



29 October 2021

ACTIVITIES REPORT – SEPTEMBER QUARTER 2021

EXPLORATION HIGHLIGHTS

Broken Hill Cobalt and Base Metals Exploration Areas – NSW (100% Interest)

- 3 new tenements in the Broken Hill area were granted by the Minister in July 2021, Enmore EL 9220, Eureka EL 9224 and Mt Darling EL 9239 bringing the total number of tenements held in the region to 5.

Tumut Cobalt and Base Metals Exploration Areas – NSW (100% Interest)

- in August 2021 the Minister granted McAlpine EL 9252 near Tumut/Gundagai for 6 years adding to the coverage of the already granted Brungle Creek EL 8954.

Limestone Coast Rare Earth Elements (REE) Exploration Areas – SA (100% Interest)

- The Company has applied for three new exploration licences in South Australia, Parrakie/Wolseley 2021/00082, Mt Rough 2021/00136 and Kingston 2021/00137 with the primary aim to explore for Rare Earth Elements within the ionic clay of the Loxton Sands at shallow depths in the Murray and Otway basins.





Figure 1: Location of Licences (EL) and Licence Applications (ELA) of Ausmon Resources Limited

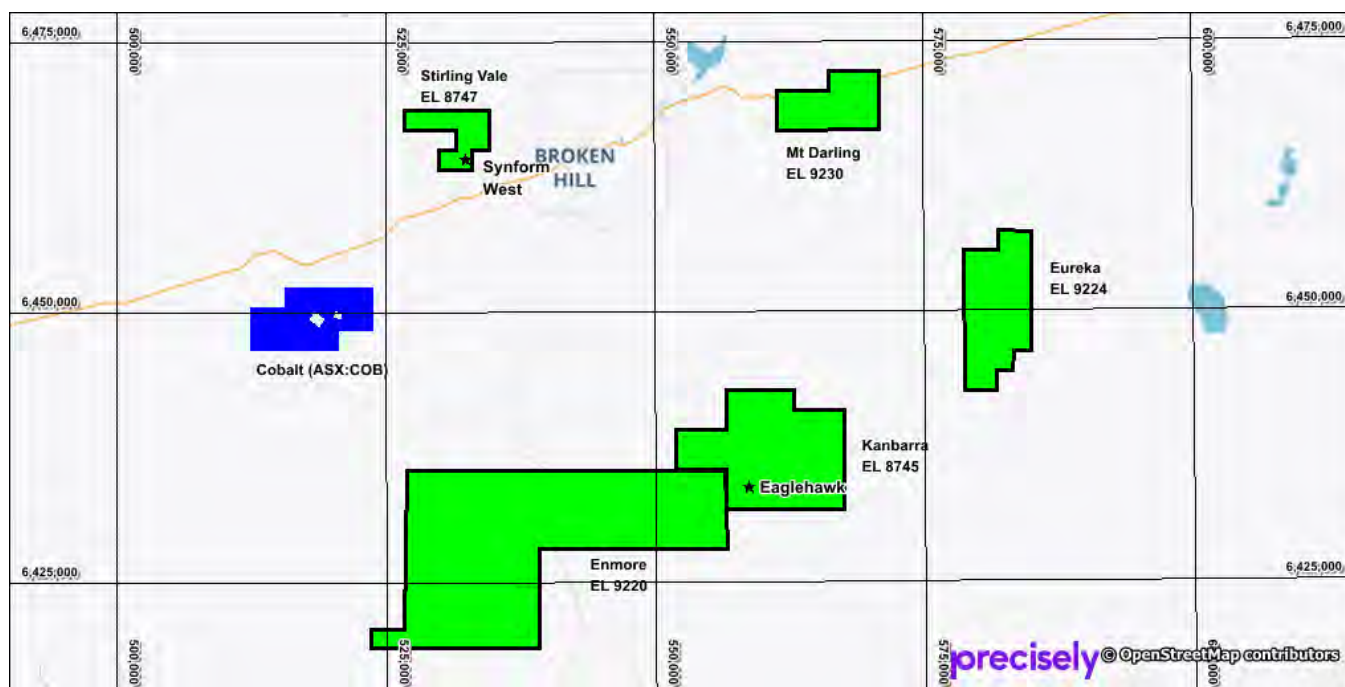


Figure 2: Location of tenements near Broken Hill showing the key Prospect

NSW: BROKEN HILL EXPLORATION LICENCES

ELs 8745, 8747, 9220, 9224 and 9230 NEAR BROKEN HILL IN NSW - 100% INTEREST Cobalt and Base Metals Exploration

The five licences cover an area of approximately 685 km² near Broken Hill (**Figure 2**) and the cobalt development areas of Cobalt Blue (ASX:COB).

ELs 9220, 9224 and 9230

In June 2021, the Minister granted the Company's wholly owned subsidiary New Base Metals Pty Ltd 3 new exploration licences for 5 years (**Figure 2**) for cobalt and base metals exploration.

The plan is to explore for Broken Hill-type Pb-Zn-Ag, Iron Oxide Cu-Au (IOCG) and cobalt mineralisation within Palaeoproterozoic Willyama Supergroup rocks as found by Cobalt Blue in their tenements. The Willyama Super Group comprises poorly outcropping (**Figures 3 and 6**), medium to high grade regionally metamorphosed and strongly deformed sedimentary, volcanic and intrusive rocks. The Palaeoproterozoic sequence has been intruded by extensive volumes of Mesoproterozoic granitoids and scattered mafic dykes. Recent river alluvium and Quaternary sediments (shades of yellow in **Figures 3 and 6**) occur extensively across all three tenements resulting in limited historic surficial geochemical exploration and subsequent drilling. The Company has engaged Perth based Southern Geoscience Consultants (SGC) to compile and process all publicly available magnetics, radiometrics and gravity for the area SE of Broken Hill (**Figure 2**). The area that comprises Mt Darling, Eureka and Enmore has limited outcrop and is generally covered by transported unconsolidated sediments however as **Figures 3 and 5** show the magnetics highlight a complex structurally region that has had limited exploration and even more limited drill testing.

