

# Uranium: Projects, Production and Profitability

USA- April 2010

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Statements relating to potential quantity and grades of exploration targets in this presentation are conceptual in nature as there has been insufficient exploration to define a mineral resource and it is uncertain whether further exploration will result in the determination of a Mineral Resource.

**Competent Person.** The review of exploration activities and results contained in this presentation in relation to the Company's projects is based on information compiled by **Mr. Denis Geldard, Mr. David S. Boyer and Mr. Chester E. Nichols.**

Mr. Geldard is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr. Boyer is a licensed geologist registered in the State of Washington No 2400 and is a member of the Society of Economic Geology and Arizona Geological Society. He has significant experience relevant to the style of mineralisation and types of deposits under consideration. Mr. Nichols holds an AB in Geology from Cornell University, an MS in Petrology from the University of Iowa, and a PhD in Geotectonics and Geophysics from the University of Missouri-Rolla (Missouri School of Mines) and has 15 years of exploration experience in all the major uranium provinces of the United States. He is currently a member of the Association of Engineering Geologists, Sigma Xi (scientific research society), Citizens for Nuclear Technology Awareness, Central Savannah River Area Geological Society, and the Geological Society of Nevada.

He has significant experience relevant to the style of mineralisation and types of deposits under consideration. Both gentlemen consent to the inclusion of this information in the form and context in which it appears in this presentation.

# AusAmerican Snapshot

- Multi-listed, US based and focused uranium exploration and development company
- Formally known as Monaro Mining N.L
- Trading on ASX (code: AIW), OTC (code: MNOMY) and Frankfurt (code: M2H) markets
- Advancing projects to production in USA
- Experienced management team
- Current Capital Structure
- ❑ 137M FP shares
- ❑ Market Cap US \$10 M (18/04/2010 based on 8.0 cents share price)
- **Undervalued uranium company well placed to take advantage of increased US interest in uranium stocks with US assets and a solid project pipeline, near to production assets.**

# AusAmerican Investment Opportunity Uranium in the USA

- Current US uranium production is very limited
- No Junior Uranium Producers (last production URI 2008)
- Most juniors are a long way from production – aggregating leases that require exploration
- AAM dedicated and focused only on Brown fields properties
  - Properties that previously produced or with resource results from Kerr McGee, Union Carbide or other majors
  - Properties in prime US uranium territories –TX, NV,NM, AZ.
  - Low capital intensive properties – many sunk costs covered --
  - NM mine has full infrastructure in place. Shallow high grade reserves in TX
  - Properties positioned close to existing mills -- minimum Cap Ex for production development
- Production timeline TX 24 months
- Total in ground resources by Dec 2010 25 m lbs
- Production poised to come on stream as U308 price recovers
- Bottom Line : The company strategy delivers robust cash flow --
- at \$25 margin ( \$60 selling price and \$35 cost ) Projections \$625M

# AusAmerican

## Project summary

1. Lone Star (Uranium, AAM 90%, Texas) total project has drilled out historic resource of 3-4 million lb's (Union Carbide), of this, 2 million lb's secure to date; exploration target is 4-5 million pounds at 1200 ppm (0.12%). Mineralisation from surface to 150 ft. Amenable to ISR treatment and near existing plant.
2. Apex/Lowboy (Uranium, AAM 100%, Nevada) JORC inferred resource of 950,000 lbs at 700 ppm (0.07%), exploration target 3-10 million pounds. Scoping study performed in 2007 demonstrated open cut heap leach operation works and is economic. Permitting commenced. Production possible second half 2012.
3. Rio Puerco (uranium, AAM 100%, New Mexico) JORC inferred resource of 11.4 million lbs at 900 ppm (0.09%) on 7% of project (one block). Exploration target on adjacent blocks 10 million pounds, regional potential unknown but significantly greater. Fully developed underground mine in place, Strathmore Minerals (TSXV: STM) hope to have mill constructed and in production with toll treatment capacity at Roca Honda project 50kms from Rio Puerco in 2013.

***UEC (Mkt cap. \$250 million) recently (13/4/2010) sold 49% of the Cebolleta uranium deposit (43-101; 10 million pounds at 1200 ppm (0.12%) in NM for \$11 million, approx \$1.10 per pound. Values AAM's interest in Rio Puerco at \$11.5 million.***

