

MEDIA/ASX RELEASE

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MAIDEN GYPSUM RESOURCE AT LAKE MACLEOD NORTH PROJECT, WESTERN AUSTRALIA

HIGHLIGHTS

- **Maiden 30.9Mt JORC inferred resource of gypsum delineated by independent geological consultants Reynard Australia**
- **Near surface laterally consistent gypsum deposit**
- **Resource located within ~50kms from coast and ~20kms from major highway**
- **Resource located within ~70kms from privately operated coastal ship loading facilities**
- **Close to proven Asian export markets**
- **Adjacent to known gypsum deposit with world class size and quality specifications**

AMMG's Managing Director, Mr Ric Dawson said, "This new inferred gypsum resource allows the Company to approach with confidence West Australian and potentially larger international customers about the size of the deposit and its specifications."

He further said, "This now gives the Company an additional advanced project of industrial minerals potentially attractive to both local and overseas markets in mind.

"The Company will explore potential market interest during its forthcoming visit to China and then pursue potential access to ship loading facilities.

"Now that the resource has been delineated the Company can pursue potential marketing opportunities", he added.



Australia Minerals and Mining Group Limited (**ASX: AKA**) (“AMMG” or “the Company”), is pleased to announce an **inferred mineral resource of 30.9Mt of gypsum at a grade of 89.5%** using a cut-off of 85% contained CaSO₄ (calcium sulphate) as detailed in the resource estimation below prepared by independent geological consultants, Reynard Australia (see Table I below).

The Lake Macleod Gypsum Project is located approximately 950 kilometres north of Perth in the Gascoyne region of Western Australia. It is approximately 50 kilometres north of the regional centre of Carnarvon and is approximately 20-50 kilometres from the privately operated coastal ship loading facilities at Cape Cuvier, which is a deep water port capable of accommodating vessels of up to 100,000 tonnes, for which the right to access would have to be negotiated.

As detailed in Table I hereunder AMMG holds one exploration licence and four exploration licences, which are subject to a Joint Venture Agreement with Tailrain Pty Ltd pursuant to which AMMG will earn a 100% interest in the Joint Venture Area by meeting the costs of all minimum annual expenditure for the duration of the first year after grant of the tenements.

Project	Tenement ID	Holder	Status	Application Date	Grant Date	Native Title Agreement
North	E08/1891	Tailrain	Pending	11/08/2008		Signed
North	E08/2007	Tailrain	Pending	05/06/2009		Signed
South	E09/1592	Tailrain	Pending	12/11/2008		Signed
South	E09/1572	Tailrain	Granted	05/08/2008	15/03/2010	Signed
South	E09/1686	AMMG	Pending	27/08/2009		In progress
Total Tenements:			5			
Total Granted:			1			

Table I: Exploration Licence Details

Background and Exploration History

Of the five Lake Macleod tenements only two cover the Lake Macleod North Project area (E08/1891 and E08/2007) as shown in Figure I below.

Following an initial drilling program at the Lake Macleod South Project on E09/1592 as per the ASX announcement dated 13 July 2010, the Company has engaged consultants Reynard Australian to prepare a JORC statement on historical drilling by Prima Resources NL, as detailed below.

