

THIS DOCUMENT IS IMPORTANT

If you do not understand it or are in any doubt about how to act, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.



ABN 45 125 301 206

NOTICE OF GENERAL MEETING

**A Meeting of Shareholders of Australia Minerals & Mining Group Ltd
will be held on Wednesday 11th May 2011
at 3 Bay Road, Claremont, WA, 6010
commencing at 11.00 a.m. (WST)**

If you are unable to attend the meeting, you may complete the form of proxy (enclosed) and return it to the Company as soon as possible and in any event so it is received by the Company Secretary at the place specified in the proxy form by 11.00 a.m. on 9th May 2011.

AUSTRALIA MINERALS & MINING GROUP LTD

ABN 45 125 301 206

3 Bay Road, Claremont, WA, 6010

Telephone : (08) 9389 5557

Facsimile : (08) 9389 5510

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of the members of Australia Minerals & Mining Group Ltd (**Company**) will be held at 3 Bay Road, Claremont, WA, 6010, on Wednesday 11th May 2011 commencing at 11.00 a.m. (WST).

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

ORDINARY BUSINESS

Resolution 1 – Re-Election of Mr Ric Dawson

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of clause 13.4 of the Constitution and for all other purposes, Ric Dawson, being a Director who was appointed on 10 January 2011, retires, and being eligible, is hereby re-elected as a Director.”

Resolution 2 – Proposed Capital Raising

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, the Shareholders approve the allotment and issue of up to 10,000,000 Shares by way of placement at a price that is a minimum of 80% of the average market price of the Shares calculated over the last five days on which sales in the Shares were recorded before the issue.”

Voting Exclusion Statement

- (a) The Company will disregard any votes cast on the resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons.
- (b) However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 3 – Issue of New Class of Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, subject to and conditional upon the passing of Resolutions 1 and 4, for the purposes of Section 246B of the Corporations Act, clause 2.2 of the Constitution and for all other purposes, approval is given for the Company to be authorised to issue the Class B Performance Shares, Class C Performance Shares and Class D Performance Shares on the terms and conditions set out in the Explanatory Statement.”

Resolution 4 – Issue of Performance Shares to Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That subject to and conditional on the passing of Resolutions 1 and 3, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 2,000,000 Class B Performance Shares, 3,000,000 Class C Performance Shares and 3,000,000 Class Performance D Shares to Ric Dawson (or his nominee) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Voting Exclusion Statement:

For the purposes of Listing Rule 10.13, the Company will disregard any votes cast on this resolution by Ric Dawson, and any associates of Ric Dawson. However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 – Adoption of New Constitution

To consider and, if thought fit, pass the following resolution as a **special** resolution:

“That, for the purposes of Section 136(2) of the Corporations Act and for all other purposes, the Company adopts a new Constitution in the form as signed by the Chairman of the Meeting for identification purposes, in lieu of the existing constitution of the Company.”

General

To transact any other business as may be brought before the meeting in accordance with the Constitution of the Company, the Corporations Act, or otherwise.

BY ORDER OF THE BOARD

Piers Lewis
Company Secretary

Dated: 11 April 2011

INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders of Australia Minerals and Mining Group Limited (**AMMG** or the **Company**) in connection with Resolutions 1 to 5 of the General Meeting of members to be held at 3 Bay Road, Claremont, Western Australia 6010, at 11.00am, 11 May 2011.

This Explanatory Statement should be read in conjunction with the accompanying Notice of Meeting. Please refer to Section 7 of this Explanatory Statement for a glossary of terms.

1. RESOLUTION 1: Re-Election of Director

Resolution 1 seeks approval for the re-election of Mr Ric Dawson, who retires in accordance with Clause 13.4 of the Company's Constitution and, being eligible, offers himself for election as a Director of the Company, with effect from the end of the meeting.

Mr Dawson has substantial experience in the mining sector and in the management of public and listed companies. As a qualified geologist, Mr Dawson has over 25 years experience in the Australian and international resource industries.

