



Annual Report

2014



Our vision

To be one of the world's leading
producers of
high purity alumina (HPA)

Did you know?

Sapphire, the much-admired gemstone, is a natural form of high purity alumina (HPA) formed by mother nature.

With superior qualities such as extreme hardness - sapphire is number 9 on the Mohs scale (third hardest mineral, right behind diamond).

Artificial sapphire crystals are grown using 99.99% HPA.

Sapphire crystal is the key ingredient for the production of high-performance electronic applications.

Company Profile

The Company is aiming to become one of the world's leading suppliers of 99.99% (4N) high purity alumina (HPA) (Al_2O_3).

HPA is the major source material for scratch-resistant artificial sapphire glass, which is used in the next generation of smartphones as well as a growing range of high-performance electronic applications. The global HPA market is approximately 19,040tpa and is expected to double over the coming decade.

Current HPA producers use an expensive and highly processed feedstock material such as aluminum metal to produce HPA quality product. AMMG is one of only two companies in the world that report the ability to produce 4N HPA directly from an ore feedstock, such as aluminous clay.

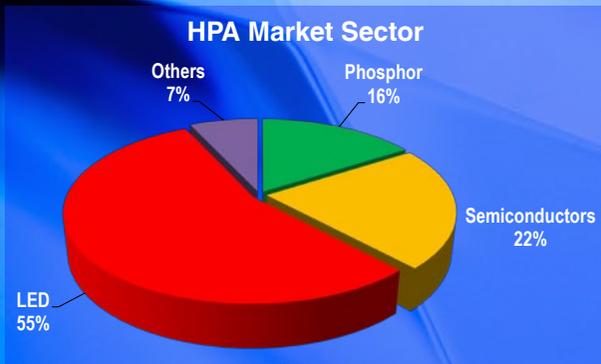
AMMG employs a proven processing technology to extract HPA from its low-cost and low-impurity aluminous clay feedstock. The Company is now advancing a Bankable Feasibility Study (BFS) to develop a full-scale 3,000tpa production facility.

AMMG is a chemical processing group focused on creating a high-margin product to meet the growing global demand for the next generation of high-performance technologies.



HPA Applications

Today's use of HPA is expanding to new applications such as smartphones, lithium-ion batteries (hybrid cars) and soft-focus translucent cosmetics



Light Emitting Diodes (LEDs)

The global HPA market is rapidly growing in the artificial sapphire sector, which is used to produce Light Emitting Diode (LED) products.

Artificial sapphire is a crystal that is grown from HPA and provides LEDs with superior properties such as extreme hardness and chemical resistance.

The LED segment held the largest share of 55% in the global HPA market in 2013. The rising demand for HPA in LEDs is fuelled by the growing adoption of LED lighting technology globally.

Phosphor

Plasma display panels are made of phosphor coatings that use HPA to control the phosphor material. Based on the rising demand for thin screens, LED TVs, computer and plasma displays, the market share is expected to steadily increase from 16% market share in 2013.

Semiconductors

HPA is also used in semiconductors as it provides superior plasma corrosion resistance and extreme high-bending strength.

HPA is used by electronic producers for a range of semiconductor components such as electrolytic capacitor foils, plates for flat panel displays, handheld consumer devices and data storage systems.

Data processing consumes HPA for use in tablets and personal computers while communication applications are driven by smartphones and computers.

In 2013 semiconductors took up 22% of the global HPA market. With increasing global use of electric applications and electronic consumer devices, rapid growth is anticipated for this sector.



Industrial & Other

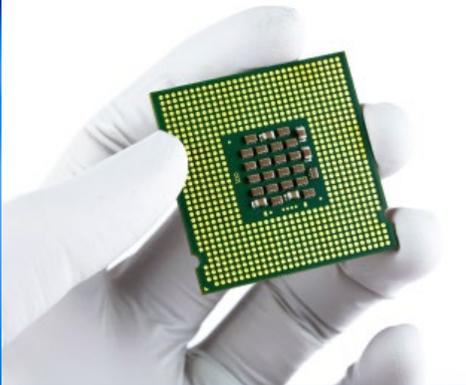
HPA has specific applications in the field of abrasives, ceramics, and separation membranes as well as in the industrial, chemical and medical sectors. Other applications, for example, transparent cosmetics and automotive sensors accounted for 7% of the market in 2013.

Nano-sized (ultra-fine) HPA is a new material that is expected to open up new applications in the future.



HPA Applications

Global sales of smartphones is estimated to exceed US\$1 billion by 2016



Key Ingredient to the Modern World

HPA is experiencing increasing demand due to its growing significance in the production of today's high-performance electronic devices.

HPA is the key ingredient to the modern world.

HPA's superior qualities are pertinent features for a range of existing and new applications, for example:

Extreme strength

Electronic substrates

Corrosion resistance

Plasma display screens

High brightness

LEDs

High bending strength

Smartphone components, thin TV

Superior electrical insulation

Optoelectronics

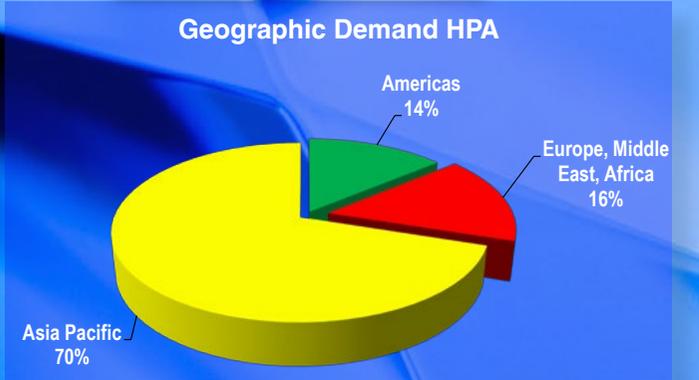
High heat resistance

Semiconductors, hybrid cars



HPA Market Demand

The global HPA market was estimated at 19,040tpa in 2014 and is expected to increase to 48,230tpa by 2018 growing at a CAGR of 28%



High Purity Alumina (HPA)

Aluminum oxide (alumina) is primarily used as a feedstock for the fabrication of metallic aluminum, known as smelter grade alumina (SGA).

Approximately 90% of alumina is allocated to SGA production with the remaining 10% allocated to the non-metallurgical market for specialty or chemical use.

High purity alumina (HPA) is the high-end product of the non-metallurgical alumina market.

Market Size

According to Technavio Research the global HPA market was estimated at 19,040tpa in 2014 and is expected to increase to 48,230tpa by 2018, growing at a CAGR of 28%.

The market will witness significant growth due to rising demand from end-users and a positive outlook for the global economy.

QY Research estimates the demand for HPA in 2014 to be 24,550tpa and growing to 36,000tpa in 2017. Their growth rate prediction is around 16% over this period.

Where is the demand?

The Asia Pacific (APAC) region dominated the global HPA market with a share of 70% in 2013 as majority of HPA vendors are based in China and Japan.

The Europe, Middle East, and Africa (EMEA) region accounted for 16% with small vendors catering to the demand.

The Americas accounted for 14%, which is expected to increase to 18%.

China (49%) and Japan (21%) are the world's leading producers of HPA.

AMMG believes most of the future demand will be driven by the APAC region and the Company's strategy of having an "ore to HPA" production facility in this region is a distinct geographical advantage for supplying HPA.

HPA Supply Deficit

"The global HPA market currently has a supply deficit, which is expected to be resolved because of the development of new technology that extracts HPA from aluminous clay resources. HPA producers are rigorously exploring the earth's crust for aluminous clay resources..."

An increase in aluminous clay resources will enable the global HPA market to overcome the supply deficit and enhance the production of HPA".

- Technavio Research



As an emerging producer of HPA the Company will contribute in meeting the forecast HPA deficit as well as providing increased choice and flexibility for current HPA buyers.

HPA Market Demand



To keep up with the rapidly growing demand, major HPA producers are seeking:

Sustainable low-cost feedstock alternatives

Lower cost processing methods

Toxic residue prevention

Extraction method improvements

Price Forecast

The global HPA market can be divided into categories according to purity. Prices are largely dependent on purity as well as a number of other factors such as particle size.

Technavio expects the price range for each HPA product:

4N 99.99%
<i>Impurity level of only 0.01% (100ppm)</i>
US\$50 - US\$40/kg
5N 99.999%
<i>Impurity level of only 0.001% (10ppm)</i>
US\$107 - US\$79/kg
6N 99.9999%
<i>Impurity level of only 0.0001% (1ppm)</i>
US\$240 - US\$185/kg

AMMG believes that the majority of global HPA sales and demand is at the 4N category and is therefore aiming to produce this product.

Sapphire (LEDs) Demand

HPA is the key ingredient for artificial sapphire production, which is used in LEDs, the latest generation of smartphones, lithium-ion batteries, semiconductors, plasma screens and optical electronic devices.

The current high demand for HPA-based sapphire substrates for the LED market has greatly added to the growth in demand for sapphires, thus HPA.

Products that use LEDs have high thermal stability, chemical resistance and mechanical strength, which is driving the demand for HPA.

Sapphire glass has a number of physical attributes that make it suitable for a wide range of end markets including its hardness and resistance to physical damage, scratching and chemical erosion.

Similarly, the \$13b annual LED market continues to grow with more lighting, display screens, signs, TVs and motor vehicles moving to the energy efficient LEDs, which is forecast to continue growing at >60% annually from 2013 to 2015, leading to robust growth in demand for HPA.

New Markets

In just the smartphone sector, major electronic companies like Apple and Huawei have announced their intention to use sapphire scratch resistant glass (made from HPA) for the next generation of smartphones.

Apple's reported \$578 million investment in sapphire glass technology company GTAT suggests the major electronic producer's commitment to using sapphire as a key ingredient in future electronic devices.

Sales of smartphones globally are estimated to exceed \$1 billion annually by 2016.



Chairman's Letter

Dear Shareholders

As Chairman of AMMG it is with great pride and enthusiasm that I present the Company's 2014 annual report.

Driven by the unique commercial opportunity in high purity alumina (HPA) production, AMMG has focused its attention on developing its core asset - the HPA project.

Exploration activities at the Company's 100%-owned HPA project confirmed an extensive aluminous clay deposit as well as the potential to convert this material to a high quality alumina end-product.

Successful lab results produced HPA of 99.99% (4N) purity – a premium product used in the creation of today's high performance applications.

During the year the Company re-confirmed its commitment to HPA production with the completion of an optimisation test work program, which identified favourable cost estimations for a 700tpa pilot plant.

Based on an in-depth technical review, the Company determined the significant value in proceeding directly to the development of a 3,000tpa HPA production facility.

The Company is driven by the substantial savings associated with the full-scale 3,000tpa production facility, which will save capital, reduce shareholder dilution with additional capital raisings and an earlier-than-expected production date may also be achievable.

A Bankable Feasibility Study (BFS) is now underway to develop the full-scale HPA production facility targeting capacity of 3,000tpa HPA.

We look forward to announcing the results towards the end of Q3 2015.

On behalf of the board, I convey my sincere thanks to the Company's board of directors, senior management and staff for another outstanding year.

Without the hard work and commitment of these dedicated people, the Company could not have achieved what it has to date.

I would also like to thank our shareholders and stakeholders for their continued support during the year.

I look forward with anticipation to an exciting year ahead.

Yours sincerely,



Luke Atkins
Non-Executive Chairman

"The Company has determined the significant value in proceeding directly to the development of a full-scale 3,000tpa HPA production facility"



Board of Directors

Mr Luke Atkins *LLB*
Non-Executive Chairman



Mr Luke Atkins is the co-founder and non-executive director of the successful ASX-listed mining company, Bauxite Resources Ltd (ASX: BAU).

As Bauxite Resources' former executive chairman, Mr Atkins played a key role in successfully negotiating funding, joint ventures and land access agreements.

As a highly qualified mining executive, Mr Atkins has extensive experience in capital raisings for both private and public mining companies.

Mr Iggy Tan *B.Sc MBA GAICD*
Managing Director

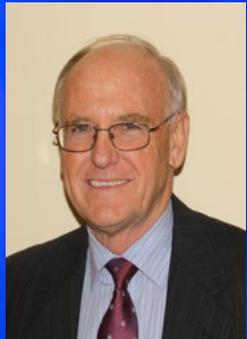


Mr Iggy Tan joined AMMG in August 2014 and is responsible for driving the development of the high purity alumina (HPA) project.

Mr Tan has over 30 years' experience as an executive director and was involved in successful start-ups of seven resource projects.

Mr Tan's role in the successful start-up of Galaxy Resources Ltd (ASX: GXY) enabled the company to become the world's leading high purity lithium carbonate producer. He was responsible for the capital raising, construction and start-up of Galaxy's Mt Cattlin spodumene mine (\$80m) and the Jiangsu lithium carbonate plant (\$100m).

Mr Peter Bailey *B.Sc(Hons) Elect.Eng MIEE C.Eng*
Non-Executive Director



Mr Peter Bailey was previously CEO and co-owner at Sherwin Alumina, a smelter and specialty grade alumina plant based in Texas, USA. Some highlights of this role included heading a joint ownership/private equity acquisition of Sherwin in 2000; capital raising to purchase Alcoa's plant; sold 51% of Sherwin to China MinMetals and ultimately sold the remaining 49% to Glencore in 2007.

Mr Bailey was president of Alcoa Worldwide Chemicals and managed 13 alumina plants around the world. He was also president of Alcoa Bauxite & Alumina and the chairman of the bauxite joint venture in Guinea, Africa.

Mr Dan Tenardi
Non-Executive Director



Mr Dan Tenardi is a highly experienced global resource executive with over 40 years in the mining and processing sectors.

Mr Tenardi spent 13 years at Alcoa's alumina refinery in Kwinana as well as their bauxite mines in the Darling Ranges of Western Australia.

Having worked with major players amongst the global alumina industry, Mr Tenardi has valuable alumina-specific industry experience.

Chemical and alumina-specific industry experience to drive the development of the HPA project



**Right Place
Right Time
Right Feedstock
Right Technology**

Our focus is on moving away from exploration to becoming an HPA producer.

We have a robust and proven HPA processing technology supported by a unique low-impurity feedstock.

We are in the right place at the right time with the right feedstock and the right technology!

Name Change to Altech Chemicals Limited

Based on its strategy to become a leading HPA producer, the Company is proposing a change of name to 'Altech Chemicals Limited'. The proposed name change will be subject to shareholder approval at the upcoming Annual General Meeting in November 2014.

The new branding will position the Company as a credible producer of specialty chemicals within the global market place. The proposed logo's colour represents the blue of a sapphire, which is the natural form of alumina.



Proposed Altech Chemicals Ltd logo and brand concept

Focus on HPA Production



The Company has devised a clear strategy to focus on becoming a dominant high purity alumina (HPA) producer.

