



AUSTRALIA MINERALS & MINING GROUP LIMITED
ACN 125 301 206

SHORT FORM PROSPECTUS

For a non-renounceable rights issue of one (1) Option for every two (2) Shares held by Shareholders registered at 5.00pm (WST) on 7 April 2010 at an issue price of 1 cent per Option (**Rights Issue**).

Important Notice

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type but refers to another document the information of which is deemed to be incorporated in this Prospectus.

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IMPORTANT NOTICE

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisors.

This Prospectus is dated 25 March 2010. A copy of this Prospectus was lodged with the ASIC on 25 March 2010. The ASIC and ASX take no responsibility for the contents of this Prospectus.

No Options will be issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus.

Applications for Options offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form which accompanies this Prospectus.

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. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand 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 applicable securities laws. Applicants who are resident in countries other than Australia and New Zealand 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.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Applicants should read this document in its entirety and, if in any doubt, consult with their professional advisors before deciding whether to apply for Options. There are risks associated with an investment in AMMG and the Options offered under this Prospectus must be regarded as a speculative investment. The Options offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Options.

Details of the definitions and abbreviations used in this Prospectus are set out in section 7.

NEW ZEALAND SHAREHOLDERS

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the Corporations Regulations 2001. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

The Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act sets out how the Offer must be made. There are differences in how securities are regulated under Australian law.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Securities Commission, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

As noted in the Prospectus at Section 3.12, the Company will apply to the ASX for quotation of the Shares offered under this Prospectus. If quotation is granted, the Shares offered under this Prospectus will be able to be traded on the ASX. If you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. As the ASX does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the Company's website at: www.ammg.com.au. The offer constituted by an electronic version of this Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. There is no facility for application forms to be received electronically or by applying online. The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance 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.

Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This means this Prospectus alone does not contain all the information that is generally required to satisfy the disclosure requirements of the Corporations Act. Rather, it incorporates all other necessary information by reference to information contained in the IPO Replacement Prospectus lodged with ASIC on 10 November 2009.

In referring to the IPO Replacement Prospectus, the Company:

- (a) identifies the IPO Replacement Prospectus as being relevant to the offer of Options under this Prospectus and containing information that will provide investors and their professional advisers to assist them in making an informed assessment of:
 - (i) the rights and liabilities attaching to:
 - (A) the Options; and
 - (B) the underlying Shares;
 - (ii) the capacity of the Company to issue the underlying Shares; and
 - (iii) the assets and liabilities, financial position and performance, profits and losses and prospects of AMMG;
- (b) refers investors and their professional advisers to section 4 of this Prospectus which summarises the information in the IPO Replacement Prospectus deemed to be incorporated in this Prospectus;
- (c) informs investors and their professional advisers that they are able to obtain, free of charge, a copy of the IPO Replacement Prospectus by contacting the Company at its registered office during normal business hours during the Offer Period; and
- (d) advises that the information in the IPO Replacement Prospectus will be primarily of interest to investors and their professional advisers or analysts.

Timetable and Important Dates

EVENT	DATE
Prospectus lodged with the ASIC	25 March 2010
Notice in relation to the Rights Issue dispatched to Shareholders	29 March 2010
Shares quoted on an "ex" basis	30 March 2010
Record Date for determining entitlements under Rights Issue	7 April 2010
Despatch Prospectus / Opening Date	8 April 2010
Closing Date	22 April 2010
Options quoted on a deferred settlement basis	23 April 2010
ASX informed of under subscriptions	28 April 2010
Deferred settlement trading ends, holding statements despatched and normal trading commences	4 May 2010

* These dates are indicative only. The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such, the date the Options are expected to commence trading on ASX may vary.