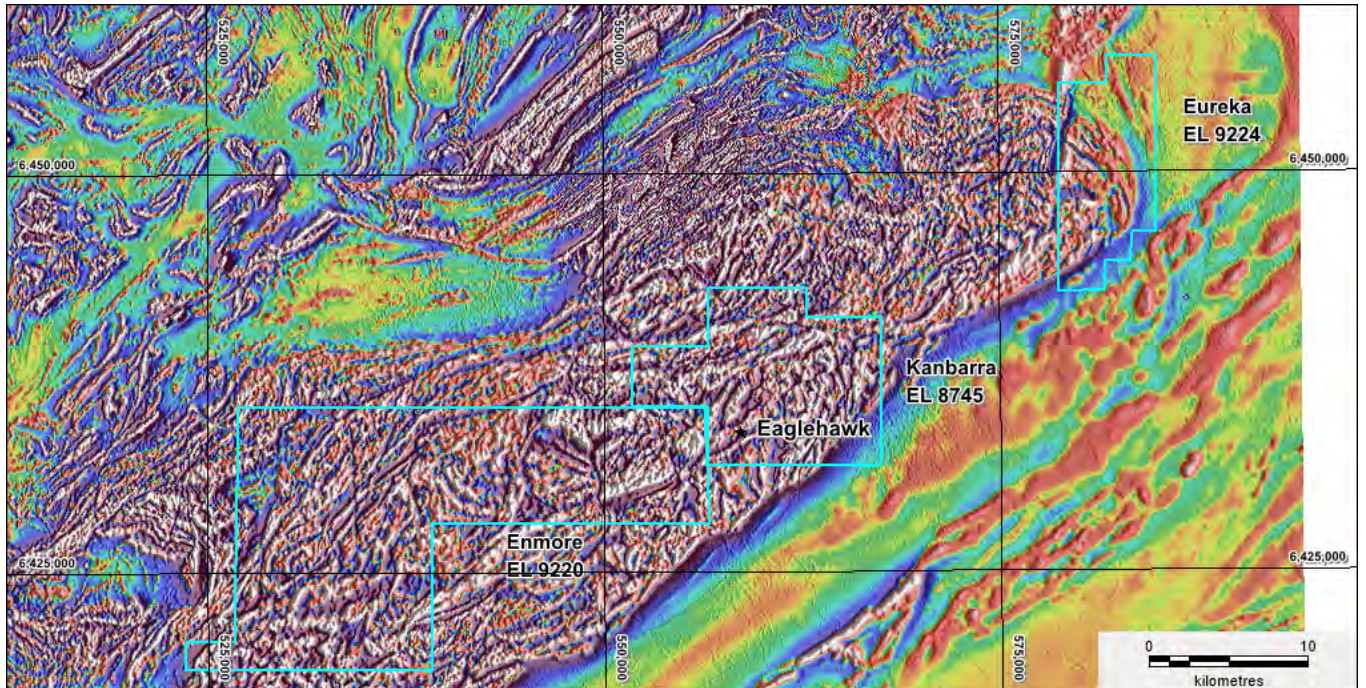


Figure 3: Enmore and Eureka on 1VD RTP Magnetics (Processed by SGC)

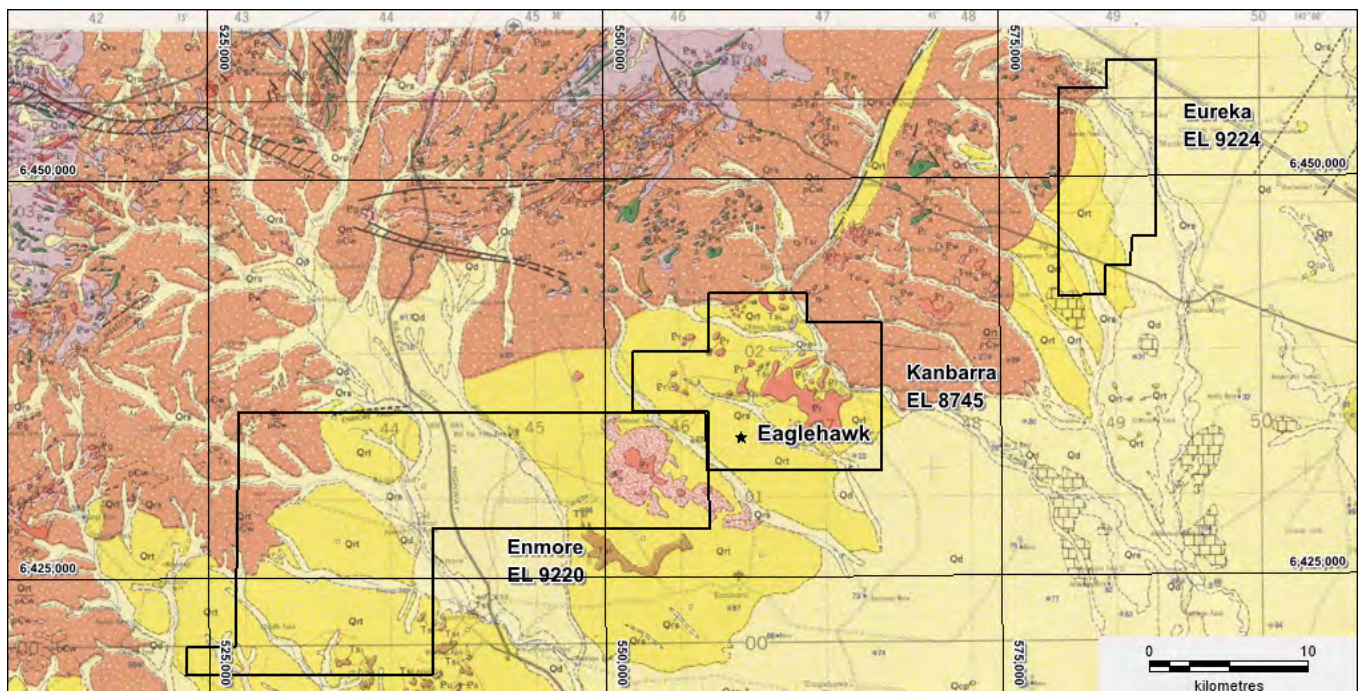


Figure 4: Enmore and Eureka on outcrop geology (Menindee 1:250,000 map sheet)

