



28<sup>th</sup> July 2015

## ACTIVITIES REPORT - JUNE QUARTER 2015

### HIGHLIGHTS

- **Koonenberry EL 6424:**
  - Annual Report for 2014/15 and Application to Renew the EL for a further 2 years from May 25<sup>th</sup>, 2015 was submitted and accepted by the Department of Primary Industries ("Department"). Confirmation of renewal is awaited.
  - Planned deep drilling of gravity targets has been deferred pending renewal confirmation.
- **Koonenberry ELs 6400 and 6464:**
  - RC percussion drilling of suspected WNW extensions to Grasmere-Peveril "line of lode" was completed in April 2015.
  - Annual Reports for both ELs were submitted to and accepted by the Department.
  - Application to renew EL 6400 with 50% area reduction for 2 more years until March 31st 2017 was submitted and renewal has been confirmed.
- **Pooraka ELs 6413 and 7564:**
  - Ground based TDEM (time domain electromagnetic) survey was completed in May 2015 revealing an extensive and strong conductor in the northern target area. This area will require drill testing in future.
  - Annual Reports for both ELs were submitted and accepted by the Department. Renewal of EL 6413 with no area reduction was sought for another 2 years and renewal until May 16<sup>th</sup> 2017 has been confirmed.
- **Cumnock EL 6417:**
  - Relinquished in June 2015 following assessment of risks and rewards for investment of limited investment funds. Annual and Final reports were submitted and accepted by the Department.



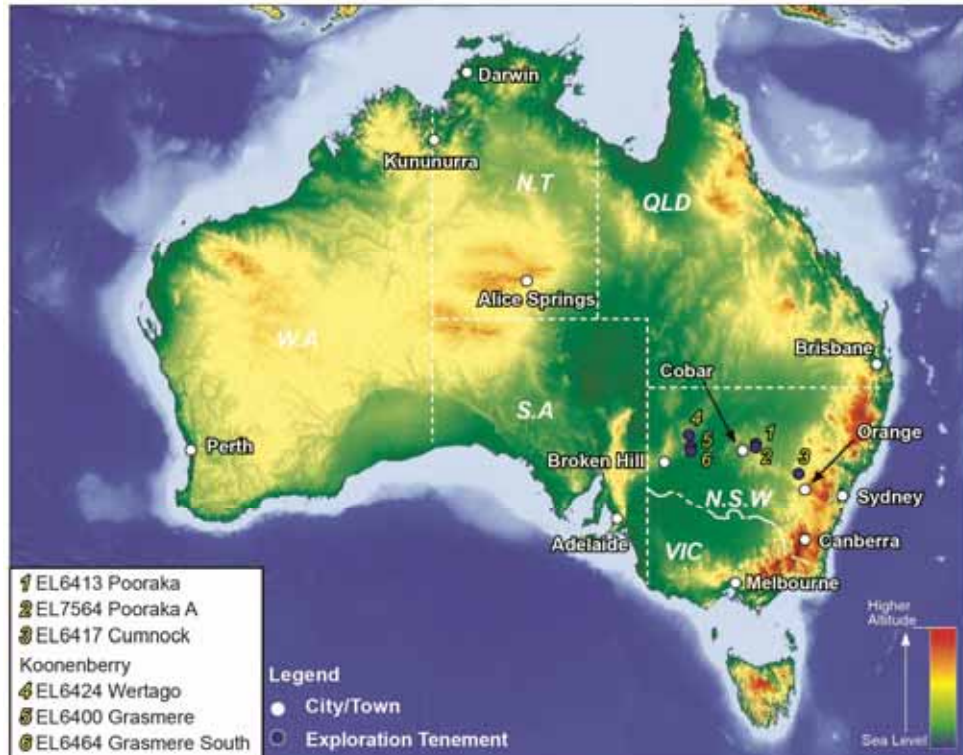
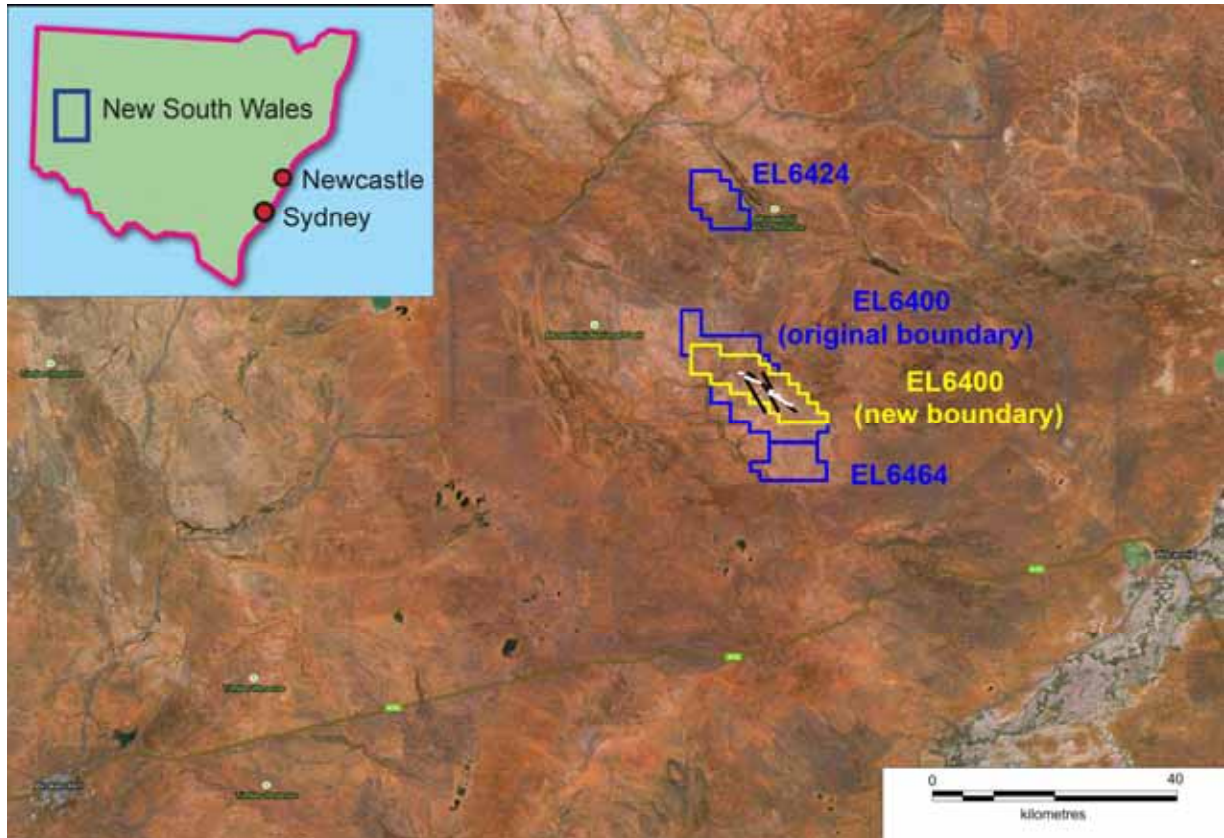


Figure 1 – List of Licences and Locations in New South Wales, Australia. N.B. EL 6417 now relinquished.