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1. **CORPORATE DIRECTORY**

Directors

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

Company Secretary

Mr Robert Samuel Middlemas

Principal Place of Business

3 Bay Road
CLAREMONT WA 6010

Telephone (08) 9389 5557
Facsimile (08) 9389 5510

Share Registry*

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6953

Telephone (08) 9315 2333
Facsimile (08) 9315 2233

Website

www.ammg.com.au

Corporate Adviser*

Cunningham Peterson Sharbanee
Securities Pty Ltd
Trading as CPS Securities
Level 34 Exchange Plaza
2 The Esplanade
PERTH WA 6000

Telephone (08) 9223 2222
Facsimile (08) 9223 2211

Auditors*

Moore Stephens
Level 3, 12 St George Terrace
PERTH WA 6000

Telephone (08) 9225 5355
Facsimile (08) 9225 6181

Investigating Accountant*

Moore Stephens Perth Corporate Services
Pty Ltd
Level 3, 12 St George's Terrace
PERTH WA 6000

Telephone (08) 9225 5355
Facsimile (08) 9225 6181

Solicitors to the Company*

Steinepreis Paganin
Lawyers and Consultants
Level 4, Next Building
16 Milligan Street
PERTH WA 6000

ASX Code

AKA

Independent Geologist*

Broad Tree Group Geological Services
7 Hermes St
RIVERTON WA 6148

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.



Thursday, 25 March 2010

Dear Shareholder,

Following the successful IPO and listing of AMMG on the ASX, which closed early and oversubscribed, I am pleased to offer you, on behalf of the Board of Directors the opportunity to participate in a non-renounceable rights issue as outlined in the IPO Replacement Prospectus.

All Shareholders registered as at 5.00pm WST on 7 April 2010 will be entitled to participate in a non-renounceable rights issue of Options on the basis of one (1) Option for every two (2) Shares held at that time. The price payable on application for each Option is 1 cent. The Options issued under the rights issue will be exercisable at a price of 20 cents any time prior to 30 October 2011.

Application for official quotation of the Options by the ASX will be made and trading is expected to commence on or about 23 April 2010.

The Closing Date for acceptances is 5.00pm WST on 22 April 2010.

The offer will seek to raise approximately \$420,000. Funds raised will be applied to exploration and working capital.

The Board intends to take up its full entitlements and recommends all Shareholders take up their entitlement.

I would also like to take this opportunity to thank all Shareholders for your support since listing. With your strong support, the successful IPO of your company has provided a solid platform for us to move forward on our growth objectives.

The funds raised from the IPO will enable your company to expedite exploration and assessment of its diverse mineral projects as well as pursue new opportunities.

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 international networks and the robust growth fundamentals in China.

The Board looks forward to your continued support in the future.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'L F Atkins'.

Luke F Atkins
Chairman

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3. DETAILS OF THE OFFER

3.1 Rights Issue

Pursuant to this Prospectus, the Company is making a pro-rata non-renounceable rights issue of up to 41,987,501 Options to Shareholders who are registered on the Record Date.

The Options will be offered on the basis of one (1) Option for every two (2) Shares held on the Record Date. The maximum number of Options which could therefore be issued under the Rights Issue is 41,987,501.

In the calculation of any entitlement, fractions will be rounded down to the nearest whole number.

3.2 Entitlement

The number of Options to which each Shareholder is entitled (**Entitlement**) is shown on the enclosed Entitlement and Acceptance Form. Shareholders may accept their Entitlement in full or part.

3.3 Overseas Shareholders

The Offer is only available for acceptance by Shareholders with a registered address as at the Record Date in Australia or New Zealand.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Options those Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Options will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

3.4 Purpose of the Offer

The purpose of the Offer is to meet the Company's commitment to issue Options as disclosed in the IPO Replacement Prospectus.

The funds raised by the Offer (approximately \$420,000) will be applied toward general working capital expenses of the Company and to meet estimated expenses of the Offer of approximately \$15,000.

3.5 Action Required

If you wish to take up all or part of your Entitlement, complete the enclosed Entitlement and Acceptance Form in accordance with the instructions set out on the back of the form and deliver it with the appropriate payment no later than 5.00pm WST on the Closing Date to:

Australia Minerals & Mining Group Limited
C/- Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Cheques and drafts (drawn on and payable at any Australian bank) should be made payable to "Australia Minerals & Mining Group Limited – Option Issue" and crossed "Not Negotiable". Payment can also be made by money order.

