



17 August 2021

ASX Market Announcements

APPLICATION FOR RARE EARTH ELEMENTS EXPLORATION TENEMENTS IN SOUTH AUSTRALIA

Ausmon Resources Limited ("Company") is pleased to announce that the application it has recently lodged with the Government of South Australia, Department of Energy and Mining ("DEM") for an exploration licence has been accepted as ELA 2021/00082 (**Figure 1**) with the DEM commencing the assessment process to consider an offer of tenements.

The sought after exploration licence for rare earth elements (REE) covers a total of 998 square kilometers over 2 non-contiguous sections named Parrakie in the north and Wolseley in the south. ELA 2021/00082 is located on the Limestone Coast in southeast of South Australia (**Figure 1**) within the Loxton Sands of the Murray Basin. The aim of the Company is to explore for 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 (**Figure 2**).

The tenements applied for are located in the region where Australian Rare Earths Limited (ASX:AR3) has recently announced a JORC inferred mineral resource of 39.9 MT @ 725 ppm TREO (Total Rare Earth Oxides) at their Koppamurra project prospective for ionic clay REE deposit (see AR3's ASX announcement of 13 July 2021 and AR3's prospectus dated 7 May 2021 released on ASX announcement platform on 29 June 2021).

With the lowering of the overall levels, the Loxton Sands of the Murray Basin were formed on the beach on the shore of the emergent land (Strandlines). Locally, heavy minerals were concentrated by wave action, including rutile zircon and ilmenite (Mineral Sands). In addition, Light and Heavy Rare Earth Elements have formed an ionic bond with the fine clay fraction (Ionic Clays) of the Loxton Sands at shallow depths.

This clay fraction will be the primary exploration target within the Tertiary Strandlines.

Subject to grant of the tenements, completion of landholder access agreements and government approval, orientation fine fraction sampling and analysis of the strandlines will be carried out ahead of shallow Aircore Drilling to test for the clay fraction.

REE 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 many electronic devices.

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Figure 1 Ausmon Resources Limestone Coast Application ELA2021/00082 shaded in pink

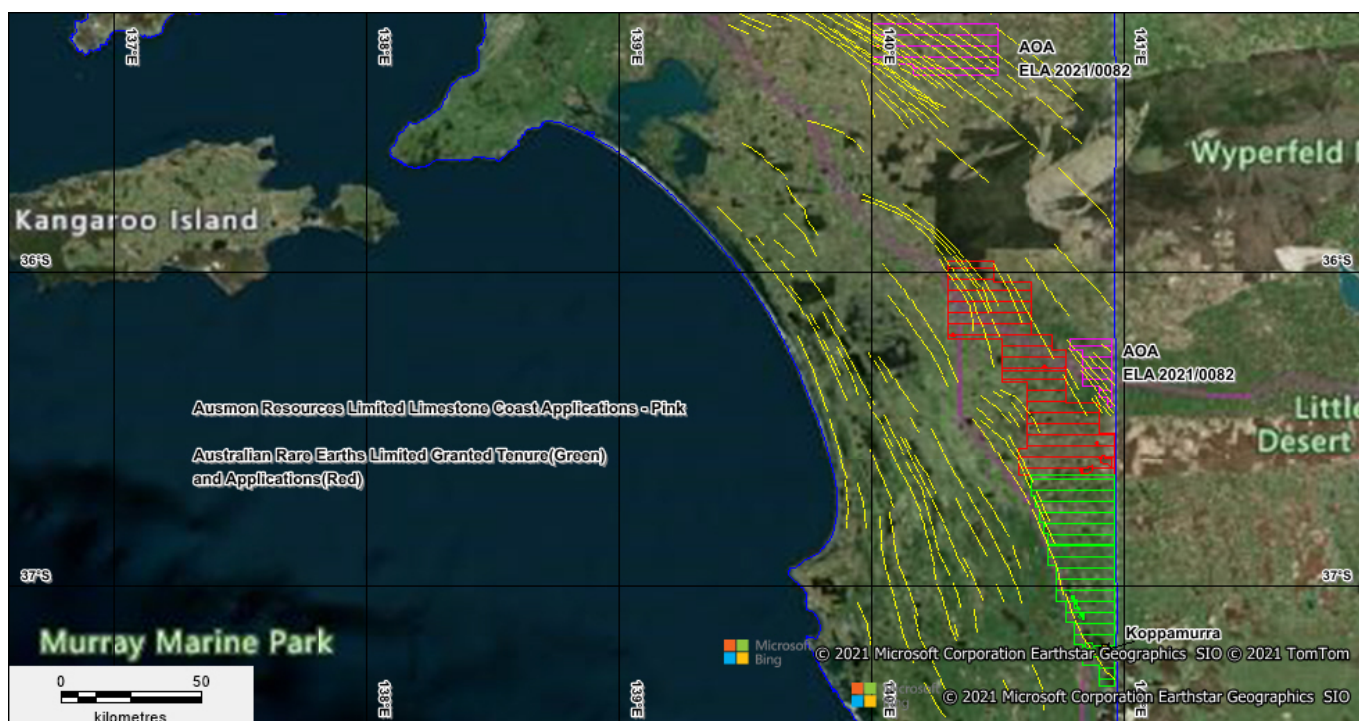


Figure 2 Ausmon Resources Application shaded in pink with Tertiary Strandlines and Koppamurra Project Location

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 Consultant Geologist 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.

Authorised by:

Eric Sam Yue

Company Secretary