AUSMON RESOURCES LIMITED

29 November 2019

ASX Market Announcements

NSW BROKEN HILL COBALT-ZINC PROJECT
SITE EXPLORATION COMPLETED AT EL 8747

Ausmon Resources Limited ("Company") is pleased to advise that field exploration work at EL 8747 announced on 15 November 2019 has been completed . The site work follows from the results of analysis and studies of all available historical data and resampling of historical drill hole DD95STV3 that have been completed.

This field exploration comprised 13 soil traverses (**Figure 1**) across the western limb of the Stirling Synform with soil samples collected at 25 m intervals along the soil line for 191 samples. The samples were freighted to Lab West in Perth to have the clay fraction (<2 microns) analysed for a suite of multi elements in addition to a spectral analysis samples to determine the mineralogy of the samples. Also, 7 rock samples were collected and freighted to ALS Mineral Laboratories in Orange, NSW. The results will be announced as soon as they are received from the laboratories.

The clay 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 and geological information has been recorded at each sample site in addition to rock sampling of the pyritic PI2 zone. In addition, the clay fraction will also be analysed for its "spectral mineralogy" to gain an insight into the make of the bedrock lithologies and any possible alteration of the primary mineralogy.

The Company-owned Olympus VANTA pXRF was used to collect multi element readings at each of the soil sample locations.

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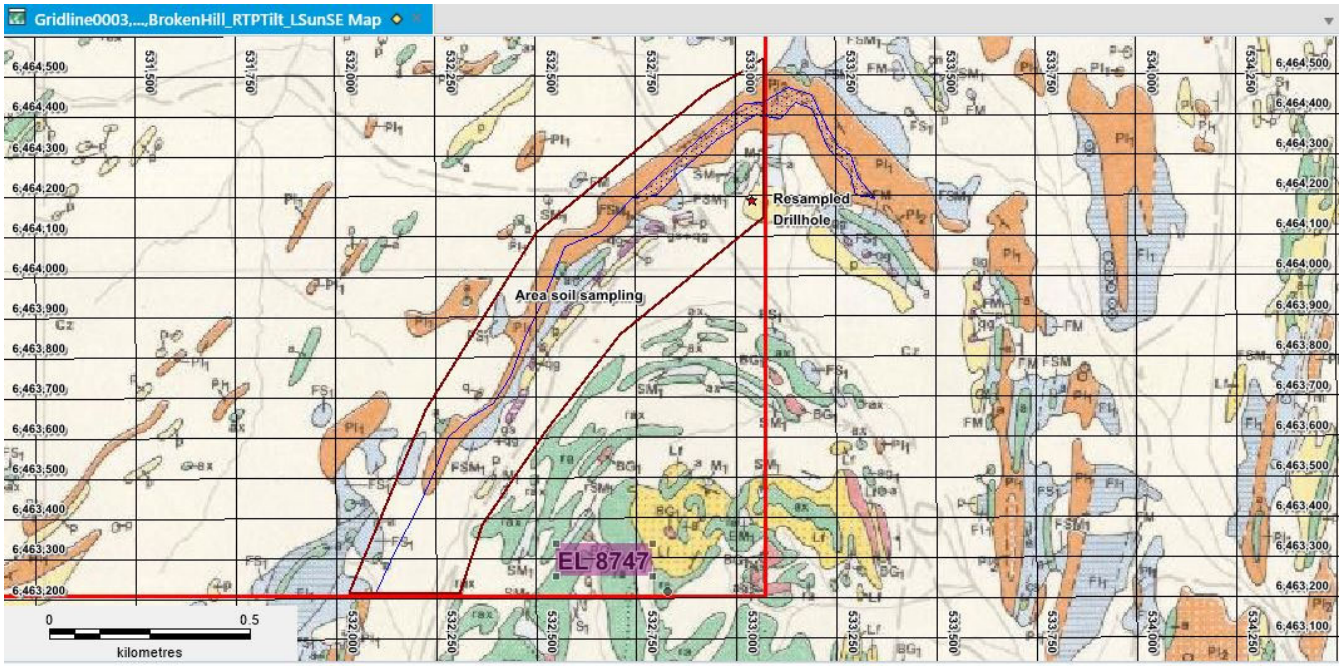

