

Quarterly Activities Report for period ending 31 December 2008

New South Wales

Kiawarra EL 6269 – (Silver Mines Ltd Joint Venture)

There was no work on EL 6269 during the quarter.

In the first quarter of 2009 Silver Mines Limited intend to carry out Induced Polarization (“IP”) and transient electro-magnetism (“TEM”) techniques as well as further local geochemical surveys and mapping on the tenement targeting silver and base metal anomalies identified to date. This will be followed by IP and TEM surveys over the historic Walla Walla workings to determine if mineralization extends at depth and along strike of the historically exploited zones.

Torrington EL 6389 (YTC Resources Ltd Joint Venture)

There was no work on EL6389 during the quarter.

Emmaville EL 6431 and EL 6384

There was no work on EL 6431 and EL 6384 during the quarter.

Queensland

Broadsound Joint Venture (EPM 10006 and EPM 12546)

(Newcrest Operations Limited / CAJV – SmartTrans/AOM)

At Mount Mackenzie, Newcrest’s primary objective is to locate a multi-million ounce high sulphidation, porphyry-related or breccia-hosted gold deposit that can sustain a stand-alone operation producing at least 200,000 ounces of gold per year for more than ten years.

Newcrest is the manager of the joint venture and can earn 60% equity in the project by spending \$10,000,000 over five years ending on 2 April 2013. Newcrest advised the following exploration activity and results for the Joint Venture for this quarter:



Core Drilling

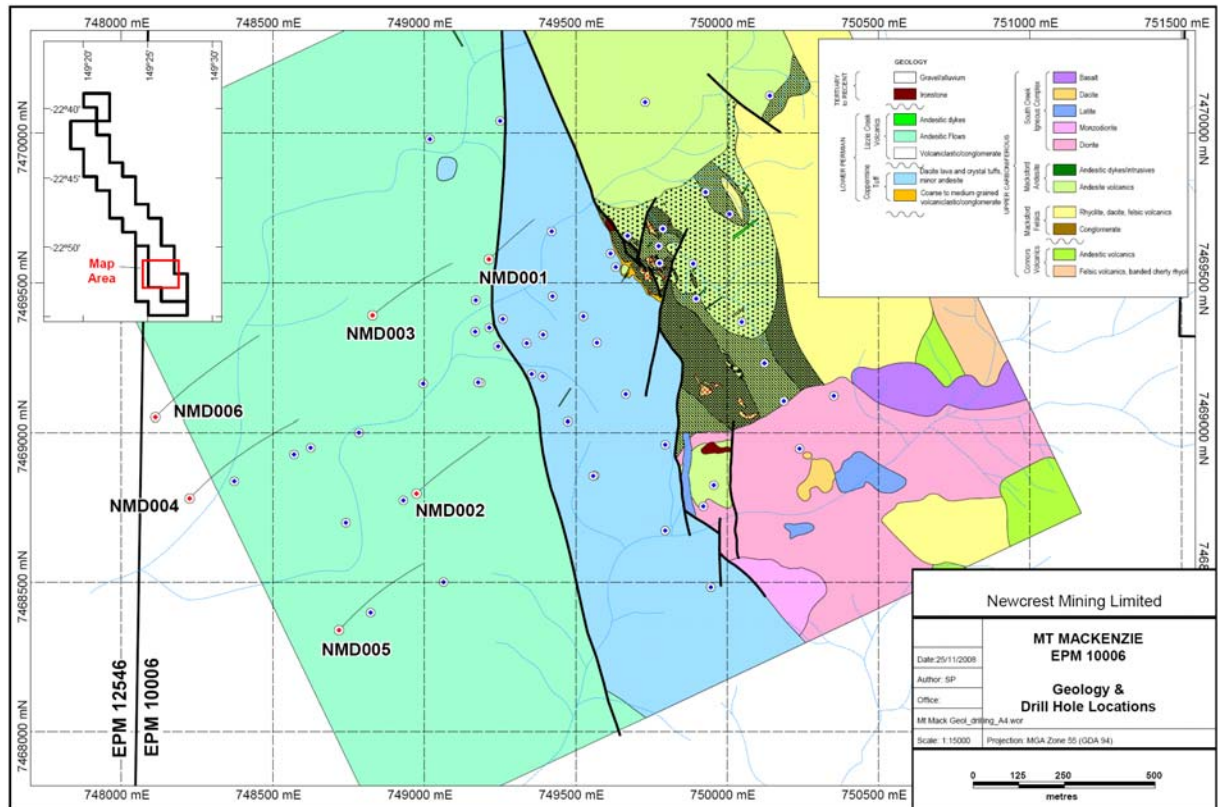
Two core holes, (NMD005 and NMD006) were completed for a total of 1,022.4 metres. These holes were designed to test for possible southern and northern extensions of the high grade feeder within the Macksford Andesite unit, drilled earlier by SmartTrans and AOM, in MMDD657 (13 metres @ 3.5g/t Au from 642 metres).

