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Initial Research Report

Investors should consider this report as only a single factor in making their investment decision.

Australian-American Mining Corporation NL

Rating: Not Rated

Juan Noble
May 6, 2010

MMNZF.PK $0.065* — (OTC)

Year ending June 30:	2008A	2009A	2010E	2011E
Total revenues (A$ 000)*	423	421	(450)	-
Earnings (loss) per share	(0.18)	(0.22)	(0.03)	(0.03)

52 - Week range	NA	Fiscal year ends:	June
Shares outstanding as of Dec. 31, 2009	92.7 million	Revenue/share (ttm)	NA
Approximate float	NA	Price/Sales (ttm)	NA
Market Capitalization (est.)	$60.3 million	Price/Sales (2011)E	NA
Tangible Book value as of Dec. 31, 2009	$0.09 million	Price/Earnings (ttm)	NA
Price/Book	0.7 X	Price/Earnings (2011)E	NA

**There are currently no Pink Sheet quotations for MMNZF.PK. This price represents the Australian Securities Exchange's closing price for Australian-American Mining NL on May 5, 2010, which has been converted to US$ at current exchange rates. The stock still trades on the Australian Securities Exchange under the symbol MRO, which will shortly be changed to AIW. All currency figures are stated in Australian dollars (A$) except where noted.*

Australian-American Mining Corporation NL [AusAm] (MNOMY.PK - OTC), headquartered in Belmont, Western Australia, Australia, is an exploratory mining company. Its principal holdings consist of wholly-owned uranium properties in the Southwest US. AusAm's development efforts are currently centered on previously explored uranium properties in Nevada, New Mexico and Texas.

Key Investment Considerations:

We are initiating research coverage of Australian-American Mining (MMNZF.PK - OTC) without an investment rating. AusAm shows significant promise in light of a potential global rise in the demand for uranium. However, the company must complete drilling, feasibility studies and mine infrastructure construction, all of which are contingent on securing substantial financing.

Investor interest should rise as revenue visibility offers potential valuation metrics and the company's stock begins to trade more actively in the US.

A threatened scarcity of fossil fuels, energy security concerns, and increasing global pressure for reduced emissions are driving growth in the demand for nuclear energy. More than 470 nuclear reactors will be constructed worldwide during the next 20 years, significantly boosting the demand for uranium.

The gap between uranium production and reactor consumption has been filled by drawdowns on military stockpiles. As those stockpiles are depleted uranium production will have to increase significantly. Due to looming shortages, the price of uranium (currently US$42 per pound) is twice as high as it was a few years earlier, increasing incentives to mine uranium.

The company should complete validation drilling at its Rio Puerco, Apex and Lone Star deposits by 2011, setting the stage for production by 2013. All three properties have well developed infrastructure and show indications of resources that could underlie substantive revenue potential in the years ahead.

See disclosures on pages 17 - 19

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Investment Recommendation

We are initiating research coverage of Australian-American Mining (MMNZF.PK - OTC) without an investment rating. In light of a potential global rise in the demand for uranium, AusAm shows significant promise. However, the company must complete drilling, feasibility studies and mine infrastructure construction, all of which are contingent on securing substantial financing. When near-term revenue visibility offers potential valuation metrics, we will reexamine our view.

The company is in the process of establishing an American Depository Receipt (ADR), each of which would represent 10 ordinary shares. The company's ordinary shares are traded on the Australian Securities Exchange under the symbol MRO, which will be changed shortly to AIW.

Our stock screens uncovered a total of 15 other US-traded uranium stocks, six of which have a market capitalization of $100 million or less. Only three of the 15 are actually mining uranium; the rest are exploration and development companies. This comparison group shows a price to book ratio of 1.7X, vs. AusAm's estimated 0.7X.
.
In our view, AusAm valuation could be influenced by the following:

- Since the 2008 merger with Uranium King, AusAm has rationalized its mineral holdings, divesting geographically scattered, more speculative foreign properties and concentrating on deposits in the Western US.
- Geological studies affirm indications of substantial deposits in AusAm properties that can be cost effectively extracted. Renewed drilling at the Rio Puerco and Apex deposits this year should validate prior findings and better define the extent of potentially accessible ore bodies.
- AusAm principal properties are in accessible uranium rich areas. Exploration and development work on Rio Puerco, Apex and Lone Star by their previous holders have given both sites an infrastructure that significantly reduces capital expenditure requirements and enables AusAm to step up exploration and begin development sooner.
- AusAm stands out among small uranium stocks worldwide. Of the 1000+ publicly traded uranium stocks worldwide profiled by the World Information Service on Energy (WISE) Uranium Project, less than 150, AusAm among them, actually owned deposits that could be immediately explored and developed. Less than half of those, around 65 companies, were actively developing deposits or mining uranium. A large majority (850) were either in the process of trying to acquire an interest in mineral properties or held claims, tenements, leases, etc.

Company Overview

AusAm Mining Corporation NL, headquartered in Belmont, Western Australia, Australia, is a junior (exploration) uranium mining company with mining property interests concentrated in the US. In April 2010 the company changed its name to Australian-American Mining NL from Monaro Mining NL. AusAm is characterized as a junior mineral exploration company, as it relies on the financial markets to finance its exploration activity. Senior producers generate revenues from the production and sale of the minerals they extract.

The company's US headquarters are in Tucson, AZ. Formed in Australia in 2005, the company went public in a September 2005 IPO which raised $2.6 million. As a gold and copper exploration company at the time, AusAm principal interest was in properties in New South Wales, Australia. The company subsequently acquired interests in the US, the Kyrgyz Republic, Niger and Estonia. All properties outside the US have been divested.

In July 2008 AusAm merged with Uranium King, also a publicly traded Australian mining company, exchanging five AusAm shares for every seven Uranium King shares. At the time of the merger, Uranium King's principal properties were Rio Puerco (New Mexico) and Apex-Lowboy (Nevada). Combined resources for these properties at the time of the merger were estimated at 6.1 million pounds of uranium oxide. Uranium King focused solely on uranium in the US and in the aftermath of the merger, AusAm largely disposed of its non-US interests and AusAm management was replaced mainly by Uranium King officers.

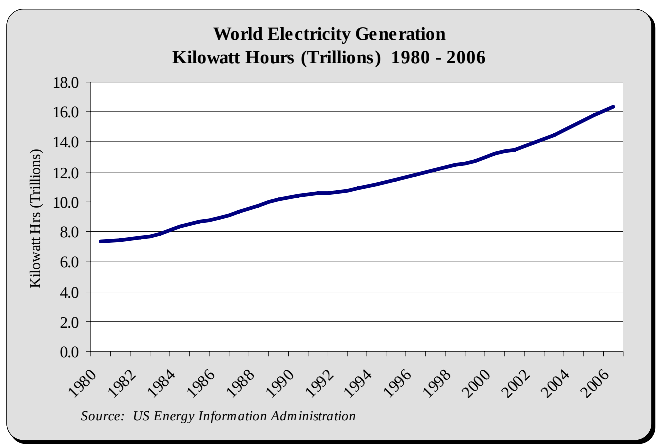
In addition to Rio Puerco and Apex-Lowboy, AusAm has 12 leases in the Lone Star uranium project located in Southeast Texas. The company also has a 90% interest in the Bernard Gold project and a 100% interest in Apache Basin, both in Arizona, which show potentially significant deposits of gold, uranium and manganese. The company's interest in those properties is being reduced to 49% and 40%, respectively. The exploration of Bernard and Apache Basin is being funded in part by joint venture partners.

