

## **HEADS OF AGREEMENT FOR COPPER AND GOLD MINERAL RIGHTS AT ILLAARA PROJECT, WESTERN AUSTRALIA**

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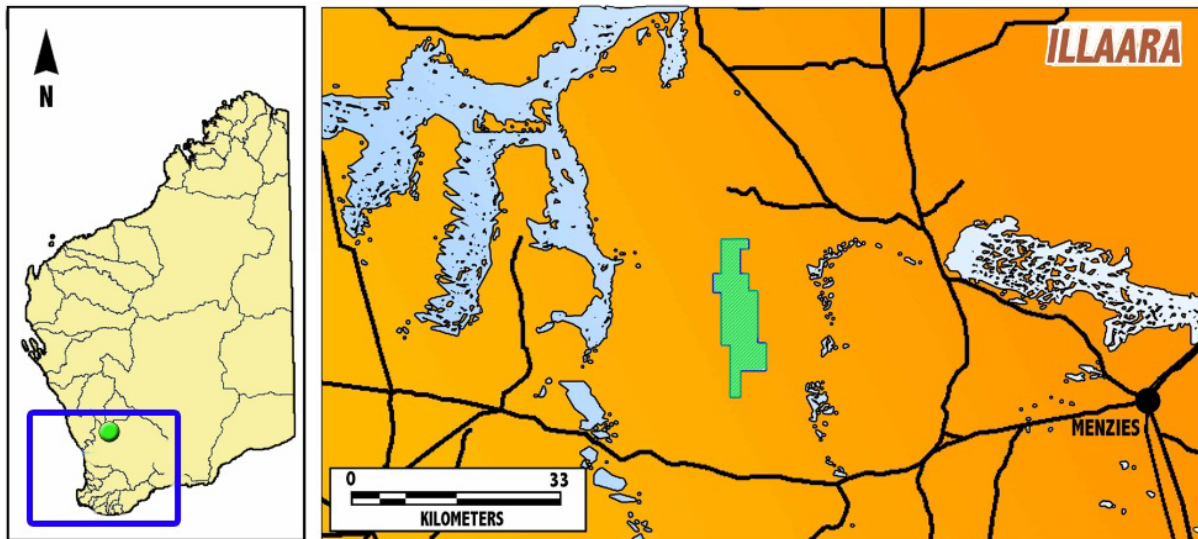
### **Highlights:**

- **AMMG enters into a Heads of Agreement to Joint Venture the mineral rights containing Copper, Zinc, Gold and Silver to exploration company, Alphabrace Resources**
- **AMMG retains mineral rights to Iron Ore and associated minerals at Illaara**
- **Alphabrace Resources is a company with specialist Volcanogenic Massive Sulphide (VMS) technicians, well regarded in the Resources Industry**
- **Terms of the Heads of Agreement include an initial earn-in of 51% in the VMS mineral rights by expenditure of A\$1 million over 3 years**
- **Alphabrace has an option to increase its interest in the VMS mineral rights up to 75% by expenditure of an additional A\$1 million over a further 2 years**

AMMG's Managing Director, Mr Ric Dawson, said "The agreement offers tremendous potential and in keeping with the AMMG strategy to maximise return to shareholders, it will give the Company an opportunity to share in a potential new discovery of copper or gold whilst preserving our capital outlay but at the same time also retain the mineral rights to the iron ore potential which is our primary focus of interest from China".

Australia Minerals and Mining Group Limited (ASX: AKA) (“AMMG” or “the Company”) is pleased to announce that it has entered into a Heads of Agreement with Alphabrace Resources Pty Ltd (Alphabrace) to Joint Venture the mineral rights containing copper, zinc, gold, silver and associated minerals (Mineral Rights) at its Illaara Project located in Western Australia: (See Figure 1 below).

AMMG will retain the mineral rights to iron ore and other associated minerals.



