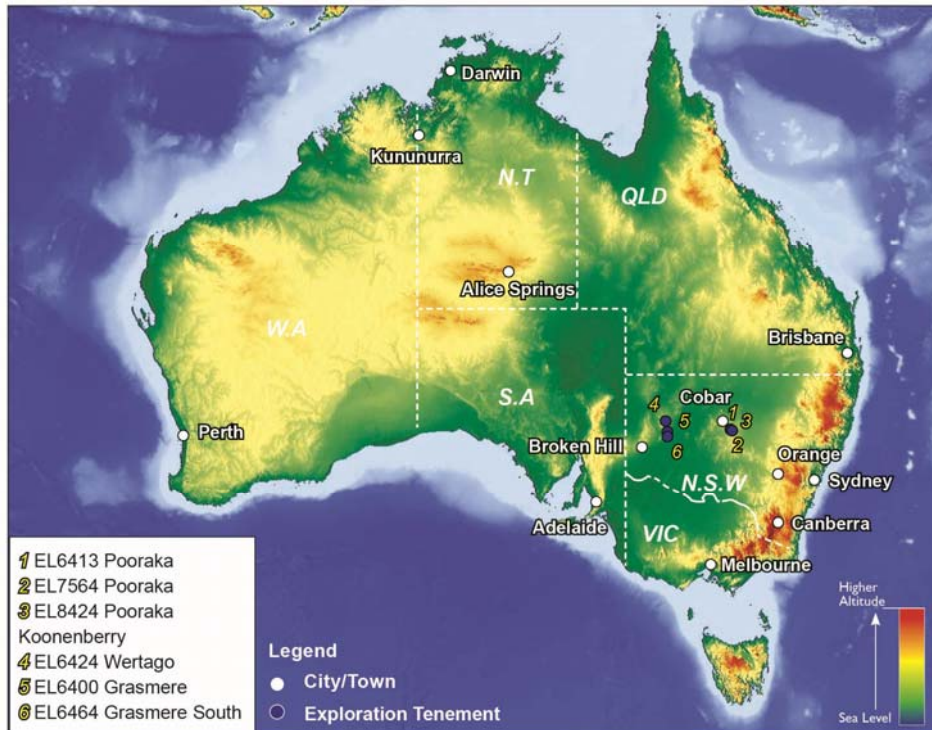




## ACTIVITIES REPORT – SEPTEMBER QUARTER 2016

### SUMMARY

- **Koonenberry ELs 6400, 6424 and 6464**
  - Deep drilling of gravity targets on EL 6424 now planned for early 2017.
  - EL 6464 was relinquished on September 18<sup>th</sup> 2016, Annual and Final Reports were subsequently submitted to the Department in early October.
- **Pooraka ELs 6413, 7564 and 8424:**
  - Drilling of TDEM targets in ELs 6413 and 7564 is planned for November 2016 following delays due to unseasonal wet weather. Departmental permission to drill 2 holes was granted in September 2016.
  - EL 7564 was formally renewed by the Department for another 2 years with area reduction from 7 to 4 units.



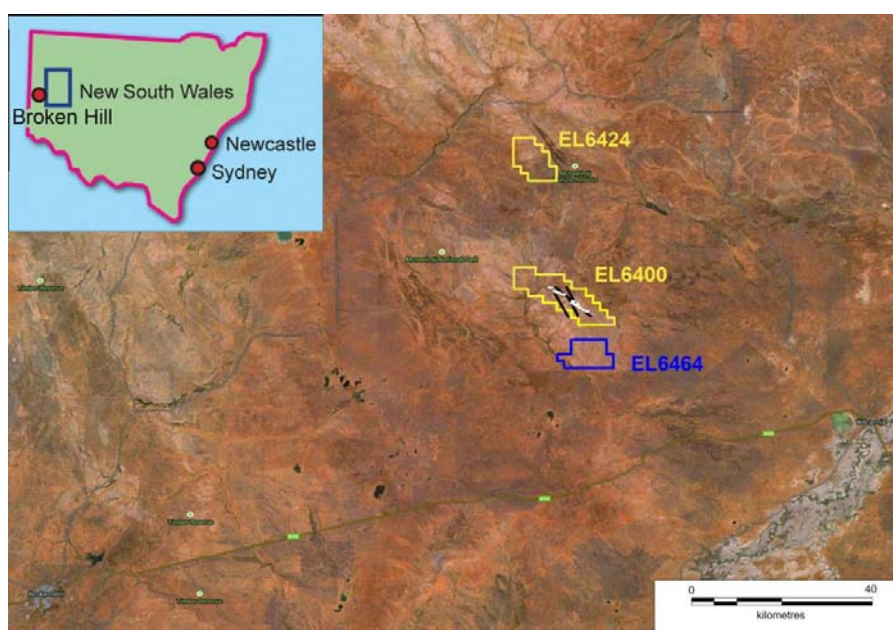
**Figure 1 – List of Licences and their Locations in New South Wales, Australia**





