



**AUSTRALIA MINERALS
& MINING GROUP LTD**

ABN 45 125 301 206

INTERIM REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

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CORPORATE DIRECTORY

DIRECTORS

Luke Atkins (Chairman)
Ric Dawson (Managing Director)
Daniel Tenardi (Non-Executive Director)
Chris Forrester (Non-Executive Director)
David Brook (Non-Executive Director)

COMPANY SECRETARY

Piers Lewis

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

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Claremont, Western Australia 6010
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Facsimile: +618 9389 5510
Email: info@ammg.com.au
Website: www.ammg.com.au

AUDITORS

Moore Stephens
Level 3, 12 St Georges Terrace,
PERTH WA 6000

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Telephone: +618 9315 2333
Facsimile: +618 9315 2233

STOCK EXCHANGE LISTING

The Company is listed on Australian Securities
Exchange Limited

Home Exchange: Perth
ASX Codes: AKA
AKAO

DIRECTORS' REPORT

The Directors present their report on Australia Minerals and Mining Group Limited for the half-year ended 31 December 2010.

BOARD OF DIRECTORS

The names and details of the Australia Minerals and Mining Group Limited ("Company") directors in office during the financial period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Luke Atkins	Chairman
Ric Dawson	Managing Director (appointed 10 January 2011)
Daniel Tenardi	Non-Executive Director
Chris Forrester	Non-Executive Director
David Brook	Non-Executive Director

COMPANY SECRETARY

Piers Lewis (appointed 12 January 2011)
Sam Middlemas (resigned 12 January 2011)

REVIEW OF OPERATIONS

During the six monthly period ending 31 December 2010 AMMG continued its exploration activities that included:

- Stage 1 drilling at the Lake Macleod Gypsum Project
- Recruitment of an inaugural Chief Geologist and also a Technical and Foreign Marketing Executive
- Review of historical metallurgical testing at Constance Range Iron Ore Project
- Increased the tenements under granted status as well as new applications now totaling 7075 square kilometers

AMMG continues to develop its joint ventures (whereby it will earn 100% equity by meeting minimum expenditure up until date of grant of the joint venture tenements) and its 100% owned West Australian kaolin, gypsum, iron ore and Queensland iron ore and gold projects with further drilling and marketing updates expected in the upcoming months.

RESULTS OF OPERATIONS

The operating loss after income tax of the Company for the half-year ended 31 December 2010 was \$411,398. The Company's basic loss per share for the period was 0.5 cents.

No dividend has been paid during or is recommended for the financial period ended 31 December 2010.

FINANCIAL POSITION

The Company's working capital, being current assets less current liabilities was \$7,386,361 at 31 December 2010 (30 June 2010: \$7,842,020).

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.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half-year ended 31 December 2010 has been received and immediately follows the Directors' Report.

This report has been made in accordance with a resolution of the Board of Directors.

Ric Dawson
Managing Director

Dated at Perth this 9th day of March 2011

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

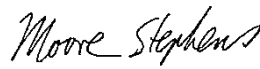
As lead auditor for the review of Australia Minerals & Mining Group Limited for the half-year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Australia Minerals & Mining Group Limited during the year.



**NEIL PACE
PARTNER**



**MOORE STEPHENS
CHARTERED ACCOUNTANTS**

Signed at Perth this 9th day of March 2011.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2010

	31 December 2010	30 June 2010
Note	\$	\$
Current Assets		
Cash and cash equivalents	7,328,111	7,925,895
Trade and other receivables	87,640	33,543
Total Current Assets	7,415,751	7,959,438
Non Current Assets		
Property, Plant & Equipment	71,513	77,733
Investments	1,027	-
Exploration and evaluation expenditure	856,860	698,442
Total Non-Current Assets	929,400	776,175
TOTAL ASSETS	8,345,151	8,735,613
Current Liabilities		
Trade and other payables	29,390	117,418
TOTAL LIABILITIES	29,390	117,418
NET ASSETS	8,315,761	8,618,195
Equity		
Issued Capital	8,804,581	8,804,581
Reserves	536,896	427,932
Accumulated losses	(1,025,716)	(614,318)
TOTAL EQUITY	8,315,761	8,618,195

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF COMPREHENSIVE INCOME
For the Half-Year Ended 31 December 2010