4. Apache Basin (uranium, AAM 100%, Arizona, farming down to 40%, JV with VALE)

# AusAmerican

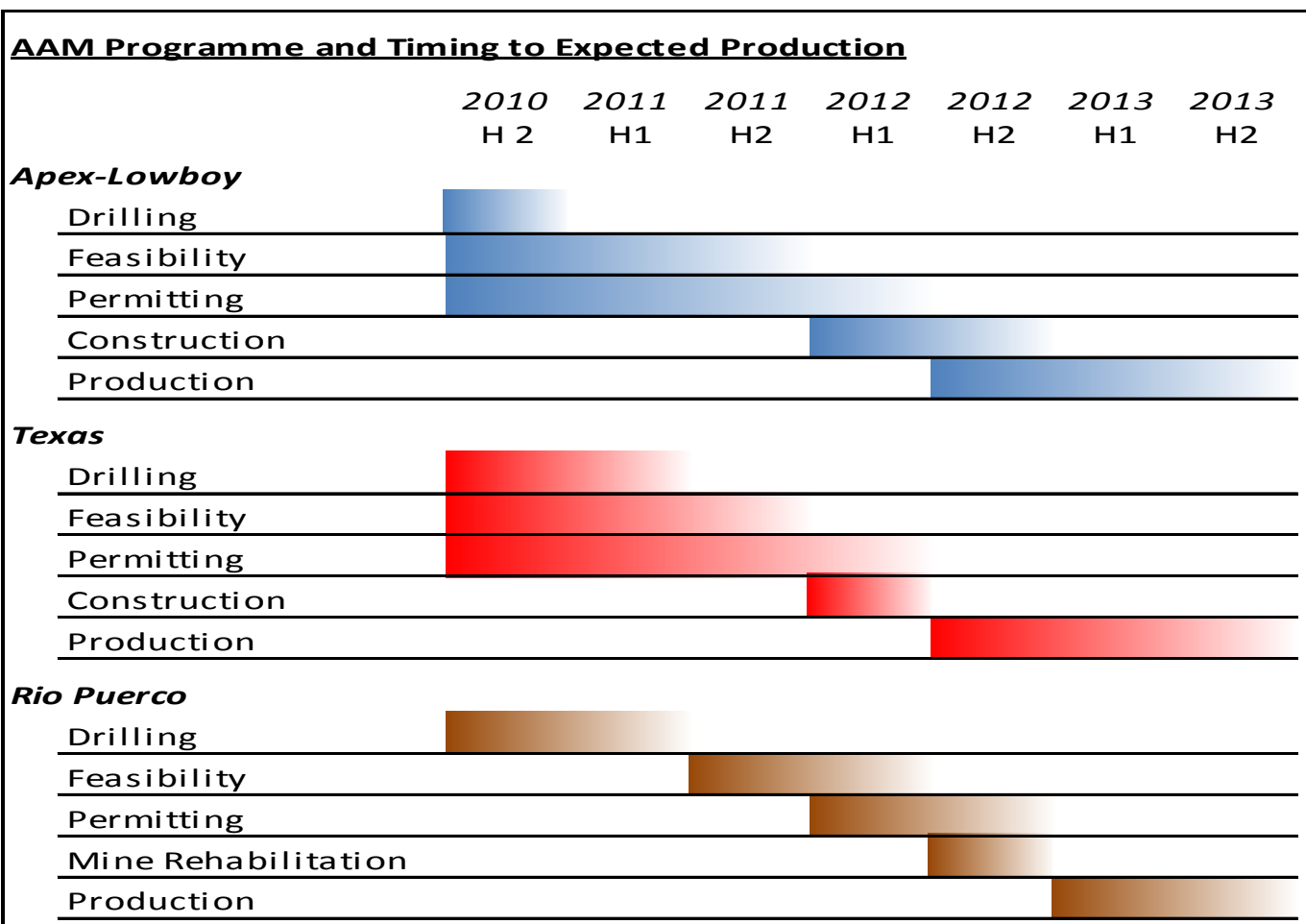
## Use of proceeds May-Dec 2010

➤ Lone Star Texas- Drilling, leases, permitting:	\$1.5 million
➤ Rio Puerco- validation/exploration drilling, hydrocarbon survey:	\$700k
➤ Apex/Lowboy- validation/exploration drilling/ hydrocarbon survey/ permitting/feasibility:	\$500k
➤ Texas projects (2)- Drilling, leases, permitting:	\$2.5 million
➤ SG & A:	\$800k
➤ Broker Fees:	\$350k
➤ Additional working capital:	<u>\$1.15 million</u>
Total: May-December 2010	\$7.5 million

# Company target for Dec 31 2010 (subject to funding)-Snapshot

<b>Rio Puerco</b>	<p>JORC resource to 20 million pounds. 50% of this resource to be in measured and indicated category.</p> <p>New exploration target identified</p> <p>Regional exploration program designed.</p>
<b>Apex-Lowboy</b>	<p>JORC resource to 3 million pounds, 30% in measured and indicated category.</p> <p>New exploration target identified.</p> <p>Fast track feasibility study.</p> <p>Commenced exploration of regional opportunities between Apex and Lowboy.</p>
<b>Apache Basin</b>	<p>First stage drilling completed.</p> <p>Second phase drilling commenced or ready to commence.</p>
<b>Lone Star</b>	<p>JORC resource of 3 million pounds.</p> <p>Commenced feasibility study.</p>
<b>New projects</b>	<p>New projects acquired and initial drilling completed .</p> <p>Maiden JORC resource announced.</p>
<b>COMPANY</b>	<p>Combined JORC resource of 26-30 million lbs.</p> <p>Additional multi million lbs exploration targets.</p> <p>At least two projects at Feasibility Stage.</p>

# Fast tracking towards production





# AusAmerican Directors & management biographies

## **Jim Malone- Executive Chairman and President.**

Before entering the mining and resources industry, Jim worked for 12 years as an accountant, stockbroker, Analyst, Senior Manager and CEO for Arthur Andersen accountants and Hartley Poynton Stock Brokers in Perth, WA; CSFB and Lehman Brothers in London, and was CEO of the Richmond Football Club (one of 16 AFL clubs) in Melbourne Australia from 1994 until 2000.