### ACTIVITIES IN THE KOONENBERRY BELT – Copper-Zinc-(Silver) and Gold Exploration ELs 6400, 6464, and 6424 - NSW (100%)

The Company holds a 100% interest in 3 ELs covering a total area of 299 sq kms in the highly prospective and under-explored Koonenberry Belt of Western NSW, near Broken Hill.

**EL 6400:** This EL is of principal interest as it contains the Grasmere-Peveril Cu-Zn-(Ag) deposits, which contain a significant indicated and inferred JORC Code 2004 compliant resource of 5.75mt @ 1.03% Cu, 0.35% Zn, 2.3g/t Ag and 0.05g/t Au ( Inferred: 2.73 mt grading 0.9% Cu, 0.4% Zn, .04 g/t Au and 2.05 gt Ag. Indicated: 3.02 mt grading 1.15% copper, 0.3% Zn, 0.06 g/t Au and 2.53 g/t Ag). Information relating to the mineral resource was prepared and first reported in accordance with the JORC Code 2004 in 2006. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was reported in 2006.



**Figure 2 - Locations of Koonenberry Exploration Licences.**

**Note:** Line of mineralization – white; Faults- black.

**RC Drilling seeking Extensions to the Grasmere—Peveril Line of Lode.**

**Table 1. Holes drilled during April 2015—9 holes totalling 700m.**

Drill hole	easting	northing	inclination	to magnetic	to true	elevation	ground condition	drilling	EOH
W1	658075	6540149	60	20	30	223	minor bluebush	drilled 17/04/2015	70
W2	658107	6540206	60	200	210	223	no vegetation	drilled 17/04/2015	80
W3	658048	6540234	60	210	220	223	no vegetation	drilled 19/04/2015	80
W4	658010	6540266	60	198	208	223	no vegetation	not drilled	
W5	657919	6540302	60	165	175	223	minor bluebush	not drilled	
W6	657864	6540301	60	179	189	223	no vegetation	drilled 19/04/2015	80
W7	658966	6539384	52	40	50	213	no vegetation	drilled 20/04/2015	80
W8	658987	6539395	52	220	230	213	minor bluebush	drilled 20/04/2015	80
W9	660577	6538173	55	54	64	217	no vegetation	drilled 21/04/2015	80
W10	661581	6537486	55	12	22	212	no vegetation	drilled 21/04/2015	70
W11	660562	6537637	60	50	60	209	minor bluebush	drilled 22/04/2015	80

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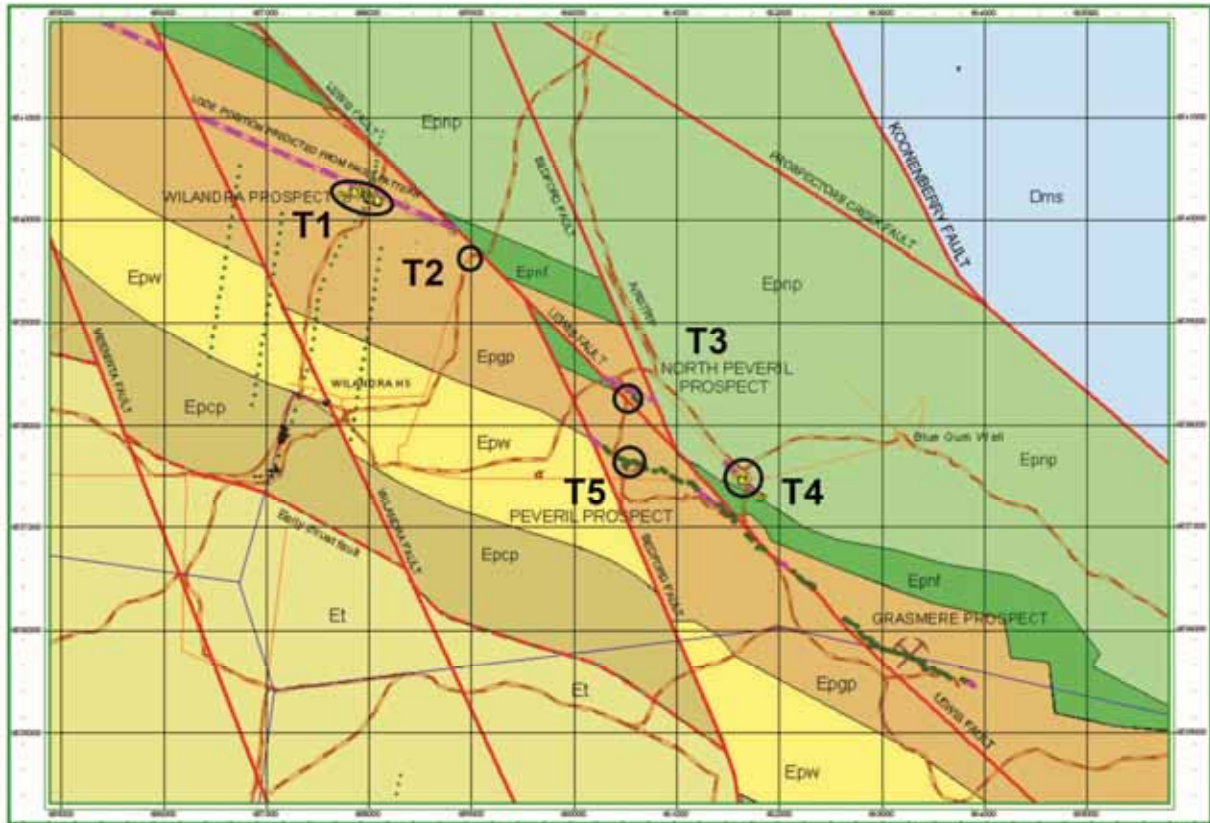
‘World Tower’ Suite 1312, 87-89 Liverpool Street, Sydney NSW 2000 Australia.