Newly appointed managing director, Mr Iggy Tan, initiated an in-depth technical review of AMMG's previous HPA laboratory test work and process investigations.

The result of the review reaffirms the technical and commercial viability of producing HPA from the Company's substantial aluminous clay resource at Meckering, Western Australia.

The majority of HPA producers use an expensive and highly processed feedstock material, such as aluminum metal, to produce 99.99% (4N) HPA product.

One of the main advantages of the Company's strategy is that its extensive aluminous clay material with naturally low impurities provides a cheaper feedstock alternative to producing HPA.

Combined with the robust HCL processing technology employed by the Company, its HPA production process offers significant cost and operating benefits.

Bankable Feasibility Study (BFS)

Target 3,000tpa Production

AMMG launched a Bankable Feasibility Study (BFS) based on the development of a 3,000 tonnes per annum (tpa) high purity alumina (HPA) operation.

The target production capacity would position the Company as one of the world's top five HPA producers amongst major suppliers Sumitomo Chemicals (Japan), Hebei Pengda (China), Sasol (South Africa), and Baikowski (France).

The increasing demand for HPA across a growing range of industrial processes and high-performance electronic applications gives the Company confidence there is sufficient demand to support its proposed 3,000tpa HPA production capacity.

The Company's target capacity of 3,000tpa represents less than 10% of the forecast global HPA demand in 2018.

This is an excellent opportunity to enter into production during a period of sustained HPA demand and market growth.

As part of the BFS, the Company has combined a team of highly experienced professionals to:

- De-risk and optimise process flowsheet targeting 3000tpa production capacity
- Locate suitable plant sites supporting project criteria
- Secure necessary environmental and council approvals to progress plant site works
- Locate reputable suppliers for critical plant equipment and materials

The Company looks forward to announcing the results of the BFS towards the end of Q3 2015.

Subject to funding, the Company could be in the situation of placing long-lead orders for equipment pertinent to the HPA production facility towards the end of Q3 2015.

AMMG aims to:

Emerge as a top five global HPA producer

Produce 10% of the forecast HPA demand by 2018

Cater to the forecast HPA supply deficit



Meckering Key Feed to HPA Project



Meckering Project Background

The Meckering project was subject to extensive historical exploration by CRAE in the 1990's and subsequently, Swan River Kaolin (SRK) in 2005. Exploration and mining focused on a large tonnage deposit to provide high brightness kaolin for ceramics and paper coatings.

SRK delineated a JORC indicated and inferred resource of 65Mt @ 83.4% brightness. SRK mined the deposit, using conventional open pit methods, to obtain a bulk sample for test work.

Meckering Project

The Company selected its 100%-owned Meckering aluminous clay deposit as the key feedstock for its HPA project.

AMMG currently holds tenements over aluminous clay assets at Gibson (Esperance), Kerrigan (Hyden), Bobalong (Tambellup) and as well as tenements at Meckering. The Company selected the Meckering deposit as it is the most advanced aluminous clay project within the Company's portfolio.

The Meckering deposit gives the Company access to an abundant, low-cost aluminous clay feedstock, which has already been purified and processed by a natural weathering process over millions of years.

The Company proposes its HPA plant to be located in Perth, which is located approximately 130km from the Meckering site, which will lower transport costs as only relatively low annual tonnages of ore will be required.

The Meckering exploration licence covers private freehold cleared farmland with key landowner agreements and surface rights already in place.

Key Advantages

Unlike many of the aluminous clay deposits in the world, the Company's material is fortuitously very low in iron and other impurities.

- Extensive JORC resource 65Mt
- Substantial historical exploration/mining
- Within relatively close proximity to Perth approximately 130km distance
- Project accessible via major roads
- Nearby infrastructure such as electricity & water
- Private freehold cleared farmland
- Key landowner agreements and surface rights complete
- Low-impurity purified material
- Low stripping ratio
- Year round accessibility



Feedstock Advantages



AMMG uses an abundant, low-cost aluminous clay feedstock, which has already been purified and processed by natural weathering processes over many millions of years.

This direct ore feedstock contains very low levels of impurities such as iron, titanium, sodium, calcium, potassium and magnesium. The main impurity, silica, is insoluble, which is filtered out during processing, leaving only the soluble alumina.

By contrast, bauxite ore used to produce alumina and aluminum metal contains around 22% iron compared to the aluminous clay feedstock at Meckering that contains 0.7% iron.

Element (%)	Bauxite Darling Range*	Canadian HPA Project	AMMG Aluminous Clay **
Al ₂ O ₃	34.5	22.77	30.5
SiO ₂	21.5	53.29	56.3
Fe ₂ O ₃	21.2	8.36	0.7
TiO ₂	2.00	0.98	0.7
K ₂ O	0.24	3.41	0.2
CaO	0.015	0.65	0.1
NaO	0.005	1.42	0.1
MgO	0.01	1.67	0.1
LOI	18.1	-	-

*Geochemical/mineralogical characteristics of bauxites, Darling Range, Western Australia, Applied Geochemistry

** HPA Plant Feed

Major Producers

Generally, HPA is produced using an expensive and highly processed feedstock.

Major producers such as Sumitomo and Sasol use the hydrolysis of aluminum alkoxide method, which combines aluminum metal feedstock and alcohol to produce HPA.

Another common feedstock used for HPA production is commercially processed aluminum hydroxide, a precursor of alumina in the bauxite Bayer process.

While HPA production methods share similarities such as calcination and crystallisation, the major factor distinguishing each process is the feedstock choice and its cost.

For example, the feedstock costs at 100% alumina Al₂O₃ is estimated to be:

Aluminous clay (AMMG)
US\$220/t

Aluminum metal
US\$1,502/t

Aluminum hydroxide
US\$572/t

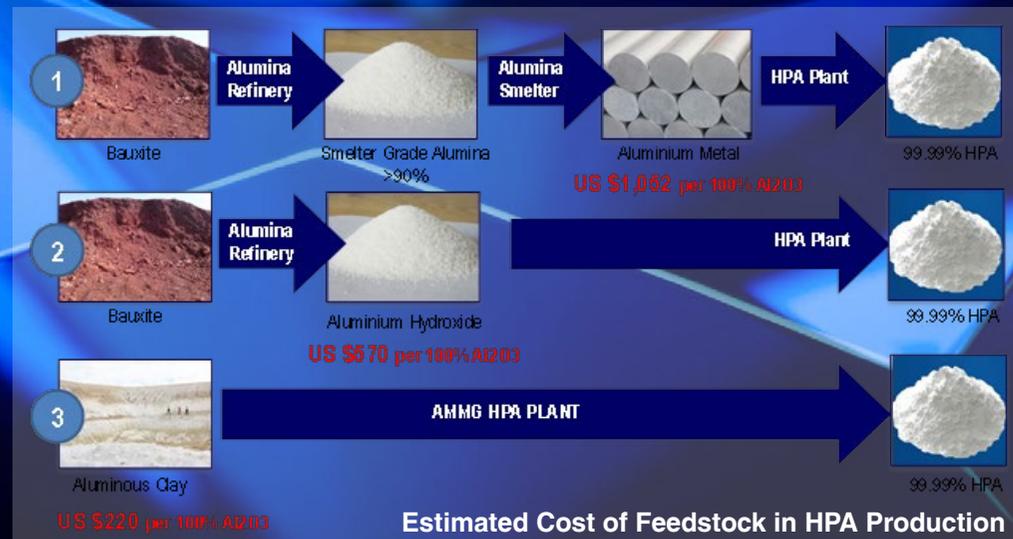
Direct Ore Feedstock

Producing HPA from a low-impurity, low-cost ore sets the Company apart from other HPA suppliers.

The Company's low-cost aluminous clay feedstock provides a compelling advantage over major HPA competitors.

Reports suggest HPA production costs will be impacted by rising labour and energy costs and stringent government regulations.

An abundant aluminous clay feedstock with low mining costs allows AMMG to produce a premium, high margin product at significantly lower costs than almost all of its global HPA competitors.



Mining Operations

AMMG's 65Mt JORC resource will support an ongoing HPA operation of +100 years

AMMG's HPA mining operation will comprise of a small crushing, drying and screening plant located at the Meckering site, which is located approximately 130km from the capital city of Western Australia, Perth.

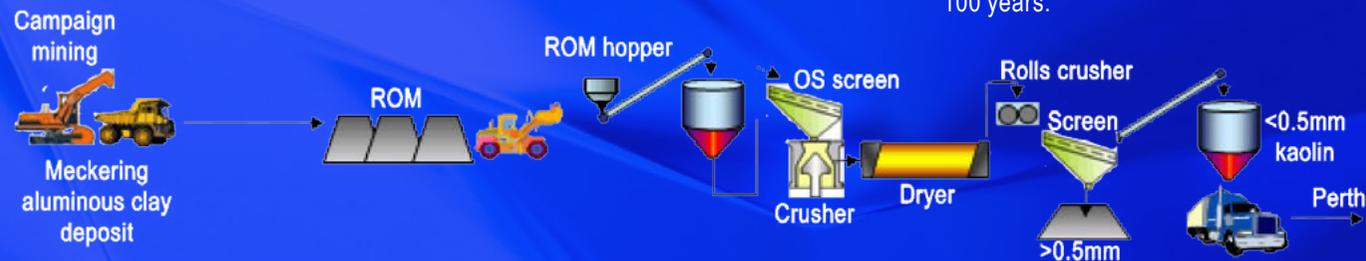
The mining of approximately 26,000tpa is proposed to be campaign-mined once every 2-3 years. The crushing and screening process is energy efficient as it is based on the Company's unique aluminous clay material, which contains a large proportion of natural fines and is soft and friable.

The natural fines of <0.5mm with inherent high alumina and low silica content is an ideal feed size for the HPA operation. The crushed feedstock will be dried to remove any moisture and to allow efficient dry screening.

Screening will remove the oversize (>0.5mm), which is predominantly quartz and silica. The <0.5mm product is transferred to site storage bins where it will be transported to Perth for processing at the HPA plant.

The simple screening process is expected to upgrade the aluminous clay feedstock from around 19% alumina (Al_2O_3) to around 30% Al_2O_3 .

Due to the very low tonnage of ore required, the Meckering operation will likely operate on a five-day per weekday shift basis employing 2-3 operators. The annual mined tonnage is around 26,000tpa and the HPA plant feed is around 12,500tpa. With a current JORC resource of 65Mt, the Meckering deposit would support an ongoing HPA plant operation for more than 100 years.



HPA Production Process

HCL Process

The Company's HPA process is a hydrochloric acid leach (HCL) process with crystallisation and acid recovery.

The main advantage of this technology is the simple recovery of acid, which is re-used at the front-end of the process, thereby reducing operating costs.

The HCL process is a conventional, proven and robust chemical process that was first developed in the early 1980's primarily for alumina production.



Process Relevant Today

In the 1980's, demand for a very pure alumina product (>99.99% HPA) was negligible compared to today so the HCL process was not further developed.

The HCL process works particularly well with AMMG's Meckering aluminous clay deposit due to the unique low-impurity ore feedstock, which allows the Company to produce a very pure (99.99% HPA) alumina product.

Processing Costs

As a result of the increasing demand from the electronics and technology industries for very pure product, the price of producing HPA is also exponential.

The cost to achieve the HPA product requires extensive processing, quality control and technology to meet HPA product specifications.

AMMG believes that because its process uses very pure ore feedstock, the processing costs will be cost effective.

'The Right Time'

Today, HPA demand is experiencing exponential growth due to the ongoing development of superior high-tech products such as LEDs, lithium-ion batteries and smartphone products.

AMMG is poised to take advantage of this growth market and believes it is in the right place at the right time.



HPA Production Process

Calcination

Aluminous clay ore is delivered from Meckering, stored in on-site storage bins and transferred to the calcination area. The calcine is cooled, ball-milled and screened to <300 micron and conveyed to buffer storage bins.

Acid Leaching

During the leaching process the calcine is mixed with recycled wash liquor containing HCl. The oxide components (except silica) are converted to soluble chlorides, producing a high concentration aluminium chloride (AlCl₃).

Residue Filtration

The leached slurry is pumped to leach residue filtration. The silica residue slurry is pumped and silica filter cake is neutralised and disposed back to Meckering site. The solution is filtered to remove any ultra-fine silica solids before crystallisation.

Crystallisation

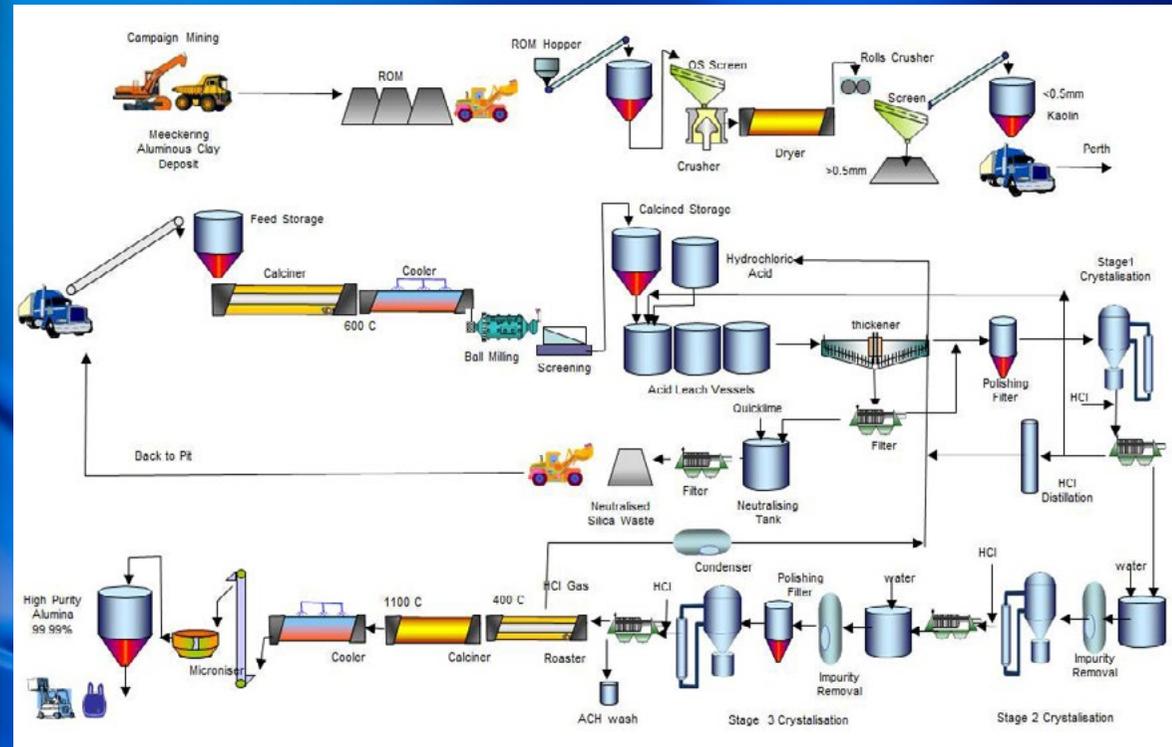
The solubility of aluminium chloride is unique in that it becomes less soluble with increasing acid concentration and the ACH crystallises out of solution. The ACH crystals are filtered, washed and dissolved to remove any ultra-fine impurities. The HCl is condensed and recycled to the front-end of the plant.

