



**AUML**  
Australia United Mining Limited

# Australia United Mining Limited Quarterly Activities Report January 2017 – March 2017

## 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.

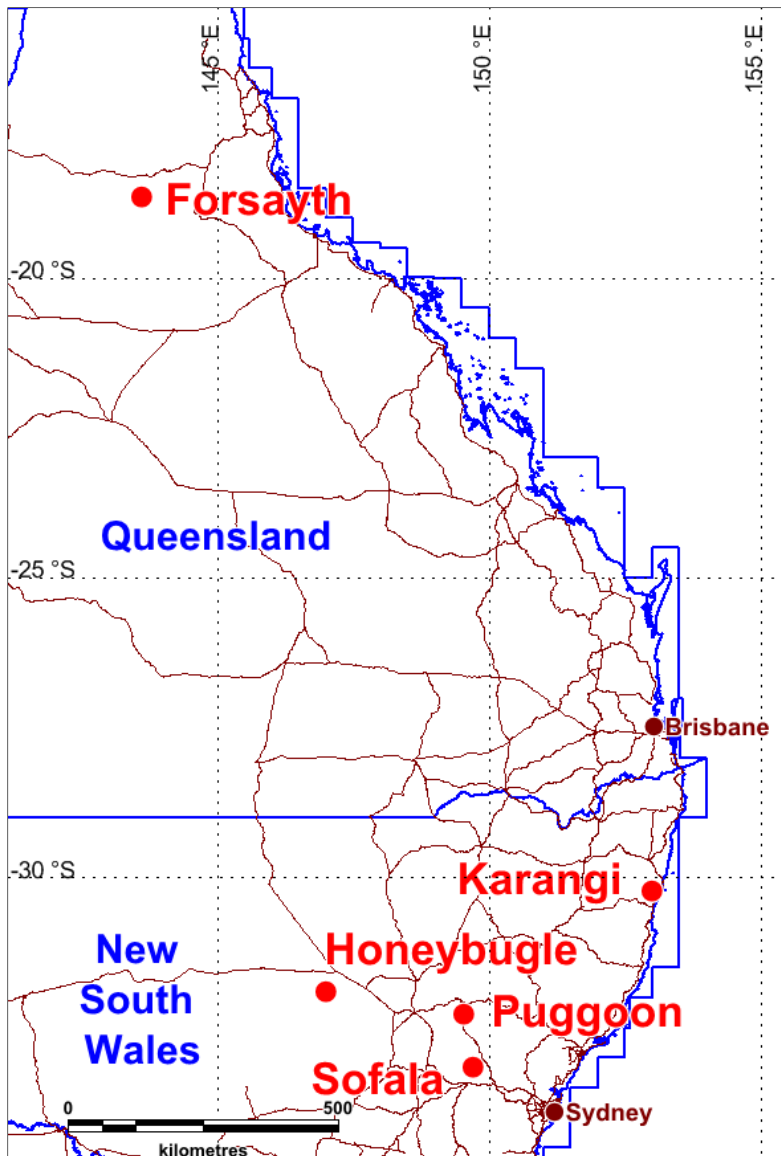


Figure 1: Location of AYM Projects



## **1.2 EXPLORATION ACTIVITIES NEW SOUTH WALES**

### **1.2.1 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 carried out by AYM in 2013 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. In 2014, AYM conducted a field visit in the Sofala area, at the same time, they also reviewed the existing geological data in the mining area to have a preliminary understanding of the whole picture. The work mainly surveyed the Spring Gully, Queenslander and Swedes Hill.

#### **Spring Gully 1**

Exploration results show that exposure to bring a number of NW trending tectonic fracture zone, the construction of the drilling company RGC expose the contact zone length 1250m, thickness 48m, the thickest 134.30m. Overall strike 335°, the tendency Nancy, inclination about 30°. Most drill holes have seen oxide ores, the most thick reached to 60m. SGDD016 drill hole orebody have seen five layers, one of which see ore thickness 11.55m, grade of 1.07 to 3.58 g/t.

In August 2013, managed by Shandong Gold Exploration team, the Planetary Geophysical team has conducted exploration work in the north of Spring Gully area in, made a unipolar-dipolar polarization line survey work, line in the GR751900E / 6329880N and GR753160E / 6330470N 1.39 Km through the 1.39km, as shown in Figure 2. This line detects the strong magnetic anomalies in northern extension of the known mineralization zone.

