



30 April 2021

## ACTIVITIES REPORT – MARCH 2021 QUARTER

### HIGHLIGHTS

#### EXPLORATION

##### **NSW: Broken Hill Cobalt and Base Metals Exploration Projects (100% Interest)**

###### ***EL 8745 Eaglehawk Prospect drilling***

Commenced drilling program of 4 RC/Diamond core holes for 1,200 m to test the chargeability targets identified from a Ground IP Survey completed in September 2020 at the Eaglehawk Prospect within EL 8745 Kanbarra. Drilling completed in April 2021 and results are awaited.

###### ***EL 8747 Porcupine prospect sampling***

Completed soils sampling program at the Porcupine Prospect in EL 8747 Stirling Vale. Results were announced on 29 April 2021.

###### ***ELA 6210 Enmore, ELA 6211 Eureka and ELA 6212 Mt Darling new applications***

3 new tenements applications lodged during the quarter and the Minister has determined for grant in April 2021.

##### **NSW: Tumut Cobalt and Base Metals Exploration Project (100% interest)**

###### ***EL 8954 Brungle Creek sampling***

A total of 35 pXRF readings were collected from historic mines and mineral occurrences within EL 8954 in addition to 4 rock samples collected for laboratory tests from the Honeysuckle Copper Prospect.

###### ***ELA 6242 McAlpine new application***

Application lodged for a new tenement adjacent to EL 8954 and grant is awaited.

**AUSMON RESOURCES LIMITED ABN 88 134 358 96**  
"World Tower" Suite 1312, 87-89 Liverpool Street, Sydney NSW 2000 Australia  
PO Box 20188 World Square, NSW 2002 Australia  
Tel: 61 2 9264 6988 Fax: 61 2 9283 7166 Email: [office@ausmonresources.com.au](mailto:office@ausmonresources.com.au)  
[www.ausmonresources.com.au](http://www.ausmonresources.com.au) ASX code: AOA



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Figure 1: Location of Licences and Licence Applications of the Group

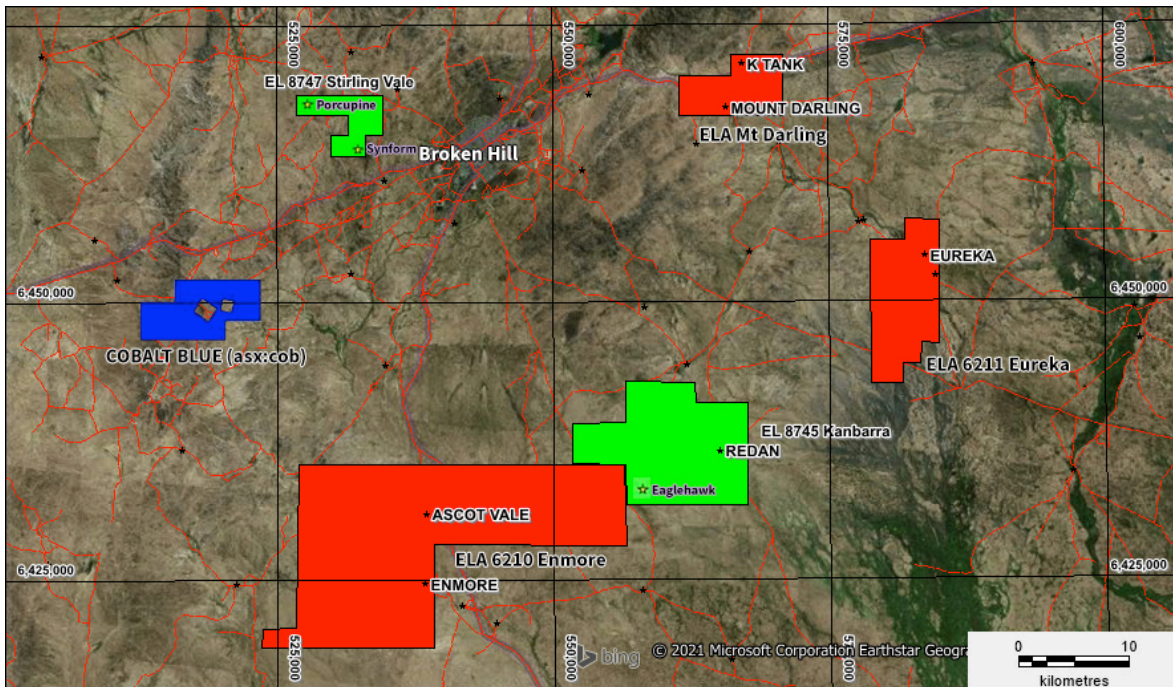


Figure 2: Location of ELs and ELAs near Broken Hill showing the key Prospects - Mt Darling is ELA 6212

## NSW: BROKEN HILL EXPLORATION LICENCES

### *ELs 8745 and 8747 and ELAs 6210, 6211 to 6212 Broken Hill NSW – 100% interest Cobalt and Base Metals Exploration*

The 2 ELs cover an area of approximately 612 km<sup>2</sup> near Broken Hill (**Figure 2**) and the cobalt development areas of Cobalt Blue (ASX:COB).

#### *EL 8745 – Eaglehawk Prospect*

In March 2021, a drilling program commenced for an initial 4 holes of RC drilling, EHRC001 to EHRC004, with a Diamond Core tail to EHRCD003 for a planned total of approximately 1,200 m. The holes were planned for approximately 250 m to 350 m deep to intersect the IP Chargeability target at -150 m and -250 m vertically below the surface.

The drilling was completed on 19 April 2021 for a total of 1,138 m of drilling - 890 m of RC and 248 m of core. The core hole EHRCD003 was extended by 20 m to a total depth of 371.4 m after some encouraging sightings deeper in the hole.

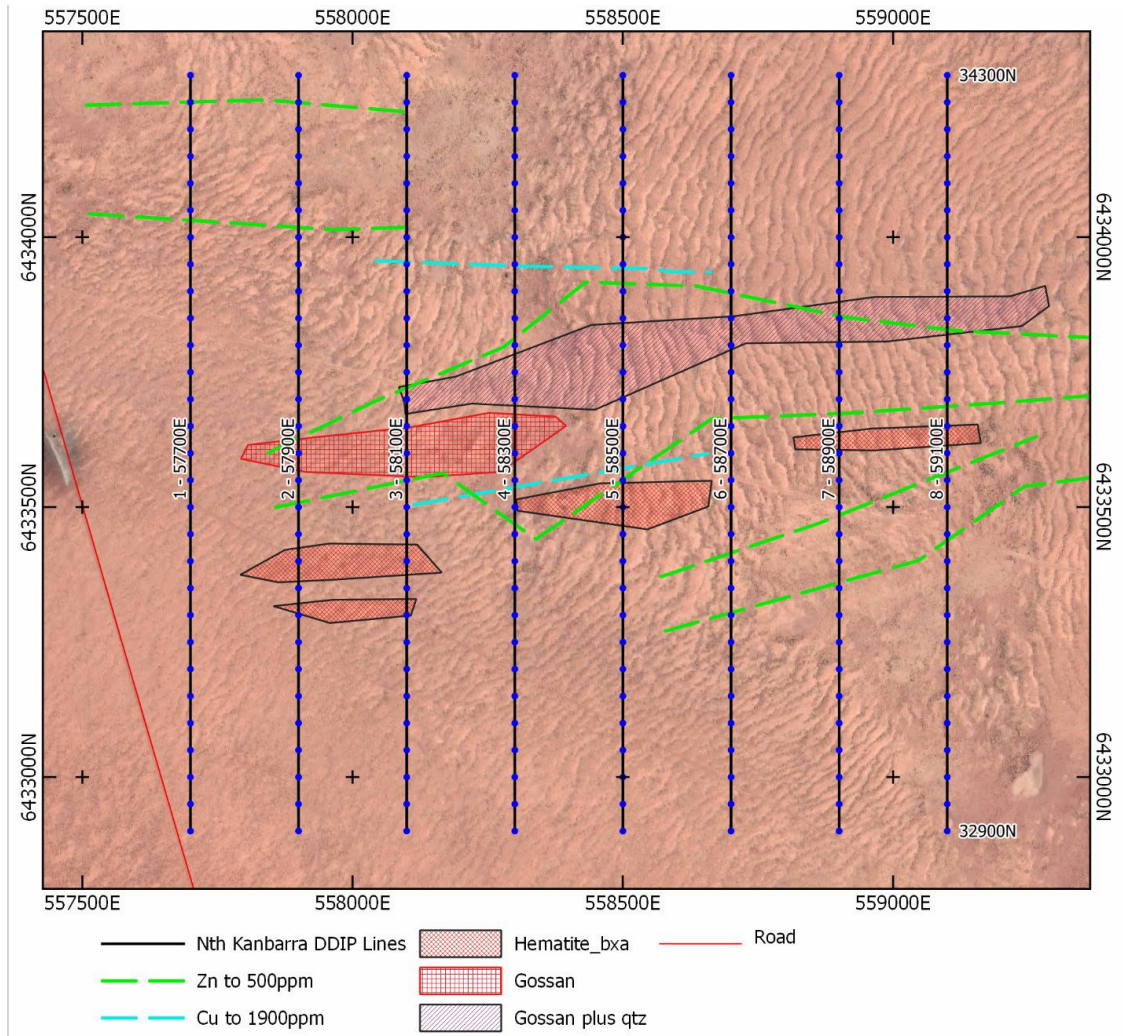
A batch of 193 samples from the RC drilling has been sent and received at the laboratory while the Diamond coring was in process. Most of the RC drilling samples results have been received from the laboratory and are being analysed and interpreted for an announcement soon. The core samples have now been received at the laboratory in Orange and the results can be expected in the next few weeks for an announcement.