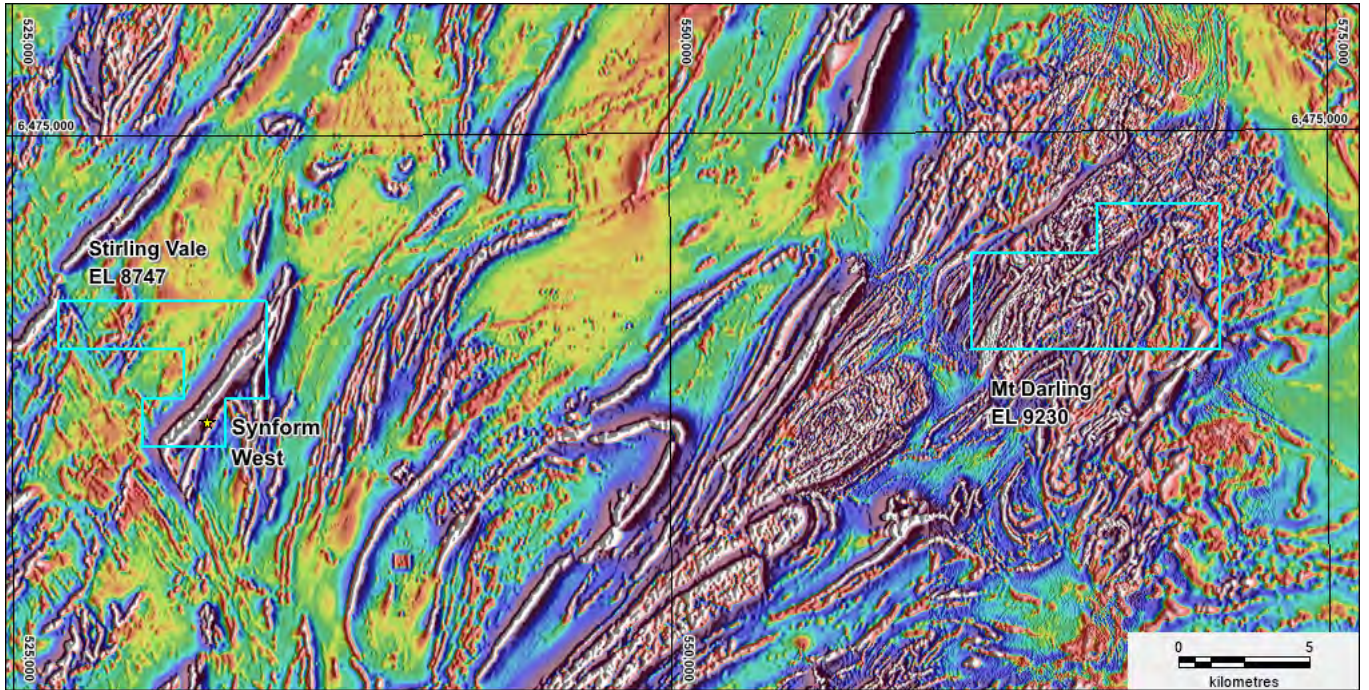


Figure 5: Mt Darling on 1VD RTP Magnetics (Processed by SGC)

