

7 October 2020

ASX Market Announcements

**DRILLING PROGRAM TO FOLLOW UP GROUND IP SURVEY
EL 8745 KANBARRA COBALT-ZINC PROJECT, BROKEN HILL NSW**

- **4 RC/Diamond drillholes proposed for the Nth Kanbarra Prospect**
- **1,200 m of RC/Diamond core drilling proposed to test the chargeability targets**

Ausmon Resources Limited (“Company”) is pleased to announce its program to drill test the targets identified from the recently completed Nth Kanbarra Ground IP survey within EL 8745 (**Figure 1**) (see ASX release of 22 September 2020).

An initial 4 holes of RC and Diamond Core drilling for a total of approximately 1,200 m is proposed. The holes will be approximately 250 m to 350 m deep to intersect the targets at -150 m and -250 m vertically below the surface. Exact hole collar locations will be determined at the sites and drilling can commence once approval of the NSW Mines Department has been obtained.

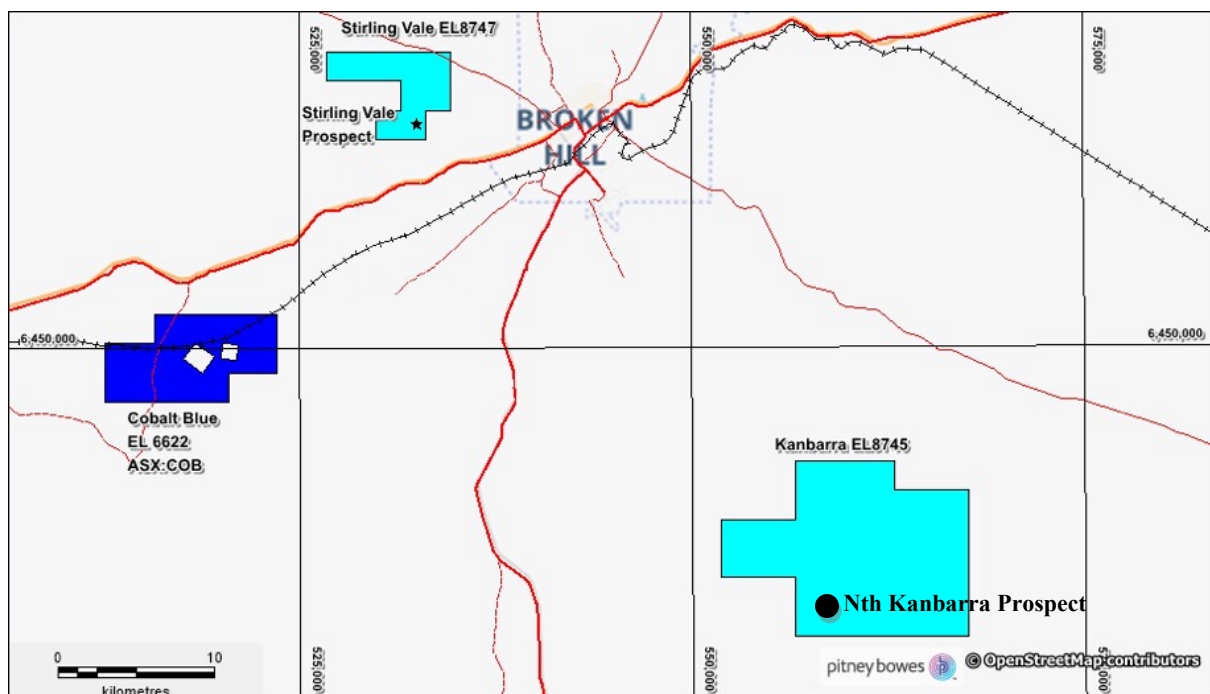


Figure 1: Ausmon Resources Broken Hill Projects

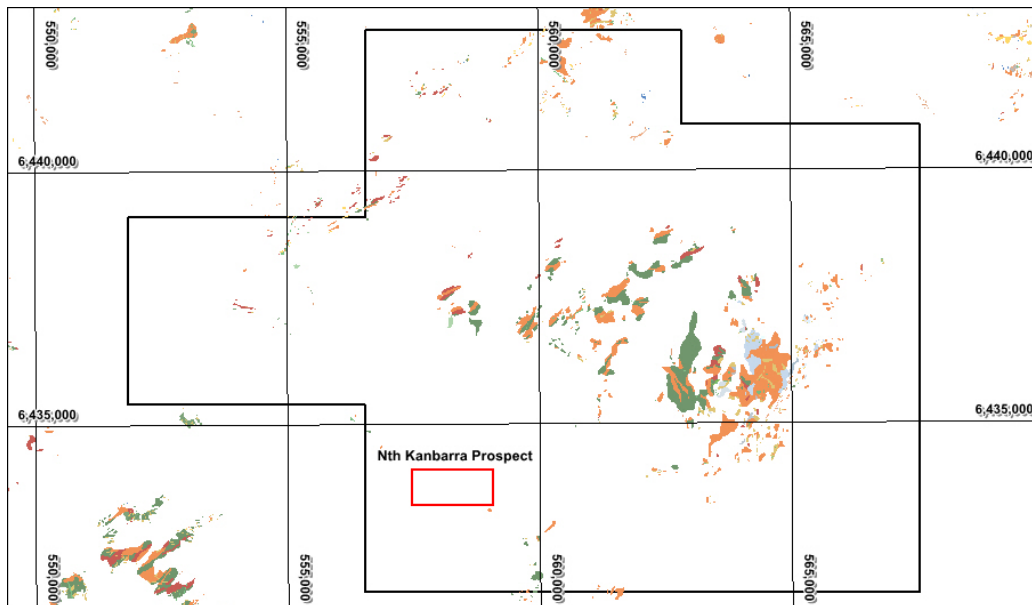


Figure 2: Nth Kanbarra Prospect Location within EL 8745

Nth Kanbarra Prospect is in an area of little outcrop (coloured polygons) and recent cover sediments of variable thickness (**Figure 2**). The Ground IP survey results and the work of a previous operator indicate an exciting area to explore for base metals in a region where other mining companies have been successful.

In 2009, previous operator Eaglehawk Geological Consulting completed a 57 hole Rotary Airblast (RAB) drilling program (see ASX Release of 22 September 2020) for 1,696 m. Samples were collected at the bottom of each hole and some other mineralised altered intervals in the holes. **Figure 3** shows the key geological/geochemical results from the 2009 RAB drilling program in addition to the 8 lines of the September 2020 Ground IP survey of the Company in blue.

The central red hatched area comprises a “gossan zone” between IP lines 2 and 4 with a limited surface expression. To the south of the “gossan zone” as observed in the drill holes the metasediments with local hematite alteration and brecciation while to the north is a zone of metasediments with localised quartz and gossan between IP lines 3 and 8. Geochemical results from the drilling highlighted a zone of Zn (green) to 500 ppm and Cu (blue) to 1,900 ppm between IP lines 3 and 6 flanked by Zn to 500 ppm to the north and south.