The Eaglehawk Prospect is located in an area of very little outcrop and recent cover sediments of variable thickness. The Company's September 2020 Ground IP survey and the work of a previous operator indicated an exciting area to explore for base metals in a region where other mining companies have been successful.

In 2009, previous operator Eaglehawk Geological Consulting completed a 57 hole Rotary Airblast (RAB) drilling program for 1,696 m. Samples were collected at the bottom of each hole and some other mineralised altered intervals in the holes. **Figure 3** shows the key geological/geochemical results from the 2009 RAB drilling program in addition to the 8 lines of the September 2020 Ground IP survey in blue.

The central red hatched area comprises a "gossan zone" between IP lines 2 and 4 with a limited surface expression. To the south of the "gossan zone" as observed in the drill holes the metasediments with local hematite alteration and brecciation while to the north is a zone of metasediments with localised quartz and gossan between IP lines 3 and 8. Geochemical results from the drilling highlighted a zone of Zn (green) to 500 ppm and Cu (blue) to 1,900 ppm between IP lines 3 and 6 flanked by Zn to 500 ppm to the north and south.

The IP resistivity models suggest there is a conductive surface layer of up to 50 m thickness over most of the Eaglehawk area. Below this layer the basement is resistive.

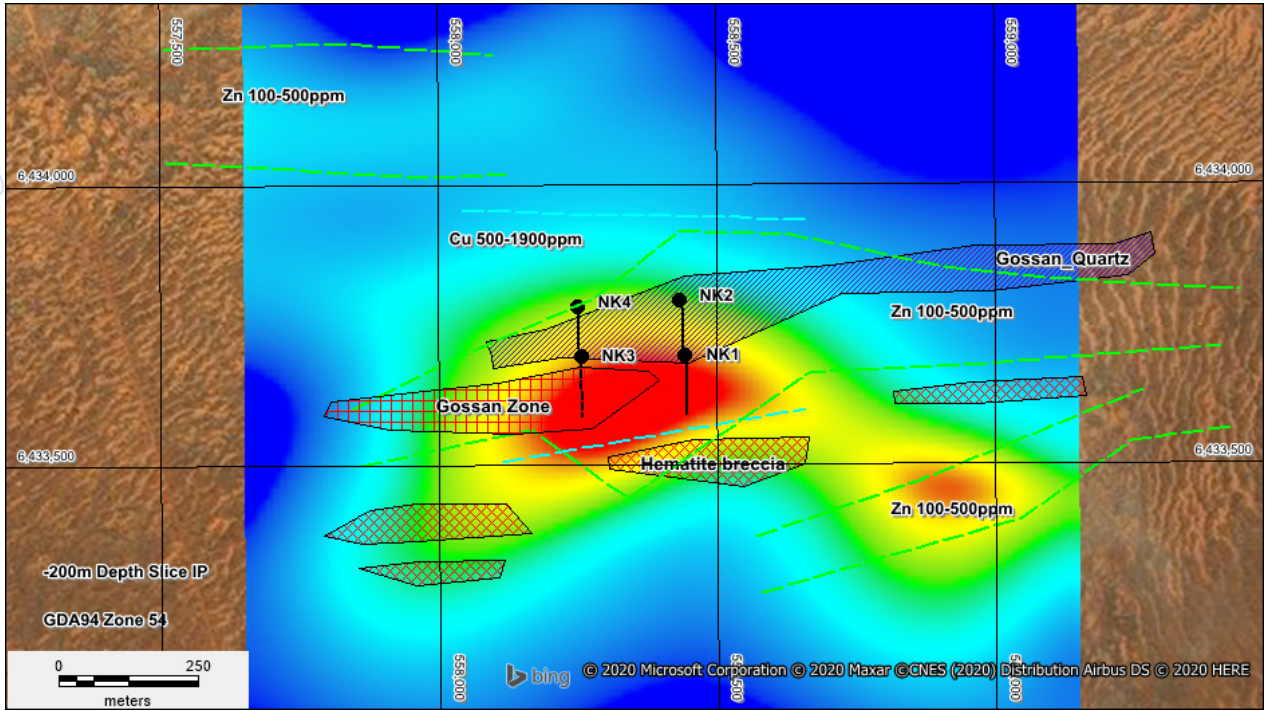


**Figure 3:** Nth Kanbarra geological/geochemical zone as defined by 2009 Eaglehawk drilling

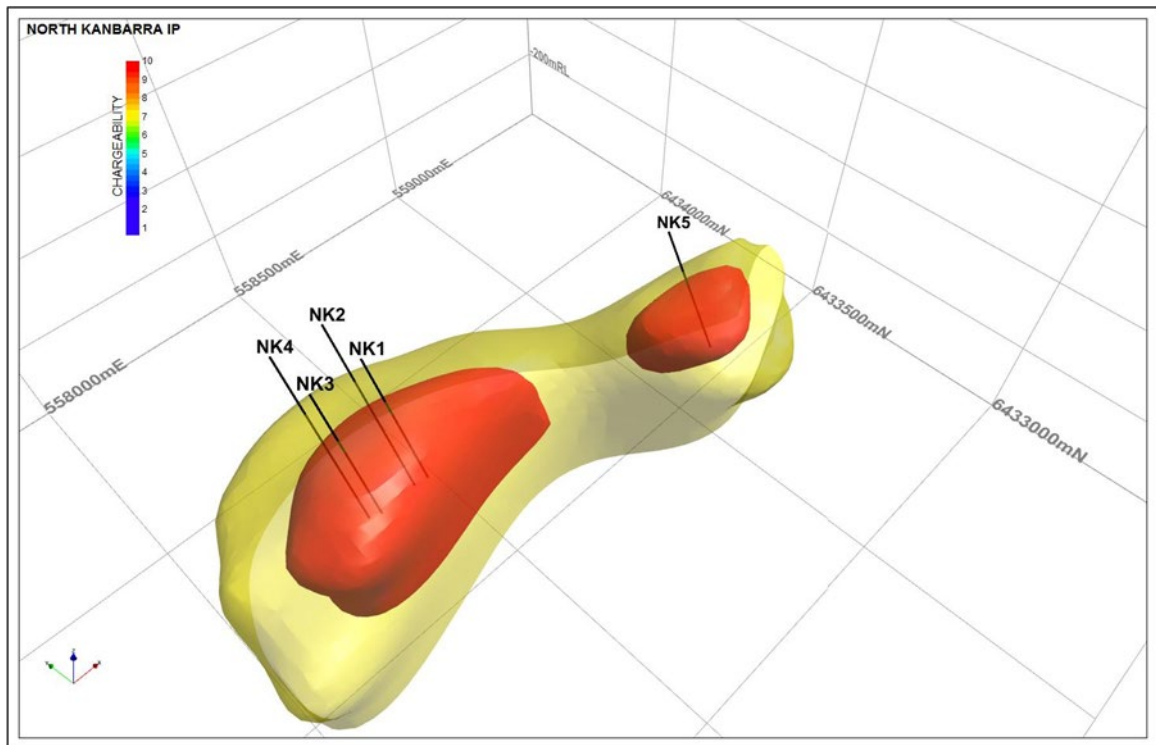
The IP chargeability model defines two chargeable sources (**Figure 3**). The strongest source is centred around 558325E 6433600N with its core at a depth of around 160 m. It is oriented roughly EW with a strike length of around 500 m, a width of around 100 m and the 3D inversion model indicates it has significant depth extent. The second source is to the east at 558940E 6433450N and shallower at 140 m depth. This source is around 150 m x 80 m in size, and with limited depth extent. Both sources appear to be located along an EW structure. The March 2021 drilling is testing the larger anomaly shown in red with testing of the lower tenor anomaly to the south east to be tested at a later date.

