ANNUAL EXPLORATION REPORT EL28239

JERVOIS REGION

8 March 2011 to 7 March 2012
JERVOIS REGION COPPER PROJECT NT

HUCKITTA	**SF5311**	**1:250,000**
JERVOIS RANGE	**6,152**	**1:100,000**

Titleholder: Australia Mining and Gemstone Co. Pty. Ltd

Report No. 2012-008
Australia Mining and Gemstone Co. Pty. Ltd
By Xianneng Zhang
15th April 2012

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1. SUMMARY

EL28239 is located in the Jervois region, EL28239 approximately 251 kilometres east northeast 65 degree of Alice Springs. The exploration rationale for EL28239 is based on its location in the eastern Arunta, an area of high prospectivity for a variety of minerals including Cu-Ag-Pb-Zn deposits, W-Mo vein deposits, Sn-Ta-W vein deposits and uranium . Copper mineralisation in the Jervois Range area was found in 1929, the main mineralization occurs in the Bonya Schist which is part of Division Ⅱ of the Arunta Orogen. Mineralization occurs over several kilometres and is thought to have originally been volcanogenic in origin.

The following sequence has been recognized in the mineralized belt.

Upper: Quartz-chlorite and quartz-magnetite schist, Knotted (andalusite, cordierite) schist containing lode rocks; Lower: Gneiss.

EL28239 was granted in March 2011, and Australia Mining and Gemstone Co. Pty. Ltd (AMG) has so far collated and re-plotted historical data using MapInfo. AMG plans to undertake ground magnetics and regional geochemical stream sediment and soil ampling in 2012.

2. LOCATION AND ACCESS

EL28239 is located in the Jervois region approximately 251 NE-ENE of Alice Springs on the Huckitta 1:250,000 map [SF53-11] . The EL28239 lies about 20km west of the Jervois Mine on Jervois Pastoral Lease – NT portion 366 (Figures 1).

Bush tracks and graded fence lines provide access across EL28239 and cross-country 4WD vehicle passage is possible to many areas.

3. TENEMENT STATUS AND OWNERSHIP

EL28239 was granted on 8th March 2011 for a term of six (6) years. EL28239 show a

