



Australia United Mining Limited

Quarterly Activities Report

October 2019 – December 2019

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.

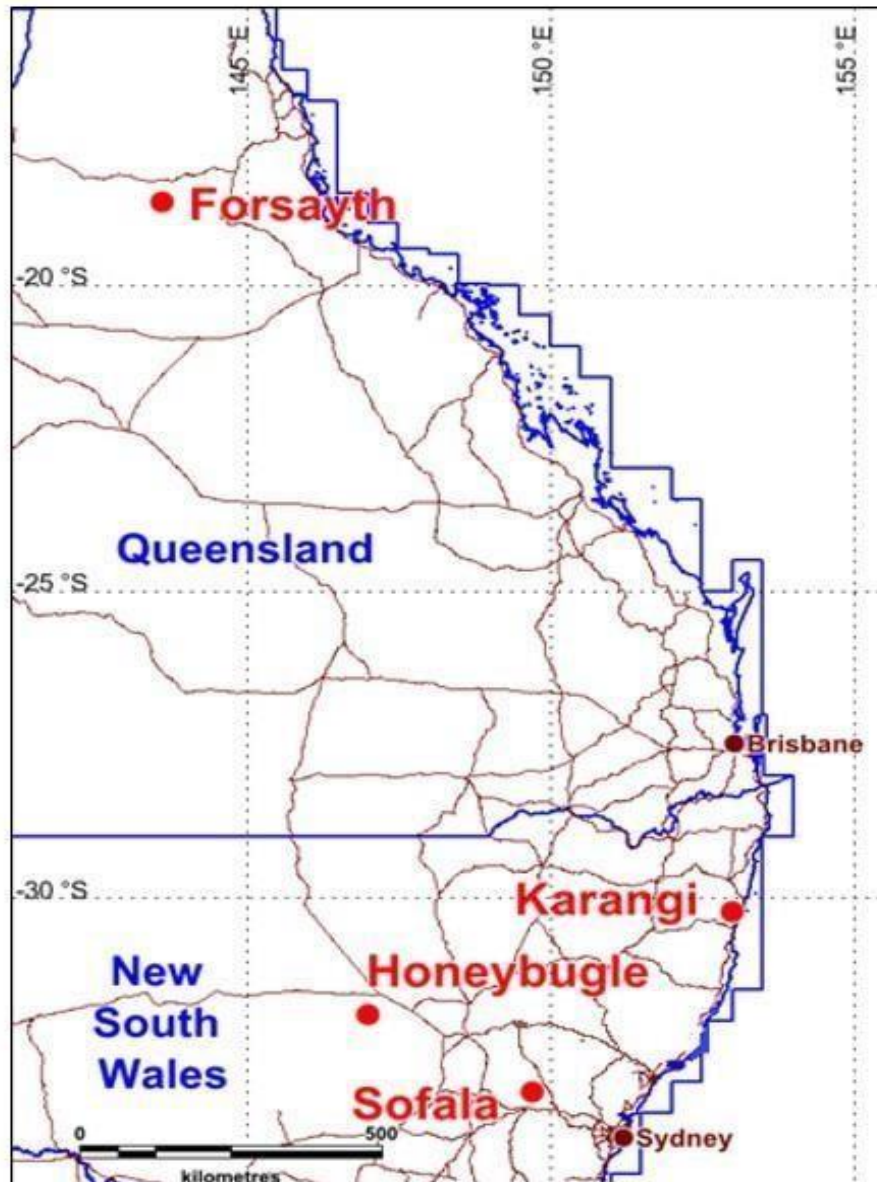


Figure 1: Location of AYM Projects



2. EXPLORATION ACTIVITIES IN NEW SOUTH WALES



2.1 SOFALA – EL 7423 (100% AYM)

The Sofala Project is located approximately 30km north of Bathurst in the central west of New South Wales and 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.

Work completed during the quarter includes submitting a renewal application for the exploration license and submitting an annual report.

2.2 KARANGI – EL 8402 (100% AYM)

The Karangi Project is located approximately 10kms north-west of Coffs Harbour and approximately 500 kms north of Sydney. The tenement 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 (Figure). At the Mount Brown mine, copper is the predominant metal, while native mercury occurs at the Woolgoola prospect.

Work for quarter consisted of submitting the annual report of the Exploration Licence.

Drilling plans are still current pending access negotiations with landholders. The nature of the topography, environmental constraints and likely social concerns will provide significant challenges and can be expected to add considerably to any exploration budget.