The IP survey at Eaglehawk has delineated two chargeability anomalies which have been resolved into well-defined chargeable zones by inversion modelling. **Figure 4** illustrates the proposed initial drill holes NK1 and NK4 and how it will test the high chargeability zone. Proposed drill holes NK2 and 4 are designed to test the target at -250 m below the surface. The IP anomaly was modelled in 3D (**Figure 5**) to refine drill holes EHRC001 to EHRC004 (**Table 2**). Follow up drilling will aim to evaluate the full 1.5 km boomerang shaped anomaly (yellow to red colours).

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*Figure 4: Eaglehawk IP depth slice at -200 m overlain with the geology/geochemistry from the shallow 2009 drilling and the March 2021 drill testing*



*Figure 5 Three dimensional Eaglehawk IP chargeability anomaly with planned drill holes NK1 to NK4*

Hole #	Planning Hole #	East (MGA54)	North (MGA54)	Elevation	Dip	Azimuth (MGA54)	Planned Depth(m)
EHRC001	NK1	558375	6433690	163	-60	180	250
EHRC003	NK2	558375	6433794	163	-60	180	350
EHRC002	NK3	558275	6433690	163	-60	180	250
EHRC004	NK4	558275	6433794	163	-60	180	350

**Table 1: Eaglehawk Planned Drill Collars**

\* Information on the IP Survey and its results were reported in the ASX Announcement of 22 September 2020. The Company is not aware of any new information or data that materially affects the information included in that announcement

**EL 8747 – Porcupine Prospect**

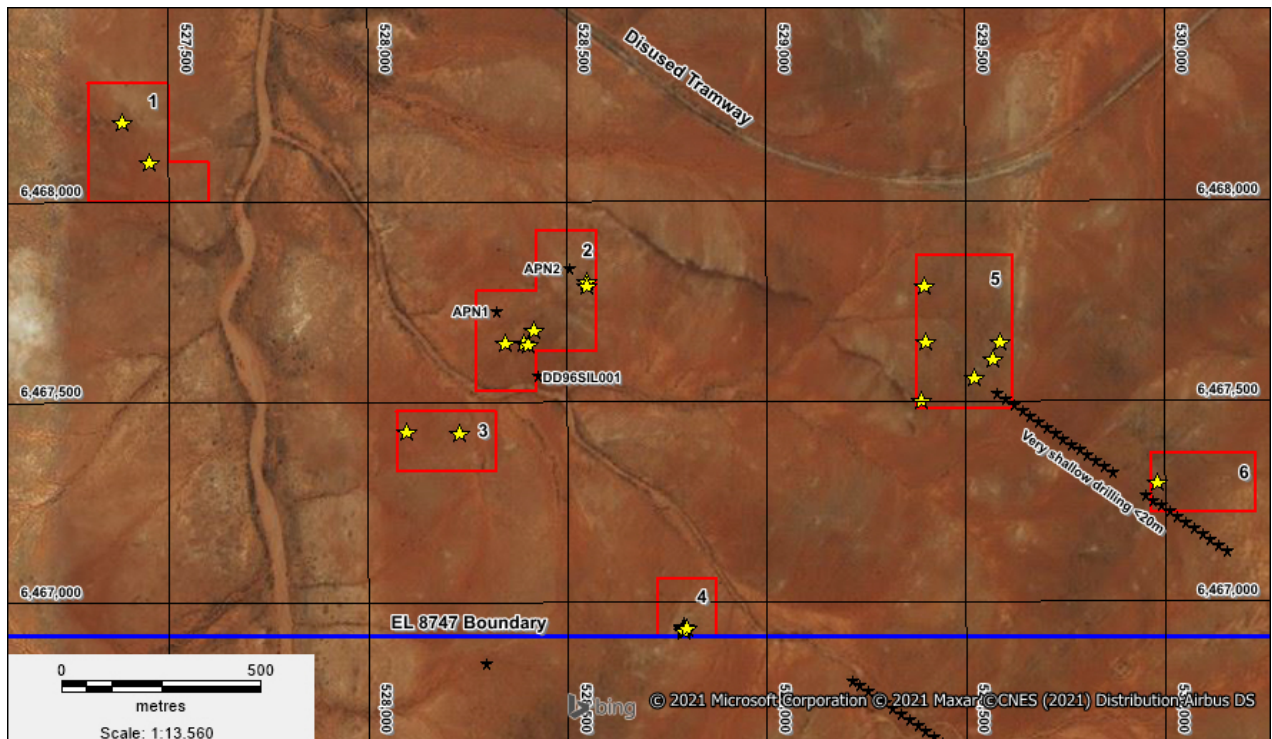
A grid based geochemical sampling program was completed in March 2021 within the Porcupine Prospect located in the far NW section of EL 8747 Stirling Vale (**Figure 2**) in Areas 1 to 6 within the red boundary lines as shown **Figure 6**. The results of the program were released in ASX Announcement of 29 April 2021. The Company is not aware of any new information or data that materially affects the information included in that announcement.

Significant rock sample results from Areas 2 and 3 (**Figure 6**) are as follows:

**Copper – 10 samples > 200 ppm to 1.34%**

**Zinc – 13 samples > 200 ppm to 1.495%**

**Lead – 8 samples > 200 ppm to 0.60%**



**Figure 6: Porcupine Prospect soil sampling areas in red with rock samples as yellow stars**

Samples collected were as follows:

