

Quarterly Activities Report

For the period ended 31 December 2021

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1. OVERVIEW

Australia United Mining Limited ("the Company" or "AYM") holds tenure over four projects in New South Wales and Queensland as illustrated in Figure *1*, all of which contain prospects with targets identified. Three of the projects show evidence of significant historical gold production.

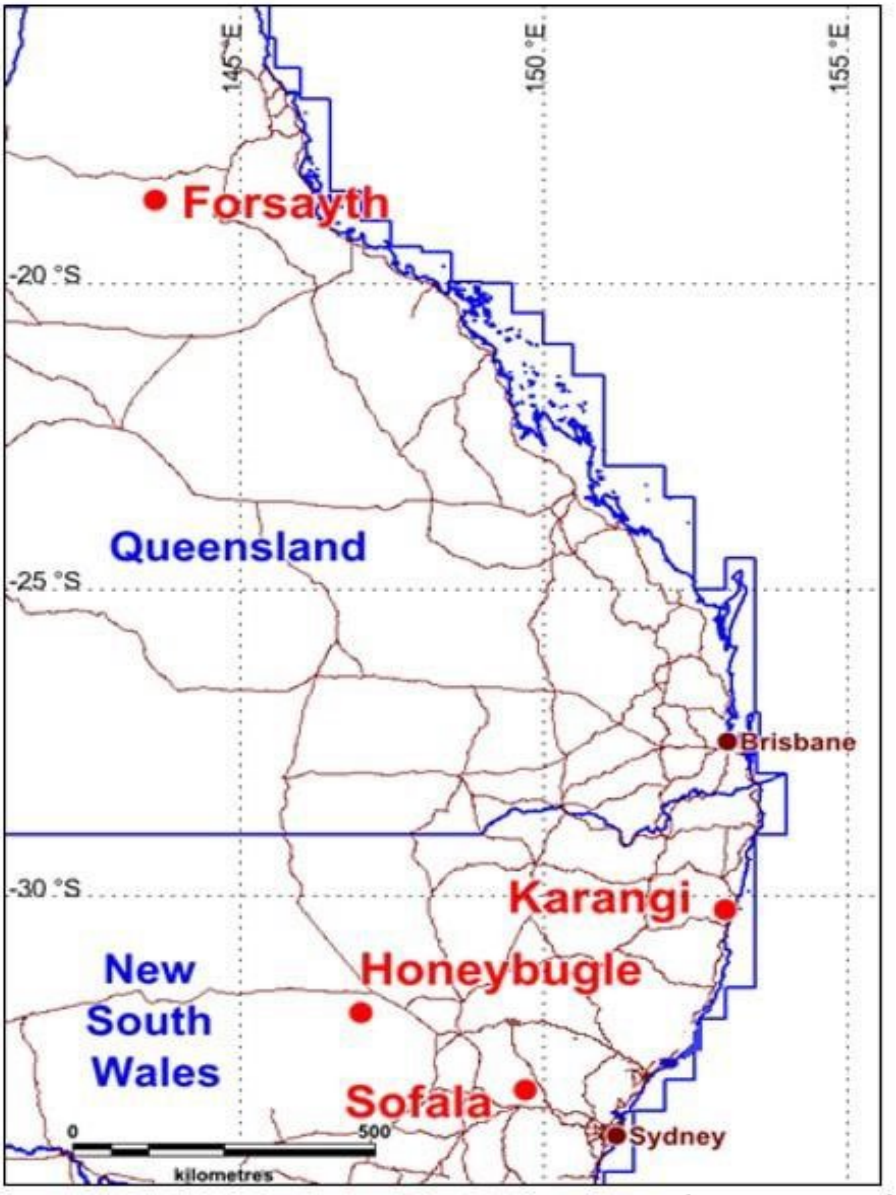


Figure 1: Location of AYM Projects

2. EXPLORATION ACTIVITIES IN NEW SOUTH WALES

2.1 SOFALA – EL 7423 (Joint Venture with MinRex Resources)

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.

AYM has executed a Joint Venture Agreement with MinRex Resources Limited (ASX: MRR) to develop EL7423, which is part of MRR's Sofala Gold Project in New South Wales. Under the Joint Venture Agreement, MRR is the Joint Venture Operator and has the right to acquire up to 80% interest in EL7423.

