

APPENDIX 5B

Mining exploration entity quarterly report

(Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001).

Name of entity

Australian-American Mining Corporation Limited

ABN

99 073 155 781

Quarter ended ("current quarter")

31 December 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(704)	(1,446)
(b) development	-	-
(c) production	-	-
(d) administration	(679)	(1,224)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	30	32
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	58	58
Net operating cash flows	(1,295)	(2,580)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) investments	-	-
(c) other fixed assets	(7)	(7)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Contributions from joint venture	-	-
1.13 Payments for joint venture operations	-	-
1.14 Movement in security deposits	(19)	31
Net investing cash flows	(26)	24

1.15	Total operating and investing cash flows (brought forward)	(1,321)	(2,556)
Cash flows related to financing activities			
1.16	Proceeds from issues of shares, options, etc.	8,579	8,763
1.17	Proceeds from auction of partly paid shares	-	159
1.18	Proceeds from borrowings	100	200
1.19	Repayment of borrowings	(200)	(200)
1.20	Proceeds from convertible notes	150	400
1.21	Other (share issue costs)	(484)	(484)
Net financing cash flows		8,145	8,838
Net increase (decrease) in cash held			
1.22	Cash at beginning of quarter/year to date	304	849
1.23	Exchange rate adjustments to item 1.20	(1)	(4)
1.24	Cash at end of quarter	7,127	7,127

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.25	Aggregate amount of payments to the parties included in item 1.2	(230)
1.26	Aggregate amount of loans to the parties included in item 1.10	-
1.27	Explanation necessary for an understanding of the transactions	
Payments to directors for services to the group.		

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

- The Company issued 3,000,000 fully paid ordinary shares to acquire an interest in mineral assets.
- The Company converted \$400,000 of convertible notes into issued capital via the issuance of a total of 10,716,050 fully paid shares and 1,071,605 options at various exercise prices and expiry dates.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,000
4.2 Development	-
4.3 Production	-
4.4 Administration	600
Total	1,600

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	453	304
5.2 Deposits at call	6,674	-
5.3 Commercial Bills	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	7,127	304

Changes in interests in mining tenements

	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements 388 mining claims acquired or increased	100%	0%	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference + securities (description)	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 + Ordinary securities				
Fully Paid	331,709,607	331,709,607		
7.4 Changes during quarter				
(a) Fully paid Increases through issues	142,988,871 13,716,050	142,988,871 13,716,050	\$0.06 Nil	\$0.06 Nil
7.5 Convertible debt securities (description)	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	\$150,000	-	\$150,000	\$150,000
(b) Decreases through securities converted	(\$400,000)	-	(\$400,000)	(\$400,000)
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
Unlisted	250,000	-	107 cents	19 April 2011
Unlisted	500,000	-	120 cents	18 February 2012
Unlisted	400,000	-	20 cents	01 January 2012
Listed	173,775,825	173,775,825	10 cents	31 Dec ember 2012
Unlisted	8,000,000	-	4.62 cents	15 September 2013
Unlisted	308,642	-	4.21 cents	6 October 2013
Unlisted	185,185	-	4.21 cents	13 October 2013
Unlisted	277,778	-	4.21 cents	20 October 2013
Unlisted	300,000	-	6.5 cents	16 November 2013
	308,642	-	4.21 cents	6 October 2013
	185,185	-	4.21 cents	13 October 2013
7.8 Issued during quarter	277,778	-	4.21 cents	20 October 2013
	300,000	-	6.5 cents	16 November 2013
	129,275,825	129,275,825	10 cents	31 December 2012
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Performance Rights				
(totals only)	-	-		
7.12 Unsecured notes				
(totals only)	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

Date: 31 January 2011

Company Secretary

Print name: Martin Stein

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* applies to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.