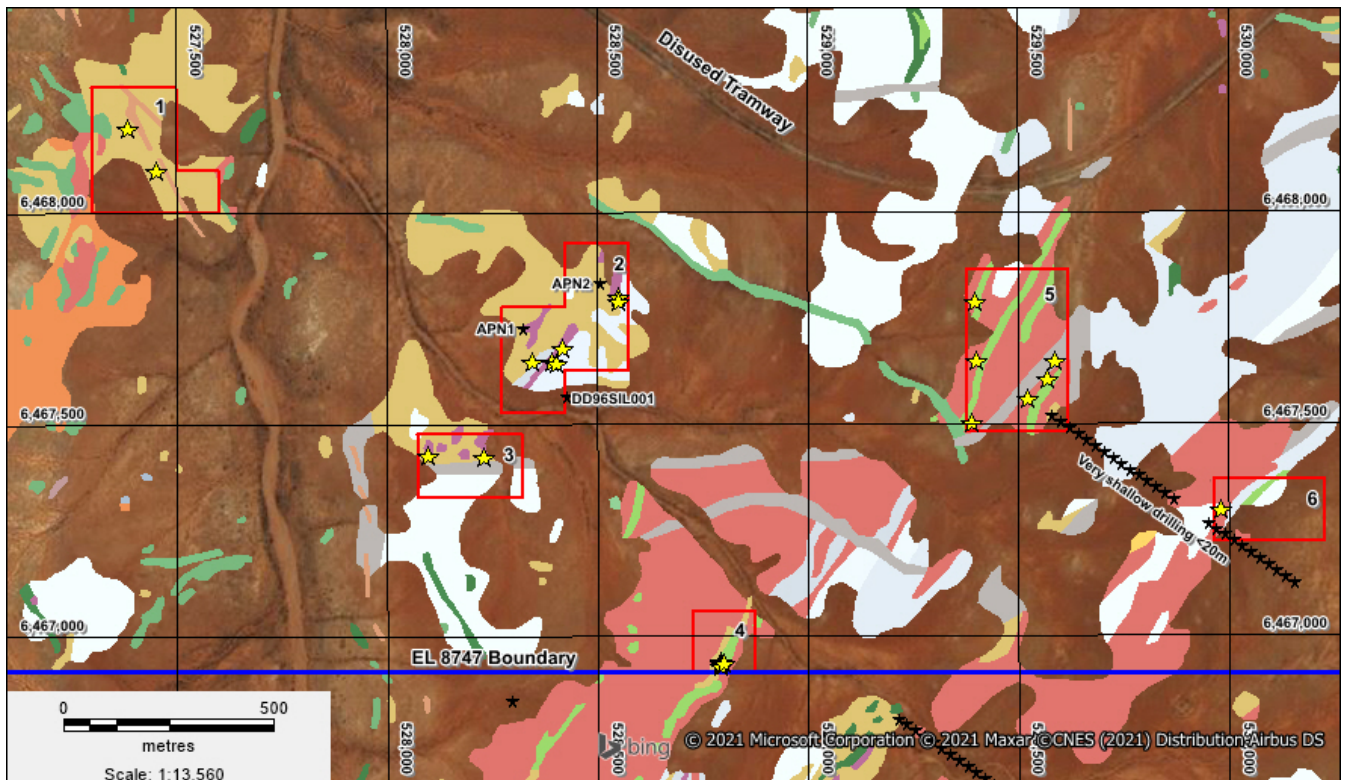
**Soils** – 222 soil samples at 50 m intervals along E-W 100 m spaced lines collecting the -1 mm soil fraction (grids in **Figure 3**); and

**Rocks** – 23 rock samples (yellow stars in **Figures 2**) which were sent to the ALS laboratory in Orange for gold and multi elements analysis.

The soil sampling was carried out in areas of good outcrop and sub crop as shown by the coloured polygons in **Figure 7**. Prior to commencing the soil sampling, historical holes APN 1 and DD96SIL001 in Area 2 were reviewed at the NSW DPI Broken Hill Core Facility. The Company's Olympus Vanta pXRF was used to collect spot readings at points of significance in both core holes to assist in understanding the local geology and any significant veining and mineralisation intersected during the historic drilling.

The geologist has used the Company's Olympus Vanta pXRF instrument to collect multi-element geochemical readings from each soil sample collected.

The anomalous rock (**Figure 8**) and soil (**Figure 9**) samples are located in Areas 2 and 3 that comprise garnet biotite gneiss and amphibolite (blue/grey) which has been intruded with a series of thick pegmatite dykes (yellow) as shown in **Figure 10**. Some small prospecting pits are located with Areas 2 and 3 with malachite noted in some of the limited dump material adjacent to the prospecting pits.



**Figure 7:** Porcupine Prospect soil sampling areas within red boundary with outcrop geology as coloured

See ASX Announcement of 16 March 2021 for more information on geology and historic data of the Porcupine Prospect.

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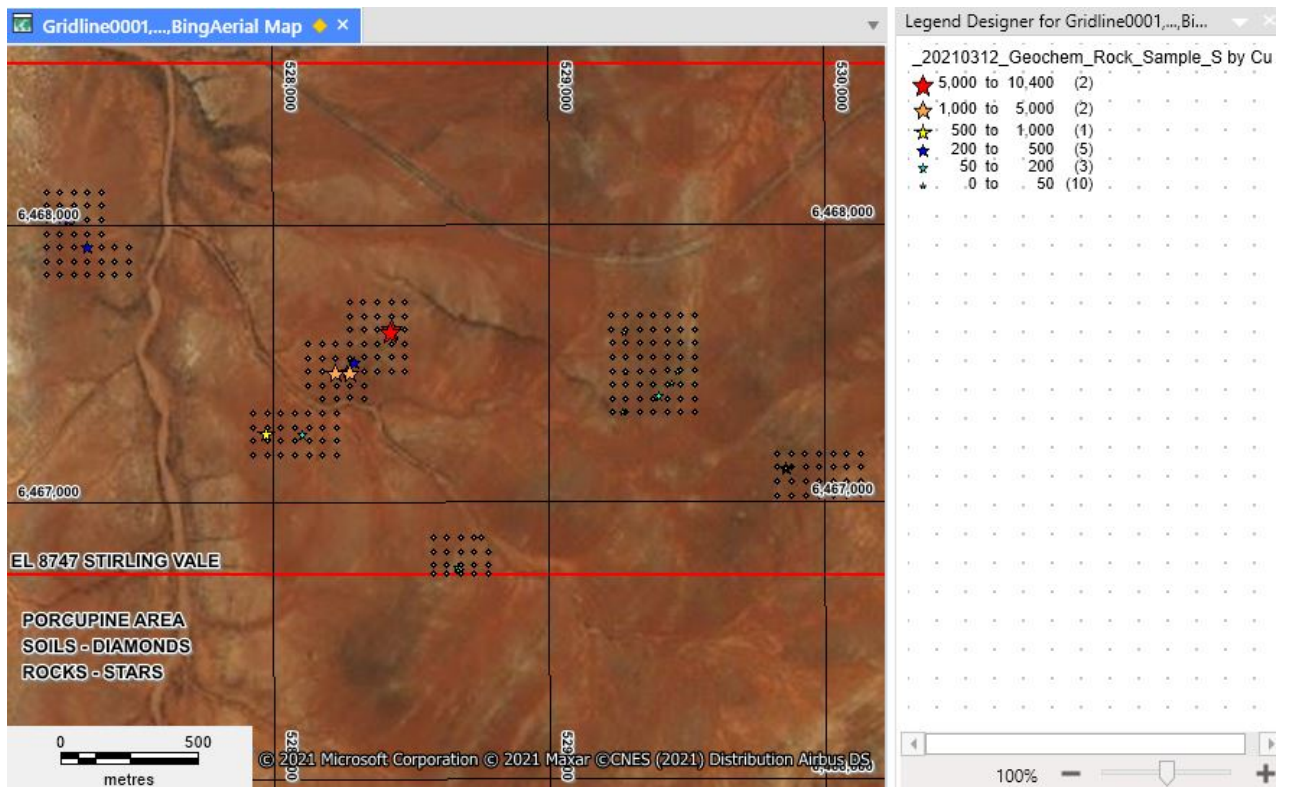