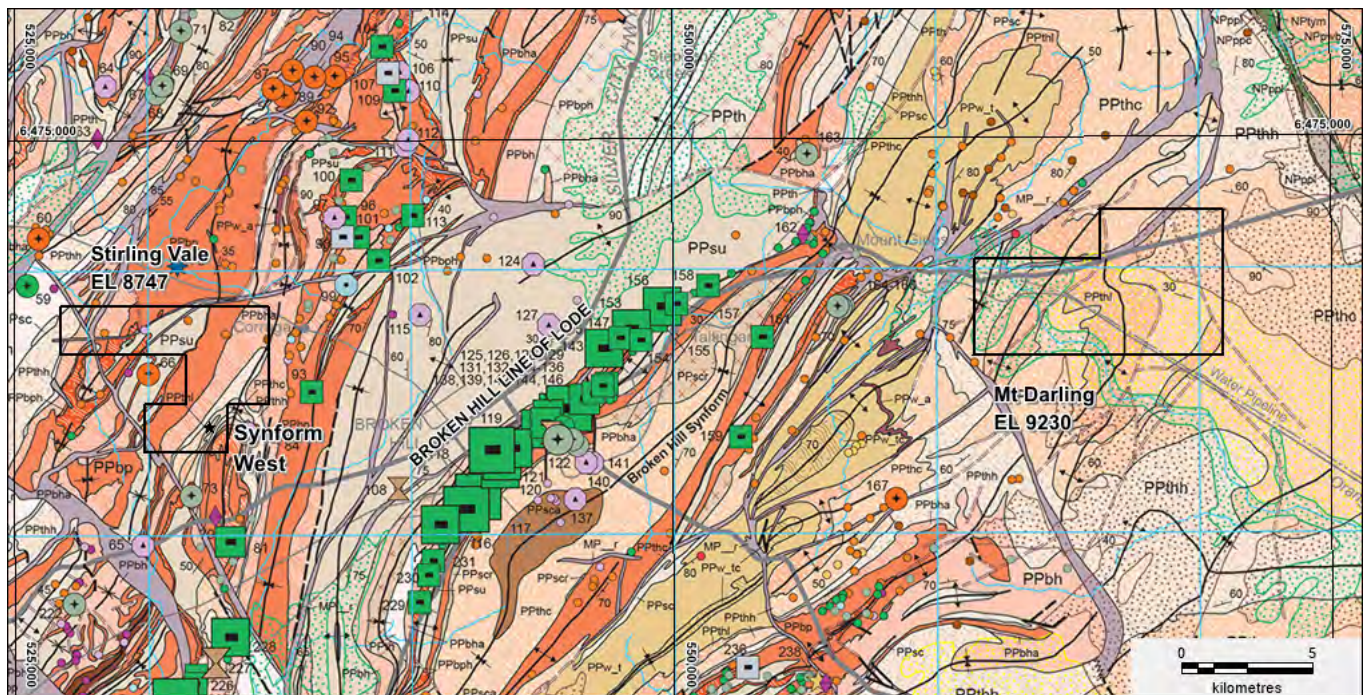


Figure 6: Mt Darling on metallogenic outcrop geology (Broken Hill 1:250,000 map sheet)

EL 9252 NEAR TUMUT IN NSW - 100% INTEREST
Cobalt and Base Metals Exploration

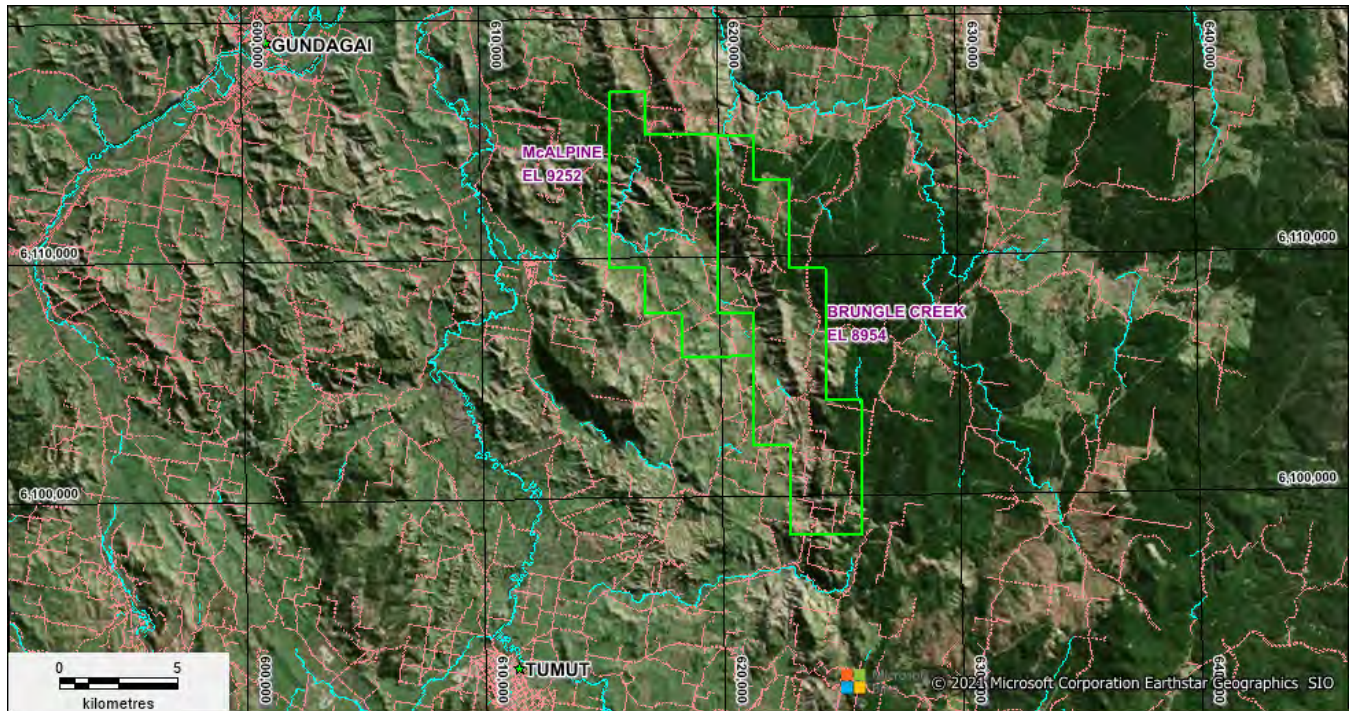


Figure 7: McAlpine EL 9252 and Brungle Creek EL 8954 location map – BIMG Aerial Photograph

