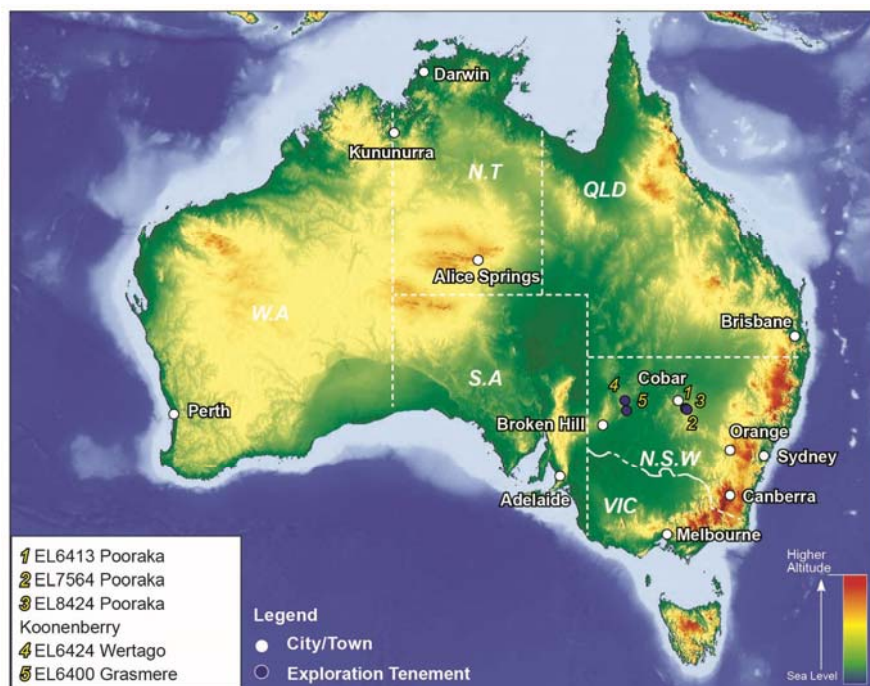




## ACTIVITIES REPORT –MARCH QUARTER 2017

### SUMMARY

- **Pooraka ELs 6413 and 7564 plus new EL 8424:**
  - Drilling of the best two TDEM targets, in ELs 6413 and 7564, was undertaken in late March 2017. Two RC percussion holes totaling 400m were completed and 290 samples submitted to ALS Orange for Au, Ag, Cu, Pb, Zn, S and As analysis. Results are due in early May 2017.
  - EL 6413 is due for renewal on 16<sup>th</sup> May, 2017 with no area reduction.
  
- **Koonenberry ELs 6400 & 6424**
  - Deep drilling of gravity targets on EL 6424 is on hold pending finalization of an economic evaluation.
  - Application was made to renew EL 6400, with a 65% area reduction to 17 units, for 2 years from 31<sup>st</sup> March, 2017.



**Figure 1 – List of Licences and their Locations in New South Wales, Australia**

AUSMON RESOURCES LIMITED ABN 88 134 358 964  
 'World Tower' Suite 1312, 87-89 Liverpool Street, Sydney NSW 2000 Australia.  
 PO BOX 20188 World Square, NSW 2002 Australia  
 Tel: 61 2 9264 6988 Fax: 61 2 9283 7166 Email: [office@ausmonresources.com.au](mailto:office@ausmonresources.com.au)  
[www.ausmonresources.com.au](http://www.ausmonresources.com.au) ASX code: AOA

