# EXECUTIVE SUMMARY

## Southdown Extension Iron Ore Project, WA

- Acquired Minemakers' 80% interest in the Southdown Extension project, strategically situated approximately 80kms from the town and port of Albany.
- Southdown Extension project is comprised of **six (6) granted tenements**.
- **Drilling to commence** at the Southdown Extension project early January, 2012.
- AMMG and Anhui Bureau signed a further MOU to include the Company's Southdown Extension project.
- Both parties signed an MOU in August relating to the development of the Company's Yilgarn iron ore projects.

## South West WA Kaolin/Aluminous Clay Project

- TSW Analytical independently verified the trial samples of **85gm** of **99.99% high purity alumina** and **1.06kg** of **99.5% smelter grade alumina**.
- Option agreement signed with Chinese technology holder, Professor Shang, to acquire exclusive licence for processing kaolin to alumina via an acid-based process.
- Land access agreements successfully negotiated with another key private landowner at AMMG's Meckering project.
- A further two (2) applications were made at Meckering, bringing the total project area approximately 2,933km².

## Yilgarn Iron Ore Project, WA

- Land access agreements successfully negotiated with key private landowners at AMMG's granted Bencubbin project.
- **Drilling to commence** at Bencubbin in January, 2012.
- The WA state government's Exploration Incentive Scheme (EIS) co-funded drilling program accepted AMMG's Pingaring and Bencubbin projects as successful applicants.

## Constance Range Iron Ore Project, QLD

- MLM Drilling engaged to provide RC and diamond core drilling for Constance Range iron ore project.
- Drilling scheduled to commence in November 2011 to establish JORC statement for iron ore resources at Deposit 'P'.
- Due to poor weather conditions and safety concerns, drill program postponed until seasonal weather improves.
- AMMG anticipates the granting of further tenements in the nearer term.

## Successful China Road Show

- Attended the annual China Mining Congress & Expo in Tianjin, China.
- Signed MOU with Anhui Bureau on the Southdown Extension project.

## Working Capital

- The Company remains well funded with $5.91 million cash at Bank as at 31 December 2011.

## PROJECT OVERVIEW

The Company has 17 granted tenements and 47 tenement applications totalling approximately **12,213km²**. During the quarter, AMMG applied for an additional **8** tenements, totalling approximately **3,150km²**.