Since the establishment of the Joint Venture Agreement, MRR has performed various exploration work programs with promising results on its Sofala Gold Project. For the exploration activities during the quarter, refer to the section of New South Wales in MRR's ASX Announcement Quarterly Activities Report on 27 January 2022.

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 2). At the Mount Brown mine, copper is the predominant metal, while native mercury occurs at the Woolgoola prospect.

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.

During the quarter, the Company submitted its application for the renewal of the license and is awaiting the formal notice from the NSW Department.

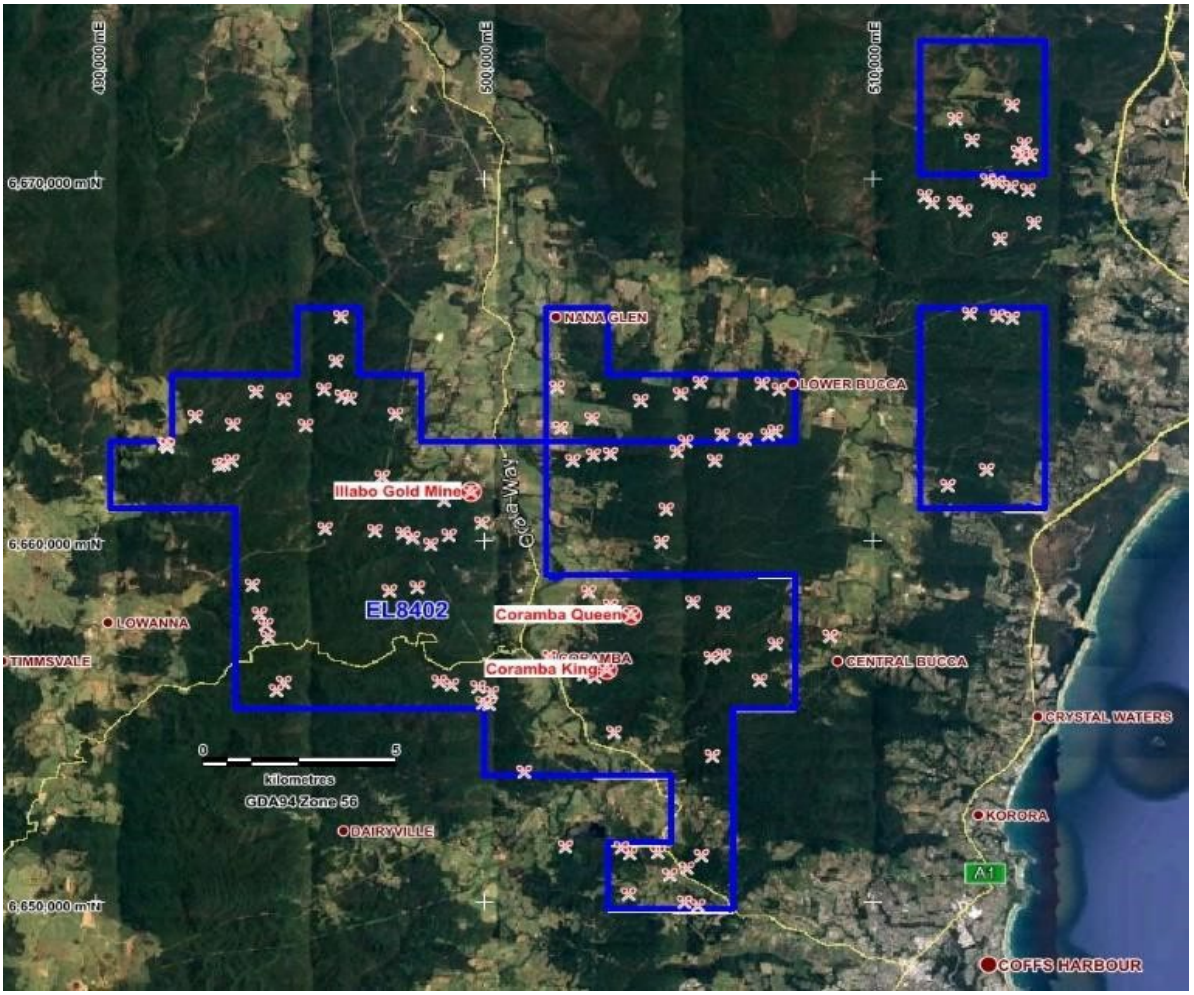


Figure 2: Historical Mines in Karangi EL8402

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.

