

ASX Announcement / Media Release

25 March 2010

AMMG PROJECT UPDATE

Highlights

- AMMG broadens its diversification strategy to provide additional growth and development options targeting bulk mineral commodities leveraged to Chinese growth markets and potential near term production opportunities.
 - Further prospective Western Australian holdings acquired targeting additional commodities – kaolin and salt - extends project foot-print to 5,300km².
 - Additional prospective iron ore holdings in Constance Range, Queensland and South West, Western Australia.
- 3 additional tenements granted within existing and new project areas, including Lake McLeod (gypsum), Scott River (minerals sands), and Mount Kokeby (kaolin).
- Exploration programme underway; initial priority is to access bulk samples for metallurgical testing.

The Board of **Australia Minerals & Mining Group Ltd (AMMG or the Company) (ASX: AKA)** is pleased to provide the following update on developments following its successful listing on the ASX on 27 January 2010.

Overview

Having raised \$7.5 million through its oversubscribed IPO, the Company has reaffirmed its strategic direction and reviewed corporate and operational priorities in order to ensure it continues to maximise shareholder value. In addition to securing several key executive positions, the Company's initial focus since listing has been to seek removal of objections to existing exploration license applications, facilitating grant, while also moving to gain exposure to several new projects the Board believes offer further potential near term production opportunities.

Additional tenements granted

Three further tenements have been granted; two in the Company's existing project areas (Lake McLeod, gypsum and Scott River, mineral sands) and one at Mount Kokeby (kaolin) in Western Australia. The Company now has four granted tenements and 31 applications for tenements covering approximately 5,300 square kilometres over eight project areas.

Initial Project Focus – Gypsum and Iron Ore

The Board has reaffirmed that initial exploration priorities lie in the Lake McLeod Gypsum project in the North West of Western Australia and the Constance Range iron ore project in Queensland.

Gypsum – Lake McLeod

The first of 5 Exploration Licenses in the Lake McLeod area has now been granted. The tenement [E09/1572] was granted after the successful negotiation by the Company of a heritage agreement with the Gnulli Claimant Group. The Exploration License [E09/1572] lies to the east of Rio Tinto's existing gypsum and salt operations and contains 3 historical exploration target areas covering approximately 180 km². The Company continues to work toward the removal of remaining objections on other tenements in the Lake McLeod area to enable exploration to commence on these areas.

AMMG's priorities at Lake McLeod are to elevate the existing non-JORC resources described in historical reports to JORC status, obtain further metallurgical samples for marketing purposes, and undertake work on access to existing port infrastructure.

Iron ore – Constance Range

The Company's initial priority in the Constance Range is to obtain bulk samples for metallurgical testing. Subject to all necessary approvals, drilling and sampling is planned to commence once weather and ground conditions permit. The Company has one granted tenement [EPM 16620] and it is expected that a further tenement will be granted in the near future. The Company has also applied for a further tenement in the area, bringing the total area under application and granted status to over 600 km².

Mineral Sands – Scott River

AMMG's existing application in Scott River [E70/3198] has been granted. As outlined in the Company's IPO Prospectus, this project covers approximately 90km² and includes a number of areas previously reported by BHP as containing mineral sands, including ilmenite and zircon.

AMMG has recently moved to widen its exposure to Western Australia's South Coast mineral sands province with an application over a new project area near Gairdner on the South Coast of Western Australia, east of Albany. The project is located close to major roads and lies approximately 140km from the Albany Port.

New Projects

Kaolin

In line with its strategy of exploring potential near term production opportunities, AMMG has moved to gain exposure to kaolin. It has recently applied for three tenements targeting kaolin in Western Australia's Wheat Belt: Mount Mallet–Bradley (south of Karlgarin), Gabbin (northern Wheatbelt), and Mount Kokeby (approximately 140km from Perth). All of these projects have been subject to previous mining or exploration and are generally located near railways and major roads.

The Exploration License application at Mount Kokeby has now been granted and the Company will now seek to secure the necessary land access arrangements and approvals to obtain bulk samples for initial metallurgical testing. AMMG will be seeking to assure itself that

its kaolin ore bodies are sufficiently consistent to provide prospective customers with a standard product.

Salt

The Company has a positive view on the growing strength of the export and domestic salt market. In line with its strategy of securing potential near term production opportunities, the Company has moved to gain exposure to some salt projects it believes are prospective in the Wheat Belt area of Western Australia. Five Exploration License applications have been made in the South West area and at Pink Lake near Esperance.

Koolyanobbing Iron

AMMG has made four exploration license applications where the Company is focussing on potential iron ore (Banded Iron Formations) around Koolyanobbing, WA. The applications are located at Bencubbin, Bronte, Mount Manning, and Illarra.

The exploration targets are magnetite, and potentially hematite/goethite, contained within Archaean quartz/magnetite/BIF units.

Comment from AMMG Chairman

AMMG Chairman, Luke Atkins commented: "The AMMG Board strongly believes in pursuing a diversification strategy at this early stage of the Company's development in order to provide additional development options and potential near term production opportunities to generate early cash flow. Accordingly in addition to expediting exploration and assessment of existing project areas we have moved to acquire further prospective holdings in additional commodity areas (kaolin and salt) to compliment our existing project commodity suite".

"The Company aims to identify sufficient resources of bulk mineral commodities to develop its diversified projects either internally or with suitable strategic joint venture partners leveraging off its strong international networks and the robust growth fundamentals in China".

Contact:

Sam Middlemas
Company Secretary
Mob 0419 936 040
Tel (08) 9389 5557
sam@ammg.com.au
www.ammg.com.au

Media and investor contact:

David Brook
Director
Mob 0418 904 397
david@ammg.com.au
www.ammg.com.au

Technical Information in this report is based on information compiled by Mr William Witham B.Sc. Geology (Hons), AMMG Group Geologist and a Member of the Australian Institute of Geoscientists. Mr Witham has sufficient exploration experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC 2004"). Mr Witham consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

Australian Minerals & Mining Group (AMMG) - Background

AMMG is an exploration group focused on generating shareholder wealth by adding value to its diversified suite of mineral exploration projects.

AMMG was incorporated on 8th May 2007 for the purpose of securing tenements over land that had been subject to historical exploration and where significant geological data was available and / or the land was considered sufficiently prospective due to proximity to existing resources and infrastructure.

AMMG listed on the ASX on 27 January 2010 after closing its \$5 million IPO early and oversubscribed, raising \$7.5 million.

The Company has identified eight separate project areas, located in Western Australia and Queensland, which the Directors believe may have the potential for the realisation of resources of these commodities - iron ore, gypsum, mineral sands, salt, kaolin and gold.

The Company has four granted tenements and 31 applications for tenements covering approximately 5,300 square kilometres over its eight project areas.

The Company aims to identify sufficient resources of bulk mineral commodities to develop its diversified projects either internally or with suitable strategic joint venture partners leveraging off its strong international networks and the robust growth fundamentals in China.

For further information please visit our website www.ammg.com.au

For personal use only