From the end of FY2006 through December 2009, AusAm was funded mainly with $14.2 million in proceeds from the issuance of ordinary shares, $2.1 million in cash acquired with the Uranium King merger, and $1 million in payments from joint venture partners. All funds raised during that period have been paid out to vendors and employees, and used to fund exploration.

At December 31, 2009, AusAm had $2 million in cash. In light of plans for accelerated development of Rio Puerco and Apex-Lowboy, the company will need substantial additional financing, particularly if more acquisitions are made. The company is currently in the process of raising additional equity capital through several US offerings aimed at raising US$7.5 million that will be used to acquire additional leases and fund operations through December 2010.

Nuclear Power – An Energy Imperative

Electricity consumption doubled in the 25 years through 2006. During that period, nuclear electricity production's contribution of the world's electricity supply increased from around 4%, or 800 terawatts (a terawatt = one trillion watts), to around 15.5%, or 2,200 terawatts. The increase in nuclear energy production reflects, in many areas, increasingly difficult access to power plant fuels such as coal and natural gas and the rise in their cost as supply declines.



Fossil fuels tend to be cost effective power plant fuel in areas where they are abundant, such as coal in the US and China. But high electricity consumption centers with less of these resources have increasingly turned to nuclear energy as it is often a more economical alternative. In the US, for example, nuclear energy is the cheapest power plant fuel, costing little more than $0.02 per kilowatt-hour to produce, cheaper even than coal, which pushes the cost per kilowatt-hour up to around $0.035. The cost of other alternatives in the US is sharply higher – gas produces electricity at $0.08 per kilowatt-hour and oil does so at almost $0.18.

Nuclear energy that fuels power plants generally costs less than other alternatives despite the costs associated with management of spent radioactive fuel and the disposal of the fuel or waste material separated from it. According to figures published by the World Nuclear Association, a kilogram (2.2 pounds) of uranium in the US, at January 2010 spot prices, cost $2,555, almost half of that consisting of enrichment costs. In 2005, the OECD projected the cost per kilowatt hour (in 2003 $US cents) in a sample of developed countries as shown in the table on the right. In practically all cases, nuclear fuel was cheaper. At the time though, nuclear energy was more costly than coal-fueled electricity production.

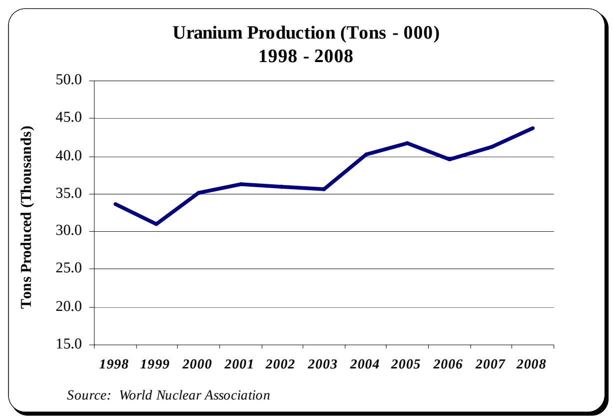
Nuclear power's contribution to electricity production varies widely. In Western Europe, according to the World Nuclear Association, nuclear energy's share of electricity production in 2008 was significant in France (76%), Belgium (54%), Sweden (42%) and Switzerland (39%). In Germany, the Czech Republic and Finland, nuclear energy accounted for around 30% of total electricity produced. The US and Canada produced less than 20% of their electricity from nuclear energy, as did the UK, Spain and the Netherlands. In most of these developed countries, nuclear energy's contribution to electricity production had largely stagnated or fallen slightly between 1998 and 2008, essentially pacing their total production during that period.

	nuclear	coal	gas
Finland	2.76	3.64	-
France	2.54	3.33	3.92
Germany	2.86	3.52	4.90
Switzerland	2.88	-	4.36
Netherlands	3.58	-	6.04
Czech Rep	2.30	2.94	4.97
Slovakia	3.13	4.78	5.59
Romania	3.06	4.55	-
Japan	4.80	4.95	5.21
Korea	2.34	2.16	4.65
USA	3.01	2.71	4.67
Canada	2.60	3.11	4.00

In comparison with the larger nuclear energy producing European countries, today's largest emerging growth countries – China and India - showed miniscule nuclear energy contributions that accounted for a mere 2% of their electricity production. But by 2030 China and India – both have the largest number of reactors under construction today – could have more nuclear reactors in operation than many developed countries do today.

The Market for Uranium

As nuclear energy output has risen with the volume of electricity generated, the demand for uranium has increased. Between 1998 and 2008, uranium tonnage increased 2.6% a year to almost 44,000 tons (vs. the 65,400 tons needed by reactors currently in operation). While mine production is up, it currently accounts for only two-thirds of reactor consumption; the gap between mine production and uranium consumption has been closed by stockpile draw downs. As stockpiles, particularly military ones, are depleted, the need for increased mine production is likely to increase sharply during the next two decades.



Source: World Nuclear Association

The US uses 55 million pounds of U_3O_8 annually but produces only four million pounds. Most of US needs are met through procurement of military stockpiles from Russia under the Highly Enriched Uranium Agreement, which expires in 2013. Russia had indicated that it will not renew the agreement, threatening the loss of a source of cheap recycled uranium.

The World Nuclear Association counted 435 nuclear reactors in operation as of December 2009. The US had 104 reactors in operation. France and Japan had, respectively, 58 and 53 reactors in operation. All other nuclear energy producing countries trailed far behind. If all of the planned reactor projects tallied by the World Nuclear Association are operating by 2030, there will be 920 nuclear reactors in operation worldwide, twice as many as there are now. Of the 478 now under construction, planned or proposed, China and India account, respectively, for 143 and 44 reactors. Russia plans to add 53 reactors to the 31 currently in operation.

The 435 nuclear reactors operating worldwide as of December 2009 required 65,400 tons of uranium to produce their 2008 output. The increase in nuclear output suggested by planned reactor construction implies a need for a dramatic increase in mine output, which is being attempted by opening of new mines and increasing use of in-situ leach mining, a process that is faster and cheaper than conventional mining. Uranium supply pressures are reflected in uranium price trends during the past five years.