NMD005 was drilled to a depth of 756.6 metres and NMD006 was drilled to a depth of 954.7 metres.

Assay Results

Assay results from holes NMD002, NMD004, NMD005 and NMD006 were received and are tabled below. The best result was 8.4 m @ 0.67g/t Au in NMD002 from 615metres. All results have now been received.

Hole Number	Hole Type	MGA Easting	MGA Northing	Depth (m)	Dip	Mag. Azimuth	Intervals $\geq 0.1\text{g/t Au}$
NMD002	DD	748974	7468797	650.2m	-60°	55°	5m @ 0.20g/t from 515m 1m @ 0.20g/t from 524.3m 1m @ 0.10g/t from 537m 1m @ 0.10g/t from 546m 1m @ 0.12 g/t from 550m 8.42m @ 0.67g/t from 615m including 1m @ 3.8g/t from 616m 1m @ 0.2g/t from 630m
NMD004	DD	748225	7468781	954.6m	-60°	53°	No Significant Assays
NMD005	DD	748718	7468340	756.6m	-60°	53.5°	0.8m @ 0.11g/t from 619m 3.35m @ 0.17g/t from 636m 1.0m @ 0.28g/t from 644m 0.6m @ 0.11g/t from 696m
NMD006	DD	748112	7469051	954.7m	-60°	55°	3.0m @ 0.10g/t from 688m 1.0m @ 0.11g/t from 744m 2.0m @ 0.10g/t from 755m 1.0m @ 0.10g/t from 882m 2.0m @ 0.20g/t from 920m



Soil Sampling

Results from the 591 soil samples collected on a 400 x 100m spaced grid sampled last quarter have now been received (see figure 2). Peak assay values include: 36ppb Au, 331ppm As, 547ppm Pb, 129ppm Cu and 34ppm Mo.

Gold results were generally low but were higher near the Mt Mackenzie prospect and gradually decreased in value to the north up to 4km from the prospect. A corresponding drop in copper and zinc was also seen in this zone, however both elements were only just above background. A lead peak value of 547ppm was found near the Clive Creek prospect, with a corresponding peak sulphur value. Galena has been found near this area.

A peak silver value of 1.2 ppm with a corresponding peak Mo (34ppm) and Te (1.96ppm) was found from alluvium within the Clive Creek Volcanics. This was an isolated sample with no proximal anomalism.

No new drill targets have been identified from the soil data.