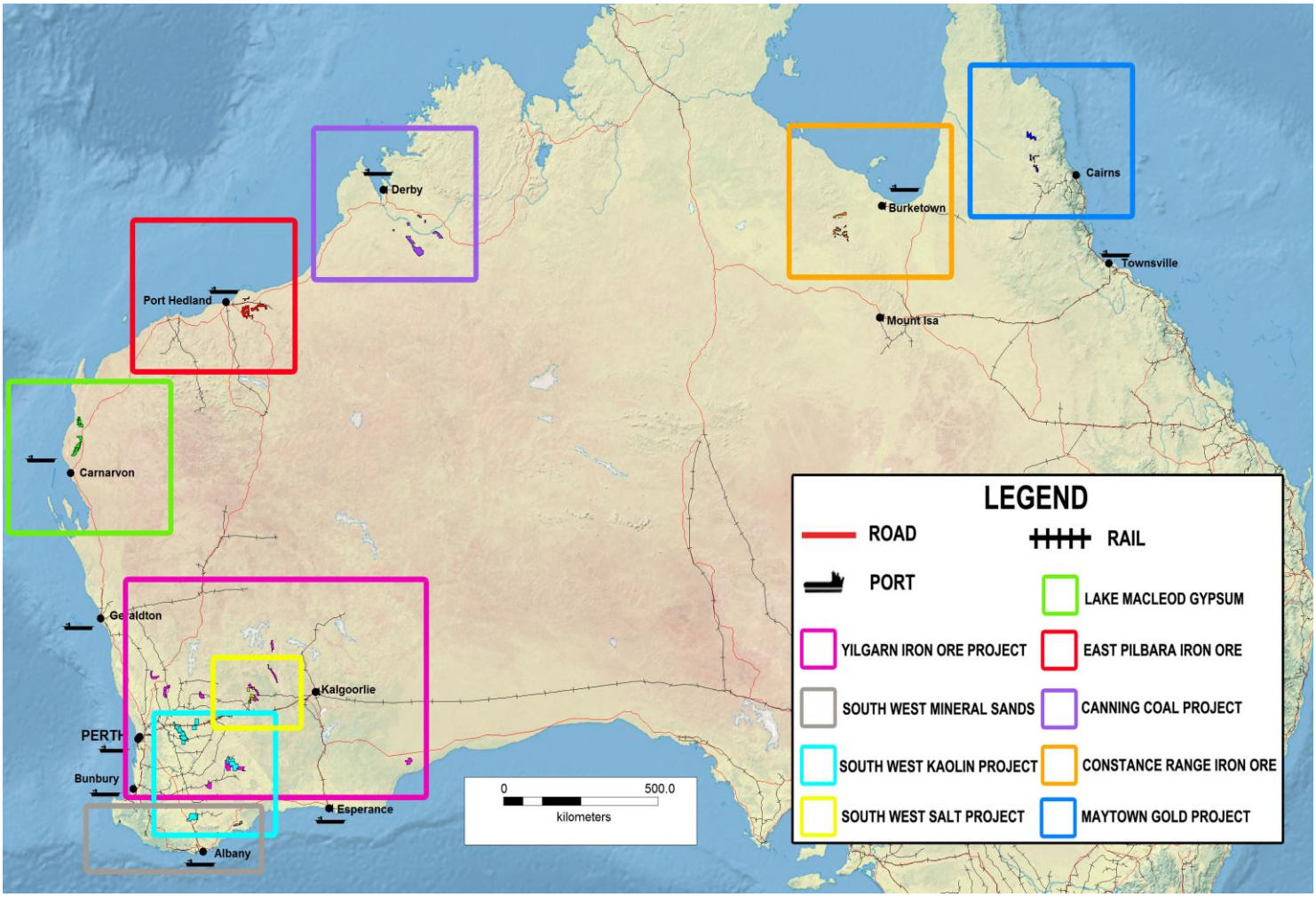


Figure 1: Map showing AMMG's project locations

# YILGARN IRON ORE PROJECT

E69/3014, E70/4210, E70/4131, E70/4118, E70/4120, E70/4097, E70/4060, E70/4087, E16/435, E30/417, E77/1936, E77/1770, E70/2640, E70/4238, E70/4239, E70/4240, E70/4241, E70/4242

AMMG has **nine (9) granted** tenements at Bencubbin, Koolyanobbing, Illaara and Southdown Extension (comprised of 6 tenements). A further **nine (9)** applications are located at Brontie, Pingaring, Kukerin, Ularring, Burngup, Wongan Hills, Goomalling, Dalwallinu and Balladonia. The total area granted and under application status is now approximately 2,615km².

## Southdown Extension Iron Ore Project

During the quarter the Company reached agreement with Minemakers (Iron) Pty Ltd (ASX/TSX: MAK) to acquire their 80% interest in the West Southdown project. Situated approximately 80kms from the town and port of Albany, the recently named Southdown Extension project is a 22-block exploration licence that lies along strike from Grange Resources' Southdown magnetite project in south-Western Australia.

Minemakers initially acquired the West Southdown tenement to target the western extension of Grange Resources' Southdown magnetite deposit. The tenement was granted in 2005, and in 2007 Minemakers announced that strong magnetite mineralisation had been intersected during their successful diamond drill hole program (see Figure 2 below). Three targets over 8.5km strike length were targeted (ASX: MAK, 25/03/07):

- Hole WSD01 149-161m, 12m @ 40.65% magnetite, containing 65.5% iron
- Hole WSD02 121-127m, 6m @ 36.0% magnetite, containing 64.8% iron
- Hole WSD03 101–110m, 9m @ 41.0% magnetite, containing 69.0% iron

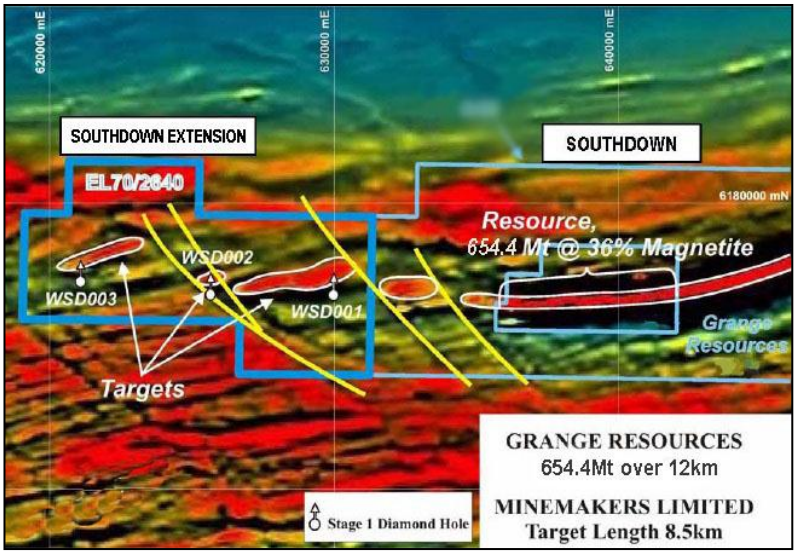


Figure 2: Map showing AMMG's Southdown Extension target areas along 8.5km strike length