Roast & Calcination

The purified ACH cake is heat treated to liberate the chloride, HCl and water to produce highly pure alpha (α) alumina (Al₂O₃).

Grinding/Bagging

The HPA is fed to a grinding mill to produce product with a particle size of <10 micron. The milled HPA is bagged into 20kg plastic-lined paper bags and stored for dispatch to customers.



3000tpa HPA Project Process Flow Diagram

Process Design

Design Philosophy

The Company's design philosophy for its HPA production facility is to minimise the technology risk by utilising proven off-the-shelf equipment avoiding prototypes, for example:

- Conventional leaching technology
- Use of standard rotary kilns
- Off-the-shelf evaporative crystallisers used in the chemical industry

All plant effluent is collected and neutralised before proper disposal. All vent gases and vapours around the plant are also scrubbed and neutralised before discharge.

The process is designed to meet all stringent environmental standards and limits associated with Australian Standards.



Key Objective

Along with operability the plant design's ultimate goal is to ensure quality 99.99% (4N) HPA product is achieved.

Recycling

The main advantage of AMMG's process is the recovery of the majority of the HCl and the recycling of HCl at the front-end of the plant.



Laboratory Test Work Achieves 99.99% HPA

WORK TO DATE



Laboratory Test Work

Process development and laboratory test work was conducted in collaboration with consulting processing chemists TSW Analytical Pty Ltd. Successful laboratory test work produced 99.99% (4N) HPA from the aluminous clay material. The Company lodged three patent applications.

Optimisation and Plant Study

An optimisation test work program and integrated study was conducted to develop optimised operating conditions for a HPA pilot plant facility.

The integrated study's capital and operating figures confirmed that AMMG's relatively pure ore feedstock represents a strong business case to produce a high value, high margin product at significantly lower costs than other global HPA competitors.



Appointment of Managing Director

The Company appointed Mr Iggy Tan as managing director in August, 2014.

Mr Tan is a highly experienced mining and chemical executive with a number of significant achievements in project building and start-ups.

With 30 years' experience in mining, chemical processing and operations, Mr Tan will drive the advancement of the Company's HPA project.



JORC Resource

The Company acquired its 100%-owned Meckering aluminous clay project in 2010. An aluminous clay JORC resource of 65Mt at 83.4% brightness was subsequently delineated.

Process Development

Process development was undertaken to develop an effective method to extract HPA from the Company's aluminous clay material.

A well-established and robust chemical process that was first developed in the 1980's for alumina production proved relevant for HPA production using a low-impurity ore feedstock.

The Company's HPA processing technology was therefore based on its unique low-impurity aluminous clay feedstock.

Other Activities



The Company's diverse suite of mineral projects, including its key HPA project, continued to draw potential divestment and/or joint venture opportunities throughout the year.

In pursuit of investment opportunities, the Company implemented an effective marketing strategy. As a result, exploration activities were limited during the year.

Project Rationalisation

The Company made significant changes to its diverse project portfolio through relinquishments of less prospective tenements.

At the June 2014 year end, the Company held 17 exploration licence applications and 11 granted tenements over 10 projects across Western Australia and Queensland.

Glenarty Mineral Sands Project

The Company's 100%-owned Glenarty Mineral Sands Project attracted interest from a number of engineering firms ambitious to investigate the project's potential economic viability.

Situated within a world-class mineral sands region and being within close proximity to existing infrastructure, the project carries a combined JORC (2004) resource of 807Mt at 3.7% heavy mineral.

A joint venture arrangement was successfully negotiated with global engineering firm Midas Engineering Pty Ltd in March 2014. As part of the 50/50 JV agreement, Midas will conduct a series of engineering studies designed to deliver growth and development to the project.

This strategic JV agreement enables the Company to focus on developing its core asset, the HPA project, whilst one of its non-core projects advances and attracts potential future investment.

Donnelly Graphite Project

The Company acquired the Donnelly Graphite Project by way of application during the year. The 21-block tenement application covers an area with historical graphite mining operations.

Existing infrastructure such as major highways provide the tenement with direct access to the Bunbury port, which is located approximately 95km from the tenement in the south-west of Western Australia.

The Company conducted an in-depth geological review of the historical data and concluded an exploration target* at 200,000-600,000t @ 20% amorphous graphite.

**The term target should not be misunderstood nor misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the term has not been used in this context. It is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Mining Reserve. The exploration targets have been based upon historical RAB and aircore drilling, surface mapping and chemical analysis. Follow-up activities would include new RAB and aircore drilling upon granting of tenement applications. The approximation was based on areas of known outcrop/drill hole intercepts multiplied by local depth intersections or estimates multiplied by the specific gravity (SG) of 1.8 to provide a tonnage estimation.*

Company details

Registered Office

3 Bay Road
Claremont Western Australia 6010

Contact Details

Telephone: +61 8 9389 5557
Facsimile: +61 8 9389 5510
Email: info@ammg.com.au
Website: www.ammg.com.au

Australian Business Number

45 125 301 206

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross Western Australia 6153
Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

Media/Public Relations

Professional Public Relations
Level 2, 1 Altona Street
West Perth Western Australia 6005
Telephone: +61 8 9388 0944

Directors

Luke Atkins - Non-executive Chairman
Iggly Tan - Managing Director
Peter Bailey - Non-executive Director
Dan Tenardi - Non-executive Director

Company Secretary/CFO

Piers Lewis

Stock Exchange Listing

Australian Stock Exchange
ASX Code: AKA
Options Code: AKAO

Auditors

Moore Stephens
Level 3, 12 St George's Terrace
Perth Western Australia 6000

Solicitors

Steinepreis Paganin
The Reid Buildings
Level 4, 16 Milligan Street
Perth Western Australia 6000

Bankers

Australian & New Zealand Group (ANZ)
7/77 St George's Terrace
Perth Western Australia 6000

Forward-looking Statements

This report contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.

Competent Person Statement

Technical information in this report is based on information compiled by 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.

1. *Technavio Global High Purity Alumina Market 2014-2018*
2. *2014 Deep Research Report on Global and China High Purity Alumina Industry Beijing Hengzhou Bozhi International Information Consulting Co Ltd (QYResearch)*
3. *Jamie Fox, Lighting and LEDs, IMS Research, Opportunities for Sapphire*

AUSTRALIA MINERALS & MINING GROUP LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2014

The Directors present their report, together with the financial statements of the Group, being the Company and its controlled entities, for the financial year ended 30 June 2014.

DIRECTORS

The names and details of the Directors of Australia Minerals & Mining Group Limited during the financial year and until the date of this report are:

Iggy Tan Bsc MBA GAICD

Managing Director

Appointed 25 August 2014

As a highly experienced mining and chemical executive. Mr Tan has over 30 years' experience as an executive director of a number of ASX-listed companies. He was responsible for the capital raising, construction and successful start-up of Galaxy Resources Limited's (ASX: GXY) Mt Cattlin spodumene mine (\$80m) and the Jiangsu lithium carbonate plant (\$100m), which resulted in Galaxy dominating the global high purity lithium carbonate market as its leading producer. Having been involved in the commissioning and start-up of seven resource projects in Australia and overseas,

Mr Tan is an accomplished project builder and developer. Some of his key skills include chemical mineral processing, capital raisings, plant construction and operations, project studies and off-take negotiations. Mr Tan previously held Managing Director positions at Kogi Iron Limited, Galaxy Resources Limited and Nickelore Limited. Mr Tan holds a Master of Business Administration from the University of Southern Cross, a Bachelor of Science from the University of Western Australia and is a Graduate of the Australian Institute of Company Directors.

Luke Frederick Atkins – LLB

Non-Executive Chairman

Appointed 8 May 2007

As a highly qualified mining executive and is a lawyer by profession. Mr Atkins has had extensive experience in capital raisings and has held a number of executive and non-executive directorships of private and publicly listed companies including a number of mining and exploration companies.

Mr Luke Atkins is the co-founder and non-executive director of the successful ASX-listed mining company, Bauxite Resources Limited (ASX: BAU). Mr Atkins played a key role in successfully negotiating funding, joint venture partnerships, land access and infrastructure. Mr Atkins formerly held the role of Executive Chairman of BRL after co-founding the company in 2007. Mr Atkins brings to the board extensive experience in the areas of mining, exploration, and corporate governance.

Peter Bailey

Independent Director

Appointed 8 June 2012

Mr Peter Bailey is a highly experienced and qualified engineer with over 40 years' experience in the mining and industrial chemical production industry. Mr Bailey spent the majority of his career in the alumina chemicals and alumina refining industries. He was previously chief executive officer at Sherwin Alumina, an alumina refinery based in Texas, USA.

Prior to Sherwin, in 1998 Mr Bailey was president of Alcoa Worldwide Chemicals' industrial chemicals' department. He was responsible for managing the company's 13 alumina plants that were located in eight countries, with a combined annual revenue of approximately \$700 million. In 1996 Mr Bailey was president of Alcoa Bauxite and Alumina and was responsible for 8 alumina plants outside of Australia. He was also the chairman of the Alcoa Bauxite joint venture in Guinea, Africa. He has built a solid network amongst the global alumina industry and carries extensive experience in negotiating business terms and agreements with Chinese relations. He is also highly experienced in private equity, raising money and turning around under-performing assets.

AUSTRALIA MINERALS & MINING GROUP LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2014

Daniel Lewis Tenardi

Non-Executive Director

Appointed 17 September 2009

Mr Dan Tenardi is a highly experienced global resource executive with over 40 years in the global mining and processing sectors. During his extensive career, Mr Tenardi spent 13 years at Alcoa's alumina refinery in Kwinana as well as the company's bauxite mines in the Darling Ranges of Western Australia.

He was the founding Managing Director of Bauxite Resources Limited (ASX:BAU) where he led the rapid growth of the company from its initial exploration phase, expansion of land holdings, to the commencement of trial shipments and securing supportive strategic partnerships with key Chinese partners. Having built up strong networks amongst the industry leaders in the alumina world, Mr Tenardi provides valuable alumina-specific industry experience. Mr Tenardi is currently non-executive independent director of Australian iron ore producer, Grange Resource Limited (ASX: GRR). He was previously CEO of Ngarda Civil & Mining.

Richard Morris Dawson – B.App.Sc(Geol). EMBA MAusIMM MAICD

Former Managing Director

Appointed 10 January 2011, Resigned 9 July 2014

COMPANY SECRETARY

Piers Lewis – B.Comm. CA.

Company Secretary and Chief Financial Officer

Appointed 10 January 2011

Piers Lewis joined the Company in January, 2011. Mr Lewis is a Chartered Accountant with 15 years corporate experience, and has held executive and senior management positions throughout London and Australia. Mr Lewis also holds directorships, Company Secretary and CFO positions with other ASX-listed resource companies.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year consisted of mineral exploration and development principally in Australia.

There have been no significant changes in these activities during the financial year.

FINANCIAL POSITION & RESULTS OF OPERATIONS

The financial results of the Group for the financial year ended 30 June 2014 are:

	2014	2013
Cash and cash equivalents (\$)	1,784,404	2,827,198
Net assets (\$)	3,633,804	7,160,509
Revenue (\$)	213,086	718,736
Net loss after tax (\$)	(3,620,688)	(1,356,774)
Loss per share (\$)	(3.4)	(1.3)
Dividend (\$)	-	-

DIVIDENDS

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

AUSTRALIA MINERALS & MINING GROUP LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2014

REVIEW OF OPERATIONS AND ACTIVITIES

The past twelve months has seen the considerable further advancement of the Company's South West High Purity Alumina (HPA) Project. The Company is aiming to become the world's leading supplier of 99.99% (4N) high purity alumina (HPA) (Al₂O₃), which is the major source material for scratch-resistant artificial sapphire glass, used in the next generation of smartphones and portable tablet devices. The Company remains well funded with **circa \$1.8m** at Bank as at 30 June 2014.

South West High Purity Alumina (HPA) Project

The Company's HPA Project advanced significantly over the year, with a number of major milestones achieved. The Company's combined aluminous clay resource increased to **297Mt of aluminous clay** with the addition of the Gibson project's **147Mt resource** at 10.3% alumina. After acquiring the project in March 2013, AMMG's Gibson project is strategically located just 10kms from the Esperance port.

Other significant milestones achieved include the appointment of specialist third party consultants to produce commercial samples of its high purity alumina product and to conduct test work to optimize the Company's process flow sheet. The processing technology successfully produced **99.99% (4N) HPA**. It is also pursuing the level of interest it has received to date from a number of significant international investment companies and potential off-take partners.

Business Strategies and Prospects

The Company is aiming to become the world's leading supplier of 99.99% (4N) high purity alumina (HPA) (Al₂O₃), which is the major source material for scratch-resistant artificial sapphire glass, used in the next generation of smartphones and portable tablet devices.

Risk Management

The Board is responsible for the oversight of the Company's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management with the Non-Executive Chairman having ultimate responsibility to the Board for the risk management and control framework.

Areas of significant business risk to the Company are highlighted in the Business Plan presented to the Board by the Non-Executive Chairman Director each year.

Arrangements put in place by the Board to monitor risk management include monthly reporting to the Board in respect of operations and the financial position of the Company.

EMPLOYEES

The Company has 5 employees as at 30 June 2014 (2013: 7).

AUSTRALIA MINERALS & MINING GROUP LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2014

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The significant changes were as follows:

On 26 August 2013, the Company issued 105,200 AKA shares as the performance hurdle for conversion of employee performance rights was met.

On 3 December 2013, the Company issued 33,300 AKA shares as the performance hurdle for conversion of employee performance rights was met.

On 31 March 2014, the Company's 21,465,500 listed AKAOB options with an exercise price of \$0.20 expired.

On 1 May 2014, the Company issued 157,700 employee performance rights that convert to ordinary shares upon performance hurdle being met.

On 23 May 2014, the Company issued 21,465,500 listed AKAO options with an exercise price of \$0.20 that expire on the 31 May 2015.

In the opinion of the Directors there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review.

EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years apart from:

On 14 August 2014 the Company appointed Mr Iggy Tan as Managing Director, effective 25 August 2014. Mr Tan will be responsible for managing and implementing the next stage of the Company's strategic business objectives, which include the commercialisation of the high purity alumina (HPA) project.