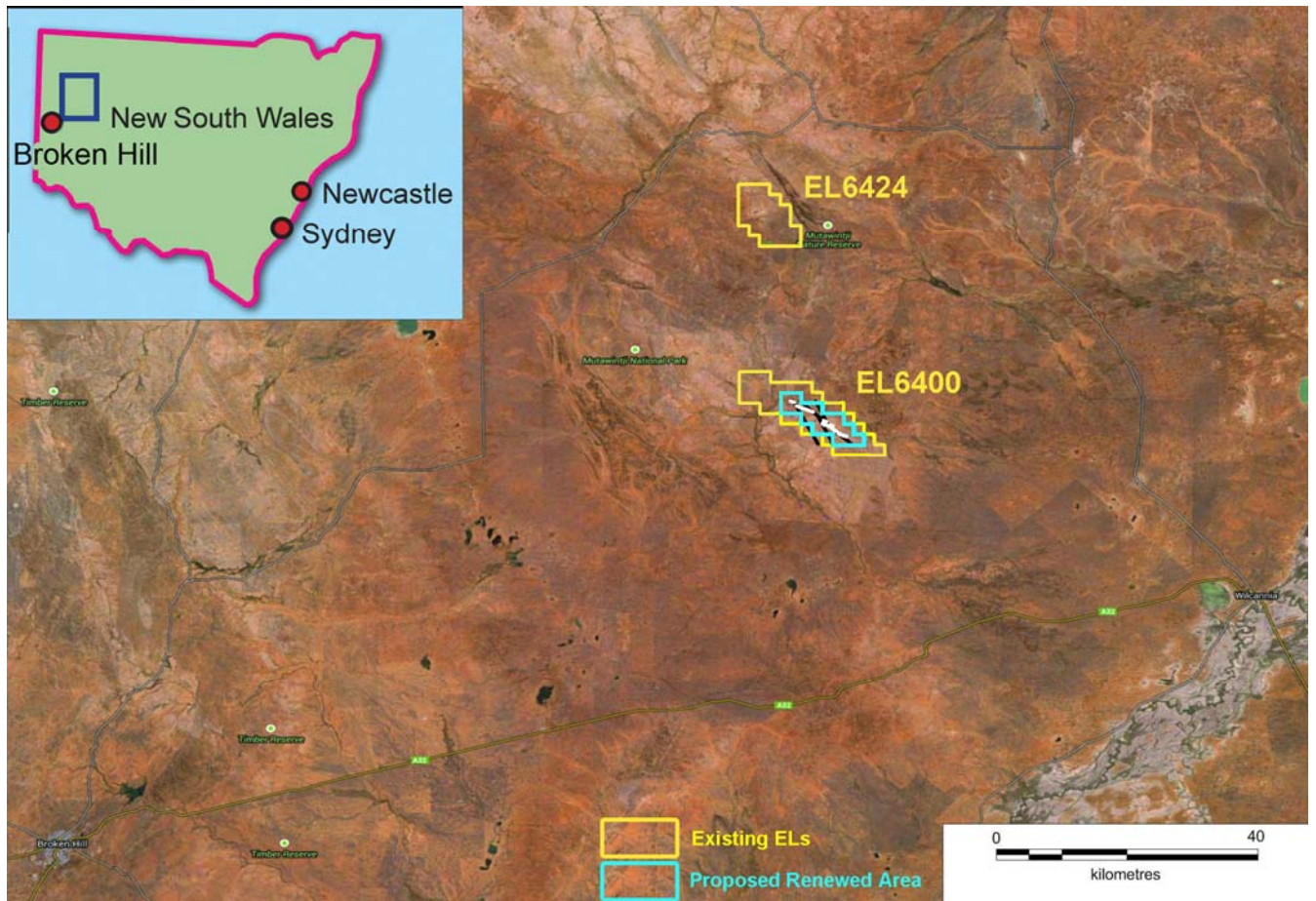




**AUSMON RESOURCES  
LIMITED**

**ACTIVITIES IN THE KOONENBERRY BELT  
Copper-Zinc-(Silver) and Gold Exploration  
ELs 6400 & 6424 - NSW (100% interest)**

The Group holds a 100% interest in 2 ELs covering a total area of 128 km<sup>2</sup> in the highly prospective and under-explored Koonenberry Belt in Western NSW, near Broken Hill.