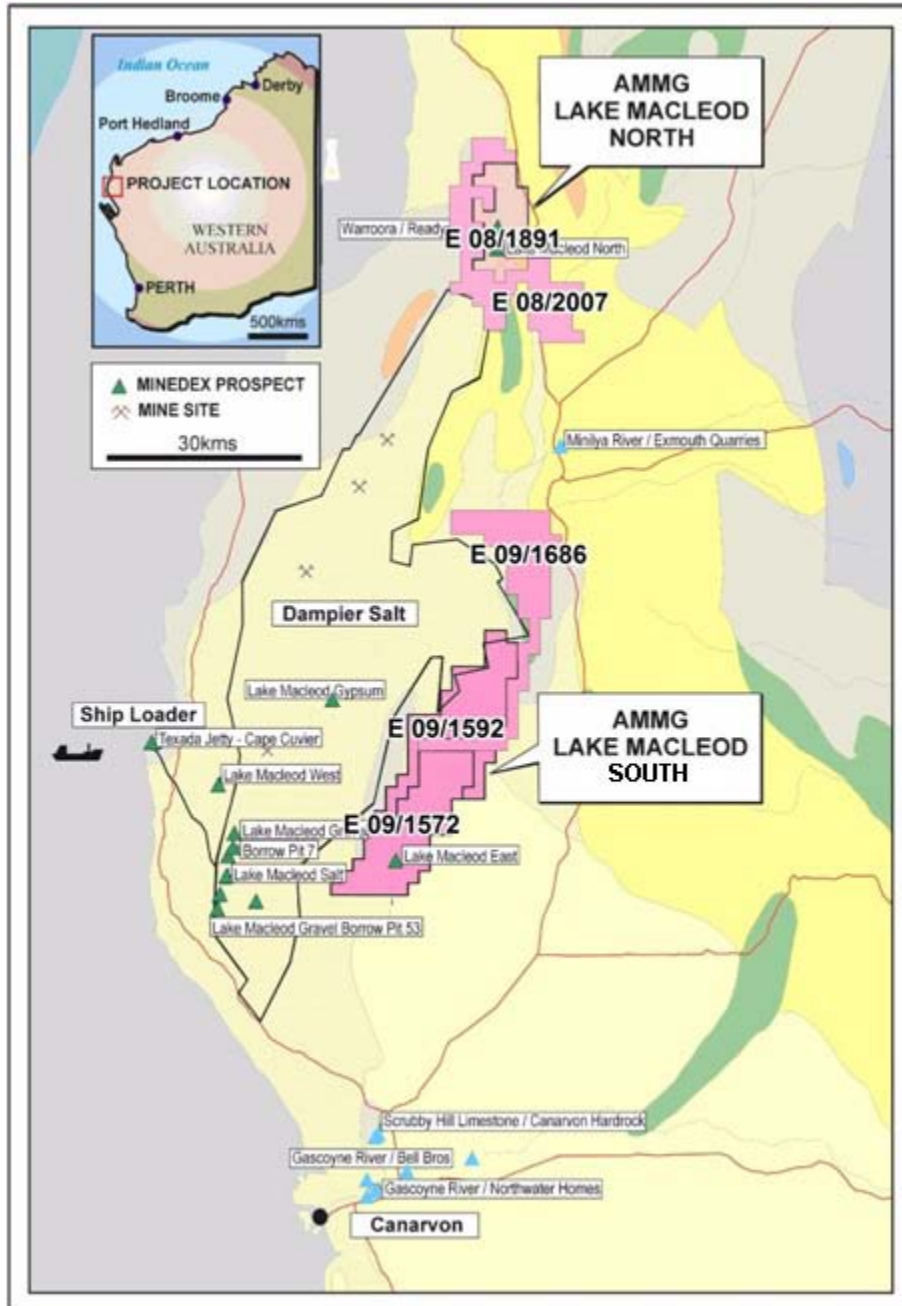


Figure 1: Lake Macleod Project and Exploration Licences

Geological Setting

Extensive evaporate deposits of gypsum and salt occur in natural depressions near the coast such as Lake Macleod. Gypsum appears as a white or colourless evaporate mineral and is composed of calcium sulfate dihydrate.

Gypsum was discovered in the area as early as the 1830's and was not properly explored until Texada Mines Pty Limited developed the Lake Macleod deposits in the mid 1960's. From 1997, Rio Tinto produced a premium product to customers in regards to quality, high purity, colour, consistency and uniformity.

Prima Resources NL assessed the potential of the northern part of Lake Macleod for gypsum and lime potential in 1995-1998. Prima defined both a gypsum deposit and also limestone of suitable quality for supplying lime to the cement industry. They conducted baseline environmental studies, metallurgical test work, as well as the commissioning of a small scoping and development proposal at the then named Lyndon River Gypsum Project.