If you do not wish to take up any of your Entitlement, you do not need to take any action and your Entitlement to the Options will lapse on the Closing Date.

3.6 Closing Date

The Closing Date for the Rights Issue is 5.00pm WST on 22 April 2010. The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such, the date the Options are expected to commence trading on ASX may vary with any change in the Closing Date.

3.7 Issue of Options

The Options will be issued and holding statements dispatched as soon as practicable after the Closing Date.

No Options will be issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus.

3.8 Minimum Subscription

There is no minimum subscription.

3.9 Oversubscriptions

Oversubscriptions will not be accepted.

3.10 Underwriting

The Offer is not underwritten.

3.11 Shortfall

The Company reserves the right, within three (3) months of the Closing Date, to issue the Shortfall at the discretion of the Directors.

3.12 Stock Exchange Quotation

Application for official quotation of the Options by ASX will be made by the Company within seven (7) days of the date of this Prospectus. Application for official quotation of Shares allotted and issued as a result of the exercise of

Options issued under this Prospectus will be made within three (3) business days of issue.

If the Options are not admitted to Official Quotation within three (3) months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Options offered by this Prospectus will be granted. In that circumstance, all applications will be dealt with in accordance with section 724 of the Corporations Act.

3.13 Overseas Shareholders

The Offer constituted by this Prospectus is made to residents of Australia and New Zealand only.

No offer of Options will be made to persons resident in countries outside Australia and New Zealand and this Prospectus and the accompanying Entitlement and Acceptance Form do not constitute an offer to any person resident in any country other than Australia and New Zealand.

3.14 Enquiries

If you have any questions concerning your Entitlement, please contact the Company by telephone on (08) 9389 5557, or fax on (08) 9389 5510, or contact your professional adviser.

4. INFORMATION DEEMED TO BE INCORPORATED IN PROSPECTUS

4.1 Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type, however, it incorporates by reference information contained in the IPO Replacement Prospectus that has been lodged with the ASIC.

The information to be incorporated by reference into this Prospectus is summarised below in section 4.2 and will primarily be of interest to investors and their professional advisers or analysts.

Investors and their professional advisers are able to obtain a copy of the IPO Replacement Prospectus free of charge by contacting the Company at its registered office during normal business hours during the Offer Period. The IPO Replacement Prospectus will also be available by searching the ASIC's records in relation to AMMG, or by visiting the Company's website at www.ammg.com.au.

4.2 Summary of Information Deemed to be Incorporated

Set out below is a summary of the information contained in the IPO Replacement Prospectus that is deemed to be incorporated in this Prospectus to assist investors and their professional advisers to determine whether they need to obtain a copy of the IPO Replacement Prospectus for the purposes of making an informed investment decision in relation to the Options.

The sections referred to in this section 4.2 are references to sections in the IPO Replacement Prospectus.

Section 5 – Company and Project Overview

Section 5 contains the general information which follows:

- (a) background information on the Company;
- (b) an overview of the Company's five projects, being the exploration and potential mining of:
 - (i) iron ore in the Constance Range area of North Queensland and the West Pilbara area of Western Australia;
 - (ii) gypsum in the Lake McLeod, Western Australia;
 - (iii) mineral sands in East Augusta, Western Australia; and
 - (iv) gold in Maytown, Queensland, and
- (c) information in relation to the criteria which the Company intends to use in relation to the assessment and selection of interests in additional mineral resources.

Section 6 – Directors and Corporate Governance

Section 6 contains information relating to each of the four Directors of the Company, the Company's consulting geologist and the Company's corporate governance policy.