OPTIONS OVER UNISSUED CAPITAL

Unlisted Options

During the financial year the Company did not grant any options to directors or Key Management Personnel.

Since 30 June 2014 and up until the date of this report there have been no options issued.

As at the date of this report unissued ordinary shares of the Company under option are:

Number of Options on Issue	Exercise Price	Expiry Date
8,000,000	20 cents each	31 May 2015
500,000	20 cents each	8 February 2015
600,000	20 cents each	31 January 2017
333,333	30 cents each	4 February 2015
199,999	25 cents each	15 March 2015
1,000,000	20 cents each	18 December 2017
1,000,000	25 cents each	18 December 2017
1,000,000	30 cents each	18 December 2017
21,465,500	20 cents each	31 May 2015

The above options represent unissued ordinary shares of the Company under option as at the date of this report. These unlisted options do not entitle the holder to participate in any share issue of the Company.

AUSTRALIA MINERALS & MINING GROUP LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2014

The holders of unlisted options are not entitled to any voting rights until the options are exercised into ordinary shares.

The names of all persons who currently hold options granted are entered in a register kept by the Company pursuant to Section 168(1) of the *Corporations Act 2001* and the register may be inspected free of charge.

No person entitled to exercise any option has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

CORPORATE STRUCTURE

Australia Minerals & Mining Group Limited (ACN 125 301 206) is a Company limited by shares that was incorporated on 8 May 2007 and is domiciled in Australia.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The near term focus for the Company is on finishing the Bankable Feasibility Study ("BFS") on the Company's high purity alumina ("HPA") project. Upon release of the BFS the Company will seek to move the project further along the development stage. In conjunction with the HPA project, the Company will seek to divest its suite of exploration assets, including Constance Range iron ore, Glenarty mineral sands, Bencubbin magnetite, Green Range coal, South West salt, Maytown gold, Donnelly graphite and Lake Macleod gypsum.

Determining and optimising funding options whether using debt or equity finance for the Company's activities will continue to be a priority for the management of the Company. In particular, the development of the HPA project and the exploration of the Company's exploration projects, along with general working capital will require funding arrangements in the coming years. The management continues to review opportunities to fund the Company's corporate objectives.

Exploration Risk

Mineral exploration and development are high-risk undertakings, and there is no assurance that exploration of the Tenements will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to permitting requirements, availability of appropriate exploration equipment, exploration costs, seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents and many other factors beyond the control of the Company.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities. So far as the Directors are aware there has been no known breach of the Company's licence conditions and all exploration activities comply with relevant environmental regulations.

DIRECTORS SHAREHOLDINGS AND OPTIONHOLDINGS

As at the date of this report the Directors' interests in shares and unlisted options of the Company are as follows:

Director	Interest in Ordinary Shares	Interest in B Class Performance Shares	Interest in C Class Performance Shares	Interest in D Class Performance Shares	Interest in Listed Options	Interest in Unlisted Options
Iggy Tan	-	-	-	-	-	-
Luke Atkins	6,443,055	-	-	-	-	6,000,000
Daniel Tenardi	7,000,000	-	-	-	-	-
Peter Bailey	1,439,949	-	-	-	-	3,000,000

AUSTRALIA MINERALS & MINING GROUP LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2014

DIRECTORS' MEETINGS

The number of meetings of the Company's Directors held in the period each Director held office during the financial year and the numbers of meetings attended by each Director were:

Director	Board of Directors' Meetings	
	Meetings Attended	Meetings held while a director
Luke Atkins	7	7
Daniel Tenardi	5	7
Peter Bailey	7	7
Ric Dawson	6	7

REMUNERATION REPORT

Recommendation 8.1 of the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2nd edition)* states that the Board should establish a Remuneration Committee. The Board has formed the view that given the number of Directors on the Board, this function could be performed just as effectively with full Board participation. Accordingly it was resolved that there would be no separate Board sub-committee for remuneration purposes.

This report details the amount and nature of remuneration of each Director of the Company and executive officers of the Company during the year.

Overview of Remuneration Policy

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and the executive team. The broad remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board believes that the best way to achieve this objective is to provide the Non-Executive Chairman and the executive team with a remuneration package consisting of a fixed and variable component that together reflects the person's responsibilities, duties and personal performance. An equity based remuneration arrangement for the Board and the executive team is in place. The remuneration policy is to provide a fixed remuneration component and a specific equity related component, with no performance conditions. The Board believes that this remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate in aligning Director and executive objectives with shareholder and business objectives.

The remuneration policy in regard to setting the terms and conditions for the Non-Executive Chairman has been developed by the Board taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

Directors receive a superannuation guarantee contribution required by the government, which is currently 9.25% per annum (9.5% per annum: 2015 financial year) and do not receive any other retirement benefit. Some individuals, however, have chosen to sacrifice part or all of their salary to increase payments towards superannuation.

All remuneration paid to Directors is valued at cost to the Company and expensed. Options are valued using the Black-Scholes methodology. In accordance with current accounting policy the value of these options is expensed over the relevant vesting period.

AUSTRALIA MINERALS & MINING GROUP LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2014

Non-Executive Directors

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting, and has been initially set not to exceed \$200,000 per annum. Actual remuneration paid to the Company's Non-Executive Directors is disclosed below. Remuneration fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

Non-Executive Chairman and Senior Management

The remuneration of the Non-Executive Chairman is dictated by an executive service agreement.

The Company aims to reward executives with a level of remuneration commensurate with their position and responsibilities within the Company so as to:

- Reward executives for Company and individual performance against targets set by reference to appropriate benchmarks;
- Reward executives in line with the strategic goals and performance of the Company; and
- Ensure that total remuneration is competitive by market standards.

Structure

Remuneration consists of the following key elements:

- Fixed remuneration; and
- Issuance of unlisted options

Fixed Remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis including any employee benefits e.g. motor vehicles) as well as employer contributions to superannuation funds.

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Remuneration packages for the staff who report directly to the Non-Executive Chairman are based on the recommendation of the Non-Executive Chairman, subject to the approval of the Board in the annual budget setting process.

Service Agreement

The Non-Executive Chairman, Mr Luke Atkins is employed under a contract for services with his private company Executive Resources Personnel Pty Ltd ("ERP"). ERP provide a product marketing and technical services, including research and development advice and process analysis. The Agreement commenced on the date of listing on 27 January 2010.

Under the terms of the present contract:

- The Agreement is for a period of three years and can be terminated by the Company giving 12 months written notice, or ERP by providing three months written notice.
- ERP will provide consulting services for which it will be remunerated \$4,400/week, plus a vehicle allowance of \$1,450 per month.

On the 27th January 2014 the Company renewed the contract with ERP for a further 1 year with the same terms stated above.

AUSTRALIA MINERALS & MINING GROUP LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2014

The Managing Director, Mr Iggy Tan is employed under a contract for services. The agreement commenced on 25 August 2014 and runs for 3 years.

Under the terms of the present contract:

- The contract can be terminated by Mr tan on 3 months' notice in writing;
- The contract can be terminated by the Company on 3 months' notice in writing;
- Fixed remuneration is \$390,000 per annum, which will be review annually; and
- Mr Tan will be invited to participate in the Company's performance share plan, which is subject to shareholder approval.

Details of the nature and amount of each element of the emoluments of each Director and Executive Officer of Australia Minerals & Mining Group Limited paid/accrued during the year are as follows:

2013/2014	Primary		Post-Employment	Equity Compensation	Total
	Base Salary/Fees	Motor Vehicle	Superannuation Contributions	Options / Performance Shares	
	\$	\$	\$	\$	
Directors					
L Atkins – Non-Executive Chairman	261,595	17,400	1,696	-	280,691
D Tenardi – Non-Executive (ii)	20,000	-	-	-	20,000
P Bailey – Non-Executive (iv)	20,000	-	-	30,572	50,572
J Coote – Non-Executive	6,000	-	-	-	6,000
R Dawson – Former Managing Director	214,310	-	19,832	-	234,142
Executives					-
P Lewis – Company Secretary (iii)	49,500	-	-	-	49,500
TOTAL	571,405	17,400	21,528	30,572	640,905

2012/2013	Primary		Post-Employment	Equity Compensation	Total
	Base Salary/Fees	Motor Vehicle	Superannuation Contributions	Options / Performance Shares	
	\$	\$	\$	\$	
Directors					
L Atkins – Non-Executive Chairman (i)	261,621	17,400	3,300	-	282,321
D Tenardi – Non-Executive (ii)	40,000	-	-	-	40,000
P Bailey – Non-Executive (iv)	40,000	-	-	50,083	90,083
J Coote – Non-Executive	37,071	-	-	-	37,071
R Dawson – Former Managing Director	223,495	-	25,177	110,000*	358,671
Executives					
P Lewis – Company Secretary (iii)	60,075	-	-	25,637	85,712
TOTAL	665,595	17,400	28,477	185,720	897,192

* - As at the date of this report the Performance shares have not met the vesting conditions.

- (i) Consulting fees were paid to Executive Resource Personnel Pty Ltd and \$40,000 Chairman fee paid to Luke Atkins.
- (ii) Directors' fees were all paid to Tenardi Daniel Lewis Pty Ltd.
- (iii) Company Secretary fees were all paid to Smallcap Corporate Pty Ltd.
- (iv) Directors' fees were all paid to Waylen Bay Capital Pty Ltd.

AUSTRALIA MINERALS & MINING GROUP LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2014

During the financial year the Chairman, Non-Executive Directors and the Company Secretary reduced their fees to preserve the Company's cash balance.

Movement in Shares and Options

The aggregate numbers of shares and options of the Company held directly, indirectly or beneficially by Directors and Executive Officers of the Company or their personally-related entities are as follows:

KMP Shareholdings

The number of ordinary shares in Australia Minerals & Mining Group Limited held by each KMP of the Group during the financial year is as follows:

	Balance at Beginning of Year	Granted as Remuneration during the Year	Issued on Exercise of Options during the Year	Other Changes during the Year	Balance at End of Year
30 June 2014					
Mr L Atkins	6,443,055	-	-	-	6,443,055
Mr D Tenardi	8,400,000	-	-	(1,400,000)	7,000,000
Mr P Bailey	189,949	-	-	-	189,949
Mr P Lewis	-	-	-	-	-
Mr R Dawson	200,000	-	-	-	200,000

	Balance at Beginning of Year	Granted as Remuneration during the Year	Issued on Exercise of Options during the Year	Other Changes during the Year	Balance at End of Year
30 June 2013					
Mr L Atkins	5,750,000	-	-	693,055	6,443,055
Mr D Tenardi	8,400,000	-	-	-	8,400,000
Mr P Bailey	-	-	-	189,949	189,949
Mr P Lewis	-	-	-	-	-
Mr R Dawson	100,000	-	-	100,000	200,000

KMP OPTIONHOLDINGS

The number of options over ordinary shares held by each KMP of the Group during the financial year is as follows:

	Balance at Beginning of Year	Granted as Remuneration during the Year	Exercised during the Year	Other changes during the Year	Balance at End of Year	Vested during the Year	Vested and Exercisable	Vested and Unexercisable
30 June 2014								
Mr L Atkins	6,000,000	-	-	-	6,000,000	-	6,000,000	-
Mr D Tenardi	-	-	-	-	-	-	-	-
Mr P Bailey	3,000,000	-	-	-	3,000,000	-	3,000,000	-
Mr P Lewis	700,000	-	-	(100,000)	600,000	-	600,000	-
Mr R Dawson	-	-	-	-	-	-	-	-

	Balance at Beginning of Year	Granted as Remuneration during the Year	Exercised during the Year	Other changes during the Year	Balance at End of Year	Vested during the Year	Vested and Exercisable	Vested and Unexercisable
30 June 2013								
Mr L Atkins	6,000,000	-	-	-	6,000,000	-	6,000,000	-
Mr D Tenardi	-	-	-	-	-	-	-	-
Mr P Bailey	-	3,000,000	-	-	3,000,000	1,000,000	1,000,000	-
Mr P Lewis	600,000	-	-	100,000	700,000	200,000	300,000	-
Mr R Dawson	1,000,000	-	-	(1,000,000)	-	-	-	-

AUSTRALIA MINERALS & MINING GROUP LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2014

Performance shares

2012/2013	B Class Performance Shares	C Class Performance Shares	D Class Performance Shares
Mr R Dawson	2,000,000	3,000,000	3,000,000

Share-based compensation

The Company issued Class B, C and D Performance shares to Mr Dawson, as approved by shareholders at the meeting dated 11 May 2011. Mr Dawson's contract was not extended and his performance hurdles were not met, his performance shares therefore lapsed.

The Company issued a total of 3,000,000 options to Mr P Bailey on 19 December 2012. The options are split so the first 1/3 have an exercise price of \$0.20, expire 18 December 2017 and vest 6 June 2013, the second 1/3 have an exercise price of \$0.25, expire 18 December 2017 and vest 6 June 2014 and the final 1/3 have an exercise price of \$0.30, expire 18 December 2017 and vest 6 June 2015. The Board of Directors have attached a fair value to these options issued of \$0.0332 p/option for the first 1/3, \$0.0302 p/option for the second 1/3 and \$0.0278 p/option for the final 1/3 based on the Black Scholes valuation method.

INDEMNIFYING OFFICERS AND AUDITOR

During the year, the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. The premium paid during the year for the insurance policy was \$16,934 (2013:\$20,460).

The Company has not provided any insurance for an auditor of the Company.

AUDITORS' INDEPENDENCE DECLARATION

Section 370C of the *Corporations Act 2001* requires the Company's auditors Moore Stephens, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is attached and forms part of this Directors' Report.

NON-AUDIT SERVICES

There were no non-audit services provided by the external auditors during the year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not party to any such proceedings during the year.

AUSTRALIA MINERALS & MINING GROUP LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2014

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of corporate governance for a Company of the current size. The Company's corporate governance statement is contained in the Annual Report.

Signed in accordance with a resolution of the Directors.



