

EXCELLENT IRON RESULTS AT BENCUBBIN IRON ORE PROJECT, WESTERN AUSTRALIA

HIGHLIGHTS

- AMMG has received highly encouraging results from recently completed Davis Tube Recovery (DTR) metallurgical test work from the Company's 100% owned Annie's Prospect.
- Average **iron concentrate results of above 70%** with an average **mass recovery of 42.8%** with a '**coarser**' grind size of **-75 microns**.
- AMMG drilled nine (9) exploration drill holes averaging depths of 65 metres to test previously identified magnetic anomalies and increase the metallurgical understanding of the mineralisation.
- The Stage I RC drilling program was a result of a successful application in the state government's **EIS co-funded drilling program** with a refund of up to \$66,000 for direct drilling costs.
- The Bencubbin tenement is **bisected by rail**, is strategically located approximately 220kms from Perth and the geological structure has a **strike length of 14 kilometres**.

Australia Minerals and Mining Group Limited (**ASX: AKA**) ("AMMG" or "the Company"), is pleased to announce that the first phase of reverse circulation (RC) drilling at its 100% owned Annie's Prospect at the Bencubbin Iron Ore Project ("Bencubbin") has produced excellent Davis Tube Recovery (DTR) results from the most promising iron mineralisation zones, with an average **concentrate grade of above 70% iron**, an average **mass recovery of 42.8%** and low contaminants. Results of the DTR test work are presented in the table below.

"This first stage drilling program has produced extremely promising iron concentrate results from the beneficiation DTRs", AMMG Managing Director Mr Ric Dawson said.

"With a coarser grind size than has previously been reported in the Mid-West area, this has the benefit of lower energy input in a processing plant.

"With potential access to rail infrastructure traversing through the tenement, and the relatively close location to the port of Kwinana, it provides encouragement for pursuing a magnetite project in this locality", said Mr Dawson.

Hole ID	Co-ordinates	Depth From	Depth To	Head Grade Fe (%)	Mass Rec (%)	Fe (%)	Al ₂ O ₃ (%)	P (%)	S (%)	SiO ₂ (%)	Ig. loss (%)
BNRC003	580033E 6582555N	24	34	29.5	38.3	71.5	0.2	0.002	0.018	0.49	-3.32
BNRC004	579998E 6582555N	33	40	33.5	45.2	71.6	0.3	0.002	0.011	0.47	-3.35
BNRC005	579626E 6583078N	21	32	29.6	39.8	71.5	0.3	0.002	0.015	0.41	-3.28
BNRC008	579599E 6583107N	37	42	36.5	47.8	71.0	0.3	0.002	0.142	0.55	-3.03

Notes: The grind size was -75 micron; Ig. loss: Loss of ignition (chemically bound water); Co-ordinates are GDA94 Zone 50; Refer to Appendix 2 for detailed results.

Table I. Significant results from Davis Tube Recovery (DTR) metallurgical analysis from first phase drilling program

The 'sighter' DTR results above give a clear understanding that the magnetite material is suitable to beneficiate to a market premium iron concentrate of over 70% with low silica and low alumina impurities. The mass recovery percentage is above average for industry norms when beneficiating a magnetite. High grade magnetite concentrates are in high demand from Chinese steel mills and attract premium prices due to low impurity levels. Furthermore, the high grade magnetite concentrate could potentially be suitable for direct feed to sinter plants that do not require palletisation.

Of significance is that the DTR analyses were conducted at both -38 micron and -75 micron indicating little difference in the mass recoveries and iron concentrate percentages between the differing grind sizes. This allows for a 'coarser' grind size to be planned in the Company's potential future plant configuration when compared to the published grind size at the majority of other Yilgarn Craton magnetite projects.

