

Quarterly Activities Report for period ending 30 September 2009

Section 1 - Exploration Activities in New South Wales and Queensland

The company continued its joint venture exploration activities in both New South Wales and Queensland.

New South Wales

Kiawarra EL 6269 – (Silver Mines Ltd Joint Venture)

Under a Joint Venture Agreement, Silver Mines Ltd (SVL) will earn 50% of EL 6269 by expending \$95,000 on exploration. This work has concentrated on the old Walla Walla Pb-Ag-Zn mine. In 2006, AOM undertook an extensive stream sediment and rock chip study of this area revealing a zone of prospective ground extending from north of the Walla Walla mine southward past the old Colandel mine (Figure 1). SVL have followed this up with rock chip and most recently an IP (Induced Polarisation) survey over the Walla Walla workings and along strike.

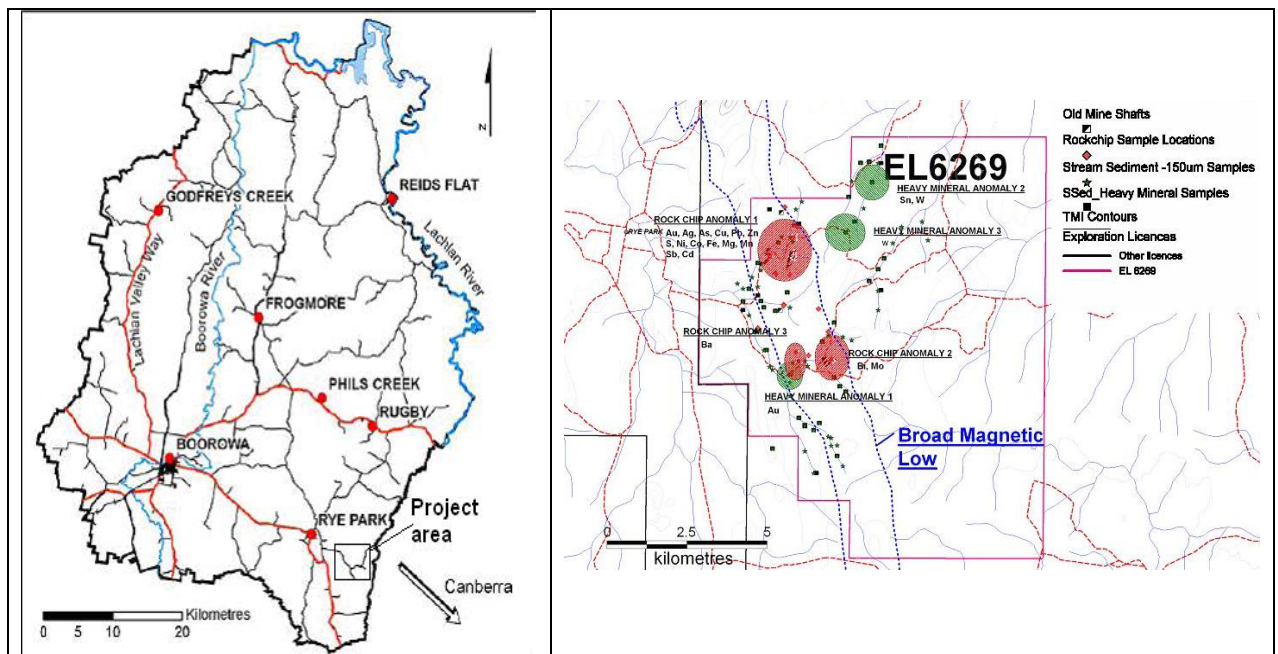


Figure 1: Location, workings and stream sediment anomalies.

The existing workings reach a recorded depth of 30 metres and extend north and south of the main shaft. It is understood that the workings were following a vertical vein type structure present within a fine grained sedimentary unit.

Induced Polarisation Survey

Between the period of 08/07/09 and 16/07/09, Fender Geophysics on behalf of SVL carried out an IP survey over the historic Walla Walla silver mine near Boorowa, NSW. Figure 2 below shows a satellite image of the survey area with the lines completed overlaid.

