ANNUAL TECHNICAL REPORT FOR THE PERIOD
26 February 2010 to 25 February 2011
Exploration Licence 24729

“Newry Project”
North West NORTHERN TERRITORY

Licensees:
Australian Mineral Mines Pty Ltd (50%)
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and

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Report Date: August 2011

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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 3 Blocks (10 sq km) and is located on the Waterloo 1:250,000 Series Sheet SE/52-03.

There was no onsite work undertaken in the previous year due to legal issues.

KEYWORDS

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

Exploration Licence 24729 “Newry Project” is being explored by the holders for ornamental siltstone within Proterozoic Sediments of Victoria Basin. The licence covers an area of 3 Blocks (10 sq km) and is located on the Waterloo 1:250,000 Series Sheet SE/52-03.

Previous exploration on the lease has included: reconnaissance field trips, field mapping and sample analysis although work has currently halted due to legal issues.

The project area is located in the northwest Northern Territory, close to the Western Australian border. Access to the area is gained via the Duncan Highway which passes through the lease area.

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>Blocks (Area)</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>6 (19.5km²)</td>
<td>26/02/06</td>
<td>25/02</td>
<td>Australian Mineral Mines PL &amp; J Pas</td>
<td>$18,500 pa</td>
</tr>
</tbody>
</table>
2. GEOLOGICAL SETTING

The "Newry Project" is located in the northwest of the Northern Territory. It is near 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. The Proterozoic Basins from parts 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 Million years old (Mesoproterozoic to Neoproterozoic). These in turn are overlain by younger Cambrian Kalkarindji Continentla Flood basic to ultrabasic volcanics – particularly in the southern part of the licence area.

EL 24729 is being explored by the licensees for ornamental siltstone within the Victoria Basin Proterozoic Sediments.

3. EXPLORATION DURING THE REPORTING PERIOD

There was no onsite activity over the past reporting year as all processes have halted due to a legal issue. Australian Mineral Mines and Johan Pas are currently working with the Northern Territory Department of Resources to resolve the issue.

4. DISCUSSION OF RESULTS

Work is expected to restart once the legal issues have been resolved.

5. ENVIRONMENT

As there was no work on site, there was no damage or disturbances to the environment and therefore no need for any rehabilitaion processes.

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Figure 1: EL24729 lease area during the reporting season
6. **EXPENDITURE**

Expenditure over the past reporting year totalled $22,000.00. Expenditure for the next year of reporting is expected to meet the minimum requirement of $18,500 p.a.

<table>
<thead>
<tr>
<th>WORK CARRIED OUT</th>
<th>EL 24729</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas Marketing expenses</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>Cutting and Polishing of Samples</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Legal assistance re mine dept</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Tenement officer work</td>
<td>$2,000.00</td>
</tr>
<tr>
<td>Total</td>
<td>$22,000.00</td>
</tr>
</tbody>
</table>

7. **RELINQUISHMENT FOR YEAR 6**

Due to illegal activity of the department of resources until the legal dispute can be resolved it is difficult to make projections of expenditure and relinquishment.

We expect legal expenses in excess of $25,000 to be committed pursuing the department or illegal and unethical actions. As the department has taken key mineral resources from our exploration program, field expenditure commitment on further work is questionable until the department can be held to task for its actions.

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