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

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





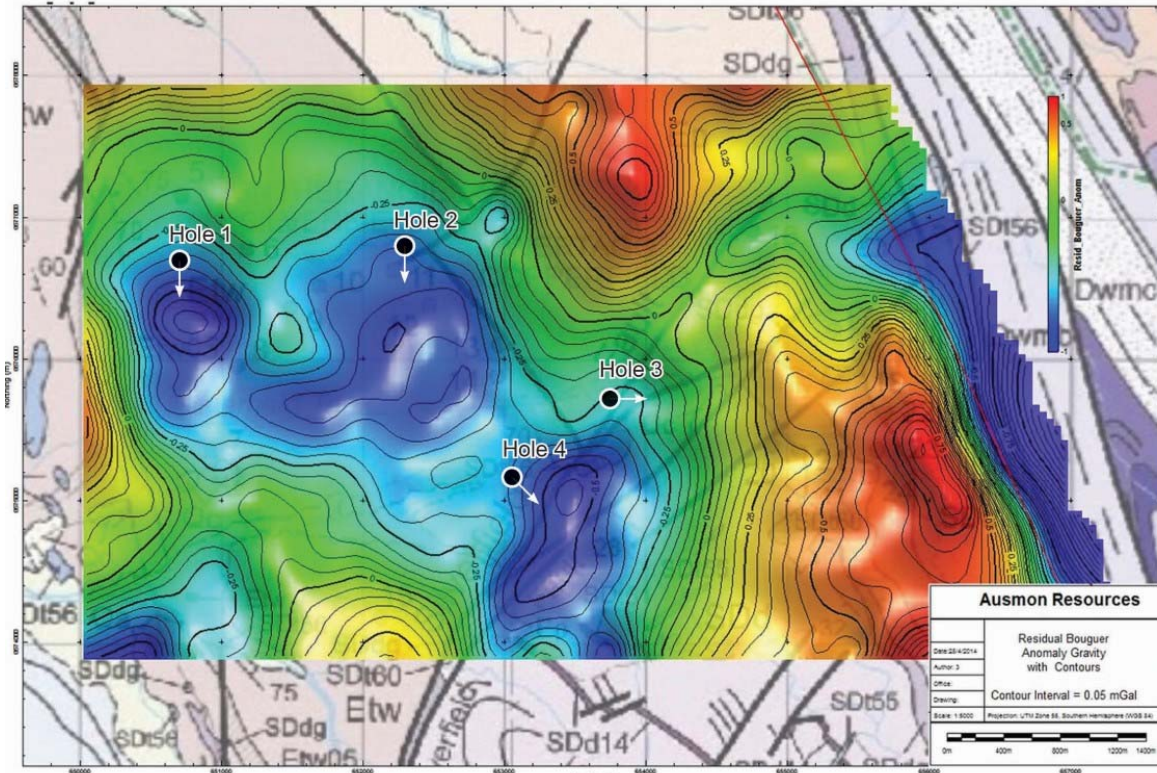
**EL 6400** is of principal interest because it encompasses the Grasmere-Peveril Cu-Zn-(Ag) deposits. These have previously been assessed as having significant Indicated and Inferred JORC Code 2004 compliant Resources of 5.75mt @ 1.03% Cu, 0.35% Zn, 2.3g/t Ag and 0.05g/t Au (Inferred: 2.73 mt grading 0.9% Cu, 0.4% Zn, .04 g/t Au and 2.05 g/t 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. Following the completion of 9 RC percussion holes in early 2015 (seeking WNW extensions to the Grasmere-Peveril line of lode), drilling data suggested that future work, to locate possible WNW extensions to the Grasmere-Peveril line of lode should involve drilling some 10 to 20 close spaced RAB or RC percussion holes of 80m to 100m depth along two SW running lines near Wilandra. Plans for that drilling were put on hold, and a data review and preliminary economic evaluation undertaken looking at the potential for in situ leaching. Application was also made to renew EL 6400 with 65% area reduction for a further 2 years from 31<sup>st</sup> March, 2017. The Group is studying the possibility of applying in situ Cu (acid) or bacterial leaching technology which could possibly render the resource economic.

**EL 6424** covers the Wertago copper diggings and Nutherungie silver field, where a detailed gravity survey in 2014 outlined several gravity lows (possible porphyry intrusions) considered by the Group to be worthy of deep drilling (see Figure 3).





**AUSMON RESOURCES  
LIMITED**



**Figure 3 - Proposed Drill Holes in EL 6424**  
**Note: Anomalous (gravity low) target areas shown in purple**

The silver field is suspected to be the epithermal zone above a concealed porphyry (Cu-Ag-Au) intrusive system, which would express as gravity lows. Regional gravity 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 (i.e. 250m -270m, and 320m) in the central-western part of the EL. The original plan was to test those with 2 steep drill holes (Holes 1 & 2, in Figure 3) of 400m and 450m length, however, and following re-consideration a third gravity low, in the Silverfield fault zone, a better proposal would involve a test of target (Hole 4) plus the larger of the two above mentioned targets (Hole 2) with 2 steeply inclined, RC pre-collared diamond holes, each of about 450m length. The silver field deposits are also of interest, since they were abandoned at shallow depths shortly after the nearby White Cliffs opal discovery. For example, one shallow digging, proximal to Wertago was abandoned in silver-rich galena (PbS) veins. That digging represents a possible stand-alone RC-drilling target (Hole 3 in Figure 3). Comparison with mineralization at Silverton silver field, near Broken Hill, suggests that this mineralization may persist to depth.

