



## **ASX Announcement**

**30 July 2010**

### **Quarterly Activities Report for June 30, 2010**

#### **Highlights**

- **Drilling permits granted at two projects**
- **Drilling to commence at Apex on or about the 15 August 2010**
- **Drilling expected at Lowboy end of September 2010**
- **Drilling permits granted at Rio Puerco by BLM, final approval expected August-Drilling planned for October 2010**
- **JV partners at Bernard Gold project finalise their financing-Drilling to finally commence at Bernard in August 2010**
- **Uranium project leasing activities continue in Texas**

The Directors of Australian-American Mining Corporation Limited (“AusAmerican” or “the company”) are pleased to announce the following;

#### **1. Apex / Lowboy**

##### **1.1 Apex project.**

During the quarter final drilling permits for a diamond drilling programme at the Apex project was received. Drilling at the Apex project will commence on or about August 15th 2010. The drill program is designed to evaluate the geological model that has been updated during the recent quarter with additional data and interpretation of structural controls.

A number of selected holes will twin the original exploration holes with the aim of validating various co-efficient used to determine grade and disequilibrium factors that were used in the current JORC resource estimation.

*Location map of Apex and Lowboy projects-Nevada, USA*



The purpose of this drilling program is aimed at;

1. Upgrading the Resource from inferred to an indicated or measured JORC resource
2. To evaluate impact on grade and tonnage grade curves. The ore originally mined from this ore body was typically 2,400 ppm U<sub>3</sub>O<sub>8</sub>. Current JORC



resource grades are conservatively 770 ppm U<sub>3</sub>O<sub>8</sub> but we are confident this drilling will increase this grade

3. Increase the current resource; and
4. Core will also be sent for additional Heap Leach test work to confirm previous results.

The drilling will take approximately 1 month to complete. Results will be expected in October 2010. Apex has a current JORC inferred resource of 950,000 lbs at 770ppm.

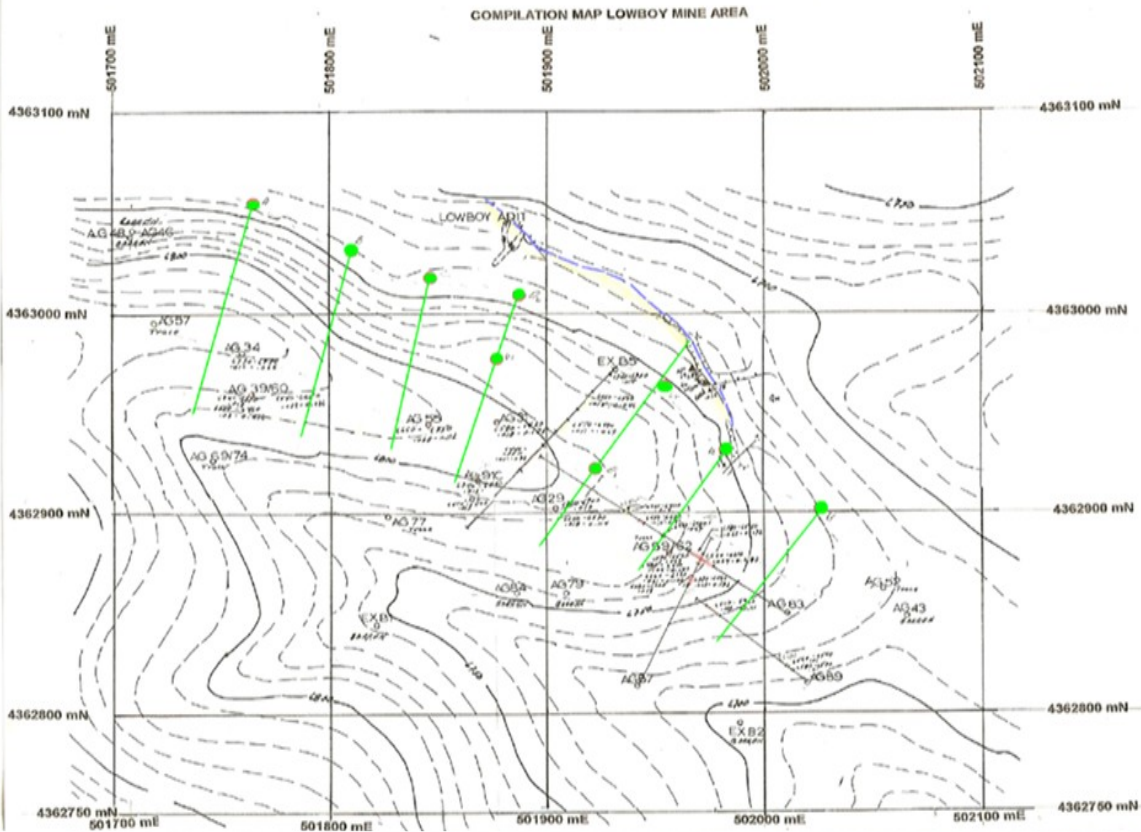
## **1.2 Lowboy project.**

USA Forestry Services are currently processing the necessary permits to continue this Apex drilling program immediately on to the Lowboy Project site commencing mid to late September.