Figure 1: EL 8747 boundary in red and the proposed soil sampling area in brown. The resampled drill hole DD95STV3 is shown at the top of the soil sampling area

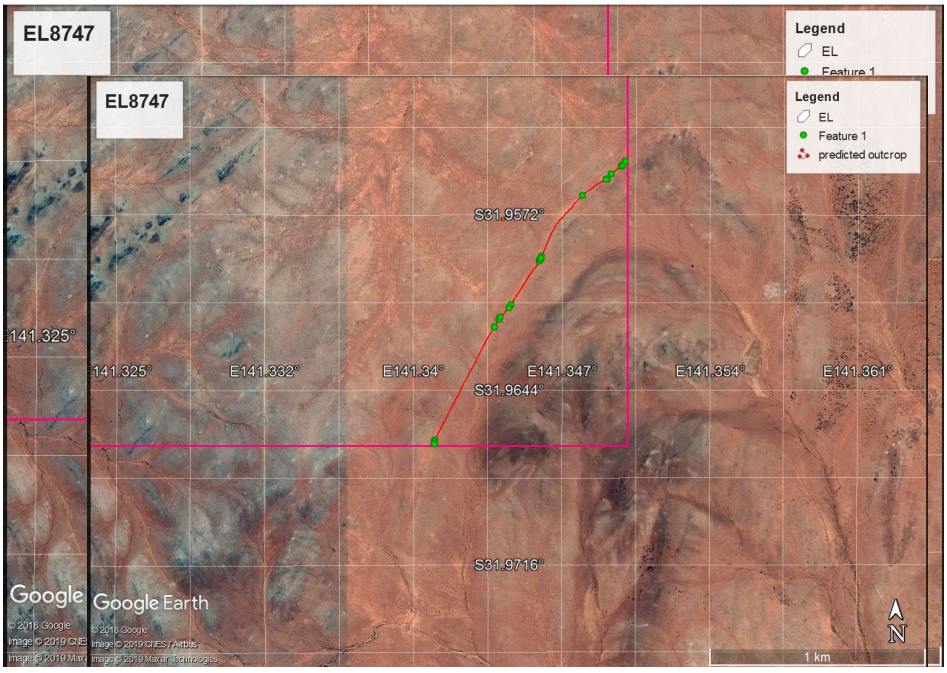

Figure 2: EL 8747 showing the predicted pyrite zone(red) based on mapping and sampling

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During the soil sampling program, the PI2 pyritic zone (locally enriched on cobalt) was mapped and rock sampled with the rock sample sites shown as green dots in **Figure 2**. The PI2 zone was mapped over a strike distance of 1.5 km with variable outcrop expression.

Background

The diamond hole DD95STV3 was drilled in 1995 by previous explorers into the Stirling Vale Synform targeting base and precious metals. Cobalt was not originally targeted. The diamond hole was never cut for assay despite numerous geologically logged observations of sulphide mineralization being described, and the hole was eventually offered for historical storage at the Broken Hill Core Library. In 2018 the Company accessed the core from that hole for relogging and assaying. The Stirling Vale Synform appears to bear similar geology to Cobalt Blue's (ASX:COB) Pyrite Hill Geology with the "PI2" pyritic bearing horizon present, as shown below by the black arrows in **Figure 3**. The Stirling Vale Synform is located 20 kms north east of Cobalt Blue's Thackaringa deposit in EL6622, and 10 kms west of Broken Hill.