For the past 11 years Jim has been involved as an entrepreneur in the resources industry involved with small mining, development and exploration companies from start up and listing as well as ongoing management. Jim has been involved in the start up, listing and management of six junior resources companies listed on the ASX. He has had experience in a number of commodities including uranium, gold, base metals, industrial minerals and oil and gas. Jim has been involved in raising in excess of \$50 million for these companies and has working experience in Australia, USA, Latin America and Eastern Europe. He has also served on the Board of a number of public and private companies as Chairman, Managing Director and Director most notably Richmond Mining Ltd, Atlantic Limited and Uranium King Limited. Jim has a B.Com from the University of Western Australia and is an Associate of the Australian Society of CPA's.

## **Denis Geldard- CEO and Executive Director of Operations.**

Denis has spent the past 40 years in the mining and resources business. He graduated from the Kalgoorlie School of Mines as a Mining Engineer in 1972 and has worked for a number of companies at Senior management level and was on the Board of Directors of a number of Public Listed Companies. These roles have included being involved with Whim Creek Consolidated, Hamersley Iron as well as Director of Operations and Chief Operating Officer of Mercator Gold plc, General Manager of US Operations for Iluka Resources, Operations Director of PT Kobe Tin and Chief Operating Officer of BCM Ghana Limited.

Denis has extensive experience in operations and mine management and has specialised in heap leaching and gold extraction.

Denis has worked in Australia, the USA, Ghana and Indonesia across a number of commodities including iron ore, gold, mineral sands, base metals and uranium.

## **John Petersen- Chief Geologist**

John is a Geologist and has worked in the resources industry for over 30 years. Most of his experience has been spent working in south-west USA, particularly in Arizona. John worked for 13 years as a Geologist responsible for uranium exploration and development in the western USA for Uranex and before that for five years as a geologist for Phillips Uranium company focusing on south western USA. During this time John was involved in the exploration of a number of uranium and gold deposits.

Career started as staff Geologist at Standard Oil Co. Post Master (Doctoral Program) in Geology University of Oregon, University of Arizona; Masters in Geology from University of New Mexico

## **Dr. Bernhard Free- Senior Consultant**

Bernhard Free is a geologist and has over 50 years experience in the exploration, discovery and development of mineral deposits. He has spent many years in the uranium business and was General Manager for North America for Uranex for a number of years. He has a PH.D in geology.



# AusAmerican Directors & management biographies.

## **David S. Boyer-Resource Geologist**

David has spent Fourteen years working as a geologist (mineral/uranium, oil and gas exploration, geothermal) which includes resource/property evaluation, resource modeling and definition; field oriented geological investigation (mapping, sampling, and drill supervision), project/exploration management, and historical resource compilations (interpreting lithochemical, structural, environmental, and geophysical data – both regional and district scale). David has experience in a wide variety of mineral deposits including precious metal narrow vein/epithermal, porphyry copper/gold, disseminated gold (Carlin-style), VMS/base metal deposits and uranium deposits in North and South America and Africa. In addition to this he has experience with Surpac, Arc GIS, MapInfo, Geosoft, and Access. He is a Registered Geologist and has a M.Sc. Geology (Structure and Geochemistry). He has Spanish language proficiency and has an Applied background in geostatistics.

David has worked for a number of large and junior mining companies including Liberty Star Uranium, Kennecott and Magma Chemicals.

## **Jim Wallace- Permitting and Environment**

Jim is a geologist by training and consults to AusAmerican on permitting and environment issues. He is responsible for the permitting of all drilling permits as well as the mining permitting and Plan of Operation (POO) for the Apex/Lowboy project in Nevada. He runs a consulting practice that focuses on mining, mine land reclamation, environmental compliance and land use planning.

## **Chester E. Nichols -Chief Geologist- Texas**

Chester E. Nichols has many years of exploration experience in all the major uranium provinces of the United States. He worked for a number of corporations but spent the majority of his time with Union Carbide Corporation which historically dominated the uranium exploration and mining of uranium in the U. S. While with Union Carbide he led the cutting-edge technology for advanced uranium exploration programs in Texas and wrote UCC's exploration manual. He was involved in discovering new uranium deposits in the Colorado Plateau, Nebraska, New Mexico and Wyoming as well as several new uranium deposits in Texas.

He holds an AB in Geology from Cornell University, an MS in Petrology from the University of Iowa, and a PhD in Geotectonics and Geophysics from the University of Missouri-Rolla (Missouri School of Mines). He is currently a member of the Association of Engineering Geologists, Sigma Xi (scientific research society), and citizens for Nuclear Technology Awareness, Central Savannah River Area Geological Society, and the Geological Society of Nevada.