AUSTRALIA
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MINERALS

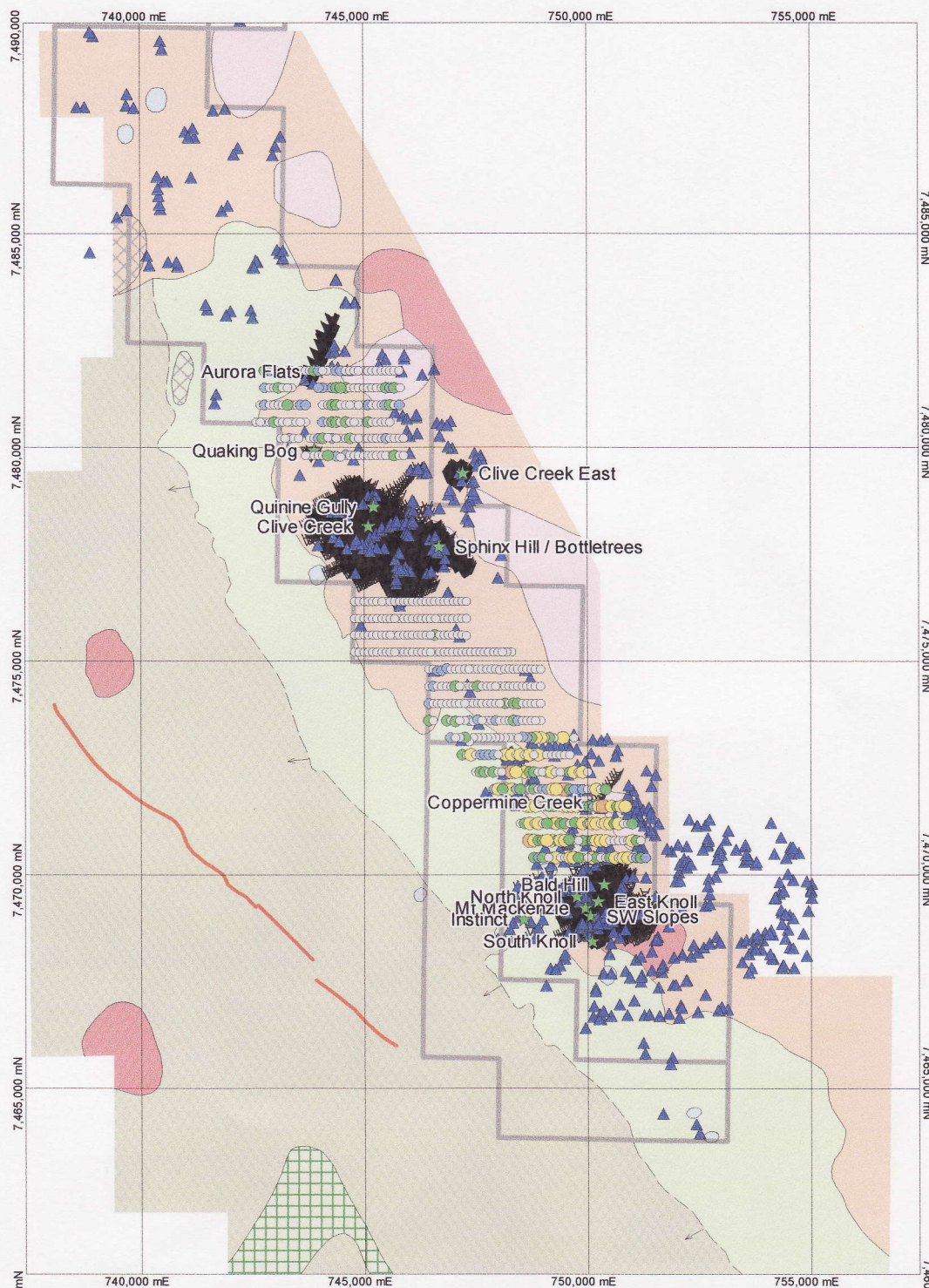


Figure 2. Soil sample locations (historic soils represented by black diamonds, and historic stream samples by blue triangles) over Helimag interpretation.

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Helimag Survey

A helicopter magnetic, DTM, and radiometric survey was completed during the quarter with a total of 4100 line-kilometres of data acquired on 100m east-west lines at a nominal terrain clearance of 60m. A regional scale (1:50,000) interpretation was completed (see figure 2).

The TMI data showed a number of conceptual targets - both apparently in and out of cover. These targets are remanently magnetised potential Permo-Carboniferous Au breccias (e.g. Mt Leyshon style).

Connors Range Joint Venture ("Waitara" - EPM 11134 and EPM 12361) (Midas Resources Limited Joint Venture)

Midas has advised its withdrawal from the Joint Venture and equities are currently estimated to be as follows:-

- SmartTrans Holdings Limited (SMA) 54.08%
- Australia Oriental Minerals Limited (AOM) 45.92%

Midas advised the following exploration activity and results for the Connors Range Joint Venture.

Waitara Epithermal Prospect, RC Drilling

Rock chip sampling conducted in October 2008 identified quartz veins with anomalous gold results in the east of the grid area and these sites were targeted by two RC drillholes to test the vein at depth.