## ACTIVITIES IN THE KOONENBERRY BELT Copper-Zinc-(Silver) and Gold Exploration ELs 6400, 6424 and 6464 - NSW (100% interest)

The Group holds a 100% interest in 2 ELs covering a total area of 224 km<sup>2</sup> in the highly prospective and under-explored Koonenberry Belt in Western NSW, near Broken Hill.



**Figure 2 - Locations of Koonenberry Exploration Licences**

**Note:** Line of mineralization – white; Faults- black

**EL 6400:** Of principal interest because it encompasses the Grasmere-Peveril Cu-Zn-(Ag) deposits. These have previously been assessed as having significant Indicated and Inferred JORC Code 2004 compliant Resources 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 gt 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 the mineral resource was prepared and first reported in accordance with the JORC Code 2004 in 2006. 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.

Following the completion of 9 RC percussion holes in early 2015 (seeking WNW extensions to the Grasmere-Peveril line of lode), drilling data suggested that future work, to locate possible WNW extensions





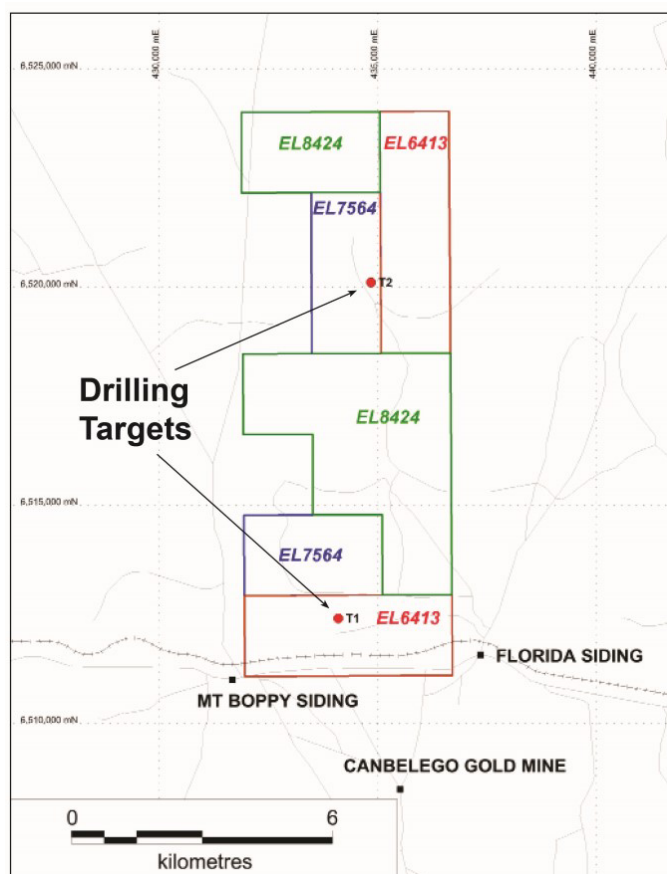




interest, since they were abandoned at shallow depths shortly after the nearby White Cliffs opal discovery. For example, one shallow digging, proximal to Wertago was abandoned in silver-rich galena (PbS) veins. That digging represents a possible stand-alone RC-drilling target (Hole 3 in Figure 3). Comparison with mineralization at Silverton silver field, near Broken Hill, suggests that this mineralization may persist to depth. Future work will be scheduled to ensure that the licence remains in good standing.

**EL 6464.** A decision was made to surrender this EL on September 18<sup>th</sup> 2016, as no significant drilling targets had been located. Annual, Final reports, and other compliance reports have been submitted to the Department since the end of the Reporting Period.