Figure 8: Porcupine Prospect Copper rock sampling results and soil grids

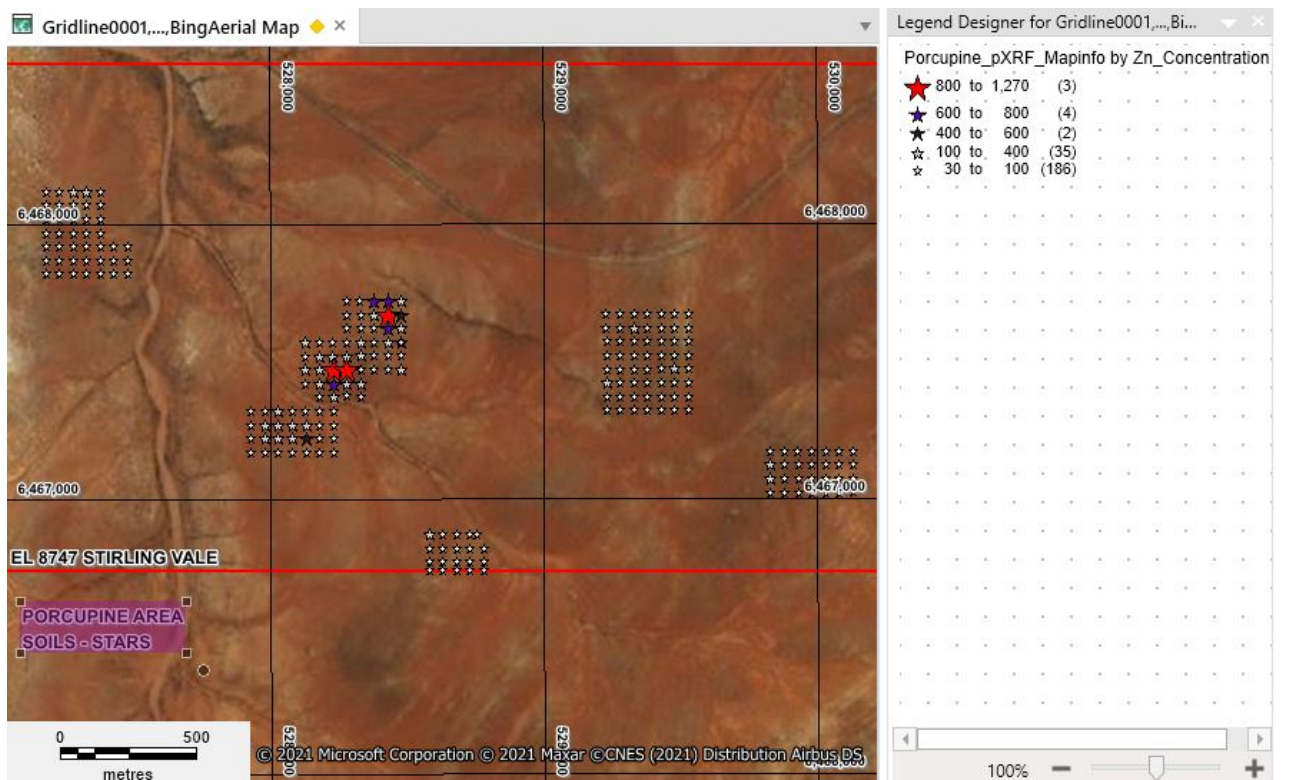
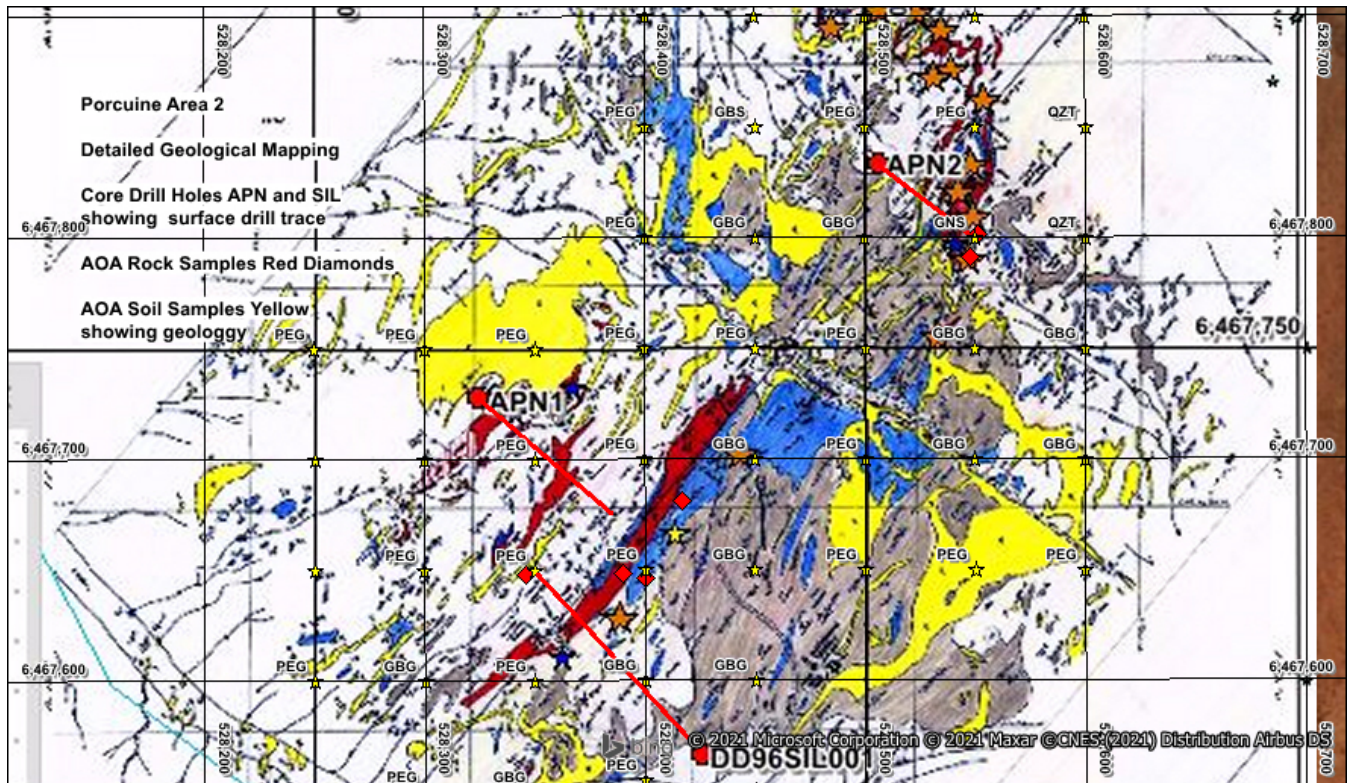


Figure 9: EL 8747 Stirling Vale - Porcupine Prospect zinc pXRF soil sampling results



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*Figure 10: Porcuine Prospect Area 2 showing the historical drill holes and drill hole traces in red*

The linear brown unit in **Figure 10** has been the focus of detailed mapping and the historical drilling of 3 drill holes APN1,2 and DD96SIL001. The targeted horizon is a siliceous unit up to 2 m wide with local areas of gossan that have been the focus of the limited prospecting pits and associated mullock dumps.



*Small prospecting pit dug on the linear siliceous zone*



*Sample SVR 025 – 1.495% Zn*



*Sample SVR 016 – 1.34% Cu, 0.185% Pb and 0.35% Zn*

### **Next Phase of Exploration**

Review of sampling results at the Porcupine Prospect in the context of the broader EL 8747 Stirling Vale with a view to delineating further targets going forward and the best exploration strategy to apply.

### ***ELA 6210 Enmore, ELA 6211 Eureka and ELA 6212 Mt Darling***

In February 2021, the Group applied for 3 new tenements that were available in the vicinity of its existing tenements (**Figure 2**) to expand its exploration areas and in April 2021 the Minister has determined to grant the tenements on payment of relevant annual rental and security deposits. Grant of those tenements is expected soon.

