16 May 2019

ASX Market Announcements

BROKEN HILL COBALT-ZINC PROJECT

RESULTS RECEIVED FROM SITE EXPLORATION AT ELs 8745 AND 8746

Ausmon Resources Limited ("Company") is pleased to advise that results have been received from field exploration work completed at ELs 8745 and 8746 on 12 April 2019. The site work in selected areas follows from the results of analysis and studies of all available historical data that have been completed since the grant of those ELs in May 2018.

Summary of Significant Results

- Zn analyses from the clay fraction sampling defined a <100ppm soils anomaly in excess of 800m EW and 200m NS at the Nth Kambarra prospect.
- The level of anomalism has been greatly enhanced by the use of the clay fraction which means we can use a broad spaced sample grid for follow up exploration.
- Elemental ranges for the clay fraction are 79-255ppm Zn, 22-131ppm Cu and 17-180ppm Pb. In contrast the Zn range for -2mm samples is 32-137ppm.
- Co results for the clay fraction were 8-40ppm and at this stage we don't fully understand the significance with the 40ppm result occurring directly over the mineralised outcrop.
- A statistical appraisal of the results shows the following element association using a correlation coefficient >0.6 – Zn/Ag/Be/Cd/Co/Pb/Sb/Ti with Zn/Ag/Pb and Sb having the highest correlation.
- Selected samples were analysed for clay mineralogy and the results will be further reviewed as to the significance in the variation of the mineralogy.

The analysis of the finer clay (-2 microns) fraction has been compared to the more conventional -2mm fraction and the results show that the clay fraction provided a broader and higher tenor Zn anomaly at the Nth Kambarra Prospect. In addition, the clay mineral species have also been delineated for each sample thus allowing both geochemical and mineralogical information to be collected at each sample site. The benefit for future exploration is that that analysis of the clay fraction will be an effective exploration tool for base metal mineralisation in the Broken Hill area. It may be possible to collect the clay fraction on site and use the Company's Olympus Vanta pXRF to carry out rapid surficial geochemical exploration.

The initial field exploration comprised 9 orientation soil sample traverses at Nth Kambarra (KAS001-KAS051), Sampson's' (KAS052-076) and Long Tank(KAS077-089) in EL

8745 and Nth Pinnacle(NPS001-030) in EL 8746 (**Figure 1**). In addition, 3 stream sediment samples (NPST001-003) were collected at Nth Pinnacle. The soil samples were collected along Nth-Sth oriented lines at 50m intervals across the target areas with the samples sieved to -2mm and put into prenumbers paper geochemical.

The samples were freighted to LabWest in Perth by TNT Couriers and arrived in Perth on 18 April 2019.

The procedure used by LabWest was to collect the <2micron fraction from each soil sample and analyse the material by ICPMS/OES for Au plus 44 elements as shown below:

Ag (0.01)	Al (10)	As (0.5)	Ba (0.2)	Be (0.2)	Bi (0.1)
Ca (10)	Cd (0.05)	Ce (0.05)	Co (0.2)	Cr (2)	Cs (0.1)
Cu (0.2)	Fe (100)	Ga (0.05)	Ge (0.05)	Hg (0.05)	In (0.01)
K (10)	La (0.05)	Li (0.5)	Mg (10)	Mn (2)	Mo (0.1)
Ni (2)	Pb (0.2)	Rb (0.1)	Re (0.01)	S (50)	Sb (0.1)
Sc (1)	Se (0.05)	Sn (0.2)	Sr (0.1)	Te (0.2)	Th (0.02)
Ti (10)	Tl (0.1)	U (0.02)	V (2)	W (0.1)	Y (0.05)
Zn (0.2)	Zr (1)	Au (0.5)			

Detection limits expressed as ppm, except Au (ppb) with the lower limit of detection for each element in brackets

In addition, for selected orientation line the following analyses were carried out:

- pH and Electrical Conductivity of samples
- Head sample particle size distribution
- Fines mineralogy by NIR reflectance spectroscopy

The clay(fines) fraction in soils is often representative of bedrock lithologies rather than coarser depositional silts and sands which have been transported to the location by wind/water and make up most of the sample. Regolith information was recorded at each sample site. In addition, the clay fraction was analysed for its "spectral mineralogy" to gain an insight into the make of the bedrock lithologies and any possible alteration of the primary mineralogy.