His achievements include:

- Founder and Managing Director of ASX-listed Prosperity Resources Limited (ASX: PSP), where he successfully managed and developed the company's exploration projects in Western Australia, the Northern Territory and Indonesia including:
 - directed the advancement of the Masuparia gold porphyry Project, Indonesia; and
 - managed, discovered and developed the Woolshed Iron Ore Project at Mt Gibson, Western Australia.
- Lead commercial negotiations and agreements with numerous Chinese steel companies, one of which was a subsidiary of Shougang Corporation.
- Played a key role in successful capital raisings for acquisitions, joint ventures and IPO's for various junior exploration companies, having worked for 10 years for one of the leading Australian broking firms.

2. RESOLUTION 2: Proposed Capital Raising

2.1 Background

The Company may wish to undertake a capital raising by way of placement of up to 10,000,000 Shares at a minimum price of 80% of the volume weighted average price of the Shares on the ASX over the last 5 days in which sales in the Shares have occurred before the date of issue (**Placement**).

In order to maintain maximum flexibility to do so, and to preserve the Company's ability to issue Shares within the 15% annual limit under Listing Rule 7.1, the Company seeks Shareholder approval under Listing Rule 7.1 to issue the Placement Shares. A Placement would provide the Company with increased financial flexibility and enable the Company to more aggressively pursue the development of its projects, potential acquisitions of new projects, as well as supplement the Company's working capital requirements.

2.2 Regulatory requirements – Listing Rule 7.1

Listing Rule 7.1 requires the Company to obtain prior Shareholder approval in order to issue equity securities representing more than 15% of the Company's Shares on issue in any 12 month period (unless one of the exceptions in Listing Rule 7.2 applies). The Company's proposed equity capital raising falls within this requirement (none of the exceptions apply). Under Listing Rule 7.3, the notice of meeting to approve the issue of the equity securities must include certain information, which information is set out below.

- (a) The maximum number of equity securities the entity is to issue (if known) or the formula for calculating the number of Shares the entity is to issue

10,000,000 Shares

- (b) The date by which the entity will issue the equity securities (which must be no later than 3 months after the date of the meeting)

Within 3 months of the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date.

- (c) The issue price of the equity securities, which must be either a fixed price or a minimum price

The Shares will be issued at a minimum of 80% of the volume weighted average price of the Shares of AMMG on ASX over the last 5 days in which sales in the Shares have occurred before the date of issue, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed.

- (d) The names of the allottees (if known):

The identity of the allottees under the Placement is not yet known. The allottees will be sophisticated and professional investors identified by the Company. None of the allottees will be related parties of the Company.

- (e) The terms of the equity securities

The Shares issued will be fully paid ordinary shares and will rank equally in all respects with existing Shares on issue.

- (f) The intended use of the funds raised

Funds raised pursuant to the Placement will be used by the Company for the following purposes:

- (i) Feasibility and development work associated with the Company's projects;
- (ii) Exploration expenditure;
- (iii) Acquisition opportunities that may arise from time to time (although none are currently planned); and
- (iv) General working capital requirements of the Company.

2.3 Recommendation of the Board

The Directors of the Company recommend shareholders vote in favour of the resolution.

3. RESOLUTION 3 – Issue of New Class of Shares

3.1 General

Resolution 3 seeks Shareholder approval for the Company to be authorised to issue Performance Shares to the Vendor which convert to Shares on the satisfaction of certain milestones related to the Licences.

A company with a single class of shares on issue which proposes to issue new shares not having the same rights as its existing shares, is taken to vary the rights of existing shareholders unless the constitution already provides for such an issue.

Section 246B of the Corporations Act, and clause 2.4 of the Constitution, provides that the rights attaching to a class of shares cannot be varied without:

- (a) a special resolution passed at a meeting of the holders of the issued shares of the affected class; or
- (b) the written consent of the holders of 75% of the votes of the affected class.