Section 7 – Independent Geologist's Report

Section 7 contains a report prepared by the Broad Tree Group dated 9 November 2009 (**Independent Geologist's Report**). The Independent Geologist's Report was included in the IPO Replacement Prospectus to provide investors with information relating to the geological setting and proposed exploration programs on the Tenements, such as information regarding:

- (a) local geology on each of the projects;
- (b) exploration potential on the Tenements;
- (c) previous work on the Tenements; and
- (d) the proposed exploration budget.

The Broad Tree Group states that the proposed exploration and development programs are considered to be consistent with good industry and technical practice for the evaluation of the mineral potential of the areas.

Section 8 – Investigating Accountant's Report

Section 8 comprises of a report prepared by Moore Stephens, chartered accountants, dated 26 October 2010 (**Investigating Accountant's Report**). The Investigating Accountant's Report was included in the IPO Replacement Prospectus to assist investors and their financial advisers in making an assessment of the financial position of the Company.

The Investigating Accountant's Report contains unaudited actual and pro-forma income statements and balances sheet as at 18 September 2009 which

reflected the position of the Company on the basis that various transactions, including the issue of all the Shares offered under the IPO Replacement Prospectus (excluding oversubscriptions), have been completed.

Based on the scope of their review, which was not an audit, Moore Stephens stated that nothing had come to their attention that would lead them to believe that the historical financial information, as set out in the appendices to the Investigating Accountant's Report, was not presented fairly in accordance with generally accepted accounting principles as applied in Australia for reporting on financial information in a public offer document.

Moore Stephens further stated that based on the scope of their review, which was not an audit, nothing had come to their attention that cause them to believe that the pro forma financial information, as set out in the appendices to the Investigating Accountant's Report, was not properly drawn up in accordance with the basis of preparation in appendices and assumptions set out in the Investigating Accountant's Report and generally accepted practice as applied in Australia for presenting pro forma financial information in a public offer document.

Section 9 – Solicitor's Report on Tenements

Section 9 contains a report prepared by Steinepreis Paganin dated 27 October 2009 (**Solicitor's Report on Tenements**). The Solicitor's Report on Tenements was included in the IPO Replacement Prospectus to provide investors with information regarding the standing of the Tenements and the rights and obligations of the Company with respect to the Tenements, and considers the following issues in relation to the Tenements:

- (a) the transfer process for mining tenements in Queensland and Western Australia;
- (b) the rights of a mining tenement holder in terms of access to a landholder's property in Queensland and Western Australia;
- (c) the implications of native title for mining tenement holders in Queensland and Western Australia;
- (d) the implications of cultural heritage for mining tenement holders in Queensland and Western Australia; and
- (e) details of proceedings in the Warden's Court of Western Australia related to some of the Tenements.

Section 10 – Risk Factors

Section 10 notes that an investment in AMMG has risks reasonably expected of an investment in a business of its type. It details a number of specific risks that may impact on the success and future profitability of AMMG, including:

- (a) title risks;
- (b) native title risks;
- (c) exploration success; and
- (d) environmental risks.

Section 10 also sets out details of risks which apply to investments in resource companies generally, including:

- (a) economic risks;
- (b) market conditions;
- (c) operating risks;
- (d) resource estimates;
- (e) commodity price volatility and exchange rate risks;
- (f) additional requirements for capital; and
- (g) reliance on key management.

Section 11 – Material Contracts

Section 11 contains summaries of the material contracts to which the Company is a party, including:

- (a) Executive Services Agreement with Executive Resources Personnel Pty Ltd;
- (b) Joint Venture with Tailrain Pty Ltd; and
- (c) Lease of 3 Bay Road, Claremont.