The Project area was also found to be underlain by a hard clean limestone unit called the Trealla Limestone. This unit forms the Quobba Barrier Ridge to the west of the gypsum deposits and has the potential for cement grade limestone. Lime sands in the area are also potential sources of a low contaminant source of high grade CaO (calcium oxide) in a readily available form.

Resource Estimation Prepared by Reynard Australia

The available drill hole data for this resource assessment was produced by Prima Resources NL (Prima) from auger drilling and backhoe pitting carried out in the mid 1990's. No other reliable data is known by Reynard which could be used to assess this resource.

The Inferred Resources volumes are calculated using a simple "area of influence" polygonal model for each drill hole using the data from Prima's 1995/96 auger drilling. To convert the Resource Volume calculated to tonnes, a bulk density of 2.0 is assumed for the resource material as the deposit is competent bedded gypsum. **This figure is considered conservative.**

The resources are divided into two blocks, with Block 1 and Block 2 in the centre of AMMG's Lake Macleod North licences as shown in Figure 2. The presence of the two blocks is historic in origin and reflects the extent of Prima's exploration licences at the time of drilling.

Table I below summarises the Inferred Resources calculated for Lake Macleod North Project at cut off grades of 75%, 80%, 85% and 90% CaSO₄ using an assumed bulk density of 2.0 t/m³.

Table I: Inferred Resources, Lake Macleod North Project.

Lake Macleod North Project	M Tonnes	M Tonnes	M Tonnes	M Tonnes
Block 1	5.6	5.5	4.9	3.5
Block 2	35.2	34.1	26.1	9.8
Total	40.8	39.6	30.9	13.2
Overall Grade	87.7%	88.0%	89.5%	92.1%
Cut-off Grade	>75%	>80%	>85%	>90%

Because of possible small inaccuracies in hole locations and assumptions on bulk density, overall accuracy of the Inferred Resources listed in Table I is moderate. However, these resource totals are considered conservative for this deposit with significant scope for increase in untested ground between Block 1 and Block 2, and south of Block 2.