The Company proposes issuing 2,000,000 Class B Performance Shares, 3,000,000 Class C Performance Shares and 3,000,000 Class Performance D Shares to Ric Dawson as part of his remuneration package. Each Performance Share is convertible into one Share upon the achievement of specified milestones. The purpose of the issue of the Performance Shares is to link part of Mr Dawson's remuneration consideration to certain key performance criteria related to the Company. If these performance criteria are not achieved within the prescribed timeframe, all Class B Performance Shares will convert into one (1) Share, all Class C Performance Shares will convert into one (1) Share and all Class D Performance Shares will convert into one (1) Share.

The Company currently has two classes of shares on issue being Class A Performance Shares and fully paid ordinary shares (**Shares**). The terms of the Class B Performance Shares (as set out in Schedule 1), the terms of the Class C Performance Shares (as set out in Schedule 2) and the terms of the Class D Performance Shares (as set out in Schedule 3) are not the same as the terms of the Shares, consequently, Shareholder approval is being sought for the Company to be authorised to issue the Class B, C and D Performance Shares.

3.2 Recommendation of the Board

The Directors of the Company except Mr Dawson recommend shareholders vote in favour of the resolution. Mr Dawson makes no recommendation due to him having a material interest in the resolution.

4. RESOLUTION 4: Issue of Performance Shares to Director

4.1 Background

As announced by the Company on 10 January 2011, Mr Ric Dawson has been appointed Managing Director of the Company. As part of his remuneration package, and subject to obtaining Shareholder approval, the Company has agreed to issue up to 8,000,000 Performance Shares to Mr Dawson.

The Performance Shares are broken down into:

- (a) 2,000,000 Class B Performance Shares;
- (b) 3,000,000 Class C Performance Shares; and
- (c) 3,000,000 Class D Performance Shares.

The performance hurdles for the Performance Shares were to be as follows:

- (a) 2,000,000 Class B Performance Shares will automatically convert into 2,000,000 Shares in the event:
 - (i) the Company's market capitalization, averaged over a period of 30 consecutive days in which the Company's Shares have traded, is at least \$20,000,000, provided this occurs before the Class B Employment Milestone (as defined below); and
 - (ii) Mr Dawson has completed a minimum of eighteen (18) months continuous employment with the Company in the position of Managing Director (**Class B Employment Milestone**);
- (b) 3,000,000 Class C Performance Shares will automatically convert into 3,000,000 Shares in the event:
 - (i) the Company's market capitalization, averaged over a period of 30 consecutive days in which the Company's Shares have traded, is at least \$35,000,000, provided this occurs before the Class C Employment Milestone (as defined below); and
 - (ii) Mr Dawson has completed a minimum of twenty-four (24) months continuous employment with the Company in the position of Managing Director (**Class C**

Employment Milestone); and

- (c) 3,000,000 Class D Performance Shares will automatically convert into 3,000,000 Shares in the event:
 - (i) the Company's market capitalization, averaged over a period of 30 consecutive days in which the Company's Shares have traded, is at least \$50,000,000, provided this occurs before the Class D Employment Milestone (as defined below); and
 - (ii) Mr Dawson has completed a minimum of thirty-six (36) months continuous employment with the Company in the position of Managing Director (**Class D Employment Milestone**).

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The issue of the Performance Shares to the Ric Dawson requires the Company to obtain Shareholder approval as Mr Dawson is a Director and therefore a related party of the Company.

The Board of Directors have resolved that the issue of the Performance Shares constitutes reasonable remuneration in accordance with Section 211 of the Corporations Act. Accordingly, shareholder approval is not sought for the issue of the Performance Shares to Mr Dawson under Chapter 2E. However, it is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the purposes of ASX Listing Rule 10.11 for the issue of the Performance Shares to Mr Dawson.