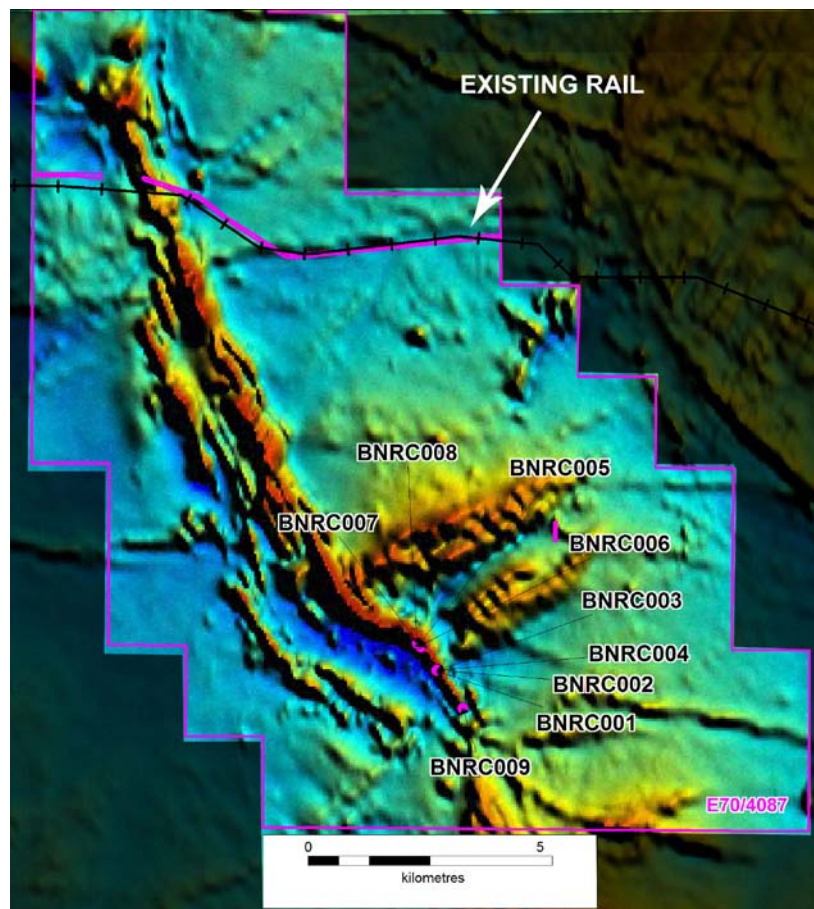


Figure I. RC drill hole locations from AMMG's first phase drill program on new EIS aeromagnetic image

An aeromagnetic image shows the geological structure under the surface for approximately 14km strike length (refer to Figure 2 below).

The stage 1 drilling program consisted of 585 metres of RC drilling with nine (9) drill holes averaging 65 metres. The drilling program was designed to confirm the presence of magnetite mineralisation of the project's greenstone belt that is westerly dipping and is continuous for a length of some 14kms. Additional remnants of greenstone consist mainly of banded iron formation (BIF) and amphibolites out-crop to the south and east of the main belt. The metallurgical test work indicates that the Annie's Prospect has significant iron mineralisation that could continue over the greenstone belt.