Section 12 – Additional Information

Section 12 sets out additional information required to be disclosed in the IPO Replacement Prospectus including:

- (a) rights attaching to the Shares offered by the IPO Replacement Prospectus;
- (b) rights attaching the Class A Performance Shares;
- (c) terms and conditions of Existing Options and the existence of the Company's Incentive Option Plan;
- (d) interests of Directors, including Share holdings and remuneration;
- (e) interests of persons named in the IPO Replacement Prospectus;
- (f) details of the consents of persons named in the IPO Replacement Prospectus;
- (g) a statement that certain existing security holders may be required by ASX to enter into agreements which restrict dealings in Shares held by them;
- (h) expenses of the offer;
- (i) a statement that, other than objections relating to tenement applications which are detailed in the Solicitors Report on the Tenements, the Company is not involved in any legal proceedings, nor

aware of any proceedings pending or threatened against the Company; and

- (j) a statement that due to the speculative nature of exploration, mineral development and production, the Directors believe that reliable forecasts of future revenue cannot be prepared and accordingly have not included them in the IPO Replacement Prospectus.

5. ADDITIONAL INFORMATION

5.1 Terms and Conditions of Options

The material terms and conditions of the Options are as follows:

- (a) the Options will be exercisable at any time prior to 5.00pm WST on 30 October 2011 (**Expiry Date**). Options not exercised on or before the Expiry Date will automatically lapse;
- (b) each Option will entitle the holder to subscribe (in respect of each Option held) for a Share at an exercise price of \$0.20 per Share (**Exercise Price**) for the life of the Option;
- (c) the Options may be exercised wholly or in part by completing an application form for Shares (**Notice of Exercise**) and delivering the Notice of Exercise to the Company's share registry together with the Exercise Price in respect of those Options at any time prior to the Expiry Date;
- (d) the Company will apply to ASX to have the Options granted Official Quotation;
- (e) upon the exercise of an Option and receipt of all relevant documents and payment of the Exercise Price, the holder will be allotted and issued a Share ranking pari passu with the then issued Shares.
- (f) Shares issued pursuant to the exercise of an Option will be issued not more than 10 Business Days after the date of the Notice of Exercise. Within three Business Days of the date of allotment of those Shares, the Company will apply to ASX to have the Shares granted Official Quotation;
- (g) a summary of the terms and conditions of the Options, including the Notice of Exercise, will be sent to all holders of Options when the initial holding statement is sent;
- (h) there will be no participating entitlements inherent in the Options to participate in 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, holders of Options will be notified by the Company and will be afforded 9 Business Days before the record date (to determine entitlements to the issue), to exercise Options;
- (i) 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. Subject to the Corporations Act, the ASX Listing Rules and the Constitution, the Options may be transferred at any time prior to the Expiry Date; and
- (j) The Company will, at least 20 Business Days before the Expiry Date, send notices to the Option Holders stating the name of the Option Holder, the number of Options held, the number of securities to be issued on exercise of the Options, the exercise price, the due date for payment and consequences of non-payment.

5.2 Rights Attaching to Shares upon Conversion of Options

The rights attaching to Shares in the Company are:

- (a) set out in the Constitution of the Company, a copy of which is available for inspection during normal business hours at the registered business office of the Company; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules, the ASTC Settlement Rules and the general law.

The following are the more important rights, privileges and restrictions attaching to the Shares offered for subscription by this Prospectus:

(a) 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.

(b) 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:

- (i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) 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
- (iii) 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).

(c) 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 (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares in accordance with Part 2H.5 of Chapter 2H of the Corporations Act. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

(d) 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.

Subject to the rights of Shareholders (if any) entitled to Shares with special rights in a winding-up and the Corporations Act, all monies and property that are to be distributed among Shareholders on a winding-up, shall be distributed in proportion to the Shares held by them respectively, irrespective of the amount paid-up or credited as paid-up on the Shares.

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.

(e) 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.

(f) 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.

5.3 Listing on ASX and Escrow of Securities

AMMG was admitted to the Official List on 21 January 2010 with official quotation of its Shares commencing on 27 January 2010.

Pursuant to chapter 9 of the ASX Listing Rules a number of the securities issued by the Company have been made subject to escrow requirements.

Details of these securities subject to escrow and the periods of escrow of those securities are as follows:

- (a) 8,010,000 Shares escrowed until 17 September 2010;
- (b) 31,875,002 Shares escrowed until 27 January 2012;
- (c) 8,000,000 unlisted Existing Options escrowed until 31 May 2015; and
- (d) 17,000,000 Class A Performance Shares escrowed until 27 January 2012.