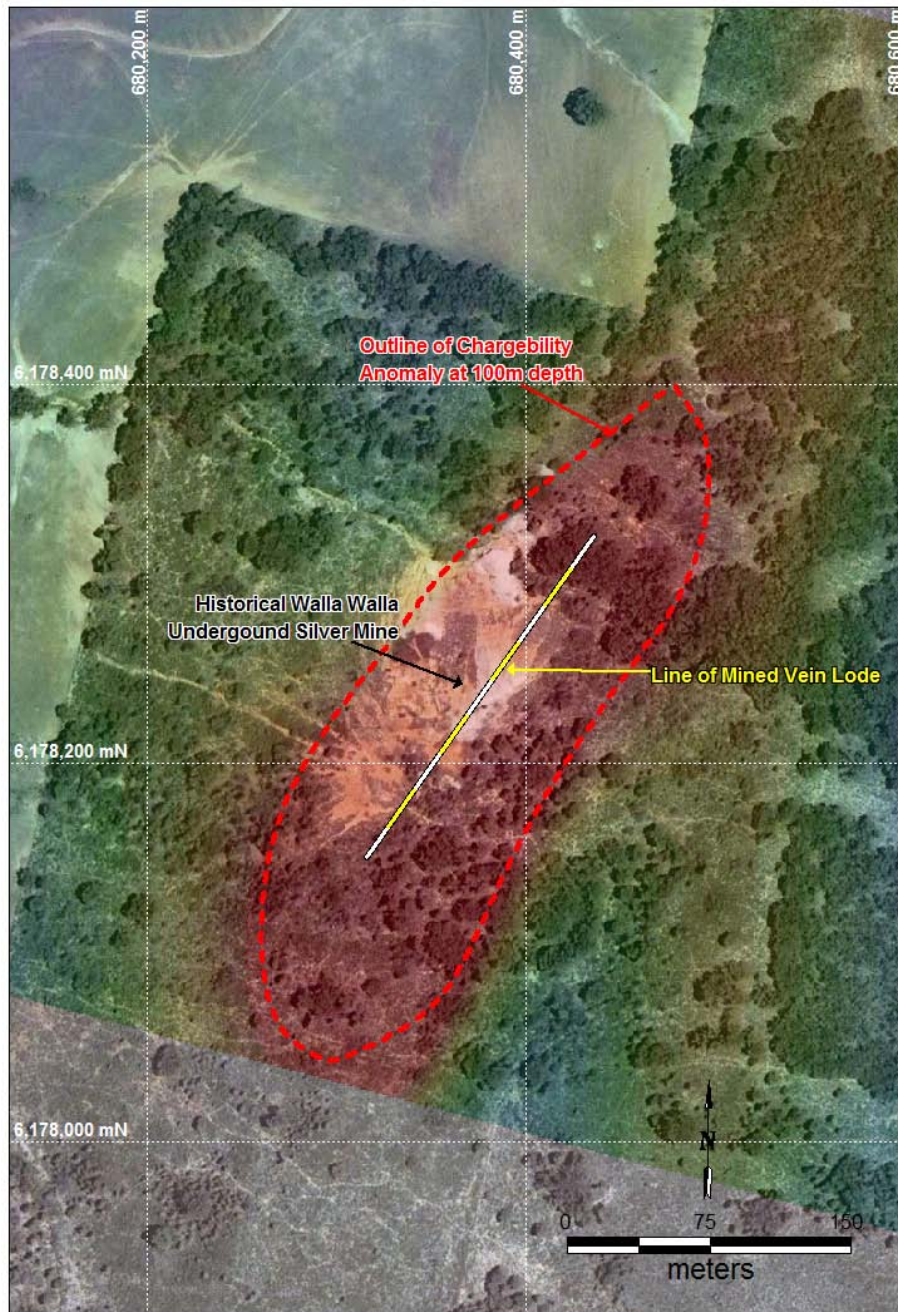


Figure 2: IP Grid lines

Four lines of IP survey were completed with line 500N sited through the old main shaft. Lines at 300N, 700N and 900N were also surveyed. All four lines had features indicative of a vertical sheet like structure of disseminated mineralisation. The overall strike length to the IP anomaly was 600 metres. As the anomaly exists across all lines, it would indicate that the anomaly has not been closed off and could feasibly continue both north and south of the area surveyed (Figures 3 and 4).