4.2 Shareholder Approval (ASX Listing Rule 10.11)

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval of an issue of equity securities under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 4:

- (a) the related party is Ric Dawson, who is a director of the Company. As such, Ric Dawson is a related party of the Company;
- (b) The name of the person to whom the securities are to be issued

The Performance Shares would be issued to Mr Ric Dawson (or nominee).
- (c) The maximum number of securities to be issued

The maximum number of securities to be issued to Mr Ric Dawson (or nominee) is as follows:

Class B Performance Shares – 2,000,000
Class C Performance Shares – 3,000,000
Class D Performance Shares – 3,000,000

- (d) The date by which the Company will issue the securities

No later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Performance Shares will be issued on one date

- (e) The terms and conditions of the securities

The Class B Performance Shares issued will be on the terms set out in Schedule 1 of this Notice. The Class C Performance Shares issued will be on the terms set out in Schedule 2 of this Notice. The Class D Performance Shares issued will be on the terms set out in Schedule 3 of this Notice.

- (f) The Performance Shares will be issued for nil consideration as they are being issued as part of Ric Dawson's remuneration package

- (g) Intended use of the funds raised

No funds will be raised from the issue of the Performance Shares as they are being issued for nil consideration as part consideration for the services to be provided by Mr Ric Dawson.

4.3 Recommendation of the Board

The Directors of the Company except Mr Dawson recommend shareholders vote in favour of the resolution. Mr Dawson makes no recommendation due to him having a material interest in the resolution.

5. RESOLUTION 5: Adoption of a new Constitution

5.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 5 is a special resolution which will enable the Company to adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend and insert a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to

- updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd and the ASTC Settlement Rules); and
- expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is also available for review by Shareholders at the Company's website www.ammg.com.au and at the office of the Company. A copy of the Proposed Constitution can also be sent

to Shareholders upon request to the Company Secretary (+61 8 9389 5557). Shareholders are invited to contact the Company if they have any queries or concerns.

Dividends (amends former clause 10)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Recommendation of the Board

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

6. ENQUIRIES

All enquiries in relation to the contents of the Notice of Meeting or Explanatory Memorandum should be directed to the Company's Managing Director, Mr Ric Dawson or Company Secretary, Mr Piers Lewis (telephone: +61 8 9389 5557).

ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read this Explanatory Statement carefully before deciding how to vote on each Resolution.

Attached to the Notice of Meeting is a proxy form for use by Shareholders. Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, to complete, sign and return the proxy form to the Company in accordance with the instructions contained in the Proxy Form and the Notice of Meeting. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

7. GLOSSARY OF TERMS

In this Explanatory Statement the following terms have the meaning set out below:

“ACN”	Australian Company Number.
“ASIC”	Australian Securities and Investments Commission.
“ASX”	ASX Limited (ACN 008 624 691)
“ASX Listing Rules” or “Listing Rules”	The Official Listing Rules of ASX as amended from time to time.
“Class B Performance Share”	A performance share in the capital of the Company on the terms set out in Schedule 1 of this Notice of Meeting.
“Class C Performance Share”	A performance share in the capital of the Company on the terms set out in Schedule 2 of this Notice of Meeting.
“Class D Performance Share”	A performance share in the capital of the Company on the terms set out in Schedule 3 of this Notice of Meeting.
“Company” or “AMMG”	Australia Minerals and Mining Group Limited (ABN 45 125 301 206).
“Constitution”	The Company’s constitution.
“Corporations Act”	The Corporations Act 2001 (Commonwealth).
“Director”	A director of Australia Minerals and Mining Group Limited.
“Explanatory Statement”	The explanatory statement accompanying the Notice.
“Meeting”	The meeting convened by the Notice.
“Notice or Notice of Meeting”	The notice convening the Meeting, which accompanies this Explanatory Statement.
“Proxy Form”	The proxy form accompanying the Notice.
“Resolutions”	The Resolutions set out in the Notice of Meeting, or any one of them, as the context requires.
“Performance Share”	A Class B Performance Share, a Class C Performance Share and/or a Class D Performance Share (as the context permits).
“Share”	A fully paid ordinary share in the capital of the Company.
“Shareholder”	A registered holder of a Share.
“WST”	Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS OF CLASS B PERFORMANCE SHARES