A detailed mapping and ground magnetic/seismic program will be carried out beginning of August prior to the drilling program. The drilling program will initially test strike, width and depth of the mineralization in the main zone with an exploration target of 5 to 15million lbs U<sub>3</sub>O<sub>8</sub>. Additional drilling of the East zone with an exploration target of 2 to 5 million lbs will follow the drilling at Lowboy West.



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**Map outlining drilling targets at Lowboy project-Nevada**

## 2. Rio Puerco Project

Drilling permits for a drilling programme at the Rio Puerco project located in the Grants Mineral belt in New Mexico have been approved by the Bureau of Land Management (“BLM”) and we are currently waiting on the State of New Mexico State to sign off. This is expected to occur in early August following the final site inspection.

The drill program at Rio Puerco is aimed at validating a selected population of holes by twinning and radiometric logging, followed up with chemical assay of the core. This information should enable a significant portion of the current JORC inferred resource to be upgraded to a JORC indicated and measured category.



Additional holes are planned to test the updated model interpretation which has demonstrated mineralized trends inside the existing claim blocks and outside previously drilled locations. The outcome is also designed to target additional pounds within the project area. The initial exploration target at Rio Puerco is 20 million lbs U<sub>3</sub>O<sub>8</sub>.

The program will also involve hydrological test work on flow rates and rock permeability within the mineralized zones. This work, coupled with a bulk ore sample taken from existing stockpiles will determine the amenability of the Rio Puerco ore body to In Situ Recovery (“ISR”) methods. When the Rio Puerco project was developed as an underground mine in the 1970’s by Kerr McGee, the application of ISR technology was not practiced. The implication of this will be significant as ISR mining should have an impact on operating costs, capital costs and the elimination of the need for a conventional milling circuit. A standard resin solvent exchange module will concentrate uranium where it can be transported to existing yellow cake processing plants across the border in Texas.



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*Proposed drill programme for Rio Puerco*



**Q.1**

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### **3. Texas Lone star uranium project.**

The Texas Lone start project consists of a number of leasehold properties on patented land which are subject to lease agreements between the landowners and AusAmerican. Under an agreement between AusAmerican and Lone Star LLC, AusAmerican own 90% of the projects that fall under the joint venture with Lone Star LLC holding 10% of these projects. The joint venture has 100% of the mineral rights on these projects for ten years. It was announced 28 April 2010 that the joint venture had secured properties that had a combined exploration target of 4 million pounds based on historic drilling performed by Union Carbide.

The joint venture has been negotiating with other land owners in Southern Texas endeavouring to increase our land holdings in these areas. We are confident of increasing the number of properties we lease, focusing on properties that have had previous drilling that indicated historic existence of uranium that have not been mined out.

AusAmerican has a simple strategy in Texas; that is to use the experience of personnel such as our chief consultant for Texas, Mr Chet Nichols, the former exploration manager in this region for Union Carbide, to identify properties that previously demonstrated from historic drilling, the occurrence of uranium which is amenable to ISR mining techniques. Based on the latest information and on releases made by Uranium Energy Company (NYSE: UEC), permitting for these projects can be completed in 22 months from start to production. Texas has three closely located uranium plants that are currently licensed and in need of new forms of feed stock. It is the intention of the company to negotiate for the use one of these mills in the area to treat the uranium from our Texan projects or to build our own mill for this purpose.

### **4. Apache Basin joint venture, Arizona, USA**

The company has received notice from Vale INCO that they will not be exercising their option to continue exploration for large volume, Athabasca style uranium in the Apache Basin project location, in Arizona, USA.

VALE expended \$US 750,000 and had identified a number of high grade anomalous locations following radiometric surveys and follow up ground surveys. A change in Management and Corporate objectives are indicated as their reasons for withdrawing from the JV. AusAmerican will seek to replace VALE with another JV party or may elect to carry out a limited drill program based on previous work and applications pending for a drill permit.