Source: Cameco CP

Amid a perceived global uranium shortage, spot prices rose sharply between 2004 and 2007 but fell as supply concerns abated. But the current price (US$41.88 per pound of U_3O_8 [spot] at this writing) is still twice as high as pre-2005 levels, offering strong incentives to mine uranium. Well before the price spike of 2004-2007, mergers and shutdowns had consolidated the uranium mining industry, arguably leading to increased mine efficiency. Today, the world's 10 largest producers mine 27,400 tons of uranium ore, almost 90% of total uranium mine production. The top four – Rio Tinto, Cameco, Areva and KazAtomProm – have shares ranging from 12% to 18% and account for almost 60% of world uranium mine production.

But industry consolidation has not deterred startups. Of the 1,000+ publicly owned uranium mining companies counted by the WISE Uranium Project, only 50 are mining uranium. The great majority, undoubtedly drawn into the business by rising uranium prices, are hopeful of becoming producers someday, or creating property portfolios that can be sold to larger developers.

AusAm's Strategy

The company's is focused on rapidly becoming a low cost uranium producer in the US. AusAm has rationalized its holdings such that all are now concentrated in uranium-rich regions of the US Southwest. The company has narrowed its attention to advanced exploration and development opportunities in projects where a review of past exploration efforts might be reinterpreted with a view to upgrading of the project.

AusAm is also focused on projects that can be quickly brought into production within two to three years, using in-situ recovery (ISR) technologies. The company considers conceptual "plays" where the geological modeling suggests the potential for giant ore deposits.

AusAm's immediate aim is to create a portfolio of quality uranium projects that can enhance shareholder value by advancing through exploration and development to uranium production by 2013.

Near-Term Development Targets

Rio Puerco Most of AusAm's development work during the next two years will center on Rio Puerco, Apex-Lowboy and the Texas (Longhorn) project. Rio Puerco was extensively studied during the 1970s by Kerr McGee. Work done included the sinking a production shaft from which lateral drives were driven towards identified mineralized large structures and preparation of the site for room and pillar mining. Kerr McGee extracted 10,000 tons of uranium- bearing ore for metallurgical processing and test work which demonstrated greater than 90% recoveries.

In April 2010, AusAm plans to drill in close proximity to the holes drilled by Kerr McGee, accessing the same deposits and extracting core samples for assaying. AusAm will also conduct radiometric scans, comparing the results with the radiometric logs of Kerr McGee. Drilling and radiometric data analysis, which will cost an estimated US$600,000, should be completed by the end of 2010. AusAm is hopeful this program will increase the current JORC resources and upgrade much of the ore to the indicated and measured JORC category. (See page 13 for a summary of Joint Ore Resource Committee descriptions.)

In a parallel 2010 effort that will cost an estimated US$50,000 to US$100,000, the company will perform radon hydrocarbon soil testing, which could detect radon gas associated with the presence or uranium. The radon hydrocarbon tests will cost an estimated US$50,000 to US$100,000.

If testing up to this point validates earlier studies suggesting large deposits of uranium, additional drilling into "hot spots" identified with the aid of a 3-D model will complete the exploration process, potentially upgrading a February 2009 inferred 11.4 million pound resource estimate and adding an additional 10 million pounds of uranium to the potential resource estimate. Cost of the 2010 exploration work on Rio Puerco through December 2010 will total an estimated US$700,000.

Even if exploration confirms sufficiently large deposits, AusAm plans to defer mining until 2013 or 2014. By then, a mill planned by Strathmore Minerals Corp. at its Roca Honda deposit in New Mexico should be operational. Strathmore is believed to have secured a permit for constructing the mill and has commenced a bankable feasibility study on the project which is targeted for completion by September 2010. Strathmore is expected to have excess milling capacity when its facility goes on line in 2013. AusAm aims to secure an agreement with Strathmore that will enable the company to process its ore at Strathmore's mill. Such an agreement would obviate the need for permit applications, which would take several years to process, and construction of AusAm's own mill, which could require more time and several million dollars in capital expenditures

Apex-Lowboy AusAm already has permits for drilling at Apex, which is projected to begin in April 2010. As the exploration at Rio Puerco, drilling will take place in close proximity to holes drilled by previous developers. Core samples will be assayed and results of radiometric scans will be compared with historical logs. AusAm has already developed 3-D models and radiometric targets that can facilitate pinpointing of deposits. The initial drilling, which should be completed by June 2010, will cost an estimated US$350,000.

AusAm has commissioned environmental impact studies as part of Apex-Lowboy development plans that will be submitted to regulators shortly. If exploration confirms the current 950,000 inferred resource estimate (or increases it, AusAm will drill further, at a cost of around US$1 million, into 2011 and potentially begin production in 2012. Apex ore will be extracted through an open pit mine, which can be operated more economically than the underground mining planed for Rio Puerco. The total cost of Apex-Lowboy exploration and development through December 2010 is estimated at around US$500,000.

Texas (Lone Star) AusAm recently acquired 12 uranium leases in a previously explored region in Southeast Texas. Under five-year leases (with an option for another five years), AusAm retains mineral rights on the properties covered by the leases. These Texas properties are located less than 60 miles from existing license uranium plants.

In the 1960s, these Texas deposits were drilled and analyzed extensively by Union Carbide (now a subsidiary of Dow Chemical). Union Carbide's findings suggested that targeted minerals lie relatively close (10 to 150 feet) to the surface and lend themselves to in site recovery methods.

Rio Puerco

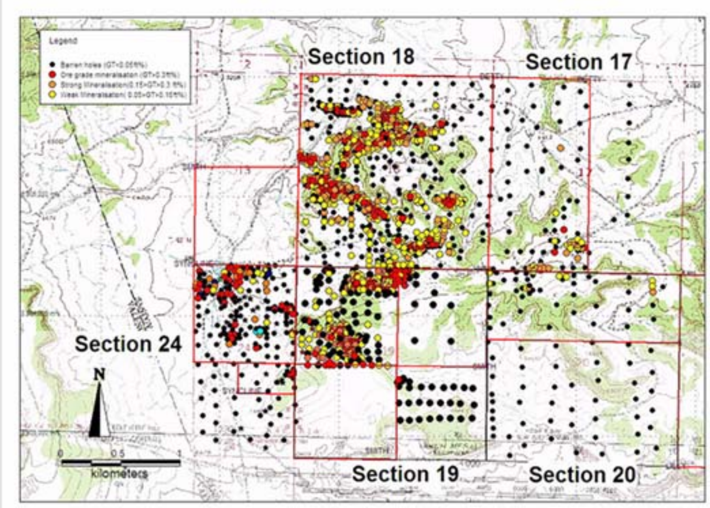
Cut Off Grade % eU_3O_8	Tons eU3O8	Avg. Grade % eU_3O_8	Tons eU3O8	Lbs. eU3O8
0.03	5,994,968	0.09	5,154	11,362,640
0.05	3,584,925	0.12	4,214	9,290,481
0.10	1,298,081	0.27	3,464	5,778,493

Source: Australian-American Mining

The Rio Puerco deposit, the most significant of AusAm's properties in terms of existing pounds of resources, is located in Sandoval County, New Mexico, approximately 35 miles northwest of Albuquerque. AusAm holds 32 claims to the mine area as well as several claims to the east and west. A 2009 geological study of historical maps, downhole gamma-ray data converted to percent equivalent U_3O_8 (eU_3O_8), geological logs and drill hole survey data recently estimated a single Rio Puerco claim block's uranium resources at 11.4 million pounds with an average grade of 0.09% (900 parts per million [PPM]). This resource was estimated on a block that represents 7% of the Rio Puerco project. The cut off grade on which the inferred resource estimate of 11.4 million pounds was based, was the lowest on the scale above. Of the reported 832 drill holes in the project area, data for only 764 drill holes were available for assessment. The previous JORC estimate placed the site's resources at 4.5 million pounds at an average grade of 0.12%.