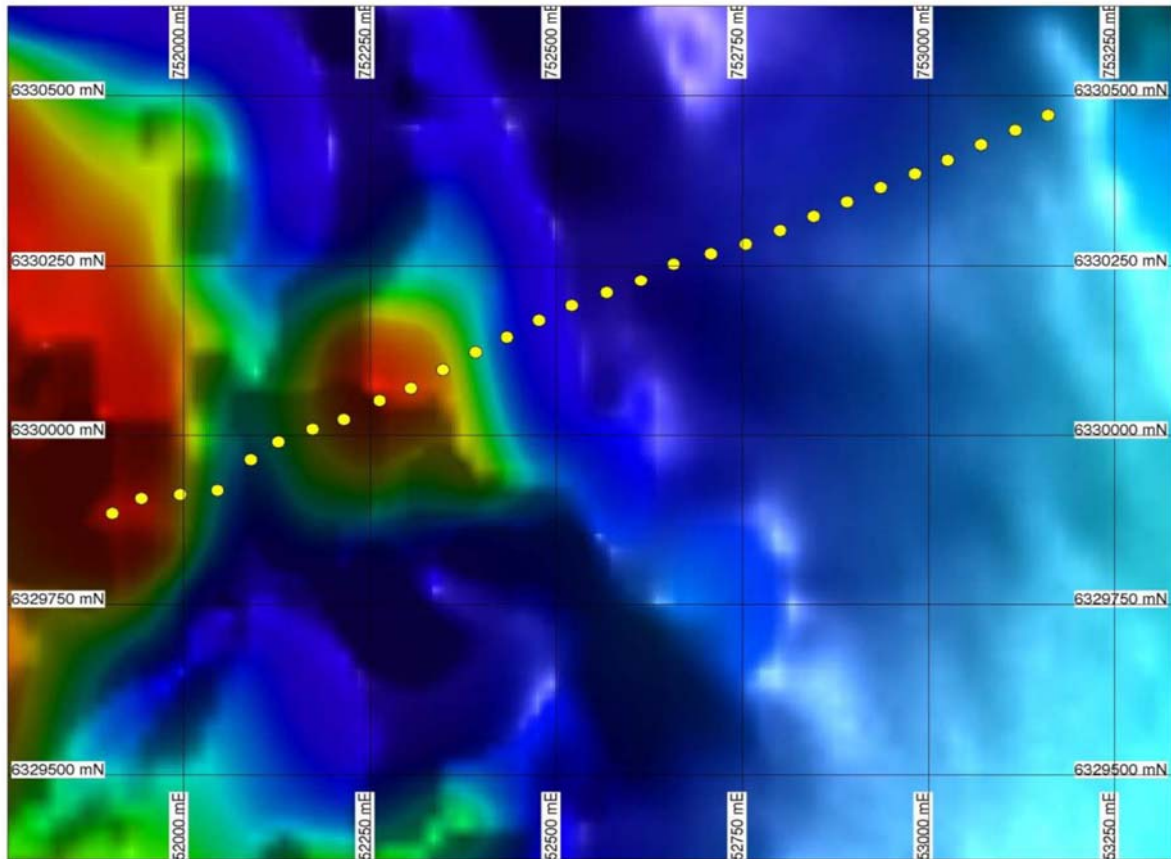


Figure 2

## Spring Gully 2

Since the initial spot survey failed to system numbering, the larger belt containing more than 200 m, the two ends are still can be extended. The trench were from 1.00 to 1.5 m in wide, the vein along to 345°, the trend to south west, inclination of about 80°. From the mining site, can find numbers of nearly parallel veins, mining trench and old pits.

The **Queenslander** mine is another potential mine area for the exploration of Solfa.

From the results of drilling, the southern Queenslander mine near the gold mineralization is stronger, the north is weak. Gold is associated with sulphide-rich quartz veins. It is expected that the amount of ore is 370.5 million tonnes, the gold grade is 5.08 g/t, the amount of gold is 1882 kilograms or 60512 ounces.

In March 2017, AYM has re-visited Spring Gully and Queenslander for the new exploration project, we visited few landowners within EL7423. AYM is currently negotiating the details with Geos Mining Pty Ltd including signing new CCA with landholders, planning the new work programmes and future



exploration work in Sofala. Future exploration will target the Spring Gully, Queenslander and Swedes Hill prospects using a combination of reverse circulation and diamond drilling, the exploration is expected to be conducted before September.