	31 December 2010 \$	31 December 2009 \$
Revenue from ordinary activities	200,381	12,062
Expenses		
Occupancy costs	(28,972)	(26,580)
Professional fees	(89,847)	-
Corporate costs	(49,062)	(460)
Wages & Salaries	(95,523)	
Director's fees	(187,061)	-
Administration costs	(52,351)	(9,610)
Share based payments	(108,964)	-
	<hr/>	<hr/>
Loss before income tax expense	(411,398)	(24,588)
Income tax expense	-	-
	<hr/>	<hr/>
Loss from continuing operations	(411,398)	(24,588)
	<hr/>	<hr/>
Other comprehensive Income	-	-
	<hr/>	<hr/>
Total comprehensive income / (loss) for the period	(411,398)	(24,588)
	<hr/>	<hr/>
Total comprehensive income / (loss) attributable to members of Company	(411,398)	(24,588)
	<hr/> <hr/>	<hr/> <hr/>
Basic loss per share (cents per share)	(0.5)	(0.0)
Diluted loss per share (cents per share)	(0.5)	(0.0)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
For the Half-Year Ended 31 December 2010

	Issued Capital	Accumulated losses	Reserves	Total
	\$	\$	\$	\$
Balance at 1 July 2009	472	(424)	-	48
Loss for the period	-	(24,588)	-	(24,588)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	(24,588)	-	(24,588)
Share issued	8,818,512	-	-	8,818,512
Cost of issue	(130,067)	-	-	(130,067)
Balance at 31 December 2009	8,688,577	(25,012)	-	8,663,565
Balance at 1 July 2010	8,804,581	(614,318)	427,932	8,618,195
Loss for the period	-	(411,398)	-	(411,398)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	(411,398)	-	(411,398)
Equity-based payments	-	-	108,964	108,964
Issue of shares	-	-	-	-
Share issue costs	-	-	-	-
Balance at 31 December 2010	8,804,581	(1,025,716)	536,896	8,315,761

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
For the Half-Year Ended 31 December 2010

	31 December 2010 \$	31 December 2009 \$
Cash Flows from Operating Activities		
Payments to suppliers, contractors and employees	(476,189)	(45,991)
Payments for exploration and evaluation	(249,631)	(37,004)
Interest received	135,241	12,061
Net cash flows used in operating activities	<u>(590,579)</u>	<u>(70,934)</u>
Cash Flows from Investing Activities		
Purchase of Property, Plant & Equipment	(7,205)	-
Payments for acquisition of tenements	-	-
Net cash used in investing activities	<u>(7,205)</u>	<u>-</u>
Cash Flows from Financing Activities		
Proceeds from issue of shares	-	8,818,202
Oversubscription of shares	-	300,000
Share issue expenses	-	(130,067)
Net cash flows from financing activities	<u>-</u>	<u>8,988,135</u>
Net increase/(decrease) cash and cash equivalents	(597,784)	8,917,201
Cash and cash equivalents at the beginning of the financial period	<u>7,925,895</u>	<u>4,669</u>
Cash and cash equivalents at the end of the financial period	<u>7,328,111</u>	<u>8,921,870</u>

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

CONDENSED NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

1. Corporate Information

The financial report of Australia Minerals and Mining Group Limited (the Company) for the half-year ended 31 December 2010 was authorised for issue in accordance with a resolution of the directors on 9 March 2011. Australia Minerals and Mining Group Limited is a limited company incorporated in Australia and its shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Company are described on page 4 of this report.

2. Summary of Significant Accounting Policies

Basis of accounting

The half-year financial report is a general-purpose financial statement, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half-year financial report has been prepared on a historical cost basis, except where applicable for financial assets that have been measured at fair value. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The half year financial report should be read in conjunction with the annual Financial Report of Australia Minerals and Mining Group Limited as at 30 June 2010.

It is also recommended that the half year financial report be considered together with any public announcements made by Australia Minerals and Mining Group Limited during the half year ended 31 December 2010 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the company's 2010 annual financial report for the financial year ended 30 June 2010, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group include:

- Amendments to AASB 5, 8, 101, 107, 117, 118, 136 and 139 as a consequence of AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project

AASB 2009-5 introduces amendments into Accounting Standards that are equivalent to those made by the IASB under its program of annual improvements to its standards. A number of the amendments are largely technical, clarifying particular terms, or eliminating unintended consequences. Other changes are more substantial, such as the classification of expenditures on unrecognised assets in the statement of cash flows.