During the quarter, Icarus Mines Pty Ltd, AYM's wholly-owned subsidiary, continued its negotiation with NSW Department regarding the renewal for Exploration License 7041. Icarus Mines Pty Ltd is working on an exploration plan and expects to submit it to the NSW Department in the March quarter of 2022.

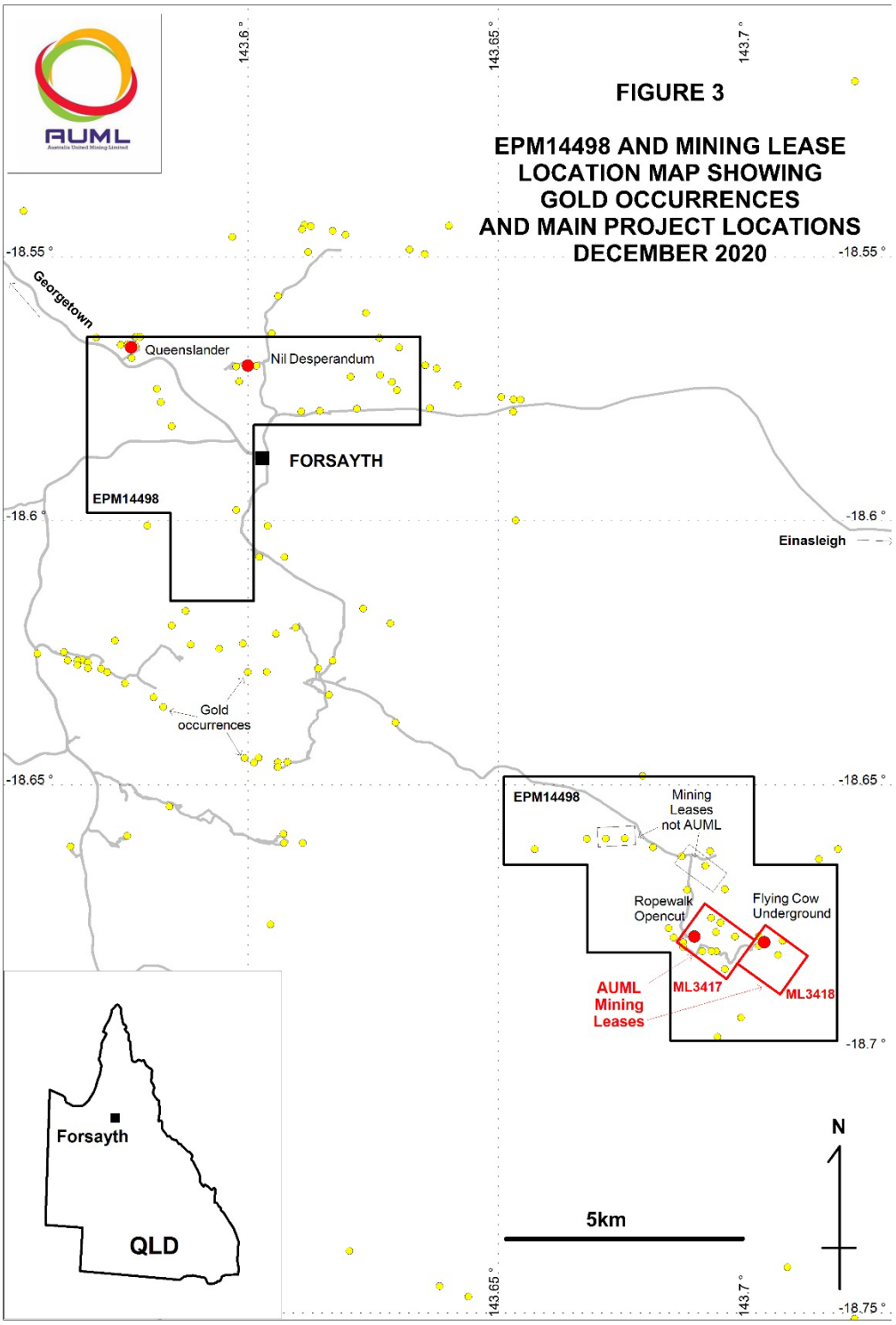
3. EXPLORATION ACTIVITIES IN QUEENSLAND

FORSAYTH – EPM 14498, ML3417 AND ML3418 (Joint Venture with Forsayth Resources)