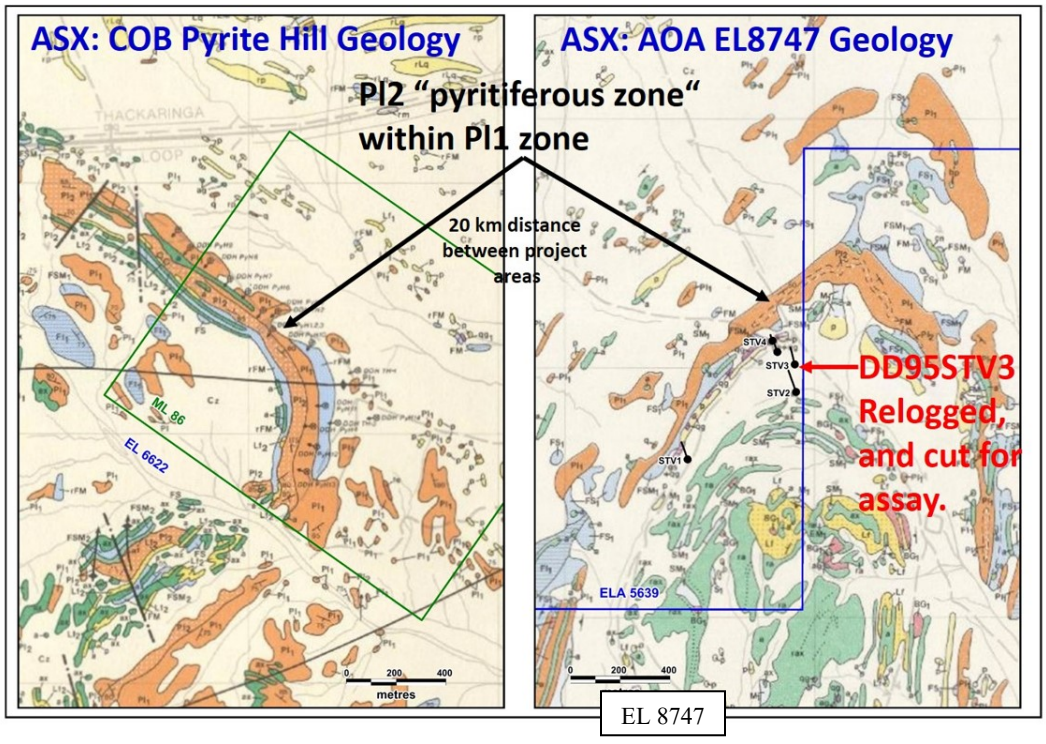

Figure 3: Geological similarities of Stirling Vale with Cobalt Blue's Cobalt Deposits*.

*{Source of Geology Maps: NSW Geological Survey "Thackaringa" 1:25k Map (1977) for COB; and "Broken Hill" 1:25k (1979) for AOA}.

The relogging and assaying of DD95STV3 has revealed two significant findings:

1: Firstly, an extensive pryitiferous zone from 108.6 m to the end of hole at 143.3 m has been identified (open at depth). The zone from 108.6 to 126.2 metres has been visually estimated to contain up to 10% pyrite. The zone from 126.2 to 143.3 m has been visually estimated to contain up to 25% pyrite (**see Figure 3**).

Figure 4: An example of the strongly pyritic bands in albitic gneiss in DD95STV3**.**

Figure 4 is a photo of the core tray from DD95STV3 showing the diamond core from around 123 to 133 m with the yellow hue of pyrite sulphide bands visible throughout this core section and best cobalt results overlayed.

2: Secondly, two zones of Broken Hill Type Lode Unit type have been identified from 51.5 to 52.7 m (1.2 m wide) and from 85.5 to 86.9 m (1.4 m wide). See **Figures 5 to 7** respectively with assay results overlayed. A summary cross section of the drill hole is shown in **Figure 8**.

Figure 5: Pyrite zone in DD95STV3 from around 123 to 133 m relogged.