PO BOX 20188 World Square, NSW 2002 Australia

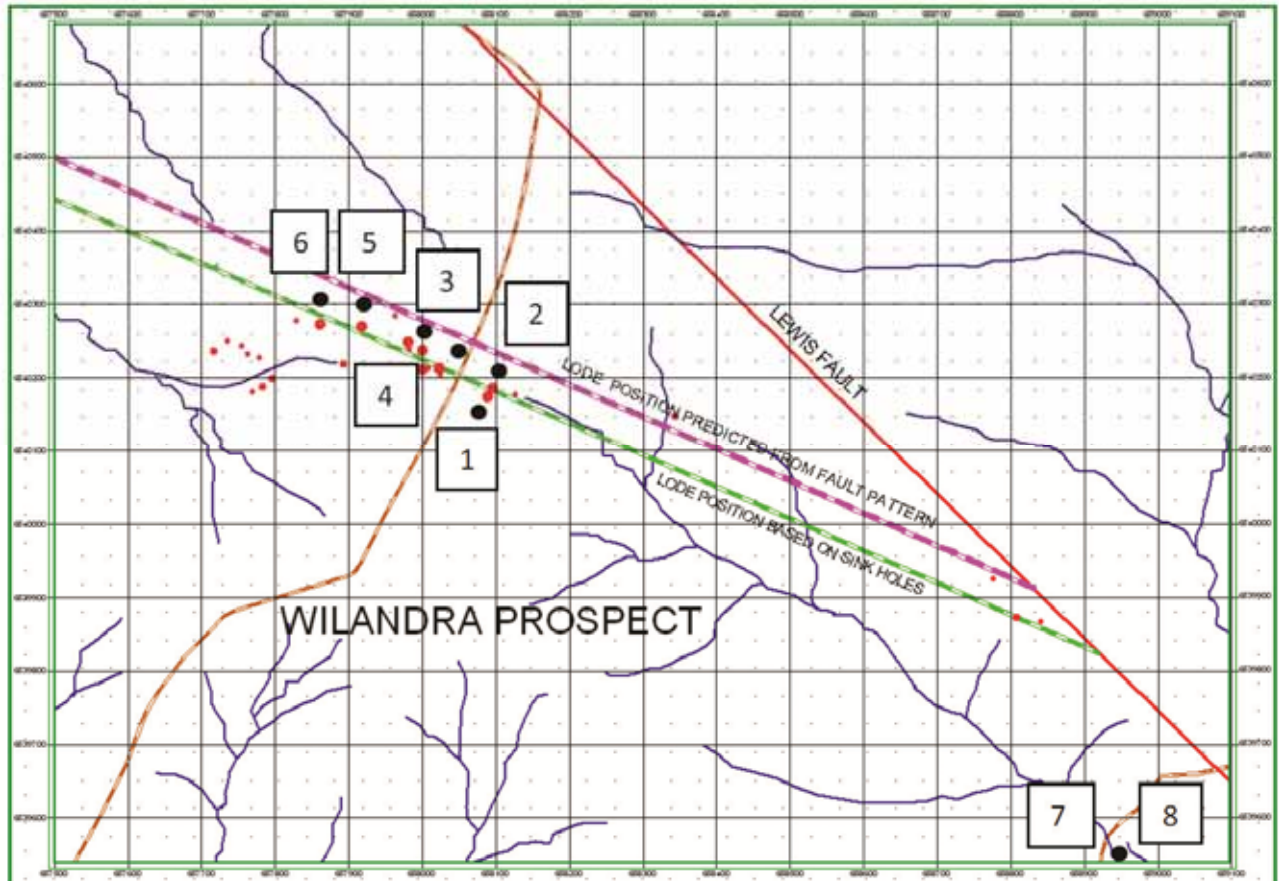
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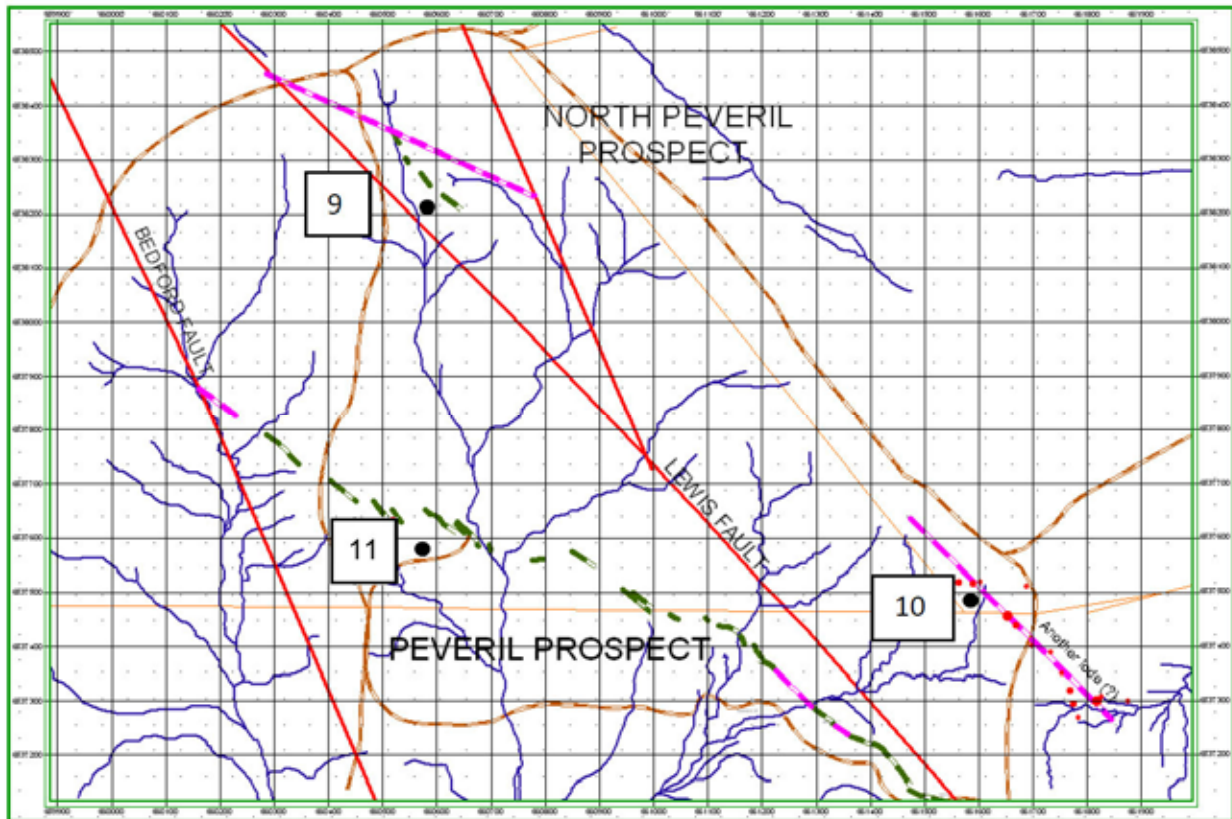