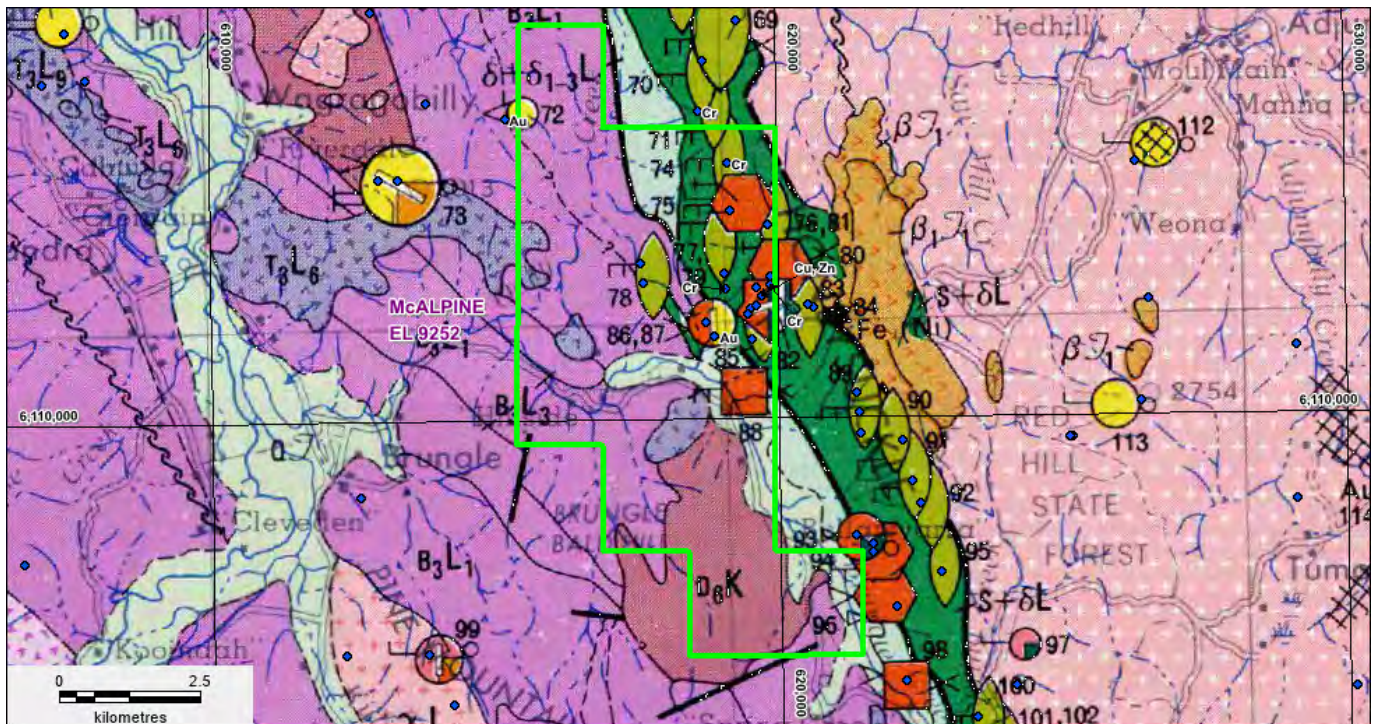


Figure 8: Wagga Wagga metallogenic map showing the new McAlpine EL 9252

During the quarter, McAlpine EL 9252 (**Figure 7**) near Tumut/Gundagai NSW has been granted for a period of 5 years and covers an area of approximately 45 square kilometers providing the Company an exposure over a total of approximately 106 square kilometres within EL 9252 and EL 8954 in an exciting exploration region with potential for Cobalt, Copper, Chromite, Gold and Nickel as identified at Brungle Creek EL 8954 and McAlpine EL 9252 (**Figure 8**).

EL 9252 covers the McAlpine Copper and Chromite historical workings (**Figure 8**), is adjacent and to the west of the Company's granted tenement Brungle Creek EL 8954, 15 km north east of Tumut, 15 km south east of Gundagai and adjacent to the serpentine ridge of the Honeysuckle Range (**Figure 7**).

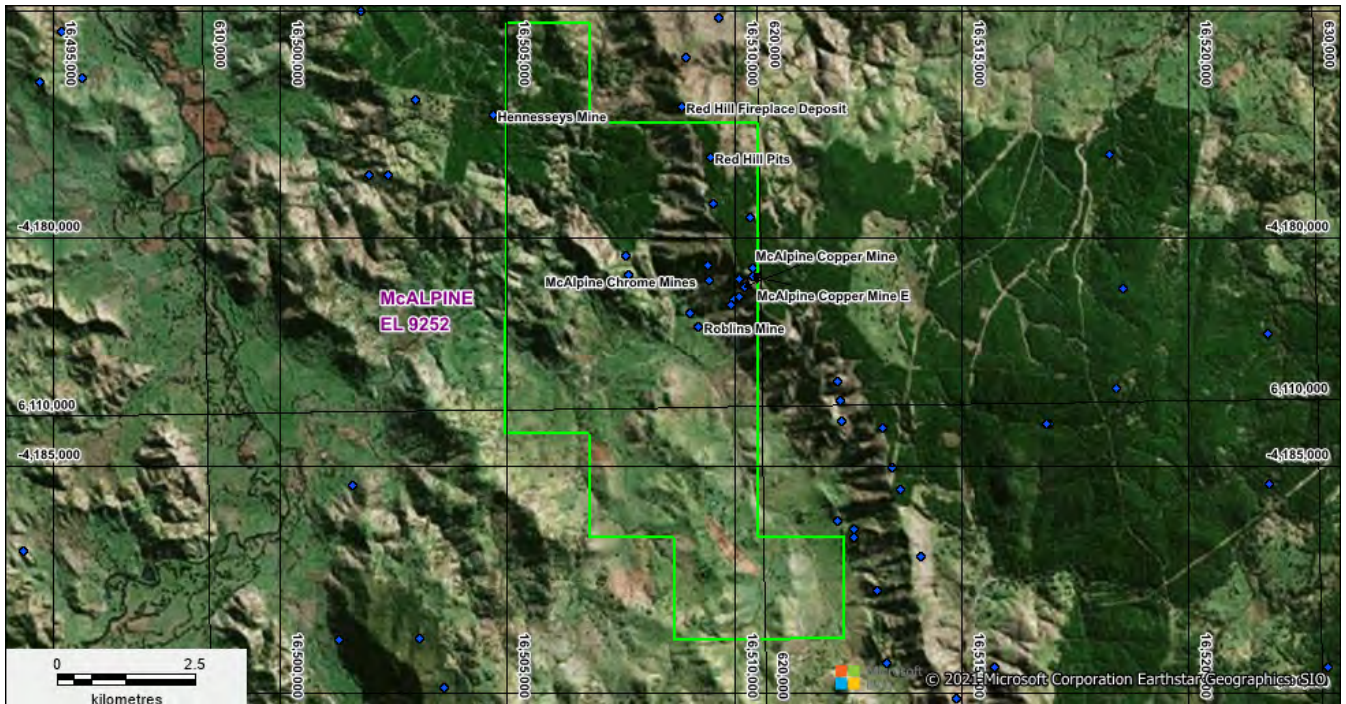


Figure 9: Cobalt Occurrences Map of New South Wales Situating EL 8954

Regionally the tenement lies along the boundary of the Forbes Anticlinorial zone in the east and the Bogan Gate Synclinorial zone to the west. The Mooney Mooney thrust system separates the two tectonic provinces. The Cambrian to Ordovician Jindalee Beds occur in two north-south trending belts near the eastern margin of the Bogan Gate Synclinorial Zone. These beds comprise sediments and volcanics formed at the converging plate margin of a continental slope and ocean basin and merged in a trench to form a flysch wedge.

