

Quarterly Activities Report for period ending 30 June 2010

Section 1 – Exploration Activities in New South Wales and Queensland

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

New South Wales

Kiawarra EL 6269 – (Silver Mines Ltd Joint Venture)

Under a Joint Venture Agreement, Silver Mines Ltd (“SVL”) are earning 50% of EL 6269 by expending \$95,000 on exploration. An application for renewal of EL 6269 was submitted to the Department of Industry and Development.

During the quarter, SVL have been preparing for an RC drilling program to commence in July 2010. The drilling will target a strongly chargeable Induced Polarisation (IP) anomaly which is coincident with the trend of old workings at the Walla Walla Pb-Ag-Zn deposit. Up to 1,000m of RC drilling is planned and will test beneath the old workings and also other sections along the 600m length of the IP anomaly.

Torrington EL 6389 (YTC Resources Ltd Joint Venture)

There was no work on EL 6389 during the quarter.

Planned exploration for the second half of 2010 includes detailed mapping and sampling as well as reverse circulation drilling to test below historic workings and to test areas of sheeted veining. The Harts Mine area will be reviewed to assess potential diamond drilling to the north east of hole HD04.

Emmaville EL 6431, EL 6384 and EL 7541

There was no work on EL 6384, 6431 or 7541 during the quarter.

EL 7541 (formerly ELA 3880 covering 13 units to the east of Emmaville and abutting EL 6384 and EL 6431) was granted in May 2010.

The Company continued to seek a Joint Venture partner willing to fund exploration over these tenements.

Queensland

Connors Arch Joint Venture

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

- 60% equity in two tenements at Mount Mackenzie;
- 54.08% equity in two tenements at Waitara; and
- Currently earning 51% and has the right to earn 80% equity in three tenements at Marlborough Fault.

Mount Mackenzie Prospect EPMs 10006 and 12546

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

Drilling encountered significant gold and copper values in lead-zinc-silver mineralized breccias and extensive, intensely sulphidic, alteration under cover rocks at the “Instinct” Prospect located 500m to 1000m west of Mt Mackenzie. The potential for extensions to this system lies under the volcanic cover outside the limits of all previous drilling.

SmartTrans is seeking a suitable joint venture partner for this project and is in discussions with a number of active Australian gold producers and explorers.

EPM 10006 was successfully renewed for a further three years during the quarter.

Marlborough Fault Project EPMs 14500, 14501 and 14502

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

SmartTrans continued to seek expressions of interest from potential joint venture parties for this project. There was no field work on this project during the quarter.



As per regulatory requirement, partial relinquishments of EPMs 14500, 14501 and 14502 have occurred during the quarter.

Connors Range Joint Venture EPMs 11134 and 12361

This project comprises two tenements in the northern Lachlan - New England fold belt that include the Waitara porphyry (Cu/Mo) and the Waitara Epithermal (Au) prospects.

SmartTrans continued discussions with a number of active Australian gold producers and explorers to seek a suitable joint venture partner for this project. There was no field work on this project during the quarter.

The information in Section 1 of this report is based on information compiled by Phillip Kimber, who is a Member of the Australasian Institute of Mining and Metallurgy. Phillip Kimber has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Kimber consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



Section 2 - Indonesian Coal Project

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

AOM was advised by ACPL that mobilisation of mining equipment to the Muara Teweh site has been delayed pending approval of regulatory matters by Indonesian authorities. This also meant that no further sales of coal from the bulk sampling stockpile were made during the quarter.

AOM and its parent company, Malaysia Smelting Corporation Berhad ("MSC") are in the process of retaining an independent consultant to assist with assessing the value of their respective interests in the project.

Tenements held by Australia Oriental Minerals NL

<i>Tenement Number</i>	<i>Current Area (sub-blocks / units)*</i>	<i>Remarks</i>
<i>Queensland</i>		
EPM 10006	35	Mt Mackenzie JV: AOM:40%, SMA 60%
EPM 12546	8	Mt Mackenzie JV: AOM:40%, SMA 60%
EPM 17515	65	Mt Mackenzie West JV: AOM:40%, SMA:60%
EPM 11134	17	Connors Arch JV: AOM 45.92%, SMA 54.08%
EPM 12361	2	Connors Arch JV: AOM 45.92%, SMA 54.08%
EPM 14500	87	Marlborough Fault JV: AOM 100% (SMA earning 51%)
EPM 14501	110	Marlborough Fault JV: AOM 100% (SMA earning 51%)
EPM 14502	99	Marlborough Fault JV: AOM 100% (SMA earning 51%)
<i>New South Wales</i>		
EL 6384	6	Emmaville
EL 6431	14	Emmaville
EL 6389	9	Emmaville (JV: AOM 30%; YTC 70% - earning 80%)
EL 7541	13	Emmaville
EL 6269	19	Kiawarra (Joint Venture with SVL)

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

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

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

Australia Oriental Minerals NL

ABN

84 010 126 708

For the period ending

30 June 2010

Consolidated statement of cash flows

Cash flows related to operating activities		Three Months ending 30 June 2010 \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(53)	(68)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(114)	(154)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(166)	(221)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(166)	(221)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(166)	(221)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (capital raising costs)	-	(13)
	Net financing cash flows	-	(13)
	Net increase (decrease) in cash held	(166)	(234)
1.20	Cash at beginning of year to date	421	489
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of the period	255	255

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

	Three Months \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	21
1.24 Aggregate amount of loans to the parties included in item 1.10	0

1.25 Explanation necessary for an understanding of the transactions

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

Non-cash financing and investing activities

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

NA

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

NA

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	-
4.3 Production	-
4.4 Administration	120
Total	170

Reconciliation of cash

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

	Three Months \$A'000	YTD \$A'000
5.1 Cash on hand and at bank	255	255
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of three months (item 1.22)	255	255

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of year	Interest at end of 6 months
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased				

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of 30 June 2010

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

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

Compliance statement

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

Sign here:Date: 30 July 2010
(Company secretary)

Print name: Andrew Bursill
Company Secretary

Notes

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

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