**Figure 3 - EL 6400:** Stylised geological map of bedrock features adjacent to the Grasmere-Peveril lode. The geological units are based on those mapped and recorded on the Grasmere 1:100 000 Geological Sheet, First Edition (Buckley 2001), projected and adjusted to match features displayed on the latest aeromagnetic images that cover the map area. The exposed segments of the lodes are indicated in dark green with unexposed and projected segments in purple. The location of the Company's prospect areas, Grasmere, Peveril, North Peveril and Wilandra are shown. The location of the main Grasmere Mine shaft in the Grasmere Prospect, the site of early mining activities, is also plotted. Two lines of sink holes (small, medium and large as mapped by the author) are plotted as yellow filled circles and were thought to mark the position of unexposed sulphide lodes. Faults mapped and proposed by the author are drawn in red. Access roads and station tracks are shown in brown, power lines in dark blue and some mapped fences in orange. The panels of holes drilled by BP Minerals-Seltrust around 1985 seeking the source of anomalous copper and zinc in deeply weathered soils to the north of Wilandra homestead are also indicated. The grid is the standard GDA 94 UTM kilometre grid for Zone 54. Target Areas T1 to T5 are indicated. Author is Dr Kingsley Mills – June 2015.



**Figure 4 – EL 6400:** Wilandra Prospect showing locations of planned drill holes W1 to W8 (filled black circles labelled 1-8) on standard easting/northing metre grid for Zone 54, with grid line spacing 100m. Also shown are the line of lode positions as predicted from the mapped fault pattern (purple) and from the mapped positions of sink holes (green) that were assumed to be related to gypsum solution and precipitation, graded as small, medium and large (red circles). The projected position of the Lewis Fault is shown in red along with the actual positions of the access tracks (pale brown) and the main creek channels (dark blue). NOTE Holes W4 and W5 were not drilled.



**Figure 5 - EL 6400:** Locations of drill holes W9 at the North Peveril Prospect, W10 to the east of the Peveril Prospect where a possible second line of lode (purple) is indicated by alignment of sink holes (red filled circles graded as small, medium and large), and W11 in the Peveril Prospect. Exposures of the Grasmere Lode, displaced by numerous small faults, are shown in green in the Peveril and North Peveril Prospects and possible unexposed extensions in purple. Mapped positions of the Lewis Fault and the Bedford Fault shown in red. Also shown are access tracks (pale brown), fences (thin orange lines) and creek channels (dark blue). Standard easting/northing metre grid of Zone 54, with grid line spacing 100m.

Drilling was undertaken from mid to late April 2015. Nine holes were completed for a total of 700 metres in 5 target areas designated T1 to T5 (see Figures 3 to 5 and Table 1) as follows:

- T1--Wilandra (Holes W1, W2, W3, W6),
- T2-- Wilandra East (Holes W7, W8),
- T3-- North Peveril (Hole W9),
- T4-- East Peveril (Hole W10), and T5--West Peveril (Hole W11).



Two T1 holes (W4, W5) originally proposed for the program were not drilled, and hole W11 at T5 (West Peveril) was an extra hole decided upon during the program. Proposed holes W7 to W10 were inclined less steeply than the planned 60 degrees to intersect more stratigraphy and hit proposed targets at shallower depths.

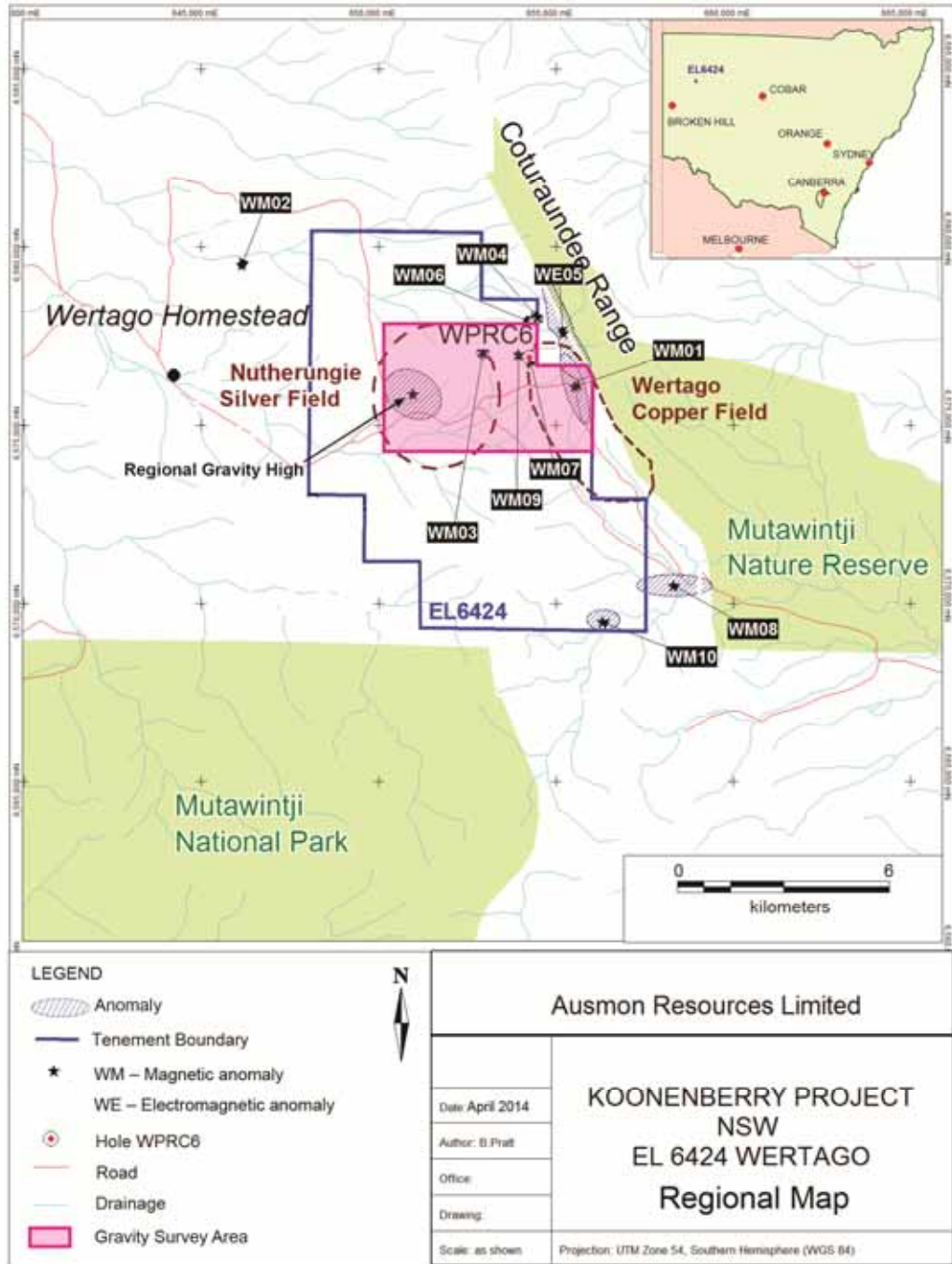
All nine completed holes encountered intensely leached and deeply weathered clay-rich rocks. Sulphide lode minerals, mainly pyrite and chalcopyrite, would not be expected to survive in such a weathering environment. There was scant evidence for weathered sulphides (eg silicified ironstone chips and/or blackened clays) in all holes except W11. Rock chips from all holes were noted to be either volcanic (dacite-andesite) or pelitic (clay rich sediments) in origin. By contrast the Grasmere-Peveril deposits are enveloped by both rock types; mainly volcanics on the North East side, and mainly sediments on the South West side.

