



AUSTRALIA UNITED MINING LIMITED

(ASX: **AYM**)

1 February 2016

Quarterly Activities Report October 2015 – December 2015

1 EXPLORATION ACTIVITY

1.1 OVERVIEW

Australia United Mining Limited (**AYM** or the **Company**) continued with exploration activity at its Forsayth Project with the aim of developing a JORC compliant Resource. Preparations for initial round of drilling at Sofala and Honeybugle prospects are now well advanced and permits to commence drilling has been submitted at the Sofala Project. The renewal application for Honeybugle is finalised and wait for fee receipt.

The Shandong team continues to provide exceptional geological support at the Company's Forsayth Project in North Queensland, where the Company continues to drill highly prospective targets. Technicians from the Shandong Team are also assisting AYM with geological and surveying expertise with regards to its NSW projects where the Company expects to commence drilling in the June Quarter.

1.2 EXPLORATION ACTIVITIES NEW SOUTH WALES

1.2.1 SOFALA – EL 7423

The Spring Gully prospect at Sofala is a high-sulphidation epithermal deposit, hosted in fine grained sandstones and siltstones which underlie a thrust sheet of andesitic volcanic rocks. The contact between the two rock types dips west at around 30 degrees and the gold grades can be seen to increase closer to the thrust contact, and towards the west where the mineralisation remains open.

Mineralisation in this area was the focus of an intensive exploration program during the 90's by Renison Gold Corporation, including a large soil geochemistry and drill program that ultimately focused in on the Spring Gully area where wide intercepts of low-grade mineralisation were encountered (Fig 1).

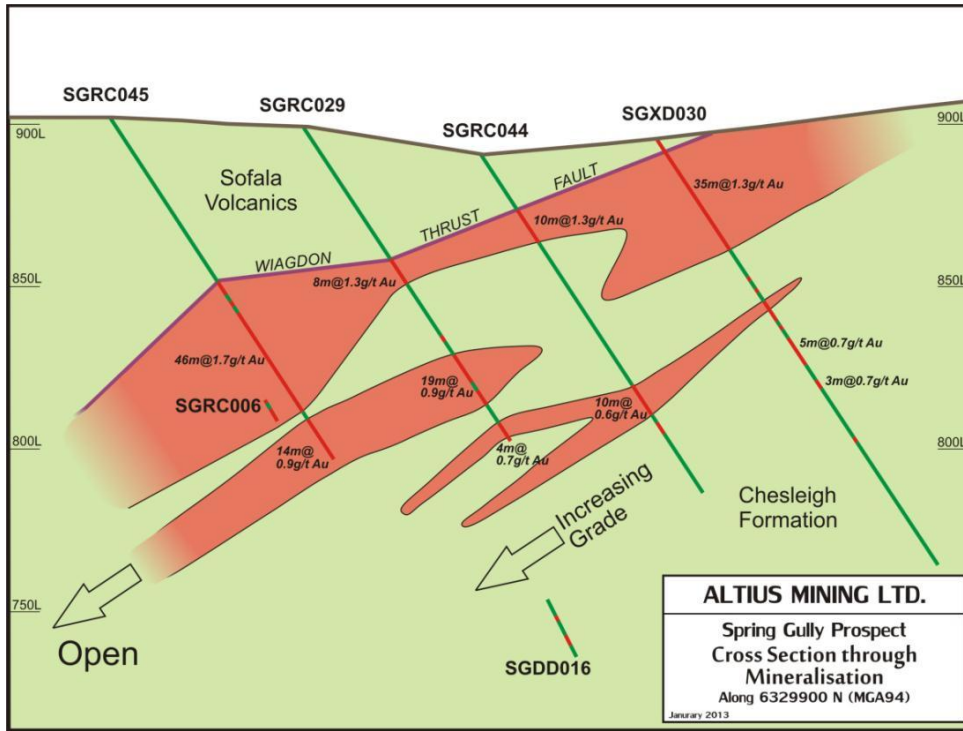


Figure 1: Cross section, with RGC drillholes, through the Spring Gully mineralisation (6329900 North) Note: Australian United Mining has no knowledge of the quality of the data used to produce this cross section.

Located immediately to the west of the Spring Gully deposit is a large magnetic anomaly known as the Wattle Flat Magnetic Zone WFMZ (Fig 2) which has been interpreted as a volcanic centre, which is thought to have a strong association with the gold mineralisation in the area, either directly, by supplying the mineralising fluids, indirectly by supplying the heat to circulate mineralising fluids or a combination of the two.

