



Formally Monaro Mining N.L

## **ASX Announcement**

**30 April 2010**

### **Quarterly Activities Report for March 2010**

#### **Highlights**

- **New uranium leases acquired in Texas with exploration target of 4 million pounds**
- **Drilling set to commence at four projects over the next three months**
- **ADR programme set to commence**
- **Name change to reflect new focus**

The Directors of Australian American Mining Corporation N.L (“AusAmerican” or “the company”), formally known as Monaro Mining N.L wish to report the following;

#### **1. Introduction**

The majority of time, money and effort of the company was focused on the reorganisation and re-focus of the company on its US assets and acquiring new assets in the USA, and on preparing the current and new US assets for the exploration season which begins in the northern hemisphere spring.

The company is pleased to announce it has managed to close down and dispose of either through agreement or by relinquishment, certain non US assets and subsidiaries that were proving to be a significant drain on the company’s time and resources. The only non core assets that company still controls are the Australian gold and base metal assets and an agreement has been reached for these to be sold to a public unlisted company named Forge Resources Limited (“Forge”) for consideration of 3 million shares. The final agreement has yet to be signed but it is expected that this will take place in early May 2010 and Forge will apply shortly thereafter for admission to list on the ASX. AusAmerica’s shares will be restricted for 12 months, and at listing will have a value of \$600,000 based on Forge’s listing price of 20 cents.

On the 28<sup>th</sup> of April the company announced that it has sold its full interest in the previously 100% owned subsidiary Carbeck Pty Ltd (“Carbeck”) for consideration of US\$10,000. Carbeck owns, via interests held in Companies incorporated in the Kyrgyz Republic, all of Monaro’s previously held Kyrgyz Republic licenses.



The sale of all Carbeck and the Australian assets is consistent with Monaro's strategy to focus on the uranium and gold projects located in the United States of America.

## **2. Acquisition of new uranium leases in Texas.**

The major achievement for the quarter was the acquisition of 12 new uranium leases in the "Texas Uranium Belt", a previously explored and well delineated area in the south east of the state. These leases will form part of what will from now be referred to as the Lone Star uranium project ("Lone Star").

These projects have been leased to a 90% AusAmerican owned subsidiary for five years with an option of another 5 years. We retain all mineral rights on the properties for that period of time. The remaining 10% is owned by a number of individuals who introduced AusAmerican to these properties and includes the geologist who explored and oversaw the drilling of these projects for Union Carbide in the late 1960's, Mr Chet Nichols. Mr Nichols has been retained by AusAmerican to manage the exploration and development of these properties.

Extensive drilling and analysis was completed at Lone Star in the late 1960's by Union Carbide.

A permitting and drilling program will be undertaken immediately with an exploration target of defining a JORC resource of 4 Million lbs of mineralisation. This target has been based on historic exploration data assembled by Union Carbide and is taking into count approximately between 1,250,000 and 1,750,000 tonnes of mineralisation grading on average 0.12%-0.15% (1200-1500 ppm) U3O8 mineralisation for 1,800-1,900 tonnes U3O8 or approximately 4 million pounds U3O8.

- (1) Please note the potential quantity and grade is conceptual in nature, that there has been insufficient recent exploration to define a mineral resource and that it is uncertain if further exploration will result in the determination of a mineral resource.
- (2) This note above needs to be considered when reading the PowerPoint presentation released 30 April 2010 when it discusses our 4 million pound exploration target at the Lone Star uranium project.

The previous works performed by Union Carbide indicate that the potential mineralisation is very shallow (from 10 to 150 foot) and amenable to insitu recovery. These leases are also located less than 100km's from existing licensed uranium plants.

AusAmerican has also instituted an aggressive land acquisition campaign to acquire additional properties which it has identified in other areas of Texas. For the most part, these targeted properties will also have been subject to earlier drilling and exploration endeavours, although AusAmerican will also consider other properties which appear to have highly favourable mineralization and mining characteristics. AusAmerican will announce these acquisitions as and when they occur.



AusAmerica's objective is near term uranium production in the US using advanced, low-cost methods. Texas is currently a favourable jurisdiction as far as licensing and permitting for uranium mining and milling is concerned with total permitting to production from start to finish possible within a 24 month timeframe. We anticipate further leasing announcements in the short term regarding our Texas program.

### **3. Drilling at the Rio Puerco and Apex uranium projects.**

AusAmerican has been working steadily over the last quarter in preparation of an extensive exploration programme at both its 100% owned Rio Puerco and Apex properties. Our two company geologists David Boyer and John Petersen have spent many hours appraising old data and preparing 3 D resource models to assist us with identifying drilling targets.