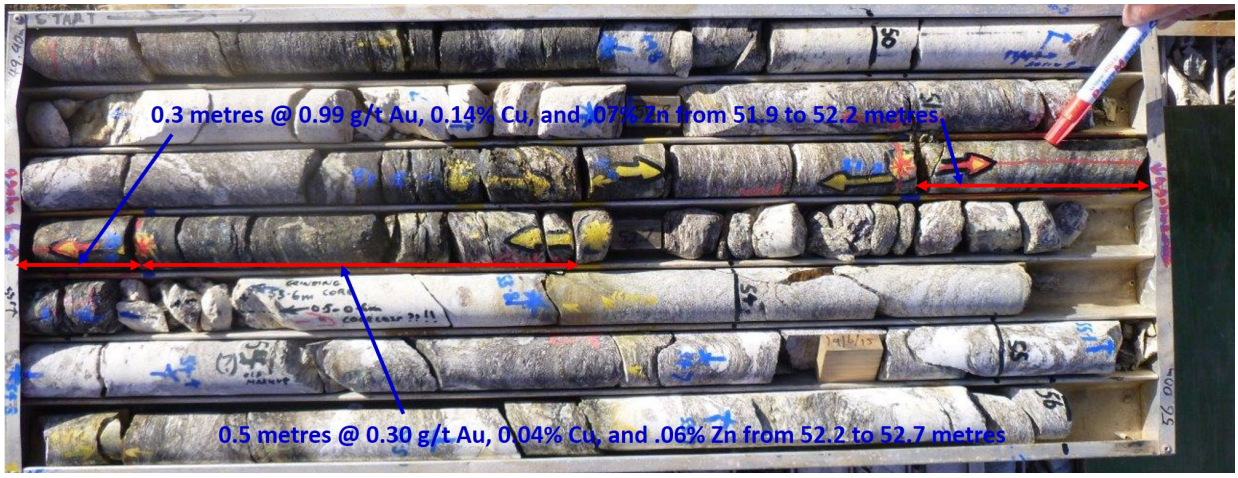

Figure 6: Mineralised quartz gahnite bearing BHT Lode Zone 1 from 51.5 to 52.7 m.

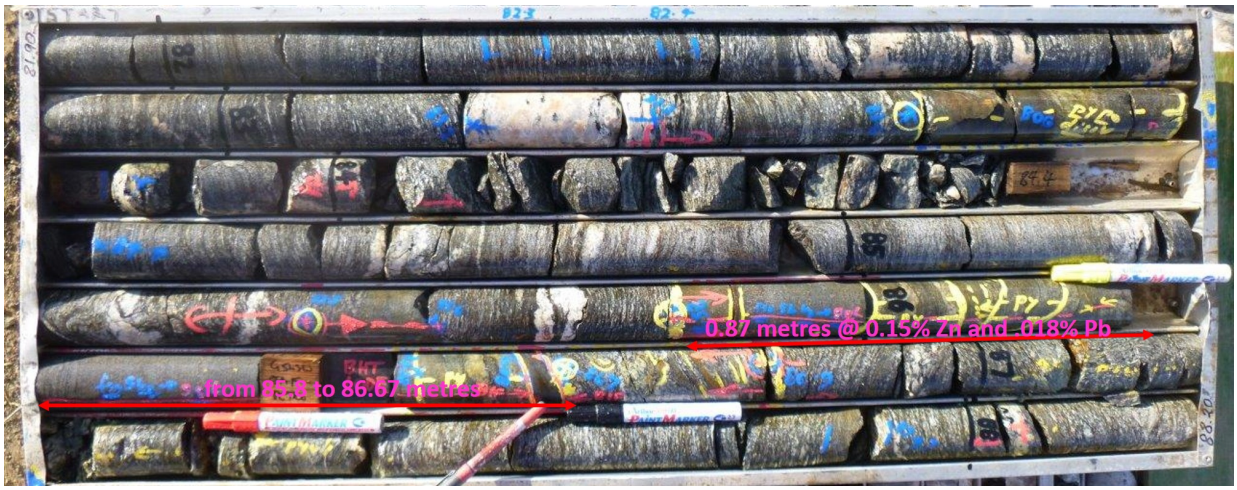

Figure 7: Mineralised garnetite & BIF bearing BHT Lode Zone 2 from 85.5 to 86.9 m within a larger interval of anomalous zinc.

