



**Australia United Mining Limited**

**Quarterly Activities Report**

**July 2017 – September 2017**

## 1. OVERVIEW

The company holds tenure over four projects in NSW and QLD as illustrated in Figure 1, all of which contain prospects with targets identified. Three of the projects show evidence of significant historical gold production and AYM plans to advance these prospects to drill ready status.

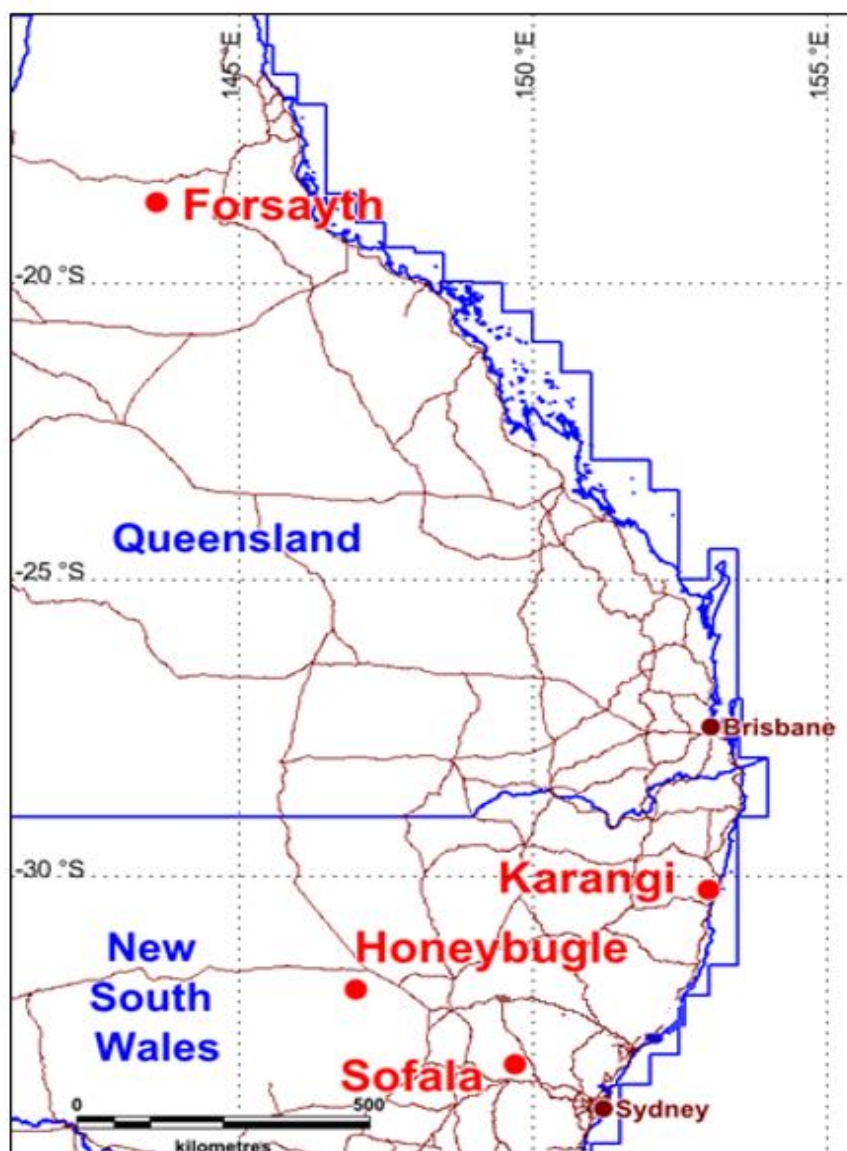


Figure 1: Location of AYM Projects

## **2. EXPLORATION ACTIVITIES IN NEW SOUTH WALES**

### **2.1 SOFALA – EL 7423 (100% AYM)**

The Sofala Project covers a portion of Sofala Volcanics and younger sediments on the eastern side of the Hill End Trough. The area is host to a large number of vein style gold occurrences especially within the central portion of the project and these are likely to be the source area for much of the alluvial gold historically mined about the villages of Sofala and Wattle Flat and along the Turon River. Hard-rock gold workings occur at Surface Hill, the Queenslander mine, Solitary Reef and other locations.

