

EXPLORATION UPDATE: SOIL SURVEY COMMENCED

HIGHLIGHTS

- **Soil sampling program across the Sandford Tenement has commenced and expected to take 2 weeks**
- **Assay results are expected approximately 6 weeks from completion of the program**
- **Aim of the survey is to identify areas of possible clay hosted REE mineralisation for more detailed exploration**
- **Survey will be predominantly located along roads which are generally coincident with the areas of duricrust development**
- **Designed as a regional sampling program, and a first pass exploration into the potential for REE's and base metals**

Osmond Resources Limited (ASX: **OSM**) (**Osmond** or the **Company**) is pleased to announce that a regional soil sampling survey is in progress across the Sandford Tenement (EL6958), located in western Victoria (Figure 1). The survey is designed as a first pass regional program, with a sample spacing of 500m along roads (Figure 2) to quickly identify targets of interest for follow up infill sampling at closer spacing. This is the first comprehensive regional geochemical survey conducted over the whole tenement area. The aim of the survey is to identify anomalous base metals as well as REE and potentially mineral sands.

In addition to the regional sampling program, landholder engagement is currently underway for access to private land to target areas of igneous-metasediment contacts and nearby geological structures prospective for base metal deposits.

To assist in identifying anomalous areas a hand-held XRF will be used, these in the field results will assist in reducing the number of samples submitted for assay and reduce the overall cost, as the use of the XRF will be not representative it is not intended to release the results until the full assays are available.

Osmond Resources Executive Director and CEO, Andrew Shearer commented:

"Commencing this initial survey is an exciting step for Osmond in the initial assessment of the mineral potential for the Sandford Project. The presence of mafic igneous rocks (potential source rocks for REE) and proximity to nearby Rare Earth discoveries and resources, has increased the potential for the region and the mineralised terrain to extend into Osmond's ground"

The Sandford Project is considered prospective within the tenement for Rare Earth Elements (REE) hosted in clays developed at the base of the extensive duricrusts that formed from the deep weathering of basement granitoid bodies with elevated REE concentrations. In addition the tenement is prospective for Avebury-style nickel; SEDEX base metals; porphyry Cu-Au; porphyry Mo-Au; (R)IRGS style deposits; and orogenic Au deposits related to major structures that pass through the tenement. The soil survey underway will assist in identifying prospective regions for the formation of the REE hosted clays and also base and precious metal occurrences.

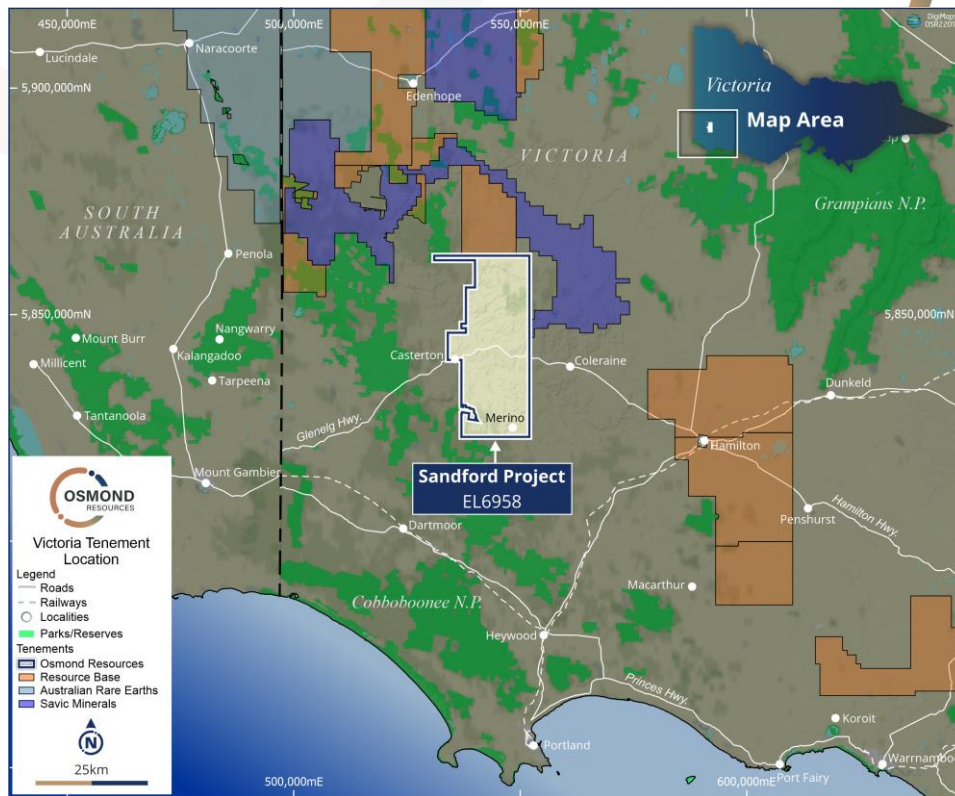


Figure 1. Sandford Tenement (EL6958) relative to neighboring company tenements.