### **NSW: TUMUT COBALT AND BASE METALS EXPLORATION AREA**

#### ***EL 8954 Brungle Creek near Tumut in NSW – 100% interest***

#### ***Chromite Copper Nickel Cobalt and Gold Exploration***

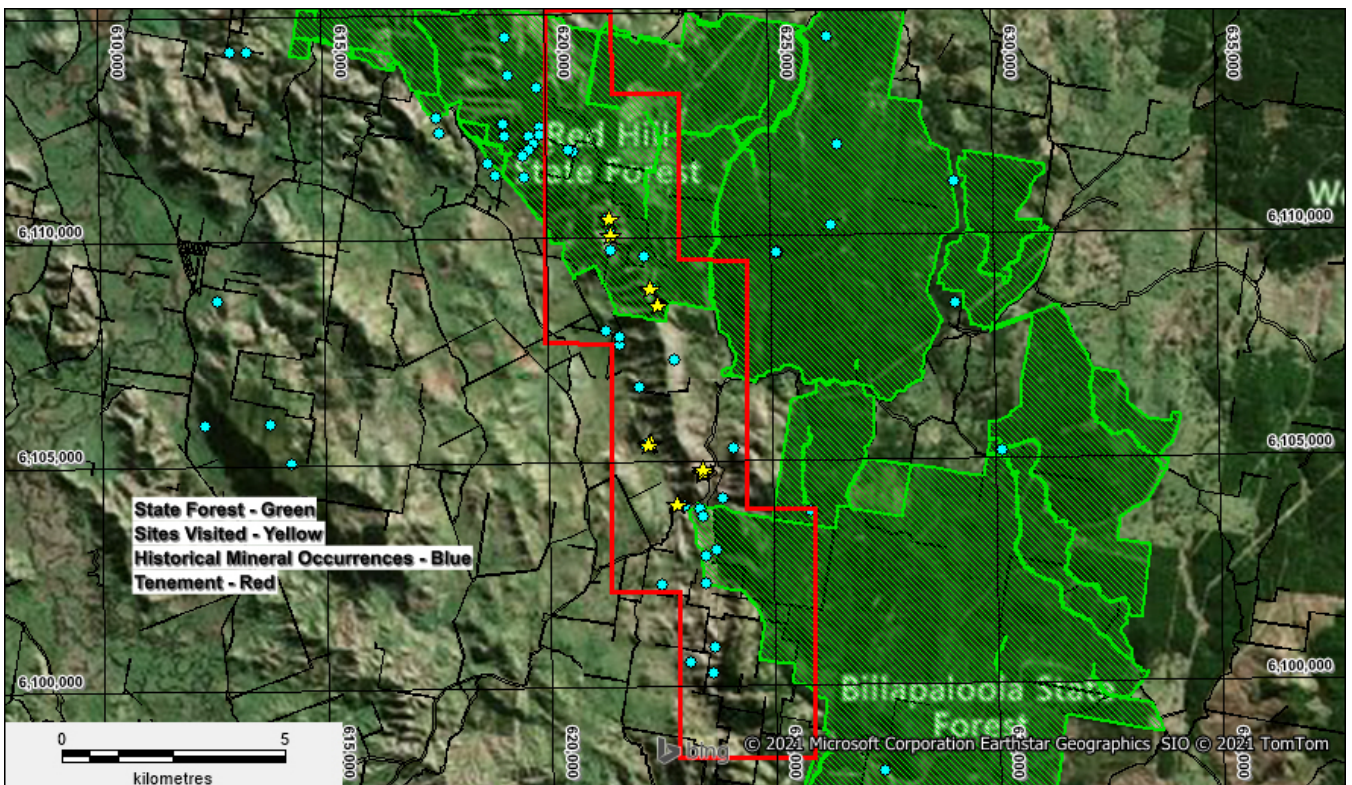
The tenement is located 15 km north east of Tumut in the south and 15 km east of Gundagai in the north with the tenement following the serpentine ridge of the Honeysuckle Range, as shown in **Figure 11**.

In March 2021, a Phase 1 field work was completed comprising sampling of traverses across historic mineral occurrences for geochemical analysis using the Company's Olympus Vanta pXRF instrument to collect multi-element geochemical readings at several sites. The results will assist to determine the nature and extent of a Phase 2 program that is planned for later in 2021.

The primary aim of the Phase 1 field trip was to visit as many of the historical mineral occurrences as possible, carry out pXRF sampling and a geological evaluation of each site. Not all landholders were able to be contacted prior to the field visit so the historical mineral occurrences located in the southern half of the tenement will be inspected during the Phase 2 exploration program. All landowners contacted in the field are supportive of the Company's exploration program and assisted the field crew with their knowledge of local access to the

exploration sites.

A total of 35 pXRF readings were collected from the sites shown as yellow stars and 4 rock samples (BRC001 to BRC004) were collected from the Honeysuckle Copper Prospect and sent for gold and multi-element analyses to the ALS Lab in Orange, NSW. The pXRF instrument is unable to accurately detect precious metal mineralisation; and cobalt readings are unreliable with the instrument when there is elevated nickel and/or iron as is the case with the ultramafics of the Coolac Serpentinite Belt. As nickel can be reliably read and is a common associated mineral with cobalt in ultramafic rocks the nickel results will be used as a proxy for cobalt when using the pXRF. The results of the field work were released in ASX Announcement of 25 March 2021. The Company is not aware of any new information or data that materially affects the information included in that announcement.



**Figure 11:** Brungle Creek historical mineral occurrences and sites visited in yellow stars

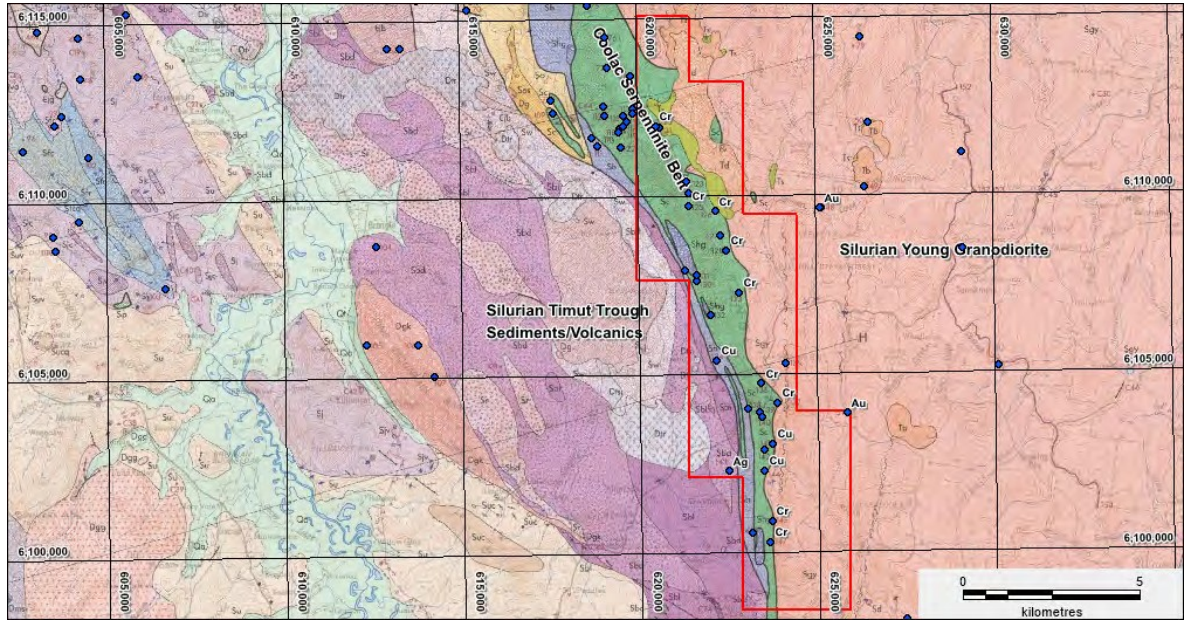
**Figure 11** shows the distribution of historical sites in blue dots and the sites visited marked with a yellow star in relation to the tenement boundary in red and the State Forest in green. A few sites were not located during this field visit and further inspections will be carried out in Phase 2.

Regionally the tenement lies along the boundary of the Forbes Anticlinorial zone in the east and the Bogan Gate Synclinorial zone to the west. The Mooney Mooney thrust system separates the two tectonic provinces. The Cambrian to Ordovician Jindalee Beds occur in two north-south trending belts near the eastern margin of the Bogan Gate Synclinorial Zone. These beds comprise sediments and volcanics formed at the converging plate margin of a continental slope and ocean basin and merged in a trench to form a flysch wedge.