This inferred resource figure may be conservative, as the geologists' study based their estimates on drill hole data available for Section 18 (see figure on following page) only. The evaluation did not cover any other section (particularly sections 24, 17, 19 and 20) as no primary data for any of the drill holes located in those sections were available. But the geologist believe that available, information and their geological continuity with section 18, previously quoted resources in sections 24, 17, 19 and 20 represent exploration targets of at least 10 million pounds.

Rio Puerco lies within the Grants Mineral Belt, which has produced approximately 340 million pounds of uranium. Other significant deposits within 40 miles or so include the Mt Taylor uranium and Roca Honda uranium deposits. The Mt Taylor uranium mine has produced approximately 8Mlbs of U_3O_8 before it was shut down in the late 1980's; it is reported to contain more than 100 million pounds of uranium with an average grade of 0.15% to over 2.0%. The Roca Honda deposit is owned by Strathmore Minerals Corporation and is reported to contain approximately 33 million pounds of U_3O_8 with grades ranging from 0.17% to 0.23%



Source: Australian-American Mining

Historical records show that the Rio Puerco deposit was discovered in 1968. Between 1970 and 1980, Kerr-McGee, an oil and gas company acquired by Anadarko Petroleum in 2006, reportedly spent US$17.5 million in proving and developing a resource of approximately seven million pounds of U_3O_8 (uranium oxide) on land in and around the Rio Puerco mine. A total of 815 holes were drilled on Section 18 and 271 holes were drilled on Section 24 (see figure above).

Section 18 contains the bulk of the Rio Puerco Resource which has been previously reported by AusAm to contain 1.93 million tons of ore with an average grade of 0.12% U_3O_8 (4.6 million pounds contained U_3O_8). In addition to its exploration and development work, Kerr-McGee sunk a 260 meter deep vertical production shaft including all surface infrastructure to support a total mine production phase. Kerr-McGee also installed development drives to extract a 10,000 ton bulk sample for milling and processing. The Rio Puerco mine was intended to be a room and pillar underground mine, but was never put into production as a result of weak uranium prices.

Apex-Lowboy

Apex and Lowboy, which both contain historic workings, are around four miles apart. The Apex uranium deposit is located in Lander County, Nevada, around 120 miles east of Reno. The Apex prospect is secured by 25 unpatented claims (some overlapping)

Cut Off Grade % eU_3O_8	Tons eU3O8	Avg. Grade % eU_3O_8	Tons eU3O8	Lbs. eU3O8
0.02	5,994,968	0.07	430	950,000

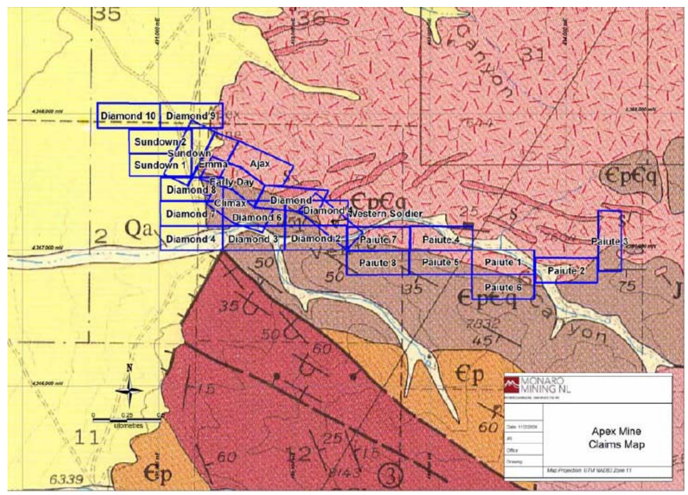
Source: Australian-American Mining

covering an area of 520 acres. The Apex and Lowboy areas are on land managed by the US Bureau of Forestry; the valley floor is managed by the Bureau of Land Management (BLM). Year round access to the deposit is possible via a gravel road, and access within the deposit area is facilitated by a series of drill access tracks which form a series of benches on the west-facing side of the hill.

Uranium was discovered at Apex in 1953, and in 1954 the property's owners drove a 118 foot adit into the deposit. Exploratory drilling took place at various times until the mine was shut down in 1966. By then 21,000 tons of uranium ore average grade of 0.25% U_3O_8 had been shipped out of the mine. But exploration work by various owners and lessees continued through the late 1970s.

Between 1969 and 1974, Summit Nuclear Corporation drilled 25 vertical holes. In 1974 and 1975, Exxon Corporation re-logged the old drill holes with a gamma probe and drilled additional 14 holes. In 1978 the property was optioned to Gulf Oil Corporation, which drilled 103 more holes at Apex and Lowboy. There have been 178 holes drilled in the entire Apex-Lowboy area. The Lowboy deposit was developed briefly in 1959. Production was limited due to difficulty in transporting ore over long distances to milling facilities.

Based on a study concluded in February 2009, Randabel and Drukovic estimated an inferred Apex Deposit resource of 950,000 pounds. This study confirmed the previous non-JORC compliant resource reported by the company. The resource estimate derived for this report used the available data from historic drilling, and mapping from underground and surface geology.



A cut of grade of 0.02% U_3O_8 was used based on the work carried out by the authors of earlier studies. This was deemed appropriate as it allows direct comparison with the most recent resource estimates. Where available, assay data from underground sampling was also used. The data used for the resource estimate consisted of the downhole gamma-ray and geology logs, and drillhole survey data. Most of this data was already digitized by Lumos Engineering (Lumos, 2007). Additional data was derived from historic hard copy maps and reports.

The authors of the February 2009 study believe that in addition to the 950,000 pounds of uranium previously defined in their report as an inferred resource, the resources estimated for this deposit could potentially increased by another 570,000 pounds. This objective is based on interpretation of the cross-sections, and identifying areas that have been untested by drilling but show strong likelihood of further mineralization. These include a number of areas where mineralization was not closed off by the previous drilling and occur laterally from the ore body as well as at lower depths.

