18 September 2014

ASX Market Announcements

AUSMON AWARDED CO-FUNDING FROM THE NSW GOVERNMENT FOR THE FORTHCOMING DRILLING PROGRAM AT KOONENBERRY EL 6424

Under the NSW Government's New frontiers Co-operative Drilling Program the Government, after assessment of the Company's application, has agreed to provide $38,750 towards the direct drilling costs of the Company's drilling program in the Koonenberry within Exploration Licence 6424.

The program will involve deep drilling beneath the Nuntherungie silver field to test 2 recently detected gravity lows which are considered to probably be caused by hidden intrusive masses associated with a porphyry Copper-Silver-Gold system at depth.

The Company intends to drill 2 steeply inclined, south plunging, RC pre collared diamond holes; one 450m and the other 400m in length. A Review of Environmental Factors report will be submitted to the NSW Trade and Investment (the "Department") with a plan to commence the drilling in late October/early November 2014.

EL 6424 covers the Wertago copper diggings and Nutherungie silver field, where a detailed (250 station) gravity survey was undertaken in April 2014 and interpreted in detail in May 2014 (see Figure1).

During the detailed gravity survey over 425 gravity station readings were made on a grid pattern at 250 m spacing. The survey extended from west of the known Nuntherungie silver field to over the Wertago copper field and to the Koonenberry Fault in the east (see Figure 2).

Results (Figure 3) revealed two exciting gravity (low) targets, at relatively shallow depths (ie 250-270 m, and 320 m) and hence, the plan now is to test these targets with 2 steep drill holes for sulphide concentrations usually found in and about porphyry Copper-Gold systems.

Previous geophysical work included regional and high resolution aeromagnetic and radiometric coverage, with some aerial and ground electromagnetic surveying. These earlier data collectively defined a number of shallow targets for ground follow-up (mapping and prospecting) which was undertaken earlier by the Company.

The Nuntherungie silver field appears from processed magnetic data (Figure 3) to be bounded in the west by NW trending buried volcanic rocks with linear, regular, and well defined magnetic signatures. Some structural offsets imply faulting that extends to the NE. In the east, NW-trending (Cambrian) Ponto Group sediments and associated volcanic rocks form the margin to the field along a well-defined, NW trend that is likely to be structural. There is also a major fault which parallels the regionally extensive Koonenberry Fault 3.0 km further east.

In the east of the survey area (Figure 3), a strong, gravity low is reflective of reduced Cambrian formation thickness, with the downthrown western blocks of the Koonenberry Fault exhibiting a corresponding high gravity and steep localised gravity gradient marking the trace of the fault.

Similarly, in the central southern portion of the survey area, an elongate gravity low anomaly is caused by thinning of the down thrown denser units along the SE side of the Silverfield fault and splay faults. The

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continuation of this fault is evidenced in the gravity field to the NE for many kilometres.

In the central western portion of the survey area two significant gravity lows (blue in Figure 3) are clearly evident. Importantly these lie within the Nuntherungie silver field. Additionally, a number of silver-lead mineralisation occurrences mark the northern margin of the anomalies. The most westerly of these two anomalies is almost circular in shape, with an amplitude that suggests its source is not too far beneath the surface. The easterly anomaly is broader, with a lower amplitude, and with its NE and northern flanks are adjacent to, and truncated by, translational faults emanating from the large Silverfield Fault in the SE.