**Figure 3**



**Figure 4**



### 1.2.2 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 Woolgoolga prospect.

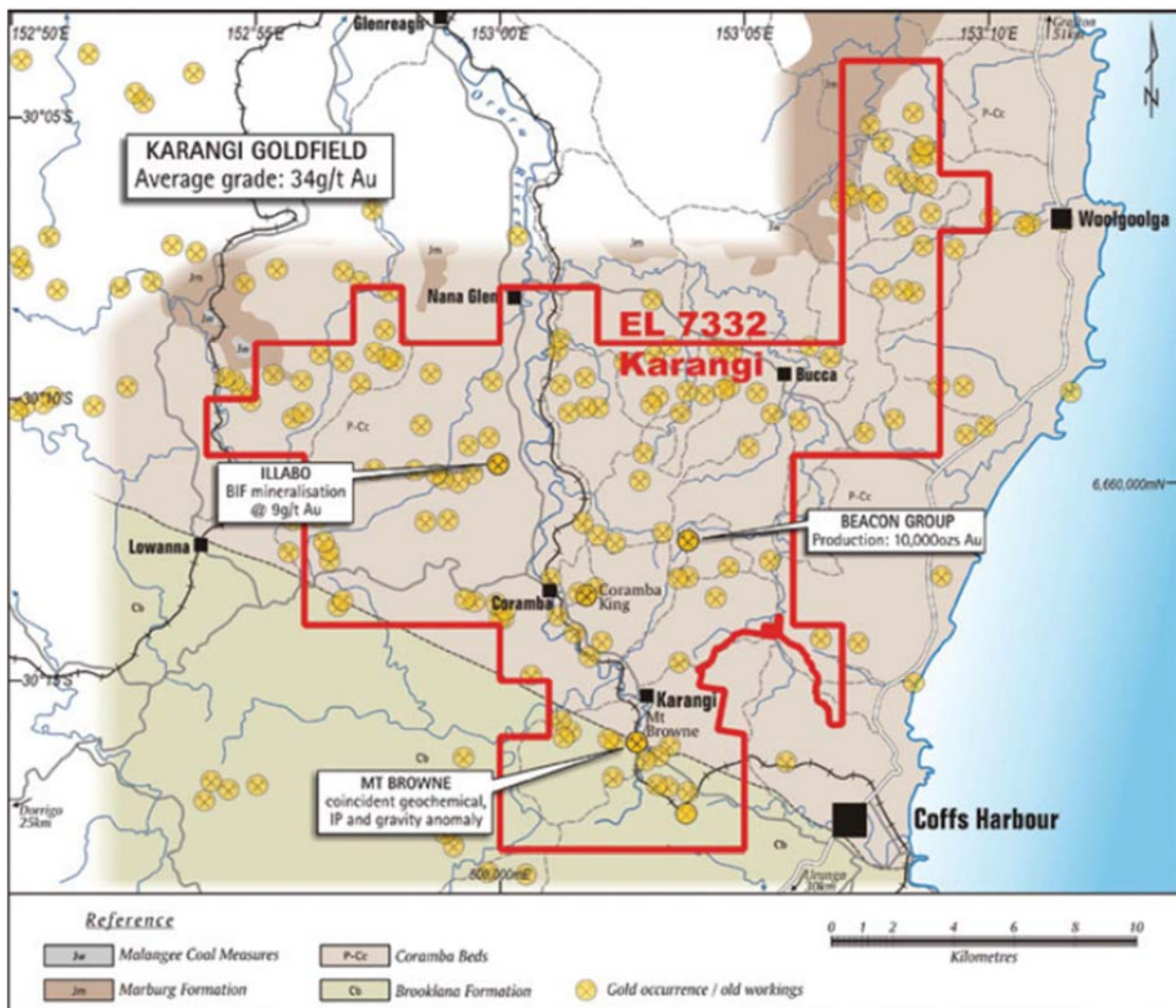


Figure 5 Historical Mines in Karangi

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.



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.

During 2013-2014 AYM made further field inspections of historic gold mining sites, carried out local scale mapping and rock sampling of the vein systems. A total of 93 rock chip samples were collected and assayed for Au and a full suite of ICP elements.

In April 2015, AYM has conducted a ground magnetic survey. One IP traverse was completed at the Coramba King Deposit. The traverses highlighted several zones of magnetic lows which potentially represent zones of magnetite destruction associated with mineralising fluids.

In March 2017, AYM has re-visited Illabo Mine and Coramba King Mine for the preparation of future exploration. A number of targets have already been identified for drill testing at Illabo and Coramba King Prospects. AYM is currently working with Geos Mining Pty Ltd to plan the next surveying project, the survey is expected to be conducted before November 2017.

### **1.2.3 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. 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.

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

### **1.2.4 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.

## **1.3 EXPLORATION ACTIVITIES QUEENSLAND**

### **1.3.1 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.

Work completed by AYM has included:

- Land access, literature search, geophysical data interpretation
- Airborne magnetics/ radiometrics survey and interpretation
- Lode sampling/ geological mapping
- IP surveying
- Soil sampling
- Diamond drilling

In 2014, Australia United Mining engaged the Shandong Number 6 Geological Brigade to undertake an exploration program at Forsayth which included, but was not limited to, geological mapping, sampling, topographic surveying and the Company conducted a 53 hole drill program (for 9,215 metres in total) to test extensions to the known mineralisation. They also undertook some 4,653 metres of trenching.

Geological mapping was undertaken over an area of interest that covered an area of ~23 km<sup>2</sup>. 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.

AYM has completed the environmental earth work in November 2016 as government required, Department of Environment and Heritage Protection has also conducted an inspection on 25<sup>th</sup> February 2017.



In February 2017, AYM has re-visited Ropewalk and Flying Cow mine for the preparation of new exploration project. AYM is currently negotiating the details with Geos Mining Pty Ltd including signing new CCA with landholders, planning the new work programmes and future exploration work in Forsayth. Future exploration will aim to estimate mineral resources, compliant with the JORC Code 2012 and carry out further reverse circulation and diamond drilling. The exploration is expected to be conducted before November

## 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	