Hole Number	Hole Type	WGS84 Easting	WGS84 Northing	RL (m)	Depth	Dip	Mag Azimuth
WERC001	RC	695116	7590171	159	210.00	-60	352
WERC002	RC	695020	7590140	166	210.00	-60	350

The drilling intersected granite interspersed with intermediate volcanic and minor intermediate to felsic porphyry. Intervals of volcanics could be roughly correlated between drillholes, suggesting an east-west trend to the geology. The granite suffered weak to strong pervasive silica-sericite alteration throughout both drillholes.

Visual indications of quartz veining were disappointing. WERC001 contained one 4 metre interval of 30% vein quartz from 60m to 64m. The quartz was clear and massive, with no epithermal textures. There were indications that the silica-sericite

alteration in the granite also hosts thin quartz veinlets some of which exhibit fine laminations. Zones of quartz veining in the drillholes correlate roughly with linear zones of silicification on surface, indicating that the veins dip 55 to 75 degrees south. Small exposures of felsic porphyry on surface indicate similar orientations, suggesting that the silicified zones may exploit lithological contacts. Overall, the drilling and outcrop confirm broad zones of pervasive alteration which host minor occurrences of thin, laminated and colloform quartz veins.

One metre RC samples were riffle-split with 2-3kg samples sent for Au analysis by 30g fire assay (Au-AA25) and for Ag by Aqua Regia / AAS (Ag-AA45).

Assay results revealed one sample with greater than 0.1 g/t Au (WERC002 147m to 148m, 0.54g/t Au) and one sample (WERC002 125m to 126m) separately recording 0.5g/t Ag.

Figure 3 shows the gold assay results from the recent soil and rock chip sampling and the location of the two recent RC drill holes.