A Delta Premium pXRF was used to collect elemental readings for all soil and stream sediment samples on the -2mm fraction as a comparison to the -2micron LabWest analyses.

Soil samples sieved and bagged at the Nth Pinnacle prospect (EL8746)

Flat relief of the Nth Kambarra Prospect (EL 8745) and gossanous/quartz veined sub crop

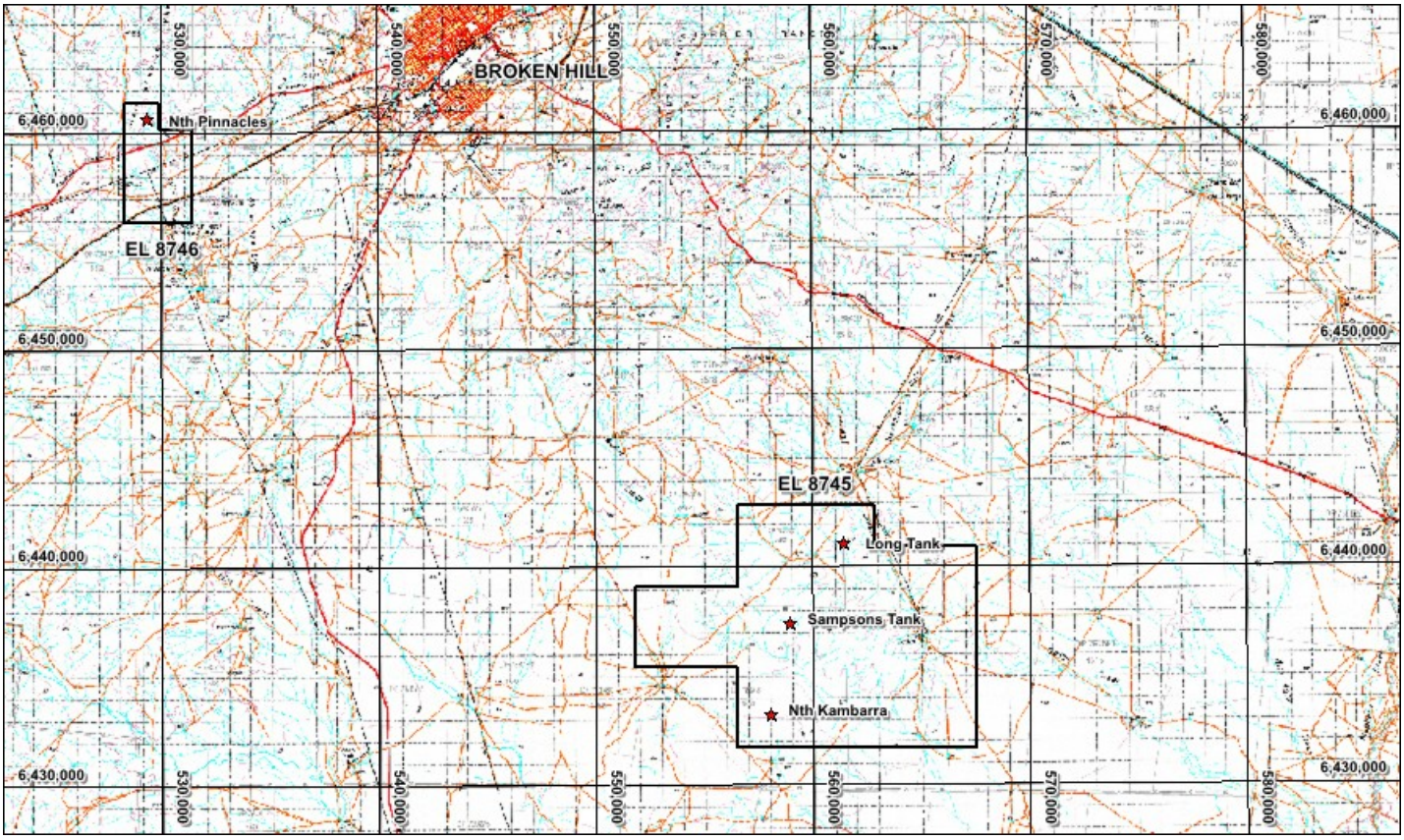

Figure 1 - Broken Hill Tenements ELs 8745 and 8746 located in western NSW near the City of Broken Hill