The balance of the issued capital of the Company, being 44,090,000 Shares, is quoted and freely tradeable on ASX.

5.4 Activities Since Listing on ASX

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 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.

The Company'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

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

The Company 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, the Company has moved to gain exposure to kaolin. It has recently applied for three kaolin tenements in Western Australia's Wheatbelt: 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. The Company 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 prospective salt projects it believes are prospective in the Wheatbelt area of Western Australia. Five exploration license applications have been made in the South West area and at Pink Lake near Esperance.

Koolyanobbing Iron

The Company has made four exploration license applications where the Company is focussing on potential iron ore (Banded Iron Formations) around Koolyanobbing, Western Australia. 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.

The Company has not entered into any other material contracts since the issue of the IPO Replacement Prospectus.

5.5 Continuous Disclosure and Documents Available for Inspection

The Company is listed on ASX and its Shares are quoted on ASX.

The Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations, which require it to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from or inspected at, an office of the ASIC. This includes the IPO Replacement Prospectus referred to in section 4 of this Prospectus.

The Company will provide a copy of all documents used to notify ASX of information relating to the Company under the provisions of the Listing Rules since official quotation on 27 January 2010. As at the time of lodging this Prospectus the only such documents were:

Date	Details
25/03/2010	Appendix 3B
25/03/2010	Pro-rata Options Issue
25/03/2010	Project Update
8/02/2010	Appendix 3B
8/02/2010	Appointment of Group Geologist
4/02/2010	Appointment of Company Secretary and Chief Financial Officer
29/01/2010	Becoming a substantial holder
29/01/2010	Initial Director's Interest Notice x 4
29/01/2010	Becoming a substantial holder
29/01/2010	Becoming a substantial holder

5.6 Trading History

Official quotation of the Shares commenced on 27 January 2010 and consequently, the trading history on ASX as at the date of this Prospectus is limited to that period.

The highest and lowest recorded market sale prices of the Shares quoted on ASX during the period from commencement of Official Quotation to the date of this Prospectus were \$0.245 on 27 January 2010 and \$0.19 on 10 February 2010 respectively.

The last market sale price of the Shares on ASX on the last day that trading took place in these shares prior to the date of this Prospectus was \$0.225 on 25 March 2010.

The Company currently has no listed options over Shares on issue.

5.7 Capital Structure

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

Shares

	Number
Share currently on issue	83,975,002
Class A Performance Shares on issue	17,000,000

Options

	Number
Unlisted Options with an exercise price of 20 cents each expiring on 31 May 2015	8,000,000
Unlisted Options with an exercise price of 20 cents each expiring on 8 February 2015	1,000,000
Unlisted Options with an exercise price of 25 cents each expiring on 8 February 2015	500,000
Unlisted Options with an exercise price of 30 cents each expiring on 8 February 2015	500,000
Options offered pursuant to the Offer	41,987,501
Total Options on issue	51,987,501

* Assumes the offer is fully subscribed.

There will be no new Shares issued as a result of the Rights Issue.

5.8 Pro-Forma Statement of Financial Position (Unaudited)

Set out below is the Unaudited Financial Position of the Company as at 28 February 2010 following completion of the Rights Issue.

	Statement of Financial Position at 28 February 2011 \$	Statement of Financial Position at 28 February 2011 \$ (following Issue)
CURRENT ASSETS		
Cash	7,719,388	8,124,263
Other Receivables	71,831	71,831
Other Financial Assets	14,000	14,000
Total Current Assets	7,805,219	8,210,094
NON CURRENT ASSETS		
Investments	1,028	1,028
Plant & Equipment	71,235	71,235
Capitalised Mineral Exploration	203,581	203,581
Total Non-Current Assets	275,844	275,844
TOTAL ASSETS	8,081,063	8,485,938
CURRENT LIABILITIES		
Other payables	58,683	58,683
Total Current Liabilities	58,683	58,683
TOTAL LIABILITIES	58,683	58,683
NET ASSETS	8,022,380	8,427,255
EQUITY		
Contributed Equity	8,082,617	8,082,617
Share Option Reserve	0	404,875
Accumulated Losses	(60,237)	(60,237)
TOTAL EQUITY	8,022,380	8,427,255

5.9 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers before investing in the Options. Taxation consequences will depend on particular circumstances. Neither AMMG nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the Options in AMMG or dealing with an entitlement in this Rights Issue.

