



**AUML**  
Australia United Mining Limited

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Quarterly Activities Report  
October 2016 – December 2016**

**1. EXPLORATION ACTIVITY  
1.1. OVERVIEW**

The company holds tenure over five projects in NSW and Qld (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.

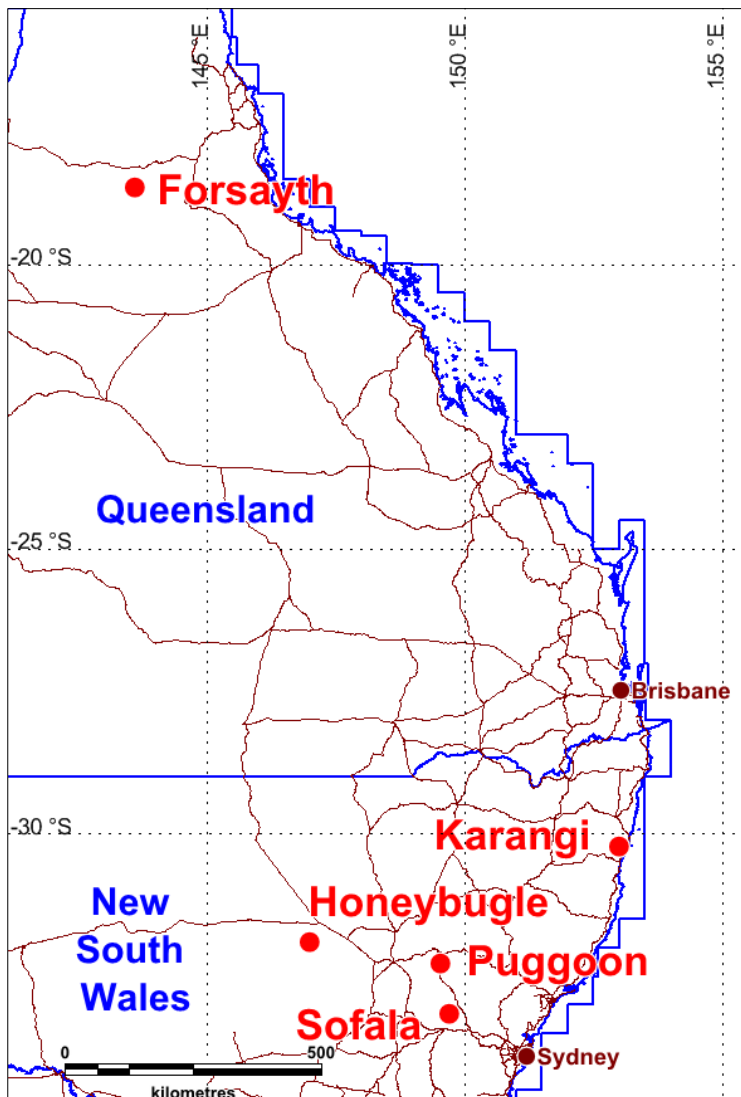


Figure 1: Location of AYM Projects

**1.1. EXPLORATION ACTIVITIES NEW SOUTH WALES  
1.1.1. 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 carried out by AYM since 2009 has included geophysical interpretation, completion of a high-resolution aeromagnetic and radiometric survey, interpretation of geophysical results, mapping and rock chip sampling, IP surveying and surveying.

No field exploration was completed during the quarter.

Future exploration will target the Spring Gully, Queenslander and Swedes Hill prospects using a combination of reverse circulation and diamond drilling.

#### **1.1.2. HONEYBUGLE – 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.

No field exploration was completed during the quarter.

The proposed exploration includes modelling and interpretation of two magnetic anomalies followed by reverse circulation drilling.

#### **1.1.3. PUGGOON – EL 7155 (100% AYM)**

The Puggoon Project covers the Gulgong Granite surrounded by older sediments and volcanics. Within the licence area are several polymetallic and iron skarn mineral occurrences on or near the contact zone of the granite. There is a long history of gold mining at Gulgong, with an estimated 550,000oz of gold mined, mainly from high-grade deep leads but also from quartz reefs. Diamonds were also mined from the deep leads but the source of the diamonds has not been identified. The kaolin deposits of the Gulgong-Home Rule area were recognised and partially extracted in the early 1900s and clay continues to be extracted just south of EL7155. Magnetite is being mined at a high-grade magnetite skarn at Tallawang, west of the EL7155 western boundary and several polymetallic mineral occurrences are present in the eastern side of the licence area.

No field exploration was completed during the quarter.

AYM proposes to advance exploration by completing field mapping and sampling followed by reverse circulation drilling.

#### **1.1.4. 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.

Exploration carried out by AYM since 2009 has included geophysical interpretation, completion of a high-resolution aeromagnetic and radiometric survey, interpretation of geophysical results, geological mapping and rock chip sampling, characterisation of historical workings and extensive geological modelling.

No field exploration was completed during the quarter.

A number of targets have already been identified for drill testing at Illabo and Coramba King prospects.

## 1.2. EXPLORATION ACTIVITIES QUEENSLAND

### 1.2.1. 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.

AYM has previously completed an airborne magnetics/ radiometrics survey, geological mapping/ sampling, IP surveying and diamond drilling. Epithermal and stockwork/ sheeted vein style gold-silver mineralisation has been intersected in sulphide rich quartz veins and breccias at a number of prospects.

No field work was completed during the quarter.

Future exploration will aim to estimate mineral resources, compliant with the JORC Code 2012 and carry out further reverse circulation and diamond drilling.

## 2. TENEMENT HOLDINGS

Licence No.	Licence Name	Location	Grant Date	Expiry Date	Area (km <sup>2</sup> )	Comment
EL 7041	Honeybugle	NSW	24/01/2008	23/01/2018	32	
EL 7155	Puggoon	NSW	23/06/2008	22/06/2016	23	Renewal application recommended for refusal
EL 7423	Sofala	NSW	30/11/2009	29/11/2017	77	
EL 8402	Karangi	NSW	29/10/2015	28/10/2018	225	
ML 3417	Ropewalk 1	Qld	01/04/1987	31/03/2018	1.3	
ML 3418	Ropewalk 2	Qld	01/04/1987	31/03/2018	1.1	
EPM 14498	Forsayth	Qld	16/01/2006	15/01/2021	59	