1. RIGHTS ATTACHING TO CLASS B PERFORMANCE SHARES

- 1.1 (Performance Shares)** Each Class B Performance Share is a share in the capital of Australia Minerals and Mining Group Limited (AMMG).
- 1.2 (General Meetings)** Class B Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of AMMG that are circulated to shareholders. Holders have the right to attend general meetings of shareholders of AMMG.
- 1.3 (No Voting Rights)** The Class B Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of AMMG.
- 1.4 (No Dividend Rights)** The Class B Performance Shares do not entitle the Holder to any dividends.
- 1.5 (Rights on Winding Up)** The Class B Performance Shares participate in the surplus profits or assets of AMMG upon winding up of AMMG only to the extent of \$0.000001 per Class B Performance Share.
- 1.6 (Not Transferable)** The Class B Performance Shares are not transferable, without the prior consent of AMMG.
- 1.7 (Reorganisation of Capital)** If at any time the issued capital of AMMG is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.
- 1.8 (No Listing)** The Class B Performance Shares will not be quoted on ASX. However, upon conversion of the Class B Performance Shares into fully paid ordinary shares (**Ordinary Shares**), AMMG must within seven (7) days after the conversion, apply for the official quotation of the Ordinary Shares arising from the conversion on the relevant securities exchange.
- 1.9 (No Other Rights)** The Class B Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- 1.10 (ASX Listing Rules)** The terms of the Class B Performance Shares may be amended by AMMG to the extent required by the ASX (or the relevant other stock exchange).

2. CONVERSION OF THE CLASS B PERFORMANCE SHARES

- 2.1 (Conversion on achievement of milestones):** Each Class B Performance Share will convert into one (1) Ordinary Share:
- (a) in the event AMMG's market capitalisation averaged over a period of 30 consecutive Trading Days is at least \$20,000,000, provided this occurs before the Class B Employment End Date; and
 - (b) Mr Ric Dawson has completed a minimum of eighteen (18) months continuous employment with AMMG in the position of Managing Director (**Class B Employment Milestone**),

(**Class B Milestone**).
- 2.2 (Redemption if a Milestone not Achieved)** If the Class B Milestone is not achieved

by the Class B Employment End Date or the Class B Employment Milestone (whichever is the later), then all of the Class B Performance Shares held by a Holder will be redeemed by AMMG for the sum of \$0.000001 per Class B Performance Share within 10 Business Days of the Class B Expiry Date.

2.4 (Conversion Procedure) AMMG will issue the Holder with a new holding statement for the Ordinary Shares as soon as practicable following the conversion of the Class B Performance Shares into Ordinary Shares in accordance with condition 2.1.

2.5 (Ranking of Shares) The Ordinary Shares into which the Class B Performance Shares will convert will rank pari passu in all respects with existing Ordinary Shares.

Definitions

Class B Employment End Date means:

- (a) 9 July 2014; or
- (b) 9 July 2016 in the event the Class B Milestone is not satisfied by 9 July 2014, and provided that AMMG and Mr Ric Dawson have mutually agreed to exercise the option to extend the term of Mr Ric Dawson's engagement as Managing Director of AMMG for a further two (2) years) in accordance with the terms and conditions of his employment agreement.

Trading Day means a day on which a trade in Ordinary Shares occurred on ASX.