5.10 Interests of Directors and Experts

A full disclosure of the interests of Directors, experts and promoters of and to the Company for the period commencing on incorporation of the Company and to the date of issue of the IPO Replacement Prospectus are set out in section 12 of the IPO Replacement Prospectus and other than as set out below or elsewhere in this Prospectus, that information and disclosure remains current.

Each of the Directors has indicated that it is their present intention to subscribe for their full Entitlement under the Offer.

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 in the Company as set out in the table below:

Director	No. of Shares	No. Of Performance Shares	No. of Options currently held	No. of Options under Entitlement
Luke Atkins <small>Note 1</small>	2,000,000	Nil	6,000,000	1,000,000
Daniel Tenardi <small>Note 2</small>	Nil	Nil	Nil	Nil
David Brook	Nil	Nil	2,000,000	Nil
Christopher Forrester <small>Note 3</small>	25,000	Nil	Nil	12,500

Note 1 - Luke Atkins is a Director of Australian Mineral Investments Group Pty Ltd which holds 2,393,617 Shares and 1,356,383 Class A Performance Shares in the Company. Australian Mineral Investments Group Pty Ltd will be offered 1,196,808 Options pursuant to the Offer.

Note 2 - Dan Tenardi acts as trustee for the Tenardi Family Trust which owns 5,968,085 shares of which 4,460,885 are Foundation Shares, and 2,531,915 Class A Performance Shares in the Company and he is a named beneficiary of the Tenardi Family Trust. The Tenardi Family Trust will be offered 2,984,042 Options pursuant to the Offer.

Note 3 - Christopher Forrester acts as trustee for the Forrester Family Trust which owns 2,207,447 shares of which 957,447 are Foundation Shares, and 542,553 Class A Performance Shares in the Company and he is a named beneficiary of the Forrester Family Trust. The Forrester Family Trust will be offered 1,103,723 Options pursuant to the Offer.

Steinepreis Paganin have acted as the solicitors to the Company in relation to the Rights Issue and has been involved in due diligence enquiries in relation to, and the preparation of, this Prospectus. The Company estimates that it will pay Steinepreis Paganin \$10,000 for these services. During the 24 months preceding the lodgement of this Prospectus with the ASIC, the Company has paid Steinepreis Paganin \$57,575 for the provision of legal advice.

5.11 Consents

Persons who make statements in this Prospectus or who made statements in the IPO Replacement Prospectus which are being incorporated by reference into this Prospectus need to provide their written consent for such use.

Each of the parties referred to in this section 5.11:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) 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 has given written consent to the inclusion by reference in this Prospectus of the Independent Geologist's Report set out in section 7 of the IPO Replacement Prospectus, in the form and context in which the report is included in the IPO Replacement Prospectus. Broad Tree Group has not withdrawn this consent prior to the lodgement of this Prospectus with the ASIC.

Moore Stephens have given their written consent to being named as auditor to the Company in this Prospectus and to the inclusion by reference in this Prospectus of its Independent Accountant's Report set out in section 8 of the IPO Replacement Prospectus, in the form and context in which the report is included in the IPO Replacement Prospectus. Moore Stephens have not withdrawn their consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin have given their written consent to being named as the solicitors to the Company in this Prospectus and to the inclusion by reference in this Prospectus of its Solicitor's Report on Tenements set out in section 9 of the IPO Replacement Prospectus, in the form and content in which the report is included in the IPO Replacement Prospectus. Steinepreis Paganin have not withdrawn their consent prior to the lodgement of this Prospectus with the ASIC.