During the quarter AMMG signed a further memorandum of understanding (MOU) with Queensland-based Anhui Lianghuai Resources Pty Ltd, the wholly owned subsidiary of the Anhui Provincial Bureau of Coal and Geology. The further MOU includes the newly acquired Southdown Extension project. Both parties signed an earlier MOU in August 2011 relating to the development of the Company's Yilgarn iron ore projects.

## Pingaring Iron Ore Project

AMMG's Pingaring 100% iron ore project (tenement E70/4131) is situated approximately 40km north-east of Lake Grace (300km east of Perth) in Western Australia.

Government and industry magnetic surveys have revealed a significant 15km north-south trending band of "metamorphosed iron-formation, metachart and mafic granulite" that generates a significant magnetic signature. This magnetic anomaly trends roughly north-south through AMMG's tenement and is considered prospective for weathered iron formation.

The magnetic signature of the meta-iron formation has a strike length of approximately 15km and a width averaging approximately 200m. AMMG plans to drill the strike length of this anomaly in order to assess for iron mineralisation. Much of the area appears to be covered by transported overburden.

## Pingaring Successful EIS Drill Funding Applicant

During the quarter the Company was successful in its submission to the state government's Exploration Incentive Scheme (EIS) co-funded drilling program for its Pingaring project. AMMG will be refunded up to a total of $135,000 towards the future drilling program. Generally, the EIS program is supported by the state government's Royalties for Regions program, and provides co-funding of up to 50% of direct drilling costs.

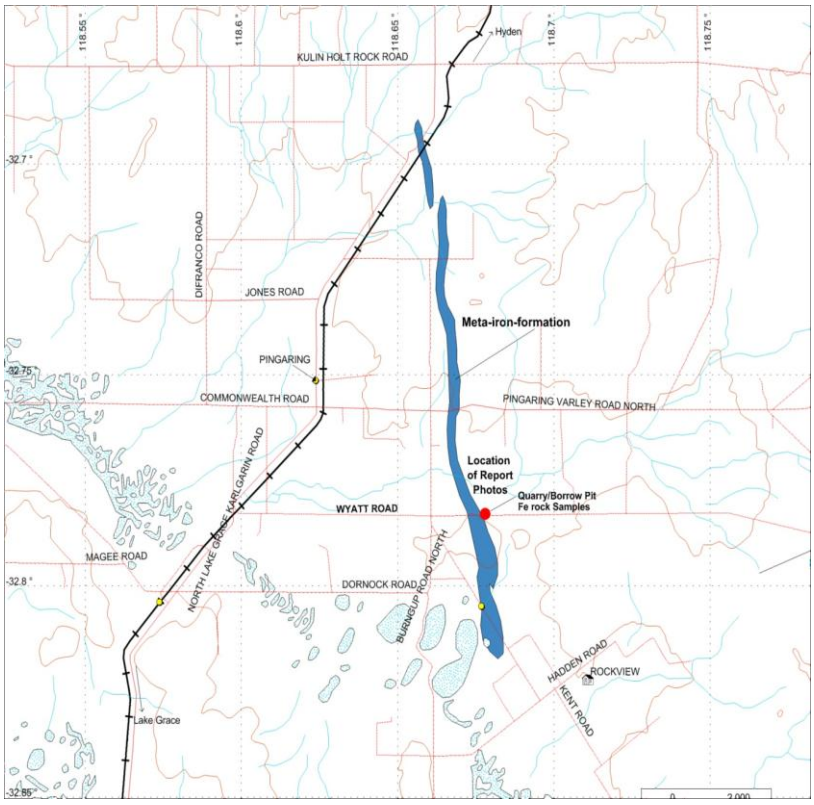

Figure 3: Map showing the Pingaring project's 15km meta-iron formation

## Bencubbin Iron Ore Project

During the quarter, AMMG successfully negotiated land access agreements with key private landowners regarding the upcoming drill program at its 100% owned Bencubbin project. Scheduled to commence in January 2012, the drilling program will consist of a number of RC holes over freehold farmland to test the depth and extent of known magnetite mineralisation.

## Bencubbin Successful EIS Drill Funding Applicant

The Company's Bencubbin project was also a successful applicant in the state government's EIS co-funded drilling program in August 2011. AMMG will be refunded up to a total of $66,000 towards the upcoming drilling costs.

