ANNUAL TECHNICAL REPORT FOR THE PERIOD

26 February 2006 to 25 February 2007

EXPLORATION LICENCE 24729

“Newry Project”

North West NORTHERN TERRITORY

Licensees: Australian Mineral Mines Pty Ltd (50%), 1672 Princes Highway, Oakleigh East, Victoria, 3166. Ph (03) 9544 5444, Fax (03) 9544 5433

and

Johan Pieter Pas (50%), PO Box 3134, Broome, W.A., 6725

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Report Date: February 2007
ABSTRACT

Australian Mineral Mines Pty Ltd (AMM) and Johan Pieter Pas are exploring Exploration Licence 24729 “Newry” for ornamental siltstone within Victoria Basin Proterozoic Sediments including siltstone, shale and sandstone. The licence covers an area of 24 Blocks (79 sq km) and is located on the Waterloo 1:250,000 Series Sheet SE/52-03.

No previous exploration has been carried out on the licence by Australian Mineral Mines and Johan Pas.

Exploration during the reporting period has included: submission of a Mine Management Plan; organizing a Security Bond; Sacred Site Searches and other Native Title Issues and two field reconnaissance trips.

KEYWORDS

Exploration Licence
North West Northern Territory
Newry
Proterozoic
Victoria Basin Sediments
Ornamental Siltstone
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1. INTRODUCTION

1.1 Exploration rationale

Exploration Licence 24729 “Newry” is being explored by the licensees Australian Mineral Mines Pty Ltd (AMM) and Johan Pieter Pas (Pas) for ornamental siltstone within Victoria Basin Proterozoic Sediments. The licence covers an area of 24 Blocks (79 sq km) and is located on the Waterloo 1:250,000 Series Sheet SE/52-03.

No previous exploration has been carried out on the licence by AMM and Pas.

The project area is located in the northwest Northern Territory, close to the Western Australian border. The Duncan Highway traverses the licence area (north to south). There are a number of minor roads and tracks to access the licence (Figure 1).

Land tenure comprises Perpetual Pastoral Lease No.1114 held by Baines River Cattle Co Pty Ltd. The licence also covers most of Reservation of Occupation No. 7.

Tenement details are as follows:

<table>
<thead>
<tr>
<th>Type of Licence</th>
<th>Tenement Number</th>
<th>Tenement Name</th>
<th>Area (Blocks)</th>
<th>Date of Grant</th>
<th>Date of Expiry</th>
<th>Tenement Holders</th>
<th>Expenditure Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPLORATION LICENCE</td>
<td>24729</td>
<td>NEWRY</td>
<td>24 (79 sq km)</td>
<td>26/02/06</td>
<td>25/02/12</td>
<td>Australian Mineral Mines PL &amp; J Pas</td>
<td>$18,500 pa</td>
</tr>
</tbody>
</table>

1.2 Geological Setting:

The Newry Project is located in the northwest Northern Territory, close to the Western Australian border on the Waterloo 1:250,000 Series Sheet SE/52-03 and is underlain by Victoria- Birrindudu Basin Proterozoic Sediments including siltstone, shale and sandstone. Proterozoic Basins form part of the North Australian Platform and comprise mildly deformed predominantly sedimentary successions unconformably overlying Proterozoic Orogens.

The Victoria- Birrindudu Sediments range in age from 1800 to 1430 Ma (Mesoproterozoic to Neoproterozoic). These in turn are overlain by younger Cambrian Kalkarindji Continental Flood basic to ultrabasic volcanics – particularly in the southern part of the licence area (Figure 2).

EL 24729 is being explored by the licensees for ornamental siltstone within the Victoria Basin Proterozoic Sediments.
2. REVIEW OF PREVIOUS WORK

No previous exploration has been carried out on the licence by Australian Mineral Mines and Johan Pas.

3. EXPLORATION COMPLETED DURING THE REPORTING PERIOD

Exploration during the reporting period has included: submission of a Mine Management Plan; organizing a Security Bond; Sacred Site Searches and other Native Title Issues and field reconnaissance trips.

3.1 Submission of Mine Management Plan

A Mine Management Plan proposing digging only for ornamental siltstone was submitted to the Department during the reporting period. A Bank Guarantee for $4,000 was also submitted as Security.

Authorisation No. 0305-01 was granted for the Newry Project on 20 September 2006.

3.2 Native Title/ Sacred Site Searches

There were no Native Title Claimants on EL 24729 at the time of advertising of the Application.

A Sacred Site Search was carried out. The Aboriginal Areas Protection Authority has advised of a number of recorded Sacred Sites listed in the Register of Sacred Sites (Figure 3) within and to the north of the licence.

Contact has been maintained with the Northern Land Council, Casuarina. The Northern Land Council has advised that no sampling should be carried out on the licence until a meeting of “other Managers” occurs to discuss the proposed exploration. The licensees are currently awaiting news from the Northern Land Council as to when this meeting is to occur.

3.4 Field Reconnaissance Trips

Two field reconnaissance trips to EL 24729 were carried out during the year. No sampling activities were carried out.

During these trips it was noted that considerable collecting of the ornamental siltstone has been carried out by other parties on the licence during the last twelve months. The Department has been advised of this activity.
4. DISCUSSION OF RESULTS

Exploration activities during the first year of tenure on EL 24729 have been somewhat limited due to Native Title Issues. The licensees are hopeful that all Issues will be resolved shortly, allowing exploration activities to progress on the licence according to the Authorised Mine Management Plan.

Field reconnaissance has identified good surface outcrops of ornamental siltstone within the northern central part of EL 24729.

5. CONCLUSIONS AND RECOMMENDATIONS

Field sampling activities as per the Mine Management Plan will be carried out in the coming 12 months once permission has been obtained from the Northern Land Council.

Expenditure is expected to be in line with the annual licence commitments of $18,500.

6. ENVIRONMENT

No rehabilitation activities were carried out on the licence during the reporting period.
7. EXPENDITURE

Expenditure during the first twelve months of tenure on EL 24729 totals $11,284, made up as follows:

<table>
<thead>
<tr>
<th>WORK CARRIED OUT</th>
<th>EL 24709</th>
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</thead>
<tbody>
<tr>
<td>Technical Requirements</td>
<td>$375</td>
</tr>
<tr>
<td>Vehicles, Fuel, Air Fares, Field Supplies, Food, Accommodation</td>
<td>$2,459</td>
</tr>
<tr>
<td>Administration (10%)</td>
<td>$1,025</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$11,284</td>
</tr>
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</table>

8. REFERENCES

Figure 1 - Location

Australian Mineral Mines Pty Ltd & Johan Pas: Newry Project

Duncan Highway

SCALE

0  2.5  5km

WA-NT Border

EL 24729
Figure 2 - Geology

Australian Mineral Mines Pty Ltd & Johan Pas: Newry Project

Victoria-Birrindudu Mesoproterozoic Basin Sediments

Victoria-Birrindudu Neoproterozoic Basin Sediments

Cambrian Flood Mafic Volcanics

EL 24729

Duncan Highway

WA - NT Border

Figure 2 - Geology
EL 24729 - NEWRY

MAP SHOWING SACRED SITES
RECORDED AS AT 16/10/2006

Issued to: Crystal World & Perhistoric Journeys

Figure 3 - Sacred Sites
Figure 4: Photo of Newry Area

Figure 5: Photo of Ornamental Siltstone sample within Victoria Basin Proterozoic Sediments at Newry
APPENDIX 1