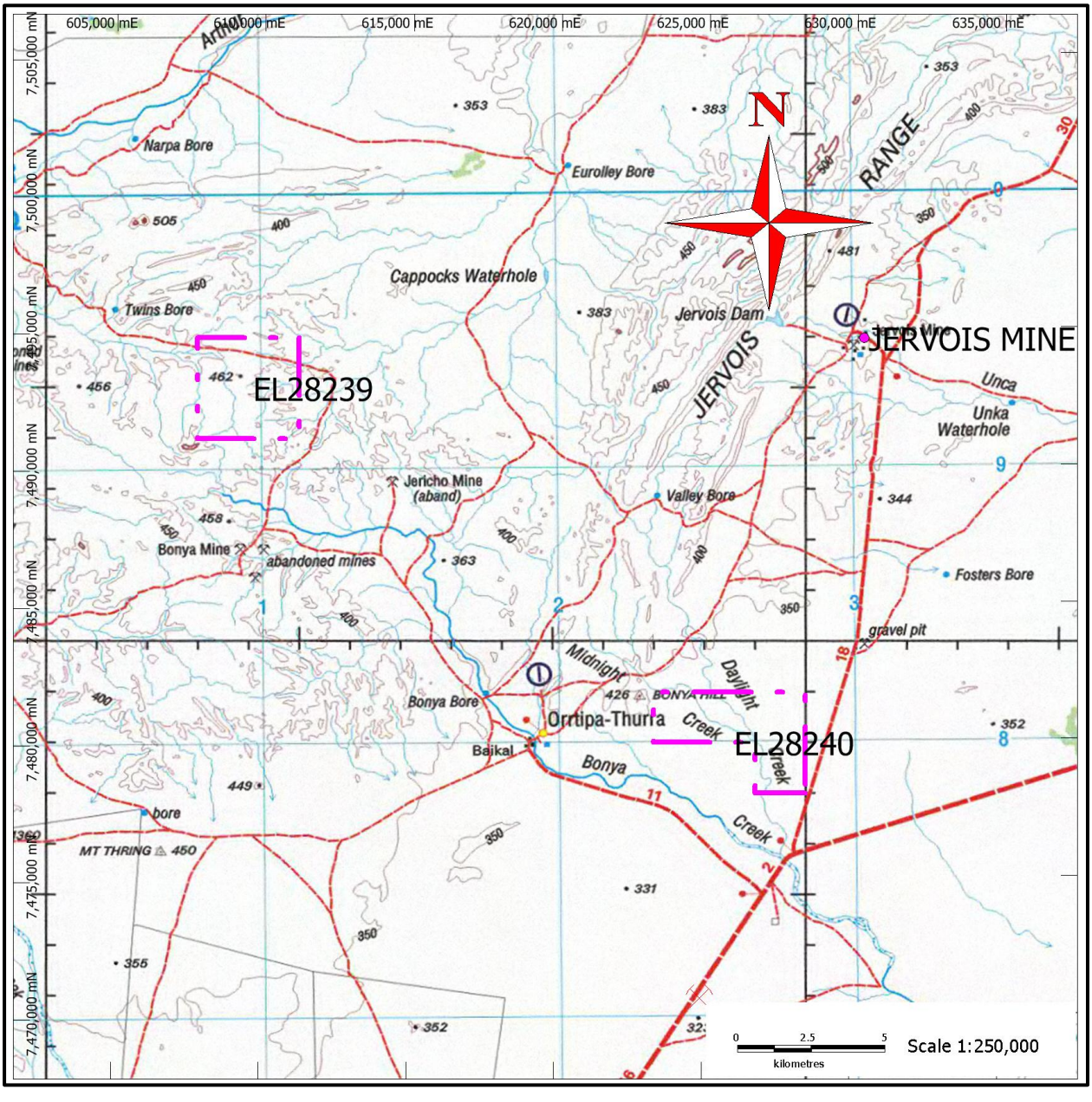

Figure 1 Location Map of EL28239

square and comprises 4 graticular blocks (12.68 sq km) (figure 2) , There are no other mining leases or mineral claims within the License area. List of Graticular blocks covering EL28239 as follow: SF532281Y , SF532353D , SF532281Z , SF532353E.

Background land tenure under EL28239 is part of:

The land tenure is Perpetual Pastoral Lease 962 “Jervois”– NT portion 366. No details of