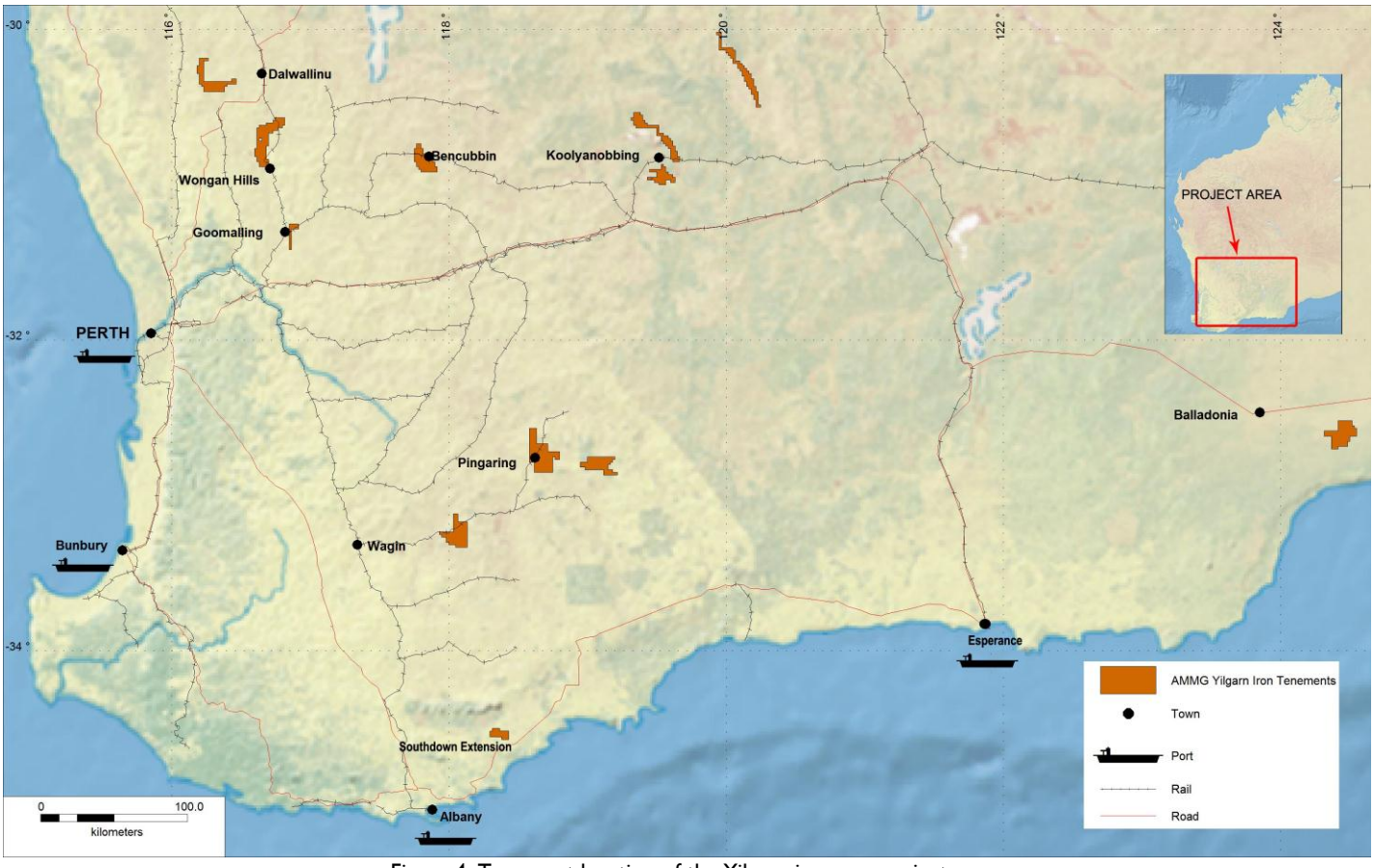


Figure 4: Tenement location of the Yilgarn iron ore projects

## SOUTH WEST KAOLIN/ALUMINOUS CLAY PROJECT

**MECKERING** E70/3923, E70/4204-7, E70/4256-7; **KERRIGAN** E70/4177, E70/4053; **KELLERBERRIN** E70/4208-9; **BOBALONG** E70/4211

AMMG has **one (1) granted** exploration licence and **11 applications** targeting kaolin and aluminous clay in the Yilgarn, South West, Western Australia. The kaolin and aluminous clay project extends across four of its 100% owned project areas: Meckering, Kerrigan, Kellerberrin and Bobalong. The total project area covers approximately 2,934km².

