any Taxation Office.

CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Australia Minerals & Mining Group Ltd. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

TYPE OF INVESTOR	CORRECT FORM OF REGISTRATION	INCORRECT FORM OF REGISTRATION
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use trustee(s) personal name(s), Do not use the name of the trust	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Estate John Smith A/C>	Estate of Late John Smith, or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners' personal names. Do not use the name of the partnership	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son



www.ammg.com.au



T. 08 9389 5557 F. 08 9223 2211