The Silurian-Devonian Blowering beds are separated by a ridge of basement Jindalee beds and consist mainly of acid volcanic rocks. Within these units the main serpentinite and talc-carbonate intrusive bodies occur in two trend lines striking roughly north-south along or parallel to the Mooney Mooney Thrust System. These intrusives are part of an ophiolite sequence formed in an orogenic belt. Within the tenement outcropping units of the Coolac Serpentinite (Figure 9 – green unit) are bounded against the Young Granodiorite rock of the Forbes Anticlinorial Zone to the east. Wehrlite, dunite, clinopyroxene and

hornblende bearing gabbros of the North Mooney Complex lie to the west emplaced within largely acid volcanic rocks of the Silurian-Devonian Blowering.



Historic Information on Exploration in the Southern Coolac Serpentinite Belt for Copper/Chromite/Cobalt/Gold/Nickel.

- The Coolac Serpentinite Belt hosts known undeveloped cobalt resources at Thadunggra north of Brungle Creek.
- The southern portion of the Coolac Serpentinite Belt had very little modern exploration and “no drilling”.
- The area is known for small historical chromite and copper mining operations.
- The area also has elevated cobalt and nickel from historical surficial geochemical exploration.
- Historical laterite sampling by Anaconda in 2000 (last exploration phase) returned a maximum result of 0.84% nickel and 0.53% cobalt. Anaconda were exploring for lateritic nickel mineralisation.
- Historical Au assay of 3.8 ppm in volcanics/sediments adjacent and to the east of the Coolac Serpentinite Belt.
- Historical Au prospect in N-S shear zone within Silurian Granodiorite to east of Coolac Serpentinite Belt.

The Coolac Serpentinite Belt is bound against Silurian Granodiorite rock of the Forbes Anticlinorial Zone to the east and Siluro Devonian volcanics and sediments to the west with largely faulted contacts. Numerous copper and chromite prospects occur along the length of the serpentinite belt with the only recorded production from the McAlpine Copper Mine.

The Company engaged Western Australia based Earthscan to process a series of satellite images covering the Brungle Creek and McAlpine tenements for clay, iron and silica alteration signatures as shown in **Figure 11**.