The results recorded were quite conclusive in that there exists a clear IP anomaly around the historical workings of values reaching 40 millivolts/volt against background values of < 10 millivolts/volt. The IP response would appear to be caused by a feature that doesn't reach the surface and has a strike length of over 600 metres. The resistivity data has also been effective in identifying changes in the geology across the profile indicated by the presence of the resistive zone particularly to the west of the profile which coincides with the fine grained mafic outcrop observed on site. (Modified from Fender Geophysics – IP Report Walla Walla September 09).

SVL plan to extend the survey both to the north and south to close off the anomaly. Closing in the IP spacing will also allow the depth surveyed to be extended past the current 100 metre level. It is expected that drilling will follow this work.

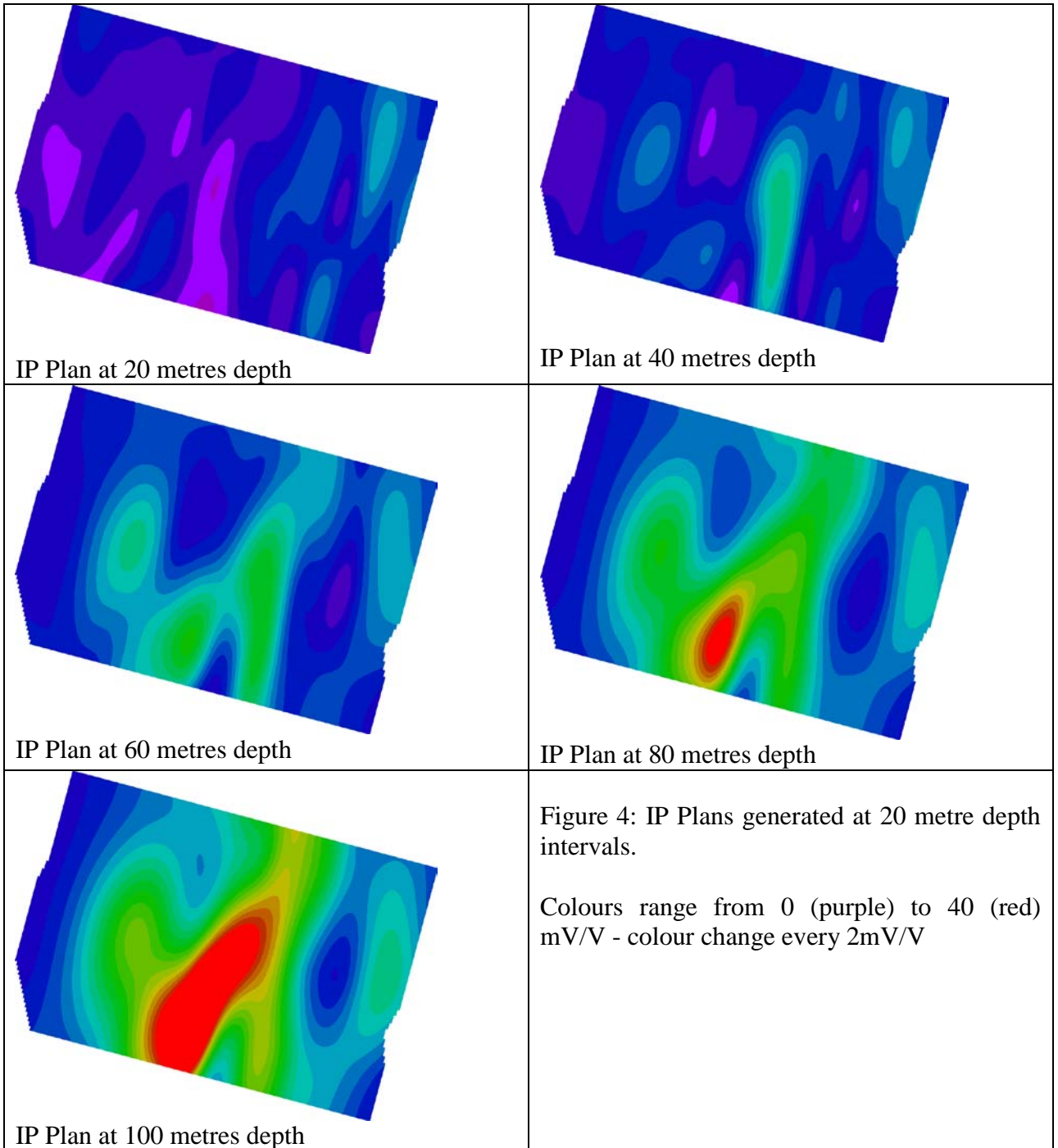


Walla Walla Prospect - Chargeability Anomaly at 100m Depth below surface

Figure 3:



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Torrington EL 6389 (YTC Resources Ltd Joint Venture)

There was no field work on EL 6389 during the quarter.

Emmaville EL 6431 and EL 6384

There was no work on EL 6431 and EL 6384 during the quarter. The Company continued to seek expressions of interest from potential joint venture parties for these tenements.

Queensland

Connors Arch Joint Venture

This is a joint venture with SmartTrans Holdings Limited (SmartTrans) which covers seven tenements in the South Connors Arch Province prospective for porphyry-style copper-gold deposits and epithermal gold deposits. SmartTrans has the following interests in these projects:

- 60% equity in two tenements at Mount Mackenzie;
- 54.08% equity in two tenements at Waitara; and
- the right to earn 80% equity in three tenements at Marlborough Fault.

Mount Mackenzie Prospect EPMs 10006 and 12546 (SmartTrans - 60% equity)

Located at Coppermine Creek in Central Queensland, Mount Mackenzie is an advanced exploration project. Diamond drilling by SmartTrans, together with the development of a comprehensive geological and geophysical model, has demonstrated that Mt Mackenzie is one of the largest hydrothermal (high-sulphidation) systems in eastern Australia.