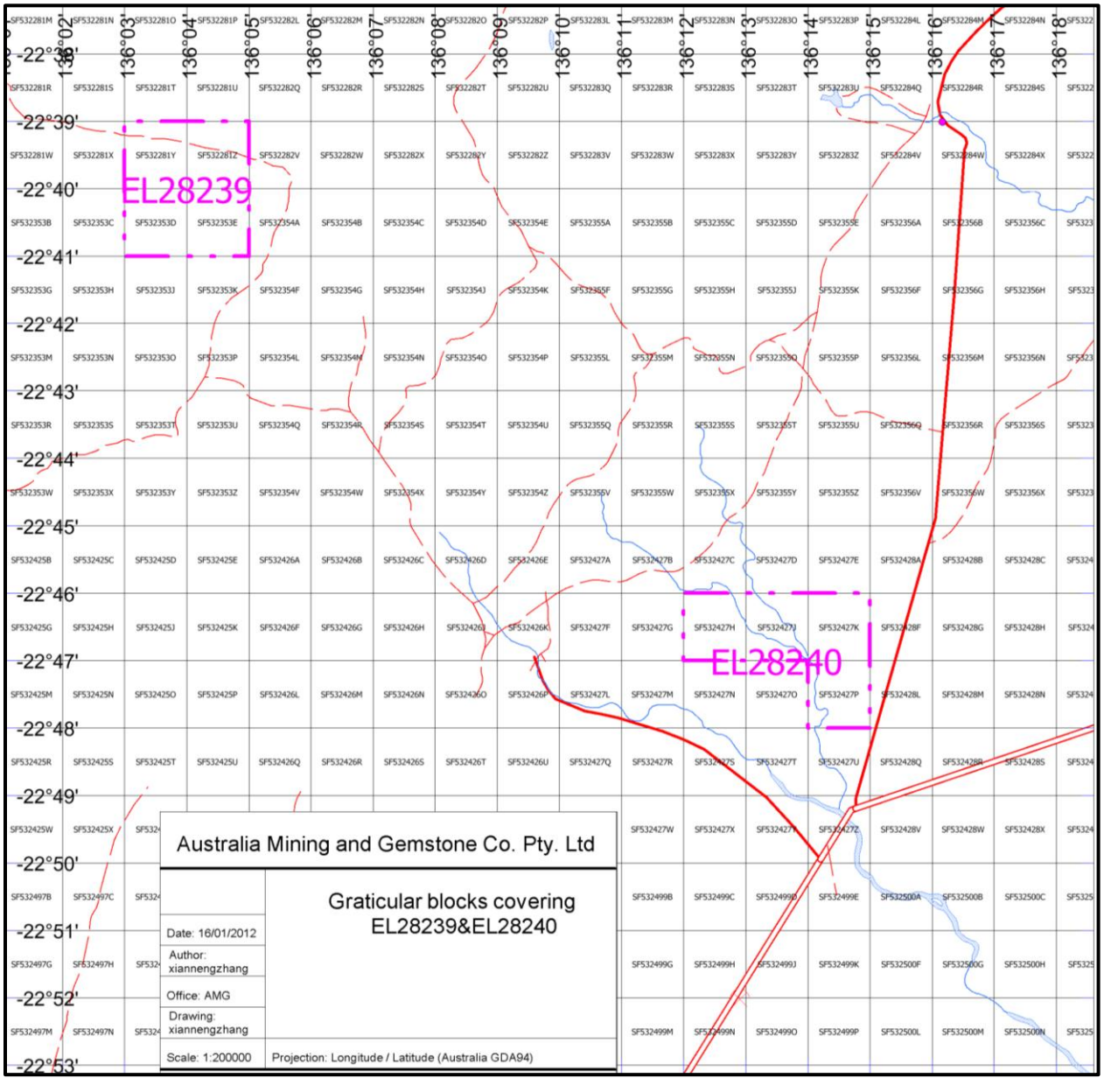

Figure 2 Landholders and Lease Numbers displayed inside EL28239

registered and recorded sites have been sought from the Aboriginal Areas Protection Authority ("AAPA").

4. GEOLOGY

EL28239 occurs in the eastern part of the Arunta Orogenic Domain, a sequence

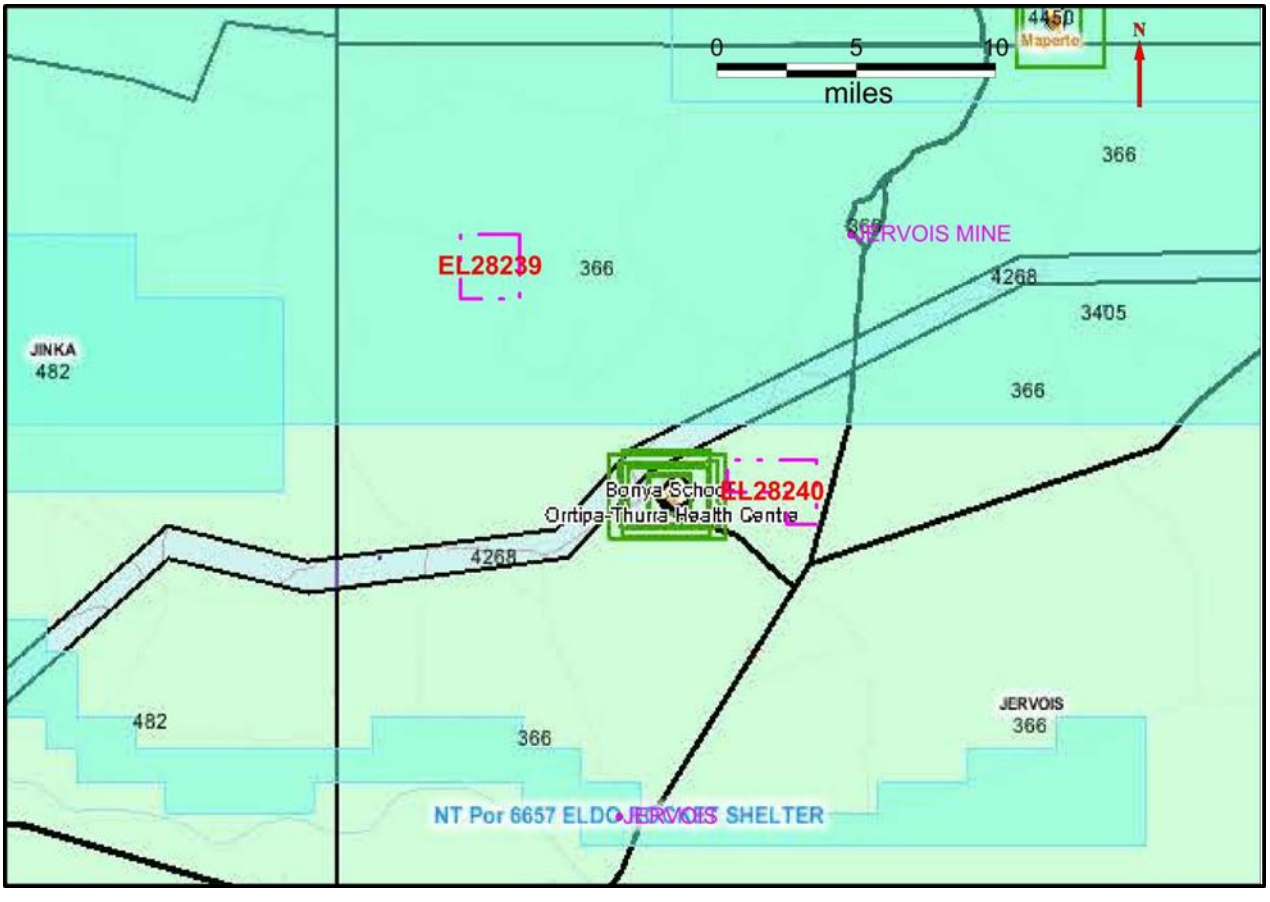

Figure 3 Landholders and Lease Numbers displayed inside EL28239

of predominantly metamorphosed sediments now represented by a series of mica-aluminium silicate rich schists and gneisses, cut by a complex network of regional and local scale EW and NW–SE anastomosing faults (figure 4).

In the Jervois area, EL28239 occur Pegmatite(Pps) and Schist (Bonya schist, P∈o: Miscovite schist, biotite muscovite schist, andalusite schist). These metamorphic occur as isolated outcrops surrounded by extensive soil and sand-covered plains. The dominant rock type is quartzo-feldspathic gneiss and commonly grades into biotite-rich gneiss. Migmatite occurs in both rock types. Feldspathic quartzite and schistose, mica-bearing quartzite are also present and frequently contain tourmaline. Other rock types include biotite schist, layered magnetite-quartz rock, calc-silicate rocks, and megacrystic granitic gneiss. The rocks are intruded by several plugs of unnamed granite.

Schistose biotite-garnet gneiss, sillimanite gneiss, amphibolite, and biotite gneiss of the

"Iridina Gneiss" also occurs in the area.