Iggy Tan
Managing Director

DATED at Perth this 30th day of September 2014

Level 3, 12 St Georges Terrace
Perth WA 6000

PO Box 5785, St Georges Terrace
WA 6831

T +61 (0)8 9225 5355

F +61 (0)8 9225 6181

www.moorestephens.com.au

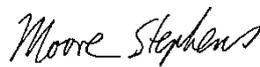
**AUDITOR'S INDEPENDENCE DECLARATION UNDER
S307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF AUSTRALIA MINERALS
AND MINING GROUP LIMITED & CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014
there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation
to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



Neil Pace
Partner



Moore Stephens
Chartered Accountants

Signed at Perth this 30th day of September 2014

AUSTRALIA MINERALS & MINING GROUP LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2014

	Notes	2014 \$	2013 \$
Revenue from ordinary activities	2	213,086	718,736
Expenses			
Accounting and audit fees		(26,683)	(32,582)
ASX and share registry fees		(53,531)	(57,000)
Chairman's fees		-	(40,000)
Corporate and consulting fees		(55,158)	(56,566)
Directors' fees		(11,556)	(90,111)
Depreciation		(15,892)	(24,894)
Employee benefit expense		(71,828)	(245,335)
Exploration and evaluation expenditure written off	8	(3,332,642)	(651,588)
Insurance expense		(31,187)	(44,156)
Rent expense		(49,695)	(59,834)
Research expenditure		-	(287,004)
Share-based payments	11(e)	(51,053)	(214,178)
Other expenses		(134,549)	(272,262)
Loss before income tax expense		(3,620,688)	(1,356,774)
Income tax expense	4	-	-
Net loss from continuing operations		(3,620,688)	(1,356,774)
Other comprehensive loss			
Items that will not be reclassified to profit and loss		-	-
Items that may be reclassified subsequently to profit and loss		-	-
Total comprehensive loss attributable to members of the parent entity		(3,620,688)	(1,356,774)
Basic loss per share (cents per share)	18	(3.4)	(1.3)
Diluted loss per share (cents per share)	18	(3.4)	(1.3)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

AUSTRALIA MINERALS & MINING GROUP LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2014

	Notes	2014 \$	2013 \$
Current Assets			
Cash and cash equivalents	5	1,784,404	2,827,198
Trade and other receivables	6	182,800	689,698
Total Current Assets		1,967,204	3,516,896
Non-Current Assets			
Property, plant and equipment	7	6,830	22,753
Exploration and evaluation expenditure	8	234,222	3,160,887
Development expenditure	9	1,660,604	720,024
Total Non-Current Assets		1,901,656	3,903,664
TOTAL ASSETS		3,868,860	7,420,560
Current Liabilities			
Trade and other payables	10	235,056	260,051
TOTAL LIABILITIES		235,056	260,051
NET ASSETS		3,633,804	7,160,509
Equity			
Issued capital	11	9,422,571	9,403,181
Reserves	12	1,480,474	1,405,881
Accumulated losses	13	(7,269,241)	(3,648,553)
TOTAL EQUITY		3,633,804	7,160,509

*The above Statement of Financial Position should be read
in conjunction with the accompanying notes.*

AUSTRALIA MINERALS & MINING GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2014

	Issued Capital \$	Accumulated losses \$	Reserves \$	Total \$
At 1 July 2012	8,805,581	(2,291,779)	921,049	7,434,851
Comprehensive income:				
Loss after income tax for the year	-	(1,356,774)	-	(1,356,774)
Other comprehensive loss for the year	-	-	-	-
Total comprehensive loss for the year	-	(1,356,774)	-	(1,356,774)
Transactions with owners in their capacity as owners:				
Issue of share capital	597,600	-	-	597,600
Performance rights issued	-	-	133,822	133,822
Options to shareholders	-	-	214,655	214,655
Directors' and Employees options	-	-	80,355	80,355
Options to vendor	-	-	56,000	56,000
At 30 June 2013	9,403,181	(3,648,553)	1,405,881	7,160,509

	Issued Capital \$	Accumulated losses \$	Reserves \$	Total \$
At 1 July 2013	9,403,181	(3,648,553)	1,405,881	7,160,509
Comprehensive income:				
Loss after income tax for the year	-	(3,620,688)	-	(3,620,688)
Other comprehensive loss for the year	-	-	-	-
Total comprehensive loss for the year	-	(3,620,688)	-	(3,620,688)
Transactions with owners in their capacity as owners:				
Employee rights converted into shares	19,390	-	(19,390)	-
Options to shareholders	-	-	42,930	42,930
Share based payments	-	-	51,053	51,053
At 30 June 2014	9,422,571	(7,269,241)	1,480,474	3,633,804

*The above Statements of Changes in Equity should be read
in conjunction with the accompanying notes.*

AUSTRALIA MINERALS & MINING GROUP LIMITED
CONSOLIDATED STATEMENT OF CASHFLOWS
For the year ended 30 June 2014

	2014	2013
Notes	\$	\$
Cash Flows from Operating Activities		
Receipts from customers	7,500	-
Payments to suppliers, contractors and employees	(460,027)	(930,077)
Payments for exploration and evaluation	(202,497)	(1,344,878)
Interest received	86,993	161,220
Payments for research and development	(924,629)	(220,365)
Research and development tax refund	406,936	-
Net cash flows used in operating activities	(1,085,724)	(2,334,100)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	-	(8,317)
Net cash used in investing activities	-	(8,317)
Cash Flows from Financing Activities		
Proceeds from issue of shares	-	-
Proceeds from issue of options	42,930	213,985
Net cash flows from financing activities	42,930	213,985
Net decrease in cash and cash equivalents	(1,042,794)	(2,128,432)
Cash and cash equivalents at the beginning of the year	2,827,198	4,955,630
Cash and cash equivalents at the end of the year	1,784,404	2,827,198

*The above statement of cash flows should be read
in conjunction with the accompanying notes.*

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the financial report of the Company, Australia Minerals & Mining Group Limited (“AMMG” or “Company”), are stated to assist in a general understanding of the financial report. These policies have been consistently applied to all the years presented, unless otherwise indicated.

Australia Minerals & Mining Group Limited is a Company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the official list of the Australian Securities Exchange. The financial statements are presented in Australian dollars which is the Company’s functional currency.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial report is presented in Australian dollars. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report was authorised for issue by the Directors on 30 September 2014.

(b) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(c) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period’s taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred asset or liability is recognised in relation to those temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and future tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

(d) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(e) Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis.

(f) Plant and equipment and motor vehicles

Each class of plant and equipment and motor vehicles is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment and motor vehicles

Plant and equipment and motor vehicles are stated at cost less accumulated depreciation and any impairment in value.

The carrying values of plant and equipment and motor vehicles are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

Depreciation

Depreciable non-current assets are depreciated over their expected economic life using either the straight line or the diminishing value method. Profits and losses on disposal of non-current assets are taken into account in determining the operating loss for the year. The depreciation rate used for each class of assets is as follows:

• Plant & equipment	33%
• Motor vehicles	22.5%

(g) Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(h) Exploration and Development Expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(i) Research and Development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included. GST incurred is claimed from the ATO when a valid tax invoice is provided. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

(k) Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(l) Contributed Equity

Issued capital is recognised as the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(m) Earnings per Share

Basic earnings per share ("EPS") are calculated based upon the net loss divided by the weighted average number of shares. Diluted EPS are calculated as the net loss divided by the weighted average number of shares and dilutive potential shares.

(n) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

The minimum lease payments of operating leases, where the lesser effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis over the term of the lease.

(o) Share-based payment transactions

The Company provides benefits to employees (including Directors and consultants) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("Equity-settled transactions").

There is currently one plan in place to provide these benefits being an Employee Share Option Plan ("ESOP") which provides benefits to Directors, consultants and senior executives. The cost of these equity-settled transactions is measured by reference to fair value at the date at which they are granted. The fair value is determined by an external valuer using the Black-Scholes model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Australia Minerals and Mining Group Ltd ("market conditions"). The cost of equity settled securities is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

Where the Company acquires some form of interest in an exploration tenement or an exploration area of interest and the consideration comprises share-based payment transactions, the fair value of the equity instruments granted is measured at grant date. The cost of equity securities is recognised within capitalised mineral exploration and evaluation expenditure, together with a corresponding increase in equity.

(p) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(q) Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework, to identify and analyse the risks faced by the Company. These risks include credit risk, liquidity risk and market risk from the use of financial instruments. The Company has only limited use of financial instruments through its cash holdings being invested in short term interest bearing securities. The primary goal of this strategy is to maximise returns while minimising risk through the use of accredited Banks with a minimum credit rating of A1 from Standard & Poors. The Company has no debt, and working capital is maintained at its highest level possible and regularly reviewed by the full board.

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

(r) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(s) Critical accounting estimates and judgements

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 10 (h).

Exploration and evaluation assets

Determining the recoverability of exploration and evaluation expenditure capitalised in accordance with the Group's accounting policy (refer Note 1(h)), requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. The Group applies the principles of AASB 6 and recognises exploration and evaluation assets when the rights of tenure of the area of interest are current, and the exploration and evaluation expenditures incurred are expected to be recouped through successful development and exploitation of the area. If, after having capitalised the expenditure under the Group's accounting policy in Note 1(h), a judgment is made that recovery of the carrying amount is unlikely, an impairment loss is recorded in profit or loss in accordance with the Group's accounting policy in Note 1(r). The carrying amounts of exploration and evaluation assets are set out in Note 8.

(t) New and Amended Accounting Policies Adopted by the Group

Consolidated financial statements

The group adopted the following Australian Accounting Standards, together with the relevant consequential amendments arising from related Amending Standards, from the mandatory application date of 1 January 2013:

- AASB 10: *Consolidated Financial Statements*;
- AASB 12: *Disclosure of Interests in Other Entities*; and
- AASB 127: *Separate Financial Statements*.

AASB 10 provides a revised definition of "control" and may result in an entity having to consolidate an investee that was not previously consolidated and/or deconsolidate an investee that was consolidated under the previous accounting pronouncements.

The first-time application of AASB 10, 12 and 127 did not result in any changes to the group's financial statements.

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

Employee benefits

The group adopted AASB 119: *Employee Benefits* (September 2011) and AASB 2011–10: *Amendments to Australian Accounting Standards arising from AASB 119* (September 2011) from the mandatory application date of 1 January 2013. The Group has applied these Standards retrospectively in accordance with AASB 108: Accounting Policies Changes in Accounting Estimates and Errors and the transitional provisions of AASB 119. The adoption of these Standards does not affect the group's financial statements as the group does not operate any defined benefit employee plans.

Key Management Personnel Disclosures

AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements.

This standard removes the individual key management personnel disclosure requirements in AASB 124 'Related Party Disclosures'. As a result, the Group only discloses the key management personnel compensation in total and for each of the categories required in AASB 124.

In the current year, the individual key management personnel disclosure previously required by AASB 124 (note 5 in the 30 June 2013 financial statements) is now disclosed in the remuneration report due to an amendment to Corporations Regulations 2001.

(u) New Accounting Standards for Application in Future Periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 9: Financial Instruments and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes made to the Standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 2012–3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to impact the Group's financial statements.

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

- Interpretation 21: Levies (applicable for annual reporting periods commencing on or after 1 January 2014).

Interpretation 21 clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. This Interpretation is not expected to significantly impact the Group's financial statements.

- AASB 2013–3: Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard amends the disclosure requirements in AASB 136: Impairment of Assets pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the Group's financial statements.

- AASB 2013–4: Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting (applicable for annual reporting periods commencing on or after 1 January 2014).

AASB 2013–4 makes amendments to AASB 139: Financial Instruments: Recognition and Measurement to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. This Standard is not expected to significantly impact the Group's financial statements.

- AASB 2013–5: Amendments to Australian Accounting Standards – Investment Entities (applicable for annual reporting periods commencing on or after 1 January 2014).

AASB 2013–5 amends AASB 10: Consolidated Financial Statements to define an “investment entity” and requires, with limited exceptions, that the subsidiaries of such entities be accounted for at fair value through profit or loss in accordance with AASB 9 and not be consolidated. Additional disclosures are also required. As neither the parent nor its subsidiaries meet the definition of an investment entity, this Standard is not expected to significantly impact the Group's financial statements.

(v) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Australia Minerals & Mining Group Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 25.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

(w) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) **Financial liabilities**

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Derivative instruments

The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- hedges of highly probable forecast transactions (cash flow hedge).

At the inception of the transaction the relationship between hedging instruments and hedged items, as well as the Group's risk management objective and strategy for undertaking various hedge transactions, is documented.

Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items, are also documented.

(i) *Fair value hedge*

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recognised in profit or loss, together with any changes in the fair value of hedged assets or liabilities that are attributable to the hedged risk.

(ii) *Cash flow hedge*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred to a hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in the hedge reserve in equity are transferred to profit or loss in the periods when the hedged item affects profit or loss.

Preferred shares

Preferred share capital is classified as equity if it is non-redeemable or redeemable only at the discretion of the parent company, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon declaration by the directors.

Preferred share capital is classified as a liability if it is redeemable on a set date or at the option of the shareholders, or where the dividends are mandatory. Dividends thereon are recognised as interest expense in profit or loss.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Financial guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as a financial liability at fair value on initial recognition.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting during the next reporting period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposure if the guaranteed party were to default.

Financial guarantees are subsequently measured at the higher of the best estimate of the obligation in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised in accordance with AASB 118.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

2. REVENUE FROM ORDINARY ACTIVITIES

	2014	2013
	\$	\$
Interest revenue	86,993	161,220
Research and development refund	117,739	438,990
EIS refund (i)	-	109,658
Other	8,354	8,868
	213,086	718,736

(i) EIS rebate is co-funding received from the Department of Mines and Petroleum for drilling campaigns undertaken by the Group.

3. AUDITORS' REMUNERATION

	2014	2013
	\$	\$
Audit - Moore Stephens		
Audit and review of the financial reports	24,083	23,130

4. INCOME TAX

No income tax is payable by the Company as it has incurred losses for income tax purposes for the year, therefore current tax, deferred tax and tax expense is \$Nil (2013 - \$Nil).

a) Numerical reconciliation of income tax expense to prima facie tax payable

	2014	2013
	\$	\$
Loss before income tax	(3,620,688)	(1,356,774)
Income tax calculated at 30%	(1,086,206)	(407,032)
Tax effect of amounts which are deductible in calculating taxable income:		
- Non-deductible expenses	15,826	64,284
- Temporary differences	823,875	(52,464)
Deferred tax asset not brought to account	246,505	395,212
Income tax expense	-	-

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

b) Tax losses

	2014	2013
	\$	\$
Unused tax losses for which no deferred tax asset has been recognised	5,027,020	4,091,479
Potential tax benefit at 30%	1,508,106	1,227,444

c) Unbooked Deferred Tax Assets and Liabilities

Unbooked deferred tax assets comprise:

	2014	2013
	\$	\$
Provisions/Accruals/Other	(823,875)	52,181
Tax losses available for offset against future taxable income	1,508,106	1,227,444
	684,231	1,279,625

Unbooked deferred tax liabilities comprise:

	2014	2013
	\$	\$
Capitalised mineral exploration and evaluation expenditure	78,074	948,266
Development Expenditure	498,181	216,007
	576,255	1,164,273

d) Franking credits balance

The Company has no franking credits available as at 30 June 2014 (2013: \$Nil).