The Silurian-Devonian Blowering beds are separated by a ridge of basement Jindalee beds and consist mainly of acid volcanic rocks. Within these units the main serpentinite and talc-carbonate intrusive bodies occur in two trend lines striking roughly north-south along or parallel to the Mooney Mooney Thrust System. These intrusives

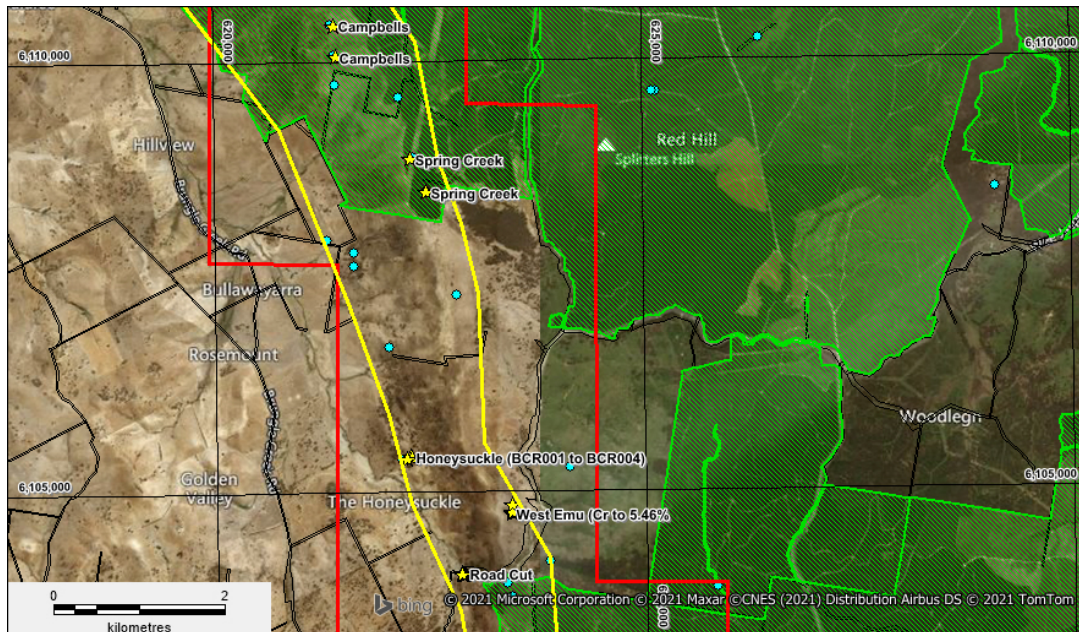
are part of an ophiolite sequence formed in an orogenic belt.

Within the tenement outcropping units of the Coolac Serpentinite are bounded against the Young Granodiorite rock of the Forbes Anticlinorial Zone to the east. Wehrlite, dunite, clinopyroxene and hornblende bearing gabbros of the North Mooney Complex lie to the west emplaced within largely acid volcanic rocks of the Silurian-Devonian Blowering Beds (**Figure 12**).



**Figure 12:** Brungle Creek geology map (1:250K series) showing the extent of the Coolac Serpentinite Belt

The Coolac Serpentinite Belt within EL 8954 has had minor systematic modern exploration and no drill testing. The area is known for small scale copper and chromite mining. All prospects visited were associated with serpentinised ultramafic apart from the Honeysuckle Prospect that is further described below.



**Figure 13:** Brungle Creek historical mineral occurrences and sites visited including the Honeysuckle Prospect

### Campbells Prospect

The Campbells Prospect comprises two locations (a third location is yet to be located) within the centre of the serpentinite belt. The workings are relatively shallow (1 m – 4 m) and there is extensive dump material at both locations showing disseminated chromite mineralisation within a serpentinised ultramafic as shown below.

Selective sampling of the Campbells Prospect returned nickel to 0.5% and chromium to 0.4%.



The above photos show the Campbells Prospect samples from workings and mullock dump of the chromite mineralised serpentinised ultramafic.

### Spring Creek Road Prospect

The Spring Creek Road Prospect is located near the eastern margin of the serpentinite belt and comprises a series of shallow prospecting pits up to 2 m deep and of limited extent.

Selective sampling of the Spring Creek Road Prospect returned nickel to 0.6 % and chromium to 0.14%.

The photo on the right shows one of the Spring Creek Road samples of chromite mineralised serpentinised ultramafic.



## Honeysuckle Copper Prospect

The Honeysuckle Copper Prospect is located near the western margin of the Coolac Serpentine Belt and comprises a single shallow prospecting pit at the base of a moderately steep hill. The rocks in the area comprise felsic intrusives, serpentinite ultramafics and pelitic metasediments. The shallow pit itself comprises sericite altered and quartz veined felsic intrusive rocks with 1% disseminated pyrite. Four (4) rock samples (BCR001 to BCR004) were collected in and around the prospecting pit and sent to ALS in Orange for gold and multi-element geochemical analyses. The element of significance is copper which assayed to 717 ppm.



*Outcropping altered and veined felsic intrusive rock*

## West Emu Prospect

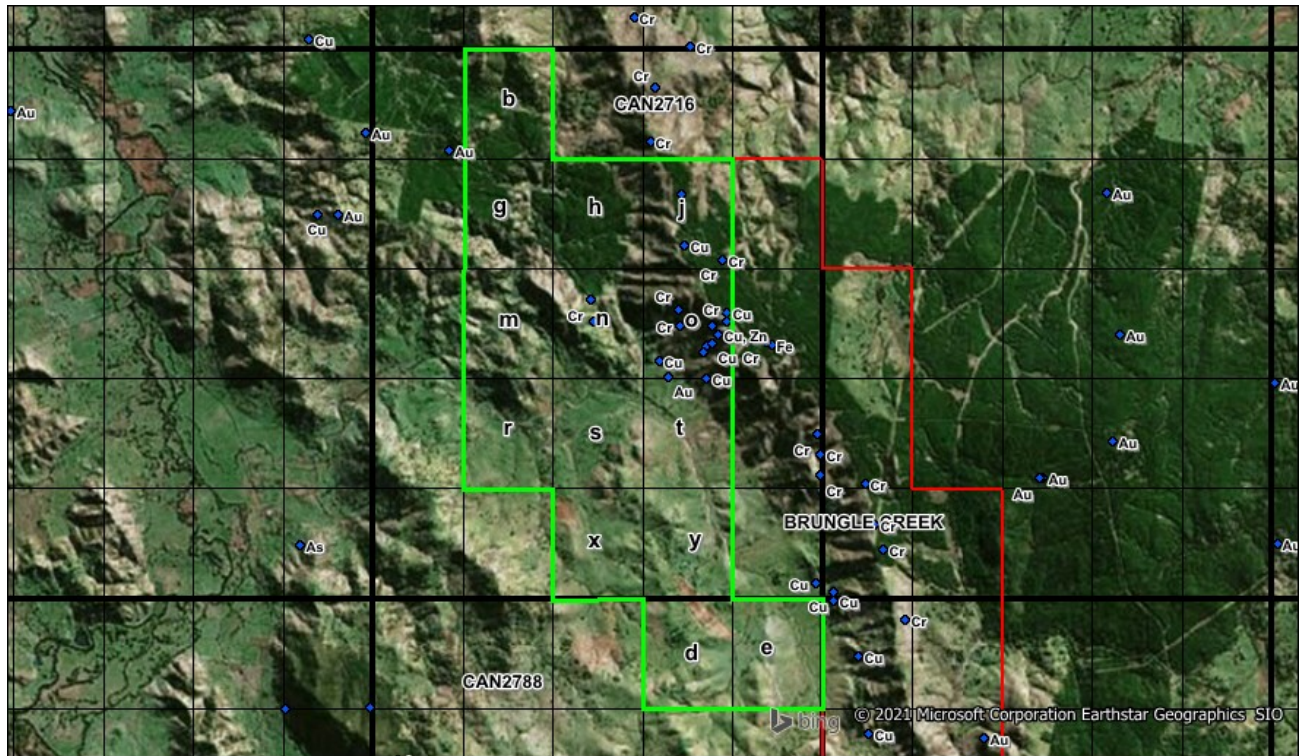
The West Emu Prospect is located on a steep slope above the Wee Jasper Road at the western margin of the Coolac Serpentine Belt. The historical prospect at this location was not found however, sampling of the various geological units returned the highest chromite result of 5.46% and nickel to 0.6%. The elevated chromite is associated with a black and white speckled serpentinised ultramafic that likely has small disseminated chromite through the rock. In addition, the area comprised white felsic intrusive rock that appears to have intruded into the ultramafic.



*pXRF sampling at West Emu and the speckled ultramafic beside the white felsic intrusive rock*

**ELA 6242 McAlpine near Tumut in NSW – 100% interest  
Chromite Copper Nickel Cobalt and Gold Exploration**

After the field-based exploration at EL 8954 Brungle Creek, the Group lodged an application for a new tenement of 14 blocks adjacent to EL 8954 which covers the McAlpine Copper and Chromite workings. Decision of the Minister to grant the tenement is awaited.



