

RC DRILLING COMMENCES AT AMMG'S SOUTHDOWN EXTENSION IRON ORE PROJECT

HIGHLIGHTS

- **AMMG has commenced first round of reverse circulation (“RC”) drilling at its Southdown Extension Iron Ore Project, following receipt of necessary approvals.**
- **A total of 4 exploration drill holes will be initiated to test previously identified magnetic anomalies.**
- **Subsequently, a series of diamond drilling ‘tails’ may be required to complete the exploration holes.**
- **Further stage I drilling program updates to be announced.**

Australia Minerals and Mining Group Limited (**ASX: AKA**) (“**AMMG**” or “**the Company**”), is pleased to announce that the first round of drilling has commenced at its 80% owned Southdown Extension Iron Ore Project (“**Southdown Extension**”) in south-Western Australia.

The drilling program will consist of approximately 600 metres of RC drilling. Up to four (4) holes averaging 150 metres each are planned to test magnetic anomalies and further define the magnetite mineralisation. A series of follow-up diamond drilling ‘tails’ may be required to extend the known depth of the expected mineralisation. The Company will announce further drilling updates as the stage I drilling program progresses.



Fig 1: Drilling rig used for drilling program at Southdown Extension Project

In October 2011, AMMG announced that it had acquired Minemakers' 80% interest in the West Southdown Project. Situated approximately 80kms from the town and port of Albany, AMMG's newly named Southdown Extension Project is a 22-block exploration licence that lies along strike from Grange Resources' Southdown Magnetite Project (see Figure 2 below).

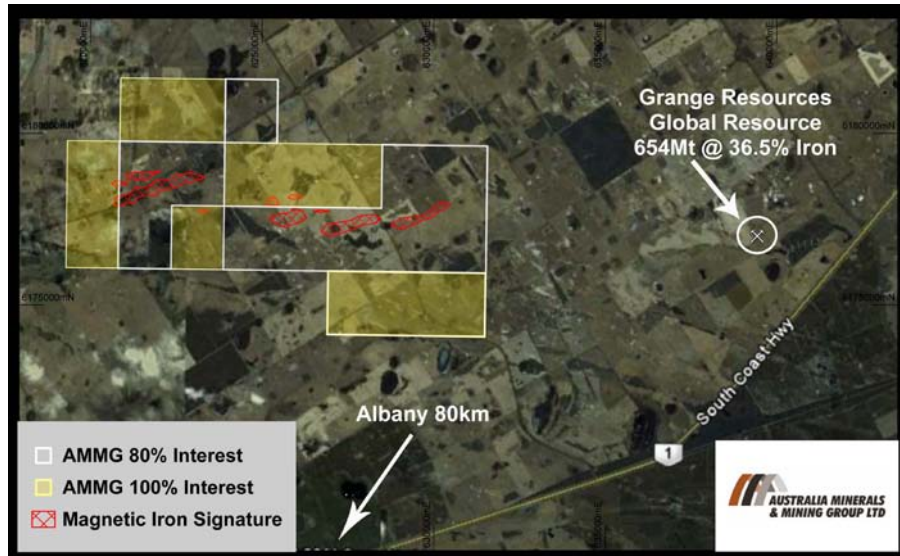


Fig 2: AMMG's Southdown Extension Project lies along strike from Grange Resources' Southdown Magnetite Project

AMMG has a further five (5) granted tenements (100% interest), bringing the total Southdown Extension project area to approximately 105km².

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 3 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

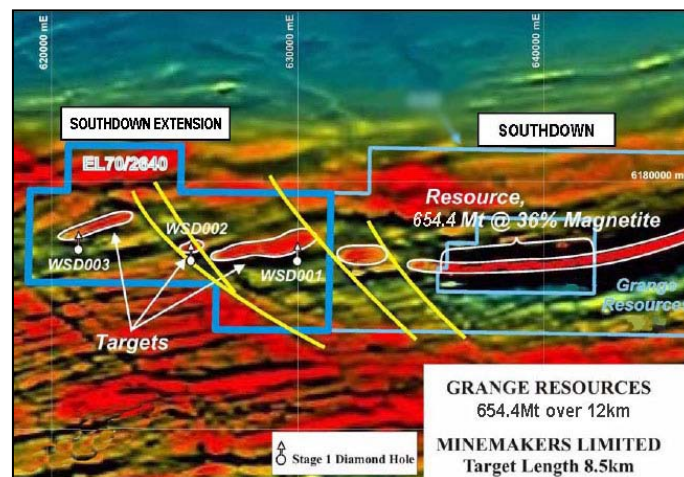


Fig 3: Map showing AMMG's Southdown Extension Project target areas along 8.5km strike length

ENDS

For more information on AMMG please see below or contact:

Ric Dawson
Managing Director
T: +61 8 9389 5557
ric@ammg.com.au

Tony Dawe
Professional Public Relations Pty Ltd
T : +61 8 9388 0944
tony.dawe@ppr.com.au

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, gypsum, kaolin/aluminous clay, mineral sands, salt and coal.**

The Company itself or under joint venture now has **17 granted tenements and 47 applications** for tenements covering approximately **12,213km²** 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.