**AUSMON RESOURCES LIMITED ABN 88 134 358 964**

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

PO BOX 20188 World Square, NSW 2002 Australia

Tel: 61 2 9264 6988 Fax: 61 2 9283 7166 Email: [office@ausmonresources.com.au](mailto:office@ausmonresources.com.au)

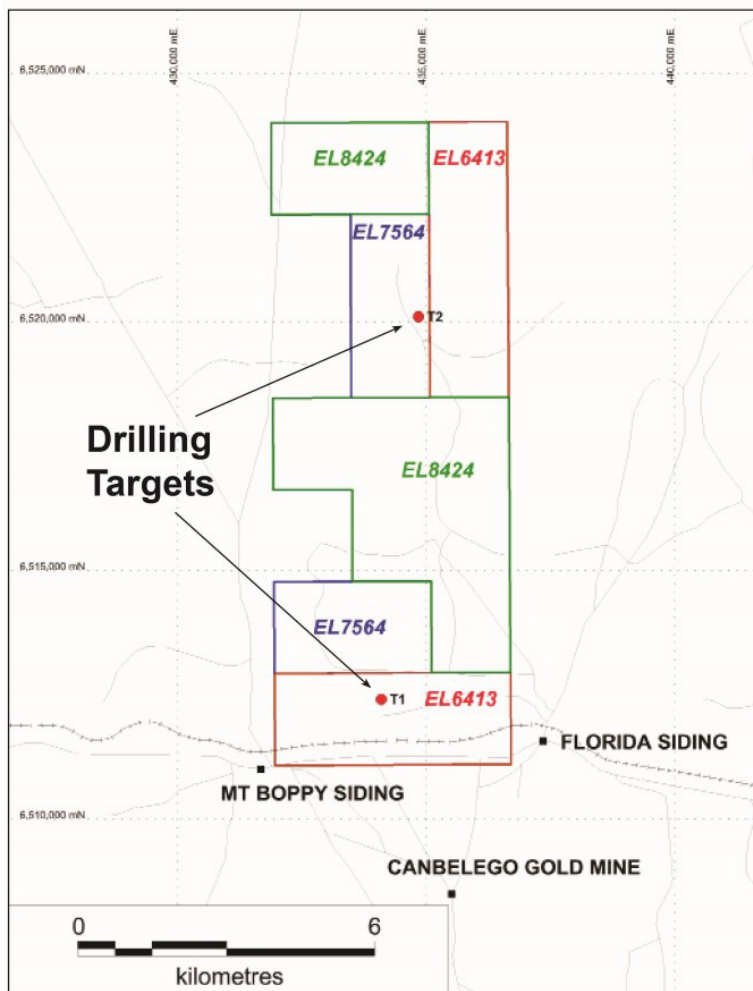
[www.ausmonresources.com.au](http://www.ausmonresources.com.au) ASX code: AOA





The EL is proximal to a national park, and also contains indigenous artifacts and other evidence of past indigenous habitation. A recent data review and preliminary economic evaluation by the Group has highlighted the remoteness and environmental sensitivity of the area. EL 6424 is due for renewal on 25<sup>th</sup> May, 2017 and the Group is assessing the desirability of renewal.

**ACTIVITIES NEAR COBAR**  
**Gold, Silver and Base Metal Exploration**  
**ELs 6413, 7564 and 8424 – NSW (100% interest)**