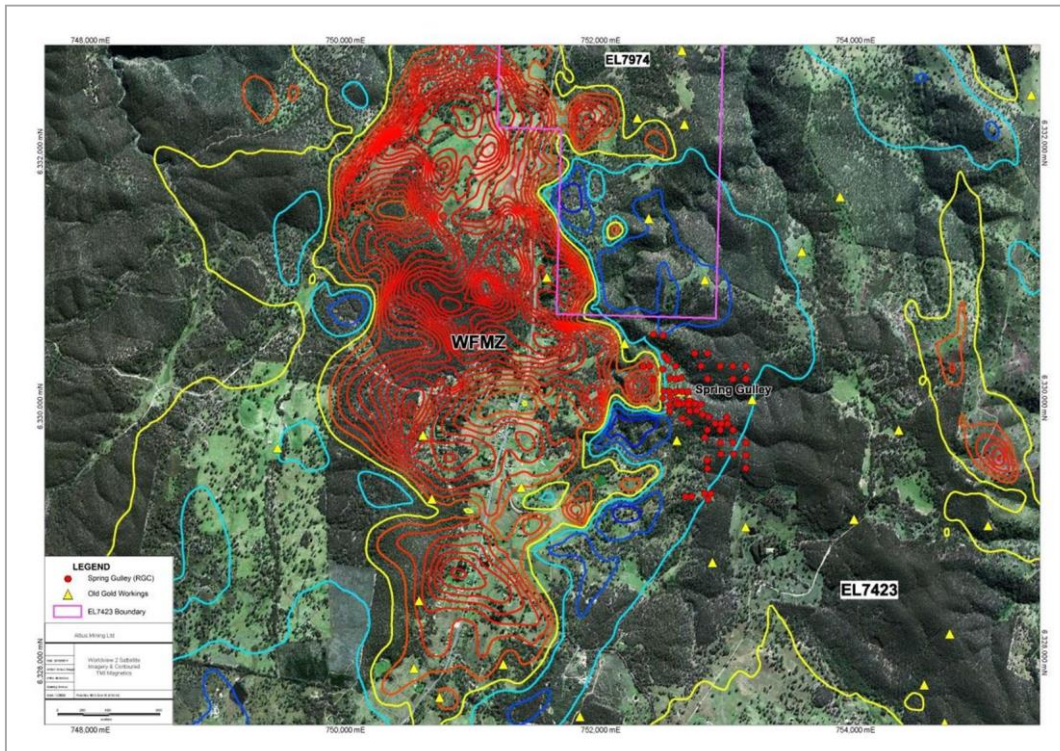


Figure 2: Magnetic contours over a satellite image of the Wattle Flat area.

The Company has now received land access for to the Spring Gully Deposit to allow drilling to commence, and is planning to commence drilling in the June Quarter drilling these targets within the near future.

Renewal of EL 7423 is currently under review by the NSW Department of Trade and Investment.

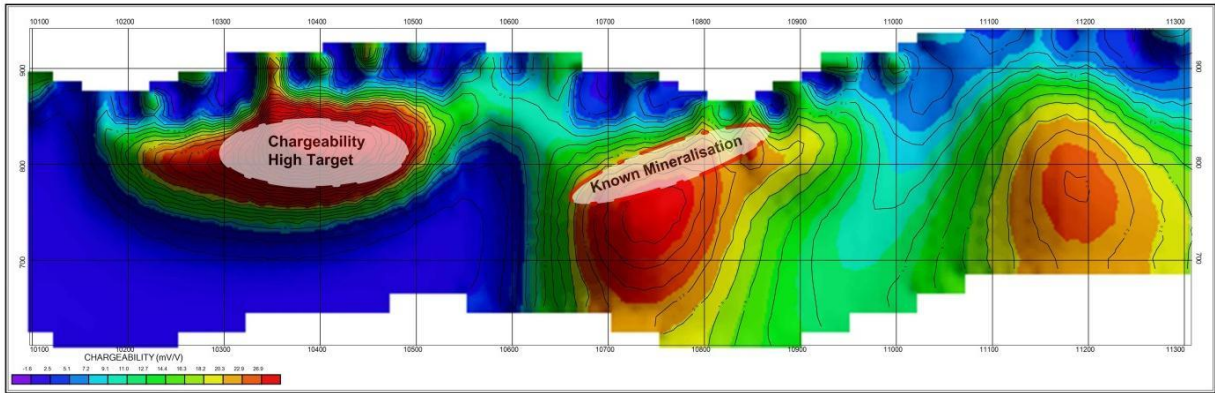


Figure 4: IP Chargeability cross-section showing the location of the known mineralisation

