

MEDIA/ASX RELEASE

19 OCTOBER 2011

ALUMINA FROM KAOLIN TEST SAMPLE RESULTS INDEPENDENTLY VERIFIED

HIGHLIGHTS

- **Alumina test sample from AMMG's 150 million tonne JORC kaolin resource independently verified by TSW Analytical.**
- **Both samples have received positive results indicating:**
 - **99.5% metallurgical grade alumina; and**
 - **99.99% high purity alumina, as detailed below.**
- **Test results allow AMMG to move forward confidently with the development of acid-based processing techniques.**

Australia Minerals and Mining Group Limited (**ASX: AKA**) ("**AMMG**" or "**the Company**") is pleased to announce that the quality of the 1.06kg of 99.5% metallurgical alumina sample, and the 85gm of 99.99% high purity alumina sample have been independently verified by TSW Analytical ("**TSW**"). TSW is an Australian-based company headed by experienced analytical chemistry professionals who specialise in scientific problem solving.

The samples were originally produced by a Chinese technology holder from a four (4) kilogram portion, of an originally larger 20 kilogram sample despatched to China. The results received from TSW confirm that the grade for the metallurgical 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%.

Solid State Nuclear Magnetic Resonance (SSNMR) analysis that was undertaken in China (by the technology holder) indicated that the purity of the materials supplied is 99.5% and 99.99% respectively. The Company has not yet sought SSNMR analysis, based on its understanding that there is not a service currently being provided in Australia for this type of matrix.

AMMG believes that alumina may be commercially produced from its kaolin deposits. The verification from TSW allows the Company to move forward in advancing its options of either advancing contractual arrangements with the Chinese technology holder, exploring licensing opportunities with holders of other patented processes, or alternatively, refining and advancing its own technology process specifically tailored to the Company's resource. Subject to the level of investor interest, the Company can explore the possibility of engaging one of a number of interested engineering groups to provide proposals for a scoping study to develop a pilot plant facility.

Ric Dawson, Managing Director, said "the independent verification gives AMMG a level of confidence to move forward in advancing its development path for its aim to establish a pilot plant targeting kaolin to alumina production."

Way Forward

The Company continues to evaluate a number of acid-based processing technologies as well as its own, as a precursor to potentially engaging a chemical engineering firm to provide a scoping study for the possible construction of a pilot plant. The potential daily production of the conceptual pilot plant will target one (1) tonne per day of ultra pure alumina, which has a price range as detailed in the tables below:

Type	Purity	Particle size	Price
Alumina alpha	99.999%	0.5-10 µm	\$396/kg
Alumina alpha	99.99%	50nm	\$221/kg
Alumina alpha	99.99%	0.3-0.8µm	\$155/kg
Alumina alpha	99.99%	1.5-3.5µm	\$142/kg
Alumina alpha	99.99%	3.5-15µm	\$141/kg

Source: Skyspring Nanomaterials <http://www.ssnano.com/powders>

Table 1: Alumina Pricing from Manufacturers

Type	Purity	Particle size	Price
alpha-alumina	99.999%	5µm	\$176/kg
alpha-alumina	99.99+%	0.5-4µm	\$79.4/kg
alpha-alumina	99.99%	100nm	\$122/kg

Source: Inframat Advanced Materials <http://www.advancedmaterials.us/matchem.htm>

Table 2: Alumina Pricing from Manufacturers

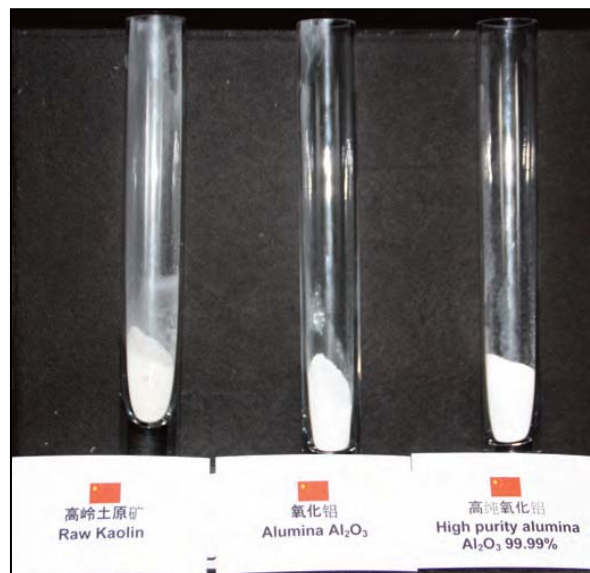


Fig 1: AMMG's raw kaolin, metallurgical alumina and high purity alumina samples

AMMG's Global Resources

The Company has delineated two separate resources on its Meckering and Kerrigan kaolin projects, totalling **150 million tonnes** at 83-85% brightness with an exploration target* ranging from **215 million tonnes to 320 million tonnes**. Work continues to determine the undifferentiated kaolin resources suitable for this new process and will be released as soon as they are available.

Kerrigan Project

	Tonnage	-45 micron ¹	Brightness ²
Inferred Resource	85,000,000	52%	85.1%
Exploration Target Range*	140 – 190m	-	-

Table 3: JORC Resources and Exploration Target

Meckering Project

	Tonnage	-45 micron ¹	Brightness ²
Indicated resource	16,770,000	42.3%	83.2%
Inferred resource	48,280,000	41.8%	83.5%
Total resource base	65,050,000	41.9%	83.4%
Exploration Target Range*	75 - 130m	-	-

Table 4: JORC Resources and Exploration Target

Notes

1. The % minus 45 micron was measured by wet screening.
2. Brightness is the ISO brightness of the minus 45 micron kaolin.

*The term "Target" should not be misunderstood nor misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the term has not been used in this context. It is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Mining Reserve

ENDS

Competent Persons Statement

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 Australasian Institute of Geoscientists. 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.

For more information on Australia Minerals and Mining Group please see below or contact:

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About AMMG

Australian diversified resources company, AMMG, listed on the ASX in January 2010. The Company 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 Board believes may have the potential for the realisation of economic resources of these commodities currently targeted - iron ore, kaolin, coal, gypsum, mineral sands and salt.

The Company has eleven (11) granted tenements and 49 applications for tenements covering approximately 10,640km² over the project areas.