*Figure 14: ELA 6242 McAlpine in green and Brungle Creek EL 8954 in red boundary lines*

**NSW: KOONENBERRY COPPER EXPLORATION AREA**

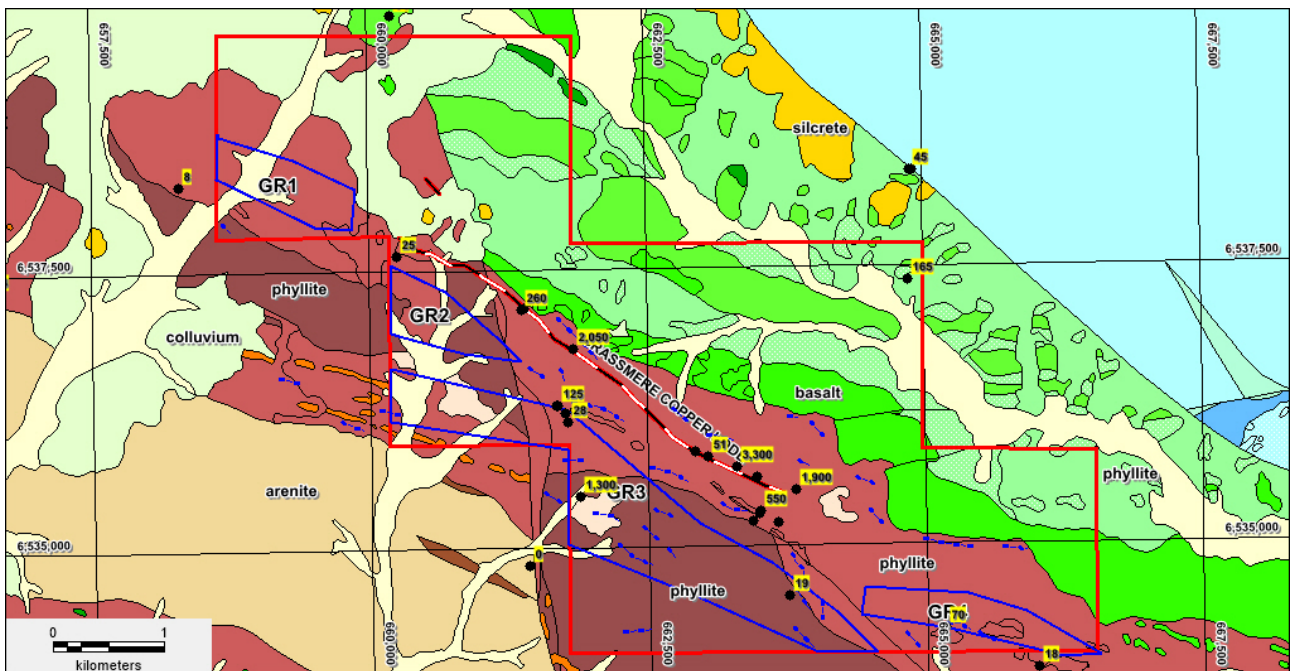
**EL 6400 NSW – 100% interest  
Copper - Zinc - (Silver) Exploration**

This EL covers the Grasmere-Peveril Cu-Zn-(Ag) deposits( **Figure 12**), which contain an indicated and inferred JORC Code 2004 compliant resource of 5.75mt @ 1.03% Cu, 0.35% Zn, 2.3g/t Ag and 0.05g/t Au (Inferred: 2.73 mt grading 0.9% Cu, 0.4% Zn, .04 g/t Au and 2.05 g/t Ag. Indicated: 3.02 mt grading 1.15% copper, 0.3% Zn, 0.06 g/t Au and 2.53 g/t Ag). Information relating to this mineral resource was prepared and first reported in accordance with the JORC Code 2004 in 2006 by the previous owner (see ASX Release on 18 December 2009). It has not been updated since, to comply with the JORC Code 2012, on the basis that the information has not materially changed since it was reported in 2006. Exploration to date has not achieved an increase in that resource.

The Company has considered the option of carrying out field-based exploration for slate belt orogenic style gold mineralisation. The next phase of exploration could comprise stream sediment sampling and geological mapping of all drainage basins with a view to defining areas for soil sampling follow up. No field activities have been carried out during the quarter while the Company is assessing the risks and potential return and seeking partners to participate in funding the next phase of exploration.

Application has been lodged in March 2021 for renewal of EL 6400 for 2 years from April 2021 with 8 sub-blocks. In April 2021 the Company entered into binding terms to transfer all the issued shares of its wholly owned subsidiary, Great Western Minerals Pty Ltd (“GWM”) with its sole asset being EL 6400, to ASX listed Odin Metals Limited (“ODM”), subject to due diligence and approval of tenement renewal and control transfer of the Minister. EL 6400 is fitting to ODM being complimentary to its proposed much larger Koonenberry exploration project.

The consideration for the transaction is 15 million fully paid ordinary shares of ODM, subject to restriction from trading for 12 months, retaining opportunity for the Company to benefit from future exploration success in Koonenberry and cash of \$100,000 that will be applied to the costs to complete the transaction and working capital of the Company.



*Figure 12: Koonenberry showing phyllites to the south west of the Grassmere copper lode which is to be the focus of the gold exploration program*

**NSW: POORAKA GOLD EXPLORATION AREA**

***Pooraka ELs 6413 and 8424 near Cobar – NSW - 100% interest Gold, Silver and Base Metal Exploration***

The Company has lodged relinquishment documents for both ELs 6413 and 8424 assessing them as non-core assets with unlikely future benefits. No field activities have been carried out during the quarter.



## EXPLORATION EXPENDITURE

During the quarter the Company incurred \$170,000 in mineral exploration and evaluation activities.

## LICENCES STATUS

Minerals tenements held as at 31 March 2021 and acquired or disposed of during the quarter and their locations are as follows:

Tenement	Area Name	Location	Beneficial Interest	Status
EL 6400	Koonenberry	NSW	100%	Renewal applied from expiry on 1 April 2021
EL 6413	Pooraka 1	NSW	100%	Expiry on 17 May 2021, relinquished in February 2021
EL 8424	Pooraka 3	NSW	100%	Relinquished at expiry on 17 February 2021
EL 8745	Kanbarra	NSW	100%	Expiry on 15 May 2024
EL 8747	Stirling Vale	NSW	100%	Expiry on 24 May 2024
EL 8954	Brungle Creek	NSW	100%	Expiry on 11 March 2026
ELA 6210	Enmore	NSW	100%	Application 22 February 2021
ELA 6211	Eureka	NSW	100%	Application 22 February 2021
ELA 6212	Mt Darling	NSW	100%	Application 22 February 2021
ELA 6242	McAlpine	NSW	100%	Application 12 March 2021

## CORPORATE

### Funding

On 16 February 2021, the Company raised \$165,000 before costs by placement of 30,000,000 fully paid ordinary shares at \$0.0055 per share. The funds raised to be applied to drilling at Eaglehawk Prospect within EL 8745 Kanbarra and working capital.

### Payments to related parties of the entity and their associates

The aggregate amount of payments to related parties and their associates for the quarter reported in Appendix 5B Cash Flow Report are as follows:

- Item 6.1 included in item 1 (Cash Flows from Operating Activities): \$20K
  - Director's fees, management fees and superannuation for December 2020 and March 2021 quarters - \$17K
  - Office rent contribution to a related entity of Managing Director John Wang \$3K
- Item 6.2 included in item 2 (Cash Flows from Investing Activities): \$1K
  - Director's management fees charged to exploration and evaluation

**Competent Person Statement**

*The information in the report above that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Mr Mark Derriman, who is the Company's Consultant Geologist and a member of The Australian Institute of Geoscientists (1566). Mr Mark Derriman has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves. Mr Mark Derriman consents to the inclusion in this report of matters based on his information in the form and context in which it appears.*

**Forward-Looking Statement**

*This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although Ausmon Resources Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.*

Authorised by the Board of Directors

Eric Sam Yue

Director/Company Secretary