The February 2009 study recommended several measures as a means of upgrading the resource estimate at Apex from a JORC inferred to an indicated or measured category. These include re-drilling a number of existing holes to confirm the resource, mapping and sampling of the underground workings, and analysis of selected samples, drill testing of nearby areas, a radiometric and magnetic survey of the area between Apex and Lowboy Deposits, as well as detailed geological mapping and Niton XRF sampling along the contact, and field spectroscopy at Apex and Lowboy. A total of 40 drill holes have been planned to test for extensions to the current resource and also verify the current resource.

The geologists have established a high probability of additional uranium mineralization along the contact between the Apex and Lowboy deposits. They believe that the area is under-explored and the use of modern exploration techniques and geophysics are needed to realize the areas' potential. The Lowboy deposit requires more work as well to upgrade its resource to be JORC compliant.

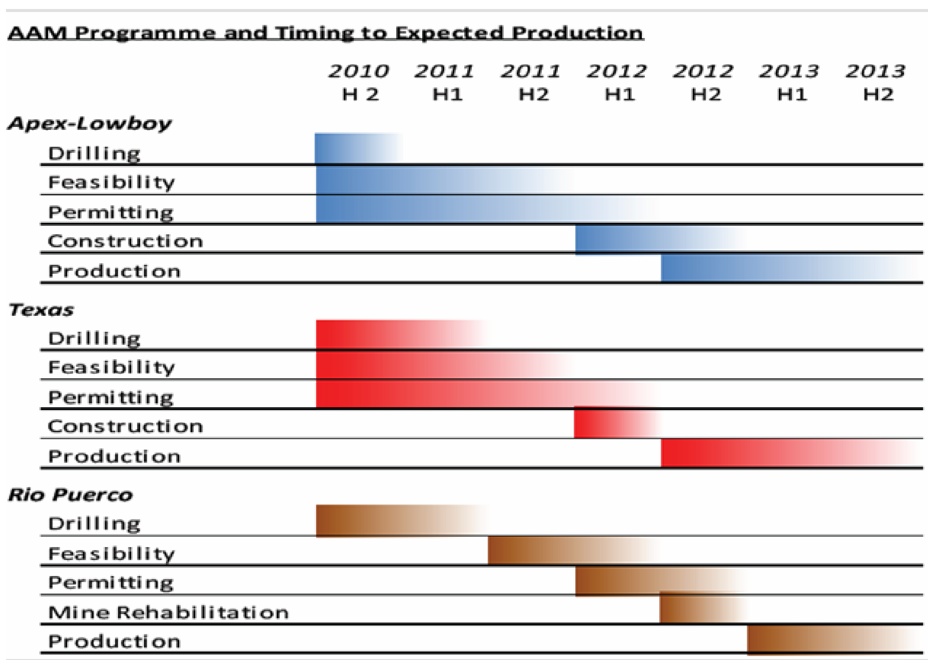
A scoping study was completed in 2007 which demonstrated that uranium could be produced by open cut leach mining, extracted by resin and trucked to existing plants at a cost of US$22 per pound and US$20 million in capital expenditures. These costs are based on annual production of 400,000 pounds.

Texas (Lone Star)

There has been no recent exploration of these Texas deposits so AusAm will work on securing permits and initiating a drilling program aimed at establishing a JORC resource estimate of four million pounds of uranium. That target, based on historic data gathered by Union Carbide, reflects between 1.25 million and 1.75 million metric tons of ore grading 0.12% to 0.15% (1200 to 1500 ppm) U3O8, approximate four million pounds of U3O8.

AusAm's development timeline on these properties is relatively aggressive, as Texas is reputed to favorably disposed toward uranium mining. In this jurisdiction, the company believes that it can secure licenses and permits for mining and production so that the mines, if productive, can be up and running within 24 months after permit applications are filed. Expenditures on the Lone Star properties through December 2010 are projected at US$1.5 million. Another $US2.5 million is earmarked for drilling, lease acquisitions and permit applications in other Texas sites.

AusAm's projected exploration and development timeline for its principal properties are as follows:



Source: Australian American Mining

Other Properties

APACHE BASIN Roughly 60 miles east of Phoenix, AZ, the Apache Basin claims are located within close proximity to other parties' claims reported to contain 5.5 million lbs of U_3O_8. AusAm's Apache Basin claims are being evaluated for potential uranium deposits. Under the terms of a 2008 joint venture agreement with Vale

Exploration Canada, Vale will have a 60% interest in the earnings of the project after an expenditure of US$3.25million. As of October 2009, Vale had spent US$700,000 on the Apache Basic project and exercised an option to become manager and operator of the project.

Reviews of aerial surveys, ground scintillometer readings, rock chip sampling and assessment by spectrographic analysis point to good uranium prospects comparable to that of claims owned by others in the area. Permit applications for drilling approval have been submitted, potentially enabling the company to begin drilling in February 2009.

Records show that in 1953-55, 3,000 tons of ore grading 0.19% U_3O_8 were taken from a mine on the site and are still in stockpiles controlled by the company. Another mine on the site was worked in 1954-56 and reportedly shipped about 500 tons of ore grading 0.19% U_3O_8. Current target areas within the claims have not been drilled, so there is no data to guide placement of drill holes to intercept specific targets. But the company believes that the geological structure of the area should yield promising results.

BERNARD PROJECT The Bernard gold, uranium and manganese project located in La Paz County, AZ covers 212 claims over an area of around four square miles. These claims are being evaluated for their gold potential. An initial drilling program (six holes) completed in September 2009 yielded results encouraging enough to warrant a second stage drilling program.

A seismic profile and magnetic survey has been completed over the entire Bernard landholding. Processing and interpretation of the data show encouraging findings that enlarged drilling targets. Cristol, AusAm's partner in this joint venture has agreed to commit to the second stage of drilling, which will cost US$700,000, bringing total committed expenditure on this project to over US$1 million and raising Cristol's interest in the project to 10%. After a second stage expenditure, Cristol can spend an additional US$3.2 million (for a total of US$4.28 million), increasing its interest to 51%.

In an amendment to the original agreement, AusAm agreed to give Cristol the right to earn 51% equity in the project by spending an additional US$200,000 to what was originally agreed upon. Under the previous arrangement, Cristol was obliged to spend US$5.1 million to earn a 49% interest. Cristol is now required to spend US$5.3 million to earn a 51% interest in the project. AusAm will however, retain operational control.

Projections

Our preliminary projections are based largely on FY2010 operating results through December, 2009 (six months), cash flow results for the nine months ending March 31, 2010, cash expenditures through December 2009, i.e., through the first half of FY2010, expenditure commitments made by joint venture partners for the Apache Basin and Bernard projects and projected use between May and December 2010 of proceeds raised in equity offerings. AusAm has projected use of those proceeds as shown in the table below. The company aims to raise US$1.8 million in equity in a financing that is in progress at this writing.

By our estimates, AusAm will incur losses of $4.4 million in FY2010 and $6.2 million in FY2011. Per share losses, reflecting the antidilutive effect of ordinary share offerings in FY2010 and FY2011, are projected at ($0.04) for each year.