The renewal of EL 8402 has been granted by the NSW Government and the licence now will expire on 29 October 2021. The application included a partial reduction of 19 of the 76 graticular units.

Work completed during the quarter includes submitting an annual report.

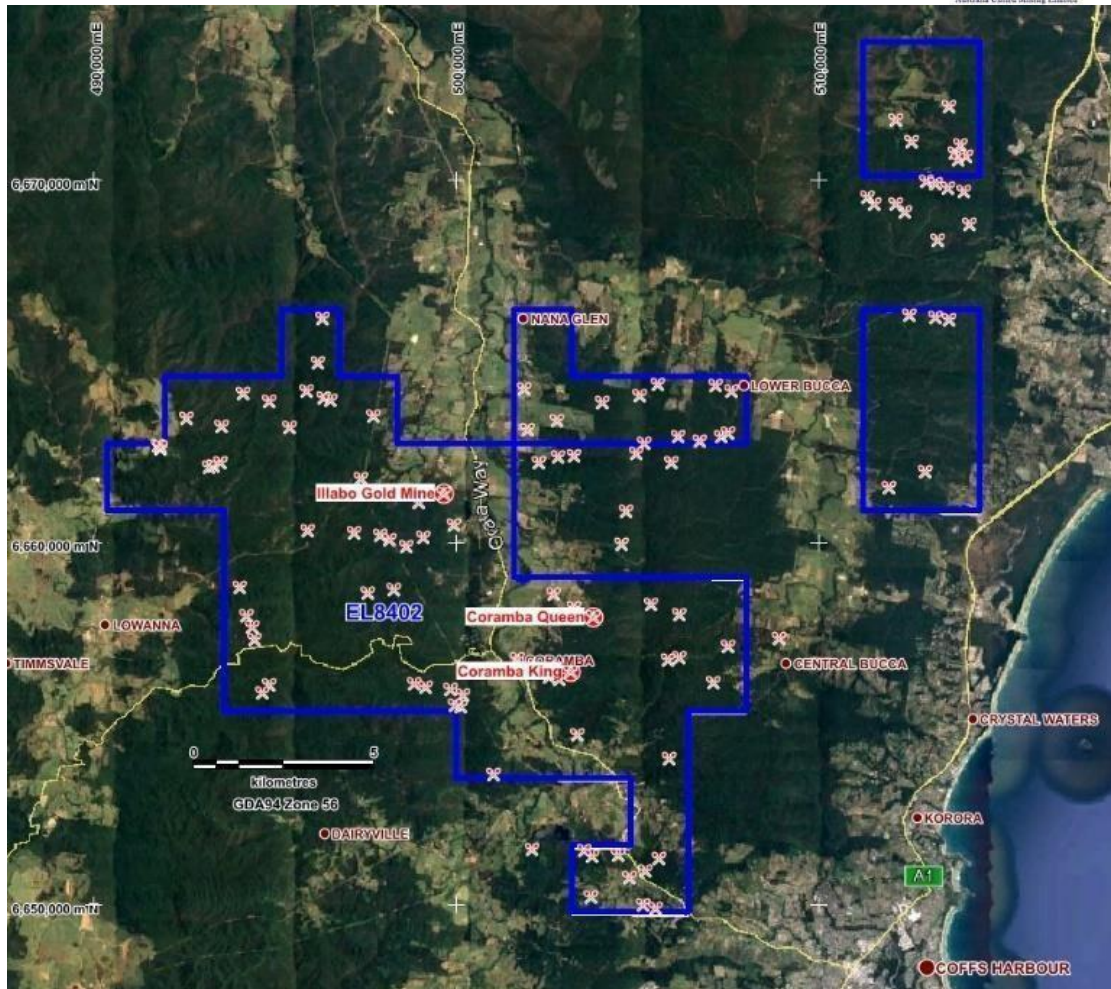


Figure 2: Historical Mines in Karangi EL8402

2.3 HONEYBUGLE – EL 7041 (100% AYM)

The Honeybugle Project is located approximately 40kms south-southwest of Nyngan in the central west of New South Wales. The tenement is centred over a large mafic intrusive complex and, although mainly concealed, is well defined by aeromagnetics. 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.

3. EXPLORATION ACTIVITIES IN QUEENSLAND

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

The project is located around and to the south-east of the town of Forsayth in North Queensland (Figure 3) 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.

