



22 July 2022

ASX Market Announcements

Disclosure at interview of Mark Derriman, Chief Technical Officer of Ausmon Resources Limited, with ABC Radio South-East South Australia on 22 July 2022

GRANTED 4 NEW TENEMENTS FOR RARE EARTH EXPLORATION IN SOUTH AUSTRALIA

Ausmon Resources Limited (“Company”) has been granted by the Department of Energy and Mining of South Australia 4 new exploration licences ELs 6795, 6796, 6797 and 6807 respectively to the Company’s applications ELA 2021/00082 Parrakie, ELA 2021/00136 Mt Rough, ELA 2021/00137 Kingston and ELA 2202/00015 Wolseley, each for 6 years to July 2028. The 4 licences cover a total of 2,775 square kilometers located south-east of Adelaide on the Limestone Coast in South Australia within the Loxton Sands or equivalent of the Murray and Otway Basins.

The Company plans to explore for Rare Earth Elements (“REE”) contained within the fine clay fraction of Tertiary (65 to 2.5 Million Years Ago) Strandlines (“ionic clay style of deposit) reportedly existing in the region. Australian Rare Earth (ASX:AR3) is already exploring over a large area in the region and 2 weeks ago announced a 104% increase in its JORC inferred mineral resource to 81.4 MT @ 785 ppm TREO (Total Rare Earth Oxides) at their Koppamurra project prospective for ionic clay REE deposit (see AR3’s ASX announcement of 4 July 2022).

REEs ion-adsorption type deposits are formed by weathering of various rock types (typically granites) that contain particular REE bearing minerals. Due to surface weathering, REE minerals are decomposed, and ionized REEs are absorbed on clay minerals (normally kaolin and smectite groups). REEs have been designated critical minerals by Australia, EU, USGS and IEA and are used in rare earth permanent magnets for electric vehicles (EV), wind turbines and various electronic devices.

Continuous development of advanced technologies has created increasing demand for REEs, with global emphasis on identifying new alternate sources to ensure adequate supply and to reduce current over reliance on production from China. Ore deposits containing physically clay adsorbed REEs with low mining and processing costs make them economically attractive as sources of REE. To evaluate the commercial potential for the recovery of REEs from ion-adsorption clay deposits in a systematic manner, a standardized procedure for REE leaching has been developed previously by industry participants. Using this procedure, it was found that, regardless of variations in ore origin and REE content, all REE consistently reached peak extraction levels under low temperature condition.

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The Company has developed an exploration strategy for selected sites within the 4 tenements to be visited to collect where available, bulk samples to identify any clay fraction that can be sieved via shallow auger drilling traverses along the road verges. This work is planned to commence in this September quarter with local service providers as may be available.

If areas are identified with elevated REE results, close spaced Aircore drilling will be conducted with the aim being to define a resource that if successful, may be later developed for commercial extraction.

At the conclusion of work programs, the disturbed area will be rehabilitated as required with the support of soil scientists. That will demonstrate the potential for continuous reclamation and soil improvement as has been occurring successfully for many decades in the mineral sands and bauxite industries across the country.

Outlined below is our staged exploration approach for REE mineralization:

- Meetings with local councils to obtain permission for roadside auger and aircore drilling.
- Review of proposed drill sites via “Dial Before You Dig” website to ensure we do not interfere with existing infrastructure such as communication cables or gas pipelines.
- Shallow road verge auger traverses to evaluate for location of REE mineralised sands.
- Deeper (up to 15m) Aircore drilling of high priority targets from the orientation auger traverses.
- Community discussions of results achieved from the road verge drilling and the possibility of drilling in freehold land parcel to expand our exploration beyond the road verges.

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 Chief Technical Officer 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.

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