



AUSTRALIA UNITED MINING LIMITED

(ASX: **AYM**)

4 May 2016

Quarterly Activities Report January 2016 – March 2016

1 EXPLORATION ACTIVITY

1.1 OVERVIEW

Australia United Mining Limited (**AYM** or the **Company**) continued with exploration activity at its Forsyth 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.

Renewal of EL 7423 took effect on 24 April 2016 for a further term of 2 years, ending on 30 November 2017. 2 x 150m (300m) DDH has proposed to test previously untested sub parallel lode in Spring Gully and 2 x 100m (200m) diamond drill holes to infill previous drilling In Queenslander.

Directors of the company are currently in overseas to raising funds required for the company planned exploration activities. The Shandong team continues to provide exceptional geological support at the Company's Forsyth 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.

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. 2 x 150m (300m) DDH has proposed to test previously untested sub parallel lode in Spring Gully and 2 x 100m (200m) diamond drill holes to infill previous drilling In Queenslander.

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.

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 took effect on 24 April 2016 for a further term of 2 years, ending on 30 November 2017.

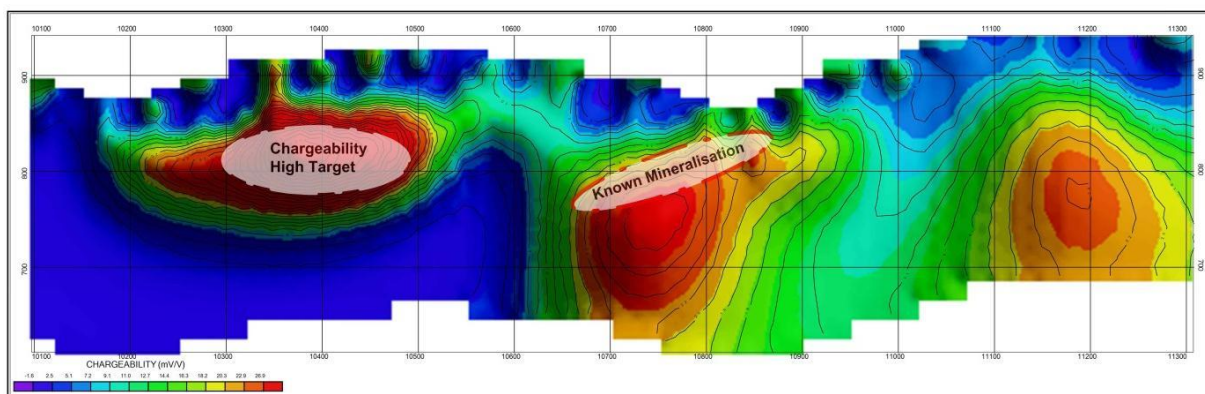


Figure 1: IP Chargeability cross-section showing the location of the known mineralisation

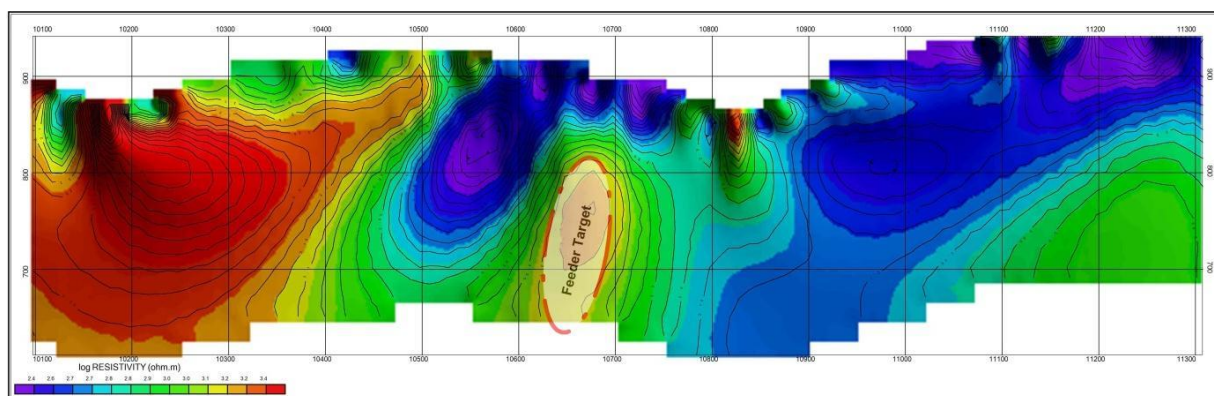


Figure 2: IP resistivity showing interpreted feeder zone to the known mineralisation.

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.

2 TENEMENT HOLDINGS

Lease	Tenement Name	Location	Beneficial Percentage Interest
EL7041	Honeybugle	NSW, Australia	100%
EL8402	Karangi	NSW, Australia	100%
EL7423	Sofala	NSW, Australia	100%
EPM14498	Forsayth	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 Zhaojun Wang, a Competent Person who is a member of The Geology Society of China. Mr Wang is a full-time employee of Australia United Mining limited. Zhaojun Wang consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.