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

5. CASH AND CASH EQUIVALENTS

(a) Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2014	2013
	\$	\$
Cash at bank	272,404	205,067
Deposits at call	1,512,000	2,622,131
	1,784,404	2,827,198

(b) Reconciliation of the loss from ordinary activities after income tax to the net cash flows used in operating activities

	2014	2013
	\$	\$
Loss from ordinary activities after income tax	(3,620,688)	(1,356,774)
<i>Non-cash items:</i>		
- Depreciation expense	15,892	24,894
- Share based payment	51,053	214,178
<i>Change in operating assets and liabilities :</i>		
- (Increase) / decrease in exploration and evaluation expenditure	2,926,665	(933,715)
- (Increase) / decrease in development expenditure	(940,580)	(525,268)
- (Increase) / decrease in trade and other receivables	506,898	242,935
- Increase / (decrease) in trade and other payables	(24,964)	(350)
Net cash outflows from Operating Activities	(1,085,724)	(2,334,100)

(c) **Stand-By Credit Facilities**

As at 30 June 2014 the Company has a business credit card facility available totalling \$10,000 (2013: \$10,000) of which \$141 was utilized (2013:\$0).

6. OTHER RECEIVABLES

	2014	2013
	\$	\$
CURRENT		
GST recoverable	30,839	39,061
Deposits	-	330,383
R&D rebate	-	289,197
Other	151,961	31,057
Total trade and other receivables	182,800	689,698

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

7. PROPERTY, PLANT AND EQUIPMENT

	2014	2013
	\$	\$
PLANT AND OFFICE EQUIPMENT		
At cost	86,386	86,416
Less: accumulated depreciation	(79,764)	(71,337)
Total plant and office equipment	6,622	15,079
MOTOR VEHICLES		
At cost	33,182	33,182
Less: accumulated depreciation	(32,974)	(25,508)
Total motor vehicles	208	7,674
Total property, plant and equipment	6,830	22,753

Reconciliation

Reconciliation of the carrying amounts for each class of plant and equipment and motor vehicles are set out below:

	2014	2013
	\$	\$
PLANT AND OFFICE EQUIPMENT		
Carrying amount at the beginning of the year	15,079	24,553
Additions	-	7,723
Disposals	(31)	-
Depreciation expense	(8,426)	(17,197)
Carrying amount at the end of the year	6,622	15,079
MOTOR VEHICLES		
Carrying amount at the beginning of the year	7,674	14,777
Additions	-	-
Depreciation expense	(7,466)	(7,103)
Carrying amount at the end of the year	208	7,674

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

8. EXPLORATION AND EVALUATION EXPENDITURE

	2014	2013
	\$	\$
Carrying amount at the beginning of the year	3,160,887	2,227,172
Exploration and evaluation expenditure incurred	405,977	2,032,541
Cost transferred to development expenditure	-	(447,238)
Exploration expenditure written off	(3,332,642)	(651,588)
Carrying amount at the end of the year	234,222	3,160,887

The recoupment of costs carried forward is dependent on the successful development and/or commercial exploitation or alternatively sale of the respective areas of interest.

9. DEVELOPMENT EXPENDITURE

	2014	2013
	\$	\$
Carrying amount at the beginning of the year	720,024	-
Expenditure incurred during the year (at cost)	940,580	272,786
Cost transferred from exploration expenditure	-	447,238
Carrying amount at the end of the year	1,660,604	720,024

The recoupment of costs carried forward is dependent on the successful development and commercial exploitation of processes developed.

10. TRADE AND OTHER PAYABLES

	2014	2013
	\$	\$
CURRENT PAYABLES (Unsecured)		
Trade creditors	168,872	101,228
Other creditors and accruals	66,184	158,823
Total trade and other payables	235,056	260,051

Included within trade and other creditors and accruals is an amount of \$87,885 (2013- \$85,204) relating to exploration expenditure.

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

11. ISSUED CAPITAL

a. Ordinary Shares

	2014 Number	2014 \$	2013 Number	2013 \$
Ordinary shares	107,758,502	9,422,571	107,620,002	9,403,181
	107,758,502	9,422,571	107,620,002	9,403,181

b. Share Movements During the Year

ORDINARY SHARES	Date	Quantity	Issued Price	\$
Balance 30 June 2012		100,980,002		8,805,581
Issue of shares	2/08/2012	390,000	0.09	35,100
Issue of shares	17/08/2012	6,250,000	0.09	562,500
Balance 30 June 2013		107,620,002		9,403,181
Employee rights converted into shares	26/08/2013	105,200	0.14	14,728
Employee rights converted into shares	3/12/2013	33,300	0.14	4,662
Balance 30 June 2014		107,758,502		9,422,571

c. Employee Performance Rights

The Company issued 157,700 performance rights to employees on 1 May 2014 (2013: 226,880 11 April 2013). The performance rights convert to ordinary shares automatically upon the employees completing 24 month's employment service to the Company from the date of issue of the rights.

d. Unlisted Options

During the financial year the Company didn't grant any unlisted options over unissued shares.

On 31 March 2014, the Company's 21,465,500 listed AKAOB options with an exercise price of \$0.20 expired.

On 23 May 2014, the Company issued 21,465,500 listed AKAO options with an exercise price of \$0.20 that expire on the 31 May 2015.

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

e. Share Based Payments

The total share based payment expense during the current financial year was \$51,053 (2013: \$214,178).

	2014		2013	
	Value recognised during year	Value to be recognised in future years	Value recognised during year	Value to be recognised in future years
	\$	\$	\$	\$
Employee options	-	-	4,636	-
Employee options	-	-	110,000	-
Consultants options	6,918	-	25,637	6,918
Director Options	30,572	10,545	50,083	41,117
Performance rights	-	-	23,822	-
Performance rights	13,562	-	-	-
	51,052	10,545	214,178	48,035

The average remaining contractual life for the share options outstanding as at 30 June 2014 is between 0.62 and 3.97 years (2013: 0.75 and 4.47 years). The range of exercise prices for options outstanding at the end of the year was between 20 cents and 30 cents (2013: between 20 and 30 cents). The fair value of the equity-settled share options granted is estimated as at the date of grant using a Black-Scholes model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the options issued during the year ended 30 June 2014 and 30 June 2013:

Date of Issue	17 Aug 2012	19 Dec 2012	19 Dec 2012	19 Dec 2012	31 Jan 2012
Number of Options	2,500,000	1,000,000	1,000,000	1,000,000	600,000
Volatility (%)	83%	83%	83%	83%	130%
Risk-free interest rate (%)	3.055%	2.7%	2.7%	2.7%	4.2%
Expected life of option (years)	2	5	5	5	5
Exercise price (cents)	20	20	25	30	20
Share price at grant date (cents)	9	7	7	7	14
Value per option (cents)	2.24	3.32	3.02	2.78	11.8

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

f. Terms and Conditions of Contributed Equity

Ordinary Shares

The Company is a public Company limited by shares. The Company was incorporated in Perth, Western Australia. The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held. Ordinary shares which have no par value, entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

12. RESERVES

	2014	2013
	\$	\$
OPTION RESERVE		
Carrying amount at the beginning of the year	1,405,881	921,049
Add: Cash consideration received for listed options	42,930	214,655
Add: Amounts expensed in current year	31,663	270,177
Carrying amount at the end of the year	1,480,474	1,405,881

Share based payments reserve

The share based payments reserve comprises any equity settled share based payment transactions. The reserve will be reversed against share capital when the underlying share options / performance shares are exercised / converted.

13. ACCUMULATED LOSSES

	2014	2013
	\$	\$
Carrying amount at the beginning of the year	(3,648,553)	(2,291,779)
Loss for the year	(3,620,688)	(1,356,774)
Carrying amount at the end of the year	(7,269,241)	(3,648,553)

14. RIGHTS PLAN

The establishment of the Australia Minerals & Mining Group Limited Employee Incentive Rights Plan ("the Plan") was approved by special resolution at a General Meeting of shareholders. All eligible Directors, executive officers, employees and consultants of Australia Minerals & Mining Group Limited who have been continuously employed by the Company are eligible to participate in the Plan.

The Plan allows the Company to issue free rights to eligible persons. The rights can be granted free of charge and are exercisable at a fixed price calculated in accordance with the Plan.

15. RELATED PARTIES

Key management personnel compensation

	2014	2013
	\$	\$
Short-term employee benefits	588,805	682,995
Post-employment benefits	21,528	28,477
Share-based payments	30,572	185,720
	640,905	897,192

During the current financial year there were no loans made or outstanding at year end (2013 - Nil).

Other transactions with Key Management Personnel (KMP)

Mr Luke Atkins' parents own the premises that the Company rents for its registered office. During the year the Company paid \$43,333 (2013 – \$51,212) on normal commercial terms and conditions.

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

16. EXPENDITURE COMMITMENTS

(a) Exploration

The Company has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Company's exploration programs and priorities. As at balance date, total exploration expenditure commitments on tenements held by the Company have not been provided for in the financial statements and those which cover the following twelve month period amount to \$354,500 (2013: \$1,134,000). These obligations are also subject to variations by farm-out arrangements, sale of the relevant tenements or seeking expenditure exemption for previous year's expenditure from DMP.

(b) Capital Commitments

The Company had no capital commitments at 30 June 2014 (2013 - \$Nil).

17. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The financial statements presented above are the same as the reports the directors review. The Company operates predominantly in one segment involved in the mineral exploration and development industry. Geographically the Company is domiciled and operates in one segment being Australia.

18. EARNINGS/ (LOSS) PER SHARE

	2014	2013
	\$	\$
	Number	Number
Net loss after income tax attributable to members of the Group	(3,620,688)	(1,356,774)
Weighted average number of shares on issue during the financial year used in the calculation of basic loss per share	107,727,841	106,762,824
Basic loss per share (cents per share)	(3.4)	(1.3)

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

19. FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks and market risks. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

(a) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market, interest rates and the effective weighted average interest rates on those financial assets, is as follows:

2014	Notes	Weighted Average Effective Interest %	Funds Available at a Floating Interest Rate \$	Fixed Interest Rate \$	Assets/ (Liabilities) Non Interest Bearing \$	Total \$
Financial Assets						
Cash and cash equivalents	5(a)	4.13%	272,404	1,512,000	-	1,784,404
Other receivables	6		-	-	182,800	182,800
Total Financial Assets			272,404	1,512,000	182,800	1,967,204
Financial Liabilities						
Payables	10		-	-	(235,056)	(235,056)
Total Financial Liabilities			-	-	(235,056)	(235,056)
Net Financial Assets			272,404	1,512,000	(52,256)	1,732,148

2013	Notes	Weighted Average Effective Interest %	Funds Available at a Floating Interest Rate \$	Fixed Interest Rate \$	Assets/ (Liabilities) Non Interest Bearing \$	Total \$
Financial Assets						
Cash and cash equivalents	5(a)	4.13%	205,067	2,622,131	-	2,827,198
Other receivables	6		-	-	689,698	689,698
Total Financial Assets			205,037	2,622,161	689,698	3,516,896
Financial Liabilities						
Payables	10		-	-	(260,051)	(260,051)
Total Financial Liabilities			-	-	(260,051)	(260,051)
Net Financial Assets			205,037	2,622,161	429,647	3,256,845

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and in the notes to the financial statements.

The Company does not have any material credit risk exposure to any single debtor or group of debtors, under financial instruments entered into by it.

(c) Commodity Price Risk and Liquidity Risk

At the present state of the Company's operations it has minimal commodity price risk and limited liquidity risk due to the level of payables and cash reserves held. The Company's objective is to maintain a balance between continuity of exploration funding and flexibility through the use of available cash reserves.

(d) Net Fair Values

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The Company has no financial assets where the carrying amount exceeds net fair values at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

20. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS

Employee Entitlements

There are the following employee entitlements at 30 June 2014: Annual Leave Provision \$21,224 (2013: \$55,124).

Directors, Officers, Employees and Other Permitted Persons Rights Plan

Details of the Company's Directors, Officers, Employees and Other Permitted Persons Rights Plan are disclosed in Note 14.

Superannuation Commitments

The Company contributes to individual employee accumulation superannuation plans at the statutory rate of the employees' wages and salaries, in accordance with statutory requirements, to provide benefits to employees on retirement, death or disability.

Accordingly no actuarial assessment of the plans is required.

Funds are available for the purposes of the plans to satisfy all benefits that would have been vested under the plans in the event of:

- termination of the plans;
- voluntary termination by all employees of their employment; and
- compulsory termination by the employer of the employment of each employee.
- during the year employer contributions (including salary sacrifice amounts) to superannuation plans totalled \$54,320 (2013: \$66,517).

21. CONTINGENT LIABILITIES

There were no material contingent liabilities not provided for in the financial statements of the Company as at 30 June 2014 other than:

Native Title and Aboriginal Heritage

Native title claims have been made with respect to areas which include tenements in which the Company has an interest. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Company or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Company has an interest.

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

22. EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen, since the end of the financial year, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years apart from:

On 14 August 2014 the Company appointed Mr Iggy Tan as Managing Director, effective 25 August 2014. Mr Tan will be responsible for managing and implementing the next stage of the Company's strategic business objectives, which include the commercialisation of the high purity alumina (HPA) project.

23. PARENT ENTITY DISCLOSURES

	2014	2013
	\$	\$
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current assets	1,967,204	3,516,896
Non-Current assets	1,913,145	3,914,396
TOTAL ASSETS	3,880,349	7,431,292
LIABILITIES		
Current liabilities	235,056	260,051
TOTAL LIABILITIES	235,056	260,051
NET ASSETS	3,645,293	7,171,241
EQUITY		
Issued capital	9,422,571	9,403,181
Accumulated losses	(7,257,752)	(3,637,821)
Option reserve	1,480,474	1,405,881
TOTAL EQUITY	3,645,293	7,171,241
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Net loss	(3,619,929)	(1,352,668)
Total comprehensive loss for the year	(3,619,929)	(1,352,668)

AUSTRALIA MINERALS & MINING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

24. CONTROLLED ENTITIES

Investments in controlled entities comprise:

Name	Principal activities	Beneficial percentage held by economic entity	
		2014 %	2013 %
Australia Minerals & Mining Group Ltd	Parent entity		
Wholly owned controlled entities:			
Kaolin Resources Pty Ltd	Mineral exploration	100	100
WA Gypsum Pty Ltd	Mineral exploration	100	100
Yilgarn Iron Pty Ltd	Mineral exploration	100	100
Canning Coal Pty Ltd	Energy exploration	100	100
East Pilbara Pty Ltd	Mineral exploration	100	100
Australia Mineral Sands Pty Ltd	Mineral exploration	100	100
Albany Energy Pty Ltd	Energy exploration	100	100
Musselbrook Iron Pty Ltd	Mineral exploration	100	100
Kaolin 2 Alumina Pty Ltd	Intellectual Property/Patent Holder	100	100

All controlled entities are incorporated in Australia. Australia Minerals and Mining Group Limited is the head entity of the consolidated group, which includes all of the controlled entities.