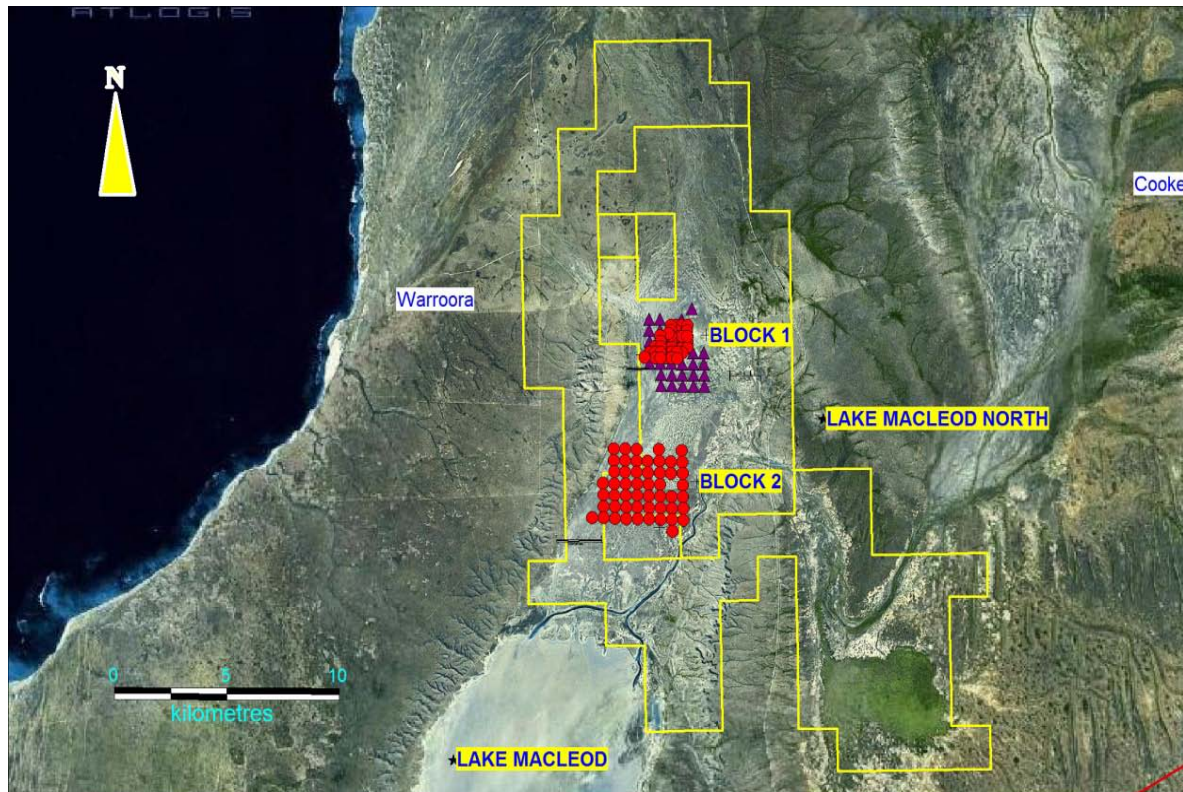


Figure 2: Resource Blocks and Drill Hole Locations at Lake Macleod North Project

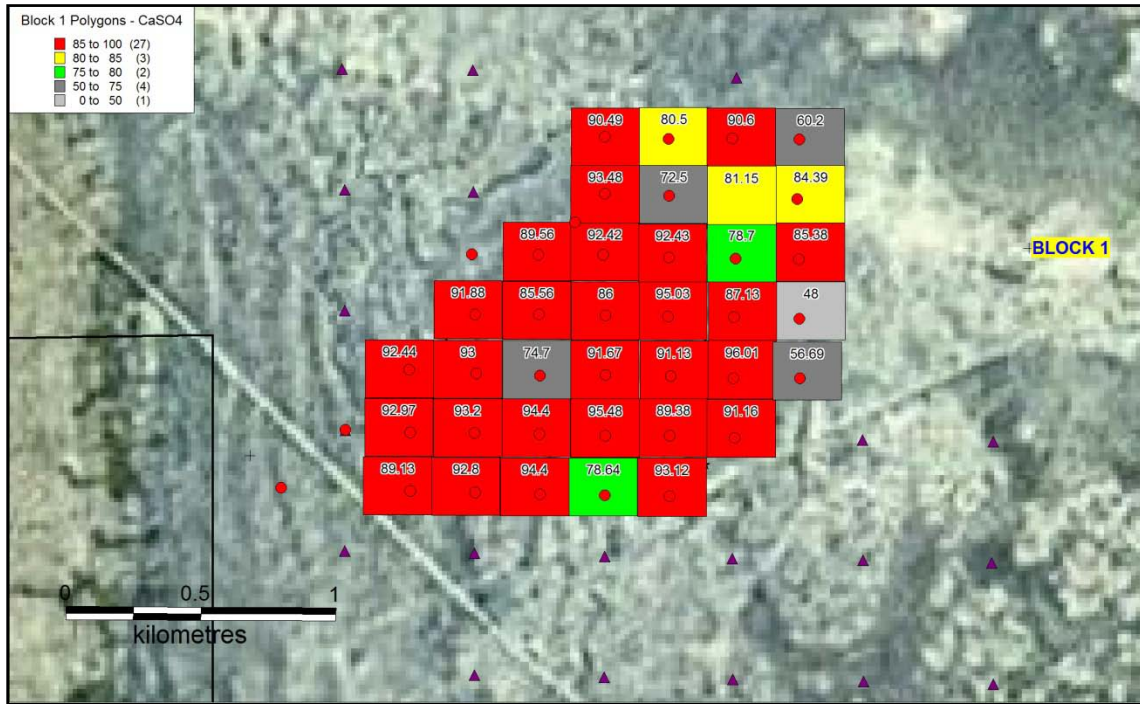


Figure 3: Resource Polygons, Lake Macleod North Project- Block 1, colour graded on CaSO₄ grade.