## 5. Bernard Gold project, Arizona, USA

Cristol Enterprises LLC, our joint venture partner in the Bernard gold project in the state of Arizona in the USA, recently announced that they have raised approximately US\$14 million and have confirmed to us that they expect the next phase of drilling to commence within days pending confirmation of the drilling Contractor mobilizing to site. Here is a copy of their release;

### **Cristol Enterprises, LLC Enters Into Agreement with Remington Financial for \$14 Million to Support Mineral Discovery and Development Projects**

"ST. LOUIS, MO--(Market wire - July 7, 2010) - Cristol Enterprises, LLC of St. Louis, Missouri has entered into an agreement with Remington Financial of Scottsdale, Arizona for the placement of approximately \$14.0 Million in equity capital funding that will enable the company to develop mining projects in the U.S. and Liberia. Based on the recent due diligence report provided by Remington Financial, the preliminary prospectus states a 167% annualized return on investment over the respective projects' estimated lifespan of 10 - 15 years.

According to Remington Financial Group, investor interest, which has been overwhelming in Cristol Enterprises, LLC has developed a global portfolio of potentially lucrative gold mining projects. Cristol Enterprises, LLC is awaiting Remington to provide the company with a binding letter of commitment.

Cristol Enterprises, LLC will utilize this round of funding to develop certain projects, including continued exploration and drilling campaigns for the Bernard Project, a gold, uranium and manganese project located in La Paz County, Arizona. In July 2009, Cristol Enterprises, LLC announced a \$4.7 million joint venture agreement with AUS American Mining's (formerly Monaro Mining) wholly owned subsidiary, Uranium Company of Arizona LLC, to develop the Bernard Project.

"The results of our initial drilling phases for the Bernard Project have proven very successful," says Cristol Managing Director Cris Cristea. "Working with our joint venture partner, Aus- American Mining, we are preparing for another round of core drilling and expect to further prove the presence of economically significant gold reserves."

To date, the project has produced Au values up to 1.3 ounce per ton (opt), with an average value of 0.2 opt, and core samples recently submitted to ALS Laboratory Group in Reno, Nevada contained visible gold. The next round of drilling is designed to further delineate the ore body and refine the estimate of gold reserves. Exploratory drilling will also be utilized to further investigate areas that displayed significant potential during a recently completed seismic profile and magnetic survey. "We are really on to something," says Cristea.

"Bernard exhibits all of the tell tale signs of a world-class gold discovery, and we are fully committed to go the distance in proving this."

Founded in 2009 by Cris Cristea and Corey Tolle, Cristol Enterprises, LLC is a Nevada, USA based exploration company specializing in the discovery and development of domestic and international mineral projects exhibiting significant potential. It is a company closely associated with Arlan River LLC, whose team of experienced executives established its mining industry reputation through the exploration and development of 36,000 acres in Southwest Utah. Messrs. Cristea and Tolle have worked with industry leaders and veteran geologists on the Arlan River site, which is positioned to become a world-class copper discovery. Cristol Enterprises, LLC is led by a team of executives with



expertise in operations, metallurgy, geology, strategic planning, technology and investment sourcing and is a company "dedicated to exploring resources to enhance the lives of many through the innovation of mineral discoveries."

Remington Financial Group, Inc. was founded in 1993 and has access to hundreds of capital sources in the firm's global network, with billions readily available for various transactions. Since the company's inception, Remington Financial Group, Inc. has provided access to commercial financing and international project financing in a variety of markets, with a track record that exceeds over \$5 billion in closed transactions.

AUS American Mining, Monaro Mining NL, is an Australian-based international exploration and pre-development company focusing on uranium and gold. Its major assets include tenements in the USA. AUS American Mining's objective is to be a producer in the medium term through the development of its advanced projects in the USA. AUS American Mining shares are listed on the Australian Securities Exchange and the Frankfurt Stock Exchange and ADSs are eligible for OTC trading in the USA."

Other services including the Helicopter lifting contract is at standby. The original drilling programme was intended to drill six holes. A meeting recently held with BLM management will enable permitting for an additional three key holes designed to test the recent Seismic anomaly and Magnetic anomaly identified by AusAmerican's consultants.

The Bernard Gold project is testing mineralisation associated with detachment faulting occurring within a complex sediment and intrusives of variable age.

The detachment faulting tends to be a flat lying zone which separates upper plate and lower plate rocks.

Within the lower plate rocks there are numerous sub parallel structures which often host gold and copper bearing breccias zones. Numerous prospect pits, open cuts, adits and shafts are located in or near these breccias zones.

## **6. Corporate**

AusAmerican currently has 157,000,000 ordinary shares on issue. Cash and receivables at 30 June was \$1,150,000.



Regards,

A handwritten signature in black ink, appearing to read "Jim Malone". The signature is fluid and cursive, with a long horizontal stroke extending to the right at the end.

Jim Malone

Executive Chairman