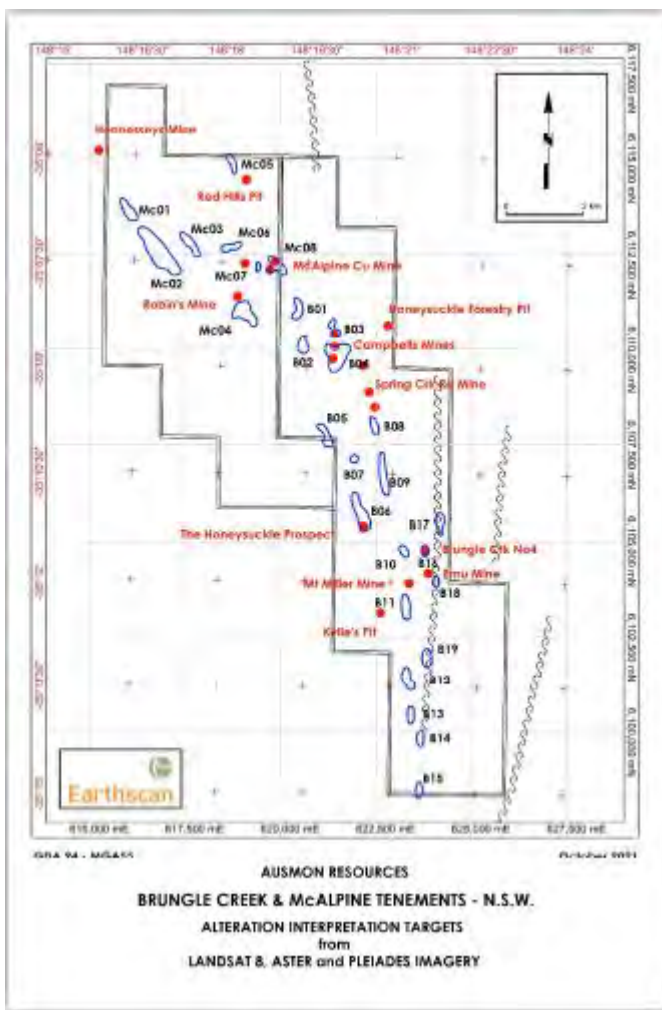


Figure 10 McAlpine Historical Prospects

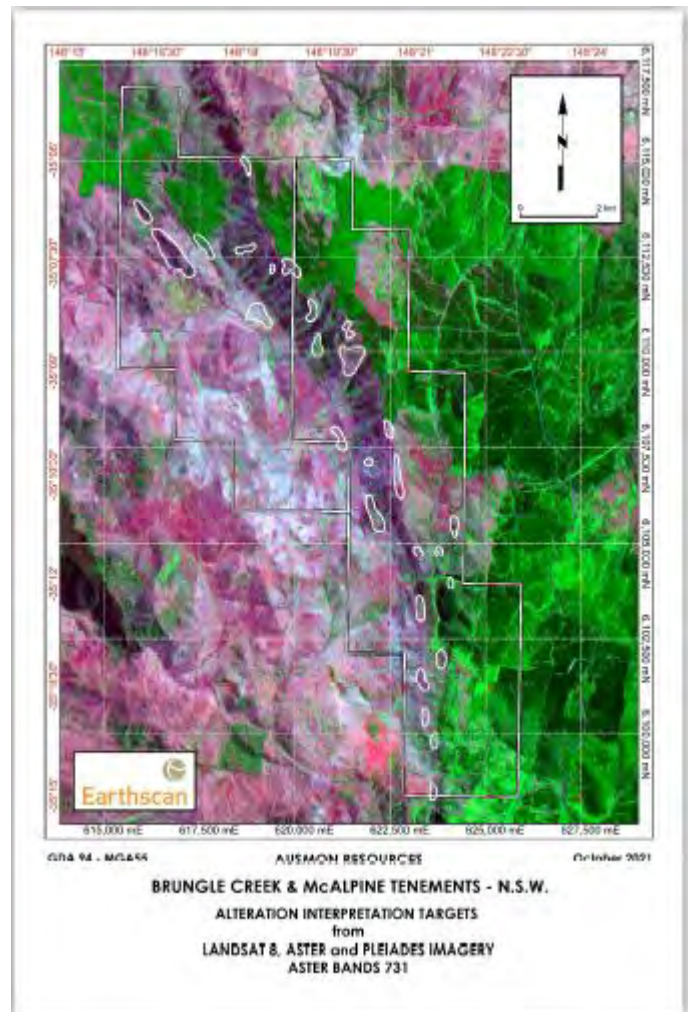


Figure 11 shows the numbered targets on the right and the Targets on merged and processed satellite imagery on the right. All high priority targets will be sampled by a combination of pXRF soil and rock sampling in the next field period



Historic McAlpine Copper Mine



***EXPLORATION LICENCE APPLICATIONS 2021/00082, 00136 and 00137
MURRAY AND OTWAY BASINS IN SA - 100% INTEREST
Rare Earth Elements Exploration***

During the quarter, the Company lodged three applications with the Government of South Australia, Department of Energy and Mining (“DEM”) for exploration licences 2021/00082, 136 and 137 for rare earth elements (REE) and other minerals exploration (**Figure 12**) and the DEM has commenced the assessment process to consider the grant of the tenements.

The application areas cover a total of 998 square kilometers with 2021/00082 in 2 non-contiguous sections named Parrakie in the north and Wolseley in the south and single areas for 2021/00136 Mt Rough and 2021/00137 Kingston. They are located on the Limestone Coast in southeast of South Australia (**Figure 12**) within the Loxton Sands or equivalent of the Murray and Otway Basins.

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. Australian Rare Earths (ASX:AR3) has a large area in the region and 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 or equivalents of the Murray and Otway Basins 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.

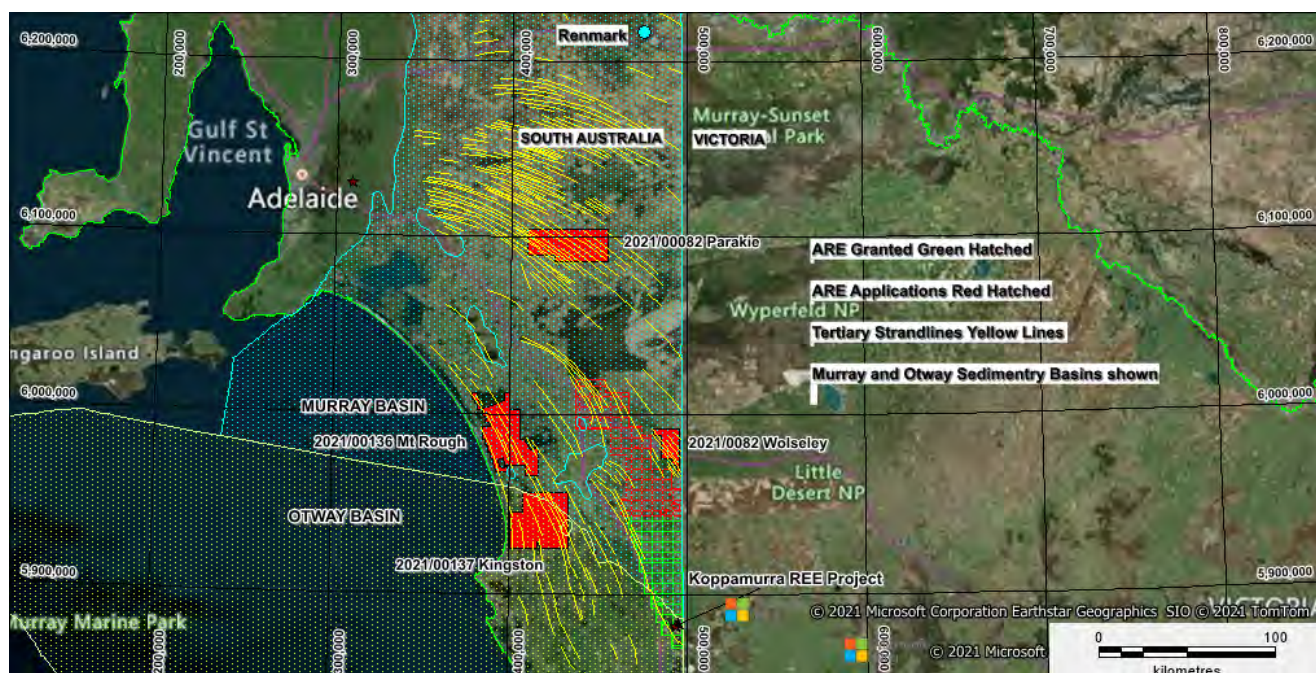


Figure 12 South Australian REE Application Areas and associated Murray and Otway Basins

EXPLORATION EXPENDITURE

During the quarter the Company incurred \$16K in mineral exploration and evaluation activities consisting of:

- | | |
|---|-------|
| - Geology and geophysics | \$ 3K |
| - Rent and other project management costs | \$13K |

There were no mining production and development activities during the quarter.