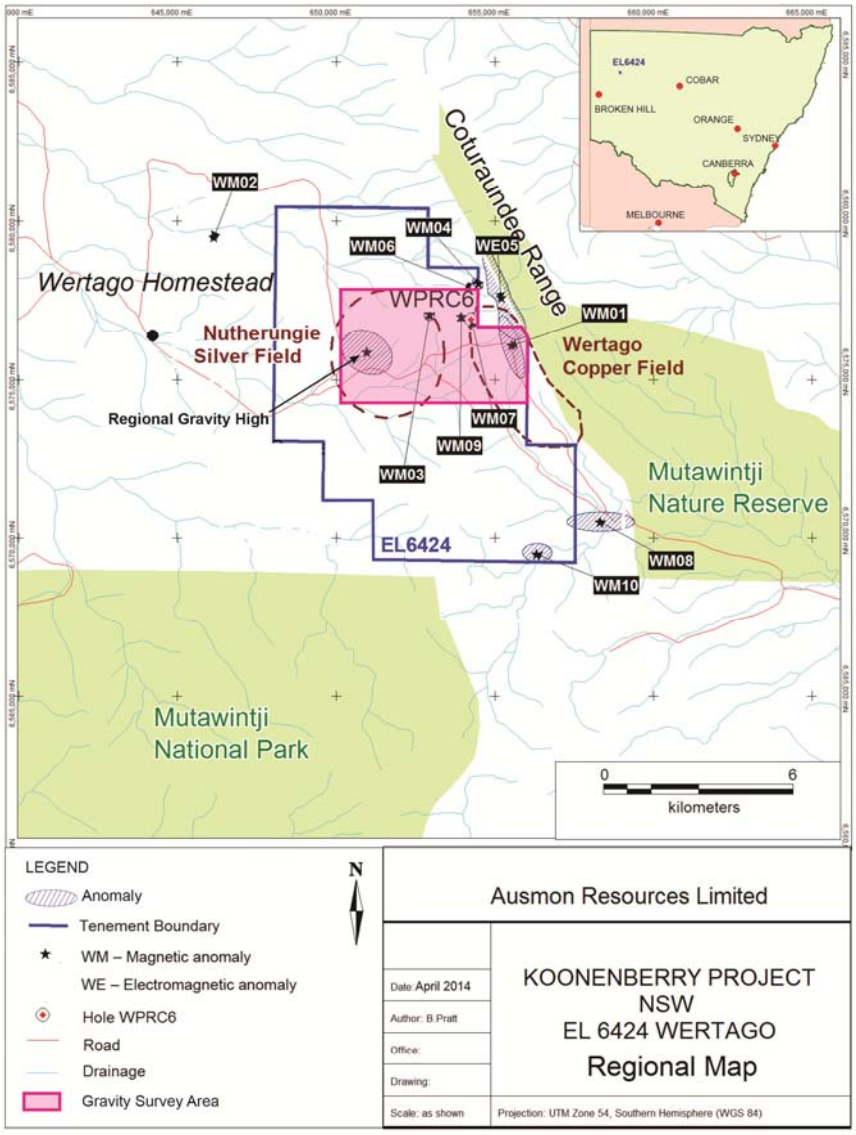

Figure 1 - Gravity Survey (April 2014) on EL 6424

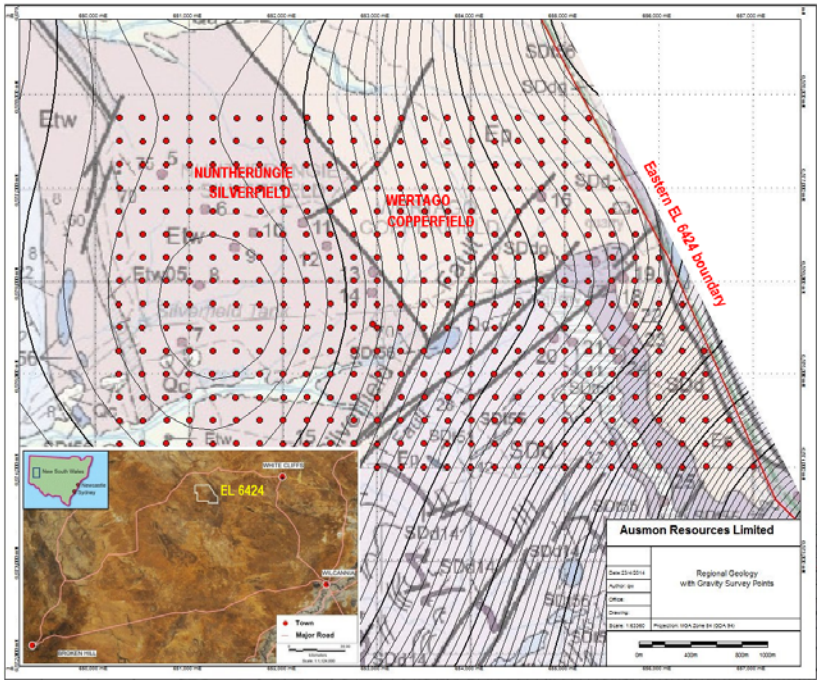

Figure 2 - Showing EL 6424 location, gravity survey reading stations and contours of Geoscience Australia Bouguer Gravity (interval 1.0 mGal).