**Figure 4 – Pooraka ELs showing Drill Holes 1 and 2**





# AUSMON RESOURCES LIMITED

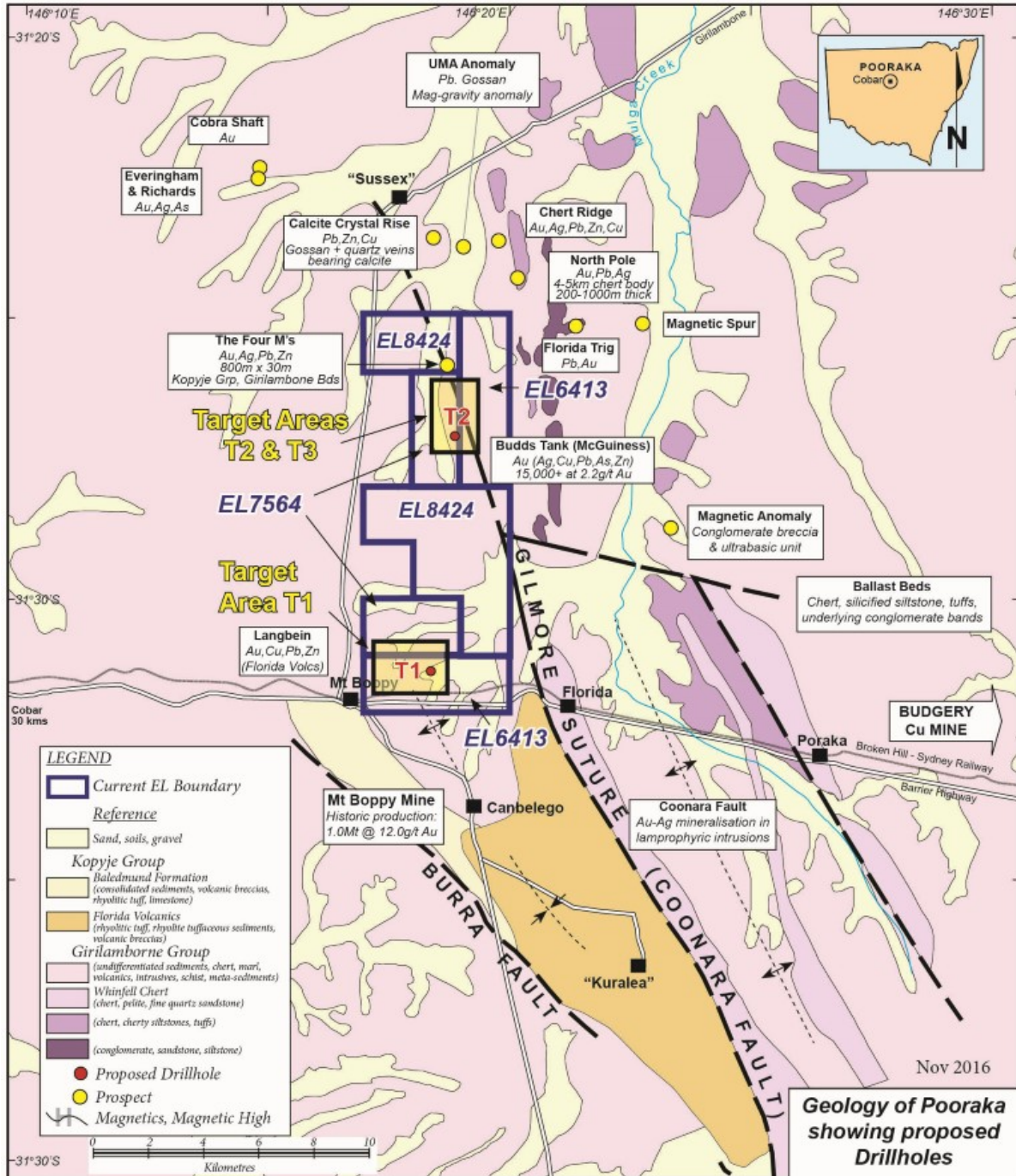


Figure 5 – Geology and Prospect Locations - Pooraka Project

AUSMON RESOURCES LIMITED ABN 88 134 358 964

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

PO BOX 20188 World Square, NSW 2002 Australia

Tel: 61 2 9264 6988 Fax: 61 2 9283 7166 Email: [office@ausmonresources.com.au](mailto:office@ausmonresources.com.au)

[www.ausmonresources.com.au](http://www.ausmonresources.com.au) ASX code: AOA





Drilling of the best two TDEM targets (conductors), in ELs 6413 and 7564, was undertaken in late March 2017. Two RC percussion holes totaling 400m were completed on 29<sup>th</sup> March, 2017 and 290 samples have been submitted for Au, Ag, Cu, Pb, Zn, S and As analysis. The results are due in early May. The targets were as follows:

**Drill Hole 1, Langbein - Langbein West.** Comprising a broad formational conductive zone identified by TDEM which includes a small discreet conductor (open to the east) proximal to where the Group's 2009 RC-percussion drilling encountered low grade mineralization in bedrock. This anomaly lies along strike from the Mt Boppy gold-sulphide mine (NSW's largest operational gold mine in 1908), located 6 km to the south). The drill Hole 1 was designed to perpendicularly intersect geological dip with a 60° plunge to the east to a total length of 150m.