About 5 samples were collected from each of the 9 holes to check for metal concentrations (Cu, Pb, Zn, Mn, Ag) and major elements that may help identify pre-weathered rock type (Si, Mg, Ca, Al, Fe, Ti). Samples were dispatched to ALS in Orange in late May, and results were received in late June 2015. Samples of weathered lode material from W11 were considered to be of most interest, however given the intensity of weathering and lack of evidence of primary sulphide mineralization, results were not expected to reveal a great deal. As expected samples of leached and weathered lode material in Hole W11 were strongly anomalous in lode indicator elements; Cu (500 to 1000 ppm, up to 1685 ppm vs background 50 to 100 ppm), Zn (up to 550-600 ppm, vs background 50-150 ppm) and also secondary iron oxides (8 to 20% Fe vs background around 6% Fe). Elements that generally follow secondary Fe oxides (mainly Mn) were enriched slightly, and Sulphur (an indicator of sulphides) was virtually absent—only 0.01—0.05 ppm. Major element concentrations were also consistent with the deeply leached and weathered nature of the rocks where primary minerals like feldspar and amphibole are largely or fully replaced by secondary clays and iron oxides.

Study of the data suggested that future work to locate possible WNW extensions to the line of lode would involve drilling about 10 to 20, 80 to 100m long, close spaced RAB or RC percussion holes, along say two SW running lines near target area T1 at Wilandra.

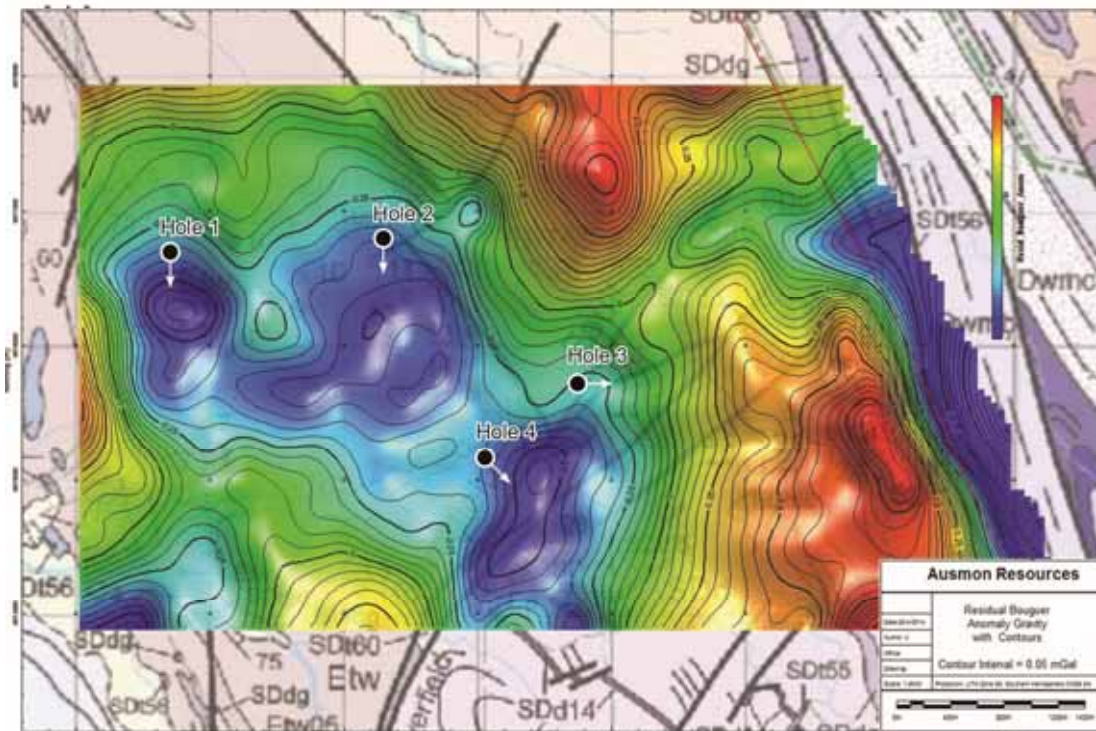
**EL 6424:** This EL covers the Wertago copper diggings and Nutherungie silver field, where a detailed (250 station) gravity survey was undertaken and interpreted in April-May 2014 (see Figures 6 and 7).