EL 8745

This licence is located 30 km south east of Broken Hill with more extensive recent cover than the other Broken Hill licence. **Figure 2** shows the prospects sampled and the sampling lines. Regolith mapping by the NSW government (**Figure 3**) shows the extensive depositional cover (shades of yellow) across the tenement. In the case of Sampson's Dam and Nth Kambarra the cover is relatively thin with bedrock sub crop and lag locally observable. The combination of regolith mapping, fine fraction geochemistry and ground magnetics will be utilised to further explore the Broken Hill tenements.

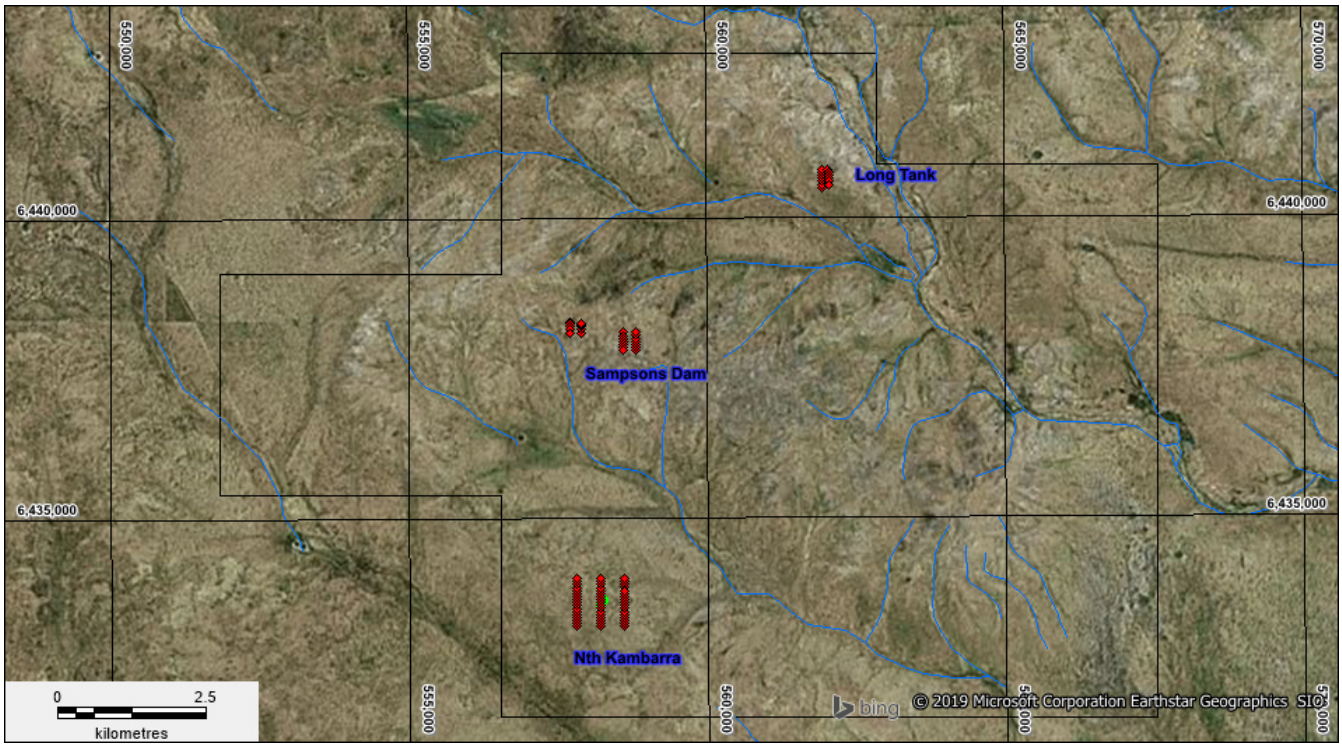

Figure 2 - EL 8745 showing the prospects sampled and sample lines

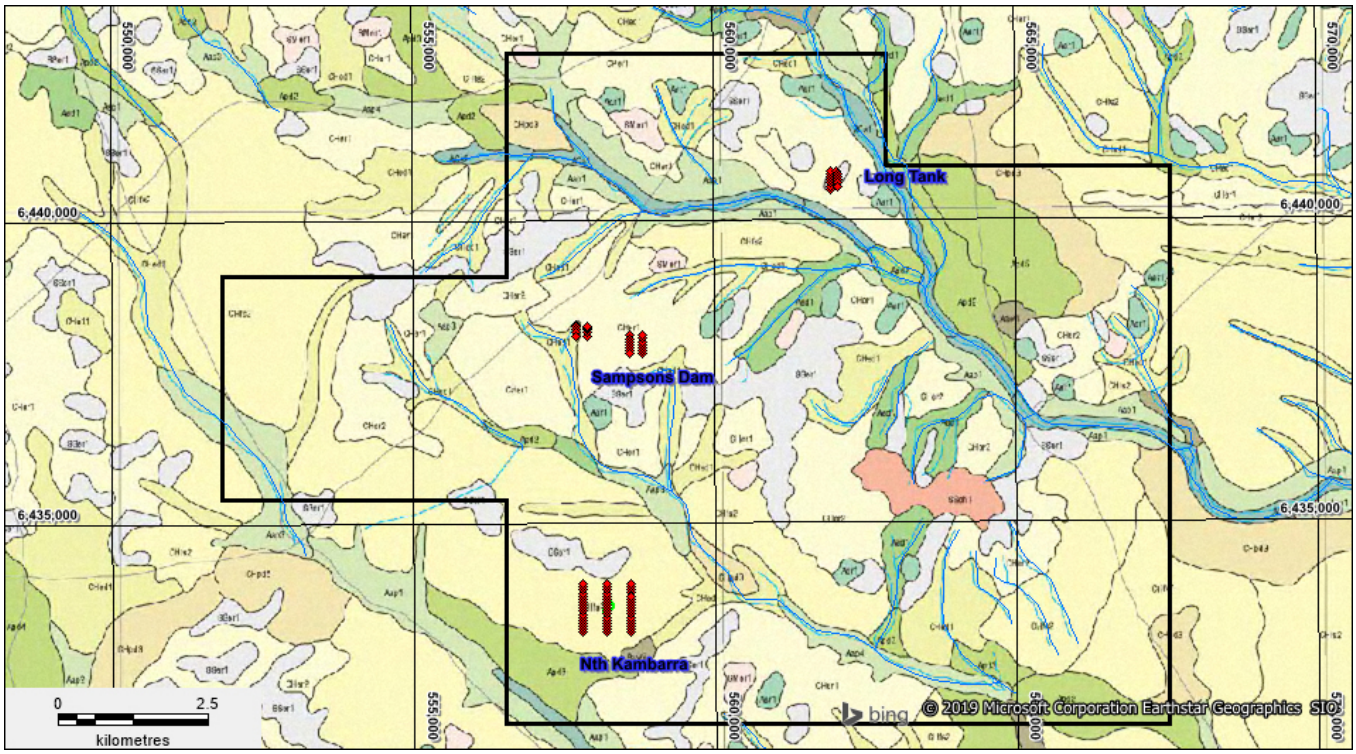

Figure 3 - EL 8745 showing the prospects sampled and 1:100K government regolith mapping