Exploration activity during the quarter focussed on negotiation with land owners within Spring Gully area. Land access agreements with additional special conditions proposed by land owners have been drafted and continuously revised.

In this quarter, AYM revisited Spring Gully twice to advance the negotiation with land owners. Meanwhile, the accessibility of existing path to planned drilling locations for drilling rigs was evaluated in terms of width, slope and surface roughness.

### **2.2 KARANGI – EL 8402 (100% AYM)**

The Karangi Project is considered to have potential for epigenetic vein, stratabound massive sulphide and exhalative-hosted gold and base metals deposits. There are a very large number of gold, copper, mercury and manganese occurrences within the project area. The Illabo mine and the Beacon Group are the largest past gold producers. At the Mount Brown mine, copper is the predominant metal, while native mercury occurs at the Woolgoola prospect.

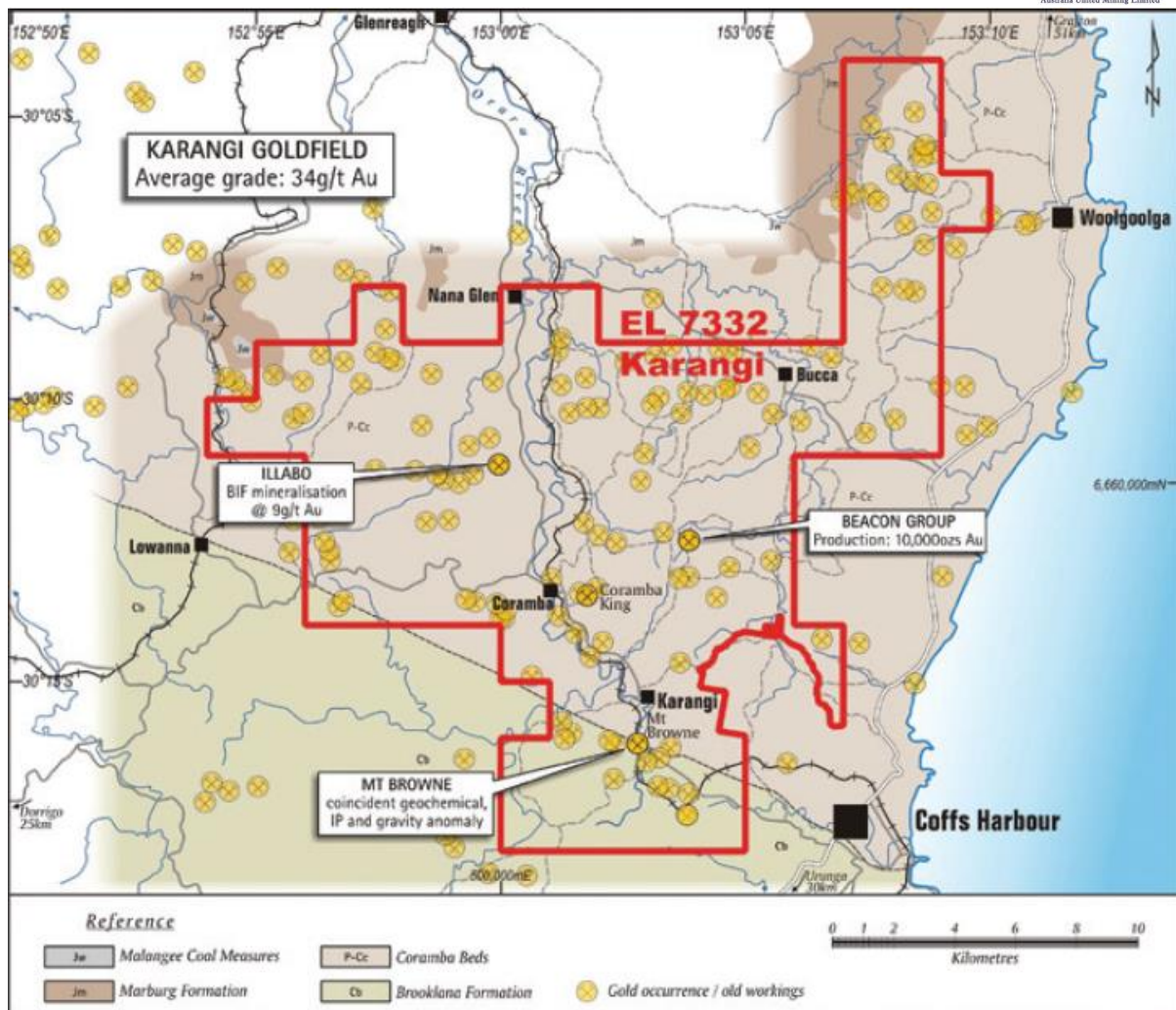


Figure 2 Historical Mines in Karangi

There has been considerable on-ground reconnaissance, detailed mapping and sampling completed by AYM with a view to testing concepts by diamond drilling. The nature of the topography, environmental constraints likely social concerns will provide significant challenges and can be expected to add considerably to any exploration budget.

In last quarter, AYM revisited Illabo Mine and Coramba King mine for future exploration and a number of targets were identified for drill testing at Illabo and Coramba King Prospects.

AYM is currently still working with Geos Mining Pty Ltd to plan for next surveying project.

