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Australian Stock Exchange
Companies Announcement Office
20 Bond Street
SYDNEY NSW 2000

Dear Sirs,

MANINDI ZINC PROJECT UPDATE

Australian United Gold Ltd is pleased to announce the results of the recent 17 hole reverse circulation drilling program undertaken at its Manindi Zinc Project, in the Murchison Mineral Field of Western Australia.

Summary

The program was successful in fulfilling all its objectives. Results included:

1. Extending the known mineralisation at Warabi (Zone A) by at least a further twenty metres north of the current established resource, with results of 10m @ 6.85% Zn which contained a higher grade interval of 5m @ 11.8% Zn.
2. Drilling at Mulgara (Zone B) encountered further extensional high-grade zinc mineralisation with hole MNR0012 intersecting 16m @ 7.4% Zn (including 10m @ 10.2% Zn from 29m to 39m).

3. Twinning of historical drill holes at Warabi and Mulgara has confirmed known high-grade zones of zinc mineralisation, with results including 13m @ 19.94% Zn (Warabi) which included 4m @ 36.3% Zn.
4. Holes drilled at the Bandicoot, Quoll and Ningauai prospects encountered anomalous zinc mineralisation.

The details of the exploration program are listed below.

June RC Drilling Program At Manindi

In June 2006, Newexco Services Pty Ltd undertook a program of 17 RC drill holes on behalf of Australian United Gold, at the Manindi Zinc project in the Murchison Mineral Field of Western Australia.

These drill holes were designed to:

- Test the previously defined geochemical & geophysical anomalies at Warabi (Zone A), Mulgara (Zone B), Quoll, Bandicoot & Ningauai.
- Twin historical drill holes FWD 005 and FRC 033 at Warabi (Zone A) and Mulgara (Zone B), respectively, to validate and extend the known resources.
- Drill two pre-collars at Kultarr (Zone D North) to facilitate later diamond drilling and downhole EM.

The drilling was successful in all its objectives, delineating both massive sulphide mineralisation in a number of new prospect areas, as well as extending the known areas of economic mineralisation.

A. Warabi (Zone A)

This resource was drilled to test an EM anomaly and to validate previously delineated mineralisation. Three RC holes were drilled at Warabi.

Drill hole MNRC 008 was designed to test an undrilled EM anomaly and encountered massive sphalerite and pyrite sulphide mineralisation from 44 to 54 metres. This interval assayed at 6.85% Zn and 0.4% Cu, however, it has a higher grade 'core', with results as follows:

MNRC 008 664246E 6818038N 44 - 49 m 5m @ 11.8 % Zn/0.74% Cu

This drill hole extends the known mineralisation at Warabi by at least 20 metres to the north of the established resource. Extensional and infill drilling will be required to allow an upgraded resource to be calculated for Warabi.

Drill hole MNRC 014 was drilled to validate drill hole FWD 005, which was undertaken by previous operators. Disseminated to massive sulphides were encountered over an interval of 18 metres.

MNRC 014 664314E 6817997N 43-61 m 18m @ 14.96% Zn
 The intersection contains a high grade core of: 48-61 m 13m @ 19.94% Zn

Within this high grade zone one sample assayed 36.3% Zn from 48-51 metres.

From	To	Zn%	Cu%	Comments
43	46	3.31	0.055	Dolerite with pyrite veins and disseminated sulphides
46	48	0.09	0.007	Dolerite
48	51	36.3	0.06	Massive sphalerite and pyrite
51	54	23.5	0.51	Massive pyrite, sphalerite and chalcopyrite traces
54	57	14.15	1.34	Massive pyrite, sphalerite and chalcopyrite traces
57	58	5.98	0.50	Fine grained disseminated pyrite
58	59	0.22	0.02	Traces of pyrite
59	60	7.37	0.583	Veins and disseminations of pyrite
60	61	23.7	0.683	Massive fine grained pyrite

This drill hole confirms the tenor and width of the mineralisation at Warabi (Zone A).

B. Mulgara (Zone B)

This resource was drilled to test an EM anomaly and to validate previously delineated mineralisation. Five drill holes were undertaken in a number of locations throughout the Mulgara resource area. All of these drill holes encountered anomalous mineralisation, however of particular note was:

MNRC 012 664174E 6818174N 23-39 m 16m @ 7.4% Zn
 The intersection includes a high grade core of: 29-39 m 10m @ 10.2% Zn

Drill hole MNRC 013 was drilled to validate drill hole FRC 033, which was undertaken by previous operators. Anomalous zinc mineralisation was observed over an interval of approximately 70 metres. Better results included:

MNRC 013	664211E 6818144N	32-39 m	7m @ 5.10% Zn
		89-92 m	3m @ 16.9% Zn

The success of this drilling has extended the known extents of the Mulgara resource and highlights the requirement for both infill and extensional drilling to allow an upgraded resource to be calculated for Mulgara.

C. Bandicoot

This prospect is located approximately 250 metres to the south of Warabi (Zone A) and was defined through both surface geochemistry and surface EM. Three drill holes tested 200 metres strike of the anomaly and encountered massive sulphides in two of the three drill holes, the best result being:

MNRC 002	664298E 6817436N	82-86 m	4m @ 1.58% Zn
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D. Quoll

The Quoll prospect is located adjacent and to the east of Warabi (Zone A), and possibly represents the 'footwall lode' to this resource; this prospect was initially defined through both surface geochemistry and surface EM. Three drill holes tested 100 metres strike of this anomaly and encountered disseminated sulphides in all three of the drill holes, with the best result being:

MNRC 005	664398E 6817869N	15-18 m	3m @ 0.62% Zn
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E. Ningau

The Ningau prospect is located to the west of Mulgara (Zone B), and represents the southern strike extensions of the Kultarr & Kowari (Zone D) mineralisation; this prospect was defined through both surface geochemistry and surface EM. One drill hole tested this anomaly and encountered anomalous zinc results from 8 to 98 metres (a total of 90 metres), with the best result being:

MNRC 015	663746E 6818084N	71-74 m	3m @ 1.00% Zn
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The recent RC drilling at Manindi has been successful in testing the designed objectives of the exploration program, and is especially encouraging as it served to validate:

- The current 'first pass' exploration techniques being employed, including both surface geochemistry & surface EM.
- The presence of mineralisation at the recently defined prospect areas, which lie outside the known resource areas.
- The tenor and widths of the known resources and their mineralisation characteristics.

The next phase of exploration will be the deeper diamond drilling program to be undertaken at Kultarr (Zone D North), and the carrying out of down hole EM, which is scheduled for August 2006. Further extensional and RC drilling is planned for the existing reserve areas at Warabi and Mulgara.

Competent Person Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Timothy Putt of Exploration and Mining Information Systems. Timothy Putt 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". Timothy Putt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears".

Yours faithfully
Australian United Gold Limited


B McCullagh
Company Secretary