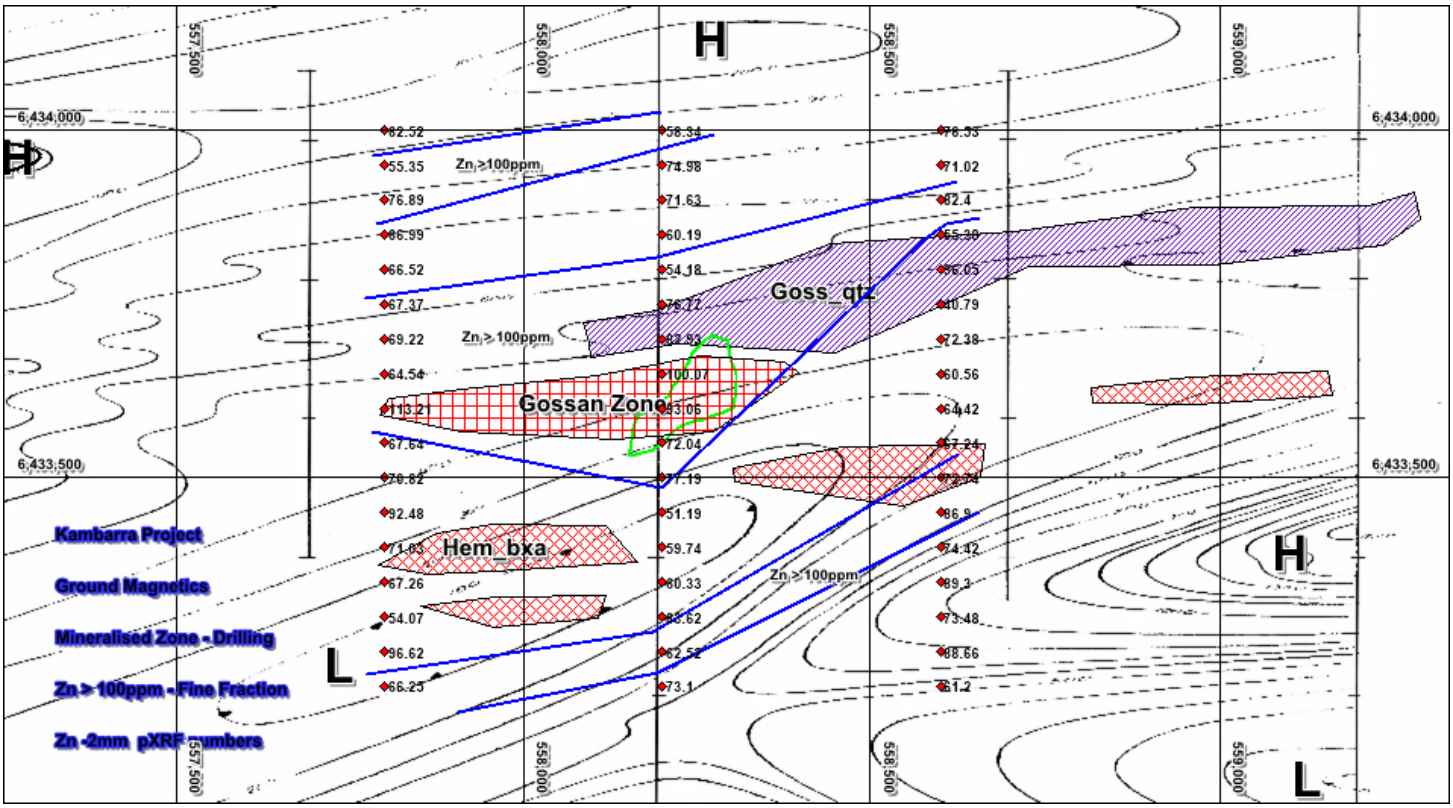

Figure 4 – Nth Kambarra Prospect (EL 8745) showing ground magnetic contours and surficial geochemistry

Figure 4 shows a comparison between the -2mm pXRF Zn ppm sample numbers and the blue outlines of the -2 micron 100ppm Zn areas. For reference the only outcrop is shown by a green polygon in the centre of the map. Within the central broad 100ppm Zn region which encompasses the mineralised subcrop the results of the -2mm pXRF sampling show that the clay fraction analyses increase the tenor and aerial extent of the Zn anomaly. The mineralised zone as shown by areas of gossan and gossan/qtz as defined from historical drilling are associated with a NE-SW trending magnetic low. Additional clay fraction Zn anomalies flank the main anomaly to the north and south.