AUSTRALIA MINERALS & MINING GROUP LIMITED
DIRECTOR'S DECLARATION
For the year ended 30 June 2014

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 33 - 59, are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the consolidated group.
2. The Managing Director and Chief Financial Officer have given the declaration required by s295A of the Corporations Act 2001.
3. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed by authority for and on behalf of the Directors by:



Iggy Tan
Managing Director

DATED at Perth this 30th day of September 2014

Level 3, 12 St Georges Terrace
Perth WA 6000

PO Box 5785, St Georges Terrace
WA 6831

T +61 (0)8 9225 5355

F +61 (0)8 9225 6181

www.moorestephens.com.au

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIA MINERALS AND MINING GROUP LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of Australia Minerals and Mining Group Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Level 3, 12 St Georges Terrace
Perth WA 6000

PO Box 5785, St Georges Terrace
WA 6831

T +61 (0)8 9225 5355

F +61 (0)8 9225 6181

www.moorestephens.com.au

Auditor's Opinion

In our opinion:

- a. the financial report of Australia Minerals and Mining Group Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

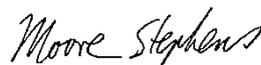
We have audited the remuneration report as included in the Directors' Report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the remuneration report of Australia Minerals and Mining Group Limited for the year ended 30 June 2014 complies with s 300A of the *Corporations Act 2001*.



Neil Pace
Partner



Moore Stephens
Chartered Accountants

Signed at Perth this 30th day of September 2014

AUSTRALIA MINERALS & MINING GROUP LIMITED
CORPORATE GOVERNANCE STATEMENT
For the year ended 30 June 2014

The Board of Directors of Australia Minerals & Mining Group Limited (“AMMG”) is responsible for its corporate governance, that is, the system by which the Group is managed. This statement outlines the main corporate governance practices in place throughout the financial year, which comply with the ASX Corporate Governance recommendations unless otherwise stated.

1. BOARD OF DIRECTORS

1.1 Role of the Board and Management

ASX Principle 1

The Board represents shareholders' interests in continuing a successful business, which seeks to optimise medium to long-term financial gains for shareholders. By not focusing on short-term gains for shareholders, the Board believes that this will ultimately result in the interests of all stakeholders being appropriately addressed when making business decisions.

The Board is responsible for ensuring that the Group is managed in such a way to best achieve this desired result. Given the current size and operations of the business, the Board currently undertakes an active, not passive role.

The Board is responsible for evaluating and setting the strategic directions for the Group, establishing goals for management and monitoring the achievement of these goals. The Managing Director is responsible to the Board for the day-to-day management of the Group.

The Board has sole responsibility for the following:

- Appointing and removing the Managing Director and any other executives and approving their remuneration;
- Appointing and removing the Company Secretary / Chief Financial Officer and approving their remuneration;
- Determining the strategic direction of the Group and measuring performance of management against approved strategies;
- Review of the adequacy of resources for management to properly carry out approved strategies and business plans;
- Adopting operating and capital expenditure budgets at the commencement of each financial year and monitoring the progress by both financial and non-financial key performance indicators;
- Monitoring the Group's medium term capital and cash flow requirements;
- Approving and monitoring financial and other reporting to regulatory bodies, shareholders and other organisations;
- Determining that satisfactory arrangements are in place for auditing the Group's financial affairs;
- Review and ratify systems of risk management and internal compliance and control, codes of conduct and compliance with legislative requirements; and
- Ensuring that policies and compliance systems consistent with the Group's objectives and best practice are in place and that the Company and its officers act legally, ethically and responsibly on all matters.

The Board's role and the Group's corporate governance practices are being continually reviewed and improved as required.

AUSTRALIA MINERALS & MINING GROUP LIMITED
CORPORATE GOVERNANCE STATEMENT
For the year ended 30 June 2014

1.2 Composition of the Board

ASX Principle 2

The Company currently has the following Board members:

Mr Luke Atkins	Non-Executive Chairman
Mr Iggy Tan	Managing Director
Mr Peter Bailey	Independent Director
Mr Daniel Tenardi	Non-Executive Director

Details of the directors, including their qualifications, experience and date of appointment are set out in the Directors' Report.

The Company's Constitution provides that the number of directors shall not be less than three and not more than ten. There is no requirement for any shareholding qualification.

The Board has assessed the independence status of the directors and has determined that the independent directors are:

- Peter Bailey.

The Board has followed the ASX Corporate Governance Principles and Recommendations when assessing the independence of the directors which define an independent director to be a director who:

- is non-executive;
- is not a substantial shareholder (i.e. greater than 5%) of the Company or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Company;
- has not within the last three years been employed in an executive capacity by the Company or another Group member, or been a director after ceasing to hold such employment;
- within the last three years has not been a principal or employee of a material professional adviser or a material consultant to the Company or another Group member;
- is not a significant supplier or customer of the Company or another Group member, or an officer of or otherwise associated, directly or indirectly, with a significant supplier or customer;
- has no material contractual relationship with the Company or another Group member other than as a director of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

Materiality for these purposes is determined on both quantitative and qualitative bases. An amount which is greater than five percent of either the net assets of the Company or an individual director's net worth is considered material for these purposes.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the appointment and further expense of additional independent Non-Executive Directors. The Board believes that the individuals on the Board can make, and do make, quality and independent judgments in the best interests of the Company on all relevant issues.

If the Group's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of directors required for the Board to properly perform its responsibilities and functions will be appointed.

AUSTRALIA MINERALS & MINING GROUP LIMITED
CORPORATE GOVERNANCE STATEMENT
For the year ended 30 June 2014

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Group's scope of activities, intellectual ability to contribute to the Board's duties and physical ability to undertake the Board's duties and responsibilities.

Directors are initially appointed by the full Board subject to election by shareholders at the next annual general meeting. Under the Company's Constitution the tenure of directors (other than managing director, and only one managing director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his last appointment. Subject to the requirements of the Corporations Act 2001, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a director. A managing director may be appointed for any period and on any terms the directors think fit and, subject to the terms of any agreement entered into, the Board may revoke any appointment.

1.3 Committees of the Board

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

The Board has also established a framework for the management of the Group including a system of internal controls, a business risk management process and the establishment of appropriate ethical standards.

The full Board currently holds meetings at such times as may be necessary to address any general or specific matters as required.

If the Group's activities increase in size, scope and nature, the appointment of separate or special committees will be reviewed by the Board and implemented if appropriate.

The Company continues to monitor its compliance with Listing Rule 12.7 with respect to the requirement to have an audit committee and to comply with the best practice recommendations set by the ASX Corporate Governance Council in relation to the composition, operation and responsibility of the audit committee.

1.4 Conflicts of Interest

In accordance with the Corporations Act and the Company's Constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Group. Where the Board believes that a significant conflict exists the Director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered.

1.5 Independent Professional Advice

The Board has determined that individual Directors have the right in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. The engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably. If appropriate, any advice so received will be made available to all Board members.

AUSTRALIA MINERALS & MINING GROUP LIMITED
CORPORATE GOVERNANCE STATEMENT
For the year ended 30 June 2014

2. ETHICAL STANDARDS

The Board acknowledges the need for continued maintenance of the highest standard of corporate governance practice and ethical conduct by all Directors and employees of the Group.

2.1 Code of Conduct for Directors

ASX Principle 3

The Board has adopted a Code of Conduct for Directors to promote ethical and responsible decision-making by the Directors. The code is based on a code of conduct for Directors prepared by the Australian Institute of Company Directors.

The principles of the code are:

- A director must act honestly, in good faith and in the best interests of the Company as a whole.
- A director has a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- A director must use the powers of office for a proper purpose, in the best interests of the Company as a whole.
- A director must recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interest of all stakeholders of the Company.
- A director must not make improper use of information acquired as a director.
- A director must not take improper advantage of the position of director.
- A director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the Company.
- A director has an obligation to be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken as a Board.
- Confidential information received by a director in the course of the exercise of directorial duties remains the property of the Company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the Company, or the person from whom the information is provided, or is required by law.
- A director should not engage in conduct likely to bring discredit upon the Company.
- A director has an obligation at all times, to comply with the spirit, as well as the letter of the law and with the principles of the Code.

The principles are supported by guidelines as set out by the Australian Institute of Company Directors for their interpretation. Directors are also obliged to comply with the Company's Code of Ethics and Conduct, as outlined below.

2.2 Code of Ethics and Conduct

The Group has implemented a Code of Ethics and Conduct, which provides guidelines aimed at maintaining high ethical standards, corporate behaviour and accountability within the Group.

All employees and directors are expected to:

- respect the law and act in accordance with it;
- respect confidentiality and not misuse Group information, assets or facilities;
- value and maintain professionalism;
- avoid real or perceived conflicts of interest;
- act in the best interests of shareholders;
- by their actions contribute to the Group's reputation as a good corporate citizen which seeks the respect of the community and environment in which it operates; perform their duties in ways that minimise environmental impacts and maximise workplace safety;
- exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers and the public generally; and
- act with honesty, integrity, decency and responsibility at all times.

An employee that breaches the Code of Ethics and Conduct may face disciplinary action. If an employee suspects that a breach of the Code of Ethics and Conduct has occurred or will occur, he or she must report that breach to management. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

AUSTRALIA MINERALS & MINING GROUP LIMITED
CORPORATE GOVERNANCE STATEMENT
For the year ended 30 June 2014

2.3 Dealings in Company Securities

The Company's share trading policy imposes basic trading restrictions on all Directors and employees of the Group. Directors and employees must not:

- deal in the Company's securities on considerations of a short term nature and must also take reasonable steps to prevent any person connected with them from doing the same;
- deal in the Company's securities during a close period; and
- deal in any of the Company's securities if they have unpublished price-sensitive information.

A 'close period' is:

- the period of five days immediately preceding the preliminary announcement of the Company's annual results; and
- the period of five days immediately preceding the announcement of the Company's half-year results.

'Unpublished price sensitive information' is information that:

- is not generally available; and
- if it were generally available, it would, or would be likely to have a significant effect on the price or value of the Company's securities.

If an employee possesses inside information, the person must not:

- trade in the Company's securities;
- advise others or procure others to trade in the Company's securities; or
- pass on the inside information to others - including colleagues, family or friends - knowing (or where the employee or Director should have reasonably known) that the other persons will use that information to trade in, or procure someone else to trade in, the Company's securities.

This prohibition applies regardless of how the employee or Director learns the information (e.g. even if the employee or Director overhears it or is told in a social setting).

In addition to the above, clearance must be obtained from the Chairman before dealing in any securities and Directors must notify the Company Secretary as soon as practicable, but not later than 5 business days, after they have bought or sold the Company's securities or exercised options. In accordance with the provisions of the Corporations Act and the Listing rules of the ASX, the Company on behalf of the Directors must advise the ASX of any transactions conducted by them in the securities of the Company. Breaches of this policy will be subject to disciplinary action, which may include termination of employment. The share trading policy can be viewed on the Company's website.

2.4 Interests of Other Stakeholders

ASX Principle 10

The Group's objective is to leverage into resource projects to provide a solid base in the future from which the Group can build its resource business and create wealth for shareholders. The Group's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for the Group to achieve.

To assist in meeting its objective, the Group conducts its business within the Code of Ethics and Conduct, as outlined in 2.2 above.

AUSTRALIA MINERALS & MINING GROUP LIMITED
CORPORATE GOVERNANCE STATEMENT
For the year ended 30 June 2014

3. DISCLOSURE OF INFORMATION

3.1 Continuous Disclosure to ASX Principle 5

ASX

The continuous disclosure policy requires all executives and Directors to inform the Managing Director or in their absence the Company Secretary of any potentially material information as soon as practicable after they become aware of that information.

Information is material if it is likely that the information would influence investors who commonly acquire securities on ASX in deciding whether to buy, sell or hold the Company's securities.

Information need not be disclosed if:

1. It is not material and a reasonable person would not expect the information to be disclosed, or it is material but due to a specific valid commercial reason is not to be disclosed; and
2. The information is confidential; or
3. One of the following applies:
 - i. It would breach a law or regulation to disclose the information;
 - ii. The information concerns an incomplete proposal or negotiation;
 - iii. The information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - iv. The information is generated for internal management purposes;
 - v. The information is a trade secret;
 - vi. It would breach a material term of an agreement, to which the Group is a party, to disclose the information;
 - vii. The information is scientific data that release of which may benefit the Group's potential competitors.

The Managing Director is responsible for interpreting and monitoring the Group's disclosure policy and where necessary informing the Board. The Company Secretary is responsible for all communications with ASX.

3.2 Communication with Shareholders

ASX Principle 6

The Group places considerable importance on effective communications with shareholders.

The Group's communication strategy requires communication with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Group. The strategy provides for the use of systems that ensure a regular and timely release of information about the Group is provided to shareholders. Mechanisms employed include:

- Announcements lodged with ASX;
- ASX Quarterly Cash Flow Reports;
- Half Yearly Report;
- Presentations at the Annual General Meeting/General Meeting's; and
- Annual Report.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and understanding of the Group's strategy and goals.

The Group also posts all reports, ASX and media releases and copies of significant business presentations on the Company's website.

AUSTRALIA MINERALS & MINING GROUP LIMITED
CORPORATE GOVERNANCE STATEMENT
For the year ended 30 June 2014

4. RISK MANAGEMENT AND INTERNAL CONTROL

4.1 Approach to Risk Management and Internal Control

ASX Principle 7

The identification and effective management of risk, including calculated risk-taking, is viewed as an essential part of the Group's approach to creating long-term shareholder value.

The Group operates a standardised risk management process that provides a consistent framework for the identification, assessment, monitoring and management of material business risks. This process is based on the Australian/New Zealand Standard for Risk Management (AS/NZS 4360 Risk Management) and the Committee of Sponsoring Organisations of the US Treadway Commission (COSO) control framework for enterprise risk management.

Strategic and operational risks are reviewed at least annually as part of the annual strategic planning, business planning, forecasting and budgeting process.

The Group has developed a series of operational risks which the Group believes to be inherent in the industry in which the Group operates having regard to the Group's circumstances (including financial resources, prospects and size). These include:

- fluctuations in commodity prices and exchange rates;
- accuracy of mineral reserve and resource estimates;
- reliance on licences, permits and approvals from governmental authorities;
- ability to obtain additional financing; and
- changed operating, market or regulatory environments.

These risk areas are provided here to assist investors to understand better the nature of the risks faced by our Group and the industry in which the Group operates. They are not necessarily an exhaustive list.

4.2 Risk Management Roles and Responsibilities

Management is responsible for designing, implementing and reporting on the adequacy of the Group's risk management and internal control system. Management reports to the Board annually, or more frequently as required, on the Group's key risks and the extent to which it believes these risks are being managed.

The Board is responsible for reviewing and approving the Group's risk management and internal control system and satisfying itself annually, or more frequently if required, that management has developed and implemented a sound system of risk management and internal control.