**Figure 6 - Gravity Survey Area on EL 6424**





**Figure 7 - Proposed Drill Holes in EL 6424 NB anomalous gravity low target areas in purple**

The silver field is strongly suspected to represent the epithermal cap above a concealed porphyry (Cu-Ag-Au) intrusive system, which should reveal as a gravity low. Regional data revealed a broad gravity high over the silver field, but the detailed survey revealed several gravity lows, with interpreted intrusion tops (crowns) lying at relatively shallow depths (ie 250-270 metres, and 320 metres) in the central-western part of the EL. The original plan was to test those with 2 steep drill holes of 400 metres & 450 metres length, but after considerable discussion a third gravity low, in the Silverfield fault zone was also deemed a worthy target, and the plan now is to test that target plus the larger of the two above mentioned targets, with 2 steeply inclined, RC pre collared diamond holes of about 450 metres length. These are shown as Hole 4 and Hole 2 in Figure 7. The silver field vein deposits are also of interest, since historic miners deserted diggings for the White Cliffs Opal Field in the 1890s veins have never been tested at depth. These include one shallow digging, proximal to Wertago which was abandoned in silver-rich galena (PbS) veins. That digging represents a stand-alone RC-drilling target (Hole 3 in Fig 7) because in the (analogous) Silverton silver field, near Broken Hill, similar mineralization does persist to depth. The proposed drilling is on hold, pending EL renewal.



## **ACTIVITIES NEAR COBAR - Gold, Silver and Base Metal Exploration ELs 6413 and 7564 – NSW (100%)**

Joined ELs 6413 and 7564, located at Pooraka, 50 km east of Cobar, contain several gold and base metal target areas gleaned from earlier exploration. Due to the extent and thickness of magnetic palaeo channels aeromagnetic data were noted to be of limited use. In 2014, it was decided to undertake a ground based EM survey to seek hidden conductors in target areas. Target areas were chosen using bedrock geochemical data and historic air-core/RC drilling data. Those data highlighted two sub-areas—T1- Langbein - Langbein West and T2/T3-- Mc Guinness - McGuinness North- see Figure 8. During April and May 2015, a ground based geophysical survey was undertaken over the two target areas using the time domain electromagnetic (TDEM) technique. This employs a surface transmitting loop of insulated cable - 200 X 200 metres in size. In the central part of each loop is placed a multi-turn receiver loop connected to a digital recording receiver. This cycles an initiated primary pulse into the transmitter, then records discreet secondary responses. The central loop station is read, then the whole array (both transmitter and receiver loops) is moved 100 metres along the recording line so the next recording can be made. In this way multiple readings (at different time windows) of the received signals are recorded each 100 metres along a line. After traversing a suspected target with a number of readings (say 15, equating to 1500m of line length) the line is then offset by 100 or 200m and the process is repeated. Lines are run at 90 degrees to strike.

TDEM data were processed to define anomalies caused by conductors. Using CSIRO/AMIRA computer programs targets data were further analysed to ascertain geometry--depth, orientation, thickness-- and electrical properties. The results of the TDEM survey were very encouraging. At T1, Langbein - Langbein West target area - a broad conductive zone was detected. This was mapped geophysically, and estimates of conductivity and depth deduced. Data suggested the conductive zone is largely formational, rather than related to dispersed mineralization. Three lines running directly north of a geochemically anomalous RC hole, drilled by the Company in 2009, were not initially completed in April 2015 due to onset of rain, but completed in July 2015, revealing a small discreet conductor (open to the east) proximal to where the Company's 2009 RC-percussion drilling encountered low grade mineralization in bedrock.

The T2/T3, Mc Guinness - Mc Guinness North - target area, near the Gilmore Suture, revealed a large, strong, discreet, north running 1200m X 800m anomaly most probably caused by hidden sulphide concentrations. This feature was only recently modelled and outlined by the Company's geophysical consultant, (See Figures 9 and 10).