**Figure 1:** Project Location

### **Significant Terms of Heads of Agreement**

Under the terms of the Heads of Agreement between AMMG and Alphabrace the parties have agreed to:

1. A six month due diligence period from the date of the Heads of Agreement. If Alphabrace elects to enter into a farm-in agreement with AMMG, it must do so before the end of this period.
2. Alphabrace can initially earn-in a 51% interest in the Mineral Rights by expenditure of \$1 million over 3 years (Earn-In Period).
3. Alphabrace has the option to increase its interest in the Mineral Rights to 75% by expenditure of an additional \$1 million over a further 2 years.
4. Following the election to enter into a farm-in agreement, Alphabrace will reimburse AMMG previous expenses payable on the tenement during the Earn-In Period.
5. Alphabrace can withdraw from the Agreement during the Earn-In Period after spending a minimum of \$100,000.

Alphabrace will use their expertise to explore the tenement using their proprietary approach to exploration for Volcanic Massive Sulphide (VMS) style copper-zinc-gold-silver deposits as outlined below. This will enable AMMG to maintain a strategic focus on iron ore exploration while retaining an opportunity to share in a potential new discovery of copper and gold.

## **About Alphabraxs Resources**

Alphabraxs Resources Pty Ltd is privately owned mineral exploration company with a brief to explore for Volcanic Massive Sulphide (VMS) style Copper-Zinc-Gold-Silver deposits in the Yilgarn Block of Western Australia. Whereas most other companies target advanced VMS plays, Alphabraxs' brief is to discover Copper-Zinc deposits overlooked by other explorers, through early stage exploration using new exploration technologies.

Key tools in the Alphabraxs' exploration repertoire include:

- Short Wave Infrared (SWIR) mineral spectral mapping, to map the extensive distal alterations halo's around Copper-Zinc massive sulphide systems, and importantly, map vectors into the cores of these alteration systems; and
- detailed low level geochemistry, designed to look at both pathfinder, alteration and host rock geochemical patterns through the strong and deep Yilgarn weathering profiles.

The directors of Alphabraxs are:

- John McIntyre
- Scott Halley
- Joshua Pitt, and
- Neil Tomkinson

Collectively the board has very strong exploration, operational, corporate and legal skills, with a strong emphasis on the Archaean and on VMS exploration and various Directors have been associated with mineral discoveries as detailed below.

### **Scott William Halley Ph.D., MAIG**

Dr Scott Halley is internationally renowned for his work in the fields of alteration mapping and litho-geochemistry leading to deposit "footprinting". He graduated with a Bsc (Hons) from the University of Tasmania and successfully pursued a doctorate from the Australian National University. Scott has worked for a variety of Australian and multinational exploration companies exploring for VMS, epithermal, Sn-skarn, porphyry Cu, high sulfidation Au and Carlin Au, and Archaean Au deposits worldwide.

### **John Richard McIntyre BSc. (Hons), MAIG**

Mr McIntyre's experience includes 25 years in mineral exploration, including company direction, exploration management and execution from project generation and land acquisition through to resource definition, and worked with companies associated with the discovery of the Ernest Henry copper-gold, Nimary-Jundee, Mertondale and Dalgaranga gold mines, and Munni Munni PGE deposit. Mr McIntyre was a foundation director in Chalice Gold Mines Limited and Liontown Resources Limited.

### **Joshua Norman Pitt BSc, MAusIMM, MAIG**

Mr Pitt is a geologist with substantial exploration experience who has for more than thirty years been a director of exploration and mining companies in Australia. He was a director of Dalrymple Resources NL and is currently a non-executive director of Traka Resources Limited, Red Metal Limited, Red Hill Iron Limited, Pan Pacific Petroleum NL and Hampton Hill Mining NL. Mr Pitt is involved in substantial private mineral exploration and also in resource investment.

**Neil Tomkinson LLB (Hons)**

Mr Tomkinson has extensive experience over the last 30 years in the administration of and investment in exploration and mining companies. Mr Tomkinson was the non-executive chairman of Dalrymple Resources NL and is now the non-executive chairman of Traka Resources Limited, Hampton Hill Mining NL, Pan Pacific Petroleum NL and Red Hill Mining Limited. Mr Tomkinson is an investor in private mineral exploration and in resources in general in Australia.

ENDS

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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, gypsum, mineral sands, salt and bentonite.

The Company has eight granted tenements and 34 applications for tenements covering approximately 7,440 km<sup>2</sup> over the project areas.