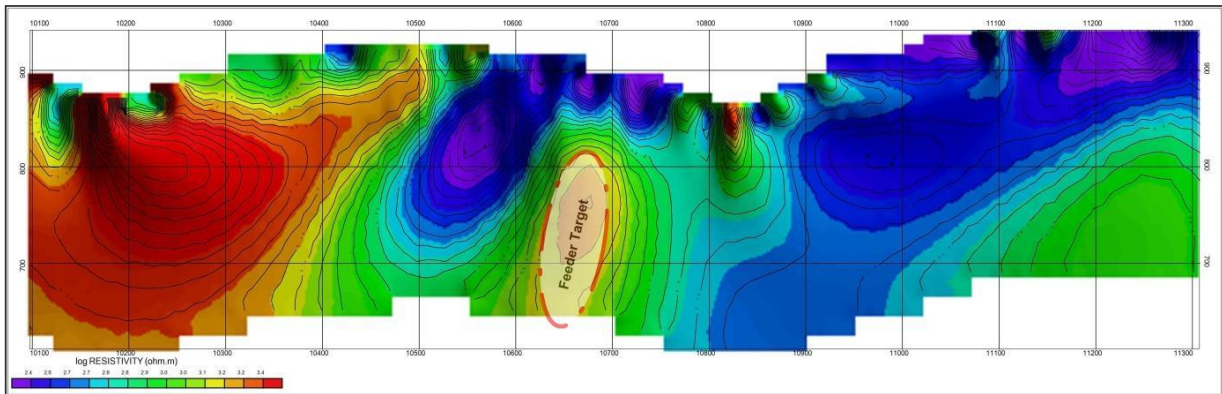


Figure 5: IP resistivity showing interpreted feeder zone to the known mineralisation.

In addition to the Spring Gully deposit other targets of interest are also being progressed towards drilling within the Sofala tenement. The most advanced of these is the Queenslander deposit which was explored in the 1990's by RGC.

1.2.2 FORSAYTH – EPM14498

The Company has reduced its regional exploration program in the Forsayth area to conserve funds until additional funds from the rights issue are received. The Company is targeting to finish a final round of drilling before the end of the June Quarter in order to develop a JORC compliant resource of a sufficient volume to commence scoping studies required to bring the Ropewalk plant into production.

During the reporting period the Shandong team continued their exploration program at Forsayth which included, but was not limited to, geological mapping, sampling, topographic surveying and guidance of the drilling program. The following maps show the location and results for the Forsayth drilling program to date.

1.2.3 OTHER NSW TENEMENTS

The Company is focused on its three main NSW projects Sofala, Karangi and Honeybugle and the Forsayth Project in QLD. No work was carried out on Wamboyne or Puggoon Tenements during the reporting period.

2 TENEMENT HOLDINGS

Lease	Tenement Name	Location	Beneficial Percentage Interest
EL7041	Honeybugle	NSW, Australia	100%
EL7045	Wamboyne	NSW, Australia	100%
EL7155	Puggoon	NSW, Australia	100%
EL7332	Karang	NSW, Australia	100%
EL7423	Sofala	NSW, Australia	100%
EPM14498	Forsyth	QLD, Australia	100%
ML3417	Ropewalk 1	QLD, Australia	100%
ML3418	Ropewalk 2	QLD, Australia	100%

The Company did not acquire any new tenements, and did not increase, decrease or acquire any new percentage interests in any farm-in or farm-out agreement.

2.1 EXPLORATION LICENCE APPLICATIONS

The Company currently has no pending exploration licence applications.

3 CORPORATE INFORMATION

Securities on issue

Fully paid ordinary shares – 706,231,797

Directors

Mr Xiao Jing Wang	Chairman	2 May 2012 – present
Ms Jia Yu	Non-Executive Director	2 May 2012 – present
Mr Jianbing Zhang	Non-Executive Director	31 July 2013 - present

4 COMPETENT PERSON

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Tiancheng Liu, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy (The AusIMM). Mr Liu is a full-time employee of Australia United Mining limited. Tiancheng Liu consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.