In addition, a statistical analysis was carried out using a correlation matrix to look for elemental associations. Based on a correlation coefficient >0.6 the following elements have a high correlation with Zn – Ag(0.8), Be(0.65), Cd(0.93), Co(0.74), Pb(0.95), Sb(0.82), Sn(0.63) and Ti(0.71). The correlation with Pb, Ag and other elements may indicate a broad association with the Broken Hill Zn lode system.

Figure 5 shows the elevated geochemical results from the clay fraction sampling on the left compared to the coarser -2mm sampling on the right and the potential usefulness of analysing the very fine fraction of a soil sample. In addition, spectral clay mineralogy information collected form a sample could be useful in delineating alteration associated with base metal mineralisation. Figure 6 from the Sampson's Dam prospect shows primarily montmorillonite as the main clay however kaolinite and muscovite/illite have also been measured on select samples. Further work will be carried out to determine the usefulness of the specific clay mineralogy.

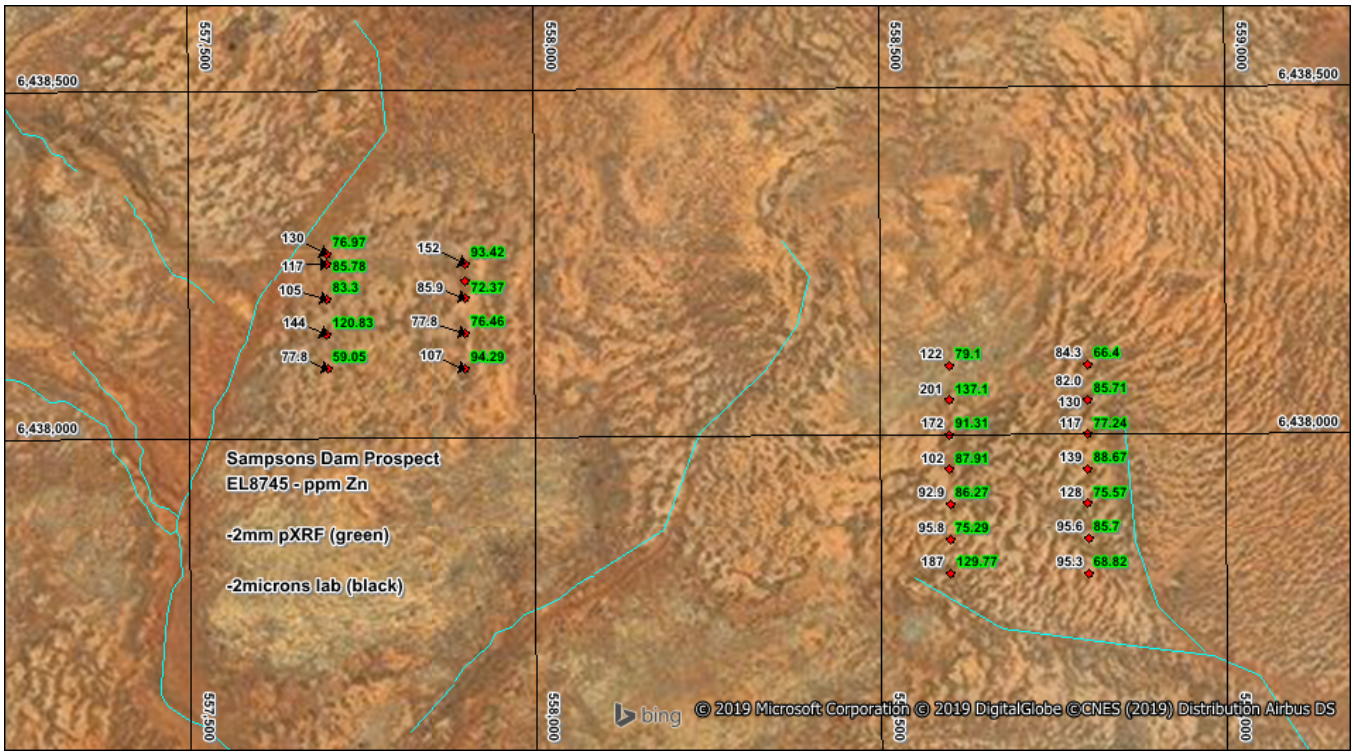

Figure 5 – Sampson's Dam Prospect (EL 8745) showing -2mm(green) and -2micron results(black)

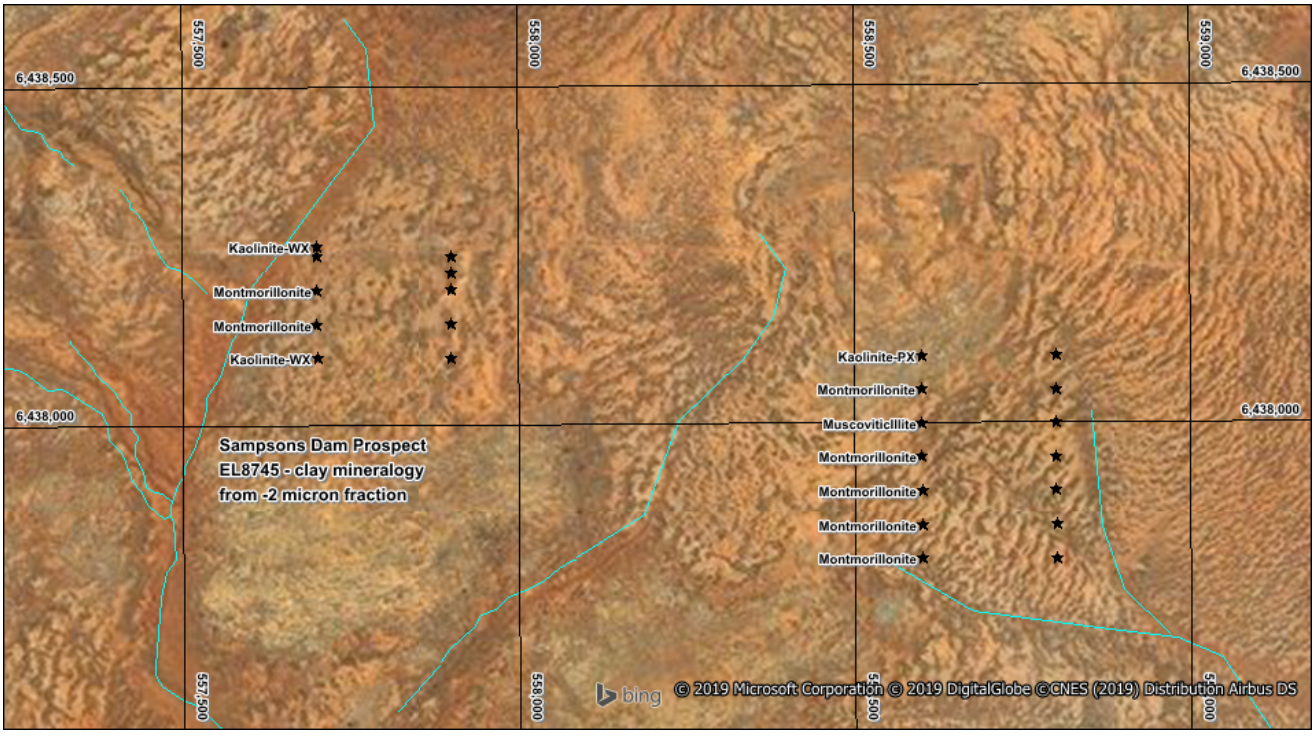

Figure 6 – Sampson's Dam Prospect (EL 8745) showing clay mineralogy from the -2 micron fraction