Further Exploration after this Sampling Field Work

In the Quarter ending March 2020, an IP survey is planned to test for sulphide mineralisation along the western limb of the synform. In conjunction with the results of the soil sampling that is now underway the IP survey will be used to target anomalous cobaltiferous pyritic areas within the PI2 zone for possible drilling.

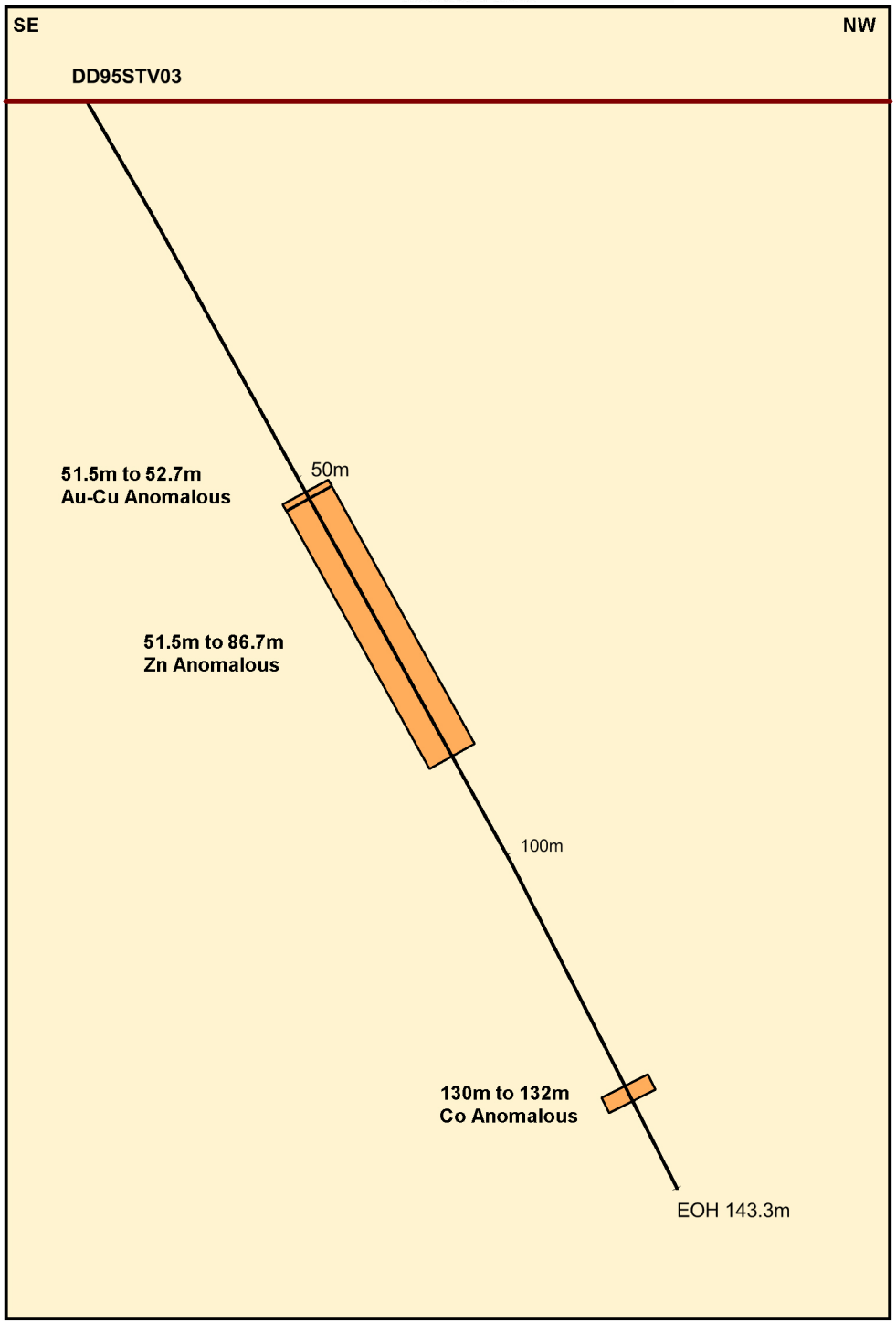

Figure 8: DD95STV3 Anomalous cobalt, gold, and zinc zones.

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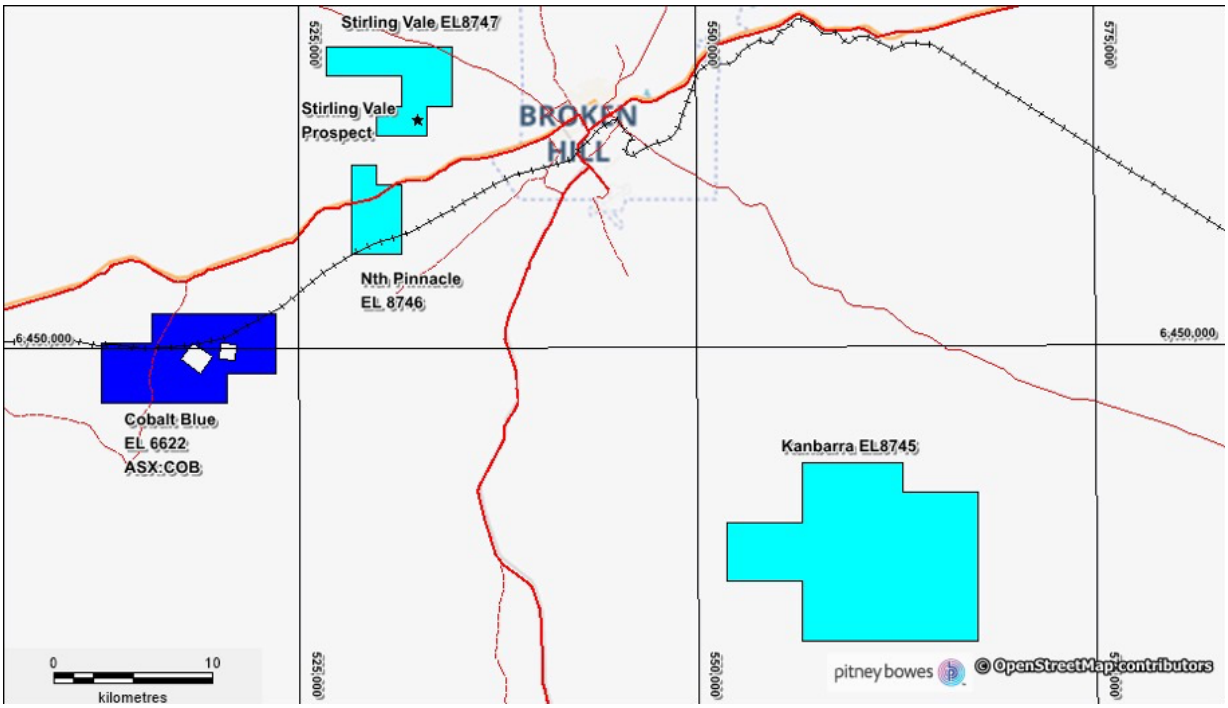

Figure 9: Location of ELs near Broken Hill with Stirling Vale Cobalt Prospect within EL 8747

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