## 2.3 HONEYBULGE – EL 7041 (100% AYM)

The Honeybugle Project is centred over a large mafic intrusive complex and, although mainly concealed, is well defined by aeromagnetic survey images. This area is deeply weathered and contains metalliferous lateritic soil profiles enriched in platinum, nickel, cobalt and scandium. AYM has completed a high resolution aeromagnetic and radiometric survey with follow up ground magnetic surveying completed. Three intense magnetic anomalies were defined as drilling targets and, although the source of the anomalies is not known, they may possibly represent ultramafic pipes enriched in platinum group elements. Modelling of the anomalies is required prior to drill test.

In September, AYM completed the forward modelling of the ground magnetic data collected over three grids: Woodlong North, Woodlong South and Mayo in 2014. Five magnetic anomalies were modelled to define drilling targets as illustrated in Figure 3 and a single drillhole has been designed to optimally test each of the target anomalies as illustrated in Table 1.

According to the modelling result, Anomaly 1 is a relatively simple anomaly that can be modelled with a single, highly susceptible lens type body. In comparison, Anomaly 2 and Anomaly 3 are much more complicated with a complex sub-circular feature which need 3D inversion modelling to provide a better picture of their source geometry. Anomaly 4 and Anomaly 5 have similar features which comprise a broader zone of moderate susceptibility encompassing discrete lenses of high susceptibility.

Table 1. Proposed target drill holes

Target	Model Bodies	Collar Easting	Collar Northing	Azimuth (MGA deg)	Dip (°)	Downhole depth to intersection (m)
<b>Anomaly 1</b>	17,26,27,28	497915	6478630	235	-60	130-180
<b>Anomaly 2 “East”</b>	1,30,31,32	497610	6477210	045	-60	120-130
<b>Anomaly 3 “Main”</b>	12	499220	6475010	030	-60	90



<b>Anomaly 4</b>	3,5,6,8	499800	6473870	060	-60	140-170
<b>Anomaly 5</b>	18,23,24,25	506130	6473280	070	-60	130-160