Projected Expenditures (US$ Thousands) May - December 2010

Lone Star	drilling, leases, permits	$ 1,500
Other Texas projects	drilling, leases, permits	2,500
Rio Puerco	validation/exploration drilling, hydrocarbon survey	700
Apex-Lowboy	validation, exploration drilling, hydrocarbon survey, permits, feasibility studies	500
SG&A		800
Broker fees		350
Additional working capital		1,150
TOTAL		$ 7,500

Source: Australian-American Mining

By our estimates, the company will raise a total of US$7.5 million between 4QFY10 and the end of FY2011, issuing an estimated 115,000 shares that will account for most of the rise in the share count through FY2011. Our preliminary projections suggest that AusAm will have to raise more financing by early FY2012 to fund preproduction work.

To fund anticipated expenditures for exploration and development work at Rio Puerco and Apex-Lowboy, and AusAm's commitment to the joint ventures developing Apache Basin and Bernard, the company will have to raise an estimated $7 million in equity financing by the end of FY2011 in addition to the $3 million raised in 2Q10. Between the $1.3 million on hand at the end of 3QFY10 and projected equity financing through FY2011, the company should have almost $1 million still available at the end of that period.

Estimates of development expenditures at Rio Puerco, Apex-Lowboy and Lone Star hinge of the validation of sufficiently large reserves at all of these mines. If exploration at each stage does not validate expectations, further work is unlikely. If AusAm cannot raise the sufficient equity capital to fund continued development, the company could turn to joint venture partners.

Management

The following are the company's principal operating executives, scientists and consultants.

Jim Malone Executive chairman and president. Has worked as an accountant, stockbroker, business analyst and CEO of a medium sized business during the past 20 years. Has worked for Arthur Andersen accountants, Hartley Poynton stockbrokers, Credit Suisse First Boston and Lehman Brothers in London, and for the West Coast Eagles and Richmond Football Clubs, the latter as CEO from 1994 to 2000. Bachelor of Commerce degree from the University of Western Australia. Associate of the Australian Society of CPAs.

Since 2000, has worked in the resources industry and has been involved with the start up, successful listing, development and ongoing management and of six Australian Securities Exchange-listed and two non listed resource companies with a diverse range of commodities including gold, base metals, uranium, oil and gas and industrial minerals. These companies have operated projects in Latin America, Europe, Africa, the US and Australia.

Serves on the boards of Latin Gold, Limited Richmond Mining Limited, Quest Petroleum NL and Atlantic Limited. Former member of the boards of Livingstone Petroleum Limited, Catalyst Metals Limited, Atlantic Limited, Discovery Capital Limited and NSC Consolidated NL.

Denis Geldard CEO. Executive director of operations (US) since October 2008. Resides in Tucson, Arizona. January 2006 to September 2008 Director of operations and chief operating officer of Mercator Gold plc. January 2002 to March 2005 General manager (Florida/Georgia) Iluka Resources as general manager (Florida/Georgia US) (July 2004 to March 2005), national production manager (January 2003 to July 2004), group manager of mining and planning January 2002 to January 2003). January 1999 to January 2003, operations director, PT Kobe Tin. January to December 1998, self employed developing ground engaging tools technology. January 1997 to May 1998, chief operating officer, BCM Ghana Limited. August 1995 to January 1997, mining manager, Boral Contracting. Is a mining engineer with considerable international and Australian gold mining experience since 1971. Graduated Kalgoorlie School of Mines (Australia) 1972. Western Australia Quarry Managers Certificate of Competency.

Dr. Bernhard Free- Consultant Geologist with more than 50 years experience in the exploration, discovery and development of mineral deposits, including uranium. Was General Manager for North America for Uranez for a number of years.

John Petersen- Chief Geologist Has worked in the resources industry for over 30 years, mainly in the US South West, particularly in Arizona. John worked for a number of years for Uranez and was involved in the exploration and discovery of a number of uranium deposits.

David S. Boyer-Resource Geologist Licensed geologist registered in the state of Washington. Member of the Society of Geology and the Arizona Geological Society. Has significant experience relevant to uranium deposits and to the style of mineralisation and types of deposits similar to those deposits owned by the company.

Jim Wallace- Permitting and Environment Geologist by training and is a consultant to the company on permitting and environment issues. Responsible for the permitting of all drilling as well as the mining permitting and Plan of Operation (POO) for the Apex/Lowboy project. Operates a consulting practice that focuses on mining, mine land reclamation, environmental compliance and land use planning.

Chester E. Nichols (Chief Geologist- Texas) Has many years of exploration experience in all the major uranium regions of the United States. Worked for a number of corporations but spent the majority of his time with Union Carbide Corporation which historically dominated the uranium exploration and mining of uranium in the US. While with Union Carbide he led the cutting-edge technology for advanced uranium exploration programs in Texas and wrote UCC's exploration manual. Was involved in discovering new uranium deposits in the Colorado Plateau, Nebraska, New Mexico and Wyoming as well as several new uranium deposits in Texas. Currently a member of the Association of Engineering Geologists, Sigma Xi (scientific research society), citizens for Nuclear Technology Awareness, Central Savannah River Area Geological Society, and the Geological Society of Nevada. AB Geology, Cornell University. MS Petrology, University of Iowa. PhD Geotectonics and Geophysics, University of Missouri-Rolla (Missouri School of Mines).

Risks

In our view, these are the principal risks underlying the stock:

Going Concern Risk The company has yet to generate any mining revenue but its cash expenses and exploration expenditures are likely to consume cash well into the future, making it necessary, in the absence of access to conventional debt financing, to rely on common stock placements.

Mineral Resources The extent of mineral deposits, while estimated by qualified third parties, requires validation by more extensive drilling and assays. Further studies may conclude that deposits are not present in quantities justifying further development, forcing the company to abandon unproductive property at a loss.

Financing Between May and December 2010, exploration and development work will absorb an estimated US$5.2 million, exhausting AusAm's current cash on hand (US$1.3 million as of March 31, 2010 and most of the proceeds that the company plans to raise in a May 2010 equity financing. Exploration and development activities will require substantial financing, a need the company must fill by issuing more stock as AusAm cannot yet qualify for conventional debt. If the company cannot raise sufficient equity capital, it may be forced to curtail its activities.

Dilution During the past three years, the issuance of new stock has increased the number of shares threefold to 93 million. The need for additional equity financing will raise that number further, diluting future earnings. Funds may be augmented by establishing joint ventures but partnerships will reduce AusAm's participation in (and potential earnings from) its projects.

Liquidity Trading in AusAm's ordinary shares in the US is practically nil, a factor underlying potential weakness in the stock's performance. The company is in the process of creating an American Depository Receipt (ADR), the value of which would equal 10 ordinary shares of the company's stock. At this writing, AusAm's ADRs cannot be traded as none of the company's ordinary shares have been deposited with the US bank administering the ADRs,

Relatively Limited Disclosure AusAm is currently not required to file reports with the US Securities & Exchange Commission. Company reports filed with the Australian Securities & Investments Commission and the Australian Securities Exchange are limited by comparison with reports typically filed by public US companies, a factor that may undermine US investors' comfort with AusAm's stock.