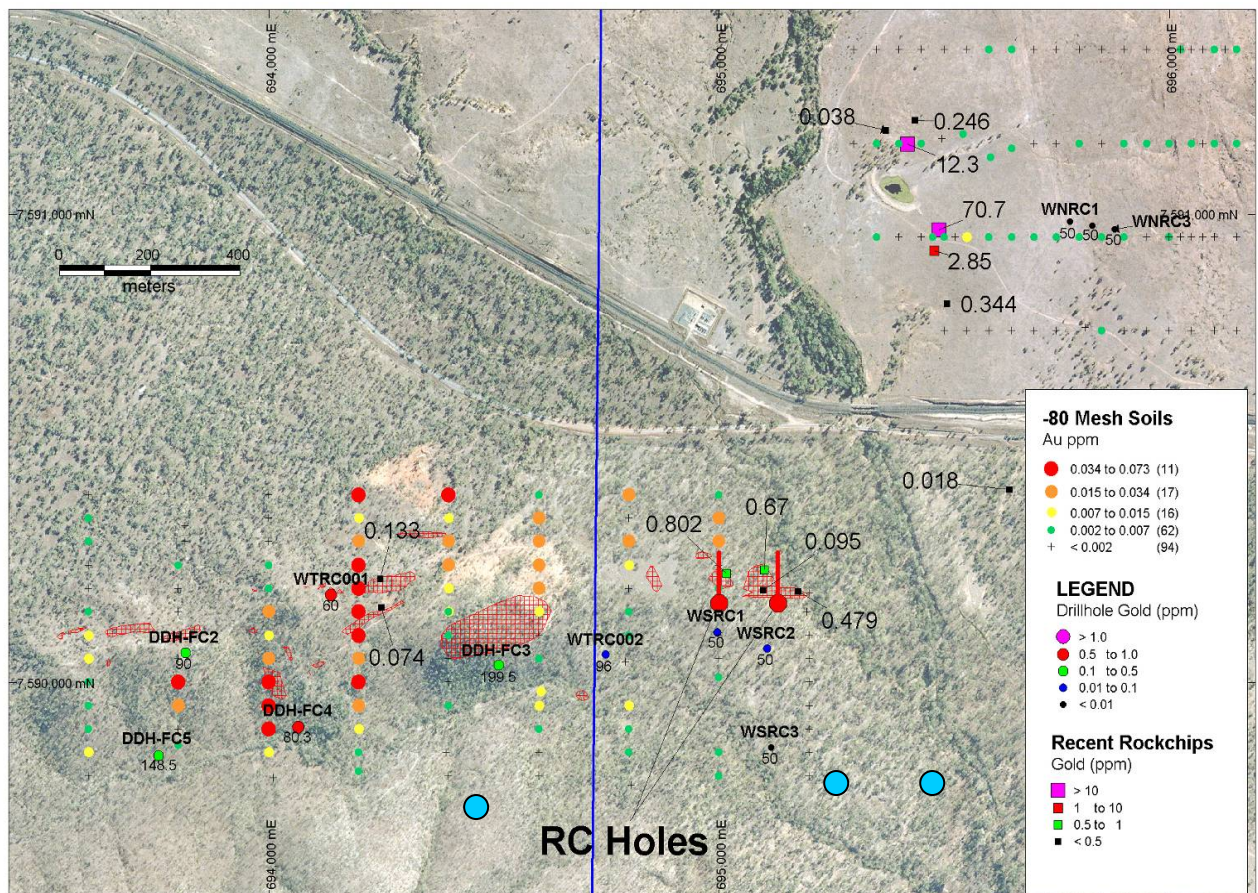


Fig 3. Waitara Epithermal Prospect - Soil and Rock Sample Results

Marlborough Fault Project (EPMs 14500, 14501 and 14502)

This project in the Connors Arch Joint Venture 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.

A review of the tenements to assess their potential for porphyry-style mineralisation is currently in progress. Magnetics, geology, geochemistry and structural data are being used as a backdrop for interpretation. There was no field work during the period.

Asiatic Coal Pte Limited (“ACPL”)

The drilling program to delineate a resource in accordance with the JORC code over the central mining concession was completed in December 2008 with a total of 130 holes being drilled. A report on the coal resource is expected from the Coal Consultant by February 2009.

Exploratory drilling programs are in progress in the two adjoining blocks (over which ACPL has an option to acquire) with the aim to provide preliminary indications of coal mineralization. It is anticipated that further drilling will be conducted over the areas where coal mineralization is present to delineate a resource in accordance with JORC code.

Preliminary excavation work commenced during the quarter on the mining concession area with overburden removal and development and testing of bulk sampling stockpiles. Samples have been sent for analysis with the results expected during the March 2009 quarter.

PT Asiatic Coal Nusantara (“PT ACN”), a subsidiary of ACPL, has commenced negotiations in relation to the marketing of the coal.

Partial relinquishment

As required by regulations, partial relinquishments of EPM 11134 and EPM 14502 have occurred during the quarter.

The information in this report that relates to Exploration Results (with the exception of the information under the section Asiatic Coal Pte Limited) 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.

Area of current 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	Broadsound JV: AOM:40%, SMA 60% (Newcrest earning 60%).
EPM 12546	8	Broadsound JV: AOM:40%, SMA 60% (Newcrest earning 60%).
EPMA 17515	65	Area under application. Broadsound JV: AOM:40%, SMA 60% (Newcrest earning 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	350	Marlborough Fault JV; AOM 100%; SMA earning 51%
EPM 14501	441	Marlborough Fault JV; AOM 100%; SMA earning 51%
EPM 14502	198	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 100%; YTC earning 80%)
EL 6269	19	Kiawarra (Joint Venture with SVL)

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

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

31 December 2008

Consolidated statement of cash flows

Cash flows related to operating activities		Three Months ending 31 December 2008 \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(40)	(149)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(131)	(464)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	9	140
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(162)	(473)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(459)	(7,569)
	(c) other fixed assets	-	(3)
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		(459)	(7,572)
1.13	Total operating and investing cash flows (carried forward)	(621)	(8,045)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(621)	(8,045)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	945
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	5,000
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (capital raising costs)	-	(7)
	Net financing cash flows	-	5,938
	Net increase (decrease) in cash held	(621)	(2,107)
1.20	Cash at beginning of year to date	1,189	2,675
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of the period	568	568

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	5
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

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	-
Total		50

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	568	568
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of three months (item 1.22)	568	568

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of year	Interest at end of 3 months
6.1	Interests in mining tenements relinquished, reduced or lapsed	Changes to the mining tenement schedule for the quarter will be reported in the Quarterly Report and Tenement Schedule for the Quarter ended 31 December 2008		
6.2	Interests in mining tenements acquired or increased			

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of 31 December 2008

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	725,522,683	725,522,683		
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>				
7.8 Issued during quarter	43,000,000		Exercisable at 3c	Expire 31/12/2013
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 \(see note 4\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:Date: 29 January 2009
(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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