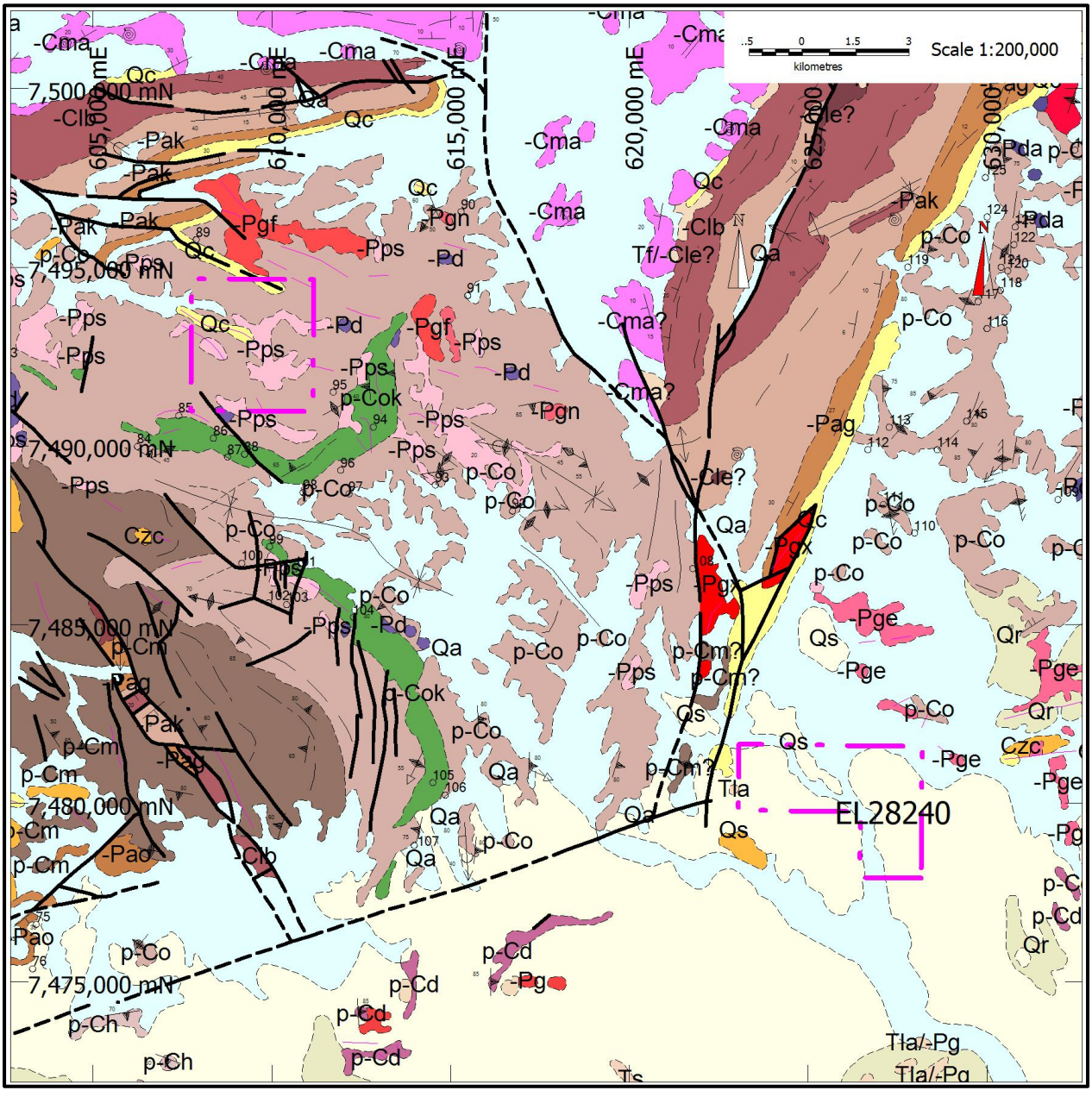

Figure 4 Geological Map of EL28239

5. PREVIOUS EXPLORATION

In 1973, L.A. Johannsen submitted CR19790133(EL1865), a total of thirty days was spent in the field, looking for copper and scheelite.

In 1989-1991, Rosequartz mining NL holding EL6260, Exploratory work carried out includes: geological reconnaissance/37rock chip samples/61 bulk cyanide leach

drainage samples/61 duplicate drainage samples for base metal analysis. Analyses for Au, U, Cu, Pb, Zn, As has been carried out. No samples drop in EL28239.

In 1991-1996, Normandy exploration limited holding EL6993&EL7505, carried out exploratory work which included: geological reconnaissance/rock chip samples/stream sediment samples/drilling. Analyses for Cu, Pb, Zn, Ag, As Bi, Cd, Mo, Fe, Mn, Co, Ni has been carried out. No drill holes in EL28239. An old working -"Xanten" is not within EL28239. Copper-bearing lenses are small and rarely exceed 3m in length. Visual estimate suggests that about 1,000 tonnes of copper ore may have been mined. "Xanten" location need adjust.

In 2006-2008, Imperial Granite & Minerals Pty Ltd holding EL24911 carried out a field reconnaissance trip March- April 2007. Whilst much of the EL contained open soil covered country with little outcrop, four samples were taken.

6. EXPLORATION DURING YEAR 1

Work done during Year 1 of tenure consisted of a historic data compilation. The results of previous work are outlined in the previous section („Previous Work"). Work done included checking:

a) historic tenure in MapInfo, using a MapInfo file supplied by DPIFM (containing exploration tenure, but not mining tenure)

b) checking NTGS datasets, such as MODAT.

c) checking open file company reports submitted for previous tenure covering EL28239.

d) georeferencing relevant maps and plans into MapInfo to obtain locations of samples and mapped geology within EL28239.

7. PLANNED EXPLORATION FOR YEAR 2

Exploration is planned to target Au Cu and W mineralization, programme include Field reconnaissance/ground mapping/ground magnetic survey and soil survey over EL28239. A cost for the total proposal $14,000.