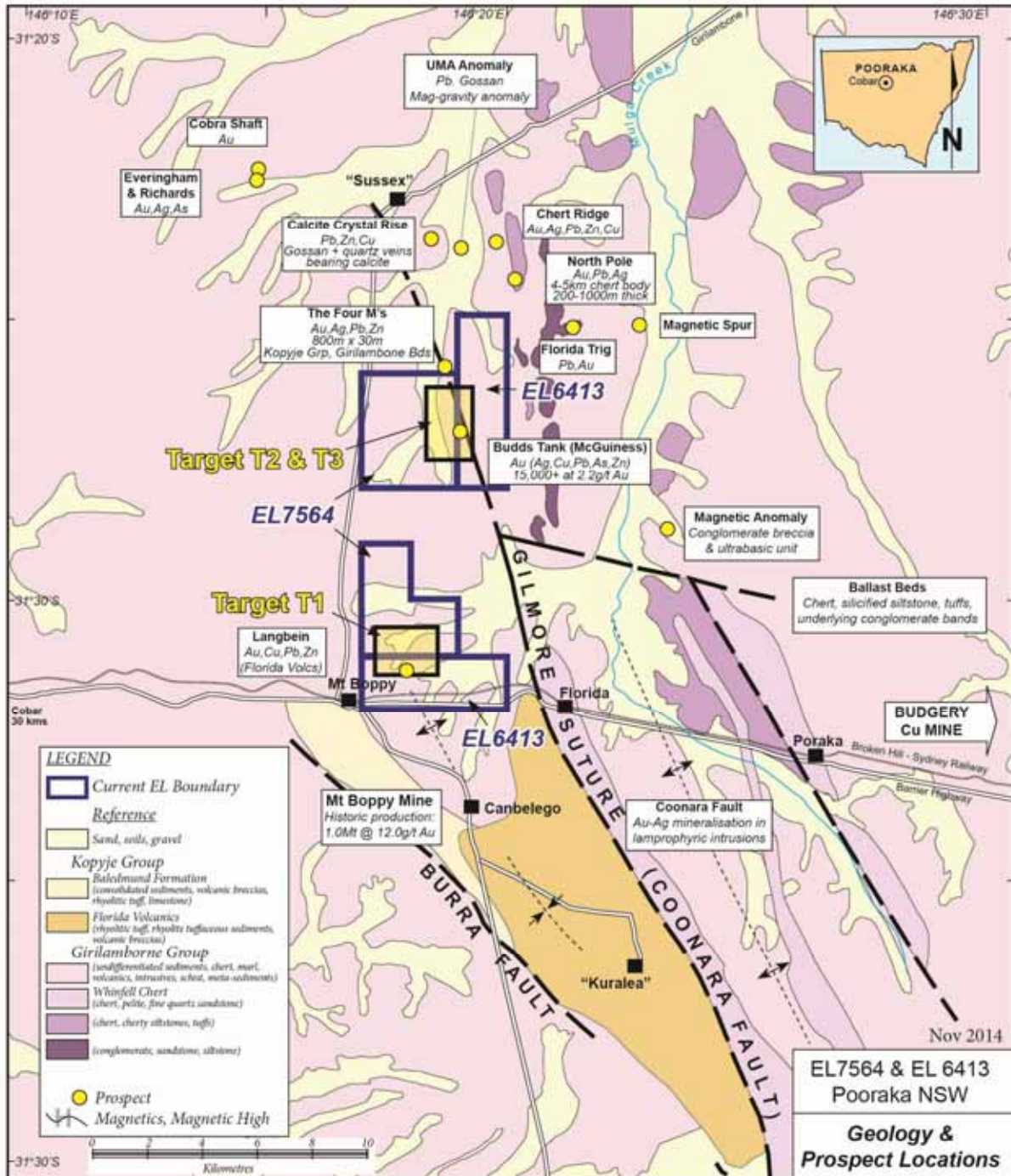
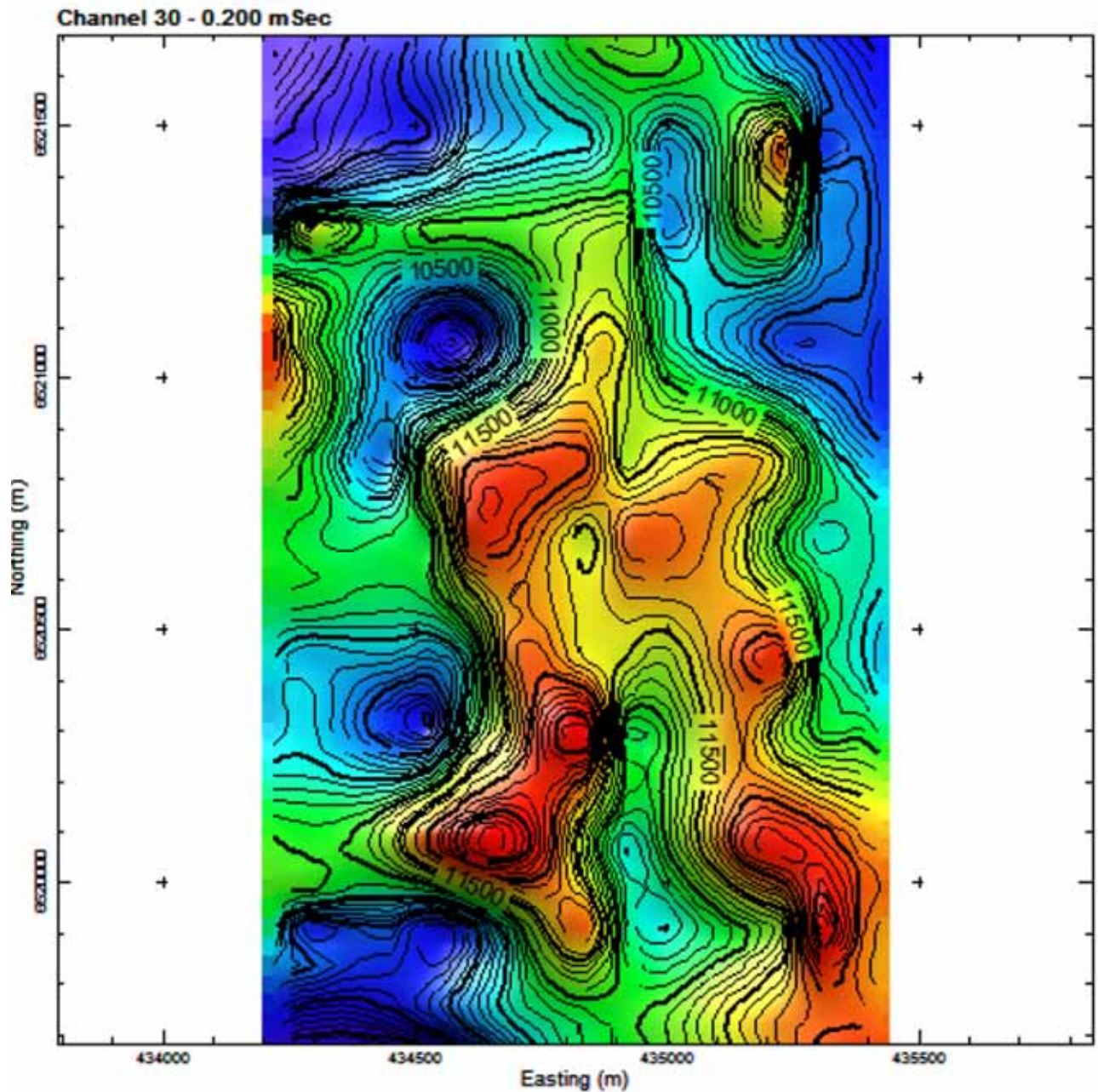
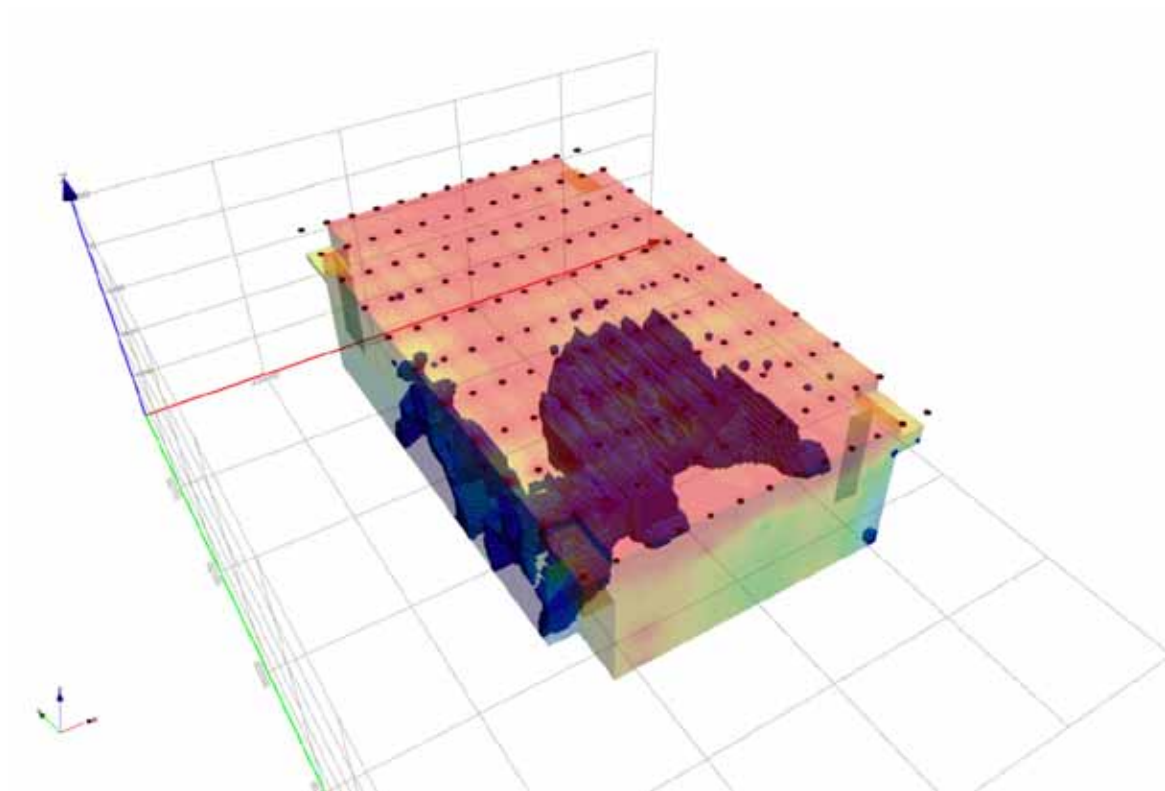


