

AUSTRALIAN UNITED GOLD LTD

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The Manager - Companies
Australian Stock Exchange Limited
Exchange Centre
20 Bond Street
SYDNEY NSW 2000

Quarterly Report for the Period Ended 31 March 2005

EXPLORATION

Manindi Zinc Project, Murchison, WA. (M57/227,240, 533, P57/934-936, 938, 939, 942)

The Manindi Zinc Project is located in the East Murchison District of Western Australia, 20 kms south east of Youanmi. The project comprises a series of volcanogenic massive sulphide zinc deposits. The geological environment shows similarities to those of other base metal sulphide deposits in the Yilgarn Craton of Western Australia such as the Golden Grove deposits located to the southwest of Manindi, at Yalgoo, and the Teutonic Bore / Jaguar deposits in the Eastern Goldfields.

The project was previously known as Freddie Well and was initially discovered and explored by CRA Exploration Pty Ltd in the late 1970's and early 1980's.

As previously announced, the global resource based on drilling at the Kultarr (tested to 200 metres below surface), as well as the Kowari, Mulgara and Warabi prospects (all tested to only 100 metres below surface) was estimated at

1.05 Mt @ 7.64% Zn (At >1% Zn Cut-Off)

0.79 Mt @ 9.48% Zn (At >3% Zn Cut-Off)

In comparison to drilling at Golden Grove & Jaguar, the drill testing of the Manindi deposits are very shallow and at an early stage of resource definition.

A soil sampling programme at 100 x 25 metres spacing, with infill sampling at 50 x 25 metres spacing has extended the geochemical signatures of the Mulgara and Warabi resource areas, and defined new target areas to the south at Bandicoot and east at Quoll.

In September 2005 the Company commissioned BioHeap Limited to undertake work on the zinc ore to ascertain the viability of heap leaching the ore using bacterial technology. The test results were received during the current quarter and indicated that the test work has

been extremely effective in leaching zinc into solution.

The test work achieved excellent results with zinc recoveries of 97.1% being achieved in amenability tests. The detailed test results and the leach solutions were passed to Australian Metallurgical and Mineral Testing Consultants, ("AMMTEC"), who were commissioned to study downstream processing routes for the production of zinc metal.

Test work completed by AMMTEC has resulted in a conceptual flow sheet for the process beginning with heap leach of zinc ore through to the production of zinc metal. The process proceeds from heap leach through ion exchange to electrowinning.

The results of work carried out by AMMTEC, including ion exchange test work, on the bioheap 'zinc solutions' was sent to both Outokumpu and Ecotec in Canada in late March 2006 for conceptual design and Opex and Capex costs for ion exchange systems.

Data received from these companies is currently being evaluated by AMMTEC, who have also forwarded data to manufacturers of commercial electrowinning plants for conceptual design and Capex and Opex calculations for an on-site electrowinning plant.

The study by AMMTEC is ongoing with the intention of establishing a cost effective, on-site plant to produce zinc metal.

During the quarter, the Company commissioned Newexco Limited to compile and review all geological data relating to the Manindi project. The purpose was to identify exploration targets to drill to increase the zinc ore resource at Manindi.

The review identified further targets and recommended that a ground and downhole electromagnetic survey be carried out. The EM survey began during the March Quarter. All ground EM was completed, but downhole EM will be completed in conjunction with the upcoming drilling programme.

The Company is very excited by the progress of its Manindi project. The Company believes that its upcoming drilling programmes could substantially increase the tonnage of zinc ore, and with current zinc prices in excess of USD3200 per tonne, the Company is looking to fast track development of the project.

Namibian Uranium Prospect

In November 2005 the Company announced that it had entered into an agreement with a local Namibian title holder to acquire two Prospecting Licences in Namibia prospective for Uranium

To date, no on-ground work has been carried out on these tenements pending settlement of the acquisition. The Company has, however, carried out a comprehensive due diligence on the tenements to be acquired and their mineralisation. When all due diligence issues relating to the tenements have been satisfied and effective title is able to be obtained, the Company will settle the purchase and commence on-ground exploration.

Sherlock Bay Extended Nickel- Copper Project, Pilbara, WA

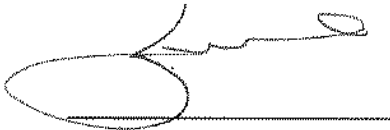
The Company may earn up to 70% of the Sherlock Bay Extended Project which is located in the Eastern Pilbara Region, 1250 km north of Perth, and 75 km to the east of Karratha. The project is composed of three exploration licences (ELA 47/ 1226, 1227 & 1251), which cover over 470 km² and is in close proximity to logistical infrastructure including sealed roads and

port facilities; the tenement areas surround Sherlock Bay Nickel's 'Sherlock Bay' resource area.

No work was carried out during the quarter.

Financial

From 7 February 2006 to the date of this report 66,811,453 30th June 2006 options have been exercised which raised \$1,336,229.

A handwritten signature in black ink, appearing to read 'D N ZUKERMAN', is written over a horizontal line.

D N ZUKERMAN
Director

Competent Person Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Malcolm Castle, who is a member of The Australasian Institute of Mining and Metallurgy. Malcolm Castle is not a full-time employee of the Company. He is employed by Agricola Consultants. Malcolm Castle has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Malcolm Castle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears".