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The Manager - Companies

Australian Stock Exchange Limited

Exchange Centre

20 Bond Street

SYDNEY NSW 2000

Dear Sirs,

MANINDI DIAMOND DRILLING

Australian United Gold Ltd is pleased to announce that diamond drilling has commenced at its Manindi Zinc Project, in the Murchison Mineral Field of Western Australia.

Supervising Geologist, Tim Putt, said "This program will drive the future resource drilling at Manindi. We've undertaken a detailed review of the historical dataset and are greatly encouraged by the results of our recent exploration. The recent drilling has extended the known limits of the mineralisation at both Warabi and Mulgara (Zones A & B), and we're looking forward to seeing the infill drilling commence on these two resource areas".

"The current program of drilling and EM at Kultarr & Kowari (Zone D) will allow better definition of the shape and extents of these ore bodies in three dimensions, and therefore assist in better targeting of the ongoing drilling program"

The diamond drilling at Manindi will be a staged program over the coming weeks and include:

1. The extension of two reverse circulation (RC) drill holes at Kultarr (Zone D North), utilising diamond 'tails'.
2. The cleaning out of a number of historical drill holes along the known strike extents of the Kultarr & Kowari (Zone D) ore bodies, to facilitate downhole EM through the resource area.

3. Analysis of the EM, combined with recent technical analysis of the exploration data, will be used to target infill and extensional diamond drill holes at Kultarr & Kowari.
4. Infill and extensional diamond drilling at both Mulgara & Warabi, as drill rig availability allows.

Yours faithfully
Australian United Gold Limited

A handwritten signature in black ink, appearing to read 'D N Zukerman', with a large, stylized loop at the end.

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 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".