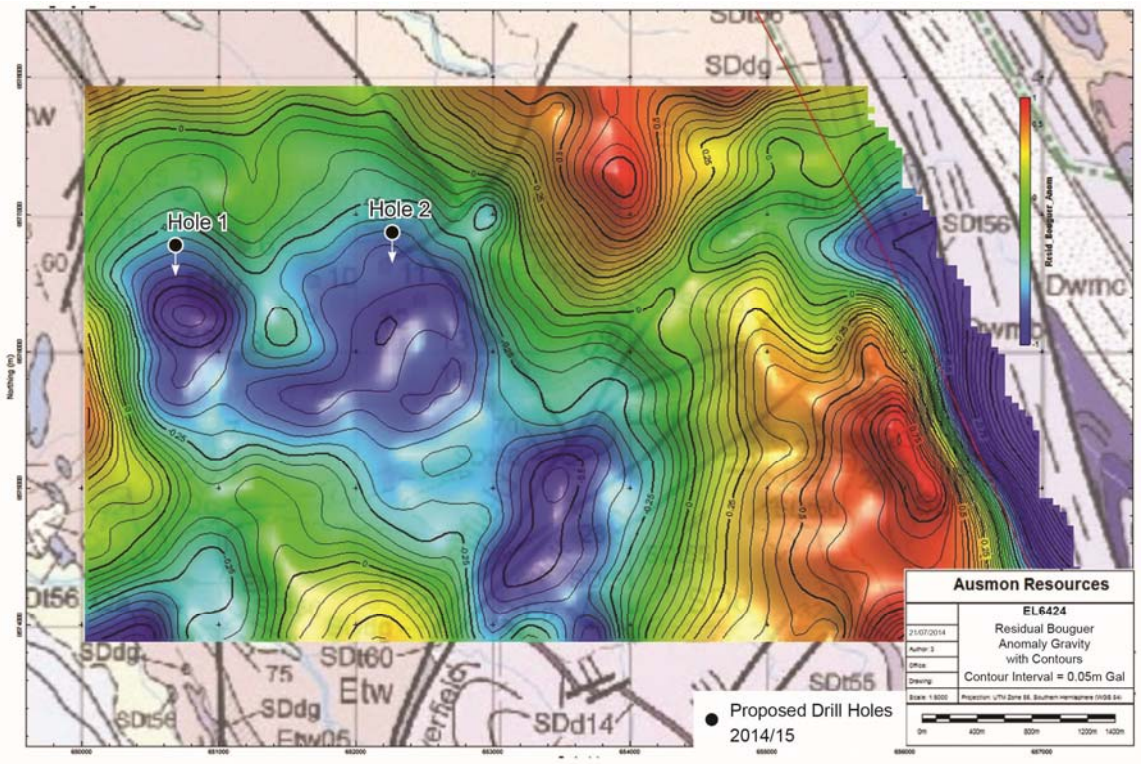

Figure 3 - Post processing Bouguer Anomaly data over the Nutherungie and Wertago areas with location of 2 proposed drill holes to test for sulphide concentrations

The Nuntherungie silver field is considered to be of epithermal origin, as observed in shallow historic diggings, but there is no evidence of intrusive rocks. Deeper intrusive rocks would however be the logical source for the mineralisation, and it was concluded that these should be detectable using gravity geophysics. Indeed regional gravity data, from Geoscience Australia's National Gravity Database shows residual Bouguer Gravity contours, despite the large station spacing, (up to 7.0 km). A distinct 4-5 mGal anomaly is centred directly over the Nuntherungie Silver field (Figure 3), and a regional gravity high of this amplitude and wavelength is strongly suggestive of basement shallowing caused either by intrusions or uplift.

Both forward and inversion modelling of the detailed gravity data were undertaken to investigate the distribution of rock densities. 3D inversion modelling was used to define the extent of low density rocks under Nutherungie and results are summarised in Figure 3. The resulting density range of sources beneath the Nutherungie gravity low anomalies are in the average range for granites and acid intrusives (2.63 – 2.75 g/cm^3). Additionally, the depth of a simulated intrusive source (for the western gravity low anomaly) results in an upper surface residing about 250 – 270 m below ground level. The eastern anomaly modelled source may be slightly deeper (to 320 m depth) assuming a similar source rock density.

By analogy with similarly mineralized areas elsewhere, low pressure/density interfaces between intrusions and enveloping host rocks can create suitable environments for sulphide concentrations (eg in and about porphyry Cu-Au systems) which could also give rise to the observed overlying epithermal silver-lead vein deposits.

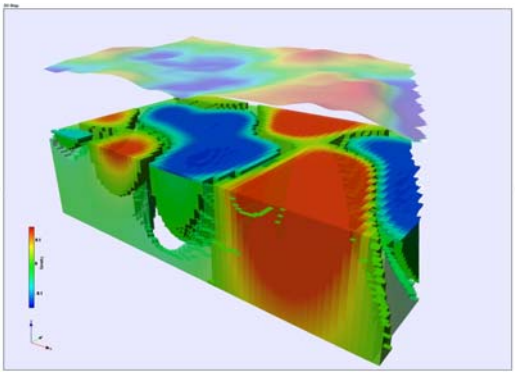

Figure 4 - 3D model of Nutherungie prospect at a clipped depth of 200m below surface. View is to the NW with the residual gravity image overlying the model. The display has the colour of density values relative to a default of 2.67 gm/cm3

(The information in the report above that relates to Exploration Results is based on information compiled by Dr Pieter Moeskops, the principal of Agaiva Holdings Pty Ltd and a member of The Australasian Institute of Mining and Metallurgy.

Dr Moeskops 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 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Moeskops consents to the inclusion in this report of matters based on his information in the form and context in which it appears.)

John Wang – Managing Director