One of the great advantages of these projects is that they were old mines and as a result a large amount of data was generated by previous owners back from as far back as, in the case of Apex, the 1950's. Much of this data has been retained by AusAmerican but it needed to be digitised and translated into modern, user friendly applications and this has taken some time. Rio Puerco, for example, had over 2,200 drill holes drilled in the 1970's and all of this data and logs have had to be digitised and then put into modern programmes. This was done largely last year and interpretation of this data has been on-going in the most recent quarter.

At this stage the drill targets have been established and permitting has commenced and in the case of Apex our drilling permits have been approved. A 30 hole drilling programme at Apex and an even larger programme at Rio Puerco have been designed and subject to financing, exploration will commence at both projects next month. The programme which involves radon surveys and a diamond drilling programme that has been designed to validate the current resource, improve confidence in the resource and to increase the resource by stepping out and drilling new areas of planned mineralization which have been identified by our resource models. We are hopeful of increasing the resource and of increasing much of the resource from a JORC category of inferred to the indicated and measured category.

### **4. Bernard Gold project.**

As we have announced to the market in previous ASX releases, a drilling programme has been planned at the company's 90% owned gold Bernard project. This second stage drilling programme has been delayed due to poor weather and more recently because we have been assessing the results of the seismic survey which was performed over the project in February and identified a number of new drilling targets which needed to be included into the revised programme. Funding for the second stage programme from our Joint venture partners Cristol Enterprises LLC ("Cristol") has also been delayed but we are expecting to receive this funding in the next week and the programme will commence immediately.



Under the current terms of the JV, Monaro own 90% of the Bernard project with Cristol owning the remaining 10% having completed the initial US\$380,000 expenditure commitment for Stage 1 of the JV. Stage 2 involves Cristol spending another US\$700,000 for a further 10%. After this Cristol can spend, in three additional stages, an additional US\$3.2 million (for a total of US\$4.28 million) for 51% of the project.

We also intend to commence permitting for drilling permits at our Lone Star uranium project early in May. The permits will take up to 60 days to be approved and once approved we will commence drilling immediately. So we are hopeful to be drilling at all four of our US projects in the next three months.

## **5. Recent uranium transactions**

Monaro also draw investor's attention to the recent (13 April, 2010) announcement by Uranium Energy Corporation (NYSE- AMEX:UEC) that it had sold its 49% stake in the Cebolleta uranium project in New Mexico to Neutron Energy Corp for US\$11 million. The Cebolleta project is located in the Grants Mineral Belt adjacent to Monaro's 100% owned Rio Puerco project and has a 43-101 resource of 20.5 million pounds grading 1,200 ppm (0.12%). UEC's 49% share of this was 10.1 Mlb. This values this stake at approximately US\$1.10 per pound and provides a guide to a possible current valuation of the Rio Puerco project which has a JORC inferred resource of 11.4 million pounds at 900 ppm (0.09%).

An additional feature of the Rio Puerco property is that there is significant infrastructure in place including an 800 foot twin compartment lined shaft and a fully developed room and pillar mine as well as significant surface infrastructure. This infrastructure was completed by Kerr McGee Corp in the 1970's when it developed an operating mine at Rio Puerco that had some production before being closed due to low uranium prices. Monaro believes this is a significant asset to the company and the recent transaction between UEC and Neutron confirms this belief.

UEC, which currently has a 43-101 reported measured, indicated and inferred resources of 8.3 million pounds on their three Texas projects as well as an additional 23 million pounds of historic resources in a number of projects throughout the USA, has a current market capitalization of US\$225 million and is considered one of the most progressive uranium companies in the USA.

## **6. Name change.**

Monaro Mining N.L recently sought and received shareholder approval for a name change to *Australian American Mining Corporation N.L* effective April 28, 2010. The new ASX code will be AIW.



The company has registered the name change with ASIC and ASIC will issue the new name certificate in the next 14 days at which time the ASX will confirm the change and announce the change-over date when the company will cease trading as Monaro Mining N.L (ASX-MRO) and begin trading under the new name and ticker (ASX-AIW).

The change in name reflects the direction and strategy of the company. AusAmerican is now totally focused on becoming a low cost uranium producer in the USA by the end of 2012 by fast tracking the development of its current brown field's projects in Nevada and New Mexico and its new Lone Star project in the mining friendly state of Texas.