In 2014 the Board reviewed the overall risk profile for the Group and received reports from management on the effectiveness of the Group's management of its material business risks.

4.3 Integrity of Financial Reporting

ASX Principle 4

The Board also receives a written assurance from the Managing Director (MD) and the Chief Financial Officer or equivalent (CFO) that to the best of their knowledge and belief, the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks.

The Board notes that due to its nature, internal control assurance from the MD and CFO can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

4.4 Role of External Auditor

ASX Principle 6

The Group's practice is to invite the auditor (who now must attend) to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

AUSTRALIA MINERALS & MINING GROUP LIMITED
CORPORATE GOVERNANCE STATEMENT
For the year ended 30 June 2014

5. PERFORMANCE REVIEW

ASX Principle 8

The Board has adopted a self-evaluation process to measure its own performance and the performance of its committees (if any) during each financial year. Also, an annual review is undertaken in relation to the composition and skills mix of the directors of the Company.

Arrangements put in place by the Board to monitor the performance of the Group's executives include:

- a review by the Board of the Group's financial performance;
- annual performance appraisal meetings incorporating analysis of key performance indicators with each individual to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Group;
- an analysis of the Group's prospects and projects; and
- a review of feedback obtained from third parties, including advisors.

The Remuneration Report discloses the process for evaluating the performance of senior executives, including the Managing Director.

In 2014, performance evaluations for senior executives took place in accordance with the process disclosed above and in the Remuneration Report.

6. REMUNERATION ARRANGEMENTS

ASX Principle 9

The broad remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board believes that the best way to achieve this objective is to provide Executive Directors and executives with a remuneration package consisting of fixed components that reflect the person's responsibilities, duties and personal performance.

In addition to the above, the Group has developed a limited equity-based remuneration arrangement for key executives and consultants.

The remuneration of Non-Executive Directors is determined by the Board as a whole having regard to the level of fees paid to non-executive directors by other companies of similar size in the industry.

The aggregate amount payable to the Company's Non-Executive Directors must not exceed the maximum annual amount approved by the Company's shareholders.

During the 2014 financial year, the Company complied with the ASX Principles and Recommendations other than in relation to the matters specified below.

Recommendation Ref	Notification of Departure	Explanation for Departure
2.1	A majority of the Board are not independent directors.	<p>The Board considers that only one out of the four Directors are independent directors in accordance with the ASX Corporate Governance Council's definition of independence:</p> <p>Mr Peter Bailey (Independent Non-Executive).</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of additional independent non-executive Directors.</p> <p>The Board believes that the individuals on the Board can make, and do make, quality and independent judgements in the best interests of the Company on all relevant issues. Directors having a conflict of interest in relation to a particular item of business must absent</p>

AUSTRALIA MINERALS & MINING GROUP LIMITED
CORPORATE GOVERNANCE STATEMENT
For the year ended 30 June 2014

		themselves from the Board meeting before commencement of discussion on the topic.
2.2	The Chairman is not Independent	<p>Mr Atkins currently holds the position of Non-Executive Chairman which does not comply with the ASX Corporate Governance Council's recommendations.</p> <p>While the Board considers the importance of a division of responsibility and independence at the head of the Company, the existing structure is considered appropriate and provides a unified leadership structure. Mr Atkins has been the major force behind the IPO of the Company and its current growth and direction. The Board considers at this stage of the Company's development he is able to bring quality and independent judgement to all relevant issues, and the Company benefits from his long standing experience of its operations and business relationships</p>
2.4	A separate Nomination Committee has not been formed.	The Board considers that the Company is not currently of a size to justify the formation of a nomination committee. The Board as a whole undertakes process of reviewing the skill base and experience of existing Directors to enable identification or attributes required in new Directors. Where appropriate independent consultants are engaged to identify possible new candidates for the Board.
3.2	Establish a policy concerning diversity and disclose the policy or a summary of that policy.	<p>The Company does not currently have a formal gender diversity policy in place. However, its recruitment is fundamentally driven by identifying the best candidate for all positions regardless of gender. Based on the current scale of activities of the Company, there is no set objective to achieve a certain percentage of female employees in the workforce.</p> <p>The Board does not currently believe that the adoption of a formal gender diversity policy would significantly improve the functions currently performed by the board.</p>
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board	Given the Company's small size and stage of development as an exploration company, the Board considers it impractical at this time to set measurable diversity objectives and adopt a formal gender diversity policy.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board	The Company currently has 5 employees, of which 3 are male and 2 are female. There are no women in senior executive positions or on the Board. However, while the Board considers this to be appropriate at this stage of the Company's development, the Company will review this requirement annually as the circumstances of the Company change.
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3	The Company does not have a formal gender diversity policy at this stage of development, and consequently, did not provide the information indicated in the Guide to reporting on Principle 3.

AUSTRALIA MINERALS & MINING GROUP LIMITED
CORPORATE GOVERNANCE STATEMENT
For the year ended 30 June 2014

4.1, 4.2, 4.3	A separate Audit Committee has not been formed and there is not an Audit Committee operating charter.	<p>The Board considers that the Company is not of a size, nor are its financial affairs of such complexity to justify the formation of an audit committee. The Board as a whole undertakes the selection and proper application of accounting policies, the identification and management of risk and the review of the operation of the internal control systems.</p> <p>The Company continues to monitor its compliance with Listing Rule 12.7 with respect to the requirement to have an audit committee and to comply with the best practice recommendations set by the ASX Corporate Governance Council in relation to the composition, operation and responsibility of the audit committee.</p>
8.1	There is no separate Remuneration Committee.	The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of a remuneration committee. The Board as a whole is responsible for the remuneration arrangements for Directors and executives of the Company.

As the Company's activities increase in size, scope and/or nature, the Company's corporate governance principles will be reviewed by the Board and amended as appropriate.

Further details of the Company's corporate governance policies and practices are available on the Company's website at www.ammg.com.au.

AUSTRALIA MINERALS & MINING GROUP LIMITED
ADDITIONAL INFORMATION
For the year ended 30 June 2014

The shareholder information set out below was applicable as at 19 September 2014.

TWENTY LARGEST HOLDERS OF LISTED SECURITIES

The names of the twenty largest holders of each class of listed securities are listed below:

Ordinary Shares

Name	No of Ordinary Shares Held	Percentage % of Issued Shares
LAKE MCLEOD GYPSUM PL	23,900,002	22.18%
TENARDI DANIEL LEWIS	7,000,000	6.50%
SHARBANEE PAUL GABRIEL	4,823,108	4.48%
AUST MINERAL INV GRP PL	3,750,000	3.48%
EAGLE RIVER HLDGS PL	2,900,000	2.69%
CALCAT RES PL	2,850,000	2.64%
ATKINS LUKE FREDERICK	2,693,055	2.50%
DILKARA NOM PL	2,500,000	2.32%
CIMINATA BRUNO	2,400,000	2.23%
STEV SAND HLDGS PL	2,000,000	1.86%
AUST GLOBAL CAP PL	1,939,405	1.80%
ALBATROSS PASS PL	1,656,666	1.54%
WAYLEN BAY CAP PL	1,437,949	1.33%
CUNNINGHAM A R + SNOOKS N	1,343,334	1.25%
COMSEC NOM PL	1,030,095	0.96%
SHAHABUDDIN SYED A B S O	971,291	0.9%
KEVIN BARRY BUILDING SVC	890,000	0.83%
CAPLE R J + CAMERON F M	812,500	0.75%
ARREDO PL	800,000	0.74%
CHENG WING RES LTD	800,000	0.74%
Total Top 20	66,497,405	61.72%
Others	41,261,097	38.28%
Total Ordinary Shares on Issue	107,758,502	100.00%

AUSTRALIA MINERALS & MINING GROUP LIMITED
ADDITIONAL INFORMATION
For the year ended 30 June 2014

\$0.20 Listed Options

Name	No of \$0.20 Listed Options Held	Percentage of \$0.20 Listed Options
BRYCKI CHRISTOPHER	4,140,000	19.29%
BIMEDENT PL	3,600,000	16.77%
BRYCKI MARK W + N J	2,510,000	11.69%
BRYCKI MARK + NICOLA	1,500,000	6.99%
BRYCKI MARK W + N J	1,500,000	6.99%
PHAM JULIE	1,030,000	4.80%
WHITEHEAD CHRISTOPHER J	817,500	3.81%
QUINLAN DANIEL JOHN	750,000	3.49%
KEVIN BARRY BUILDING SVCS	700,000	3.26%
NIGRO FRANK	470,000	2.19%
TIMBERLAKE P G + R E	410,000	1.91%
MANNERS CRAIG WILLIAM	400,000	1.86%
KESBY-SMITH CLAIRE	301,100	1.40%
BURFORD MATTHEW D + S L	300,000	1.40%
JANNARN PL	250,000	1.16%
HUTCHISON N H + KAITAPU M	202,900	0.95%
HUNGERFORD MARGARET E	200,000	0.93%
BIRD BARRY WILLIAM	196,000	0.91%
RICHARDSON BRETT	118,000	0.55%
PETERS ALEXANDER WILLIAM	110,000	0.51%
Total Top 20	19,505,500	90.86%
Others	1,960,000	9.14%
Total \$0.20 Listed Options on Issue	21,465,500	100.00%

DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of security holders by size of holding as at 19 September 2014:

Distribution	Ordinary Shares		\$0.20 Listed Options	
	Number of Shareholders	Number of Shares	Number of Option holders	Number of Options
1 – 1,000	12	2,373	-	-
1,001 – 5,000	31	124,900	-	-
5,001 – 10,000	131	1,226,595	3	30,000
10,001 – 100,000	316	14,049,534	33	1,825,000
100,001 – and over	110	92,355,100	21	19,610,000
Totals	600	107,758,502	57	21,465,000

AUSTRALIA MINERALS & MINING GROUP LIMITED
ADDITIONAL INFORMATION
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There were 108 holders of less than a marketable parcel of ordinary.

SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders listed in the holding Company's register as at 19 September 2014 are:

Substantial Shareholder	Number of Shares
LAKE MCLEOD GYPSUM PL	23,900,002
TENARDI DANIEL LEWIS	7,000,000

UNQUOTED SECURITIES

1 Employee Performance Rights

Holder	Number
Employee Performance Rights	
Jane Carew-Reid	105,556
Summer Qi	110,924
Michael O'Mara	145,800
Total	362,279

UNQUOTED SECURITIES

The names of the holders holding more than 20% of each class of unlisted securities are listed below:

Holder	Number
\$0.20 Options Expiring 31 August 2015	
Luke Atkins	6,000,000
David Brook	2,000,000
Total	8,000,000
\$0.20 Options Expiring 8 February 2015	
William Witham	500,000
\$0.30 Options Expiring 4 February 2015	
Sam Middlemas	333,333
\$0.25 Options Expiring 15 March 2015	
Jane Carew-Reid	100,000
Summer Qi	100,000
Total	200,000

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\$0.20 Options Expiring 31 January 2017	
Piers Lewis	600,000
\$0.20 Options Expiring 18 December 2017	
Peter Bailey	1,000,000
\$0.25 Options Expiring 18 December 2017	
Peter Bailey	1,000,000
\$0.30 Options Expiring 18 December 2017	
Peter Bailey	1,000,000
GRAND TOTAL	12,633,333

VOTING RIGHTS

Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

ON-MARKET BUY BACK

There is currently no on-market buyback program for any of Australia Minerals and Mining Group's listed securities.

AUSTRALIA MINERALS & MINING GROUP LIMITED
ADDITIONAL INFORMATION
For the year ended 30 June 2014

EXPLORATION INTERESTS

As at 30 June 2014, the Company has an interest in the following tenements:

Tenement ID	Registered Holder	State	Project	AMMG Interest	Grant Date
E70/4341	Australia Mineral Sands Pty Ltd	WA	Glenarty Mineral Sands	100%	16/01/2013
E70/4569	East Pilbara Iron Pty Ltd	WA	Glenarty Mineral Sands	100%	Application
E70/4548	East Pilbara Iron Pty Ltd	WA	Donnelly Creek Graphite	100%	Application
E70/4577	Canning Coal Pty Ltd	WA	Yilgarn Magnetite	100%	Application
E70/4578	Canning Coal Pty Ltd	WA	Green Range Coal	100%	Application
E45/4067	East Pilbara Iron Pty Ltd	WA	East Pilbara Iron Ore	100%	Application
E70/4579	Canning Coal Pty Ltd	WA	SW Aluminous Clay (Kaolin)	100%	Application
E70/4585	Canning Coal Pty Ltd	WA	SW Aluminous Clay (Kaolin)	100%	Application
E70/4581	Canning Coal Pty Ltd	WA	SW Aluminous Clay (Kaolin)	100%	Application
E70/4580	Canning Coal Pty Ltd	WA	SW Aluminous Clay (Kaolin)	100%	Application
E70/4582	Canning Coal Pty Ltd	WA	SW Aluminous Clay (Kaolin)	100%	Application
E70/4534	East Pilbara Iron Pty Ltd	WA	SW Aluminous Clay (Kaolin)	100%	Application
E63/1700	Albany Energy Pty Ltd	WA	SW Aluminous Clay (Kaolin)	100%	Application
E70/3923	Australia Minerals & Mining Group	WA	SW Aluminous Clay (Kaolin)	100%	26/11/2010
E77/2113	Yilgarn Iron Ore Pty Ltd	WA	SW Salt	100%	Application
E77/1746	Oliver, A	WA	SW Salt	100%	21/09/2010
E77/1747	Oliver, A	WA	SW Salt	100%	21/09/2010
E77/1748	Oliver, A	WA	SW Salt	100%	21/09/2010
E77/1770	Australia Minerals & Mining Group	WA	SW Salt	100%	08/11/2010
E08/2506	East Pilbara Iron Pty Ltd	WA	Lake Macleod Gypsum	100%	Application
EPM18375	Australia Minerals & Mining Group	QLD	Constance Range	100%	27/04/2012
EPM18710	Australia Minerals & Mining Group	QLD	Constance Range	100%	31/07/2012
EPM16620	Australia Minerals & Mining Group	QLD	Constance Range	100%	04/11/2008
EPM17919	Australia Minerals & Mining Group	QLD	Constance Range	100%	28/02/2011
EPM19772	Musselbrook Iron Pty Ltd	QLD	Constance Range	100%	Application
EPM19773	Musselbrook Iron Pty Ltd	QLD	Constance Range	100%	11/02/2013
EPM17331	Australia Minerals & Mining Group	QLD	Maytown	100%	Application
EPM18030	Australia Minerals & Mining Group	QLD	Maytown	100%	Application



ABN 45 125 301 206

Registered Office:
3 Bay Road
Claremont Western Australia 6010
T: +61 8 9389 5557 F: +61 8 9389 5510

www.ammg.com.au