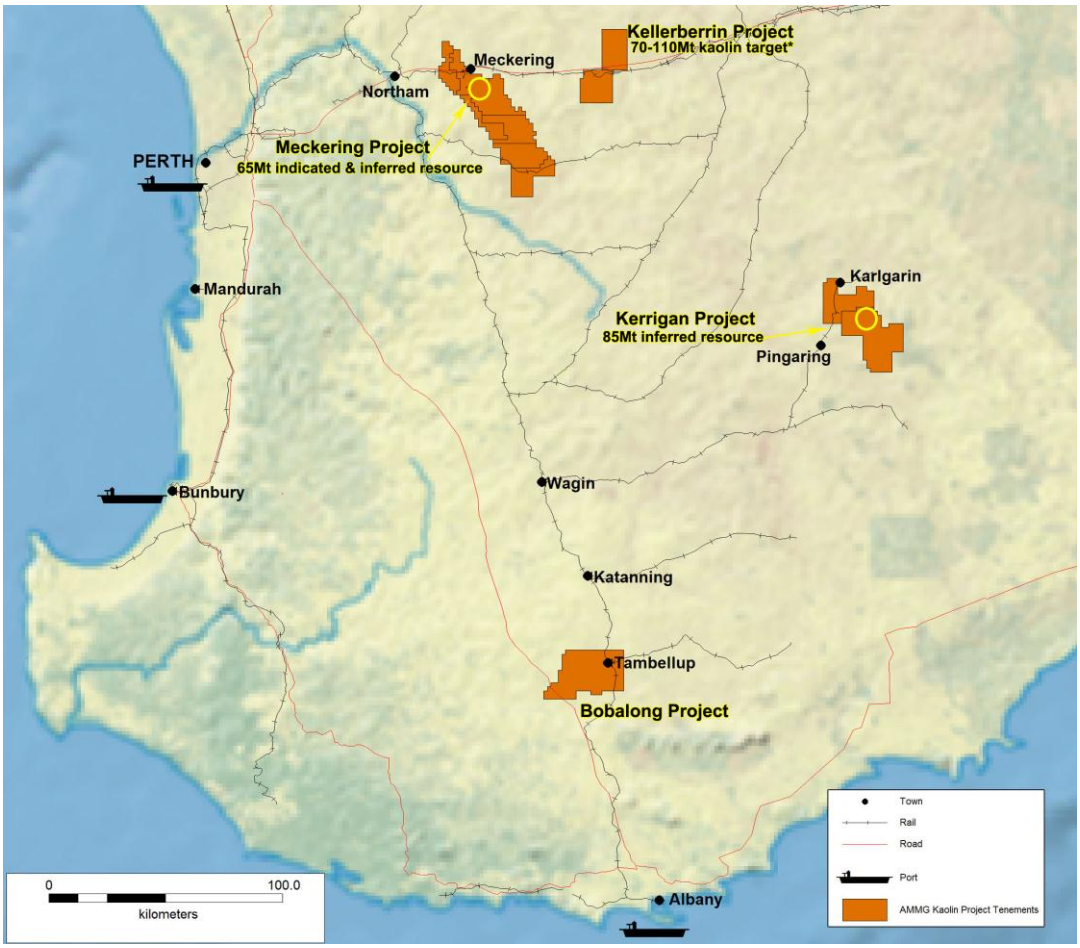


Figure 5: Tenement location of the South West kaolin/aluminous clay projects

### Development of Kaolin to Alumina Technology

In September 2011 the Company sent a 4kg crude kaolin sample from its Meckering project to a Chinese technology holder for processing and analysis. Using his unique laboratory scale acid-based process, the Chinese technology holder, Professor Shang, successfully produced 1.06kgs of 99.5% smelter grade (SG) alumina and 85gms of 99.99% high purity alumina.

During the quarter, those samples were independently verified by TSW Analytical, an Australian-based company headed by experienced analytical chemistry professionals who specialise in scientific problem solving. The results received from TSW confirm that the grade for the SG sample meets the specifications claimed. While the highly refractory nature of the alumina has made it analytically challenging to determine the concentration of impurities in the high purity material, using a solution-based analytical technique, TSW was able to support the original 99.99% high purity alumina claim using a washing process as part of their analytical method to obtain results of 99.95% ± 0.05%.

## Exclusive Australia-wide Technology Licence Agreement

During the quarter AMMG signed an option agreement with Professor Shang to acquire an exclusive Australia-wide technology licence for the processing of kaolin or aluminous clay to alumina via an acid-based technology process. The option agreement is for a period of five years with remuneration terms yet to be agreed.