Cunningham Peterson Sharbanee Securities has given its written consent to being named as corporate adviser to the Company 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 as the Company's share registry in this Prospectus and has not withdrawn this consent prior to lodgement of this Prospectus with the ASIC.

5.12 Legal Proceedings

There is no material litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

5.13 Expenses of the Issue

The total expenses of the issue are estimated to be \$15,000 comprising legal and due diligence costs, printing and other administrative expenses, including ASX quotation fees.

6. **AUTHORITY OF DIRECTORS**

Each of the Directors has consented to the lodgement of this Prospectus in accordance with section 720 of the Corporations Act.

Dated 25 March 2010

A handwritten signature in blue ink, appearing to read 'L F Atkins', is written over a light blue rectangular background.

Signed for and on behalf of
AUSTRALIA MINERALS & MINING GROUP LIMITED
by Mr Luke F Atkins

For personal use only

7. **DEFINITIONS**

Applicant means a person who submits an Entitlement and Acceptance Form.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691).

Board means the board of Directors unless the context indicates otherwise.

Business Day means a day other than a Saturday or Sunday on which banks are open for business in Perth, Western Australia.

CHESS means ASX Clearing House Electronic Subregistry System.

Closing Date means 5.00 pm WST on 22 April 2010 (unless extended), except in relation to the offer of the Shortfall (if any) which may remain open for a period of 3 months after this date.

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

Constitution means constitution of the Company as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company from time to time.

Dollars or **\$** means Australian dollars unless otherwise stated.

Entitlement and Acceptance Form means the entitlement and acceptance form for the Rights Issue attached to or accompanying this Prospectus.

Existing Options means an option, already on issue, to acquire a Share.

Listing Rules or **ASX Listing Rules** means the official Listing Rules of ASX.

IPO Replacement Prospectus means the prospectus lodged by the Company with the ASIC on 10 November 2009 for the offer of 25,000,000 Shares at an issue price of 20 cents each to raise \$5,000,000 (with oversubscriptions of up to a further 12,500,000 Shares to raise \$2,500,000).

Offer means the offer of Options pursuant to this Prospectus.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official List means the official list of ASX.

Opening Date means 8 April 2010.

Option Holders means those parties holding options to acquire Shares.

Option means an option for the issue of a Share on the terms set out in section 5.1 of this Prospectus.

Quotation and **Official Quotation** means official quotation on ASX.

Record Date means 5.00 pm (WST) on 7 April 2010.

Rights Issue means the non-renounceable rights issue of Options to Shareholders pursuant to this Prospectus.

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

Shareholder means a holder of Shares.

Shortfall means the Options (if any) not taken up under the Rights Issue.

WST means Western Standard Time, Perth, Western Australia.

PAYMENT INSTRUCTIONS



Biller Code: 117226

BPAY® this payment via internet or phone banking.
Your reference number is quoted on the front of this form.

Multiple acceptances must be paid separately.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. BPAY applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

You do not need to return this form if you have made payment via BPAY.

Your BPAY reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Securities for which you have paid.



CHEQUE/MONEY ORDER

All cheques should be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Do not forward cash as receipts will not be issued.

When completed, this form together with the appropriate payment should be forwarded to the share registry:

Security Transfer Registrars Pty Ltd
PO Box 535, APPLECROSS WA 6953.

Applications must be received by Security Transfer Registrars Pty Ltd no later than 5.00pm WST on the closing date.

EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of Securities and the price payable on acceptance of each Security.
2. Your entitlement may be accepted either in full or in part. There is no minimum acceptance.

ENQUIRIES

All enquiries should be directed to the Company's share registry:

Security Transfer Registrars Pty Ltd

PO Box 535, Applecross WA 6953 AUSTRALIA

770 Canning Highway, Applecross WA 6153 AUSTRALIA

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.