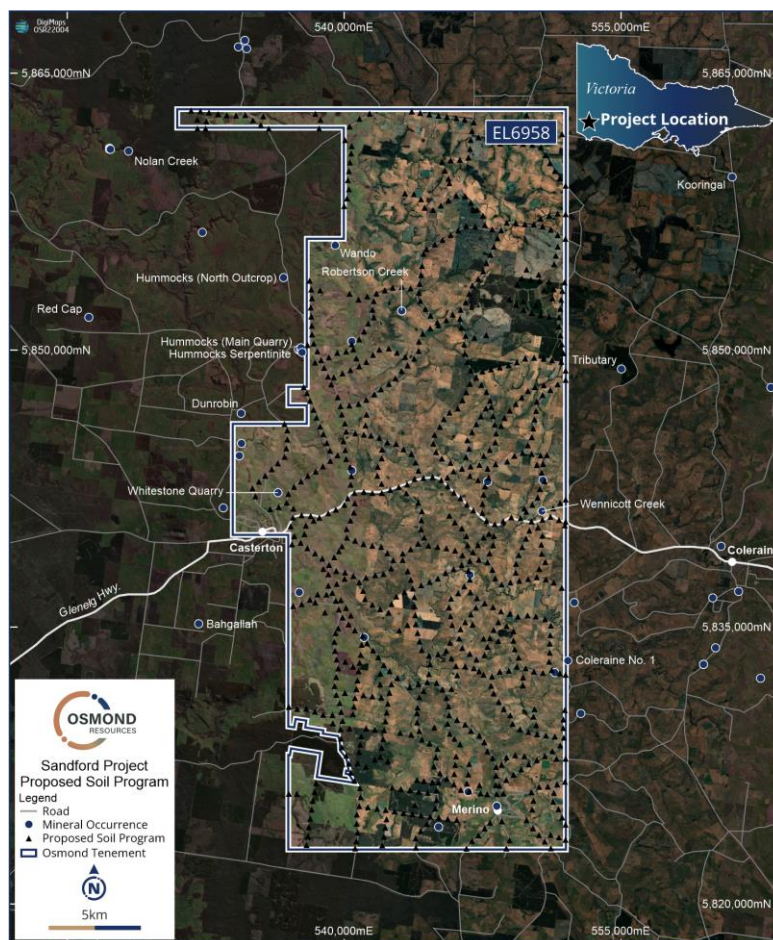


Figure 2: Location of soil sample sites (black dots) over the Sandford tenement (EL6958).

-Ends-





Figure 3: Osmond Resources Projects

This announcement has been approved for release by the Board of Osmond Minerals.

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ABOUT OSMOND RESOURCES

Osmond Resources Limited is a mineral and exploration company committed to increasing shareholder wealth through the exploration, development and acquisition of mineral resource projects.

Osmond was formed with the purpose of assembling a portfolio of projects predominantly located in the Gawler Craton region of South Australia and the Glenelg structural zone of western Victoria. (Please refer to maps below.) Since its incorporation, the Company has secured agreements in respect of a number of tenements that are considered highly prospective for gold, copper, nickel and REE. The Company is excited by recent exploration successes in these frontier areas for gold and base metals.

Osmond has entered into acquisition agreements in South Australia, with Fowler Resources Pty Ltd (Fowler) for exploration tenements EL6417 (Yumbarra Tenement), EL6615 (Tallacootra Tenement) and EL6692 (Coorabie Tenement) and with Kimba Resources Pty Ltd (Kimba) (being a wholly-owned subsidiary of ASX-listed Investigator Resources Pty Ltd (Investigator)) for EL6603 and EL6604 (together, the Fowler Tenements); and in Victoria with Providence Gold and Minerals Pty Ltd (Providence), for EL6958 (Sandford Tenement).

PROJECTS

The Fowler Domain Projects straddle the boundary of this geological domain in far western South Australia. These major crustal scale domain bounding structures that traverse the tenements have potential to host structurally upgraded magmatic Ni-Cr-Cu-PGE; layered intrusive-hosted Ni-Cr-PGE; IOCG (Hiltaba Suite) deposits; intrusion-related (Tunkillia-type) Au; and orogenic Au. While the proximity of the Fowler Domain Projects to nearby mineral occurrences is no guarantee that it will be prospective for an economic reserve, recent discoveries by Western Areas Limited (ASX:WSA) in the Fowler Domain have indicated the nickel-copper sulphide pedigree of the region.

The Yumbarra Project located in the Nuyts Domain of the Gawler Craton contains a highly magnetic feature that is interpreted as a layered ultramafic intrusive. Historical drilling has reported a best intersection of Ni-Co anomalism in basement drilling of 1357 ppm Ni and 1066 ppm Co (further details provided on page 46 and 78 of the Independent Geologist Report in the Osmond Prospectus). There are also identified electromagnetic surveying targets yet to be drilled on this target.

The Sandford Project located in western Victoria is considered prospective for Avebury-style nickel; SEDEX base metals; porphyry Cu-Au; porphyry Mo-Au; (R)IRGS style deposits; and orogenic Au deposits related to major structures that pass through the tenement. In addition, rare earth element (REE) potential is recognised within the tenement, for clays developed at the base of the extensive duricrusts that formed from the deep weathering of basement granitoid bodies with elevated REE concentrations. Initial targeting on the Sandford Project has commenced and will seek to identify prospective regions for the formation of the REE hosted clays and also base and precious metal occurrences.