Following the execution of the option agreement, AMMG will continue to work closely with Professor Shang towards advancing and tailoring the unique technology process to the specific attributes of AMMG's particular kaolin material, which has relatively high alumina and low impurity levels.

## Bobalong Kaolin/Aluminous Clay Project

The Company's Bobalong kaolin project is a 200-block application licence that surrounds the town of Tambellup, approximately 310km south-east of Perth. The available historical data has shown that drilling at a maximum depth of 33m has encountered kaolin intersections up to 24m in thickness. Ongoing exploration investigations will continue to evaluate the potential of this project. Surface exposure of kaolin is evident across the entire tenement E70/4211.

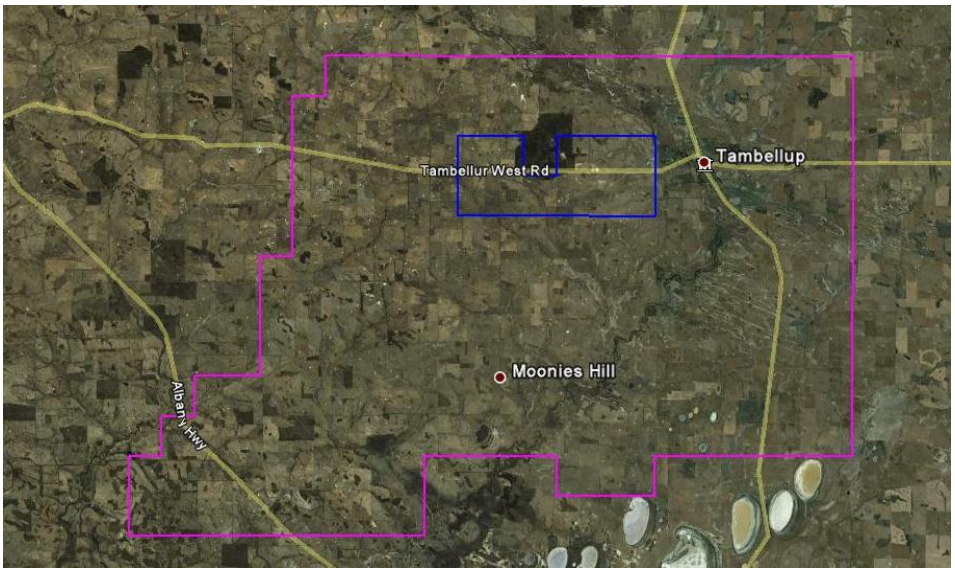


Figure 6: Map showing Bobalong tenement E70/4211

## Meckering Kaolin/Aluminous Clay Project

The Company's Meckering kaolin project is approximately 130km east of Perth. During the quarter, AMMG successfully negotiated another land access agreement with a private landowner.

## CONSTANCE RANGE IRON ORE PROJECT

EPM16620, EPM17164, EPM17920, EPM17919, EPM18375, EPM18710

The Company has **two (2) granted** tenements, and anticipates the granting of further tenements in the nearer term. The total area under application and granted status is now over 690km².

During the quarter the Company engaged respected drilling contractors MLM Drilling to commence the first of three rounds of drilling in early November 2011.

MLM Drilling has had considerable drilling experience in the vicinity of the Constance Range area. It was anticipated that drilling would commence at Constance Range in November 2011, following mobilisation of MLM Drilling's multi-purpose diamond/RC drilling rig.

Unfortunately, due to very poor weather conditions and safety concerns, the drilling program was aborted until weather improves. The drilling at AMMG's 100% owned Constance Range iron ore project (EPM16620) is seeking to establish a JORC statement of resources from the previous BHP defined deposit 'P'.

A new series of preliminary exploration holes consisting of nine (9) reverse circulation (RC) exploration drill holes have been planned to test for iron mineralisation at Constance Range. A summary of the planned holes is presented in the table below:

| Hole Id | RL | Depth | Dip | Azi | amg e | amg n |
|---|---|---|---|---|---|---|
| 1 | 165 | 100 | -90 | 360 | 208184 | 7951767 |
| 2 | 165 | 100 | -90 | 360 | 208964 | 7951757 |
| 3 | 165 | 100 | -90 | 360 | 209407 | 7951304 |
| 4 | 165 | 100 | -90 | 360 | 208408 | 7950683 |
| 5 | 165 | 100 | -90 | 360 | 209375 | 7952242 |
| 6 | 165 | 50 | -90 | 360 | 223546 | 7948885 |
| 7 | 165 | 50 | -90 | 360 | 224073 | 7948908 |
| 8 | 165 | 50 | -90 | 360 | 224703 | 7948900 |
| 9 | 165 | 150 | -90 | 360 | 199278 | 7950470 |

Table 1: Planned exploration holes

Drill holes 1 to 5 are designed to test the veracity of the historic BHP data and to add to the database in order to prove up a JORC compliant resource for deposit P (see Figure 7 below).