During this quarter planning work has been undertaken with a view to proceeding with drilling in 2020. AYM has agreed with the DNRME to undertake resource RC and DD drilling leading to a Mineral Resource Estimate (MRE) at the Indicated/ Inferred classification as well as initial metallurgical test-work.

The renewal license of ML3417 and ML3418 has been granted by the QLD Government and the license now will expire on 31 March 2023.

No exploration was completed during the quarter for EPM 14498.

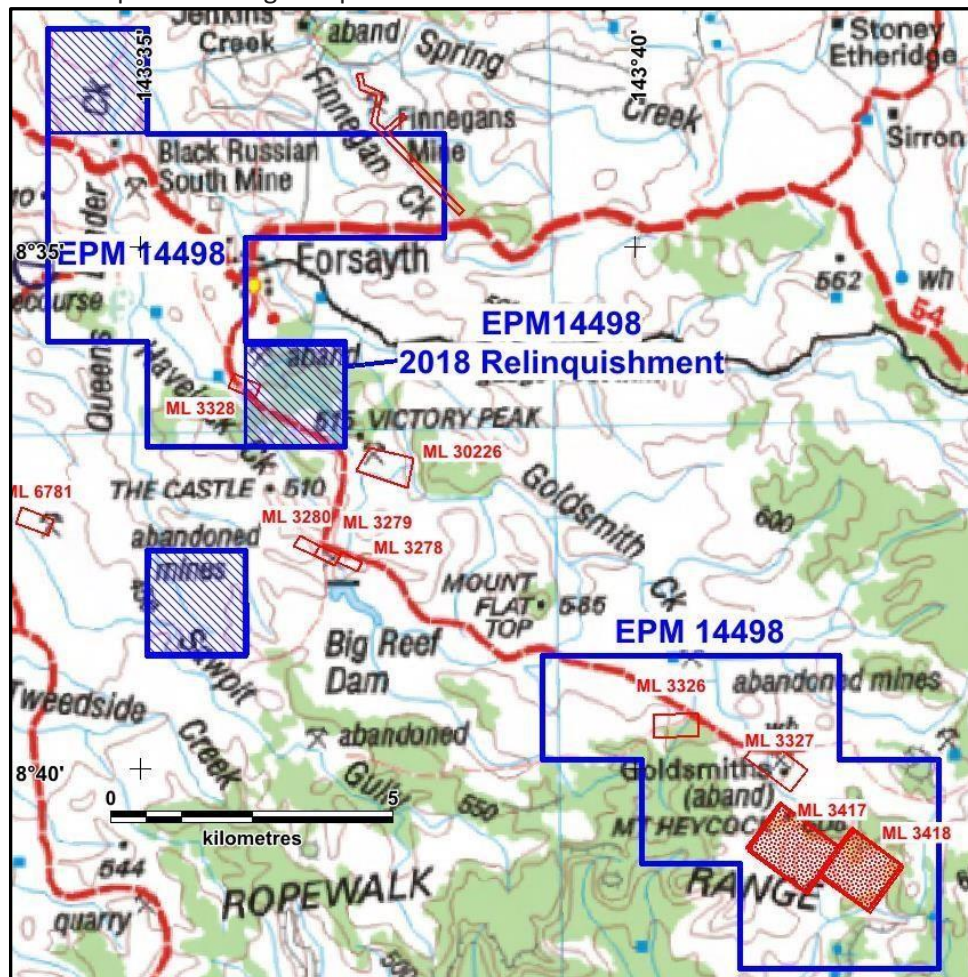


Figure 3: Location of Forsayth Project Tenements

4. TENEMENT HOLDINGS

Table 1 lists all tenements currently held by Australia United Mining Limited or its subsidiaries.



Table 1: AYM Tenement holdings

Licence No.	Licence Name	Location	Grant Date	Expiry Date	Area (km ²)	Status
EL 7041	Honeybugle	NSW	04/04/2018	24/01/2020	20	Granted
EL 7423	Sofala	NSW	30/11/2009	29/11/2019	36	Renewal application lodged
EL 8402	Karangi	NSW	29/10/2015	28/10/2021	169	Granted
ML 3417	Ropewalk 1	QLD	01/04/1987	31/03/2023	1.3	Granted
ML 3418	Ropewalk 2	QLD	01/04/1987	31/03/2023	1.1	Granted
EPM 14498	Forsayth	QLD	16/01/2006	15/01/2021	49	Granted