Figure 8 – Geology and Prospect Locations of Pooraka Project



**Figure 9 - N Data channels 30 as image and contour map. Contour interval is variable. Note, North is vertical.**



**Figure 10 - View to the NE with the subsurface anomalous conductivity feature. NB top of conductor is about 200 metres beneath the surface as shown**

The geophysical consultant's observation: *"Inversion modelling undertaken assisted in defining a 3D voxel representation of the conductive anomalous zone. From the model created, the anomaly appears at a central locus of about 434,800E / 6,520,700N and with two 'limbs' which extend to the SE and SSW by 400 and 600 metres respectively. The lack of resolution in the model makes it difficult to define a plunge or dip associated with the feature but having two limbs implies a possible fold with conductive, central folded axes. The top of the feature appears variable but at the locus is about 140 metres below surface.*

*Analysis of the shape of the profile response plus a small migration of EM anomaly peak with time, implies a steep dip to the east and south, but this is a quantitative inference only.*

*The depths for the anomalous zone are not excessively deep (with estimates between 140 – 160 metres) and over a strike extent that would allow relatively simple drill testing and targeting. For any attempt at drilling, an inclined hole, probably from the east towards the west would be recommended. The central, locus area of the*



*implied structure would be a high priority target, but, depending on results obtained, targeting to the south along the two limbs may also be warranted as follow-up.”*

Conductors revealed in the above described TDEM survey will need to be tested at depth using RC percussion drilling.

**ACTIVITIES NEAR ORANGE- Gold, Silver and Base Metal Exploration**  
**EL 6417-Cumnock - NSW (100%)**

EL 6417 was relinquished in June 2015 following assessment of risks and rewards for investment of limited investment funds. Annual and Final reports were submitted in June 2015, and accepted by the Department.

**LICENCES STATUS**

Pursuant to ASX Listing Rule 5.4.3 the Company reports as follows in relation to minerals tenements held at the end of the 30 June 2015 quarter and acquired or disposed of during that quarter and their locations.

Tenement	Project Name	Location	Beneficial Interest	Expiry
EL 6400	Koonenberry	NSW	100%	31 March 2017
EL 6424	Koonenberry	NSW	100%	25 May 2015 awaiting renewal confirmation
EL 6464	Koonenberry	NSW	100%	18 September 2016
EL 6413	Pooraka	NSW	100%	16 May 2017
EL 7564	Pooraka	NSW	100%	17 June 2016
EL 6417	Cumnock	NSW	100%	Relinquished in June 2015

There were no other tenements acquired or disposed of or change in beneficial interests under farm-in or farm-out agreements during the quarter.

*(The information in the report above that relates to Exploration Results is based on information compiled by Dr Pieter Moeskops, the principal of Agaiva Holdings Pty Ltd and a member of The Australasian Institute of Mining and Metallurgy.*

*Dr Moeskops 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 2004 and 2012 Editions of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Moeskops consents to the inclusion in this report of matters based on his information in the form and context in which it appears.)*

**John Wang**  
**Managing Director**

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## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

AUSMON RESOURCES LIMITED

ABN

88 134 358 964

Quarter ended ("current quarter")

30 JUNE 2015

#### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date ( 12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(165)   (43)	(240)   (234)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1	12
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other - GST	(12)	(4)
<b>Net Operating Cash Flows</b>	<b>(219)</b>	<b>(466)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other -security deposit paid	-	(3)
1.12 Other -security deposit refund	-	10
<b>Net investing cash flows</b>	<b>-</b>	<b>7</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(219)</b>	<b>(459)</b>

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(219)	(459)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	210	455
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	<b>210</b>	<b>455</b>
	<b>Net increase (decrease) in cash held</b>	<b>(9)</b>	<b>(4)</b>
1.20	Cash at beginning of quarter/year to date	712	707
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	<b>703</b>	<b>703</b>

### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	-
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

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### Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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### Financing facilities available

Add notes as necessary for an understanding of the position.



**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	
4.3 Production	
4.4 Administration	80
<b>Total</b>	<b>180</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	413	241
5.2 Deposits at call	290	471
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>703</b>	<b>712</b>

### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Cumnock EL 6417 NSW	Beneficial interest	100%	Nil
6.2 Interests in mining tenements and petroleum tenements acquired or increased				

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	239,486,486	221,266,486		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	39,000,000	21,000,000	1.0 cent	1.0 cent
7.5 <b>+Convertible debt securities</b> <i>(description)</i>		-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 28 July 2015  
Company Secretary

Print name: John Wang

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.