Microcap Concerns Shares of MNOMY have risks common to the stocks of other microcap (which we define as market capitalizations of $250 mil or less) companies. These risks often underlie stock price discounts from the valuations of larger-capitalization stocks. Liquidity risk, typically caused by small trading floats and very low trading volume, can lead to large spreads and high volatility in stock price. Average daily trading volume in the US is practically nil; the number of shares in the float is undetermined.

Miscellaneous Risks The company's financial results and equity values are subject to other risks and uncertainties known and unknown, including but not limited to competition, operations, financial markets, regulatory risk, and/or other events. These risks may cause actual results to differ from expected results.

The estimates of Rio Puerco and Apex resources are classified as inferred resources, the lowest category specified by the Australasian JORC (Joint Ore Reserves Committee) Code, which sets minimum standards and guidelines for public reporting in Australasia of exploration results, mineral resources and ore reserves. JORC definitions have been agreed to by Australia, the US, Canada, the UK and South Africa. The level of confidence in estimates of tonnage, grade and mineral content from which estimates of inferred resources are derived is low. These resource figures are inferred from geological evidence that has not been verified. While the information that the estimate is based on has been gathered through acceptable techniques from locations such as outcrops, trenches, pits, workings and drill holes, it may be limited or of uncertain quality and reliability.

A higher, more reasonable level of confidence in estimates of tonnage, densities, shape, physical characteristics, grade and mineral content based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes can underlie a classification of "indicated" mineral resources. When mineral tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence based on detailed and reliable exploration, sampling and testing, resources can be classified as "measured".

Deposits without reasonable prospects for cost effective extraction must not be included in estimates of a resource. If the judgment as to 'eventual economic extraction' relies on untested practices or assumptions, it is a material matter which must be disclosed in a public report.

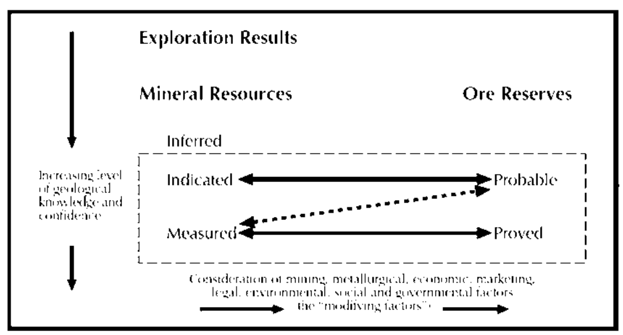


Figure 1. General relationship between Exploration Results, Mineral Resources and Ore Reserves

Source: JORC

The grade of the uranium is also a key measurement, as the concentration of the metal within the ore, which indicates how cost effectively it can be extracted, influences the deposits' implied valuation. Sandstone-hosed deposits such as Rio Puerco's are common in the Western US and most of US uranium production has been from these deposits. Deposits from sandstone generally grade 0.05% to 0.4% U_3O_8*, with individual ore bodies ranging up to 50,000 tons of* U_3O_8*.*

Annual Income Statements
FY2007–FY2011E
(A$ Thousands)

Year ended June 30:	2007A	2008A	2009A	Six Mos End Dec-09A	2010E	2011E
Revenue		424	189	2	5	10
Other income	300		230	97		
Foreign exchange gain (loss)	(5)	(1)	1	(428)	(450)	
Total	294	423	421	(329)	(445)	10
Expenses						
Depreciation/ amortizaton	31	77	114	9	20	25
Insurance costs	33	35	110	66	125	150
Occupancy & administration	316	781	737	89	200	200
Project expenditure	1,891	2,268	2,504	660	1,750	3,500
Corporate advisory svcs		1,620	271		250	250
Promotions	311					
Salaries, wages, professional fees	720	1,417	1,908	519	1,500	2,000
Travel	181	326	185	24	100	100
Impairment of mineral properties			19,772			
Other	2					
Total	3,485	6,524	25,599	1,368	3,945	6,225
Pre-tax loss	(3,191)	(6,101)	(25,178)	(1,697)	(4,390)	(6,215)
Income taxes (benefit)			(5,687)			
Net loss - continuing operations	(3,191)	(6,101)	(19,491)	(1,697)	(4,390)	(6,215)
Average shares outstanding	27,274	33,894	89,836	113,116	135,000	215,000
Earnings (loss) per share	(0.12)	(0.18)	(0.22)	(0.015)	(0.03)	(0.03)

Source: Company reports and Taglich Brothers estimates

Australian-American Mining Corporation NL

Balance Sheets
FY2007–FY2011E
(A$ Thousands)

Year ending June 30:	2007A	2008A	2009A	Dec. 31 2009A	2010E	2011E
ASSETS						
Current assets						
Cash + equivalents	4,828	4,040	1,693	1,967	1,798	378
Receivables	32	105	37	65	50	50
Joint venture loans				150	150	150
Other	16	49	40	49	50	50
Total	4,876	4,194	1,770	2,232	2,048	628
Mineral properties	3,739	3,739	10,529	7,369	7,500	8,000
Fixed assets (net)	177	300	351	309	300	300
Other financial assets	54	50	50	50	50	50
Intangibles	12	15	11	10	11	11
TOTAL ASSETS	8,859	8,298	12,711	9,970	9,909	8,989
LIABILITIES AND EQUITY						
Current liabilities						
Payables	206	749	572	333	1,650	3,100
Provisions	6	35	20	24	50	50
Financial liabilities		11	11	34	50	50
Total	213	794	603	391	1,750	3,200
Non-current liabilities						
Payables			197	206	400	850
Provisions		7				
Financial liabilities		39	28			
Deferred tax liabilities			772	772	697	1,242
Shareholders' equity	8,646	7,458	11,111	8,602	7,062	3,697
TOTAL LIABILITIES AND EQUITY	8,859	8,298	12,711	9,970	9,909	8,989

Source: Company reports and Taglich Brothers estimates

Australian-American Mining Corporation NL

Cash Flow Statements
FY2007–FY2011E
(A$ Thousands)