The project is located around and to the south-east of the town of Forsayth in North Queensland (Figure *3*). The Etheridge goldfield historical production is approximately 600,000 ounces gold in total. The two largest producers around Forsayth, Queenslander (26,000 oz) and Nil Desperandum (14,000 oz) lie within EPM14498 and more than fifty other historical gold mines and prospects occur within the EPM area.

Since a Cooperation Agreement with Forsayth Resources Pty Ltd ("Forsayth Resources") was signed in October 2020, Forsayth Resources have been re-establishing the camp and facilities on the mining leases.

During the December quarter, mining commenced at the Ropewalk open cut. Cut-backs were made to the upper and lower benches of the open cut to enable deepening of the pit. Approximately 650 tonnes of ore were stockpiled, however, some delays were encountered during mining due to seasonal rains.


FIGURE 3
EPM14498 AND MINING LEASE LOCATION MAP SHOWING GOLD OCCURRENCES AND MAIN PROJECT LOCATIONS DECEMBER 2020
143.6 °
143.65 °
143.7 °
-18.55 °
-18.6 °
-18.65 °
-18.7 °
-18.75 °
Georgetown
Queenslander
Nil Desperandum
FORSAYTH
EPM14498
Einasleigh
Gold occurrences
EPM14498
Mining Leases not AUML
Ropewalk Opencut
Flying Cow Underground
AUML Mining Leases
ML3417
ML3418
Forsayth
QLD
5km
N

4. TENEMENT HOLDINGS

Table 1 lists all tenements currently held by Australia United Mining Limited or its subsidiaries as at the end of December 2021.

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	Under application for renewal
EL 7423	Sofala	NSW	30/11/2009	30/11/2021	36	Granted
EL 8402	Karangi	NSW	29/10/2015	29/10/2021	169	Under application for renewal
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	1.3	Granted
EPM 14498	Forsayth	QLD	16/01/2006	15/01/2026	49	Granted

5. CORPORATE

At the end of the quarter, the company had 1,842,577,485 ordinary fully paid shares on issue and approximately $438,000 in cash and bank deposits.

During the quarter, the company paid $31,000 to related parties and their associates. The payments represented amounts paid to the directors, including salaries, superannuation and directors' fee.

Authorised by the Board,



Xiaojing Wang, Managing Director
Date: 28 January 2022

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
Australia United Mining Limited	
ABN	**Quarter ended ("current quarter")**
35 126 540 547	31 December 2021

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(13)	(17)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(10)	(19)
	(e) administration and corporate costs	(60)	(157)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(83)**	**(193)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	442	442
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**442**	**442**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	60	60
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**60**	**60**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	19	129
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(83)	(193)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	442	442
4.4	Net cash from / (used in) financing activities (item 3.10 above)	60	60

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**438**	**438**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	19	129
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**19**	**129**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	31
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	400	349
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	400	349

7.5	**Unused financing facilities available at quarter end**	51

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

A loan agreement for $400,000 was signed on 23 September 2019 between the Company and W.Y. International (Australia) Pty Ltd, a related company controlled by two directors, Mr Xiaojing Wang and Ms Jia Yu, to meet the company's cashflow requirements until 30 June 2022. The loan is unsecured with an interest rate of 12% per annum.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(83)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(83)
8.4	Cash and cash equivalents at quarter end (item 4.6)	438
8.5	Unused finance facilities available at quarter end (item 7.5)	51
8.6	Total available funding (item 8.4 + item 8.5)	489
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	5.89

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
N/A	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: ...28 January 2022.....



Authorised by: .....
Xiaojing Wang, Managing Director

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.