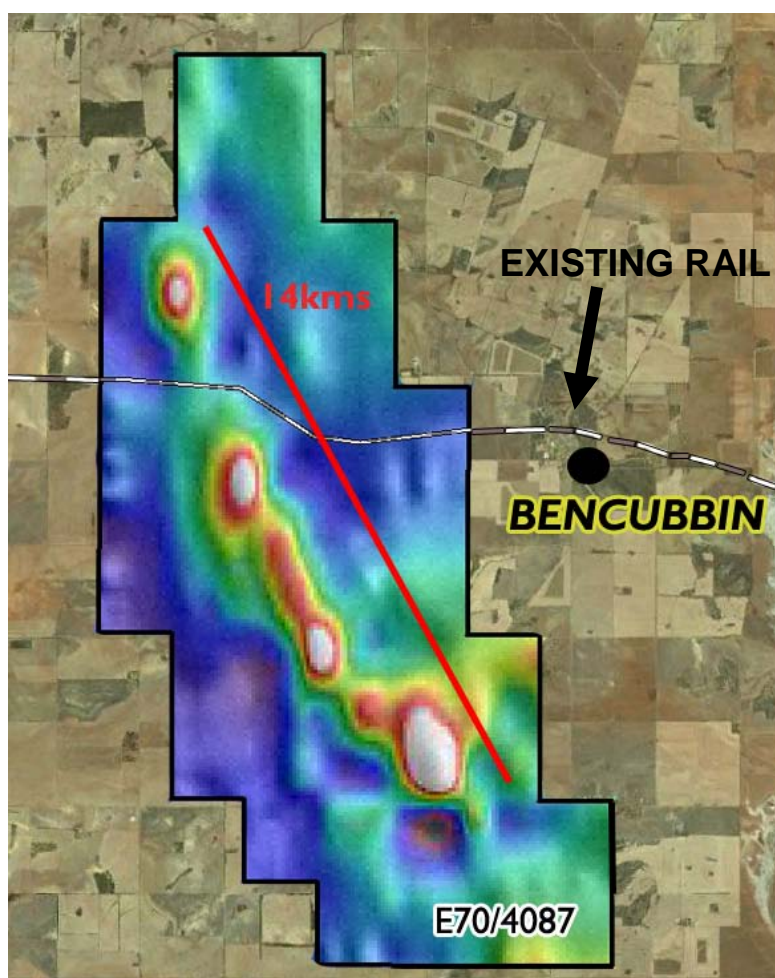


Figure 2. Map of the total magnetic intensity (TMI) structure under the surface for approx. 14km strike length.

Stage 2 Drill Program

Based on the encouraging metallurgical test work results, and the new enhanced EIS aeromagnetic imagery, the Company now has the confidence to pursue plans for a follow-up stage 2 RC drill program over the length of the Bencubbin project. The Company will announce further exploration updates as they occur.

Bencubbin Project Background

AMMG's 100% owned Bencubbin project (through its wholly owned subsidiary, Yilgarn Iron Pty Ltd) is made up of one granted tenement E70/4087, which was granted in January 2011, with a tenement area of approximately 250km². The tenement is approximately 220kms from Perth, Western Australia, bisected by an existing rail line and approximately 240kms from the Kwinana port.

The properties upon which the tenement is situated are relatively large rural cleared farmland currently used for cropping and grazing. Landowners in the area have expressed a strong desire to pursue alternative land use activities and rehabilitation practices. Native Title is extinguished due to the areas being cleared private freehold land. The original vegetation has been cleared for cropping approximately 90 years ago.

In September last year, AMMG was successful in its submission to the Western Australian Government's Exploration Incentive Scheme (EIS) co-funding drilling program. The program is funded out of the Royalties for Regions Initiative, and provides funding to geoscience exploration including mineral, petroleum and geothermal exploration. The Company will be refunded up to a total of \$66,000 towards Bencubbin's direct drilling costs.



Figure 3. Photo of the RC drill rig during February drilling program at Bencubbin, Western Australia.

Competent Persons Statement

Technical information in this report is based on information compiled by Mr Michael O'Mara, B.Sc. Geology, AMMG Chief Geologist and a member of the Australasian Institute of Geoscientists. Mr O'Mara has sufficient exploration experience, which is relevant to the styles of mineralisation and types 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' ("JORC 2004"). Mr O'Mara consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