### ACTIVITIES NEAR COBAR Gold, Silver and Base Metal Exploration ELs 6413, 7564 and 8424 – NSW (100% interest)



**Figure 4 – Pooraka ELs showing Proposed Drillholes**





## AUSMON RESOURCES LIMITED

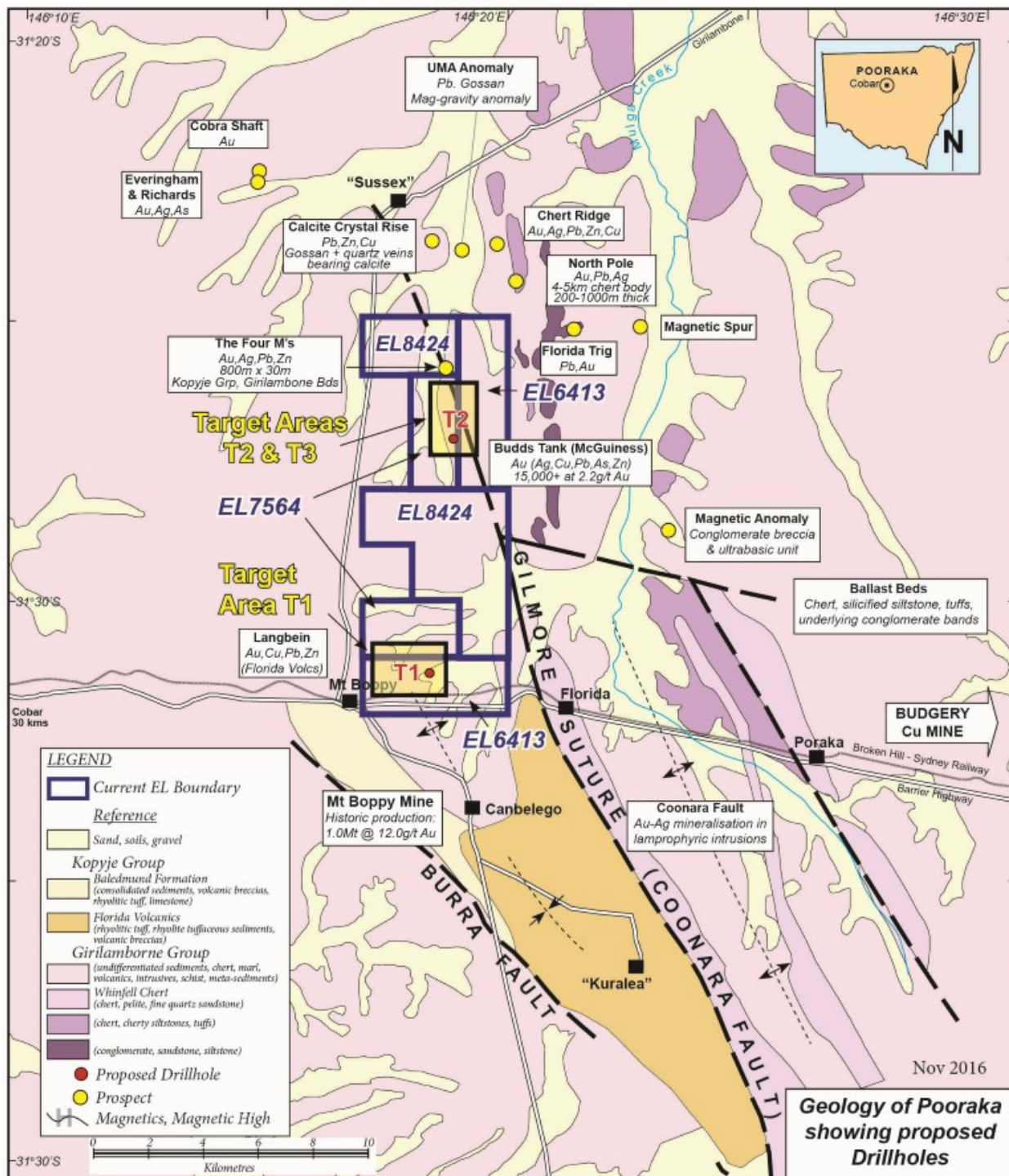


Figure 5 – Geology and Prospect Locations - Pooraka Project

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During the Reporting Period access and regulatory permissions to drill were obtained. However arrangements made with drilling contractors were put on hold because unseasonal wet conditions prevented road access to drill sites T1 and T2. Current expectations are that these holes will be drilled during November and will take about 10 days to complete.