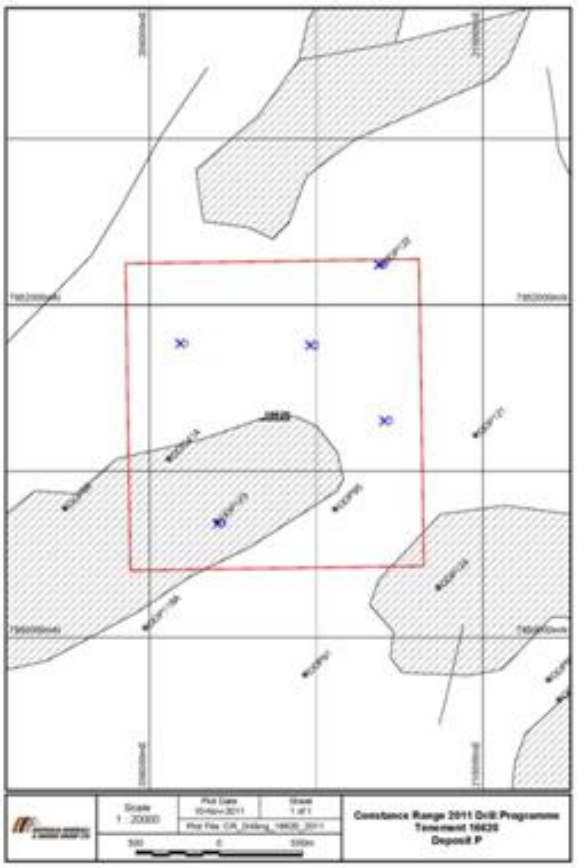


Figure 7: Location plan deposit P

Drill holes 6, 7 and 8 are designed to test the northern portion of deposit D within AMMG's granted tenement EPM17919 (Figure 8). Subject to the granting of tenement EPM18375, a further drill program will be designed in order to establish a JORC compliant resource for deposits D, C1 and C2.

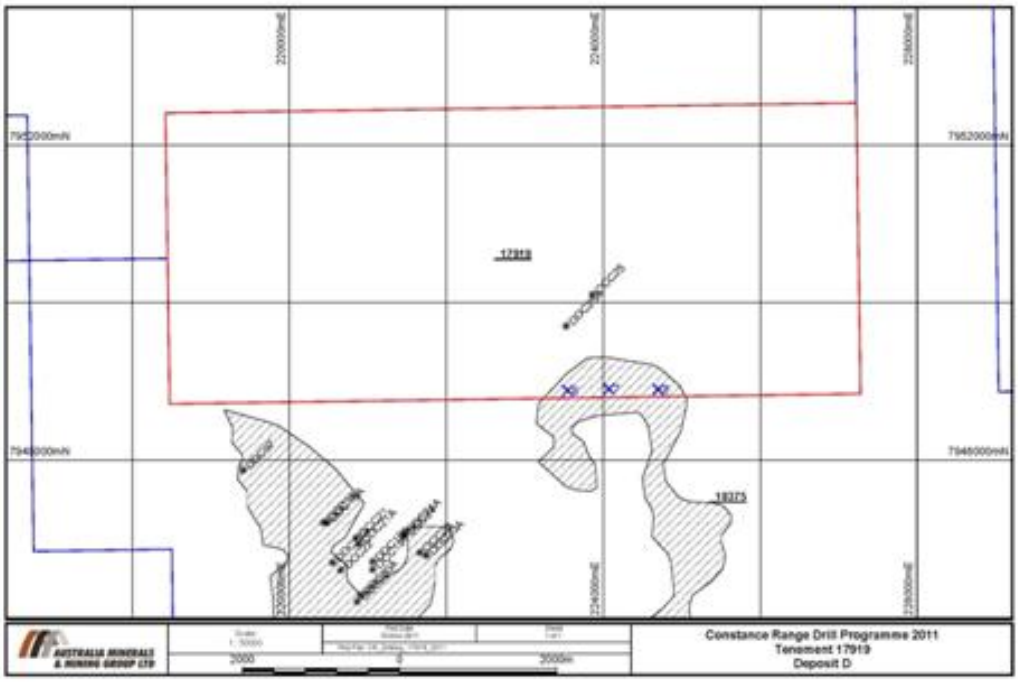


Figure 8: Drill plan for deposit D

Drill hole number 9 is designed to test for iron mineralisation within deposit M.