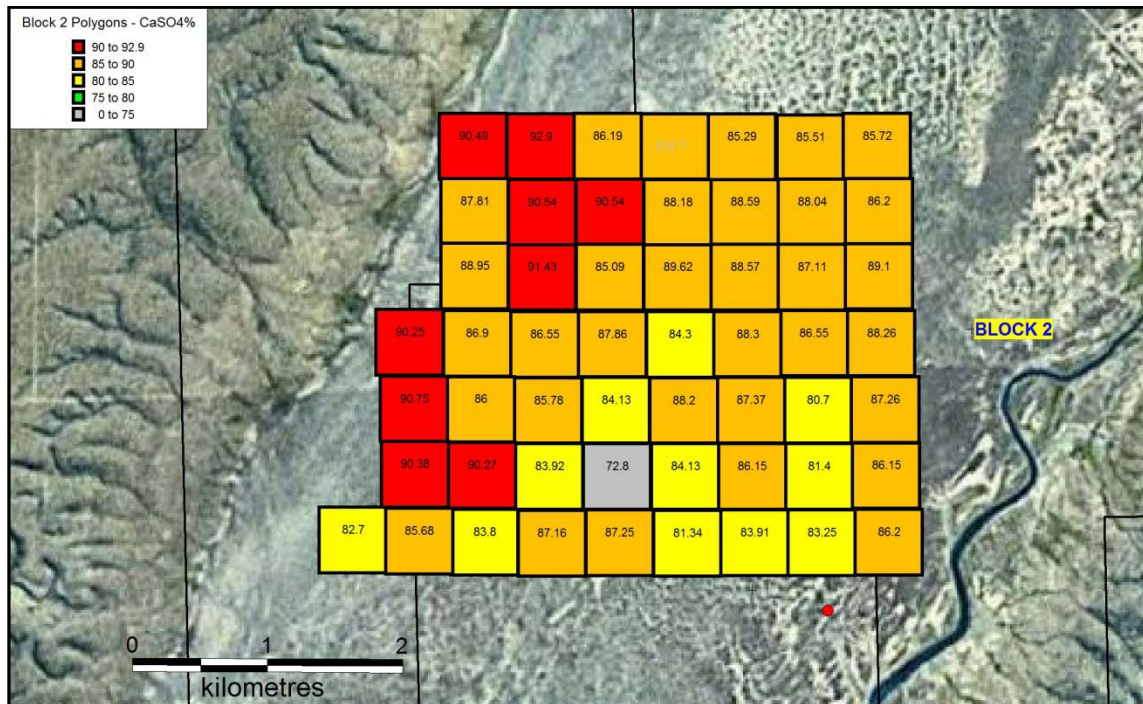


Figure 4: Resource Polygons, Lake Macleod North Project- Block 2, colour graded on CaSO₄ grade.

Exploration Potential

The project tenements cover part of Lake Macleod, a very large saline playa lake near the mid-west coastline of Western Australia. The lake is known to host substantial gypsum deposits, some of which have been mined in the past.

The Project tenements are on the margins or shoreline of the current Lake Macleod proper, which contains four recorded gypsum deposits. There is the exploration potential for further premium gypsum deposits to exist beneath superficial cover at the margins of the lake within the tenements that are displaced to the current active lake surface.

At the Lake Macleod North Project there is the potential to expand the current resource with both Blocks 1 and 2 open to the north and south (Figure 2). The ground between Block 1 and Block 2 and south of Block 2 in particular should be investigated.

Competent Persons Statement

Information in this report relating to gypsum resources is based on information compiled by Phil Kimber, who is a Member of the AusIMM and is a consultant employed by Reynard Australia Pty Ltd. He has sufficient relevant experience to qualify as a competent person as defined in the 2004 edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC code). Phil Kimber consents to the inclusion in this report of this information in the form and context in which it appears.

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 and salt.

The Company has eight granted tenements and 34 applications for tenements covering approximately 7,075 km² over the project areas.