SCHEDULE 2 – TERMS OF CLASS C PERFORMANCE SHARES

1. RIGHTS ATTACHING TO CLASS C PERFORMANCE SHARES

- 1.1 (Performance Shares)** Each Class C Performance Share is a share in the capital of Australia Minerals and Mining Group Limited (**AMMG**).
- 1.2 (General Meetings)** Class C Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of AMMG that are circulated to shareholders. Holders have the right to attend general meetings of shareholders of AMMG.
- 1.3 (No Voting Rights)** The Class C Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of AMMG.
- 1.4 (No Dividend Rights)** The Class C Performance Shares do not entitle the Holder to any dividends.
- 1.5 (Rights on Winding Up)** The Class C Performance Shares participate in the surplus profits or assets of AMMG upon winding up of AMMG only to the extent of \$0.000001 per Class C Performance Share.
- 1.6 (Not Transferable)** The Class C Performance Shares are not transferable, without the prior consent of AMMG.
- 1.7 (Reorganisation of Capital)** If at any time the issued capital of AMMG is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.
- 1.8 (No Listing)** The Class C Performance Shares will not be quoted on ASX. However, upon conversion of the Class C Performance Shares into fully paid ordinary shares (**Ordinary Shares**), AMMG must within seven (7) days after the conversion, apply for the official quotation of the Ordinary Shares arising from the conversion on the relevant securities exchange.
- 1.9 (No Other Rights)** The Class C Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- 1.10 (ASX Listing Rules)** The terms of the Class C Performance Shares may be amended by AMMG to the extent required by the ASX (or the relevant other stock exchange).

2. CONVERSION OF THE CLASS C PERFORMANCE SHARES

- 2.1 (Conversion on achievement of milestones):** Each Class C Performance Share will convert into one (1) Ordinary Share:
- (a) in the event AMMG's market capitalisation averaged over a period of 30 consecutive Trading Days is at least \$35,000,000, provided this occurs before the Class C Employment End Date; and
 - (b) Mr Ric Dawson has completed a minimum of twenty-four (24) months continuous employment with AMMG in the position of Managing Director (**Class C Employment Milestone**),

(**Class C Milestone**).
- 2.2 (Redemption if a Milestone not Achieved)** If the Class C Milestone is not achieved by the Class C Employment End Date or the Class C Employment Milestone

(whichever is the later), then all of the Class C Performance Shares held by a Holder will be redeemed by AMMG for the sum of \$0.000001 per Class C Performance Share within 10 Business Days of the Class C Expiry Date.

2.4 (Conversion Procedure) AMMG will issue the Holder with a new holding statement for the Ordinary Shares as soon as practicable following the conversion of the Class C Performance Shares into Ordinary Shares in accordance with condition 2.1.

2.5 (Ranking of Shares) The Ordinary Shares into which the Class C Performance Shares will convert will rank pari passu in all respects with existing Ordinary Shares.

Definitions

Class C Employment End Date means:

- (a) 9 July 2014; or
- (b) 9 July 2016 in the event the Class C Milestone is not satisfied by 9 July 2014, and provided that AMMG and Mr Ric Dawson have mutually agreed to exercise the option to extend the term of Mr Ric Dawson's engagement as Managing Director of AMMG for a further two (2) years) in accordance with the terms and conditions of his employment agreement.

Trading Day means a day on which a trade in Ordinary Shares occurred on ASX.

SCHEDULE 3 – TERMS OF CLASS D PERFORMANCE SHARES

1. RIGHTS ATTACHING TO CLASS D PERFORMANCE SHARES

- 1.1 (Performance Shares)** Each Class D Performance Share is a share in the capital of Australia Minerals and Mining Group Limited (**AMMG**).
- 1.2 (General Meetings)** Class D Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of AMMG that are circulated to shareholders. Holders have the right to attend general meetings of shareholders of AMMG.
- 1.3 (No Voting Rights)** The Class D Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of AMMG.
- 1.4 (No Dividend Rights)** The Class D Performance Shares do not entitle the Holder to any dividends.
- 1.5 (Rights on Winding Up)** The Class D Performance Shares participate in the surplus profits or assets of AMMG upon winding up of AMMG only to the extent of \$0.000001 per Class D Performance Share.
- 1.6 (Not Transferable)** The Class D Performance Shares are not transferable, without the prior consent of AMMG.
- 1.7 (Reorganisation of Capital)** If at any time the issued capital of AMMG is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.
- 1.8 (No Listing)** The Class D Performance Shares will not be quoted on ASX. However, upon conversion of the Class D Performance Shares into fully paid ordinary shares (**Ordinary Shares**), AMMG must within seven (7) days after the conversion, apply for the official quotation of the Ordinary Shares arising from the conversion on the relevant securities exchange.
- 1.9 (No Other Rights)** The Class D Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- 1.10 (ASX Listing Rules)** The terms of the Class D Performance Shares may be amended by AMMG to the extent required by the ASX (or the relevant other stock exchange).