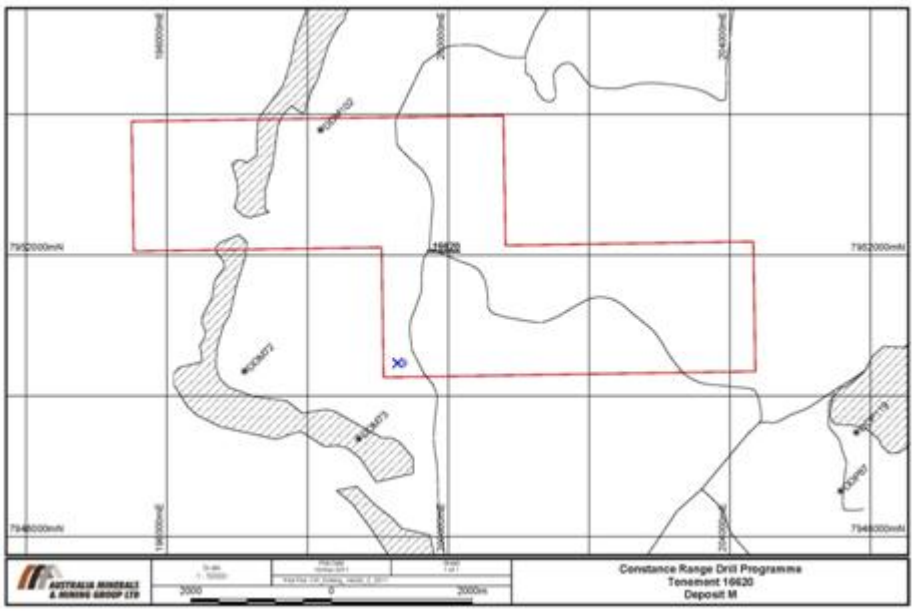


Figure 9: Drill plan for deposit M

## INVESTOR RELATIONS/CORPORATE MARKETING

AMMG travelled to China in November for the 2011 China Mining Congress & Expo in Tianjin. The Company was fortunate to secure a booth (booth number 2509) at the conference, which attracted over 4,500 delegates from China and overseas this year. The conference was an opportunistic marketing venture, and the Company plans to attend again in 2012.

## WORKING CAPITAL

The Company remains well funded with $5.91 million cash at Bank as at 31 December 2011.

## CORPORATE/HUMAN RELATIONS

The Company made a number of key management appointments during the December quarter:

Mr Michael O'Mara was appointed the Company's Chief Geologist in October 2011. With over 15 years' experience in the mining industry, both in Australia and overseas, Michael holds a Bachelor of Science degree from the University of Western Australia. Michael was previously employed at Jupiter Mines, where he worked on their Central Yilgarn iron project. He brings to the Company experience in pre-feasibility and feasibility studies on new mineral deposits, ore body characterisation work and mine development projects. Michael also possesses significant experience as a competent person for JORC mineral resource and ore reserve determinations and is a member of the Australian Institute of Geoscientists.

Mr Joel Rowe was appointed the Company's Exploration Geologist in October 2011. With over 6 years' experience in the mining industry, Joel holds a Bachelor of Science degree and is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Prior to joining AMMG, Joel was working on Hazelwood Resources Ltd' Bighill and Mt Mulgine tungsten projects as exploration manager. Joel also possesses significant experience as a competent person for JORC mineral resource and ore reserve determinations.

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*Technical information in this report is based on information compiled by Mr. Michael O'Mara B.Sc. Geology, AMMG Chief Geologist and a member of the Australian Institute of Geologists. Mr. O'Mara has sufficient exploration experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC 2004"). Mr. O'Mara consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.*

## ABOUT AMMG

AMMG was established for the purpose of securing exploration ground over areas that have typically been subject to **historical exploration** and where **significant geological data** was available and/or the land was considered sufficiently prospective. Areas with existing or potential access to infrastructure were also targeted.

To date, the Company has identified project areas located in Western Australia and Queensland, which the directors believe may have the potential for the realisation of economic resources of these commodities currently targeted, being - **iron ore, kaolin/aluminous clay, gypsum, mineral sands, salt and coal.**

The Company itself or under joint venture now has **17 granted tenements and 47 applications** for tenements covering approximately **12,213km$^2$** over the project areas. AMMG is pursuing a **diversification strategy** at this stage of the Company's development in order to provide additional development options and potential production opportunities.