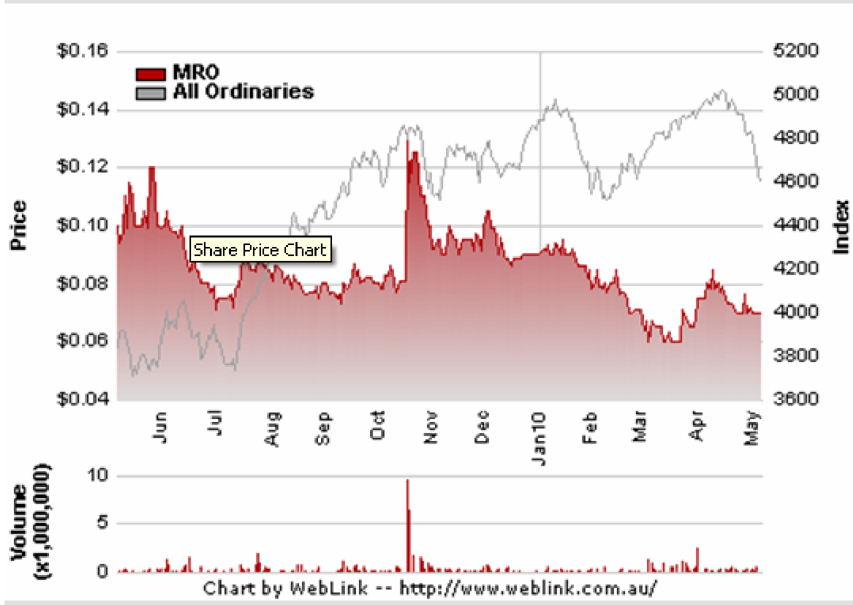
Fiscal year ending June 30:	2007A	2008A	2009A	2010E	2011E
Operating activities					
Receipts			46	22	0
Payments to suppliers and employees	(3,151)	(5,835)	(6,192)	(4,385)	(8,500)
Cash used in operations	(3,151)	(5,835)	(6,146)	(4,363)	(8,500)
Investing activities					
Interest received	244	425	153	0	0
Capital expenditures	(200)	(163)	(12)	(20)	(20)
Proceeds from sale of equipment			15	12	
Cash from acquisition of subsidiary			2,136	0	0
Contributions from joint venture			776	507	
Payments for joint venture operations			(542)	(603)	(600)
Payments for mineral properties	(100)			0	2,000
Realized foreign exchange gain			230	0	0
Other	46			0	0
Cash from investing	(10)	262	2,756	(104)	1,380
Financing activities					
Proceeds from issuance of shares	5,106	5,044	1,057	4,800	5,700
Repayment of borrowings		(7)	(11)	(69)	
Payments for share issue costs	(169)	(158)	(63)	(150)	
Net cash from financing	4,937	4,879	983	4,581	5,700
Effect of foreign exchange	37	(95)	59	(9)	
Net change in cash	1,813	(788)	(2,347)	105	(1,420)
Cash - beginning	3,015	4,828	4,040	1,693	1,798
Cash - ending	4,828	4,040	1,693	1,798	378

Source: Company reports and Taglich Brothers estimates

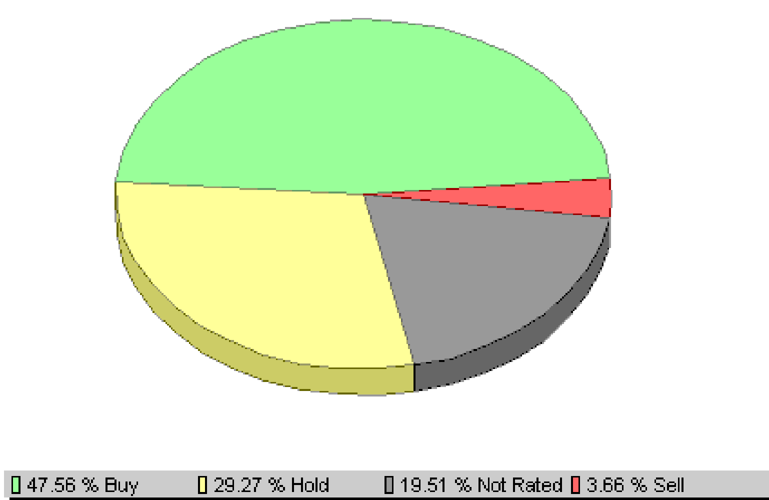
Price Chart

Last	Movement	Move+/- %	Open	High	Low	Prev.Close	Volume
0.07	0.00	0.00	0.07	0.07	0.07	$0.07	0

As at 6/5/2010 18:59



Taglich Brothers Current Ratings Distribution



Investment Banking Services for Companies Covered in the Past 12 Months		
Rating	#	%
Buy	1	3.70
Hold	1	25.00
Sell	0	0
Not Rated	0	0

Important Disclosures

As of the date of this report, we, our affiliates, any officer, director or stockholder, or any member of their families do not have a position in the stock of the company mentioned in this report. Taglich Brothers, Inc. does not have an investment banking relationship with the company mentioned in this report and was not a manager or co-manger of any offering for the company within the last three years.

All research issued by Taglich Brothers, Inc. is based on public information. Murdock Capital Partners, as sponsor for AusAm Mining NL shall pay to Taglich Brothers, Inc., the sum of US$12,000 for the creation and dissemination of research reports for an initial six month period. In January 2010, Murdock capital paid an initial monetary fee of US$6,000.00 to Taglich Brothers, Inc. Another US$6,000 is payable to Taglich Brothers, Inc. on issuance of an initial research report on AusAm Mining NL. After the initial six-month period, Murdock Capital Partners will continue to pay Taglich Brothers, Inc. the sum of US$2,000 per month for the creation and dissemination of research reports on AusAm Mining NL unless services are terminated.

General Disclosures

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Analyst Certification

I, Juan Noble, the research analyst of this report, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities and issuers; and that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report.

Public companies mentioned in this report

Anadarko Petroleum	(NYSE: APC)	Rio Tinto plc	(NYSE: RTP)
Cameco Corp.	(NYSE: CCJ)	Strathmore Minerals	(OTC:STHJF)
Dow Chemical	(NYSE: DOW)		

Meaning of Ratings

Buy We believe the company is undervalued relative to its market and peers. We believe its risk reward ratio strongly advocates purchase of the stock relative to other stocks in the marketplace. Remember, with all equities there is always downside risk.

Speculative Buy We believe that the long run prospects of the company are positive. We believe its risk reward ratio advocates purchase of the stock. We feel the investment risk is higher than our typical “buy” recommendation. In the short run, the stock may be subject to high volatility and continue to trade at a discount to its market.

Neutral We will remain neutral pending certain developments.

Underperform We believe that the company may be fairly valued based on its current status. Upside potential is limited relative to investment risk.

Sell We believe that the company is significantly overvalued based on its current status. The future of the company's operations may be questionable and there is an extreme level of investment risk relative to reward.

Some notable Risks within the Microcap Market

Stocks in the Microcap segment of the market have many risks that are not as prevalent in Large-cap, Blue Chips or even Small-cap stocks. Often it is these risks that cause Microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume which can lead to large spreads and high volatility in stock price. In addition, Microcaps tend to have significant company specific risks that contribute to lower valuations. Investors need to be aware of the higher probability of financial default and higher degree of financial distress inherent in the microcap segment of the market.

From time to time our analysts may choose to withhold or suspend a rating on a company. We continue to publish informational reports on such companies; however, they have no ratings or price targets. In general, we will not rate any company that has too much business or financial uncertainty for our analysts to form an investment conclusion, or that is currently in the process of being acquired.