ENDS

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About AMMG

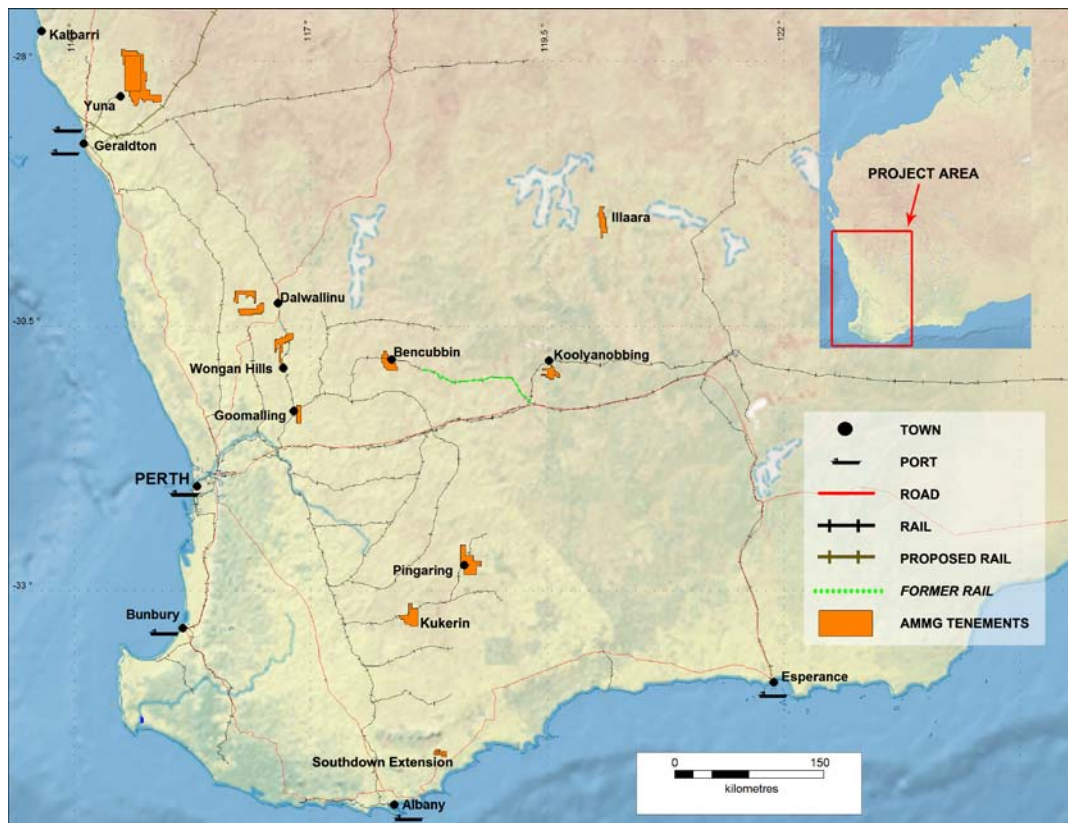
AMMG was established for the purpose of securing exploration ground over areas that have typically been subject to **historical exploration** and where **significant geological data** was available and/or the land was considered sufficiently prospective. Areas with existing or potential access to infrastructure 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 **19 granted tenements and 42 applications** for tenements covering approximately **12,383km²** 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.

About the Yilgarn Iron Ore Projects

The Company itself or under joint venture now has **10 granted** exploration licence applications and **eight (8) pending applications** for tenements covering approximately **4,005km²** over the project areas.



Appendix 1

Stage 1 Drill Program – Drill Locations for Annie’s Prospect

Hole_ID	East	North	Dip	Azi	Depth (m)	Grid
BNRC001	579984	6582552	-60	270	51	GDA_94_50
BNRC002	580016	6582553	-60	270	96	GDA_94_50
BNRC003	580033	6582555	-60	270	96	GDA_94_50
BNRC004	579998	6582555	-60	90	50	GDA_94_50
BNRC005	579626	6583078	-60	220	50	GDA_94_50
BNRC006	579652	6583054	-60	210	50	GDA_94_50
BNRC007	579674	6583032	-60	220	50	GDA_94_50
BNRC008	579599	6583107	-60	215	50	GDA_94_50
BNRC009	580529	6581783	-60	215	81	GDA_94_50