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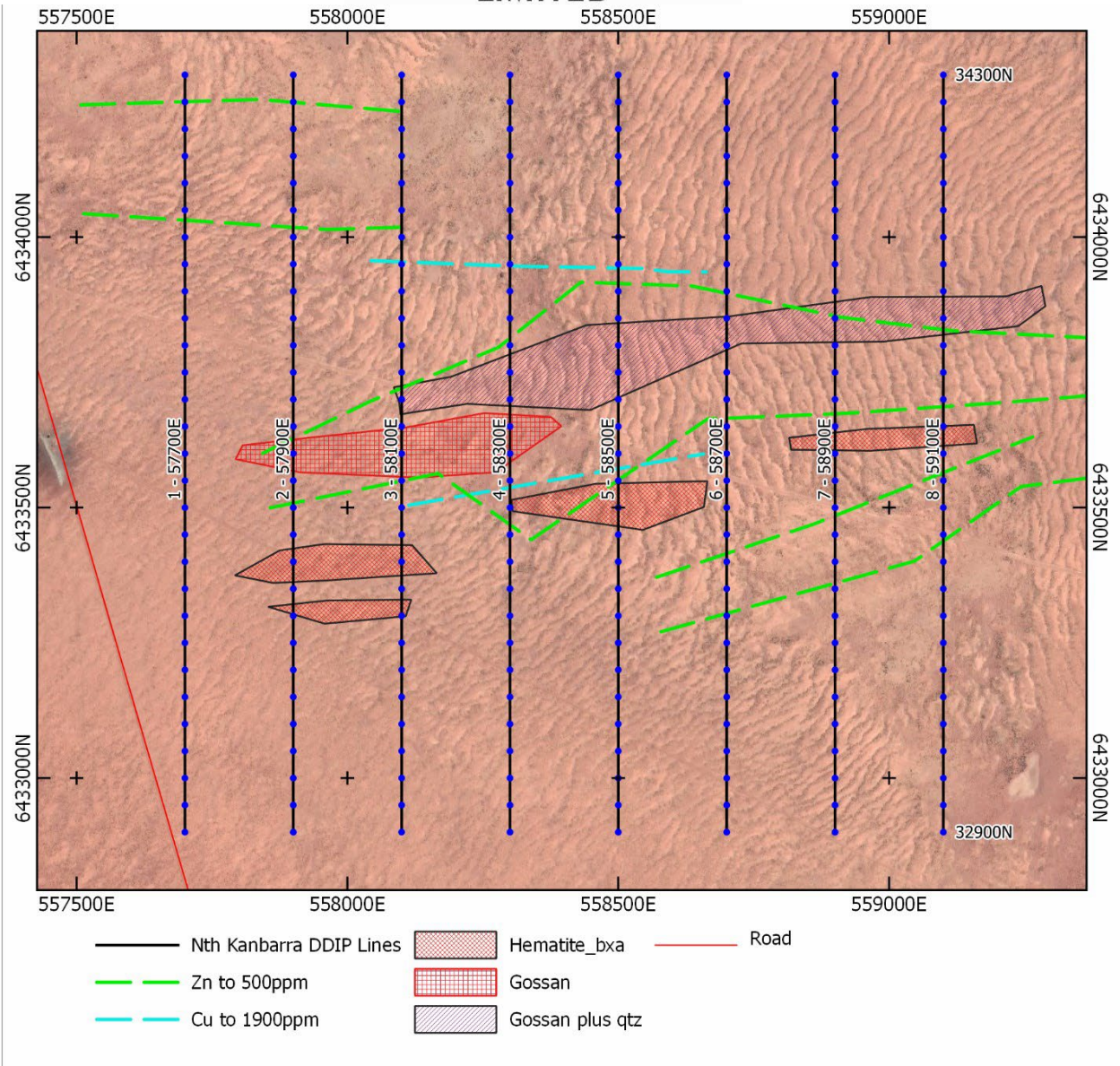


Figure 3: Nth Kanbarra geological/geochemical zone as defined by Eaglehawk drilling

| Line | South | North | Length (m) |
|---------|--------|----------|------------|
| 557700E | 32900N | 6434300N | 1400 |
| 557900E | 32900N | 6434300N | 1400 |
| 558100E | 32900N | 6434300N | 1400 |
| 558300E | 32900N | 6434300N | 1400 |
| 558500E | 32900N | 6434300N | 1400 |
| 558700E | 32900N | 6434300N | 1400 |
| 558900E | 32900N | 6434300N | 1400 |
| 559100E | 32900N | 6434300N | 1400 |

Table 1: Nth Kanbarra IP Survey Specifications – MGA54 Coordinates

The IP resistivity models suggest there is a conductive surface layer of up to 50 m thickness over most of the Nth Kanbarra area. Below this layer the basement is resistive.

The IP chargeability model defines two chargeable sources (**Figure 4**). The strongest source is centred around 558325E 6433600N with its core at a depth of around 160 m. It is oriented roughly EW with a strike length of around 500 m, a width of around 100 m and the 3D inversion model indicates it has significant depth extent. The second source is to the east at 558940E 6433450N and shallower at 140 m depth. This source is around 150 m x 80 m in size, and with limited depth extent. Both sources appear to be located along an EW structure. The proposed drilling will be testing the larger anomaly shown in red with the lower tenor anomaly to the south east to be tested at a later date.

The IP survey at Nth Kanbarra has delineated two chargeability anomalies which have been resolved into well-defined chargeable zones by inversion modelling. The initial drill testing is proposed for 1,200 m with 4 drill holes designed to intersect the main zone at -150 m and -250 m below the surface. **Figure 4** illustrates the proposed initial drill holes NK1 and NK3 and how it will test the high chargeability zone. Proposed drill holes NK2 and NK4 are designed to test the target at -250 m below the surface. The IP anomaly will be modelled in 3D to refine drill holes NK1 to NK4. Follow up drilling will aim to evaluate the full 1.5 km boomerang shaped anomaly (yellow to red colours).