Recent events in the USA have confirmed management's belief that AusAmerican is on the right track with its policy of fast tracking to production. Uranium Energy Corporation (NYSE-UEC) has been a trail blazer in recent months with its strategy of acquiring leases in Texas that have historic resources, are near surface and amenable to ISR mining and close to existing licensed mills/plants. Texas remains the most mining friendly of all USA states with UEC recently completing a licensing arrangement at its Palangana Texan projects from start to finish in less than 24 months. AusAmerican plan to emulate UEC by acquiring and developing similar type projects in Texas. The recent announcement of our first Texan acquisition is just the first in what will hopefully be a number of similar style acquisitions in Texas.

## **7. Cash position and burn rate**

The company had \$1.3 million in cash at bank and receivables as at 31 March 2010. As we speak a private placement to sophisticated US investors is being completed. This placement will be via ordinary shares but given it will be made to US investors these shares will convert to ADR's which will eventually be traded on the OTC market in the USA. This is crucial to our strategy to see AusAmerican shares traded on this market as we believe this market will better reflect our value than the ASX. Part of our strategy is to raise the majority of any funds going forward in the USA and to have greater than 50% of volume and shareholders in the USA by the end of this year. The pending placement to US investors should be confirmed in the next two to three weeks. This funding will allow the company to fast track its development and will also assist in reinvigorating the trading of the ADR programme on the OTC market in the USA.



As the attached appendix 5B indicates, the company has had an unacceptable burn rate over the past 12 months. Much of this has been as a result of having a Sydney office and a number of offices, staff and subsidiaries in operations relating to non core assets. As mentioned at the beginning of this report these non core operations have been wound up or closed and assets have been sold or relinquished and we now run a small operation out of Perth and our main operating office in Tucson, Arizona. Much of the administration cost in the past 9 months reflect the costs of these additional operations and include costs of winding them up. The company now believes that the overheads are at a level that better reflects a company of our market capitalization and this should be reflected in future cash flow reports.

### ***Competent Person***

*The review of exploration activities and results contained in this report is based on information compiled by Mr. D Geldard; Executive Director of Monaro Mining N.L. Mr. Geldard is a Member of the Australasian Institute of Mining and Metallurgy. The technical disclosure in this press release has been reviewed by Chester E. Nichols. Mr. Nichols holds an AB in Geology from Cornell University, an MS in Petrology from the University of Iowa and a PhD in Geotectonics and Geophysics from the University of Missouri-Rolla (Missouri School of Mines) and has 15 years of exploration experience in all the major uranium provinces of the United States.*

*He is currently a member of the Association of Engineering Geologists, Sigma Xi (scientific research society), and Citizens for Nuclear Technology Awareness, Central Savannah River Area Geological Society, and the Geological Society of Nevada.*

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

Cautionary Note to U.S. Investors - The United States Securities and Exchange Commission limits disclosure for U.S. reporting purposes to mineral deposits that a Company can economically and legally extract or produce. We use terms on this letter, such as "reserves," "resources," "geologic resources," "proven," "probable," "measured," "indicated," or "inferred," which may not be consistent with the reserve definitions established by the SEC. U.S. investors are urged to consider closely the disclosure in our Annual Reports. You can review and obtain copies of these filings from our website.

This letter contains forward-looking statements. These statements relate to future events, or our future financial performance. We have attempted to identify forward-looking statements by terminology, including "anticipates", "believes", "can", "continue", "could", "estimates", "expects", "intends", "may", "plans", "potential", "predicts", "should" or "will" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties, and other factors. The following factors, among others, could cause our actual results and performance to differ materially from the results and performance projected in, or implied by, the forward-looking statements:

Our history of losses and expectation of further losses;  
The effect of poor operating results on our Company;  
Our ability to expand our operations in both new and existing prospects and our ability to develop or acquire new prospects;

Australian American Mining Corporation NL  
ABN 99 073 155 781  
PO Box 1788, West Perth, WA, Australia, 6872  
103 Abernethy Road, Belmont, WA, Australia, 6104  
Telephone: (08) 9277 9782 Facsimile: (08) 9277 6818





Our ability to develop new prospects and our performance in detecting and producing uranium for yellow cakes;

Our ability to raise capital;

Our ability to fully utilize and retain new executives;

Negative publicity surrounding our product;

Trends in consumer tastes in energy;

The impact of litigation;

The impact of federal, state, local or foreign government regulations;

The effect of competition in our industry; and

Economic and political conditions generally.

For further information please contact;

Executive Chairman: Jim Malone- +61419537714 or on [jim.malone@iinet.net.au](mailto:jim.malone@iinet.net.au)

Investor & Media Enquiries: Fortbridge – Bill Kemmery on +61 2 93310655, +61 400 122 449.

US Investor relations Manager: Peter Barnes- +1 646 269 3073.