Drilling encountered significant gold and copper values in lead-zinc-silver mineralized breccias and extensive, intensely sulphidic, alteration under cover rocks at the “Instinct” Prospect located 500 metres to 1000 metres west of Mt Mackenzie.

Mineralisation is evident in:

- sulphide matrix polymict breccias of hydrothermal and probable intrusive origin;
- well developed multidirectional quartz- sulphide stockworks;
- vughy silica alteration, and;
- haematized and probable supergene zones related to palaeo weathering, immediately below the unconformity with the cover sequence.

The potential for extensions to this system lies under the volcanic cover outside the limits of all previous drilling.



SmartTrans believes there is significant potential for high grade deposits at Mount Mackenzie and is seeking a suitable joint venture partner for this project. Discussions with a number of active Australian gold producers and explorers are in progress.

Marlborough Fault Project EPMs 14500, 14501 and 14502 (SmartTrans earning 51% equity)

This project comprises three tenements that have the potential to develop large porphyry-style deposits and high grade structurally-controlled gold deposits in dilational fault irregularities and fault intersections.

A review of the tenements to assess their potential for porphyry-style mineralisation is currently in progress. Magnetics, geology, geochemistry and structural data are being used as a backdrop for interpretation. There was no field work during the period.

Connors Range Joint Venture EPMs 11134 and 12361 (SmartTrans approximately 54.08% equity)

This project comprises two tenements in the northern Lachlan - New England fold belt. There was no field work on this project during the quarter.

The information in Section 1 of this report is based on information compiled by Phillip Kimber, who is a Member of the Australasian Institute of Mining and Metallurgy. Phillip Kimber has sufficient experience which is relevant to the style of mineralisation and type 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.' Mr Kimber consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



Section 2 - Indonesian Coal Project

The Company's interest in the coal mining concession at Muara Teweh in Central Kalimantan is held via its 30% owned associate company, Asiatic Coal Pte Limited ("ACPL").