Appendix 2

Stage 1 Drill Program – Results of Assay/DTR Metallurgical Test Work

Hole ID	Depth From	Depth To	SAMPLE	HEAD GRADE							DTR CONCENTRATE							
				Al ₂ O ₃ %	Fe %	P %	S %	SiO ₂ %	Total %	LOI %	Mass Rec %	Al ₂ O ₃ DTR %	Fe DTR %	P DTR %	S DTR %	SiO ₂ DTR %	Total DTR %	LOI DTR %
BNRC002	9	18	BC001 +38um	6.7	21.45	0.028	0.018	55.5	100.05	2.99	7.2	IS	IS	IS	IS	IS	IS	IS
BNRC003	24	34	BC002 +38um	3.61	30.72	0.053	0.266	47.3	100.05	-0.21	38.5	0.28	71.17	0.003	0.025	0.8	100	-3.28
BNRC004	33	40	BC003 +38um	3.03	32.93	0.045	0.297	45	100	0.35	44.1	0.33	71.1	0.003	0.012	0.95	100	-3.28
BNRC005	0	7	BC004 +38um	2.97	15.02	0.029	0.05	69.5	99.96	2.56	2.1	IS	IS	IS	IS	IS	IS	IS
BNRC005	10	21	BC005 +38um	4	19.18	0.049	1.275	59.7	102.35	0.88	19.9	0.28	72.15	0.003	0.415	0.86	102.7	-3.09
BNRC005	21	32	BC006 +38um	4.77	27.93	0.061	0.114	49.9	99.95	-0.85	37.3	0.31	71.06	0.003	0.018	0.85	100	-3.29
BNRC005	32	45	BC007 +38um	7.98	15.52	0.032	0.226	57.9	99.95	-0.06	15.0	0.43	71.59	0.004	0.645	1.6	103.2	-3.35
BNRC006	9	23	BC008 +38um	2.69	23.34	0.054	1.03	55.6	99.97	0.36	28.1	0.25	71.06	0.003	0.231	0.5	99.99	-3.24
BNRC007	23	30	BC009 +38um	6.76	13.52	0.035	0.201	66.7	100.05	-0.06	16.5	0.28	70.32	0.004	0.37	0.96	100	-3.39
BNRC008	8	14	BC010 +38um	1.8	18.39	0.042	0.779	64.5	100	0.35	17.4	0.36	69.27	0.006	0.76	1.04	100	-2.71
BNRC008	37	42	BC011 +38um	1.55	37.6	0.05	0.144	42.4	100	-1.23	1.6	IS	IS	IS	IS	IS	IS	IS
BNRC009	20	22	BC012 +38um	7.97	6.41	0.027	0.361	72.7	100	1.53	46.4	0.32	71.11	0.002	0.135	0.62	100	-3.24
BNRC002	9	18	BC001 +75um	6.91	21.81	0.028	0.019	54.7	100.00	2.89	9.9	0.39	68.71	0.017	0.010	1.94	100.00	-0.91
BNRC003	24	34	BC002 +75um	3.77	29.55	0.052	0.255	48.5	99.97	-0.13	38.3	0.22	71.51	0.002	0.018	0.49	100.00	-3.32
BNRC004	33	40	BC003 +75um	2.65	35.31	0.043	0.309	42.7	99.96	0.10	45.2	0.28	71.64	0.002	0.011	0.47	100.00	-3.35
BNRC005	0	7	BC004 +75um	2.54	14.15	0.027	0.053	71.6	99.95	2.40	2.8	IS	IS	IS	IS	IS	IS	IS
BNRC005	10	21	BC005 +75um	3.77	18.76	0.047	1.190	58.8	100.00	0.77	19.8	0.25	70.01	0.004	0.554	0.91	99.99	-2.95
BNRC005	21	32	BC006 +75um	4.76	29.66	0.058	0.103	47.9	100.00	-0.95	39.8	0.29	71.49	0.002	0.015	0.41	100.00	-3.28
BNRC005	32	45	BC007 +75um	8.28	14.92	0.032	0.225	58.2	100.00	0.03	15.4	0.28	69.63	0.004	0.743	0.95	100.00	-3.01
BNRC006	9	23	BC008 +75um	2.71	23.60	0.053	0.979	55.3	100.00	0.34	26.3	0.27	70.73	0.004	0.275	0.61	100.05	-3.01
BNRC007	23	30	BC009 +75um	6.87	12.76	0.033	0.184	67.6	100.05	0.00	14.8	0.26	72.36	0.004	0.404	0.75	102.50	-3.30
BNRC008	8	14	BC010 +75um	1.76	21.43	0.042	0.755	64.2	103.90	0.24	21.6	0.42	71.41	0.008	0.685	1.14	103.20	-2.59
BNRC008	37	42	BC011 +75um	1.66	36.49	0.053	0.150	43.6	100.00	-1.23	47.8	0.34	71.03	0.002	0.142	0.55	100.00	-3.03
BNRC009	20	22	BC012 +75um	8.21	6.25	0.028	0.342	72.7	100.00	1.37	1.4	IS	IS	IS	IS	IS	IS	IS

IS: Insufficient Sample