Australia Minerals and Mining Group Limited
ABN 45 125 301 206

CONDENSED NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (continued)

The adoption of these amendments has not resulted in any changes to the Company's accounting policies and have no effect on the amounts reported for the current or prior periods. However, the only amendment that has had a material impact and resulted in changes to the Group's presentation of, or disclosure in, its half-year financial statements is the presentation of exploration costs in the statement of cash flows. AASB 107 Statement of Cash Flows has been amended through AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project to require that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statements of cash flows.

3. Earnings Per Share

	31 Dec 2010	31 Dec 2009
	Cents	Cents
Basic loss per share	(0.5)	(0.0)
Diluted loss per share	(0.5)	(0.0)

Weighted average number of ordinary shares used in the calculation of basic loss per share is 83,975,002. Options to purchase ordinary shares not exercised at 31 December 2010 have not been included in the determination of basic earnings per share.

4. Contributed Equity

(a) Issued and paid up capital

	31 December 2010	30 June 2010
	\$	\$
Ordinary shares		
Shares issued and fully paid	9,580,519	9,580,519
Capital raising costs	(775,938)	(775,938)
Issued and fully paid capital	8,804,581	8,804,581

(b) Movement in ordinary shares on issue

		Number of Shares	Total \$
1/07/2010	Opening Balance	83,975,002	8,804,581
31/12/2010	Closing Balance	83,975,002	8,804,581

Australia Minerals and Mining Group Limited
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CONDENSED NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

5. Segment Information

Management has determined that the Company has one reporting segment being material exploration. As the Company is focused on mineral exploration, management make resource allocation decisions by reviewing the working capital balance, comparing cash balances to committed exploration expenditure and the current results of exploration work performed. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Company and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date and capital available to the Company.

The exploration assets as presented relate to the reporting segment, as identified above. All revenue and expenses relate to corporate activities and would not be used to assess segment performance.

6. Subsequent Events

Since the end of the half year, the Directors are not aware of any matter or circumstance not otherwise dealt with in the Directors' Report or the Financial Statements that has significantly or may significantly affect, the state of affairs or operations of the Company in the future financial periods.

7. Contingent Liabilities

In the opinion of the directors, there are no contingent liabilities at 31 December 2010 and none were incurred in the interval between the period end and the date of this financial report.

8. Cash and Cash Equivalents

For the purposes of the half year Cash Flow Statement, cash and cash equivalents comprise the following at 31 December 2010:

	31 December 2010
	\$
Cash at bank and in hand	14,425
Short-term deposits	7,313,686
	<hr/>
	7,328,111

9. Related Party Disclosures

Mr Luke Atkins' parents own the premises that the Company rents for its registered office. During the half year the Company paid \$26,152 (2009 – Nil) on normal commercial terms and conditions.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Australia Minerals and Mining Group Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2010 and of the performance for the half-year ended on that date of the Company; and
 - (ii) complying with Accounting Standards AASB 134: "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Ric Dawson
Managing Director

Perth, Western Australia
9 March 2011

Level 3, 12 St Georges Terrace
Perth WA 6000

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

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Australia Minerals & Mining Group Limited which comprises the condensed statement of financial position as at 31 December 2010, the condensed statement of comprehensive income, condensed statement of changes in equity, the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Australia Minerals & Mining Group Limited (the company) are responsible for the preparation and fair presentation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of an Interim Financial Report Performed by the Independent Auditor of the Entity in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Australia Minerals & Mining Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion.

Matters Relating to Electronic Publication of the Audited Financial Report

This review report relates to the financial report of Australia Minerals & Mining Group Limited for the half-year ended 31 December 2010 included on the website of Australia Minerals & Mining Group Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of the financial report are concerned with the inherent risk arising from publication on a website, they are advised to refer to the hard copy of the reviewed financial report to confirm the information contained in this website version of the financial report

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the Corporations Act, provided to the directors of Australia Minerals & Mining Group Limited on 9 March 2011, would be in the same terms if provided to the directors as at the time of this auditor's review report.

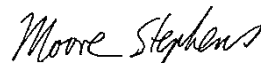
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Australia Minerals & Mining Group Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



NEIL PACE
PARTNER



MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 9th day of March 2011.