CORPORATE

Payments to related parties of the entity and their associates

The aggregate amount of payments to related parties and their associates for the quarter reported in item 6.1 in Appendix 5B Cash Flow Report of \$19K were as follows:

- | | |
|---|-------|
| - Director's management fees and superannuation | \$16K |
| - Office rent contribution to a related entity of Managing Director John Wang | \$ 3K |

LICENCES STATUS

Minerals tenements held and under application as of 30 September 2021 and their locations are set out in the table below. ELs 9252, 9220, 9224 and 9230 were granted and EL 6400 was disposed of during the quarter.

| Tenement | Area Name | Location | Beneficial Interest | Status |
|----------------|------------------|--------------------|---------------------|--------------------------------------|
| EL 8745 | Kanbarra | NSW Broken Hill | 100% | Expiry on 15 May 2024 |
| EL 8747 | Stirling Vale | NSW Broken Hill | 100% | Expiry on 24 May 2024 |
| EL 8954 | Brungle Creek | NSW Tumut | 100% | Expiry on 11 March 2026 |
| EL 9252 | McAlpine | NSW Tumut | 100% | Expiry on 6 August 2026 |
| EL 9220 | Enmore | NSW Broken Hill | 100% | Expiry on 21 July 2026 |
| EL 9224 | Eureka | NSW Broken Hill | 100% | Expiry on 21 July 2026 |
| EL 9230 | Mt Darling | NSW Broken Hill | 100% | Expiry on 21 July 2026 |
| ELA2021/0082 | Parakie/Wolseley | SA Murray Basin | 100% | Application lodged in August 2021 |
| ELA 2021/00136 | Mt Rough | SA Murray Basin | 100% | Application lodged in September 2021 |
| ELA 2021/00137 | Kingston | SA Otway | 100% | Application lodged in September 2021 |

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 the Board of Directors

Eric Sam Yue

Director/Company Secretary

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

AUSMON RESOURCES LIMITED

ABN

88 134 358 964

Quarter ended ("current quarter")

30 SEPTEMBER 2021

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|--|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | | |
| 1.1 Receipts from customers | | | |
| 1.2 Payments for | | | |
| (a) exploration & evaluation | | | |
| (b) development | | | |
| (c) production | | | |
| (d) staff costs | | (25) | (25) |
| (e) administration and corporate costs | | (47) | (47) |
| 1.3 Dividends received (see note 3) | | | |
| 1.4 Interest received | | | |
| 1.5 Interest and other costs of finance paid | | | |
| 1.6 Income taxes paid | | | |
| 1.7 Government grants and tax incentives | | | |
| 1.8 Other (GST, projects) | | 17 | 17 |
| 1.9 Net cash from / (used in) operating activities | | (55) | (55) |
| 2. Cash flows from investing activities | | | |
| 2.1 Payments to acquire or for: | | | |
| (a) entities | | | |
| (b) tenements | | | |
| (c) property, plant and equipment | | | |
| (d) exploration & evaluation | | (41) | (41) |
| (e) investments | | | |
| (f) other non-current assets | | | |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|---|------------------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | 97 | 97 |
| | (b) tenements | | |
| | (c) property, plant and equipment | | |
| | (d) investments | | |
| | (e) other non-current assets | | |
| 2.3 | Cash flows from loans to other entities | | |
| 2.4 | Dividends received (see note 3) | | |
| 2.5 | Other | | |
| 2.6 | Net cash from / (used in) investing activities | 56 | 56 |

| | | | |
|-------------|---|-----------|-----------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | | |
| 3.2 | Proceeds from issue of convertible debt securities | | |
| 3.3 | Proceeds from exercise of options | | |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | | |
| 3.5 | Proceeds from borrowings | 125 | 125 |
| 3.6 | Repayment of borrowings | (75) | (75) |
| 3.7 | Transaction costs related to loans and borrowings | | |
| 3.8 | Dividends paid | | |
| 3.9 | Other (provide details if material) | | |
| 3.10 | Net cash from / (used in) financing activities | 50 | 50 |

| | | | |
|-----------|--|------|------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 55 | 55 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (55) | (55) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 56 | 56 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 50 | 50 |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 4.5 | Effect of movement in exchange rates on cash held | | |
| 4.6 | Cash and cash equivalents at end of period | 106 | 106 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|-----|--|----------------------------|-----------------------------|
| 5.1 | Bank balances | 106 | 45 |
| 5.2 | Call deposits | - | 10 |
| 5.3 | Bank overdrafts | | |
| 5.4 | Other (provide details) | | |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 106 | 55 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|---|---|----------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 19 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> | | |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| 7. | Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|-----|---|---|--|
| | <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 | Loan facilities | 1,150 | 175 |
| 7.2 | Credit standby arrangements | | |
| 7.3 | Other (please specify) | | |
| 7.4 | Total financing facilities | 1,150 | 175 |
| 7.5 | Unused financing facilities available at quarter end | | 975 |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| | Fort Capital Pty Ltd, an unrelated company, provided a loan facility to the Company to fund general working capital of up to \$1,150,000 until 01 October 2022. The funds advanced under the loan facility are unsecured and bear interest at 8% per annum. | | |

| 8. | Estimated cash available for future operating activities | \$A'000 |
|-----|---|----------------|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (55) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (41) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (96) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 106 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | 975 |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 1,081 |
| 8.7 | Estimated quarters of funding available (item 8.6 divided by item 8.3) | 11.26 |
| | <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | |
| 8.8 | If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| | 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| | Answer: N/A | |
| | 8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| | Answer: N/A | |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 29 October 2021.....

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.