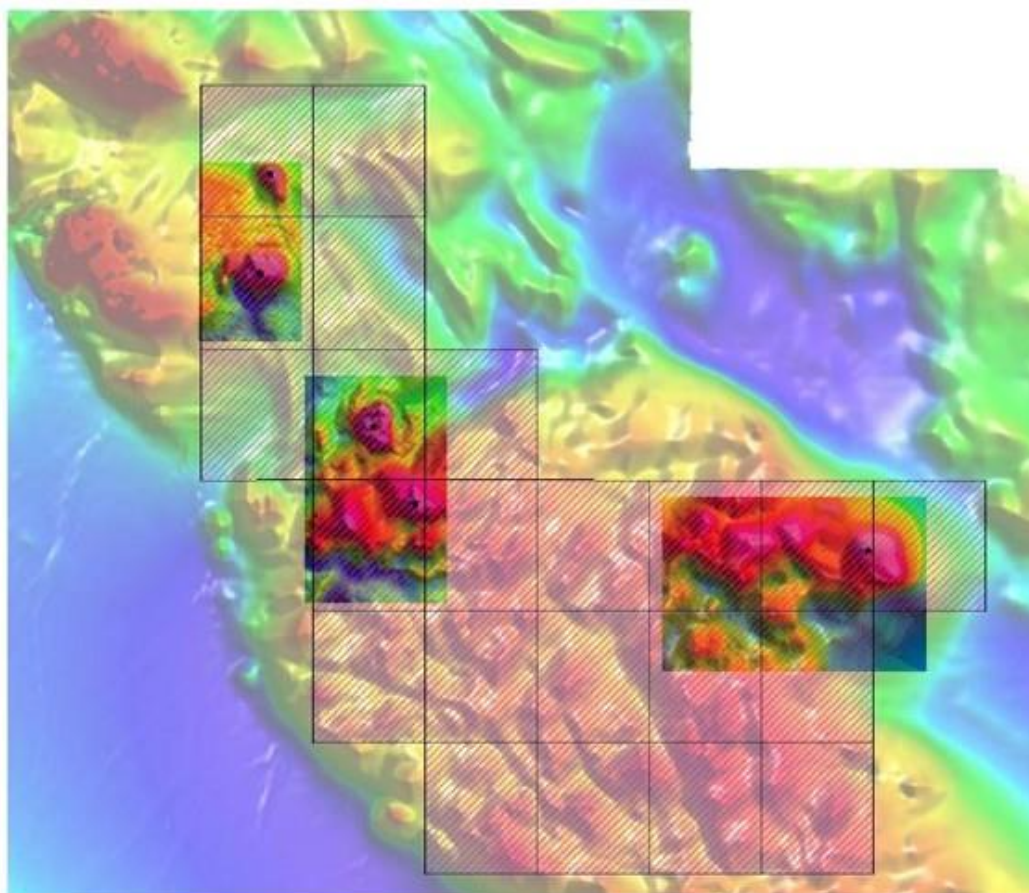


Figure 3. Ground magnetic survey over aeromagnetic data.

### 3. EXPLORATION ACTIVITIES IN QUEENSLAND

#### 3.1 FORSAYTH – ML 3417, ML 3418, EPM 14498 (100% AYM)

The project is located within the Forsayth Province of the Georgetown Inlier. The Etheridge gold field produced about 600,000 oz gold, but of the two largest mines at Forsayth, the Caledonian produced 10,900 oz and the Ropewalk 1,931 oz. Over 50 historic gold workings, prospects and significant past producing mines occur within the project area and at least 18 companies have explored the area.



In this quarter, AYM complied and lodged renewal applications of ML 3417 and ML 3418. Exploration will be carried out to estimate a Mineral Resource compliant with the JORC code (2012).

A small infill drilling program will be carried out to determine mineralisation continuity and provide samples for metallurgical testwork. In conjunction with this program, environmental and preliminary economic studies will be carried out to identify parameter and potential issues for the future development of the project.

#### 4. TENEMENT HOLDINGS

Table 2 listed all tenements currently held by Australia United Mining Limited.

Table 2. AYM Tenement holdings

Licence No.	Licence Name	Location	Grant Date	Expiry Date	Area (km <sup>2</sup> )
<b>EL 7041</b>	Honeybugle	NSW	24/01/2008	23/01/2018	32
<b>EL 7423</b>	Sofala	NSW	30/11/2009	29/11/2017	77
<b>EL 8402</b>	Karangi	NSW	29/10/2015	28/10/2018	225
<b>ML 3417</b>	Ropewalk 1	QLD	01/04/1987	31/03/2018	1.3
<b>ML 3418</b>	Ropewalk 2	QLD	01/04/1987	31/03/2018	1.1
<b>EPM 14498</b>	Forsayth	QLD	16/01/2006	15/01/2021	59