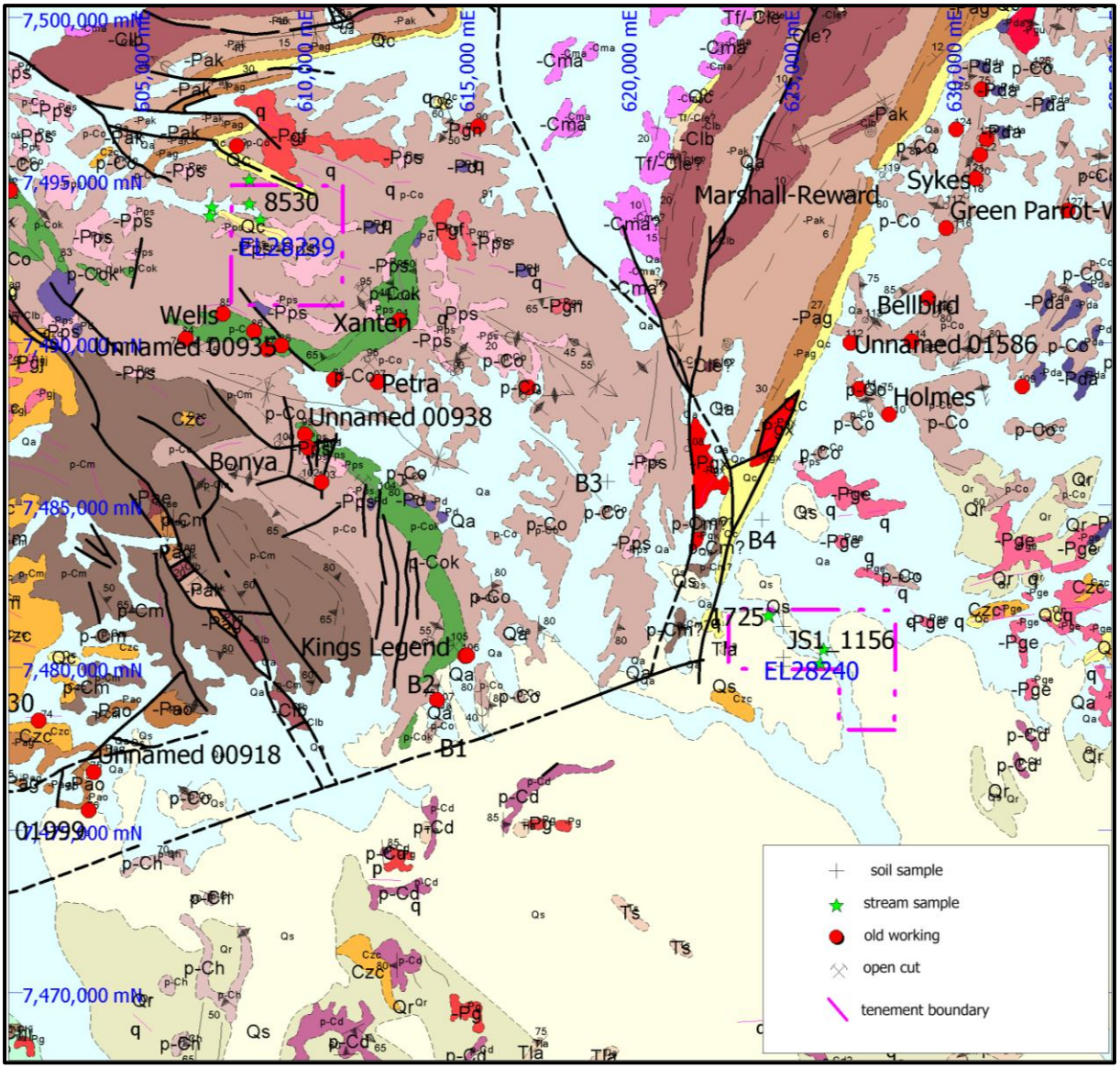

Figure 5 Compilation of historical data on EL28239

8. EXPENDITURE

Expenditure (as supplied by Australia Mining and Gemstone) consisted of:

Table 1 Expenditure on EL28239

Expense	$
Office Studies	$4,500.00
Consultants	$1,500.00
General research, work plan	$4,500.00
TOTAL	**$10,500.00**

9. REFERENCES

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