2. CONVERSION OF THE CLASS D PERFORMANCE SHARES

- 2.1 (Conversion on achievement of milestones):** Each Class D Performance Share will convert into one (1) Ordinary Share:
- (a) in the event AMMG's market capitalisation averaged over a period of 30 consecutive Trading Days is at least \$50,000,000, provided this occurs before the Class D Employment End Date; and
 - (b) Mr Ric Dawson has completed a minimum of thirty-six (36) months continuous employment with AMMG in the position of Managing Director (**Class D Employment Milestone**),

(**Class D Milestone**).
- 2.2 (Redemption if a Milestone not Achieved)** If the Class D Milestone is not achieved by the Class D Employment End Date or the Class D Employment Milestone

(whichever is the later), then all of the Class D Performance Shares held by a Holder will be redeemed by AMMG for the sum of \$0.000001 per Class D Performance Share within 10 Business Days of the Class D Expiry Date.

2.4 (Conversion Procedure) AMMG will issue the Holder with a new holding statement for the Ordinary Shares as soon as practicable following the conversion of the Class D Performance Shares into Ordinary Shares in accordance with condition 2.1.

2.5 (Ranking of Shares) The Ordinary Shares into which the Class D Performance Shares will convert will rank pari passu in all respects with existing Ordinary Shares.

Definitions

Class D Employment End Date means:

- (a) 9 July 2014; or
- (b) 9 July 2016 in the event the Class D Milestone is not satisfied by 9 July 2014, and provided that AMMG and Mr Ric Dawson have mutually agreed to exercise the option to extend the term of Mr Ric Dawson's engagement as Managing Director of AMMG for a further two (2) years) in accordance with the terms and conditions of his employment agreement.

Trading Day means a day on which a trade in Ordinary Shares occurred on ASX.

PROXY FORM

The Company Secretary
 Australia Minerals & Mining Group Ltd
 3 Bay Road
 CLAREMONT WA 6010

Facsimile: (08) 9389 5510

I/We (name of shareholder)

of (address)

being a member/member of Australia Minerals & Mining Group Ltd holding fully paid ordinary shares **HEREBY APPOINT**

(name)

or failing that person then the Chairman of the General Meeting as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at 3 Bay Road, Claremont, WA, 6010 on Wednesday 11th May 2011 at 11.00 a.m. (WST) and at any adjournment of the meeting.

If no directions are given, the Chairman will vote in favour of all the Resolutions.

If the Chairman of the General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of Resolutions 2 and 4 please place a mark in this box.

By marking this box, you acknowledge that the Chairman of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 2 and 4 and that votes cast by the Chairman of the General Meeting for Resolutions 2 and 4 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on Resolutions 2 and 4 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 2 and 4.

I/We direct my/our Proxy to vote in the following manner:

	For	Against	Abstain*
Resolution 1 – Re-Election of Mr R Dawson as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Proposed Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Issue of New Class of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Issue of Performance Shares to a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Adoption of New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular item, you are directing your proxy **not** to vote on your behalf on a show of hands or on a poll and your votes will be not be counted in computing the required majority on a poll.

This Proxy is appointed to represent ____% of my voting right, or if 2 proxies are appointed Proxy 1 represents ____% and Proxy 2 represents ____% of my total votes.

If the shareholder is an individual:

*If the shareholder is a company:
 Affix common seal (if Constitution requires)*

Signature: _____ Director/Sole Director and Secretary: _____

Name: _____ Director/Secretary: _____

Dated: _____ 2011

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed under either the common seal of the corporation or under the hand of an officer of the Company or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by at least one of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this General Meeting **that is by 11.00 a.m. on 9th May 2011** by post or facsimile to the respective addresses stipulated in this proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
 - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
 - (c) if the proxy is Chairperson, the proxy must vote on a poll and must vote that way, and
 - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in anyway that the proxy sees fit.