During the quarter, AOM was advised by ACPL that mining operations had remained suspended at Muara Teweh, noting that ongoing discussions are being held with mining contractors with a view to recommence mining operations as and when global economic conditions permit.

Section 3 - Corporate Activity

During the quarter, the Company announced the allotment of 1,455,556,218 shares pursuant to the successful completion of its Renounceable Rights Issue ("Rights Issue").

A total of \$351,310.79 was received in new funds, with the balance of \$5,470,914.09 representing the conversion to equity of the principal and interest due to Malaysia Smelting Corporation Berhad ("MSC"). The conversion of this amount to equity completely extinguishes the liability of AOM to MSC under the terms of the loan agreement.

The funds received from the Rights Issue will be used by the Company to fund exploration and development opportunities within Australia and overseas as well as allowing it to continue activities on its existing tenements.

Tenements held by Australia Oriental Minerals NL

<i>Tenement Number</i>	<i>Current Area (sub-blocks / units)*</i>	<i>Remarks</i>
<i>Queensland</i>		
EPM 10006	35	Mt Mackenzie JV: AOM:40%, SMA 60%
EPM 12546	8	Mt Mackenzie JV: AOM:40%, SMA 60%
EPM 17515	65	Mt Mackenzie West JV: AOM:40%, SMA:60%
EPM 11134	17	Connors Arch JV: AOM 45.92%, SMA 54.08%
EPM 12361	2	Connors Arch JV: AOM 45.92%, SMA 54.08%
EPM 14500	175	Marlborough Fault JV: AOM 100% (SMA earning 51%)
EPM 14501	220	Marlborough Fault JV: AOM 100% (SMA earning 51%)
EPM 14502	198	Marlborough Fault JV: AOM 100% (SMA earning 51%)
<i>New South Wales</i>		
EL 6384	6	Emmaville
EL 6431	14	Emmaville
EL 6389	9	Emmaville (JV: AOM 100%; YTC earning 80%)
EL 6269	19	Kiawarra (Joint Venture with SVL)

* 1 unit (NSW) = 1 sub-block (Qld.) = 1' latitude x 1' longitude = approx. 3 sq. km.

SMA - SmartTrans Holdings Limited, YTC - YTC Resources Limited,
SVL – Silver Mines Limited

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Australia Oriental Minerals NL

ABN

84 010 126 708

For the period ending

30 September 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Three Months ending 30 September 2009 \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(14)	(78)
(b) development	-	-
(c) production	-	-
(d) administration	(67)	(279)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(80)	(354)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	(1)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	(1)
1.13 Total operating and investing cash flows (carried forward)	(80)	(355)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(80)	(355)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	351	351
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (capital raising costs)	(11)	(13)
	Net financing cash flows	340	338
	Net increase (decrease) in cash held	260	(17)
1.20	Cash at beginning of year to date	291	568
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of the period	551	551

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Three Months \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	32
1.24	Aggregate amount of loans to the parties included in item 1.10	0

1.25 Explanation necessary for an understanding of the transactions

Consulting fees to Chan Kim Fan (Executive Director), Director Fees & related party SRM Pte Ltd

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NA

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NA

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	15
4.2	Development	-
4.3	Production	-
4.4	Administration	65
Total		80

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Three Months \$A'000	YTD \$A'000
5.1	Cash on hand and at bank	551	551
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of three months (item 1.22)		551	551

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of year	Interest at end of 3 months
6.1	Interests in mining tenements relinquished, reduced or lapsed	Changes to the mining tenement schedule for the quarter will be reported in the Quarterly Report and Tenement Schedule for the Quarter ended 30 September 2009		
6.2	Interests in mining tenements acquired or increased			

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of 30 September 2009

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	2,181,078,901	2,181,078,901		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,455,556,218	1,455,556,218		
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	43,000,000		Exerciseable at 3c	Expire 31/12/2013
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:Date: 26 October 2009
(Company secretary)

Print name: Andrew Bursill
Company Secretary

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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