Australian Mineral Mines Pty Ltd.

Exploration License 24729
“Newry Project” Northern Territory

Partial Relinquishment Report Ending
26th February 2011

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For
Newry Project

Date of Report: 19th August 2011
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1. INTRODUCTION

Application of Exploration Lease 24729 – “Newry Project” – was granted to Australian Mineral Mines (AMM) and Johan Pas for the purposes of exploring ornamental sandstone. Exploration to date has been very successful, leading to the application of 3 mineral claims within the area. However over the last year, AMM has been involved with legal issues and no work has been undertaken on the site as the issue has not been resolved as of yet. In the previous title year AMM and Johan Pas held 3 blocks for exploration with the relinquishment of 1 of these blocks at the beginning of the current title year.

Figure 1 Location of EL 24729
2. LOCATION AND ACCESS

Exploration leases EL24729 is located approximately 50km south east of Kununurra near the West Australian border. Access to the area is by the Duncan Highway which intersects the lease area (See Fig. 1.).
3. NOMINATION OF RELINQUISHING BLOCKS

In accordance with Section 32 of the *Mining Act*, Australian Mineral Mines Pty Ltd nominates the following sub-blocks to be retained / relinquished for year 5 of the EL 24729 (Table 1).

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<th>BIM</th>
<th>Block</th>
<th>Sub-Block</th>
<th>Status</th>
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<tr>
<td>SE</td>
<td>52109</td>
<td>E</td>
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<tr>
<td>SE</td>
<td>52109</td>
<td>K</td>
<td>Retain</td>
</tr>
</tbody>
</table>

Table 1. Nominated sub-blocks to be relinquished for EL 24729

4. EXPLORATION WORK CARRIED OUT ON RELINQUISHED BLOCKS

Previous work carried out on the Relinquished block of EL 24729 included field mapping and geological surveying. During the course of this work, there was no excavation, drilling or other activity that disturbed the land or local vegetation. As such there was no need to carry out any rehabilitation work in the area. In the past year, there was no activity on the relinquished block due to the ongoing legal issue.