**Drill Hole 2, Mc Guinness** This was located near the surface expression of the Gilmore Suture, where TDEM identified a large, strong, discreet, north running 1200m X 800m conductor. Historic (1980s and 1990s) air drilling and shallow pitting in the area detected patches of low grade gold mineralization. For example Epoch Minerals in the 1990s drilled 17 RC and 46 air core holes outlining an inferred resource of 18,000t @ 2 g/t gold in 3 pods labelled A to C to a depth of 12m. This drill hole will establish whether the conductivity is due to the presence, at depth, of sulphide mineralization associated with gold. Drill Hole 2 was designed to perpendicularly intersect geological dip with a 60° plunge to the west to a length of approximately 250m.

Hole 1 (150m) was drilled and sampled on March 18<sup>th</sup> and 19<sup>th</sup>. The RC-percussion rig was then moved and set up to drill Hole 2 (250m) on March 20<sup>th</sup> & 21<sup>st</sup>, but heavy rains intervened preventing access. When tracks dried out Hole 2 was quickly drilled on March 28<sup>th</sup>, and sampled on March 28<sup>th</sup> and 29<sup>th</sup>.

Sampling of both holes was at 1m intervals-generating 400 X 25Kg PVC bags of drill returns plus 400 X 1.5-2 Kg bags of split samples. The latter were dispatched by road freight to ALS in Orange on March 29<sup>th</sup>. Those samples are being analyzed for known key elements- Au, Ag, Cu, Pb, Zn, As and S, and results are expected in early May. Samples selected for analysis, 290 of the 400 collected- covered the down-hole extents of the two TDEM target zones which also closely matched logged zones of interest in both holes. Samples selected for analysis were 1 to 110 in Hole 1 and 1 to 180 in Hole 2.





In both holes leached and weathered rocks were intersected from about 2 m depth to end of holes. Shales and acid to intermediate volcanic rocks were noted to be less weathered, with RC returns containing fines plus recognizable chips, however what were considered to be weathered felsic volcanic rocks consisted almost entirely of fines—mainly clays of varying colors and hues—light to dark brown, khaki, red-brown, and purple-brown. No sulphide minerals or gold specks were noted in returns—as might be expected in such intensely weathered environments. Nevertheless signs of potential mineralization—quartz veins, very dark clays, black flecks, iron-staining, and alteration were noted in many returns when logging. In summary the following lithologies were noted in returns from the 2 holes (depths down hole)

**Hole 1** intersected clay-rich brown/yellow/khaki weathered felsic volcanics to 41m, weathered andesitic volcanics to 50m, less weathered andesitic volcanics to 97m, a chert-shale “transition zone” to 107m, then monotonous dark grey shales to 150m end of hole.

**Hole 2** intersected light brown--grey shales to 29m, clay rich brown/yellow/khaki weathered felsic volcanics to 104m, medium grained rhyodacitic volcanics to 143m, a weathered transition zone of similar but altered rhyodacitic volcanics to 152m, clay-rich felsic volcanics as before (with interesting dark bands) to 170m, an altered rhyodacitic transition zone to 180m, rhyodacitic volcanics (as above) to 232m, then monotonous dark fine grained acid (rhyolitic) volcanics to 250m end of hole.

## 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 March 2017 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 (Renewal applied for)
EL 6424	Koonenberry	NSW	100%	25 May 2017
EL 6413	Pooraka 1	NSW	100%	16 May 2017
EL 7564	Pooraka 2	NSW	100%	7 June 2017
EL 8424	Pooraka 3	NSW	100%	17 February 2019

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, 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**

27 April 2017



## 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, 01/05/13, 01/09/16

### Name of entity

AUSMON RESOURCES LIMITED

### ABN

88 134 358 964

### Quarter ended ("current quarter")

31 MARCH 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(12)	(29)
(b) development		
(c) production		
(d) staff costs	(17)	(181)
(e) administration and corporate costs	(35)	(151)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	4
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (GST)	23	(2)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(39)</b>	<b>(359)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (Security deposit refund)	10	10
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>10</b>	<b>10</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	537
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(88)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>449</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	677	548
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(39)	(359)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	10	10
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	449
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>648</b>	<b>648</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	198	238
5.2 Call deposits	450	439
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>648</b>	<b>677</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	10
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

- Office rent contribution to a related entity of Managing Director John Wang.
- Director superannuation.

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

--

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	60
9.2 Development	
9.3 Production	
9.4 Staff costs	15
9.5 Administration and corporate costs	25
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>100</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

**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.



Sign here: .....  
(Director/Company secretary)

Date: 27 April 2017

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.