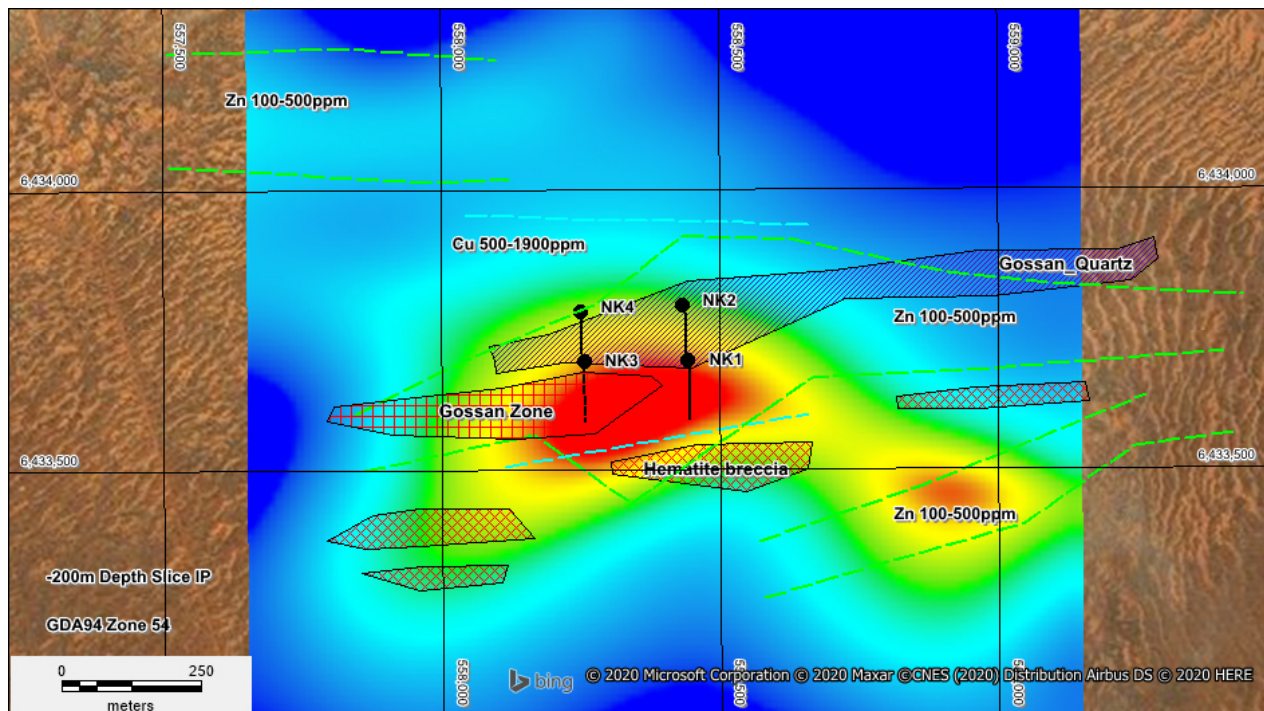


Figure 4: Nth Kanbarra IP depth slice at -200 m overlain with the geology/geochemistry from the shallow 2009 drilling and the proposed 2020 drill testing – NK1 to NK4



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Next Phase of Exploration at EL 8745

- Complete the proposed 1,200 m of RC/Diamond Core drilling at Nth Kanbara
- Dependent on results continue drill evaluation of the 1.5 km boomerang shaped IP chargeability anomaly

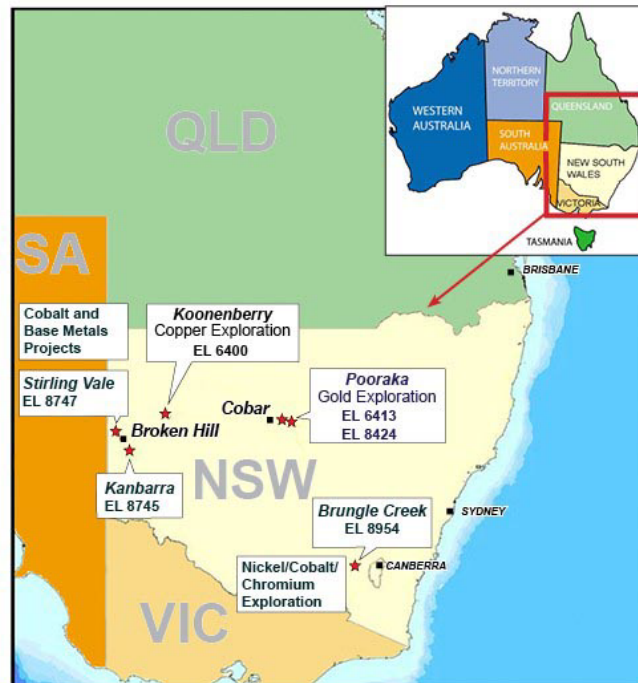


Figure 5: Ausmon Resources New South Wales Projects

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.

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