**Drill Hole T1, Langbein - Langbein West.** Comprising a broad formational conductive zone identified by TDEM which includes a small discreet conductor (open to the east) proximal to where Ausmon's 2009 RC-percussion drilling encountered low grade mineralization in bedrock. This anomaly lies along strike from the Mt Boppy gold-sulphide mine (NSW's largest operational gold mine in 1908), located 6 km to the south). The drill hole is designed to perpendicularly intersect geological dip with a 60° plunge to the east to a total depth of approximately 150m.

**Drill Hole T2, Mc Guinness** This lies near the surface expression of the Gilmore Suture, where TDEM identified a large, strong, discreet, north running 1200m X 800m conductor. Historic (1980s and 1990s) air drilling and shallow pitting in the area detected patches of low grade gold mineralization in the area. For example Epoch Minerals in the 1990s drilled 17 RC and 46 air core holes outlining an inferred resource of 18,000t @ 2 g/t gold in 3 pods labelled A to C to a depth of 12m. Ausmon's proposed drill hole will establish whether the conductivity is due to the presence, at depth, of sulphide mineralization associated with gold. Drill hole T2 is designed to perpendicularly intersect geological dip with a 60° plunge to the west to a total depth of approximately 250m.

As shown in the accompanying map (Figures 4 and 5) T1, Langbein - Langbein West and T2, Mc Guinness, lie within an area of three contiguous tenements held by the Group (ELs 6413, 7564 and 8424 -formerly ELA 5203), located near Pooraka, about 40 km east of Cobar. These contain several gold and base metal target areas comprising historic exploration targets and anomalies identified from the Group's 2015 TDEM geophysical survey. It was during a ground based 200m X 200m geophysical time domain electromagnetic (TDEM) survey, conducted in April and May of 2015, that the two drill targets were identified.





## LICENCES STATUS

Pursuant to ASX Listing Rule 5.4.3 the Company reports as follows in relation to minerals tenements held at the end of the September 2016 quarter and acquired or disposed of during that quarter and their locations.

Tenement	Project Name	Location	Beneficial Interest	Expiry
EL 6400	Koonenberry	NSW	100%	31 March 2017
EL 6424	Koonenberry	NSW	100%	25 May 2017
EL 6413	Pooraka 1	NSW	100%	16 May 2017
EL 7564	Pooraka 2	NSW	100%	17 June 2018
EL 8424	Pooraka 3	NSW	100%	17 February 2019

EL 6464 - Koonenberry in NSW (100% interest) was relinquished on 18 September 2016. There were no other tenements acquired or disposed of or change in beneficial interests under farm-in or farm-out agreements during the quarter.

*(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 and 2012 Editions 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

28 October 2016



## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

AUSMON RESOURCES LIMITED

### ABN

88 134 358 964

### Quarter ended ("current quarter")

30 SEPTEMBER 2016

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(9)	(9)
	(b) development		
	(c) production		
	(d) staff costs	(8)	(8)
	(e) administration and corporate costs	(31)	(31)
1.3	Dividends received (see note 3)		
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Research and development refunds		
1.8	Other (GST)	(3)	(3)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(50)</b>	<b>(50)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) 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)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
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)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	548	548
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(50)	(50)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>498</b>	<b>498</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	217	226
5.2 Call deposits	281	322
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>498</b>	<b>548</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

3

- Office rent contribution to a related entity of Managing Director John Wang.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

## Mining exploration entity and oil and gas exploration entity quarterly report

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

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

--

**9. Estimated cash outflows for next quarter****\$A'000**

9.1 Exploration and evaluation

80

9.2 Development

9.3 Production

9.4 Staff costs

10

9.5 Administration and corporate costs

185

9.6 Other (provide details if material)

**9.7 Total estimated cash outflows**

**275**

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL6464 NSW	Beneficial	100%	Nil
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

**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.



Sign here: .....  
(Director/Company secretary)

Date: 28 October 2016

Print name: .....JOHN WANG.....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.